

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By CHAIRMAN BERV KIMBERLEY, on February 20, 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)
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

EXHIBIT 1 - Roger Lloyd, LFA reviewed the biennial changes to the Executive budget in the different agencies.

CHAIRMAN KIMBERLEY said, he had the figures on the salaries for the Coordinator of Indian Affairs. Don Wetzel, the previous coordinator was receiving \$36,435 and Kathy Fluery is receiving \$34,000 and her salary will increase in June to \$36,000.

EXHIBIT 2 - Mr. Lloyd explained this exhibit is to clear up some of the differences that were discussed yesterday in Aeronautics and Transportation when it shows up in the new Department of Transportation. The question was asked why there was such a difference between the agency's benefit expenses. The primary one was Workman Compensation which has two factors; 1) the position classification which indicates the relative risk associated with a position, and 2) the experience factor of the agency which is based on a three-year moving average of claims. The position classifications do not change with reorganization.

Commerce has a lower factor of Workman Compensation than the Department of Highways.

Another reason is, unemployment compensation is also based upon passed experience of unemployment. Commerce is lower than the Department of Highways.

Motion/Vote: SEN. BENGTON moved to accept the Executive Budget for the Aeronautics Division for Personal Services, Item B - reorganization costs of \$9,745 in FY92 and \$9,797 in FY93.

Motion CARRIED unanimously.

EXHIBIT 3 - Department of Transportation moving costs.

Mr. Lloyd said, in response to SEN. WEEDING'S request for a breakdown of moving costs for the Department of Highways, William Salisbury, Deputy Director of Administrative Services itemized these costs.

Mr. Mandeville said, the breakdown is self-explanatory. Most of the costs are in remodeling for \$98,000. They have hired an architect to analyze the most effective use of space in the highway building. Another major cost is \$26,000 for moving the data processing system.

As Mr. Lloyd pointed out, there is a modification for \$75,000 for relocation expenses in the Department of Highways. The people involved in the reorganization are the directors and administrators of the different programs.

Mr. Lloyd pointed out, \$75,000 of the \$176,000 moving costs has not been approved. The \$85,000 difference has been approved by the committee.

When we first discussed the Public Service Commission, they had a relocation modification in their budget for the possibility of moving out of the Department of Highways. We did not act on that and the committee said they would revisit it. The PSC also said, they may be able to remodel the current highway building so they wouldn't have to relocate.

HEARING ON FINANCIAL INSTITUTIONS DIVISION

EXHIBIT 4 - Don Hutchinson, Commissioner of Financial Institutions reviewed this division with the committee.

This division supervises 116 state chartered banks, 3 branch banks, 3 trust companies, 19 credit unions, 17 consumer loan companies, 72 sales finance companies, 10 capital development companies and 4 private escrow companies.

We have 13 field examiners, 2 field examiners supervisors and an office staff of 5. (see EXHIBIT 4 for total description).

Do to deregulation, with the continually expanding of the bank examination process we need more people and more man-hours per examination. Because of this, the number of examinations are reduced. Although economic conditions in Montana are improving, we continue to have some problem banks and credit unions. These require a significant amount of time, patience and attentiveness to try to assist them to improve their financial status. Therefore, we need to find a way to compensate qualified existing staff by paying competitive salaries. This would enable us to retain present employees who are leaving for higher salaries.

FINANCIAL DIVISION EXHIBIT 5 (Budget)

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

Personal Services:

The Executive has combined two .5 FTE into 1.0 FTE, resulting in a slight decrease in the salary and benefits of the remaining 1 FTE position. This is approximately a \$3,600 savings each year.

Budget Base Differences:

The difference is due to the difference bases used by the LFA and the Executive.

Budget Modification:

Bank Analysis Computer - there is a request for \$27,773 in FY 92 and \$4,450 in FY93, to purchase computers and software. This also includes a small amount for repair and maintenance.

Budget Review:

Mr. Hutchinson reviewed the budget with the committee.

Personal Services:

These were two half time bank examiners consolidated into one statistical position and we agree with the budget amount.

Budget Base Differences:

There is approximately \$9,000 in contracted services for anticipated legal expenses. We have a need for legal assistance in some problem banks and credit unions. Some of the difference is in communications. The computers will tie Helena in with the FBI computers in Washington, D.C. This is a quarterly billing and is hard to anticipate the costs. We are anticipating some computer maintenance with the 4 year old computers, which have a 5 year life-span. We also have one vehicle in Billings which requires repairs and maintenance. The remaining difference is in examiner turnover. We have lost 7 examiners in the past year. We send them to schools for training and then are hired by someone else.

Budget Modification:

Bank Analysis Computers - this modification is for 7 new computers for the Helena office and 2 printers. The \$4,450 in FY93 is for repair and maintenance contracts.

SEN. BENGTON asked, how many FTE's do you have in Billings?

Mr. Hutchinson replied, we currently have 6 FTE's in Billings. We are losing one person and that will leave only 5.

SEN. BENGTON asked, how many Capital Developments do we have in Montana. **Mr. Hutchinson** replied, approximately 17 or 18, and 10 of these require examinations because of the status they have reached.

SEN. BENGTON asked, how do they work, do they operate like a bank? **Mr. Hutchinson** replied, they are different because they are set up as private corporation. They are required to have \$200,000 for capital, and they are given tax credits for qualified investments they make.

Ms. Doering said, there is a bill which will tighten-up the laws on capital companies. **Andy Pool** has been working on that bill and I am sure he can give you an in-depth explanation of that bill.

Mr. Lloyd explained, another problem that has been identified with Montana Capital Companies is, sometimes qualified investors put up their money for investments and receive money from the state to match it, and turn-around and lend it to a company, of which, they may be the sole owner. **Terry Cohea** has done a report for the Finance Committee on that, and if you are interested I could get a copy for this committee.

REP. GRADY asked, how much does each computer cost? **Mr. Hutchinson** replied, these are lap-top computers which can be taken into a bank and cost approximately \$2,500 each. When you leave the bank, you have the product in your computer. Before, you had to spend a week in the office when you returned to get the work done by hand. We can have the information in one day now and get it to our analyst. We are getting a lot of criticism because we were not doing our examinations quick enough. There are seven computers, five of them are lap-top computers for the field, and two are in-office computers that are somewhat different.

CHAIRMAN KIMBERLEY said, there must be a computer "graveyard" somewhere.

Ms. Doering said, along with those computers is software which has to be purchased. We trade some of them in and some go to surplus property.

Mr. Lloyd said, in the breakdown for the budget request for the modification, there is \$9,400 for computers and approximately \$18,000 for software.

Mr. Hutchinson said, there is a FDIC package which can draw information from Washington, D.C. Another package is a software

called "Alex", which is for information gathering from all the banks in Montana. Before the bank examiners go to the banks, they run a program on this computer, and it picks key indicators to tell you some of the problems in that bank.

SEN. DEVLIN asked, will you have to increase fees to banks for these services? Mr. Hutchinson said, we are expecting to have to make an increase. We are in the process of re-evaluating the whole department to come up with a solution for retaining people. We ran a comparison with other states as to the pay rate, and Montana is about 20% below the average pay.

EXECUTIVE ACTION
FINANCIAL DIVISION

Motion/Vote: REP. NISBET moved to accept the Executive Budget for Personal Services and Budget Base Differences. **Motion** CARRIED unanimously.

Motion/Vote: REP. NISBET moved to accept the Executive budget for the modification for Bank Analysis Computers. **Motion** CARRIED unanimously.

Andy Pool, Deputy Director, Directors Office, Department of Commerce said, in regard to tax credits in the Financial Division, they get a 50% tax credit for certified Montana Capital Investment Companies. If you invest a \$1,000 in a Capital Investment Company, you will get a \$500 tax credit. You can carry that tax credit back 3 years or forward 15 years. Currently we have \$8 million in tax credits and \$6 million allocated to Capital Investment Companies. The definition of qualified investments is very broad, about the only thing it excludes is oil and gas. As a result of the fiscal analyst's report, they asked the Board of Investments not to issue any more tax credits until existing legislation is changed. We are recommending to consolidate regulations with the Board of Investment and Financial Institutions.

HEARING ON PUBLIC SAFETY DIVISION

EXHIBIT 6 - James Kembel, Administrator Public Safety Division gave an overview of this division.

My role is to monitor the four bureaus within the division. The bureaus are; Milk Control Bureau, Professional and Occupational Licensing Bureau, Building Codes Bureau and Weights and Measures Bureau.

All of these bureaus are self-supporting from fees, except weights and measures, which receive half of the collections. I am handling the tramway safety program which regulates the safety of all ski lifts in Montana. We handle the licensing of

electricians and public contractors, plumbers and elevators. The Milk Bureau is responsible for controlling the milk industry. We investigate all production processes, pricing, distribution and sale of milk.

Milk Control Bureau: EXHIBIT 7 (see exhibit for description of this bureau).

Professional and Occupational Licensing Bureau: EXHIBIT 8 (see exhibit for description of this bureau).

Building Codes Bureau: EXHIBIT 9 (see exhibit for description of this bureau).

Weights and Measures Bureau: EXHIBIT 10 (see exhibit for description of this bureau).

REP. GRADY asked, how many other states have milk control boards?

Mr. Kembel said, I am not sure, there are some state under federal control. Others have their own program.

PUBLIC SAFETY DIVISION: EXHIBIT 11 & 11-A (Budget)

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

Travel:

There is \$2,100 in travel which the LFA did not include in FY90 because there were no travel expenses.

Contingency Fund:

The \$72,000 is a contingency fund for legal expenses for the Professional and Occupation Licensing Bureau, Building Codes and Milk Control. In FY90 \$42,615 was transferred to the boards of which \$1,930 was used for legal expenses. \$9,000 was transferred to the Milk Control Board for legal expenses of \$13,300.

Budget Base Differences:

The \$52 is due to the difference bases.

BUDGET REVIEW:

Mr. Kembel reviewed the budget with the committee.

Travel:

The \$2,100 is travel expenses for the administrator of the four bureaus. If that amount is removed, it would eliminate all travel, should the need arise.

Contingency Fund:

\$72,000 of appropriation authority was given to the division in 1989 because of the on-going budget amendments on behalf of boards. Some of the boards have a small budget and if they get into a legal dispute they don't have the funds, and we are then into the amendment process. This appropriation was authorized to

eliminate going through the amendment process.

EXECUTIVE ACTION
PUBLIC SAFETY DIVISION

Motion/Vote: SEN. BENGTON moved to accept the Executive Budget, including the contingency fund of \$72,000 each year of the biennium. **Motion** CARRIED unanimously.

MILK CONTROL BUREAU: EXHIBIT 12 (Budget)
Mr. Lloyd reviewed this budget with the committee:

Personal Services:

The LFA exceeds the Executive budget by \$150, which was actual FY90 expenditures.

Technical Adjustment:

Due to recharges coding, the LFA included expenditures twice in the budget for \$13,300 each year, and is the reason the LFA is greater.

Equipment:

\$300 was budget in FY90, but \$10,293 was spent using \$9,000 transfer authority from legal contingency appropriation in the Public Safety Program.

Budget Base Differences:

The differences are due to the different bases.

BUDGET REVIEW:

Mr. Kembel reviewed the budget for the Milk Control Bureau with the committee.

We had a lot of legal work in hearings for setting up the milk pooling. We anticipate that workload will continue to increase.

SEN. BENGTON asked, what is milk pooling of surplus milk?

Mr. Kembel said, in statewide milk pooling we obviously have surplus milk. The pooling helps spread the burden over all of the producers.

EXECUTIVE ACTION
MILK CONTROL BUREAU

Motion/Vote: SEN. WEEDING moved to accept the Executive Budget on the Milk Control Bureau. **Motion** CARRIED unanimously.

WEIGHTS AND MEASURES BUREAU: EXHIBIT 13 & 13-A (Budget).

Mr. Lloyd reviewed this budget with the committee.

Personal Services:

The LFA reduced the bureau chief's position from a step 11 to a

step 2, which the position is currently being paid. The Executive budget is at step 11 for approximately \$6,900 additional salary.

Budget Base Differences:

These differences are due to different bases.

Budget Modification:

Equipment Replacement - there is equipment replacement for \$59,386 in FY92 and \$24,353 in FY93.

BUDGET REVIEW:

Mr. Kembel reviewed the Weights and Measures Bureau budget with the committee.

Personal Services:

We agree with the LFA to reduce that position from a step 11 to a step 2.

Budget Base Differences:

The differences are due to vacancies. When we have turnovers, it takes from three to four months to replace an individual. As a result; travel, per diem, fuel costs, etc. were all less. With the rising prices in fuel, any consideration the committee will give the bureau will be greatly appreciated.

Budget Modification:

Equipment Replacement - The Weights and Measures Bureau has had a history of not having a replacement schedule for equipment. The legislative auditor suggested, we should establish a vehicle replacement schedule. I have found, if a vehicle is assigned to an individual employee, that vehicle gets better care. We have established a 100,000 vehicle replacement schedule, and in some cases it will be more.

One of the suggestions of the auditor was, each inspector should have his own testing scale. We requested 7 scales, which cost approximately \$1,000 each. We have 5 cable hoists which date back to the 1940's. If we have an employee 150 miles out in the country, and that hoist fails, we have to come back and find someone to repair that hoist. Therefore, there is a duplication of travel. It is not cost effective in most cases, because some of those hoists cannot be repaired. The cable hoists cost approximately \$3,000 each, and we need 5 of them for a total of \$15,000. We are filling propane tanks at a number of service stations for Recreation Vehicles. We are testing those with a 100 gallon prover, which is cost inefficient. We are asking for a 25 gallon prover which costs \$5,000. The person doing that, said the 25 gallon prover would save him approximately one-third of his time. Our two ton truck for scale testing has 150,000 miles on it, which would cost \$24,000 for replacement. We have a half ton pickup with 135,000 miles, we use for scale testing and petroleum devices and would cost \$11,386. In the second year of the biennium, we have a half ton pickup with 111,000 miles and

another three quarter ton pickup with 123,000 miles. The cost for those is \$11,700 for the half ton and \$12,653.

In our laboratory, in order to maintain our certification with the federal government, we need a micro-balance, which costs \$10,000 for the first year of the biennium. We need 200 gallon provers for gas meters, one for maintaining our laboratory certification. Currently, we are using 25 gallon provers. We need a 100 gallon prover in the field, because the current one has been repaired so many times, its' accuracy is questionable. That would cost approximately \$2,500. We need a computer and printer in the laboratory for doing our certifications for provers, for a cost of about \$5,000.

Mr. Kembel said, please keep in mind, we eliminated a position in November for about \$31,000 which helps the general fund. We will have some costs of conversion of equipment from the old vehicles to the new vehicles.

REP. GRADY said, if we had one lawsuit because of faulty equipment it would more than pay for new equipment. I don't know how your equipment got into such bad shape. You have more vehicles with over \$130,000 than any other agency.

Mr. Keimbel said, instead of getting into a dispute with the legislature over equipment, the past management was sort of a mechanic and he tried to keep the equipment running

SEN. BENGTON asked, these people who do the testing, are they located all over the state, or do you have a pool in Helena?

Mr. Kembel said, we have two inspectors which operate out of Helena, and cover as far as Wyoming and north to the Great Falls area. The others are located in different areas throughout the state. We try to inspect each scale at least once a year. Our computer system tells us when the scale was last inspected and what the status is. When buyers go to a certain place, they will not buy unless that scale is working properly.

EXECUTIVE ACTION **WEIGHT AND MEASURES BUREAU**

Motion/Vote: REP. GRADY moved to accept the Executive Budget for the Weight and Measures Bureau. **Motion** CARRIED unanimously.

Motion/Vote: REP. GRADY moved to accept the LFA budget on personal services to reduce the budget from \$6,885 in FY92 and \$6,867 in FY93. **Motion** CARRIED unanimously.

Motion/Vote: REP. NISBET moved to accept the Executive Budget for equipment replacement for \$59,386 in FY92 and \$24,353 in FY92. **Motion** CARRIED unanimously.

BUILDING CODES BUREAU: EXHIBIT 14 & 14-A (Budget).

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

Personal Services:

Per Diem - the LFA reflects actual expenditures in FY90 and the Executive budgeted \$2,300 more.

Unexplained personal services - this was for approximately \$125 each year of the biennium.

Goods Purchased for Resale:

These are books or manuals purchased and resold.

The LFA used actual FY90 expenditures which was approximately \$5,100 and the Executive request is for \$12,557 each year of the biennium. In going back, it looks like the Executive figures came from FY88, which was a high year.

Budget Base Differences:

This difference is because of using different bases.

Budget Modification:

Vehicle Replacement - this expense will occur in FY92 for \$191,424.

Issues:

Both LFA and the Executive contain funds for repairs and maintenance for vehicles, above the actual expenditures. The LFA contains \$8,000 and the Executive contains \$6,732.

BUDGET REVIEW:

Mr. Kembel reviewed the budget on the Building Codes Bureau with the committee.

Personal Services:

Per Diem - the agency budgets for full attendance at board meetings.

Unexplained personal services - I am not sure about the \$125 in personal services, except we had some turnover.

Goods Purchases for Resale:

The building codes are on about a 3 year cycle, including mechanical codes and possible energy. It is not unusual to sell to \$15,000 worth of codes. The last edition was in 1988 and in 1991, probably in September, we will be producing the codes again. The public can purchase these code books from us at a much lower rate.

Budget Base Differences:

Our travel costs go down, when we have a turnover in personnel. If there is not full attendance at board meetings, there is less expense.

We are more or less self-insured, and If we have one accident, it takes a lot of money to repair a vehicle. We had three or four accidents with deer this year, which cost approximately \$300 to \$400 each.

Mr. Lloyd said, there is about \$12,361 for vehicle maintenance and repairs in the Executive budget.

Budget Modifications:

Vehicle Replacement - we can save a customer a lot of mileage by using our own vehicles instead of the motor pool vehicles. All the vehicles scheduled for replacement are around 100,000 miles.

SEN. WEEDING asked, do you plan on trading in all these vehicles in, in one year?

Mr. Kembel said, that is correct, we will be purchasing 17 new vehicles.

SEN. WEEDING asked, do you send out bids for a vehicle package?

Mr. Kembel said, yes, we do ask for bids and are able to make some reasonable purchases.

SEN. DEVLIN said, some of the other agencies use a staggering system for vehicle replacement. Do you get a good enough deal to buy 17 vehicles at one time, instead of staggering the purchases?

Mr. Kembel said, when we started buying vehicles some years ago, they were all bought at the same time, and they are all wearing out at the same time. I don't how to get out of that phase, it is a problem. We have a total of 21 vehicles. Some of them are used for back-up vehicles if a vehicle breaks down. These are high mileage vehicles and we only use them for this purpose.

SEN. WEEDING asked, do you have a list of these vehicles on your computer, so you could bring us a list of them?

Mr. Kembel said, we have 11 S-10 pickups with between 63,000 miles to 155,000 miles. We have 3 sedans with between 97,000 miles to 195,000 miles. For building inspection, one sedan has 105,000 miles. One bronco has 125,000 miles that we use for the ski and mountain areas. The elevator inspector's vehicles has about 146,000 miles.

EXECUTIVE ACTION
BUILDING CODES BUREAU

Motion/Vote: SEN. BENGTON moved to accept the LFA budget on Item 2,B - unexplained personal services for \$125 for FY92 and \$126 for FY93. Motion WITHDRAWN.

Motion/Vote: SEN. BENGTON moved to accept the LFA budget on

Personal Services - Item 2, A & B; Item 3 - Goods purchased for resale and Item 4 - Budget Base Differences. Motion CARRIED unanimously.

Motion/Vote: REP. NISBET moved to accept the Executive Budget for vehicle replacements for \$191,424 for FY92. Motion CARRIED unanimously.

Motion/Vote: SEN. BENGTON moved to accept the Executive Budget for an additional \$6,732 for vehicle maintenance and repairs. Motion CARRIED unanimously.

PROFESSIONAL AND OCCUPATIONAL LICENSING BUREAU:

Mark Bruno explained what the Recharges are for in Professional and Occupational Licensing Bureau. See EXHIBIT 15-A for the explanation.

Mr. Lloyd reviewed the budget with the committee. EXHIBIT 15.

Non- Action Items:

There are two additional items; Recharges to the Boards for Audits and Recharges to the Boards for Network Fees. When the audits were increased, we also had to increase the audits recharged to the other boards. The same is true for the Network Fees, the recharges were also increased. Therefore, we have the double authority.

Personal Services:

Per Diem - the LFA budgets at the actual per diem expenditures in FY90.

Overtime - the LFA budgets at the actual FY90 expenditures for overtime.

Bureau Chief Upgrade - the Executive budgets this position at grade 18 step 11 for \$12,777 for FY92 and \$12,746 for FY93, and the LFA budgets this position at grade 15 step 7.

Consolidation of FTE's - the Executive budget consolidates .36 FTE and .37 FTE into .73 FTE necessitating full insurance benefits.

Combining exempt FTE with regular FTE - the Executive budget combines .20 exempt FTE and .8 FTE to make 1.0 FTE at grade 11 step 2. The results of this consolidation is approximately \$11,400 savings.

Recharges for the Bureau Chief:

The recharges must also be accounted for amongst the boards. Therefore, you are again, seeing the doubling up of funds for \$12,777 for FY92 and \$12,746 for FY93.

Rent:

The recent move of the POL from the Commerce Building to the Arcade Building has increased the rent, which includes parking. The LFA included \$37,094 for the biennium. The Executive budget contains the parking and the rent as a modification. The LFA included it in current level, because the move has been made.

Parking:

Parking has been budgeted twice by the Executive, once in current level and once in the budget modification.

Recharges from Boards to Administration:

These charges are \$3,599 in FY92 and \$13,105 in FY93.

Budget Base Differences:

The differences are due to the LFA and Executive working from different bases.

Modifications for Program Expansions:

Impairment Program for Dentists - for \$25,000 each year of the biennium.

POL Building Rent and Parking - the LFA has included the rent and parking in Current Level and the Executive has included it as a budget modification.

BUDGET REVIEW:

Mr. Kembel reviewed the budget items with the committee.

Personal Services:

A. Board Per Diem - We are budgeting at full attendance level for board meetings.

B. Overtime - we are trying to get the boards to meet during work hours. However, there are times when they run over, resulting in overtime for the help.

C. Bureau Chief Upgrade - we had a investigator supervisor position which had been vacant. We needed a bureau chief much more than an investigator, so we moved an existing bureau chief into that position. I tried to run the program by myself, but the work demand was such, I couldn't handle it alone.

D. & E. Consolidation of Positions - we added the Board of Outfitters to the Professional and Occupational Licensing Bureau. We did not ask for additional FTE's at the time. Therefore, we consolidated the part-time positions into one full-time position.

Recharges:

Mr. Lloyd explained the recharges to the committee.

Rent:

We have more space in the Arcade Building for the boards and their meetings.

Parking:

Parking is for the lower grade employees.

Recharges from Boards to POL Administration

Mr. Lloyd explained these recharges to the committee.

Budget Base Differences:

When we give the employees raises, we must address that on the board side, so they can pay for those raises. In addition, travel for board members is included in that figure.

Nursing has a impaired nurses program, established by the last legislative session for about \$64,000. The Executive Secretary for nursing retired, and we had a difficult time replacing her. Because of that, we did not get the program going, and is not reflected in the budget. There is also, a increase in impaired medical physicians, and a increase in contracted services for that program.

SEN. BENGTSON asked, what is the impairment program?

Mr. Kembel said, the programs are for impaired medical, nurses and dentists to assist them in getting their lives straightened out and make them productive in the future. It is paid out of their licensing fees. The problem is, they have accessibility to drugs.

Mr. Pool said, sometimes the board is not aware of a impaired physician in the state. This program allows the nurse, dentist or physician to ask for help.

SEN. DEVLIN asked, do you look for expansion in the impairment programs?

Mr. Kembel said, it has been expanding in the past few years.

Mr. Pool said, the program is basically for those professions who have access to drugs. The problem is pretty limited to those who have prescription authority.

CHAIRMAN KIMBERLEY said, a lot of those people make a lot of money, do they pay any of that back?

Mr. Kembel said, this would not cover complete treatment. It would only try to get them into a complete recovery program.

SEN. WEEDING asked, do you have any employees that will take time off at a different time to make up the overtime?

Mr. Kembel said, we have some latitude there, but if we want them to take comp. time we must sign an agreement with them, because they are entitled to overtime. If we make the comp. time arrangement, it must be used in the same pay period as when it was acquired. If a administrative assistant is at a two day

meeting it compounds the problem, because that person needs time to get the minutes done, and if he is not working because of comp. time the work doesn't get done.

Budget Modifications:

Impairment Program for Dentists - the medical shared their program with the dentistry board. The dentists have asked for their own program for \$25,000 each year of the biennium.

POL Building Rent and Parking - the LFA has already included these funds in the budget.

Chuck Brooks said, the building we were located in previously was in the basement and was dark. We were faced with a number of moral problems. It was also a poor environment for the public. There wasn't any available space in state buildings, so we looked for private buildings. The Arcade Building has more space and is a brighter environment, and there is room for board meetings. It also has easy access.

Steve Meloy, Bureau Chief said, we looked for the cheapest private sector we could find. The Triple A building on Lamborn wanted \$8.90 a square foot, not including utilities. The Arcade Building is charging \$4.60 a square foot.

SEN. BENGTSON asked, if we accept the modification for rent and parking, would that eliminate the need for Item 4 & 5.

Mr. Lloyd said, I would like to make a suggestion. The LFA rent is contained in the Current Level and the Executive is contained in the modification. The committee could choose where to fund the rent. I would suggest funding it through Current Level, then we wouldn't have to deal with the modification in full committee. You might consider taking the LFA current level for parking and eliminating that modification also.

Mr. Lloyd said, I discovered an error in the rent category, it should state \$37,094 for both FY92 and FY93.

EXECUTIVE ACTION

PROFESSIONAL AND OCCUPATIONAL LICENSING BUREAU

Motion/Vote: **REP. NISBET** moved to accept the LFA base and Current Level - Items A,B,C,D,E and the Executive Budget for Items 3,6,7. Motion CARRIED unanimously.

Motion/Vote: **SEN. BENGTSON** moved to accept the Executive Budget for the modifications. Motion CARRIED unanimously.

HEARING ON DIRECTOR/MANAGEMENT SERVICES

CONSUMER AFFAIRS:

Ann Bartos, Administrator Consumer Affairs gave an overview of this division. EXHIBIT 16 & 16-A.

EXECUTIVE ACTION
CONSUMER PROTECTION

Motion/Vote: SEN. BENGTON moved to accept the Executive Budget for Consumer Protection. **Motion** CARRIED unanimously.

EXHIBIT 17 - Budget.

Mr. Lloyd gave an overview of this bureau which includes Management Services, Consumer Protection and Director's Office.

MANAGEMENT SERVICES:

Carolyn Doering, Chief Administrator Management Services Division gave an overview of this division. (See Exhibit 18 & 18-A for testimony).

Budget Base Differences:

This includes contracted services, travel, repair and maintenance. Contracted services is for system development for the main-frame computer. Travel - most of the travel has to do with personnel training for data processing and accounting. There is no in-state training for data processing. Our accounting staff have to keep up with federal regulations. Repair and maintenance is for our computers and repair and maintenance on our building. We are having problems with our heating system.

EXECUTIVE ACTION
MANAGEMENT SERVICES

Motion/Vote: SEN. BENGTON moved to accept the Executive budget for Management Services Base Differences. **Motion** CARRIED unanimously.

DIRECTOR'S OFFICE:

Mr. Lloyd explained this budget to the committee.

Personal Services:

One FTE was transferred to this division from the Board of Horse Racing.

County Printing Board:

This is located in the Director's Office, this is funded general funds.

Mark Bruno, Budget Analyst Director's Office gave an overview of the Director's Office. EXHIBIT 18.

EXECUTIVE ACTION
DIRECTOR'S OFFICE

Motion/Vote: SEN. BENGTON moved to accept the Executive Budget for the Director's Office. **Motion** CARRIED unanimously.

ADJOURNMENT

Adjournment: 12:15 P.M.



REP. BERV KIMBERLEY, Chair



THEDA ROSSBERG, Secretary

BK/tr

HOUSE OF REPRESENTATIVES
NATURAL RESOURCES SUBCOMMITTEE

ROLL CALL

DATE 2-20-91

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	✓		

2-20-91
Exhibit 1.

NATURAL RESOURCES SUBCOMMITTEE

BIENNIAL CHANGES TO THE EXECUTIVE BUDGET
(Not including elected official additions)

As of February 19, 1991

ITEM	FTE	GENERAL FUND	OTHER	SUBCOMMITTEE ACTION		
				APPROVED	FAILED	PENDING
PSC						
None - only elected official additions						
Livestock						
None						
Agriculture						
None						
State Lands						
1. Addition to the trust land access EIS		\$650,000	\$0			X
2. Aviation reclassifications		\$25,294		X		
3. Abandoned mine reclamation rent			\$35,568	X		
4. Coal and Uranium rent			\$35,568	X		
5. Hard Rock increase			\$200,000			X
6. Reclamation position upgrades		\$14,136	\$50,600	X		
7. Forestry Slash Program increase	0.75		\$64,000	X		
Natural Resources and Conservation						
1. New vehicle for CARD			\$10,808		X	
2. Oil & Gas exempt position increase			\$36,264	X		
3. Rehab of State Water Projects			\$191,000	X		
Fish, Wildlife and Parks						
1. Montana Conservation Corps	-1.70	\$110,000		X		
2. Off-Highway Vehicles			(\$65,023)	X		
3. Sikes Act Budget Modification			(\$130,000)	X		
4. Legal Services Budget Modification			(\$30,000)	X		
5. Fish Hatchery Truck Purchase			(\$30,000)	X		
6. Salinity Control Modification			(\$25,000)	X		
7. Special Investigation Modification	1.00		\$67,420	X		
8. Vehicle Account Modification			\$173,155	X		
9. Cherry Creek Dam			\$150,000	X		
COMMERCE						
1. Federal Fund Replacement Modification		(\$40,000)		X		
2. Small Business Development Center			\$175,000	X		
3. Board of Investments	2.00		\$192,000	X		
4. Indian Affairs Modification	3.50		\$94,000	X		
TOTAL TO DATE	5.55	\$759,430	\$1,195,360			
	====	=====	=====			

2-20-91
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NATURAL RESOURCES SUBCOMMITTEE

PROPOSED DEPARTMENT OF TRANSPORTATION DISCUSSION OF PERSONAL SERVICES DIFFERENCES February 20, 1991

The Executive Budget proposes to move the Transportation Division and the Aeronautics Division of the Department of Commerce to the new proposed Department of Transportation.

Even if FTE, grades and steps remain the same, personal services of these two divisions will be greater in the proposed Department of Transportation than they are within the Department of Commerce. For the Transportation Division, personal services will increase \$2,059 for the biennium. For the Aeronautics Division, personal services will increase \$19,542 for the biennium. This is due to two factors: 1) a higher workers compensation experience factor of the Department of Highways (used for the proposed Department of Transportation), and 2) a higher unemployment compensation factor of the Department of Highways.

Workers compensation is based on two factors: 1) the position classification which indicates the relative risk associated with a position, and 2) the experience factor of the agency which is based on a three-year moving average of claims. The position classifications do not change with the proposed reorganization and therefore are not a cause of the increase. The increase due to workers compensation is from the different experience factors of the two agencies. The Department of Highways has an experience factor of 1.39 percent while the factor for the Department of Commerce is 1.01 percent. This difference in the experience factor accounts for a substantial portion of the personal services difference.

Unemployment insurance is determined by the Department of Labor who sets a unique factor for each agency based on past experience. The factor for the Department of Highways is .0053 while the factor for the Department of Commerce is .0043. This difference accounts for a smaller portion of the personal services difference.

Resource Indemnity Trust Interest Accounts 1993 Biennium

	Water Development 30%	Renewable Resources 8%	Reclamation & Development 46%
Beginning Balance	810,949	0	604,812
Projected Revenues			
RIT Interest *	4,967,303	1,324,614	7,616,531
Coal Tax	359,597	359,597	0
Broadwater Income	200,000		
Middle Creek Dam Savings	491,000		
Loan Repayments	950,670	129,869	0
Other Sources	453,400	0	0
Total Funds Available	8,232,919	1,814,080	8,221,343
Appropriation			
Debt Service	1,229,964	380,231	0
DNRC	3,119,830	441,997	2,706,154
State Water Projects	991,000	0	0
Tongue River Dam	400,000	0	0
Reserved Water Rights	0	0	584,261
State Lands	0	0	1,607,235
Water Courts	948,125	0	0
State Library	0	200,000	177,000
EQC	0	0	26,451
Reorg. Costs	31,976	0	109,674
Pay Plan	196,449	21,858	334,771
Total Disbursements	6,917,344	1,044,086	5,545,546
Available Grant Funds	986,681	577,496	2,675,797
Water Storage	328,894	192,499	
Fund Balance	0	0	0

2-20-91
Exh - 3
Var. Res. Sub

MONTANA DEPARTMENT OF HIGHWAYS
Helena, Montana 59620

Bill Mandeville
Senior Analyst
Office of Budget and Program Planning

DOT Moving Costs

The Department of Highways, the Department of Commerce and the Department of Revenue estimated the relocation cost for the proposed Department of Transportation as follows:

* Physical Move	
MFTD (p. 55 DOT Study)	\$ 6,000
Transportation Division (estimate)	6,000
* Phone Changes	5,000
* Automated Systems Transfer	
MFTD (p. 58 DOT Study)	26,000
Commerce (estimate)	6,000
* Support Equipment Required	
MFTD (p. 58 DOT Study)	9,300
* Computer System Connections & Hardware	15,000
* Remodeling Costs	98,000
* Miscellaneous Costs (administrative charges, phones, letterhead, etc.)	<u>4,700</u>
Total	\$176,000

-75.00 model

Call me at 444-6022 if you have any questions.

Monte N. Brown
for

William G. Salisbury
Deputy Director of Administrative Services
Montana Department of Highways

DATE 2-20-91
HB Var. Pro. Sub.

FINANCIAL INSTITUTIONS DIVISION

555013600.000

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	20.00	20.00	20.00	.00	20.00	20.00	.00	20.00
Personal Services	524,016.15	613,216	616,442	-2,187	614,255	615,470	-2,181	613,289
Operating Expenses	191,014.34	224,215	227,946	6,126	234,072	227,036	5,898	232,934
Equipment	28,994.00	0	0	27,323	27,323	0	4,000	4,000
Total Agency Costs	\$744,024.49	\$837,431	\$844,388	\$31,262	\$875,650	\$842,506	\$7,717	\$850,223
State Special Revenue Fund	744,024.49	837,431	844,388	31,262	875,650	842,506	7,717	850,223
Total Funding Costs	\$744,024.49	\$837,431	\$844,388	\$31,262	\$875,650	\$842,506	\$7,717	\$850,223

Overview

The Financial Institutions Division and the State Banking Board work to insure that adequate and safe financial services are provided to the public, and that the operations of regulated businesses conform to statutory and regulatory constraints.

The Financial Institutions Division and the State Banking Board are responsible for chartering and supervising the safety and soundness of state chartered banks and trust companies. The Division is solely responsible for chartering and supervising savings and loan associations and credit unions. It is responsible for licensing and supervising consumer loan companies, sales finance companies, and escrow companies. Supervision of these businesses is accomplished principally through on-site examinations of their operations. Supervisory actions may also result from complaints by the public, or through examinations or investigations conducted by other agencies.

The Division is also charged with examining the investments of certified capital companies, examining development corporations, examining certain loans of the Montana Board of Investments, and monitoring prearranged funeral plans, where the funds are on deposit in Montana banks, savings and loans or credit unions.

The State Banking Board is administratively attached to the Financial Division. Division staff arrange meetings and perform research on behalf of the Board to provide appropriate background information on matters to be addressed.

Goals

To maintain public confidence and protect the public's investment in state-regulated providers of financial services. This is to be accomplished by maintaining a capable, well-trained professional staff to effectively monitor the activities and operations of regulated businesses.

Authorization

Title 2-15-1803, MCA	Establishes the Banking Board	State
Title 31-1-221 - 222, MCA	Licensing of sales finance companies	
Title 32-1-202, MCA	Duties of State Banking Board	

Title 32-1-211, MCA Examination and supervision of banks and trust companies

Title 32-2-205, MCA Chartering savings and loan associations

Title 32-2-301, MCA Examination of savings and loan associations

Title 32-3-301, MCA Chartering credit unions

Title 32-3-203, MCA Examination of credit unions

Title 32-4-306, MCA Examination of development Corporations

Title 32-5-201 - 202, MCA Licensing of consumer loan companies

Title 32-5-403, MCA Examination of consumer loan companies

Title 32-7-109, MCA Licensing of escrow companies

Title 32-7-108, MCA Examination of escrow companies

Title 72-27-203, MCA Reports on prearranged funeral plans

Title 90-8-313, MCA Examination of capital companies

Base Program

The Financial Division staff is comprised of 18 1/2 FTE. 4 1/2 FTE are administrative and secretarial positions, and 14 FTE are travelling examiners. The State Banking Board has 7 members - 3 each from the public and banking sectors, and the Director of the Department of Commerce, who acts as chairman.

In February, 1989, the Division opened a field office in Billings. At full staff, 7 examiners operate out of this

office, and they are responsible for examining financial institutions in the eastern half of the state. Significant savings in travel time and expense have been realized since the field office was opened. There are no administrative, secretarial or clerical personnel in the Billings office.

State Banking Board Activities

The Board conducts public hearings for the purpose of approving or rejecting applications for new banks, relocations of existing banks, mergers of existing banks, and applications for branch offices of banks. The Board also acts in an advisory capacity to the Director of the Department of Commerce.

Bank, trust company, savings and loan association, and credit union examination and supervision
The principal duty of the Division's travelling examiners is to perform periodic, statutorily required, examinations of these institutions. These examinations focus on the institutions' capital adequacy, asset quality, management ability, liquidity, and earnings level and capacity, with a goal of determining the overall financial safety and soundness of the institution. If substantial weaknesses exist in one or more of the examined areas, appropriate supervisory action will be initiated to correct the areas of concern. The Division currently is responsible for 112 state chartered banks, 2 state chartered trust companies, and 19 state chartered credit unions.

Consumer loan company licensing, examination and supervision
Office staff investigates license applicants and approves or rejects applications. The statutory examination function focuses on loan terms and conditions to determine compliance with Montana law. The examination function currently is being reworked to allow off-site examinations through company supplied data. Supervisory efforts are generally directed at the resolution of customer complaints about lending procedures or application of loan payments. Montana currently has 17 consumer loan licensees.

Sales finance company licensing and supervision
Office staff investigates license applicants and approves or rejects applications. Supervision is limited to investigation and attempted resolution of infrequent

complaints against licensees. There are currently 78 licensees.

Escrow company licensing, examination and supervision
The 1989 legislative session passed the "Regulation of Escrow Business Act", which assigned regulatory duties to the Financial Division. Rules are being written which will provide for the licensing and examination of escrow companies. Statutory examinations will be performed by the Division's travelling examiner staff. It is expected that there will be fewer than 10 licensees.

Examination of certified capital companies
Funds of certified capital companies are to be invested in particular types of businesses within certain timeframes. Statutory examinations are to determine that the investments are appropriate and the timeframes are met. There currently are 18 certified capital companies.

Examination of development corporations
Development corporations are subject to periodic examinations by the Division. 6 development corporations are presently in existence.

Examination of Montana Board of Investments
Division staff were required to make annual examinations of certain loans granted by the former Montana Economic Development Board. That Board was subsequently combined with the Board of Investments and loans made in conformance with the rules of the former Board are periodically examined for quality.

Prearranged funeral plans
Annual reports detailing activity in prearranged funeral plans are filed by all Montana financial institutions. These reports are maintained by the Division for use if a dispute arises about the administration of a plan.

Base Funding

Division activities are funded through examination fees, licensing fees, application fees, and supervisory assessments paid by regulated businesses. Funds are accounted for in a special revenue account.

Performance Indicators

	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
Bank examinations	45	45	45	45
Trust co. examinations	2	2	2	2
Credit union exams	9	10	10	10
Capital co. exams	1	10	18	18
Consumer loan co. exams	0	17	17	17
Escrow company exams	0	5	5	5

Increase or Decrease from Base

Current Level Adjustments

The Department consolidated two .5 FTE positions within the program creating a net savings in personal services.
FY92 - (\$2,187) FY93 - (\$2,181)

Operating expenses show a net increase due to adjustments in department fixed costs.

FY92 - \$6,126 FY93 - \$5,898

Program Enhancements

Computer Equipment

The Program has an increase in computer equipment and software. The request is related to two portable and one desk top computers and appropriate accessories. The division does not have enough computer equipment to allow bank examiners based in Helena to use the automated examination format. Also requested is the purchase of a computer program "expert system" which has been developed to help regulators analyze banks. As an educational tool, the division should be able to cut several months off the initial development period of a new examiner.

FY92 - \$27,323 FY93 - \$4,000

*Don Hutchinson*2-22-91
Ex 4
per. Rec. Div.

FINANCIAL DIVISION

Budget Item	Actual Fiscal 1990	Appropriated Fiscal 1991	- - Current Fiscal 1992	Level - - Fiscal 1993	Change 1991-93 Biennium
FTE	20.00	20.00	20.00	20.00	.00
Personal Services	524,014	613,216	617,881	616,908	8.58%
Operating Expenses	191,025	224,215	213,449	213,937	2.93%
Equipment	28,994	0	0	0	-100.00%
Total Program	\$744,033	\$837,431	\$831,330	\$830,845	5.10%
<u>Fund Sources</u>					
State Revenue Fund	744,033	837,431	831,330	830,845	5.10%
Total Funds	\$744,033	\$837,431	\$831,330	\$830,845	5.10%

Program Description

3 - Branch

The Financial Institution program is responsible for chartering and supervising the safety and soundness of state¹¹/₁₆ chartered banks and 3 trust companies, savings and loan associations, and credit unions. It is responsible for licensing and supervising consumer loan companies, sales finance companies, and escrow companies. The program also examines the operations of certified capital companies, development corporations, certain loans of the Montana Board of Investments, and monitors prearranged funeral plans where funds are on deposit in Montana banks, savings and loans, or credit unions. The State Banking Board, which is responsible for making final determinations on applications for certificates of authorization for new banks, branch banks, mergers, consolidations, and relocations of banks and advising the director of the Department of Commerce on matters relating to banking, is administratively attached to this program.

Current Level Budget

The 1993 biennium budget is 5.1 percent higher than the 1991 biennium, due mainly to increased personal services. The agency experienced significant vacancy savings in fiscal 1990. During the first half of the fiscal year the

administrator (grade 18, step 13) position was vacant for approximately two months, then it was filled at step 5. In addition, a 1.0 FTE bank examiner position and a 0.5 FTE consumer loan examiner position were both vacant for the entire fiscal year. These positions are now filled. Operating expenses for the 1993 biennium were based on fiscal 1990 actual expenditures with increases for inflation, fixed costs, and contract rent. In addition, travel was increased by \$16,000 each year because fiscal 1990 was low in comparison to previous years due to the vacant positions. Indirect costs which provide the funding for the Directors/Management Services program were increased to reflect the agency's request. No equipment was requested for the program. The program is funded by assessments paid by state regulated financial institutions.

Executive Budget Modification

Bank Analysis Computers

Increased state special revenue account funding of \$27,773 for fiscal 1992 and \$4,450 for fiscal 1993 is requested to purchase the necessary computer equipment and software to use modern examination report formats. This equipment would allow bank examiners to remain current with recent technical developments in the banking industry, which have significantly altered regulatory theories and practices.

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 36 FINANCIAL DIVISION
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DATE : 01/08/91
 TIME : 21/29/24

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	20.00	20.00	20.00	.00	20.00	20.00	.00
Personal Services	524,014	614,255	617,881	3,626-	613,289	616,908	3,619-
Operating Expenses	191,025	233,622	213,449	20,173	232,484	213,937	18,547
Equipment	28,994	0	0	0	0	0	0
Total Expend.	\$744,033	\$847,877	\$831,330	\$16,547	\$845,773	\$830,845	\$14,928
Fund Sources							
State Revenue Fund	744,033	847,877	831,330	16,547	845,773	830,845	14,928
Total Funds	\$744,033	\$847,877	\$831,330	\$16,547	\$845,773	\$830,845	\$14,928

Current Level Issues: DOC - Financial Division

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

PERSONAL SERVICES - The Executive Budget combines two .5 FTE (#03612 grade 12 step 2 and #03622 grade 8 step 6) into 1.0 FTE (#03622) at grade 8 step 6

BUDGET BASE DIFFERENCES

TOTAL CURRENT LEVEL

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

(1,048) \$220
 \$1,312 (\$1,122)
 \$948 \$948

(\$3,626) (\$3,619)
 \$18,961 \$18,501

\$16,547 \$14,928
 =====

Robert Ex
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EXECUTIVE BUDGET MODIFICATIONS FOR PROGRAM EXPANSION:

BANK ANALYSIS COMPUTERS (State special revenue)

1992 1993

0.00 0.00

Robert Ex
 Almon

\$27,773 \$4,450

Jim Kinber
James Kinber

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PUBLIC SAFETY DIVISION

Budget Item	Actual Fiscal 1990	Appropriated Fiscal 1991	- - Current Fiscal 1992	Level - - Fiscal 1993	Change 1991-93 Biennium
FTE	1.00	1.00	1.00	1.00	.00
Personal Services	53,742	57,503	55,816	55,685	.23%
Operating Expenses	<u>7,978</u>	<u>102,296</u>	<u>8,338</u>	<u>8,345</u>	<u>-84.87%</u>
Total Program	\$61,720	\$159,799	\$64,154	\$64,030	-42.14%
<u>Fund Sources</u>					
State Revenue Fund	0	94,470	0	0	-100.00%
Proprietary Fund	<u>61,720</u>	<u>65,329</u>	<u>64,154</u>	<u>64,030</u>	<u>.89%</u>
Total Funds	\$61,720	\$159,799	\$64,154	\$64,030	-42.14%

Program Description

The Public Safety program provides for the administration, management, and coordination of activities of the Building Codes Bureau, Milk Control Bureau, Professional and Occupational Licensing Bureau, and Bureau of Weights and Measures. The Board of Passenger Tramway Safety, created by the 1989 legislature, is included in the Professional and Occupational Licensing program.

ation is not continued in the 1993 biennium. All other operating expenses were based on fiscal 1990 expenditures with some increases for inflation and the indirect cost assessment for the Director/Management Services program. No equipment was requested. This program is funded by a proprietary fund with the revenue coming from assessments to the Milk Control Board, Weights and Measures Bureau, Building Codes Bureau, and the Professional and Occupational Licensing Boards.

Current Level Budget

While the current level budget shows a 42 percent decrease from the 1991 biennium to the 1993 biennium, the fiscal 1992 and 1993 budget is slightly higher than the amount this program actually expended in fiscal 1990. As discussed below, the 1991 biennium appropriation included \$72,000 per year for contingent legal services for the professional and occupational licensing. Since the program spent only \$1,930 of this appropriation for legal services in fiscal 1990, this contingency appropri-

Issue

The 1989 legislature appropriated \$72,000 each fiscal years of the 1991 biennium to be used only for legal services needed by any of the components of the Professional and Occupational Licensing Bureau. During fiscal year 1990, the program transferred \$47,865 to the licensing boards, of which only \$1,930 was used for legal costs. An additional \$9,000 was transferred to the Milk Control Board to purchase a computer.

PUBLIC SAFETY DIVISION

65010100.000

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	1.00	1.00	1.00	.00	1.00	1.00	.00	1.00
Personal Services	53,743.25	55,403	55,684	132	55,816	55,554	131	55,685
Operating Expenses	7,976.91	81,926	82,365	696	83,061	81,951	682	82,633
Total Agency Costs	\$61,720.16	\$137,329	\$138,049	\$828	\$138,877	\$137,505	\$813	\$138,318
State Special Revenue Fund	0.00	72,000	72,000	0	72,000	72,000	0	72,000
Proprietary Fund	61,720.16	65,329	66,049	828	66,877	65,505	813	66,318
Total Funding Costs	\$61,720.16	\$137,329	\$138,049	\$828	\$138,877	\$137,505	\$813	\$138,318

Overview

To facilitate coordination of the division's activities with other governmental agencies to reduce duplication of effort wherever possible.

The Public Safety Division provides for the administration, management and coordination of activities of the Building Codes Bureau, Milk Control Bureau, the Professional and Occupational Licensing Bureau and the Bureau of Weights and Measures. In that all the programs in the Division are self supporting, with the exception of Weights and Measures, the management of expenditures in relation to income and cash balances is a key function.

Goals

To ensure the most efficient use of human and revenue resources possible in accomplishing statutory requirements, thus reducing the cost and inconvenience to the public who indirectly pay for the service through regulation.

To ensure cooperation among the division's bureaus in assisting each with their respective programs as well as other state agencies and local governments.

Authorization

Title 50, Ch. 60, MCA

Statutes that create the statewide building code and assign responsibility for administering to the Department of Commerce.

Title 81, Ch. 23, MCA

General powers of the Department, definitions and rules and orders for milk price control.

Title 2, Ch. 15, part 18

Establishes the Department of Commerce and all MCA boards under the Department.

Title 30, Ch. 12, MCA Provides for the general provisions and the authority for the Department of Commerce for weights and measures.

Title 37-1-101(1) MCA Establish administrative support for all Boards attached to the Department.

Base Program

The Public Safety Division provides the internal organizational and support structure for four bureaus. In this support, the division administrator provides program and budgetary assistance to these functions to better allow for effective and efficient delivery of services to thousands of licensees.

This Division actively oversees and coordinates the

automation in all the bureaus and coordinates the formulation of budgets from each bureau to produce a rolled up division presentation.

When new programs are added to the Division it is the responsibility of the division administrator to integrate the added duties and responsibilities in an appropriate and responsive manner. The last legislative assembly added Outfitter licensing, Employment Agency licensing and the Tramway Safety Program.

Base Funding

The division administrator's office is funded through a proprietary account by charges to bureaus within the division. Those Bureaus include Building Codes, Milk Control, Professional and Occupational Licensing, and Weights and Measures.

The base funding provides state special revenue authorization for legal services which will be used if needed to provide a transfer of legal services authority to any of the components of the Professional and Occupational Licensing Bureau.

Performance Indicators

	Permits or Licenses Issued		
	FY90 <u>Actual</u>	FY91 <u>Enacted</u>	FY92 <u>Base</u>
Building Codes Bureau	17,380	14,500	19,800
Milk Control	325	325	325
POL	45,000	49,500	49,500
Weights & Measures	17,625	17,795	17,795

DATE 2-20-61
HB 421-10-100

MILK CONTROL BUREAU

65013700.000

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	7.00	7.00	7.00	.00	7.00	7.00	.00	7.00
Personal Services	182,978.01	190,633	192,671	427	193,098	192,752	427	193,179
Operating Expenses	94,194.20	96,515	95,335	3,329	98,664	95,194	3,326	98,520
Equipment	10,293.17	300	300	0	300	300	0	300
Total Agency Costs	\$287,465.38	\$287,448	\$288,306	\$3,756	\$292,062	\$288,246	\$3,753	\$291,999
State Special Revenue Fund	287,465.38	287,448	288,306	3,756	292,062	288,246	3,753	291,999
Total Funding Costs	\$287,465.38	\$287,448	\$288,306	\$3,756	\$292,062	\$288,246	\$3,753	\$291,999

Overview

The Milk Control Bureau is responsible for supervising, regulating and controlling the milk industry of the state. The bureau investigates all matters pertaining to production, processing, storage, distribution and sale of milk. The bureau is charged with insuring compliance by all licensees through minimum pricing, fair trade rules, extension of credit, and financing prohibitions of the law. Intelligent production and orderly marketing of milk and cream products are encouraged to guarantee an adequate supply of healthful milk to the consuming public at the least possible cost.

Goals

Regulate the milk industry in a manner that insures compliance with minimum pricing, fair trade rules, extension of credit and financing prohibitions of the law. Provide the necessary information and support to enable the board of milk control and interested persons to implement rules necessary to carry out the legislative intent prescribed in the law.

Authorization

Title 81-23-102, MCA
 General powers of the department.
 -- mandates the department supervise, regulate, and control the milk industry of this state.

Title 81-23-302, MCA
 Establishment of minimum prices.

Title 81-23-303, MCA
 Rules of fair trade practices.

Title 81-23-304, MCA
 Limitation on extension of credit to retailers.

Title 81-23-305, MCA
 Financing prohibitions -- producer and retailer.

Title 81-23-402, MCA
 Report of Dealers -- accounting system -- records.

Title 81-23-204, MCA
 Declining, suspending, and revoking licenses -- penalties in lieu of suspension or revocation.

DATE 2-20-91

HB

Base Program

In administering the Milk Control program the bureau has seven full-time FTE's. Three of those FTE's are in a full-time travel status. They travel a total combined mileage of approximately 30,000 miles per year, conducting monthly audits of milk processing plants, fair trade and minimum pricing violation investigations, and conducting cost surveys on processing plants and farm-to-plant hauling operations.

There are four full-time FTE's in the bureau office. The office staff reviews completed audits for mathematical accuracy and compliance. Staff notifies each processor and producer of audit results and during the last 12 months have collected approximately \$41,013 in underpayments for the producer.

The bureau provides a statistical reporting service for the milk industry and the general public and we maintain a general mailing list of approximately 550 persons.

The bureau licenses approximately 325 individuals and collects administrative assessments for enforcement of the Act, which includes notification and billing of licensees.

The Board of Milk Control is attached for administrative purposes only. The bureau performs all of the clerical duties for the board of milk control. The bureau chief acts as the administrative secretary for the board and as such the bureau helps prepare all legal documents for court cases, prepares all hearing documents, prepares and maintains records of all proceedings and notifies industry and public of all board activity.

Base Funding

The Milk Control Bureau is funded by earmarked revenues raised by a \$.09 per hundred weight assessment to processors, producer-distributors and import jobbers. Revenues from the licensing of dairies goes directly to the general fund.

DATE 2-20-71

HB 941, 942, 943

Performance Indicators

	<u>FY90 Actual</u>	<u>FY91 Enacted</u>	<u>FY92 Base</u>	<u>FY93 Base</u>
Total audit months completed at milk processing plants	108	108	108	108
Investigations				
Routine invest. complete	65	30	30	30
fair trade/sale equip.	25	15	15	15
Plant Cost Studies (total)	2	4	4	4
Licenses issued (total)	325	325	325	325
Man hours spent processing				
admn assessments	720	720	720	720
Hearings	4	3	2	2
Board Meetings	8	6	6	6
Reports Prepared per Year				
Monthly production	12	12	12	12
Semi-annual statistical	2	2	2	2
Annual statistical	1	1	1	1
Price Announcements Cal.	24	24	24	24
Statewide Mailings	23	21	21	21

Increase or Decrease from Base

Current Level Adjustments

Personal services increased due to an adjustment in employee benefits.

FY92 - \$427 FY93 - \$427

Operating expenses show a net increase due to adjustments in department fixed costs.

FY92 - \$3,329 FY93 - \$3,326

DATE 2-20-91

HB 4724 Des. 11/11

Overview

requests from the boards, thus providing the necessary support services to enable the boards to provide effective and efficient services to the public.

Authorization

Title 2, ch. 15, part 18

Establishes the Department of Commerce and all MCA boards under the department.

Title 37, MCA

Encompasses the laws governing the licensing boards under the Bureau of Professional and Occupational Licensing attached to the Department of Commerce.

Goals

The Bureau of Professional and Occupational Licensing will continue to provide all administrative and clerical services needed by the boards, including corresponding, taking applications for licenses, issuing licenses granted by the boards, renewing licenses, registering, taking minutes of board meetings and hearings.

The Bureau will also continue to make all arrangements for meeting and exam facilities for each board; administer and grade examinations where required; provides legal staff and investigators to investigate legal infractions upon

DATE 2-20-91

HB

Base Program

A. Administrative Support Pool - The administrative support for the Bureau of Professional and Occupational Licensing encompasses a supervisor, 13 administrative assistants, a receptionist and 2 administrative aides. The support pool handles all administrative duties of 30 boards. The number of boards assigned to each administrative assistant depends on the complexity of the boards. The pool has three part-time positions that are filled during peak renewal periods.

B. Investigative Unit - The investigative unit is comprised of three investigators. Two of the investigators handle varied complaints for the boards as well as do audits of trust accounts for the Board of Realty. The third inspector checks cosmetology shops for compliance throughout the state.

C. Automation Unit - The automation unit includes a programmer and a technician who assure the computer system remains in working order; develop programs; print licenses, labels, lists; and teach classes.

D. Legal Staff - There are three attorneys assigned to the bureau who handle the legal problems arising from complaints, adoption of rules, hearings, and court cases and day to day input arising from dealing with the public.

E. Executive Secretaries - There are three Executive Secretaries mandated by statute for three health boards. The Board of Pharmacy, the Board of Nursing and the Board of Medical Examiners. The executive Secretary for the Board of Medical Examiners is also an attorney.

F. Boards - There are 30 regulatory boards assigned to the Department of Commerce, Professional and Occupational Licensing Bureau and allocated to the department for administrative purposes. The board members are appointed by the Governor to protect the health and welfare of the citizens of Montana; adopt rules to conduct business; set procedures; discipline peers; evaluate potential licensees; hold oral

interviews; evaluate continuing education programs; hold hearings for disciplinary action and work in conjunction with associations to maintain high standards of excellence for the professions within the state. A list of boards follows:

Board of Architects
Board of Athletics
Board of Barbers
Board of Chiropractors
Board of Cosmetologists
Board of Dentists
Board of Hearing Aid Disp.
Board of Landscape Architects
Board of Medical Examiners
Board of Morticians
Board of Nursing
Board of Nursing Home Admins.
Board of Occupational Therapists
Board of Optometrists
Board of Outfitters
Board of Passenger Tramway
Board of Pharmacists
Board of Physical Therapists
Polygraph
Private Employment Agencies
Board of Priv. Investigators
Board of Professional Engineers & Land Surveyors
Board of Psychologists
Board of Public Accountants
Board of Radiologic Technicians
Board of Realty Regulations
Board of Sanitarians
Board of Social Workers & Professional Counselors
Board of Speech Pathologists & Audiologists
Board of Veterinarians

Base Funding

The operations of the Professional and Occupational Licensing Boards are funded exclusively by Earmarked Revenue Accounts maintained by each board through licensing fees. Attached to the Board of Realty Regulation is the Real Estate Recovery Account. This account is statutorily appropriated in 17-7-502, MCA.

The administrative pool is funded through a proprietary account. Revenues are generated through charges to each licensing board.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Number of Licensees	45,000	49,500	49,500	49,500
Applications Received	4,800	4,850	4,850	4,850
Licensees Examined	3,000	3,030	3,030	3,030
Number of Exam Days	114	125	125	125
Number of New Licenses	3,500	3,850	3,850	3,850
Number of Renewed Licenses	37,000	40,700	40,700	40,700
Number of Board Meetings	90	90	90	90
Number of Board Meeting Days	125	127	127	127
Number of Conference Calls	28	30	30	30
Number of Rule Notices	33	35	35	35
Number of Rules Affected	167	170	170	170
Number of Notices Adopted	30	33	33	33
Complaints Filed	330	360	360	360
Complaints Closed	238	261	261	261
Hearings	22	24	24	24
Letters of Warning	29	31	31	31
Revocations	8	9	9	9
Suspensions	10	10	10	10
Probations	15	16	16	16
Fines	3	3	3	3
Practice Limited	4	5	5	5
License Denial	6	7	7	7

The above figures for FY90 actual are estimated numbers using FY89 as a base. A 10% increase has been estimated for FY91 to be used for Base FY92 and FY93. The figures for each year fluctuate with the economy of the state and the jobs available.

Increase or Decrease from Base

Current Level Adjustments

Personal Services changes are due to the recreating of a bureau chief position, the consolidation of partial positions, and the reallocation of the investigator

positions. During budget cuts in the mid 1980's the bureau chief position was eliminated and the Administrator of the Business Regulation Division assumed managerial responsibilities for the Bureau. Since that time, it has become acutely evident that the responsibilities and day to day duties of the Bureau require full time managerial support. The Department reclassified an existing vacant position in the POL Bureau to accommodate this change.

LAHILL
DATE 2-20-91
HB 941. Res. Div.

Several partial positions were consolidated and a .20 FTE moved into the pool to create a full time administrative assistant position. One investigator position was moved from the Board of Real Estate to the Administrative Pool.

Net Change FY92 - \$3,341 FY93 - \$3,242

Division indirect cost for POL increased each year of the biennium.

FY92 - \$14,900 FY93 - \$14,900

Operating expenses show a net increase due to adjustments in the department's fixed costs.

FY92 - \$4,948 FY93 - \$4,833

Because this Division operates on a dual appropriation for the Administrative Pool and for the Boards that support it, recharges also increase for the biennium. These amounts were increased to fund: 1) rent increase, 2) changes in personal services in the administrative pool, 3) transfer of 1.2 FTE to the pool, 4) increase in indirect costs assessed to the pool, 5) increased cost of D of A Data Network Service.

FY92 - \$137,993 FY93 - \$130,529

Program Enhancements

Rent Increase

Rent has been increased by \$37,565 in FY 92 and FY 93. In FY 91, the offices for POL were relocated to the Arcade Building in downtown Helena. The move was necessitated by: 1) the need to consolidate Section 8 Housing and Local Government Services in one location in the Commerce Building and 2) to provide more suitable space for POL licensing, board meetings, testing, and to better accommodate the public it serves.

FY92 - \$37,565 FY93 \$37,565

Physicians Assistance Program

The Board of Dentistry has increased contracted services to provide for continued participation in the Board of Medical Examiner's Physicians' Assistance Program. The Board of Dentistry officially joined the program in 1989. This program is important in that a continued increase in the number of impaired practitioners is being experienced and a mechanism at the state level to assist these practitioners is warranted.

FY92 - \$25,000 FY93 - \$25,000

DATE 2-20-81

HB

BUILDING CODES BUREAU

Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
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Full Time Equivalent Employees

	30.00	30.00	.00	30.00	30.00	.00	30.00
Personal Services	818,686.35	915,353	1,979	891,290	888,819	1,971	890,790
Operating Expenses	335,798.01	374,081	17,638	397,727	379,548	15,338	394,886
Equipment	8,224.63	930	191,424	192,354	930	0	930
Total Agency Costs	\$1,162,708.99	\$1,290,364	\$211,041	\$1,481,371	\$1,269,297	\$17,309	\$1,286,606
General Fund	34,197.44	34,724	-88	31,178	31,101	-93	31,008
State Special Revenue Fund	1,128,511.55	1,255,640	211,129	1,450,193	1,238,196	17,402	1,255,598
Total Funding Costs	\$1,162,708.99	\$1,290,364	\$211,041	\$1,481,371	\$1,269,297	\$17,309	\$1,286,606

Overview

The Building Codes Bureau establishes and enforces minimum building, plumbing, mechanical, electrical, energy and elevator codes. This enforcement safeguards the public, employees, and property in the design and construction of buildings built in Montana and recreational vehicles and factory-built buildings manufactured or offered for sale in Montana. Where possible, the Bureau approves and certifies local government code enforcement programs to utilize codes adopted by the Bureau. At present, 54 local government programs have been approved to enforce codes within their jurisdictions. The Bureau also has Plumber, Electrician, and Public Contractor licensing responsibilities. Administrative support, including enforcement duties, are provided for the Board of Plumbers and State Electrical Board, both of which are administratively attached to the Bureau. The Bureau also establishes and enforces the Public Contractor's Licensing program requirements.

Goals

To protect the health and safety of the public, employees, and property in the State by adoption of appropriate minimum codes. To enforce those codes and building code statutes to effect construction of safe buildings and building components and recreational vehicles.

To protect the health and safety of the public, employees, and property in the State by enforcement of the Plumbers and Electricians licensing laws. To insure that such plumbing and electrical work is accomplished by competent, properly licensed trades persons.

To protect the health and safety of the public, employees and property in the State by enforcement of the Public Contractor's Licensing laws and rules.

To provide prompt, courteous and efficient service to building owners, design professionals, contractors and trade persons in review and approval of plans; issuance of building, plumbing, mechanical and electrical permits; issuance of factory-built building and recreational vehicle insignias; issuance of passenger elevator certificates and issuance of plumber, electrician and public contractor licenses.

To provide prompt, courteous and efficient field inspections to determine compliance with codes and permits and for investigation of complaints.

To provide efficient and thorough field verification of compliance with plumbers and electricians licensing laws and rules.

EXHIBIT 9
DATE 2-20-91
HB 401.028.106

Authorization

- Title 50, Chapter 60, MCA Statutes that create the statewide building code and assign responsibility for administration to the Department of Commerce.
- Title 37, Chapter 68, MCA Statutes that create the State Electrical Board and establish requirements for licensing of electricians.
- Title 37, Chapter 69, MCA Statutes that create the Board of Plumbers and establish requirements for licensing of plumbers.
- Title 37, Chapter 71, MCA Statutes that establish the requirements for licensing of public contractors.

Base Program

The Bureau's assigned duties and responsibilities are comprehensive and several sections, work groups and support staff have been created to efficiently handle the Bureau's work load.

The bureau chief, staff attorney, licensing/certification specialist and clerical staff provide administrative, clerical and other support services for the entire Bureau, including the State Electrical Board, Board of Plumbers, Building Codes Advisory Council and all of the Bureau's major sections and programs. The clerical staff consists of two secretaries, two administrative clerks and one word processing operator. The clerical staff handle the application processing, permit typing, record keeping, filing, deposit of fees, general correspondence typing and other general administrative tasks associated with annual issuance of 12,000-15,000 electrical, 200-400 mechanical, 800-1,200 plumbing, and 400-700 building permits; annual issuance of approximately 100 new plumbers licenses and approximately 200 new electricians and electrical contractors licenses; and annual renewal of approximately

700 plumbers licenses and 2,750 electrician licenses. The licensing/certification specialist provides administrative services to the State Electrical Board and the Board of Plumbers, including processing of applications, preparation of minutes of meetings, typing, etc. The licensing/certification specialist also provides supervision of the Bureau clerical staff.

The electrical safety section consists of a section supervisor and twelve area electrical inspectors. Areas vary in size from portions of two counties in a more densely populated area, to as large as eight counties in sparsely populated eastern Montana. The average area size is three to five counties per inspector. Electrical inspectors are now stationed in Bigfork, Kalispell, Missoula, Hamilton, Dillon, Helena, Choteau, Bozeman, Laurel, Miles City, Fairview and Glasgow. The electrical safety section is responsible for inspection of electrical installations statewide and ensuring that electrical installations comply with the national electrical code, as amended. The section also handles field license checks for compliance with the electricians licensing law.

The plumbing/mechanical safety section consists of a section supervisor, who is also responsible for inspections in a multi-county area, and two other area plumbing/mechanical inspectors. The section supervisor's area includes portions of 15 counties. The eastern area includes approximately 25 counties and the western area includes approximately 12 full counties and portions of several counties. Plumbing/mechanical inspectors are now stationed in Helena, Belgrade and Billings. The plumbing/mechanical safety section is responsible for inspection of plumbing and mechanical installations statewide to ensure compliance with the uniform plumbing code, as amended and the uniform mechanical code. The section also completes plumbing and mechanical plan reviews and handles field license checks for compliance with the plumbers licensing law.

The building standards section consists of two plan reviewers and two area building inspectors. The plan reviewers review and approve building (including factory-built) plans for compliance with the uniform building code and companion codes and issue state building permits. In addition, the plan reviewers review and approve

recreational vehicle plans for compliance with the recreational vehicle code plus review and approve passenger elevator plans for compliance with the elevator and escalator safety code. Each of the two inspectors serve essentially one half of the state and they check construction in progress for compliance with approved plans as well as compliance with the uniform building code and companion codes. Building inspectors are now stationed in Helena and Shawmut.

The passenger elevator program consists of one elevator inspector that is directly supervised by the Bureau Chief. The elevator inspector covers the entire state and inspects each passenger elevator, lift, and escalator in the state once annually for compliance with current elevator and escalator safety codes. The elevator inspector is stationed in Helena.

The public contractors licensing program consists of one program officer that is directly supervised by the Bureau Chief. The program officer handles all new and renewal license application processing, license issuance and associated clerical and administrative duties. Approximately 500 new public contractor licenses are issued each year in addition to the annual renewal of approximately 1,300 licenses.

Base Funding

All Building Codes Bureau programs, with the exception of public contractors licensing, are funded exclusively by State Special Revenue supported by permit, plan review, inspection and license fees. The public contractors licensing program is funded through the general fund. License fees are deposited in the general fund.

DATE 2-20-91

HB 901.400.001

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Building Permits Issued	600	450	600	600
Average Plan Review Time	3 wks	3 wks	2 wks	2 wks
Building Inspect. Completed	1,400	1,400	1,400	1,400
Plumbing Permits Issued	1,000	1,000	1,000	1,000
Plumbing Inspect. Completed	2,500	1,500	2,500	2,500
Mechanical Permits Issued	300	250	300	300
Mechanical Inspect. Completed	700	700	700	700
Electrical Permits Issued	10,000	12,000	12,000	12,000
Electrical Inspect Completed	20,000	24,000	24,000	24,000
Elevator Inspect. Completed	950	1,000	960	960
Elect. Licenses Issued (New)	130	200	200	200
Elect. Licenses Issued (Renew)	2,750	---	2,800	2,800
Plumb. Licenses Issued (New)	50	100	100	100
Plumb. Licenses Issued (Renew)	750	---	800	800
Pub. Cont. License Issued (New)	500	500	500	500
Pub. Cont. Lic. Issued (Renew)	1,300	---	1,500	1,500

The above figures for FY 90 are estimated. The figures do fluctuate with the economy of the State. FY 90 shows improvement over FY 89 and FY 92/93 are projected to maintain this improvement.

Increase or Decrease from Base

Current Level Adjustments

Personal services increased due to an adjustment in employee benefits.

FY92 - \$1,979 FY93 - \$1,971

Operating expenses show a net increase due to adjustments to Division recharges, computer maintenance & Department indirect costs.

FY92 - \$17,638 FY93 - \$15,338

Program Enhancements

Vehicle Replacement

The division is requesting replacement of vehicles for their inspectors. Most vehicles replaced will have over 100,000 miles. Because of excessive mileage, vehicles are replaced on a 3 year cycle. The current vehicles were

purchased in FY 89. 12 extended cab pickups, 4 mid-sized sedans and 1 4 X 4 vehicle will be replaced.
FY92 - \$191,424 FY93 - 0

WEIGHTS & MEASURES BUREAU

DATE 2-20-91
HB Pat. Pros. Sub.

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	11.52	11.00	11.00	.00	11.00	11.00	.00	11.00
Personal Services	281,728.11	311,032	299,127	666	299,793	299,443	666	300,109
Operating Expenses	119,339.64	122,161	127,084	1,587	128,671	126,517	948	127,465
Equipment	8,500.00	18,000	18,000	64,386	82,386	18,000	6,353	24,353
Total Agency Costs	\$409,567.75	\$451,193	\$444,211	\$66,639	\$510,850	\$443,960	\$7,967	\$451,927
General Fund	409,567.75	451,193	444,211	66,639	510,850	443,960	7,967	451,927
Total Funding Costs	\$409,567.75	\$451,193	\$444,211	\$66,639	\$510,850	\$443,960	\$7,967	\$451,927

Overview

The enforcement of Weights and Measures laws is one of the oldest of government services. The motto "That Equity May Prevail" means that this Bureau is dedicated to the impartial protection for both buyer and seller in all commercial transactions involving weight, measure or count. In every commercial transaction involving the weighing or measuring of a commodity, accurate weights and measures and proper practices and application of law protects both the buyer and the seller. The buyer has a right to equity and the seller has a right to fair value.

Weights and Measures enforcement in the United States is a state responsibility. The states are responsible for the enforcement of our system of weights and measures, packaging, labeling and guaranteeing that all standards used in the field are accurate and traceable to the National Institute of Standards and Technology.

Goals

Our stated goal is to find, identify and remove from commercial use all inaccurate weighing and measuring devices. We also are committed to assure that the quantity statements on all prepackaged goods are accurate and in a

general sense that equity prevails in all commercial transactions involving determination of quantity in the State of Montana.

Authorization

Title 30, Ch. 12, MCA Provides for the general provisions and the authority for the Department. The statute defines regulations for Method of Sale of Commodities, Sale of Specific Commodities, and Labeling Requirements as well as Offenses and Penalties.

Base Program

The Bureau is charged by law to license, inspect, test and calibrate all weighing and measuring devices used in commercial and in some instances non commercial transactions. In addition the Bureau is responsible for enforcing laws and regulations relating to quantity of all prepackaged commodities.

The Bureau is specifically charged with maintaining minimum specifications of petroleum products as well as licensing all petroleum dealers in Montana.

EXHIBIT 10
DATE 2-20-91
HB _____

The staff of the Bureau consists of a Bureau Chief, one Secretary, one metrologist and eight field inspectors located in various areas of the state.

The Bureau issues over 20,000 licenses and the staff routinely tests over 15,000 weighing and measuring devices a year and check approximately 4500 packages a year for correct weights and labels. In this effort, the inspectors log over 140,000 miles of travel. The metrologist calibrates over 1500 test standards as well as approximately 50 measures.

Base Funding

The Bureau is funded by the general fund and raises almost half of its appropriation by the assessment of fees for licenses. All fees are deposited to the general fund. Revenues for FY89 were \$216,559 which was the highest in the immediate history of the Bureau.

Performance Indicators

Licenses Issued

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Retail Pumps	8,750	8,800	8,800	8,800
Pet. Meters 2"	1,181	1,200	1,200	1,200
Pet. Meters +2"	150	150	150	150
LPG Meters	481	490	490	490
Vapor Meters	74	74	74	74
Vehicle tank measures	11	11	11	11
Scales 0-499 lbs	3,978	4,000	4,000	4,000
Scales 500-1,999 lbs	821	850	850	850
Scales 2,000-7,999 lbs	276	280	280	280
Scales 8,000-60,000 lbs	1,389	1,400	1,400	1,400
Scales 60,000 and over	514	540	540	540
Weights calibrated	1,500	1,800	1,800	2,000
Measures calibrated	150	100	150	250
Packages tested	300	1,500	1,500	1,500
Federal scales	124	124	124	124
Complaints	10	12	12	12

Increase or Decrease from Base

Current Level Adjustments

Personal services increased due to an adjustment in employee benefits

FY92 - \$666 FY93 - \$666

Operating expenses show a net increase due to adjustments in the department's fixed costs and inflationary increases in gasoline.

FY92 - \$1,587 FY93 - \$948

Program Enhancements

The Department needs to purchase \$106,739 of necessary equipment. Most of the equipment is related to replacement of 4 vehicles that have over 100,000 miles. Other equipment costs consist of hoists, laboratory and field monitoring equipment. The Legislative Auditor's Office has recommended that the vehicles be replaced and laboratory and field equipment be added. This budget increase is revenue neutral. The department proposes to increase its user fees in order to pay for these capital acquisitions.

FY92 - \$64,386 FY93 - \$6,353

2-20-91
 Exp 17
 Mar. 400. Sub.

DATE : 01/08/91
 TIME : 21/29/24

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	1.00	1.00	1.00	.00	1.00	1.00	.00
Personal Services	53,742	55,816	55,816	0	55,685	55,685	0
Operating Expenses	7,978	83,061	8,338	74,723	82,633	8,345	74,288
Total Expend.	\$61,720	\$138,877	\$64,154	\$74,723	\$138,318	\$64,030	\$74,288
Fund Sources							
State Revenue Fund	0	72,000	0	72,000	72,000	0	72,000
Proprietary Fund	61,720	66,877	64,154	2,723	66,318	64,030	2,288
Total Funds	\$61,720	\$138,877	\$64,154	\$74,723	\$138,318	\$64,030	\$74,288

Benjamin E. B. Hansen

DOC - Public Safety

CURRENT LEVEL ISSUES:

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

TRAVEL - LFA reflects actual fiscal 1990 expenditures of \$0

CONTINGENCY FUND - A \$72,000 contingency fund was authorized by the 1989 legislature to be used only for extraordinary legal expenses in the Professional and Occupational Licensing Bureau, Building Codes and Milk Control. In fiscal 1990, \$42,615 was transferred to the boards of which \$1,930 was used for legal expenses. \$9,000 was transferred to the Milk Control Board which had legal expenses of \$13,300.

BUDGET BASE DIFFERENCES

AL CURRENT LEVEL

--Executive Over (Under) FY 92	--LFA-- FY93
(\$100)	(\$71)
\$250	(\$214)
\$421	\$421
\$2,100	\$2,100
\$72,000	\$72,000
\$52	\$52
\$74,723	\$74,288

Amend

Ex. 1
2-20-91

11-17

Mr. P. Sub.

MILK CONTROL BUREAU

Budget Item	Actual Fiscal 1990	Appropriated Fiscal 1991	- - Current Fiscal 1992	Level - - Fiscal 1993	Change 1991-93 Biennium
FTE	7.00	7.00	7.00	7.00	.00
Personal Services	182,978	190,633	193,248	193,329	3.47%
Operating Expenses	94,196	96,515	104,974	105,099	10.15%
Equipment	10,293	300	300	300	-94.34%
Total Program	\$287,467	\$287,448	\$298,522	\$298,728	3.88%
<u>Fund Sources</u>					
State Revenue Fund	287,467	287,448	298,522	298,728	3.88%
Total Funds	\$287,467	\$287,448	\$298,522	\$298,728	3.88%

Program Description

The Milk Control program is responsible for supervising, regulating, and controlling the milk industry of the state. All matters pertaining to production, processing, storage, distribution, and sale of milk are investigated. The program ensures compliance with state laws through minimum pricing, fair trade rules, extension of credit, and by enforcing financing prohibitions of the law. The program encourages efficient production and orderly marketing of milk and cream products to guarantee an adequate supply of healthful milk to the consuming public at the least possible cost.

both personal service and operating expenses. Personal services costs are higher because the fiscal 1991 pay plan increases continue into the 1993 biennium. The program experienced almost no vacancy savings in fiscal 1990.

Operating expenses, which were based on fiscal 1990 expenditures, increase approximately 10 percent due primarily to an additional \$12,000 assessment to the board for administrative costs from the Public Safety Division. This increase is offset by minor decreases in audit costs, office rent, and insurance costs. Equipment is budgeted at the agency's request. While the program was budgeted for \$300 in equipment in fiscal 1990, it spent \$10,293, using \$9,000 of authority transferred from the legal contingency appropriation in the Public Safety program. Funding is provided for the program by assessments on Montana's milk products.

Current Level Budget

The 1993 biennium current level budget is 3.9 percent higher than the 1991 biennium as a result of increases in

6501 DEPARTMENT OF COMMERCE
37 MILK CONTROL BUREAU

00000

DATE : 01/08/91
TIME : 21/29/24
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	7.00	7.00	7.00	.00	7.00	7.00	.00
Personal Services	182,978	193,098	193,248	150-	193,179	193,329	150-
Operating Expenses	94,196	98,664	104,974	6,310-	98,520	105,099	6,579-
Equipment	10,293	300	300	0	300	300	0
Total Expend.	\$287,467	\$292,062	\$298,522	\$6,460-	\$291,999	\$298,728	\$6,729-
Fund Sources							
State Revenue Fund	287,467	292,062	298,522	6,460-	291,999	298,728	6,729-
Total Funds	\$287,467	\$292,062	\$298,522	\$6,460-	\$291,999	\$298,728	\$6,729-

RENT LEVEL ISSUES:

DOC - Milk Control

Need - Ex - plan

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

NON-ACTION ITEMS		
A. Inflation	(\$614)	(\$35)
B. Audit	\$450	(\$385)
C. Network Fees	\$842	\$842
	(\$150)	(\$150)
PERSONAL SERVICES - The LFA budgets overtime at actual fiscal 1990 expenditures (State Special)		
TECHNICAL ADJUSTMENT - Due to the agency requesting legal services in the recharges expenditure code, fiscal 1990 expenditures for this item is included twice in the LFA (State Special)	(\$13,300)	(\$13,300)

EQUIPMENT - The LFA reflects agency request. \$300 was budgeted in fiscal 1990, \$10,293 was spent using \$9,000 of authority transferred from the legal contingency appropriation in the Public Safety program.

BUDGET BASE DIFFERENCES (State Special)

AL CURRENT LEVEL	\$0	\$0
	\$6,312	\$6,299
	(\$6,460)	(\$6,729)

2.20.91
Edh 12
par. pres. sub.

6501 DEPARTMENT OF COMMERCE
02 WEIGHT & MEASURES BUREAU
00000

DATE : 01/08/91
TIME : 21/29/24
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	12.00	11.00	11.00	(.00)	11.00	11.00	(.00)
Personal Services	281,727	299,793	292,908	6,885	300,109	293,242	6,867
Operating Expenses	119,342	128,671	121,832	6,839	127,465	121,496	5,969
Equipment	8,500	23,000	23,000	0	0	0	0
Total Expend.	\$409,569	\$451,464	\$437,740	\$13,724	\$427,574	\$414,738	\$12,836
Fund Sources							
General Fund	409,569	451,464	437,740	13,724	427,574	414,738	12,836
Total Funds	\$409,569	\$451,464	\$437,740	\$13,724	\$427,574	\$414,738	\$12,836

CURRENT LEVEL ISSUES: DOC - Weights and Measures

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

PERSONAL SERVICES - The LFA reduces the bureau chief's position (#02001) from a step 11 to a step 2 which the position is currently being paid. The Executive Budget maintains the position at a step 11. (General Fund)

BUDGET BASE DIFFERENCES (General Fund)

AL CURRENT LEVEL

Headly - Ex - Unmon
General Fund

J for Headly - Unmon

repe: Headly -

CUTIVE BUDGET MODIFICATION FOR PROGRAM EXPANSION:

EQUIPMENT REPLACEMENT (General Fund) - *repe: Ex Unmon.*

FTE 1992 1993
0.00 0.00
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--Executive Over (Under) LFA--
FY 92 FY93

(2,312) \$104
\$751 (\$643)
\$841 \$841

\$6,885 \$6,867

\$7,559 \$5,667

\$13,724 \$12,836
=====

\$59,386 \$24,353
=====

2-20-91
Cph-13-A
Mr. As. Suo.

WEIGHTS & MEASURES BUREAU

Budget Item	Actual Fiscal 1990	Appropriated Fiscal 1991	-- Current Fiscal 1992	Level -- Fiscal 1993	Change 1991-93 Biennium
FTE	12.00	12.00	11.00	11.00	-1.00
Personal Services	281,727	343,027	292,908	293,242	-6.18%
Operating Expenses	119,342	118,491	121,832	121,496	2.31%
Equipment	8,500	18,000	23,000	0	-13.21%
Total Program	\$409,569	\$479,518	\$437,740	\$414,738	-4.12%
<u>Fund Sources</u>					
General Fund	409,569	479,518	437,740	414,738	-4.12%
Total Funds	\$409,569	\$479,518	\$437,740	\$414,738	-4.12%

Program Description

The Weights and Measures program is responsible for licensing, testing, inspecting, and calibrating all weighing and measuring devices. In addition, the program is responsible for maintaining minimum specifications of all petroleum products, licensing all petroleum dealers in Montana, and enforcing laws and regulations relating to quantity of all prepackaged commodities.

equipment for field monitoring. Funding for the program is from the general fund. The fees collected by the program are deposited in the general fund. In fiscal 1990, these fees were approximately \$219,000.

Executive Budget Modification

Equipment Replacement

The department is requesting \$59,386 in fiscal 1992 and \$24,353 in fiscal 1993 from the general fund to purchase and/or replace automobiles and trucks, field monitoring equipment, and a computer to address concerns raised in its 1988 performance audit report. This legislative audit found that the program's level of activity in some areas was very limited, diminishing the protection provided to Montana consumers. The department is also requesting additional laboratory equipment. Through a rule change, the department plans to increase user fees charged by this program which are deposited into the general fund to raise revenue equal to the cost of these capital acquisitions.

Current Level Budget

The current level budget decreases 4.1 percent in the 1993 biennium due primarily to a reduction in personal services costs. Since the bureau chief position is currently vacant, the steps for the position were reduced from step 11 to step 2. In addition, the department deleted the assistant bureau chief position through reorganization. Operating expenses were based on the actual expenses incurred in fiscal 1990 with increases for inflation, fixed costs, and contracted rent for office space. The equipment budget, which reflects the program's request, includes

6501 DEPARTMENT OF COMMERCE
65 BUILDING CODES BUREAU
00000

DATE : 01/08/91
TIME : 21/29/24
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	30.00	30.00	30.00	.00	30.00	30.00	.00
Personal Services	818,685	891,290	888,865	2,425	890,790	888,364	2,426
Operating Expenses	335,801	397,727	363,228	34,499	394,886	361,914	32,972
Equipment	8,225	930	930	0	930	930	0
Total Expend.	\$1,162,711	\$1,289,947	\$1,253,023	\$36,924	\$1,286,606	\$1,251,208	\$35,398
Fund Sources							
General Fund	34,197	31,178	30,881	297	31,008	30,836	172
State Revenue Fund	1,128,514	1,258,769	1,222,142	36,627	1,255,598	1,220,372	35,226
Total Funds	\$1,162,711	\$1,289,947	\$1,253,023	\$36,924	\$1,286,606	\$1,251,208	\$35,398

RENT LEVEL ISSUES:

DOC - Building Codes

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

NON-ACTION ITEMS

A. Inflation \$1,005 \$3,228
B. Audit \$2,021 (\$1,729)
C. Network Fees \$2,558 \$2,558

PERSONAL SERVICES

A. Per Diem - The LFA reflects actual fiscal 1990 expenditures \$2,300 (\$125) \$2,300 (\$126)
B. Unexplained personal service differences \$12,557 \$12,557

GOODS PURCHASED FOR RESALE

BUDGET BASE DIFFERENCES

\$16,358 \$16,358

TOTAL CURRENT LEVEL

\$36,924 \$35,398

CUTIVE BUDGET MODIFICATIONS FOR PROGRAM EXPANSION:

FTE 1992 1993

0.00 0.00

\$191,424 \$0

NOTE: The LFA contains \$8,000 above fiscal 1990 actual expenditures in vehicle repair and maintenance. The Executive Budget contains \$5,732 above fiscal 1990 actuals. If the budget modification is approved, current level should be reduced by the above amounts depending on which base is approved.

Benjamin Exp - Union.

Neelish-Exp-Union.
State Spec. Rev. 17 vch.
12,361 - 1990

2-20-91
Edw - 1/7
yar, Pro. Dev.

BUILDING CODES BUREAU

Budget Item	Actual Fiscal 1990	Appropriated Fiscal 1991	- - Current Fiscal 1992	Level - - Fiscal 1993	Change 1991-93 Biennium
FTE	30.00	30.00	30.00	30.00	.00
Personal Services	818,685	915,353	888,865	888,364	2.49%
Operating Expenses	335,801	374,081	363,228	361,914	2.15%
Equipment	8,225	930	930	930	-79.68%
Total Program	\$1,162,711	\$1,290,364	\$1,253,023	\$1,251,208	2.09%
Fund Sources					
General Fund	34,197	34,724	30,881	30,836	-10.45%
State Revenue Fund	1,128,514	1,255,640	1,222,142	1,220,372	2.45%
Total Funds	\$1,162,711	\$1,290,364	\$1,253,023	\$1,251,208	2.09%

Program Description

The Building Codes program establishes and enforces minimum building, plumbing, mechanical, electrical, energy, and elevator codes. This enforcement safeguards the public, employees, and property in the design and construction of buildings, built-in-Montana recreational vehicles, and factory-built buildings manufactured or offered for sale in Montana. When possible, the program approves and certifies local government code enforcement programs to utilize codes adopted by the program. The program also has plumber, electrician, and public contractor licensing responsibilities. Administrative support, including enforcement duties, are provided to the Board of Plumbers and the State Electrical Board, both of which are administratively attached to the program. The Public Contractor's Licensing program is administered and enforced by the program.

Current Level Budget

The current level budget increases 2.1 percent from the 1991 biennium to the 1993 biennium, due mainly to personal services costs increases. The program experienced \$64,703 or 7.3 percent vacancy savings in fiscal 1990. This is offset somewhat because the fiscal 1991 appropriated level for personal services

exceeds the amount needed to fund the salaries of all positions in the program by \$32,000. The current level budget includes full funding for all the authorized positions.

Operating expenses for the 1993 biennium are based on fiscal 1990 actual expenditures, except for vehicle repairs which were increased by \$8,000 per fiscal year because of the large number of vehicles which have high mileage. The Executive Budget includes funding for 17 replacement vehicles. If this budget modification is approved, the \$8,000 increase per fiscal year for vehicle repairs can be eliminated. Indirect costs for the Directors/Management Services program and recharges for the Public Safety program are at the agency's request level, which is approximately \$12,000 more than fiscal 1990. Inflationary adjustments adds \$7,667 in fiscal 1992 and \$6,557 in fiscal 1993.

The general fund in this program supports the Public Contractors' Licensing program. Revenue from the public contractors licenses is deposited in the general fund. The state special revenue funding, which supports the remainder of the program, is derived from inspection fees, electrical licenses, and plumbers licenses revenues.

BUILDING CODES BUREAU

Executive Budget Modification

Vehicle Replacement

The department requests \$191,424 in fiscal 1992 funded from state special

revenue to replace 17 building code inspector vehicles which will have mileage in excess of 100,000 miles. These vehicles were purchased in 1989 and are on a 3-year replacement schedule.

EXHIBIT
DATE 2-20-91
HB Mar, Apr, Sub.

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

DOC - POL

RENT LEVEL ISSUES:

NON-ACTION ITEMS

- A. Inflation
- B. Audit
- C. Recharges to the Boards for Audits
- D. Network Fees
- E. Recharges to the Boards for Network Fees

PERSONAL SERVICES

- A. Board Per Diem - The LFA reflects actual fiscal 1990 expenditures
- B. Overtime - The LFA reflects actual fiscal 1990 expenditures
- C. Bureau Chief Upgrade - The LFA budgets this position (#03902) at grade 15 step 7. The Executive Budget has the position at grade 18 step 11.
- D. The Executive Budget consolidates .36 FTE (#03920) and .37 FTE (#03953) into a .73 FTE (#03920) necessitating full insurance
- E. The Executive Budget combines .20 exempt FTE (#03947) and .8 FTE (#03995) to make 1.0 FTE (#03995) at a grade 11 step 2

Modest Hpa - 2 17-8 x
Exp 3, 6, 7 - Urban

RECHARGES FOR THE BUREAU CHIEF UPGRADE

RENT - The LFA includes increased rent (which includes parking) in current level. The program has recently moved and the obligation for rent has already been incurred. The Executive Budget contains the rent and parking in a budget modification and not in current level.

PARKING - These costs are duplicate in the Executive Budget. These costs are contained in current level as well as in the budget modification for rent increase (See Below).

RECHARGES FROM THE BOARDS TO POL ADMINISTRATION

BUDGET BASE DIFFERENCES

TOTAL CURRENT LEVEL

FTE 1992 1993

CUTIVE BUDGET MODIFICATIONS FOR PROGRAM EXPANSION:

IMPAIRMENT PROGRAM - DENISTS (State special revenue) *Denistry - Bright-Hansen*
POL BUILDING RENT (Proprietary) *Denistry - Gahney*

TOTAL MODIFICATIONS

(\$1,180)	(\$351)
\$4,151	(\$3,552)
\$4,151	(\$3,552)
\$10,950	\$10,950
\$10,950	\$10,950
\$19,375	\$19,375
\$8,573	\$8,573
\$12,777	\$12,746
\$1,800	\$1,800
(\$11,395)	(\$11,364)
\$12,777	\$12,746
(\$37,094)	27,094 (\$38,745)
\$7,995	\$7,995
\$3,599	\$13,105
\$123,990	\$123,163
\$171,419	\$163,839
=====	=====

\$25,000	\$25,000
\$37,565	\$37,565
\$62,565	\$62,565
=====	=====

6501 DEPARTMENT OF COMMERCE

39 POL BUREAU

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*Recap Dev. Bureau*DATE : 01/08/91
TIME : 21/29/24

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	31.93	31.93	31.93	(.00)	31.93	31.93	(.00)
Personal Services	817,669	991,654	960,524	31,130	990,577	959,562	31,015
Operating Expenses	1,577,085	1,897,487	1,757,198	140,289	1,883,163	1,750,339	132,824
Equipment	<u>7,151</u>	<u>6,335</u>	<u>6,335</u>	<u>0</u>	<u>6,335</u>	<u>6,335</u>	<u>0</u>
Total Expend.	\$2,401,905	\$2,895,476	\$2,724,057	<u>\$171,419</u>	\$2,880,075	\$2,716,236	<u>\$163,839</u>
Fund Sources							
State Revenue Fund	1,696,470	2,040,007	1,916,504	123,503	2,032,817	1,909,448	123,369
Proprietary Fund	<u>705,435</u>	<u>855,469</u>	<u>807,553</u>	<u>47,916</u>	<u>847,258</u>	<u>806,788</u>	<u>40,470</u>
Total Funds	\$2,401,905	\$2,895,476	\$2,724,057	\$171,419	\$2,880,075	\$2,716,236	\$163,839

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2-20-91

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2-20-91

PROFESSIONAL AND OCCUPATIONAL LICENSING BUREAU

Budget Item	Actual Fiscal 1990	Appropriated Fiscal 1991	- - Current Fiscal 1992	Level - - Fiscal 1993	Change 1991-93 Biennium
FTE	31.93	31.93	31.93	31.93	.00
Personal Services	817,669	1,005,744	960,524	959,562	5.30%
Operating Expenses	1,577,085	1,638,515	1,757,198	1,750,339	9.08%
Equipment	7,151	6,335	6,335	6,335	-6.05%
Total Program	\$2,401,905	\$2,650,594	\$2,724,057	\$2,716,236	7.68%
<u>Fund Sources</u>					
State Revenue Fund	1,696,470	1,870,457	1,916,504	1,909,448	7.26%
Proprietary Fund	705,435	780,137	807,553	806,788	8.67%
Total Funds	\$2,401,905	\$2,650,594	\$2,724,057	\$2,716,236	7.68%

Program Description

The Professional and Occupational Licensing (POL) program provides the administrative and clerical services required by the 30 licensing and regulatory boards authorized by statute. Services provided include correspondence, application processing, issuing and renewing licenses, administering and grading examinations, taking minutes of board meetings and hearings, and providing legal staff and investigators to investigate legal infractions. The Board of Passenger Tramways was moved to this program from the Public Safety program.

Current Level Budget

The current level budget increases 7.7 percent due to increases in personal services and operating expenses. In fiscal 1990, the program had a 13.8 percent (\$131,400) vacancy savings because the program experienced turnover in 40 percent of positions. Fully funding all authorized positions and continuing the fiscal 1991 pay plan increase in the 1993 biennium makes personal services costs over \$140,000 higher than fiscal 1990 actual expenditures. The fiscal 1991 personal services appropriation includes approximately \$47,000 more than what is needed to fund existing positions.

Operating costs increase over fiscal 1990 levels as a result of several factors: 1) inflationary adjustments add approximately \$20,000 per year; 2) rent increases \$35,146 annually because the program was moved from the state-owned Commerce building into leased office space downtown at higher cost (which includes employee parking); 3) budgets for the newly-established Board of Tramways and the Board of Outfitters were included at the agency's requested levels in anticipation of full operation during the 1993 biennium; and 4) indirect costs (\$17,609) and recharges (\$107,456) are increased by approximately \$125,065 per fiscal year over fiscal 1990. The equipment budget includes funds to purchase four computer terminals and some replacement office equipment.

The program receives its funding from the licensing revenues generated by each of the boards. The Administrative Services program of the bureau is funded from a proprietary fund which receives its funding from assessments (recharges) to each of the boards.

Issues

Rent Increase

At the beginning of fiscal 1991, POL was moved from the state-owned Commerce building to a privately-owned building in downtown Helena. The rent costs increased for the program by \$35,146

PROFESSIONAL AND OCCUPATIONAL LICENSING BUREAU

annually, which includes an estimated \$8,000 to provide employee parking. This office space, which was under contract to the Department of Administration, had been occupied by Workers' Compensation Division staff. The Department of Administration paid for POL's move. The Workers' Compensation State Fund is paying the difference in POL's rent for fiscal 1991 because POL did not have sufficient budget to cover the increased rent cost. Since POL has moved to the building and the contract for rent has been signed, the LFA current level budget includes the increased rental costs. However the Executive Budget includes the increased costs as a budget modification.

Salary of the Bureau Chief Position

Supervision of this program has changed. Several years ago, the bureau chief position was deleted. In the department's recent reorganization, a POL bureau chief was appointed. Because the bureau chief position no longer existed, the newly-appointed chief, who is a grade 18, step 11 employee, was moved into a vacant grade 15, step 7 position. The annual difference in the two salary levels is approximately \$16,000 (including benefits). The current level funds includes this position at the grade 15 level. In December the department was verbally notified by the Personnel Division that the position will be reclassified as a grade 18.

Recharges Cost Increase to the Boards

The POL program has an Administrative Services program which provides the administration and support services for the boards. This Administrative Services program operates from a proprietary fund, which receives its revenues from assessments to the boards. As a result, these funds are counted twice in the POL budget--once when they are transferred from the boards to the Administrative Services program and again when that program expends the funds.

In the Executive Budget, these recharges increase \$134,356 from fiscal 1990 actual to fiscal 1992. The increases are for: 1) additional rent of \$35,146; 2) Department of Administration's proposed fees for the new network system of \$10,950; 3) indirect cost increases \$17,608; 4) increased salary of the bureau chief position (\$16,000); 5) transfer of two 0.5 positions from the Board of Real Estate to Administrative Services at \$26,000; and 6) the continuation of the pay plan increase for fiscal 1991 in the 1993 biennium. The LFA current level budget does not include the increase for the data processing network costs since this is a budget modification issue addressed in the Department of Administration's budget or the increased salary for the bureau chief position.

Executive Budget Modifications

Impairment Program - Dentists

The Executive Budget includes \$50,000 for the biennium funded from the Board of Dentists state special revenue account to allow continued participation in the Board of Medical Examiner's Physicians' Assistance program. In 1989, the Board of Dentistry began participating in this program, which provides rehabilitative services to dentists with substance abuse problems. Spending authority for the Board of Dentistry's participation in the program during the 1991 biennium was transferred from the Board of Medical Examiners.

POL Building Rent

The Executive Budget includes \$75,130 for the biennium funded from the proprietary account for increased office rent. As discussed above, the POL program offices were moved July 1990 from a state-owned building to a privately-owned building at a higher rental cost. The department states that the previously occupied space was not suitable for the program's high walk-in traffic, board meetings, and license testing.



2-20-91

Eyh- 16
Nat. Res. Sub.

MONTANA DEPARTMENT OF COMMERCE

1424 9TH AVENUE
HELENA, MONTANA 59620-0501
(406) 444-3494 FAX: (406) 444-2903

REPORT TO THE LEGISLATIVE APPROPRIATIONS SUBCOMMITTEE

OFFICE OF CONSUMER AFFAIRS

I. Montana Consumer Advocacy

During the fiscal year 1990, \$195,032.81 was recovered for Montana consumers by the Office of Consumer Affairs of the Department of Commerce. These recoveries were in the form of cash refunds, cancellation of contracts, and replacement or repair of products.

An additional \$217,245.52 of preventive savings to Montana consumers was also realized. This savings represents money Montana consumers saved because this office advised them not to participate in specific deceptive or unfair business transactions offered to them (i.e., deceptive telemarketers).

II. Consumer Information

Information is provided to Montana consumers by the office through press releases; i.e., in 1990:

- a) Informing consumer of services provided by office.
- b) Small Claims Court procedure (Brochure reproduced and mailed to consumer on request.)
- c) Landlord-Tenant Act (Brochure reproduced and mailed to consumer on request.)

16
DATE 2-20-94
HB _____

REPORT TO THE LEGISLATIVE APPROPRIATIONS SUBCOMMITTEE
OFFICE OF CONSUMER AFFAIRS
Page two

- d) Public and media warnings of telemarketing scams and defective products:
 - 1) Golden credit card
 - 2) West Virginia telemarketing scam
 - 3) Gasoline fixation devices
 - 4) National Disability Act

III. New Vehicle Warranty Act - Title 61, MCA

- a) Over 400 consumers have sought the assistance of Consumer Affairs to utilize the Manufacturer Arbitration Procedure.
- b) The office reviews the certification requirements of manufacturers to determine compliance with Magnuson-Moss Act and Montana Motor Vehicle Warranty Act.
- c) There remains a need to institute the arbitration program mandated by statute. Program would include training and education to arbitration panel members.


 EXHIBIT 16
 DATE 2-20-91
 HB Gov. Res. Adv.

MONTANA DEPARTMENT OF COMMERCE

1424 9TH AVENUE
 HELENA, MONTANA 59620-0501
 (406) 444-3494 FAX: (406) 444-2903

OFFICE OF CONSUMER AFFAIRS DOLLAR AMOUNT OF RECOVERIES FOR MONTANA CONSUMERS

	<u>FY'88-89</u>	<u>FY'89-90</u>
TOTAL COMPLAINTS PROVIDED TO CONSUMERS	1576	1600
TOTAL COMPLAINTS INVESTIGATED	595	785
OTHER CORRESPONDENCE, INQUIRIES ANSWERED		*3091
MONETARY RECOVERY TO CONSUMERS	<u>\$291,545</u>	<u>**\$412,278.33</u>

*This is a new statistic that Consumer Affairs started tracking in the 1989-1990 fiscal year. This number indicates additional inquiries that are responded to formally (written letters).

**This figure includes \$217,245 of preventive savings that Montana consumers realized during fiscal year 1989-1990. These savings represent money that consumers saved by inquiring about offers that appear to be deceptive or misleading. Consumers Affairs started keeping track of preventive savings in July, 1989.



EXHIBIT 16
DATE 2-20-91
HB

MONTANA DEPARTMENT OF COMMERCE

1424 9TH AVENUE
HELENA, MONTANA 59620-0501
(406) 444-3494 FAX: (406) 444-2903

LEGISLATIVE HEARING

REPORT OF POSTSECONDARY PROPRIETARY SCHOOL PROGRAM

I. AGENCY ORGANIZATION AND SERVICES: The proprietary schools program consists of a compliance technician and investigator. Both positions function in conjunction with the Office of Consumer Affairs.

GENERAL FUNCTION: To license proprietary schools and recruit agents operating in Montana; to require adequate bonding prior to licensure or renewal; to investigate programs and student complaints; to preserve school and student records after closure.

II. SERVICE PROVIDED: January 1, 1989-December 30, 1989

Initial School Licenses Issued:	2
Renewed School Licenses Issued:	32
Initial Agents Permits Issued:	28
Renewed Agents Permits Issued:	38
Revenue Collected for Fees:	\$1980.00
Transcripts Sent to Students:	126

- (A) Two new proprietary schools were licensed. Each school is required to provide extensive information (bonds, financial reports, curriculum, etc.).
- (B) 32 school license renewals were issued by the office. Each school must apply for a renewed license each year.
- (C) 28 initial agents permits were issued by the office.
- (D) 38 renewed agents permits were issued by the office. These are done annually.

EXHIBIT 16
DATE 2-20-91
BY Mr. Per. Sec.

LEGISLATIVE HEARING
REPORT OF POSTSECONDARY PROPRIETARY SCHOOL PROGRAM
Page two

- (E) 126 transcripts were sent to students who attended schools that are now defunct. This office is responsible for safekeeping of student transcripts.

EXHIBIT 6 H
 DATE 2-20-91
 HB Det. Pers. Adv.

CONSUMER AFFAIRS UNIT

65018171.981

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	2.50	2.50	2.50	.00	2.50	2.50	.00	2.50
Personal Services	78,654.04	82,926	83,105	192	83,297	83,164	191	83,355
Operating Expenses	16,410.11	19,817	20,380	2,227	22,607	20,139	2,228	22,367
Total Agency Costs	\$95,064.15	\$102,743	\$103,485	\$2,419	\$105,904	\$103,303	\$2,419	\$105,722
General Fund	95,064.15	102,743	103,485	2,419	105,904	103,303	2,419	105,722
Total Funding Costs	\$95,064.15	\$102,743	\$103,485	\$2,419	\$105,904	\$103,303	\$2,419	\$105,722

Goals

To provide guidance and advocacy to Montana consumers by providing and disseminating information relevant to Montana statutes related to unfair trade practices and consumer protection.

To provide Montana consumers with procedures for resolving complaints related to unfair trade practices and consumer protection.

To minimize unfair methods of competition and unfair or deceptive practices in the conduct of trade and commerce by maintaining a system of information and investigation and bringing actions in the name of the state against such activities to restrain by temporary or permanent injunctions or temporary restraining orders.

To prohibit the use of false or misleading literature, advertising, or representations by proprietary post-secondary schools or their agents.

To continue to establish accountability for proprietary vocational schools and their agents by regulating compliance of the minimum standards relative to the quality

of educational services, fiscal responsibility, and ethical business practices.

To administer the statutory mechanism for consumers related to the "lemon law" to assure new vehicle purchasers and sellers that disputes arising from the vehicle's manufacture and operation can be satisfactorily solved through investigation and arbitration.

Authorization

Title 30-14-Part 1, MCA	Consumer Protection Act
Title 30-14-Part 2, MCA	Unfair Trade Practices Generally
Title 2-15-1804, MCA	Proprietary Postsecondary Educational Advisory Council
Title 20-Ch. 30, MCA	Post-secondary Educational Institutions
Title 61-4-Part 5, MCA	New Motor Vehicle Warranties - Remedies

Base Program

The Consumer Affairs Unit responds to consumer complaints involving refunds, replacement or repair of consumer products, and contractual problems in the provision of

services and goods. The office investigates consumer complaints and often settles those complaints informally. If the office determines that further action is in the public interest, a legal injunction in district court may be filed.

The office also investigates unfair trade practice allegations. Investigations may be conducted to determine if further action would be in the public interest. If action is taken, the office may attempt to negotiate a voluntary compliance wherein the seller agrees not to commit fraudulent business practices in the future and agrees to pay damages to persons harmed by that business' prior unfair practice. The office may proceed in district court to obtain a temporary injunction, permanent injunction, or temporary restraining order.

Under the base program, the office also licenses proprietary post-secondary schools and recruiting agents operating in Montana. The office requires adequate bonding

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Complaints Filed	1,576	1,200	1,200	1,200
Complaints Investigated	785	600	600	600
Inquiries	3,750	3,750	3,800	4,000
Unfair Trade Complaints	22	20	20	20
School Licenses Renewed	32	32	32	32
School Licenses Issued	2	2	2	2
Agent Renewals	38	38	40	40
Agent Licenses Issued	30	30	30	30
Transcripts Sent	125	125	125	125

prior to licensure or renewal and investigates program and student complaints. The office also preserves school and student records after a school closes.

The Consumer Affairs Unit is also responsible for the administration of the state lemon law for the purchase of new motor vehicles. Under the base program, the office does not have sufficient funding or staff resources to properly administer this statute. During the last session of the legislature, \$5,000 was allocated to the office for the adoption of rules related to the lemon law. Funding does not support the investigation, arbitration and other responsibilities of the department under the act.

Base Funding

The Consumer Affairs Unit is supported by the state general fund.

DATE 2-20-91
HJB

Increase or Decrease from Base

Current Level Adjustments

Personal Services increased due to an adjustment in employee benefits.

FY92 - \$192 FY93 - \$191

Operating expenses show a net increase due to adjustments in the department's fixed costs.

FY92 - \$2,227 FY93 - \$2,228

EXHIBIT 16
DATE 2-20-91
118 4th Fed. Div.

1011 2 20-91
Nat. Pers. Sub.

RENT LEVEL ISSUES: DOC - Director/Management Services

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

AGEMENT SERVICES

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

(889)
\$42,528
\$2,512

(724)
(\$36,392)
\$2,512

PERSONAL SERVICES

(48)

(48)

BUDGET BASE DIFFERENCES

\$13,744

\$13,744

TOTAL CURRENT LEVEL

\$57,847

(\$20,908)

CONSUMER PROTECTION

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

15
\$161
\$853

\$56
(\$138)
\$853

BUDGET BASE DIFFERENCES

\$4,655

\$4,629

TOTAL CURRENT LEVEL

\$5,684

\$5,400

ECTOR'S OFFICE

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

(176)
\$0
\$1,705

(\$100)
\$0
\$1,705

PERSONAL SERVICES - The Executive Budget transfers in 1.0 FTE (#????) from the Board of Hourse Racing

\$19,938

\$19,894

COUNTY PRINTING BOARD (General Fund) 5 sample

\$1,479

\$1,479

BUDGET BASE DIFFERENCES

\$24,938 3476

\$24,957 3584

TOTAL CURRENT LEVEL

\$26,467

\$26,562

6501 DEPARTMENT OF COMMERCE
81 DIRECTOR/MANAGEMENT SERVICES
00000

DATE : 02/16/91
TIME : 10/32/44

CURRENT LEVEL COMPARISONS

This is all programs in the division

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	22.34	22.84	21.84	1.00	22.84	21.84	1.00
Personal Services	666,074	735,916	716,026	19,890	735,339	715,493	19,846
Operating Expenses	140,923	224,914	154,806	70,108	145,775	154,567	8,792-
Equipment	13,382	1,000	1,000	0	1,000	1,000	0
Total Expend.	\$820,379	\$961,830	\$871,832	\$89,998	\$882,114	\$871,060	\$11,054
<u>Fund Sources</u>							
General Fund	95,067	107,383	100,220	7,163	107,201	100,322	6,879
Proprietary Fund	725,312	854,447	771,612	82,835	774,913	770,738	4,175
Total Funds	\$820,379	\$961,830	\$871,832	\$89,998	\$882,114	\$871,060	\$11,054

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EXHIBIT 18

DATE 2-20-91

HB Mar. 4th. Sub.

DIRECTOR'S OFFICE / MGSV
DIVISION

65018100.000

	Fiscal 1990 Actual	Fiscal 1991 Appropriated	Base	Fiscal 1992 Incr/Decr	Recommended	Base	Fiscal 1993 Incr/Decr	Recommended
Full Time Equivalent Employees	21.84	21.84	21.84	1.00	22.84	21.84	1.00	22.84
Personal Services	666,070.82	720,210	714,328	21,588	735,916	713,799	21,540	735,339
Operating Expenses	140,919.33	184,324	219,737	5,177	224,914	140,814	4,961	145,775
Equipment	13,382.50	1,000	1,000	0	1,000	1,000	0	1,000
Total Agency Costs	\$820,372.65	\$905,534	\$935,065	\$26,765	\$961,830	\$855,613	\$26,501	\$882,114
General Fund	95,064.15	103,743	104,485	2,898	107,383	104,303	2,898	107,201
Proprietary Fund	725,308.50	801,791	830,580	23,867	854,447	751,310	23,603	774,913
Total Funding Costs	\$820,372.65	\$905,534	\$935,065	\$26,765	\$961,830	\$855,613	\$26,501	\$882,114

Overview

Director's Office - The Director's Office provides the department with executive, administrative, legal, and policy guidance. This office acts as the liaison among private business, local governments, administratively attached boards, public and private interest groups, the legislature, Indian tribes, individuals and the Governor's Office in the effort to improve and stabilize the economic climate in Montana; provide regulatory services in a manner consistent with Montana statutes and administrative rules; provide technical and monetary assistance in maintaining and improving local infrastructure; and assist low and moderate income individuals in finding safe, affordable housing in Montana.

Management Services - Management Services provides internal support to all of the agency programs. The services provided include; budgeting, accounting, bookkeeping, purchasing, contracting, personnel administration, payroll, training, and the analysis, development, maintenance, and supervision of department data processing systems and hardware.

Legal Services - The chief legal counsel provides legal counsel to the department director and provides legal supervision and overview for all other agency attorneys.

Consumer Affairs - The Consumer Affairs Unit provides information and assistance to Montana consumers regarding unfair methods of competition or deceptive acts in the conduct of any trade or commerce. The office is empowered to issue subpoenas, administer oaths and conduct hearings in the investigation of any alleged wrongful conduct. The office administers the Proprietary Post-secondary Schools Program which establishes minimum criteria for licensing. The office also administers the "Lemon Law" statute when disputes arise between a purchaser and manufacturer of a new motor vehicle.

Authorization

Title 2-15-104, MCA.

Title 2-15-112, MCA.

Title 2-15-121, MCA.

Title 2-15-Part 18, MCA.
Title 2-15-1803, MCA.

Title 2-15-3015 MCA.

Title 37-1-Part 1, MCA.

Title 90-1-Part 1, MCA.

Title 17-1-102, MCA.

Title 17-Ch. 2, MCA.

Title 17-Ch. 3, MCA.

Title 17-Ch. 6, MCA.

Title 17-Ch. 7, MCA.

Title 17-Ch. 8, MCA.

Title 2-Ch.18, MCA.

Title 18-Ch.8, MCA.

Title 18-Ch.4, MCA.

Structure of the Executive Branch

Duties and Powers of Department Heads

Allocation for Administrative

Department of Commerce

State Banking Board - Director as Chairman

Agriculture Development Council - Director as Member

Duties and Authority of Department Director

Planning and Economic Development

Uniform Accounting System and Expenditure Control

Accounting

Federal Revenues and Endowments

Deposits and Investments

Budgeting and Appropriations

Disbursement and Expenditure

State Employee Classification, Compensation, and Benefits

Procurement of Services

Montana Procurement Act

Base Program

The Director's Office/Management Services program provides the policy making, administrative, budgeting, accounting, bookkeeping, personnel, purchasing, inventory control, legal supervision, and data processing support to the Department of Commerce. The purpose of this program is to offer the guidance and direction needed at the management, professional and support services level to efficiently and effectively deliver the services provided for in state statute, federal statute and at the Governor's direction.

The Director's Office performs leadership, policy making, resource allocation, legal analysis, and organizational functions for the Department of Commerce. Under base funding, the objective of the Director's Office is to organize and prioritize the agency functions to maximize the benefit derived for Montana with the resources provided. Benefits provided to Montanans as a result of Department of Commerce programs relate to economic development, tourism promotion, public safety, housing, local government technical and monetary assistance, business assistance, investments of public and pension fund monies, professional and occupational licensing and regulation, consumer protection, gambling regulation, Indian affairs, transportation services, and census and demographic information.

The Management Services Division delivers budgeting, accounting, bookkeeping, personnel, purchasing, data processing, and inventory control services for agency programs. Base funding for this program allows the division to provide all of these services in a manner consistent with state and federal statutes but does not allow for increased productivity and service delivery to assist agency programs in achieving greater efficiencies. Particular areas of concern relate to personnel administration which is stressed due to the number of personnel actions resulting from factors related to workload and pay; specifically turnover and the disparity between private sector and public sector remuneration. In addition, programs are not getting the data processing support necessary to effect significant gains in productivity. Performance indicators for this division have grown significantly over the last five years due to increased responsibility mandated by the legislature in the

form of new and expanded programs. Productivity gains have been realized primarily through automation of division functions which are basically completed. Base level staffing may result in longer delays in performing mandated services. Indicative of the performance gains realized for the division is the Indirect Cost Recovery rate which has fallen from approximately 13% of program personal services in the early 80's to a current level of approximately 9%. This equates to nearly a 30% reduction in cost for the services provided by this division. It is anticipated that the revenue collected through the indirect cost recovery may decrease in the coming biennium due to higher vacancy rates in the agency (programs are not charged for vacant positions).

The Chief Legal Counsel for the department acts as the director's attorney and performs legal supervisory and coordination functions for all of the agency programs. Base level funding is not sufficient to adequately support this function because it is not allocated any clerical or secretarial support.

Base Funding

The Director's Office and Management Services Division are funded with proprietary funds which are derived through indirect assessments to all of the agency programs. This type of cost recovery plan is mandatory in order to charge programs in the agency funded by the federal government. The current indirect cost rate is 8.77% of actual personal services cost for the 92-93 Biennium.

One-half of the Chief Counsel position is supported through the indirect assessment to the agency programs. The other half of the FTE supervises the Consumer Affairs Unit and is funded through that program.

Performance Indicators

	FY90 Actual	FY91 Enacted	FY92 Base	FY93 Base
Transfer Warrant Claims	11,000	11,000	11,100	11,100

No-warrant Transfers	780	800	800
Contracts Processed	316	325	335
Collection Reports	1,000	1,100	1,100
Classification Reviews	180	190	200
New Hires	75	65	65
Terminations	65	65	65

18
18

DATE 2-20-91

HB Par. per. July

REPORT 18
DATE 2-20-91
FEB

Increase or Decrease from Base

Current Level Adjustments

Transferred 1.00 FTE from the Board of Horse Racing to the Director's Office. The position will work in a secretarial pool providing assistance to the department's chief legal counsel and performing other secretarial duties as assigned.

FY92 - \$21,396 FY93 -

\$21,349

Operating expenses show a net increase due to adjustments in the department fixed costs.

FY92 - \$2,950 FY93 - \$2,733

EXHIBIT 18-17
 DATE 2-20-91
 BY Par. Reg. Sec.

DIRECTOR/MANAGEMENT SERVICES

Budget Item	Actual Fiscal 1990	Appropriated Fiscal 1991	- - Current Fiscal 1992	Level - - Fiscal 1993	Change 1991-93 Biennium
FTE	22.34	22.34	21.84	21.84	-.50
Personal Services	666,074	720,210	716,026	715,493	3.26%
Operating Expenses	140,923	139,341	154,806	154,567	10.39%
Equipment	<u>13,382</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-86.09%</u>
Total Program	\$820,379	\$860,551	\$871,832	\$871,060	3.69%
Fund Sources					
General Fund	95,067	103,743	100,220	100,322	.87%
Proprietary Fund	<u>725,312</u>	<u>756,808</u>	<u>771,612</u>	<u>770,738</u>	<u>4.06%</u>
Total Funds	\$820,379	\$860,551	\$871,832	\$871,060	3.69%

Program Description

The Director's Office and Management Services program consists of four areas. The Director's Office assists the department with executive, administrative, legal, and policy guidance. This office acts as the liaison among private business, local governments, administratively attached boards, public and private interest groups, the legislature, Indian tribes, individuals, and the Governor's office in the effort to improve and stabilize the economic climate in Montana. The Management Services Division provides internal support to all agency programs. Services provided include budgeting, accounting, purchasing, contracting, personnel administration, payroll, training, and the analysis, development, maintenance, and supervision of department data processing systems and hardware. Legal Services provide legal counsel to the department director and legal supervision and overview for all other agency attorneys. The Consumer Affairs unit provides information and assistance to Montana consumers regarding unfair methods of competition or deceptive acts in the conduct of any trade or commerce. The unit administers the Proprietary Post-secondary Schools program, which establishes minimum criteria for licensing and the "Lemon Law" statute when disputes arise between

a purchaser and manufacturer of a new motor vehicle.

Current Level Budget

The program's current level budget increases 3.7 percent over the 1991 biennium due to higher personal services costs and operating expenses. Personal services increase 3.3 percent due to vacancy savings of \$29,527 in fiscal 1990. This is partially offset by the transfer of a 0.5 FTE administrative officer position to the Research and Information program.

Operating expenses are based on fiscal 1990 actual expenditures with the exception of audit costs which increase approximately \$14,600 per fiscal year. All legislative audits costs are paid out of this program and then allocated to each program through indirect cost assessments. Equipment in fiscal 1993 biennium will allow for purchase of a laser printer.

The general fund provides funding for the consumer protection unit and \$1,000 each year for the County Printing Board which is attached to the Department of Commerce for administrative purposes and is included in the Director's program. The remainder of the program is funded by indirect cost assessments to the other programs in the department.

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Natural Resources COMMITTEE BILL NO. _____
 DATE 2-20-91 SPONSOR(S) _____

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Don Hutchinson	Commerce - Budget Finance Division			
Mark Brand	Commerce			
Carolyn Daerling	Mgt. Serv.			
W. James Kembel	Public Safety Div/DOC			

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