

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON GENERAL GOVERNMENT & HIGHWAYS

Call to Order: By CHAIRMAN QUILICI, on April 22, 1991, at 9:25 a.m.

ROLL CALL

Members Present:

Rep. Joe Quilici, Chairman (D)
Sen. Larry Stimatz, Vice Chairman (D)
Sen. Harry Fritz (D)
Rep. Mary Lou Peterson (R)
Sen. Larry Tveit (R)
Rep. Tom Zook (R)

Staff Present: Clayton Schenck, Senior Fiscal Analyst (LFA)
Lois Steinbeck, Associate Fiscal Analyst (LFA)
John Patrick, Budget Analyst (OBPP)
Arlene Carlson, Secretary

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

CHAIRMAN QUILICI asked the committee if they thought there were any soft spots in their section of the budget that could be cut. They are \$5.1 million under the executive and LFA budgets. They discussed **EXHIBIT 1**. Ms. Cohea said the subcommittee is \$5.5 million below the revised executive budget, that's after the \$2 million for the budget modification for the Governor's budget to go to the DHES. It left the House at \$5.1 and then the Senate took one-half of one percent from section A.

CHAIRMAN BARDANOUVE said overall the subcommittee had done a fine job and had been very careful with the dollars. He would like the subcommittees to be in a position to give some help if the cuts have to come. He explained the overall budget situation.

CHAIRMAN QUILICI said he did not see places where the subcommittee could cut and thought they had done a decent job in their evaluation and recommendations. They discussed the handout in detail. People demand the services that we've discussed.

Technical amendments were introduced and discussed. Subcommittee chairmen will meet to review them. Copies are not yet available.

It was the consensus that the budget was as tight as could be and that the recommendation would be that there was no place to cut.

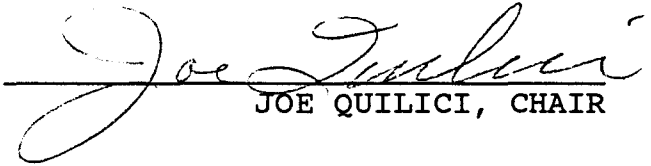
HOUSE GENERAL GOVERNMENT & HIGHWAYS SUBCOMMITTEE

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ADJOURNMENT

Adjournment: 10:00 a.m.


JOE QUILICI, CHAIR

Manley Mann.

HOUSE OF REPRESENTATIVES

GENERAL GOVERNMENT AND HIGHWAYS SUBCOMMITTEE

ROLL CALL

DATE April 22, 1991

NAME	PRESENT	ABSENT	EXCUSED
REP. JOE QUILICI, CHAIRMAN	✓		
SEN. LARRY STIMATZ, VICE-CHAIRMAN	✓		
REP. TOM ZOOK	✓		
SEN. LARRY TVEIT	✓		
REP. MARY LOU PETERSON	✓		
SEN. HARRY FRITZ	✓		X

HB2 GENERAL FUND OVER AND ABOVE THE EXECUTIVE BUDGET

Prepared by the Office of Budget and Program Planning

SECTION A. GENERAL GOVERNMENT:

- 1102-LFA Page A-2, Lines 4 & 5 \$20,000
Additional funds for data processing on legislative requests--Revenue already does simulation and this may be duplicating the same work and may not be absolutely necessary.
- 1104-Leg Council Page A-2, Lines 21 & 22 \$64,510
Base pay adjustments above the amounts that will be included in the pay bill.
- Page A-3, Lines 2 & 3 \$178,696
Legislative Computer Network. Necessary? Savings as a result of networking? This amount includes funding for 1.00 additional FTE to maintain the legislative branch network despite the presence of highly qualified network specialists currently within the various legislative branch agencies.
- 1111-EQC Page A-4, Lines 10 & 11 \$31,600
Additional Staff. Not requested in budget submission.
- 2110-Judiciary Page A-5, Lines 14 & 15 \$55,032
Law Clerk Salary Parity--Would provide salary increases above those included in the pay plan.
- Page A-6, Lines 12 & 13 \$6,646
Salary Increase--Deputy Clerk of Supreme Court--Again above the increases provided in the pay plan.
- 3201-Sec of St Page A-8, Lines 23-25 \$95,000
Microfilming and Fireproof Document Storage--Not included in the Executive Budget--Absolutely Necessary? Consider delaying until a future biennium.
- 3401-St Auditor Page A-11, Lines 23 & 24 \$40,527
Warrant writing equipment--Not included in the Executive Budget--Update equipment, absolutely necessary in the amount requested?

SECTION B. HUMAN SERVICES:

5301-Health Page B-5, Lines 4 & 5 \$341,076
MIAMI program (prenatal care services for at-risk pregnant women) expansion to additional counties--Not included in the Executive Budget.

6602-Labor Page B-9, Lines 10 & 11 \$82,685
Additional staff to reduce case backlog in Human Rights Commission--Not included in the Executive Budget.

6901-SRS Page B-11, Lines 11 & 12 \$90,954
Page B-16, Lines 14 through 16
Day Care provider rate increase. The general fund is to be replaced by federal revenue from new child care and development grant if permitted by federal regulations--Not included in the Executive Budget.

Page B-11, Lines 17 & 18 \$1,737,353
Page B-16, Line 17
Increase payments for AFDC and General Assistance to 42% of federal poverty guideline each year. The Executive Budget held the payments at FY91 average levels of approximately \$342.00 per month for AFDC and \$234.00 per month for General Assistance. The amounts provided in this line item would increase the monthly payments approximately 5% each fiscal year.

Page B-13, Lines 16 & 17 \$10,737
Medicaid Waiver group home provider rate increase of 5% each fiscal year--Not included in the Executive Budget.

Page B-14, Lines 13 & 14 \$176,066
Page B-18, Line 6
Vocational Rehabilitation provider rate increase of 5% each fiscal year--Not included in the Executive Budget.

Page B-14, Lines 17 & 18 \$310,910
Program expansion for additional 30 slots in supported employment benefits in the Vocational Rehabilitation Program to reduce waiting lists--Not in the Executive Budget.

Page B-14, Lines 23 & 24 \$24,409
Page B-18, Line 7
Visual Services provider rate increase of 5% each fiscal year--Not included in the Executive Budget.

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Page B-15, Lines 3 & 4

\$3,205,453

Page B-18, Line 9

Developmental Disabilities provider rate increase of 5% each fiscal year--Not included in the Executive Budget.

Page B-15, Lines 5 & 6

\$727,116

Program expansion in Developmental Disabilities to provide services to 60 additional specialized family care clients, 50 supported work and 50 supported living clients from current waiting lists--Not included in Executive Budget.

6911-DFS Page B-18, Line 16.

\$73,100

Rent Increase for new office space for central office. The department testified that new office space was required and the funds would be obtained through reallocation within the Executive Budget. The legislature added \$43,000 each year funded at 85% general fund.

Page B-18 Lines 23 & 24

\$158,588

Two additional Divisional Administrators for contemplated reorganization--Not in Executive Budget.

Page B-19, Line 1.

\$1,165,012

Addition to base of a 5% provider rate increase for foster care providers each year of the biennium has been included--Not in the Executive Budget.

Page B-19, Line 1.

\$96,791

Page B-20, Lines 23 through 25; Page B-21, Line 1

Addition to base of a day care provider rate increase which increases rates beginning October 1, 1991. The general fund is to be replaced by federal revenue from new child care and development grant if permitted by federal regulations--Not in the Executive Budget.

SECTION C. NATURAL RESOURCES:

4201-Public Service Regulation Page C-1 Lines 11 & 12 \$30,000
Salary increase for exempt positions -- Not included in the Executive Budget.

PSR Relocation Page C-1 Lines 13 & 14 \$35,816
Additional office space. Executive budget supports only the replacement of existing space.

5706-DNRC Page C-14, Line 23 to Page C-15, Line 1 \$49,999
The subcommittee added \$49,999 (for the biennium) for an Eastern Plains Resource Conservation and Development Coordinator. The line items also include \$50,001 of federal funds.

6501-Dept. of Commerce Page C-21, Lines 22 & 23 \$375,000
The Senate added \$375,000 for the biennium to increase local assistance to certified communities. The additional \$375,000 represents a 10% increase. Prior to the amendment, the budget for the Department of Commerce included \$3.522 million for local assistance which is 18.13% greater than appropriations for the previous biennium. Only forty-two communities would be eligible to receive the funds. Several communities who would be receiving this state money have had local option economic mill levies defeated, meaning that state taxpayers will now pay for what the local taxpayers refused to pay for. The Governor has signed the bill to continue the one mill local option economic development levy. Every community has the means to pay for its own economic development organization if they choose to.

Ex. 1
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SECTION D. INSTITUTIONS AND CULTURAL EDUCATION:

5115-Library Commission Page D-1 Lines 20 & 21 \$62,813

Library books increase - Would provide increase above the inflation increase in Executive Budget.

Page D-1 Lines 20&21 \$11,692

Funding added for two position upgrades after budgets were developed and are not included in the Executive Budget.

Page D-2, Lines 5&6 \$437,621

The 1989 Legislature provided \$566,000 general fund assistance to local libraries for the 1991 biennium in a miscellaneous appropriation bill, which was continued in the Executive Budget but not in the LFA current level. The Legislature has added this \$437,621 increase over and above the 1991 biennium increase.

6401- Institutions Page D-5 Lines 3 & 4 \$16,836

Board of Pardons increase - Would provide increase in per diem, travel and postage above the Executive budget.

Page D-6, Lines 3 & 4 \$133,443

WCC Additional Staff increase - Added 3.00 FTE correction officers not included in the Executive Budget.

Page D-6, Lines 23 & 24 \$81,939

Community pre-release 2% providers increase - Not included in the Executive Budget.

Page D-7 lines 2 through 4 \$592,000

Mental Health Community Services general fund increase. In the 1991 biennium \$592,000 was transferred from the Chemical Dependency Block Grant to sufficiently fund community services. This \$592,000 increase is over and above the transfer and was not included in the Executive Budget.

Page D-7, Lines 9 & 10 \$299,662

Community Mental Health Centers 2% provider increase - Not included in the Executive Budget.

Page D-7, Lines 15 & 16 \$105,974

Montana State Hospital increase FTE - 2.00 FTE Chemical Dependency Counselors were recommended in the Executive Budget contingent upon the Galen closure. The 2.00 FTE are not needed because Galen is not closing.

Page D-8, Lines 6 & 7 \$66,266

Eastmont Human Services Center increase FTE - 1.00 FTE Qualified Retardation Specialist not included in the Executive Budget. Eastmont passed certification survey in February without this position.

SECTION E. EDUCATION:

3501 Office of Public Instruction, Page E-1, lines 19&20 \$61,000
These are registration fees from persons attending various conferences and workshops, deposited into the general fund in prior years. Now OPI wishes to spend the general fund for these prior fees. Deletion of this item will have no impact on the ability of OPI to conduct conferences and workshops during the 1993 biennium.

Page E-2, lines 5 & 6, Indian Education \$48,068
Previously this position was funded 1/2 general fund and 1/2 federal funds. HB2 funds this position fully with general fund. Deletion of this item would restore the position to the Executive Budget and the LFA current level.

Page E-2, lines 7 & 8, Audiology \$82,000
Because the OPI budget request indicated that private funds were no longer available for this program, the Executive Budget added \$68,000 of new general fund each year to replace the lost revenue. Because circumstances have changed and private funds will be available from U.S. West and other sources, it is no longer essential to keep this general fund in addition to the new private funds which the legislature has restored to this program.

Page E-3, lines 17 to 19, Gifted and Talented \$800,000
HB2 was amended on the House floor to increase general fund by \$400,000 each year of the 1993 biennium.

5102-Commissioner of Higher Ed Page E-9, Line 8 \$182,400
Added 2 new medical slots to WICHE in FY92 and 3 new medical slots in FY93 plus continuing students. Executive budget had reduced these WICHE slots to help offset the rising costs of the WAMI program, which increased approximately \$92,000 from FY91 to FY92 and an additional \$123,650 from FY92 to FY93. WAMI is a similar program focusing on rural health care, which funds 20 new and 60 continuing medical students per year, and which has more physicians returning to Montana than WICHE.

Page E-9, Lines 13 and 14 \$210,406
Increased funding to support same number of work study students at federal minimum wage. Executive budget had recommended FY91 level of funding to support fewer students are higher wage.

Page E-9, Line 19 \$737,747
Two major components of the community college funding formula are over current level: 1) Increased per student cost factor from \$3,907 in FY91 to \$4,031 in FY92 and \$4,163 in FY93; and 2) Increased general fund support from current 47% to 49% in FY91 and 50% in FY92. An adjustment could be made in either or both of these factors.

Page E-10, lines 24 & 25

\$200,000

The Vocational-Technical Center Contingency of \$200,000 for the 1993 biennium is over and above the \$1.149 million increase caused by formula funding and lump-sum appropriation recommended in the Executive Budget. These monies are to be used by the regents to help implement the formula budgeting concept, which could be accomplished without this addition.

Montana University System - system-wide

Arbitrated Salary Increases

\$697,730

Funding totalling \$8,697,730 was added to the current level budgets of each of the units and agencies. The purpose is to fund faculty salary increases of 3.5% (2.5% arbitrated; 1% merit) each year (or 7% for the biennium.) These increases are in addition to the "six and six" percent increases funded by the 1989 Legislature. In funding this salary increase, the Subcommittee theoretically utilized the \$8,000,000 "regents discretionary money" recommended in the Executive Budget; however, the total exceeds the discretionary amount by \$697,730. This also is over and above pay plan increases for the faculty. Increases totalling \$697,730 are detailed under each unit below.

Minimum Wage Increases

\$661,808

Funding totalling \$661,808 was added to the system for minimum wage increases. Increases are detailed under each unit below.

Library Books

\$1,002,560

Biennial appropriations totalling \$1,002,560 were added to the six units for library books in excess of the Executive Budget, even though the executive had already included library inflation at 5% in FY92 and 10% in FY93. Increases are detailed under each unit below.

5103-University of Montana, Page E-12, Line 2

\$206,162

This is the portion of the 3.5% arbitrated salary increase over the \$8,000,000 executive recommended discretionary amount. (Total system arbitrated salary increases equal \$8,697,730.)

Page E-12, Line 2

\$260,000

This is the amount rolled into current level for the UM Pharmacy School accreditation over and above the "formula" generated amount for the instruction program.

Page E-12, Lines 6 and 7

\$30,000

This is the money which replaces private funding formerly provided by US West for the publication of Economics Montana.

Page E-12, Lines 20 and 21

\$163,866

Increased funding to support same number of students at federal minimum wage.

Page E-12, Lines 22 and 23 \$331,280
Biennial appropriation (which must be built into the FY94-95 LFA current level base because of language in boilerplate) for library books. Executive recommendation had already included inflation of 5% and 10% in FY92 and FY93 respectively.

5104-Montana State University Page E-13, Line 22 \$245,426
This is the portion of the 3.5% arbitrated salary increase over the \$8 million executive-recommended discretionary amount.

Page E-14, Lines 13 and 14 \$167,182
Increased funding to support same number of students at federal minimum wage.

Page E-14, Lines 15 and 16 \$378,280
Biennial appropriation (which must be built into the FY94-95 LFA current level base because of language in boilerplate) to add library books. Executive recommendation had already included inflation of 5% and 10% in FY92 and FY93 respectively.

5105-Montana Tech Page E-15, Line 7 \$41,848
This is the portion of the 3.5% arbitrated salary increase over the \$8 million executive-recommended discretionary amount. (Total system arbitrated salary increases equal \$8,697,730.)

Page E-15, Line 7 \$890,784
Increased funding to support additional faculty and equipment to meet accreditation requirements. The Executive Budget was funded according to the standard formula for all programs in the university units.

Page E-15, Lines 20 and 21 \$77,870
Increased funding to support the same number of students at federal minimum wage.

Page E-15, Lines 22 and 23 \$60,920
Biennial appropriation (which must be built into the FY94-95 LFA current level base because of language in boilerplate) to add library books. Executive recommendation had already included inflation of 5% and 10% in FY92 and FY93 respectively.

5106-Eastern Montana College, Page E-16, Line 14 \$68,200
This is the portion of the 3.5% arbitrated salary increase over the \$8 million executive-recommended discretionary amount.

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Page E-16, Lines 21 and 22 \$20,000
Added to fund minimum utilities in vacant dormitory.
Executive budget did not recommend.

Page E-17, Lines 6 and 7 \$79,028
Increased funding to support the same number of students at
federal minimum wage.

Page E-17, Lines 8 and 9 \$132,840
Biennial appropriation (which must be built into the FY94-95
LFA current level base because of language in boilerplate) to
add library books. Executive recommendation had already
included inflation of 5% and 10% in FY92 and FY93
respectively.

Page E-16, Lines 23 and 24 \$16,527
Added by Senate Finance and Claims to fund bond costs for
Billings SID improvement district, which could come from other
funds.

5107-Northern Montana College, Page E-17, Line 25 \$38,050
This is the portion of the 3.5% arbitrated salary increase
over the \$8 million executive-recommended discretionary
amount.

Page E-18, Lines 12 and 13 \$88,290
Increased funding to support the same number of students at
federal minimum wage.

Page E-18, Lines 14 and 15 \$62,600
Biennial appropriation (which must be built into the FY94-95
LFA current level base because of language in boilerplate) to
add library books. Executive recommendation had already
included inflation of 5% and 10% in FY92 and FY93
respectively.

5108-Western Montana College, Page E-19, Line 5 \$22,314
This is the portion of the 3.5% arbitrated salary increase
over the \$8 million executive-recommended discretionary
amount.

Page E-19, Lines 15 and 16 \$85,572
Increased funding to support the same number of students at
federal minimum wage.

Page E-19, Lines 17 and 18 \$36,640
Biennial appropriation (which must be built into the FY94-95
LFA current level base because of language in boilerplate) to
add library books. Executive recommendation had already
included inflation of 5% and 10% in FY92 and FY93
respectively.

- 5109 Agricultural Experiment Sta., Page E-21, Line 9 \$41,764
This is the portion of the 3.5% arbitrated salary increase over the \$8 million executive-recommended discretionary amount.
- 5110 Cooperative Extension Service, Page E-21, Line 23 \$28,378
This is the portion of the 3.5% arbitrated salary increase over the \$8 million executive-recommended discretionary amount.
- 5111 Forest and Cons. Exp. Station, Page E-22, Line 7 \$3,324
This is the portion of the 3.5% arbitrated salary increase over the \$8 million executive-recommended discretionary amount.
- 5112 Bureau of Mines, Page E-22, Line 13 \$2,060
This is the portion of the 3.5% arbitrated salary increase over the \$8 million executive-recommended discretionary amount.
- 5113 School for Deaf & Blind, Page E-22, lines 5 & 6 \$8,500
HB100 included \$3,744 per year during the 1991 biennium for the superintendent's housing allowance. The Board of Public Education approved a housing allowance of \$7,800 per year. In addition, the business manager received a 15.42% salary increase in FY90 and a 6.51% increase in FY91. Because these increases were over and above authorized personal services costs, the school transferred \$8,500 from the general services program operating budget to fund the increases and the legislature is continuing them in HB2.
- Page E-22, Line 23; Page E-23, Lines 5 and 8. \$84,027
A Senate floor amendment added these funds for pay increases or equity for the administrators and faculty. This increase is in addition to the \$8,500 in the item above for increased housing allowance and administrative salary, which is over and above the pay plan for the 1991 and the 1993 biennia.