

MINUTES

**MONTANA SENATE
52nd LEGISLATURE - REGULAR SESSION
COMMITTEE ON FINANCE & CLAIMS**

Call to Order: By Senator Judy Jacobson, Chairman, on January 11, 1991, at 4:00 P.M., Room 108.

ROLL CALL

Members Present:

Judy Jacobson, Chairman (D)
Greg Jergeson, Vice Chairman (D)
Gary Aklestad (R)
Thomas Beck (R)
Esther Bengtson (D)
Don Bianchi (D)
Gerry Devlin (R)
Harry Fritz (D)
H.W. Hammond (R)
Ethel Harding (R)
Bob Hockett (D)
Thomas Keating (R)
Richard Manning (D)
Dennis Nathe (R)
Lawrence Stimatz (D)
Larry Tveit (R)
Eleanor Vaughn (D)
Mignon Waterman (D)
Cecil Weeding (D)

Members Excused: None

Staff Present: Jim Haubein (LFA)

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

Announcements/Discussion: Chairman Jacobson distributed general guidelines for subcommittees of action taken by the House Appropriations Committee. (See Exhibit 1) Chairman Jacobson said regarding committee members leaving votes with the committee that the procedure established should be reflected in the minutes. Senator Jergeson moved that a committee member may leave a vote in writing regarding a specific bill or a specific amendment with the committee chairman. After committee discussion, it was noted that the

vote could be left with the Finance and Claims committee secretary to be included in the vote. The motion carried unanimously.

HEARING ON HOUSE BILL 1

Presentation and Opening Statement by Sponsor:

Representative Bardanouve explained the bill as the traditional feed bill, with inflationary increases. (See Exhibit 2)

Proponents' Testimony:

None

Opponents' Testimony:

None

Questions From Committee Members:

Senator Aklestad questioned leadership travel expenses and asked if that has been standard procedure. Representative Bardanouve said there was a request by the Senate minority leadership of a \$5,000 travel budget in addition to the regular travel budget of \$10,000 for the whole Senate, making the Senate travel budget \$15,000. The House travel budget remains at \$10,000.

Closing by Sponsor:

None

EXECUTIVE ACTION ON HOUSE BILL 1

Motion:

Senator Manning moved that House Bill 1 BE CONCURRED IN.

Discussion:

None

Amendments, Discussion, and Votes:


None

Recommendation and Vote:

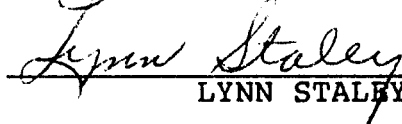
The question was called. Motion carried unanimously that HOUSE BILL 1 BE CONCURRED.

ADJOURNMENT

Adjournment At: 4:20 p.m.



JUDY JACOBSON, Chairman



LYNN STALEY, Secretary

JJ/lS

ROLL CALL

FINANCE & CLAIMS COMMITTEE

DATE 1/11/91

52nd LEGISLATIVE SESSION _____

NAME	PRESENT	ABSENT	EXCUSED
SENATOR JACOBSON CHAIRMAN	✓		
SENATOR JERGESON, VICE CHAIRMAN	✓		
SENATOR AKLESTAD	✓		
SENATOR BECK	✓		
SENATOR BENGTON	✓		
SENATOR BIANCHI	✓		
SENATOR DEVLIN	✓		
SENATOR FRITZ	✓		
SENATOR HAMMOND	✓		
SENATOR HARDING	✓		
SENATOR HOCKETT	✓		
SENATOR KEATING	✓		
SENATOR MANNING	✓		
SENATOR NATHE	✓		
SENATOR STIMATZ	✓		

Each day attach to minutes.



The Big Sky Country

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 1

DATE 1/11/91

BILL NO. _____

MONTANA HOUSE OF REPRESENTATIVES

January 9, 1991

TO: Appropriations Subcommittee Chairs
FROM: Representative Francis Bardanoue
Chairman of House Appropriations Committee
RE: General Guidelines for Subcommittees

A handwritten signature in black ink, appearing to read "Bardanoue", written over the "FROM:" line of the letter.

At the January 8, 1991 meeting, we agreed to the following guidelines for subcommittee action:

1) Reorganizations

Budgets for programs that are proposed for reorganization in the Executive Budget will be heard as part of the agency in which they currently exist. Thus, the Aeronautics and Transportation programs will be heard in the Natural Resources and Commerce subcommittee, all Department of Health programs will be heard in the Human Service subcommittee, and the Fire Services Training School budget will be heard in the Education subcommittee. If the bills to reorganize these state agencies pass, the relevant subcommittees will work together to incorporate the transferred programs in the new agency.

The State Fund budget will be heard in the General Government and Highways subcommittee.

2) Subcommittee Worksheets

The LFA staff will prepare worksheets for subcommittee action comparing the Executive Budget and LFA current levels by first level for each program. These worksheets will identify major differences in the

current levels, budget issues (such as funding switches), and Executive Budget requests for language in the appropriation act. They will also include a list of budget modifications for that program (showing separately those included in the Executive Budget and the additional requests from elected officials and the university system).

3) Vacancy Savings

Subcommittees will fully fund personal services and will not impose vacancy savings on programs or agencies. Boilerplate language similar to that contained in House Bill 100 will be proposed to prohibit the transfer of funds appropriated for personal services to any other expenditure category.

4) Inflation and Fixed Costs

The House Appropriation Committee will meet on adjournment of the House on Friday, January 11, to consider the inflation factors and fixed costs that will be used in subcommittees. The Department of Administration will make a presentation to the committee concerning the proposed network budget modification and its impact on network fees and mainframe costs. OBPP and LFA staff are meeting to resolve/refine differences on utilities. OBPP and LFA staff will present the bases for their inflation factors and fixed costs to the committee for their consideration and action.

5) Supplementals

Each subcommittee will review the supplementals requested for the agencies assigned to their subcommittee and make a recommendation to the full committee. LFA staff will prepare a summary of each request for the subcommittee.

6) House Bill 2 Format

OBPP has proposed a slightly different format for the general appropriation act. As introduced, the bill includes line-item appropriations

for each program. In addition, the Executive Budget proposes a new organizational structure for the Department of Institutions with fewer line-items. Subcommittees will discuss how they would like program/agency appropriations included in House Bill 2.

7) Budget Modifications

No budget modification will receive final approval until the full committee has reviewed it.

8) Technical Issues

In order to make most efficient use of the computer budgeting system, subcommittees will direct staff to delete/add/modify positions by grade and step, rather than specifying a specific dollar amount. Similarly, in taking action on operating expenses, the subcommittee will specify the amount to be added or subtracted from the fiscal 1992 and 1993 base of the expenditure item, with the understanding that the agreed upon inflation factor will be applied against this revised base.

9) Use of Fiscal Year 1990 Base

In general, subcommittees will use fiscal 1990 expenditures as the base.

10) Cat and Dog Bills

The LFA staff will maintain and distribute to the chairman and subcommittee chairs a list of "cat and dog" bills by subcommittee area. This will allow subcommittees and the full committee to have a sense of the full range of requests. The subcommittee chairs will discuss at future meetings ways to improve the procedure for handling these bills.

Comparison of the 1989 and 1991 Feed Bills**Principal Changes**

1. **Legislator salaries.** Legislators received \$52.13 in 1989 compared to \$56.44 now. That is an 8.28% increase based on the increases experienced at grade 8, step 2 on the state pay matrix over the two years.
2. **FICA** has increased from 7.51% to 7.65%. a 1.8% rate increase that compounds against the salary base.
3. **Retirement** With the large turnover of legislators, high retirement payments have been experienced in the past two years and may continue. We expect to be receiving more billings this month. The Senate budget is \$35,000, up from \$15,000 budgeted, but only from \$29,000 actual. The House budget of \$75,000 is up from a \$50,000 budget but up from \$70,000 actual.
4. **Group Insurance** The Senate budget for group insurance increases from \$151,500 to \$198,000, a 31% increase in the budget. Similarly, the House budget increases from \$303,000 to \$396,000. As with two years ago, the budget is base on the administration's proposed increases in the benefit level, which is yet to be approved by the legislature. Two years ago, the Legislature increased the insurance amount proposed, so the budgeted increase shown here is higher than actual to budget. The annual amounts in the budget are \$1,800, \$1,980, and \$2,160.
5. **Personal Car Mileage** The mileage allowance for legislators increases from \$0.24 to \$0.26 a mile, an 8.33% increase over two years.
6. **Equipment** The Senate equipment budget, which was minimal two years ago at \$15,000 stays the same. The House, which completed important upgrades to their computer network has reduced the equipment budget from \$149,000 to \$50,000. The

Senate will be relying more on leasing of equipment and software than the House, which pushes some of the cost for computer support into the operating expense category. The approaches are otherwise comparable.

7. Attache salary and benefits The Senate budget increases from \$467,607 to \$483,567, 3.41%. The House budget increases from \$524,325 to \$549,165, 4.74%. This year both budgets were figured with the same assumptions, which accounts for the slight difference in percentage. The actual hourly base for the employees engaged has been computed against anticipated hours of work. The propose increase from \$.20 to \$.50 for pay in lieu of benefits is included.
8. Leadership approved travel The budgeted \$10,000 remains the same in the House budget. The Senate has adopted a proposal by Senator Gage and others developed during the interim to include a specific amount for the minority leadership to allocate, so the Senate budget includes an additional \$5,000 for this purpose.
9. Legislative Council Small changes result from different uses of personnel in the office. We are using full time staff in the information office and have not hired an extra person to help with payroll. Thus the information office and business office budgets are reduced. The bill printing and distribution budget is based on the same assumptions as two years ago. The cost per impression has remained the same. Increases in postage and personnel from pay matrix increases are included. The legislative publications budget increases based on actual bids received for the books. This seems to have a biennial cycle.

The Legislative Telephone Service budget increases to \$137,384 from \$107,152, 28%. This is based on actual experience. The budget was \$152,836 in 1987. We apparently reduced it too much two years ago.
10. Department of Administration The budget for mail service in the afternoons is returned to this budget after a brief hiatus at the request of the Department.

