

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON SELECT BUDGET/REVENUE

Call to Order: By Ed Grady, on January 11, 1993, at 4:00 P.M.

ROLL CALL

Members Present:

Rep. Ed Grady, Chair (R)
Rep. Jerry Driscoll, Vice Chair (D)
Rep. Mike Foster (R)
Rep. Bob Gilbert (R)
Rep. John Johnson (D)
Rep. Bea McCarthy (D)
Rep. Mary Lou Peterson (R)
Rep. Joe Quilici (D)

Staff Present: Teresa Cohea, Legislative Fiscal Analyst
Mary Lou Schmitz, Committee Secretary

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

Committee Business Summary:

CHAIRMAN GRADY said the committee asked the Staff to bring in more information and turned the meeting over to **Teresa Cohea, LFA**, who referred the Committee to **EXHIBIT 1**, which will provide more information. The first sheet is a companion sheet to the Revenue Increase sheet that the Budget Office prepared. It shows examples of expenditure reductions necessary, if done in isolation, that would erase the deficit. For example, the current level foundation and related Guaranteed Tax Base (GTB) costs for the 95 biennium are \$789.9 million. That excludes the Retirement GTB. If you cut 1%, you would save \$8 million. Taking the next step, to erase the entire \$215 million deficit by cutting only the foundation program, you would need a 27% cut.

The same thing is done with the University System. Under current level general fund for the 95 biennium, based on the formula funding, a 1% cut would save \$2.5 million general fund. You would need to cut the University System by 86% if you used that method only to erase the projected deficit.

She referred next to Table 3, Page 11, Budget Analysis, Vol. I. Totally eliminating all funding for Agency 6 (Revenue), Agency 8 (Justice) and 10 through 40 (all other state agencies that are not Human Services or Higher Ed) would cost \$198 million. The only things that would remain funded are Human Services and

Higher Education. If you totally eliminated all general fund for all remaining agencies, you still could not erase the deficit since you would only get \$198 million, general fund savings.

The next thing the Committee asked **Ms. Cohea** to look at was, of the other general fund expenditures that are statutory appropriations, what is within their discretion to change and what is not? Personal property reimbursement is totally within legislative control. That is a program the legislature created, so there is no federal mandate. If you changed the statute, you could either eliminate the \$39.8 million biennial cost or reduce it. Those who would be affected would be local government and schools who receive this money. Debt service the \$23.3 million is a contractual obligation because bonds were sold and interest on them is due. The \$2.4 million shown, **EXHIBIT 1**, that is within legislative control is the fiscal 95 debt service resulting from **Governor Stephens'** recommendations for the down-sized men and women's prisons and the two University Unit buildings that were approved in the 91 Session. Retirement benefits are entirely within your control. Those were the benefits enacted as a companion on SB 226, Taxation of State Employees and Teachers Retirement. Again, statute change could eliminate or reduce that cost.

The next page shows the current level, general fund balance statement for the 93 biennium and how it compares to the LFA current level for the 95 biennium. For example, each item is shown either increase/decrease. **Ms. Cohea** referred to the General appropriation act/pay plan there is a \$100 million increase between the two bienniums, general fund. To make it comparable you will have to take the Supplementals that are being requested for the 93 biennium and include them with the General appropriation act because in most cases they will be ongoing costs. If you did that there would be a \$77 million increase in State Agency and University System budgets.

The School Equalization Account (SEA) shows the Supplemental that is needed in the 93 biennium, \$12.1 million, and contrasts it with the Supplemental that will be needed to maintain current foundation schedules for anticipated enrollment. All this reflects is the amount that account is short to fund current foundation schedules.

Contained in the Feed Bill for 93 are the costs of the July Special Session and the current Session, \$5 million.

After looking at all of the above figures, there is a \$95 million increase in general fund expenditures between the 93 current level and the 95 biennium current level. Of the \$215 million deficit how much is due to expenditure increases and how much is due to revenue short-falls. That calculation is shown in the Components of Budget Deficit; expenditure increases are \$99.3 million. The difference between that and the \$215 million projected deficit is \$116.3 million of revenue shortfall.

Ms. Cohea referred the Committee to the next page and explained they have taken the LFA current level for 1992-93 by Agency, general fund only and compared it to the LFA 94-95 general fund, shown a difference and a percentage. For instance, using the Legislative Auditor as an example, what is in the 92-93 current level is 92 actual expenditures that are ongoing. Built into this column are any vacancy savings that the Agency did experience in 92 and any vacancy savings or budget reductions imposed for 93 during the special sessions. Also built into that are any funding switches that relieve general fund etc. The 94-95 is the LFA calculation as defined by statute of what it would cost to fund existing programs in 94-95. This includes full funding for all-authorized positions, Worker's Compensation increases as calculated prior to the 5% midterm increase, the annualized pay plan etc. All those sorts of costs are reflected in this column. The average percent increase for all agencies is about 13%, but it varies widely.

Ms. Cohea referred to the next three pages, **EXHIBIT 1**, Current Level Expenditures Fiscal 1992. The first two pages exclude the University system. This is general fund only, but it tells you how agencies spent their budget.

Ms. Cohea said that same type of information is presented on the back page for the University system. There is a little bit of difficulty in the University system data. General fund money is sent to the University system but they spend it out of Current Unrestricted. In that account it is mingled with 6 mill levy money, tuition money, etc. In this calculation, she is showing expenditures from the Current Unrestricted.

Ms. Cohea summarized by saying, if, for example you chose to say that Agencies could spend no more than their fiscal 92 appropriation, for many Agencies that would mean reducing their positions by 10% or applying a 10.8% vacancy savings factor. These numbers are in the Budget Analysis, Summary Page 24 and a graph shows areas of change in the current level budget between 92 and 94. Now instead of looking at agency by agency, rolled up for all state agencies. Between the 93 biennium and the 95 biennium there is a \$71 million increase in state agencies' personal service budgets. Of that amount, \$4 million is due to upgrade, about \$12 million due to increase Worker's Compensation premiums, and about \$22 million due annualization of the pay plan. Most of the remainder is due to vacancy savings that you imposed and/or agencies accrued during the 93 biennium.

In answer to a question from **REP. DRISCOLL** concerning one-time revenues, **Ms. Cohea** said in the report the LFA office put out in June that dealt with predicting how big the deficit would be, **Terry Johnson, LFA office**, had a page that very carefully itemized what the one-time money in 93 was and she will make it available to the committee. **REP. DRISCOLL** said revenue collections from existing taxes on the books are going up. Formula driven government is going up at a different rate and he

feels somebody will have to get those things back in line.

REP. GILBERT said he was not sure all Medicaid benefits are mandates. They have options and we can look at them.

SEN. GAGE said the current level 92-93 general fund included 92 actual and part of that was funding source switches. Are there any funding source switches in 93 and are they taken into account? **Ms. Cohea** said in 92-93 these reflect funding switches you approved during the two special sessions. In 94-95 when the LFA build the current level, if there was an ongoing revenue source and the funding switch would still work and you hadn't specified it was one-time the LFA continued it. If you had specified it was one-time or the money wasn't there, then they switched it back to the historical funding method. There is a mixture. That is one of the things the LFA documented in the Budget Analysis book.

SEN. AKLESTAD referred to **EXHIBIT 1**, General Fund Expenditures and the reversions in 93 of \$7 million. **Ms. Cohea** said this is an estimated figure for the 95 biennium. **Mr. Johnson** calculated that because it is unknown. There is \$3.5 million estimated for 93. **SEN. AKLESTAD** said his concern is, since there were vacancy savings last time he thought the reversions were going to be nil and now if they are operating under the assumption they are not going to save vacancy savings then would reversions be greater for 94 or 95. **Ms. Cohea** said that is a good point. Even after the special sessions and the relatively tight budgets, there was an anticipated reversion rate of \$2.5 million per year.

Dave Lewis, Director, Budget Office said there were two things he was asked to do 1) ask the Human Service Department to access the impact of staying at the 92 appropriated level on their programs. SRS did a fairly detailed listing of what you would have to do to cut \$65 million out of the current level budget that is in the LFA budget. He explained **EXHIBIT 2** in detail.

REP. DRISCOLL asked if the Montana income tax, worked through a percentage of Federal tax at 41% would make up the \$215 million? **Mr. Lewis** said it would.

Mr. Lewis referred to a question from **REP. QUILICI** who asked what can be saved when the various optional services are eliminated. The optional services are the ones at the top of the list (SRS Program Elimination and Reductions). Most of them do not amount to much in total dollars.

REP. DRISCOLL said the actual general fund and all other tax collections went down but the economy is going up and how do we stop that? He suggested fixing the structural imbalance of the tax system.

Terry Johnson, LFA, said in terms of the general fund and school equalization account revenues, they actually are going up. The

problem with looking at 92-93 versus 94-95 is one-time revenues in 92-93 but you also have the revenue accruals, the one-time bump in collections. You also have the implementation of the 7% surtax included. Looking at 94-95, a 3% growth rate is predicted. That is more of a normal trend now, once they have gone through the one-time adjustments.

SEN. SWYSGOOD said the subcommittees are working on budgets now and are struggling just to maintain current level and if they do that will still be \$215 short in that process. Somewhere they need to be aware of a target in reduction.

CHAIRMAN GRADY said hopefully they will be able to set Friday, January 15, as their target date.

SEN. GAGE said he recalled there were no Mods included and asked if there is somewhere they can see the total Mods. **Ms. Cohea** said she just received the **Racicot** budget. General Fund is actually negative with \$25 million cuts in the University System. In other Agencies there would be \$12 million or \$13 million positive Mods offset by the \$25 million negative. Total Mods in the **Racicot** budget are \$154.2 million increase so there are negative Mods in SRS, the University system etc. offsetting positive Mods in other Agencies for net increase of \$154.2 million. The general fund Mods are negative because of \$10 million negative Mods in SRS and \$12 million negative in the University system. Also there will be the \$14 million negative Mod general fund in Justice, the funding switch. So when the LFA staff does the analysis of the **Racicot** budget they will break it out by upward Mods versus negative Mods.

SEN. SWYSGOOD said the committee should not lose sight of the fact that when looking at these figures, they do not include the Supplementals. That is also a substantial amount of money.

Ms. Cohea said the current level also does not include the **Racicot** proposal for pay plan (\$20 per month insurance) which has a \$5 million general fund cost.

SEN. GAGE said to the extent that Supplementals are funded would it be a correct statement to say they will become a part of the 92-93 current level and thus reflect on the 94-95 current level?

Ms. Cohea said that is true in most cases but in a couple of cases they are not. For example, the Department of Revenue needed \$1 million to complete the Reappraisal Cycle. Hopefully, it will be completed, so the Supplemental won't be that ongoing. Certainly, cost over-runs in SRS will presumably continue in the 1995 biennium.

SEN. SWYSGOOD referred to the "cat and dog" appropriations that are ongoing. Are they included in the current level? **Ms. Cohea** said the LFA handled it like it has been traditionally handled. A "cat and dog" is not part of the current level base because the

appropriation is for two years only. For example, HB 999 provided funding for only two years, so it isn't in the LFA current level. However, there are one or two "cats and dogs" that are in the current level because the Legislature increased a revenue source and made it a permanent revenue source. In that case, the LFA current level would include them.

SEN. SWYSGOOD said if those programs are going to continue such as HB 999, which is Special Education Instate Reimbursement, then that further clouds the picture as far as the cost. **Ms. Cohea** said if the legislature wishes to continue funding the program with the general fund, that would be a general fund cost.

REP. DRISCOLL suggested the Appropriation Subcommittees be told that wherever possible they have to hold the spending to 1992 actual. The Taxation Committee will have to be told whatever this number is in the Budget, that amount will have to be put into tax increases that are ongoing.

REP. GILBERT suggested a motion to use 92 actual expenditures, have the staff come back with the results of that motion which would be in the range of \$115 million and determine if that is too much or not enough and then make another motion. This would be the best way to give guides to the subcommittees now.

Motion: **REP. DRISCOLL** amended **REP. GILBERT's** motion and recommended the Appropriations Committee set the target to not exceed the 92-93 Biennium actual, \$1,047,000 billion.

Discussion: **Ms. Cohea** said if it would be helpful she would work with the Budget Office to come up with a list of "cats and dogs".

SPEAKER MERCER reminded the committee they are setting a target and he will see to it personally there will be a number of Bill drafts put in that are general in nature to try to implement some of the things that might be necessary to meet the targets set by this committee. He encouraged them to not set the target simply based on the General Appropriations Act. You have to set the target based on all general fund money. A Resolution will be drafted and taken on the floor of the House, debated, and voted on and that Resolution will bind the Appropriations committees.

Vote: MOTION CARRIED UNANIMOUSLY

ADJOURNMENT

Adjournment: 5:15 P.M.



REP. ED GRADY, Chair



MARY LOU SCHMITZ, Secretary

EG/mls

HOUSE OF REPRESENTATIVES
Select Budget/Revenue COMMITTEE
ROLL CALL VOTE

DATE 1/11/93 BILL NO. HR 2 NUMBER

MOTION: Rep. Driscoll amended Rep. Gilbert's motion and
recommended the Appropriations Committee set the target to not
exceed the 92-93 biennium actual, \$1,047.000 billion.
Motion carried unanimously.

NAME	AYE	NO
Rep. Ed Grady, Chair	x	
Rep. Jerry Driscoll, Vice Chair	x	
Rep. Mike Foster	x	
Rep. Bob Gilbert	x	
Rep. John Johnson	x	
Rep. Bea McCarthy	x	
Rep. Mary Lou Peterson	x	
Rep. Joe Quilici	x	
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HR:1993
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CS-11




STATE OF MONTANA
Office of the Legislative Fiscal Analyst

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TERESA OLCOTT COHEA
LEGISLATIVE FISCAL ANALYST

January 11, 1993

TO: Members and Observers of the Select Committee on Budget/Revenue

FROM: Teresa Olcott Cohea
Legislative Fiscal Analyst 

RE: Material for Monday's Meeting

At Friday's meeting and in a follow-up meeting on Saturday, members of the committee asked us to prepare:

- 1) a comparison of agencies' general fund 1993 biennium current level base with the LFA current level for the 1995 biennium.
- 2) a comparison of all 1993 biennium general fund expenditures with the LFA current level for the 1995 biennium;
- 3) examples of the magnitude of education and state agency general fund budget reductions that would be needed in isolation to "erase" the projected \$215 million deficit. OBPP agreed to provide the same data for human service programs.

The requested material is attached so that you can review it prior to today's meeting. In addition, we have provided an analysis of how agencies spent their fiscal 1992 general fund current level budgets. With this material, the committee will know what percentage of total general fund expenditures were for agency operating costs (personal services, operating, and equipment) and the percentages spent on benefits, local assistance, and debt service.

We will be available to answer any questions you may have on this material at today's meeting.

TOC3J:lt:rev1-11.mem

EXHIBIT 1DATE 1-11-93HB 14R2

**Examples of Expenditure Reductions Necessary to Erase Deficit
1995 Biennium**

	GF/SEA Current Level Expenditure (\$ Million)	GF/SEA Savings from 1% Reduction (\$ Million)	GF/SEA Total Reduction Needed (%)	GF/SEA Total Savings (\$ Million)
Foundation/related GTB	789.9	8.0	27%	215.7
University system	250.4	2.5	86%	215.6
Agencies #6, #8, #10--#40	197.9	2.0	100%	197.9

**Discretionary General Fund Expenditures,
1995 Biennium**

	Contractual (\$ Million)	Within Legislative Control* (\$ Million)
Property tax reimbursement	0.0	39.8
Debt service	23.3	2.4
Retirement benefit	0.0	7.8

*Statute change required

General Fund Expenditures

(\$ Millions)

	Current Level 1993 Biennium	LFA Current Level 1995 Biennium	Increase/ Decrease
General appropriations act/pay plan	\$926.467	\$1,026.459	\$99.992
Governor-elect	0.050	0.000	(0.050)
Statutory appropriations			
Property tax reimbursement	38.431	39.846	1.415
Debt service	24.314	25.728	1.414
TRANS interest	6.464	Unknown	(6.464)
Retirement	6.700	7.814	1.114
Miscellaneous appropriations	2.879	0.000	(2.879)
Continuing appropriations	9.863	0.000	(9.863)
Supplementals			0.000
All other agencies	22.330	0.000	(22.330)
SEA	12.100	45.214	33.114
Feed bill	5.425	5.000	(0.425)
Reversions	(7.305)	(7.305)	0.000
Anticipated disbursements	\$1,047.718	\$1,142.756	\$95.038

*Adjusted for FY92 reversions; includes all HB2/HB509 general fund expenditures. \$908,765,660 total on next page reflects current level expenditures only.

Components of Budget Deficit

1995 Biennium

Expenditure increases		\$99.3
General fund	61.9	
School foundation	37.4	
Revenue shortfall		<u>116.3</u>
Projected general fund/SEA deficit		\$215.6

Office of Legislative Fiscal Analyst
General Fund Comparison
1992-93 Biennium vs. 1994-95 Biennium

EXHIBIT 1
DATE 1/11/93
HB 1282

Agcy Code	Agency Name	* Current Level Fiscal 1992-93 General	Current Level Fiscal 1994-95 General	Current Level Dollar Difference	Current Level Percent Difference
1101	Legislative Auditor	2,405,934	2,598,280	192,346	7.99%
1102	Legislative Fiscal Analyst	1,640,161	1,730,163	90,002	5.49%
1104	Legislative Council	3,531,458	4,948,118	1,416,660	40.12%
1111	Environmental Quality Council	557,134	599,665	42,531	7.63%
2110	Judiciary	16,409,133	18,046,448	1,637,315	9.98%
3101	Governors Office	4,716,106	5,048,068	331,962	7.04%
3201	Secretary Of States Office	1,862,677	1,865,520	2,843	0.15%
3202	Commissioner Of Political Prac	254,823	251,177	(3,646)	-1.43%
3401	State Auditors Office	4,140,769	4,285,698	144,929	3.50%
3501	Office Of Public Instruction	88,780,459	90,428,764	1,648,305	1.86%
4107	Crime Control Division	929,671	948,664	18,993	2.04%
4108	Highway Traffic Safety	366,160	420,000	53,840	14.70%
4110	Department Of Justice	21,849,203	26,894,613	5,045,410	23.09%
4201	Public Service Regulation	4,100,213	4,345,112	244,899	5.97%
5101	Board Of Public Education	208,748	229,268	20,520	9.83%
5100	Montana University System	246,182,349	250,382,166	4,199,817	1.71%
5113	School For The Deaf & Blind	5,418,939	5,626,423	207,484	3.83%
5114	Montana Arts Council	149,869	262,874	113,005	75.40%
5115	Library Commission	2,070,961	2,328,265	257,304	12.42%
5117	Historical Society	2,509,240	2,790,788	281,548	11.22%
5201	Dept Of Fish, Wildlife & Parks	778,023	846,110	68,087	8.75%
5301	Dept Health & Environ Sciences	6,472,799	6,616,383	143,584	2.22%
5401	Department Of Transportation	611,342	461,689	(149,653)	-24.48%
5501	Department Of State Lands	17,561,922	18,700,093	1,138,171	6.48%
5603	Department Of Livestock	1,227,616	1,148,509	(79,107)	-6.44%
5706	Dept Nat Resource/Conservation	8,657,844	10,375,645	1,717,801	19.84%
5801	Department Of Revenue	38,784,319	43,420,054	4,635,735	11.95%
6101	Department Of Administration	6,433,468	7,020,738	587,270	9.13%
6201	Department Of Agriculture	2,124,606	1,942,467	(182,139)	-8.57%
6401	Dept. Corrections & Human Ser	146,938,264	164,701,766	17,763,502	12.09%
6501	Department Of Commerce	5,119,155	5,441,618	322,463	6.30%
6602	Labor & Industry	1,453,872	1,396,969	(56,903)	-3.91%
6701	Adjutant General	4,084,257	4,321,645	237,388	5.81%
6901	Dept Social & Rehab Services	199,296,681	260,595,985	61,299,304	30.76%
6911	Department Of Family Services	61,137,485	75,439,238	14,301,753	23.39%
Totals		908,765,660	1,026,458,983	117,693,323	12.95%

*Does not include \$22.3 million in requested supplementals.

Office of Legislative Fiscal Analyst
Current Level Expenditures Fiscal 1992 *

Agcy Code	Agency Name	Personal Services	Operating	Equipment	Capital Outlay	Local Assistance	Grants	Benefits & Claims	Transfers	Debt Service	Total Expenditures
1101	Legislative Auditor	1,017,398	126,896	15,510	0	0	0	0	0	0	1,159,804
1102	Legislative Fiscal Analyst	673,800	89,394	576	0	0	0	0	0	0	763,770
1104	Legislative Council	995,028	418,418	137,002	0	0	0	0	0	0	1,550,448
1111	Environmental Quality Council	236,912	37,045	4,154	0	0	0	0	0	0	278,111
2110	Judiciary	4,083,851	902,900	248,756	0	0	2,646,833	0	0	0	7,882,340
3101	Governors Office	1,754,644	492,631	193,052	0	0	0	0	0	0	2,440,327
3201	Secretary Of States Office	543,308	361,108	7,313	0	0	0	0	0	0	911,729
3202	Commissioner Of Political Prac	92,858	38,172	531	0	0	0	0	0	1,176	132,737
3401	State Auditors Office	1,520,346	614,941	284	0	0	0	0	0	0	2,135,571
3501	Office Of Public Instruction	2,140,606	819,483	181,713	0	40,834,379	1,305,230	0	12,535,074	0	57,816,485
4107	Crime Control Division	348,249	106,115	888	0	0	0	0	0	0	455,252
4108	Highway Traffic Safety	0	0	0	0	183,080	0	0	0	0	183,080
4110	Department Of Justice	7,012,371	3,347,383	385,584	0	0	0	0	0	0	10,807,981
4201	Public Service Regulation	1,583,670	389,620	45,209	0	0	0	0	0	62,643	2,018,499
5101	Board Of Public Education	84,403	26,695	0	0	0	0	0	0	0	111,098
5102	Commissioner Of Higher Ed	993,129	329,630	47,633	0	3,733,048	4,669,838	0	0	706,255	10,479,533
5113	School For The Deaf & Blind	2,219,907	421,870	30,778	0	0	0	0	0	7,900	2,680,455
5114	Montana Arts Council	58,127	56,320	1,493	0	0	17,620	0	0	0	133,560
5115	Library Commission	383,640	208,971	97,931	0	0	379,105	0	0	0	1,069,647
5201	Dept Of Fish, Wildlife & Parks	98,296	222,504	8,113	0	0	0	0	50,996	0	1,267,415
5301	Dept Health & Environ Sciences	1,957,143	1,258,901	10,933	0	0	92,548	0	0	0	3,319,525
5401	Department Of Transportation	234,959	75,823	72,621	0	0	0	0	0	0	393,421
5501	Department Of State Lands	1,831,793	6,035,108	315,486	0	0	265,000	0	0	0	8,447,387
5603	Department Of Livestock	616,132	145,334	1,876	0	0	0	0	0	0	763,342
5706	Dept Nat Resource/Conservation	3,299,089	877,290	51,446	0	0	0	0	0	15,965	4,243,790
5801	Department Of Revenue	15,294,744	3,907,102	186,378	0	0	0	0	0	269,741	19,657,965
6101	Department Of Administration	2,246,884	895,895	28,852	0	4,737	0	0	0	3,179	3,179,547
6201	Department Of Agriculture	878,621	244,432	11,985	0	0	0	0	0	0	1,135,038
6401	Dept. Corrections & Human Ser	53,011,238	15,376,420	431,086	0	0	4,401,892	0	0	160,202	73,380,838
6501	Department Of Commerce	1,456,304	921,039	91,872	0	0	0	0	141,483	0	2,610,698
6602	Labor & Industry	233,548	106,076	1,340	0	0	0	402,779	0	0	743,743
6701	Adjutant General	1,062,065	1,040,728	18,939	0	0	0	2,470	0	0	2,124,202
6901	Dept Social & Rehab Services	5,793,235	4,799,456	38,958	0	0	0	87,669,772	0	0	98,301,421
6911	Department Of Family Services	13,028,973	1,657,938	117,650	0	0	1,159,914	15,057,768	0	0	31,022,243
Grand Total General Fund		\$127,702,031	\$46,643,184	\$2,785,942	\$0	\$44,755,244	\$14,937,980	\$103,132,789	\$12,727,553	\$1,227,061	\$353,911,784

*Does not include university system (except CHE)

EXHIBIT 1

DATE 1-11-93

HR 2

Office of Legislative Fiscal Analyst Current Level Expenditures Fiscal 1992

Agcy Code	Agency Name	Personal Services	Operating	Equipment	Capital Outlay	Local Assistance	Grants	Benefits & Claims	Transfers	Debt Service	Total Expenditures
Percent of Budget											
1101	Legislative Auditor	87.72%	10.94%	1.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
1102	Legislative Fiscal Analyst	88.22%	11.70%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
1104	Legislative Council	64.18%	26.99%	8.84%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
1111	Environmental Quality Council	85.19%	13.32%	1.49%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
2110	Judiciary	51.81%	11.45%	3.16%	0.00%	0.00%	33.58%	0.00%	0.00%	0.00%	100.00%
3101	Governors Office	71.90%	20.19%	7.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
3201	Secretary Of States Office	59.59%	39.61%	0.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
3202	Commissioner Of Political Prac	69.96%	28.76%	0.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.89%	100.00%
3401	State Auditors Office	71.19%	28.80%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
3501	Office Of Public Instruction	3.70%	1.42%	0.31%	0.00%	70.63%	2.26%	0.00%	21.68%	0.00%	100.00%
4107	Crime Control Division	76.50%	23.31%	0.20%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
4108	Highway Traffic Safety	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
4110	Department Of Justice	64.88%	30.97%	3.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.58%	100.00%
4201	Public Service Regulation	78.46%	19.30%	2.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
5101	Board Of Public Education	75.97%	24.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
5102	Commissioner Of Higher Ed	9.48%	3.15%	0.45%	0.00%	35.62%	44.56%	0.00%	0.00%	6.74%	100.00%
5113	School For The Deaf & Blind	82.82%	15.74%	1.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.29%	100.00%
5114	Montana Arts Council	43.52%	42.17%	1.12%	0.00%	0.00%	13.19%	0.00%	0.00%	0.00%	100.00%
5115	Library Commission	35.87%	19.54%	9.16%	0.00%	0.00%	35.44%	0.00%	0.00%	0.00%	100.00%
5117	Historical Society	72.33%	23.00%	0.64%	0.00%	0.00%	0.00%	0.00%	4.02%	0.00%	100.00%
5201	Dept Of Fish, Wildlife & Parks	24.98%	56.56%	18.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
5301	Dept Health & Environ Sciences	58.96%	37.92%	0.33%	0.00%	0.00%	2.79%	0.00%	0.00%	0.00%	100.00%
5401	Department Of Transportation	75.60%	24.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
5501	Department Of State Lands	21.68%	71.44%	3.73%	0.00%	0.00%	3.14%	0.00%	0.00%	0.00%	100.00%
5603	Department Of Livestock	80.72%	19.04%	0.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
5706	Dept Nat Resource/Conservation	77.74%	20.67%	1.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.38%	100.00%
5801	Department Of Revenue	77.80%	19.88%	0.95%	0.00%	0.00%	0.00%	0.00%	0.00%	1.37%	100.00%
6101	Department Of Administration	70.67%	28.18%	0.91%	0.00%	0.15%	0.00%	0.00%	0.00%	0.10%	100.00%
6201	Department Of Agriculture	77.41%	21.54%	1.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
6401	Dept. Corrections & Human Ser	72.24%	20.95%	0.59%	0.00%	0.00%	6.00%	0.00%	0.00%	0.22%	100.00%
6501	Department Of Commerce	55.78%	35.28%	3.52%	0.00%	0.00%	0.00%	0.00%	5.42%	0.00%	100.00%
6602	Labor & Industry	31.40%	14.26%	0.18%	0.00%	0.00%	0.00%	54.16%	0.00%	0.00%	100.00%
6701	Adjutant General	50.00%	48.99%	0.89%	0.00%	0.00%	0.00%	0.12%	0.00%	0.00%	100.00%
6901	Dept Social & Rehab Services	5.89%	4.88%	0.04%	0.00%	0.00%	0.00%	89.18%	0.00%	0.00%	100.00%
6911	Department Of Family Services	42.00%	5.34%	0.38%	0.00%	0.00%	3.74%	48.54%	0.00%	0.00%	100.00%
Grand Total General Fund		36.08%	13.18%	0.79%	0.00%	12.65%	4.22%	29.14%	3.60%	0.35%	100.00%

EXHIBIT

1/1/92
10.2.2

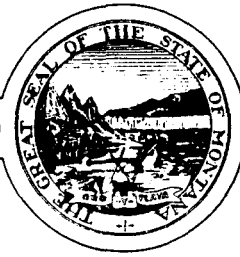
Office of Legislative Fiscal Analyst

Current Level Expenditures Fiscal 1992

Agcy Code	Agency Name	Personal Services	Operating	Equipment	Capital Outlay	Local Assistance	Grants	Benefits & Claims	Transfers	Debt Service	Total Expenditures
3511	Billings Vo Tech	1,531,205	381,995	65,245	0	0	0	0	0	0	1,979,445
3512	Butte Vo Tech	1,507,405	276,053	39,822	0	0	0	0	0	26,611	1,849,891
3513	Great Falls Vo Tech	1,839,737	418,387	13,533	0	0	259	0	0	15,264	2,287,180
3514	Helena Vo Tech	1,919,767	508,765	220,866	0	0	0	0	0	0	2,649,398
3515	Missoula Vo Tech	2,303,531	488,558	17,766	0	0	58	0	0	0	2,809,913
5103	University Of Montana	36,341,038	7,605,528	1,510,275	43,900	0	0	0	0	26,219	45,526,960
5104	Montana State University	41,440,255	9,943,503	1,838,208	7,457	0	0	0	0	85,153	53,314,576
5105	Mont College Of Min Sc & Tech	8,431,764	2,752,520	441,203	0	0	0	0	0	10,200	11,635,687
5106	Eastern Montana College	11,871,548	4,222,413	372,858	0	0	0	0	0	87,903	16,554,722
5107	Northern Montana College	6,547,695	2,135,501	87,642	0	0	0	0	0	0	8,770,838
5108	Western Montana College	4,110,274	943,121	38,525	0	0	0	0	0	0	5,091,920
5109	Agricultural Exper Station	8,416,969	1,504,952	241,830	785	0	0	0	0	2,803	10,167,339
5110	Cooperative Extension Service	4,310,301	508,961	82,126	0	0	0	0	0	5,185	4,906,573
5111	Forestry & Cons Exper Station	590,164	117,808	7,432	0	0	0	0	0	0	715,404
5119	Fire Services Training School	191,866	37,968	18,854	0	0	0	0	0	0	248,688
Grand Total Current Unrestricted		131,353,519	31,846,033	4,996,185	52,142	0	317	1,000	0	259,338	168,508,534
Percent of Budget											
3511	Billings Vo Tech	77.36%	19.30%	3.30%	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%	100.00%
3512	Butte Vo Tech	81.49%	14.92%	2.15%	0.00%	0.00%	0.00%	0.00%	0.00%	1.44%	100.00%
3513	Great Falls Vo Tech	80.44%	18.29%	0.59%	0.00%	0.00%	0.01%	0.00%	0.00%	0.67%	100.00%
3514	Helena Vo Tech	72.46%	19.20%	8.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
3515	Missoula Vo Tech	81.98%	17.39%	0.63%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
5103	University Of Montana	79.82%	16.71%	3.32%	0.10%	0.00%	0.00%	0.00%	0.00%	0.06%	100.00%
5104	Montana State University	77.73%	18.65%	3.45%	0.01%	0.00%	0.00%	0.00%	0.00%	0.16%	100.00%
5105	Mont College Of Min Sc & Tech	72.46%	23.66%	3.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	100.00%
5106	Eastern Montana College	71.71%	25.51%	2.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.53%	100.00%
5107	Northern Montana College	74.65%	24.35%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
5108	Western Montana College	80.72%	18.52%	0.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
5109	Agricultural Exper Station	82.78%	14.80%	2.38%	0.01%	0.00%	0.00%	0.00%	0.00%	0.03%	100.00%
5110	Cooperative Extension Service	87.85%	10.37%	1.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.11%	100.00%
5111	Forestry & Cons Exper Station	82.49%	16.47%	1.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
5119	Fire Services Training School	77.15%	15.27%	7.58%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Grand Total Current Unrestricted		77.95%	18.90%	2.96%	0.03%	0.00%	0.00%	0.00%	0.00%	0.15%	100.00%

EXHIBIT 1
DATE 1-11-93
HRA 2

DEPARTMENT OF CORRECTIONS
AND HUMAN SERVICES



MARC RACICOT, GOVERNOR

STATE OF MONTANA

(406) 444-3930
FAX: (406) 444-4920


EXHIBIT 2
DATE 1-11-93
HB HR 2
1539 11TH AVENUE

PO BOX 201301
HELENA, MONTANA 59620-1301

MEMORANDUM

January 11, 1993

TO: Dave Lewis, Budget Director
Office of Budget & Program Planning
Governor's Office

FROM: Rick Day, Director 
Department of Corrections and Human Services

SUBJECT: Legislative request January 9, 1993 - impact of reduction to FY 92 base

Returning to FY 92 base level would amount to approximately a 7.1 million dollar reduction in FY 94 and 9.3 million in FY 95. This approach would require significant statutory changes and elimination of entire programs. In addition, reductions of this level would not allow funding or time needed to develop alternate care. Consequently, loss of life, increased risk to public safety, and numbers of employees without any means of support would be among the results.

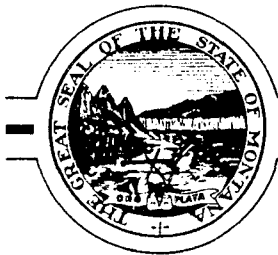
Complete closure of Galen, the Center of the Aged, Swan River Forest Camp, Eastmont Human Services Center and consolidating laundry services and eliminating inpatient chemical dependency treatment would produce just over 7.5 million dollars in savings by fiscal 95. This savings would only be realized if no or limited community funding was provided and employees were left without assistance. In addition, this approach does not take into consideration modifications including a new veterans hospital and expanded corrections proposals which propose to add about 13 million dollars to the budget.

The Department has been considering an alternative which seems more acceptable but would provide less direct savings in the short term. This approach focuses on requesting overall policy direction from the legislature to identify the services which are to be provided by the state and approve a budget which allows carry-over between years with maximum flexibility between levels and programs. The location of these services would not be identified and the Department would be directed to review all facilities to increase efficiency, emphasize community treatment, and lessen impact to employees. Savings would be reinvested in community and institutional programs to the extent needed to provide quality care. In other words, the Department would have the flexibility to manage resources to produce long term savings and better care.

cc: Mike Lavin, Chief of Staff, Gov's Office
Sally Johnson, Deputy Director
Division Administrators

DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES

EXHIBIT 2
DATE 1-11-93
HB HR 2



MARC RACICOT
GOVERNOR


PETER S. BLOUKE, PhD
DIRECTOR

STATE OF MONTANA

January 11, 1993

P.O. BOX 4210
HELENA, MONTANA 59604-4210
(406) 444-5622
FAX (406) 444-1970

To: Dave Lewis, Director
Office of Budget and Program Planning

From: Peter S. Blouke 
Director

Subject: SRS Budget Reduction to Fiscal 1992 Level

The following is provided in response to your request for a gross analysis of the impact of reducing the Department's 1995 biennium budget to the actual expenditure level for fiscal 1992. The attached table presents a summary of the program reductions and program eliminations that would be required and the corresponding fiscal impact. For comparison purposes, I have used the LFA 1995 biennium current level as a base.

As may be seen from the table, for SRS to reduce expenditures to the fiscal 1992 level would require a reduction of \$63.9 million general fund. Total reductions equal \$183.2 million of which \$119.3 million are federal funds.

Unfortunately, I must add the following caveats to any interpretation or use of this data.

1. For the majority of programs administered by the Department, federal law limits the degree of flexibility we have in making reductions. This is particularly true for the largest and most expensive programs - Medicaid and AFDC.
2. The programs identified for reduction or elimination are a realistic assessment of the options available to the Department. I have purposefully **not** selected the most controversial or severe cuts possible. Clearly, in an agency this size there are a number of different program mixes that could be used to achieve the requested reduction, e.g., significant general fund savings could be realized if existing services to the developmentally disabled were eliminated; or if physician reimbursement rates were even further reduced below the 45 percent of billed charges currently reimbursed.

Dave Lewis
January 11, 1993
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3. There is a very complex interrelationship among many of the programs. For example, elimination of the elderly and disabled waiver programs would certainly increase nursing home costs as these individuals would no longer be able to remain in their home or community; elimination of adult drugs would result in deterioration of health for a number of individuals with the result being hospitalization and a consequent increase in those more expensive costs; elimination of adult clinic services would most likely result in a significant increase in admissions to Montana State Hospital because much of the community mental health services are funded through the Medicaid program; elimination of many of the optional therapies (psychologists, optometrists, podiatrists) would result in a shift of costs to more expensive mandatory services such as outpatient hospitalization and physician services.
4. A large percent of the programs and services scheduled for elimination are in fact preventive medical services and the long-range cost to the state would be substantially greater as we would have to provide more expensive mandated services as the health of the population deteriorated.
5. Reduction of inpatient hospital and nursing home services to the levels presented in this analysis would immediately involve the state in expensive Boren Amendment law suits. I am reasonably sure we would ultimately lose.
6. The elimination of 107 FTE and associated operating expenses reflects a 20 percent reduction in the Department's general fund supported work force. Contrary to perception, over the last three legislative sessions the Department has experienced substantial reductions in personnel and operating costs, to the point that our ability to efficiently and effectively administer and manage the large and technically complex programs of the Department is at risk. Reductions in staff below our current level would not be cost effective.
7. Finally, as shown on the attached table, reducing general fund expenditures for the Department to fiscal 1992 levels results in the loss of \$199.3 million in federal funds. In Medicaid, for example, for every general fund dollar spent, the state receives 2.5 dollars of federal funds. These funds go to support well paying professional jobs in every community in Montana and in turn generate additional tax revenue for the state. If

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Dave Lewis
January 11, 1993
Page 3

one uses the Department of Revenue's 3.2 factor for the number of times money turns over in the community, the loss of federal funds associated with the reductions potentially means the loss of \$380 million and literally thousands of jobs.

8. I have also attached a breakout of SRS expenditures and FTE by county for each of the major programs within the Department. As may be seen from the sheet, the vast majority of funds (and FTE) go out to the counties and do not remain in Helena. The reductions included in this report would significantly reduce funds (and jobs) in each county.

Attachments

EXHIBIT 2DATE 1-1-93HB HR

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

PROGRAM ELIMINATION AND REDUCTIONS
NECESSARY TO REDUCE SPENDING TO FISCAL 1992 LEVEL

	General Fund	Federal Fund	Total Fund
	<u>Reduction</u>	<u>Reduction</u>	<u>Reduction</u>
Eliminate Adult Occupational Therapy	82,000	198,437	280,437
Eliminate Visual Medical	156,000	0	156,000
Eliminate Adult Physical Therapy	161,000	389,614	550,614
Eliminate Adult Podiatrist Services	165,000	399,294	564,294
Eliminate Adult Speech\Hearing Services	195,000	471,893	666,893
Eliminate Adult Dentures	261,000	631,611	892,611
Eliminate Adult Optical	681,000	1,647,997	2,328,997
Eliminate Adult Eyeglasses	780,000	1,887,573	2,667,573
Eliminate Disabled Extended Employment	953,000	0	953,000
Eliminate Disabled Waiver	1,297,000	3,138,695	4,435,695
Eliminate Elderly Waiver	1,887,000	4,566,475	6,453,475
Eliminate Adult Other Practitioner	1,993,000	4,822,992	6,815,992
Eliminate Adult Dental Services	2,033,000	4,919,790	6,952,790
AFDC at 37.5 Percent Poverty	2,060,000	5,459,000	7,519,000
Eliminate Adult clinic Services	2,670,000	6,461,308	9,131,308
Eliminate 107 FTE\Operational Expenses	2,919,000	3,393,000	6,312,000
Eliminate Adult Prosthetic	3,146,000	7,613,212	10,759,212
Reduce Nursing Home Reimbursement	5,580,000	15,117,000	20,697,000
Adjust Medically Needy Program	7,763,000	14,918,000	22,681,000
Eliminate Adult Drug Services	8,884,000	21,498,975	30,382,975
Reduce Inpatient Reimbursement	9,000,000	21,780,000	30,780,000
Eliminate State Assumption	11,216,000	0	11,216,000
TOTAL Reductions	\$63,882,000	\$119,314,868	\$183,196,868

COUNTY	Total FTE	Total Expenditures	Salaries & Benefits	Operating Costs	AFDC Expenditures	Day Care Expenditures	Food Stamps Expenditures
Beaverhead	4.00	\$4,278,110	\$151,412	\$85,303	\$358,640	\$45,102	\$510,264
Big Horn	9.00	\$8,124,953	\$368,774	\$227,776	\$1,544,954	\$37,635	\$1,723,012
Blaine	8.00	\$4,899,582	\$270,600	\$126,596	\$743,327	\$4,625	\$615,249
Broadwater	4.00	\$2,073,341	\$116,033	\$34,779	\$121,743	\$7,820	\$207,729
Carbon	4.00	\$3,029,821	\$133,658	\$60,037	\$252,806	\$6,480	\$389,558
Carter	0.00	\$355,030	\$26,803	\$7,525	\$20,470	\$0	\$40,789
Cascade*	39.50	\$43,540,582	\$1,554,512	\$1,076,835	\$4,622,846	\$334,778	\$4,710,033
Chouteau	3.00	\$1,950,900	\$106,997	\$29,195	\$103,606	\$7,020	\$152,091
Custer	6.00	\$6,827,534	\$203,722	\$143,090	\$626,647	\$62,733	\$721,409
Daniels	0.00	\$539,525	\$22,787	\$6,595	\$14,638	\$0	\$25,852
Dawson	5.00	\$3,628,408	\$175,536	\$82,370	\$401,047	\$44,979	\$460,301
Deer Lodge*	9.00	\$6,571,835	\$328,029	\$203,148	\$837,917	\$16,843	\$836,958
Fallon	4.00	\$1,159,468	\$78,621	\$18,969	\$48,290	\$2,221	\$90,498
Fergus	7.00	\$5,780,602	\$178,685	\$76,711	\$183,485	\$821	\$338,240
Flathead*	25.00	\$27,395,205	\$990,174	\$740,184	\$3,093,682	\$158,870	\$3,884,623
Gallatin	11.00	\$11,730,878	\$437,812	\$266,083	\$1,205,521	\$201,536	\$1,627,251
Garfield	0.00	\$326,044	\$19,907	\$4,980	\$11,749	\$0	\$14,945
Glacier	13.00	\$9,622,647	\$459,923	\$295,037	\$2,130,905	\$19,491	\$2,135,948
Golden Valley	0.00	\$155,466	\$9,851	\$6,465	\$21,522	\$0	\$31,048
Granite	0.80	\$895,399	\$38,486	\$18,650	\$79,952	\$1,577	\$127,990
Hill	13.30	\$10,277,018	\$495,246	\$276,154	\$1,569,640	\$112,695	\$1,568,922
Jefferson	4.00	\$2,374,741	\$135,892	\$55,100	\$194,911	\$1,064	\$253,941
Judith Basin	0.50	\$556,657	\$26,378	\$10,800	\$43,346	\$13	\$59,277
Lake*	13.25	\$13,973,660	\$559,727	\$427,752	\$2,099,996	\$127,890	\$1,888,136
Lewis & Clark*	527.75	\$54,663,682	\$12,817,927	\$12,994,827	\$2,230,688	\$213,729	\$2,593,133
Liberty	0.00	\$538,565	\$21,487	\$7,044	\$19,981	\$0	\$27,788
Lincoln*	10.25	\$9,842,702	\$401,783	\$270,688	\$1,192,451	\$43,278	\$1,483,588
Madison	2.50	\$1,689,329	\$84,939	\$31,670	\$109,464	\$99	\$172,589
McCone	0.00	\$641,214	\$22,356	\$9,925	\$27,280	\$0	\$44,003
Meagher	1.00	\$891,372	\$31,755	\$14,184	\$47,683	\$0	\$85,438
Mineral*	1.50	\$1,831,320	\$64,162	\$53,242	\$258,338	\$3,511	\$324,653
Missoula*	36.75	\$46,698,986	\$1,456,928	\$1,109,149	\$5,103,301	\$486,466	\$5,634,853
Musselshell	2.50	\$1,911,504	\$86,881	\$37,872	\$133,490	\$13,430	\$228,415
Park*	6.00	\$6,180,012	\$228,697	\$157,669	\$584,108	\$13,949	\$792,149
Petroleum	0.00	\$66,511	\$3,313	\$2,164	\$3,031	\$113	\$4,132
Phillips	3.00	\$1,843,992	\$115,199	\$43,524	\$179,326	\$2,839	\$268,504
Pondera	5.25	\$2,644,858	\$143,385	\$63,198	\$366,987	\$3,966	\$414,329
Powder River	0.00	\$631,897	\$20,578	\$7,527	\$13,280	\$0	\$22,051
Powell*	3.60	\$2,434,644	\$121,608	\$61,218	\$220,222	\$10,671	\$244,144
Prairie	1.00	\$449,309	\$20,699	\$6,551	\$16,692	\$34	\$27,606
Ravalli*	11.00	\$11,611,212	\$387,203	\$284,328	\$1,081,780	\$48,391	\$1,503,136
Richland	5.50	\$4,348,279	\$209,637	\$88,646	\$391,510	\$10,311	\$588,218
Roosevelt	8.00	\$9,859,645	\$367,343	\$263,321	\$1,695,211	\$6,570	\$1,683,938
Rosebud	5.95	\$5,165,902	\$260,193	\$146,034	\$906,042	\$1,612	\$1,020,840
Sanders	4.25	\$4,676,380	\$177,503	\$108,422	\$545,729	\$7,859	\$640,536
Sheridan	2.00	\$1,200,973	\$56,543	\$17,757	\$37,181	\$4,443	\$98,297
Silver Bow*	25.00	\$24,355,235	\$923,930	\$627,618	\$2,575,635	\$146,914	\$2,722,205
Stillwater	2.00	\$2,496,355	\$124,904	\$43,751	\$159,586	\$6,060	\$249,158
Sweet Grass	3.00	\$962,686	\$51,874	\$18,663	\$63,969	\$0	\$103,642
Teton	2.00	\$1,833,347	\$89,350	\$32,973	\$99,526	\$1,174	\$162,167
Toole	2.00	\$2,041,497	\$91,728	\$36,037	\$116,694	\$1,442	\$168,511
Treasure	0.00	\$180,054	\$9,778	\$3,931	\$21,683	\$0	\$47,651
Valley	6.00	\$6,698,857	\$173,531	\$89,615	\$433,311	\$0	\$519,503
Wheatland	1.00	\$755,643	\$33,339	\$16,170	\$51,997	\$748	\$67,359
Wibaux	0.00	\$562,345	\$29,041	\$11,660	\$33,190	\$0	\$61,058
Yellowstone	44.00	\$51,307,008	\$1,719,995	\$1,090,255	\$6,007,297	\$512,082	\$6,113,628
Institutions		\$16,158,435	\$14,056	\$33,107			
NoCo Breakdown		\$3,223,962	\$17,027	\$40,103			
State Total	906	\$450,465,118	\$27,268,240	\$22,102,973	\$45,058,303	\$2,733,886	\$50,531,306

*State Assumed Counties

Operating costs are based on the FY92 SRS operational expenditures of \$22.1 million, and include such items as contracted services, rent, travel, communications, supplies, utilities, repairs and maintenance and other costs.

COUNTY	Medicaid Expenditures	Buy-In Expenditures	General Relief Expenditures	State Medical Expenditures	Burial Expenditures	Trans Rel Expenditures
Beaverhead	\$2,909,723	\$61,004				\$1,373
Big Horn	\$3,519,262	\$61,936				EXHIBIT - \$214 2
Blaine	\$2,658,282	\$52,156				DATE 1-11-93
Broadwater	\$1,481,762	\$23,750				HB H R 2
Carbon	\$2,018,715	\$53,088				
Carter	\$237,280	\$0				
Cascade*	\$22,323,660	\$398,623	\$583,966	\$1,148,464	\$40,895.08	\$1,987
Chouteau	\$1,464,327	\$30,269				
Custer	\$4,692,974	\$142,964				\$7,686
Daniels	\$450,502	\$0				
Dawson	\$2,271,533	\$53,553				\$380
Deer Lodge*	\$3,678,242	\$87,082	\$78,514	\$147,427	\$11,173.68	\$281
Fallon	\$811,968	\$34,460				
Fergus	\$4,616,949	\$196,517				\$427
Flathead*	\$16,349,235	\$296,639	\$206,858	\$677,148	\$43,311.22	\$3,361
Gallatin	\$7,291,411	\$122,008				\$1,325
Garfield	\$262,024	\$0				
Glacier	\$3,950,614	\$71,715				
Golden Valley	\$75,236	\$0				
Granite	\$582,626	\$0				
Hill	\$5,647,132	\$97,327				
Jefferson	\$1,589,575	\$57,744				
Judith Basin	\$383,557	\$0				
Lake*	\$8,119,891	\$143,430	\$46,241	\$161,536	\$10,120.04	
Lewis & Clark*	\$13,126,971	\$223,993	\$377,496	\$866,415	\$14,676.92	\$30,534
Liberty	\$448,248	\$0				
Lincoln*	\$5,682,720	\$94,533	\$105,586	\$229,451	\$8,640.00	\$309
Madison	\$1,193,055	\$30,269				
McCone	\$509,697	\$0				
Meagher	\$668,519	\$0				
Mineral*	\$951,260	\$0	\$33,864	\$45,116	\$1,036.80	
Missoula*	\$21,686,039	\$372,079	\$642,711	\$1,367,937	\$43,418.91	\$19,783
Musselshell	\$1,275,810	\$0				\$181
Park*	\$3,824,786	\$98,724	\$64,743	\$134,327	\$11,266.97	\$2,272
Petroleum	\$47,030	\$0				
Phillips	\$1,151,324	\$0				
Pondera	\$1,455,790	\$108,969				
Powder River	\$543,385	\$0				\$123
Powell*	\$1,556,583	\$37,254	\$29,761	\$68,491	\$1,166.00	
Prairie	\$354,754	\$0				\$577
Ravalli*	\$7,317,331	\$144,827	\$121,373	\$232,921	\$9,367.98	\$986
Richland	\$2,841,616	\$61,936				
Roosevelt	\$5,138,060	\$111,298				
Rosebud	\$2,377,145	\$43,774				
Sanders	\$2,956,608	\$63,333				
Sheridan	\$935,730	\$0				
Silver Bow*	\$14,587,827	\$237,497	\$504,484	\$1,030,589	\$35,276.04	\$4,152
Stillwater	\$1,808,780	\$50,759				\$1,851
Sweet Grass	\$702,473	\$0				\$939
Teton	\$1,352,655	\$0				
Toole	\$1,510,119	\$0				\$8,967
Treasure	\$74,446	\$0				
Valley	\$2,188,250	\$96,396				\$150
Wheatland	\$533,827	\$0				
Wibaux	\$405,602	\$0				
Yellowstone	\$28,642,329	\$476,857				\$3,227
Institutions	\$16,111,272					
NoCo Breakdown	\$3,067,123			\$96,710		\$3,000
State Total	\$244,413,644	\$4,236,767	\$2,795,597	\$6,206,533	\$230,350	\$94,086

SRS does not directly pay the operating costs of non-assumed counties but does reimburse them for approximately 50% of the costs with federal dollars.

DATE 1-11-93

COUNTY	LIEAP Expenditures	Voc Rehab Expenditures	DD Expenditures	FDIR* Expenditures	All Other Commodities	Weatherization HB Expenditures
Beaverhead	\$65,127	\$43,386			\$15,790	\$30,965
Big Horn	\$149,578	\$8,191		\$292,690	\$38,561	\$152,371
Blaine	\$33,145	\$2,727		\$303,407	\$24,210	\$65,257
Broadwater	\$47,278	\$7,723			\$7,310	\$17,414
Carbon	\$31,305	\$42,299			\$14,728	\$27,148
Carter	\$8,121	\$0			\$4,901	\$9,141
Cascade*	\$389,647	\$569,102	\$5,304,771		\$133,621	\$346,843
Chouteau	\$27,975	\$52			\$9,863	\$19,505
Custer	\$70,185	\$49,361			\$21,921	\$84,842
Daniels	\$7,489	\$0			\$4,520	\$7,142
Dawson	\$40,003	\$29,722			\$14,708	\$54,276
Deer Lodge*	\$97,785	\$162,647			\$21,868	\$63,919
Fallon	\$11,777	\$40,803			\$7,005	\$14,855
Fergus	\$61,399	\$25,238			\$29,303	\$72,826
Flathead*	\$392,313	\$186,147			\$101,983	\$270,675
Gallatin	\$207,312	\$123,328			\$78,762	\$168,529
Garfield	\$3,301	\$1,536			\$4,460	\$3,142
Glacier	\$24,769	\$17,647		\$363,338	\$41,639	\$111,622
Golden Valley	\$4,539	\$0			\$2,743	\$4,061
Granite	\$18,915	\$8,812			\$8,022	\$10,369
Hill	\$114,137	\$19,456		\$229,625	\$37,627	\$109,056
Jefferson	\$37,521	\$16,862			\$11,883	\$20,249
Judith Basin	\$14,407	\$0			\$6,425	\$12,454
Lake*	\$217,681	\$28,077			\$57,584	\$85,600
Lewis & Clark*	\$306,774	\$196,024	\$7,428,712	\$700,366	\$67,059	\$474,356
Liberty	\$5,506	\$0			\$4,460	\$4,051
Lincoln*	\$182,200	\$18,085			\$46,695	\$82,694
Madison	\$41,229	\$3,265			\$4,994	\$17,755
McCone	\$12,208	\$0			\$7,174	\$8,570
Meagher	\$24,200	\$0			\$3,892	\$15,700
Mineral*	\$62,518	\$0			\$8,228	\$25,391
Missoula*	\$649,160	\$252,999	\$7,406,146		\$136,236	\$331,780
Musselshell	\$52,198	\$21,644			\$11,498	\$50,085
Park*	\$115,702	\$29,657			\$26,767	\$95,195
Petroleum	\$2,214	\$0			\$2,349	\$2,166
Phillips	\$29,370	\$6,228			\$12,541	\$35,137
Pondera	\$41,163	\$3,492			\$12,902	\$30,677
Powder River	\$10,178	\$1,426			\$3,352	\$9,998
Powell*	\$33,686	\$19,780			\$10,316	\$19,744
Prairie	\$6,927	\$0			\$6,042	\$9,427
Ravalli*	\$251,390	\$56,261			\$59,361	\$112,556
Richland	\$47,671	\$31,943			\$18,231	\$58,561
Roosevelt	\$22,414	\$13,496		\$428,027	\$30,315	\$99,653
Rosebud	\$17,105	\$15,709		\$268,509	\$26,652	\$82,288
Sanders	\$106,937	\$7,257			\$18,125	\$44,071
Sheridan	\$22,481	\$0			\$8,543	\$19,997
Silver Bow*	\$403,160	\$232,539			\$63,327	\$260,080
Stillwater	\$19,029	\$2,125			\$11,572	\$18,780
Sweet Grass	\$7,418	\$1,400			\$5,800	\$6,508
Teton	\$37,427	\$18,037			\$13,617	\$26,421
Toole	\$36,505	\$36,445			\$10,225	\$24,825
Treasure	\$5,068	\$10,783			\$2,429	\$4,285
Valley	\$36,129	\$2,097	\$3,097,737		\$20,431	\$41,707
Wheatland	\$10,144	\$23,668			\$4,314	\$14,078
Wibaux	\$6,836	\$2,298			\$3,519	\$9,141
Yellowstone	\$471,211	\$659,412	\$5,040,666		\$185,891	\$384,157
Institutions						
NoCo Breakdown						
State Total	\$4,858,866	\$3,049,185	\$28,278,032	\$2,585,962	\$1,546,294	\$4,182,095

DD Expenditures are shown in the county where the Area Headquarters is located.

*Food Distribution to Indian Reservations. The allocation was made to these counties encompassing the major portion of the reservation populations.

EXHIBIT 3
DATE 1-11-93
HB 14R2

Examples of Revenue Increases Necessary to Erase Deficit

Combined LFA Current Level Cash Deficit for GF & SEA (215.640) Million

Revenue Source	Current Law Revenue (\$ Million)	Revenue From 1% Surtax (\$ Million)	Surtax Needed (%)	Total * Generated	Current Tax Rate	New Tax Rate
Income Tax	668.639	6.686	32.3	215.970	11.00 %	Max
Corporation Tax	131.654	1.317	163.7	215.518	6.75 %	17.80 %
Coal Severance Tax (Net of Trust)	41.1635	0.412	523.4	215.450	15.00 %	93.50 %
Oil Severance Tax	30.488	0.305	707.0	215.550	5.00 %	40.40 %
Insurance Premium Tax	61.069	0.611	352.9	215.513	2.75 %	12.50 %
Metal Mines Tax	12.444	0.124	1,739.0	216.401	1.60 %	29.40 %
Electrical Energy Tax	8.015	0.080	2,695.5	216.044	\$0.0002 /kwh	\$0.0056 /kwh
Driver's License Fees	6.145	0.061	3,535.1	217.232	\$4.00	\$145.40
Beer Tax	6.883	0.069	3,125.2	215.108	\$4.30 /bbl	\$138.70 /bbl
Natural Gas Severance Tax	2.513	0.025	8,625.6	216.761	2.65 %	231.20 %
Wine Tax	2.703	0.027	7,986.7	215.881	\$0.27 /liter	\$21.80 /liter
Video Gaming	62.517	0.625	345.0	215.684	15.00 %	66.80 %
Gas & Diesel Taxes (3/5 Vote)	218.048	2.180	98.9	215.649	\$0.20 /gal	\$0.40 /gal
Total of Selected Sources		12.522	17.2			

Additional Examples:

Property Tax -- A statewide property tax of 66.29 mills would be necessary to generate \$215 million over the biennium, assuming local governments retain current non-levy revenues. This would result in an approximate 20% in property taxes, based on a current law statewide average levy of 370 mills.

Sales Tax -- A 3.1% sales tax would be required to erase the deficit, assuming a \$70 million yield per percent for a generic sales tax base and an implementation date that provides only one year of revenue this biennium.

% of Federal Tax -- A 41% tax rate would be necessary to generate an additional \$215 million, if our income were converted to a percent of the federal tax (assuming a base rate of 31% similar to HB996 of the 1991 regular session).

* Total generated may differ from target of \$215.640 million due to rounding.

Assumptions:

- 1) Revenue from the surtaxes would be allocated to the general fund.
- 2) Surtaxes would be effective for the entire fiscal year.
- 3) Revenue Oversight Committee revenue estimates are used.
- 4) Increases applied to each tax in isolation.

DEPARTMENT OF FAMILY SERVICES
FY 94 GENERAL FUND REDUCTION TO FY 92

EXHIBIT 4
DATE 1-11-93
HB HR 2

	Total	Personal Services	Operating	Misc	Grants	Funding
Program 01	436,000	179,000		157,000		100,000
Program 02	1,545,000	535,000	385,000	625,000		
Program 03	1,051,000	665,000	2,000	250,000		134,000
Program 05 - Admin	46,000	40,000	6,000			
Program 05 - Grants/Benefits	3,981,000				3,981,000	
Department Total	7,059,000	1,419,000	393,000	1,032,000	3,981,000	234,000

EXHIBIT 4
DATE 1-11-93
HB HR 2

**DEPARTMENT OF FAMILY SERVICES
FY 94 GENERAL FUND REDUCTION TO FY 92
SUMMARY BY PROGRAM**

Program 01 **436,000**

Personal Services:

Reduction of 6 current level FTE 179,000

Miscellaneous:

Reduce following to 92 level

Department of Admin. - Insurance 92,000

Legislative Auditor Fee 65,000

157,000

Funding:

Funding shift Federal Grant costs from
services to administration 100,000

Program 02 **1,545,000**

Personal Services:

Reduction of 24.85 current level FTE 535,000

Operating:

Reduction in following areas

Annualized DD Services 350,000

Field Office Rent 35,000

Contracts for services in West

Yellowstone and Lewis & Clark County 20,000

Reduced budgeted inflation 18,000

423,000

Other:

Eliminate the modification request for
operating costs in non-assumed counties 587,000

Program 03 **1,051,000**

Personal Services:

Operating:

Reduce budgeted inflation

Other:

Eliminate the modification request for
community placement services2,000 EXHIBIT 4
DATE 1-11-93
HB HR2
250,000

increase FY94.	1,405,000
In-patient Medicaid Match - Reduction of 30% in the current placements or daily rates at 7/1/93. No caseload increase FY94.	1,895,000
Residential Treatment Medicaid Match - Reduction of 50% in the current placement or daily rates at 7/1/93. No caseload increase FY94.	794,000