

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION**

JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT & TRANSPORTATION

Call to Order: By REP. MARY LOU PETERSON, CHAIRMAN, on February 9, 1993, at 8:00 AM.

ROLL CALL

Members Present:

Rep. Mary Lou Peterson, Chair (R)
Sen. Harry Fritz, Vice Chair (D)
Rep. Marjorie Fisher (R)
Sen. Gary Forrester (D)
Rep. Joe Quilici (D)
Sen. Larry Tveit (R)

Members Excused: None

Members Absent: None

Staff Present: Jon Moe, Legislative Fiscal Analyst
Terri Perrigo, Legislative Fiscal Analyst
Clayton Schenck, Legislative Fiscal Analyst
Dan Gengler, Office of Budget & Program Planning
John Patrick, Office of Budget & Program Planning
Elaine Benedict, Committee Secretary

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

Committee Business Summary:

Hearing: NONE
Executive Action: DEPARTMENT OF MILITARY AFFAIRS; BOARD OF
CRIME CONTROL; HIGHWAY TRAFFIC SAFETY;
LEGISLATIVE AUDITOR; ENVIRONMENTAL
QUALITY COUNCIL; AND LEGISLATIVE COUNCIL

Announcements/Discussion:

EXECUTIVE ACTION ON DEPARTMENT OF MILITARY AFFAIRS

Tape No. 1:A:072

Motion: REP. JOE QUILICI moved to accept the LFA current level base for the agency. THE MOTION CARRIED UNANIMOUSLY.

Informational Testimony:

Mr. Jon Moe, Legislative Fiscal Analyst, reviewed the department-wide issues. EXHIBIT 2

Motion/Vote: REP. MARJORIE FISHER moved to accept item #2 of EXHIBIT 2. THE MOTION CARRIED UNANIMOUSLY.

AIR NATIONAL GUARD PROGRAM

Tape No. 1:A:210

Informational Testimony:

Mr. Moe reviewed the budget for the program. EXHIBIT 3

Mr. Doug Booker, Department of Military Affairs, stated that the department has 29 firefighters plus two contract firefighters. The existence of the contract firefighters began when firefighters became state employees and were required to belong to the National Guard. Two firefighters did not belong to the National Guard, so a contract was made with airport authority in Great Falls. One of the contract firefighters quit. Language is necessary to add another FTE in case the remaining person quits. The 5% personal service reduction reduced the number of firefighters to 27. The "snap-shot" reduction eliminated another FTE bringing the number to 26. The department wants to bring the number of firefighters back up to 29, including one contract firefighter. The department would eliminate a switchboard operator position to bring the total to 35 FTEs.

Colonel Frank Tobel, Air National Guard, explained that the number of firefighters necessary is designated by the type of equipment used. The equipment used is based on the type of aircraft used.

Questions, Responses, and Discussion:

REP. QUILICI asked what the cost of an F16 aircraft is. Colonel Tobel answered that it is approximately \$320 million for the 20 F16s in the program.

Motion/Vote: SEN. LARRY TVEIT moved to authorize funding for 29 FTEs, to include language for one of these FTEs to be a contract firefighter. THE MOTION CARRIED UNANIMOUSLY.

DISASTER COORDINATION RESPONSE

Tape No. 1:A:478

Informational Testimony:

Mr. Moe reviewed the budget for the program. EXHIBIT 4

BUDGET ITEM EQUIPMENT:

Motion: SEN. TVEIT moved to accept the request.

Questions, Responses, and Discussion:

REP. FISHER asked if the monitoring of underground storage tanks is a Federal requirement. Mr. Clif Youmans, Department of Military Affairs, answered that the monitoring is a requirement. However, department's proposal is only one method of doing this. It is not the least expensive method, however, the less expensive method is less reliable and could result in the failure of the generator to function in an emergency.

Vote: THE MOTION CARRIED with REP. FISHER and CHAIRMAN MARY LOU PETERSON opposing.

EMERGENCY MANAGEMENT DEVELOPMENT

Tape No. 1:A:637

Informational Testimony:

Mr. Moe reviewed the budget for the program. EXHIBIT 5

BUDGET ITEM PERSONAL SERVICES:

Motion/Vote: REP. FISHER moved to accept the executive proposal for this item. THE MOTION FAILED with SEN. HARRY FRITZ, SEN. GARY FORRESTER, and CHAIRMAN PETERSON opposing.

BUDGET ITEM LANGUAGE:

Discussion:

REP. FISHER stated that there have only been 32 deaths from earthquakes in the past 70 years and the subcommittee needs to consider the necessity for the earthquake program.

Motion/Vote: SEN. FRITZ moved to remove the language, stating that there are other important earthquake issues. THE MOTION CARRIED UNANIMOUSLY.

VETERANS AFFAIRS PROGRAM

Tape No. 1:B:075

Informational Testimony:

Mr. Moe reviewed the budget for the program. EXHIBIT 6

BUDGET ITEM CEMETERY/0.25 FTE CEMETERY SEXTON-MODIFICATION:

Motion/Vote: SEN. FRITZ moved to accept both items. THE MOTION CARRIED with REP. FISHER opposing.

Questions, Responses, and Discussion:

BUDGET ITEM RENT:

SEN. TVEIT asked what would happen if the request is not accepted. Mr. Booker answered that the agency would not pay Job Service for rent and would have to fund the rent from the current level budget.

BUDGET ITEM CEMETERY-LANGUAGE:

Informational Testimony:

Mr. Booker, on behalf of the program, requested language contingent upon the passage of HB 404 that would appropriate \$5,000 for administration costs in order to solicit donations, etc.

Questions, Responses, and Discussion:

SEN. FRITZ asked if the funding of administrative functions would detract from the upkeep of the cemetery. Mr. Jim Jacobson, Administrator, Veteran's Affairs, answered that it would not.

The subcommittee agreed that Mr. Moe would draw up the necessary language.

ARMY NATIONAL GUARD PROGRAM

Tape No. 1:B:305

Informational Testimony:

Mr. Moe reviewed the budget for the program. EXHIBIT 7. He reminded the subcommittee that the department took exception to the statement that this is the first time the Legislature has been told of the utilities needs.

BUDGET ITEM STATE MAINTENANCE BACKLOG-MODIFICATION:

Motion/Vote: REP. QUILICI moved to accept the request. THE MOTION FAILED with SEN. FORRESTER, REP. FISHER, CHAIRMAN PETERSON and SEN. FRITZ opposing.

BUDGET ITEM SERVICE AGREEMENT BACKLOG-MODIFICATION:

Informational Testimony:

Mr. Moe reminded the subcommittee that the department eliminated the request for the three FTEs, reducing the amount requested to \$120,075 in FY94 and \$23,252 in FY95. Twenty-five percent of this amount would be general fund.

SEN. TVEIT moved to accept the request. THE MOTION CARRIED with REP. FISHER and CHAIRMAN PETERSON opposing.

BUDGET ITEM TRAINING SITE FUNDING-MODIFICATION:

Informational Testimony:

Mr. Moe reminded the subcommittee that the department has revised this request. EXHIBIT 8

Motion/Vote: SEN. TVEIT moved to accept the request. THE MOTION CARRIED UNANIMOUSLY.

BUDGET ITEM ENVIRONMENTAL COMPLIANCE:

Motion/Vote: SEN. FRITZ moved to accept the request. THE MOTION CARRIED with REP. FISHER opposing.

BUDGET ITEM M-1 TANK SECURITY-MODIFICATION:

The department has revised its request. EXHIBIT 9

Motion/Vote: SEN. FRITZ moved to accept the request. THE MOTION CARRIED UNANIMOUSLY.

BUDGET ITEM UTILITY DATA CLERK-MODIFICATION:

Motion/Vote: SEN. FRITZ moved to accept the request. THE MOTION CARRIED with REP. FISHER and CHAIRMAN PETERSON opposing.

BUDGET ITEM M-CROFT UTILITIES-MODIFICATION:

Motion/Vote: SEN. FRITZ moved to accept the request. THE MOTION CARRIED UNANIMOUSLY.

BUDGET ITEM LEASE PRIVATE LAND SURROUNDING FT. HARRISON-MODIFICATION:

Motion/Vote: REP. FISHER moved to accept the request. THE MOTION CARRIED UNANIMOUSLY.

BUDGET ITEM HANGAR FOR ARMY GUARD C-12 AIRPLANE-MODIFICATION:

Motion/Vote: SEN. FRITZ moved to accept the request. THE MOTION CARRIED UNANIMOUSLY.

BUDGET ITEM ENVIRONMENTAL DIVISION SPENDING AUTHORITY-MODIFICATION:

Motion/Vote: SEN. FRITZ moved to accept the request. THE MOTION CARRIED with REP. FISHER opposing.

BUDGET ITEM LANGUAGE:

Motion/Vote: REP. FISHER moved to accept the language presented. THE MOTION CARRIED UNANIMOUSLY.

BUDGET ITEM AGENCY PROPOSAL:

EXHIBIT 1

Motion: REP. FISHER moved to accept the proposal.

Motion: SEN. FRITZ amended the motion, moving to fund the agency \$4,114,086. THE MOTION CARRIED with REP. QUILICI opposing.

EMERGENCY MANAGEMENT DEVELOPMENT

Tape No. 2:A:005

EXHIBIT 5

BUDGET ITEM PERSONAL SERVICES:

Motion/Vote: SEN. FORRESTER moved to reconsider action taken on this item. THE MOTION CARRIED unanimously with four members present.

Motion/Vote: SEN. FORRESTER moved to eliminate funding for the .75 FTE. THE MOTION CARRIED unanimously with four members present.

EXECUTIVE ACTION ON BOARD OF CRIME CONTROL

Tape No. 2:A:050

Informational Testimony:

Mr. Clayton Schenck, Legislative Fiscal Analyst, distributed a revised version of the agency's requests. EXHIBITS 10 and 11

Mr. Ed Hall, Administrator, Board of Crime Control, stated that the agency agrees with the information presented by Mr. Schenck.

Motion/Vote: REP. QUILICI moved to accept the agency's proposal to meet its target. EXHIBIT 10-TOP PORTION. THE MOTION CARRIED UNANIMOUSLY.

Motion/Vote: REP. QUILICI moved to accept the proposal for pass-through grants and benefits. EXHIBIT 11. THE MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON HIGHWAY TRAFFIC SAFETY

Tape No. 2:A:296

Informational Testimony:

Mr. Schenck reviewed the agency's proposal. EXHIBIT 12

Mr. Albert Goke, Highway Traffic Safety, expressed concern that reducing grant funds to local governments would diminish incentive for receiving funds. The agency estimates that the \$50 portion of the reinstatement fee is generating additional money for the general fund. He suggested reducing the funding for task forces to \$193,000. This general fund would remain revenue neutral. The proposal would take into consideration the natural

growth that appears during the collection of the reinstatement fee.

Mr. Schenck stated that this suggestion would put the agency above its target by \$10,000 each year of the biennium.

Motion/Vote: REP. QUILICI moved to accept the proposal as presented by Mr. Schenck. EXHIBIT 12-TOP PORTION. THE MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON LEGISLATIVE AUDITOR

Tape No. 2:A:666

Informational Testimony:

Ms. Terri Perrigo, Legislative Fiscal Analyst, distributed a revised version of the agency's proposal. EXHIBITS 13 and 14

Mr. Scott Seacat, Legislative Auditor, stated that, although the proposal appears to reduce only six FTEs, it actually reduces 14 FTEs over the biennium.

Motion/Vote: REP. FISHER moved to accept the agency's proposal. EXHIBIT 13-TOP PORTION. THE MOTION CARRIED unanimously with five members present.

EXECUTIVE ACTION ON ENVIRONMENTAL QUALITY COUNCIL

Tape No. 2:A:930

Informational Testimony:

Ms. Perrigo reviewed the agency's proposal. EXHIBIT 15

Questions, Responses, and Discussion:

REP. QUILICI asked how rent would be eliminated. Ms. Debbie Schmidt, Environmental Quality Council, answered that the agency uses office space that is assigned to Office of Public Instruction. The agency also uses house and senate space.

CHAIRMAN PETERSON asked how the agency will accommodate its work load without the .5 FTE. Ms. Schmidt responded that it will be very difficult. The position was vacant and therefore removed during the special session. The position is necessary, however reductions elsewhere in the budget would prove more harmful. She stated that the Legislature will have to direct the office to reduce services and that interim studies would be the first service to be reduced.

REP. FISHER asked why all the environmental positions throughout the agencies are not compiled into one area. Ms. Schmidt responded that REP. JOHN COBB, DISTRICT 42, has introduced a bill that would reorganize the environmental agencies in order to provide improved communication among agencies and to avoid

duplication of functions. Nearly every agency must deal with environmental problems and the Environmental Quality Council oversees these functions.

Tape No. 2:B:080

Motion/Vote: SEN. TVEIT moved to accept the agency's proposal. EXHIBIT 15-TOP PORTION. THE MOTION CARRIED unanimously with four members present.

EXECUTIVE ACTION ON LEGISLATIVE COUNCIL

Tape No. 2:B:103

Informational Testimony:

Ms. Perrigo distributed a revised version of the agency's proposal. EXHIBIT 16

The subcommittee agreed to remove the \$607,000 (the computer network proposal) and consider it as a modification.

Mr. Bob Person, Executive Director, Legislative Council, presented testimony concerning this issue. EXHIBITS 17 and 18

Ms. Terry Cohea, Legislative Fiscal Analyst, stated that the branch computer system is critical to LFA operations. The LFA agency has no monies for computer replacement and the computers are eight years old or older. The plan will allow agencies to share and reduce equipment costs.

Mr. Seacat stated that the cost for computers and usage will go from approximately \$100,000 this biennium to \$12,000 in the next. The proposed system is critical to the selling of state bonds and to other functions of the State Auditor's Office. The Federal audit functions cannot be performed without computers.

Ms. Schmidt supported the proposal for a branch network system.

Tape No. 3:A:120

Questions, Responses, and Discussion:

CHAIRMAN PETERSON asked if there is a provision in the feed bill for this proposal. Mr. Person replied that the limited time for creating the feed bill does not allow for long-term planning in the area of the system. The house and senate were involved in the planning of the system. The agency is trying to eliminate the need for putting contingency funds into the feed bill.

SEN. TVEIT asked why the agency reinstated the Council of State Governments after it was removed by the subcommittee. Mr. Person responded that this procedure would allow the agency to best meet its target. This allows the agency to best fulfill its statutory obligations and maintain its level of services.

SEN. TVEIT asked if interim studies are being mandated through proposed bills. Mr. Person responded bills are being proposed that if passed would appropriate funding for the studies. The agency could also charter staff studies during the interim. Legislators could be involved in this process. Elimination of the interim studies program would eliminate the ability of legislators to work with state agencies during the interim.

SEN. TVEIT asked why this program is being eliminated. Mr. Person answered that this is the most efficient way to meet the agency's target. The proposal will preserve session services and allow for the most efficient restoration of other functions if that becomes a possibility.

SEN. TVEIT asked why CSG dues are being paid. Mr. Person answered that this is required by statute.

EXHIBIT 19

Motion: REP. FISHER moved to eliminate the interim studies and conferences program, excepting the dues for National Conference of State Legislators, and use those monies fund the modification request for the branch computer network system.

Questions, Responses, and Discussion:

CHAIRMAN PETERSON asked which conference is used most by the agency. Mr. Person answered the NCSL.

REP. QUILICI stated that legislators should participate in this conference. However, if they do not, legislators should at least have access to the information provided by the conference. He emphasized the importance of this conference.

Motion/Vote: REP. FISHER amended her motion and moved to eliminate the entire interim studies and conferences program. THE MOTION CARRIED with REP. QUILICI and SEN. TVEIT opposing.

Motion: REP. QUILICI moved to reinstate funding for Joint Interim Committees, Permanent Statutory Committees, NCSL dues, Commission on Uniform State Laws and the Northwest Economic Region Conferences, as approved through previous subcommittee action (Northwest Economic Region Conferences with a specific allotment for the Five State Conference). THE MOTION CARRIED with REP. FISHER and CHAIRMAN PETERSON opposing.

ADJOURNMENT

Adjournment: 12:00 PM



REP. MARY LOU PETERSON, Chair



ELAINE BENEDICT, Secretary

MLP/EB

HOUSE OF REPRESENTATIVES

Gen. Gov. & Hwys.

SUB-COMMITTEE

ROLL CALL

DATE

2/9/93

NAME	PRESENT	ABSENT	EXCUSED
Rep. Mary Lou Peterson Chair	X		
Sen. Harry Fritz Vice Chair	X		
Rep. Marjorie Fisher	X		
Sen. Gary Forrester	X		
Rep. Joe Quilici	X		
Sen. Larry Tveit	X		

Checklist Response to Subcommittee Letter

GENERAL FUND TARGET

Priority Ranking

Total Biennial Reductions Identified	Does Apply Toward Target	Does Not Apply Toward Target
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1	Agency Target Reduction Options:
1	Eliminate 1.00 FTE Word Processing Operator
1	Eliminate .40 FTE Personnel Officer
2	Modify Purchasing Agent Position
2	Eliminate 1.00 FTE Communications Specialist
3	Eliminate 1.00 FTE Accounting Technician
3	Eliminate Janitorial Contract/Reduce Repair/Maint
4	Eliminate 1.00 FTE Switchboard Operator
4	Reduction to Major Maintenance (1)
5	Eliminate .20 FTE Program Assistant
	GENERAL FUND BALANCE ACHIEVABLE
	ABOVE (BELOW) TARGET
1	Agency Additional Options (5% Below '93 Bien.)
2	Reduce Service Officer in Veterans Affairs Program
3	Reduce Secretarial Position in Operations Support
4	Eliminate Janitorial Contract in Helena Hdqtrs
5	Reduce Repair & Maintenance - Air & Army Facilit.
6	Reduce Travel for Maint. Position That Covers State Facility Closures
	TOTAL ADDITIONAL OPTIONS

4,321,645	(40,749)	(43,257)
	(22,945)	(51,665)
	(22,485)	(20,000)
	(33,387)	(82,419)
	(21,803)	(4,000)
	(8,191)	(24,363)
	(10,489)	
	(37,985)	
	<u>(9,525)</u>	
4,114,086		<u>(\$205,704)</u>
\$0		

Fund Switch	Fee Increase	Permanent Reduction	Cost Shift to Local Govt?	Loss of G/F Revenue	Loss of General Fund Revenue	Statute Change
N N ? N N N N N N	N N N N N N N N	Y Y Y Y Y Y ? Y	N N N N N N N N	N N N N N N N N	N N N N N N N N	N N N N N N N N
N N N N N N N N	N N N N N N N N	Y Y Y ? ? Y	N N N N N N N N	N N N N N N N N	N N N N N N N N	N N N N N N N N

EXHIBIT
 DATE _____
 HB _____

EXHIBIT
DATE
HB

* This amount represents subcommittee action to date, or LFA current level if there has not yet been committee action.

COMMENTS:

(1) Deferring major maintenance efforts in facilities around state could translate to increased costs in long term.

6701 00 00000

ADJUTANT GENERAL

Agency Summary

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	99.75	99.75	95.25	99.75	(4.50)	94.50	99.75	(5.25)
Personal Services	2,777,014	2,741,826	2,918,188	3,024,672	(106,484)	2,904,595	3,035,433	(130,838)
Operating Expenses	2,464,790	2,666,743	2,486,387	2,418,830	67,557	2,506,674	2,432,869	73,805
Equipment	31,950	0	14,330	8,021	6,309	12,184	12,449	(265)
Capital Outlay	7,080	0	0	0	0	0	0	0
Grants	495,206	540,000	600,000	600,000	0	600,000	600,000	0
Benefits and Claims	<u>2,470</u>	<u>2,280</u>	<u>2,280</u>	<u>2,280</u>	<u>0</u>	<u>2,280</u>	<u>2,280</u>	<u>0</u>
Total Costs	\$5,778,512	\$5,950,849	\$6,021,185	\$6,053,803	(\$32,618)	\$6,025,733	\$6,083,031	(\$57,298)
Fund Sources								
General Fund	2,124,203	1,960,047	2,177,430	2,158,344	19,086	2,191,161	2,163,301	27,860
State Revenue Fund	11,549	41,169	37,254	24,094	13,160	33,755	20,584	13,171
Federal Revenue Fund	<u>3,642,759</u>	<u>3,949,633</u>	<u>3,806,501</u>	<u>3,871,365</u>	<u>(64,864)</u>	<u>3,800,817</u>	<u>3,899,146</u>	<u>(98,329)</u>
Total Funds	\$5,778,512	\$5,950,849	\$6,021,185	\$6,053,803	(\$32,618)	\$6,025,733	\$6,083,031	(\$57,298)

Exec. Over(Under) LFA
Fiscal 1994 Fiscal 1995

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Disaster Coordination & Response	6
Emergency Management Development	7
Local Civil Defense Reimbursement	8
Veterans Affairs Division	9

Department-wide issues:

- 1) For your information - Based upon a decision made by the Joint House Appropriations and Senate Finance and Claims Committee, "capital grounds" fixed costs of \$995 in fiscal 1994 and \$1,003 in fiscal 1995 will be removed from the Department of Military Affairs LFA current level. This is a general fund reduction.
- 2) Committee Action Required - In the LFA current level, certain other fixed costs charged to the Department were distributed to various programs. The executive current level reflects a later distribution of these costs which was prepared by the Department. As a result, although the total dollars assessed are the same, the executive current level assesses less general fund than the LFA current level by approximately \$2900 GF over the biennium. LFA staff will adjust the current level to reflect this more recent distribution of those costs if the committee wants that to occur.

6701 13 00000

ADJUTANT GENERAL
Program Summary

Air National Guard Pgm

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	37.00	37.00	35.00	37.00	(2.00)	35.00	37.00	(2.00)
Personal Services	1,049,088	1,055,148	1,046,282	1,089,260	(42,978)	1,052,684	1,095,752	(43,068)
Operating Expenses	609,021	638,860	604,601	570,483	34,118	617,222	583,827	33,395
Equipment	<u>4,792</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Costs	\$1,662,901	\$1,694,008	\$1,650,883	\$1,659,743	(\$8,860)	\$1,669,906	\$1,679,579	(\$9,673)
<u>Fund Sources</u>								
General Fund	189,418	186,134	184,568	175,958	8,610	187,935	179,506	8,429
Federal Revenue Fund	<u>1,473,483</u>	<u>1,507,874</u>	<u>1,466,315</u>	<u>1,483,785</u>	<u>(17,470)</u>	<u>1,481,971</u>	<u>1,500,073</u>	<u>(18,102)</u>
Total Funds	\$1,662,901	\$1,694,008	\$1,650,883	\$1,659,743	(\$8,860)	\$1,669,906	\$1,679,579	(\$9,673)

Page References

LFA Budget Analysis A-236 to A-249
 Stephens Executive Budget A101 to A106

Current Level Differences

PERSONAL SERVICES—The LFA current level is higher because it includes all positions approved by the 1991 Legislature, including the "5% reduction" FTE (2.00 FTE in the program).	(42,977)	(43,069)
JANITORIAL SERVICES—The LFA current level is lower but uses the fiscal 1992 actual expenditures. The Department indicates that its budget amount is the amount of the contract for next year.	2,079	2,079
UTILITIES—The LFA current level for natural gas, water and sewer, and trash removal is lower. The LFA current level uses the fiscal 1992 actual expenditures.	7,838	7,838
SNOWPLOWING—The LFA uses fiscal 1992 actuals plus 10% (\$4,312 total). The executive budget uses \$15,000 as the contract amount.	10,688	10,688
REPAIR & MAINTENANCE—The LFA current level is lower because it splits a biennial appropriation between fiscal 1992 and fiscal 1993 in order to reach a fiscal 1992 base figure. It results in a lower fiscal 1994 and fiscal 1995 budget estimate.	14,317	14,317
MINOR DIFFERENCES	(126)	(124)
INFLATION DIFFERENCES	(679)	(1,402)
TOTAL CURRENT LEVEL DIFFERENCES	<u>(8,860)</u>	<u>(9,673)</u>

Budget Modifications

None

Language

The 1995 Biennium appropriation act includes the following language:

"In item 3, up to two firefighter FTE may be added if the current contract is modified or becomes unnecessary."

6701 21 00000

ADJUTANT GENERAL
Program Summary

Disaster Coordination Response

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	13.00	13.00	11.00	13.00	(2.00)	11.00	13.00	(2.00)
Personal Services	410,808	417,081	389,752	444,917	(55,165)	390,701	445,925	(55,224)
Operating Expenses	77,798	74,345	86,264	86,216	48	76,805	76,757	48
Equipment	<u>0</u>	<u>0</u>	<u>6,000</u>	<u>0</u>	<u>6,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Costs	\$488,606	\$491,426	\$482,016	\$531,133	(\$49,117)	\$467,506	\$522,682	(\$55,176)
<u>Fund Sources</u>								
General Fund	233,522	236,037	232,289	257,172	(24,883)	225,033	252,942	(27,909)
Federal Revenue Fund	<u>255,083</u>	<u>255,389</u>	<u>249,727</u>	<u>273,961</u>	<u>(24,234)</u>	<u>242,473</u>	<u>269,740</u>	<u>(27,267)</u>
Total Funds	\$488,606	\$491,426	\$482,016	\$531,133	(\$49,117)	\$467,506	\$522,682	(\$55,176)

Page References

LFA Budget Analysis A-236 to A-249
 Stephens Executive Budget A101 to A106

Current Level Differences

PERSONAL SERVICES - The LFA current level is higher because it includes the "5% reduction" FTE (2.00 FTE for this program).

EQUIPMENT - The LFA current level is lower because it does not include an amount for equipment to monitor an underground storage tank.

MINOR DIFFERENCES

TOTAL CURRENT LEVEL DIFFERENCES

Budget Modifications

None

Language

None

Exec. Over(Under) LFA
 Fiscal 1994 Fiscal 1995

(55,165) (55,224)

6,000 0

48 48

(49,117) (55,176)

6701 24 00000

ADJUTANT GENERAL
Program Summary

Emergency Mgmt Development

DATE 2/9/93

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	9.00	9.00	9.00	9.00	0.00	8.25	9.00	(0.75)
Personal Services	264,564	271,539	290,091	290,090	1	266,475	290,667	(24,192)
Operating Expenses	66,529	67,773	56,713	56,348	365	53,592	53,227	365
Equipment	<u>9,416</u>	<u>0</u>	<u>2,619</u>	<u>2,821</u>	<u>(202)</u>	<u>11,673</u>	<u>11,875</u>	<u>(202)</u>
Total Costs	\$340,510	\$339,312	\$349,423	\$349,259	\$164	\$331,740	\$355,769	(\$24,029)
<u>Fund Sources</u>								
Federal Revenue Fund	<u>340,510</u>	<u>339,312</u>	<u>349,423</u>	<u>349,259</u>	<u>164</u>	<u>331,740</u>	<u>355,769</u>	<u>(24,029)</u>
Total Funds	\$340,510	\$339,312	\$349,423	\$349,259	\$164	\$331,740	\$355,769	(\$24,029)

Page References

LFA Budget Analysis A-236 to A-249
 Stephens Executive Budget A101 to A106

Current Level Differences

PERSONAL SERVICES - The LFA current level is higher for fiscal 1995 because .75 FTE is eliminated from the executive current level because federal funds would not be available in fiscal 1995 without state matching funds.

MINOR DIFFERENCES

TOTAL CURRENT LEVEL DIFFERENCES

Budget Modifications

None

Language

The 1993 Biennium appropriation act includes language for the Earthquake Program that states:

"In line 5b, the department shall direct the earthquake program to local schools to the maximum extent possible."

Exec. Over(Under) LFA
 Fiscal 1994 Fiscal 1995

0 (24,192)

164 163

164 (24,029)

6701 31 00000 ADJUTANT GENERAL Program Summary		Veterans Affairs Program						
Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	18.75	18.75	18.75	18.75	0.00	18.75	18.75	0.00
Personal Services	453,746	474,335	505,197	505,198	(1)	506,264	506,265	(1)
Operating Expenses	67,599	167,638	93,617	73,437	20,180	86,986	66,505	20,481
Equipment	0	0	3,600	3,600	0	0	0	0
Capital Outlay	<u>7,080</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Costs	\$528,426	\$641,973	\$602,414	\$582,235	\$20,179	\$593,250	\$572,770	\$20,480
<u>Fund Sources</u>								
General Fund	511,099	518,016	565,160	550,641	14,519	559,495	544,686	14,809
State Revenue Fund	11,549	41,169	37,254	24,094	13,160	33,755	20,584	13,171
Federal Revenue Fund	<u>5,776</u>	<u>82,788</u>	<u>0</u>	<u>7,500</u>	<u>(7,500)</u>	<u>0</u>	<u>7,500</u>	<u>(7,500)</u>
Total Funds	\$528,426	\$641,973	\$602,414	\$582,235	\$20,179	\$593,250	\$572,770	\$20,480

Page References

LFA Budget Analysis A-236 to A-249
Stephens Executive Budget A101 to A106

Current Level Differences

TRAVEL—The LFA current level is lower and uses the fiscal 1992 actual expenditures. The executive current level would increase travel to enhance the programs ability to provide services to veterans and to allow the administrator to meet with service officers.

8,162 8,162

RENT—The LFA current level is lower using fiscal 1992 actual expenditures. The executive current level provides for rent for offices that have been provided free up until now: \$4,000 per year for the Bozeman Office and \$2,400 per year for the Butte office.

6,400 6,400

CEMETARY—For the total budget of the budget entity called "state special and federal" (veterans cemetery), the LFA current level (\$31,594 in fiscal 1994 and \$28,084 in fiscal 1995) is lower than the executive current level by \$5,660 in fiscal 1994 and \$5,671 in fiscal 1995:

Consulting & Professional Services	318	320
Supplies & Materials	1,250	1,251
Postage	3	3
Travel	262	271
Rent (equipment)	289	298
Electricity	338	328
Maintenance	3,200	3,200

MINOR DIFFERENCES

(233) (188)

INFLATION DIFFERENCES

190 435

TOTAL CURRENT LEVEL DIFFERENCES

20,179 20,480

Budget Modifications

0.25 FTE CEMETARY SEXTON—This budget modification would increase the cemetery sexton position in the cemetery program from 0.75 FTE to 1.00 FTE. The funding would be from the veterans license plate fees (state special revenue).

5,682 5,689

Language

None

6701 12 00000

ADJUTANT GENERAL
Program Summary

Army National Guard Pgm

DATE

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	13.00	17.50	13.00	13.00	0.00	13.00	13.00	0.00
Personal Services	346,381	358,574	396,993	396,294	699	397,977	397,278	699
Operating Expenses	1,534,769	1,659,218	1,566,651	1,552,808	13,843	1,596,210	1,575,659	20,551
Equipment	9,181	0	1,600	1,600	0	0	0	0
Benefits and Claims	0	2,280	0	0	0	0	0	0
Total Costs	\$1,890,332	\$2,020,072	\$1,965,244	\$1,950,702	\$14,542	\$1,994,187	\$1,972,937	\$21,250
<u>Fund Sources</u>								
General Fund	817,634	795,802	824,208	793,842	30,366	849,554	806,873	42,681
Federal Revenue Fund	1,072,697	1,224,270	1,141,036	1,156,860	(15,824)	1,144,633	1,166,064	(21,431)
Total Funds	\$1,890,332	\$2,020,072	\$1,965,244	\$1,950,702	\$14,542	\$1,994,187	\$1,972,937	\$21,250

Page References

LFA Budget Analysis A-236 to A-249
Stephen's Executive Budget A101 to A106

Current Level Differences

TRAVEL—The LFA current level is lower, and uses the fiscal 1992 actuals. The executive current level includes \$1,233 in each year for travel expenses for a maintenance employee in Bozeman to travel to different armories in the state to perform maintenance, and \$2,338 in each year for a maintenance employee to provide some additional maintenance to "services agreement buildings" in the state.

3,571 3,571

UTILITIES—The LFA current level is higher because adjustments of overstated accruals of fiscal 1992 expenditures were not made in the LFA current level for federal fund expenditures.

(16,803) (20,287)

UTILITIES (ATTACK BATTALION)—The LFA does not include these utilities costs in current level because the attack battalion armory did not go through the Long Range Building Program and this is the first time the legislature has seen these costs (therefore, not considered current level).

0 10,479

REPAIR & MAINTENANCE—The LFA current level is lower than the executive because the LFA analysis spreads a biennial appropriation for maintenance over two years thereby reducing the fiscal 1992 expenditure base and resulting in a lower fiscal 1994 and 1995 estimate.

31,058 31,058

MINOR DIFFERENCES

(1,284) (1,933)

INFLATION DIFFERENCES

(2,000) (1,638)

TOTAL CURRENT LEVEL DIFFERENCES14,542 21,250Budget Modifications

(see LFA Budget Analysis A-238 & A-239 for more information)

1) STATE MAINTENANCE BACKLOG—The Executive Budget includes a budget modification for \$136,216 general fund over the biennium for maintenance of 92 Army National Guard facilities with about 485,000 square feet of space.

110,274 25,942

2) SERVICE AGREEMENT BACKLOG—This budget modification would add 3.0 FTE and increase maintenance expenditures by \$304,180 (25% general fund) for 54 Army National Guard facilities with 265,000 square feet of space.

203,317 100,863

3) TRAINING SITE FUNDING—This budget modification would add 5.0 FTE and about \$254,000 federal funds over the biennium to maintain National Guard training facilities.

126,870 127,017

ENVIRONMENTAL COMPLIANCE—The Executive Budget includes 1.0 FTE and about \$78,500 federal funds over the biennium to enhance the National Guard effort to comply with environmental laws.

39,216 39,242

5) M-1 TANK SECURITY—The Executive Budget includes \$400,000 federal funds each year to continue security services for M-1 tanks.	400,000	400,000
6) UTILITY DATA CLERK—The budget modification would add 1.0 FTE (utility clerk) and \$39,000 federal funds over the biennium to monitor usage for National Guard facilities.	19,596	19,613
7) M-CROFT UTILITIES—This budget modification adds \$67,000 federal funds over the biennium to pay the utility costs of a tank training simulator.	33,000	34,000
8) LEASE PRIVATE LAND SURROUNDING FT. HARRISON—This budget modification for \$12,000 each year in federal funds would allow for the lease of private land surrounding Fort Harrison for training and range safety. This concept was recently approved through the budget amendment process.	12,000	12,000
9) HANGAR FOR ARMY GUARD C-12 AIRPLANE—This budget modification for \$20,000 each year in federal funds is for the lease of a hangar for the Guard's C-12 airplane. All current hangar space will be dedicated to the new Apache Helicopters, including the space currently utilized by the C-12. The Guard Bureau has authorized funds to rent new space and the Department is currently negotiating a lease that will be paid by federal funds this year. The Department indicates that future payment procedures (not the funding) is in question. The Department is asking for federal spending authority in order to avoid a budget amendment next year and to avoid future problems.	20,000	20,000
10) ENVIRONMENTAL DIVISION SPENDING AUTHORITY—The request is for federal funds spending authority of \$100,000 each year. The Department indicates that its budget request to the Guard Bureau was increased by \$163,000 over existing authority. The agreement with the federal program increases the types of expenditures and dollars that have to flow through the state, instead of being paid directly by the federal program. \$100,000 is an estimate of the spending authority needed.	100,000	100,000

Language and Other Issues

ISSUE—House Bill 777, passed during the 1991 regular session, authorized the Department of Natural Resources and Conservation to issue bonds to fund energy savings projects. The proceeds from the bonds were to be used to pay for the energy savings projects. The savings of utilities costs would be used to pay off the bonds. For the Department of Military Affairs, the committee needs to consider changing the LFA current level budget to reflect the reduction in the utilities budget and to establish a transfer amount to make the savings available to DNRC for the payment of the bonds. The appropriate action would reduce utilities (2600 group) by the savings estimate and increase the transfer line (8000 group) by the amount estimated for transfer to the "Energy Savings Account".

	Utilities (2600 group)	Transfer (8000 group)
Fiscal 1994	(\$2,000)	\$1,870
Fiscal 1995	(\$2,000)	\$1,870

TRAINING SITE FUNDING MODIFICATION

ARMY NATIONAL GUARD

FY 94 \$126,870 FY 95 \$127,017

100% FEDERALLY FUNDED

1. Original submittal was for 5 FTE

- a. Contract Administration Grade 13
- b. Carpenter Grade 11
- c. Two Plumbers Grade 11
- d. Electrician Grade 11

2. Revised submittal is for 3 FTE

- a. Two Electricians Grade 11
- b. Carpenter/Painter Grade 11

Revised amount FY 94 \$74,019 FY 95 \$74109

3. RATIONALE FOR REVISION

a. National Guard Bureau letter 23 December 1992 outlined a change in support of training ranges targeting. In addition to other non-state authority items the letter includes the following "...it (Federal Budget for Range Support) includes operation, maintenance and repair costs for 100% Federally reimbursed state employees..."

b. Obvious trend to reduce the number of state employees by Administration and Legislation.

c. Anticipated slow growth of current Training Site Budget.

d. Prioritization of needs.

EXHIBIT

DATE

2/9/93

SECURITY CONTRACT MODIFICATION

ARMY NATIONAL GUARD PROGRAM

100% FEDERALLY FUNDED

1. FEDERAL REQUIREMENT.

- a. Each M-1 tank must be checked every 2 hours.
- b. Each Attack Helicopter must be checked every 3 hours.

2. DEPARTMENT REQUIREMENT

- a. Each compound gate and building exterior doors will be checked every three hours.
- b. 7 days per week from 7:00p.m. until 6:00a.m. (times and building checks vary in each location)

3. LOCATIONS:

- | | |
|----------------------------|--------------------|
| a. Ft. Harrison | f. Hamilton Armory |
| b. Helena Airport Facility | g. Shelby Armory |
| c. Townsend Range | h. Dillon Armory |
| d. Great Falls Armory | i. Missoula Armory |
| e. Kalispell Armory | |

4. COST PER MONTH: \$31,000, without helicopter services.

- a. Estimated cost for helicopter security \$5,000 per month.

5. ESTIMATED CURRENT LEVEL COST OF SECURITY: \$432,000.

6. ESTIMATED ADDITIONAL COST OF APACHE AIRCRAFT SECURITY: \$60,000 per year.

7. REVISED MODIFICATION REQUEST: \$500,000.

EXHIBIT

DATE

2/9/93

AGENCY: CRIME CONTROL DIVISION

Checklist

Response to Subcommittee Letter

GENERAL FUND TARGET \$931,387

Total Biennial Reductions Identified	
Does Apply Toward Target	Does Not Apply Toward Target

SPECIFIC REDUCTION PROPOSALS

Priority Ranking

Current General Fund Appropriation*	
Current Level Adjustments Requested:	
None	
Agency Target Reduction Options:	
Vacancy Savings—Gen. Fund (Shift to Other Funds)	
Reduce Operating Expenses	
Reduce Equipment	
Reduce General Fund/Increase Federal Funds	
GENERAL FUND BALANCE ACHIEVABLE	
ABOVE (BELOW) TARGET (1)	
Agency Additional Options (5% Below '93 Bien.)	
Eliminate Statewide Crime Reporting/1.0 FTE	
TOTAL ADDITIONAL OPTIONS	

954,644	
(8,853)	
(4,424)	
(4,000)	
(5,980)	
931,387	0
\$0	
(63,847)	
(\$63,847)	0

Fund Switch	Fee Increase	Permanent Reduction	Cost Shift to Local Govt?	Loss of G/F Revenue?	Amt. of G/F Rev. Loss	Statute Change
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Y	N	N	N	N	N	N
N	N	Y	N	N	N	N
N	N	?	N	N	N	N
Y	N	Y	N	N	N	N
N	N	Y	Y	?		N

EXHIBIT
DATE 2/19/9

* This amount represents subcommittee action to date.

COMMENTS:

(1) This amount reflects the increases above LFA current level approved in previous subcommittee action.

Table 1
Pass - Through Grants & Benefits
1995 Biennium

	Fiscal 1992	Fiscal 1994	Current	Fiscal 1995	Change/yr. Requested	Fiscal 1994	Fiscal 1995
Pass - Through Grant Funds							
Victims' Assistance	\$333,000	\$363,000	\$363,000	\$363,000	\$18,000	\$381,000	\$381,000
Juvenile Justice	221,500	224,375	224,375	224,375	185,625	410,000	410,000
D.A.R.E. Program Grants - SSR	15,200	20,000	20,000	20,000	0	20,000	20,000
Drug Education/Prevention	542,218	466,588	466,588	466,588	0	466,588	466,588
Drug Enforcement Block Grant	2,144,000	2,136,281	2,136,281	2,136,281	(3,895)	2,132,386	2,132,386
Indian Victim Assistance	0	70,000	70,000	70,000	\$0	70,000	70,000
Federal Contract Authority	0	500,000	500,000	500,000	0	500,000	500,000
Total Pass - Through Grants	\$3,255,918	\$3,780,244	\$3,780,244	\$3,780,244	\$199,730	\$3,979,974	\$3,979,974
Crime Victims' Compensation Benefits							
State Special Revenue	451,143	455,000	455,000	455,000	0	455,000	455,000
Federal	0	135,000	135,000	135,000	0	135,000	135,000
Total Grants and Benefits Funds	\$3,707,061	\$4,370,244	\$4,370,244	\$4,370,244	\$199,730	\$4,569,974	\$4,569,974
Federal Funds							

AGENCY: HIGHWAY TRAFFIC SAFETY DIVISION

Checklist
Response to Subcommittee Letter

GENERAL FUND TARGET \$366,160

Priority
Ranking

SPECIFIC REDUCTION PROPOSALS

Total Biennial Reductions Identified		
Does Apply Toward Target	Does Not Apply Toward Target	

<i>Current General Fund Appropriation*</i>		
Current Level Adjustments Requested:		
None		
Agency Target Reduction Options:		
County DUI Task Force Pass - Through Funds (1)		
GENERAL FUND BALANCE ACHIEVABLE ABOVE (BELOW) TARGET	420,000 (53,840) 366,160 \$0	0
Agency Additional Options (5% Below '93 Bien.)		
County DUI Task Force Pass - Through Funds (1)	(18,308)	0
TOTAL ADDITIONAL OPTIONS	(\$18,308)	0

Fund Switch	Fee Increase	Permanent Reduction	Cost Shift to Local Govt?	Loss of G/F Revenue?	Amt. of G/F Rev. Loss	Statute Change
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N	N	N	Y	N		Y
N	N	N	Y	N		Y

* This amount represents subcommittee action to date.

COMMENTS:

(1) During the January 1992 special session, this appropriation was reduced 8 percent (\$16,920) as a general fund savings measure.

DATE 2/19/92

AGENCY: Legislative Auditor

Checklist
Response to Subcommittee Letter

GENERAL FUND TARGET \$2,405,934

Priority Ranking

SPECIFIC REDUCTION PROPOSALS

Total Biennial Reductions Identified	
Does Apply Toward Target	Does Not Apply Toward Target

Fund Switch	Fee Increase	Permanent Reduction	Cost Shift to Local Gov?	Loss of G/F Revenue?	Amt. of G/F Rev. Loss	Statute Change
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	Current General Fund Appropriation*	2,598,615				
	Agency Target Reduction Options:					
	Reduce consultants	(12,455)	N	N	N	N
	Reduce printing	(1,410)	N	N	N	N
	Reduce secretarial service	(950)	N	N	N	N
	General operating reduction	(3,760)	N	N	N	N
	Reduce postage & mailing	(1,288)	N	N	N	N
	Reduce out-of-state travel	(9,400)	N	N	N	N
	Reduce recruiting costs	(1,886)	N	N	N	N
	Reduce freight & expenses	(846)				
	General reduction	(940)				
	Personal service reduction (6.14 FTE)	(159,746)				
	GENERAL FUND BALANCE ACHIEVABLE	2,405,934				
	ABOVE (BELOW) TARGET	\$0				
	Agency Additional Options (5% Below '93 Bien.)	(120,297)				
	Personal service reduction (4.63 FTE)	(120,297)				
	TOTAL ADDITIONAL OPTIONS	(120,297)				

* This amount represents subcommittee action to date.

COMMENTS:

(1) Agency notes that their current level budget request includes elimination of personal service costs for 4.0 FTE (\$231,637).

MB

09-Feb-93

Fiscal 1994, 1995

Fiscal Year, 1995	FY94 Current Request Level	H82 (Cobb) 5 Percent Reduction	FY94 Request Submitted to OBPP	Identified Reductions Gen'l Fund	Revised FY94 Operating Plan		FY95 Current Request Level	H82 (Cobb) 5 Percent Reduction	FY95 Request Submitted to OBPP	Identified Reductions Gen'l Fund	Revised FY95 Operating Plan		Bienium Total Reductions in Current Level
3rd LEVEL EXPENDITURES: =====						*						*	
FTE Levels	67.5	-4.0	63.5	-3.0	60.5	*	67.5	-4.0	63.5	-3.0	60.5	*	(14)
* * *						*						*	
Personal Services						*						*	(310,943)
Salaries	2,023,840	(92,212)	1,931,628	(63,259)	1,868,369	*	2,026,554	(92,212)	1,934,342	(63,259)	1,871,083	*	0
Committee	8,143	0	8,143	0	8,143	*	8,143	0	8,143	0	8,143	*	0
Employee Benefits	464,799	(23,360)	441,439	(16,614)	424,825	*	467,809	(23,453)	444,356	(16,614)	427,742	*	(80,040)
* * *						*						*	
Total Personal Services	2,496,762	(115,572)	2,381,210	(79,873)	2,301,337	*	2,502,506	(115,665)	2,386,841	(79,873)	2,306,968	*	(390,983)
* * *						*						*	
Operating Expenses						*						*	(12,453)
Contracted Services						*						*	0
Consultants	54,400	0	54,400	(9,635)	44,765	*	26,000	0	26,000	(2,820)	23,180	*	0
Insurance & Bonds	9,136	0	9,136	0	9,136	*	11,623	0	11,623	0	11,623	*	0
Payroll Service Fees	1,760	0	1,760	0	1,760	*	1,769	0	1,769	0	1,769	*	0
Printing & Typesetting	16,448	(705)	15,743	(705)	15,743	*	16,602	(705)	16,602	(705)	15,897	*	(1,410)
CPA Audits	12,000	0	12,000	0	12,000	*	0	0	0	0	0	*	0
Secretarial Service	1,011	(475)	536	(475)	536	*	1,011	(475)	1,011	(475)	536	*	(950)
Data Processing	31,339	0	31,339	0	31,339	*	29,444	0	29,444	0	29,444	*	0
General	12,088	(1,880)	10,208	(1,880)	10,208	*	12,088	(1,880)	12,088	(1,880)	10,208	*	(3,760)
Supplies & Materials						*						*	0
Office Supplies	14,816	0	14,816	0	14,816	*	14,839	0	14,839	0	14,839	*	0
Photo & Reproduction	575	0	575	0	575	*	593	0	593	0	593	*	0
Technical References	3,580	0	3,580	0	3,580	*	1,561	0	1,561	0	1,561	*	0
General	0	0	0	0	0	*	0	0	0	0	0	*	0
Communication						*						*	0
Telephone	14,796	0	14,796	0	14,796	*	14,013	0	14,013	0	14,013	*	0
Messenger Service	1,058	0	1,058	0	1,058	*	1,056	0	1,056	0	1,056	*	0
Postage & Mailing	3,585	0	3,585	0	3,585	*	3,578	0	3,578	0	3,578	*	0
Travel	1,370	(644)	726	(644)	726	*	1,370	(644)	1,370	(644)	726	*	(1,288)
In-State						*						*	0
Out-of-State	70,701	0	70,701	0	70,701	*	72,424	0	72,424	0	72,424	*	0
Rent	15,992	(4,700)	11,292	(4,700)	11,292	*	16,488	(4,700)	11,788	(4,700)	11,788	*	(9,400)
Repair & Maintenance	29,529	0	29,529	0	29,529	*	30,578	0	30,578	0	30,578	*	0
FMP's grounds maint	7,541	0	7,541	0	7,541	*	7,662	0	7,662	0	7,662	*	0
Other Expenses	1,975	0	1,975	0	1,975	*	1,991	0	1,991	0	1,991	*	0
Training Regis. fees	16,478	0	16,478	0	16,478	*	16,478	0	16,478	0	16,478	*	0
Subscriptions	4,466	0	4,466	0	4,466	*	4,604	0	4,604	0	4,604	*	0
Recruiting	2,006	(943)	2,006	(943)	1,063	*	2,006	(943)	2,006	(943)	1,063	*	(1,886)
Freight & Express	1,783	(423)	1,360	(423)	1,360	*	1,783	(423)	1,360	(423)	1,360	*	(646)
General	1,253	(470)	783	(470)	783	*	1,253	(470)	1,253	(470)	783	*	(940)
* * *						*						*	0
Total Operating Expenses	329,686	0	329,686	(19,875)	309,811	*	290,614	0	290,614	(13,060)	277,554	*	(32,935)
* * *						*						*	
Equipment	12,475	0	12,475	0	12,475	*	12,256	0	12,256	0	12,256	*	0
* * *						*						*	
Total Equipment	12,475	0	12,475	0	12,475	*	12,256	0	12,256	0	12,256	*	0
* * *						*						*	
TOTAL OPERATING PLAN	2,838,943	(115,572)	2,723,371	(99,748)	2,623,623	*	2,805,376	(115,665)	2,689,711	(92,933)	2,596,778	*	(423,918)
=====						*						*	

AGENCY: LEGISLATIVE COUNCIL

Checklist
Response to Subcommittee Letter

GENERAL FUND TARGET* \$3,807,150

SPECIFIC REDUCTION PROPOSALS

SPECIFIC REDUCTION PROPOSALS		Total Biennial Reductions Identified								
		Does Apply Toward Target	Does Not Apply Toward Target	Fund Switch	Fee Increase	Permanent Reduction	Cost Shift to Local Gov?	Loss of G/F Revenue?	Amount of G/F Loss	Statute Change
Current General Fund Appropriation**										
1	Current Level Adjustments Requested: Make Legislative Branch Central Network proposal a modification and remove it from 1995 biennium LFA current level total	4,739,626 (607,000)								
2	Reinstate Council of State Govt (CSG) Dues	96,400								
2	Reinstate 15% reduction to National Council of State Legislatures (NCSL) Dues	19,228								
Agency Target Reduction Options:										
2	Eliminate Interim Studies and Conferences Program EXCEPT for dues to CSG and NCSL	(441,000)			N	N	unknown	N	N	N
3	Operational Reductions in Council operations program	(95,100)			N	N	unknown	N	N	N
GENERAL FUND BALANCE ACHIEVABLE ABOVE (BELOW) TARGET										
		3,712,154 (\$94,996)								
Agency Additional Options (5% Below '93 Bien.)										
4	Eliminate CSG and NCSL Dues	(224,588)			N	N	unknown	N	N	possibly
TOTAL ADDITIONAL OPTIONS										
		(224,588)								

EXHIBIT 17
DATE 2/9/93
HB 7

Legislative Branch Central Computer Budget

Analytical Adjustments

February 9, 1993

The branch central computer budget was submitted at the "current funding level" because, as submitted, it was viewed as the level of funding required to maintain operations and services at the level authorized by the previous legislature. Because the concept of reorganizing spending is involved, it has been difficult to grasp the nature of the "base" or how to measure change. The Legislative Council proposal to reach the spending target suggests a portion of the budget be considered as if it were a modification. The reason for this is that the funding transfers involved made it difficult to compare it to LFA current level or other base spending amounts. This issue along with a proposed adjustment is discussed below.

The budget was formulated last summer. Since that time, computer equipment prices have dropped dramatically. For this reason, we propose that the total biennial budget be reduced by 15% or \$104,000. Reducing this amount from the "modification" amount of \$607,000 leaves \$503,000 to be considered.

Of this \$503,000, we have identified comparative "base" spending of \$150,000 for the House and Senate, \$102,000 for the Legislative Council, \$98,000 for the Legislative Auditor, and \$1,700 for the fiscal analyst, which reduced the "change" amount to approximately \$153,000. This amount approximates the amounts in the budget targeted to LFA and Legislative Audit. Their expenditures during the base period were low due to the relatively new equipment base with which they were working.

Legislative Branch Computer Network Funding Issues

Background On Legislative Branch Computer Use

Prepared by
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Montana Legislative Council

January 30, 1993

1. The Legislature is an information processing organization. The legislative process is, in its essence, an information processing activity. The consideration of legislation is the center of the activity. Legislation is prepared and amended to accord with ideas, information, and decisions made by legislators. Legislative records must be kept to document the introduction and consideration of legislation. Legislators and the public need to know what legislation is being considered and where it is in order to manage the flow of work and provide information to support or alter legislation. All of this is information processing.

2. The Legislature has a long history of using information processing technology effectively. To an increasing degree, the legislature is using electronic machines to do its information processing faster with greater accuracy. The trend began when typewriters and legions of typists gave way to the power of the state mainframe computer for typing, engrossing, and enrolling bills. Bill status automation allowed real-time tracking of actions on bills and subsequent summary reports of use to legislative managers, legislators, and the public. Enhancements to the electronic voting systems allowed electronic vote records to be copied directly into journal drafts, which were also recorded on computers for subsequent publication. Systems using mainframe budget data supplemented by information produced by legislative fiscal staff enhanced the ability of appropriations subcommittees to review budgets and subsequently record and track the outcome of their decisions. Efficiency and power also aided post-audit work.

The advent of the personal computer, followed quickly by the ability to connect the individual machines together into integrated communications networks, offered ideal tools to further improve legislative information processing. Over a period of years, manual bill drafting processes were replaced with automated processes that allowed bill text to be transferred directly from draft to bill form to final published form while incorporating legislative changes along the way. The office of the fiscal analyst established systems that used data moved between the mainframe and personal computers to support and document appropriations and revenue estimation activities. Coordination with the fiscal staff allows rapid, accurate integration of appropriations committee decisions regarding both money and

language into a massive appropriations bill. Amendments prepared by agency staff, committee secretaries, or amendments coordinators are instantaneously transferred to one another for review, preparation, and record keeping.

Committee minutes and journal records are composed using powerful programs designed to speed the process while making it easier to attain consistency and accuracy. Once the documents are composed, corrections can be made and final publication completed without recreating the documents.

Recent additions include improved communications capabilities among government workers and the general public through electronic mail and the state bulletin board. Two examples:

Electronic mail is now being used to help agencies prepare fiscal notes for the legislature more efficiently and in a more timely manner.

The state bulletin board provides an opportunity to provide both the press and public with lists of introduced bills and committee hearing schedules from reports generated by the bill status system.

Information technology helps legislative staff answer legislator questions relating to information available in libraries and out of state sources as well. The Legislative Council library catalog is maintained as a computer data base that can be used by researchers at their desks. The National Conference of State Legislatures maintains a database of reports and other information that can be used to find the answer to "What are other states doing on . . . ?" Legal databases that can be reached by telephone provide the latest on court cases and congressional action to answer legislator concerns about these issues. Information such as this is available in time to give answers while they mean something through the availability of computers in the branch.

3. Using technology changes what work is done, who does it, and how it is done. Since automating a process allows work to be done much faster, it naturally follows that it should take fewer people to do the work. Authorizing agencies from corporate boards to legislatures thus ask how many people can be replaced if authority to buy machines is granted. This is a perfectly logical question, yet information processing professionals everywhere wince and try to deflect the question when it arises. Why? Let's look at a couple of examples based on the experience of the Montana Legislature.

In 1967, the legislature hired its first fiscal analyst. He had no central accounting system to use much less an automated one. Much of his first year of employment was spent answering one question: how much money does the state spend on travel. Now, with a standardized statewide budgeting and accounting system

residing on the mainframe computer and sophisticated systems for extracting information, we have an office of fiscal analysis. Clearly, one fiscal analyst now could perform more studies in a year than merely compile the cost of state travel. Has automation played a role in staffing levels?

In 1972, the legislature installed a program on the mainframe computer that would allow retrieval of statute text, storage of bill text on the computer, alteration of both statute and bill text, and control the printing of bills. Rules adopted in 1973 required bills to be processed by the system prior to introduction, or in a few instances, after introduction but before going to committee. In 1971, the current Senate taxation room was completely filled with engrossing and enrolling typists (approximately 25 to 30) who worked from early in the morning until late at night to type bill text. No error corrections were allowed so an error anywhere on a page required complete retyping. Upon installation of the computer system, the staff was reduced to 12 including those who originally typed the bills and those who typed the journals. In 1993, 5 people support a far larger number of bills and perform a number of additional duties as well. Fewer people do far more work with far greater accuracy. The system enables the legislature to make major changes in bills, yet have them back letter-perfect for consideration the next day. Maintenance of computing machinery and training of the people who use it are essential expenses of today's legislative process.

Dramatic changes in the number of people working in an area can occur in conjunction with increasing automation. Some of those changes may result from increased productivity while others may result from increased work assignments regardless of productivity. It is generally recognized that automation has allowed vastly increased duties to be accomplished by office workers without a proportional increase in the number of people needed to do the work. That is why staff reductions are now seldom promised as a direct consequence of automating office work. It can only be said that each person working will produce more with higher quality in terms of completeness and accuracy than would otherwise be possible.

4. Critical systems cost money, although funding methods vary. Once automated systems are installed, staff patterns change, and service expectations change with them. An organization begins to rely on the systems to the point that loss of ability to use them would be unacceptable. The Montana legislature has been in that position for many years. The legislature has paid for equipment maintenance and replacement costs of mainframe programs over the years through service charges levied by the Department of Administration. Charges for operating the mainframe legal text system alone have ranged from \$532,384 in the 1983 biennium to an anticipated \$348,436 this biennium. (Actual expenditures, not constant dollars.) As a result of these expenditures and the maintenance and

equipment replacement they supported, a very secure and stable system has been provided for our use.

Installation and operation of personal computers has been largely an expense of individual agencies -- the House, Senate, Council, etc. The Department of Administration has undertaken the responsibility of installing and maintaining wiring and communications equipment to connect the machines in the agencies together. That responsibility is funded (as are mainframe services) through user fees. On the other hand, computer equipment owned by agencies can be maintained and replaced only by means of ongoing appropriations. As computers in the legislative branch have been used to do more jobs over recent years and their use has displaced things like typewriters, those computers have become more and more critical to the work of the legislature. It is now critical that a stable funding base for maintenance and replacement of equipment be supported. That is the sort of budget the legislative branch central network budget represents.

5. System failure can be expensive. Failure of equipment on an integrated computer system will always result in some sort of inconvenience and cost. Depending on what component fails and what plans have been made to cope with the failure, the costs can be extensive. The legislature, for example, relies upon the availability of powerful file servers, computers at the heart of network systems, to enable important systems such as voting systems and budget systems to operate. The failure of the machine used by the Office of the Fiscal Analyst to compile appropriations committee recommendations for engrossing into the general appropriations bill could delay a regular session second reading schedule by two days or more. Failure of a machine supporting the House or Senate voting system would not only make electronic voting impossible, but would disable all of the other operations of the body at the same time. No guarantee can ever be made that no failure will ever occur. In fact, the opposite is the case. The question is how much is it worth to reduce the risk of failure to a minimum and to be able to react to a failure that may occur. Keeping stable equipment well maintained is part of the strategy to reduce the risk of failure. Good backup procedures reduce the damage when a failure does occur. Restoration from a backup can take a long time; up to 8 hours is not out of the question. New technologies to limit the amount of time that would be lost to practically nothing are now available. These technologies provide "fault tolerance" to a system by allowing the system to identify failure and automatically transfer system control to an alternative machine with no loss of service. Repair can then be completed on the damaged equipment. The cost of system reliability needs to be assessed against the potential cost associated with the risk of failure. Cost cannot be avoided by ignoring its potential.

6. Central network budget includes critical training, maintenance, and replacement costs. A stable level of fees paid into the proprietary fund of the Department of

Administration support vital mainframe and enterprise network costs. The legislative branch network budget proposal serves the same purposes.

2% of the budget supports technical training needed to keep personnel current so needed systems can be kept operating efficiently.

59% of the budget supports maintenance and replacement costs. Equipment breaks and wears out in use. Equipment needed to do a job must be able to be placed back in service within a reasonable time. The budget recognizes the fact that some equipment is more critical than other equipment and that maintenance costs and risk of failure on older equipment makes it cheaper to replace it than continue to try to keep it in service.

9% of the budget supports software maintenance which is a necessary adjunct to running automated systems.

28% of the budget supports system security enhancement and development through the purchase of new equipment and software. The current risk of failure in a few key areas is regarded as unacceptable. The budget includes 12 machines to allow the Senate to own its necessary equipment core to assure its ability to function on short notice for special sessions, etc., which now cannot be guaranteed. Additional improvements are supported through allowances for investigating application of new technologies that can further support efficiencies in the legislative operation.

2% of the budget supports miscellaneous charges such as Department of Administration network connect charges and network support supplies.

7. Montana legislative automation has been careful and deliberate. There is always a certain whiz-bang, gee-wow nature to computers. Terms like "bells" and "whistles" are commonly used to describe the latest features that people think of as flashy, but unnecessary additions to the latest items for sale. Some people and some legislatures have fallen into the trap of becoming carried away with the excitement of buying and beginning to apply all of the very latest technologies. Progress in computer technology is moving at a rate unprecedented in history, so efforts to stay on the leading edge can be costly and unproductive. Key staff have watched developments in other states over the years. Comparisons with other states show that Montana has been very prudent in its application of technology. Some recent examples of activities in other states are reproduced in the report on the use of computers by legislators. Applications have rarely been the very latest thing. Yet we have not been far behind either. The use of technology, however, has often been both innovative and inexpensive. By any measure, we have gotten a big bang for the buck. The central network proposal now before the legislature is built on that tradition and promises to continue it.

8. Central network management supported by a central budget promotes efficient use of resources. Legislative branch agencies in the Capitol need to work closely together to support the legislative function. The end result of the work of all of the agencies is an efficient and functional legislative process. Information is gathered, analyzed, recorded, and processed by all the agencies to support this result. It makes sense to plan and implement efficient systems to support the legislature from the perspective of the branch. The branch successfully has established joint planning as a standard procedure. This new central budget now establishes a foundation for joint implementation of branch plans.

9. Establishment of a funding base for maintenance of critical equipment should be a state priority. The legislative branch central network budget is based on a plan that identifies the necessity of personnel readiness and an equipment maintenance and replacement cycle analogous to that which has characterized mainframe services developed over the last 25 years. State government, with legislative leadership and support, needs to develop the same approach to distributed computing systems. These systems are the future of computing and form the foundation on which future governmental service efficiencies and effectiveness rest. The legislative branch plan should be used as a model for establishing a funding base for all agencies.

Table 1 provides a 1993 biennium appropriation to 1995 biennium budget comparison for the Interim Studies and Conferences program.

Funding

All interim studies and conference activities are funded by general fund with the exception of the Coal Tax Oversight Subcommittee, which is funded by coal tax state special revenue funds.

In the 1993 biennium, the legislature used \$12,000 of coal tax funds for the Regional Conferences budget and used general fund to support the Coal Tax Oversight Subcommittee. State special revenue decreases in the 1995 biennium due to elimination of the Regional Conferences budget and reinstatement of coal tax support of the Coal Tax Oversight Subcommittee at a lower level than appropriated in past biennia.

Table 1 Interim Studies and Conferences Comparison - 1993 Biennium Appropriation to 1995 Biennium Budget			
	1993 Biennium	1995 Biennium	Increase/ (Decrease)
FTE	2.00	2.47	0.47
<u>Interim Standing or Temporary Committees</u>			
Joint Interim Committees	\$82,470	\$89,762	\$7,292
Statewide Issues	25,000	25,000	0
Districting and Apportionment Commission	43,000	0	(43,000)
State-Owned Aircraft Study	12,000	0	(12,000)
<u>Permanent Statutory Committees</u>			
Revenue Oversight Committee	37,983	42,958	4,975
Coal Tax Oversight Subcommittee	0	4,609	4,609
Select Committee on Indian Affairs	14,048	14,464	416
JTPA Review Committee	7,200	7,193	(7)
	0	6,582	6,582
<u>Interstate Cooperation</u>			
National Conference of State Legislators			0
Salary	14,458	14,880	422
Dues	118,608	128,188	9,580
Travel & Training	56,640	64,320	7,680
Council of State Governments			0
Salary	0	14,880	14,880
Dues	0	96,400	96,400
Travel & Training	0	65,640	65,640
Commission on Uniform State Laws	30,000	35,000	5,000
Northwest Economic Region Conference	20,000	51,324	31,324
Regional Conferences	32,000	0	(32,000)
Subtotal	\$493,407	\$661,200	\$167,793
Plus Inflation		\$8,416	\$8,416
Less January 1992 Special Session Reduction	(\$37,361)		37,361
Less July 1992 Special Session Reduction	(100,000)		100,000
Total Expenses	<u>\$356,046</u>	<u>\$669,616</u>	<u>\$313,570</u>
<u>Funding</u>			
General Fund	\$344,046	\$665,007	\$320,961
State Special Revenue	12,000	4,609	(7,391)
Total Funding	<u>\$356,046</u>	<u>\$669,616</u>	<u>\$313,570</u>

VISITOR REGISTER

GEN. GOV. & HWYS.

SUBCOMMITTEE

DATE _____

2/9/93

DEPARTMENT(S) MILITARY AFFAIRS

DIVISION

MT BOARD OF CRIME CONTROL, LEG. AUDITOR, LEG. COUNCIL

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