

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By **CHAIRMAN ROGER DEBRUYCKER**, on February 16, 1993, at 8:00 A.M.

ROLL CALL

Members Present:

Rep. Roger DeBruycker, Chairman (R)
Sen. Cecil Weeding, Vice Chairman (D)
Sen. Gerry Devlin (R)
Sen. Greg Jergeson (D)
Rep. John Johnson (D)
Rep. William Wiseman (R)

Members Excused: None

Members Absent: None

Staff Present: Terri Perrigo, Legislative Fiscal Analyst
Florine Smith, Office of Budget & Program
Planning
Theda Rossberg, Committee Secretary

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

Committee Business Summary:

Hearing: DEPARTMENT OF COMMERCE
Community Development Bureau
Hard Rock Mining Board
Community Development Block Grants
Local Government Services Audit
Local Government Services-Systems
Local Government Services
Administration

Executive Action: DEPARTMENT OF COMMERCE
Community Development Bureau
Hard Rock Mining Board
Community Development Block Grants
Local Government Services Audit
Local Government Services-System
Local Government Services
Administration

Please Note: SEN. WEEDING, Vice Chairman, presiding.

HEARING
LOCAL GOVERNMENT ASSISTANCE DIVISION
COMMUNITY DEVELOPMENT BUREAU

Newell Anderson, Administrator, Local Government Assistance Division, reviewed the division with the committee.

He discussed the public issues involved in the division. He said that, in addition to 5,400 Montana families on the rent assistance program waiting list, there are waiting lists on other home programs, also. See EXHIBIT 1 for additional testimony.

The division operates 12 direct service and financial assistance programs: 1) Montana Community Development Block Grant Program; 2) Montana Community Technical Assistance Program; 3) Montana Coal Board; 4) Montana Hard-Rock Mining Impact Board; 5) Montana Housing Assistance Program; 6) Montana Local Government Audit Program; 7) Montana Accounting and Systems Management Assistance Program; 8) Montana Single Audit Act; 9) Treasure State Endowment Program (TSEP); 10) HOME and CHAS Programs; 11) HUD 107 Technical Assistance Grant; and 12) Local Planning Agencies' Technical Manuals. See EXHIBIT 2 for testimony on each program.

He reviewed the Treasure State Endowment Program Coal Trust Account revenues. The projected interest rates are estimated at 8.26% and 8.56% in FY94 and FY95. From 1996 and on, interest rates are projected at 8%. EXHIBIT 3 and 3A.

Terri Perrigo reviewed the budget differences in that program. EXHIBIT 4.

Florine Smith, Office of Budget Program and Planning, said that, under the Stephens Budget, there was \$5.4 million biennial request for Coal Board grants. Under the Racicot Amendment it was \$5 million. However, she was not able to verify that as yet.

Mr. Anderson reviewed the budget items with the committee.

Coal Board (State Special Revenue)

1. Contracted Services:

The Bureau requests \$8,057 each year of the biennium for Contracted Services for the project evaluator.

Ms. Perrigo said the bureau spent \$2,770 in Contracted Services in FY92.

EXECUTIVE ACTION
COMMUNITY DEVELOPMENT BUREAU

Motion/Vote: REP. JOHNSON moved to approve the Executive for \$8,027 each year of the biennium for Contracted Services. Motion FAILED 4-1.

Motion/Vote: SEN. JERGESON moved to approve the Executive for \$5,500 each year of the biennium. Motion CARRIED 4-2 with SEN. DEVLIN and REP. WISEMAN voting no.

2. Education & Training:

Mr. Anderson asked Ms. Perrigo if the budget amount of \$1,195 each year of the biennium was current level for FY92.

Ms. Perrigo said she made an error and inadvertently left out the budget for Education & Training.

Motion/Vote: SEN. JERGESON moved to correct the LFA current level and approve the Executive of \$1,195 each year of the biennium for Education & Training. Motion CARRIED unanimously.

Tape 2, A.

3. Grants:

After discussion of the grants, Ms. Perrigo said the grant figures were in LFA current level based on projections adopted by the Revenue Oversight Committee less program operating expenses. She said Terry Johnson, Principal Fiscal Analyst put together the revenue figures.

HEARING

HARD ROCK MINING BOARD

1. Contracted Services:

Mr. Anderson said the hard rock manuals were rewritten and distributed every five years. The division contracts for that service.

SEN. WEEDING asked if that was mandated by statute.

Mr. Anderson said he wasn't sure, but it is funded by a percentage of the metal mines license tax.

EXECUTIVE ACTION

HARD ROCK MINING BOARD

Motion/Vote: SEN. JERGESON moved to approve the Executive for \$3,668 each year of the biennium for Contracted Services. Motion FAILED 3-3.

2. Travel:

Mr. Anderson said the division anticipates more board meetings because of public demand. Therefore, the travel request is increased.

Ms. Perrigo said the division spent \$2,965 for travel in FY92.

Motion/Vote: SEN. JERGESON moved to approve \$3,000 each year of the biennium for travel. Motion CARRIED unanimously.

Operating Expenses:

Mr. Anderson said operating expenses include increases in education and training, supplies and advertising.

Motion Vote: SEN. JERGESON moved to approve the Executive for \$10,230 in FY94 and \$12,300 in FY95 for Operating Expenses. Motion CARRIED unanimously.

HEARING

COMMUNITY DEVELOPMENT BLOCK GRANTS

1. Contracted Services:

Mr. Anderson said the division contracts out for printing and work study students and reported to the subcommittee that this program is 99% federally funded and one percent general fund.

EXECUTIVE ACTION

COMMUNITY DEVELOPMENT BLOCK GRANTS

Motion/Vote: SEN. DEVLIN moved to approve the Executive for \$5,134 each year of the biennium for Contracted Services. Motion CARRIED unanimously.

County Land Planning Grants:

Mr. Anderson said the committee may wish to consider the language issue concerning this item.

Motion/Vote: REP. WISEMAN moved to approve the Executive for (\$1,811) in FY94 and (\$699) in FY95 for County Land Planning Grants. Motion CARRIED 5-1 with SEN. WEEDING voting no.

Motion/Vote: SEN. JERGESON moved to approve the following language: "All funds deposited into the state special revenue account established in 15-35-108 (C), MCA, are appropriated to the department for distribution as county land planning grants." Motion CARRIED unanimously.

Minor Differences:

REP. WISEMAN moved to approve the Executive for (\$3,836) in FY94 and (\$9,633) in FY95 for Minor Differences. Motion CARRIED unanimously.

Budget Modifications

Sell Technical Assistance Manuals:

Mr. Anderson said the division would not ask for this budget item.

Hard Rock Revenue:

Mr. Anderson said the funds were derived from mining taxes and are used for board expenses, distribution to counties and maintenance of the trust account. By statute, they need spending authority for those funds.

Motion/Vote: SEN. DEVLIN moved to approve the Executive for

\$100,000 each year of the biennium for Hard Rock Revenue. Motion CARRIED unanimously.

Treasure State Endowment:

Mr. Anderson said when the subcommittee heard DNRC'S budget, which has a Treasure State Endowment budget modification also, there was concern whether or not there was a duplication of activities. The Department of Commerce will do the grant part of the program, while DNRC will handle the loans. There are parallels but no duplications.

CHAIRMAN DEBRUYCKER said it appears the division has one-third tied up in management and administration and a small amount in grants and that percentage-wise it doesn't seem right.

Mr. Poole said the statutes provide that regardless of how much money is available, all projects must be evaluated; this translates into administrative costs.

Motion/Vote: SEN. JERGESON moved to approve the Executive for \$271,020 in FY94 and \$293,375 in FY95 for the Treasure State Endowment. Motion FAILED 3-3.

Motion/Vote: SEN. JERGESON moved to approve the Executive for 2.0 FTE for \$181,000 in FY94 and 3.0 FTE for \$203,000 in FY95 for the Treasure State Endowment. Motion CARRIED 4-2 with REP. WISEMAN and CHAIRMAN DEBRUYCKER voting no.

HOME and CHAS Program:

Mr. Anderson said federal spending authority is needed to complete the Home Investment Partnership Program (HOME) and the Comprehensive Housing Affordability Strategy (CHAS) plan that Montana is required to complete.

Motion/Vote: SEN. JERGESON moved to approve the Executive for \$5,424,340 in FY94 and \$5,425,450 in FY95 for HOME and CHAS programs. Motion CARRIED unanimously.

Section 107 Technical Assistance Grant:

Mr. Anderson said the Technical Assistance Grant is to assist in improving affordable housing for low income families in Montana. This grant is from the federal Department of Housing and Urban Development (HUD).

Tape 2, B.

The funding is 100% federal funds and there cannot be a continuing on-going cost.

Motion/Vote: REP. JOHNSON moved to approve the Executive for \$73,826 in FY94 and \$27,448 in FY95 for Section 107 Technical Assistance Grant. Motion CARRIED unanimously.

HEARING
LOCAL GOVERNMENT ASSISTANCE AUDIT

Ms. Perrigo reviewed the budget difference with the committee.
EXHIBIT 5.

Ms. Smith said the agency had difficulty in filling a couple positions. Both of those positions were budgeted at entry level.

Mr. Anderson reviewed the budget items with the committee.

Pay Exceptions:

These FTE were approved by the Department of Administration and are filled. These are accounting positions, and it is difficult to attract and retain qualified persons for them. The audit position turnover is increasing every year. The division has about a 29% turnover rate annually due to low pay and extensive travel.

According to statutes, the department has to recover costs incurred on all audits. One of the reasons the cost is 20% higher this year is they had to borrow the money from the general fund to start the program and pay it back over a five-year period.

REP. WISEMAN asked why the division was in the audit business in the first place with all the CPAs available.

Mr. Anderson said the division has been in the audit business since 1889. A 1976 amendment to the Audit Act provided that 60% of the audits would be done by private firms while 40% would be done by the state.

Mr. Hutchinson said the problem is the private firms can offer the auditors more money and no traveling. Private firms are not willing to send their auditors into smaller localities.

Mr. Anderson said the Department of Commerce is doing 22 county audits, 25 city and town audits, while private CPAs are doing 41. the department is doing 35 school districts, and private CPAs are doing 154. The department is doing one special purpose district, and the private CPAs are doing 25. There are about 125 audits not accounted for.

Computer Maintenance Contracts:

Mr. Anderson said the Executive annualized the projection for Computer Maintenance Contracts and the LFA used current level.

Motion/Vote: SEN. WEEDING moved to approve the Executive for \$7,080 each year of the biennium for Computer Maintenance Contracts. Motion CARRIED 4-2 with REP. WISEMAN and SEN. DEVLIN voting no.

Printing/Education & Training Enolization:

Mr. Anderson said the Executive annualized the FY92 funds and the LFA did not. The expenditures were less in FY92 because the staff was not up to full level.

Motion/Vote: SEN. WEEDING moved to approve the Executive for \$5,763 each year of the biennium for Printing/Education & Training Enolization. Motion FAILED 3-3.

Minor Differences:

Motion/Vote: REP. WISEMAN moved to approve the Executive for (\$2,538) in FY94 and (\$3,274) in FY95 for Minor Differences. Motion CARRIED unanimously.

Vacant Positions:

Mr. Anderson said position #62034, Municipal Auditor, is currently filled. The position was offered in October 1992 and accepted on December 28th, and the person started work on January 18th.

The division proposed to eliminate position #62032, Program Assistant, currently vacant. The division proposed to eliminate position #62016, Municipal Auditor Supervisor, currently vacant. The division proposed to retain position #62005, Municipal Auditor III.

Motion:: REP. JOHNSON moved to restore positions #62005 and #62034.

Substitute Motion/Vote: REP. WISEMAN moved to restore position #62034. Motion CARRIED unanimously.

Motion/Vote: REP. JOHNSON moved to restore position #62005. Motion CARRIED 4-2 with SEN. DEVLIN and CHAIRMAN DEBRUYCKER voting no.

HEARING**LOCAL GOVERNMENT SERVICES-SYSTEMS**

Ms. Perrigo reviewed the budget differences with the committee. EXHIBIT 6.

She said Transfers is not really a voting item; it just shows up on the sheet as a difference between LFA current level and the Executive Budget. The program is funded with fees charged to local governments. However, if some costs cannot be charged to local governments and those are general fund supported, the amount of general fund needed for non-billable services is then transferred to the proprietary fund.

There was a vacant position caught in the snapshot of Dec. 29. In the snapshot it showed up as a .75 FTE. However, only .25 of that FTE is in this program and the other .50 FTE was moved to Local Government Services - Audit program.

Tape 2, B.

Contracted Services:

Mr. Anderson said Contracted Services becomes moot because of the target of \$52,974. He suggested that the committee combine the Local Government Services-Systems program and Local Government Services-Audit program (EXHIBIT 6) into one program so that cash efficiencies can be maximized.

Ms. Perrigo said the division wants to roll Local Government Services-Systems (No. 63) into the Local Government Services Audit program (No. 62).

CHAIRMAN DEBRUYCKER questioned whether or not that was statutorily appropriate.

Ms. Doering said that could be done administratively after the legislative session.

Motion/Vote: REP. JOHNSON moved to approve the combining of Program No. 62 and Program No. 63. Motion CARRIED unanimously.

Target Reduction:

Motion/Vote: REP. WISEMAN moved to approve the LFA level on all items and approve the Target Reduction of \$52,974 in FY94 and \$53,569 in FY95. Motion CARRIED unanimously.

Vacancy Reduction: Mr. Anderson said the reason the .75 FTE was vacant at the time of the snapshot is because this is a seasonal position. This FTE is hired when chartered accounts need updating.

Motion/Vote: REP. JOHNSON moved to approve reinstatement of .75 FTE position #63004, Fiscal Officer. Motion CARRIED unanimously.

HEARING

LOCAL GOVERNMENT ASSISTANCE ADMINISTRATION

Ms. Perrigo reviewed the budget difference with the committee. EXHIBIT 7. There was no action taken on the division.

HOUSE NATURAL RESOURCES SUBCOMMITTEE

February 16, 1993

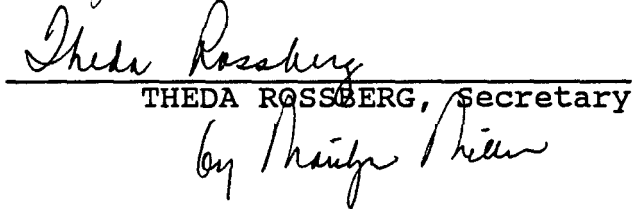
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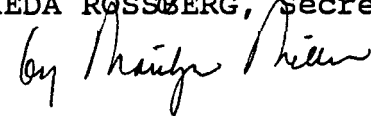
ADJOURNMENT

Adjournment: 11:15 A.M.



ROGER DEBRUYCKER, Chairman



THEDA ROSSBERG, Secretary


RD/tr

HOUSE OF REPRESENTATIVES

NATURAL RESOURCES SUB-COMMITTEE

ROLL CALL

DATE

2-16-93

NAME	PRESENT	ABSENT	EXCUSED
REP. ROGER DEBRUYCKER, CHAIRMAN	X		
SEN. CECIL WEEDING, VICE CHAIRMAN	X		
SEN. GERRY DEVLIN	X		
REP. WILLIAM WISEMAN	X		
REP. JOHN JOHNSON	X		
SEN. GREG JERGESON	X		

PUBLIC ISSUES
INVOLVED IN
THE LOCAL GOVERNMENT ASSISTANCE DIVISION

Newell Anderson

COMMUNITY DEVELOPMENT -

- * There are 5400 Montana families on our rent assistance waiting list.
- * There is over \$480,000,000 worth of community water, sewer and solid waste facility deficiencies documented in Montana today.
- * There are \$250,000,000 worth of needed (off system) bridge repairs documented state wide.
- * There are over 90% of the land divisions in Montana today going without any local planning review.
- * There are 24,797 more households with below \$15,000 incomes in Montana than there are affordable housing units available for their affordable rental or purchase.
- * 21% of all housing stock in Montana is over 50 years old. (64,429 units)
- * Current vacancy rates in 8 of Montana's largest cities is 1% or less, with rents increasing more than 100% since 1988.
- * Mining impacts (hard rock & coal) continue to effect the local public services fiscal capacity of dozens of Montana communities.
- * With the new environmental standards for public water and waste systems, the timing and costs of upgrading our new local systems no longer remains locally affordable without multi-program public financial enhancements.

LOCAL GOVERNMENT FINANCE -

- * There are some 1400 local public jurisdictions supported by public funding in Montana.
- * These local jurisdictions collect and remit to the state, some \$155,000,000 annually.
- * These local jurisdictions receive over \$129,000,000 annually from the Federal Government.
- * These local jurisdictions have a cumulative total annual revenue in excess of \$1,340,000,000.

PRESENTATION BY NEWELL ANDERSON
on the

LOCAL GOVERNMENT ASSISTANCE DIVISION

PROPOSED '95 BIENNIUM BUDGET

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, FOR THE RECORD MY NAME IS NEWELL ANDERSON AND I AM THE ADMINISTRATOR OF THE LOCAL GOVERNMENT ASSISTANCE DIVISION. I WOULD LIKE TO TAKE THIS OPPORTUNITY TO HIGHLIGHT SOME OF THE FACTS AND ISSUES THAT THIS '95 BIENNIUM BUDGET PRESENTS.

THIS DIVISION OPERATES 12 DIRECT SERVICE AND FINANCIAL ASSISTANCE PROGRAMS. A TEAM OF 61 DEDICATED STAFF CREDIBLY OPERATE THESE VARIOUS PROGRAMS EACH YEAR WITH A TOTAL OPERATING BUDGET OF \$3.2 MILLION AND GRANT/PAYMENTS OF \$32.5 MILLION. THE DIVISION IS PROPOSED TO OPERATE FOUR NEW PROGRAMS (TWO FEDERAL AND TWO STATE) WITH NO MORE THAN A NET OF FIVE NEW POSITIONS AND A NET INCREASE OF NEAR \$10 MILLION IN NEW REVENUE AS COMPARED TO THE FY '92 BUDGET. THE TOTAL ANNUAL DIVISION'S BUDGET OF \$35.7 MILLION IN THESE 12 PROGRAMS CONTAIN REVENUE BY SOURCE AS FOLLOWS: FEDERAL FUNDS = 85%; STATE SPECIAL REVENUE FUNDS = 10%; PROPRIETARY FUNDS = 4% AND STATE GENERAL FUNDS = 1%.

THE '95 BIENNIUM EXECUTIVE BUDGET FOR THIS DIVISION WHICH YOU HAVE BEFORE YOU, IS REALISTIC AND FACTUALLY DEFENDABLE. THE FOLLOWING HIGHLIGHTS WILL QUANTIFY AND PROJECT A FEW OF THE EXPECTED ACTIVITIES OF THIS DIVISION OVER THE '95 BIENNIUM.

MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM:

Program Description: The program was established by the Federal Housing and Community Development Act of 1974. In 1981, Congress made available to the States, the option of state administration of the nonentitlement portion of the CDBG Program. The November 1981 Special Legislative Session authorized the Montana Department of Commerce to administer this program beginning in 1982. The program exists to receive, award, administer and monitor Federal HUD funds intended to assist local governments with their greatest public facility, housing and economic development needs by funding projects that will principally benefit low and moderate income families in their communities. In the past twelve years in Montana, this program has invested some 60 million CDBG dollars, leveraging over 130 million other dollars, in some 138 projects all across our state.

PROJECTED '95 BIENNIUM ACTIVITIES:

- * RECEIVE AND EVALUATE 80 CDBG APPLICATIONS
- * FUND 36 = 14 HOUSING REHAB PROJECTS = \$ 5.2 MILLION = 700 UNITS
22 PUBLIC FACILITY PROJECTS = \$ 7.9 MILLION
- * MONITOR 60 ACTIVE PROJECTS
- * CLOSE OUT 35 PREVIOUS YEAR GRANTEE'S PROJECTS
- * HOLD 20 STATEWIDE APPLICATION WORKSHOPS, 2 GRANTEE WORKSHOPS, AND 2 ADMINISTRATIVE RULE HEARINGS. RESPOND TO 230 FUNDING INQUIRIES
- * DISTRIBUTE 1200 PUBLICATIONS

'95 BIENNIUM BUDGET PRESENTATION
DOC/LOCAL GOVERNMENT ASSISTANCE DIVISION
PAGE 2

MONTANA COMMUNITY TECHNICAL ASSISTANCE PROGRAM

Program Description: This program, mandated by statute, exists to provide technical assistance, analysis and other services to local governments, private developers and general citizens in the fields of community planning, land development, and local project / public works financing. The program policy is directed by existing law, available funding and contemporary technology. As an adjunct to the state CDBG Program, this program is extremely important to local governments in their community development capacity building.

PROJECTED '95 BIENNIUM ACTIVITIES:

- * RESPOND TO 650 PUBLIC FACILITIES FUNDING DATA SEARCHES
- * PROVIDE DIRECT TECH. ASSIST. 375 TIMES TO LOCAL OFFICIALS & DEVELOPERS ON TECHNICAL LAND USE ISSUES
- * LEAD THE RESEARCH UNDER HUD 107 GRANT ON THE ISSUES OF HOUSING AFFORDABILITY AND LOCAL REVOLVING LOAN FUND MANAGEMENT.
- * DISTRIBUTE 1250 CURRENT CTAP PUBLICATIONS TO LOCAL OFFICIALS & DEVELOPERS.
- * CONTINUE TO ENHANCE INFORMATION ON FUNDING ALTERNATIVES FOR LOCAL INFRASTRUCTURE PROJECTS.

MONTANA COAL BOARD

Program Description: This program, legislatively established in 1975, provides grants to local governments where unfunded public service impacts have occurred as a result of large scale coal development. The seven member Gubernatorial appointed board set the operating policies, review and act on grant applications. By assisting in the mitigation of these unfunded public service impacts, some \$66 million of Coal Board funds have been combined with nearly double that amount in local funds to assure critical services to the people of Montana's "Coal Country".

PROJECTED '95 BIENNIUM ACTIVITIES:

- * CONDUCT 4 PUBLIC BOARD MEETINGS TO ESTABLISH POLICY AND REVIEW APPLICATIONS.
- * PROVIDE APPLICATION ASSISTANCE TO SOME 120 INQUIRIES CONCERNING COAL BOARD ASSISTANCE.
- * REVIEW SOME 50 APPLICATIONS AND AWARD SOME 22 GRANTS
- * MONITOR SOME 35 PAST AND CURRENT GRANTS FOR PROGRAM COMPLIANCE

'95 BIENNIUM BUDGET PRESENTATION
DOC/LOCAL GOVERNMENT ASSISTANCE DIVISION
PAGE 3

MONTANA HARD-ROCK MINING IMPACT BOARD:

Program Description: This program, established in 1981, provides technical assistance, impact analysis, and mediation services to local governments and hard rock mining companies where adverse fiscal impacts from large scale development are identified. The Gubernatorially appointed board adjudicates disputes, makes determinations on impact plan waivers and financial guarantees, sets policy under the Hard Rock Mining Impact Act, and notifies the Department of Revenue to initiate or terminate Tax Base Sharing.

PROJECTED '95 BIENNIUM ACTIVITIES:

- * CONDUCT 10 PUBLIC BOARD MEETINGS IN THE PROXIMITY OF EXISTING OR PENDING HARD ROCK MINING ACTIVITY
- * CONSULT AND ASSIST WITH SOME 120 INDIVIDUAL INQUIRIES CONCERNING THE ACT.
- * REVIEW AND ACT ON 10 EXISTING PLAN MODIFICATIONS OR AMENDMENTS.
- * PROVIDE ASSISTANCE TO 30 LOCAL GOVERNMENTS AND OR MINING COMPANIES CONCERNING THE ACT.
- * REVISE, PUBLISH AND DISTRIBUTE 2 NEW PUBLICATIONS CONCERNING THE ACT

MONTANA HOUSING ASSISTANCE PROGRAM

Program Description: The Department of Commerce, as the state housing authority, administers the Federal Section 8 Housing Programs for the U.S. Department of Housing and Urban Development. These programs, operated by the Department since 1976, are intended to provide rental assistance or rehabilitation funds to facility owners on behalf of lower income families and the elderly. These rental units (housing stock) must be and will remain decent, safe and sanitary to have landlords eligible for these subsidies. The Federal funds are allocated to the State and then the State allocates these certificates and vouchers throughout Montana communities by local need definitions. Because there are presently lower amounts of Federal funds available compared to the eligible demand, there is a significant waiting list for this assistance. There are no state funds involved in this program.

PROJECTED '95 BIENNIUM ACTIVITIES:

- * PROVIDE FAIR MARKET RENT ASSISTANCE EACH MONTH TO 3,300 MONTANA ELIGIBLE LOW INCOME FAMILIES - \$17,000,000 / YEAR
- * MANAGE A 5,300 PERSON REVOLVING WAITING LIST FOR ELIGIBLE BUT NOT SERVED MONTANA FAMILIES
- * PROCESS 330 NEW APPLICATIONS FOR ASSISTANCE EACH MONTH
- * INSPECT 900 RENTAL UNITS SUPPORTED BY ASSISTANCE FUNDS
- * PROCESS 250 DAMAGE CLAIMS PER YEAR

'95 BIENNIUM BUDGET PRESENTATION
DOC/LOCAL GOVERNMENT ASSISTANCE DIVISION
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MONTANA LOCAL GOVERNMENT AUDIT PROGRAM:

Program Description: This program, mandated by the State Constitution and created by statute, exists to perform post-audits of the financial statements and compliance requirements of the local government entities in Montana. The audit function is designed to protect the taxpayer's interests by verifying that the financial conditions and operations of local governments are responsibly accounted for, reported and all appropriate statutes are complied with. Program staff also advise local officials of changing state and federal laws and assist private CPA's under contract with the Department doing local audits.

PROJECTED '95 BIENNIUM ACTIVITIES:

- * ACCOMPLISH SOME 250 LOCAL GOVERNMENT AUDITS OF COUNTIES, CITIES, TOWNS, SCHOOL DISTRICTS & OTHER SPECIAL TAXING JURISDICTIONS
- * PERFORM 16 SPECIAL REVIEWS OR AUDITS
- * PROVIDE TECHNICAL ASSISTANCE 685 TIMES TO LOCAL OFFICIALS
- * PROVIDE TECHNICAL ASSISTANCE 105 TIMES TO PRIVATE CPA'S
- * PROVIDE 1860 HOURS OF CONTINUING PROFESSIONAL EDUCATION
- * PARTICIPATE IN 640 HOURS OF PEER REVIEW ACTIVITIES

MONTANA ACCOUNTING AND SYSTEMS MANAGEMENT ASSISTANCE PROGRAM

Program Description: This program, created by statute, exists to develop, implement and maintain a uniform budgetary, accounting and reporting system for all Montana cities, counties, and other single purpose districts. The staff provide regular and special accounting assistance to local officials, develop a budget reporting format, develop and maintain a chart of accounts and do ongoing training for local finance personnel.

PROJECTED '95 BIENNIUM ACTIVITIES:

- * PROVIDE 52 ACCOUNTING /SYSTEMS TRAINING SEMINARS FOR LOCAL GOVERNMENT STAFF IN 15 DIFFERENT LOCATIONS ACROSS MONTANA
- * ANNUALLY MAINTAIN AND UPDATE THE UNIFORM CHART OF ACCOUNTS AND DISTRIBUTE IT TO ALL TAXING JURISDICTIONS
- * PROVIDE ON CALL ASSISTANCE TO 475 REQUESTS FOR TECHNICAL ASSISTANCE
- * MAINTAIN BUDGETARY LOCAL REPORTING REPORT FORMAT AND DISTRIBUTE.

'95 BIENNIUM BUDGET PRESENTATION
DOC/LOCAL GOVERNMENT ASSISTANCE DIVISION
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MONTANA SINGLE AUDIT ACT

Program Description: This program, established by the 1991 Legislature, exists to insure the appropriate accounting and auditing standards are met by local taxing jurisdictions throughout Montana. The legislation requires that this program insure that: the Federal Single Audit Act is complied with, that all required jurisdictions are audited, insure that all participating auditing resources are qualified and audits are performed in a timely manner, that all state agencies rely on a single approved audit report, and insure that appropriate audit findings are brought to closure.

PROJECTED '95 BIENNIUM ACTIVITIES:

- * RECEIVE AND REVIEW SOME 1400 LOCAL ANNUAL FINANCIAL REPORTS.
- * ESTABLISH AND MAINTAIN A REGISTER OF QUALIFIED PRIVATE AUDITING INDIVIDUALS AND FIRMS.
- * NOTIFY 450 ENTITIES OF THEIR REQUIREMENTS FOR AUDIT AND TRACK TIMELY COMPLETION.
- * REVIEW AND TEST SOME 900 AUDIT REPORTS SUBMITTED FOR FISCAL AND COMPLIANCE CORRECTNESS. (FEDERAL A-128 REVIEW)
- * FOLLOW - UP AND CLOSE UNRESOLVED FINDINGS WITH APPROPRIATE AGENCIES.

'95 BIENNIUM BUDGET MODIFICATIONS

SELL TECHNICAL MANUALS:

Program Description: This modification is proposed to establish a state special revenue account for the sale of technical manuals produced by Commerce for local planning agencies and developers. Since the reduction of this Community Technical Assistance Program from 13 FTE's in 1981 to the current 3 FTE's, operating methods to continue delivering the demanded services have been developed. The publication of "How To" technical documents has become a very efficient means of continuing the best local information maintenance. The cost to publish these technical "How To" manuals currently exceeds the capacity of this program's budget. Past manuals have been free to those needing them.

PROJECTED '95 BIENNIUM ACTIVITIES:

- * MONTANA'S SUBDIVISION & SURVEYING LAW - 400 COPIES
- * INTRODUCTION TO COMMUNITY/RURAL PLANNING - 600 COPIES
- * DEVELOPMENT PERMIT SYSTEM - 600 COPIES
- * MODEL ZONING ORDINANCE - 600 COPIES
- * MANUAL FOR LOCAL SUBDIVISION ADMINISTRATOR - 300 COPIES

'95 BIENNIUM BUDGET PRESENTATION
DOC/LOCAL GOVERNMENT ASSISTANCE DIVISION
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'95 BUDGET MODIFICATIONS (Continued)

TREASURE STATE ENDOWMENT PROGRAM (TSEP)

Program Description: This represents the operational budget for the new TSEP program, enacted by a public vote on June 2, 1992. This program is intended to provide state financial assistance to local governments for their local infrastructure projects. Commerce as the lead agency, in cooperation with the Department of Natural Resources, is missioned to establish administrative rules, provide technical assistance to applicant communities, review applications and recommend awards to the Legislature, issue contracts to awarded governments, and monitor those projects.

PROJECTED '95 BIENNIUM ACTIVITIES:

- * PLACE UNDER CONTRACT THOSE 53rd LEGISLATIVE SESSION APPROVED PROJECTS.
- * ESTABLISH AWARDS ADMINISTRATION MANUAL FOR COMMUNITIES.
- * MONITOR APPROVED PROJECTS.
- * PROVIDE ASSISTANCE TO FUTURE TSEP APPLICANTS.
- * HOLD STATEWIDE HEARINGS ON PROPOSED '97 BIENNIUM APPLICATION GUIDELINES.
- * RECEIVE, REVIEW AND RECOMMEND '97 BIENNIUM AWARDS TO THE GOVERNOR AND THE '95 LEGISLATIVE SESSION.

HOME & CHAS PROGRAMS

Program Description: These Federal programs were established by the National Affordable Housing Act of 1990. They award a "block" grant to each state for the purposes of: providing coordinated financial assistance to develop affordable low income housing; expanding the supply of safe, decent, sanitary and affordable housing; and strengthening the ability of local governments and other housing development entities to actively participate in community housing enhancements.

PROJECTED '95 BIENNIUM ACTIVITIES:

- * RECEIVE SOME 60 LOCAL APPLICATIONS FOR HOUSING ENHANCEMENTS
- * RANK AND AWARD SOME 28 GRANTS FOR LOCAL HOUSING ENHANCEMENTS
- * PROVIDE TECHNICAL ASSISTANCE TO SOME 75 COMMUNITIES ON HOUSING
- * RESEARCH MONTANA HOUSING AFFORDABILITY ISSUES AND PUBLISH RESULTS
- * HOLD 20 PUBLIC HEARINGS AND APPLICATIONS WORKSHOPS
- * MONITOR AWARDED PROJECTS
- * DISTRIBUTE 2500 HOUSING AFFORDABILITY STRATEGY PLANS AND HOME GUIDELINES

'95 BUDGET MODIFICATIONS (Continued)

HUD 107 TECHNICAL ASSISTANCE GRANT

Program Description: Montana is one of 27 states to be awarded this national competition technical assistance grant from the U.S. Department of Housing and Urban Development. Required by the grant, the projects to be completed with these funds must stand alone as finished products when completed. The three issues to be addressed by these grant funds are: Affordable Housing and Land Use Regulation; Housing Rehabilitation and Affordable Housing; and Effective Program Income / Revolving Loan Fund Management. Each of these issue subjects will have the research contracted and the final reports will be printed and distributed statewide.

PROJECTED '95 BIENNIUM ACTIVITIES:

- * RECEIVE AND AWARD RESEARCH CONTRACTS.
- * COORDINATE THE CONTRACTORS AND COMMUNITIES IN COMPLETING BENEFICIAL RESEARCH PRODUCT.
- * HOLD PUBLIC HEARINGS TO TEST THE DRAFT PRODUCTS
- * EVALUATE EXISTING COMMUNITY DEVELOPMENT PROGRAMS AGAINST THE RESULTS OF THIS RESEARCH
- * PUBLISH AND DISTRIBUTE THE THREE PRODUCTS

CONCLUSION:

THE CONTINUATION OF THESE 12 PROGRAMS THAT PROVIDE BOTH DIRECT SERVICES OR FINANCIAL ASSISTANCE TO ALL MONTANANS IS ACCOMPLISHED BY THE EXECUTIVE BUDGET THAT IS BEFORE YOU FOR YOUR CONSIDERATION. THIS BUDGET REPRESENTS A MINIMUM STATE COMMITMENT TO SUPPORTING OUR LOCAL GOVERNMENTS IN CRITICAL AREAS. THESE ARE STATE PROGRAMS THAT CONTINUE TO MEET THE DYNAMICS OF CHANGING NEEDS, CONTINUE TO OPERATE WITHIN THEIR PRESCRIBED BUDGETS AND HAVE APPROPRIATELY RESPONDED TO THE REDUCED FISCAL RESOURCES OF THE PAST 12 YEARS. I URGE YOUR SUPPORT FOR THESE CONSERVATIVE BUT EFFECTIVE PROGRAMS.

THANK YOU, I WILL BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE.

TREASURE STATE ENDOWMENT PROGRAM (TSEP)

Annual Coal Tax Revenue

\$ 40,000,000
 \$-20,000,000 earmarked programs
 \$ 20,000,000 Balance

PERMANENT TRUST

minus \$ 500,000/yr. for Coal Sev. Tax Bonds
 minus \$ -0- /yr. for School Const. Bond Special
 minus \$ 5,000,000/yr. for 3 yrs. Clean Coal
 = **\$14,500,000***

Operating Year	Annual Deposits to Perm. Fund Principal	Annual Deposits to TSEP Fund Principal	Est. Annual Interest Available for Distrib.
1 FY '94	\$ 7,250,000	\$ 7,250,000	\$ 1,013,136
2 FY '95	(10,000,000) →	\$ 10,000,000	\$ 1,653,748
3 FY '96	\$ 7,250,000	\$ 7,250,000	\$ 2,395,000
4 FY '97	\$ 7,250,000	\$ 7,250,000	\$ 3,175,000
5 FY '98	\$ 9,750,000	\$ 9,750,000	\$ 3,955,000
6 FY '99	\$ 9,750,000	\$ 9,750,000	\$ 4,735,000
7 FY '00	\$ 9,750,000	\$ 9,750,000	\$ 5,515,000
8 FY '01	\$ 9,750,000	\$ 9,750,000	\$ 6,295,000
9 FY '02	\$ 9,750,000	\$ 9,750,000	\$ 7,075,000
10 FY '03	\$ 9,750,000	\$ 9,750,000	\$ 7,855,000
11 FY '04	\$ 9,750,000	\$ 9,750,000	\$ 8,635,000
12 FY '05	\$ 9,750,000	\$ 9,750,000	\$ 9,415,000
13 FY '06	\$ 9,750,000	\$ 9,750,000	\$ 10,195,000
14 FY '07	\$ 9,750,000	\$ 9,750,000	\$ 10,975,000
15 FY '08	\$ 9,750,000	\$ 9,750,000	\$ 11,775,000
16 FY '09	\$ 9,750,000	\$ 9,750,000	\$ 12,535,000
17 FY '10	\$ 9,750,000	\$ 9,750,000	\$ 13,315,000
18 FY '11	\$ 9,750,000	\$ 9,750,000	\$ 14,095,000
19 FY '12	\$ 9,750,000	\$ 9,750,000	\$ 14,875,000
20 FY '13	\$ 9,750,000	\$ 9,750,000	\$ 15,655,000
21 FY '14	\$19,500,000	\$ - 0 -	\$ 15,655,000
TOTALS	\$207,000,000	\$197,500,000	\$180,791,884

* Changes to \$ 19,500,000 in year 1997.
 Years '94 & '95 projected at 8.26% & 8.56% interest earning rate, respectively.
 Years '96 & on, projected at 8% interest earnings rate.

"TREASURE STATE ENDOWMENT PROGRAM"

The Definitions of the Act: (LR 110)

1. Creates a Treasure State Endowment Fund & Program (TSEP). (effective 10/1/92)
2. Provides for a 50% TSEP Fund / 50% Permanent Trust Fund deposit of uncommitted annual coal severance tax receipts.
3. Authorizes interest from TSEP fund to be spent on grants, debt service subsidies, and loans to local governments.
4. Transfers \$10 million (one time) from the permanent trust to the TSEP fund. (effective 7/1/93)
5. Provides that the 53rd legislature may authorize the issuance of bonds in order to provide the maximum amount of initial funding.
6. Defines eligible projects as: drinking water systems; wastewater treatment; sanitary sewer or storm sewer systems; solid waste disposal and separation systems, including site acquisition, preparation or monitoring; and bridges.
7. Expands the coal severance tax bond program & amend 17-5-701 and 17-5-703, MCA.
8. Provides statutory priorities for ranking applications.
9. Provides for Executive Branch application review/recommendations and final Legislative project funding review/approval.
10. Submits the creation of TSEP (LR 110) to the qualified electors. (Passed 6/3/92)

APPLICATIONS FOR THE 1993

TREASURE STATE ENDOWMENT PROGRAM (TSEP)

	<u>AMOUNT REQUESTED</u>	<u>TOTAL PROJECT</u>
PUBLIC FACILITY (29 Applications)		
Anaconda/Deer Lodge County (water)	\$ 350,000	\$ 4,425,000
Beaverhead County (solid waste)	160,000	320,000
Butte/Silver Bow County (water)	300,000	23,215,000
Carbon County (bridge)	25,000	120,000
Chester (water)	196,235	394,470
Circle (water)	370,000	370,000
Custer County (solid waste)	18,900	18,900
Dutton (water)	68,780	693,280
Ennis (water)	400,000	1,060,000
Froid (water)	117,000	576,600
Gallatin Co. for Rae Subdivision (water)	49,870	66,490
Harlem (water)	217,300	434,600
Helena (water)	677,265	1,354,531
Lewistown (storm drainage)	60,000	165,264
Livingston (storm drainage)	100,000	200,000
Madison County (solid waste)	66,850	79,100
Missoula Co. for Sunset West (water)	154,107	309,107
Neihart (water)	616,213	726,231
Ronan (sewer)	309,107	618,215
Richland County (solid waste)	570,500	1,141,000
Sanders County/Heron Bridge (bridge)	2,735,000	2,735,000
Sanders County/Noxon Bridge (bridge)	2,156,000	2,156,000
Shelby (storm drainage/sewer)	732,000	980,300
Stillwater Co. for Reedpoint (sewer)	250,000	1,312,645
Toole Co. for Sweetgrass (water)	366,040	366,040
Toole Co. for Sweetgrass (sewer)	162,925	162,925
Yellowstone County (bridge)	95,500	193,110
Yellowstone Co. for Huntley (water)	100,000	745,300
Wolf Point (sewer)	50,000	564,900
TOTAL	\$11,474,592	\$45,622,218

ENGINEERING LOANS (3 applications)

Circle (water)	\$ 20,000	\$ 20,000
Wheatland County (solid waste)	33,000	35,000
Yellowstone Co. for Shepherd (water)	100,000	118,210
TOTAL	\$ 153,000	\$ 173,210

Summary of TSEP Applications

Bridge	4
Sewer	4
Solid Waste	4
Storm Drainage	3
Water	14
Engineering Loan	<u>3</u>
TOTAL	32

In addition, the Montana Department of Health and Environmental Sciences (DHES), Water Quality Bureau, has requested \$2,479,000 in TSEP funds to use as state match for federal funds used to capitalize the Montana State Revolving Loan Program which provides loans for sewer and wastewater projects. (DHES is not an eligible applicant for TSEP, under the existing statute and regulations.)

Including the DHES request, total requests for TSEP funds equal \$14,106,592.

The original September, 1992, estimate of the total TSEP funds to be available during Fiscal Years 1994 and 1995 was \$1,562,000.

The current estimate as of January, 1993, updated to reflect changes in coal production and interest rates, projects available TSEP funding for Fiscal Years 1994 and 1995 at approximately \$2,667,000.

(tsepsum/colleen 1-13-93)

<div> <div>501 60 00000</div> <div>DEPARTMENT OF COMMERCE</div> <div>Program Summary</div> </div> <div>Community Development Bureau</div> <div>HB</div>								
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
TE	18.50	17.50	17.50	17.50	0.00	17.50	17.50	0.00
Personal Services	596,556	562,257	607,876	608,729	(853)	609,632	610,482	(850)
Operating Expenses	397,853	484,342	489,881	428,033	61,848	485,758	416,306	69,452
Equipment	16,348	5,156	14,490	17,095	(2,605)	14,310	11,826	2,484
Grants	<u>15,859,099</u>	<u>21,514,554</u>	<u>22,476,410</u>	<u>24,675,683</u>	<u>(2,199,273)</u>	<u>22,566,059</u>	<u>25,195,037</u>	<u>(2,628,978)</u>
Total Costs	\$16,869,857	\$22,566,309	\$23,588,657	\$25,729,540	(\$2,140,883)	\$23,675,759	\$26,233,651	(\$2,557,892)
<u>Ind Sources</u>								
General Fund	231,751	252,280	259,182	242,401	16,781	259,825	241,081	18,744
State Revenue Fund	1,237,851	1,171,349	809,977	2,993,271	(2,183,294)	386,263	2,992,702	(2,606,439)
Federal Revenue Fund	<u>15,400,254</u>	<u>21,142,680</u>	<u>22,519,498</u>	<u>22,493,868</u>	<u>25,630</u>	<u>23,029,671</u>	<u>22,999,868</u>	<u>29,803</u>
Total Funds	\$16,869,857	\$22,566,309	\$23,588,657	\$25,729,540	(\$2,140,883)	\$23,675,759	\$26,233,651	(\$2,557,892)

Page References

LFA Budget Analysis (Vol II), pp C 136-137
S. Johns Executive Budget, pp C 52-53

Current Level Differences

Indirect Charges—The Executive Budget includes \$10,383 more than LFA current level for indirect charges for Management Services and Directors Office support

Coal Board (state special revenue)

1. **Contracted Services**—The Executive Budget contains \$14,446 more than LFA current level in contracted services for: a) a project evaluator (\$5,250 per year); and b) an economist review for impact designation (\$2,500 per year). LFA current level continues fiscal 1992 expenditures. *Dejean - raised*

2. **Education & Training**—The Executive Budget includes \$2,390 more than LFA current level for education and training. (10)

3. **Grants**—The Executive Budget contains \$4,825,741 less Coal Board grant funds than the LFA current level. Included in the Executive Budget is a biennial grant budget of \$430,817 and an administrative budget of \$23,985. LFA current level budgets grants at \$5,256,558 over the biennium. *5,430,817*

The Coal Board receives 6.65 percent of coal severance tax proceeds which are deposited in the local impact Unemployment funds in the local impact account revert to the school equalization account at the end of each biennium. Governor Racicot proposes to reduce Coal Board grants in order to leave a larger reversion for the school equalization account.

Harbor Rock Mining Board (state special revenue)

1. **Contracted Services**—The Executive Budget includes \$7,336 more than LFA current level for consultant services to upgrade manuals. LFA current level continues fiscal 1992 expenditures. *Dejean - raised*

2. **Travel**—The Executive Budget contains \$11,306 more for travel than LFA current level which continues fiscal 1992 expenditures. In its request, the agency states the increased travel budget is for an anticipated increase of Board activities and travel. *Dejean - raised*

Community Assistance (general fund)

1. **Printing**—The Executive Budget includes \$26,000 more general fund for printing than the LFA current level. The agency is requesting, and the Executive Budget has included, "up-front" general fund to publish how-to manuals on local public policy issues. These manuals would be sold to local government officials, etc, and funds collected would be used to partially fund this division in future biennia. *no action*

Housing Assistance Bureau (federal funds)

Exec. Over(Under) LFA
Fiscal 1994 Fiscal 1995

5,214 5,169

5500
~~5,829~~ ~~10,862~~

1,195 1,195

(2,191,237) (2,615,708)

3,668 3,668

3000
~~3,653~~ ~~3,653~~

~~13,000~~ ~~13,000~~

- Sergeant - Russell*
1. Operating Expenses—The Executive Budget includes more than LFA current level for operating expenses due to LFA continuing fiscal 1992 expenditures. Increases are in contracted services (\$11,944); supplies (\$3,112); advertising (\$1,970); travel (\$3,016); and education and training (\$2,600)
2. Maintenance Contracts—The Executive Budget includes \$17,366 more for maintenance contracts than LFA current level which continues fiscal 1992 expenditures.

Community Development Block Grant (99 percent federal funds) *170 M.Y.*

1. Contracted Services—The Executive Budget contains \$10,268 more than LFA current level for contracted services. The additional funds are mainly for work study contracts and printing, which are maintained at fiscal 1992 expenditure levels in LFA current level. *Devin Russell*

Equipment—The Executive Budget contains a net \$121 less than LFA current level for equipment. LFA current level represents the agency request.

Sergeant - Russell
County Land Planning Grants—The Executive Budget contains \$2,510 less for county land planning grants than LFA current level. The county land planning program receives 0.38 percent of total coal severance tax collections and LFA budgets these grants according to estimates adopted by the Revenue Oversight Committee.

Minor Differences *Wasson - Elee*

TOTAL CURRENT LEVEL DIFFERENCES

Budget Modifications

Sell Technical Assistance Manuals—The Executive Budget includes this modification to add \$20,000 of state special revenue spending authority to allow the Community Assistance program to publish technical assistance manuals. This modification would allow the program to spend revenue collected from the sales on future printing. These funds are in addition to the \$10,000 per year general fund included in the Executive Budget to publish the first "for sale" set of the technical assistance manuals. *10000*

Hardrock Revenue—The Executive Budget includes this modification for spending authority from the Hardrock Mining Trust Reserve account established in the 1991 session. Funds in the hardrock mining trust reserve account are derived from mining taxes, and are to be used for board expenses, maintenance of the trust account, and distribution to the county of origin. *Sen Devin Elee*
 The department must report to the legislature on any expenditures from the reserve account.

Treasure State Endowment—The Executive Budget includes this modification to fund administration of the Treasure State Endowment program, and includes the addition of 3.0 FTE in fiscal 1994 which increases to 4.0 FTE in fiscal 1995. *Shirley Sergeant - 203 FTE*

HOME and CHAS Program—The Executive Budget includes this modification to add 6.0 FTE and federal spending authority of \$5.4 million each year for the Home Investment Partnership Program (HOME) and continuation of the Comprehensive Housing Affordability Strategy (CHAS) plan which Montana is required to complete. *Sergeant - Russell*

Section 107 Technical Assistance Grant—The Executive Budget includes this modification for increased authority to spend a Section 107 Technical Assistance grant from the federal Department of Housing and Urban Development (HUD) for community assistance in housing and land use regulations to improve housing affordability. *Sergeant - Russell*

Language and Other Issues

Funding (Decisions have been made above—for information only)

General Fund—The Executive Budget includes \$35,525 more general fund than LFA current level. The difference is in two programs within this division: 1) the Community Assistance program, which is 100 percent general funded, where the executive includes more than the LFA for printing and 2) the Community Development Block Grant program, where general fund is used as match for federal funds and LFA budgets general fund at the agency request level.

State Special Revenue Funds—The difference in state special revenue funds is mainly due to the difference in Coal Board grant funds discussed above.

Federal Funds—The difference in federal funds between the LFA current level and Executive Budget is due to different program budgets in the Housing Assistance and Community Development Block Grant programs.

Language

10,230 12,300

8,683 8,683

5,134 5,134

(2,605) 2,484

(1,811) (699)

(3,836) (9,633)

(2,140,883) (2,557,892)

10,000 10,000

100,000 100,000

181,000 203,000
 271,020 293,375

5,424,340 5,425,450

73,826 27,448

16,781 18,744

(2,183,294) (2,606,439)

25,630 29,803

LE 1535

"All funds deposited into the state special revenue account established in ~~XX-XXX-XX~~, MCA, are appropriated to the department for distribution as county land planning grants."

This would allow the agency to spend any receipts over the amount budgeted for county land planning grants.

EXHIBIT 4
DATE 2-16-93

6501 62 00000 DEPARTMENT OF COMMERCE Program Summary			Local Gov'T Services-Audit			HB		
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	30.25	31.25	28.50	31.50	(3.00)	28.50	31.50	(3.00)
Personal Services	699,859	978,688	925,479	1,019,838	(94,359)	927,635	1,022,087	(94,452)
Operating Expenses	248,600	346,619	292,528	275,796	16,732	303,954	286,751	17,203
Equipment	41,012	16,828	4,500	9,321	(4,821)	4,500	9,420	(4,920)
Transfers	90,763	89,314	95,794	97,400	(1,606)	95,801	98,515	(2,714)
Total Costs	\$1,080,235	\$1,431,449	\$1,318,301	\$1,402,355	(\$84,054)	\$1,331,890	\$1,416,773	(\$84,883)
<u>Fund Sources</u>								
General Fund	90,763	91,733	95,794	97,400	(1,606)	95,801	98,515	(2,714)
Proprietary Fund	989,472	1,339,716	1,222,507	1,304,955	(82,448)	1,236,089	1,318,258	(82,169)
Total Funds	\$1,080,235	\$1,431,449	\$1,318,301	\$1,402,355	(\$84,054)	\$1,331,890	\$1,416,773	(\$84,883)

Page References

LFA Budget Analysis (Vol II), pp C 139-140
Stephens Executive Budget, p C 55

Current Level Differences

5 Percent Personal Services Reduction - The Executive Budget reflects elimination of 3.0 FTE to comply with Section 13 of House Bill 2.

(85,218) (85,301)

Pay Exceptions - The Executive Budget includes \$18,292 less than LFA current level for two positions which were granted pay exceptions in the 1993 biennium. LFA current level includes the pay exception increases for these positions, while the Executive Budget does not.

(9,141) (9,151)

Computer Maintenance Contracts - The Executive Budget includes \$14,160 more for computer maintenance contracts than LFA current level. *already passed*

7,080 7,080

Printing/Education & Training Annualization - The Executive Budget includes \$11,526 more than LFA current level for printing and education and training costs. Most of the additional funds are in the Single Audit Act program, which began in the 1991 biennium. The executive annualizes fiscal 1992 expenditures while the LFA maintains fiscal 1992 expenditures. *necessary funds*

5,763 5,763

Minor Differences

Wesleyan - E

(2,538) (3,274)

TOTAL CURRENT LEVEL DIFFERENCES

(84,054) (84,883)

Budget Modifications

None

Language and Other Issues

Vacant Positions - The joint House Appropriations and Senate Finance and Claims committees removed 4.0 FTE vacant as of the 12-29-92 snapshot.

(131,929) (132,171)

Local Government Services - Audit

Positions Removed by Joint Committee Action
House Appropriations & Senate Finance and Claims
January 6, 1993

Position #	Position Description	Total Personal Services		FTE Removed By		Total FTE Removed	Non-Approp. FTE
		Fiscal 1994	Fiscal 1995	5% Reduction	Being Vacant		
All or Partial General Fund Positions							
	None					0.00	
Sub-Total		0	0	0.00	0.00	0.00	0.00
Non-General Fund Positions							
62006	Auditor III	32,986	32,986	1.00		1.00	
62025	Municipal Auditor I	26,117	26,117	1.00			
62026	Municipal Auditor I	26,117	26,117	1.00			
62005	Municipal Auditor III <i>Jahn</i>	34,533	34,677	<i>passed</i>	1.00		
62016	Municipal Auditor Supervisor	38,863	38,901			1.00	
62032	Program Assistant I	19,041	19,062			1.00	
62034	Municipal Auditor III <i>Wesley</i>	39,492	39,531	<i>passed</i>		1.00	
Sub-Total		217,149	217,391	3.00	4.00	7.00	0.00
TOTAL		217,149	217,391	3.00	4.00	7.00	0.00

EXHIBIT 5
DATE 2-16-93

6501 63 00000 DEPARTMENT OF COMMERCE Program Summary								
Local Gov'T Services-Systems								
HB								
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	2.75	2.75	2.50	2.50	0.00	2.50	2.50	0.00
Personal Services	104,631	119,257	113,111	113,114	(3)	113,357	113,360	(3)
Operating Expenses	62,390	73,066	61,420	56,703	4,717	61,841	57,106	4,735
Transfers	50,720	50,635	110,431	106,194	4,237	109,622	106,194	3,428
Total Costs	\$217,741	\$242,958	\$284,962	\$276,011	\$8,951	\$284,820	\$276,660	\$8,160
<u>Fund Sources</u>								
General Fund	50,720	50,675	110,431	106,194	4,237	109,622	106,843	2,779
Proprietary Fund	167,021	192,283	174,531	169,817	4,714	175,198	169,817	5,381
Total Funds	\$217,741	\$242,958	\$284,962	\$276,011	\$8,951	\$284,820	\$276,660	\$8,160

Page References

LFA Budget Analysis (Vol II), p C 141
Stephens Executive Budget, p C 56

Current Level Differences

Contracted Services—The Executive Budget contains \$6,930 more for consultants and printing than LFA current level. LFA continues fiscal 1992 consultant expenditures, and budgets a three year average in printing.

Indirect Charges—The Executive Budget includes \$1,928 more for indirect charges than the LFA current level.

Transfers—The Executive Budget includes \$7,665 more transfers than the LFA current level. General fund supports costs that can not be billed to local governments, and is transferred to the proprietary fund in accordance with Generally Accepted Accounting Principles (GAAP). The difference in transfers is the difference in general fund in the executive and LFA budgets.

Minor Differences

TOTAL CURRENT LEVEL DIFFERENCES

Budget Modifications

None

Language and Other Issues

Vacant Positions—The joint House Appropriations and Senate Finance and Claims committees removed a 0.75 FTE that was vacant as of the 12-29-92 snapshot. Only 0.25 of this FTE is currently in this program. The other 0.50 FTE is in the local government services—audit program. If the position remains eliminated, both programs (systems and audit) would be affected. *John R. Nelson*

Target Reduction—The agency will reduce general fund support of this program.

Exec. Over(Under) LFA Fiscal 1994 Fiscal 1995

3,465 3,465

967 961

4,237 3,428

282 306

8,951 8,160

(24,750) (24,780)

(52,974) (53,569)

Local Government Services – Systems

Positions Removed by Joint Committee Action
House Appropriations & Senate Finance and Claims
January 6, 1993

Position #		Position Description		Total Personal Services Fiscal 1994Fiscal 1995		FTE Removed By		Total FTE Removed	Non-Approp. FTE
						5% Reduction	Being Vacant		
All or Partial General Fund Positions									
None								0.00	
Sub-Total				0	0	0.00	0.00	0.00	0.00
Non-General Fund Positions									
63004	Fiscal Officer*	24,750	24,750	0.00	0.75	0.75			
Sub-Total				24,750	24,750	0.00	0.75	0.75	0.00
TOTAL				24,750	24,750	0.00	0.75	0.75	0.00

*only .25 of this FTE is in this program. The other .50 was moved to Local Government Services – Audit

EXHIBIT 6
DATE 2-16-93

6501 64 00000 DEPARTMENT OF COMMERCE Program Summary			Local Govt Assistance Admin			HB		
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	2.50	2.50	2.50	2.50	0.00	2.50	2.50	0.00
Personal Services	109,518	110,249	115,035	115,028	7	115,151	115,145	6
Operating Expenses	<u>12,164</u>	<u>13,271</u>	<u>13,419</u>	<u>12,649</u>	<u>770</u>	<u>13,189</u>	<u>12,438</u>	<u>751</u>
Total Costs	\$121,682	\$123,520	\$128,454	\$127,677	\$777	\$128,340	\$127,583	\$757
<u>Fund Sources</u>								
Proprietary Fund	<u>121,682</u>	<u>123,520</u>	<u>128,454</u>	<u>127,677</u>	<u>777</u>	<u>128,340</u>	<u>127,583</u>	<u>757</u>
Total Funds	\$121,682	\$123,520	\$128,454	\$127,677	\$777	\$128,340	\$127,583	\$757

Page References

LFA Budget Analysis (Vol II), p C142
Stephens Executive Budget, p C56

Current Level Differences

Indirect Charges - The Executive Budget includes \$1,963 more for indirect charges than the LFA current level.

Minor Differences

TOTAL CURRENT LEVEL DIFFERENCES

Budget Modifications

None

Language

None

Exec. Over(Under) LFA Fiscal 1994	Fiscal 1995
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988	975
(211)	(218)

777	757
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HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

NATURAL RESOURCES

~~Commerce~~

SUB COMMITTEE

BILL NO. _____

DATE 2-16-93

SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Jon Noel	Commerce	X	
Newell Anderson	Commerce	X	
Andy Paul			
Carolyn Doering			
Maria Bruno			

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.