

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 19, 1993, at 7:00 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
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 JUSTICE; DEPARTMENT OF REVENUE; DEPARTMENT OF TRANSPORTATION; JUDICIARY; AND SECRETARY OF STATE;

EXECUTIVE ACTION ON DEPARTMENT OF JUSTICE

Tape No. 1:B:055

Informational Testimony:

Mr. Clayton Schenck, Legislative Fiscal Analyst, distributed a summary of the subcommittee's action on the department's budget.
EXHIBIT 1

Attorney General Joe Mazurek distributed a list of issues for the department. **EXHIBIT 2.** He requested that the department be

given the flexibility in funding the mailing of renewal cards through the private sector.

BUDGET ITEM COUNTIES TO MAIL LICENSE RENEWAL CARDS:

REP. JOE QUILICI moved to accept the request and to allow the department flexibility to fund the mailing of license renewal cards.

Informational Testimony:

Mr. Dean Roberts, Department of Justice, stated that the department would contract with large advertisers to pay the cost of the advertisement. This would cover the cost of mailing as well. Another option would be to deliver the cards to the counties to mail, because the counties have a better ability to recover the cost of mailing.

Vote: THE MOTION CARRIED UNANIMOUSLY.

BUDGET ITEM MAINFRAME TRANSFER FOR MOTOR VEHICLES:

Mr. Jim Oppedahl, Data Processing, Department of Justice, stated that it is critical to be able to run the Criminal Justice Information System at the armory for the next two years until an alternative plan can be devised.

Mr. Mike Trevor, Information Services Division, Department of Administration, stated that the Motor Vehicles function would run best on a shared system. The CJIN, however, would not benefit from being transferred to the shared system. Transferring the Motor Vehicles function would result in savings for other agencies.

Motion/Vote: SEN. HARRY FRITZ moved to accept the transfer and to credit the amount to the Department of Justice. THE MOTION CARRIED UNANIMOUSLY.

BUDGET ITEM FUND MAJOR LITIGATION FROM RIT:

REP. QUILICI stated that RIT funds are fully obligated.

Informational Testimony:

Attorney General Mazurek stated that the appropriations committees have created a fund for special and unanticipated litigation.

Motion: REP. MARJORIE FISHER moved that litigation for coal tax be funded from RIT.

Discussion: SEN. GARY FORRESTER stated that since the department has already met its target, the final two proposals should be postponed until meeting of the full appropriations committee.

REP. FISHER stated that the motion should go forward in order to maintain consistency in coal tax funding.

Tape No. 1:A:070

Vote: THE MOTION FAILED with REP. QUILICI, SEN. FRITZ and SEN. LARRY TVEIT opposing.

BUDGET ITEM RESTRICT STATE PARTICIPATION IN FULL TIME COUNTY ATTORNEY SALARIES:

Motion/Vote: REP. FISHER moved to accept the proposal. THE MOTION CARRIED UNANIMOUSLY with five members present.

BUDGET ITEM LANGUAGE:

Informational Testimony:

Mr. John Patrick, Office of Budget and Program Planning, stated that contingency language would be necessary to show that the subcommittee would allow the Eastern Drug Enforcement Task Force to be funded with general fund in the event that local impact coal board funds are not available.

Motion/Vote: REP. QUILICI moved to have language drawn up that would be contingent on the passage of the related bill proposed by SEN. CECIL WEEDING, DISTRICT 14. THE MOTION CARRIED UNANIMOUSLY.

Informational Testimony:

Mr. Bill Fleiner, Montana Sheriffs and Peace Officers Association, stated that the priority issues for the association are death penalty litigation, county attorney salaries and county prosecutor services. In regard to county attorney salaries, the association would like language that would allow contiguous counties to have one attorney to meet prosecutorial legal obligations. This would help resolve the problem of part-time county attorneys trying to weigh the needs of private practice against public service.

Discussion:

REP. FISHER and SEN. FRITZ expressed support for this proposal.

Informational Testimony:

Mr. Schenck distributed a chart concerning impacts of the gas tax transfer. EXHIBIT 3

Motion: REP. FISHER moved to fund the Motor Vehicle Division for FY95 from a 4 cent and 3 cent fuel tax.

Motion: SEN. TVEIT made a substitute motion to postpone action until the subcommittee has heard the Department of Transportation. THE MOTION CARRIED UNANIMOUSLY.

Discussion:

Attorney General Mazurek requested that if a funding switch is made, the subcommittee reconsider previous action on the department.

EXECUTIVE ACTION ON DEPARTMENT OF REVENUE

Tape No. 2:A:020

Informational Testimony:

Mr. Jon Moe, Legislative Fiscal Analyst, distributed a summary of previous action taken on the department. EXHIBIT 4. Items #1 and #4 may overlap.

Motion: REP. FISHER moved to accept option #4, EXHIBIT 5, in place of option #3.

Informational Testimony:

Mr. Mick Robinson, Director, Department of Administration, reviewed option #4. EXHIBIT 4

Discussion:

REP. QUILICI objected to passing cost on to local government and suggested that reductions should be made at higher positions.

REP. FISHER commended the BEVS system.

Vote: THE MOTION CARRIED with REP. QUILICI and SEN. FORRESTER opposing.

Informational Testimony:

Mr. Robinson stated that department-wide reductions are detrimental. He requested that the 5% personal service and vacancy reductions be restored in accepting the tier one and tier two proposals.

Discussion:

REP. FISHER proposed that 26 FTEs be restored, in addition to those in the department's proposal.

Informational Testimony:

Mr. Robinson stated that the department's proposal reduced the budget by more than 5%.

Discussion:

REP. FISHER wants to assure that the 5% reduction come from somewhere in the department's budget so that it will have to face the same requirements as the other agencies.

Tape No.2:B:055

Informational Testimony:

Mr. Robinson stated that the subcommittee's action to restore the Multistate Tax Commission fees and to accept the modification for the BEVS system altered the department's proposal and moved the department away from its target.

Motion/Vote: REP. FISHER moved to reinstate the 5% personal service and vacancy reductions. **THE MOTION CARRIED** with REP. QUILICI opposing.

Motion/Vote: SEN. FRITZ moved that the department be funded in order to meet its revised target of \$3,691,364, to include the restorations made by the subcommittee. **THE MOTION CARRIED UNANIMOUSLY.**

Discussion:

REP. QUILICI wanted to assure that costs not be put on local government.

REP. FISHER believes the subcommittee should be responsible for defending to the full committee the actions that bring the department over its target.

The subcommittee agreed that the department would return with a presentation of how it will meet its target, a prioritized list of the additions previously made by the subcommittee and an estimate of the projected revenue loss.

EXECUTIVE ACTION ON DEPARTMENT OF TRANSPORTATION

Tape No. 1100

Informational Testimony:

Mr. Bill Salisbury, Administrator, Administration, Department of Transportation, addressed the gas tax issue. **EXHIBIT 3.** He stated that the department recently received \$29 million in Federal funds that would have to be obligated by September 30. The department can potentially receive \$50 million. By the end of FY96 and FY97 the department is going to have difficulty paying the bills with the increased Federal aid program. The department would have to take funding from the RTF program to afford a funding switch with the Motor Vehicle Division. Funding

for secondary roads would be reduced if the fund switch is made.

Mr. Schenck stated that funding of the Motor Vehicles fund switch does not change the appropriation for the highway construction program. There will be a long range impact because money will be diverted from funds to be used in the future. If the department receives additional Federal funds, it will have to shuffle the road construction program from within and possibly reduce RIT to match Federal funds.

Discussion:

REP. QUILICI stated that there will be more Federal funds coming into the state for highway construction. If state match is not provided for the Federal funds, the projects will be lost. Caution must be used in expending state special revenue other than for highway funds.

Tape No. 3:A:020

Informational Testimony:

Mr. Salisbury stated that funding within the RTF program can be switched, but this does not mean that the projects are necessarily switched.

Questions, Responses, and Discussion:

SEN. TVEIT asked how much of the money from the 4 cent/3 cent gas tax will go into the RTF program for highways. **Mr. Salisbury** answered that all the money is necessary to fund the program.

Informational Testimony:

Mr. Schenck suggested that the word "restricted" be placed on the modifications accepted for the department that are "one-time-only" so that they cannot be built into the current level base.

Mr. Salisbury stated that there are actions that took place on current level issues that the department will likely request again.

Mr. Schenck stated that this action would not change that.

Motion/Vote: **REP. QUILICI** moved to have the word "restricted" added to the modified appropriations. **THE MOTION CARRIED UNANIMOUSLY** with five members present.

EXECUTIVE ACTION ON JUDICIARY

Tape No. 2:A:370

Informational Testimony:

Mr. Moe distributed information citing previous action by the subcommittee. EXHIBIT 6

BUDGET ITEM RECHARGE:

Motion/Vote: REP. FISHER moved to charge .10 FTE of the Court Administrator position and .15 FTE of the assistant court administrator position to the District Court Criminal Reimbursement Program. THE MOTION CARRIED unanimously with five members present.

Informational Testimony:

Mr. Moe reviewed a previous handout concerning judges salaries. EXHIBIT 7

Motion/Vote: REP. QUILICI moved to delete the elected judges salaries and revise the target. THE MOTION CARRIED unanimously with five members present.

BUDGET ITEM BOOK/BINDING:

Motion/Vote: REP. FISHER moved to fund books and book binding for the law library at \$25,000 each year. THE MOTION CARRIED with REP. QUILICI and CHAIRMAN MARY LOU PETERSON opposing.

BUDGET ITEM OPERATING EXPENSES-CLERK OF COURT PROGRAM:

Motion/Vote: SEN. TVEIT moved to fund the request. THE MOTION CARRIED with REP. QUILICI and CHAIRMAN PETERSON opposing.

Discussion:

Mr. Pat Chenovick, Supreme Court, expressed concern that the elected judges' salary will still be in the agency's budget when it reaches the full appropriations committee and will show the agency to be over target.

EXECUTIVE ACTION ON SECRETARY OF STATE

Tape No. 3:A:1082

Motion: REP. QUILICI moved to accept the agency's proposal. EXHIBIT 8

Informational Testimony:

Mr. Doug Mitchell, Secretary of State's Office, stated that this would reverse previous subcommittee action and coincide with the LFA proposal.

Motion: SEN. TVEIT made a substitute motion to restore funding for the fireproof storage modification and eliminate 1.25 FTEs.

Tape No. 3:B:080

Discussion:

REP. QUILICI stated that he understands the need for fireproof storage, but the agency has been frugal in its budgeting and cannot function without the FTE.

Vote: SEN. TVEIT'S MOTION CARRIED with REP. QUILICI opposing.

Motion: REP. FISHER moved to eliminate the funding for operating increases. THE MOTION CARRIED. REP. QUILICI did not vote on this issue.

Informational Testimony:

Mr. Mitchell stated that the agency has contributed 20% more than what was asked. He strongly disagreed with the action of the subcommittee and stated that general fund money will be lost as a result of it.

EXECUTIVE ACTION ON DEPARTMENT OF REVENUE

Tape No. 3:B:538

Mr. Robinson distributed the department's revised proposal.
EXHIBIT 9

Motion/Vote: REP. FISHER moved to accept the tier one and tier two proposals, with the previous restoration of the 5% personal services and vacancy reductions and option #4 and to restore fees for the Multistate Tax Commission and to reinstate the nine income tax auditor positions. THE MOTION CARRIED unanimously with five members present.

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

2/19/93

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		

DEPARTMENT OF JUSTICE

Subcommittee Action, 2/18/93

GENERAL FUND TARGET

\$22,084,408

*General Fund Apporopriation as of 2/17/93*28,361,583Current Level Adjustments

Criminal History Information (3.0 FTE)	184,741
2.0 FTE Programmers, Data Proc. Div (Vacant List)	127,026
Remodel/Expansion of Law Enforcement Academy	202,140
DARE Coordinator/Accounting Clerk (1.4 FTE)	107,965
Create additional 1.0 FTE, Motor Vehicle Div.	<u>87,000</u>

Total Current Level Adjustments	<u>708,872</u>
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Target Reductions

Reduce Extradition of Prisoner Costs	(158,000)
Eliminate A.G. Opinions to State/Local Govt.	(48,000)
Withdraw Drivers' License Svcs from 42 Counties*	<u>(934,000)</u>

Total Target Reductions	<u>(1,140,000)</u>
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*General Fund Apporopriation as of 2/18/93*27,930,455

ABOVE (BELOW) TARGET	5,846,047
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Target Credits

Adjustment for 1993 biennium base**	(3,548,444)
Consolidate Legal Services (no approp. reduction)	<u>(425,900)</u>

ABOVE (BELOW) TARGET AFTER CREDITS	<u>1,871,703</u>
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* The agency estimates a general fund revenue loss of \$640,000.

** The 1993 biennium base credits include:

- Cat and Dog bill, HB 579 - Vehicle Reg. Autom.	1,270,868
- 1993 biennium fund switches	892,909
- Litigation Costs 1993 Biennium Modification	400,000
- Annualized Cost of New Programs, 1993 biennium	<u>984,667</u>
	<u>3,548,444</u>

Combined Highways State Special Revenue Accounts Estimated Cash Flow – With 4/3 Cent Fuel Tax Increase

Fiscal years 1992 through 1998

	Fiscal 1992	Fiscal 1993	Fiscal 1994	Fiscal 1995	Fiscal 1996	Fiscal 1997	Fiscal 1998
Beginning Working Cash Balance	\$90,412,889	\$73,895,839	\$58,743,287	\$38,496,138	\$35,371,765	\$26,965,599	\$19,638,066
Revenues							
Gasoline Tax	82,825,427	88,935,581	82,762,764	82,831,346	82,831,346	82,831,346	82,831,346
Diesel Tax	25,128,409	27,315,504	25,977,851	26,475,823	26,475,823	26,475,823	26,475,823
SB 257 Prop. 4/3 cent fuel tax incr.	0	0	17,966,732	33,075,049	34,300,000	34,300,000	34,300,000
GWW tax	26,181,530	27,812,792	27,033,668	26,839,500	26,839,500	26,839,500	26,839,500
Coal Tax	5,212,093	0	4,937,872	4,941,370	4,941,370	4,941,370	4,941,370
Bond Interest Earnings	0	0	0	0	0	0	0
Stores	11,969,515	14,901,886	23,259,990	23,518,767	23,989,142	24,468,925	24,958,304
Other	4,103,070	1,275,585	1,275,585	1,275,585	1,275,585	1,275,585	1,275,585
Adjustment	(189,880)	0	0	0	0	0	0
Total Revenues	\$155,230,164	\$160,241,348	\$183,214,462	\$198,957,440	\$200,652,766	\$201,132,549	\$201,621,928
Expenditures							
Transportation Budget							
General Operations	7,740,286	7,737,239	7,519,056	7,592,421	7,744,269	7,899,155	8,057,138
Construction (and overhead):							
Federal Aid Construction	43,401,024	33,168,312	36,675,157	35,574,373	38,641,541	38,401,992	39,331,915
RTF Construction	16,629,680	16,800,301	19,609,713	20,680,697	20,404,703	20,456,488	20,461,932
Maintenance	47,661,846	49,972,920	59,991,989	60,335,175	61,541,879	62,772,716	64,028,170
Stores	14,227,850	14,901,886	23,259,990	23,518,767	23,989,142	24,468,925	24,958,304
GWW	3,715,305	4,130,525	4,165,437	4,193,816	4,277,692	4,363,246	4,450,511
Motor Fuels	10,000	0	0	0	0	0	0
Rail and Transit	151,165	71,250	343,384	342,894	349,752	356,747	363,882
Bond Principal & Interest	10,655,332	18,476,333	18,480,983	18,483,983	18,491,253	17,857,918	17,860,730
Local Government Distribution	14,075,000	14,075,000	14,075,000	14,075,000	14,075,000	14,075,000	14,075,000
1987 Bond Arbitrage Rebate (net)	1,357,559	0	0	0	0	0	0
Indian Reservation Distribution	35,842	1,100,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Dept of Justice (Hwy Patrol)	11,957,554	11,693,371	12,921,863	12,864,583	13,121,875	13,384,312	13,651,998
Dept. Justice 1993 Supplemental	0	919,000	0	0	0	0	0
Highway Traffic Safety	72,646	80,807	85,039	86,104	87,826	89,583	91,374
Dept Fish, Wildlife, & Parks	0	84,000	84,000	84,000	84,000	84,000	84,000
Exec. Initiative – FWP Parks Roads	0	0	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Long-Range Bldg	372,412	2,182,956	2,000,000	0	2,000,000	0	1,000,000
Adjustment	(316,287)	0	0	0	0	0	0
Total Disbursements	\$171,747,214	\$175,393,900	\$203,461,611	\$202,081,813	\$209,058,932	\$208,460,082	\$212,664,955
Expenses in Excess of Revenue	(16,517,050)	(15,152,552)	(20,247,149)	(3,124,373)	(8,406,166)	(7,327,533)	(11,043,027)
Cash Balance	\$73,895,839	\$58,743,287	\$38,496,138	\$35,371,765	\$26,965,599	\$19,638,066	\$8,595,040
Target Ending Cash Balance	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Surplus(Deficit), Legisl. Action	\$53,895,839	\$38,743,287	\$18,496,138	\$15,371,765	\$6,965,599	(\$361,934)	(\$11,404,960)

Add – Exec. Budget Recommendations

Policy Initiatives:

Fund Switch – Motor Vehicle Div – No Legisl. Action To Date
PILT Replacement – HB 523*

7,029,406	7,009,099	0	0	0
0	0	0	0	0
(27,276,555)	(10,133,472)	(8,406,166)	(7,327,533)	(11,043,027)
\$11,466,732	\$1,333,260	(\$7,072,906)	(\$14,400,439)	(\$25,443,465)

Expenses in Excess of Revenues

Surplus (Deficit) with Exec. Initiatives

* Revised By Executive, will not come from the Highways Special Revenue Fund

DEPARTMENT OF REVENUE - Subcommittee Action as of Noon, February 18th.

Target = \$38,818,690

Date of Action	ITEM DESCRIPTION SUBCOMMITTEE ACTION	Amount of Action	Balance	Over (Under) Target
	LFA Current Level 94-95 Biennium		\$43,420,054	\$4,601,364
1/6	1) "5%" & "Snapshot" FTE Reductions	(\$3,271,068)	\$40,148,986	\$1,330,296
2/11	2) Cigarette Tax Fund Switch (GF decrease)	(\$180,000)	\$39,968,986	\$1,150,296
2/16	3) Investigations Funding (GF Increase)	\$177,490	\$40,146,476	\$1,327,786
2/16	4) Adoption of "Option 3" Proposal	(\$2,357,093)	\$37,789,383	(\$1,029,307)
2/16	5) Budget Mod - BEVS System Processing	\$135,000	\$37,924,383	(\$894,307)
2/18	6) Accept Tier I & II w/o 9.0 FTE Audit reduction and "option 4". Adjustment for FTE in item 1) above = Adjustment for duplication of item 2) =	(\$1,143,685) \$301,073 \$180,000	\$36,780,698 \$37,081,771 \$37,261,771	(\$2,037,992) (\$1,736,919) (\$1,556,919)
2/18	7) Restore Multistate Tax Commission	\$144,000	\$37,405,771	(\$1,412,919)
2/18	8) Allow credit for Target amount	(\$910,000)	\$36,495,771	(\$2,322,919)

EXHIBIT _____
DATE 2/19/93
~~FILE~~

**Property Assessment Division
 Appraisal/Assessment Function Reductions
 Option 4: Reallocation/Reduction of Staff**

	FY94	FY95
PAD Budget Reduction Target/Fiscal Year	\$1,173,000	\$1,173,000
Elimination of Deputy Assessors (Savings)	\$820,869	\$821,970
* Reduction in State Contribution to Assessors' Salaries (Savings) (Less than Local Gov't Savings for Deputy Salaries)	\$222,274	\$204,227
Personal Property Automation Efficiencies (Savings)	\$501,312	\$501,312
Appraisal Staff Adjustments (Salary Savings)	\$269,439	\$269,439
Workload Adjustments (Additional Costs)	(\$568,934)	(\$623,948)
State Share of Deputies Annual & Sick Leave Buyout (Add. Costs)	(\$71,960)	\$0
TOTAL OPTIONAL SAVINGS	\$1,173,000	\$1,173,000

Facts

This Option:

1. Requires the state share of the elected assessor's salary, including benefits and health insurance, to be statutorily set at 50%. The local government share of the elected assessor's salary, including benefits, would also be statutorily set at 50%. The state will pay 100% of elected Assessors' health insurance coverage.

2. Overall this option does not require local governments to incur any additional costs. The counties savings in Deputy Assessors' salaries is offset by an increase in costs associated with paying 50% of the Assessors' salaries and benefits. These savings are further offset by costs associated with counties buyout obligation.

3. Eliminates the statutory requirement for appointed deputy assessors. Consideration must be given to amending 7-4-2313, 7-4-2401 thru 2405 & 7-4-2505, MCA. There are 48 deputies that are affected. It is recommended that a hiring preference be allowed for employees whose positions were eliminated.

4. Eliminates the requirement for the assessors' office to be open for the transaction of business from 8 am - 5 pm continuously every day in the year except holidays, Saturdays and Sundays. Consideration must be given to amending 7-4-102 & 7-4-2211, MCA. As staff is reduced, service to the public will be reduced.

5. Contemplates assessment staff adjustments as determined by workload. County staffing adjustments were predicated on an annual workload requirement of 2,000 parcels per assessment staff member. Total parcels were derived by using 20% of the total real property parcel count from the CAMA system plus the the total number of assessments resident on the BEV system. That workload requirement extends through the valuation and taxation phases. Adjustments were made for varying levels of workload that exists in each county and the impact the BEV system will have on that workload. In addition the workload calculation considers that there will be an elected assessor, and FTE levels were rounded.

6. Requires acknowledgement in House Bill 522 that Deputy Assessors should be included within its provisions. However, salary guarantees should not be extended to these positions since they are appointed positions.

Property Assessment Division
Appraisal/Assessment Function Reductions
Option 4: Reallocation/Reduction of Staff

7. Contemplates appraisal staff adjustments. Those adjustments contemplate some combination of appraisal resources to handle real property valuation. The state would be divided into areas, with the largest urban center designated as the primary contact point for appraisal issues. The adjustments also consider the ability of the CAMA system to allow more and quicker internal review of data. The following service cut-backs may result:

- (i) In some level of reduction in office hours in some counties.
- (ii) Staff would be limited in their ability to do field work. Internal inspections of property would be allowed only under specific guidelines such as specific requests or associated with appeals. External inspections would be kept to a minimum.
- (iii) The department may request an extension of time to complete the fourth reappraisal cycle.

8. Provides staffing level allocations to allow regional assistance to assessment and appraisal offices. Those FTE would be in central locations.

9. Provides the state's share of the termination payout to deputy assessor positions to acknowledge accrued sick and annual leave.

10. Requires approval of the BEVS modification request. Without that modification, we will be unable to reduce assessment staff levels as proposed in this option.

11. Requires the elected assessor's salaries be segregated from other department personal services. This will allow the department to ensure that assessors salaries are not subject to vacancy savings or other personal services reductions.

The following items are actions taken by the subcommittee on the Judiciary Budget on January 12th & 13th.

- 1) Are these assumed to be reversed by the action taken on February 12th when the committee?
- 2) If so, does the committee wish to reconsider these in addition to the February 12th actions?

	Fiscal 94	Fiscal 95
	(\$12,786)	(\$12,787)

Recharge – The agency requested that they be allowed to charge .10 FTE of the Court Administrator position and .15 FTE of the assistant court administrator position be charged to the District Court Criminal Reimbursement Program. This would reduce general fund expenditures in the Supreme Court and Boards & Commissions programs.

Increase for Book/Binding in the law library.	\$25,000	\$25,000
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Increase for operating expenses in the Clerk of Court Program.	\$4,165	\$4,126
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The request related to mailing court records and a need for "return receipt" which enhanced the security of such mailings but required additional operating expense.

LFA RECALCULATION OF JUDICIARY "TARGET" CUT AMOUNT
 (Assumes reversal of all actions to - date)

Item Description	-- TARGET -- Current Level Fiscal 1992-93	LFA Current Level Fiscal 1994-95	Difference or Dollar Cut
Judiciary (Starting with LFA Current Level)	16,463,815	18,046,448	1,582,633
Less: Elected Judges Salaries	(6,327,571)	(6,695,184)	(367,613)
Revised Target and "Cut" Amount	10,136,244	11,351,264	1,215,020

ADJUSTMENTS TO TARGET CUT AMOUNT	Running Balance
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Fixed Costs (Capitol Grounds) Adjustment	19,983	1,235,003
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POSSIBLE REDUCTIONS TO REACH TARGET "CUTS"
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1) Reduce District Court Reimbursement to Fiscal 1992-93 Level	(817,788)	417,215
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This action would put the Reimbursement program expenditures \$875,000 below the estimated revenue. Funds collected but not used ultimately would be returned to the counties in proportion to collections.

2) Eliminate "On-Line Bulletin Board Systems Development	(10,000)	407,215
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The department indicated that this item was no longer necessary in the request, and could be deleted from the LFA current level.

3) Move Legal Database to State Bar (Revenue goes away also)	(429,000)	(21,785)
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This move was approved by the committee in the initial action. The committee needs to consider whether this can be counted as a cut toward the target. The agency counts it as a cut in its "target cuts" letter.

4) Reduce Automation Costs	(193,015)	(214,800)
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This would be contingent upon passage of House Bill which the committee heard February 5th. An amendment to that bill which the committee shows this amount of reduction. This might not be considered a permanent reduction.

5) '5% Reduction in Personnel Services (excludes judges)	(158,722)	(373,522)
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The Judiciary had no positions affected by the "5% reduction" cuts or the "snapshot" vacancy list.

AGENCY: SECRETARY OF STATE

Checklist
Response to Subcommittee Letter

GENERAL FUND TARGET \$1,875,831

SPECIFIC REDUCTION PROPOSALS

Priority Ranking

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

Current General Fund Appropriation*
Current Level Adjustments Requested:
 (Agency assumes return to LFA current level)
 Restore 1.25 FTE taken as 5% reduction
 Eliminate Operating Increases
 Eliminate Fireproof Storage Modification
Agency Target Reduction Options:
 The Secretary of State LFA current level prior to committee action was below the 1993 biennium current level target.
 GENERAL FUND BALANCE ACHIEVABLE ABOVE (BELOW) TARGET
Agency Additional Options (5% Below '93 Bienn.)
 Impose 3% Vacancy Savings
 Reduce Out-of-State Travel by 50%
 Eliminate Systems Development Expenditures
 Reduce Subscriptions by 50%
 TOTAL ADDITIONAL OPTIONS

1,902,303	
62,401 (49,184) (50,000)	
1,865,520 (\$10,311)	
(32,499) (4,382) (44,000) (2,717) (\$83,598)	0

Fund Switch	Fee Increase	Permanent Reduction	Cost Shift to Local Govt?	Loss of Revenue?	Amt. of G/F Rev. Loss	Statute Change
N	N	(1)	N	(2)	7	N
N	N	Y	N	(2)	7	N
N	N	(3)	N	(2)	7	N
N	N	Y	N	(2)	7	N

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

COMMENTS:
 (1) Vacancy savings is not a permanent reduction unless it is imposed each biennium.
 (2) In its letter, the agency reminds the committee that it generates revenue from fees and implies that reductions to expenditures may translate to reduced general fund revenues.
 (3) If these systems development costs are "maintenance costs" and would otherwise stay in the agency's current level base each biennium, then it is a permanent reduction. If these costs are for a defined project that will be completed on a specified date, then they are not a permanent reduction.

Department of Revenue

Proposal	Reduction	Target	Revenue Loss
Total Tier I		\$3,691,000	
	(\$855,000)	\$2,836,000	
Total Tier II	(\$525,700)	\$2,310,300	(\$5,100,000)
Option 4	(\$2,346,000)	(\$35,700)	***
Total Reductions/Revenue Loss	(\$3,726,700)		(\$5,100,000)

Previous Committee Action

Restore Income Tax Auditors	\$236,900	\$201,200	\$4,000,000
Restore MTC Audit Dues	\$144,000	\$345,200	\$700,000
BEV System Modification	\$135,000	\$480,200	***

*** Option 4 results in estimated property tax revenue loss of \$733,000 for each 1% of personal property not taxed.

EXHIBIT 1
 DATE 2/19/93
 HEB

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

GEN. GOV. & HWYS.

SUBCOMMITTEE

DATE 2/19/93

DEPARTMENT(S) Administration

DIVISION

Judiciary, Justice, Revenue, Board
of Crime Control

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DEON RIVERS	D. of Justice	
Mike Trevor	DOA/ISD	
GREG NOOSE	Justice - Montana Law Enf. Academy	
BILL FEINER	Montana Sheriffs & PEACE OFFICERS ASSOC.	
E. May	Justice	
DENNIS M. TAYLOR	JUSTICE	
BARRY MICHELOTTI	Montana Sheriff and PEACE OFFICERS ASSOC.	
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Don Zinn	MBCC	
Bill Salisbury	MOT	
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**HOUSE OF REPRESENTATIVES
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GEN. GOV. & HWYS. SUBCOMMITTEE DATE

DEPARTMENT(S) Admin., Justice, Revenue, DIVISION
Judiciary, Board of Crime Control

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