

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 20, 1993, at 6:30 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 TRANSPORTATION; DEPARTMENT OF JUSTICE; GOVERNOR'S OFFICE; DEPARTMENT OF ADMINISTRATION; AND DEPARTMENT OF REVENUE

Tape No. 1:A:005

Announcements/Discussion:

Mr. Clayton Schenck, Legislative Fiscal Analyst, distributed a summary of the results of the subcommittee's action to date.
EXHIBIT 1

EXECUTIVE ACTION ON DEPARTMENT OF TRANSPORTATION

Tape No. 1:A:095

Informational Testimony:

Mr. Schenck distributed language to be considered by the subcommittee. EXHIBIT 2

Motion/Vote: REP. JOE QUILICI moved to accept the language. THE MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON DEPARTMENT OF JUSTICE

Tape No. 1:A:190

Informational Testimony:

Mr. Schenck distributed language to be considered by the subcommittee. EXHIBIT 3

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

EXECUTIVE ACTION ON GOVERNOR'S OFFICE

Tape No. 1:A:230

Informational Testimony:

SEN. HARRY FRITZ presented language for consideration by the subcommittee. EXHIBIT 4. He said it provides incentive to downsize government.

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

EXECUTIVE ACTION ON DEPARTMENT OF ADMINISTRATION

Tape No. 1:A:328

Informational Testimony:

Mr. Dan Gengler, Office of Budget and Program Planning, distributed language for consideration by the subcommittee. Acceptance of the language would serve as clarification for the record, rather than being entered into the bill. EXHIBIT 5

Mr. Mike Trevor, Information Services Division, Department of Administration, supported language item #1.

Motion/Vote: SEN. FRITZ moved to accept language item #1. THE MOTION CARRIED UNANIMOUSLY.

Motion/Vote: REP. QUILICI moved to accept language item #2 with option b. THE MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON DEPARTMENT OF REVENUE

Tape No. 1:A:578

Informational Testimony:

REVENUE/GOVERNOR'S OFFICE/DEPARTMENT OF JUSTICE

Tape No. 1:A

Informational Testimony:

SEN. TVEIT distributed a list of proposals. EXHIBIT 8 The Rail and Transit FTEs are necessary to complete the McCarty Farms court case. The Secretary of State's Office needs the FTEs in order to generate revenue. The same is true of the mail clerk positions. He does not believe elimination of funding for the Environmental Quality Council is a good move, however, it may be necessary to meet more pressing needs.

Tape No. 1:B:180

Motion: SEN. TVEIT moved to eliminate the general fund portion for the EQC.

Discussion:

SEN. GARY FORRESTER stated that eliminating funding for the EQC is not good, but that there is little choice. He supported the motion.

SEN. FRITZ opposed the motion stating that the elimination of a program should come through a legislative process rather than a budgeting process.

REP. QUILICI opposed the motion. He stated that the proposals for restoration are good, but not at the expense of a statutorily mandated agency.

Informational Testimony:

REP. BOB GILBERT, DISTRICT 22, commended the efforts of the EQC and supported maintaining funding for the program.

Discussion:

REP. QUILICI commended the efforts of the EQC.

Informational Testimony:

Ms. Deborah Schmidt, Environmental Quality Council, stated that there was a bill introduced in the Senate to eliminate the statutory functions of the EQC. There was one proponent for the bill and approximately 15 opponents. The fiscal note of the bill clarifies that the general fund appropriation to the EQC is not what will be saved if the responsibilities of the EQC continue to exist in statute. The EQC has approximately \$45,000 for unfunded liability for unused vacation and sick leave. The staff has accumulated over 700 hours of compensation just for the present session. The Montana Environmental Policy Act training provided

Mr. Jon Moe, Legislative Fiscal Analyst, clarified that the subcommittee's previous action involved three committee bills: repealing the dangerous drug tax; allowing the department to capture administrative costs from the check-offs; and eliminating statutory requirements for appointed deputy assessors and other items related to option #4. He stated that the department may request language that would allow for an extension of time to complete the fourth reappraisal cycle.

Motion/Vote: REP. FISHER moved that language be drafted that would allow the department to request an extension for the reappraisal cycle. THE MOTION CARRIED UNANIMOUSLY.

Informational Testimony:

Mr. Moe distributed language for consideration by the subcommittee. EXHIBIT 6

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

EXECUTIVE ACTION ON DEPARTMENT OF JUSTICE

Tape No. 1:A:795

Informational Testimony:

Attorney General Joe Mazurek distributed language to be considered by the subcommittee. EXHIBIT 7. He stated that the numbers may be refined by Mr. Schenck.

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

Announcements/Discussion:

SEN. TVEIT suggested that the issue concerning the joint Canadian/United States weigh station be examined in two years. He quoted a statement made by Mr. David Galt of the Department of Transportation saying it is possible that it would be less expensive to have the weigh station in the United States.

Mr. Galt said the statement was written before the agreement between the countries was signed. The agreement is currently going very well.

EXECUTIVE ACTION ON DEPARTMENT OF JUSTICE

Tape No. 1:A:1100

REP. FISHER withdrew the motion she made on February 19, 1993 which was to fund the Motor Vehicle Division for FY95 with fuel tax.

EXECUTIVE ACTION ON ENVIRONMENTAL QUALITY COUNCIL/DEPARTMENT OF TRANSPORTATION/SECRETARY OF STATE/DEPARTMENT OF

by the EQC has saved the Department of State Lands and Forestry a considerable sum in preventing law suits.

Discussion:

CHAIRMAN MARY LOU PETERSON stated that she is not opposed to eliminating a program, however, she would not want the savings spent on other programs or proposals.

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

Motion/Vote: SEN. TVEIT moved to accept the remaining six proposals on his presentation. THE MOTION FAILED with CHAIRMAN PETERSON, REP. QUILICI, REP. FISHER and SEN. FRITZ opposing.

Motion/Vote: SEN. TVEIT moved to reconsider action taken to eliminate general funding of the EQC, stating that the reduction was proposed only in order to fund the other proposals. THE MOTION CARRIED UNANIMOUSLY.

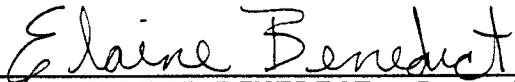
SEN. TVEIT moved to reinstate the general fund portion for the EQC. THE MOTION CARRIED with CHAIRMAN PETERSON opposing.

ADJOURNMENT

Adjournment: 7:45 AM



REP. MARY LOU PETERSON, Chair



ELAINE BENEDICT, Secretary

MLP/EB

HOUSE OF REPRESENTATIVES

Gen. Gov. & Hwys.

SUB-COMMITTEE

ROLL CALL

DATE

2/20/93

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		

GENERAL GOVERNMENT AND TRANSPORTATION
GENERAL FUND EXPENDITURE TARGETS
SUBCOMMITTEE "REPORT CARD"

Agy. #	Agency	(A) -- TARGET -- Current Level Fiscal 1992-93	(B) LFA Current Level Fiscal 1994-95	(C) -Difference- LFA CL/Target (B - A)	(D) Legislative Action To Date*	(E) Over(Under) Target (D - A)	(F) Agency "Credits" (Unallocated)	(G) Agy. Target "Responsibility" (E - F)
1101	LEGISLATIVE AUDITOR	\$2,405,934	\$2,598,280	\$192,346	\$2,405,934	0		0
1102	LEGISLATIVE FISCAL ANALYST	1,677,561	1,730,163	52,602	1,676,938	(623)		(623)
1104	LEGISLATIVE COUNCIL	3,807,150	4,948,118	1,140,968	4,246,150	439,000	(439,000)	0
1111	ENVIRONMENTAL QUALITY COUNCIL	557,134	599,665	42,531	557,134	0		0
2110	JUDICIARY	16,463,815	18,046,448	1,582,633	16,706,609	242,794	(367,613)	(124,819)
3101	GOVERNOR'S OFFICE	4,673,865	5,048,068	374,203	4,673,865	0		0
3201	SECRETARY OF STATE	1,875,831	1,865,520	0	1,853,119	(22,712)		(22,712)
3202	COMM. OF POLITICAL PRACTICES	278,961	251,177	0	254,245	(24,716)		(24,716)
3401	STATE AUDITOR'S OFFICE	4,204,118	4,285,698	81,580	4,201,622	(2,496)		(2,496)
4107	CRIME CONTROL DIVISION	931,387	948,664	17,277	931,387	0		0
4108	HIGHWAY TRAFFIC SAFETY	366,160	420,000	53,840	366,160	0		0
4110	DEPARTMENT OF JUSTICE	22,084,408	26,894,613	4,810,205	26,815,713	4,731,305	(4,804,535)	(73,228)
5401	DEPARTMENT OF TRANSPORTATION	612,894	461,689	0	164,704	(448,190)		(448,190)
5801	DEPARTMENT OF REVENUE	38,818,690	43,420,054	4,601,364	40,074,369	1,255,679	(910,000)	345,679
6101	DEPARTMENT OF ADMINISTRATION	6,452,040	7,020,738	568,698	6,623,919	171,879	(172,371)	(492)
6701	DEPARTMENT OF MILITARY AFFAIRS	4,114,086	4,321,645	207,559	4,114,086	0		0
	SUPPLEMENTAL ADDITIONS TO HB 3	48,064	0	52,610	0	(48,064)	48,064	0
	Totals	\$109,372,098	\$122,860,540	\$13,778,416	\$115,665,954	\$6,293,856	(\$6,645,453)	(\$351,597)
		Subcommittee Target Budget			Subcommittee Action	S/C Target Reductions		

* Amounts shown are tentative - final numbers may vary slightly.

EXHIBIT 2
DATE 2/20/93
~~HB~~

LANGUAGE

DEPARTMENT OF TRANSPORTATION

The department is directed to submit to the 1995 Legislature a construction work plan for the years 1993 through 1999 that is detailed by year and project. This work plan must specify, by road system or project area, proposed projects on which \$1 million or more would be spent during the 1997 biennium and an aggregate cost for projects with anticipated expenditures of less than \$1 million. Costs must be detailed by year and project.

The department may adjust appropriations and FTE in the Construction, Interfund Transfers, and Maintenance programs between fiscal years to reflect actual expenditures related to the construction work plan and maintenance activities.

The department may adjust appropriations in the Construction and Rail and Transit programs between fund types, provided that the adjustment does not exceed 10 percent of the total appropriation established by the legislature for the Construction or Rail and Transit program and provided that the general fund appropriation in the Rail and Transit program does not increase over the amount established by the legislature. All transfers between fund types must be fully explained and justified on budget documents submitted to the Office of Budget and Program Planning, and all fund transfers of over \$1 million in any 30 day period must be communicated to the Legislative Finance Committee in a written report.

The legislature recognizes that costs associated with the McCarty Farms litigation may exceed the appropriation in item xx, and in that event, the department will need to request a supplemental appropriation from the 1995 Legislature to adequately represent the state.

EXHIBIT 3
DATE 3/20/97
~~FILE~~

LANGUAGE

DEPARTMENT OF JUSTICE

If Senate Bill 382 is not passed and approved providing local impact funds for the Eastern Coal Counties Task Force, the state special revenue appropriation in item xx must be deleted and a general fund appropriation must be established in the same amount as the state special revenue appropriation is decreased.

EXHIBIT 4
DATE 2/20/93
~~HE~~

LANGUAGE

GOVERNOR'S OFFICE

The Governor is encouraged to work toward cost savings in executive branch agencies during the 1995 biennium by implementing improved efficiencies, economies of scale, streamlined supervision and better coordination of services among executive branch agencies. In particular, the Governor is encouraged to identify duplicative services within executive branch agencies for consolidation and cost savings.

The Governor is further encouraged to foster development of a mission driven budget system, including the development of flexible, unified budgets and the development of an incentive system to encourage agencies to generate cost savings and reduced expenditures. This initiative should include working towards the development of a results oriented system for budgeting, including budgeting by performance and outcome measures and seeking flexibility and improvement in the quality of decision-making information available to the legislature in the 1995 Legislature. The departments of Administration, Revenue, Military Affairs, and Transportation should be used for pilot projects in developing an innovative budget system.

DEPARTMENT OF ADMINISTRATION

PROPOSED STATEMENT OF LEGISLATIVE INTENT

1) **ISD Ratemaking**

"It is the intent of the legislature that the LFA, the department, and OBPP develop a presentation to the general government subcommittee of the ISD rates charged to state agencies for the 1997 biennium."

Explanation: As previously discussed, the subcommittee may wish to evaluate the ISD budget request for the 1997 biennium in the context of the rates charged to state agencies for information processing services. Other significant issues would include rate adequacy and equity. Prior to the beginning of the 1995 biennium, the LFA, department, and OBPP would need to determine technical considerations with respect to how ISD revenues and expenditures should be accounted in order to have a consistent framework for discussion of issues.

2) **General Fund Share of Capitol Complex Rent**

"It is the intent of the legislature that the general fund share of capitol complex rental charges for the 1997 biennium be [12%]."

Explanation: The rental rates for agencies located in the capitol complex must be developed by the executive budget process in the summer preceeding the legislative session so that affected agencies can include these amounts in their budget requests. The executive budget must assume that the general fund will participate in some share of the costs related to "common areas". If the executive budget process assumes too much general fund support, rental rates will be understated; if too little general fund is assumed, rental rates will be overstated. To avoid this situation, a statement of legislative intent would provide direction to executive and legislative staff.

In terms of square footage, the general fund share would be 17%. For the past several biennia, the rates have been developed assuming a 12% general fund share. For the 1995 biennium, the general fund share adopted by the subcommittee was 12% less \$30,000. One possible set of options might be:

- a) 17% - the actual square footage
- b) 12% - the "customary" share
- c) Other

EXHIBIT 40
DATE 2/20/93
MA

The Department of Revenue is to restructure the Property Assessment Division. In restructuring the program the number and type of FTE may be modified as needed to operate the program efficiently.

SUB2-19 - A35

19-Feb-93

07:58 PM

DEPARTMENT OF JUSTICE

Proposed Language for HB2

The following contingency language is offered should proposed subcommittee bills fail to pass the legislature.

Elimination of Attorney General Opinions:

Should HB ___ fail, the general fund appropriation in item ___ is increased by \$24,000 in FY94 and \$24,000 in FY95. FTE will also increase by .75 each fiscal year.

County Attorney Payroll:

Should HB ___ fail, the general fund appropriation in item ___ is increased by \$235,000 in FY94 and \$235,000 in FY95. FTE will also increase by 7.40 in each fiscal year.

Reduction of Drivers' License Services in Rural Counties:

Should HB ___ fail, the general fund appropriation in item ___ is increased by \$417,554 in FY94 and \$417,554 in FY95. FTE will also increase by 18.30 in each fiscal year.

Funding for Eastern Drug Investigation Unit:

EXHIBIT 8
DATE 2/20/19
HB

- (\$557,134) Eliminate EQC General Fund

- 206,849 Restore Rail and Transit 3.0 FTE, Department of Transportation
- 62,401 Restore Sec. of State 1.25 FTE (5% reduction)
- 69,559 Restore Mail Clerks, Dept. of Revenue
- 99,873 Restore Aging Coordinator 1.0 FTE/Aging Council support, Governor's Office
- 70,452 Restore general fund support for the Flathead Basin Commission, Governor's Office
- 48,000 Restore Attorney General Legal Opinions, Department of Justice

All amounts above are general fund, biennial numbers

