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GOVERNOR**

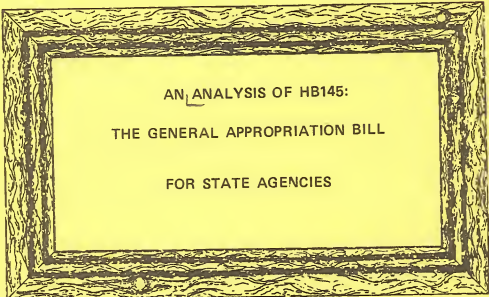
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**- BUDGET & PROGRAM PLANNING -**

**Michael G. Billings, Director**



AN ANALYSIS OF HB145:  
THE GENERAL APPROPRIATION BILL  
FOR STATE AGENCIES

**Thomas L. Judge, Governor**

Montana State Library



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AN ANALYSIS OF HB145:  
THE GENERAL APPROPRIATION BILL  
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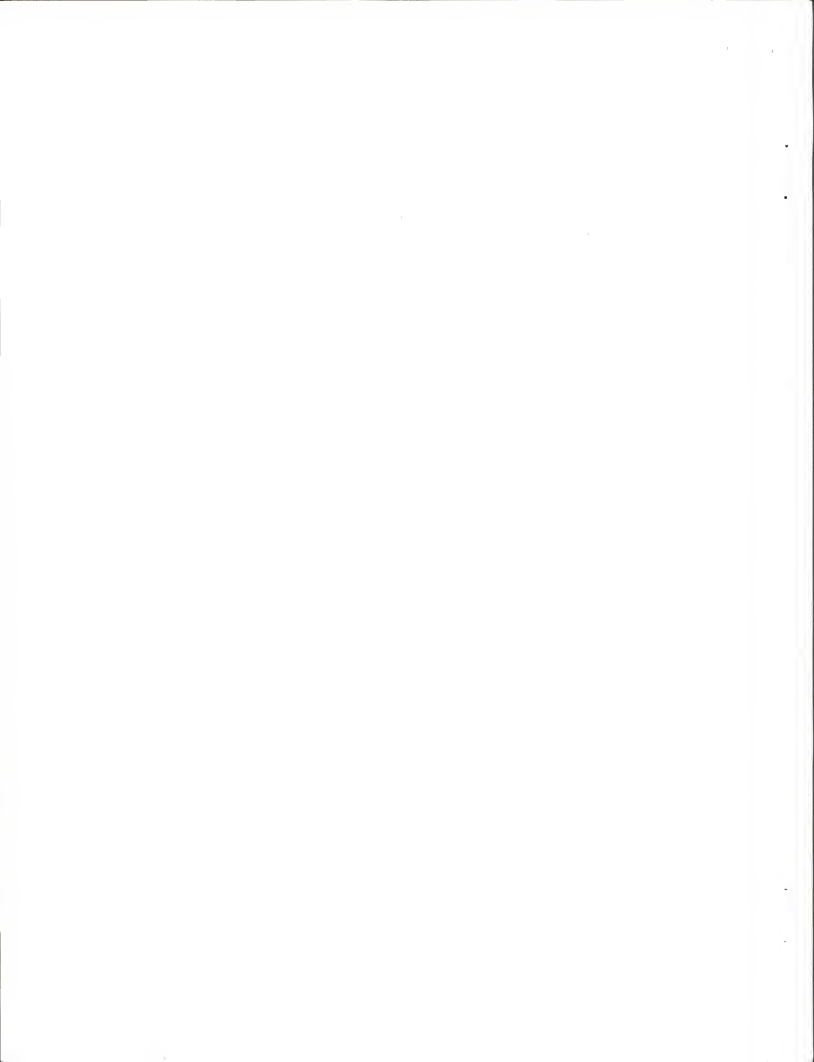
Prepared by:

BUDGET DIVISION  
OFFICE OF BUDGET AND PROGRAM PLANNING  
OFFICE OF THE GOVERNOR

Hon. Thomas L. Judge,  
Governor

Michael G. Billings,  
Director

David M. Lewis  
Deputy Director for Budget



GENERAL FUND OPERATING BUDGETS  
BY COMMITTEE

	FY 1978			FY 1979		
	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>
Legislative, Judicial, Administrative Agencies	\$ 27,871,135	\$ 26,058,116	\$ 28,048,932	\$ 27,800,808	\$ 25,304,544	\$ 28,388,571
Natural Resources	7,096,742	6,719,841	7,494,862	7,402,786	6,975,817	7,730,491
SRS	31,757,069	28,400,437	29,831,666	36,858,639	31,948,982	33,539,106
Institutions	37,933,401	35,466,928	37,063,449	38,486,824	37,789,681	38,859,015
Education	87,174,829	89,252,934	89,316,875	88,170,315	98,542,227	94,331,653
	Includes University System pay raises in House Bill 145.					
Health, DCA, Labor, Business Regulation, and Public Service Commission	<u>7,789,712</u>	<u>7,293,565</u>	<u>7,292,295</u>	<u>7,866,585</u>	<u>7,465,228</u>	<u>7,399,153</u>
TOTALS	<u>\$199,622,888</u>	<u>\$193,191,821</u>	<u>\$199,048,079</u>	<u>\$206,385,957</u>	<u>\$208,026,479</u>	<u>\$210,247,989</u>

BIENNIUM TOTALS  
(millions)

\$406.0

\$401.2

\$409.9

(Includes Legislative, Judicial and University System  
pay raises in House Bill 145)

LEGISLATIVE

	FY 1978			FY 1979		
	Executive	LFA	HB 145	Executive	LFA	HB 145
<u>Legislative Auditor</u>						
General Fund	\$ 1,095,214	\$ 1,095,214	\$ 1,052,766	\$ 1,291,024	\$ 1,291,024	\$ 1,263,938

The difference between the original request and HB 145 is that the Legislature allowed only 16 new positions instead of the 24 requested. The pay raise is included in this appropriation.

Legislative Fiscal Analyst

General Fund	\$ 224,353	\$ 224,353	\$ 231,537	\$ 256,395	\$ 256,395	\$ 272,627
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Difference is inclusion of legislative pay raise.

Legislative Council

General Fund	\$ 920,914	\$ 1,917,859	\$ 938,414	\$ 886,720	\$ 0	\$ 896,720
Other Funds			7,500			7,500
	<u>\$ 920,914</u>	<u>\$ 1,917,859</u>	<u>\$ 945,914</u>	<u>\$ 886,720</u>	<u>\$ 0</u>	<u>\$ 904,220</u>

HB 145 includes the pay raise, \$10,000 per year for legislative travel, and funds for the coal board committee meetings. The LFA recommended the total appropriation in FY78 with the balance to be carried over. HB 145 appropriated by fiscal year.

Legislature

General Fund	\$ 0	\$ 0	\$ 30,000	\$ 0	\$ 0	\$ 30,000
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HB 145 includes PERS for the Legislature - not in feed bill.

Consumer Counsel

Other Funds	\$ 146,675	\$ 0	\$ 150,762	\$ 155,065	\$ 0	\$ 155,717
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HB 145 includes the pay raise.

Commission on Uniform State Laws

General Fund	\$ 5,000	\$ 0	\$ 0	\$ 5,000	\$ 0	\$ 0
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Eliminated by the Legislature.

Environmental Quality Council

General Fund	\$ 166,698	\$ 166,698	\$ 142,581	\$ 187,665	\$ 187,665	\$ 156,854
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Executive Budget and LFA accepted request as presented. HB 145 deleted 1.00 FTE from request.

JUDICIARY

	FY 1978			FY 1979		
	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>
General Fund	\$ 1,822,672	\$ 1,587,000	\$ 1,956,983	\$ 1,937,464	\$ 1,658,950	\$ 2,051,397
Other Funds	<u>56,100</u>	<u>56,100</u>	<u>56,100</u>			
	<u>\$ 1,878,772</u>	<u>\$ 1,643,100</u>	<u>\$ 2,013,083</u>	<u>\$ 1,937,464</u>	<u>\$ 1,658,950</u>	<u>\$ 2,051,397</u>

Executive Budget accepted request as presented but deleted funding by state of Lower Court System. LFA deleted law clerks and referees. HB 145 increased salaries of District Court Judges and Supreme Court Justices. Three District Court Judges were also added under SB71 but funds were not appropriated for their salaries and travel expenses.

County Attorneys

General Fund	<u>\$ 415,220</u>	<u>\$ 410,557</u>	<u>\$ 450,220</u>	<u>\$ 415,220</u>	<u>\$ 410,557</u>	<u>\$ 450,220</u>
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House Bill 145 increased the Executive Budget and LFA recommendations due to pay increases granted County Attorneys.

GOVERNOR'S OFFICE

	FY 1978			FY 1979		
	Executive	LFA	HB 145	Executive	LFA	HB 145
<u>Executive</u>						
General Fund	\$ <u>519,933</u>	\$ <u>519,933</u>	\$ <u>601,933</u>	\$ <u>524,896</u>	\$ <u>524,896</u>	\$ <u>612,396</u>

HB 145 includes the Governor's pay raise and funds for airplane rental.

Mansion Maintenance

General Fund	\$ <u>50,323</u>	\$ <u>50,323</u>	\$ <u>50,323</u>	\$ <u>50,834</u>	\$ <u>50,834</u>	\$ <u>50,834</u>
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No Change.

Office of Budget & Program Planning

General Fund	\$ <u>635,770</u>	\$ <u>617,633</u>	\$ <u>629,364</u>	\$ <u>633,285</u>	\$ <u>614,778</u>	\$ <u>638,028</u>
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HB 145 includes a grade 19 Data Processing Coordinator, \$20,000 per year for Data Processing, and one program analyst.

Indian Jurisdiction

General Fund	\$ <u>0</u>	\$ <u>0</u>	\$ <u>150,000</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>150,000</u>
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Added by Legislature. Funds are to be used to resolve jurisdictional disputes.

Lt. Governor

General Fund	\$ <u>104,748</u>	\$ <u>104,748</u>	\$ <u>239,522</u>	\$ <u>105,689</u>	\$ <u>105,689</u>	\$ <u>243,483</u>
Other Funds	<u>155,162</u>	<u>155,162</u>	<u>155,162</u>			
	\$ <u>259,910</u>	\$ <u>259,910</u>	\$ <u>394,684</u>	\$ <u>105,689</u>	\$ <u>105,689</u>	\$ <u>243,483</u>

HB 145 merged ERPO, less one position, in this office. The Lt. Governor's salary increase is included here.

Energy Resource Policy Office

General Fund	\$ <u>142,562</u>	\$ <u>142,562</u>	\$ <u>0</u>	\$ <u>145,871</u>	\$ <u>145,871</u>	\$ <u>0</u>
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Included in the Lieutenant Governor's Office.

Citizens Advocate

General Fund	\$ <u>56,865</u>	\$ <u>56,865</u>	\$ <u>56,865</u>	\$ <u>57,095</u>	\$ <u>57,095</u>	\$ <u>57,095</u>
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No change.

Board of Visitors

General Fund	\$ <u>0</u>	\$ <u>0</u>	\$ <u>38,912</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>38,126</u>
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Added to the Governor's Office by the Legislature.



## GOVERNOR'S OFFICE

(continued)

	FY 1978			FY 1979		
	Executive	LFA	HB 145	Executive	LFA	HB 145
Office of Commerce						
General Fund	\$ 0	\$ 0	\$ 61,300	\$ 0	\$ 0	\$ 63,950
Other Funds	0	0	160,000	0	0	160,000
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 221,300</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 223,950</u>

The Office of Commerce and Small Business Development and the Council of Economic Advisors, shown below, were originally in the DCA budget. The Legislature moved them into the Governor's budget.

## Economic Development

General Fund	\$ 0	\$ 0	\$ 67,000	\$ 0	\$ 0	\$ 67,000
Other Funds	0	0	200,000	0	0	200,000
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 267,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 267,000</u>

## Council of Economic Advisors.

<u>Governor's Office Total</u>	<u>\$ 1,665,363</u>	<u>\$ 1,647,226</u>	<u>\$ 2,410,381</u>	<u>\$ 1,517,670</u>	<u>\$ 1,499,163</u>	<u>\$ 2,280,912</u>
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## STATE AUDITOR

	FY 1978			FY 1979		
	Executive	LFA	HB 145	Executive	LFA	HB 145
General Fund	\$ 980,954	\$ 882,734	\$ 1,012,337	\$ 995,943	\$ 871,218	\$ 1,007,434
Other Funds	75,000		75,000	75,000		75,000
	<u>\$ 1,055,954</u>	<u>\$ 882,734</u>	<u>\$ 1,087,337</u>	<u>\$ 1,070,943</u>	<u>\$ 871,218</u>	<u>\$ 1,082,434</u>

HB145 is slightly higher than Executive Budget. LFA had recommended transfer of payroll program to the Department of Administration. This was not done.

SECRETARY OF STATE

	FY 1978			FY 1979		
	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>
General Fund	\$ <u>345,016</u>	\$ <u>336,995</u>	\$ <u>372,699</u>	\$ <u>349,477</u>	\$ <u>342,180</u>	\$ <u>378,496</u>

HB 145 increased the Secretary of State's salary as passed by the Legislature and added funds for the Office to dissolve non-practicing corporations.

Administrative Codes

General Fund	\$ <u>54,940</u>	\$ <u>0</u>	\$ <u>83,363</u>	\$ <u>55,285</u>	\$ <u>0</u>	\$ <u>73,114</u>
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HB 145 added between 20 and 30 thousand each year at the urging of the legislative committee studying the administrative code procedures.

Comm. of Campaign Finance & Practices

General Fund	\$ <u>82,011</u>	\$ <u>138,597</u>	\$ <u>80,430</u>	\$ <u>90,124</u>	\$ <u>133,761</u>	\$ <u>86,060</u>
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Ended slightly below the Executive Budget of 4.00 FTE. LFA recommended 7.00 FTE.

DEPARTMENT OF ADMINISTRATION

	FY 1978			FY 1979		
	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>
General Fund	\$ <u>3,754,658</u>	\$ <u>4,116,858</u>	\$ <u>3,980,314</u>	\$ <u>4,009,878</u>	\$ <u>4,371,202</u>	\$ <u>4,183,429</u>
Other Funds	<u>12,497,762</u>	<u>10,643,226</u>	<u>12,255,560</u>	<u>13,327,966</u>	<u>11,363,561</u>	<u>12,935,708</u>
	\$ <u>16,252,420</u>	\$ <u>14,760,084</u>	\$ <u>16,235,874</u>	\$ <u>17,337,844</u>	\$ <u>15,734,763</u>	\$ <u>17,119,137</u>

The legislative appropriations of HB 145 for the Department of Administration are over the Executive recommendations by \$123,865 in FY78 and under the Executive recommendation by \$75,048 in FY79. Of these amounts, \$366,067 in FY78 and \$317,210 are increases in the general fund.

Legislative changes to this Department included; transferring in the Board of Housing from the Department of Community Affairs, transferring in the functions of the State Treasurer, and transferring in the surplus property function from the Superintendent of Public Instruction. Additionally, a self insurance fund for state government was established. The State Treasurer's budget is included in the Executive and LFA budgets.

DEPARTMENT OF AGRICULTURE

	FY 1978			FY 1979		
	Executive	LFA	HB 145	Executive	LFA	HB 145
General Fund	\$ 706,367	\$ 718,453	\$ 725,484	\$ 741,642	\$ 731,778	\$ 739,760
Other Funds	928,662	872,619	1,372,215	941,968	875,850	1,396,230
	<u>\$ 1,635,029</u>	<u>\$ 1,591,072</u>	<u>\$ 2,097,699</u>	<u>\$ 1,683,610</u>	<u>\$ 1,607,628</u>	<u>\$ 2,135,990</u>

The Legislature added a full time personnel technician, a part time cherry inspector (.33 FTE) and a part time beehive inspector (.50 FTE) which were recommended by the LFA and funded from the General Fund. The Legislature appropriated additional other funds because of an increase of available revenue from the wheat research and marketing committee's collections and a federal pesticide grant that became available while the Legislature was in session.

DEPARTMENT OF BUSINESS REGULATION

	FY 1978			FY 1979		
	Executive	LFA	HB 145	Executive	LFA	HB 145
General Fund	\$ 798,871	\$ 837,165	\$ 830,759	\$ 818,821	\$ 871,971	\$ 865,387
Other Funds	240,818	227,797	311,718	246,214	233,717	308,208
	<u>\$ 1,039,689</u>	<u>\$ 1,064,962</u>	<u>\$ 1,142,477</u>	<u>\$ 1,065,035</u>	<u>\$ 1,105,688</u>	<u>\$ 1,173,595</u>

The legislative appropriations of HB 145 for the Department of Business Regulation are over the Executive recommendations by \$102,818 in FY78 and \$108,760 in FY79.

The only significant variation from the Executive request was the restoration of three bank examiners to the Finance program.

DEPARTMENT OF COMMUNITY AFFAIRS

	FY 1978			FY 1979		
	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>
General Fund	\$ 2,075,114	\$ 1,859,262	\$ 1,405,748	\$ 2,037,895	\$ 1,625,279	\$ 1,412,256
Other Funds	<u>15,335,625</u>	<u>13,254,012</u>	<u>8,949,634</u>	<u>15,345,728</u>	<u>13,182,781</u>	<u>10,099,469</u>
	<u>\$ 17,410,739</u>	<u>\$ 14,913,274</u>	<u>\$ 10,355,382</u>	<u>\$ 17,383,623</u>	<u>\$ 14,808,060</u>	<u>\$ 11,511,725</u>

House Bill 145 provides about \$670,000 of general funds below the Executive recommended level. This results from no general funds being appropriated for the purchase of aircraft, and modest reductions in Human Resources, Accounting and Management Systems, and Centralized Services budgets. The Housing Program was also reduced as a result of the passage of HB 230 which transferred the Board of Housing to the Department of Administration.

The Economic Development functions and the proposed Council of Economic Advisors were transferred from DCA to the Governor's Office. The Physical Fitness and State-Local Coordinators were not funded for the 1979 Biennium.

The substantial reduction in other funds results from reduced revenue estimates for the Coal Board as a result of the adoption of the constitutional coal tax trust fund.

EDUCATION

Board of Education	FY 1978			FY 1979		
	Executive	LFA	HB 145	Executive	LFA	HB 145
General Fund	\$ 70,036	\$ 18,550	\$ 65,887	\$ 70,556	\$ 18,550	\$ 65,182

Executive funded an executive assistant to the Board - LFA provided no support staff. Legislature funded executive assistant and secretary with minor adjustments in operating expenses.

Fire Service Academy

General Fund	\$ 118,545	\$ 0	\$ 137,162	\$ 123,472	\$ 0	\$ 140,421
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LFA recommendation was included as part of VoTech recommendation. HB 145 appropriated the FSA separately to the Board and added rental expense above the Executive recommendation.

Arts Council

General Fund	\$ 58,419	\$ 55,624	\$ 65,624	\$ 59,377	\$ 57,232	\$ 62,232
Other Funds	20,700	20,743	20,743	21,200	20,852	20,852
	<u>\$ 79,119</u>	<u>\$ 76,367</u>	<u>\$ 86,367</u>	<u>\$ 80,577</u>	<u>\$ 78,084</u>	<u>\$ 83,084</u>

Legislature funded \$5,000 per year for local community grants and \$5,000 for a Jeanette Rankin statue. Executive Budget provided funding for grants but none for the statue. LFA provided funding for neither.

Vo-Ed Advisory Council

General Fund	\$ 17,936	\$ 0	\$ 0	\$ 18,175	\$ 0	\$ 0
Other Funds	57,740	50,000	50,000	69,980	50,000	50,000
	<u>\$ 75,676</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 88,155</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>

Executive Budget provided current level funding for the Council and additional federal authority for a researcher. Both the LFA and HB 145 provided authority for only the basic federal grant. It now appears the Council will receive an additional \$25,000 per year in federal funds so there should be no fiscal problems for the Council.

State Library

General Fund	\$ 306,667	\$ 173,904	\$ 317,000	\$ 313,709	\$ 180,002	\$ 317,000
Other Funds	236,949	374,011	255,915	236,949	374,011	282,013
	<u>\$ 543,616</u>	<u>\$ 547,915</u>	<u>\$ 572,915</u>	<u>\$ 550,658</u>	<u>\$ 554,013</u>	<u>\$ 579,013</u>

Executive recommendation and HB 145 appropriations provide continued state support for the State Library, and allow federal grants to be used for local library development. LFA recommendation would have restricted federal fund usage to basic library support and reduced state effort.

EDUCATION  
(continued)

Historical Society	FY 1978			FY 1979		
	Executive	LFA	HB 145	Executive	LFA	HB 145
General Fund	\$ 353,458	\$ 262,178	\$ 387,741	\$ 354,319	\$ 261,108	\$ 389,889
Other Funds	<u>514,098</u>	<u>249,530</u>	<u>475,000</u>	<u>551,800</u>	<u>257,102</u>	<u>475,000</u>
	<u>\$ 867,556</u>	<u>\$ 511,708</u>	<u>\$ 862,741</u>	<u>\$ 906,119</u>	<u>\$ 518,210</u>	<u>\$ 864,889</u>

The LFA recommendation was for status quo. The Executive recommendation provided increased support in the archives program. The Legislative appropriation is above the Executive recommendation by the amount of the historical preservation program which was transferred from Fish and Game.

Deaf and Blind

General Fund	\$ 1,017,539	\$ 980,751	\$ 1,071,361	\$ 1,035,882	\$ 1,018,842	\$ 1,112,509
Other Funds	<u>368,355</u>	<u>395,500</u>	<u>395,500</u>	<u>382,183</u>	<u>407,943</u>	<u>407,943</u>
	<u>\$ 1,385,894</u>	<u>\$ 1,376,251</u>	<u>\$ 1,466,861</u>	<u>\$ 1,418,065</u>	<u>\$ 1,426,785</u>	<u>\$ 1,520,452</u>

The total funds recommendation by the LFA and Executive Budget were nearly the same, with the LFA recommending less General Funds. The Legislature's appropriation added roughly \$90,000 per year, additional funding to provide personnel on a 24 hour basis in the Care and Custody program.

Superintendent of Public Instruction

Chief State School Officer & Educational Services

General Fund	\$ 1,486,418	\$ 1,249,499	\$ 1,246,472	\$ 1,512,432	\$ 1,309,157	\$ 1,305,919
Other Funds	<u>3,138,405</u>	<u>2,693,500</u>	<u>3,023,210</u>	<u>3,280,173</u>	<u>2,724,075</u>	<u>3,071,709</u>
	<u>\$ 4,624,823</u>	<u>\$ 3,942,999</u>	<u>\$ 4,269,682</u>	<u>\$ 4,792,605</u>	<u>\$ 4,033,232</u>	<u>\$ 4,377,628</u>

The Superintendent's Chief State School Officer and Educational Services programs were cut considerably. The Executive Budget provided current level general fund support using guidelines similar to those applied to other state agencies, and supported requested non-general fund program modifications. The LFA drastically reduced General Fund support and filled in with federal funds. The Legislature supported the LFA General Fund recommendation and provided other fund support between the LFA and the Executive. No particular General Fund programs were eliminated but rather blanket cuts were applied.

Vo.Ed. Secondary

General Fund	<u>\$ 608,468</u>	<u>\$ 494,943</u>	<u>\$ 494,943</u>	<u>\$ 597,248</u>	<u>\$ 247,472</u>	<u>\$ 247,472</u>
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The Executive Budget recommendation was to freeze total Vo-Ed payments to secondary schools at the FY77 level. The LFA General Fund recommendation and the final legislative appropriation reduced the FY77 level by 1/3 each year.

EDUCATION  
(continued)

Vo.Ed. Centers	FY 1978			FY 1979		
	Executive	LFA	HB 145	Executive	LFA	HB 145
General Fund	\$ 3,416,585	\$ 3,460,018	\$ 3,435,682	\$ 3,437,477	\$ 3,506,726	\$ 3,607,039
Other Funds	<u>1,663,534*</u>	<u>1,685,256*</u>	<u>1,700,256</u>	<u>1,734,556*</u>	<u>1,757,147</u>	<u>1,772,147</u>
	<u>\$ 5,080,119</u>	<u>\$ 5,145,274</u>	<u>\$ 5,135,938</u>	<u>\$ 5,172,033</u>	<u>\$ 5,263,873</u>	<u>\$ 5,379,186</u>

The Executive Budget and LFA recommendations were only slightly apart. The LFA figures include the FSA of \$120,000/year. The Legislature basically adopted the recommendations. The major alterations were for the Fire Service Academy and for cost of living allowances.

\* Only \$115,161 and \$119,767 of this figure was appropriated in the Executive Budget.

Special Education Regional

Other Funds	<u>\$ 1,688,718</u>	<u>\$ 1,535,000</u>	<u>\$ 1,661,000</u>	<u>\$ 1,717,718</u>	<u>\$ 1,560,000</u>	<u>\$ 1,661,000</u>
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The Executive supported the agency's request. The LFA recommended a lower level of support and the Legislature funded the program at the FY77 level. Appropriation bill language also stipulated that no state employees would be allowed.

Transportation

General Fund	<u>\$ 3,300,000</u>	<u>\$ 3,268,000</u>	<u>\$ 3,268,000</u>	<u>\$ 3,600,000</u>	<u>\$ 3,606,000</u>	<u>\$ 3,606,000</u>
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The Executive, LFA and HB 145 figures were all based on the same estimated increase in rates. Slight differences were from rounding.

School Lunch

General Fund	<u>\$ 669,000</u>	<u>\$ 582,865</u>	<u>\$ 582,865</u>	<u>\$ 745,000</u>	<u>\$ 655,705</u>	<u>\$ 655,705</u>
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The Executive Budget supported the agency request since any overfunding of matching funds would revert. The Legislature used the more conservative LFA figures.

Traffic Education

Other Funds	<u>\$ 654,505</u>	<u>\$ No Rec.</u>	<u>\$ 654,505</u>	<u>\$ 690,282</u>	<u>\$ No Rec.</u>	<u>\$ 690,282</u>
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The LFA inadvertently made no recommendation. HB 145 funded the Executive Budget recommendation.

EDUCATION

(continued)

	FY 1978			FY 1979		
	Executive	LFA	HB 145	Executive	LFA	HB 145
Foundation Program & Permissive						
General Fund	\$ 28,840,000	\$ 40,358,000	\$ 34,930,000	\$ 28,860,000	\$ 48,381,000	\$ 37,770,000
Other Funds	<u>8,100,000</u>	<u>8,100,000</u>	<u>8,100,000</u>	<u>8,100,000</u>	<u>8,100,000</u>	<u>8,100,000</u>
	<u>\$ 37,940,000</u>	<u>\$ 48,458,000</u>	<u>\$ 43,030,000</u>	<u>\$ 36,960,000</u>	<u>\$ 56,481,000</u>	<u>\$ 45,870,000</u>

Although there existed slight differences in revenue estimates, the major differences in the recommendations for public school support were with respect to the assumed increase in schedules: Executive - 6% per year, LFA - 9.3% per year, Legislature - 7% per year.

University System

Regents

General Fund	\$ 1,425,000	\$ 841,166	\$ 14,145	\$ 1,425,000	\$ 1,304,358	\$ 14,145
Other Funds	<u>27,380</u>	<u>0</u>	<u>0</u>	<u>28,150</u>	<u>0</u>	<u>0</u>
	<u>\$ 1,452,380</u>	<u>\$ 841,166</u>	<u>\$ 14,145</u>	<u>\$ 1,453,150</u>	<u>\$ 1,304,358</u>	<u>\$ 14,145</u>

Major differences were attributable to contingency funds. The Executive recommended a contingency fund of \$1.425 mill/year while the L.F.A. recommended an enrollment contingency fund of \$841,166 and \$1,304,358 for FY 78 and FY 79 respectively. The Legislature appropriated a millage contingency fund of \$200,000 to the Commissioner's Office. The Legislature also chose to budget all support costs other than per diem in the Commissioner's Office. The Executive had permitted allocating some to the Regents. The Regents requested and the Executive allowed the use of millage as a funding source. The LFA recommended and the Legislature agreed to restrict millage to the Units.

Community Colleges

General Fund	\$ 1,696,958	\$ 1,516,178	\$ 1,855,578	\$ 1,724,008	\$ 1,631,365	\$ 1,992,279
Other Funds	<u>110,300</u>	<u>0</u>	<u>0</u>	<u>116,200</u>	<u>0</u>	<u>0</u>
	<u>\$ 1,806,958</u>	<u>\$ 1,516,178</u>	<u>\$ 1,855,578</u>	<u>\$ 1,840,208</u>	<u>\$ 1,631,365</u>	<u>\$ 1,992,279</u>

The LFA funded their recommended total budget for Community Colleges at the same percent as existed in FY77. The Executive provided 65% funding for a similar budget. The Legislature chose to adopt slightly more generous guidelines, added cost of living allowances, and funded their recommended budget at 65%.



EDUCATION

Commissioner's Office	FY 1978			FY 1979		
	Executive	LFA	HB 145	Executive	LFA	HB 145
General Fund	\$ 3,328,436	\$ 3,064,414	\$ 3,405,974	\$ 3,627,986	\$ 3,341,722	\$ 3,506,841
Other Funds	239,000	97,050	214,000	246,000	98,705	220,000
	<u>\$ 3,567,436</u>	<u>\$ 3,161,464</u>	<u>\$ 3,619,974</u>	<u>\$ 3,873,986</u>	<u>\$ 3,440,427</u>	<u>\$ 3,726,841</u>

The major difference between the L.F.A., the Executive, and the Legislature in the administration program was that the LFA recommended sizeable decreases in personnel. The Executive recommended the requested. The Legislature added one fiscal position and removed two others. The Legislature agreed with the Executive recommendation for the remaining programs.

6 Academic Units

General Fund	\$ 34,000,520	\$ 28,802,570	\$ 33,226,181	\$ 35,027,897	\$ 28,886,783	\$ 34,398,965
Other Funds	22,288,442	24,270,987	24,474,806	23,083,498	26,110,679	25,885,694
	<u>\$ 56,288,962</u>	<u>\$ 53,073,537</u>	<u>\$ 57,700,987</u>	<u>\$ 58,111,395</u>	<u>\$ 54,997,462</u>	<u>\$ 60,084,659</u>

3 Research Units

General Fund	\$ 5,461,144	\$ 4,124,274	\$ 4,812,260	\$ 5,637,777	\$ 4,136,205	\$ 5,140,055
Other Funds	3,388,593	4,039,201	4,820,369	3,550,057	4,205,147	4,761,449
	<u>\$ 8,849,737</u>	<u>\$ 8,163,475</u>	<u>\$ 9,632,629</u>	<u>\$ 9,187,834</u>	<u>\$ 8,341,352</u>	<u>\$ 9,901,504</u>

The major differences in total funding levels recommended by the Executive, the L.F.A., and those adopted by the Legislature are attributed to differences in methodology employed. The L.F.A. applied inflation guidelines to a FY 76 base; the Executive used the FY 77 base. The final Legislature figures were derived by applying more generous guidelines to the FY 76 base. The Legislature also increased average faculty salaries above those recommended by the L.F.A. and decreased the student faculty ratios. The Legislature adopted most of the program modifications endorsed by the Executive. Student fees were increased after the session began. This accounts for most of the difference in other funds. The Legislature also chose to appropriate some non "current unrestricted" funds. The Executive only made recommendations on current unrestricted funds.

DEPARTMENT OF FISH AND GAME

	FY 1978			FY 1979		
	Executive	LFA	HB 145	Executive	LFA	HB 145
General Fund	\$ 513,736	\$ 448,648	\$ 448,648	\$ 552,074	\$ 457,969	\$ 457,969
Other Funds	<u>11,392,716</u>	<u>9,521,319</u>	<u>11,828,947</u>	<u>11,799,190</u>	<u>9,719,138</u>	<u>12,296,583</u>
	<u>\$ 11,906,452</u>	<u>\$ 9,969,967</u>	<u>\$ 12,277,595</u>	<u>\$ 12,351,264</u>	<u>\$ 10,177,107</u>	<u>\$ 12,754,552</u>

House Bill 145 appropriates above both LFA and Executive recommendations because of the new revenue sources authorized for the park system by SB 44 (coal tax) and HB 635 (increase motorboat fuel percentage).

The slight reductions in the Wildlife, Fish and Administration Programs result in vacancy savings and the decrease in Wildlife capital outlay expenditures.

The general fund appropriation for the Park Program is based upon the LFA recommendation.

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

	FY 1978			FY 1979		
	Executive	LFA	HB 145	Executive	LFA	HB 145
General Fund	\$ 2,462,017	\$ 2,585,816	\$ 2,579,678	\$ 2,506,417	\$ 2,735,868	\$ 2,624,632
Other Funds	<u>16,090,145</u>	<u>9,461,111</u>	<u>14,012,813</u>	<u>16,431,740</u>	<u>9,544,459</u>	<u>14,136,773</u>
	<u>\$ 18,552,162</u>	<u>\$ 12,046,927</u>	<u>\$ 16,592,491</u>	<u>\$ 18,938,157</u>	<u>\$ 12,280,327</u>	<u>\$ 16,761,405</u>

House Bill 145 increased General Fund support over Executive Budget slightly over \$100,000 each year. The increase came mainly in the pilot program, Health Services, where the Heart Diagnostic Center at Great Falls was again funded and funds for handicapped children were increased. LFA had recommended some of the TB patients at Galen be taken care of in Butte and added \$80,000 General Fund each year to do so. House Bill 145 eliminated the funds for this plan. LFA had reduced authorization of federal funds six to six and one half million each year below Executive Budget. House Bill 145 restored about four and one half million each year.

DEPARTMENT OF HIGHWAYS

	FY 1978			FY 1979		
	Executive	LFA	HB 145	Executive	LFA	HB 145
Other Funds	<u>\$135,946,008</u>	<u>\$129,657,393</u>	<u>\$132,872,282</u>	<u>\$133,330,566</u>	<u>\$126,685,671</u>	<u>\$129,147,583</u>

The major difference is in the Maintenance program. The legislature and the LFA recommended funding at the "B" level rather than the "C" level that the Executive Budget had recommended.

House Bill 769 moved certain sections of the secondary highway system (that the counties had previously maintained) to the primary system. The bill provided for a ¼ cent tax increase and an additional \$2.8 million for the Maintenance program.

DEPARTMENT OF INSTITUTIONS

	FY 1978			FY 1979		
	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>
<u>Central Office</u>						
General Fund	\$ 5,708,490	\$ 5,226,288	\$ 5,555,685	\$ 5,895,417	\$ 6,847,189	\$ 6,591,333
Other Funds	<u>1,253,456</u>	<u>1,663,032</u>	<u>2,648,132</u>	<u>1,257,660</u>	<u>1,600,065</u>	<u>2,449,351</u>
	<u>\$ 6,961,946</u>	<u>\$ 6,889,320</u>	<u>\$ 8,203,817</u>	<u>\$ 7,153,077</u>	<u>\$ 8,447,254</u>	<u>\$ 9,040,684</u>

The major increase is the addition of earmarked funds generated by HB 627 for alcohol treatment. The Legislature used the LFA mental health center recommendation which was higher than the Executive. Five (5) new parole officers were added by floor amendment.

Boulder River School and Hospital

General Fund	\$ 6,980,031	\$ 7,156,633	\$ 7,050,233	\$ 7,251,057	\$ 7,111,358	\$ 7,110,958
Other Funds	<u>256,000</u>	<u>256,000</u>	<u>256,000</u>	<u>256,000</u>	<u>256,000</u>	<u>256,000</u>
	<u>\$ 7,236,031</u>	<u>\$ 7,412,633</u>	<u>\$ 7,306,233</u>	<u>\$ 7,507,057</u>	<u>\$ 7,367,358</u>	<u>\$ 7,366,958</u>

House Bill 145 is the Fiscal Analyst's Budget which is slightly higher than the Executive in dollars and 40 higher in FTE.

Center for the Aged

General Fund	<u>\$ 1,218,819</u>	<u>\$ 1,204,066</u>	<u>\$ 1,341,003</u>	<u>\$ 1,245,092</u>	<u>\$ 1,240,074</u>	<u>\$ 1,320,438</u>
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House Bill 145 increased general fund spending through the addition of 24.38 FTE to care for approximately 60 new residents being transferred from Warm Springs State Hospital. The Center's bed capacity has been expanded from 145 to 201 beds. Additional general fund increases were created by a \$67,000 addition to operating expenses for contracted medical expenses, WATS telephone line, concrete work, utilities and equipment.

DEPARTMENT OF INSTITUTIONS  
(continued)

	FY 1978			FY 1979		
	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>
<u>Eastmont Training Center</u>						
General Fund	\$ 454,477	\$ 376,013	\$ 434,983	\$ 451,242	\$ 385,018	\$ 431,103
Other Funds	<u>35,235</u>	<u>1,200</u>	<u>51,000</u>	<u>35,932</u>	<u>1,200</u>	<u>51,000</u>
	<u>\$ 489,712</u>	<u>\$ 377,213</u>	<u>\$ 485,983</u>	<u>\$ 487,174</u>	<u>\$ 386,218</u>	<u>\$ 482,103</u>

House Bill 145 is basically the Executive Budget.

Galen State Hospital

General Fund	\$ 4,239,978	\$ 3,638,231	\$ 2,776,242	\$ 4,368,875	\$ 3,682,774	\$ 2,829,533
Other Funds	<u>2,200</u>	<u>2,293</u>	<u>995,617</u>	<u>2,200</u>	<u>706</u>	<u>985,282</u>
	<u>\$ 4,242,178</u>	<u>\$ 3,640,524</u>	<u>\$ 3,771,859</u>	<u>\$ 4,371,075</u>	<u>\$ 3,683,480</u>	<u>\$ 3,814,815</u>

House Bill 145 significantly reduced the general fund appropriation while increasing other funds from earmarked revenues generated by HB 627 (Alcohol Tax). The Legislature also reduced Galen's authorized FTE level by 42 positions to 252.0 FTE.

The Lighthouse program was funded with 8 FTE for a total FTE at Galen of 260.

Mountain View School

General Fund	\$ 1,084,455	\$ 976,604	\$ 1,084,073	\$ 1,115,645	\$ 1,032,720	\$ 1,107,784
Other Funds	<u>35,193</u>	<u>75,787</u>	<u>34,924</u>	<u>36,175</u>	<u>45,800</u>	<u>38,166</u>
	<u>\$ 1,119,648</u>	<u>\$ 1,052,391</u>	<u>\$ 1,118,997</u>	<u>\$ 1,151,820</u>	<u>\$ 1,078,520</u>	<u>\$ 1,145,950</u>

House Bill 145 added 2.5 FTE to Mountain View including two (2) cottage life attendants and .5 FTE nurse. The Legislature adopted the LFA recommended budget with modifications for the new positions and used the Executive recommendation for fund source.

Pine Hills School

General Fund	\$ 1,749,886	\$ 1,666,787	\$ 1,758,456	\$ 1,789,482	\$ 1,776,119	\$ 1,793,258
Other Funds	<u>174,595</u>	<u>262,647</u>	<u>171,648</u>	<u>178,727</u>	<u>189,418</u>	<u>165,479</u>
	<u>\$ 1,924,481</u>	<u>\$ 1,929,434</u>	<u>\$ 1,930,104</u>	<u>\$ 1,968,209</u>	<u>\$ 1,965,537</u>	<u>\$ 1,958,737</u>

DEPARTMENT OF INSTITUTIONS  
(continued)

House Bill 145 increased the Pine Hills budget through the addition of a farm hand and receptionist (2.0 FTE). The Legislature essentially adopted the LFA budget recommendation.

State Prison

General Fund	\$ 4,313,779	\$ 4,142,463	\$ 5,529,433	\$ 4,393,828	\$ 4,260,268	\$ 5,772,995
Other Funds	<u>1,330,518</u>	<u>1,114,565</u>	<u>1,333,738</u>	<u>1,273,096</u>	<u>1,136,269</u>	<u>1,263,166</u>
	<u>\$ 5,644,297</u>	<u>\$ 5,257,028</u>	<u>\$ 6,863,171</u>	<u>\$ 5,666,924</u>	<u>\$ 5,396,537</u>	<u>\$ 7,036,161</u>

House Bill 145 is substantially over both Executive and LFA budgets due to the sudden increase in population which requires running the old prison for two (2) more years.

Swan River Youth Forest Camp

General Fund	\$ 509,270	\$ 312,666	\$ 436,001	\$ 525,648	\$ 428,674	\$ 447,021
Other Funds	<u>22,000</u>	<u>211,242</u>	<u>125,992</u>	<u>22,000</u>	<u>103,410</u>	<u>126,580</u>
	<u>\$ 531,270</u>	<u>\$ 523,908</u>	<u>\$ 561,993</u>	<u>\$ 547,648</u>	<u>\$ 532,084</u>	<u>\$ 573,601</u>

The major difference from the Executive is that the Legislature anticipated receiving Vocational Rehab money which the Executive does not anticipate being available.

Veterans' Home

General Fund	\$ 432,980	\$ 20,000	\$ 152,072	\$ 441,173	\$ 20,000	\$ 145,159
Other Funds	<u>313,065</u>	<u>694,078</u>	<u>572,006</u>	<u>313,065</u>	<u>712,656</u>	<u>587,497</u>
	<u>\$ 746,045</u>	<u>\$ 714,078</u>	<u>\$ 724,078</u>	<u>\$ 754,238</u>	<u>\$ 732,656</u>	<u>\$ 732,656</u>

The difference in funding is due to the Legislature using patient reimbursements to assist in funding the operation of the home. This is based on the ability to pay. An accurate amount of reimbursement was not available, so we will have to monitor this to make sure adequate revenue is coming in to fund the operation.

DEPARTMENT OF INSTITUTIONS  
(continued)

	FY 1978			FY 1979		
	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>
<u>Warm Springs State Hospital</u>						
General Fund	\$ 11,171,979	\$ 10,693,140	\$ 10,781,595	\$ 10,938,823	\$ 10,952,170	\$ 11,141,165
Other Funds	<u>294,884</u>	<u>402,928</u>	<u>402,928</u>	<u>314,143</u>	<u>327,187</u>	<u>346,647</u>
	<u>\$ 11,466,863</u>	<u>\$ 11,096,068</u>	<u>\$ 11,184,523</u>	<u>\$ 11,252,966</u>	<u>\$ 11,279,357</u>	<u>\$ 11,487,812</u>

The total budget authorized is basically the LFA's and the FTE recommendations are the Executive's. The Executive Budget with 717.60 FTE was based on a 6% vacancy savings. This will be a natural vacancy savings - not forced.

Board of Pardons

General Fund	<u>\$ 69,257</u>	<u>\$ 54,037</u>	<u>\$ 74,230</u>	<u>\$ 70,542</u>	<u>\$ 53,317</u>	<u>\$ 73,826</u>
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House Bill 145 is the Executive budget plus extra travel for the new board members and the sub-committee.

Childrens' Center

General Fund	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 89,443</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 94,442</u>
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The Legislature added maintenance money for the next biennium.

DEPARTMENT OF JUSTICE

	FY 1978			FY 1979		
	Executive	LFA	HB 145	Executive	LFA	HB 145
General Fund	\$ 3,665,480	\$ 3,842,963	\$ 4,334,143	\$ 4,059,736	\$ 4,032,971	\$ 4,884,565
Other Funds	<u>5,927,920</u>	<u>5,669,623</u>	<u>5,516,161</u>	<u>5,807,951</u>	<u>5,703,978</u>	<u>5,389,363</u>
	<u>\$ 9,593,400</u>	<u>\$ 9,512,586</u>	<u>\$ 9,850,304</u>	<u>\$ 9,867,687</u>	<u>\$ 9,736,949</u>	<u>\$ 10,273,928</u>
<b>Crime Control</b>						
General Fund	\$ 195,885	\$ 195,885	\$ 195,885	\$ 205,751	\$ 205,751	\$ 205,751
Other Funds	<u>790,038</u>	<u>790,038</u>	<u>790,038</u>	<u>819,179</u>	<u>819,179</u>	<u>819,179</u>
	<u>\$ 985,923</u>	<u>\$ 985,923</u>	<u>\$ 985,923</u>	<u>\$ 1,024,930</u>	<u>\$ 1,024,930</u>	<u>\$ 1,024,930</u>

In the County Prosecution unit an additional 5 FTEs were added. The budget was increased \$150,768 in the General Fund and \$48,249 in other funds for the biennium. This unit will assist the county attorneys (at their request) in the investigation and prosecution of major felony cases.

In the Highway Patrol budget \$1,081,436 was transferred from the Earmarked Retirement Account to the General Fund per the Legislative Auditor's request. Other funds were increased by \$200,000 for anticipated overtime payments. This overtime provision was negotiated and ratified after the Legislature was in session. The General Fund was increased \$104,000 for accruals and \$95,290 for automobiles.

One FTE was added to the Legal Services program, one FTE was added to the Crime Lab, and one FTE was added to the Data Processing program (this position was in Contracted Services).

The County Attorney program was transferred from the State Auditor's Office.

Crime Control was appropriated as requested.



DEPARTMENT OF LABOR AND INDUSTRY

	FY 1978			FY 1979		
	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>
<u>Labor Standards</u>						
General Fund	\$ 424,024	\$ 240,475	\$ 307,491	\$ 452,408	\$ 243,717	\$ 312,627
Other Funds	487,770	532,400	532,400	494,943	541,111	541,111
	<u>\$ 911,794</u>	<u>\$ 772,875</u>	<u>\$ 839,891</u>	<u>\$ 947,351</u>	<u>\$ 784,828</u>	<u>\$ 853,738</u>

The Executive Budget recommended 11 additional FTE in Labor Administration, LFA recommended 2 FTE. House Bill 145 passed at 5 FTEs. The Women's Bureau was increased by 1 FTE in HB145. HB 145 provided for Workers' Compensation and Employment Security Divisions to provide partial funding for the Office of the Commissioner of Labor.

Board of Personnel Appeals

General Fund	\$ 243,976	\$ 208,561	\$ 245,903	\$ 247,605	\$ 212,466	\$ 249,501
Other Funds	16,000	20,000	16,000	16,000	20,000	16,000
	<u>\$ 259,976</u>	<u>\$ 228,561</u>	<u>\$ 261,903</u>	<u>\$ 263,605</u>	<u>\$ 232,466</u>	<u>\$ 265,501</u>

House Bill 145 adopted the Executive Budget level, an increase over LFA by 1 FTE.

Human Rights Division

General Fund	\$ 150,955	\$ 91,229	\$ 105,161	\$ 152,577	\$ 92,963	\$ 102,429
Other Funds	79,750	79,750	79,750	85,420	85,420	85,420
	<u>\$ 230,705</u>	<u>\$ 170,979</u>	<u>\$ 184,911</u>	<u>\$ 237,997</u>	<u>\$ 178,383</u>	<u>\$ 187,849</u>

House Bill 145 provided for funding at the Executive Budget current level status.

Employment Security Division

Other Funds	<u>\$ 11,377,886</u>	<u>\$ 9,672,496</u>	<u>\$ 11,377,886</u>	<u>\$ 11,701,220</u>	<u>\$ 9,827,467</u>	<u>\$ 11,701,220</u>
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House Bill 145 set expenditure levels at exactly the Executive Budget level which will allow the agency tremendous flexibility in combatting unemployment. HB 145 increased the LFA recommendation by 1½ to 2 million each year. A total of 89 additional FTEs were allowed.

DEPARTMENT OF LABOR AND INDUSTRY  
(continued)

	FY 1978			FY 1979		
	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>
<u>Workers' Compensation Division</u>						
General Fund	\$ 987,399	\$ 1,011,804	\$ 1,013,074	\$ 987,501	\$ 1,012,385	\$ 1,013,095
Other Funds	3,387,399	2,950,115	2,917,824	3,485,520	3,013,543	2,947,189
	<u>\$ 4,374,798</u>	<u>\$ 3,961,919</u>	<u>\$ 3,930,898</u>	<u>\$ 4,473,021</u>	<u>\$ 4,025,928</u>	<u>\$ 3,960,284</u>

House Bill 145 increased the General Fund share slightly over the Executive Budget and LFA recommendations after the agency submitted increased estimates for silicosis benefits. The Executive Budget was reduced about \$300,000 each year and the appropriation was set at slightly below the LFA recommendation.

DEPARTMENT OF STATE LANDS

	FY 1978			FY 1979		
	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>
General Fund	\$ 1,077,362	\$ 1,022,207	\$ 1,031,995	\$ 1,094,714	\$ 1,048,506	\$ 1,099,682
Other Funds	419,954	423,842	541,875	418,689	423,661	491,837
	<u>\$ 1,497,316</u>	<u>\$ 1,446,049</u>	<u>\$ 1,633,870</u>	<u>\$ 1,513,403</u>	<u>\$ 1,472,167</u>	<u>\$ 1,591,519</u>

The biennial appropriation includes 5 additional positions. An environmental planner, accountant, 2 open cut reclamation managers and a secretary was added in FY79 for the Land Administration Program.

Payments to school districts in lieu of taxes on state lands were increased from \$350,000 to \$380,000 in the next biennium.

Funds to microfilm land ownership records were appropriated from the General Fund in the amount of \$19,775.

Drilling expenses of \$120,000 were appropriated from earmarked funds to verify the value of minerals on state owned lands.

House Bill 145 includes appropriations from the Resources Indemnity Trust Fund for the support of the Saline-Seep and Natural Areas Programs.

DEPARTMENT OF LIVESTOCK

	FY 1978			FY 1979		
	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>
General Fund	\$ 392,267	\$ 405,273	\$ 527,400	\$ 418,226	\$ 414,250	\$ 551,659
Other Funds	<u>2,277,446</u>	<u>2,001,513</u>	<u>2,040,599</u>	<u>2,352,816</u>	<u>2,010,067</u>	<u>2,137,864</u>
	<u>\$ 2,669,713</u>	<u>\$ 2,406,786</u>	<u>\$ 2,567,999</u>	<u>\$ 2,771,042</u>	<u>\$ 2,424,317</u>	<u>\$ 2,689,523</u>

The Department of Livestock was appropriated approximately \$250,000 more General Fund for the next biennium than recommended by the Governor. The primary reason for the increase in General Fund support was the depressed condition of the livestock industry. In the past, mill levies on livestock financed approximately 81% of the Department's operations. In the next biennium the General Fund will support approximately 26% of the Department's operational costs as compared to 19% in the past.

The Legislature added 10 new positions to the Diagnostic Lab and the Disease Control program.

DEPARTMENT OF MILITARY AFFAIRS

	FY 1978			FY 1979		
	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>
<u>Adjutant General</u>						
General Fund	\$ 572,301	\$ 630,074	\$ 560,274	\$ 611,001	\$ 653,265	\$ 581,465
Other Funds	<u>256,924</u>	<u>282,961</u>	<u>413,865</u>	<u>258,812</u>	<u>287,775</u>	<u>414,784</u>
	<u>\$ 829,225</u>	<u>\$ 913,035</u>	<u>\$ 974,139</u>	<u>\$ 869,813</u>	<u>\$ 941,040</u>	<u>\$ 996,249</u>
<u>Civil Defense</u>						
General Fund	\$ 108,180	\$ 75,954	\$ 103,385	\$ 109,902	\$ 92,932	\$ 107,101
Other Funds	<u>354,569</u>	<u>315,259</u>	<u>342,690</u>	<u>318,726</u>	<u>287,427</u>	<u>307,220</u>
	<u>\$ 462,749</u>	<u>\$ 391,213</u>	<u>\$ 446,075</u>	<u>\$ 428,628</u>	<u>\$ 380,359</u>	<u>\$ 414,321</u>
Dept. Total	<u>\$ 1,291,974</u>	<u>\$ 1,304,248</u>	<u>\$ 1,420,214</u>	<u>\$ 1,298,241</u>	<u>\$ 1,321,399</u>	<u>\$ 1,410,570</u>

The legislative appropriations of HB 145 for the Department of Military Affairs are pretty much in line with the Executive recommendations except for an increase of federal funds which will support five firemen, previously funded by the city of Great Falls, at the Air National Guard facility.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

	FY 1978			FY 1979		
	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>
General Fund	\$ 4,407,010	\$ 4,125,260	\$ 4,701,335	\$ 4,596,130	\$ 4,323,314	\$ 4,881,421
Other Funds	<u>4,777,190</u>	<u>4,424,838</u>	<u>5,402,522</u>	<u>5,073,097</u>	<u>4,752,121</u>	<u>5,249,544</u>
	<u>\$ 9,184,200</u>	<u>\$ 8,550,098</u>	<u>\$ 10,103,857</u>	<u>\$ 9,669,227</u>	<u>\$ 9,075,435</u>	<u>\$ 10,130,965</u>

General Fund differences in both years of the next biennium are due to addition by the Legislature of funds to finance the Forest Inventory project, and the State's contribution to the weather modification project in Miles City. These increases are somewhat offset by the lower inflation rates recommended by the LFA.

Other fund differences are due primarily to the addition of authority to expend CETA grants in the next biennium. These funds will finance 117 positions in the next biennium.

DEPARTMENT OF PROFESSIONAL & OCCUPATIONAL LICENSING

	FY 1978			FY 1979		
	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>
Other Funds	<u>\$ 1,356,584</u>	<u>\$ 1,204,386</u>	<u>\$ 976,463</u>	<u>\$ 1,457,212</u>	<u>\$ 1,250,552</u>	<u>\$ 1,031,846</u>

The main differences between the Executive Budget and the LFA were the inflationary factors, use of different "base years" and a number of modifications included in the Executive Budget were not included in LFA proposals. The Board of Real Estate was cut \$69,548 over the biennium due to dissatisfaction concerning the operation of the Board. Electrical Board and Board of Plumbers appropriations were reduced due to SB 401 which moved the inspection functions to the Department of Administration.

Central Services - Legislature increased appropriation in FY79 to cover an unanticipated rent increase.

PUBLIC SERVICE COMMISSION

	FY 1978			FY 1979		
	Executive	LFA	HB 145	Executive	LFA	HB 145
General Fund	\$ 647,356	\$ 659,253	\$ 804,481	\$ 663,361	\$ 670,579	\$ 819,226
Other Funds	16,000	16,000	16,000	16,000	16,000	16,000
	<u>\$ 663,356</u>	<u>\$ 675,253</u>	<u>\$ 820,481</u>	<u>\$ 679,361</u>	<u>\$ 686,579</u>	<u>\$ 835,226</u>

Six additional positions were added. Five of the positions, a tax accountant, auditor, economist, and a hearing reporter will assist in preparing cases for rate hearings. The sixth position, an executive administrator, will assist the commissioners.

DEPARTMENT OF REVENUE

	FY 1978			FY 1979		
	Executive	LFA	HB 145	Executive	LFA	HB 145
General Fund	\$ 11,951,438	\$ 8,944,311	\$ 10,628,382	\$ 10,616,553	\$ 9,297,510	\$ 9,838,488
Other Funds	59,839,405	5,699,827	5,699,827	63,966,611	5,904,761	5,904,761
	<u>\$ 71,790,843</u>	<u>\$ 14,644,138</u>	<u>\$ 16,328,209</u>	<u>\$ 74,603,164</u>	<u>\$ 15,202,271</u>	<u>\$ 15,743,249</u>

The legislative appropriations of HB 145 for the Department of Revenue is \$114,322,549 less than the Executive request for the biennium. Of this amount the most significant variance, \$54,139,578 in FY78 and \$58,081,850 in FY79, is revolving fund liquor purchase money and transfers of liquor licenses taxes to cities and counties. The legislature authorized the expenditure of these funds to the extent available by law and did not include a specific amount.

Additionally, \$700,000 in general fund which was to be used to administer the Governor's property tax relief initiative has been transferred to the surplus from which the tax is to be paid (effectively reducing the amount to be paid as tax rebates by the amount necessary to administer the program).

Also, approximately \$900,000 in FY78 and \$300,000 in FY79 of general fund was reduced from property valuation program.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

	FY 1978			FY 1979		
	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>	<u>Executive</u>	<u>LFA</u>	<u>HB 145</u>
General Fund	\$ 31,757,069	\$ 28,400,437	\$ 29,831,666	\$ 36,858,639	\$ 31,948,982	\$ 33,539,106
Other Funds	<u>16,795,159</u>	<u>15,680,623</u>	<u>16,114,249</u>	<u>17,011,323</u>	<u>15,896,529</u>	<u>16,298,301</u>
	<u>\$ 48,552,228</u>	<u>\$ 44,081,060</u>	<u>\$ 45,945,915</u>	<u>\$ 53,869,962</u>	<u>\$ 47,845,511</u>	<u>\$ 49,837,407</u>

The Executive Budget exceeds the amounts appropriated in HB 145 by \$6,638,868 for the biennium. HB 145 exceeds the LFA budget by \$3,856,751 for the biennium.

The appropriated fund difference between the Executive Budget and HB 145 is due primarily to the projections used for determining: 1) Medicaid costs and client utilization, 2) the number of clients applying for financial assistance, 3) the number of clients applying for DD services and the costs of those services and 4) the major reduction in the Staff Development program.

These reductions occur in five programs, Economic Assistance, Eligibility Determination, Social Services, DDD and Staff Development and account for approximately 82 percent of the difference.

Of the five programs, Economic Assistance and DDD appear the most likely candidates for fiscal problems should utilization projections exceed those used by the Legislature in setting the budgets.

