

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION**

#### **JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT AND TRANSPORTATION**

**Call to Order:** By **CHAIRMAN JOHN SINRUD**, on January 6, 2005 at  
8:00 A.M., in Room 317-B Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. John Sinrud, Chairman (R)  
Sen. Mike Cooney (D)  
Sen. Rick Laible (R)  
Sen. Lane L. Larson (D)  
Rep. Jon C. Sesso (D)  
Sen. Corey Stapleton (R)  
Rep. Janna Taylor (R)

**Members Excused:** None

**Members Absent:** Rep. Rosalie (Rosie) Buzzas (D)

**Staff Present:** Christie Moyer, OBPP  
Greg DeWitt, Legislative Fiscal Division  
Esther Poor, Committee Secretary  
Transcribed by Jamie Mickelson

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

Subcommittee Orientation

**SUBCOMMITTEE ORIENTATION AND TRAINING**  
**PROXY FORMS**

**CHAIRMAN SINRUD** asked the General Government Subcommittee to discuss how the proxy forms need to be handled. He commented that last session each decision package had a proxy vote. He stated that if a member of the Committee will be absent, then that Committee member will be required to leave their proxy form with a present Committee member.

**SEN. COONEY** questioned if he would be able to choose a member of the Committee to leave their proxy form with and distinguish how they want to vote. **CHAIRMAN SINRUD** stated that is a good idea, however, there needs to be a signature from the absent member of the Committee, as well as the present member voting for them.

**SEN. LAIBLE** stated that the present Committee member responsible for the proxy form, is required to fill out the decision packages voted on by proxy during executive action.

**Motion/Vote:** **SEN. LAIBLE** moved that **THE COMMITTEE ALLOW THE LEGISLATOR TO VOTE VIA PROXY AS LONG AS THAT PROXY HAS BEEN COMPLETED AND SIGNED. Motion carried unanimously by voice vote.**  
**{Tape: 1; Side: A; Approx. Time Counter: 0 - 10}**

**MOTIONS BY THE CHAIRMAN**

**Greg DeWitt, LFD**, commented that in the past the chairman of a committee could make a motion. He stated that motions did not require a second.

**CHAIRMAN SINRUD** informed the Committee that the chair will have the authority to make motions and no second will be necessary.  
**{Tape: 1; Side: A; Approx. Time Counter: 10 - 13}**

**TESTIMONIES**

**CHAIRMAN SINRUD** informed the Committee that he would like a brief presentation and description of the agency's requests and goals. He commented that he would like to limit opponents and proponents to fifteen minutes each.

**CHAIRMAN SINRUD** requested a list of presentation rules for agencies.

**Mr. DeWitt** presented an e-mail to the Committee that he had sent to all agencies that were to present budget proposals for General Government and Transportation Joint Appropriations Subcommittee. This e-mail stated three main points:

- The agency presentations were to be brief
- Copies for at least 11 people
- Handouts need to be three-hole-punched

**EXHIBIT(jgh04a01)**

#### **COMMITTEE MEETING SCHEDULE**

**CHAIRMAN SINRUD** gave a brief presentation on a handout labeled, "General Government and Transportation Appropriations Subcommittee Tentative Schedule." He informed the Committee that they will stay with the schedule as it is listed. He commented that if anyone is going to be absent they must be sure to let him know. He said, "If you are going to be absent be sure to get your proxy taken care of with the appropriate date."

**Mr. DeWitt** commented that no changes have been made on the schedule since it had come out in December.

**EXHIBIT(jgh04a02)**

#### **STAFF INTRODUCTION**

**Mr. DeWitt** stated that he is the lead staff for the Committee, but that Marilyn Daumiller and Harry Freebourn will also be assisting the Committee from the Legislative Fiscal Division (LFD). He informed the Committee that Christi Moyer, Eileen Rose, and Brent Doig will be the staff members for the Governor's Office of Budget and Program Planning (OBPP).

***{Tape: 1; Side: A; Approx. Time Counter: 15 - 25}***

#### **EXECUTIVE ACTION**

**Mr. DeWitt** commented that in the past the agency budgets have been presented, and the next day executive action had been taken. He informed the Committee that it is their decision how executive action is done this session.

**CHAIRMAN SINRUD** asked if they still have to vote on statewide and base adjustments in a subcommittee. **Mr. DeWitt** stated that the recommendations on the base, statewide, and present law adjustments are to provide uniformity to how subcommittees deal with them, but the Subcommittee must vote on them.

**LFD BUDGET PROPOSAL PRESENTATION**

**Mr. DeWitt** gave a presentation on the handout labeled, "General Government and Transportation Appropriations Subcommittee Orientation--2005 Session."

**EXHIBIT(jgh04a03)**

**SEN. LAIBLE** asked if there was some way to have the agencies itemize how they arrive at a decision package or proposal number for executive action. **Mr. DeWitt** used pages A-97 thru A-108 in the LFD, Budget Analysis to describe how an agency will give a presentation, and the Committee will take executive action. He stated that the Department of Transportation (DOT) Budget Proposal includes:

- Proposed Budget
- Major Budget Highlights
- LFD Issues
- LFD comments
- Present Law Adjustments
- New Proposals

**Mr. DeWitt** informed the Committee that the LFD Budget Analysis for each agency started with the base, then adds the present law adjustments and the new proposals. He commented that this makes up the entire budget for the year.

***{Tape: 1; Side: B; Approx. Time Counter: 0 - 15}***

**Discussion:**

**SEN. LAIBLE** questioned how much money is in the DOT base budget. **Mr. DeWitt** replied that the base budget is what DOT spent in Fiscal Year (FY) 2004. They may have spent more because of one-time-only money which is removed from the base.

**CHAIRMAN SINRUD** asked if the present law adjustment is to create the same services that were in the DOT in FY 2004. **Mr. DeWitt** stated that is correct, however, the DOT may not be providing the exact services as far as case load.

**CHAIRMAN SINRUD** questioned what figures are being pulled from the base and what is being put back into present law. **Mr. DeWitt** replied that the present law table on Page A-107 is the General Operations table that makes up a piece of the program. He stated that on Page 107 there are specific numbers, the present law column is further broken down on Page 108. He commented that there is another table on Page A-110 that lists the new proposals.

**Mr. DeWitt** clarified the present law table on Page A-108. He commented that it has two sections, the top section is statewide present law adjustments. He commented that the rest of the present law adjustments are separate, because they are specific to the agency.

**Mr. DeWitt** explained that each decision package may have an issue or comment box. He stated that in DP 103 there is an issue. He informed the Committee that he will discuss the issues or comments with them when they go through the agency program.

**REP. TAYLOR** asked Mr. DeWitt if she were to go through each new proposal and add them up, would she receive a total that is similar to the agency's total request. **Mr. DeWitt** replied that if she added the proposals up, she would receive the agency total.

**Mr. DeWitt** presented a brief overview of statewide present law adjustments.

*{Tape: 1; Side: B; Approx. Time Counter: 15 - 30}*

#### VACANCY SAVINGS

**Mr. DeWitt** explained vacancy savings on Page A-108 under the General Operations Program. He stated that if there is a turnover of 4%, not all of the money is going to be spent, so only 96% of the budget is needed.

**SEN. LAIBLE** asked Mr. DeWitt if adjustments can be made to vacancy savings. **Mr. DeWitt** replied in the affirmative.

**SEN. COONEY** commented that there is an audit on vacancy savings and recommended that the members of the Committee read the audit report.

**SEN. LARSON** asked Mr. DeWitt if the vacancy savings in the department has peaks.

**Mr. DeWitt** stated that the Department has aggregate positions for temporary work peaks (winter snow removal and summer construction).

**SEN. LARSON** asked if these positions affected their percentages on vacancy savings. **Mr. DeWitt** stated that the aggregate positions that are part of the mix do affect the percentages of vacancy savings.

### **BALANCING A BUDGET**

#### **Discussion:**

**CHAIRMAN SINRUD** commented that it is important to know where the money comes from for their budget. He stated that 52% of the budget last legislative session was federal funding and 48% of the budget was from general fund.

**Mr. DeWitt** stated that the DOT has no general fund; but it is on budget and is funded by a tax.

**CHAIRMAN SINRUD** commented that the Committee needs to look at the budget and make sure that the agencies are doing their job correctly.

**CHAIRMAN SINRUD** stated that it is important to read through the decision packages and have a schedule of when the agency is presenting the decision packages. He urged the Committee members to work with the Committee staff if they have any questions.

**SEN. LAIBLE** stated that the LFD comments are very important, because they will help the members of the Committee identify key issues with each decision package.

**Mr. DeWitt** explained that DP 104 has an LFD comment box stating the request is related to approval of legislation, because the budget was affected by votes yet to be taken by the Legislature. Finance and Claims Committee and the Appropriations Committee recommends no actions be taken to approve items like DP 104.

**CHAIRMAN SINRUD** requested a running total of spending that is affected by other legislation. **Mr. DeWitt** stated that the general fund status sheet does that automatically.

**{Tape: 2; Side: A; Approx. Time Counter: 0 - 15}**

**PROPRIETARY PROGRAM FUNDING**

**Mr. DeWitt** stated that all of the agencies have inflation and fixed cost adjustments built into their base numbers. He informed the Committee that there were three expenditure codes in the Information Technology Services Division (ITSD) of the Department of Administration which have rate increases and the rest have rate decreases. He stated that the ITSD Service Division had deflation factors, because they are containing their costs in certain computer operation areas.

**Mr. DeWitt** stated that on Page A-196 proprietary revenue rates have seven separate businesses included in the program. He informed the Committee that they are responsible for approving how much the businesses are allowed to charge their users.

***{Tape: 2; Side: A; Approx. Time Counter: 15 - 30}***

**Mr. DeWitt** gave a brief description on working capital. He explained that the Committee is not responsible for approving present law adjustments and new proposals for proprietary programs; they are responsible for approving their rates. He stated that he is trying to get the departments to show the impact on the rates from spending initiatives.

**Mr. DeWitt** stated that the Committee should link the proprietary rates to specific spending initiatives.

***{Tape: 2; Side: B; Approx. Time Counter: 0 - 10}***

**SEN. COONEY** stated that when he sat on the Committee last session he was really pleased with the approval of rates and proprietary rates. He states that the Committee should not lower the rates without justification.

**CHAIRMAN SINRUD** commented that the Committee needs to be fair and strict with approving rates. He claimed that it is the Committee's job to challenge agencies. He stated that understanding the LFD Budget Analysis is the most important task that the Committee has.

**SEN. STAPLETON** stated that it is acceptable to challenge the agencies, even if they have to go home to do some research and come back the next day to defend their position for rate approval.

**Mr. DeWitt** stated that all of the proprietary rates in the LFD Budget Analysis are included in a separate section of HB 2.

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**CHAIRMAN SINRUD** stated that the Committee will meet at 8:00 A.M.  
the following day for a hearing on the Department of  
Transportation.



**ADJOURNMENT**

Adjournment: 9:50 A.M.

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REP. JOHN SINRUD, Chairman

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JAMIE MICKELSON, Secretary

Additional Exhibits:

**EXHIBIT ([jgh04aad0.PDF](#))**