

**MINUTES**

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

**JOINT APPROPRIATIONS SUBCOMMITTEE ON CORRECTIONS AND PUBLIC  
SAFETY**

**Call to Order:** By **CHAIRMAN TIM CALLAHAN**, on January 10, 2005 at  
8:00 A.M., in Room 317-A Capitol.

**ROLL CALL**

**Members Present:**

Rep. Tim Callahan, Chairman (D)  
Sen. Keith Bales (R)  
Sen. Steven Gallus (D)  
Rep. Ray Hawk (R)  
Rep. Cynthia Hiner (D)  
Sen. Trudi Schmidt (D)  
Rep. John E. Witt (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Brent Doig, OBPP  
Harry Freebourn, Legislative Branch  
Shannon Scow, Committee Secretary

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

**Committee Business Summary:**

Hearing & Date Posted: HB 2, Montana Board of Crime  
Control (MBCC)  
Executive Action: HB 2, Public Service Commission  
(PSC)

**CHAIRMAN CALLAHAN** began by welcoming REP. HAWK to the Committee, as a permanent replacement for REP. MCNUTT.

**EXECUTIVE ACTION PUBLIC SERVICE COMMISSION**

**{Tape: 1; Side: A; Approx. Time Counter: 1.9 - 30; Comments:  
Executive Action Decision Package One}**

**Motion/Vote:** SEN. SCHMIDT moved to APPROVE THE PROPOSED PUBLIC SERVICE COMMISSION BASE BUDGET. Motion carried unanimously by voice vote.

**Motion:** SEN. GALLUS moved to GLOBALLY ADOPT THE STATEWIDE PRESENT LAW ADJUSTMENTS.

**Discussion:**

**SEN. BALES** voiced concern about the \$100,000 consultant funds for FY06 and FY07 being funded in just the first biennium.

**REP. WITT** asked, "Why did the Public Service Commission (PSC) ask for the entire appropriation in this manner?" **CHAIRMAN CALLAHAN** explained that allotting the funding in the first fiscal year gives the PSC the flexibility to spend it either biennium. **Mr. Doig** added that the Governor's Office did ask the PSC to appropriate the entire amount the first year. The funds that are not used the first fiscal year (FY) carry over to the second FY. These funds can be split evenly; however, in the event the second year's funds are needed during the first fiscal year, special authority will have to be granted.

**Mr. Freebourn** explained the actions the Committee has taken today in response to a request for clarification by REP. HAWK.

**Vote:** Motion carried unanimously by voice vote.

**Public Service Regulation Program**

**Motion:** SEN. SCHMIDT moved that DECISION PACKAGE 1, COMPUTER REPLACEMENT, BE ADOPTED.

**{Tape: 1; Side: A; Approx. Time Counter: 12.2 - 29.5; Comments:  
DP 1}**

**Discussion:**

**SEN. BALES** remarked that a more even schedule of replacement needs to be in place. **Mr. Budt, Director of the PSC**, replied that the PSC does follow the replacement recommendation of four years according to the Information Technology Service (ITS) of the Department of Administration. This is why the majority of computers will be purchased during the first biennium. The PSC will comply with whatever the Committee decides, but if the Committee does not approve this funding, they cannot guarantee that at the end of the next biennium the computers will meet the minimum standard required by the ITS.

**SEN. GALLUS** pointed to the number of laptops requested, six in FY06 and one in FY07. He asked, "Can the PSC decrease the number of personal computers (PC's) and instead use a laptop with decking stations?" **Mr. Budt** replied that the PSC has tried using this system, but it was not successful. The laptops are used by various staff members as checkout items for meetings and training away from the building, as well as by the Commissioner as they travel.

**SEN. GALLUS** inquired about the operating capacity of the Commission's current laptops. **REP. WITT** asked whether there is a warranty on hardware or maintenance. **Mr. Budt** responded that the PSC has no maintenance agreement, and a two-to-three-year hardware agreement. **Commissioner Rainey** interjected that he has talked to the Information Technology person about a laptop with a docking station, potentially reducing the total number of new computers needed.

**SEN. GALLUS** queried whether restrictions are even necessary on this decision package (DP), or if the Committee can go ahead on the vote. **Mr. Freebourn** responded that for an agency this size any amount of money requested is a large amount. The Committee may always restrict or ask the Commission to reduce the DP.

**Motion:** **SEN. GALLUS** moved that **DECISION PACKAGE 1 BE AMENDED TO BE RESTRICTED TO COMPUTERS AND TO A ONE-TIME-ONLY EXPENDITURE.**

**Discussion:**

**Mr. Freebourn** remarked that it is up to the Committee to restrict and ask for one-time-only (OTO) funds, but the Governor's Office has asked to leave flexibility for agencies and trust the agency that funds will go for the specified purpose.

**SEN. SCHMIDT** asked for comment from Mr. Budt on the restrictions. **Mr. Budt** replied that the base does not continue to build upon the computers, so the OTO amendment does not make a difference. **Mr. Doig** pointed out that computers are not zero-based. The system does not automatically zero out what was spent the first year, although the Governor's Office does try to monitor such matters as closely as possible.

**SEN. BALES** reiterated that DP 1 should be specified as OTO based on computers not being a zero-based item.

**SEN. SCHMIDT** queried whether OTO specification would restrict the PSC too much from doing their work. **Mr. Doig** responded that OTO on computers will not overly restrict the agency; it will just ensure the amount does not go into the agencies base budget for the following year.

**Vote:** Motion carried 6-1 by voice vote with **SEN. SCHMIDT** voting no.

*{Tape: 1; Side: B; Approx. Time Counter: 1 - 11.2; Comments: DP 2, 3, 4 and new proposal}*

**Motion/Vote:** **SEN. SCHMIDT** moved that DECISION PACKAGE 2, BE ADOPTED, AS AMENDED WITH THE \$4,000 TRAINING FEE MARKED ONE-TIME-ONLY. Motion carried unanimously by voice vote.

**Motion/Vote:** **SEN. SCHMIDT** moved that DECISION PACKAGE 3, BE ADOPTED AS AMENDED, RESTRICTING IT TO CONSULTANT FEES ONLY. Motion carried unanimously by voice vote.

**Motion:** **SEN. GALLUS** moved that DECISION PACKAGE 4, BUILDING RENT, BE ADOPTED.

**Discussion:**

**SEN. SCHMIDT** inquired, "Why is the PSC not in a State-owned building?" **Mr. Budt** explained that a State building was not available. The current lease was recently negotiated with the Department of Administration, and will last for the next eight years.

**Vote:** Motion carried unanimously by voice vote.

**New Proposal: Vacancy Savings**

**SEN. BALES** stated that the Committee needs to discuss vacancy savings and see where the discussion comes out before moving on elected official new proposal because there will quite a bit discussion across the board on this issue. **SEN. SCHMIDT** concurred, stating that it must be handled globally rather than agency by agency.

**CHAIRMAN CALLAHAN** agreed, but inquired if the issue specific to the PSC may be revisited after moving on from their agency. **Mr. Freebourn** said that the Legislative Fiscal Division (LFD) asks the Committee to close sections as quickly as possible. Vacancy savings is up for question with many legislators, so the Committee can wait on this issue or the PSC can be closed without the new proposal.

**SEN. GALLUS** asked if any other agency has ever requested their first twenty vacancy savings be exempt. **Mr. Freebourn** answered that he can research the matter and report back if the Committee desires. He remarked that the easiest way for the Committee to handle the issue is to let the legislature handle vacancy savings on a global basis rather than trying to fix it for this specific agency.

**SEN. BALES** clarified that if the PSC is closed, the only way the vacancy saving can be readdressed is in the full Appropriations Committee.

**Motion/Vote:** REP. WITT moved to CLOSE THE SECTION ON THE PUBLIC SERVICE COMMISSION. Motion carried unanimously by voice vote.

**EXECUTIVE ACTION ON PUBLIC SERVICE COMMISSION CLOSED 8:40 AM.**

Committee is in recess until 10:00 AM, Hearing on Montana Board of Crime Control (MBCC).

**Byrne Grant Reduction**

***{Tape: 1; Side: B; Approx. Time Counter: 19.1 - 24.4; Comments: Byrne Grants reduction, Roland Mena}***

**Roland Mena, Executive Director of the Montana Board of Crime Control**, laid out an emergent issue for the board and community. The Federal Byrnes and Local Law Enforcement Grant program was significantly reduced recently by about \$1.1 million per fiscal year. This Federal allocation provides funds to statewide drug

enforcement, including multi-jurisdictional drug task forces and rural and reservation Law enforcement agencies.

**EXHIBIT (jch06a01)**

The Federal agency which supplies this fund recently consolidated these funds into the "Justice Assistance Grant," significantly decreasing funds available to the MBCC.

**Discussion:**

**SEN. BALES** inquired about the total amount of the Grants. **Mr. Menna** answered that the reduction will total approximately \$1.3 million from the total. **SEN. BALES** conducted this is approximately 45% of the original Grants.

**REP. WITT** queried, "What drove this consolidation?" **Mr. Mena** responded that the Federal Government consolidated two grant programs, Byrnes and Local Law Enforcement. The new formula applied to the consolidation favored moving money to larger metropolitan areas.

**REP. WITT** commented that in fact there is no real reduction, but rather shifted funds. **Mr. Mena** responded that there is an overall net reduction of \$230,000 statewide, but funds are redistricted to bigger cities. **SEN. BALES** reiterated that there is a significant decrease in funds to small and rural communities, but increased funding to larger communities.

*{Tape: 1; Side: B; Approx. Time Counter: 24.4 - 30} {Tape: 2; Side: A; Approx. Time Counter: 0.2 - 3.2; Comments: Attorney General, Mike McGrath}*

**Mike McGrath, Attorney General for the State of Montana,** explained that this issue that just arose in December is a surprise to all involved and is a significant blow to all agencies. Mr. McGrath emphasized the multi-jurisdictional aspect of the drug enforcement effort. The Drug Task Force does not work part-time. Five different agencies cooperate full time. These agencies have been working together for nearly a decade, and have made a tremendous difference in local communities. The multi-jurisdictional task forces affected by this reduction are shown in Exhibit 2, Page 1.

**EXHIBIT (jch06a02)**

Our statewide Drug Task Force gets \$559,000 Federal dollars. That money is for six drug enforcement agencies, two chemists at

the crime lab, a prosecutor and an administrative support person. And additional \$32,000 is shown for a referred chemist, but does not include the two full-time chemists at the lab, recently located in Cascade County.

The MBCC is asking the legislature to act on the matter, and is requesting a biennium appropriation of \$2.26 million. The state portion of that money is roughly \$1.2 million.

**Mr. McGrath** pointed out that there are other state agents who work out of local agencies. For instance, the Southwest Drug Task Force stationed in Butte is run by a state agent who is funded by the Grants. There is also an agent in Miles City.

This is not in the proposed budget because December was first word of this matter. The reduction would have a significant impact on particularly the methamphetamine effort.

***{Tape: 2; Side: A; Approx. Time Counter: 3.2 - 5.2; Comments: Troy McGee, Chief of Police Helena}***

**Troy McGee, Chief of Police from Helena, Montana Association of Chiefs of Police, Chairperson Missouri River Task Force.** The Missouri River Task Force is one of seven task forces in the state. The four cities included are Helena, Bozeman, Livingston and West Yellowstone. Mr. McGee encouraged the Committee to fund the Drug Task Force because it is impossible for smaller communities to continue funding for local drug task force enforcement. In his opinion, the existing drug task force is more effective than any previous systems. It has been key in reducing the drug supply and disruption in the manufacturing of these substances. Also, a key number of state lab funds are funded through this Grants, and without this money, the ability to analyze a large number of cases would be jeopardized. The cuts to the education, enforcement and treatment systems currently in place in Montana would be irreparable.

***{Tape: 2; Side: A; Approx. Time Counter: 5.6 - 8; Comments: Jim Cashew}***

**Jim Cashew, Gallatin County Sheriff and current President of Montana Sheriff's Police Officer's Association, member of the Missouri River Drug Task Force (MRDTF),** first addressed the concerns of the MRDTF, which is the largest drug task force. Gallatin County, which is included in the MRDTF, already has overtaxed jails; increased manpower is already needed. If the county suffered the loss of the Byrne funds the task force would go away. The county pays 25% of the costs and the Grants funds

75% of the costs. With the task force, 13 or 14 different people with specific training can act on a case. This much manpower is needed because drug enforcement is not an eight-to-five job. Enforcement needs to occur all day, every day. It is not localized to certain counties; one case can involve multiple counties. Without the MRDTF, the ability to function between counties on drug enforcement issues would suffer.

***{Tape: 2; Side: A; Approx. Time Counter: 8 - 14.4; Comments: Stephen Spanogle}***

**Stephen Spanogle, Helena Police Officer six years, last four years narcotics agent with the statewide Drug Task Force in conjunction with the Montana Department of Justice, previously executive board member of Montana Narcotics Officer's Association, undercover agent,** hopes to give the Committee a view from within the drug fight. Mr. Spanogle believes Montana is under attack. When Mr. Spanogle started the force, he investigated large drug dealers that were selling ounces of drugs. Today, he is investigating large dealers trafficking multiple pounds of methamphetamine (meth) and cocaine. Drugs are transported into Montana through other states and the border with Canada. Drugs are now being diverted to the northern border because there is less Law enforcement in this region.

**Mr. Spanogle** was also recently involved in Montana Alliance for Drug Endangered Children. This Committee sets up networks and training for officers, prosecutors, mental health professionals, and medical professionals to help children who are being raised in the houses where these drugs are manufactured. Many children are living in these houses, and are exposed to various toxic fumes and chemicals. Often times houses are devoid of food and adult supervision because parents are preoccupied with the manufacturing and use of meth. Montana is the last best place and should not be the last best place to sell narcotics.

***{Tape: 2; Side: A; Approx. Time Counter: 14.4 - 19; Comments: Mike Batista}***

**Mike Batista, Administrator for the Bureau of Criminal Investigation for Montana Department of Justice,** spoke on the impact of the reduction, reiterating that state teams will be severely impacted. Numerous agents are funded through these Grants, affecting the Great Falls, Miles City, Butte, Missoula, and Havre Drug Task Forces.

Significant strides have been made since 1993 when **Mr. Batista** worked with the Department of Justice. The impact of these changes can be seen in the number of meth labs, going from 122 two years ago to only 63 in the last fiscal year. The decrease in labs does not mean the challenge is gone. Out-of-state traffickers are also bringing large quantities of narcotics into Montana.

The other impact felt with the reduction of funds is the drug enforcement response training that occurs at the Montana Law Enforcement Academy. These drug task forces also play a significant role in public education. The problem can be summarized by looking at the number of bills produced referring to meth abuse, twenty to date. Mr. Batista posed the question, "If this funding is revoked, how many more bills will there be in the next biennium?"

***{Tape: 2; Side: A; Approx. Time Counter: 19 - 24; Comments: Craig Allen-Campbell}***

**Craig Allen-Campbell, detective out of Helena, outgoing president of the Drug Narcotics Enforcement Association (DNEA)**, informed the Committee that the DNEA formed in 1995 to provide training on legislation and narcotics laws. The 120 members of this organization are funded by Byrne Grants. The organization recognizes that drugs are not confined to a single area but are transported over borders. The biggest local threat of methamphetamine comes from several towns in Eastern Washington; however, meth is brought in from all over the world. The waste from these labs is dumped in our sewers and on our local lands. The abuse of meth also leads to crime sprees; therefore, meth affects a community and not just its users.

Byrne funding helps identify sources of meth through undercover agents, resulting in dismantling networks and not only small users. In 2004, there were six detectives currently funded. Nine pounds of meth, seven pounds of marijuana and one pound of cocaine were seized. Forty-one drug education classes were given. The four factors of drug use are price, availability, perception of risk and public attitude. Drug enforcement drives up the prices, reduces the availability and raises the perception of risk to potential users. If this Grants were continued to be funded a strong message would be sent to the community.

***{Tape: 2; Side: A; Approx. Time Counter: 24 - 25; Doug Kzeroher}***

**Doug Kaereher, jail county commissioner, first Vice-President of NAICO**, affirmed that cutting funds would severely restrict local

rural drug enforcement. Supporting these funds would send a strong message out to Montana against drug trafficking.

**CHAIRMAN CALLAHAN** asked for more public testimony, and seeing none, moved on to Roland Mena with the Montana Board of Crime Control (MBCC).

**Hearing: Montana Board of Crime Control**

***{Tape: 2; Side: A; Approx. Time Counter: 25 - 30}{Tape: 2; Side: B; Approx. Time Counter: 0.2 - 28.5; Comments: Roland Mena}***

**Roland Mena** introduced the MBCC, which is responsible for public safety, crime prevention, victim's assistance, performance of the criminal justice and juvenile justice systems, and has been the chief planning agency for two decades within Montana. There are two advisory councils within the MBCC: the Post Council and Youth Justice Council. The MBCC is a quasi-judicial board established by the 1998 legislature that is administrated by and loosely associated with the Department of Justice. Exhibit 3, Page 3 was referenced for a list of what has been accomplished by the board.

**EXHIBIT (jch06a03)**

MBCC approaches the issue of drugs as a three-legged stool, relying on law enforcement, prevention and treatment. They apply for and administer grants that support agencies such as the Drug Policy Task Force, Meth Watch Program, and Homeland Security, and focus on communication with Montana's northern border.

On the Federal level, the MBCC does strategic planning on a yearly basis. The MBCC provides resources to local, tribal and statewide projects through State and Federal grants. They certify peace officers and other public safety professionals such as police officers, coroners, Fish Wildlife and Parks professionals, and campus police. They develop local plans for crime data, and provide technical assistance and manpower studies and surveys. More specifics of MBCC tasks are seen on Exhibit 3, Page 4.

The activities and accomplishment of the divisions with the MBCC can be found in Exhibit 3, beginning on Page 4. Divisions included in this testimony are Peace Officer Standards and Training (POST), Technical Services, Grants Planning Bureau, Fiscal Bureau, and Resource Development and Management. Additional testimony is as follows.

\*The graph on Page 5 shows that the caseload of POST is significantly increasing. This issue is addressed in their

DP for added funding for legal fees in order to meet this growing caseload.

\*The Technical Services Division is working hard to meet FBI certification, with 90% currently in compliance.

\*The Grants Planning Bureau, in compliance with Homeland Security money, recently submitted an application to the US Department of Transportation for \$1.6 million to increase the trucking inspections along the northern border. This money would increase inspections and the ability to positively identify drivers and evaluate their logs.

\*Mr. Mena highlighted data retrieved through their data sharing, pointing out 13 pounds of cocaine, 1,743 pounds of marijuana and 37 pounds of meth were removed by drug task forces in 2004.

\*Over the years the Fiscal Division has had zero issues with the audits.

\*The Resource Development and Management Division awarded 278 grant projects statewide, including small, rural and tribal communities.

2005 Block Grants were explained to the Committee. Details are provided in Exhibit 3, beginning on Page 9. An example of a juvenile justice system block grant is found on Exhibit 3, Page 9. One hundred and seven programs such as those highlighted were funded in 2005. All the above funds are Federal funds. From the State General Fund is the Juvenile Detention State Fund. This supplies funds for five regional programs. The youth justice funds are to ensure youth are served separate from adults.

***{Tape: 2; Side: B; Approx. Time Counter: 17.3 - 25.5; Comments: Block Grant Descriptions}***

**Mr. Mena** emphasized that the MBCC is also trying to address the over-representation of Native Americans within our justice system. The MBCC website is [www.mbcc.state.mt.us](http://www.mbcc.state.mt.us); the website is a repository of Montana crime data, and is being expanded to include Federal statistics and crime data.

**Discussion:**

***{Tape: 3; Side: A; Approx. Time Counter: 0.2 - 28}***

**REP. HAWK** inquired why there is an increased caseload being handled by the MBCC. **Allen Horsfall** answered that the increase in law enforcement and public safety cases is a nationwide trend, not just in Montana. It appears to have been related to an economic issue, where hiring practices decreased approximately five years ago when law enforcement was not one of the higher paying professions. This affected law enforcement, training and supervision.

**SEN. SCHMIDT** asked for the location of the MBCC. **Mr. Menna** responded that it is on northern Montana avenue in the Northgate Mall, Helena.

**SEN. SCHMIDT** referred to Exhibit 3, Page 4, inquiring if the board was trying to have the commission in charge of all those areas shown. **Mr. Mena** replied that the recent bill required that a commissioner sit in on the MBCC to create an interrelation between the board and the Governor's Office. The idea of putting this person on staff was considered, but the MBCC decided that it was best to have the person be attached to the Governor's Office.

**SEN. SCHMIDT** affirmed that all the grants are Federal grants except one, the juvenile grant. She asked, "This means the MBCC is essentially run by Federal grants?" Also, she wondered if the Byrne Grants is only for the drug task forces. **Mr. Mena** confirmed both statements, noting that the majority of grants must create matching funding. **Mr. Freebourn** clarified that the MBCC does have \$1.6 million general fund per year and \$900,000 is for the juvenile detention center. The remainder is for Mr. Mena to run his administration.

**SEN. SCHMIDT** asked, "What grants are the Title II Formula Grants?" (Exhibit 3, Page 10). **Commissioner Christensen** indicated that the Title II Grant is the Juvenile Accountability Block Grants. The court order is for the institutionalization of juveniles, the sight and sound separation of juveniles, and targeting the disproportionate amount of minorities in confinement. The ten communities involved are working on filling in the service area gap so the needs of each child and their families can be met. Within this three-year Grants, the first year was formerly used as a needs assessment, the second to provide service and the third to provide service and evaluate. The current initiative will not do the needs assessment, but will move directly to services for those who receive the Grants. **Mr.**

**Mena** then provided a sample of what the Grants do supply. This included a Boys and Girls Club in Harlem, creating after-school programs for youth homes, a program through the University of Great Falls for children with incarcerated parents, and a youth empowerment job training program in Havre.

**SEN. SCHMIDT** inquired if other programs could be available for the grant supporting the Residential Substance Abuse Treatment Program. **Mr. Mena** replied that others could be eligible; the board decided to put money into Pine Hills, but this spring when they rehear the grant they may decide to put the money back into Pine Hills or to entertain other projects. This Grants, however, is specifically for institutional training and cannot provide funds for certain other facilities such as Warm Springs.

**CHAIRMAN CALLAHAN** clarified this is for correctional but is not limited to juvenile.

**SEN. SCHMIDT** pointed to Exhibit 3, Page 13, noting that the forensics lab is currently not certified. **Mr. Mena** responded that they are on the time line for National Certification.

**Commissioner Christensen** added that the crime lab has already applied and gotten on the list and the on-site visit is in the near future.

**SEN. SCHMIDT** asked about the advantages of this certification. **Commissioner Christensen** stated the certification is for credibility, not for monetary means.

**SEN. BALES** remarked that for the Substance Abuse Grant, money was granted in 2004, but none in 2005. This means there is a continued potential to have a large amount of money spent in one year and not a lot the next year. He asked if this is common or an aberration. **Mr. Mena** reported the grants have been fairly consistent until fairly recently.

**SEN. BALES** inquired about 2005, whether the funding was not available or if it went elsewhere. **Commissioner Christensen** explained that the agency has not lost any money. The low level of funding one FY is simply the cycle of funding in conjunction with the Federal Government. It is understood by the Commissioner that the Department of Corrections has it in their budget to continue funding the Substance Abuse Grant. Sixty-five million dollars was available previously. This year is looks to be around \$25 million, but this figure has not been finalized.

**Mr. Freebourn** indicated Page D-3 in the LFD budget analysis, asking the MBCC to make sure the table of grants is in line with what the MBCC is requesting.

**Mr. Mena** referenced D-1, reiterating that the Law Enforcement and Byrne Grantss, as stated earlier, have been combined. This will reduce the amount of money available by approximately \$1.5 million. This is a ballpark figure and has not yet been finalized. The agency has also asked for the addition of two FTE's; the agency would like to withdraw one FTE. The agency will still request one FTE to coordinate the Homeland Security efforts. Dropping one FTE request keeps the agency below the twenty before vacancy savings is applied. On D-2 in the funding table the line item entitled 'Drug Enforcement Assistance' is the area that would be reduced by about \$1.5 million per year, and the title of the grant is now "Justice Assistance."

**Mr. Freebourn** expressed concern that the MBCC ask for a reduction in the drug enforcement appropriation now, which could limit the MBCC in case funding changes. **Mr. Doig** concurred that the agency should not limit the money now.

**Mr. Mena** stated that the biggest issue is reducing the FTE request by one.

**SEN. BALES** noted the increase in Homeland Security funding between 2006 and 2007 and asked how it is used. **Mr. Mena** referenced Exhibit 3, Page 12, the Law Enforcement Grant. The Subcommittee would give MBCC the spending authority to build the northern tier communication system with this Federal Grants.

**SEN. BALES** noted that \$1.5 million was spent on the northern tier in 2005. This is an extra \$9 million on the northern tier for communications, etc. He wanted to know if there are other things linked to that money. **Mr. Mena** replied that funding will go to Dawson County, which was the original pilot for this communications project. The remainder will go to fund the communications project for the Northern Tier Consortium. Other communities have the same sort of communication issues, and money would go to these efforts. Also, money has been used in the Department of Justice and the Department of Criminal Investigations for intelligence. The amount shown is only what is projected to be available.

**SEN. BALES** asked, "If this money comes in, what projects will it be used for and is there a process to see where the money is spent? This is a huge increase. Is there any oversight in this project?" **Mr. Mena** told the Committee that the State has to submit a plan. This plan would go the MBCC as indicated by the Governor, to the 18-member board, appointed by the Governor, to develop a request for proposal (RFP) for the specific projects.

**{Tape: 3; Side: B; Approx. Time Counter: 0.2 - 11.2; Comments:  
questions continued}**

**SEN. BALES** asked about details of the grant and if it is a blanket grant. **Mr. Mena** informed Sen. Bales that there has been a multi-year needs assessment regarding the Grants. They have looked at issues of communications and vulnerability, which is the basis for submitting the Grants. The Department of Homeland Security then allocates the money based on these needs.

**SEN. GALLUS** added that he served on an advisory board during the investigation, and knows the person in charge of Homeland Security would be happy to give a presentation to clarify the request.

**SEN. SCHMIDT** asked for a clarification on the difference between the number on the LFD budget analysis D-3, \$4,596,000, and the total of the figures the Committee has been given on Exhibit 3, Page 12, which totals \$5,212,000. **Mr. Mena** responded that in 2005 the Governor's Office requested that the MBCC administer the funds seen on Exhibit 3, Page 12, which is the amount that was available last year. A portion of the money went to the Criminal Investigation Department of the Department of Justice.

**CHAIRMAN CALLAHAN** clarified that this amount was not used in the base of 2004, and inquired whether appropriation was made for this money anywhere or if it was a Governor's Office Budget amendment. **Mr. Mena** noted that the amendment was made in the disaster emergency services budget. **CHAIRMAN CALLAHAN** remarked that confusion occurs because numbers don't add up and it is not in the budget. **Mr. Doig** claimed this is common to give agencies flexibility without having to go through the budget amendment process. The sum under scrutiny was in fact in the Military Affairs budget.

**CHAIRMAN CALLAHAN** asked, "How much was received by the State?" **Mr. Mena** indicated that there was \$22 million that fell into three purpose areas, general Homeland Security Grants, the new Law Enforcement Terrorist Prevention money, and citizens money.

**CHAIRMAN CALLAHAN** stated that there was no legislative oversight due to the time when the money came, but the money is anticipated in the next biennium so it would be a blanket appropriation. He said, "We will see this money later in Military Affairs and at this point can look at the entire amount and look at the best way the State can use this money." **Mr. Mena** confirmed that the money will be in Military Affairs.

**Mr. Freebourn** asserted that when the Committee sees the Military Affairs Budget, it will have close to zero in its budget for the MBCC Grants, so it appears that they want to go through the amendment process again. The LFD does have an issue with this process and is requesting that the Military Affairs Department budget for this funding, rather than relying on an interim amendment.

**SEN. BALES** clarified that anything approved here would not be listed in Military Affairs. **Mr. Freebourn** confirmed this statement, noting that the Homeland Security money is spent among various budgets. The LFD is looking to combine this data so it can be viewed together.

**Mr. Freebourn** requested the Committee go through the DP's now and ask more questions tomorrow before executive action.

#### Decision Packages

*{Tape: 3; Side: B; Approx. Time Counter: 11.2 - 22; Comments: decision packages explained}*

**Mr. Mena** referenced D4 in the LFD budget analysis to explain the MBCC DP's. DP 1, POST revocation hearings asks for \$12,260 in FY06 and \$9,328 in FY07 in response to the MBCC's increased caseload. The MBCC requests the Committee drop DP 2, an FTE for drug court coordinator, noting the Committee will contract out if they receive the money and stay within their 20 or less vacancy savings. DP 3 on D-5 is in regards to the Homeland Security, as well as an FTE to administer the funds.

**REP. HAWK** suggested that the additional FTE will still put the agency over one FTE. **Mr. Mena** answered that the Committee is now at 19 FTE, so will then be at the 20 maximum for the vacancy savings exemption with the addition of one FTE.

**Mr. Freebourn** proceeded with an overview of the LFD analysis in regards to MBCC DP's. There will be time for questions tomorrow before executive action. In regards to DP 2, the LFD noted that two FTE would put the agency above the vacancy savings, but the agency has removed this request. **Mr. Freebourn** also indicated that the MBCC is only funded 15% by general funds, \$1.6 million. \$900,000 of that was used for the Juvenile Detention Center Grants. The rest is spent on bolstering other grants and on the administration of the agency. Most of the personnel services are being supported by Federal funds. Their new proposals are \$134,000 State and \$4.7 million Federal FY06 and \$132,000 State and \$4.7 million Federal in FY07. Most of this money is for

Homeland Security. The added FTE is Federally funded. Mr. Freebourn pointed to D-3 figure one for a more thorough look at all planned grants. The language recommendation needs approval. This recommendation is needed because the Federal grant fiscal year is different from the State's fiscal year. The MBCC asks that any spending authority not expended be carried over.

**SEN. BALES** asked about the location of the Law Enforcement Grants in the table. **Mr. Mena** responded that they are labeled Drug Enforcement and Law Enforcement Assistance in the table.

**CHAIRMAN CALLAHAN** reminded the Committee that there will be time tomorrow for more questions, as well as executive action on the MBCC.

**ADJOURNMENT**

Adjournment: 11:55 A.M.

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REP. TIM CALLAHAN, Chairman

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SHANNON SCOW, Secretary

TC/SS

*Additional Exhibits:*

**[EXHIBIT \(jch06aad0.PDF\)](#)**