

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

January 22, 1987

The meeting of the State Administration Committee was called to order by Chairman Sales on January 22, 1987 at 9:00 a.m. in Room 437 of the State Capitol.

ROLL CALL: Reps. Moore and Pistoria were excused. All other committee members were present.

CONSIDERATION OF HOUSE BILL NO. 229: Rep. Spaeth, House District #84 and sponsor of the bill, stated HB 229 was being introduced at the request of the Department of Administration. The proposed legislation is a temporary measure to help reduce the general fund deficit. In addition, it will represent a savings to local government employers and will, in effect, be an increase in the take home pay for PERS covered employees. The bill proposes a temporary reduction in both employer and employee contribution rates to the Public Employees' Retirement System. The contribution rate for employers for fiscal years 1988 and 1989 would be 5% of PERS covered salaries; the employee contribution rate also would be set at 5%. On July 1, 1989, the employer contribution would return to 6.47% and the employee contribution rate would return to 6%. This bill would increase the amortization period to the unfunded liability of the system. The estimated advantage to PERS employers would be a savings of \$12.22 million over the next biennium. Of this amount, \$6.57 million would be saved by state government and \$1.2 million would be saved by the university system. \$5.6 million would be saved by local government employers. HB 229 will help reduce the current state deficit and is introduced for a temporary period of time only.

PROPOSERS: Ellen Feaver, Director of Administration, stated HB 229 is a relatively easy and painless way to help the state in balancing the budget and provides some relief to local government employers. This is a two-year, temporary reduction and is not harmful to anyone's benefits. The actuarial soundness of the retirement system will not be affected. She feels the proposal is a reasonable approach.

Tom Schneider, Montana Public Employees Association, stated his support for the bill. He verified that no employees will be injured, and the bill gives an opportunity to assist in the budget problem. He said the bill is good and is necessary.

OPPOSERS: Terry Minnow, Montana Federation of Teachers, expressed halfhearted opposition. She has some concerns about setting a precedent in this legislation and about some of the other ramifications of the bill.

DISCUSSION OF HOUSE BILL NO. 229: Rep. Peterson expressed concern about employees having a temporary increase in take home salary with a decrease in contributions to 5% and then a decrease in take home salary in two years when the contribution rate returns to 6%. Tom Schneider replied that that is something he has given thought to as well; however, the legislature has to take one year at a time, and it will have to be looked at again in two years. Rep. Holliday asked Linda King, representing PERD, if the buy-in rate during this timeframe would be 5%, and she replied "yes". Rep. Jenkins asked Linda King what happens to the PERS if layoffs occur, and money is withdrawn. She replied that the actuary projects a refund cost to the system. If there were to be a major lay-off, it could have an effect on the cost of the system. Rep. Cody expressed concern about this "temporary measure" being continued by the next legislature, and Rep. Spaeth replied that he had no worries about that happening. He stated that the deficit problems had to be addressed now, and his proposed legislation is intended to help alleviate some of the present budgetary problems.

Discussion on HB 229 was closed by Rep. Spaeth who urged a do pass from the committee members with no changes in the concept of his proposed legislation.

CONSIDERATION OF HOUSE BILL NO. 224: Rep. Spaeth, House District #84 and sponsor of the bill, stated that HB 224 is a bill that keeps current with inflation. It increases the minimum reporting requirement of political candidates from \$25-\$35 at the local level and from \$25-\$75 at the statewide level. He stated there is nothing insidious in these small contributions.

PROPONENTS: Rep. Roth stated his support of HB 224.

OPPONENTS: Jeanne-Marie Souirgney, League of Women Voters submitted written testimony on behalf of Margaret Davis and the League (Exhibit #1).

Kim Wilson, Common Cause, expressed opposition and pointed out some discrepancies he felt were inherent in this proposed legislation. He indicated a significant amount of disclosure would be forfeited.

DISCUSSION OF HOUSE BILL NO. 224: Rep. Sales asked for an explanation of the language on page 1, line 20 regarding the reporting requirements for ticket purchases. Delores Colburg, Commissioner of Political Practices, replied that ticket purchases would need to be reported as a campaign contribution from the person purchasing the tickets. If the tickets are purchased for resale, then reporting is not necessary.

Discussion was closed on HB 224 by Rep. Spaeth.

CONSIDERATION OF HOUSE BILL NO. 201: Rep. Campbell, House District #48 and sponsor of the bill, stated he was unable to obtain a fiscal note on this proposed legislation due to time constraints. He did submit a handout from the Legislative Fiscal Analyst's Office representing the cost savings for abolishing the Department of Institutions (Exhibit #2). A copy of his testimony is also included (Exhibit #3).

PROPONENTS: Tom Schneider, Montana Public Employees Association, spoke in support of HB 201. He stated this legislation is being presented as a result of a series of problems that have taken place within the Department of Institutions. Staffing has been a major problem for many years due to lack of funds. He feels that back-up from the Department of Institutions in Helena is not necessary for the individual correctional institutions to operate effectively. Since the institutions carry on their own functions, there could be a possible savings by attaching them to other departments for support services and saving the costs generated by having a Department of Institutions. He acknowledged that doing away with an entire department is a serious issue. He urged the committee's serious consideration of this bill.

Steve Waldron, representing Mental Health Centers, expressed neutral feelings about HB 201. However, in reviewing the bill, he noticed that the contracts from the mental health centers would be moved to SRS. They view themselves as health care providers and, as such, feel more comfortable to have the bill amended in such a way that the mental health centers would be put under the Department of Health and Environmental Sciences. He noted that the alcohol and drug abuse programs would be moved to the Department of Health and feels mental health services fall into this same category. If this legislation is enacted, he feels it more appropriate for mental health centers to be under the jurisdiction of the Department of Health and Environmental Sciences and not SRS.

OPPONENTS: Gene Huntington, representing the governor's office, stated his opposition to the bill and said there is a growing concern to look at organizations and service agencies. The way to do that is not through HB 201. Instead, we should be looking at some ways to reorganize human services. Agencies need to work together to achieve efficiency of operation. He recommended that a more thoughtful approach be taken regarding the impact of HB 201.

Patrick Driscoll expressed opposition on behalf of the Attorney General's office. A massive reorganization such as HB 201 proposes should not be undertaken without considerable study. This bill would have a debilitating effect on the Department of Justice, although the intent of the legislation to save money has merit. The bill is not consistent with

the mission of the Department of Justice to investigate and prosecute crimes. Managing the prison population is a human resource management function.

DISCUSSION ON HOUSE BILL NO. 201: Rep. Cody asked Tom Schneider if the idea of privatization of prison systems has ever entered into discussion of this issue. He replied that privatization is not a good way to look at this problem. This has never been done in the past so there is nothing to look at to determine if this might be a solution. Rep. Sales asked Tom Schneider if his hope in supporting HB 201 was to cut down on administrative costs and use the savings to beef up the employees area by additional staffing. He replied that some of the savings would be used for additional staffing and to improve the direct care of the people in the institutions without putting another burden on the taxpayer. Rep. Peterson asked Rep. Campbell if the question of accountability of the system had been addressed, and he responded that it had. HB 201 would affect 36 employees.

Rep. Campbell closed discussion on HB 201. The committee recessed at 10:20 a.m. and went into executive action at 10:30 a.m.

DISPOSITION OF HOUSE BILL NO. 229: Rep. Jenkins made a DO PASS motion, seconded by Rep. Campbell. Rep. Sales expressed concern about the bill. He said that he was reluctant to use retirement funds to balance the state budget. He suggested that the committee TABLE the bill until a fiscal note is received. A substitute motion to TABLE HB 229 was made by Rep. Jenkins, seconded by Rep. O'Connell. The motion carried 13-3 with Reps. Campbell, Holliday and Roth voting no.

DISPOSITION OF HOUSE BILL NO. 224: Rep. Roth moved DO PASS, seconded by Rep. DeMars. Motion carried 14-2, Reps. Whalen and Sales voting no.

DISPOSITION OF HOUSE BILL NO. 201: A DO PASS motion was made by Rep. Campbell, seconded by Rep. Whalen. Rep. Cody suggested that Steve Waldron's concerns be addressed. Rep. Whalen moved DO PASS AS AMENDED, seconded by Rep. Stratford. The motion carried 16-0.

ADJOURNMENT: There being no further business to come before the committee, the hearing adjourned at 10:50 a.m.



Walter R. Sales, Chairman

DAILY ROLL CALL

State Administration COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 1/22/87

NAME	PRESENT	ABSENT	EXCUSED
Walt Sales	✓		
John Phillips	✓		
Bud Campbell	✓		
Dorothy Cody	✓		
Duane Compton	✓		
Gene DeMars	✓		
Harry Fritz	✓		
Harriet Hayne	✓		
Gay Holliday	✓		
Loren Jenkins	✓		
Janet Moore			✓
Richard Nelson	✓		
Helen O'Connell	✓		
Mary Lou Peterson	✓		
Paul Pistoria			✓
Rande Roth	✓		
Tonia Stratford	✓		
Timothy Whalen	✓		

Walt Sales

Please excuse
Janet Moore today
due to illness.

Thank you.

Room 437-

Joyce

STANDING COMMITTEE REPORT

January 22

19 87

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report HB 224

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

Chairman

FIRST reading copy (WHITE)
color

ROLL CALL VOTE

State Administration

COMMITTEE

DATE 1/22/87 BILL NO. 224 NUMBER _____

NAME	AYE	NAY
Walt Sales		
John Phillips		
Bud Campbell		
Dorothy Cody		
Duane Compton		
Gene DeMars		
Harry Fritz		
Harriet Hayne		
Gay Holliday		
Loren Jenkins		
Janet Moore		
Richard Nelson		
Helen O'Connell		
Mary Lou Peterson		
Paul Pistoria		
Rande Roth		
Tonia Stratford		
Timothy Whalen		

TALLY _____

Secretary _____

Chairman _____

MOTION: _____

STANDING COMMITTEE REPORT

January 22 19 37

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report HB 201

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

Chairman

Abolishing Dept. of Institutions and transferring its functions

AMEND AS FOLLOWS

1. Page 4, line 2.

Following: "5;"

Insert: "and"

2. Page 4, lines 3 through 6.

Strike: subsections (h) and (i) in their entirety

Renumber: subsequent subsection

3. Page 6.

Following: line 16

Insert: "(b) treating the mentally ill, aged, and youths under Title 53, chapter 21;

(c) acting as administrator of the Interstate Compact on Mental Health under Title 53, chapter 22;"

Renumber: subsequent subsections

4. Page 16, line 23.

Following: " ; "

Insert: "the department of health and environmental sciences;"

5. Page 18, line 8.

Following: ". . ."

Insert: "If the resident is transferred to an institution in the department of health and environmental sciences, the department of health and environmental sciences shall draw from the federal government any moneys available for the maintenance of such resident."

6. Page 34, lines 11 and 12.

Strike: "social" on line 11 through "services" on line 12

Insert: "health and environmental sciences"

7. Page 59, line 12.

Following: " ; "

Insert: "and"

FIRST

WHITE

reading copy () color

8. Page 59, lines 17 through 19.

Strike: "and" on line 17 through "l" on line 19

9. Page 60, line 7.

Following: "including"

Insert: "mental health transitional living facilities and"

10. Page 63, line 6.

Strike: "or mentally"

11. Page 63, line 22.

Strike: subsection (a) in its entirety

Renumber: subsequent subsections

12. Page 64.

Following: line 14

Insert: "(3) The Montana state hospital is in the department of health and environmental sciences."

Renumber: subsequent subsection

13. Page 64, line 22.

Strike: subsection (a) in its entirety

Renumber: subsequent subsections

14. Page 65.

Following: line 13

Insert: "(3) The Montana state hospital is in the department of health and environmental sciences."

Renumber: subsequent subsection

15. Page 72.

Following: line 22

Insert: "health and environmental sciences or"

16. Page 72, line 24.

Strike: "part"

Insert: "parts 21 and"

17. Page 74, lines 13 and 14.

Strike: "social" on line 13 through "services" on line 14

Insert: "health and environmental sciences"

18. Page 76, line 18.

Strike: "22"

Insert: "21"

19. Page 79, line 24.

Strike: "22"

Insert: "21"

On the following pages and lines:

Following: "justice"

Insert: ", health and environmental sciences,"

Page 12, line 2

Page 14, line 2

Page 18, line 15

Page 19, line 18

Page 21, lines 4 and 7

Page 22, line 24

Page 40, line 11

Page 49, line 6

Page 56, line 11

Page 61, line 9

Page 65, line 19

Page 68, line 4

Page 69, line 5

Page 71, line 24

On the following pages and lines:

Strike: "social" through "services"

Insert: "health and environmental sciences"

Page 7, line 22

Page 33, line 18

Page 34, line 21

Page 74, line 25

Page 76, line 17

Page 79, line 23

7023c/L:JEA\WP:jj

*Do Pass
to members*

Concur

ROLL CALL VOTE

State Administration

COMMITTEE

DATE 1/22/87 BILL NO. 201 NUMBER _____

NAME	AYE	NAY
Walt Sales		
John Phillips		
Bud Campbell		
Dorothy Cody		
Duane Compton		
Gene DeMars		
Harry Fritz		
Harriet Hayne		
Gay Holliday		
Loren Jenkins		
Janet Moore		
Richard Nelson		
Helen O'Connell		
Mary Lou Peterson		
Paul Pistoria		
Rande Roth		
Tonia Stratford		
Timothy Whalen		

TALLY

Secretary

Chairman

MOTION: _____

EXHIBIT 41
DATE 1/22/87
HB 224

The League of Women Voters of Montana

22 Jan 87

Testimony prepared by M.S. Davis, Helena, Montana

HB 224, Rep. Spaeth sponsor - an act revising the campaign reporting requirements concerning identification of persons making contributions exceeding a certain dollar limit to candidates or political committees...

The League of Women Voters opposes HB 224.

HB 224 would create a two tier system of reporting campaign contributions depending on whether the activities of the political committee were focussed on statewide races and/or campaigns or local/district races. This would seriously complicate the reporting requirements and forms necessary to comply with this proposed law. The public is bound to be confused by different thresholds for reporting campaign contributions.

The League believes that the current threshold of \$25 remains valid. All candidate and ballot issues committees will still be required to keep an account of all contributions because of the aggregate reporting requirements. HB 224 would not ease the job of keeping track of campaign contributions. In fact for political committees that support both local candidates and statewide ballot issues, it might be necessary to keep two sets of records. This would be an additional burden for many committees.

The net result is that this bill may further encourage the proliferation of statewide political action committees. At a time when many are concerned about the health and strength of the traditional political parties, this would be an unfortunate result.

The League believes that the primary emphasis of campaign disclosure statutes should be on a full and timely disclosure of political contributions and expenditures. We oppose HB 224 because it raises the threshold for reporting and because it creates a bigger administrative burden without a corresponding benefit for the public.

EXHIBIT #2
DATE 1/23/87
HB 201



STATE OF MONTANA

Office of the Legislative Fiscal Analyst

STATE CAPITOL
HELENA, MONTANA 59620
406/444-2986

JUDY RIPPINGALE
LEGISLATIVE FISCAL ANALYST

January 8, 1987

Representative Bud Campbell
Seat #79
Montana House of Representatives
State Capitol
Helena, MT 59620

Dear Representative Campbell:

Attached is the analysis of the cost savings for abolishing the Department of Institutions and distributing its functions to other agencies of state government. Also attached is your request which is the basis for this analysis. If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Wolcott", written over a horizontal line.

Keith Wolcott
Senior Fiscal Analyst

KW1:bn:rc.
Attachment

ANALYSIS OF COST SAVINGS OF ABOLISHING THE DEPARTMENT OF INSTITUTIONS
AND TRANSFERRING THE FUNCTIONS OF THE DEPARTMENT TO OTHER AGENCIES

DISTRIBUTION TO OTHER AGENCIES

	DEPARTMENT OF INSTITUTIONS			SOCIAL AND REHABILITATION SERVICE			DEPARTMENT OF JUSTICE			DEPARTMENT OF HEALTH		
	FTE	FY 1988	FY 1989	FTE	FY 1988	FY 1989	FTE	FY 1988	FY 1989	FTE	FY 1988	FY 1989
CORRECTIONS DIVISION												
TOTAL FUNDS	9.00	\$359,517	\$359,945									
Corrections Division	64.49	\$1,749,689	\$1,764,188	64.49	\$1,749,689	\$1,764,188						
Central Office	116.97	\$3,323,182	\$3,356,519	116.97	\$3,323,182	\$3,356,519						
Pine Hills	401.53	\$15,591,606	\$15,891,822				401.53	\$15,591,606	\$15,891,822			
Montana State Prison	25.83	\$942,512	\$952,560				25.83	\$942,512	\$952,560			
Swan River Forest Camp	24.00	\$765,303	\$769,678				24.00	\$765,303	\$769,678			
Women's Prison	11.50	\$1,417,449	\$1,426,416				11.50	\$1,417,449	\$1,426,416			
Men's Pre-release	7.00	\$408,474	\$411,892	7.00	\$408,474	\$411,892						
Juvenile Aftercare	61.00	\$1,807,567	\$1,775,192	0.00	\$62,248	\$62,248	61.00	\$1,807,567	\$1,775,192			
Probation and Parole	0.00	\$873,214	\$873,214	0.00	\$62,248	\$62,248	0.00	\$810,966	\$810,966			
Corrections Medical												
TOTAL CORRECTIONS	721.32	\$27,238,513	\$27,581,426	188.46	\$5,543,593	\$5,594,847	523.86	\$21,335,403	\$21,626,634	0.00	\$0	\$0
GENERAL FUND										9.00	\$359,517	\$359,945
ALCOHOL AND DRUG ABUSE DIVISION												
Corrections Division	9.00	\$358,517	\$358,945									
Central Office	64.49	\$1,628,991	\$1,644,386	64.49	\$1,628,991	\$1,644,386						
Mountain View	115.97	\$2,728,291	\$2,761,537	115.97	\$2,728,291	\$2,761,537						
Pine Hills	382.53	\$12,295,262	\$12,469,354				382.53	\$12,295,262	\$12,469,354			
Montana State Prison	24.83	\$829,149	\$838,932				24.83	\$829,149	\$838,932			
Swan River Forest Camp	24.00	\$765,303	\$769,678				24.00	\$765,303	\$769,678			
Women's Prison	11.50	\$1,417,449	\$1,426,416				11.50	\$1,417,449	\$1,426,416			
Men's Pre-release	7.00	\$405,674	\$442,092	7.00	\$405,674	\$442,092						
Juvenile Aftercare	61.00	\$1,807,567	\$1,775,192	0.00	\$62,248	\$62,248	61.00	\$1,807,567	\$1,775,192			
Probation and Parole	0.00	\$873,214	\$873,214	0.00	\$62,248	\$62,248	0.00	\$810,966	\$810,966			
Corrections Medical												
TOTAL CORRECTIONS GENERAL FUND	700.32	\$23,109,417	\$23,359,746	187.46	\$4,825,204	\$4,910,263	503.86	\$17,925,696	\$18,090,538	0.00	\$0	\$0

Total Funds	10.00	\$1,685,755	\$1,670,815	0.00	\$0	\$0	0.00	\$0	\$0	10.00	\$1,685,755	\$1,670,815
General Fund	0.00	\$215,200	\$215,200	0.00	\$0	\$0	0.00	\$0	\$0	0.00	\$215,200	\$215,200

ANALYSIS OF COST SCHEDULES OF ABOLISHING THE DEPARTMENT OF INSTITUTIONS
AND TRANSFERRING THE FUNCTIONS OF THE DEPARTMENT TO OTHER AGENCIES

DISTRIBUTION TO OTHER AGENCIES

	DEPARTMENT OF INSTITUTIONS			SOCIAL AND REHABILITATION SERVICE			DEPARTMENT OF JUSTICE			DEPARTMENT OF HEALTH			ELIMINATED		
	FTE	FY 1988	FY 1989	FTE	FY 1988	FY 1989	FTE	FY 1988	FY 1989	FTE	FY 1988	FY 1989	FTE	FY 1988	FY 1989
MENTAL HEALTH DIVISION															
TOTAL FUNDS MENTAL HEALTH	5.00	\$5,368,296	\$5,368,224	5.00	\$5,368,296	\$5,368,224	0.00	\$0	\$0	0.00	\$0	\$0	0.00	\$0	\$0
Central Office	440.15	\$11,988,626	\$12,104,489	440.15	\$11,988,626	\$12,104,489									
Montana Developmental Center	99.24	\$2,682,836	\$2,670,149	99.24	\$2,682,836	\$2,670,149									
Center For The Aged	93.02	\$2,235,954	\$2,250,860	93.02	\$2,235,954	\$2,250,860									
Eastmont Training Center	74.00	\$2,008,351	\$2,042,634	74.00	\$2,008,351	\$2,042,634									
Veterans' Home	697.60	\$20,983,683	\$20,990,341	697.60	\$20,983,683	\$20,990,341									
Montana State Hospital															
TOTAL MENTAL HEALTH	1409.01	\$45,247,746	\$45,426,697	1409.01	\$45,247,746	\$45,426,697	0.00	\$0	\$0	0.00	\$0	\$0	0.00	\$0	\$0
GENERAL FUND MENTAL HEALTH															
Central Office	5.00	\$4,117,105	\$4,117,033	5.00	\$4,117,105	\$4,117,033	0.00	\$0	\$0	0.00	\$0	\$0	0.00	\$0	\$0
Montana Developmental Center	440.15	\$11,912,340	\$12,046,479	440.15	\$11,912,340	\$12,046,479									
Center For The Aged	99.24	\$2,675,501	\$2,662,814	99.24	\$2,675,501	\$2,662,814									
Eastmont Training Center	93.02	\$2,231,954	\$2,246,860	93.02	\$2,231,954	\$2,246,860									
Veterans' Home	74.00	\$514,140	\$532,652	74.00	\$514,140	\$532,652									
Montana State Hospital	697.60	\$19,156,088	\$19,156,010	697.60	\$19,156,088	\$19,156,010									
TOTAL MENTAL HEALTH GEN FUND	1409.01	\$40,607,128	\$40,761,848	1409.01	\$40,607,128	\$40,761,848	0.00	\$0	\$0	0.00	\$0	\$0	0.00	\$0	\$0
DIRECTOR'S OFFICE AND MANAGEMENT SERVICES															
TOTAL FUNDS	9.00	\$377,193	\$378,053	9.00	\$377,193	\$378,053				9.00	\$377,193	\$378,053			
Central Office	28.00	\$1,032,398	\$833,524	28.00	\$1,032,398	\$833,524				23.00	\$769,582	\$707,786			
Director's Office															
Management Services Division				5.00	\$218,665	\$125,738		\$43,168	\$983						
TOTAL	37.00	\$1,409,591	\$1,211,577	37.00	\$1,409,591	\$1,211,577	0.00	\$43,168	\$983	32.00	\$1,146,775	\$1,085,839			
GENERAL FUND															
Central Office	9.00	\$377,193	\$378,053	9.00	\$377,193	\$378,053				9.00	\$377,193	\$378,053			
Director's Office	28.00	\$1,022,110	\$833,524	28.00	\$1,022,110	\$833,524				23.00	\$769,307	\$707,786			
Management Services Division				5.00	\$216,310	\$125,738		\$36,493	\$0						
TOTAL	37.00	\$1,399,303	\$1,211,577	37.00	\$1,399,303	\$1,211,577	0.00	\$36,493	\$0	32.00	\$1,146,500	\$1,085,839			
TOTAL FUNDS	-2177.33	(\$75,581,605)	(\$75,890,515)	1602.47	\$51,010,004	\$51,147,282	523.86	\$21,378,571	\$21,626,634	10.00	\$1,686,738	\$1,670,815	41.00	\$1,506,292	\$1,445,784
TOTAL GENERAL FUNDS	-2146.33	(\$65,331,048)	(\$65,548,371)	1601.47	\$45,648,642	\$45,797,849	503.86	\$17,962,189	\$18,090,538	0.00	\$215,200	\$215,200	41.00	\$1,505,017	\$1,444,784

MISSION

Corrections Division: Exists to provide supervision and support to Montana State Prison, Swan River Camp, Pine Hills, Mountain View, the Women's Correctional Facility, five pre-release centers, Juvenile Aftercare, Probation and Parole.

Alcohol and Drug Abuse Division: The division administers chemical dependency programs and distributes state funds to certified community programs.

Mental Health and Residential Services: Provides administrative supervision for institutional community programs at Boulder, Center for Aged, Eastmont, Vets Home and the State Hospital.

Management Services Division: This division provides budgeting assistance to the institutions, accounting services and some data processing. In addition there are six financial investigators.

Director's Office: Coordinates and directs administrative tasks of Department of Institutions.

Central Office: Direction and administrative support for the state's institutions. Consists of Corrections, Alcohol and Drug Abuse Division, Mental Health and Residential Services, Management Services and Director's Office.

AGENCY MOVE

Mountain View, Pine Hills and Juvenile Aftercare move to Community Services Dept. All other functions move to Justice.

Return ADAD to the Department of Health.

Transfer to Department of Social and Rehabilitative Services.

Eliminate all but six investigators, and place these in SRS.

Eliminate all 10 FTE.

Eliminate as described above.

THE PEOPLE WE SERVE THROUGH THE DEPARTMENT OF INSTITUTIONS ARE THOSE MOST IN NEED OR THOSE MOST DANGEROUS TO THEMSELVES OR OTHERS. UNFORTUNATELY, IT'S A GROWING POPULATION OF PEOPLE AT A TIME WHEN WE CAN LEAST AFFORD IT.

HB 201 ATTEMPTS TO SOLVE THIS DILEMMA BY ELIMINATING CENTRAL OFFICE ADMINISTRATION WHICH DUPLICATES FUNCTIONS OF OTHER DEPARTMENTS OF STATE GOVERNMENT. MUCH OF THE ^{Savings} \$3 MILLION THAT ~~COULD BE SAVED~~ ^{are} IS GOING TO BE NEEDED TO MEET THE NEEDS OF THIS INCREASED POPULATION.

THE DEPARTMENT OF INSTITUTIONS PRESENTLY HAS SIX SEPARATE UNITS. THE DIRECTOR'S OFFICE, THE MANAGEMENT SERVICES DIVISION AND CENTRAL OFFICE ADMINISTRATIVE SUPPORT WOULD BE ELIMINATED BY HB 201. THE THREE REMAINING UNITS INCLUDE THE CORRECTION DIVISION, THE ALCOHOL AND DRUG ABUSE DIVISION AND THE MENTAL HEALTH AND RESIDENTIAL SERVICES DIVISION. THESE ARE THE DIVISIONS WHICH PROVIDE SERVICES.

THE ALCOHOL AND DRUG ABUSE DIVISION WAS ORIGINALLY PART OF THE DEPARTMENT OF HEALTH. HB 201 WOULD RETURN ADAD TO THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES.

THIS IS BASICALLY A FEDERALLY FUNDED PROGRAM WITH 10 FTE WHO OVERSEE CONTRACTS FOR WORK PERFORMED AT THE LOCAL LEVEL. HB 201 WOULD NOT DISTURB THE RELATIONSHIP BETWEEN THESE FTE AND THE CONTRACT WORK BEING PERFORMED. IT IS WORTH REMEMBERING THAT THE \$1.6 MILLION SPENT IS A MIX OF STATE SPECIAL ALCOHOL FUNDS, GENERAL FUND AND FEDERAL FUNDS. BECAUSE REVENUE FROM ALCOHOL HAS BEEN DECREASING OF LATE, SAVINGS WE CAN MAKE FROM THE ELIMINATION OF ADMINISTRATIVE SERVICES WILL HELP.

THE MENTAL HEALTH AND RESIDENTIAL SERVICES DIVISION HAS 5 FTEs

MISSION

Corrections Division: Exists to provide supervision and support to Montana State Prison, Swan River Camp, Pine Hills, Mountain View, the Women's Correctional Facility, five pre-release centers, Juvenile Aftercare, Probation and Parole.

Alcohol and Drug Abuse Division: The division administers chemical dependency programs and distributes state funds to certified community programs.

Mental Health and Residential Services: Provides administrative supervision for institutional community programs at Boulder, Center for Aged, Eastmont, Vets Home and the State Hospital.

Management Services Division: This division provides budgeting assistance to the institutions, accounting services and some data processing. In addition there are six financial investigators.

Director's Office: Coordinates and directs administrative tasks of Department of Institutions.

Central Office: Direction and administrative support for the state's institutions. Consists of Corrections, Alcohol and Drug Abuse Division, Mental Health and Residential Services, Management Services and Director's Office.

AGENCY MOVE

Mountain View, Pine Hills and Juvenile Aftercare move to Community Services Dept. All other functions move to Justice.

Return ADAD to the Department of Health.

Transfer to Department of Social and Rehabilitative Services.

Eliminate all but six investigators, and place these in SRS.

Eliminate all 10 FTE.

Eliminate as described above.

THE PEOPLE WE SERVE THROUGH THE DEPARTMENT OF INSTITUTIONS ARE THOSE MOST IN NEED OR THOSE MOST DANGEROUS TO THEMSELVES OR OTHERS. UNFORTUNATELY, IT'S A GROWING POPULATION OF PEOPLE AT A TIME WHEN WE CAN LEAST AFFORD IT.

HB 201 ATTEMPTS TO SOLVE THIS DILEMMA BY ELIMINATING CENTRAL OFFICE ADMINISTRATION WHICH DUPLICATES FUNCTIONS OF OTHER DEPARTMENTS OF STATE GOVERNMENT. MUCH OF THE ^{Savings} \$3 MILLION ~~THAT COULD BE SAVED~~ ^{are} IS GOING TO BE NEEDED TO MEET THE NEEDS OF THIS INCREASED POPULATION.

THE DEPARTMENT OF INSTITUTIONS PRESENTLY HAS SIX SEPARATE UNITS. THE DIRECTOR'S OFFICE, THE MANAGEMENT SERVICES DIVISION AND CENTRAL OFFICE ADMINISTRATIVE SUPPORT WOULD BE ELIMINATED BY HB 201. THE THREE REMAINING UNITS INCLUDE THE CORRECTION DIVISION, THE ALCOHOL AND DRUG ABUSE DIVISION AND THE MENTAL HEALTH AND RESIDENTIAL SERVICES DIVISION. THESE ARE THE DIVISIONS WHICH PROVIDE SERVICES.

THE ALCOHOL AND DRUG ABUSE DIVISION WAS ORIGINALLY PART OF THE DEPARTMENT OF HEALTH. HB 201 WOULD RETURN ADAD TO THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES.

THIS IS BASICALLY A FEDERALLY FUNDED PROGRAM WITH 10 FTE WHO OVERSEE CONTRACTS FOR WORK PERFORMED AT THE LOCAL LEVEL. HB 201 WOULD NOT DISTURB THE RELATIONSHIP BETWEEN THESE FTE AND THE CONTRACT WORK BEING PERFORMED. IT IS WORTH REMEMBERING THAT THE \$1.6 MILLION SPENT IS A MIX OF STATE SPECIAL ALCOHOL FUNDS, GENERAL FUND AND FEDERAL FUNDS. BECAUSE REVENUE FROM ALCOHOL HAS BEEN DECREASING OF LATE, SAVINGS WE CAN MAKE FROM THE ELIMINATION OF ADMINISTRATIVE SERVICES WILL HELP.

THE MENTAL HEALTH AND RESIDENTIAL SERVICES DIVISION HAS 5 FTEs

AND ADMINISTERS OVER \$5 MILLION OF COMMUNITY BASED SERVICES FOR THE MENTALLY ILL. THREE FOURTHS OF THE FUNDS ARE GENERAL FUND. MENTAL HEALTH SERVICES ARE PROVIDED BY 5 NON-PROFIT REGIONAL CORPORATIONS. HB 201 WOULD TRANSFER THE 5 FTE IN THIS PROGRAM TO THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES. SRS HAS CONSIDERABLE EXPERTNESS IN ADMINISTERING SIMILAR SERVICE CONTRACTS.

THIS SAME DIVISION'S CENTRAL OFFICE PERSONNEL IS ALSO SUPPOSED TO PROVIDE ADMINISTRATIVE SUPERVISION FOR PROGRAMS AT BOULDER, THE CENTER FOR THE AGED, EASTMONT, THE VETS HOME AND THE STATE HOSPITAL. A SUBSTANTIAL PART OF THE BUDGETS OF EACH OF THESE SERVICES COMES FROM MEDICAID AND SRS HAS EXPERTISE WITH MEDICAID.

BUT THERE ARE OTHER POTENTIAL SAVINGS. WE HAVE BEEN ASKED FOR A \$2 MILLION SUPPLEMENTAL BY THE DEPARTMENT OF INSTITUTIONS TO COVER A WORKERS COMPENSATION RATE INCREASE. ALOT OF THAT INCREASE IS A FUNCTION OF THE WORK AT BOULDER AND WARM SPRINGS. DEPARTMENT DIRECTOR CARROLL SOUTH HAS POINTED OUT THAT THE MOVING OF 200 POUND PATIENTS AT BOULDER, FOR EXAMPLE, BY AIDES, MOST OF WHOM ARE WOMEN, HAS CAUSED A GREAT MANY BACK PROBLEMS. THE HIRING OF ORDERLIES TO PERFORM THIS WORK COULD LEAD TO A SIGNIFICANT DECREASE IN THE RATE AND COULD BE ACCOMPLISHED WITH SOME PART OF THE SAVINGS WHICH HB 201 WOULD REALIZE FROM THE ELIMINATION OF UNNEEDED ADMINISTRATION.

I BELIEVE MOST OF THE CORRECTIONS DIVISION BELONGS IN THE DEPARTMENT OF JUSTICE. HB 201 MOVES PINE HILLS, MOUNTAIN VIEW AND JUVENILE AFTERCARE TO THE COMMUNITY SERVICES DIVISION OF SRS. THIS IS A MOVE PROPOSED BY THE GOVERNOR FOR HIS NEW FAMILY SERVICES DEPARTMENT. THE GOVERNOR HAS PROPOSED NO ADDITIONAL FUNDING IN THIS MOVE. THE REMAINING CORRECTIONAL FACILITIES, INCLUDING THE PRISON, THE PRE-RELEASE CENTERS, SWAN RIVER CAMP, THE WOMEN'S PRISON, PLUS THE PAROLE AND PROBATION FUNCTION IN CORRECTIONS WOULD BE MOVED BY HB 201 TO THE JUSTICE DEPARTMENT.

THE DEPARTMENT OF JUSTICE IS RESPONSIBLE FOR STATE LAW ENFORCEMENT AND SAFETY. RESPONSIBILITY FOR CORRECTIONS PROGRAMS IS NOT OUTSIDE THE MISSION OF THE DEPARTMENT.

IN CONCLUSION, I DO NOT KNOW WHETHER THIS APPROACH IS OR IS NOT IN THE BEST INTEREST OF STATE GOVERNMENT. IT IS UNTESTED. WHAT I DO KNOW IS WE BUDGETED FOR 800 INMATES LAST BIENNIUM AND WE HAVE HAD OVER 900; WE BUDGETED FOR 88 BOYS AT PINE HILLS AND HAVE 120; WE BUDGETED FOR 45 GIRLS AT MOUNTAIN VIEW AND HAVE 56; WE BUDGETED FOR 25 WOMEN AT THE WOMEN'S CORRECTIONAL CENTER AND HAVE OVER 30. EACH OF THESE INCREASED POPULATIONS REQUIRES MORE FOOD, CLOTHES, POWER, ETC., AND ELIMINATING ANY DUPLICATING ADMINISTRATIVE FUNCTIONS OR THE CONSOLIDATION OF ADMINISTRATIVE FUNCTIONS WHICH SAVES \$2 MILLION TO \$3 MILLION OF GENERAL FUND SHOULD BE EXAMINED.