MINUTES OF THE MEETING
APPROPRIATIONS COMMITTEE
50TH LEGISLATURE

The meeting of the House Appropriations Committee was called to order by Chairman Rep. Gene Donaldson on March 13, 1987 at 8:00 a.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present at the meeting. Also in attendance were Judy Rippingale, LFA and Denise Thompson, Secretary.

HUMAN SERVICES EXECUTIVE (66:A:1.25)

Department of Health--

Mr. Dan Frazer with the Safe Drinking Water Program, spoke in regard the wellhead protection. It is a federal requirement that the states go through two phases in this program. The first being a two or three year planning process and then an implementation process. The law sets aside $20 million for grants for the planning and implementation. They figured it would be a 75-25 match and they felt Montana will get about $200,000 and may have to match that with 25 percent. Recently they have learned that a request at the federal level is asking for EPA to fund a planning portion of the program and the implementation be funded at the 25 percent match requirement.

Mr. Opitz stated they proposed to the committee if it is only 10 percent, they line-item and make sure that they only spend 10 percent on the planning and the rest would revert. Rep. Spaeth asked if this was going to be an ongoing program that they are going to have to pick up more and more percentage as they go. Mr. Opitz said when they get into the implementation phase, it should be 25 percent.

Rep. Devlin moved to remove the Health Department Budget from the Table. The motion CARRIED unanimously.

Rep. Poulsen moved to accept modified #3 on page B-30 and line item the general fund amount required. Rep. Quilici called the question. The motion CARRIED unanimously.

(66:A:19.30) Rep. Winslow moved modified #1 on page B-44 for 9.5 FTE. Rep. Bardanouve called the question. The motion CARRIED unanimously.

Rep. Winslow moved to accept the subcommittee report for the Department of Health budget with amendments and modifieds. Rep. Quilici called the question. The motion CARRIED unanimously.

(66:A:24.50) Rep. Switzer moved to adopt option three, Exhibit 2 which was discussed yesterday regarding the Workers' Compensation Mail Room and to add $10,289 for FY 88 and $12,108 for FY 89.

Rep. Bardanouve made a substitute motion to move the workers' comp mail room to the centralized mailing. There was a roll call vote. Reps. Bardanouve, Devlin, Nathe, Peck, Poulsen, Rehberg, Spaeth, and Swift voted YES. Reps. Donaldson, Winslow, Bardanouve, Connelly, Iverson, Manuel, Menahan, Menke, Miller, Quilici, and Switzer voted NO. Reps. Bradley, Thoft, and Miller abstained from voting. The motion FAILED by a vote of 8 to 9.

Rep. Quilici called the question on Rep. Switzer's motion. There was a roll call vote. Reps. Donaldson, Winslow, Connelly, Devlin, Iverson, Manuel, Menke, Quilici and Switzer voted YES. Reps. Bardanouve, Menahan, Nathe, Peck, Poulsen, Rehberg, Spaeth, and Swift voted NO. The motion CARRIED by a vote of 9 to 8.

(66:B:3.25) Department of Labor-Silicosis--Rep. Thoft moved that $40,000 be removed from the Silicosis to the RIT replace that with an equal amount of general fund. Rep. Peck called the question. The motion FAILED.

Rep. Winslow moved that the subcommittee report be accepted for the Department of Labor Budget and amended and modified. Rep. Quilici called the question. The motion CARRIED unanimously.

SOCIAL AND REHABILITATION SERVICES-EXECUTIVE:(66:B:10.08)

Rep. Switzer moved to accept the executive recommendation on B-76 in the narrative and amend the percentage figure from 47 percent which freezes it at the current level.

Rep. Bradley resisted the motion. She asked Maureen O'Shanassy who had lived on AFDC for 2 1/2 years to speak in regard to this motion. Ms. O'Shanassy stated that her AFDC was barley had enough to survive. She was unable to work as she could not afford the babysitter payments etc. She stated at one time she refigured her AFDC when she was offered a raise in a cook position, and discovered she would make more money by staying home and doing nothing so that she had all of the financial and medical help she needed.

There was a roll call vote. Reps. Donaldson, Thoft, Winslow, Bardanouve, Devlin, Iverson, Menke, Miller, Peck, Poulsen, Rehberg, Spaeth, Swift, and Switzer voted YES. Reps. Bradley, Connelly, Manuel, Menahan, and Quilici voted NO. The motion CARRIED 14 to 5.

(67:A:4.20) Rep. Winslow moved to accept the modified on Page B-76, #1 for the project to reenforce increased dedication to employment. Rep. Devlin called the question. The motion CARRIED unanimously.

Rep. Winslow moved Modified #2, page B-76, FAMIS be accepted. Rep. Quilici called the question. The motion CARRIED unanimously.

(67:A:18.58) Rep. Winslow moved the modified on B-78 for the additional eligibility techs of 9.7 FTE be accepted. The motion CARRIED unanimously.

Vocational Rehabilatation Program

Rep. Winslow moved the modified on B-95 for the General Rehabilitation Services which increases the amount of services. Rep. Spaeth called the question. The motion CARRIED unanimously.

Rep. Winslow moved modified #2 on B-96 for the Independent Living Program be adopted. Rep. Switzer called the question. The motion CARRIED unanimously.

Rep. Winslow moved modified #3 for Supported Employment, page B-96. The motion CARRIED unanimously.

Rep. Winslow moved modified #4 for Title 6 Services and that modifieds 3 and 4 not be included as part of current level but be line-itemed and looked at next time. The motion CARRIED unanimously.

(67:A:32.50) Rep. Winslow moved the Modified on page 102 for Early Intervention 0-2 years. Mr. Taylor of SRS explained this program provides for state grant program for early intervention similar to the family training services now available in the state. Rep. Peck called the question. The motion CARRIED unanimously.

Rep. Winslow moved Modified #2 on page B-102 for the Increase of DD service providers. Rep. Swift called the question. The motion CARRIED unanimously.

Rep. Winslow moved to adopt Modified #2 on page B-103 for Supported Employment. Mr. Taylor stated they currently spend $250,000 right now and they could help and additional 13 to 15 individuals if this were approved, in outside of shelter workshop settings. Rep. Switzer called the question. Reps Nathe and Menke voted NO. The motion CARRIED.

(67:A:42.25) Rep. Winslow moved to approve the modified on B-105 for Employment Project for Persons with Developmental

Disabilities. Rep. Peck called the question. The motion CARRIED unanimously.

(67:B:0.51) Rep. Winslow moved to amend the the budget to read: "SRS is directed to implement a pilot percentage of income LIEAP project within the next biennium and report to the 51st Legislature the feasibility of adopting such a system statewide." (Exhibit 3) Mr. Dave Lewis stated that when HB 621 was heard in Long Range, the low income coalition came and asked the committee to use part of the oil overcharge monies be used to implement one of these programs. He stated at that time he agreed to do a pilot project on a different way of expending LIEAP funds. The committee suggested that language should go into HB 2.

Rep. Quilici asked Mr. Lewis if they could do that without additional funds. Mr. Lewis said yes he felt it could be done in-house.

Rep. Quilici called the question. The motion CARRIED unanimously.

(67:B:2.00) Rep. Winslow moved to amend the budget on Page B-10, line 13 and 14 to insert language "Transfer of funds may be made among items 1bII, 5bi, 5biv, and 5bv. No funds may be transferred from these items to any other portion of the SRS budget (Exhibit 4). Rep. Peck called the question. The motion CARRIED unanimously.

Rep. Winslow moved to accept the amendment on the Long Term Care Workers (Exhibit 5) to remove the 9 state employees regarding the duplication of home visits by social workers and nurses. Mr. Lewis said that it is not possible for the nurses to know about the social services areas. They only screen the health conditions of the patient where the social worker does an entirely different type of screening.

Rep. Winslow withdrew his motion temporarily. There was additional discussion on the possibility of either the social worker or the nurses going out but not both to do the screening. Janice Connors who represents the firm SRS contracts with to do the pre-screening, medical, stated that it would cost the state many more dollars if they were to do all of the screening when they visited. Rep. Winslow reinstated his motion. Mr. Tickell of SRS stated there is no duplication of screening at this time. There was a question of whether the nurses could maybe screen the patients by telephone rather than personal contact. Mr. Lewis felt the screening areas should not be cut back because there is a lot of dollars involved and the screening is necessary to prevent abuse. Rep. Quilici called the question. There was a roll call vote. Reps. Donaldson, Thoft, Winslow, Devlin, Iverson, Menke, Miller, Nathe,

Poulsen, Rehberg, Swift and Switzer voted YES. Reps. Bardanouve, Bradley, Connelly, Manuel, Menahan, Peck, Quilici, and Spaeth voted NO. The motion CARRIED by a vote of 12 to 8.

The meeting recessed until noon.

The meeting was called back to order at 1:00 p.m.

GENERAL GOVERNMENT SUBCOMMITTEE

Rep. Dennis Rehberg, Chairman of the General Government and Highways Subcommittee presented the narrative on the agencies that were reviewed by the subcommittee.

DEPARTMENT OF ADMINISTRATION QUESTIONS & COMMENTS

There was a 4 percent vacancy savings throughout the Department of Administration.

QUESTIONS:

Rep. Menahan asked about A-145, Personnel Division, as to why they needed all those people in the Personnel Division in Administration when all of the agencies have their own personnel division. Rep. Rehberg noted he was never satisfied with the answer the agency gave him. Ms. Feaver, Director of the Department of Administration said the agency looks at government wide, and does the classification. The individual agencies and boards do not do their own classification and their own grievances and that type of thing. Rep. Menahan stated that in executive action he was going to move to delete some of this.

Chairman Donaldson asked about the Tax Appeal Board and the funding of that, also the reductions here when they are so far behind.

Rep. Quilici asked Bob Raundal, chairman of the Tax Appeal Board if he would give some of the numbers regarding the workload the county Tax Appeal Boards have right now. Mr. Raundal, reported that there is Yellowstone and Lewis and Clark County who will take all of this year and part of next year to finish this year's work. The appeals are already starting to come in for the 1987 tax year and they do not have to be filed until the first of June. The projections on the supplemental have already been exceeded. He sees no way the board can do the work with even what the budget office has recommended. There are now 2,700 appeals filed with the state tax appeal board with the possibility of additional ones. In defense of the boards, the boards are all different and it is difficult to get people to serve on them.

There was discussion regarding the 10 percent cuts in the departments of Administration, Revenue, and Justice budgets. Rep. Spaeth expressed concern regarding these cuts and the way they are being taken. He felt if there were cuts, they should be made either in committee or on the floor of the house. Rep. Rehberg stated the 10 percent is a target and as executive action is done he will present these proposals to cut these budgets.

COMMENTS:

(68:B:15.20) Ellen Feaver noted it is important that the committee understand that the Department of Administration is a service agency. It deals primarily with the business functions of all state government agencies. When the Department of Administration's programs are affected, so are those of other agencies. She stated that their budget is below both the LFA and the executive budgets.

She stated the State Tax Appeal Board is in need of additional employees in order to proceed and complete its appeals work. The Accounting Division is funded so low they won't be able to put out monthly reports to the agencies.

ADJOURNMENT: There being no further business before the committee, the meeting was adjourned.

Rep. Gene Donaldson, Chairman

DAILY ROLL CALL

APPROPRIATIONS COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date _____

NAME	PRESENT	ABSENT	EXCUSED
DONALDSON, GENE Chairman	✓		
THOFT, REP. BOB Vice Chair	✓		
WINSLOW, REP. CAL	✓		
BARDANOUVE, FRANCIS	✓		
BRADLEY, DOROTHY	✓		
CONNELLY, MARY ELLEN	✓		
DEVLIN, GERRY	✓		
IVERSON, DENNIS	✓		
MANUEL, REX	✓		
MENAHAN, RED	✓		
MENKE, LARRY	✓		
MILLER, RON	✓		
NATHE, DENNIS	✓		
PECK, RAY	✓		
POULSEN, HAROLD	✓		
QUILICI, JOE	✓		
REHBERG, DENNIS	✓		
SPAETH, GARY	✓		
SWIFT, BERNIE	✓		
SWITZER, DEAN	✓		

CS-30

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 3/13 BILL NO. House Bill NUMBER 2

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman		✓
Rep. Bob Thoft, Vice Chairman	abstained	
Rep. Cal Winslow, Vice Chairman		✓
Rep. Francis Bardanouve	✓	
Rep. Dorothy Bradley	abstained	
Rep. Mary Ellen Connelly		✓
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson		✓
Rep. Rex Manuel		✓
Rep. Red Menahan		✓
Rep. Larry Menke		✓
Rep. Ron Miller	abstained	A
Rep. Dennis Nathe	✓	
Rep. Ray Peck	✓	
Rep. Harold Poulsen	✓	
Rep. Joe Quilici		✓
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth	✓	
Rep. Bernie Swift	✓	
Rep. Dean Switzer		✓

TALLY FAILED 8 9

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Bardanouve made a substitute motion to move the Workers' Comp. mail room to the Centralized mail.

Form CS-31
Rev. 1985

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 3/13 BILL NO. House Bill NUMBER 2

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	abstained	
Rep. Cal Winslow, Vice Chairman	✓	
Rep. Francis Bardanouve		✓
Rep. Dorothy Bradley	abstained	
Rep. Mary Ellen Connelly	✓	
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson	✓	
Rep. Rex Manuel	✓	
Rep. Red Menahan		✓
Rep. Larry Menke	✓	
Rep. Ron Miller	abstained	
Rep. Dennis Nathe		✓
Rep. Ray Peck		✓
Rep. Harold Poulsen		✓
Rep. Joe Quilici	✓	
Rep. Dennis Rehberg		✓
Rep. Gary Spaeth		✓
Rep. Bernie Swift		✓
Rep. Dean Switzer	✓	

TALLY CARRIED 9 8

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Switzer moved to adopt option three, Exhibit 2 which was discussed the previous day regarding the Workers Compensation mail room. This would allow it to remain where it is.

Form CS-31
Rev. 1985

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 3/13 BILL NO. House Bill NUMBER 2

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman	✓	
Rep. Francis Bardanouve	✓	
Rep. Dorothy Bradley		✓
Rep. Mary Ellen Connelly		✓
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson	✓	
Rep. Rex Manuel		✓
Rep. Red Menahan		✓
Rep. Larry Menke	✓	
Rep. Ron Miller	✓	
Rep. Dennis Nathe		
Rep. Ray Peck	✓	
Rep. Harold Poulsen	✓	
Rep. Joe Quilici		✓
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth	✓	
Rep. Bernie Swift	✓	
Rep. Dean Switzer	✓	

TALLY CARRIED 14 5

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Switzer moved to accept the executive recommendation on B-76 in the narrative at the top of the page and amend the percent figure from 47 percent to 42 percent of the poverty level.

Form CS-31
Rev. 1985

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 3/13/87 BILL NO. House Bill NUMBER 2

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman	✓	
Rep. Francis Bardanouve		✓
Rep. Dorothy Bradley		✓
Rep. Mary Ellen Connelly		✓
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson	✓	
Rep. Rex Manuel		✓
Rep. Red Menahan		✓
Rep. Larry Menke	✓	
Rep. Ron Miller	✓	
Rep. Dennis Nathe	✓	
Rep. Ray Peck		✓
Rep. Harold Poulsen	✓	
Rep. Joe Quilici		✓
Rep. Dennis Rehberg	✓	
Rep. Gary Spaeth		✓
Rep. Bernie Swift	✓	
Rep. Dean Switzer	✓	

TALLY CARRIED 12 8

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Winslow moved to amend the budget to eliminate 9 Long Term Care Workers on Page B-7, line 18 of the bill. (Exhibit 5)

Form CS-31
Rev. 1985

WELLHEAD PROTECTION

The wellhead protection program was established by the 1986 amendments to the Safe Drinking Water Act and is aimed at the protection of underground sources of drinking water. Wellhead protection is a concept that has been used in Montana and other states for many years, primarily by health agencies in an effort to control activities in the vicinity of individual wells and, therefore, to protect the health of water users and protect the ground water resource. The best known example of this kind of activity is the establishment of minimum separation distances between wells and sources of contamination such as septic tanks and drainfields.

The wellhead protection program was established under the new amendments to protect areas around the nation's water supply wells from potential contamination. States are required to establish wellhead protection programs by Section 1428 of the act. States will be eligible for grants for two phases of the program, planning and implementation. Guidelines for the grants will not be available from EPA until June of 1987 so we do not know for sure the amount of grant money available or the required match (the act states that 50% to 90% of the funding may come from the federal grant). In recent meetings with EPA we have been led to believe that the planning portion of the program may only require 10% state match while the implementation phase will probably require 25% match.

Montana has 712 community public water systems and 1536 noncommunity public water systems. Over 95% of these public systems utilize ground water, all or in part, to serve their water users.

The department is interested in obtaining the funds to implement this program because it is a requirement of the law <u>and</u> because we feel we may be able to legitimately use some of the funds to pay for other monitoring requirements imposed upon public water systems by the act.

DIVISION OF WORKERS' COMPENSATION

OUTGOING MAIL ISSUE

OPTION 1 - Division continues to process its own outgoing mail as is presently being done. State Audit mails medical and compensation warrants and Division reimburses Auditor for postage cost. State Auditor mus add .5 FTE - General Fund Cost.

OPTION 2 - Department of Administration processes all of Division's outgoing mail using pre-sort functior State Auditor will insert checks into envelopes. State Auditor must add .5 FTE - General Fund Cost Department of Administration must add partial FTE, with cost to be recovered through charge to Workers Compensation.

OPTION 3 - Workers' Compensation processes all outgoing mail using pre-sort function.

	FY '88			FY '89		
	OPTION 1	OPTION 2	OPTION 3	OPTION 1	OPTION 2	OPTION 3
Postage	$205,335	$176,328	$178,989	$213,827	$183,516	$186,304
.5 FTE (State Auditor)	7,156	7,156	-0-	7,129	7,129	-0-
D of A charge		30,857			32,115	
Travel to Post Office			109			109
Mic. on mailing equipment	3,097	3,097	3,097	3,097	3,097	3,097
TOTAL COST	$215,588	$217,438	$182,195	$224,053	$225,857	$189,510
FUNDING:						
General Fund	$ 7,156	$ 7,156	$	$ 7,129	$ 7,129	$
State Special Revenue	208,432	210,282	182,195	216,924	218,728	189,510
TOTAL COST	$215,588	$217,438	$182,195	$224,053	$225,857	$189,510

CONCLUSION: Option 3 is more cost beneficial, with no General Fund impact.

ACTION NEEDED ON WORKERS' COMPENSATION BUDGET

If Outgoing Mail Option 1 is Approved:

	FY 1988		
	Budget Needed	Sub-Committee Action	Still Needed
ADMINISTRATION PROGRAM:			
Communications (Postage)	$ 15,334	$ 15,334	$ -0-
Repairs & Maintenance	3,097	-0-	3,097
STATE FUND:			
Communications (Postage)	150,112	116,575	33,537
INSURANCE COMPLIANCE:			
Communications (Postage)	33,965	33,965	-0-
SAFETY:			
Communications (Postage)	5,923	5,923	-0-
Total	$208,431	$171,797	$ 36,634

	FY 1989		
	Budget Needed	Sub-Committee Action	Still Needed
ADMINISTRATION PROGRAM:			
Communications (Postage)	$ 15,334	$ 15,334	$ -0-
Repairs & Maintenance	3,097	-0-	3,097
STATE FUND:			
Communications (Postage)	158,605	122,072	36,533
INSURANCE COMPLIANCE:			
Communications (Postage)	33,965	33,965	-0-
SAFETY:			
Communications (Postage)	5,923	5,923	-0-
Total	$216,924	$177,294	$ 39,630

Must also add .5 FTE to State Auditor's budget - General Fund cost of $7,156 in '88 and $7,129 in '89.

ACTION NEEDED ON WORKERS' COMPENSATION BUDGET

If Outgoing Mail Option 2 is Approved:

FY 1988

	Budget Needed	Sub-Committee Action	Still Needed
ADMINISTRATION PROGRAM:			
Communications (Postage)	$ 14,742	$ 15,334	$ (592)
Repairs & Maintenance	3,097	-0-	3,097
STATE FUND:			
Communications (Postage)	152,849	116,575	36,274
INSURANCE COMPLIANCE:			
Communications (Postage)	33,902	33,965	(63)
SAFETY:			
Communications (Postage)	5,694	5,923	(229)
Total	$210,284	$171,797	$ 38,487

FY 1989

	Budget Needed	Sub-Committee Action	Still Needed
ADMINISTRATION PROGRAM:			
Communications (Postage)	$ 14,742	$ 15,334	$ (592)
Repairs & Maintenance	3,097	-0-	3,097
STATE FUND:			
Communications (Postage)	161,293	122,072	39,221
INSURANCE COMPLIANCE:			
Communications (Postage)	33,902	33,965	(63)
SAFETY:			
Communications (Postage)	5,694	5,923	(229)
Total	$218,728	$177,294	$ 41,434

Must also add .5 FTE to State Auditor's budget - General Fund cost of $7,156 in '88 and $7,129 in '89.

ACTION NEEDED ON WORKERS' COMPENSATION BUDGET

If Outgoing Mail Option 3 is Approved:

FY 1988

	Budget Needed	Sub-Committee Action	Still Needed
ADMINISTRATION PROGRAM:			
Communications (Postage)	$ 12,769	$ 15,334	$ (2,565)
Repairs & Maintenance	3,097	-0-	3,097
STATE FUND:			
Communications (Postage)	132,076	116,575	15,501
INSURANCE COMPLIANCE:			
Communications (Postage)	29,212	33,965	(4,753)
SAFETY:			
Communications (Postage)	4,932	5,923	(991)
Total	$182,086	$171,797	$ 10,289

FY 1989

	Budget Needed	Sub-Committee Action	Still Needed
ADMINISTRATION PROGRAM:			
Communications (Postage)	$ 12,769	$ 15,334	$ (2,565)
Repairs & Maintenance	3,097	-0-	3,097
STATE FUND:			
Communications (Postage)	139,392	122,072	17,320
INSURANCE COMPLIANCE:			
Communications (Postage)	29,212	33,965	(4,753)
SAFETY:			
Communications (Postage)	4,932	5,923	(991)
Total	$189,402	$177,294	$ 12,108

SRS is directed to implement a pilot percentage of income LIEAP project within the next biennium and report to the 51st Legislature the feasibility of adopting such a system statewide.

WD/035

1. Page B-10, line 13 through line 14
   Strike: Line 13 through line 14 in their entirety
   Following line 12, page B-10
   Insert: "Transfer of funds may be made amoung items 1bii, 5bi, 5biv, and 5bv. No funds may be transferred from these items to any other portion of the SRS budget."

Amendment to House Bill 2

1. Page B-7, line 18.

Strike:	"1,186,090"	"2,497,422"	"1,378,316"	"3,061,857"
Insert:	"1,142,287"	"2,405,191"	"1,336,091"	"2,968,048"

This amendment would eliminate 9 Long Term Care Workers from the Medical Assistance Program. The current function of these positions is to ensure the appropriateness of nursing home placements. However, this activity may be more efficiently provided through a contract with the Montana-Wyoming Foundation for Medical Care.

Personal services would be reduced by $211,000 each year of the 1989 biennium with approximately $75,000 of the personal services savings shifted to the contracted services portion of the budget each year to be used for a contract with the Montana Foundation for Medical Care. The net "savings" would be $272,000 for the biennium of which $87,500 is general fund.

MONTANA FEDERATION OF STATE EMPLOYEES

AFT, AFL-CIO

P.O. Box 1246 Helena, Montana 59624 (406) 442-2123

ARTCRAFT, BUTTE

JIM McGARVEY
Executive Director

March 12, 1987

TO : Members of the House of Representatives

FROM: Jim McGarvey, Executive Director, Montana Federation of Teachers/Montana Federation of State Employees AFT, AFL-CIO

RE : SB 149

On behalf of the members of the Montana Federation of Teachers/ Montana Federation of State Employees, AFT, AFL-CIO, I urge you to vote YES on SB 149-- a bill to allow members of the Public Employees Retirement System to retire without penalty after twenty-five years of service.

The 1983 Legislature passed legislation for the Teacher Retirement System with identical provisions. The Public Employees Retirement System is now the only state retirement system which does not allow for retirement after twenty five years of service without penalty. The bill will not force anyone to retire--it will just allow those who are ready to retire to do so without suffering reduced retirement benefits.

This important piece of legislation differs from previous legislative proposals because the change in the system is totally funded by a one percent increase in the employee contribution to the PERS. There will be no increased contribution by the State or local governments, yet there will be the possibility of personnel savings because employees at lower salaries will be hired to replace those who have retired.

Once again, on behalf of our members I ask that you vote Yes on Senate Bill 149.

Thank you for your consideration.

COST-BENEFIT ANALYSIS

DEPARTMENT OF COMMUNICATION SCIENCES AND DISORDERS

What are the costs and benefits to Montanans if the University of Montana's Department of Communication Sciences and Disorders (CSD) is eliminated, as it is scheduled to be, if the Governor's budget is approved?

The Benefits Are:

--$216 thousand per year in fewer taxes (59¢ per Montana taxpayer).

The Costs Are:

--Over $250 thousand in lost income to Montanans per year because of lost federal funds.

--Over $28 thousand in lost income to Montanans per year because of state obligations to the federal government.

--Over $710 thousand in lost income to Montanans per year because of Montanans seeking education out of state.

--Over $50 thousand in lost income to Montanans per year because of the CSD clinic's paying patients seeking health care out of state.

--Over $30 thousand in lost income to Montanans per year because services now provided by CSD faculty free of charge will have to be paid at full market rates.

--Over $250 thousand in lost real income to Montanans per year because CSD graduates will have to be replaced by costlier out-of-state audiologists and speech-language pathologists.

Result:

--Closing down the University of Montana's Department of Communication Sciences and Disorders will cost Montanans in income $6 for every $1 of taxes they save.

DON'T SHORTCHANGE MONTANA'S FUTURE

SUPPORT FULL FUNDING FOR HIGHER EDUCATION IN MONTANA

(For complete report, please contact Barbara Bain, Ph.D.)

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	229.25	245.50	226.75	227.75	245.25	226.75	227.75	-1.50
Personal Services	$ 6,379,650	$ 6,884,238	$ 6,413,603	$ 6,269,194	$ 6,882,637	$ 6,415,575	$ 6,271,109	-1.73
Operating Expenses	4,762,706	10,115,010	4,933,014	5,644,306	11,042,382	4,908,859	5,365,663	18.51
Equipment	252,262	324,574	145,088	296,720	172,197	74,164	69,117	17.62
Non-Operating	10,587,398	8,709,085	8,674,159	11,205,101	8,935,939	8,910,675	11,431,882	5.83
TOTAL EXPENSES	$21,982,016	$26,032,907	$20,165,864	$23,415,321	$27,033,155	$20,309,273	$23,137,771	6.52
FUNDING								
General Fund	$ 3,853,795	$ 3,751,227	$ 3,506,769	$ 3,322,568	$ 3,712,500	$ 3,450,635	$ 3,286,238	-13.78
State Special Rev	1,774,247	2,501,633	2,290,662	2,531,201	2,178,239	2,331,234	2,152,182	42.66
Federal Revenue	16,347,574	19,780,047	14,368,433	17,561,552	21,142,416	14,527,404	17,699,351	7.43
Other Revenue	6,400	0	0	0	0	0	0	-100.00
TOTAL FUNDING	$21,982,016	$26,032,907	$20,165,864	$23,415,321	$27,033,155	$20,309,273	$23,137,771	6.52

Program Description: The Department of Health and Environmental Sciences is responsible for promoting and protecting the health of Montanans. It is currently composed of four divisions: 1) the Director, 2) Centralized Services, 3) Environmental Sciences, and 4) Health Services and Medical Facilities. The department has reorganized in the 1989 biennium. The narrative that follows incorporates this reorganization.

Language in Bill: The total appropriation for the department includes $1,897,421 in fiscal 1988 and $1,897,421 in fiscal 1989 of the Maternal and Child Health Block Grant. To the extent revenues from this grant exceed these amounts, it shall be distributed to counties at the discretion of the director of the department of health based upon identifiable needs. To the extent revenues from this grant are less than these amounts, distributions to the counties shall be reduced.

The total appropriation for the department includes $632,187 in fiscal 1988 and $632,187 in fiscal 1989 of the Preventive Health Block Grant. To the extent revenues from this grant exceed these amounts, it shall be distributed at the discretion of the director of the department of health based upon identifiable needs. To the extent revenues from this grant are less than these amounts, the director of the department of health shall make program reductions.

If federal revenues exceed the amounts budgeted, the department may submit a budget amendment to include additional federal spending authority unless specifically prohibited by legislative action.

State and federal funds appropriated in item __ through __ include internal transfers of indirect charges. The amount of indirect charges collected for internal use by the department of health in excess of $390,000 in fiscal 1988 and $390,000 in fiscal 1989 for current programs shall cause a like reversion of general fund.

Budget: All programs of the department except the general funded programs, contribute to the administrative costs of the department of health via the indirect cost pool. The department negotiates a rate with the federal government, which is then applied to the personal services costs of all state revolving accounts and all federal funds, excluding block grants and National Center for Health Statistics funds. A portion of these charges are available to the department to offset certain central administrative costs, with the remainder deposited to the general fund. Centralized Services Division Administration and a portion of the Support Services Bureau are currently funded with indirect charges. Prior to fiscal 1988, indirect charges were made directly on funding sources. These charges were not budgeted for, nor did they appear as expenses. These charges will now appear in each of the contributor program's budgets. The following table shows the indirect charges added to the budget in fiscal 1988 and 1989 by program.

Table 1
Indirect Costs

Division/Program	Fiscal 1988	Fiscal 1989
Centralized Services		
Support Services	$ 5,127	$ 5,112
Records and Statistics	9,498	7,850
Chemistry Laboratory	16,085	16,145
Microbiology Laboratory	22,837	22,984
Environmental Sciences		
Administration	13,151	13,157
Solid and Hazardous Waste	72,994	73,023
Air Quality	49,210	48,886
Water Quality	114,998	115,237
Health Services and Medical Facilities		
Family/Maternal and Child Health	54,524	54,522
Preventive Health	19,115	19,141
Licensing and Certification	29,991	30,000
Total Current Programs	$407,530	$406,057
Modified Budgets		
Superfund	$ 10,685	$ 10,658
Underground Storage Tanks	5,552	5,544
Wastewater Operators	737	1,473
Permit Tracking	1,090	-0-
Women, Infants and Children	2,212	2,208
AIDS	7,092	7,082
Licensing and Certification	16,500	16,479
Total Modifieds	$ 43,868	$ 43,444
TOTAL AGENCY	$451,398	$449,501

A detailed summary of the budgets of the various bureaus of the department is included in the narrative that follows.

Funding: State special revenue is comprised of several sources, including: 1) vital statistics income; 2) laboratory fees; 3) junk vehicle fees; 4) Resource Indemnity Trust (RIT) interest; 5) wastewater operator license fees; 6)

subdivision review fees; 7) local board inspection fees; and 8) emergency medical technician fees. Each is discussed in the narrative that follows.

The department receives two federal block grants: 1) the Preventive Health Block Grant and 2) the Maternal and Child Health Block Grant. The following table shows actual expenditures of the Preventive Health Block Grant in fiscal 1986, the appropriated fiscal 1987 level, and the 1989 biennium budgeted levels.

Table 2
Preventive Health Block Grant

Object	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989
Grant Award, carryover	$604,601*	$632,061	$632,187	$632,187
Director				
Rape Crisis	$ 11,970	$ 11,970	$ -0-	$ -0-
Administration	43,557	48,645	48,645	48,645
Support Services				
Microbiology Lab	32,950	34,000	54,655	55,834
Health Services Medical Facilities				
Administration	9,878	10,168	10,168	10,168
Risk Reduction	47,869	49,257	48,218	48,315
Family Planning	193,430	201,961	202,015	202,017
Dental	-0-	15,000	18,318	18,455
Perinatal	96,529	56,205	70,012	68,670
EMS	168,418	204,855	168,186	168,113
Rape Crisis	-0-	-0-	11,970	11,970
Total Disbursements	$604,601	$632,061	$632,187	$632,187

*As of fiscal year end 1986.

The following table illustrates actual fiscal 1986, appropriated fiscal 1987, and budget 1989 biennium levels of the Maternal and Child Health Block Grant.

Table 3
Maternal and Child Health Block Grant

Object	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989
Grant Award, carryover	$1,980,759*	$1,920,679	$1,897,421	$1,897,421
Director				
Administration	$ 30,000	$ 30,000	$ 30,000	$ 30,000
Grants to Counties	824,664	685,599	-0-	-0-
Health Services Medical Facilities				
Administration	23,047	23,727	23,727	23,727
Nursing	27,314	28,000	-0-	-0-
Family Planning	27,268	29,000	29,000	29,000
Clinical Administration	98,789	80,634	105,000	105,000
Handicapped Children	797,536	843,691	866,119	865,215
Dental	57,997	43,000	43,000	43,000
Grant to Counties	-0-	-0-	662,587	667,245
Perinatal	94,144	157,028	137,988	134,234
Total	$1,980,759	$1,920,679	$1,897,421	$1,897,421

*As of fiscal year end 1986.

The department of health receives several federal funds, as illustrated in the following table. Federal revenue consists of federal grants as well as several other sources, including fees and indirect charges.

Table 4
Department of Health - Federal Funds

Federal Fund	Fiscal 1988	Fiscal 1989
Maternal and Child Health Block Grant	$ 1,897,421	$ 1,897,421
Preventive Health Block Grant	632,187	632,187
Legal Fees	15,164	4,080
Indirect Costs	390,000	390,000
Data Processing Fees	39,014	36,016
Film Library Fees	16,998	17,996
National Center for Health Statistics	69,435	69,435
EPA Hazardous Waste	286,565	287,324
EPA Underground Storage Tanks	136,426	105,143
EPA Superfund	1,516,120	1,516,123
State Lands	54,506	53,999
EPA Air Quality	625,405	625,722
EPA Safe Drinking Water	316,739	316,929
EPA Water Pollution Control	568,249	560,814
EPA Construction Grants	357,344	356,756
EPA Water Quality Management	100,000	100,000
Child Nutrition	2,664,406	2,662,436
Women, Infants and Children	6,340,527	6,532,001
Title XX Family Planning	808,244	808,244
Immunization	267,810	267,918
Sexually Transmitted Diseases	76,267	76,356
Rabies Vaccine	48,661	48,828
Title XIX Medicaid	134,025	133,849
Title XVIII Medicare	200,039	199,774
Total Agency	$17,561,552	$17,699,351

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: DIRECTOR'S DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	11.00	10.00	10.00	10.00	10.00	10.00	10.00	-1.00
Personal Services	$388,927	$361,067	$361,275	$361,275	$361,037	$361,251	$361,251	-7.11
Operating Expenses	69,110	56,507	62,224	56,267	56,271	62,671	56,031	-18.58
Equipment	1,024	12,284	4,000	12,284	1,200	0	1,200	1099.61
TOTAL EXPENSES	$459,061	$429,858	$427,499	$429,826	$418,508	$423,922	$418,482	-6.37
FUNDING								
General Fund	$385,503	$335,589	$353,500	$336,017	$335,323	$347,921	$335,757	-12.84
Federal Revenue	73,558	94,269	74,000	93,809	83,185	76,000	82,725	27.53
TOTAL FUNDING	$459,061	$429,858	$427,500	$429,826	$418,508	$423,921	$418,482	-6.37

Program Description: The Director' Division is responsible for overall management and program support for the Department of Health and Environmental Sciences. The Director's Office coordinates and provides policy development and administration for the department. The Board of Health advises the department in matters concerning the public health. Legal Services provides all aspects of legal representation to the department.

Budget: A 1.0 FTE information officer position was deleted due to no fiscal 1987 pay plan funding and the Special Session III budget cuts.

The reductions in operating expenses of 18.58 percent is cumulatively the result of the following: 1) legal expenses of the family planning lawsuit totaling $14,151 were deleted, 2) one-time contracts totaling $7,875 were eliminated, 3) legal expenses of the Board of Health were increased $3,068 each year, 4) per diem and travel expenses for the Board of Health were increased $1,508 each year, and 5) Westlaw research expenses of $2,880 each year were added to the Legal Unit. The remainder of the difference is due to miscellaneous adjustments.

Equipment consists of computer equipment and software for the Legal Unit.

Funding: General fund declines 12.84 percent due to the reduction in FTE, contracts, and legal expenses, and the Board of Health expenditure increase. In addition to a portion of the Director's Office, general fund provides sole support for the Board of Health and the Legal Unit, with the exception of Westlaw and computer purchases.

Federal funds consist of Preventive Health and Maternal and Child Health Block Grants totaling $78,645 in fiscal 1988 and $78,645 in fiscal 1989, and legal fees to fund the computer purchases and Westlaw expenses in the Legal Unit, totaling $15,164 in fiscal 1988 and $4,000 in fiscal 1989. It is the intent of the committee that Westlaw expenses be funded with 50 percent legal fees and 50 percent general fund in future biennia.

The following table illustrates the Director's Division, and each component and its funding.

Table 5
Director - Components and Funding
Fiscal 1988 and 1989

	Fiscal 1988			Fiscal 1989		
Component	General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
Director's Office	$215,415	$78,645	$294,060	$215,678	$78,645	$294,323
Board of Health	10,045	-0-	10,045	10,045	-0-	10,045
Legal Unit	110,557	15,164	125,721	110,034	4,080	114,114
Total	$336,017	$93,809	$429,826	$335,757	$82,725	$418,482

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: CENTRALIZED SERVICES DIVISION - ADMINISTRATION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Personal Services	$104,865	$ 94,793	$ 94,847	$ 94,847	$ 94,657	$ 94,711	$ 94,711	-9.55
Operating Expenses	50,531	92,854	91,025	92,854	93,203	91,597	93,203	83.76
TOTAL EXPENSES	$155,396	$187,647	$185,872	$187,701	$187,860	$186,308	$187,914	20.79
FUNDING								
General Fund	$ 0	$ 1,781	$185,872	$ 1,781	$ 2,216	$137,735	$ 2,216	ERR
Federal Revenue	155,396	185,866	0	185,920	185,644	48,573	185,698	19.64
TOTAL FUNDING	$155,396	$187,647	$185,872	$187,701	$187,860	$186,308	$187,914	20.79

Program Description: The Centralized Services Division Administration office provides overall financial support to the department.

Budget: Operating expenses rise 83.76 percent due to a rise in Department of Administration insurance of $39,020 and the addition of $1,781 in fiscal 1988 and $2,216 in fiscal 1989 in one-time data processing adjustments.

Funding: General fund funds the onetime data processing charges each year. The balance of the funding is provided by indirect charges made against federal and state special revenue funds in the contributor programs of the department.

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: SUPPORT SERVICES BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	20.00	16.50	16.50	16.50	16.50	16.50	16.50	3.50
Personal Services	$421,251	$373,299	$372,123	$373,479	$373,785	$372,646	$374,015	-11.34
Operating Expenses	125,784	125,957	128,392	125,957	85,866	87,377	85,866	0.14
Equipment	7,247	3,300	13,000	3,300	0	0	0	-54.46
TOTAL EXPENSES	$554,282	$502,556	$513,515	$502,736	$459,651	$460,023	$459,881	-9.30
FUNDING								
General Fund	$145,877	$239,277	$ 93,656	$242,644	$204,000	$ 93,826	$201,567	65.24
State Special Rev	41,721	0	0	0	0	0	0	-100.00
Federal Revenue	366,684	263,279	419,859	260,092	255,651	366,197	258,314	-28.63
TOTAL FUNDING	$554,282	$502,556	$513,515	$502,736	$459,651	$460,023	$459,881	-9.30

Program Description: The Support Services Bureau maintains the accounting system and provides centralized purchasing, mailroom, cashier, auditing, data processing, and word processing functions for the department and contains the film library.

Budget: A 1.0 FTE accounting clerk position was deleted and a 1.0 FTE word processing operator position was reduced to 0.5 FTE due to no fiscal 1987 pay plan funding and Special Session III budget cuts. In addition, 2.0 FTE are now included in the Microbiology Laboratory, as the FTE had provided support services to the lab prior to reorganization.

Operating expenses show only a slight increase over the fiscal 1986 level. This is the cumulative result of a number of changes, the primary factors being: 1) audit costs of $40,800 were added, which is $16,176 more than fiscal 1986 costs, 2) payroll service fees were increased $2,783 to $8,751, 3) $14,054 was transferred to the Microbiology Laboratory, as the expenses had been incurred in administration of the lab, and 4) child nutrition program audit expenses totaling $5,386 were moved to the Family/Maternal and Child Health Bureau, and 5) various one-time expenditures totaling $7,935 were deleted. Operating expenses are reduced $40,091 from fiscal 1988 to fiscal 1989 due to the audit expenses. Equipment consists of a computer for the Data Processing Unit.

Funding: All financial functions of the bureau had been funded with indirect charges in fiscal 1986. Two factors have resulted in a reduction in the amount of indirect charges that can be used to fund this function in the 1989 biennium: 1) the indirect rate has declined from 17.6 percent in fiscal 1986 to 13 percent in fiscal 1988, and 2) carryover funds were incorporated in the 1987 biennium. As a result, general fund, which provides that portion of the unit's funding not met by indirect charges, increases 65.24 percent. General fund support to the Financial Unit totals $150,961 in fiscal 1988 and $109,865 in fiscal 1989. General fund also completely supports the word processing functions of the bureau and totals $91,683 in fiscal 1988 and $91,702 in fiscal 1989.

State special revenue in fiscal 1986 consisted of lab income to support certain administrative functions transferred to the labs in the 1989 biennium.

Federal revenue in the table is made up from three sources: 1) indirect charges in the financial unit, which total $204,080 in fiscal 1988 and $204,302 in fiscal 1989, 2) data processing charges totaling $39,014 in fiscal 1988 and $36,016 in fiscal 1989, which fund the data processing unit, and 3) film library fees totaling $16,998 in fiscal 1988 and $17,996 in fiscal 1989, which support the film library.

SUBCOMMITTEE/LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: RECORDS AND STATISTICS

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	15.00	15.00	15.00	15.00	15.00	15.00	15.00	0.00
Personal Services	$327,233	$336,642	$336,864	$336,864	$336,253	$336,480	$336,480	2.94
Operating Expenses	76,897	96,778	89,867	96,778	89,549	90,175	89,549	25.85
Equipment	28,857	7,131	5,460	7,131	0	0	0	-75.29
TOTAL EXPENSES	$432,987	$440,551	$432,191	$440,773	$425,802	$426,655	$426,029	1.80
FUNDING								
General Fund	$301,920	$272,104	$260,470	$272,326	$279,136	$254,944	$279,363	-9.80
State Special Rev	69,806	99,012	102,111	99,012	77,231	102,101	77,231	41.84
Federal Revenue	61,261	69,435	69,610	69,435	69,435	69,610	69,435	13.34
TOTAL FUNDING	$432,987	$440,551	$432,191	$440,773	$425,802	$426,655	$426,029	1.80

Program Description: This bureau maintains the state's vital statistics system. The bureau also contains the Tumor Registry Program, which provides a registry of cancer patients in the state.

Language in Bill: Item __ includes $99,012 in fiscal 1988 and $77,231 in fiscal 1989 of funds from the vital statistics account. To the extent revenues into the account exceed these amounts, it shall cause a like reversion of general fund. To the extent that the vital statistics account balance exceeds $10,000 at fiscal year-end 1988 and 1989, it shall cause a like reversion of general fund.

Budget: Operating expenses rise 26 percent from fiscal 1986 to fiscal 1988 for the following reasons: 1) The bureau must train registrars in the use of new vital statistics forms in fiscal 1988. The forms are updated every ten years. As a result, $8,878 has been added in fiscal 1988 to accomplish this task. 2) Maintenance contracts on computer equipment purchased in fiscal 1986 were increased by $2,000. 3) Indirect costs of $9,498 in fiscal 1988 and $7,850 in fiscal 1989 were added. In addition, $2,700 for the biennial cancer data report in Tumor Registry was added in fiscal 1989. Equipment consists of software and a microfilm reader/printer.

Funding: General fund is reduced 9.8 percent, as the bureau had one-time equipment purchases in fiscal 1986 of $28,857. State special revenue consists of vital statistics income from the sale of birth and death certificate copies, as well as other documents. Approximately $20,000 of the current fund balance is incorporated in fiscal 1988. Federal revenue consists of National Center for Health Statistics funds of $69,435 in fiscal 1988 and fiscal 1989.

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: CHEMISTRY LAB BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	6.00	6.00	6.00	6.00	6.00	6.00	6.00	0.00
Personal Services	$175,410	$178,169	$178,282	$178,282	$178,841	$178,958	$178,958	1.64
Operating Expenses	60,107	86,447	84,096	86,447	87,971	86,569	87,971	43.82
Equipment	35,552	83,300	14,894	83,300	0	14,894	0	134.30
TOTAL EXPENSES	$271,069	$347,916	$277,272	$348,029	$266,812	$280,421	$266,929	28.39
FUNDING								
General Fund	$ 81,728	$ 82,844	$ 87,274	$ 82,957	$ 83,576	$ 88,304	$ 83,693	1.50
State Special Rev	189,341	265,072	189,998	265,072	183,236	192,117	183,236	40.00
TOTAL FUNDING	$271,069	$347,916	$277,272	$348,029	$266,812	$280,421	$266,929	28.39

Language in Bill: Item __ includes a biennial appropriation of $83,300 for equipment purchases.

Program Description: The Chemistry Laboratory provides analytical and consulting services to various divisions within the department of health and other state agencies and conducts tests for private air and water samples.

Budget: Operating expenses rise 43.82 percent for the following reasons: 1) $2,000 has been added to allow for proper disposal of hazardous wastes, 2) laboratory supplies were increased $3,410, 3) maintenance contracts were increased $2,424, and 4) indirect costs add $16,085 in fiscal 1988 and $16,145 in fiscal 1989. Inflation of laboratory supplies adds an additional $2,118 in fiscal 1988 and $3,722 in fiscal 1989. The remainder of the increase is primarily due to rent adjustments.

Equipment consists of an atomic absorption spectrophotometer, a leak detector and two strip chart recorders.

Funding: State special revenue consists of fees from tests performed in this laboratory and water test fees of the Microbiology Laboratory. Fees provide one-third of the operational costs of the laboratory and 100 percent of the funding of the equipment. The following table shows income and disbursements from the laboratory fees account. The water test fee account is shown on page 17.

Table 6
Laboratory Fees Account - Revenue and Disbursements

	Fiscal 1986	Fiscal 1987	1989 Biennium
Beginning Balance	$102,264	$ 80,220	$ -0-
Revenue			
Miscellaneous Fees	98,741	146,695	320,408
Other	94,473	-0-	-0-
Total Revenue	$193,214	$146,695	$320,408
Total Funds Available	$295,478	$226,915	$320,408
Disbursements			
Chemistry Lab	$189,341	$193,915	$262,408
Microbiology Lab	-0-	-0-	58,000
Administration	26,075	33,000	-0-
Total Disbursements	$215,416	$226,915	$320,408
Adjustments	158	-0-	-0-
Year-End Balance	$ 80,220	$ -0-	$ -0-

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: MICROBIOLOGY LAB BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	11.50	13.50	13.50	13.50	13.50	13.50	13.50	2.00
Personal Services	$281,602	$325,788	$325,856	$325,856	$327,034	$327,115	$327,115	15.72
Operating Expenses	123,763	167,731	183,932	223,731	167,777	191,276	173,777	80.77
Equipment	56,900	63,500	8,863	57,500	6,000	8,863	0	1.05
TOTAL EXPENSES	$462,265	$557,019	$518,651	$607,087	$500,811	$527,254	$500,892	31.33
FUNDING								
General Fund	$338,678	$211,405	$189,000	$211,473	$209,843	$191,070	$209,924	-37.56
State Special Rev	90,729	290,959	295,651	340,959	235,134	302,184	235,134	275.80
Federal Revenue	32,858	54,655	34,000	54,655	55,834	34,000	55,834	66.34
TOTAL FUNDING	$462,265	$557,019	$518,651	$607,087	$500,811	$527,254	$500,892	31.33

Program Description: The Microbiology Laboratory provides testing, consultation, and coordination for disease control and environmental programs, and approves and certifies laboratories within the state.

Language in Bill: Item __ includes a biennial appropriation of $57,500 for equipment purchases.
Item __ is for supplies and communications costs in excess of $99,258 in fiscal 1988 and $100,974 in fiscal 1989 caused by additional reimbursable services in the microbiology and chemistry laboratories.

Budget: Two FTE previously in the Support Services Bureau are now included in the laboratory, as the FTE had provided support services to the lab prior to reorganization of the department.

Operating expenses rise 76 percent from fiscal 1986 to fiscal 1988 for the following reasons: 1) a $50,000 contingency was added to allow the department sufficient authority to collect fees on laboratory tests as may be needed, 2) $6,000 was added each year for AIDS kits, 3) communications and freight expenses totaling $14,054 were moved to the lab from support services, as the expenses were incurred in administration of the lab in fiscal 1986, 4) indirect costs total $22,837 in fiscal 1988 and $22,984 in fiscal 1989, 5) $3,000 was added to allow the lab to contract for laboratory proficiency tests, a service formerly provided free of charge by the federal government, 6) maintenance contracts were increased $9,900, 7) supplies were increased $3,000, and 8) $17,028 in contracts were deleted.

Equipment includes a glassware washer, an autoclave, a sonifier, a water bath, and a tissue culture microscope. All equipment is funded with water test fees.

Funding: General fund declines 38 percent, as general fund totaling $120,949 was expended in fiscal 1986 for PKU testing. The PKU testing is now completely supported by PKU fees.

State special revenue consists of PKU testing fees totaling $107,222 in fiscal 1988 and $109,075 in fiscal 1989, and water test fees in the laboratory. The following table shows revenue and disbursements from the water test fee account. Water test fees income in fiscal 1988 and 1989 includes handling fee income.

Table 7
Microbiology Laboratory Revenue and Disbursements

	Fiscal 1986	Fiscal 1987	1989 Biennium
Beginning Balance	$105,567	$134,601	$149,687
Revenue			
Water Test Fees	51,741	120,000	338,009
Handling Fee	64,140	-0-	-0-
Written-off Collected	1,633	-0-	-0-
Total Revenue	$117,514	$120,000	$338,009
Total Funds Available	$223,081	$254,601	$487,696
Disbursements			
Micro Lab	$ 72,835	$ 86,914	$301,796
Chem. Lab	-0-	-0-	185,900
Administration	15,645	18,000	-0-
Total Disbursements	$ 88,480	$104,914	$487,696
Year-end Balance	$134,601	$149,687	$ -0-

Federal revenue consists of Preventive Health Block Grant.

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: ENVIRONMENTAL SCIENCES DIVISION - ADMINISTRATION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	3.00	2.50	2.50	2.50	2.50	2.50	2.50	-0.17
Personal Services	$ 99,068	$ 97,116	$ 97,226	$ 97,226	$ 97,161	$ 97,270	$ 97,270	-1.86
Operating Expenses	19,644	124,010	25,839	124,010	23,991	25,986	23,991	530.33
TOTAL EXPENSES	$118,712	$221,126	$123,065	$221,236	$121,152	$123,256	$121,261	86.21
STATE SPECIAL REVENUE	$118,712	$221,126	$123,065	$221,236	$121,152	$123,256	$121,261	86.21

Program Description: This office is responsible for overall administration, management, and coordination support of the Environmental Sciences Division.

Budget: A 0.5 FTE secretary was transferred to the Occupational Health Bureau, as the secretarial position in that bureau was deleted in response to no fiscal 1987 pay plan funding and the Special Session III budget cuts.

The rise in operating expenses of 530 percent is due to the inclusion of a biennial appropriation of $100,000 to respond to emergencies caused by the uncontrolled release of hazardous materials into the environment, prepare environmental impact statements (EIS) and variance reviews, and conduct major facility siting act functions. The increase is to be funded with monies collected by the department from parties responsible for the release of hazardous materials and all fees collected. Indirect charges total $13,151 in fiscal 1988 and $13,157 in fiscal 1989. All operating expenses of the Champion International environmental impact statement totaling $8,135 in fiscal 1986 have been deleted.

Funding: This office is funded from three sources: 1) monies collected from parties responsible for the uncontrolled release of hazardous materials, EIS and variance reviews, totaling $100,000 in fiscal 1988 for the biennium, 2) junk vehicle funds, totaling $60,618 in fiscal 1988 and $60,630 in fiscal 1989, and 3) Resource Indemnity Trust (RIT) interest funds totaling $60,618 in fiscal 1988 and $60,631 in fiscal 1989. The RIT funds are part of the department's statutory allocation of 6 percent of the interest from the account.

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCE

PROGRAM: SOLID WASTE BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	21.00	22.00	22.00	22.00	22.00	22.00	22.00	1.00
Personal Services	$ 461,859	$ 715,757	$ 595,728	$ 598,164	$ 715,830	$ 595,997	$ 598,441	29.51
Operating Expenses	1,246,751	5,903,654	1,363,795	1,853,932	7,017,207	1,364,930	1,773,096	48.70
Equipment	18,767	53,741	36,434	45,504	8,729	13,872	9,885	142.47
Non-Operating	629,613	785,616	740,274	785,616	803,630	777,288	803,630	
TOTAL EXPENSES	$2,356,990	$7,458,768	$2,736,231	$3,283,216	$8,545,396	$2,752,087	$3,185,052	39.30
FUNDING								
General Fund	$ 75,856	$ 75,713	$ 73,293	$ 75,734	$ 75,289	$ 74,201	$ 76,181	-0.16
State Special Rev	978,626	1,277,021	1,257,270	1,268,371	1,208,343	1,288,101	1,200,280	29.61
Federal Revenue	1,302,508	6,106,034	1,405,668	1,939,111	7,261,764	1,389,785	1,908,591	48.88
TOTAL FUNDING	$2,356,990	$7,458,768	$2,736,231	$3,283,216	$8,545,396	$2,752,087	$3,185,052	39.30

Program Description: This bureau is responsible for licensing, inspection, and enforcement duties concerning the 200 waste disposal sites in the state; enforcing federal and state hazardous waste statutes; and the junk vehicle recycling program. The bureau consists of the Solid Waste, Junk Vehicle Recycling, Hazardous Waste, Underground Storage Tank, and Superfund Programs.

Budget: A 1.0 FTE environmental specialist was added in fiscal 1987 to the Underground Storage Tank Program and is maintained in the 1989 biennium. The rise in personal services of 29.51 percent is primarily due to vacancy savings of $138,844, as several positions were vacant all or part of the year and the 2.0 Underground Storage Tank Program FTE were not hired until late in the fiscal year.

Operating expenses rise 48.7 percent for the following reasons: 1) $100,000 in junk vehicle funds were added each year as a contingency should the price of scrap metal fall and the department have to pay to remove excess junk vehicles from graveyards, 2) $15,000 was added to the Junk Vehicle Recycling Program for public service announcements in fiscal 1988, 3) lab fees in the Hazardous Waste Program were increased $7,951, while one-time consultant fees and contracts were reduced $42,608, 4) the Underground Storage Tank Program was increased $59,745 in fiscal 1988 and $44,745 in fiscal 1989; the program was begun in fiscal 1986 and is entering the on-going field investigations phase, 5) Superfund was increased by $432,666 in fiscal 1988 and $442,308 in fiscal 1989 in response to anticipated increased

activities, 6) $60,000 was added over the biennium as a contingency in the event of an emergency involving hazardous waste and for pre-CERCLA activities, 7) indirect costs add $72,994 in fiscal 1988 and $73,023 in fiscal 1989, and 8) $115,000 expended in fiscal 1986 for the hazardous waste transfer station was removed from the base.

Equipment consists of the following: 1) Solid Waste Program - $868 for a typewriter in fiscal 1989, 2) Junk Vehicle Program - $868 for a typewriter and $300 for office equipment in fiscal 1988 and $288 for office equipment in fiscal 1989, 3) Superfund - $6,226 for computers, $400 for a camera, $2,000 for field monitoring equipment, and $1,000 for software in fiscal 1988, 4) Hazardous Waste - $5,400 in field monitoring equipment and $1,367 in office equipment in fiscal 1988 and $7,381 in office equipment in fiscal 1989, and 5) Underground Storage Tanks - $8,503 for office equipment, $19,200 for field monitoring equipment, and $239 for software in fiscal 1988 and $1,348 for office equipment in fiscal 1989.

Grants are made to counties to reimburse them for the costs of county vehicle graveyard upkeep, and represent the full amount the counties are entitled to by law. The grants are funded with state junk vehicle fees.

Funding: General fund provides 100 percent of the funding of the Solid Waste Program.

State special revenue consists of two funds: 1) junk vehicle funds, which provide 100 percent of the funding of the Junk Vehicle Recycling Program and 2) Resource Indemnity Trust (RIT) interest funds. RIT funds provide the necessary 25 percent state match on federal Environmental Protection Agency underground storage tanks (UST) and hazardous waste funds. RIT will also be used to match Superfund monies in the 1989 biennium. However, no funds have been appropriated for this purpose, as the department is requesting that its share of RIT interest be raised from 6 percent to 12 percent, and that the department be allowed to budget amend these funds as needed. Included in the appropriation is $60,000 over the biennium for emergencies involving hazardous waste and for pre-CERCLA activities.

Federal revenue consists of three funds: 1) EPA hazardous waste funds, which provide 75 percent of the funding of the Hazardous Waste Program, 2) EPA underground storage tank funds, which provide 75 percent of the funding of the Underground Storage Tank Program, and 3) EPA Superfund, which completely funds the appropriated Superfund Program. Superfund requires a state match, the level of which depends on the stage the work is in, and ranges from 100 percent federal in the investigatory stage, 90 percent federal and 10 percent state in the cleanup stage, unless the site is state owned, when the state must pay 50 percent of costs, to 100 percent state responsibility in the maintenance stage. All Superfund appropriated will be used for those Superfund activities which do not require a state match.

The following table illustrates each program and its 1989 biennium funding.

Table 8
Solid and Hazardous Waste Bureau - Funding
Fiscal 1988 - Fiscal 1989

Program/Fund	Fiscal 1986	Fiscal 1988	Fiscal 1989
Solid Waste			
General Fund	$ 75,855	$ 75,735	$ 76,181
Junk Vehicle			
Junk Vehicle	$ 781,890	$1,067,374	$1,069,458
Underground Storage Tanks			
RIT Interest	$ -0-	$ 45,475	$ 35,048
Junk Vehicle	1,581	-0-	-0-
EPA UST	21,477	136,426	105,142
Total Program	$ 23,058	$ 181,901	$ 140,190
Hazardous Waste			
RIT Interest	$ 77,453	$ 95,522	$ 95,775
EPA Hazardous Waste	231,251	286,564	287,324
Total Program	$ 308,704	$ 382,086	$ 383,099
Superfund			
RIT Interest	$ 2,700	$ 60,000	$ -0-
EPA Superfund	1,049,773	1,516,120	1,516,124
Total Program	$1,052,473	$1,576,120	$1,516,124
TOTAL BUREAU*	$2,241,980	$3,283,216	$3,185,052

*The balance of the fiscal 1986 expenditures of $115,000 were expended for the hazardous waste transfer station.

The following table illustrates anticipated Resource Indemnity Trust interest funds and the appropriated fiscal 1988 and 1989 levels. The balance of RIT interest would be used to provide Superfund match.

Table 9
Resource Indemnity Trust Interest

	Fiscal 1988	Fiscal 1989
Revenue	$395,783	$425,297
Disbursements		
Division Administration	$ 60,618	$ 60,631
Underground Storage Tanks	45,475	35,048
Hazardous Waste	95,522	95,775
Pre-CERCLA (Biennial)	60,000	-0-
Total Disbursements	$261,615	$191,454
Fund Balance	$134,168	$233,843

The following table shows revenues and disbursements of the junk vehicle account.

Table 10
Junk Vehicle Account

	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989
Beginning Balance	$1,544,825	$1,437,904	$701,551	$369,259
Revenues				
Wrecking Facilities	$ 10,687	$ 10,700	$ 10,700	$ 10,700
JV Fee Transfer	267,724	270,000	270,000	270,000
JV Fee Rereg.	354,819	355,000	355,000	355,000
Sale of JV	82,666	60,000	60,000	60,000
Adjustments	(26)	-0-	-0-	-0-
Total Funds Available	$2,260,695	$2,133,604	$1,397,251	$1,064,959
Disbursements				
Junk Vehicle	$ 152,277	$ 155,000	$ 181,758	$ 165,828
JV Grants	629,613	700,000	785,616	803,630
Env. Sci. Administration	53,395	57,053	60,618	60,630
Transfer to General Fund	-0-	500,000	-0-	-0-
Underground Storage Tanks	1,581	20,000	-0-	-0-
Adjustments	(14,075)	-0-	-0-	-0-
Total Disbursements	$ 822,791	$1,432,053	$1,027,992	$1,030,088
Ending Balance	$1,437,904	$ 701,551	$ 369,259	$ 34,871

A $100,000 contingency should the price of steel fall to a level where the department would have to pay to remove excess vehicles from graveyards is not included in fiscal 1988 or 1989. In addition, grants appropriated represent the maximum potential liability of the department. The highest grants paid occurred in fiscal 1985, when the department expended $705,823. The fiscal 1987 expenditures shown in the table represent an estimate of actual expenditures. The fiscal 1987 appropriation, including the $500,000 transfer to the general fund, totals $1,568,285, including the unexpended portion of the biennial underground storage tank program appropriation.

Modified Budgets

1. Underground Storage Tanks - Funds to expand the Underground Storage Tank Program, including 1.5 FTE, are recommended. The expansion would be funded with $11,989 in fiscal 1988 and $11,775 in fiscal 1989 of RIT interest and $35,969 in fiscal 1988 and $35,326 in fiscal 1989 of EPA underground storage tank funds.

2. Superfund - 3.0 FTE each year, including a 0.50 FTE attorney, a 0.50 FTE administrative aide, a 1.0 FTE information officer, and a 1.0 FTE accountant II plus operating expenses to expand the Superfund Program are recommended. The expansion would be funded with $4,127,181 in fiscal 1988 and $5,317,841 in fiscal 1989 of EPA Superfund.

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: AIR QUALITY BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	19.50	18.50	18.50	18.50	18.50	18.50	18.50	-1.00
Personal Services	$560,960	$544,296	$543,905	$544,595	$543,719	$543,319	$544,009	-2.92
Operating Expenses	220,095	301,745	282,829	301,745	302,959	282,348	302,959	37.10
Equipment	1,609	36,310	26,791	36,310	35,960	22,791	35,960	2156.68
Non-Operating	99,000	101,291	101,277	101,291	101,291	101,277	101,291	---
TOTAL EXPENSES	$881,664	$983,642	$954,802	$983,941	$983,929	$949,735	$984,219	11.60
FUNDING								
General Fund	$317,520	$320,657	$320,657	$320,657	$320,657	$320,657	$320,657	0.99
State Special Rev	545	0	0	0	0	0	0	-100.00
Federal Revenue	563,599	662,985	634,145	663,284	663,272	629,078	663,562	17.69
TOTAL FUNDING	$881,664	$983,642	$954,802	$983,941	$983,929	$949,735	$984,219	11.60

Program Description: The Air Quality Bureau is responsible for maintaining outdoor air quality levels considered safe to the public health and welfare through permit review, inspections, monitoring, and information dissemination.

Budget: A vacant 1.0 FTE environmental program supervisor position was deleted due to no fiscal 1987 pay plan funding and Special Session III budget cuts.

Operating expenses rise 37.1 percent due to a number of factors: 1) consultant fees were raised $14,161 each year to operate the statewide ambient air monitoring network, and the smoke management program, and to monitor permit compliances, 2) laboratory fees were raised $9,522, 3) clinic and seminar expenses were raised $1,050, 4) data processing was raised $2,809, 5) field monitoring supplies were raised $3,321, and 6) indirect costs totaling $49,210 in fiscal 1988 and $48,886 in fiscal 1989 were added.

Equipment includes an automobile each year for $8,652 in fiscal 1988 and $8,965 in fiscal 1989, computer equipment and software at $4,296 in fiscal 1988 and $2,675 in fiscal 1989, field monitoring equipment totaling $23,139 in fiscal 1988 and $23,165 in fiscal 1989, and office equipment of $223 in fiscal 1988 and $1,155 in fiscal 1989.

Non-operating costs are grants made to counties with qualified programs to monitor their air quality. The department currently contracts with Yellowstone, Missoula, and Cascade counties.

Funding: General fund provides the maintenance of effort for Environmental Protection Agency air quality funds. The state must maintain the prior year's expenditure level. The amount appropriated represents the fiscal 1987 appropriated amount.

Federal revenue consists of two funds: 1) Department of State Lands, totaling $37,879 in fiscal 1988 and $37,840 in fiscal 1989, which fund a 1.0 FTE position, and 2) EPA air quality, totaling $625,405 in fiscal 1988 and $625,722 in fiscal 1989.

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: OCCUPATIONAL HEALTH BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	5.00	3.50	3.50	3.50	3.50	3.50	3.50	-1.50
Personal Services	$123,114	$122,215	$122,308	$122,308	$122,087	$122,178	$122,178	-0.65
Operating Expenses	35,365	37,571	37,558	37,558	37,472	37,858	37,858	6.20
Equipment	1,225	1,125	1,125	1,125	0	1,125	0	-8.16
TOTAL EXPENSES	$159,704	$160,911	$160,991	$160,991	$159,559	$161,161	$160,036	0.81
GENERAL FUND	$159,704	$160,911	$160,991	$160,991	$159,559	$161,161	$160,036	0.81

Program Description: This bureau is responsible for administering the Radiological and Occupational Health Programs. Primary emphasis is on the inspection of x-ray machines and the provision of measurement and technical expertise to ensure safety in homes and workplaces.

Budget: A 1.0 FTE x-ray inspector position added by the 1985 legislature and never filled by the department was deleted. A 1.0 FTE secretarial position was deleted due to no fiscal 1987 pay plan funding and Special Session III budget cuts. In response, 0.5 FTE of the secretarial position currently in the Administration office has been transferred to this bureau.

Operating expenses rise 6.2 percent due to three factors: 1) consultant fees for a contracted librarian position were raised $225 due to the loss of a 0.5 FTE secretary, 2) $800 was added to allow the bureau to contract for laboratory proficiency tests previously provided by the federal government free of charge, and 3) maintenance contracts on equipment purchased in fiscal 1986 were increased by $400.

Equipment consists of an Anderson microbial impactor.

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: WATER QUALITY BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	40.25	41.00	39.25	40.25	40.75	39.25	40.25	0.00
Personal Services	$1,118,913	$1,181,918	$1,143,161	$1,168,821	$1,178,820	$1,143,005	$1,168,630	4.46
Operating Expenses	477,743	794,646	485,192	520,460	792,583	481,900	518,751	8.94
Equipment	23,317	25,154	13,855	25,155	10,848	5,400	10,848	7.88
Non-Operating	113,035	124,233	118,797	124,233	128,797	118,797	128,797	
TOTAL EXPENSES	$1,733,008	$2,125,951	$1,761,005	$1,838,669	$2,111,048	$1,749,102	$1,827,026	6.10
FUNDING								
General Fund	$ 374,963	$ 468,442	$ 413,215	$ 394,988	$ 467,102	$ 411,101	$ 394,158	5.34
State Special Rev	65,979	96,613	70,674	84,721	100,313	70,582	82,210	28.41
Federal Revenue	1,285,666	1,560,896	1,277,116	1,358,960	1,543,633	1,267,419	1,350,658	5.70
Other Revenue	6,400	0	0	0	0	0	0	-100.00
TOTAL FUNDING	$1,733,008	$2,125,951	$1,761,005	$1,838,669	$2,111,048	$1,749,102	$1,827,026	6.10

Program Description: The Water Quality Bureau is responsible for maintaining water quality standards and enforcing water quality statutes in the state. It consists of the Subdivision Review, Water and Wastewater Operator, Water Pollution Control, Groundwater Pollution Control, Permit Review, Water Quality Management, Safe Drinking Water, and Construction Grants Programs.

Budgets: A vacant 1.0 FTE environmental specialist position in the Safe Drinking Water Program was deleted. However, a 1.0 FTE environmental specialist position was added for giardia work, as the Internal Revenue Service had given the opinion that the individual previously under contract for giardia studies was under control of the department.

Operating expenses rise 9 percent as the net result of the following actions: 1) the Groundwater Pollution Control Program was increased $27,100, primarily in consultant fees, in anticipation of a higher level of activity, 2) the Water Pollution Control Program was increased $19,502 in anticipation of increased activity, 3) the Water Permits Program was raised $11,841 in anticipation of increased activities, 4) $1,116 was added to the Water and Wastewater Operators Program for travel of the Water and Wastewater Operators Advisory Council, 5) $8,665 was added to the Construction Grants Program in anticipation of increased activities, 6) indirect costs of $115,040 in fiscal 1988 and $115,243 in fiscal

1989 were added, 7) consultant fees and contracts totaling $26,708 were deleted from the Safe Drinking Water Program to fund the expansion in FTE, while $7,615 was added for the additional position, and 8) $121,512 in expenses associated with the Clark Fork and RIT funded instream flow studies were deleted, as both were special projects in the 1987 biennium.

Equipment consists of the following: 1) Water Quality Management Program - field monitoring equipment of $1,500 in fiscal 1989, and $2,128 for a computer and software in fiscal 1988 and $148 for software in fiscal 1989. 2) Construction Grants - $2,400 for a computer and software and $300 in field monitoring equipment in fiscal 1988, and $500 for a printer, $300 in field monitoring equipment, and $500 for software in fiscal 1989. 3) Water Pollution Control - $654 for office equipment, $800 for computer enhancements, $300 for software and $2,326 for this program's share of a vehicle in fiscal 1988. 4) Safe Drinking Water - $4,326 for this program's share of a vehicle in fiscal 1988. 5) Groundwater Pollution Control - $400 in office equipment, $2,000 for a computer, and $5,000 for the lease or purchase of a vehicle in fiscal 1988, and $2,500 for field monitoring equipment and $5,000 for the lease or purchase of a vehicle in fiscal 1989. 6) Water Permits - $2,000 for this program's share of a vehicle in fiscal 1988 and $400 for field monitoring supplies in fiscal 1989. 7) Water and Wastewater Operators - $2,500 in computer equipment in fiscal 1988.

Grants are made in three programs: 1) Safe Drinking Water grants are made to local entities to perform sanitary surveys and to collect water samples at public water systems. The grants were reduced by $4,000 to partially fund the additional FTE in that program in fiscal 1988, and total $24,233 in fiscal 1988 and $28,797 in fiscal 1989, compared with a fiscal 1986 total of $28,665. 2) Construction Grants Program grants are made to local governments to begin water system planning and design in advance of federal program reimbursement, and total $40,000 each year, compared with a fiscal 1986 total of $35,120. 3) Subdivision grants are made to reimburse local governments with qualified personnel for minor subdivision review and total $60,000 each year, compared with a fiscal 1986 total of $42,850. Grants made for an Upper Yellowstone River study of $6,400 were deleted.

Funding: General fund is used for the following functions: 1) total support of the operating costs of the Subdivisions Program, totaling $139,098 in fiscal 1988 and $139,240 in fiscal 1989, 2) the required 25 percent match on federal safe drinking water funds in that program, totaling $96,213 in fiscal 1988 and $96,277 in fiscal 1989, 3) partial funding of the Water Quality Management Program, totaling $74,291 in fiscal 1988 and $73,255 in fiscal 1989, and 4) maintenance of effort on federal 106 funds used to support the Water Pollution Control, Groundwater Pollution Control, and Water Permits Programs. The state must maintain the fiscal 1980 level of expenditure of $85,386 each year. The state must also maintain this level to receive any federal 205(g) funds, which support the Construction Grants Program. General fund rises 5.34 percent primarily due to increases in the Subdivisions Program.

State special revenue is used for two functions: 1) Subdivisions Review Program grants to local entities for minor subdivision review, totaling $60,000 each year, and 2) total support of the Water and Wastewater Operators Program totaling $24,721 in fiscal 1988 and $22,210 in fiscal 1989. These funds are annual license fees paid by local wastewater operators.

Federal funds are listed on the following table.

Table 11
Federal Funds - Water Quality Bureau
Fiscal 1988 - Fiscal 1989

Fund/Program	Fiscal 1986	Fiscal 1988	Fiscal 1989
EPA 106			
Water Pollution Control	$ 234,632	$ 305,795	$ 300,961
Groundwater Pollution Control	71,219	104,286	103,734
Water Permits	133,406	158,168	156,119
Total	$ 439,257	$ 568,249	$ 560,814
EPA Safe Drinking Water			
Safe Drinking Water	$ 290,983	$ 316,739	$ 316,929
EPA 205(g) - Construction Grants	$ 298,019	$ 357,345	$ 356,756
EPA 205(j) - Water Quality Management	$ 106,864	$ 100,000	$ 100,000
State Lands* - Water Quality Management	$ -0-	$ 16,627	$ 16,159
BUREAU TOTAL	$1,135,123+	$1,358,960	$1,350,658

* Provides funding for a shared position.
\+ Remainder of the bureau's federal funds in fiscal 1986 consisted of Cabin Creek totaling $39,837, Instream Flow totaling $16,766, and Clark Fork study funds totaling $93,938.

Modifieds Recommended:

1. Permit Tracking - 0.5 FTE and $9,426 in federal 106 funds to allow the bureau to expend the balance of a federal grant approved by budget amendment in fiscal 1987 to automate water permits are recommended.

2. Water and Wastewater Operators - 0.25 FTE in fiscal 1988 and an additional 0.25 FTE certification specialist are recommended to raise the current FTE to 1.0 by fiscal 1989. The additional FTE would be funded with wastewater operators fees totaling $11,899 in fiscal 1988 and $18,110 in fiscal 1989.

3. Wellhead Protection - Contracted services totaling $266,667 each year to begin establishment of a program to prevent contamination of public water supplies is recommended, to be funded with $66,667 of general fund and $200,000 of EPA safe drinking water funds each year.

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: FOOD & CONSUMER SAFETY BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	9.00	8.00	8.00	8.00	8.00	8.00	8.00	-1.00
Personal Services	$255,366	$259,001	$259,204	$259,204	$258,716	$258,921	$258,921	1.50
Operating Expenses	51,982	51,994	53,336	51,994	51,944	53,668	51,946	0.02
Equipment	1,839	327	200	327	327	0	327	-82.22
Non-Operating	203,796	207,000	207,000	207,000	208,000	208,000	208,000	---
TOTAL EXPENSES	$512,983	$518,322	$519,740	$518,525	$518,987	$520,589	$519,194	1.08
FUNDING								
General Fund	$309,187	$311,322	$312,740	$311,525	$310,987	$312,591	$311,194	0.76
State Special Rev	203,796	207,000	207,000	207,000	208,000	208,000	208,000	1.57
TOTAL FUNDING	$512,983	$518,322	$519,740	$518,525	$518,987	$520,591	$519,194	1.08

Program Description: The Food and Consumer Safety Bureau is responsible for issuing licenses to food establishments, hotels, motels and trailer parks, and for training and support services to local health inspectors.

Budget: A vacant 1.0 FTE sanitarian position was deleted due to fiscal 1987 pay plan funding and budget cuts.

Equipment consists of chairs. Grants are made to local health departments to offset the costs of inspections.

Funding: General fund supports the operations of the program. All grants are funded with license fees. All licensed establishments pay an annual fee of $30, of which 85 percent is deposited into the local boards inspection account to grant to local inspection boards and the balance to the general fund.

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: HEALTH SERVICES DIV ADMIN

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	1.90	1.75	1.75	1.75	1.75	1.75	1.75	-0.15
Personal Services	$66,867	$ 98,575	$65,395	$65,395	$ 98,771	$65,428	$65,428	-2.20
Operating Expenses	2,677	4,751	3,678	4,751	4,735	3,771	4,735	77.47
TOTAL EXPENSES	$69,544	$103,326	$69,073	$70,146	$103,506	$69,199	$70,163	0.87
FUNDING								
General Fund	$36,618	$ 69,431	$34,573	$36,251	$ 69,611	$34,699	$36,268	-1.00
Federal Revenue	32,926	33,895	34,500	33,895	33,895	34,500	33,895	2.94
TOTAL FUNDING	$69,544	$103,326	$69,073	$70,146	$103,506	$69,199	$70,163	0.87

Program Description: This office provides overall supervision to the Health Services and Medical Facilities Division.

Budget: This office's portion of a 1.0 FTE administrative clerk position, totaling 0.15 FTE, was deleted due to fiscal 1987 pay plan and budget cuts.

Operating expenses rise 77.47 percent due to increases in out-of-state travel and rent allocations.

Funding: This office is funded with Maternal and Child Health Block Grant funds totaling $10,168 in fiscal 1988 and fiscal 1989, Preventive Health Block Grant totaling $23,727 each year, and with general fund.

Modified Budget:

1) FTE Transfer - It is recommended that 0.75 FTE currently in the Health Planning Bureau be moved to division administration. Since the FTE had been partially federally funded in health planning in fiscal 1986, and all federal funds have ended in that bureau, the positions were included in a modified. Total costs are $33,468 in fiscal 1988 and $33,522 in fiscal 1989 of general fund.

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: FAMILY/MATERNAL CHILD HEALTH

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	23.00	22.50	22.50	22.50	22.50	22.50	22.50	-0.50
Personal Services	$ 566,248	$ 626,185	$ 609,454	$ 610,144	$ 626,333	$ 609,640	$ 610,330	7.75
Operating Expenses	997,868	1,171,657	1,034,799	1,111,961	1,147,617	1,035,151	1,109,651	11.43
Equipment	45,071	25,396	7,601	12,510	103,056	1,301	5,070	-72.24
Non-Operating	9,528,884	7,473,917	7,493,767	9,973,917	7,677,120	7,692,269	10,177,120	
TOTAL EXPENSES	$11,138,071	$9,297,155	$9,145,621	$11,708,532	$9,554,126	$9,338,361	$11,902,171	5.12
FUNDING								
General Fund	$ 40,132	$ 69,794	$ 30,982	$ 30,635	$ 69,984	$ 31,055	$ 31,014	-23.66
Federal Revenue	11,097,939	9,227,361	9,114,639	11,677,897	9,484,142	9,307,305	11,871,157	5.23
TOTAL FUNDING	$11,138,071	$9,297,155	$9,145,621	$11,708,532	$9,554,126	$9,338,360	$11,902,171	5.12

Program Description: The Family/Maternal and Child Health Bureau has total administrative responsibility over the following programs: 1) Special Supplemental Food Program for Women, Infants, and Children (WIC), which provides food supplements to women of childbearing age and to children determined to be at nutritional risk; 2) Child Nutrition, which provides reimbursements to day-care providers for the costs of meals served; 3) Handicapped Children's Services (HCS), which provides medical payments to eligible families of children suffering certain handicapping conditions; and 4) Family Planning, which provides administrative assistance and grants to family planning offices throughout the state. The bureau is made up of elements from the previous Nursing and Clinical Bureaus.

Budget: A 0.5 FTE public health nurse position in the Family Planning Program was deleted at the department's request in order to purchase computers.

Operating expenses rise 11.43 percent due to the following factors: 1) the Child Nutrition Program was expanded by $40,853, 2) the WIC Program was reduced $44,059 due to onetime expenditures in fiscal 1986, 3) the Family Planning Program was increased $4,784, primarily for clinic and seminar expenses, 4) the Handicapped Children's Services Program was increased $66,410 in fiscal 1988 and $65,532 in fiscal 1989, primarily to allow for more children to receive treatment, and 5) indirect costs of $54,524 in fiscal 1988 and $54,522 in fiscal 1989 were added.

Equipment includes $11,210 in fiscal 1988 and $3,770 in fiscal 1989 for computer equipment and software and $500 each year for films in the Family Planning Program, and $800 each year for centrifuges in the WIC Program.

The following table shows grants of the bureau. .

Table 12
Grants - Family/Maternal and Child Health Bureau

Grants	Fiscal 1986	Fiscal 1988	Fiscal 1989
Grants to Counties	$ 824,664*	$ 662,587	$ 667,245
Women, Infants & Children	1,079,025	1,192,061	1,192,061
Child Nutrition	2,270,164	2,500,000	2,500,000
Family Planning	917,786**	819,944	826,516
Total	$5,091,639	$5,174,592	$5,185,822

* Includes a legislative appropriation of $139,247.
**Includes budget amendment of $120,466.

Grants to counties are made from the Maternal and Child Health Block Grant for services to women and children at risk. WIC grants are made to local agencies to administer the WIC program. Child Nutrition grants are made to day-care providers to reimburse them for meals served. Family Planning grants, funded by Federal Title X and Maternal and Child Health and Preventive Health Block Grants, are made to local agencies for family planning services.

WIC benefits are paid to eligible food providers for the costs of WIC foods purchased and total $4,799,325 in fiscal 1988 and $4,991,298 in fiscal 1989.

Funding: The following table shows the funding for each program.

Table 13
Family/Maternal and Child Health Bureau - Programs and Funding

Program/Fund	Fiscal 1986	Fiscal 1988	Fiscal 1989
Administration			
General Fund	$ 40,128	$ 30,634	$ 31,013
Maternal & Child Health Block Grant*	784,207	767,587	772,245
Total	$ 824,335	$ 798,221	$ 803,258
Child Nutrition			
Federal Child Nutrition	$ 2,357,868	$ 2,664,406	$ 2,662,436
WIC			
Federal WIC	$ 5,889,097	$ 6,340,527	$ 6,532,001
Family Planning**			
Federal Title X	$ 772,307	$ 808,244	$ 808,244
Preventive Health Block Grant	193,430	202,015	202,017
Maternal & Child Health Block Grant	27,268	29,000	29,000
Total	$ 993,005	$ 1,039,259	$ 1,039,261
Handicapped Children's Service			
Maternal & Child Health Block Grant	$ 797,536	$ 866,119	$ 865,215
TOTAL BUREAU	$10,861,841	$11,708,532	$11,902,171

* Does not include legislative appropriation of $139,247 in fiscal 1986.
**Does not include budget amendments totaling $136,970 in fiscal 1986.

Modified Budget:
1. WIC On-Line Data Entry - 1.0 FTE data entry operator and $49,083 in fiscal 1988 and $127,806 in fiscal 1989 of federal WIC funds are recommendation for on-line data entry for the WIC program.

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: NURSING BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	3.00	2.00	2.00	2.00	2.00	2.00	2.00	-1.00
Personal Services	$168,089	$75,280	$75,351	$75,351	$75,180	$75,249	$75,249	-55.17
Operating Expenses	29,382	20,183	19,206	19,333	20,154	19,343	19,470	-34.20
TOTAL EXPENSES	$197,471	$95,463	$94,557	$94,684	$95,334	$94,592	$94,719	-52.05
FUNDING								
General Fund	$170,158	$95,463	$94,557	$94,684	$95,334	$94,592	$94,719	-44.36
Federal Revenue	27,313	0	0	0	0	0	0	-100.00
TOTAL FUNDING	$197,471	$95,463	$94,557	$94,684	$95,334	$94,592	$94,719	-52.05

Program Description: The Nursing Bureau provides support services to local school and public health nurses.

Budget: A vacant 1.0 FTE public health consultant has been deleted due to fiscal 1987 budget and pay plan cuts. A net increase of $120 each year was made in travel.

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: PREVENTIVE HEALTH BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	12.90	13.00	13.00	13.00	13.00	13.00	13.00	0.10
Personal Services	$ 345,293	$ 445,340	$393,652	$393,316	$ 445,834	$394,243	$393,910	13.91
Operating Expenses	710,315	578,828	528,659	533,629	569,288	529,938	534,172	-24.87
Equipment	4,599	5,400	5,900	5,900	327	327	327	28.29
Non-Operating	13,070	17,028	13,044	13,044	17,101	13,044	13,044	
TOTAL EXPENSES	$1,073,277	$1,046,596	$941,255	$945,889	$1,032,550	$937,552	$941,453	-11.87
FUNDING								
General Fund	$ 473,601	$ 223,888	$224,841	$223,645	$ 223,904	$224,958	$223,707	-52.78
Federal Revenue	599,676	822,708	716,414	722,244	808,646	712,594	717,746	20.44
TOTAL FUNDING	$1,073,277	$1,046,596	$941,255	$945,889	$1,032,550	$937,552	$941,453	-11.87

Program Description: The Preventive Health Bureau has administrative responsibilities for: 1) Montana Perinatal Program, which provides services directed towards improving the care of mothers and babies; 2) Dental Program, which provides consultation and services designed to reduce tooth decay; 3) Communicable Disease, which provides surveillance and control of reportable infectious diseases; 4) Rabies Vaccine, which provides vaccine to rabies victims; 5) Health Promotion and Education, which manages resources and activities directed at promoting health and reducing disease; 6) Sexually Transmitted Diseases, which provides services to reduce and eliminate sexually transmitted diseases; 7) Immunization, which provides vaccine to reduce the incidence of preventable childhood disease; 8) Rape Crisis, which provides grants to rape crisis intervention programs, and 9) End State Renal Disease, which reimburses medical providers for the cost of services to victims of severe kidney disease. The Genetics Program, operated by Shodair Hospital with a grant from the department, was included in this budget in the 1987 biennium.

Budget: A 0.4 FTE administrative clerk position in the Dental Program was deleted due to fiscal 1987 pay plan and budget cuts. A 0.5 FTE administrative aide position authorized by the 1985 legislature for fiscal 1987 in the Perinatal Program has been maintained.

Operating expenses are reduced 24.87 percent as a result of the following action: 1) The Genetics Program expended $264,041 in contracted services in fiscal 1986. Because the program was funded with general fund, which was offset with a fee on all health insurance policies in the state, and the charge was to be eliminated at the end of fiscal 1987, funding for the Genetics Program was not continued. House Bill 716 continues the Genetics Program and the charge on health insurance policies. 2) The Perinatal Program was reduced by $8,978. 3) All AIDS and Behavioral Risk Surveillance expenses, totaling $27,180, were removed, as all were special projects in fiscal 1986 and are included as modified requests in the 1989 biennium. 4) Indirect costs add $19,115 in fiscal 1988 and $19,141 in fiscal 1989. 5) The Dental Program was increased $6,388 to purchase supplies. 6) The Immunization Program was increased $100,890 to purchase vaccine.

Equipment includes $5,573 in fiscal 1988 for a computer and software for the Perinatal Program and $327 for films each year for the Sexually Transmitted Diseases Program.

Grants include $11,970 of Preventive Health Block Grant each year for Rape Crisis grants and $1,074 of Preventive Health Block Grant in the Health Promotion and Education Program. The state must expend the Rape Crisis grant in order to receive the Preventive Health Block Grant.

Funding: General fund is used for the following purposes: 1) match on federal immunization and sexually transmitted diseases funds; the state has an agreement with the federal government to match all personal services and instate travel costs in the Immunization and Sexually Transmitted Diseases Programs with 20 percent general fund, 2) complete support of the Communicable Disease Program, and 3) complete support of the End Stage Renal Disease Program.

The following table shows each program of the bureau and its funding.

Table 14
Preventive Health Bureau Funding
Fiscal Years 1986 through 1989

Program/Funding	Fiscal 1986	Fiscal 1988	Fiscal 1989
Perinatal Program			
MCH Block	$ 94,144	$137,988	$134,234
PH Block	96,529	70,012	68,670
Total	$190,673	$208,000	$202,904
Dental Program			
General Fund	$ 24,909	$ 21,670	$ 21,599
MCH Block	57,997	43,000	43,000
PH Block	-0-	18,318	18,455
Total	$ 82,906	$ 82,988	$ 83,054
Health Promotion & Education			
PH Block	$ 47,869	$ 48,218	$ 48,315
Immunization			
General Fund	$ 19,208	$ 21,813	$ 21,845
Federal Immunization	160,641	267,810	267,918
Total	$179,849	$289,623	$289,763
Sexually Transmitted Diseases			
General Fund	$ 11,946	$ 12,076	$ 12,093
Federal STD	67,436	76,268	76,356
Total	$ 79,382	$ 88,344	$ 88,449
Rabies Vaccination			
Rabies	$ 47,528	$ 48,661	$ 48,828
Communicable Disease			
General Fund	$ 42,786	$ 43,085	$ 43,170
Rape Crises			
PH Block	$ 11,970	$ 11,970	$ 11,970
End Stage Renal Disease	$122,500	$125,000	$125,000
TOTAL BUREAU	$805,463	$945,889	$941,453

Modified Budgets:

1. Montana AIDS Project - 2.0 FTE and $84,046 in fiscal 1988 and $84,030 in fiscal 1989 of federal funds are recommended to continue the Montana AIDS project to develop and conduct community education projects.

2. AIDS - $10,334 in federal funds are recommended in fiscal 1988 to allow expenditure of remaining grant funds on contracted services for AIDS counseling and testing. This recommendation continues authority approved by budget amendment in the 1987 biennium.

3. Behavioral Risk - $11,000 of federal funds each year is recommended to establish a monthly system of surveillance for behavior health risk, and represents the first two years of a five year grant.

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: EMERGENCY MEDICAL SERVICES

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	9.35	8.20	8.20	8.20	8.20	8.20	8.20	-1.15
Personal Services	$235,124	$220,822	$220,924	$220,924	$220,802	$220,910	$220,910	-6.04
Operating Expenses	231,132	271,196	272,227	271,196	271,014	277,068	271,018	17.33
Equipment	1,594	5,000	5,000	5,000	5,000	5,000	5,000	213.68
TOTAL EXPENSES	$467,850	$497,018	$498,151	$497,120	$496,816	$502,978	$496,928	6.26
FUNDING								
General Fund	$284,435	$268,025	$287,127	$284,104	$267,960	$287,650	$283,985	-0.12
State Special Rev	14,992	44,830	44,893	44,830	44,830	44,893	44,830	199.03
Federal Revenue	168,423	184,163	166,131	168,186	184,026	170,435	168,113	-0.14
TOTAL FUNDING	$467,850	$497,018	$498,151	$497,120	$496,816	$502,978	$496,928	6.26

Program Description: The Emergency Medical Services (EMS) Bureau is responsible for planning, implementation, and coordination of statewide emergency medical services; managing the ambulance licensing program; providing training and certifying emergency medical technicians; and administering the Montana Poison Control System.

Budget: A 1.0 FTE administrative aide position and a 0.15 FTE administrative clerk position were deleted due to fiscal 1987 pay plan and budget cuts.

Operating expenses rise 17.33 percent due to the following: 1) $29,838 was added each year for increased activity associated with the training and testing of emergency medical technicians (EMTs), and 2) $8,283 was added in fiscal 1988 and $8,223 in fiscal 1989 for the Montana Poison Control System. Equipment includes several items of replacement equipment each year and $2,100 for defibrillator equipment in fiscal 1988.

Funding: State special revenue consists of fees paid for emergency medical technician testing and training. The increase of 199.03 percent is due to the anticipation of increased activities. Federal revenue consists of Preventive Health Block Grant.

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: HEALTH PLANNING & RESOURCE

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	9.00	4.75	5.50	0.00	4.75	5.50	0.00	-9.00
Personal Services	$235,995	$141,327	$174,905	$0	$141,318	$174,951	$0	-100.00
Operating Expenses	68,075	34,530	37,427	0	28,915	37,738	0	-100.00
Equipment	2,716	250	591	0	250	591	0	-100.00
TOTAL EXPENSES	$306,786	$176,107	$212,923	$0	$170,483	$213,280	$0	-100.00
FUNDING								
General Fund	$114,157	$176,107	$212,923	$0	$170,483	$213,280	$0	-100.00
Federal Revenue	192,629	0	0	0	0	0	0	-100.00
TOTAL FUNDING	$306,786	$176,107	$212,923	$0	$170,483	$213,280	$0	-100.00

Program Description: The Health Planning Bureau produces the state health plan and related plans; administers the Certificate of Need Program; and collects, maintains, and distributes health facility service and manpower data.

Budget: This bureau had formerly been substantially funded with federal health planning funds. However, these funds have ended in fiscal 1987. In addition, the state certificate of need law expires at the end of fiscal 1987. Due to the loss of federal funding and the increase in general fund this loss entails, and pending legislative action on the certificate of need law, this bureau is included as a modified budget.

Modified Budget

1. Health Planning Bureau - General fund of $176,106 in fiscal 1988 and $170,483 in fiscal 1989 is recommended to maintain the Health Planning Bureau. Total staff levels have been reduced by 4.25 FTE, and all remaining expenses of the bureau are to maintain minimum certificate of need functions, including health planning, which is used in the certificate of need process.

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM: LICENSING & CERTIFICATION BUREAU

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	16.35	16.05	16.05	16.05	16.05	16.05	16.05	-0.30
Personal Services	$443,466	$686,648	$443,143	$443,143	$686,459	$443,303	$443,303	-0.07
Operating Expenses	165,485	193,971	148,931	131,702	193,866	149,495	131,619	-20.41
Equipment	21,945	2,356	1,375	1,375	500	0	500	-93.73
TOTAL EXPENSES	$630,896	$882,975	$593,449	$576,220	$880,825	$592,798	$575,422	-8.67
FUNDING								
General Fund	$243,758	$368,474	$171,098	$242,156	$367,536	$170,890	$241,799	-0.66
Federal Revenue	387,138	514,501	422,351	334,064	513,289	421,908	333,623	-13.71
TOTAL FUNDING	$630,896	$882,975	$593,449	$576,220	$880,825	$592,798	$575,422	-8.67

Language in Bill: General fund is line-itemed for operations of the Licensing and Certification Bureau only. The department may transfer general fund authority into the Licensing and Certification Bureau. No general fund authority may be transferred out of the Licensing and Certification Bureau unless the Governor requests general fund reductions in all state agencies.

Program Description: The Licensing and Certification Bureau issues licenses, grants medicaid certification, and recommends medicare certification for a variety of health care providers. The bureau is also responsible for legal enforcement duties concerning state, local, and federal laws governing health care providers.

Budget: A 0.3 FTE administrative clerk position has been deleted due to fiscal 1987 pay plan and budget cuts.

Operating expenses decrease 20.41 percent for the following reasons: 1) A portion of the expenses of the Family Planning lawsuit were paid from this bureau. Therefore, $58,181 has been deleted. 2) A contract for $7,745 for a building consultant has been deleted, as the department has hired an FTE to perform this function. 3) Indirect costs add $29,991 in fiscal 1988 and $30,000 in fiscal 1989.

Equipment consists of $500 for software each year and $875 for a typewriter in fiscal 1988.

Funding: General fund completely supports the licensing function of the bureau and provides approximately 30 percent of the costs of medicaid certification. Federal funds consist of Title XIX medicaid and Title XVIII medicare funds. The medicare funds completely support the medicare certification function.

Modified Budgets:

1. Additional Personnel - 9.5 FTE and related expenses are recommended for two purposes: 1) to address deficiencies found by the federal government in the work conducted by the bureau, and 2) to respond to changes in the federal certification procedures. Funding includes $126,402 in fiscal 1988 and $125,831 in fiscal 1989 of general fund, $73,541 in fiscal 1988 and $73,231 in fiscal 1989 of federal medicaid funds and $107,013 in fiscal 1988 and $106,564 in fiscal 1989 of federal medicare funds.

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LEGISLATIVE ACTION

AGENCY: DOLI/EMPLOYMENT SECURITY

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	614.67	553.40	607.37	616.90	553.40	607.37	616.90	-5.50
Personal Services	$13,861,097	$13,522,111	$14,757,363	$14,965,810	$13,516,526	$14,751,282	$14,959,420	7.97
Operating Expenses	4,260,313	5,745,047	6,381,307	7,036,918	5,669,748	6,265,732	6,904,438	65.20
Equipment	736,509	254,036	264,945	272,536	223,636	217,463	238,636	-63.00
Non-Operating	64,899,055	8,647,483	7,706,093	8,415,981	9,082,162	8,140,752	8,852,584	
TOTAL EXPENSES	$83,756,974	$28,168,677	$29,109,708	$30,691,245	$28,492,072	$29,375,229	$30,955,078	-63.36
FUNDING								
General Fund	$ 1,335,938	$ 1,054,037	$ 943,553	$ 2,416,815	$ 1,071,901	$ 926,939	$ 2,396,001	80.91
State Special Rev	3,250	4,000	4,000	4,000	4,000	4,000	4,000	23.08
Federal Revenue	25,782,607	24,490,646	25,651,261	25,651,621	24,874,030	25,851,397	26,013,535	-0.51
Other Revenue	56,635,179	2,619,994	2,662,284	2,618,809	2,542,141	2,592,893	2,541,542	-95.38
TOTAL FUNDING	$83,756,974	$28,168,677	$29,109,708	$30,691,245	$28,492,072	$29,375,229	$30,955,078	-63.36

Program Description: Employment Services enforces state wage and hour laws, provides for apprenticeships, hears classification and unemployment insurance disputes, and enforces state and federal anti-discrimination in employment laws. The department also collects and disburses state unemployment funds, acts as an employment agency, provides training, and oversees federal Job Training Partnership Act grants. It is comprised of: 1) Job Service, 2) Unemployment Insurance, 3) Centralized Services, 4) Employment Relations, 5) Employment Policy, 6) Human Rights Commission, 7) Commissioner's Office, 8) Job Training Partnership Act, and 9) General Assistance Training Program.

The division has reorganized in the 1987 biennium. The following table illustrates the prior and current configuration of the department. The table only includes those programs affected by the reorganization. The narrative that follows incorporates the reorganization.

Table 1
Department of Labor - Reorganization Chart

Prior Configuration	Current Configuration
Standards Division	Employment Policy
Labor Standards	JTPA Staff
Apprenticeship	Apprenticeship
	Research and Analysis
Centralized Services	
Research and Analysis	Employment Relations
Audit	Appeals
	Investigations (Standards)
Appeals Division	Audit
Personnel Appeals	
Unemployment Insurance Appeals	
Job Service	
JTPA Staff	

Budget: A total of 13.0 FTE positions have been deleted due to budget cuts, including 5.0 FTE in Job Service, 6.0 FTE in Unemployment Insurance, and 2.0 FTE in Centralized Services. In addition, several positions have been transferred to the Division of Workers' Compensation. The General Assistance Training Program begun in fiscal 1987 adds 17.5 FTE.

The department has changed its method of accounting for indirect charges. These charges are made against all programs of the department and fund Centralized Services and the Commissioner's Office. The charges appear as operating expenses in the budgets of the contributor programs. Prior to fiscal 1988, certain indirect charges were not budgeted for and did not appear as expenses in any program. In the 1989 biennium, all indirect charges made will be budgeted and will appear as expenses. Major changes will appear in the narrative in the relevant programs.

Funding: General fund supports the following functions: 1) all operations of Investigations in the Employment Relations Program, 2) all operations of Personnel Appeals in the Employment Relations Program, 3) all prevailing wage study expenses, 4) a portion of the Human Rights Commission, 5) the state Displaced Homemakers Program in the Job Training Partnership Act, and 6) all expenses of the General Assistance Training Program. The increase in general fund is primarily due to the addition of this program, totaling $1,428,899 each year.

State special revenue consists of license fees paid by private employment agencies.

Other revenue consists of income from the sale of appeals case decisions and indirect charges funding Centralized Services and the Commissioner's Office. The department receives several federal funds, which are discussed in detail in the narrative that follows.

LEGISLATIVE ACTION

AGENCY: DOLI/EMPLOYMENT SERVICES

PROGRAM: JOB SERVICE DIVISION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	343.00	338.00	343.00	338.00	338.00	343.00	338.00	-5.00
Personal Services	$7,678,830	$ 8,188,336	$ 8,283,723	$ 8,192,950	$ 8,183,656	$ 8,279,230	$ 8,188,641	6.70
Operating Expenses	1,782,295	2,891,502	2,628,067	2,831,387	2,885,200	2,603,731	2,811,779	58.86
Equipment	375,525	156,506	156,506	156,506	156,506	156,506	156,506	-58.32
Non-Operating	33,724	85,000	70,000	50,000	190,540	175,540	155,540	48.26
TOTAL EXPENSES	$9,870,374	$11,321,344	$11,138,296	$11,230,843	$11,415,902	$11,215,007	$11,312,466	13.78
FEDERAL REVENUE	$9,870,374	$11,321,344	$11,138,296	$11,230,843	$11,415,902	$11,215,007	$11,312,466	13.78

Program Description: The Job Service Division acts as a labor exchange through the job service offices throughout the state by listing jobs and referring qualified personnel to employers.

Language in the Bill: Item __ includes federal spending authority for current level operations of all existing job service offices. If federal funds are less than these amounts, the department may seek a budget amendment to supplement federal funds with state unemployment assessments as provided in section 39-51-404(4), MCA.

Budget: Five FTE were deleted from the budget due to a reduction in federal funding. Operating expenses rise 59 percent due to several factors: 1) $44,437 was added to allow management training, 2) janitorial services were raised $36,270, as the contract for maintenance of local job service offices was increased, 3) maintenance contracts on existing equipment purchased in the 1987 biennium were increased $47,684 and 4) the change in accounting for indirect costs results in an increase in indirect costs from $135,656 in fiscal 1986 to $1,035,558 in fiscal 1988 and $987,938 in fiscal 1989.

Equipment includes $59,400 each year to upgrade telephone systems in local offices, $60,000 each year to upgrade computer equipment at local offices, $32,106 each year for office equipment, and $5,000 each year to purchase data base packages.

Grants are made for supportive services, such as clothing, automobile repairs, and job related tools, to WIN (Work Incentive) participants, and total $20,000 each year. Capital outlay costs totaling $30,000 in fiscal 1988 and $135,540 in fiscal 1989 are included for projects in the Architecture and Engineering long range building program.

LEGISLATIVE ACTION

AGENCY: DOLI/EMPLOYMENT SERVICES

PROGRAM: UNEMPLOYMENT INSURANCE

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	94.90	88.90	94.90	88.90	88.90	94.90	88.90	-6.00
Personal Services	$1,899,695	$1,956,011	$2,034,579	$1,957,158	$1,955,257	$2,033,766	$1,956,503	3.02
Operating Expenses	745,970	1,512,184	1,500,078	1,502,718	1,486,982	1,480,501	1,478,170	101.44
Equipment	197,997	54,930	54,939	54,930	54,930	54,939	54,930	-72.26
Non-Operating	49,321	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	$2,892,983	$3,523,125	$3,589,596	$3,514,806	$3,497,169	$3,569,206	$3,489,603	21.49
FEDERAL REVENUE	$2,892,983	$3,523,125	$3,589,596	$3,514,806	$3,497,169	$3,569,206	$3,489,603	21.49

Program Description: Unemployment Insurance is responsible for the administration of state and federal unemployment insurance laws. It collects unemployment insurance taxes and makes payments to eligible recipients, and manages the unemployment insurance trust fund.

Budget: Six FTE were deleted due to reductions in federal funding. Consulting and professional services were reduced $24,581 to $100,000, while $15,600 for data set charges and $4,962 for maintenance contracts were added. Due to the change in the method of accounting for indirect charges, those costs total $786,869 in fiscal 1988 and $775,772 in fiscal 1989, compared with the fiscal 1986 total of $30,436.

Equipment consists of $41,130 each year for computer equipment, $7,300 each year for office equipment, and $6,500 each year for software.

Non-operating expenses in fiscal 1986 consisted of one-time capital outlay expenses.

LEGISLATIVE ACTION

AGENCY: DOLI/EMPLOYMENT SERVICES

PROGRAM: CENTRALIZED SERVICES

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	72.10	66.00	68.00	66.00	66.00	68.00	66.00	-6.10
Personal Services	$1,568,659	$1,698,371	$1,727,645	$1,699,406	$1,697,440	$1,726,734	$1,698,553	8.33
Operating Expenses	699,994	726,035	757,112	723,795	672,432	706,534	670,690	3.40
Equipment	105,065	35,700	23,100	35,700	12,200	5,000	12,200	-66.02
Non-Operating	272,602	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	$2,646,320	$2,460,106	$2,507,857	$2,458,901	$2,382,072	$2,438,268	$2,381,443	-7.08
FUNDING								
Federal Revenue	$2,373,718	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	-100.00
Other Revenue	272,602	2,460,106	2,507,857	2,458,901	2,382,072	2,438,268	2,381,443	802.01
TOTAL FUNDING	$2,646,320	$2,460,106	$2,507,857	$2,458,901	$2,382,072	$2,438,268	$2,381,443	-7.08

Program Description: Centralized Services provides overall management and support services to the Department of Labor and Industry, including legal assistance, personnel hiring and training, data processing, and budgeting.

Budget: In fiscal 1986, 6.9 positions were transferred to the Division of Workers' Compensation and Unemployment Insurance for one year. In fiscal 1988, 11 positions have been transferred, for a net reduction from fiscal 1986 to fiscal 1988 of 4.10 FTE. In addition, two FTE were deleted from this division due to budget cuts. The rise in personal services is primarily due to vacancy savings in fiscal 1986 and fiscal 1987 pay increases.

Operating expenses rise 3.40 percent due to a number of factors: 1) payroll service fees were increased $9,718 in fiscal 1988 and $8,866 in fiscal 1989, 2) audit fees of $54,900 were added, which totals $49,255 over the fiscal 1986 level, 3) indirect charges, which were not affected by the change in accounting procedure, were increased $2,818 to $92,490 in fiscal 1988 and total $89,589 in fiscal 1989, 4) one time expenses of $16,570 were deleted and $7,268 was transferred to the Research and Analysis Bureau, and 5) grounds maintenance was reduced $12,209 in fiscal 1988 and $12,074 in fiscal 1989.

Equipment includes computer equipment of $13,300 in fiscal 1988 and $12,000 in fiscal 1989, office equipment of $1,200 in fiscal 1988, a sorter/feeder for $18,000 in fiscal 1988, training equipment of $200 each year, and software for $3,000 in fiscal 1988.

Nonoperating expenses consisted of non-budgeted debt service and transfer expenses and have been deleted from the budget.

Funding: Funding is provided from two sources: 1) indirect costs paid by all programs of the Department of Labor and Industry, including the Division of Workers' Compensation, totaling $1,557,821 in fiscal 1988 and $1,482,381 in fiscal 1989, and 2) data processing funds, which fund that function, totaling $901,080 in fiscal 1988 and $899,062 in fiscal 1989. The two funding sources had previously been classified as federal revenue, and will now be classified as proprietary funds.

LEGISLATIVE ACTION

AGENCY:DOLI/EMPLOYMENT SERVICES PROGRAM: EMPLOYMENT RELATIONS

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	49.00	47.50	47.49	47.50	47.50	47.49	47.50	-1.50
Personal Services	$1,269,119	$1,303,872	$1,287,408	$1,304,235	$1,304,251	$1,287,876	$1,304,701	2.77
Operating Expenses	337,932	430,674	420,988	426,899	425,076	413,302	420,060	26.33
Equipment	18,175	6,900	6,900	6,900	0	1,018	0	-62.04
TOTAL EXPENSES	$1,625,226	$1,741,446	$1,715,296	$1,738,034	$1,729,327	$1,702,196	$1,724,761	6.94
FUNDING								
General Fund	$643,133	$621,252	$600,194	$627,866	$623,490	$599,138	$629,239	-2.37
State Special Revenue	3,250	4,000	4,000	4,000	4,000	4,000	4,000	23.31
Federal Revenue	$977,534	$1,112,694	$1,107,602	$1,102,668	$1,098,337	$1,095,558	$1,088,022	12.80
Other Revenue	1,309	3,500	3,500	3,500	3,500	3,500	3,500	167.38
TOTAL FUNDING	$1,625,226	$1,741,446	$1,715,296	$1,738,034	$1,729,327	$1,702,196	$1,724,761	6.94

Program Description: Employment Relations Division includes the five member Board of Personnel Appeals, the three member Board of Labor Appeals, and three bureaus: 1) Audit, which performs auditing and other special services for the department, 2) Appeals, which provides mediation, fact finding, and arbitration services and conducts administrative hearings on collective bargaining matters, classification appeals, employee grievances, unemployment insurance benefits, tax appeals and on the Wage Payment Act, and 3) Investigations, which administers and enforces state laws on wages, hours, working conditions, child labor, contractors' bonds, restaurant and tavern bonds, and employment agency licensure. It also conducts representation elections and investigates collective bargaining petitions and employee grievances.

Budget: A 1.0 FTE receptionist position was deleted and a 1.0 FTE labor mediator position was reduced to 0.5 FTE due to Special Session III budget cuts.

Operating expenses rise 26.33 percent due to the following factors: 1) fact finding was increased $3,600, 2) legal expenses were increased $3,993, 3) maintenance contracts were increased $12,029, 4) filing fees were raised $2,100 in fiscal 1988 and $4,200 in fiscal 1989, 5) printing supplies were reduced $7,272, and 6) indirect costs total $184,737 compared with a fiscal 1986 total of $149,957. The department reorganized in fiscal 1987. The remainder of the

difference is primarily due to certain expenses occurring in this program in fiscal 1986 not appearing in the actual fiscal 1986 totals due to not being transferred until fiscal 1987. All expenses are included in fiscal 1988 and 1989.

Equipment includes $4,800 for personal computers to complete the automation of the Audit Bureau and $2,100 for software in fiscal 1988.

Funding: General fund supports 100 percent of Investigations totaling $337,362 in fiscal 1988 and $335,892 in fiscal 1989, and all costs of Personnel Appeals, totaling $290,504 in fiscal 1988 and $293,347 in fiscal 1989.

State special revenue consists of license fees paid by private employment agencies.

Federal revenue consists of: 1) audit funds to support the Audit Bureau, which are charges made to contributor programs within the department, totaling $839,634 in fiscal 1988 and $829,600 in fiscal 1989, 2)federal unemployment insurance appeals funds totaling $259,688 in fiscal 1988 and $255,076 in fiscal 1989, which support Unemployment Insurance Appeals, and 3) reimbursement for various fact finding operations totaling $3,346 in each year.

Other revenue consists of income from the sale of appeals case decisions.

LEGISLATIVE ACTION

AGENCY:DOLI/EMPLOYMENT SERVICES PROGRAM: EMPLOYMENT POLICY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	41.00	41.00	40.98	41.00	41.00	40.98	41.00	0.00
Personal Services	$1,026,569	$1,062,530	$1,052,433	$1,063,693	$1,061,871	$1,051,820	$1,063,076	3.62
Operating Expenses	591,131	1,143,815	983,526	1,133,605	1,115,800	970,599	1,109,156	91.77
Equipment	39,236	18,500	23,500	18,500	15,000	0	15,000	-52.85
TOTAL EXPENSES	$1,656,936	$2,224,845	$2,059,459	$2,215,798	$2,192,671	$2,022,419	$2,187,232	33.73
FUNDING								
General Fund	$ 0	$ 19,567	$ 15,306	$ 19,567	$ 0	$ 0	$ 0	N/A
Federal Revenue	1,656,936	2,205,278	2,044,153	2,196,231	2,192,671	2,022,419	2,187,232	32.54
TOTAL FUNDING	$1,656,936	$2,224,845	$2,059,459	$2,215,798	$2,192,671	$2,022,419	$2,187,232	33.73

Program Description: Employment Policy provides overall employment and training policy and planning functions for the Department of Labor and Industry. It consists of: 1) Apprenticeship and Training, which administers the apprenticeship program, 2) staff of the Job Training Partnership Act (JTPA) Program and other state funded job training programs for specific client group needs, and 3) Research and Analysis, which develops data and statistics related to employment, conducts surveys and studies with contracting agencies and charts employment trends in the state, and administers the Montana Career Information System (MCIS) and the State Occupational Information Coordinating Committee (SOICC). Employment Policy also includes all Prevailing Wage study expenses. This study is conducted every two years to determine prevailing wage rates in Montana and will be conducted in fiscal 1988. On-going prevailing wage expenses are contained in the Investigations Bureau of Employment Relations.

Budget: Operating expenses rise 93.5 percent for the following reasons: 1) $107,000 was added for evaluations of program participants, 2) $77,000 was added for outside audits, 3) consulting and professional services were reduced by $35,606 to $18,500, as fiscal 1986 included one-time expenditures, and 4) indirect costs total $410,118 in fiscal 1988 and $406,060 in fiscal 1989, or $313,799 over the fiscal 1986 total of $96,319. This difference is due to the change in accounting for indirect charges and because JTPA indirect costs, which total $225,185 in fiscal 1988 and $223,692 in fiscal 1989, were included in Job Service in fiscal 1986 and do not appear in the actual fiscal 1986 totals in the above table. The department reorganized in fiscal 1987. Approximately $85,000 in operating expenses now included in this budget are not included in the actual fiscal 1986 figures.

Equipment includes $13,500 in fiscal 1988 for computer equipment, $10,000 for a one-time matrix purchase in fiscal 1989, and $2,000 for office equipment and $3,000 for software each year.

Funding: General fund supports the prevailing wage study expenses.

Federal revenue consists of the following: 1) Job Training Partnership Act totaling $1,154,489 in fiscal 1988 and $1,152,214 in fiscal 1989, which fund all JTPA Staff expenses, 2) Research and Analysis totaling $863,580 in fiscal 1988 and $856,922 in fiscal 1989, which fund the Research and Analysis Bureau, and 3) unemployment insurance penalty and interest funds totaling $178,162 in fiscal 1988 and $178,096 in fiscal 1989, which support the Apprenticeship Bureau.

LEGISLATIVE ACTION

AGENCY: DOLI/EMPLOYMENT SERVICES PROGRAM: HUMAN RIGHTS COMMISSION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	10.50	9.00	9.00	9.00	9.00	9.00	9.00	-1.50
Personal Services	$242,899	$235,712	$231,746	$235,786	$235,959	$231,863	$235,903	-2.93
Operating Expenses	74,923	77,164	80,438	76,497	74,361	79,933	73,760	2.10
Equipment	511	0	0	0	0	0	0	-100.00
TOTAL EXPENSES	$318,333	$312,876	$312,184	$312,283	$310,320	$311,796	$309,663	-1.90
FUNDING								
General Fund	$207,053	$216,876	$203,053	$216,283	$214,320	$202,801	$213,663	4.46
Federal Revenue	111,280	96,000	109,131	96,000	96,000	108,995	96,000	-13.73
TOTAL FUNDING	$318,333	$312,876	$312,184	$312,283	$310,320	$311,796	$309,663	-1.90

Program Description: The Human Rights Commission is charged with enforcement of state and federal laws designed to eliminate discrimination in the areas of employment, public accommodations, housing, financing and credit transactions, education, and government services.

Language in Bill: If the division receives federal funds in excess of the amount for case processing and related travel totaling for fiscal year 1988 $105,607 and for fiscal year 1989 $105,593, the division will revert such excess to the general fund. Any EEOC federal funds made available up to this limit or other federal funds made available to the division to provide other services will have to be approved through the regular budget amendment process.

Budget: A 1.0 FTE human rights officer I and a 0.5 FTE human rights officer II positions were deleted due to a decrease in federal funding. Operating expenses rise 2.2 percent in fiscal 1988 due to the inclusion for one year only of $1,500 in microfilming expenses. Travel was reduced $700 due to the reduction in staff. Indirect charges total $19,546 in fiscal 1988 and $18,285 in fiscal 1989, compared with a fiscal 1986 total of $19,192.

Funding: All cases heard by the commission fall under state law and, therefore, are funded with general fund. However, in some instances the cases cross over into federal law. In this event, the commission is entitled to a reimbursement from either the Equal Employment Opportunity Commission (EEOC) or the federal Department of Housing

and Urban Development (HUD). The state is reimbursed at a set rate of $420 for EEOC cases and $600 for HUD cases. In addition, the state is eligible for some travel and miscellaneous reimbursements. The fall in federal funds is due to a lower anticipated number of cases heard by the commission eligible for federal reimbursement in the 1989 biennium than experienced in fiscal 1986. In the 1989 biennium, it is anticipated that 200 EEOC and 10 HUD cases will be completed, and that $4,000 in travel and training and $2,000 in miscellaneous reimbursements will be received.

LEGISLATIVE ACTION

AGENCY: DOLI/EMPLOYMENT SERVICES

PROGRAM: COMMISSIONER OF LABOR & INDUSTRY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	4.00	4.00	4.00	4.00	4.00	4.00	4.00	0.00
Personal Services	$154,605	$139,809	$139,829	$139,829	$139,963	$139,993	$139,993	-9.56
Operating Expenses	27,704	16,579	11,098	16,579	16,606	11,132	16,606	-40.16
TOTAL EXPENSES	$182,309	$156,388	$150,927	$156,408	$156,569	$151,125	$156,599	-14.21
FUNDING								
Federal Revenue	$182,309	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	-100.00
Proprietary Fund	0	156,388	150,927	156,408	156,569	151,125	156,599	ERR
TOTAL FUNDING	$182,309	$156,388	$150,927	$156,408	$156,569	$151,125	$156,599	-14.21

Program Description: The Commissioner of Labor and Industry is responsible for overall management of the Department of Labor and Industry.

Budget: The decrease in personal services is due primarily to pay out of the former commissioner. Operating expenses decrease 40 percent. The Commissioner's Office had formerly been charged directly for its share of the costs of Centralized Services. These expenses appeared as indirect charges in this office's budget. Since this office is funded by all other programs of the department, those charges were all eventually paid by the programs contributing to the support of this office. In the 1989 biennium, all indirect charges to the Commissioner's Office will be deleted to eliminate this accounting duplication. Indirect charges totaled $16,635 in fiscal 1986. Travel was increased $5,726 to allow the commissioner to travel to out-of-state meetings.

Funding: The Commissioner's Office is funded with charges made against all other programs of the department, which appear as operating expenses in those budgets. In the 1989 biennium, an accounting change has switched these funds to a proprietary account.

LEGISLATIVE ACTION

AGENCY: DOLI/EMPLOYMENT SERVICES PROGRAM: JOB TRAINING PARTNERSHIP ACT

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	$ 20,721	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	-100.00
Operating Expenses	364	0	0	0	0	0	0	-100.00
Non-Operating	8,182,140	7,636,073	7,636,093	7,636,073	7,965,212	7,965,212	7,965,212	-6.67
TOTAL EXPENSES	$8,203,225	$7,636,073	$7,636,093	$7,636,073	$7,965,212	$7,965,212	$7,965,212	-6.91
FUNDING								
General Fund	$ 291,220	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	-57.08
Federal Revenue	7,912,005	7,511,073	7,511,093	7,511,073	7,840,212	7,840,212	7,840,212	-5.07
TOTAL FUNDING	$8,203,225	$7,636,073	$7,636,093	$7,636,073	$7,965,212	$7,965,212	$7,965,212	-6.91

Program Description: Job Training Partnership Act passes through federal JTPA funds to the Department of Labor and Industry, state agencies, and non-state organizations that provide training to help individuals enter or reenter the workforce.

Budget: The budget represents the anticipated level of JTPA funds in the 1989 biennium and does not include several budget amendments received in fiscal 1986.

Funding: General fund supports the state Displaced Homemakers Program. General fund had also provided the necessary dollar for dollar match on JTPA Title III dislocated workers funds and pre-employment training funds. The match for both of these funds, totaling $209,000 in fiscal 1988 and fiscal 1989, will now be met with unemployment insurance penalty and interest funds. The remainder of the federal funds consist of federal JTPA grants.

Modified Budgets

1. JTPA Summer Youth Training - JTPA funds totaling $926,410 each year are recommended to provide support and assistance to Montana employers in providing jobs for economically disadvantaged youth.

2. Aid to Families with Dependent Children Day Care - General fund totaling $90,909 in fiscal 1988 and $109,091 in fiscal 1[illegible] are recommended to provide initial child care assistance to former Aid to Families with Dependent Children [illegible] who [illegible] employed [illegible] and [illegible] provide information [illegible] s [illegible] the program's impact on successful employment of AFDC clients.

LEGISLATIVE ACTION

AGENCY: DOLI/EMPLOYMENT SERVICES

PROGRAM: GENERAL ASSISTANCE TRAINING PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	0.00	0.00	0.00	17.50	0.00	0.00	17.50	17.50
Personal Services	$0	$0	$0	$ 372,753	$0	$0	$ 372,050	N/A
Operating Expenses	0	0	0	325,438	0	0	324,217	N/A
Non-Operating	0	0	0	729,908	0	0	731,832	N/A
TOTAL EXPENSES	$0	$0	$0	$1,428,099	$0	$0	$1,428,099	N/A
GENERAL FUND	$0	$0	$0	$1,428,099	$0	$0	$1,428,099	N/A

Program Description: The Department of Labor and Industry is the administering and evaluation agency of the General Assistance Training Program. The program was established to meet the requirements of House Bill 12 passed in Special Session II, which required all persons receiving general assistance to attend classes designed to improve their employment possibilities and to engage in structured job search. Failure to participate in the programs means the loss of eligibility for all or a portion of general assistance benefits. In each of the 12 counties whose general assistance program has been assumed by the state, the training is provided by local job service offices, as well as by county governments and other organizations, such as Human Resource Development Councils (HRDCs) and the AFL-CIO.

Budget: The program began operations in fiscal 1987, and was appropriated funds for an eight month period. The following table shows budgeted expenses and FTE of the program in fiscal 1987.

Table 2
Budgeted Expenses - General Assistance Training Program
Fiscal 1987

County	Budgeted Expenditures	FTE
Cascade	$146,113	8.0
Deer Lodge and Powell	60,803	4.0
Flathead	68,894	5.5*
Lake	12,167	0.0
Lewis and Clark	141,697	6.5
Lincoln	64,192	1.0
Mineral and Missoula	86,870	4.5
Park	34,151	1.0
Ravalli	15,549	0.5
Silver Bow	104,385	5.0
Total	$734,821	36.0

*Includes 4.5 FTE employed by community organizations serving Flathead, Lake, and Lincoln counties.

The total FTE include 13.5 FTE in local job service offices. In addition, the central department of labor office in Helena employs 2.5 FTE for this program and has budgeted expenses of $69,867.

The 1989 biennium budget includes all FTE associated with the local job service offices and the central department of labor office. Expenses of the central office total $120,000 each year of the biennium, while local job service costs total $433,191 in fiscal 1988 and $431,267 in fiscal 1989. The 1989 biennium budget includes an additional 1.5 FTE in the local job service offices, and also includes $145,000 each year in workers' compensation costs for participants.

Nonoperating expenses include $21,890 in expenses of local job service offices each year and grants to other program operators for the costs of local programs, totaling $708,018 in fiscal 1988 and $709,942 fiscal 1989.

LEGISLATIVE ACTION

AGENCY: DIVISION OF WORKERS' COMPENSATION

PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	175.25	199.50	172.00	184.00	199.50	172.00	184.00	8.75
Personal Services	$3,919,515	$4,478,602	$3,898,305	$4,119,159	$4,485,131	$3,905,128	$4,125,884	5.09
Operating Expenses	2,310,860	2,882,042	2,474,613	2,611,451	2,777,401	2,400,934	2,605,296	-13.01
Equipment	155,672	214,369	165,320	148,257	127,540	92,650	126,690	-4.76
Non-Operating	1,611,841	1,080,199	1,063,046	655,545	1,477,937	1,461,521	1,051,520	-59.33
TOTAL EXPENSES	$7,997,888	$8,655,212	$7,601,284	$7,534,412	$8,868,009	$7,860,233	$7,909,390	- 5.79
FUNDING								
General Fund	$ 99,978	$ 657,444	$ 658,103	$ 81,443	$ 632,029	$ 632,687	$ 76,429	-18.54
State Special Rev	7,773,881	7,873,319	6,817,719	7,328,520	8,111,104	7,101,657	7,708,085	-5.73
Federal Revenue	124,029	124,449	125,462	124,449	124,876	125,889	124,876	0.33
TOTAL FUNDING	$7,997,888	$8,655,212	$7,601,284	$7,534,412	$8,868,009	$7,860,233	$7,909,390	- 5.79

Program Description: The Division of Workers' Compensation is responsible for several laws relating to Montana's workers. It is comprised of four bureaus: 1) Administration, 2) State Insurance Fund, 3) Insurance Compliance, and 4) Safety and Health.

Budget: The Crime Victims Compensation Program, which provides payments to innocent victims of crime or their families, has been transferred to the Department of Justice in the 1989 biennium. The program's expenditures totaled $422,940 in fiscal 1986, funded with a portion of the fines and citations issues by the highway patrol. A detailed discussion of budget issues is included in the narrative that follows.

Funding: General fund supports the administrative costs of the Silicosis Benefits Program and all costs of the Social Security Offsets Program, both of which are included in the Insurance Compliance Bureau. Prior to fiscal 1986, all silicosis benefit payments had been made with general fund. The payments were changed to Resource Indemnity Trust interest funds in fiscal 1986. The 1989 biennium budget maintains that funding.

State special revenue consists of state workers' compensation insurance funds, which provide most of the funding of the operational costs of the division, and of RIT funds, which fund all silicosis benefit payments.

Federal funds consist of Occupational Safety and Health Administration, on-site evaluation, and coal mine safety funds.

LEGISLATIVE ACTION

AGENCY: DIVISION OF WORKERS' COMPENSATION

PROGRAM: ADMINISTRATION PROGRAM

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	39.00	39.50	36.00	37.00	39.50	36.00	37.00	-2.00
Personal Services	$ 861,928	$ 926,713	$ 852,991	$ 878,275	$ 927,865	$ 854,242	$ 879,497	1.90
Operating Expenses	598,103	667,572	466,305	482,285	510,420	408,090	423,882	-19.36
Equipment	50,433	46,804	65,804	43,104	42,393	4,655	42,393	-14.53
Non-Operating	0	9,962	9,962	9,962	431,338	431,338	431,338	
TOTAL EXPENSES	$1,510,464	$1,651,051	$1,395,062	$1,413,626	$1,912,016	$1,698,325	$1,777,110	-6.41
FUNDING								
State Special Rev	$1,478,664	$1,617,951	$1,360,949	$1,380,526	$1,878,947	$1,664,243	$1,744,041	-6.64
Federal Revenue	31,800	33,100	34,113	33,100	33,069	34,082	33,069	4.09
TOTAL FUNDING	$1,510,464	$1,651,051	$1,395,062	$1,413,626	$1,912,016	$1,698,325	$1,777,110	-6.41

Program Description: The Administration Program is responsible for overall management and support services of the division.

Budget: One FTE who transferred from Centralized Services in fiscal 1987 was maintained. One FTE legal staff included in the 1987 biennium only has been deleted. The FTE is included as a modified budget in this program and in the State Insurance Fund. One FTE was internally transferred.

Operating expenses decline 19.4 percent as the cumulative result of the following: 1) data processing charges were reduced $221,830, as the division had one-time expenses in fiscal 1986, 2) expenses of the Workers' Compensation Advisory Council were reduced $17,528, 3) audit expenses total $1,300 less than the fiscal 1986 total of $40,000. 4) payroll service fees total $11,311 in fiscal 1988 and $11,030 in fiscal 1989, compared with a fiscal 1986 total of $1,814, 5) indirect costs total $83,040 in fiscal 1988 and $82,597 in fiscal 1989, compared with a fiscal 1986 total of $80,491, 6) insurance costs of $49,248 were added, 7) a software agreement with WANG was added totaling $3,960, 8) janitorial expenses were raised $8,244, 9) parking spaces were added at a cost of $3,480, 10) maintenance contracts were increased $2,268, 11) expenses of an anticipated major revision of the workers' compensation statutes total $11,679, 12) legal expenses were raised $3,468, 13) postage for small business clinic mailings was increased $6,300, 14) rent on a copier added $7,291, and 15) phone enhancements total $10,000 in fiscal 1988.

Equipment consists of $40,004 in fiscal 1988 and $26,793 in fiscal 1989 for computer equipment, office equipment of $1,500 each year, library books totaling $1,600 in fiscal 1988 and $2,200 in fiscal 1989, and software of $11,900 in fiscal 1989.

Non-operating costs of $9,962 in fiscal 1988 and $431,338 in fiscal 1989 consist of transfers for building payments not funded with investment earnings. Building payments total $430,463 in fiscal 1988 and $431,338 in fiscal 1989.

Funding: State special revenue consists of state workers' compensation insurance funds. Federal revenue includes a grant from the federal Occupational Safety and Health Administration.

Modified Budgets

1. Legal Secretary - State workers' compensation funds totaling $17,541 in fiscal 1988 and $17,518 in fiscal 1989 are recommended to retain 1.0 FTE legal secretary added by the 1985 legislature on a sunset basis to aid 2.0 FTE attorneys. The attorneys are recommended in a modified budget in the State Insurance Fund.

2. Computer Development - State workers' compensation funds totaling $181,000 in fiscal 1988 and $75,000 in fiscal 1989 are recommended to complete the development of the computer system currently being implemented.

3. Programmer/Mail Clerk - State workers' compensation funds totaling $37,742 in fiscal 1988 and $36,607 in fiscal 1989 are recommended to add 1.5 FTE to assist in the automation of identifying uninsured employers, generating management information reports and assisting with in-coming mail.

LEGISLATIVE ACTION

AGENCY: DIVISION OF WORKERS' COMPENSATION PROGRAM: STATE INSURANCE FUND

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	76.00	98.00	76.00	88.00	98.00	76.00	88.00	12.00
Personal Services	$1,720,713	$2,093,465	$1,633,317	$1,856,031	$2,093,864	$1,633,829	$1,856,553	7.86
Operating Expenses	1,380,665	1,723,658	1,605,702	1,677,129	1,786,345	1,592,199	1,739,371	21.47
Equipment	37,629	110,641	37,702	56,229	56,550	54,100	56,550	49.43
TOTAL EXPENSES	$3,139,007	$3,927,764	$3,276,721	$3,589,389	$3,936,759	$3,280,128	$3,652,474	14.35
STATE SPECIAL REVENUE	$3,139,007	$3,927,764	$3,276,721	$3,589,389	$3,936,759	$3,280,128	$3,652,474	14.35

Program Description: The State Insurance Fund administers the state workers' compensation insurance fund. It enrolls employers requesting coverage and pays wage loss and medical benefits according to state law.

Budget: Twelve FTE transferred from Centralized Services and Job Service in fiscal 1987 were maintained in the 1989 biennium. The rise in operating expenses of 21.5 percent is due to a number of factors: 1) reinsurance costs of $151,196 in fiscal 1988 and $151,121 in fiscal 1989 were added to increase the level of catastrophic reinsurance maintained, 2) data processing expenses were raised $160,448 in fiscal 1988 and $217,772 in fiscal 1989 to allow more central information processing and storage, 3) $58,367 in fiscal 1988 and $74,767 in fiscal 1989 was added each year for anticipated increases in the costs to the fund of the contract with the actuarial firm of Coates, Herfurth and England, dues to the National Council on Compensation Insurance (NCCI), and a physical therapy consultant, and 4) internal audit expenses were reduced $85,785 in fiscal 1988 and $90,475 in fiscal 1989 due to budget cuts.

Equipment consists of two automobiles in fiscal 1988 for $17,304, computer equipment of $35,175 in fiscal 1988 and $36,600 in fiscal 1989, office equipment of $3,450 in fiscal 1988 and $19,650 in fiscal 1989, and $300 for library books each year of the biennium.

Funding: Funding is provided by state workers' compensation insurance funds, which are derived from premium, investments, assessments on employers, and other income.

Modified Budgets

1. Workload Increase - 10.0 FTE, including 1.0 FTE claims examiner, 6.0 FTE field representative, 1.0 FTE supporting clerical staff, and 2.0 FTE attorney positions are recommended in response to increases in workload. The modified would be funded with state workers' compensation insurance funds totaling $339,300 in fiscal 1988 and $285,202 in fiscal 1989.

LEGISLATIVE ACTION

AGENCY: DIVISION OF WORKERS' COMPENSATION

PROGRAM: INSURANCE COMPLIANCE

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	35.00	37.00	35.00	34.00	37.00	35.00	34.00	-1.00
Personal Services	$ 697,516	$ 780,694	$ 734,015	$ 706,871	$ 780,779	$ 734,153	$ 706,930	1.34
Operating Expenses	187,987	303,551	258,573	310,385	296,808	255,131	303,883	65.11
Equipment	39,303	33,700	23,250	25,700	4,100	900	4,100	-34.61
Non-Operating	1,054,764	1,070,237	1,053,084	645,583	1,046,599	1,030,183	620,183	
TOTAL EXPENSES	$1,979,570	$2,188,182	$2,068,922	$1,668,539	$2,128,286	$2,020,367	$1,635,096	-14.70
FUNDING								
General Fund	$ 99,978	$ 657,444	$ 658,103	$ 81,443	$ 632,029	$ 632,687	$ 76,429	-18.54
State Special Rev	1,879,592	1,530,738	1,410,819	1,607,096	1,496,257	1,387,680	1,558,667	-14.50
Other Revenue	0	0	0	0	0	0	0	ERR
TOTAL FUNDING	$1,979,570	$2,188,182	$2,068,922	$1,668,539	$2,128,286	$2,020,367	$1,635,096	-16.01

Program Description: Insurance Compliance assists claimants, insurance adjusters and carriers, employers, attorneys, and medical providers in interpreting and complying with the workers' compensation and occupational disease acts and monitors private insurers' adequacy of coverage and payment to injured workers.

Budget: The decrease of 1.0 FTE results from the transfer of the Crime Victims Compensation Program to the Board of Crime Control. The rise in operating expenses of 65 percent is the cumulative result of the following: 1) $23,040 was added each year for state fund required referrals of certain claimants, 2) data processing costs were increased $108,187 in fiscal 1988 and $106,497 in fiscal 1989, and 3) $5,709 in fiscal 1988 and $5,706 in fiscal 1989 was transferred to the Board of Crime Control for administrative costs of the Crime Victims Compensation Program.

Equipment consists of computer equipment totaling $24,800 in fiscal 1988 and $3,200 in fiscal 1989 and office equipment of $900 each year.

The following table illustrates the two grants administered by the bureau. The table includes the Crime Victims Compensation Program for comparison.

Table 1
Grants - Division of Workers' Compensation

Grant	Fund Source	Fiscal 1986	Fiscal 1988	Fiscal 1989
Silicosis Benefits				
Administration	General Fund	$ 11,678	$ 11,861	$ 11,846
Payments	Resource Indemnity Trust	600,600	576,000	555,600
Social Security Offsets	General Fund	88,301	69,583	64,583
Crime Victims*	State Crime Victims Fund			
Administration		57,077	58,789	60,553
Payments		365,863	348,711	349,447
Total Grants		$1,123,519	$1,064,944	$1,042,029

*Transferred to Department of Justice in fiscal 1988.

Social security offset payments are made to those persons adversely affected by a 1974 law offsetting payments from the division 100 percent for any social security payments received for the same purpose. The law was subsequently changed to a 50 percent offset.

Silicosis benefits are paid to those persons who contracted the disease on the job prior to 1959 and to widows of silicotics. The following table shows the number of silicosis cases, payment levels, and costs.

Table 2
Silicosis Case Payments, Costs

Fiscal Year	Cases: Silicotic	Cases: Widow	Payments: Silicotic	Payments: Widow	Total Costs
1986	183	133	$200	$100	$600,600*
1987 Projected	178	141	200	100	580,800**
1988 Projected	172	136	200	100	576,000
1989 Projected	166	131	200	100	555,600

* Slight difference is due to fluctuations within fiscal year in number of claimants.
**Actual appropriation. Projected cases upon which the appropriation was made total 171 regular cases and 142 widows.

Funding: General fund provides funding for social security offsets and for administration of the Silicosis Benefits Program, totaling $11,861 in fiscal 1988 and $11,846 in fiscal 1989.

State special revenue consists of two funds: 1) state workers' compensation insurance funds totaling $1,031,096 in fiscal 1988 and $1,003,067 in fiscal 1989, which fund operational costs of the bureau, and 2) Resource Indemnity Trust funds, which fund silicosis benefit payments. These benefits had been paid with RIT funds in the 1987 biennium. Prior to that time the benefits had been paid with general fund.

Modified Budgets:

1. Claims Examiner - State workers' compensation funds totaling $30,911 in fiscal 1988 and $26,898 in fiscal 1989 are recommended to add 1.0 FTE claims examiner to reduce the workload of the current FTE.

2. Administrative Officer - State workers' compensation funds totaling $26,532 in fiscal 1988 and $22,521 in fiscal 1989 are recommended to add 1.0 FTE administrative officer to deal with the self-insurance and insurer solvency programs.

LEGISLATIVE ACTION

AGENCY: DIVISION OF WORKERS' COMPENSATION PROGRAM: SAFETY AND HEALTH

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	25.00	25.00	25.00	25.00	25.00	25.00	25.00	0.00
Personal Services	$639,361	$677,730	$677,982	$677,982	$682,623	$682,904	$682,904	6.04
Operating Expenses	144,108	187,261	144,033	141,652	183,828	145,514	138,160	-1.70
Equipment	28,306	23,224	38,564	23,224	24,497	32,995	23,647	-17.95
TOTAL EXPENSES	$811,775	$888,215	$860,579	$842,858	$890,948	$861,413	$844,711	3.83
FUNDING								
State Special Rev	$719,541	$796,866	$769,230	$751,509	$799,141	$769,606	$752,904	4.44
Federal Revenue	92,234	91,349	91,349	91,349	91,807	91,807	91,807	-0.96
TOTAL FUNDING	$811,775	$888,215	$860,579	$842,858	$890,948	$861,413	$844,711	3.83

Program Description: The Safety and Health Bureau is responsible for administering the state's industrial safety laws.

Budget: The decrease in operating expenses of 1.7 percent is the cumulative result of the following: 1) travel was reduced $8,513 each year, as increased travel is included in a modified due to a proposed change in division policy to increase field work and travel, 2) insurance was increased $686, and 3) $2,190 was added in fiscal 1988 to reprint the Montana safety laws and rules.

Equipment includes two vehicles each year totaling $17,304 in fiscal 1988 and $21,152 in fiscal 1989, computer equipment of $2,995 in fiscal 1988, a video recorder for $800 in fiscal 1988, code books for $625 in fiscal 1988 and $995 in fiscal 1989, and films for $1,500 each year.

Funding: State special revenue consists of state workers' compensation funds. Federal revenue consists of coal mine safety funds of $39,602 in fiscal 1988 and $39,744 in fiscal 1989, and on-site consultation funds totaling $51,747 in fiscal 1988 and $52,063 in fiscal 1989.

Modified Budgets:

1. Loss Control - State workers' compensation insurance funds totaling $45,609 in fiscal 1988 and $46,518 in fiscal 1989 are recommended to expand the travel conducted by field personnel to increase their loss control activities and pro[illegible] more assistance to the State Insurance Fund.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES — PROGRAM: AGENCY SUMMARY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	726.43	737.96	724.07	731.57	738.47	724.07	731.57	5.14
Personal Services	$ 16,206,930	$ 17,557,525	$ 17,143,707	$ 17,374,542	$ 17,569,706	$ 17,142,475	$ 17,374,565	7.20
Operating Expenses	9,128,568	12,445,278	8,672,913	9,569,184	9,829,197	8,737,435	10,164,617	4.83
Equipment	218,635	482,639	75,473	69,542	480,144	61,821	57,724	-68.19
Non-Operating	183,588,816	224,744,027	212,929,867	240,927,339	237,769,513	221,171,931	260,827,315	31.23
TOTAL EXPENSES	$209,142,949	$255,229,469	$238,821,960	$267,940,607	$265,648,560	$247,113,662	$288,424,221	28.11
FUNDING								
General Fund	$ 59,195,874	$ 70,252,325	$ 66,585,740	$ 77,301,964	$ 71,089,616	$ 66,269,345	$ 78,839,444	30.59
State Special Rev	7,777,527	8,548,086	7,134,063	7,134,063	8,934,248	7,199,469	7,199,469	-8.27
Federal Revenue	142,169,548	176,429,058	165,102,157	183,504,580	185,624,696	173,644,848	202,385,308	29.07
TOTAL FUNDING	$209,142,949	$255,229,469	$238,821,960	$267,940,607	$265,648,560	$247,113,662	$288,424,221	28.11

Program Description: The Department of Social and Rehabilitation Services administers the majority of the state's human services programs. Services include cash assistance payments to recipients of Aid to Families With Dependent Children, and the General Assistance Relief Program in state assumed counties; reimbursement to health care providers for medical services to medicaid clients; services for the vocationally and visually handicapped; and community-based placement services for the state's developmentally disabled.

A major change in department's mission has been the creation of the new Department of Family Services. Services that were formerly provided provided through the Social Services Program of SRS, including Foster Care and Aging Services Programs, have been transferred to the new department. The transfer of the Social Services Program and some administrative staff and operating costs from SRS has reduced SRS's total expenditures by approximately $24 million per year.

Budget: As shown in the above table, the increases in costs between fiscal 1986 and the subcommittee funding for the 1989 biennium occur primarily in the grants and benefits portion of the budget which increases 31.2 percent. Operating costs rise only 4.8 percent over the same period. Minor inflationary increases are included in the rate of reimbursement paid service providers, and approximately 70 percent of the total increase in costs is attributable to the projected increases in AFDC, SSI, and general assistance caseloads.

Total funds increase 28.11 percent, general fund increases 30.6 percent and federal funds increase 29.1 percent. The majority of the state special revenue funds are the 12 mills levied by those counties where the state has assumed responsibility for operation of the local welfare program. Because the Burlington Northern Railroad has protested its taxes, projected revenue from the 12 mills for the 1989 biennium is lower than the amount received during the 1987 biennium.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

PROGRAM: ASSISTANCE PAYMENTS

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	47.50	48.75	45.55	45.75	48.75	45.55	45.75	-1.75
Personal Services	$ 1,182,928	$ 1,390,340	$ 1,302,897	$ 1,309,278	$ 1,390,956	$ 1,303,720	$ 1,310,091	10.68
Operating Expenses	1,694,631	4,753,478	2,573,416	2,341,972	2,280,442	2,762,685	2,336,249	38.20
Equipment	32,769	416,363	7,910	1,912	423,847	7,910	1,467	-94.17
Total Operating	$ 2,910,328	$ 6,560,181	$ 3,884,223	$ 3,653,162	$ 4,095,245	$ 4,074,315	$ 3,647,807	25.52
Benefits								
Food Stamps	$ 24,386	$ 28,892	$ 25,000	$ 28,892	$ 30,048	$ 25,000	$ 30,048	18.48
Burials	0	0	0	92,000	0	0	92,000	N/A
Nonresident GA	29,999	30,000	30,000	0	30,000	30,000	0	-100.00
Solar Bank	58,651	187,500	60,000	187,500	187,500	60,000	187,500	219.69
Training	71,910	183,787	72,000	150,000	183,787	72,000	150,000	108.59
Legal Services	99,999	50,000	0	100,000	50,000	0	100,000	0.00
TEFAP	139,713	0	0	0	0	0	0	-100.00
Job Search	153,523	361,752	231,752	231,752	491,752	231,752	231,752	50.96
Day Care	579,027	687,694	700,622	687,694	687,694	770,685	740,326	18.77
CSBG	1,207,819	1,309,485	1,307,485	1,309,484	1,361,864	1,361,864	1,361,864	8.42
Weatherization	1,705,904	1,854,924	1,784,220	1,854,924	1,929,121	1,784,220	1,929,121	8.74
General Assistance	4,586,618	5,031,455	3,818,256	4,523,472	6,030,218	4,797,864	4,054,200	-1.38
LIEAP	9,728,665	11,031,693	9,492,521	9,769,268	11,031,693	9,492,521	9,769,268	0.42
AFDC	33,786,384	40,392,994	39,672,699	43,285,939	43,029,684	42,261,590	48,921,609	28.12
Total Benefits	$52,172,598	$61,150,176	$57,194,555	$62,220,925	$65,043,361	$60,887,496	$67,567,788	19.26
TOTAL EXPENSES	$55,082,926	$67,710,357	$61,078,777	$65,874,088	$69,138,606	$64,961,811	$71,215,595	19.59
FUNDING								
General Fund	$16,591,311	$18,521,139	$17,317,861	$18,476,645	$19,114,974	$18,453,031	$18,731,277	11.36
Federal Revenue	38,491,615	49,189,218	43,760,916	47,397,443	50,023,632	46,508,780	52,484,318	23.14
TOTAL FUNDING	$55,082,926	$67,710,357	$61,078,777	$65,874,088	$69,138,606	$64,961,811	$71,215,595	19.59

Program Description: The Assistance Payments Program is administered through the Economic Assistance Division and includes Aid to Families With Dependent Children (AFDC), Day Care Services, Food Stamp and Commodities Programs, the Low Income Energy Assistance Program (LIEAP), the Community Services Block Grant (CSBG), and the state administered General Assistance Payments Program.

Legislative Intent: Ten percent of the Low Income Energy Assistance Program grant will be transferred to the Social Services block grant each year and ten percent of the grant will be transferred to the Weatherization Program in the 1989 biennium.

It was the subcommittee's intent that 95 percent of the total community services block grant funds be allocated to the Human Resource Development Councils. It was the subcommittee's intent that funds appropriated to SRS to contract with the Montana Legal Services Corporation be used for general relief clients seeking eligibility for the federal Supplemental Security Income (SSI) program and their current recipients of SSI who have been notified of termination of their benefits with the intent of reducing the general fund caseload by a minimum of 320 clients by the end of the 1989 biennium.

Budget: General fund increases 11.4 percent from fiscal 1986 to fiscal 1988. The principal causes for this increase are the increased AFDC case load and the inclusion of the unemployed parent as eligible for AFDC payments. Total funds increased 19.6 percent as a result of the federal match for AFDC program rising from 65.89 percent in fiscal 1986 to 68.91 percent in fiscal 1988. The effect of the increased federal match is a shift from state to federal funding a portion of the additional costs of increased AFDC caseloads and payments.

The reduction of 1.75 FTE from the fiscal 1986 level is the result of transfers of positions to other programs in SRS. These transfers did not result in any net increase in the department's overall level of FTE. Operating costs increase over the fiscal 1986 level due to the addition of $175,000 per year of federal funds for expansion of the Temporary Emergency Food Assistance Program (TEFAP), and $455,000 additional federal spending authority to allow transfer of funds for refugee programs and IV-A daycare with the new Department of Family Services. Other minor adjustments were made to operating expenses that amount to less than 1 percent of operating costs.

The following describes the subcommittee's action for each of the benefit programs in the Assistance Payments Program.

Food Stamps: The food stamp program is funded with 75 percent federal funds and 25 percent local funds. These funds are used to pay the administrative costs of the food stamp issuance program on an Indian reservation. The subcommittee adopted the executive recommendation for the 1989 biennium that included a minor increase over the fiscal 1986 actual expenditures.

Burials: This benefit was formerly included as part of the general assistance payments budget. Cost of this program is part of the costs associated with the state's assumption of the 12 county welfare programs. Funding for this benefit is 100 percent general fund and is funded at the fiscal 1986 actual expenditures.

Nonresident General Assistance: The subcommittee is proposing changes in the language for the nonresident general assistance program that would restrict use of these funds to temporary assistance to inter- and intrastate transients. Current law allows for payment of medical bills for transients which resulted in expenditures in fiscal 1987

of approximately $150,000 for a single case. Pending the change in statutes, the subcommittee has not approved any funding for this program.

Solar Bank: This 100 percent federally funded program provides assistance to low income persons to upgrade their heating systems. The subcommittee adopted the executive recommendation for the 1989 biennium.

Training: No general funds are included under this program. The $150,000 per year is a combination of federal funds and local match funds for training programs for eligibility workers regarding changes in federal regulations impacting AFDC.

Legal Services: The Assistance Payments program contracts with the Montana Legal Services Corporation to provide legal assistance to general assistance recipients in filing for the federal Supplemental Security Income program. Funding for the contract is 100 percent general fund. The intent of the grant is to remove persons from general assistance which is 100 percent general fund and place them on SSI which is 100 percent federally funded. The committee anticipates that the funding for this program would remove 320 general assistance clients by the end of the 1989 biennium.

TEFAP: The Temporary Emergency Food Assistance Program (TEFAP) is a 100 percent federally funded program to provide nutritional assistance to low income persons. Funding for this program is increased $175,000 per year for the 1989 biennium; however the funds are budgeted under contract services rather than under grants and benefits as was the case during the 1987 biennium.

Job Search: This 100 percent federally funded program is designed to assist food stamp recipients in locating employment. Funding for the program was set at the anticipated level of available federal funds.

Day Care: Day care is provided to AFDC recipients who are working or participating in work-related training programs. Costs associated with employment-related day care are considered a work-related expense and are included as a deduction when calculating the AFDC payment. Training-related day care is paid directly to the provider when the AFDC recipient is participating in such programs as vocational technical schooling or WIN work experience. This program is funded at the same federal match rate as regular AFDC benefits or approximately 30 percent general fund.

CSBG: The Community Services Block Grant (CSBG) includes county anti-poverty programs originally established under the Federal Economic Opportunity Act of 1964. State statute requires that 90 percent of the funds be allocated to Human Resource Development Councils in support of local programs, 5 percent is retained by SRS for administration and 5 percent may be used as discretionary funds. The subcommittee approved funding for this program at the level of anticipated available federal funds.

Weatherization: This 100 percent federally funded program provides assistance to low income persons in weatherizing their homes. The subcommittee approved funding for this program at the anticipated level of available federal funds.

General Assistance: The General Assistance Program is intended to provide financial assistance to needy persons who do not qualify for any other state or federal benefit program. Funding for the General Assistance Program is 100 percent general fund in the 12 counties where the state has assumed administration of the county welfare programs and

100 percent county funds in the other 44 counties. Two factors determine general assistance costs: 1) the size of the caseload, and 2) the amount of the average monthly payment. Table 7 shows the growth of the general assistance caseload and average monthly payment for the 12 assumed counties from fiscal 1982 through fiscal 1989.

Table 7
General Assistance Caseload, Monthly Payment Level, and Total Cost
Fiscal 1982 through 1987

Fiscal Year	Caseload	Payment Level	Total Cost
1982	713	$117	$1,001,052
1983	947	140	1,590,960
1984	1,205	141	2,038,779
1985	1,704	207	4,245,721
1986	1,931	198	4,586,618
Subcommittee Action			
1988	1,698	222	4,523,472
1989	1,450	233	4,054,200

As is the case with AFDC, general assistance payment levels are set by the legislature as a percentage of the federal poverty index. According to Department of Social and Rehabilitation Service's attorneys, because both the AFDC and General Assistance Programs are intended to serve similar indigent populations and are based on a similar needs tests, the payment levels must also be comparable to avoid violation of the equal protection clause of the constitution. House Bill 33, passed during Special Session III, limited general assistance benefits for able-bodied individuals to two months in any 12 month period. However, a court injunction has prohibited SRS from implementing the changes contained in House Bill 33 pending an appeal of the case to the Supreme Court. The subcommittee approved funding for the general assistance program based on the assumption that the state would prevail in the Supreme Court's ruling and would be allowed to implement the provisions of House Bill 33.

LIEAP: The Low Income Energy Assistance Program (LIEAP) provides assistance to low income persons in fuel and home heating costs. The anticipated level of the federal LIEAP grant is $11,035,480 for both years of the 1989 biennium. It was the subcommittee's intent that 10 percent of the grant award must be transferred to the developmental disabilities program to be used in that program for services to the developmentally disabled, and 10 percent of the grant award was to be transferred to the weatherization program. Approximately 5 percent, $475,640 per year, of the grant award is retained by SRS to administer the program and the balance is used for benefits. Included in the amount of LIEAP benefits for fiscal 1988 are $1,952,559 of carry over funds from fiscal 1987, and included in the benefits for fiscal 1989 are $1,639,583 of carry over funds from fiscal 1988. The amount shown on the main table for benefits, $9,769,268, is composed of $8,748,168 for fuel assistance grants, $517,556 for local administration, and $1,103,548 for weatherization. Refunds of $600,000 per year are anticipated for the 1989 biennium.

AFDC: Aid To Families With Dependent Children (AFDC) is a cash assistance program to assist needy families with dependent children. The program is jointly funded by the state, county, and federal government with approximately 30 percent general funds. Because the average payment is higher for the unemployed parent AFDC family, for budgeting purposes the projected AFDC caseload is divided into regular cases and unemployed parent cases. The following table shows the fiscal 1986 actual caseload and payment levels and the subcommittee's projected caseload and approved payment levels.

Table 8
Subcommittee Funding For AFDC
Fiscal 1986 and the 1989 Biennium

Avg. Monthly Caseload	Actual Fiscal 1986	Fiscal 1988	Fiscal 1989
Regular	8,052	9,326	10,038
Unemployed Parent	623	979	1,054
Payment			
Regular	$317.83	$340.10	$357.11
Unemployed Parent	411.50	444.72	466.96
Cost			
Regular	$30,709,997	$38,061,357	$43,015,536
Unemployed Parent	3,076,385	5,224,582	5,906,073
Funding			
Federal Funds	$22,261,847	$29,828,341	$34,695,205
County Funds	682,485	809,447	856,128
General Funds	10,842,050	12,648,151	13,370,276
Total Funds	$33,786,382	$43,285,939	$48,921,609

As may be seen from the above table, the regular caseload grew from an average monthly caseload of 8,052 in fiscal 1986 to 9,326 in fiscal 1988 or a 15.8 percent increase. Between fiscal 1988 and fiscal 1989, the regular AFDC caseload is expected to increase 7.6 percent to 10,038. The unemployed parent caseload is projected to increase from 623 in fiscal 1986 to 979 in fiscal 1988 or 57 percent. The rate of increase for the unemployed parent caseload from fiscal 1988 to fiscal 1989 is projected to be equal to the regular caseload or 7.6 percent. The large increase in caseload for the unemployed parent program from fiscal 1986 to 1988 is due to the fact that the eligibility of this group for AFDC benefits was only begun in April, 1985.

Payment levels for AFDC have historically been set by the legislature as a percent of the federal poverty index. During the 1985 legislative session, the payment level was set at 47 percent of the poverty index. However, during Special Session III, the AFDC payment levels were frozen at the fiscal 1986 level. The current level and executive both included AFDC payments at this level through the 1989 biennium. If the payments had remained frozen at the fiscal 1986 level, by fiscal 1988 the payment would have shrunk to approximately 44 percent of the poverty index, and by fiscal 1989 the payment would have been reduced to approximately 42 percent of the poverty index. This occurs because the federal poverty index is increased each year to reflect increases due to inflation with the result being the frozen state payment makes up an ever smaller percent of the poverty index. The subcommittee approved funding for AFDC that included payment levels set at 47 percent of the poverty index for each year of the 1989 biennium.

Modifieds Recommended:

1. Project To Reinforce Increased Dedication To Employment (PRIDE). This modification is an expansion of the federally funded job search program currently operated by the department to assist food stamp recipients in finding employment. Additional federal funds of $130,000 in fiscal 1988 and $260,000 in fiscal 1989 were approved by the subcommittee for this program.

2. Family Assistance Management Information System (FAMIS). This modification would fund the development and installation of a computerized system for determination and verification of client eligibility for public assistance programs. Personal computers would be placed in county welfare offices with a direct link to the state's mainframe computer at the Department of Administration. To implement the new computer system, the department is requesting 3.0 additional FTE. Funding for this modified is approximately 14.5 percent general fund. The subcommittee approved $3,362,019 in fiscal 1988 of which $490,518 is general fund, and $906,051 in fiscal 1989 of which $130,006 is general fund.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF SOCIAL AND REHABILITATION SERVVICES PROGRAM: ELIGIBILITY DETERMINATION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	365.99	372.31	363.25	379.05	372.31	363.25	379.05	13.06
Personal Services	$7,106,152	$7,916,017	$7,626,729	$8,039,337	$7,913,075	$7,624,283	$8,036,533	13.13
Operating Expenses	116,105	117,807	98,960	117,807	117,301	98,960	117,301	1.47
TOTAL EXPENSES	$7,222,257	$8,033,824	$7,725,689	$8,157,144	$8,030,376	$7,723,243	$8,153,834	12.94
FUNDING								
General Fund	$1,978,507	$2,249,471	$2,167,692	$2,235,057	$2,248,505	$2,168,303	$2,234,149	12.07
Federal Revenue	5,243,750	5,784,353	5,557,997	5,922,087	5,781,871	5,554,940	5,919,685	12.94
TOTAL FUNDING	$7,222,257	$8,033,824	$7,725,689	$8,157,144	$8,030,376	$7,723,243	$8,153,834	12.94

Program Description: The Eligibility Determination program includes funding for county welfare eligibility staff, clerical staff, and the county welfare directors' salaries. The primary function of the program is to determine eligibility for food stamps, AFDC, medicaid, and general assistance recipients.

Legislative Intent: It was the intent of the subcommittee that SRS be allowed to hire, through the budget amendment process, such additional eligibility technician personnel as it deemed necessary for non-state assumed counties where there would be no increase in general fund. If any additional county opts for state assumption of its county welfare program, any additional staff hired through the budget amendment process in that county must be terminated.

Budget: In addition to the 365.99 FTE authorized for fiscal 1986, 3.62 FTE were added during fiscal 1987. The subcommittee approved transfer of the personnel costs of the county welfare directors and clerical staff that had formerly been included in the Social Services Program when that program was part of SRS. Prior to the transfer of the Social Services Program to the new Department of Family Services, 20 percent of the county welfare directors' salaries were paid from the Social Services budget with the remaining 80 percent included in the Eligibility Determination program budget. When the Social Services program was included in the new department, the personnel cost of the county welfare directors was retained in the Eligibility Determination program. The 20 percent of the salaries are equivalent to 15.8 FTE. However, the subcommittee also approved elimination of 6.36 other FTE: 1.2 FTE were eliminated as the result of transfer of the positions to other programs within SRS; 5.16

FTE were vacant throughout fiscal 1986 and did not appear to be essential to the operation of the program. Additionally, the committee approved a 5 percent vacancy savings factor for this program. During fiscal 1986, the program had experienced a 7 percent vacancy savings. The subcommittee adopted the executive request for operating expenses which included a higher level of travel than included in the current level.

Funding: Funding for the program is a combination of federal funds, county funds, and general fund. Costs for the eligibility program in those counties where the state has assumed administration of the welfare program are paid with 56 percent general fund and 44 percent federal funds. In the nonassumed counties there are no general funds and the costs are split 56 percent county funds and 44 percent federal funds.

Modifieds Recommended:

1. Additional Eligibility Technicians - This modified would add 9.7 FTE in non-state assumed counties that had been added by budget amendment in November, 1986. Funding for these positions and approximately $20,000 per year in travel costs are funded entirely with federal and county funds. If any county where these positions have been added becomes a state assumed county, the additional positions in that county will be eliminated.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

PROGRAM: ADMINISTRATIVE AND SUPPORT SERVICES

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	84.68	73.20	79.70	73.20	73.20	79.70	73.20	-11.48
Personal Services	$2,112,724	$1,930,892	$2,078,360	$1,940,743	$1,930,162	$2,077,665	$1,940,087	-8.14
Operating Expenses	854,971	1,055,969	937,882	1,041,916	922,216	827,611	913,171	21.87
Equipment	26,559	18,770	18,186	18,770	19,062	18,186	19,062	-29.33
TOTAL EXPENSES	$2,994,254	$3,005,631	$3,034,428	$3,001,429	$2,871,440	$2,923,462	$2,872,320	0.24
FUNDING								
General Fund	$1,330,045	$1,249,875	$1,347,862	$1,253,057	$1,192,901	$1,298,579	$1,196,115	-5.79
Federal Revenue	1,664,209	1,755,756	1,686,566	1,748,372	1,678,539	1,624,883	1,676,205	5.06
TOTAL FUNDING	$2,994,254	$3,005,631	$3,034,428	$3,001,429	$2,871,440	$2,923,462	$2,872,320	0.24

Program Description: The Administration and Support Services program includes the director's office, fiscal bureau, legal office, support staff for statistics and research, personnel management, and data processing. The program provides the agency's overall direction for policy development, budgeting and coordination of services.

Budget: A reduction of 4.98 FTE was made by SRS during fiscal 1987 in response to the Special Session III 5 percent reduction in expenditures. The subcommittee approved the transfer of 6.5 FTE administrative and clerical positions and associated personnel costs from the Administration and Support program of SRS to the Management Support program in the new Department of Family Services. Approximately $84,000 of operating costs were also transferred from this program to the new department. Transferred costs included $38,600 in contracted services, $16,000 for supplies, $21,400 for communications, and $9,000 in rent, repairs and maintenance, and other expenses. The subcommittee adopted the executive request for operating costs which included $25,000 more for various contracted services in fiscal 1988 than the current level, and $10,000 more in contracted services in fiscal 1989. Additionally, the executive operating costs included $18,000 each year for postage and messenger services and $145,000 for the Statewide Cost Allocation Plan that had not been included in the current level. Additional increases over the fiscal 1986 actual expenditures include $63,000 in fiscal 1988 for audit fees and $21,000 in rent. Equipment approved by the subcommittee included purchase of two vehicles each year of the biennium.

Funding: Support for the program is a combination of 46 percent federal funds which includes 35 different federal funding sources allocated to the program according to a departmental cost allocation system, 10 percent county funds and 44 percent general fund.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES — PROGRAM: COUNTY ADMINISTRATION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	$1,252,678	$1,324,220	$1,121,692	$1,258,085	$1,224,285	$1,108,990	$1,242,314	0.43
Equipment	94,157	15,262	14,586	15,262	15,262	14,586	15,262	-83.79
TOTAL EXPENSES	$1,346,835	$1,339,482	$1,136,278	$1,273,347	$1,239,547	$1,123,576	$1,257,576	-5.46
FUNDING								
General Fund	$ 989,893	$ 984,519	$ 835,164	$ 934,967	$ 911,067	$ 825,828	$ 918,972	-5.55
Federal Revenue	356,942	354,963	301,114	338,380	328,480	297,748	338,604	-5.20
TOTAL FUNDING	$1,346,835	$1,339,482	$1,136,278	$1,273,347	$1,239,547	$1,123,576	$1,257,576	-5.46

Program Description: House Bill 798, enacted by the 1983 legislature, allows county welfare boards to request state assumption of their welfare programs. Assumption by the state transfers all powers, duties, personnel, and public assistance costs to the state. The County Administration Program includes a portion of the operating and equipment costs associated with administration of the county welfare programs.

Budget: The subcommittee adopted funding for this program at the fiscal 1986 expenditure level adjusted to reflect the elimination of $120,000 in workfare costs that are now included in the Department of Labor's budget and the addition of $65,000 in fiscal 1988 and $75,000 fiscal 1989 for increased costs associated with the food stamp issuance program. The subcommittee also approved $54,000 in fiscal 1988 and $46,000 in fiscal 1989 for increases in the contract to process State Medical claims. Equipment authorized by the subcommittee includes minor office equipment for county welfare offices and a new phone system in the Missoula welfare office.

Funding: General fund for this program is reduced by 5.6 percent from the fiscal 1986 expenditure level. This reduction is primarily the result of a lower expenditure level for equipment authorized for the 1989 biennium than was realized during fiscal 1986 and the elimination of the workfare contract costs.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

PROGRAM: MEDICAL ASSISTANCE

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	31.85	32.99	31.99	31.99	32.99	31.99	31.99	0.14
Personal Services	$762,670	$928,676	$893,174	$893,174	$928,318	$893,074	$893,074	17.11
Operating Expenses	3,205,114	3,117,118	1,954,027	2,785,286	3,234,168	1,952,351	3,545,399	-13.10
Equipment	9,318	3,695	5,052	5,052	1,700	1,700	1,700	-45.78
Total Operating	$ 3,977,102	$ 4,049,489	$ 2,852,253	$ 3,683,512	$ 4,164,186	$ 2,847,125	$ 4,440,173	-7.38
Benefits								
DHES Surveys	$ 97,457	$ 202,253	$ 133,744	$ 207,566	$ 204,088	$ 133,744	$ 207,080	112.98
Medicaid Waiver	1,277,415	2,894,711	1,773,460	2,894,711	3,378,128	1,773,460	2,894,711	126.61
Medicare Buy-in	1,490,716	2,207,986	1,882,511	2,007,043	2,622,312	1,942,585	2,231,934	34.64
Indian Health	1,250,000	1,577,486	1,577,486	1,577,486	1,577,486	1,577,486	1,577,486	26.20
State Medical	2,556,945	3,654,154	3,026,214	6,000,000	3,654,154	3,026,214	6,000,000	134.66
Medicaid-Institutions	11,380,193	12,651,363	13,830,235	13,830,235	12,651,363	14,357,421	14,357,421	21.53
Medicaid-Nursing Home	41,416,302	48,210,792	45,062,653	47,606,000	50,709,015	45,062,653	48,555,000	14.95
Medicaid-Primary Care	52,088,089	69,164,619	66,771,891	82,820,676	73,290,791	70,733,753	95,672,230	59.00
Total Benefits	$111,557,117	$140,563,364	$134,058,194	$156,943,717	$148,087,337	$138,607,316	$171,495,862	40.68
TOTAL EXPENSES	$115,534,219	$144,612,853	$136,910,447	$160,627,229	$152,251,523	$141,454,441	$175,936,035	39.03
FUNDING								
General Fund	$ 33,335,465	$ 40,168,660	$ 38,635,604	$ 47,578,275	$ 39,573,624	$ 37,317,284	$ 49,012,301	42.73
State Special Revenue	7,111,346	7,612,806	6,540,607	6,540,607	7,845,868	6,606,013	6,606,013	-8.03
Federal Revenue	75,087,408	96,831,387	91,734,236	106,508,347	104,832,031	97,531,144	120,317,721	41.85
TOTAL FUNDING	$115,534,219	$144,612,853	$136,910,447	$160,627,229	$152,251,523	$141,454,441	$175,936,035	39.03

Program Description: The Medical Assistance Program administers a variety of programs designed to meet the medical needs of the state's low income population. Included among these programs on the state's participation in medicaid, which is a joint federal/state funded program to reimburse nursing homes, hospitals, physicians, and other medical service providers for the care and treatment of individuals who qualify for Aid to Families With Dependent Children (AFDC), the aged, blind or disabled, or the medically needy. During the 1987 biennium, home and community based services were significantly expanded under a medicaid waiver program to provide the elderly with an alternative to nursing home care. The State Medical Program, which is designed to provide medical services to indigent persons who do not qualify for medicaid, is also administered through the Medical Assistance Program. Two federal "pass through" grants are administered by the program: 1) funds to conduct reviews of nursing home compliance with federal regulations are passed through to the Department of Health and Environmental Science, and 2) federal funds for various health services on Indian reservations are passed through SRS to the reservations.

Budget: As shown in the preceding table, total expenditures for this program increase $45.1 million or 39.0 percent from fiscal 1986 to fiscal 1988 as the funding was approved by the subcommittee. During the same period, general fund increased $14.2 million or 42.7 percent. The major cause of the increase in total fund is the very significant increase in the medicaid primary care expenditures. The primary care program alone accounts for $30.7 million of the total fund increase between fiscal 1986 and fiscal 1988. Total funds increase $15.5 million between fiscal 1988 and fiscal 1989 or 9.5 percent. However, because most of the benefits provided under this program are jointly funded with state and federal funds and the match rate for federal financial participation increases from 65.89 percent in fiscal 1986 to 68.91 percent in fiscal 1988 and to 70.09 in fiscal 1989, the increase in general fund between fiscal 1988 and 1989 is only 3.0 percent. The increased federal matching ratio means that while total costs are rising very significantly, there is a major shift in the cost of these programs from state to federal resources. However, this shift in costs could reverse when Montana's economy improves and the federal match rate is adjusted downward.

The FTE increase between fiscal 1986 and the 1989 biennium are administrative positions that transferred to this program as part of a departmental reorganization. The transfer of the positions did not result in a net increase in FTE for SRS.

Operating costs decrease 13.1 percent from fiscal 1986 to fiscal 1988 primarily as the result of a $1.2 million grant the department had received to upgrade their Medicaid Management Information System (MMIS). The increase in operating costs over the current level results from the subcommittee's approving the department's projection of the additional funds necessary to contract for operation of the Medicaid Management Information System. During fiscal 1986, SRS contracted with Consultec, Inc. to process the medicaid claims and operate the Medicaid Management Information System at a cost of $80,000 per month. The executive estimates the cost of this contract will increase to $200,000 per month when the contract is rebid in fiscal 1988. The subcommittee approved the additional funds for the contract which increase operating cost by $831,000 in fiscal 1988 and $1,593,000 in fiscal 1989 above the current level. In addition, the subcommittee approved $165,000 per year in medicaid funds to allow the department to contract for social worker salaries in the new Department of Family Services. The following is a discussion of the individual benefit programs administered by the Medical Assistance program.

Department of Health Survey: The Department of Health and Environmental Sciences inspects all nursing homes receiving medicaid reimbursement to ensure compliance with federal medicaid regulations. As the state administering agency for medicaid, SRS is awarded funding for the surveys SRS passes these funds through to the Department of Health. Funds "passed through" by SRS are 100 percent federal funds. The subcommittee adopted a revised

executive request for funding the surveys that included 9.5 additional FTE to be added by the Department of Health during fiscal 1988.

Medicaid Waiver: As an alternative to nursing home care for the elderly and for disabled persons, medicaid regulations allow reimbursement for a variety of home and community based services. To be eligible for home and community based services, the individual must be certified as requiring the same level of care as would be provided in a nursing home. Services provided under the waiver include case management, homemaker services, respite care, personal care attendant services, adult day care, medical alert, and transportation services. Although first authorized by the legislature during the 1985 biennium, the program did not really become established until fiscal 1986. The following table shows the growth of the waiver services from fiscal 1984 through fiscal 1989.

Table 9
Waiver Services Growth
And Subcommittee Funding For the 1989 Biennium

Waiver	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1988	Fiscal 1989
Federal Funds	$ 44,960	$ 498,162	$ 807,509	$1,994,745	$2,052,929
General Funds	207,734	449,908	469,906	899,966	841,782
Total Cost	$252,694	$948,070	$1,277,415	$2,894,711	$2,894,711

The cost of the medicaid waiver services have increased 127 percent between fiscal 1986 and fiscal 1988. The general fund percentage of the costs of the waiver program have declined since fiscal 1984 as the result of the increased federal match rate and the decrease in the amount of "start up" funding the state was paying new provider teams. Start up costs are 100 percent general fund. The level of funding approved by the subcommittee for each year of the 1989 biennium is equal to the executive requested level of funding for fiscal 1988. The subcommittee did not approve an expansion of the program during fiscal 1989.

Medicare Buy-in: States have the option of paying the medicare Part B premiums for individuals qualifying for medicare, but who are unable to pay the premiums themselves. If the state chooses to pay the premiums, then medical expenses and drugs are paid with federal medicare funds rather than medicaid which requires a general fund match. The premium paid by the state is funded according to the eligibility of the individual for other assistance programs. If the individual is already receiving some form of economic assistance such as AFDC or SSI, then the premium for the medicare buy-in is a combination of Title XIX and general fund at the same match rate as medicaid. If the individual is not receiving any assistance payments, then the cost of the premium is 100 percent general fund. The cost of the medicare Part B premium is set by the federal government. The subcommittee adopted the executive estimate of the Part B premium and the current level estimate of the projected caseload. The following table shows the Medicare buy-in caseload and premium costs for fiscal 1984 through fiscal 1986 and the subcommittee's approved level of funding for the 1989 biennium.

Table 10
Medicare Buy-in Funding 1989 Biennium

	Actual			Subcommittee	
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1988	Fiscal 1989
Caseload	6,554	7,177	7,595	9,080	9,370
Payment	$15.18	$16.12	$16.36	$18.42	$19.85
General Funds	$ 802,968	$ 917,123	$ 955,308	$1,183,353	$1,281,800
Federal Funds	390,658	470,872	535,408	823,690	950,134
Total	$1,193,626	$1,387,995	$1,490,716	$2,007,043	$2,231,934

Indian Health: Because SRS is the state administering agency for the medicaid program, SRS passes through medicaid funds to support a variety of Indian health services on the seven Indian reservations in Montana. These funds are 100 percent federal funds and are passed through SRS to the Bureau of Indian Affairs. The department estimates that $1,577,486 will be available each year of the 1989 biennium. These amounts were adopted by the subcommittee for the 1989 biennium.

State Medical: As part of the state's assumption of county welfare programs in fiscal 1984, SRS assumed responsibility for administration and funding of the county level medical program in the 12 state assumed counties. State Medical benefits are provided to low income persons who do not qualify for any other form of federal or state medical assistance. The following table shows the growth of the costs for the state medical program in the 12 state assumed counties from fiscal 1982 through fiscal 1986 and the subcommittee's approved funding for the 1989 biennium.

Table 11
Comparison of State Medical Expenditures
Fiscal 1983 through Fiscal 1986 and Subcommittee Funding For the 1989 Biennium

Fiscal Year	County Administered	State Assumed	Total Costs	% State Assumed	% Increase St Assumed
1982	$1,574,377	$1,799,361	$3,373,738	53.33	0.00
1983	1,815,398	2,524,512	4,339,910	58.17	40.30
1984	1,757,280	2,731,042	4,488,322	60.85	8.18
1985	1,345,630	2,723,848	4,069,478	66.93	(0.26)
1986	1,383,188	2,556,945	3,940,133	64.89	(6.13)
Subcommittee Action					
1988	N/A	6,000,000	N/A	N/A	134.65
1989	N/A	6,000,000	N/A	N/A	0.00

Table 11 shows that although there was an increase in costs during fiscal 1984, the first year of state assumption, in subsequent years the cost of the state medical program has actually declined. Both the executive request and current level had included some growth in the cost of the state medical program for fiscal 1987 through the 1989 biennium. The original executive request had included $3.6 million for this program in fiscal 1988. However, in January 1987, SRS revised its projection of state medical costs and presented testimony to the subcommittee that increased caseloads, increased utilization, and recent litigation by hospitals seeking reimbursement for indigent care were rapidly increasing the costs for the State Medical Program. The SRS recommended amounts were revised upward to $6,000,000 per year of the 1989 biennium. Based on the testimony of SRS, the subcommittee adopted the revised executive request.

Medicaid-Institutions: Medicaid reimbursement for care in the state institutions is the medicaid rate per day of times the total number of days of care minus the third party reimbursements such as insurance and private payments. Because all state institutions are funded with general fund, the medicaid revenue generated through reimbursements is an important offset to the state's cost of operating the institutions. The following table shows the fiscal 1986 actual reimbursement to institutions and the subcommittee's approved level funding for the 1989 biennium.

Table 12
Subcommittee Total Medicaid Funding for State Institutions

Institution	Fiscal 1986	Subcommittee Action Fiscal 1988	Subcommittee Action Fiscal 1989
Mt. Dev. Center	$ 7,812,541	$ 9,607,454	$ 9,991,865
Center For the Aged	1,080,377	1,235,464	1,266,442
Eastmont	1,345,848	1,715,269	1,783,640
Montana State Hospital	1,141,378	1,272,048	1,315,474
Total	$11,380,193	$13,830,235	$14,357,421
Funding			
Federal Funds	$ 7,554,172	$ 9,530,415	$10,186,590
General Funds	3,826,021	4,299,820	4,170,831
Total	$11,380,193	$13,830,235	$14,357,421

Medicaid Nursing Homes: Total medicaid nursing home costs are the product of the total estimated number of nursing home beds, the percent of nursing home beds filled by medicaid patients, and the medicaid reimbursement rate. Although there has been a steady growth in the elderly population and consequently the potential number of medicaid eligible nursing home clients, analysis of the average monthly caseload and average monthly nursing home bed/days used by medicaid eligible clients shows a declining utilization of nursing homes relative to the number of medicaid eligible recipients. The following table shows the total nursing home bed/days, medicaid bed/days and the projected medicaid bed/days adopted by the subcommittee for the 1989 biennium.

Table 13
Total Nursing Home Bed-Days, Medicaid Bed-Days, and
Percent Medicaid Bed-Days of Total

Fiscal Year	Total Bed-Days	Medicaid Bed-Days	Cost Per Day	% Medicaid Bed-Days
1984	2,130,140	1,240,536	$31.22	58.24
1985	2,145,470	1,217,148	32.52	56.73
1986	2,196,570	1,221,768	33.82	55.62
		Projected		
1988	2,287,820	1,300,000	36.62	56.82
1989	2,287,820	1,300,000	37.35	56.82

The subcommittee also adopted a 2 percent increase in the provider rates to reflect the impact of inflation on nursing home operations. The following table shows the actual fiscal 1986 expenditures for nursing homes and the subcommittee's approved level of funding for the 1989 biennium.

Table 14
Subcommittee Funding of Medicaid
Reimbursement for Nursing Homes

	Actual	Subcommittee	
	Fiscal 1986	Fiscal 1988	Fiscal 1989
Federal Funds	$27,291,763	$32,805,295	$34,435,206
General Fund	14,124,539	14,800,705	14,119,794
Total	$41,416,302	$47,606,000	$48,555,000

Medicaid-Primary Care: The primary care program provides reimbursement for the costs of inpatient and outpatient hospital care, drug, dental, and mental health services, medical transportation, audiological, speech, and physical therapies, and other medically related services for low income persons who meet the state and federal eligibility criteria for medicaid. The total primary care caseload is made up of two distinct groups: Aid to Families With Dependent Children (AFDC) and the aged, blind and disabled (SSI). Because of differences in service utilization and caseload growth, the primary care benefits are calculated separately for each group.

Basically, primary care costs are determined by three factors: 1) the number of service recipients (caseload); 2) the number of services provided each recipient (utilization); and 3) the cost of the services provided (price). The following table shows the caseload, cost per case, and total annual cost of the medicaid program from fiscal 1983 through fiscal 1986, the projected costs and caseload for fiscal 1987, and the costs and caseload as adopted by the subcommittee.

Table 14
Increases in Average Monthly Recipients, Average Cost/Recipient, and in Total Annual Cost of Primary Care Services

Fiscal Year	Monthly Caseload	Percent Increase	Monthly Cost/Case	Percent Increase	Total Cost	Percent Increase
AFDC						
1983	6,312	0.00	$259.05	0.00	$19,624,345	0.00
1984	7,119	12.79	261.77	1.05	22,414,837	14.22
1985	7,622	7.07	259.28	(0.95)	23,729,626	5.87
1986	8,675	13.82	280.75	8.28	29,225,873	23.16
1987*	9,352	7.80	313.58	11.69	35,199,257	20.44
1988	10,305	10.19	347.52	10.82	42,974,120	22.09
1989	11,092	7.64	372.24	7.11	49,546,755	15.29
SSI						
1983	10,266	0.00	$169.30	0.00	$20,862,160	0.00
1984	10,279	0.13	172.75	2.04	21,302,003	2.11
1985	10,831	5.37	179.79	4.08	23,373,896	9.73
1986	11,436	5.59	186.75	3.87	25,628,964	9.65
1987*	12,114	5.93	246.14	31.80	35,780,403	39.61
1988	12,756	5.30	259.15	5.29	39,668,418	10.87
1989	13,417	5.18	284.06	9.61	45,735,467	15.29
TOTAL						
1983	16,578	0.00	$203.52	0.00	$40,486,505	0.00
1984	17,398	4.95	209.40	2.89	43,716,840	7.98
1985	18,453	6.06	212.72	1.59	47,103,522	7.75
1986	20,111	8.98	227.30	6.85	54,854,837	16.46
1987*	21,466	6.74	282.48	24.27	70,979,000	29.40
1988	23,061	7.43	298.64	5.72	82,820,676	13.82
1989	24,509	6.28	323.97	8.48	95,672,230	15.52

*SRS projected expenditures

As shown in the preceding table, the most significant increase in the medicaid costs occurs between fiscal 1986 and fiscal 1987 for the SSI caseload. According to testimony presented by SRS during subcommittee hearings, the primary cause of the large increase was to a higher utilization of services by SSI recipients, and particularly for disabled SSI clients. Estimates for the 1989 biennium are built from the fiscal 1987 projected expenditure level. Because there is a time lag (sometimes as long as 2 years) between the time a medicaid service is provided and when the bill for the services is actually paid, with only 6 months of data available for fiscal 1987, the projection of total fiscal 1987 costs is difficult. It was the subcommittee's intent that as additional medicaid information on fiscal 1987 becomes available during the legislative session, the approved level of funding for the 1989 biennium may be revised.

In-patient hospital care was limited to a maximum of 30 days per admission unless the hospital stay was deemed necessary and appropriate after formal revision by the hospital's Utilization and Revision committee. Physician rates were increased 1.5 percent each year of the 1989 biennium. It was the intent of the subcommittee that, to the extent possible, funds appropriated for the rate increase be used by SRS to equalize rates among providers with particular emphasis on specialists.

The subcommittee reduced selected optional services under the medicaid program. Eyeglasses, hearing aids and dentures were eliminated for a total savings of $3,148,239 for the biennium; Medicaid reimbursement was limited to 5 non emergent emergency room services per recipient during a state fiscal year; $345,875 for the biennium; the co-payment for drugs was increased from $.50 to $1.00 for a biennium savings of $344,774, and a prescreening requirement was implemented that will save $380,000 in fiscal 1988. The figures in the preceding table include recognition of the $4.2 million savings made by the subcommittee.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

PROGRAM: AUDIT AND PROGRAM COMPLIANCE

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	44.00	38.00	41.00	38.00	38.00	41.00	38.00	-6.00
Personal Services	$1,038,679	$ 979,147	$1,055,434	$ 979,609	$978,763	$1,054,984	$ 979,260	-5.69
Operating Expenses	165,001	152,959	164,384	152,959	153,409	165,581	153,409	-7.30
Equipment	6,667	0	0	0	0	0	0	-100.00
Non-Operating	87,659	113,483	115,000	147,614	113,588	115,000	148,683	68.39
TOTAL EXPENSES	$1,298,006	$1,245,589	$1,334,818	$1,280,182	$1,245,760	$1,335,565	$1,281,352	-1.37
FUNDING								
General Fund	$ 587,286	$ 549,071	$ 591,612	$ 576,930	$ 549,103	$ 591,974	$ 576,982	-1.76
Federal Revenue	710,720	696,518	743,206	703,252	696,657	743,591	704,370	-1.05
TOTAL FUNDING	$1,298,006	$1,245,589	$1,334,818	$1,280,182	$1,245,760	$1,335,565	$1,281,352	-1.37

Program Description: The Audit and Program Compliance program conducts financial audits, quality control reviews, and seeks financial recoveries for all programs administered by SRS. Financial audits determine appropriateness of expenditures, compliance with contract terms, and adequacy of internal fiscal controls. Quality control reviews are conducted on selected AFDC, food stamp and medicaid cases to assure compliance with state and federal eligibility rules. The program also monitors the medicaid program to recover misspent medicaid dollars, remove or restrict recipients or providers who abuse the system, and ensure that liable third party payors, such as insurance or medicare, pay their share before medicaid is billed.

Budget: During fiscal 1987, the program eliminated 3 FTE in response to the Special Session III 5 percent reduction in program expenditures. The subcommittee approved the transfer of 3 FTE and associated personnel costs from this program to the Management Support program in the new Department of Family Services. The three transferred positions were auditors who will provide audit and monitoring functions in the new department. Approximately $10,000 per year in operating costs were also transferred to the new department to support the 3 audit positions. Non-operating expenses included for this program are federal funds that are passed through SRS as a grant to the Department of Revenue to investigate food stamp and medicaid fraud. The subcommittee adopted a revised executive level for funding the grants and a similar amount is included in the Department of Revenue budget.

Funding: Funding for this program is a mix of general fund and federal funds. The amount of federal funds supporting this program is based on the amount of time audit staff spend in a particular federally funded program. Overall, general fund constitutes approximately 45 percent of the funding for this program.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

PROGRAM: VOCATIONAL REHABILITATION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	65.75	71.43	64.30	65.30	71.43	64.30	65.30	-0.45
Personal Services	$1,446,883	$1,683,527	$1,536,578	$1,551,964	$1,683,234	$1,536,552	$1,551,911	7.26
Operating Expenses	367,552	393,813	367,679	376,785	388,504	366,909	371,309	2.51
Equipment	12,794	3,810	5,847	3,810	3,810	5,847	3,810	-70.22
Non-Operating	3,445,061	4,843,676	3,648,047	3,541,754	4,967,360	3,648,047	3,541,754	2.80
TOTAL EXPENSES	$5,272,290	$6,924,826	$5,558,151	$5,474,313	$7,042,908	$5,557,355	$5,468,784	3.83
FUNDING								
General Fund	$ 662,090	$ 730,789	$ 679,329	$ 703,909	$ 729,668	$ 679,329	$ 702,955	6.32
State Special Revenue	666,181	935,280	593,456	593,456	1,088,380	593,456	593,456	-10.92
Federal Revenue	3,944,019	5,258,757	4,285,366	4,176,948	5,224,860	4,284,570	4,172,373	5.91
TOTAL FUNDING	$5,272,290	$6,924,826	$5,558,151	$5,474,313	$7,042,908	$5,557,355	$5,468,784	3.83

Program Description: The primary mission of the Vocational Rehabilitation Program is to provide an array of services to handicapped persons of employable age with the intent of returning them to gainful employment. In compliance with federal Vocational Rehabilitation Act guidelines, the emphasis of the program is on serving the severely disabled. However, to qualify for participation in the federally funded portion of the program, there must be a reasonable expectation that services provided by the vocational rehabilitation agency will eventually restore the individual to gainful employment. Services provided include diagnostic evaluation, vocational training, physical restoration, counseling, job placement, and follow-up.

The division also administers an Extended Employment program. This program subsidizes the costs of employment in sheltered workshops for the very seriously disabled who, because of the severity of their disability, are not eligible for the federally funded Vocational Rehabilitation Program.

The 1985 legislature approved funding for a new program to provide services to populations who had previously not been eligible for the traditional vocational rehabilitation services due to the severity of their disability. Individuals with disabilities such as muscular dystrophy, brain-stem injury, and multiple sclerosis are provided a variety of services intended to increase their mobility and personal independence.

Legislative Intent: The Vocational Rehabilitation and Visual Services programs are part of the same administrative division in SRS. Because the agency testified that it was often difficult to predict the exact mix of visually impaired and vocational rehabilitation clients, it was the intent of the subcommittee that the Vocational Rehabilitation and the Visual Services programs be allowed flexibility in transferring benefit funds between programs.

Budget: There was a 1.13 FTE difference between the executive and LFA current level. The subcommittee adopted the executive request to include a 1.0 rehabilitation counselor that had been vacant throughout fiscal 1986 but was filled during fiscal 1987. The subcommittee did eliminate a .13 human service aid that had also been vacant through fiscal 1986 and was still vacant in fiscal 1987. The subcommittee adopted the executive operating expenses which include approximately $10,000 more in miscellaneous operating costs than were included in the current level. Equipment approved by the subcommittee includes minor office equipment. Non-operating expenses are grants and benefits to vocational rehabilitation clients. The subcommittee considered the grants and benefits for this program in conjunction with grants and benefits for the Visual Services program. The difference between the executive request for total grants and benefits for the Vocational Rehabilitation and Visual Services programs and the current level total benefits for these programs is in the allocation of funds between programs. The executive request was based on the fiscal 1987 projected expenditures by program, and the current level was based on fiscal 1986 actual expenditures. Total funds requested by the executive for both programs was $3,966,021 for each year of the biennium. Total funds included in the current level were $3,936,975. The $29,046 more in the executive is funding for a Special Population and Independent Living program begun with a federal grant during the 1987 biennium. The subcommittee adopted the executive request for total benefits for the Vocational Rehabilitation and Visual Services programs.

Funding: This program receives funds from a variety of federal sources including "Section 110" funds from Vocational Rehabilitation, Disability Determination, Supplemental Security Income (SSI) and Social Security Disability Income (SSDI) from the Social Security Administration, Job Training Partnership Act (JTPA), and In-service Training funds from the Department of Education. Additionally, the program receives state special revenue funds from the Industrial Accident and Rehabilitation Account (IARA). Section 110 funds are the only federal funds requiring a match with state funds and are matched at an 80/20 ratio of federal/state funds. The state IARA funds can be used as the state's match for the federal Section 110 funds under grants and benefits but not for administration. The following table shows the actual funding for the program during fiscal 1986 and the subcommittee's approved funding mix for the 1989 biennium.

Table 15
Fiscal 1986 Actual Expenditures and
Current Level Funding for Vocational Rehabilitation During the 1989 Biennium

	Fiscal 1986	Fiscal 1988	Fiscal 1989
Operations and Service			
Federal In-service	$ 13,739	$ 13,500	$ 13,500
Federal Dis. Determ.	55,188	27,418	26,662
Federal Section 110	1,406,066	1,512,113	1,508,294
General Fund In-service Match	1,526	1,500	1,500
General Fund 110 Match	350,710	378,028	377,074
Total Oper. and Ser.	$1,827,229	$1,932,559	$1,927,030
Benefits			
Federal SSI/SSDI	$ 52,378	$102,378	$ 102,378
Federal Sp. Population	96,480	-0-	-0-
Federal JTPA	405,167	333,000	333,000
Federal Section 110	1,915,001	2,188,539	2,188,539
State IARA	666,181	593,456	593,456
General Fund Sp. Population	10,953	29,019	29,019
General Fund Extend Emp	266,721	269,095	269,095
General Fund 110 Match	32,180	26,267	26,267
Total Benefits	$3,445,061	$3,541,754	$3,541,754
Funding			
Federal Funds	$3,944,019	$4,176,948	$4,172,373
State Special	666,181	593,456	593,456
General Fund	662,090	703,909	702,955
Total Funding	$5,272,290	$5,474,313	$5,468,784

Modifieds Recommended:

1. General Rehabilitation Services: According to SRS testimony, this modified would increase the amount of general rehabilitation services available to clients who are underserved. This modified would take advantage of available federal Section 110 funds and state special revenue funds to increase the total funds available for vocational

rehabilitation benefits. Total additional funds approved for fiscal 1988 are $671,614 of which $300,000 are federal Section 110 and $371,614 are state special revenue. For fiscal 1989, total funds are $824,714, of which $300,000 are federal Section 110, and $524,714 are state special revenue.

2. Special Population and Independent Living Program. This modified would continue a federal program begun in fiscal 1986 to provide services to individuals who are too severely disabled to qualify for regular federal vocational rehabilitation programs. Services provided through this program include adaptive equipment, modification to living facilities, public education and self-advocacy. This federal grant requires a 10 percent general fund match. The Vocational Rehabilitation program funding as approved by the subcommittee includes $29,000 each year of the 1989 biennium that would be used as the general fund match for this federal grant. Total federal funds approved for this modified are $261,171 each year of the biennium.

3. Supported Employment. This modified would provide support to severely disabled individuals to assist them in finding and maintaining employment in regular work settings. Services provided include counseling, advocacy, and purchase of specialized adaptive equipment. Funding for the modified is federal funds of $572,080 in fiscal 1988 and $470,517 in fiscal 1989.

4. Title 6 Services. This modified is intended to assist severely disabled persons in finding and maintaining work in the public sector in conjunction with Modified #3, Supported Employment. Six FTE would be added to provide case management and administrative support to the Supported Employment Program. This modified is supported entirely with federal funds.

Table 16
Title 6 Services Expenditures
1989 Biennium

Expenditures	Fiscal 1988	Fiscal 1989
FTE	6.00	6.00
Personal Services	$128,995	$128,828
Operating Costs	17,028	17,195
Benefits	228,977	228,977
Total Costs	$375,000	$375,000

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

PROGRAM: DISABILITY DETERMINATION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	44.13	44.13	44.13	44.13	44.13	44.13	44.13	0.00
Personal Services	$1,204,408	$1,215,504	$1,208,965	$1,216,174	$1,219,448	$1,212,380	$1,220,214	0.98
Operating Expenses	1,009,123	1,085,314	1,063,918	1,075,751	1,084,960	1,063,659	1,075,397	6.60
Equipment	21,675	16,819	16,816	16,816	6,435	6,435	6,435	-22.42
Non-Operating	52,433	75,891	51,984	75,891	75,891	51,984	75,891	44.74
TOTAL EXPENSES AND FEDERAL REVENUE	$2,287,639	$2,393,528	$2,341,683	$2,384,632	$2,386,734	$2,334,458	$2,377,937	4.24

Program Description: The Disability Determination Bureau is a federally funded program that conducts disability determinations of Montana applicants for Supplemental Security Income (SSI) and Supplemental Security Disability Income (SSDI) benefits. Current SSI and SSDI cases are also reviewed to determine if they should remain on or be suspended from receiving benefits. In addition to the federal disability determinations, the program also provides examinations for individuals applying for medicaid under the state's medically needy program. Funding for SSI and SSDI disability determinations is 100 percent federal funds from the Social Security Administration. Funding for the medically needy portion of the program is through a contract with the Medical Assistance program of SRS and is funded at the same federal/state ratio as medicaid benefits.

Budget: The subcommittee approved staffing levels for this program at the same level as fiscal 1986. Operating expenses were increased slightly over the current level to include additional travel funds for the program staff. Equipment approved by the subcommittee included funds to improve the word processing capabilities of the program as well as additional minor office equipment. Non-operating expenses for this program are federal funds used to pay the travel expenses of clients traveling to receive medical examinations as part of their disability determination.

Funding: Funding for this program is 100 percent federal funds. Approximately $14,000 per year of general fund is included in the Medical Assistance program to contract for disability examinations for applicants to the medically needy program under medicaid.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

PROGRAM: VISUAL SERVICES

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	19.75	19.90	19.90	19.90	19.90	19.90	19.90	0.15
Personal Services	$438,882	$ 489,210	$489,414	$ 489,414	$ 489,054	$489,276	$ 489,276	11.51
Operating Expenses	165,189	112,408	111,406	112,408	111,489	111,200	111,489	-31.95
Equipment	2,960	7,670	2,960	7,670	8,155	2,960	8,115	159.12
Non-Operating	360,139	424,267	288,928	424,267	424,267	288,929	424,268	17.81
TOTAL EXPENSES	$967,170	$1,033,555	$892,708	$1,033,759	$1,032,965	$892,365	$1,033,148	6.88
FUNDING								
General Fund	$241,830	$ 275,232	$238,721	$ 275,272	$ 275,114	$238,381	$ 275,150	13.83
Federal Revenue	725,340	758,323	653,987	758,487	757,851	653,983	757,997	4.57
TOTAL FUNDING	$967,170	$1,033,555	$892,708	$1,033,759	$1,032,965	$892,364	$1,033,147	6.88

Program Description: The Visual Services Program provides rehabilitation services to the visually impaired and blind. In addition to physical restoration, services include rehabilitation training, orientation and mobility, independent living, and medical care related to visual impairments. Funding for this program is primarily from the federal "Section 110" Vocational Rehabilitation Act and the general fund.

Budget: The FTE level for Visual Services was set by the subcommittee at the fiscal 1986 level plus a .15 position transferred to the program during fiscal 1987. During fiscal 1987, SRS discontinued a contract for $50,000 that had supported the blind vendor program. The subcommittee approved the executive request for operating costs which were less than 1 percent higher than the current level. Equipment authorized for the 1989 biennium included adapters for the program's computer equipment to improve the productivity of visually impaired employees. Non-operating costs include the visual medical program, the extended employment program, and rehabilitation programs for visually impaired individuals. As described under the section for Vocational Rehabilitation, the grants/benefits for Visual Services and Vocational Rehabilitation were considered together by the subcommittee. The approved level of funding for the two programs is equivalent to the fiscal 1986 expenditure level.

Funding: Funding for the Visual Services program also includes federal Section 110 funds that require a 20 percent general fund match. In addition to the Section 110 funds, Visual Services receives federal funds from the Job Training Partnership Act (JTPA). These federal funds do not require any state match. For the 1989 biennium, general fund represents approximately 26.7 percent of the total cost of operation of the Visual Services program.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

PROGRAM: DEVELOPMENTAL DISABILITIES

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	31.25	31.25	31.25	31.25	34.25	31.25	31.25	0.00
Personal Services	$ 856,788	$ 888,990	$ 886,696	$ 889,389	$ 959,492	$ 885,174	$ 888,752	3.81
Operating Expenses	269,397	264,069	240,259	266,925	267,751	240,187	258,946	-0.92
Equipment	7,452	0	3,866	0	1,773	3,866	1,773	-100.00
Non-Operating	15,737,385	17,378,170	17,378,160	17,378,170	18,862,709	17,378,160	17,378,170	10.43
TOTAL EXPENSES	$16,871,022	$18,531,229	$18,508,981	$18,534,484	$20,091,725	$18,507,387	$18,527,641	9.86
FUNDING								
General Fund	$ 3,479,457	$ 5,523,569	$ 4,771,895	$ 5,267,852	$ 6,494,660	$ 4,696,636	$ 5,191,543	51.40
Federal Revenue	13,391,565	13,007,660	13,737,086	13,266,632	13,597,065	13,810,751	13,336,098	-0.93
TOTAL FUNDING	$16,871,022	$18,531,229	$18,508,981	$18,534,484	$20,091,725	$18,507,387	$18,527,641	9.86

Program Description: The Developmental Disabilities Program is responsible for administration of the state's community based programs for individuals disabled by mental retardation, epilepsy, cerebral palsy, autism, or other related disorders that begin prior to the individual reaching eighteen years of age. Division staff are principally administrative, and actual services to clients are provided through contracts between the division and 56 private agencies. Services provided include sheltered employment, day care, special transportation, adult and child group homes, evaluation and diagnosis, respite care, family training, and specialized family care.

Legislative Intent: It was the intent of the subcommittee that if the modified request for a 2 percent increase for developmental disabilities providers passes, any reduction in either the LIEAP or Social Services Block Grant funds would be offset by reductions in the 2 percent increase for providers rather than a reduction in current level services. If the 2 percent increase for providers does not pass, reductions in either grant level would reduce current level services by a like amount with no increase in the general fund support of the program above the fiscal 1987 appropriated level. The subcommittee anticipated LIEAP funds to be $1,103,548 each year of the biennium and Social Service Block grant funds to be $9,289,720 each year of the 1989 biennium. It was the intent of the subcommittee that the Develomental Disabilites Division seek assistance from the Developmental Disabilities Planning and Advisory Council on implementing the automated client assessment program, including purchase of such equipment as may be consistent with the Council's federal grant requirements.

Budget: The subcommittee adopted the executive request for operating expenditures which included funds for automation of a client assessment system that would track the training needs of all the developmentally disabled in the state. The non-operating portion of the budget includes the contract costs for providing direct services to developmentally disabled. Although the above table shows a 10.4 percent increase in benefits for the program from fiscal 1986 to 1988, actual growth of the program during the 1987 biennium was approximately 14 percent as the result of expansion funds appropriated for the program by the 1985 legislature. Due to the time required to implement the expanded program the full annualized costs of the expansion will not be realized until fiscal 1987. The following table shows the growth of the developmental disabilities services during the 1987 biennium. The amounts shown for the fiscal 1986 current level do not include $748,937 of expansion funds.

Table 17
Growth of Developmental Disabilities Services During the 1987 Biennium

Service	Slots FY 86 Cur. Level	Cost/Serv Cur. Level	Total Cost Cur. Level	Subcommittee Slots Projected	Subcommittee Cost/Serv. Projected	Subcommittee Total Cost Projected	Percent Increase Slots	Percent Increase Total Costs
Adult Group Home	408	$ 6,653	$ 2,707,732	455	$ 6,981	$ 3,176,291	11.5	17.30
Intensive Group Home	70	18,946	1,326,203	76	17,918	1,361,805	8.5	2.68
Child Group Home	57	18,619	1,061,276	64	20,344	1,302,022	12.3	22.68
Semi-Indepen. Living	232	3,463	803,446	295	3,529	1,041,019	27.2	29.57
Day Services	1,122	5,047	5,935,196	1,275	5,066	6,459,246	13.6	8.19
Specialized Family	30	16,913	625,789	73	9,567	698,361	143.3	11.60
Family Training	408	2,819	1,114,235	464	3,233	1,499,886	13.7	30.42
Respite	467	524	244,733	542	512	277,644	16.1	13.45
Vocational Placement	26	3,235	84,110	73	3,204	233,919	180.8	178.11
Evaluation	286	1,277	353,674	317	1,142	362,081	10.8	2.38
Adaptive Equipment	250	281	70,305	270	261	70,530	8.0	0.32
Transportation	1,055	559	661,749	1,275	578	736,663	20.9	11.32
Total	4,411	$3,260	$14,988,448	5,179	$ 3,325	$17,219,467	17.4	14.88
Cost/Clients Served	1,946	$7,702	$14,988,448	2,196	$7,841	$17,219,467	12.8	14.88
DD Preschool						142,088		
DD Conference						16,605		
Total Benefits						$17,378,160		

[1] Before 2 percent increase in modified.

Because individuals vary considerably in the amount of time they may spend in a particular service, "slots" do not necessarily represent a single individual but rather a full year's funding of, for example, a group home bed. Additionally, a single individual may receive several services during a year and thus be included in more than one slot. As shown in the above table, costs for the developmental disabilities benefits increased 14.9 percent during the fiscal 1987 biennium while the number of clients served increased 12.8 percent.

The subcommittee adopted funding for developmental disabilities benefits at the fiscal 1987 projected expenditure level. Total expenditures for the program for the 1989 biennium are 0.3 percent above the projected fiscal 1987 expenditure level primarily as a result of increased personnel costs. General fund for the 1989 biennium is less than the fiscal 1987 appropriated level as a result of an increase in the federal matching rate for medicaid and a slight increase in the amount of Social Service Block Grant funds available.

Modifieds Recommended:

1. Early Intervention. This modified would provide $531,250 in fiscal 1988 and $375,000 in fiscal 1989 of 100 percent federal funds to plan an early intervention program for developmentally disabled individuals between 0-2 years of age.

Table 18
Early Intervention Expenditures
1989 Biennium

Expenditures	Fiscal 1988	Fiscal 1989
FTE	1.00	1.00
Personal Services	$ 28,392	$ 28,291
Operating Costs	13,025	11,418
Benefits	489,896	335,291
Total Costs	$531,313	$375,000

2. Increase For Developmental Disabilities Service Providers. The subcommittee approved a 2 percent rate increase for service providers each year of the biennium. However, if this modified is approved and there is a reduction in available LIEAP or Social Service Block Grant funds during either year of the 1989 biennium, the reduction would be taken against the 2 percent rate increase rather than a reduction in current level services.

Table 19
Developmental Disabilities Service Providers Expenditures
1989 Biennium

Funding	Fiscal 1988	Fiscal 1989
General Fund	$239,953	$541,823
Federal Fund	41,848	94,493
Total Funding	$281,801	$636,316

3. Supported Employment. This modified includes $50,000 of general fund each year of the biennium to provide supported employment to developmentally disabled individuals outside of a shelter workshop setting.

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

PROGRAM: DEVELOP DISABILITY PLAN AND ADVISORY

BUDGET ITEM	FY 1986 Actual	Fiscal 1988 Executive	Fiscal 1988 Current Level	Fiscal 1988 Subcommittee	Fiscal 1989 Executive	Fiscal 1989 Current Level	Fiscal 1989 Subcommittee	FY 86-88 % Change
FTE	3.00	6.00	3.00	3.00	3.51	3.00	3.00	0.00
Personal Services	$ 56,816	$135,222	$ 65,460	$ 65,460	$ 77,204	$ 65,367	$ 65,367	15.21
Operating Expenses	28,807	68,123	39,290	39,290	44,672	39,302	39,533	36.39
Equipment	4,284	250	250	250	100	331	100	-94.16
Non-Operating	176,426	195,000	195,000	195,000	195,000	195,000	195,000	10.53
TOTAL EXPENSES AND FEDERAL FUNDS	$266,333	$398,595	$300,000	$300,000	$316,976	$300,000	$300,000	12.64

Program Description: The Developmental Disabilities Planning and Advisory Council (DDPAC) is a 100 percent federally funded program that advises state agencies, other councils, local governments, and private organizations on programs and services for the developmentally disabled. Organization and membership of the council is specifically intended to provide developmental disabilities consumers and providers with a forum for input into the state's planning of services for the developmentally disabled.

In addition to its planning function, the DDPAC also contracts with a variety of agencies to provide direct-service demonstration and training projects. Of the program's total budget, federal law requires that 65 percent of the funds be spent in grants and benefits for services to the developmentally disabled.

Legislative Intent: It was the subcommittee's intent that the Developmental Disabilities Planning and Advisory Council assist the Developmental Disabilities Division in developing the automated client assessment program through purchase of such portions of the system as were consistent with the DDPAC grant.

Budget: The subcommittee adopted the executive request for funding the DDPAC for the 1989 biennium. As required by the federal grant, 65 percent of the funds available are allocated to the grants and benefits portion of the budget. It was also the committee's intent that if the program did not use all funds allocated for operations, these funds would also be reallocated to the grants and benefits portion of the budget.

Funding: Funding for the program is 100 percent federal funds.

Modifieds Recommended:

1. Employment Project for Persons With Developmental Disabilities. This modified would continue a program begun during fiscal 1987 that is intended to establish a single point of access for developmentally disabled individuals for state services and assist people in gaining the least restrictive and most appropriate vocational placement. The three additional FTE requested for fiscal 1988 are contract employees working on specific portions of the program. A .51 FTE is requested to complete the project in fiscal 1989. Total funding for the program is $98,595 in fiscal 1988 and $16,076 in fiscal 1989. All funds are federal funds.

PBAR:arssrs.

VISITOR'S REGISTER

_____ COMMITTEE

BILL(S) _____ DATE 3-13-87

SPONSOR(S) _____

NAME	REPRESENTING	BILL NO.	SUP-PORT	OP-POSE
[illegible]	[illegible]	[illegible]		
DENNIS M. TAYLOR	DDD/SRS			

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR VISITOR'S STATEM
IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.

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Rev. 1985