

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - 2nd SPECIAL SESSION

SUBCOMMITTEE ON LONG-RANGE PLANNING

Call to Order: By REP. MARY ELLEN CONNELLY, CHAIR, on July 8, 1992, at 11:30 a.m.

ROLL CALL

Members Present:

Rep. Mary Ellen Connelly, Chair (D)
Sen. Bob Hockett, Vice Chairman (D)
Rep. Francis Bardanouve (D)
Sen. Ethel Harding (R)
Sen. J.D. Lynch (D)
Rep. Bob Thoft (R)

Staff Present: Jim Haubein, Principal Fiscal Analyst (LFA)
Jane Hamman, Senior Budget Analyst (OBPP)
Jo Lahti, Secretary

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

Announcements/Discussion: This meeting was called to reconsider previous executive action on the Veterans Home at Glendive.

Motion:

SEN. LYNCH moved to reconsider the action taken to cut out funding for the Glendive Veterans Home.

Discussion:

REP. THOFT thought it is obvious it is not needed and it cannot be afforded. It was the right thing to do this morning to remove funding for it, and the Committee should stay with that decision.

SEN. HARDING wanted more information from the Veterans. If there is not enough money, it should not be totally cancelled out, it should be delayed. Originally there was a huge need for veterans home care whether it was in the east or not. The veterans are owed some consideration on this and if the package is delayed in some way or some other thing done, the veterans are entitled to a hearing on this.

REP. BARDANOUVE thinks the home should eventually be built, but programs are being cut which are already in operation. Putting

this off for another year or so should not do major harm since it appears there is not a crisis in Montana. Private homes take care of most of the veterans. The cash balance is very poor and this will alleviate some of the pressure. He would resist changing now. It could be reauthorized in the regular session.

SEN. LYNCH spoke in favor of his motion. The veterans convinced him they would supply the funds for this home through the two cent cigarette tax. It was never intended to be paid for through the general fund. It is inconceivable it is not going to be used. Anyway they provided the source of funding for it.

CHAIR CONNELLY had talked to the Columbia Veterans Home where they have between 8-12 veterans on their waiting list. They have to wait 3-4 months before they can get in the Veterans Home there. There were 40 deaths there last year, they usually have only 25, because of the age of the residents. They only have 90 beds in the whole state, most of which are in Billings. That was one of the reasons they wanted it built in Glendive. When talking about converting the beds at Miles City, that has to go through a study. There is no way to do that until 1995. They are in the process. They will be full because they are admitting some people who are not veterans. Columbia Falls has a 95% occupancy, and are full. The state picks up 33% of the funding, based on the veteran's ability to pay. They let them keep \$60 and the rest goes to operation of the facility.

There is a shortage of nurses. Miles City and Dawson graduate 5-6 each year. They will train nurses aides themselves. They already have local people lined up that want to work there. The veterans always have priority, then their spouses. It is based on their ability to pay.

SEN. HOCKETT asked if only service connected veterans are admitted. **REP. CONNELLY** said Columbia Falls gives veterans preference. They receive more money, so they pay more into the system. Because of a disability, they pay more. This could be reauthorized in the next regular session but the money will not be there waiting. They go down to a lower level when matching money is not there. It would be several years before they would get back to where they are.

REP. THOFT responded to **SEN. LYNCH** saying it is not unusual to change the direction of money, commitments have been changed every session. The whole bottom line is there is not a crisis and we are going to have to cut some money out and/or possibly raise new taxes. There is no joy in this exercise. It is extremely hard to find money to cut. It is all going to catch up pretty quick.

REP. BARDANOUVE said if it were delayed, you may not know. It is not necessarily true the federal dollars will be removed if it is just delayed.

Jim Wayley said \$50-60 Million had been appropriated by Congress.

This project is #14. The first \$40 Million went down to the first 13 projects. If this is delayed it would be necessary to reapply. They can take the money and reappropriate it. It doesn't seem to be a big problem unless Congress makes changes.

REP. BARDANOUVE asked why it would be necessary to reapply if it is just postponed. **Mr. Wayley** explained they appropriated this money for this federal fiscal year.

SEN. LYNCH said the only reason the bill passed was that the veterans supplied their own money. The purpose was to build a veterans home in eastern Montana. A two cent cigarette tax was to fund this new home. 1.75 cents have been set aside which the veterans group supported. The whole two cents was to have been used in Eastern Montana to take care of Miles City and Columbia Falls homes. There is some thought about closing Galen and using the same money to renovate that. They have taken that \$1.2 Million. He has a bill to bring that back and use it again if they do close Galen. The two cents was voted in to have been used for the specific purpose of building a veterans home at Glendive.

Hal Manson, American Legion of Montana, said all of the veteran organizations worked hard for this funding and authorization of the building. There is a great need because there aren't very many veteran beds in Montana. Korean veterans are into their 60s and are in very bad shape, especially in the eastern part of the state. Western Montana people fill Columbia Falls. One is needed in the eastern part. This is the only chance they have. They were well down the list and it took time to come up. If this is delayed, they would have to start at the bottom again with veteran organizations and Congress. There is every chance that this may well stop the funding. If it is delayed there is a very strong possibility it will never appear again. Not in his lifetime.

REP. BARDANOUVE mentioned it could be heard in the full Appropriation Committee. If assured the money will not completely disappear, and if the money can be available a few months later, he would want to delay because of the serious cash flow situation. It will help within the present serious cash flow. \$1 Million here and there will build up. It will be an important contribution temporarily but if it were to cause that money to be lost completely, maybe it should not be delayed.

SEN. HARDING said it was brought up that not only are we in bad shape as far as building the building goes, does this two cent tax take maintenance and upkeep into consideration if it is built? It would require 30% to be paid from the state fund, which is estimated to be about \$1.4 Million to operate annually.

Adjutant General Blair explained the original two cent tax was not only to construct the building, but was to operate both of those two facilities. That was changed in 1991.

The original bill called for building and maintenance to be funded also. The bill was lost in the last session. There will be a bill to get that back in the next session. Since this was started, \$3 Million has been collected in three years.

REP. BARDANOUE reasoned if the operating cost is \$1.4 Million a year, and they take in \$1 Million a year, there will be a general fund cost. **SEN. LYNCH** reminded the feds will kick in \$1.4 Million. **REP. BARDANOUE** said this is over and above what the cigarette tax will bring in. It might cost a little more.

Tom O'Connell said the tax money cannot be spent for anything other than construction. The bill basically said the state shall provide maintenance. Construction is covered, other expenses are not. **EXHIBIT 1.**

SEN. LYNCH would like to see this just be postponed. Federal funds will be lost if the money is transferred to the general fund. Money is being collected right now. There is \$5.8 Million in cash in the account. This fund provides maintenance for other buildings.

SEN. HARDING said the two cent voted in was for the Veterans Hospital.

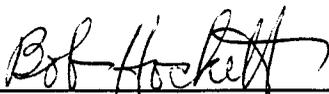
Vote:

Motion to reconsider previous action carried 4 to 2 by Roll Call Vote. EXHIBIT 2.

This action restored the original appropriation figures.

ADJOURNMENT

Adjournment: Meeting adjourned at 12:05 p.m.



SEN. BOB HOCKETT, VICE-CHAIRMAN



Jo Lahti, Secretary

11:30 → 7/7

DATE 7/8/92
HBLRBP
Subcommittee

HOUSE OF REPRESENTATIVES
LONG-RANGE PLANNING SUBCOMMITTEE

ROLL CALL

DATE July 8, 1992

NAME	PRESENT	ABSENT	EXCUSED
REP. FRANCIS BARDANOUVE	✓		
SEN. ETHEL HARDING	✓		
SEN. BOB HOCKETT, VICE-CHAIRMAN	✓		
SEN. J.D. LYNCH	✓		
REP. BOB THOFT	✓		
REP. MARY ELLEN CONNELLY, CHAIR	✓		

HR:1991
CS10DLRLCALONGRP.MAN

EASTERN MONTANA VETERANS HOME

The Special Session II of the Fifty-second Legislature could consider canceling construction of the new Montana Veteran's Home in Glendive for 75 beds for the following reasons:

1. The State of Montana is not in a position to fund a new institution at this time of fiscal crisis.
2. The Columbia Falls Vets Home is not filled to capacity:
 - o has an average daily vacancy of 4 beds.
 - o maximum waiting list over last year has been 8.
3. There are no pre-registration for new home in Glendive.
4. Nursing shortage in Montana, specifically in Eastern Montana. New vets home will take nurses from other community hospitals and Eastmont Human Services Center (EHSC) DD facility in Eastern Montana because work is less stressful. The shortage of nurses at EHSC will cause certification concerns.
5. The Veterans Affairs Medical Center in Miles City has received approval from the federal government for the design phase to convert its fourth floor to 31 long term care and nursing home beds. This will be in addition to the 26 nursing home care beds presently at the VA Center.
6. The NEW GENERAL FUND operating costs for Glendive are projected to be:
 - o \$ 301,351 FY94 3.36 FTE
 - o 1,139,159 FY95 80.11 FTE
 - o 1,351,672 FY96 94.60 FTE
 - o 1,405,739 FY97 94.60 FTE
7. Cigarette tax saved could be deposited to the general fund.

EXHIBIT 2
DATE 7/8/92
~~H~~LRBP
Subcommittee

HOUSE OF REPRESENTATIVES
LONG-RANGE PLANNING SUBCOMMITTEE

ROLL CALL VOTE

DATE July 8, 1992 AGENCY _____ NUMBER 1

MOTION: To reconsider previous action to
remove funding for the Veterans Home
in Islandine
Motion carried 4-2

NAME	AYE	NO
REP. MARY ELLEN CONNELLY, CHAIR	✓	
SEN. BOB HOCKETT, VICE-CHAIRMAN	✓	
REP. BOB THOFT		✓
SEN. ETHEL HARDING	✓	
REP. FRANCIS BARDANOUVE		✓
SEN. J.D. LYNCH	✓	
TOTAL	4	2

