

HOUSE APPROPRIATION AND
SENATE FINANCE AND CLAIMS SUBCOMMITTEE II

REP. BURT HURWITZ, CHAIRMAN	SEN. ED SMITH, VICE CHAIRMAN
REP. FRANCIS BARDANOUVE	SEN. JAN WOLF
REP. ANDY HEMSTAD	SEN. TOM KEATING
REP. REX MANUEL	SEN. BILL THOMAS
REP. CHRIS STOBIE	SEN. LARRY STIMATZ
	SEN. FRED VAN VALKENBURG

ROLL CALL

ROOM 104

SUB COMMITTEE ^{II}

SPECIAL LEGISLATIVE SESSION, 1981

9:00 a.m. to 12:00 p.m. **Date** NOVEMBER 1981

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION AND
SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
November 3, 1981

The meeting was called to order by CHAIRMAN REPRESENTATIVE BURT HURWITZ at 9:00 a.m. on November 3, 1981 in room 104 of the Capitol Building, Helena, Montana.

All members being present, they were introduced.

REPRESENTATIVE BURT HURWITZ, Chairman	District 9
SENATOR ED SMITH, Vice Chairman	District 43
REPRESENTATIVE FRANCIS BARDANOUVE	District 6
REPRESENTATIVE ANDREA HEMSTAD	District 40
REPRESENTATIVE REX MANUEL	District 11
REPRESENTATIVE CHRIS STOBIE	District 23
SENATOR JAN JOHNSON WOLF	District 49
SENATOR THOMAS KEATING	District 32
SENATOR BILL THOMAS	District 30
SENATOR LARRY STIMATZ	District 43
SENATOR FRED VAN VALKENBURG	District 50

Others introduced were the secretaries, LEONA WILLIAMS and BETTY DEAN: the Legislative Fiscal Analysts, NORM ROSTOCKI, BARBARA BARTELL and JANDEE MAY. Also introduced was GREGORY PETESCH, Attorney.

JANDEE MAY, Fiscal Analyst, submitted notebooks to all members of the subcommittee that show all the departments that they will be dealing with. She also distributed a hand out showing the departments and indicated which analyst would handle each (ATTACHMENT A). An agenda sheet for the day was also distributed (ATTACHMENT B).

The types of issues that will be studied in the next weeks were reviewed. Those being: (1) Block Grant Issues

- (2) Categorical Related Issues
- (3) Nonrelated Issues

The BLOCK GRANT ISSUES were presented by JANDEE MAY, Fiscal Analyst, as three catagories:

Health Department:

- (1) Maternal and child health block grant
- (2) Preventive health

Department of Commerce:

- (3) Community development

Most of the block grants have received a cut. The maternal and child health block grant received a 12% cut, preventive health cleared about even, and community development received an increase, the only block grant increase that Montana will receive. Cut backs were shown from the

1981 level and there will not be any increase from the 1981 level and that same amount is maintained for 1982 and 1983. Jan Dee May said that when departments come to the subcommittee discussing the block grants, they should present their distribution formulas. It was also suggested to keep in mind that the federal fiscal year and state fiscal year differ.

CATEGORICAL RELATED ISSUES were presented by BARBARA BARTELL, Fiscal Analyst. These are listed as:

- (1) carryover funds (remaining balance from previous grant awards)
- (2) excess federal authority (where money was provided by the last Session giving more spending authority than actual dollars that will be available to an agency for that particular program).

NONRELATED ISSUES were presented by NORM ROSTOCKI, Fiscal Analyst. This deals with issues nonrelated to federal fund cutbacks. Examples of this were, where cash worth has run out, such as the Health Department, where they were given federal spending authority for a federal grant, and didn't mention that the grant was going to run out last Session, and now they are asking for a replacement of those federal funds. They are also asking for money for supplies.

Another example of issues nonrelated to federal fund changes being bills that were passed in the last Session, one to increase assessment on swine and another was the leaf cutter bill without spending authority to carry out these bills. The Health Department is also asking money to continue its air monitoring project in Scobey for fiscal year 1983.

The FISH AND GAME DEPARTMENT was introduced as the first item on the agenda. NORM ROSTOCKI reviewed the department's requests and referred to the Budget Analysis presented by the office of the legislative fiscal analyst and spoke on the issues shown on page 94 of the book.

JIM FLYNN, Director of Fish and Game and Dave Mott were introduced. MR. FLYNN spoke to the subcommittee and addressed the issues and their priorities. He pointed out that there was an error under gas allocations on page 96. The figures shown under fiscal 1983 for original appropriation total cost should be \$511,607 with possible reduction in 1983 of \$102,321 rather than the \$539,261 and \$129,976 figures shown, and should be based on \$1.85 rather than \$1.95 per gallon as shown.

MR. FLYNN stated that they have shown a continuous cut back in mileage but feel they are not doing as good a job as they could with the restricted travel expenditures.

MR. FLYNN addressed the Fort Peck Reservoir Project, monitoring fish population, saying that this project has been dropped and the funds nor the FTEs are no longer needed, and agreed with the LFA recommendations.

In respect to the COONEY DAM PRIORITY, he asked that these funds be considered. He stated that if the funds were not allowed, other projects would be left in order to continue the Cooney Dam project.

In reference again to the travel expenses and funds, Mr. Flynn stated that any money left from the funds allocated for additional gas will be used for travel in the state of Montana. The reason for the additional money left in this fund was due to the anticipated dollar figure request for gasoline, which was quite high. He said that they would like to keep the bottom line figure of \$456,000, and increase the 3.3 million miles to 3.6 million miles.

Mr. Flynn also addressed the NORTHWEST POWER COUNCIL.

CAROLYN DOERING from the Governors Budget Office, said that they have accepted the departments requests.

SENATOR JAN JOHNSON WOLF questioned the use of private cars and Mr. Flynn stated that if personnel could drive their automobiles cheaper than state cars they were granted the privilege. The amount of per diem was also questioned and Mr. Flynn stated that their game wardens normally travel out and travel in as patrol type jobs.

REPRESENTATIVE BARDANOUVE questioned the endrin problem and asked if this would decrease the hunting licenses purchased and Mr. Flynn stated that he believed that it would not.

The CONSERVATION OFFICER CONCEPT was questioned. Mr. Flynn stated that because of its complexity it was not implemented yet, that when they do get it together they want it to be a good program and that they would advise the legislature when it is prepared.

REPRESENTATIVE STOBIE remarked that the committee's main concern was the law enforcement and asked Mr. Flynn to comment on that. Mr. Flynn said that out of the \$456,000, if law enforcement received thirty per cent of the extra gas allocation they would get the thirty percent of the difference that was left over.

Mr. Flynn stated that they do buy their gas in bulk and presume that their field men purchase their gas at the cheapest rates they can when in the field.

RON HOLLIDAY addressed the LONG RANGE BUILDING PROGRAM and stated that the actual amount of federal funds reduction anticipated would be about \$923,000 rather than the \$1 million dollar figure shown on page 94 under the Cooney Dam Priority.

MR. FLYNN again confirmed that any money left in the gas money would be spent for gas and that the same percent as before would go to law enforcement. Projections for extra money for maintenance has not yet been established.

The Fish and Game Department was closed and there was a 10 minute recess.

THE MEETING was called back to order.

THE DEPARTMENT OF NATURAL RESOURCES was introduced. A review was given by Fiscal Analyst NORM ROSTOCKI, referring to issues on page 104 of the LFA Budget Analysis. (1) Water Resource Planning Funds

- (2) HIPLEX
- (3) Youth Conservation Corp.
- (4) Cooney Dam Priority
- (5) Budget Amendments

He stated that the Youth Conservation Corp. is now phasing out. It was also brought out that forestry was in DNR but is now in State Lands as well as the 2 FTEs from centralized services, and that 1 FTE from the Youth Conservation Corp was also put into State Lands, thus the FTE change.

LEO BERRY, DIRECTOR OF THE DEPARTMENT OF NATURAL RESOURCES introduced LARRY FRITZ, Water Resources and JOHN ARMSTRONG of Centralized Services. Mr. Berry stated that there are several concerns of their's. One is the department is planned to lose Title 3 Water type money which is a reduction in the budget of \$84,000 in 1982 and \$181,000 in 1983. The assumption in the LFA report that there is a required 50/50 match that you could therefore reduce the general fund by \$181,000 in 1983, but that assumption is mistaken. Existing programs were used to match that federal money, therefore cutting the \$181,000 would be cutting existing programs. He also asked that the 3 FTEs be left in.

Mr. Berry also stated that as the federal projects are cut back so would the work load, but that the 3 FTEs, though subsidized by federal funds, originally were supported by general funds.

REPRESENTATIVE BARDANOUVE asked if there is enough money in the general

funds to pick up these additional FTEs. Mr. Berry stated they will not ask for anymore additional funds. They justify their match with federal funds for these FTEs by qualifying their programs.

The HIPLEX, weather modification program is totally federally funded. It has been recommended to be eliminated from the budget by the LFA and the Budget Office, but the department has left it in because the foresee the money being allocated. The Senate subcommittee assigned to this program has appropriated \$2.2 million for HIPLEX, fully federally funded and Washington shows better than a 50/50 chance of funding. It was suggested by the subcommittee that this could be line itemed and that the FTE would stay with it.

The YOUTH CONSERVATION CORP FUNDING was addressed and Mr. Berry stated that the Regan Administration has eliminated this program. The department requests a reduction in federal authority. Mr. Berry spoke to the FTEs as open positions and stated he wanted to transfer open positions to State Lands and they could reclassify the positions, referring to the two FTEs serving forestry and transferred to State Lands and the position from the YCC program.

The COONEY DAM PRIORITY was discussed. When this was addressed it was considered by the Long Range Building Committee last session and they indicated there was \$260,000 federal land and water conservation funds earmarked for the Cooney dam project. The users have been taxed to their highest ability and they have tried to cut the costs. Mr. Berry said that they have taken the \$260,000 from the department's Water Development Program and have gone to bid now.

Mr. Berry suggested that if the Legislature does not re-prioritize this so that DNR could get some of the federal land and conservation money they propose, that water development maintenance funds would pay for that project. That would mean that a significant amount of state projects would be neglected.

REPRESENTATIVE BARDANOUVE suggested that the department shows they have re-prioritized this.

It was suggested by REPRESENTATIVE STOBIE that a subcommittee be established to review this project. CHAIRMAN HURWITZ appointed SENATOR SMITH, REPRESENTATIVE STOBIE, SENATOR STIMATZ and REPRESENTATIVE BARDANOUVE.

Motion was made to adjourn the meeting at 11:30 a.m.

VISITORS' REGISTER

9:00 am.

VISITORS' REGISTER

COMMITTEE II

3111

Date 11-3-81

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

JOINT HOUSE APPROPRIATIONS AND
 SENATE FINANCE AND CLAIMS SUBCOMMITTEE ON
 LEGISLATIVE, JUDICIAL, AND ADMINISTRATIVE AGENCIES
 NATURAL RESOURCES AGENCIES

Legislative Agencies

Legislative Auditor (1101)

Legislative Fiscal Analyst (1102)
 Legislative Council (1104)
 Env. Quality Council (1111)
 Consumer Counsel (1112)

Supreme Court (2110)

Supreme Court Administrator
 Boards and Commissions
 Law Library
 District Court
 Water Courts
 Montclirc

Governor's Office (3101)

Executive Office

Mansion Maintenance
 Budget and Program Planning
 Legal Jurisdiction
 Lieutenant Governor
 Citizens Advocate
 Mental Disability, Bd. of Visitors

Secretary of State (3201)

Records Management
 Administrative Code

Commissioner of Campaign Practices (3202)

State Auditor (3401)

Management and Control
 Central Payroll Division
 Administrative Support
 Insurance Regulation & Licensing
 Securities Regulation & Licensing

Board of Crime Control (4107)

Administration
Action Grants

Department of Justice (4110) Ja

Legal Services

County Prosecutor
 Antitrust Enforcement
 Legal Assistance Pool
 Motor Vehicle Administration
 Patrol Operations

Driver Licensing

Field Services

Vehicle Registration
 Law Enforcement Services
 County Attorney Payroll
 Criminal Investigation Lab
 Law Enforcement Teletype
 Law Enforcement Academy
 Fire Marshal
 Identification
 Criminal Investigation
 Central Service
 Data Processing

Transportation of Prisoners

Forensic Science

Defense Coal Severance Tax

Highway Department (5401)

General Operations
 Construction
 Maintenance
 Preconstruction
 Highway Service Revolving
 State Motor Pool
 Equipment
 Capital Outlay

Department of Revenue (5801)

Director's Office
 Accounting and Auditing
 Recovery Services
 Legal Bureau
 Liquor
 Income Tax
 Corporation Tax
Property Valuation
 Miscellaneous Taxes
 Motor Fuel Tax
 Operations
 Investigation
 Inheritance Tax
 Homestead Tax Relief
 Research & Information

Department of Administration (6101)

Central Administration
 Accounting
 Architecture & Engineering
Publications and Graphics
 Information Systems
 Computer Services
 General Services
 Purchasing

Building Standards

Surplus Property
Local Government Services
 BARS
 Research and Information
 Investments
 Communications

Personnel

State Insurance
 Passenger Tram Safety
 Records Management

Workers' CompensationPublic Employees Retirement System (6104)Teachers Retirement System (6105)State Tax Appeals Board (6106)Department of Military Affairs (6701)

Administration
 Army National Guard
 Air National Guard
 Emergency Support

Disaster & Emergency Services (6702)

Disaster Coordination & Responsibility
 Calibration and Maintenance
 Nuclear Civil Protection
 Emergency Disaster Relief

Department of Natural Resources

Water Resources
 Conservation Districts Supervisor
 Energy Division
 Oil and Gas Regulation
 Facility Siting
 Centralized Services

Department of Fish, Wildlife & Parks

Ecological Services
 Fisheries
 Enforcement
 Wildlife
 Parks and Recreation
 Conservation Education
 Centralized Services

Department of Commerce

Business Regulation
 Professional & Occupational Licensing
 Aeronautics
 Community & Economic Development
 Business Assistance
 Board of Housing
 Travel Promotion
 Coal Board
 Transportation
 Indian Affairs
 Weights and Measures
 Financial Division
 Milk Control
 Consumer Protection
 Centralized Services

Department of State Lands

Reclamation
 Land Administration
 Resource Development
 Centralized Services

Department of Livestock

Diagnostic Laboratory
Disease Control
Milk and Egg Program
Inspection and Control
Predator Control
Rabies and Rodent Control
Centralized Services

Department of Agriculture

Rural Development
Hail Insurance
Crop and Livestock Unit
Transportation Unit
Wheat Research & Marketing
Environmental Management
Plant Industry
Centralized Services

Public Service Commission

General Operations

Health Department

Health Planning
Management Services
Communicable Diseases
Laboratory
Health Facilities and Manpower
Food and Consumer Safety
Solid Waste Management
Air Quality
Occupational Health
Water Quality
Subdivisions
Legal
Maternal and Child Health
Director's Office

COMMITTEE II
AGENDA

Tuesday, November 3, 1981

9:00 - 9:30 a.m.	Staff Introductions
9:30 - 10:30	<u>Fish and Game</u> 1) Loss of Federal Commercial Fishing Grant 2) Reduction of Federal Land and Water Conservation Funds - Cooney Dam Priority 3) Gas Allocation
10:30 - 12:00 p.m.	<u>Department of Natural Resources</u> 1) Loss of Federal Water Planning Funds 2) Loss of Federal HIPLEX Funds 3) Loss of Federal Youth Conservation Funds 4) Cooney Dam Priority (same as Fish and Game)
1:30 - 3:30	<u>Department of Commerce</u> 1) Community Development Block Grant 2) Economic Development Grants and Funding Switch 3) Federal Rail Planning Construction Funds
3:30 - 4:00	<u>Department of Livestock</u> 1) Addition of Spending Authority from SB 166

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION AND
SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
November 3, 1981
Room 105, State Capitol Building

COMMERCE

Chairman Burt Hurwitz called the meeting to order at 1:30 p.m. Roll call showed all members present.

Norman Rostocki, Legislative Fiscal Analyst's office gave a brief summary of HUD "701". Under the 701 program, the Department of Commerce was responsible for providing assistance to the cities and counties with the final grant approved or disapproved at the federal level. Under the Community Development block grant, the State of Montana now has the responsibility for the approval or disapproval of community development projects. See pages 85 and 86 for more narrative in the LFA Special Session book. He said a 10% match of the state fund is required for all the money passing through. The Department has received federal approval that coal tax grants can be used for this match. This year there is \$9 million. The administration portion of FY's 1982 and 1983 is \$126,000 with a 50% match required. No additional general funds are being requested. There is general fund support in this program in excess of the \$126,000. The Department request is for the entire amount of the block grant to have spending authority. This particular block grant mostly passes through; the only amount of spending authority needed is for administration. If the Department request is granted they would have 5.9 million in excess federal spending authority. The money doesn't need to be appropriated; only the amount for administration of the grants need be appropriated.

Gary Buchanan, Director of the Dept. of Commerce was called upon. He passed out charts with organization of the Department. Exhibit 1 is the original version which went to the Legislature and Exhibit 2 the final version, attached.

Mr. Buchanan said the President proposes the state taking over the administration of the program which has been federally administered for the past two years. Exhibit 3, attached, gave some background on the "Small Cities" Community Block Development Grant. He said the DOC needs legislative authorization to administer the small cities program. He stated that he would head up an advisory committee to meet with the cities to help develop criteria for competitive funding. The limitation for overhead is 2% for the total block grant and he said the program could be run with two full-time people and a secretary. Spending authority is needed to administer the program and to allocate the non-entitlement portions of the grant. Rep. Bardanouye wanted to know where the money was in the budget to

cover this amount and Buchanan said 701 had some match-- also the program is very liberal and will allow Coal Board to be used as match.

Nancy Leifer said the requirement for the 10% match can be matched for any money given the cities for any purposes whatever. The program guidelines that are in place for the federal money have a different criteria than the 10% with which the State matches.

In answer to various questions from the committee, Mr. Buchanan said the staff determines priority in funds with money to be awarded on a competitive basis; they want the criteria to be fair; there will be 8-12 persons on the board with a maximum of 12; members will be a representative group made up of 1st, 2nd, and 3rd-class cities; Buchanan would appoint the board and the board will specifically advise the department; there is much work to be done to see that criteria for qualifying cities is specific; the grants could be for a specific improvement, but criteria is wide open at this time; advisory committee would clarify Montana's use of the funds; the purpose is not necessarily to put labor on, it's to get things done in a community; most of one person's job on staff will be to provide assistance to communities who want to apply for funds. Mr. Buchanan said their department will switch priorities and end up with the same FTE's; federal people have pledged their help in familiarizing them with the program.

In response to questions about the advisory committee, Mr. Buchanan said he didn't look for any political pressure in appointees to the board; he would choose from lists of names supplied him by the cities; their authority would be in assisting the Dept. in a process to administer the funds; it could be a permanent advisory committee. He said the Dept. would receive an up-front grant of \$50,000 to cover travel costs for members of the advisory committee. Rep. Stobie asked if it wouldn't be appropriate to have at least one member from a non-aligned local entity and Buchanan said he would take that as a recommendation and look at it. Buchanan said competition for these funds and Coal Board funds is going to increase.

Norman Rostocki said there would be a change in the table on page 88 (EDA Funds). The figure under FY 1983 was changed to \$142,170 from \$130,000. He stated there is no request for an increase in the general fund, but there is a request to expend it differently than authorized by the Legislature.

ISSUE #3: RAIL PLANNING CONSTRUCTION FUNDS

Norman said two things have happened: 1) the railroads are going to abandon their lines, and 2) since the State hasn't spent construction funds in the past, they have lost the priority to get them again.

ISSUE #4: NO ACTION NEEDED BY THE LEGISLATURE.**ISSUE #2: EDA FUNDS**

Gary Buchanan said they are not asking for more funds, just more flexibility in spending, and they will cut back. He was not asking for any money from the special session, just to have the funds transferred over. He wants to reprogram money that is available into an increased state role.

Reference was made to page 42, HB 500: Business Assistance Bureau. Buchanan said the funds were gone and that it was unfortunate that the first priority of their department had been based on federal funds. Sen. Keating said what he was talking about is taking the \$85,000 and \$89,000 (in HB 500) and moving it to the EDG. He wondered if the \$235,000 went back to the feds. Buchanan said he would like to anchor the program to the state general fund, and it would be their job to come in at the next session with changes. He wanted to keep the base level.

DEPARTMENT OF LIVESTOCK HEARING:

Rep. Hurwitz introduced Les Graham and Dr. James Glosser.

Norman Rostocki said SB 166 raised the assessment on swine, and the Dept. has added \$30,000 in federal and private spending authority, but the bill doesn't address the spending authority. He asked the committee to address this and make a recommendation for the spending authority if they agree it should be added. Graham said the money comes in from the pork industry and goes back to the Montana Pork Producers Council and Pork Research Committee.

Sen. Smith said he was a sponsor of SB 166 and their committee felt it wasn't necessary to give spending authority because it was pass-through money. Apparently Montana is a state that has attached the funds, for administrative purposes, to a state agency.

Graham said he had another issue that Rep. Donaldson wanted him to bring up--predator control. U.S. Fish and Wildlife has been responsible for much of the predator control program. The

Secretary of the Interior and the President have indicated that this is one of the programs to be cut. The federal government will issue some up-front money to the state to take over operation of the program, but at this time there is no definite figure of how much money is involved, or if it will happen. Dr. Glosser has found out that this information will be available sometime before December 1. Their current annual budget is \$700,000 and they have 20-25 FTE's plus equipment. The hearing was concluded at this point.

EXECUTIVE SESSION:

FIRST ITEM: FISHERIES

Rep. Hurwitz said he would entertain a motion to drop the commercial fisheries grant. Rep. Bardanouve made the motion. Carolyn Doering of the Governor's Budget Office told the Committee that she had a different amount of reduction than the LFA. Rep. Bardanouve's motion would include that the LFA and Governor's office get together to determine the correct amount. The motion carried unanimously by voice vote.

SECOND ITEM: GAS ALLOCATION QUESTION, FISH AND GAME

The issue here was whether Fish and Game is allowed to expand the program or not, not who is doing the driving. This budget was based on an increased license fee to get to that level.

Rep. Stobie said his recollection is that during the session the committee went along 100% with their request and they came back later and said they made a mistake and the committee gave them more. He made a motion to accept the recommendation of the LFA office.

Rostocki said the reduction figure (corrected) would be \$102,322.

Sen. Keating said if prices go up, we might be looking at supplementals in 1983. Jandee said tying a price to mileage would be a basis for coming in if the price went up, but what Fish and Game is saying is they want to increase their mileage from 3.3 million to 3.5, 3.6, or 3.7 miles.

A question arose as to whether the call to session was being expanded because these monies were appropriated.

Greg Petesch said the call refers to amendments to HB 500. He felt as long as the Governor has already proposed amendments to things that are not tied to federal money, the subcommittee would be within their rights.

Because of various unanswered questions it was decided to delay the vote until tomorrow. Rep. Stobie withdrew his motion.

THIRD ITEM: DEPT. OF NATURAL RESOURCES/WATER PLANNING FUNDS

Rostocki said this is the issue where there are 3 FTE's in 1983 they don't have funding for. He couldn't say where they were today. He said they were mainly contracted services, but the money supported 3 FTE's.

Sen. Wolf made a motion to delete 3 FTE positions from water resources planning and delete the excess spending authority. The effective date for abolishment of the positions would be July 1, 1982.

Rostocki said this is the program that has 1.7 million general fund dollars. The \$180,000 wasn't put there specifically for this grant.

Sen. Wolf said her motion would be to delete the 3 FTE's, the general fund, and the federal funds.

Rostocki said there were 145 FTE's in the total program.

A roll call vote was taken on the motion. The motion carried by a vote of 6-4.

FOURTH ITEM: HIPLEX

Sen. Smith made a motion that the HIPLEX program be eliminated, but that language be put into the bill which would allow any funds coming into the program to be handled through the budget amendment process.

The motion carried unanimously by voice vote.

FIFTH ITEM: YOUTH CONSERVATION CORP FUNDING AND FTE

Rostocki said two FTE slots were supposed to go to Forestry. The Department is saying they have this open spot because they lost federal YCC funds--they want to transfer the one they lost with the federal funds. To say it another way, they planned on reducing by 2 FTE's. With the loss in funds, they should have reduced the central services division by 3.0 FTE. The budget office allowed these transfers to take place. Now, it's a matter of whether you cut a FTE position due to the loss of federal funds. There are two people's workload having to do

with Forestry. Two should go with Forestry, and 1 with YCC.

Sen. Keating moved that we reduce the federal authority for spending as recommended by the LFA and reduce FTE's by 2, one to facilitate the transfer and the other to delete the YCC FTE.

Rep. Bardanouve made a substitute motion that we reconsider action taken earlier. If this motion succeeds then I would vote for 2 instead of 3. He said maybe we are being unfair in cutting out. His motion is to delete 2 rather than 3 FTE.

A roll call vote was taken, attached. The motion failed.

Sen. Keating made a motion that we accept the LFA's recommendation for the reduction of federal spending authority and one FTE position.

A roll call vote showed a unanimous vote of 11 in favor of this motion.

Rep. Bardanouve made a motion for adjournment. The meeting was adjourned at 4:35 p.m.

Rep. Burt Hurwitz
Rep. Burt Hurwitz

Rep. Burt Hurwitz, Chairman

ROLL CALL

FOR SENATE FINANCE AND CLAIMS
AND HOUSE APPROPRIATIONS SUBCOMMITTEES

COMMITTEE NO. II

Date Nov. 3, 1981
1:30 p.m.

NAME	PRESENT	ABSENT	EXCUSED
Rep. Burt Hurwitz, Chairman	/	/	/
Rep. Francis Bardanouve	/	/	/
Rep. Andy Hemstad	/	/	/
Rep. Rex Manuel	/	/	/
Rep. Chris Stobie	/	/	/
Sen. Ed Smith, Vice Chmn.	/	/	/
Sen. Jan Johnson	/	/	/
Sen. Tom Keating	/	/	/
Sen. Bill Thomas	/	/	/
Sen. Larry Stimatcz	/	/	/
Sen. red Van Valkenburg	/	/	/

VISITORS' REGISTER

HOUSE

COMMITTEE

ILL Commerce & Livestock
PROMOTORDate 11/3/91
1:30 P.M.

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOSE
Brian McAllan	Helena	Dept of Commerce		
Tom Brumley	"			
Devin	Terry	Legis.		
Tom May	Helena	MACO		
Joe Brand	Ree Lodge	House Dist #28		
John Delano	Helena	Mont. RR		
John Strother	Helena	I.W.W.		
Henry Lefor	Helena	Dept of Commerce		
Levi A. Rush	Cit. Bank	St. Rep. #13		
Robert W. Kennell	Great Falls	Rep. #34		
MS Davis	Helena	LMW of MT		
John F. Johnson	Hamilton	Rep. Commerce		
James T. Mullar	Butte	BRAC		
Mike Brown	Butte	State Rep - Dist 83		
John Johnson	2110 Govd	" " 73		
Les Gresham	Helena	Dept of Livestock		
Jim Glessner	"	" " "		
Lee Greenfield	"	" " "		
Mike Blyer	Helena	Leg Council		
John Carter	"	EQC		
Howard Johnson	"	EQC		
Mike Ham	Helena	FIC		
Mike K. Price	Montana Co. Legislator	#36		

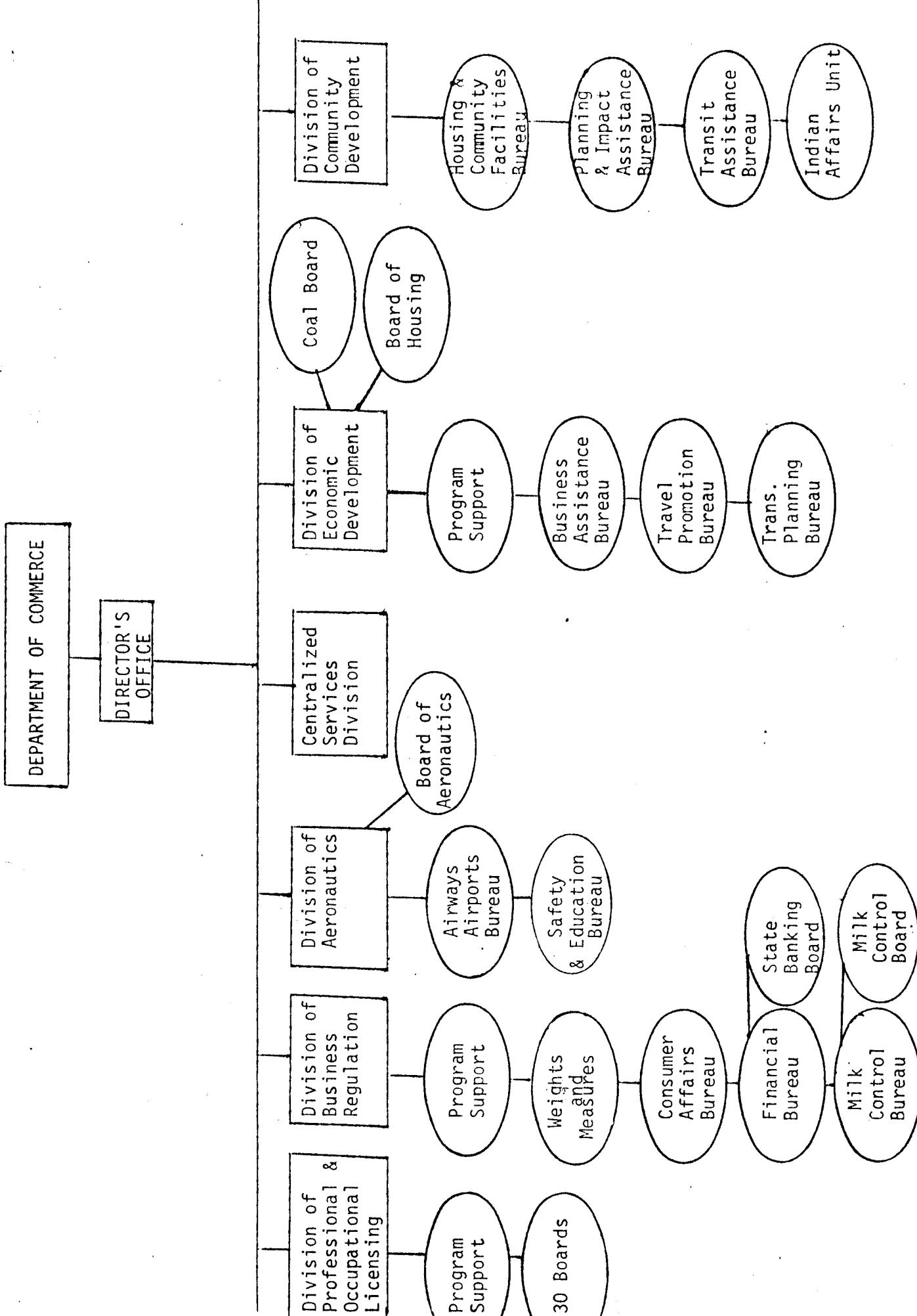
IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

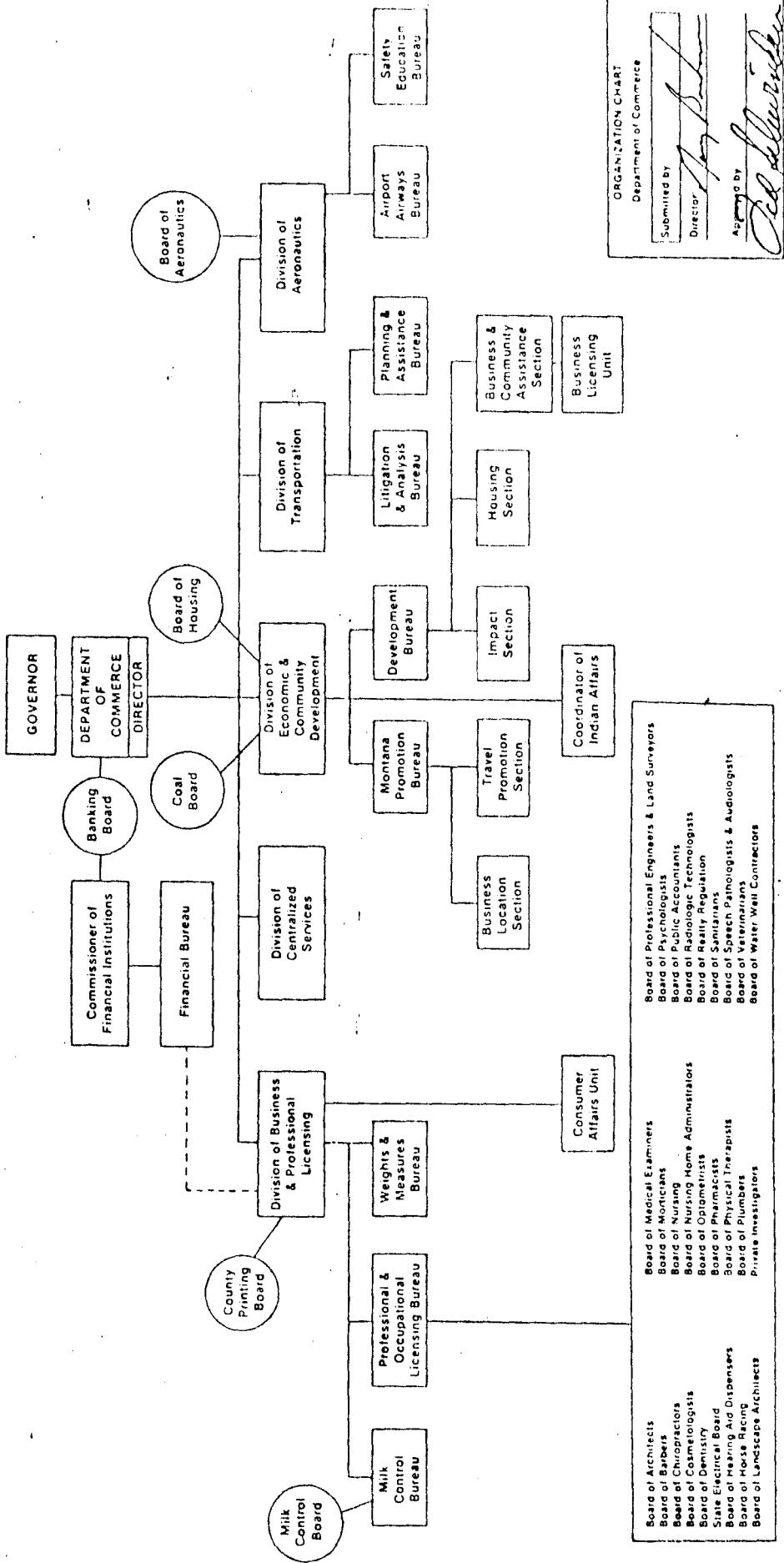
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

COMMITTEE II
AGENDA

Tuesday, November 3, 1981

9:00 - 9:30 a.m.	Staff Introductions
9:30 - 10:30	<u>Fish and Game</u> 1) Loss of Federal Commercial Fishing Grant 2) Reduction of Federal Land and Water Conservation Funds - Cooney Dam Priority 3) Gas Allocation
10:30 - 12:00 p.m.	<u>Department of Natural Resources</u> 1) Loss of Federal Water Planning Funds 2) Loss of Federal HIPLEX Funds 3) Loss of Federal Youth Conservation Funds 4) Cooney Dam Priority (same as Fish and Game)
1:30 - 3:30	<u>Department of Commerce</u> 1) Community Development Block Grant 2) Economic Development Grants and Funding Switch 3) Federal Rail Planning Construction Funds
3:30 - 4:00	<u>Department of Livestock</u> 1) Addition of Spending Authority from SB 166





"Small Cities" Community Development Block Grant

Background on the Program

The "Small Cities" Community Development Block Grant (CDBG) program has been administered directly by HUD since 1977. Montana communities under 50,000 in population compete with each other for funds by submitting project applications. Projects funded under the program must meet program guidelines as follows:

- a. ensure priority to benefit low and moderate income families
- or b. aid in the prevention of blight
- or c. respond to conditions posing serious and imminent threat to public health.

Until this year, projects had to be capitol improvements of the following types: housing, rehabilitation; construction and repair of neighborhood facilities; land acquisition; parks, water and sewer systems; street paving and upgrading. In 1981, 10 Montana communities were awarded grants for the following projects: 5 housing projects; 1 public facility; 1 economic development; 3 comprehensive.

Federal Changes

There are only two changes that HUD has made in the operation of the "Small Cities" CDBG program.

1. The "701" program which was limited to funding local planning efforts has been eliminated as a separate program, and local planning made an eligible activities under the "Small Cities" CDBG program. (See Table below).
2. States now have the option to administer the program themselves, rather than through HUD. Note: the basic guidelines and eligible projects have not been changed.

The following table summarizes the changes in HUD funds coming into Montana, assuming the state does take on administration of the "Small Cities" CDBG program.

<u>Federal Funding Source</u>	<u>FY '81</u>	<u>FY '82</u>	<u>FY '83</u>
<u>HUD "701"</u>			
Administration and technical assistance	\$143,793	\$ -0-	\$ -0-
Pass-Through to Locals	67,332	-0-	-0-
<u>Community Development Block</u>			
Administration	0-	144,500*	126,000
Pass-Through to Locals	<u>5,595,000</u>	<u>4,630,500</u>	<u>6,174,000</u>
<u>TOTAL</u>	<u>\$5,806,125</u>	<u>\$4,775,000**</u>	<u>\$6,300,000</u>

* Includes \$50,000 for a one-time start-up grant.

** Reflects three quarters of total award.

Administration Request

Based on public comment presented at the Governor's hearings and on other statements of support (both the Montana League of Cities and Towns and the Montana Association of Counties have formally endorsed state administration) the Department of Commerce is requesting legislative approval to administer the program. State match requirements are of two types:

- a. 50% match for every federal dollar spent on administration, up to 2% of the total federal amount. This can be absorbed in the Department's existing general fund account.
- b. 10% match for every federal dollar passed through to communities. This can be met by Coal Board grants.

Legislative approval of the Department's Program 60 budget will constitute approval to administer the program, as this section of the budget contains the necessary spending authority.

ROLL CALL VOTE

JOINT COMMITTEE No. II

Date Dec 3, 1981 Hearing on: DKTime 3:45 p.m.

NAME	YES	NO
Sen. Ed Smith, Vice Chairman		✓
Rep. Francis Bardanouve	✓	
Rep. Andy Hemstad		✓
Rep. Rex Manuel		✓
Rep. Chris Stobie	✓	
Sen. Jan Johnson	✓	
Sen. Tom Keating	✓	
Sen. Bill Thomas	✓	
Sen. Larry Stimatzz		✓
Sen. Fred VanValkenburg	absent	
Rep. Burt Hurwitz, Chairman	✓	

6

4

Leona Williams

Betty Dean

Secretary

Burt Hurwitz

Chairman

Motion: To delete 3 FTE's, \$180,000 (FY 1982) \$181,026 (FY 1983) general; \$84,026 (1982) and \$181,026 (1983) Federal.

(include enough information on motion--put with yellow copy of committee report.)

ROLL CALL VOTE

JOINT COMMITTEE No. II

Date May 15, 1981 Hearing on: Part 1 Time 7:20

NAME	YES	NO
Sen. Ed Smith, Vice Chairman		✓
Rep. Francis Bardanouve	✓	
Rep. Andy Hemstad	✓	
Rep. Rex Manuel	✓	
Rep. Chris Stobie		✓
Sen. Jan Johnson		✓
Sen. Tom Keating		✓
Sen. Bill Thomas		✓
Sen. Larry Stimatzz	✓	
Sen. Fred VanValkenburg		absent
Rep. Burt Hurwitz, Chairman	✗	✓

4

6

Leona Williams

Burt Hurwitz

Betty Dean

Chairman

Secretary

Motion: Substitute motion, by Bardanouve. To reconsider earlier action taken -- to cut 2 FTE's instead of 3.

(include enough information on motion--put with yellow copy of committee report.)

ROLL CALL VOTE

JOINT COMMITTEE No. II

Date Jan. 3, 1981 Hearing on: DK Time 2:25

NAME	YES	NO
Sen. Ed Smith, Vice Chairman	✓	
Rep. Francis Bardanouve	✓	
Rep. Andy Hemstad	✓	
Rep. Rex Manuel	✓	
Rep. Chris Stobie	✓	
Sen. Jan Johnson	✓	
Sen. Tom Keating	✓	
Sen. Bill Thomas	✓	
Sen. Larry Stimatzz	✓	
Sen. Fred VanValkenburg	✓	
Rep. Burt Hurwitz, Chairman	✓	

11

0

Leona Williams
Betty Dean
 Secretary

Burt Hurwitz
Chairman

Motion: Motion Senator Keating Motion that
LEA's recommendation be accepted for the reduction
in school year, except one FTE.

(include enough information on motion--put with yellow copy of committee report.)

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II

November 4, 1981

Room 105, State Capitol Building

PRESENT: Representatives Hurwitz, Bardanouye, Hemstad, Manuel and Stobie. Senators Smith, Wolfe, Keating, Thomas, Stimatz, and Van Valkenburg. Legislative Fiscal Analyst representatives Jan Dee and Norman Rostocki.

Chairman Hurwitz called the meeting to order at 1:40 p.m. Norman Rostocki led the committee through the Department of Agriculture budget, see p. 79 in Legislative Fiscal Analyst's Budget Book.

He said the Department has lost funds for enforcement and for certification training programs for pesticides used and applicators working in the state, said loss affecting the direct administration of the project with a loss of indirect funds to the centralized services division. The Department is not requesting replacement of all the funds they have lost. He announced a change in figures in the LFA analysis under pesticide funding for FY 1983 under "Other Funds". The figure was changed from \$260,511 to \$258,592.

ISSUE #1: Central Services Division is requesting a .58 FTE in FY 1983. The staff had not been increased when federal funding began. Now that the grant is being decreased, Central Services is asking that portions of two positions be supported by general fund monies. The Pesticide Act of 1971 (80-8-101 through 80-8-306, MCA) must be considered in deciding this issue.

OPTIONS: 1) Fund the Environmental Management and the Central Services Programs as requested,
2) Fund the Environmental Management Program as requested but do not fund grant administration positions in Central Services,
3) Do not fund any portion of the Department request.

ISSUE #2: Required general fund match

ISSUE #3: Old West Regional Commission. The Old West program is at an end as of September 30, 1981. Norman asked Mary Evans about the funding end date, Sept. 30, and wondered how long it would take to find out how much money would be returned to the federal government. Mary said there would be a little more excess spending authority. She said less was spent than was anticipated when the figures shown in the LFA analysis were estimated.

ISSUE #4: Inspection of the Leaf Cutter bee. The Department has added earmarked spending authority, and SB 363 did not allow the spending authority.

Gordon McOmber, Director of the Department of Agriculture, introduced Mary Evans, Administrator of Centralized Services, and Gary Gingery, Administrator of the Environmental Division.

Mr. McOmber testified that the Department was requesting that \$22,000 of the \$244,000 be funded for FY 1982 and \$150,000 of the \$244,000 grant money lost be replaced. He recapped the Department duties, but said that most of their time is taken up by special situations, i.e., 2-4-D, Great Falls Chemical, and the Endrin controversy. The Laboratory in Bozeman is funded by federal money as well as half the positions in the Environmental Management Division. Their request is that a portion of the money formerly obtained from federal sources be replaced from the general fund.

ISSUE #2: No money was put up under this program.

ISSUE #3: Final settlement is not made, but there is money that will be turned back to the federal government.

ISSUE #4: The Legislature passed the bee bill and the money will all come from the industry, but the Department does not have the authority to spend the revenue.

Mr. McOmber was excused from the subcommittee.

DEPARTMENT OF ADMINISTRATION

JanDee walked the committee through the issues, see p. 39, LFA book.

ISSUE #1: Personnel. Jan said the personnel division has received money used for State employee training programs. She said the options were:

- 1) Reduce the federal fund authority as requested and increase the revolving fund authority by \$20,720 in FY 1982 and \$25,056 in FY 1983 to continue one full-time training officer.
- 2) Reduce federal fund authority as requested but do not increase the revolving fund authority for continuation of the full-time training officer. This option would reduce training services now offered state agencies.

Morris Brusett, Director of the Department of Administration, was asked to speak to the subcommittee. He introduced Dave Ashley, Assistant Administrator, and Rick Morgan, Chief Accountant, from his office.

Mr. Brusett said his recommendation was for any training to be self-supporting.

Barbara Bartell, LFA, gave some background on Issue #2, Building Standards, see p. 41. She said an error had been made in disbursing funds. Instead of showing \$25,000 in federal funds for FY 1982 and FY 1983, the main table reflects \$30,000 in FY 1982 and \$0 in FY 1983, with differences appearing in the revolving account. The table on p. 41 would correct the error if the Legislature grants the agency request. If the Legislature chooses not to replace federal monies with revolving funds, Table 2 on p. 42 addresses this.

Options are:

- 1) Allow agency to replace lost federal funds with revolving,
- 2) Reduce lost federal funds per Table 2.

Mr. Brusett said the operation was based on demand. If the service isn't wanted, they will stop it. He added there is a certain reserve in their revolving fund to maintain an inspector. The Department entered into a contract with DNRC. The regular inspection is maintained by the state.

ISSUE #3: Treasury

Barbara said these funds are passed through to local governments to offset deficits in public transportation. At this point a query arose about whether any amendment to HB 500 is permissible and within the call of the session.

JanDee said the \$75,000 earmarked funds would maintain spending at the historical level, and the \$75,000 would be an increase to the Dept. of Administration. Unless \$75,000 is given to treasury for local governments, they will have to use one half of the Department of Commerce's appropriation for public transportation. The distribution formula for Department of Commerce is different from the State Treasurer's office. Department of Commerce money is still going to the local governments.

ISSUE #4: Administrative Appropriations.

The Department has received two administrative appropriations totaling \$212,500 that do not meet statutorily-defined criteria for the authorization. The action is not acceptable because creation of the \$37,500 administrative appropriation conflicts with Sec. 7-8-101, MCA, and HB 500 prohibits the transfer of funds between agencies because each agency is line-itemed.

ISSUE #5: Workers' Compensation Judge.

See p. 45, LFA book, for narrative and p. 46 for the 4 options.

Mr. Brusett said the judge's main concern is not to fall behind in deciding cases. The 50-case carryover in question was because the former judge didn't have time to do both research and writeups to decide the last 50 cases he heard. The judge is attached for administrative purposes only to the Dept. of Administration with supervision by the Supreme Court.

ISSUE #6: Budget Amendments (information purposes only).

ISSUE #7: Decentralization of the Merit System Council.

LFA said the request for an attorney general's opinion has been withdrawn. The budget proposal does reflect savings that could possibly occur with decentralization.

Mr. Brusett said some of the department directors involved with the Merit System said there would be savings. The directors have presented this to the Council and a council hearing has been set for this evening, Nov. 4, 7 p.m., with a decision to be made by the Council on November 13. If the Council goes along with the departmental proposal, there would be a significant reduction in the Department of Administration's appropriation for the Merit System. He couldn't talk about dollars until the Council made their decision. Recruitment and selection for jobs, except for some professional positions, would be handled by the Job Service and the larger agencies concerned (SRS).

EXECUTIVE ACTION:

The gas allocation question re Fish and Game was passed until another time.

FISHERIES:

Rep. Stobie made a motion that the recommendation be accepted on p. 94 and that the FTE and federal spending authority for the Commercial Fisheries Grant be deleted. The motion carried unanimously.

COMMERCE:

Sen. Wolfe made a motion authorizing spending authority of \$144,500 and \$126,000, using language contained in HB 500 to authorize administration of the block grant. Spending authority previously in the Department budget for the "701" program should be deleted. The motion carried unanimously.

ECONOMIC DEVELOPMENT ADMINISTRATION FUNDS:

An attachment, Exhibit 1, was passed out by Carolyn Doering regarding the Business Assistance Program. The committee discussed the issue and the Chairman requested that no action be taken until the entire committee was present.

RAIL PLANNING CONSTRUCTION FUNDS:

Rep. Stobie made a motion that we adopt the suggestion in the LFA analysis. The motion carried unanimously.

DEPARTMENT OF LIVESTOCK:

A suggestion was made that this be considered in light of recommendation. Rep. Bardanouve moved that the Department be authorized to spend the money to carry out SB 166. The motion carried unanimously.

AGRICULTURE, Pesticide Control:

The Department is asking for replacement of federal funds with general funds. For FY 1982, \$22,722, and for FY 1983, \$150,185.

Mr. Rostocki wanted to discuss the issue by dividing the table on p. 77 in half, vertically. 1) To consider request from EMD (people who carry out the program), and 2) Centralized Services Division, who have a request for \$13,000 in FY 1983. Or, he said one of the two could be funded.

Rep. Stimatzi moved that Option 1 be adopted to fund the program as requested.

Rep. Stobie made a substitute motion that Option 2 on p. 80 be adopted leaving out the .58 FTE. This motion failed by a 6-4 vote.

The committee then considered Rep. Stimatzi's motion, and it passed with a hand-count tally of 6 ayes and 4 noes.

OLD WEST REGIONAL COMMISSION:

A motion was made that \$182,000 federal spending authority be reduced for FY 1982. The motion passed unanimously.

LEAF CUTTER BEE BILL:

Rep. Bardanouve moved that spending authority be granted totalling \$40,000. The motion passed unanimously.

The meeting was adjourned at 4:40 p.m.

Rep. Burt Hurwitz
Rep. Burt Hurwitz, Chairman

ROLL CALL

FOR SENATE FINANCE AND CLAIMS
AND HOUSE APPROPRIATIONS SUBCOMMITTEES

COMMITTEE NO. II

Date Jan 4, 1981

NAME	PRESENT	ABSENT	EXCUSED
Rep. Burt Hurwitz, Chairman	✓		
Rep. Francis Bardanouve	✓		
Rep. Andy Hemstad	✓		
Rep. Rex Manuel	✓		
Rep. Chris Stobie	✓		

Sen. Ed Smith, Vice Chmn.	✓		
Sen. Jan Johnson	✓		
Sen. Tom Keating	✓		
Sen. Bill Thomas	✓		
Sen. Larry Stimatzy	✓		
Sen. Fred Van Valkenburg	✓		

VISITORS' REGISTER

HOUSE

COMMITTEE IIAgricultureDate 11/4/81Prisoner Administration

1:30 p.m.

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOSE
Steve May	Helena	MT. CEN		
Ray Spriggs	Helena	MT. Dept. of Agric.		
Mary Ewold	Helena	MT Dept of Agric		
Carolyn Dearing	Helena	OBPP		
Jeri Dittus	Helena	MT. Env Info Ctr.		
Verlon McDaniel	Helena	D of Agr.		
Carolyn Houlch	Missouri	Dist 16		
Ray Yoston	St. Ignatius	Dist 25		
Donald A. Roush	Art Bank	Dist 13		
Jerry Shultz	Parry	Dist 11		
MS DMS	Helena	UVV of MT		
Dorothy Eck	Bozeman	Sen. Dist 39		
David Guly	Helena	D of Agr		
Dave Deyo	"	MPD 2		
Doug Baethke	Helena	OBPP		
Francesca Stellato	Malta	Gen. Selection		
Tom Bergne	MT Falls (Laramie)	H 36 Legislator		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Business Assistance Program

Current Funding Structure

FY 82

General Fund Operating
EDA 302 Grant (operating)
EDA 304 Grant
G. F. Match

\$130,651
135,748
235,000
59,000
\$560,399

Biennium Total

FY 83

\$135,919
142,170
\$278,089

Proposed Funding Structure

General Fund Operating
EDA 302 Grant (operating)
EDA 304 Grant
G. F. Match

\$120,656
76,500
107,693
24,038
\$328,887

Biennium Total

\$145,880

127,307
34,962
\$308,149

\$637,036

ROLL CALL VOTE

JOINT COMMITTEE No. II

Date Nov 4, 1981 Hearing on: _____ Time 4:08 p.m.

NAME	YES	NO
Sen. Ed Smith, Vice Chairman		✓
Rep. Francis Bardanouve	✓	
Rep. Andy Hemstad		✓
Rep. Rex Manuel		✓
Rep. Chris Stobie	✓	
Sen. Jan Johnson	✓	
Sen. Tom Keating	✓	
Sen. Bill Thomas	absent	
Sen. Larry Stimatz		✓
Sen. Fred VanValkenburg		✓
Rep. Burt Hurwitz, Chairman		✓

4

6

Leona Williams

Betty Dean

Secretary

Burt Hurwitz

Chairman

Motion: Substitute Motion

(include enough information on motion--put with yellow copy of committee report.)

ROLL CALL VOTE

JOINT COMMITTEE No. II

Date Feb 1, 1981 Hearing on: _____ Time 4:09 p.m.

NAME	YES	NO
Sen. Ed Smith, Vice Chairman		
Rep. Francis Bardanouve		
Rep. Andy Hemstad		
Rep. Rex Manuel		
Rep. Chris Stobie		
Sen. Jan Johnson		
Sen. Tom Keating		
Sen. Bill Thomas	absent	
Sen. Larry Stimatzy		
Sen. Fred VanValkenburg		
Rep. Burt Hurwitz, Chairman		

Leona Williams
Betty Dean
SecretaryBurt Hurwitz
Chairman

6 - 4

Motion: Original motion from Larry Stimatzy to adjourn
motion to adjourn carried on the motion

(include enough information on motion--put with yellow copy of committee report.)

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II - SPECIAL SESSION
November 5, 1981

The meeting was called to order by CHAIRMAN REPRESENTATIVE BURT HURWITZ at 9:00 a.m. on November 5, 1981 in room 104 of the Capitol building.

Roll call was taken. All members were present. The coffee fund was collected.

The BOARD OF CRIME CONTROL was the first item on the agenda.

BARBARA BARTELL introduced the issues referring to page 55 of the Budget Analysis. Issue 1, MATCHING FUNDS FOR FISCAL 1981 ACTION GRANTS was discussed. These are pass-through funds requiring a five percent state general fund match. The 1977 and 1979 appropriation bills allowed the unrewarded general fund match for the unawarded grant balance to be carried forward into the next fiscal year. The 1981 appropriation bill failed to include similar language and consequently general fund match for the unawarded balances reverted.

Department is requesting \$11,577 in general fund match for the biennium and language to be added to allow the matching funds to be continued in fiscal year 1983 with action grant funds.

OPTION 1 authorized the \$11,577 and language. OPTION 2 does not authorize the additional funds.

TERRY COHEA, Budget Office Analyst made a presentation explaining their views.

MIKE LAVIN, MONTANA BOARD OF CRIME CONTROL spoke in behalf of the board. Also representing the Board was MARVIN DYE and LARRY PETERSON. MR. LAVIN stated that they request the \$11,577 and language. He stated that they have 16.5 actual FTEs on board, though they are authorized for 18.5 FTEs. They have closed their field office in Missoula. In reference to distribution he stated that a committee sets priorities on how funds can be expended and that there is a wide perimeter.

SENATOR WOLF asked if the shelter home for youths programs comes under this. MR. LAVIN stated that they do provide some funding, although the Department of Institutions administers it. SENATOR WOLF stated that she understood the shelters were about \$50,000 short and MR. LAVIN confirmed this.

REPRESENTATIVE BARDANOUVE asked how it looked for federal money in the year ahead and MR. LAVIN replied that it looks better now than in the past 6 months.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION
November 5, 1981

Page 2

BOARD OF CRIME CONTROL (continued)

SENATOR KEATING questioned the unawarded balance of around \$3 million federal grants for the 1983 biennium and whether they have doubts about getting it.

It was asked why the \$208,000 has been unexpended. MR. LAVIN said that they cannot obligate that money without the state "buy-in." He said the board decides on the programs and their priorities. The decision of which counties receive money depends on the needs, crime rate and various other things.

SENATOR KEATING questioned the unawarded grant money for 1981 since there was no language for carry over money and if the \$11,000 reverted. MR. LAVIN said, unfortunately they reverted between \$60,000 and \$80,000 because of that and they were not asking for what was reverted but for the \$11,000 which will qualify for what is on hand.

ISSUE 2, EXCESS AUTHORITY was reviewed by BARBARA BARTELL. In the last session, the agency submitted and subsequently, Legislature authorized a significantly smaller budget request for this agency due to the anticipated federal cutbacks, so the table on page 54 of the budget analysis actually is a significant reduction in the agency's operational budget mostly action grants. Action grants were also appropriated. Reference was made to the table on page 57, Anticipated Reductions in Federal Funds - by Category. She asked the subcommittee to consider the three options.

OPTION 1. Reduce the agency's general operations appropriation in fiscal 1983 by \$67,600.

OPTION 2. Reduce federal appropriation authority for action grants by \$965,000 in fiscal 1982 and \$1,965,000 if fiscal 1983.

OPTION 3. Make no revision of the agency's federal fund appropriation.

MS. BARTELL suggested that after reviewing this with the agency the first option would not seem to be feasible at this time. Option 2 would speak to the action grants that are more available at this time. The agency suggested that the whole amount of the action grants could be reduced since even the \$135,000 reflected for juvenile justice was questionable at this time.

MR. LAVIN spoke on Option 2 saying he has no objection to the

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION
November 5, 1981

Page 3

BOARD OF CRIME CONTROL (continued)

subcommittee reducing the federal appropriation authority for FY 82 in the amount of \$1,100,000 and \$2,100,000 in FY 83, if they keep in mind that they will be back if those funds do become available. Even though these are pass-through funds they will need spending authority.

REPRESENTATIVE MANUEL asked if there were a chance of a delay with Option 1 or Option 2 and SENATOR SMITH replied that they would only need to submit an authorization request to the office of Budget Program and Planning for spending authority.

ISSUE 3: BUDGET AMENDMENT was presented, referring to page 59. This refers to a possible reversion of general fund and it is reflected in the summary table on page 59. The budget amendment was approved in anticipation of the actual award not awarded at that time but the \$50,000 has been awarded since then. This is for uniform crime reporting at the local level. The legislature provided 100% general fund support for two programs that had previously been federally funded. These were MUCR (Montana Uniform Crime Reporting System) and also the criminal justice center. These have required a 10% general fund match in the past. The agency requested 100% support as they anticipated funds would no longer be available for these programs. H.B. 500 provided language which required a general fund reversion if federal funds were awarded less matching requirements. The \$50,000 that the agency has received for the MUCR continues a grant that began 3 years ago for collecting Type I information for the FBI. This grant was expanded to communities to track serious misdemeanors and other lesser crimes (Type 2 and 3), but still, the funds were really available because the federal government wanted information for the FBI, Type 1 information. The legislature provided general fund support. These funds would no longer be available and they wanted funding to continue these programs. When the funding became available again the agency applied for an expanded system beyond Type 1, 2 and 3, and was granted the federal funds for the expanded system. The question that arises is can the \$50,000 be applied to the general funded activity reporting components when the grant was awarded for a different reporting component. This is also the last federal money available for this type of reporting. A serious question arises as to whether future general fund support will be expected for not only current reporting components but also the expanded component as well.

MIKE LAVIN confirmed Barbara Bartell's review, saying they are the collecting agency in the state for part one crimes but the UCR report does not mean a lot because the cities, counties and towns in

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION
November 5, 1981

Page 4

BOARD OF CRIME CONTROL (continued)

Montana did not use their crime data the same as the national report.

LARRY PETERSON of the Crime Data Section presented charts to the subcommittee to show the difference between the Montana Uniform Crime Reporting system and Federal Uniform Crime Reporting system.

REPRESENTATVIE GOULD witnessed that he has been working on a project and needs statistics such as how many people are being paroled out of Deer Lodge and returning right away because of minor parole violation. The Board of Crime Control has been very helpful in providing this information.

THE DEPARTMENT OF JUSTICE was the next item on the agenda. JANDEE MAY reviewed the issues shown on page 50 to the subcommittee.

ISSUE 1: TRANSFER OF PRISONERS. The state reimburses counties for the costs of extradition and transportation of prisoners to the state prison. Because claims submitted exceed the appropriation, counties were not reimbursed \$1,588 in fiscal 1981.

Options are: 1. Appropriate \$1,588 in general fund for reimbursements. 2. Add language to the appropriation bill allowing payment with the 1982 appropriation, or 3. Take no action.

BOB KUCHENBROD, Administrator for centralized service for the Department of Justice stated the one bill from Cascade County totals the \$1,588. He said the cost incurred is transporting people to Deer Lodge and extraditions.

ISSUE 2: HIGHWAY PATROL - GAS ALLOCATION was discussed. JANDEE MAY, Fiscal Analyst reviewed the issue and referred to page 51 of the Budget Analysis. The issue here is that highway patrol is a major user of gasoline. The 1981 legislature estimated \$1.65 per gallon for 1982 and \$1.95 in 1983. The gas prices have not increased as projected and if they continue to stabilize in 1983 approximately \$389,000 in excess general fund would be present in the department's budget.

COLONEL BOB LANDON spoke representing the Highway Patrol and stated that if gas continues to rise and with the five cent tax the Governor is asking they would need the funds or it would impair their efficiency. He stated that they would return any gas money not used. He also informed the subcommittee that they purchased their gas in bulk at \$1.31 1/10 at the present. COLONEL LANDON said that the Highway Patrol was locked in at six and one

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION
November 5, 1981

Page 5

THE DEPARTMENT OF JUSTICE (continued)

half million miles per year and that they are able to live within this restriction. SENATOR VAN VALKENBURG questioned if the 55 mph restriction was lifted in Montana would it make a change in gas consumption and Colonel Landon stated that patrolling at a greater speed plus high speed chase involves a definite increase in gas consumption.

REPRESENTATIVE BANDANOUVE questioned whether they were writing tickets for the unconstitutional 55 mph law, and Colonel Landon stated that they were.

COLONEL LANDON stated the department projected about 5,500,000 to 6,000,000 miles per year and had 200 patrolmen. He also stated that they allotted funds for gas to the areas depending upon the area and how much territory has to be covered.

REPRESENTATIVE KEYSER of Ennis spoke as a patrolman and witnessed the necessity of the gas allocation.

ISSUE 3: COAL TAX DEFENSE issue was reviewed by JanDee May from page 52. The 1979 legislature appropriated \$500,000 for litigation cost in defense of Montana's coal severance tax to the Department of Justice. During the 1981 session a pending supreme court case and resulting actions indicated a need to continue the remaining funds. Recently, a supreme court decision upheld the constitutionality of Montana's coal tax. Question is if the \$388,642 will be needed now. The Justice Department indicates they would like to keep \$50,000 of the funds for a contingency for possible litigation. It was suggested that this amount be possibly line itemed and language be included until the possible expiration of that money.

MIKE McGRAFF, Assistant Attorney General, spoke to this stating that they would be willing to revert the \$388,642 that they indicated. The request for the \$50,000 is the possibility that Congress will impose a ceiling on state severance tax. There are two bills in congress now and if one should pass they are looking into filing action in federal court challenging the constitutionality of congressional authority to limit a state tax.

The Coal Tax Defense was concluded and the subcommittee was excused for a 10 minute break.

The meeting was called back to order by CHAIRMAN HURWITZ.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION
November 5, 1981

Page 6

THE LEGISLATIVE AUDITOR issue was presented by Barbara Bartell, Fiscal Analyst, referring to pages 26 and 27 of the Budget Analysis. The legislative auditor does not receive any federal funds and at present requests no revision of its appropriation. The revolving fund authority may have to be adjusted to reflect the proportionate increase or reduction in federal funds. Likewise, an agency's line-item audit appropriation may also have to be adjusted.

JIM GILLETT spoke in behalf of the auditor's office. He noted that they anticipated no difference in the audit costs, especially since some block grants may require greater audit activity.

THE GOVERNOR'S OFFICE issues were presented by BARBARA BARTELL, Fiscal Analyst, referring to page 34. In regards to ISSUE 1, Old West Regional Funds, these have been terminated and the governor's office requests that the appropriated federal funds and remaining general fund for dues and FTE be rescinded.

ISSUE 2, Social Services Contingency was briefed by JAN DEE MAY and it was suggested to table this until the afternoon.

DAVE WANZENREID, Assistant to the Governor and DAVE LEWIS, Budget Director commented on the governor's plane and indicated that was working out very well. They advised that there are 18 FTEs in the Governor's office (less than authorized 19.5 FTE) and had an adequate budget.

The Indian Jurisdiction is considered a valuable resource and much to the state's benefit, indicating the closing of the Big Horn River.

DAVE LEWIS presented the Governor's mansion budget stating their operating expenses were running less than expected. They have opened the mansion to the public and are displaying Montana art. China that was taken out of the warehouse was on display and it was told that the Governor intended to use this instead of purchasing new.

THE DEPARTMENT OF ADMINISTRATION was presented by BARBARA BARTELL, Fiscal Analyst. The issues on page 39 were briefed.

ISSUE 1, PERSONNEL. This division was appropriated \$91,122 in fiscal 1982 and \$85,493 in fiscal 1983 for federal funds received under the intergovernmental personnel act. This funding was terminated. The state's portion of these federal funds was

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION
November 5, 1981

Page 7

partially to fund the state's employee training programs and included one full-time training officer. The agency requests that the remaining fiscal 1982 federal authority of \$70,507 and all of the fiscal 1983 authority of \$76,432 be deleted. The agency also requests continuation of the full-time training officer by revolving fund.

OPTION 1. Was to reduce the federal fund authority as requested and increase the revolving fund authority by \$20,720 in fiscal 1982 and \$25,056 in fiscal 1983 to continue one full-time training officer allowing current training services. The agency would charge fees and the position would be self-supporting.

OPTION 2. Reduce the federal fund authority as requested but do not increase the revolving funds authority for continuation of the full-time training officer. This action would reduce the current training services available to state agencies.

SENATOR KEATING moved OPTION 2 DO PASS deleting the training officer. Question was asked.

VOTING NO

SEN. STIMATZ
SEN. VAN VALKENBURG
REP. BARBANOUVE
REP. MANUEL

VOTING YES

REP. HURWITZ
REP. HEMSTAD
REP. STOBIE
SEN. SMITH
SEN. WOLF
SEN. KEATING
REP. THOMAS

THE MOTION PASSED.

ISSUE 2, BUILDING STANDARDS were then reviewed by BARBARA BARTELL referring to pages 40, 41 and 42. This division receives federal funds to collect data relating to energy conservation methods in new buildings and will terminate December 31, 1981. The funds were used to partially fund two building inspectors. The division requests that revolving authority be increased by \$15,000 in 1982 with no adjustments in fiscal 1983, rather than reduce federal funding and related FTE.

MORRIS BRUSETT, Director of Department of Administration stated that the inspectors are state employees being paid by the job done and also in a private sector.

SENATOR SMITH asked that this be tabled until further information was gathered.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION
November 5, 1981

Page 8

CHAIRMAN HURWITZ deferred action on this issue.

ISSUE 3, TREASURY, WAS REVIEWED AND TERRY COHEA, Budget Office Analyst explained the \$75,000 earmarked funds on page 42.

SENATOR VAN VALKENBURG MOVED to approve the \$75,000 highway earmarked funds to the state treasurer each year for the purpose stated in ISSUE 3, under the Department of Administration. MOTION PASSED with REPRESENTATIVE STOBIE and REPRESENTATIVE BARDANOUVE voting NO.

ISSUE 4, ADMINISTRATIVE APPROPRIATIONS, page 46. This issue offers 4 options and each option was debated. The department has received two administrative appropriations, totaling \$212,500, that do not meet statutorial-defined criteria for such authority.

- A. Publications and Graphics - \$175,000.
- B. Treasury - \$37,500. This action is not legally acceptable for two reasons.
 - 1. The creation of the \$37,500 administrative appropriation conflicts with section 7-9-101, MCA, which prohibits an agency from expending earmarked funds without an appropriation.
 - 2. Although the reduction of commerce's appropriation is within the authority of the governor, HB 500 prohibits the transfer of funds between agencies since each agency is line-itemed.

ISSUE 5. SENATOR VAN VALKENBURG asked if there is legal authority to transfer money into this budget for termination pay and it was replied that HB 500 line items each agency's appropriation and they cannot be transferred between agencies. This is earmarked funds and comes from workmen's compensation.

BARBARA BARTELL stated that the additional help would be contracted out.

REPRESENTATIVE BARDANOUVE made a MOTION to acception OPTION 1 under ISSUE 5, WORKER'S COMPENSATION JUDGE.

Option 1. Authorize the additional \$39,051 in earmarked funds. This action will provide additional funds for termination pay to the previous judge additional funds for unanticipated expenses related to the backlog of heard but undecided pending cases, and additional funds for the current caseload.

Discussion followed and a question was asked what it would do to the next biennium's budget if this motion was passed and these expenses became part of the base.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION
November 5, 1981

Page 9

BARBARA BARTELL noted that they try to extract these one-time expenses. In reference to the new lawyer clerk position, it was confirmed that he had been hired this July.

REPRESENTATIVE BARDANOUVE stated that the intent in his motion was to not add any additional FTE's or additional expenses to the base.

DOUG BOOKER of the Budget Office stated that it is alright with them to line-item this request.

ROLL CALL VOTE was taken:

VOTING YES

REP. HURWITZ
REP. BARDANOUVE
REP. HEMSTAD
REP. MANUEL
SEN. KEATING
SEN. THOMAS
SEN. STIMATZ

VOTING NO

REP. STOBIE
SEN. SMITH
SEN. WOLF
SEN. VAN VALKENBURG

THE MOTION PASSED.

The Chairman asked for a motion to adjourn at 12:00 noon.

CHAIRMAN, BURT HURWITZ, REPRESENTATIVE

Leona Williams

Leona Williams, Secretary

ROLL CALL VOTE -----

Special Session Sub Committee

[17]

Date: 11/5	Date: 11/5	Date: 11/5	Date: 11/5
No: 2 cop of Admin TSS I	No: 2 cop of Admin TSS 2	No: 2 cop of Admin TSS 3	No: 2 cop of Admin TSS 4
DEP 2	DEP 2	DEP 2	DEP 2
Thomas -	Thomas -	Thomas -	Thomas -
Present	Present	Present	Present
Yes	Yes	Yes	Yes
No	No	No	No
Received	Received	Received	Received
Yes	Yes	Yes	Yes
No	No	No	No
Submitted	Submitted	Submitted	Submitted
Yes	Yes	Yes	Yes
No	No	No	No
Submitted	Submitted	Submitted	Submitted
Yes	Yes	Yes	Yes
No	No	No	No
Printed	Printed	Printed	Printed
Yes	Yes	Yes	Yes
No	No	No	No
Signed	Signed	Signed	Signed
No	No	No	No
Documented	Documented	Documented	Documented
No	No	No	No

VISITORS' REGISTER

HOUSE Subcommittee 11COMMITTEE 11

BILL

SPONSOR

Date 11/23/81

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOSE
John C. Cahan	Helena	CPW		
Mark Chappell	Helena	Sherriff		
Harry Peterson	Helena	MBCC		
Nate Lavin	Helena	MBCC		
Jeffrey L. Ladd	Crusis	Rep. of Rep.		
John W. Sanderson	Helena	Highway Patrol		
David Lauth	Missoula	Dist 98		
Bob Koenigsdorff	Helena	Dept of Justice		
Susan Hansel	Helena	Dept Justice		
Tim Gillett	Helena	Leg. Audit		
John W. Dorothy	Helena	Leg. Auditor		
Howard A. Rush	Cat Bank	Leg. Dist #13		
Monte Jamison	Helena	Gov. office		
Margie Day	Helena	Crime Control		
Paul K. Gray	2nd Dist	Leg. Dist 5		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WITNESS STATEMENT

Name BOB KUTTEREBOD Date 11/5/81
Address 303 ROBERTS DEPT OF JUSTICE Support ? X
Representing DEPT OF JUSTICE Oppose ? _____
Which Bill ? Amend ? _____

Comments:

Support of AMENDMENT #1588 for the TRANSPORTATION
of PRISONERS PROGRAM, etc, INCORPORATE FY81 or
FY82 spending AUTHORITY.

Please leave prepared statement with the committee secretary.

WITNESS STATEMENT

Name Chuck O'Rourke, Sheriff Date 11-5-81

Address Kellogg 11 Support? X

Representing Shaniko Oppose?

Which Bill? Board of Game Control Amend?

Comments:

Please leave prepared statement with the committee secretary.

WITNESS STATEMENT

Name Laura Peterson Date 11/5/81
Address Crime Control Division Support ? Y
Representing _____ Oppose ? _____
Which Bill ? _____ Amend ? _____

Comments:

Budget questions

Please leave prepared statement with the committee secretary.

COMMITTEE II
AGENDA

Thursday, November 5, 1981

Board of Crime Control

- 1) Matching Funds
- 2) Excess Authority
- 3) *Budget Amendment - Reversion of general Fund*

Department of Justice

- 1) Transportation of Prisoners
- 2) Highway Patrol - Gas Allocation
- 3) Coal Tax Defense

Legislative Auditor

- 1) Possible Changes in Audit Costs

Governor's Office

- 1) Old West Regional
- 2) Social Services Contingency Fund

Department of Revenue

- 1) Contingency Fund for Lost Property Tax Revenue

Highway Department

- 1) Impact of Federal Cutbacks
- 2) Expenditure Savings Instituted by Department

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II

November 5, 1981

Room 105, State Capitol Building

Chairman Burt Hurwitz called the meeting to order at 1:40 p.m. All members of the committee were present, except for Rep. Stobie.

DEPARTMENT OF REVENUE

JanDee May, LFA Office, stated that the committee had been made aware that the Governor's office was requesting a \$5 million contingency fund to offset further cutbacks on the SRS and return lost property tax revenue resulting from the 34% issue to the counties. There will be a special hearing on the SRS portion in Committee III. This committee will only be given detailed information on the revenue aspect. Any monies SRS wouldn't use would be used to offset property taxes to the counties because of the 34% cases. There were several questions posed from the LFA office: 1) When would the funds become available? SRS would have until the end of FY 1982 to commit funds and whatever was left over would go to the Department of Revenue. 2) What is the amount available? If funds available exceeded the total loss, would the Governor's office prorate the entire amount to counties or make available only the lost amounts; if there is a balance would it be put against 1982 losses? If funds available are less than the total lost, would they go to the counties with the most need or on a pro-rata basis? 3) Is there a stipulation on how the counties could spend the funds? If they built it into their base there could be a problem as this is only a one-time reimbursement. 4) How does the Department intend to handle future losses?

Chairman Hurwitz introduced Ellen Feaver, Director, Department of Revenue.

Feaver testified that if their department received the \$5 million it would be available July 1, 1982. They would use the money to partially reimburse schools and local governments by their settling of the 34% cases. Money would go to local governments, particularly the major counties and western Montana as most of them are financially strapped. The shift of the mill levy will go to small businesses and homeowners. Department of Revenue sees mill levies rising above legal limits. She said the DOR was responsible for using two different manuals for valuation purposes. The State, therefore, was responsible for the financial difficulties caused by the appeals and litigations. She said DOR asked the last session for assistance in solving the situation and the Legislature chose not to act. The administration believes it is very important that counties be able to depend upon a tax base. There are more than 3,300 appeals and individual properties in litigation. Two offers have been made, with the third about to go out. The offer will be in the form of a letter with a stipulation that would bind those accepting the offer--

1,600 of these cases have indicated they will put their acceptance in writing. By July 1, 1982, DOR will know the dollar amount for counties and will continue to litigate with those choosing not to settle. Money would only go to local governments and schools based on signed stipulation agreements.

The final offer to be sent out is for taxpayers who appealed in 1978, 1979, or 1980. They would get 34%. There would be a 12% reduction in 1982. For 1981 there are three options: 1) 12% of the appraisal, 2) whatever they were assessed at, and 3) go to the County Tax Appeal Board with the appeal from 1981 and agree to live with the solution the Board handed down, with neither the state or the individual appealing further. A stipulation would state this (especially regarding the manuals used); there could be other issues, however. The final offer went out just after mill levies were set, so local governments are counting on a tax base which will not exist once settlement agreements are signed. The basis for requesting the appropriation is shown in Exhibit 1, attached, with the real figure between the minimum and maximum amounts shown. Total revenue loss from 1980 taxes is 2.7 million; 1979, 2 million; and 1978, \$320,000. This replaces money that was counted on being received in the mill levy computation.

COMMITTEE QUESTIONS:

What proportion will go to the county, and which to school districts?

FEAVER: The stipulation would be that the money would be distributed in the same way as if it had been collected regularly.

MANUEL: They protested, but paid the money under protest?

FEAVER: In most cases the money wasn't paid. The State Tax Appeals Board ruled they didn't have to pay. Some of the funds are being held in a protest fund.

HURWITZ: The bills were paid despite the fact the counties got into trouble?

FEAVER: There are registered warrants in Missoula County in the amount of \$1 million, and these are warrants they can't pay.

VANVALKENBURG: What governments have had to do since 1978, is raise the mill levy in order to have sufficient revenues.

FEAVER: In part, but not fully. Local government said they are bound to anticipate collection, but they can't raise the levy. They have to assume they are going to get this money.

The hearing was closed on the Department of Revenue.

HIGHWAY DEPARTMENT:

JanDee May gave the background. The Highway Department has been reduced at the federal level, but the reduction won't impact during this biennium unless further cuts occur this year. She didn't believe the department would be requesting any more funds. She wanted the committee to be aware of what happened on the federal level; some of the issues are still hanging. See fiscal analyst budget analysis pages 68, 69, 70, and table on p. 71. She said the Department had not really lost \$14 million. She mentioned the interstate 3-R formula change, if it comes about, will eventually hurt Montana. If the formula is changed so that traffic volume receives 50% or 60% of the weight, Montana will be impacted.

Gary Wicks, Director of the Department of Highways, was introduced. Mr. Wicks used many maps and charts for his presentation. He said they had not come in for a budget revision. His map exhibits showed 474 primary miles needing immediate attention with 2,027 that will become critical within the next 10 years. He listed steps that had been taken to reduce management costs in the Highway Department: 1) a hiring freeze was started in February--FTE's have dropped from 2,162 to 1,862; 2) savings in maintenance by re-scheduling sanding and snowplowing details; 3) institution of various management systems. He felt the systems set some standards of performance and allow for more stretching of tax dollars; and 4) changing the strategy of the Highway Department. Wicks wanted to talk about the plan of spending 100% State dollars on highways, planning the use of more overlays and sealcoats than construction. He said maintenance of the state highways has always been a state responsibility with no federal funds provided.

He proposed a partial-funding approach for highways. Because revenues are not equal to expenditures, the Department would like to see the gas taxes raised to 5 cents a gallon and diesel to 6 cents a gallon. He felt this would help the Department hold the line on highway projects.

In response to various committee questions, Mr. Wicks said increased revenue from a gas tax would net the state \$26 million a year; there are 67.5 miles (4-lane) of interstate yet to be constructed and 23 miles (2-lane) for completion; if the 100% Montana dollar approach were used it would free the Department from a few federal regulations; a careful forecasting system is needed to ascertain cash flow; and that priorities have been set in the Department to save money.

The meeting adjourned at 4:33 p.m.

Rep. Burt Hurwitz, Chairman

ROLL CALL

FOR SENATE FINANCE AND CLAIMS
AND HOUSE APPROPRIATIONS SUBCOMMITTEES

COMMITTEE NO. II

Date Jan 5, 1981

NAME	PRESENT	ABSENT	EXCUSED
Rep. Burt Hurwitz, Chairman	✓		
Rep. Francis Bardanouve	✓		
Rep. Andy Hemstad	✓		
Rep. Rex Manuci	✓		
Rep. Chris Stobie			✓
Sen. Ed Smith, Vice Chmn.	✓		
Sen. Jan Johnson Chmn.	✓		
Sen. Tom Keating	✓		
Sen. Bill Thomas	✓		
Sen. Larry Stimatzy	✓		
Sen. red Van Valkenburg	✓		

VISITORS' REGISTER

HOUSE ~~Committee on Information~~ COMMITTEEBILL House Bill 1
Sponsor Sen. John PaulDate Jan 5, 1981

1:30 p.m.

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPP.
Ted Newman		33 rd Rep. Dist.		
George A. Parish	Cit. Bank	D. st # 13		
Elliott Johnson	Billings	Mont. House		
Peggy Olson	Helena	out		
John Paul				
Gary Wicks	Helena	DOF		
John Grace	Helena	DOF		
Kate Anderson	Helena	Rep Tax		
Jeffrey Johnson	Cit. Bank	Rep. # 31		
Dan K. Magie	Helena	Mont. House of Rep		
Tom Morris	"	Mont. House of Rep		
John Delano	Helena	Mont Rep		
Paul Miller	Billings	Rep # 75		
Deen C. Kestad	Char. Col	Sen. # 5		
Rep. Jay Fisberg	Great Falls	House District 44		
Ken Lampert	Fairview	Senate Dist 27		
Richard Domingo	Great Falls	Rep Dist 35		
Paul J. Pistorino	Great Falls - dist 39	State Rep ^{dist 4} 39		
Marshall W. Olson	ELK ALAKA, MT	Carter County		
Bob Ballouff	Polson Mont	Rep # 26		
James Besteth	Deer Park	Dist 3		
Bob Lampert	Billings	"	59	
John K. H. Miller	Billings	Dist 32		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE ~~Senate~~ COMMITTEE ~~Senate~~ COMMITTEE

2015 - COMMITTEE II

Date Jan. 25, 1981

~~B.L.H.~~ Planned
~~ONSON~~ St. Ida

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

HIGHWAY FUND PROJECTED AT CURRENT LEVEL

	Fiscal Year 82	Fiscal Year 83	Fiscal Year 84	Fiscal Year 85	Fiscal Year 86	Fiscal Year 87
Revenues:						
Beginning Balance	\$ 13,221,879	\$ 32,730,105	\$ 35,182,144	\$ 26,408,430	13,825,340	\$ (2,993,376)
Revenues	A 75,568,547	78,578,158	75,845,503	78,273,568	80,774,475	83,354,409
General Fund	B <u>22,000,000</u>	<u>2,000,000</u>				
Available Fund	\$110,790,426	\$113,308,263	111,027,647	104,681,998	94,599,815	\$ 80,361,033
Expenditures:						
Current Level	<u>78,060,321</u>	<u>78,126,119</u>	<u>84,619,217</u>	<u>90,856,658</u>	<u>97,593,191</u>	<u>10$\frac{1}{4}$,868,646</u>
Ending Fund Balance	<u>\$ 32,730,105</u>	<u>\$ 35,182,144</u>	<u>\$ 26,408,430</u>	<u>\$ 13,825,340</u>	<u>(2,993,376)</u>	<u>(24,507,613)</u>

A 1 $\frac{1}{2}$ Fuel Tax Ends FY '83
 B \$20 Million Gen. Fund Ends FY '83
 C Assume inflation of 8% on all expenditures except local government aid.

HIGHWAY FUND PROJECTED WITH SAVINGS RECONSTRUCTION

		Fiscal Year 82	Fiscal Year 83	Fiscal Year 84	Fiscal Year 85	Fiscal Year 86
Revenues:						
Beginning Balance		\$ 13,221,879	\$30,730,105	\$19,482,144	\$ 708,430	\$ (21,874,660)
Revenues	A	75,568,547	78,578,158	75,845,503	78,273,568	80,774,475
General Fund	B	<u>22,000,000</u>	<u>2,000,000</u>			
Available Funds		\$110,790,426	111,308,263	95,327,647	\$ 78,981,998	\$ 58,899,815
Expenditures:						
Current Level	C	78,060,321	78,126,119	84,619,217	90,856,658	97,593,191
Savings Construction	D	<u>2,000,000</u>	<u>13,700,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	
		<u>80,060,321</u>	<u>91,826,119</u>	<u>94,619,217</u>	<u>100,856,658</u>	<u>97,593,191</u>
Ending Fund Balance		<u>\$ 30,730,105</u>	<u>19,482,144</u>	<u>\$ 708,430</u>	<u>\$ (21,874,660)</u>	<u>\$ (38,693,376)</u>

A 1% Fuel Tax Ends
 B \$20 Million General Fund Ends '83
 C Assume inflation of 8% on all expenditures except local government aid.
 D Savings Redistribution

**Basis For Distribution of Appropriation
Requested to Reimburse Schools and Local
Governments for Settlement of "34%" Cases**

COUNTY	Basis for Minimum Distribution (12%)	Basis for Maximum Distribution (34%)
Beaverhead	-----	-----
Big Horn	1,561	4,423
Blaine	1,577	4,467
Broadwater	1,402	3,973
Carbon	2,173	6,157
Carter	-----	-----
Cascade	292,496	827,028
Chouteau	3,079	8,725
Custer	45,797	129,757
Daniels	1,088	3,076
Dawson	11,810	33,461
Deer Lodge	11,939	33,828
Fallon	2,895	8,201
Fergus	4,344	12,307
Flathead	190,136	537,532
Galatin	64,294	182,167
Garfield	-----	-----
Glacier	1,805	5,114
Golden Valley	-----	-----
Granite	-----	-----
Hill	64,772	183,520
Jefferson	20,189	57,116
Judith Basin	647	1,833
Lake	5,056	14,325
Lewis & Clark	146,684	415,603
Liberty	1,101	3,121
Lincoln	38,196	108,222
Madison	-----	-----
McCone	630	1,786
Meagher	19	52
Mineral	16,303	46,191
Missoula	395,183	1,119,695
Musselshell	-----	-----
Park	9,288	23,484
Petroleum	-----	-----
Phillips	6,497	18,408
Pondera	12,303	34,859
Powder River	-----	-----
Powell	3,101	8,787
Prairie	-----	-----
Ravalli	2,944	8,343
Richland	14,845	42,060
Roosevelt	3,345	9,477
Rosebud	506	1,435
Sanders	1,357	3,846
Sheridan	4,735	13,415
Silver Bow	87,165	246,962
Stillwater	439	1,243
Sweet Grass	43	123
Teton	4,197	11,893
Toole	3,502	9,922
Treasure	-----	-----
Valley	28,934	81,979
Wheatland	-----	-----
Wibaux	839	2,376
Yellowstone	549,449	1,556,905

101A

\$ 2,057,665

5,827,187

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION

November 6, 1981

The meeting was called to order by CHAIRMAN REPRESENTATIVE BURT HURWITZ at 9:00 a.m. on November 6, 1981 in room 104 of the Capitol Building, Helena, Montana. All members were present.

The meeting was called into EXECUTIVE ACTION.

DEPARTMENT OF ADMINISTRATION:

ISSUE 2: BUILDING STANDARDS. This issue was reviewed by BARBARA BARTELL, Fiscal Analyst. She stated that wording in HB 202 defines a broader range of commercial and other buildings to be inspected. They have found two building inspectors can maintain this. Building fees does include the plan review charge and is not above the building inspection fees. In some cases, those communities doing their own inspections are attaching a plan review fee above the building inspection fee. Rural areas are primarily being serviced by the State building inspectors.

SENATOR SMITH stated that the department was inspecting the manlifts in the grain elevators and charging a fee of \$50.00 for a 10 minute inspection immediately after a former inspection by another department.

JIM KIMBLE, DEPARTMENT OF ADMINISTRATION said that they are no longer sending out inspectors to inspect grain elevators, but strictly doing public areas. The deletion of "public place" from HB 202 has left the department with a much broader scope. They are covering restaurants, churches, bars and places frequented by the public. He stated that they are not covering farm and ranch buildings or single family dwellings or private garages or storage. They have two building inspectors, two plumbing inspectors and eleven electrical inspectors.

SENATOR KEATING asked if these inspections were by request or mandated by statute. MR. KIMBLE said that they were mandated by statute and that they are charged a fee that goes into a revolving account.

SENATOR SMITH asked if they had combined their working relationship with other agencies. MR. KIMBLE stated that they do indicate all required inspections on all plan reviews and the contractors are aware of all rules. They have taken over the fire marshall's reviews and coordinating the reviews with the department of health.

SENATOR KEATING asked the LFA if there are any complaints, where

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION

Page 2

November 6, 1981

DEPARTMENT OF ADMINISTRATION. (continued)

they are registered. It was stated that the office of the Legislative Fiscal Analyst usually does not receive complaints and that it is presumed that they go to the division or local authority.

REPRESENTATIVE STOBIE MOVED to adopt Option 2, reducing lost federal funds as reflected in table 2 (shown on page 42 of the Budget Analysis).

SENATOR KEATING asked for discussion on the motion and stated that these inspectors are necessary to complete these construction jobs and if the money is held up so will the jobs be. That they should be allowed the two inspectors because if they are not doing the jobs it will be reported.

REPRESENTATIVE STOBIE responded by saying that this motion would not affect the number of inspectors but the scope of the area of buildings they go into. This fund is for energy related inspections.

MR. KIMBLE stated that the energy money that they were receiving was a supplement to the income. The inspection will go on but the department will not be furnishing the report to the energy department. He stated that the expenditure authority is adequate now, but if the interest rates go down there will be more building and there may be a need to have more inspectors and the costs will go up accordingly.

DOUG BOOKER, Budget Office remarked that they should leave the FTE and drop the amount of money.

The previous motion was restated. QUESTION was asked. MOTION PASSED WITH ALL VOTING AYE.

ISSUE 7: DECENTRALIZATION OF THE MERIT SYSTEM COUNCIL was the next item on the agenda. This issue was reviewed and reference made to page 47. BARBARA BARTELL said there is a possibility the merit system will be decentralized and the question posed to the committee is whether to line item earmarked spending authority so it can not be transferred anywhere else in the agency (explained on page 48).

REPRESENTATIVE BARDANOUVE said that there was no opposition to

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION

Page 3

November 6, 1981

DEPARTMENT OF ADMINISTRATION. (continued)

show up in the hearing except one person.

SENATOR WOLF MOVED to line item the council's appropriation for the merit system.

A statement was made by BARBARA BARTEL saying that under the decentralization proposal each agency will do their own but that the council would remain intact for appeal hearings, rulemaking, coordination and monitoring needs, etc. There are three persons on the council and they are supported by full-time staff.

SENATOR VAN VALKENBURG asked since they are only reducing their staff if they would not need funds for those staying on board.

BARBARA BARTELL stated that if this appropriation is line itemed it will allow the council to maintain operations at a level consistent with their income. If SRS reduces this administrative cost from their appropriation then the council will not collect funds or have revenue to maintain the fully-staffed operation. Line iteming will safeguard the excess authority from being transferred anywhere else and insure a reversion of that funding authority.

MOTION PASSED with all voting AYE.

CRIME CONTROL

ISSUE 1: MATCHING FUNDS FOR FISCAL 1981 ACTION GRANTS:

TERRY COHEA, BUDGET OFFICE, elaborated on this option.

SENATOR VAN VALKENBURG MOVED the expenditure of the \$11,577 in fiscal 1982 for matching funds for action grants.

DISCUSSION indicated that the \$60,000 was reverted and they are only asking the \$11,577.

MOTION PASSED UNANIMOUSLY.

ISSUE 2: EXCESS AUTHORITY was reviewed by BARBARA BARTELL referring to page 56.

REPRESENTATIVE HEMSTAD made a MOTION to accept OPTION 2 shown on page 58 with adjustment of the numbers to reduce the federal

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION

Page 4

November 6, 1981

BOARD OF CRIME CONTROL (continued)

spending authority for action grants to \$1.1 million for FY82 and \$2.1 million for FY83 thereby deleting the total appropriated authority.

There was discussion and SENATOR VAN VALKENBURG made a substitute MOTION that includes all language included in REPRESENTATIVE HEMSTAD'S motion but also includes language that would authorize an administrative appropriation should federal funds become available for action grants during the 1983 biennium.

QUESTION was called for. MOTION CARRIED with all voting AYE.

DEPARTMENT OF JUSTICE

ISSUE I: TRANSPORTATION OF PRISONERS

REPRESENTATIVE BARDANOUVE MOVED to accept the \$1,588.

Option 1 (page 50). MOTION PASSED with all members voting AYE.

ISSUE 2, HIGHWAY PATROL - GAS ALLOCATION was reviewed.

BOB KUCHENBROD, Administration stated that they calculated 6.2 million miles per year. He also said they were talking about figures in the amount of \$841,000 for the first year and \$958,000 for the second year and possibly a savings of \$158,000 the first year and \$250,000 the second year.

REPRESENTATIVE KEYSER witnessed that at the time funds were short the patrolmen went on rationing and continued on the restriction because extra funds were not allowed until the Legislature went back into session.

REPRESENTATIVE STOBIE questioned if they had the authority to move that money from gas to other areas and it was confirmed that they could.

SENATOR KEATING MOVED to amend House Bill 500 to line item the appropriation for the Highway Patrol and that they be restricted to the agreed amount of gallons which is 509,850 in 1982 and 491,480 in 1983.

MOTION PASSED with REPRESENTATIVE HEMSTAD AND REPRESENTATIVE BARDANOUVE voting NO.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION

Page 5

November 6, 1981

BOARD OF CRIME CONTROL (continued)

ISSUE 3: COAL TAX DEFENSE was reviewed by JAN DEE MAY stating that this issue is asking for \$50,000. The purpose for this money is contingent on the fact that they may have litigation costs.

MR. KUCHENBROD stated that they presented a copy of their 1981 and 1982 expenses and details. That they spent \$13,880 for personal services; \$14,121 in 1980, \$49,143 in 1981 and \$1,583 in 1982 for contracted services and have itemized travel that was used when the representatives and senators went to Washington.

SUSAN HANSEN, Attorney General's office, spoke in behalf of the governor's office, relating to the expense that the senators and representatives went to Washington with representatives from the Governor's office the first time, to interview for the lobbyists before the governor was allocated specific lobbying funds.

It was brought out that the \$388,642 was a carry over and not an appropriation from the last legislative session.

MOTION was made by SENATOR SMITH that the \$50,000 be left in and line itemed and the remaining money be reverted and that the \$50,000 will only go for the stated purpose of litigation costs.

JAN DEE MAY, Fiscal Analyst, stated that this is amending HB 500 and rather than line iteming it would be better to put in language.

The motion was restated to show the \$50,000 from the '81 biennium was allowed to be carried forward and cannot be spent for any other purpose but coal tax defense and must revert at the end of the biennium. QUESTION WAS CALLED and the MOTION PASSED UNANIMOUSLY.

GOVERNOR'S OFFICE

ISSUE 1: OLD WEST REGIONAL COUNCIL was the next issue briefed by BARBARA BARTELL of the LFA referring to page 34.

MOTION was made by REPRESENTATIVE STOBIE to adopt ISSUE I eliminating funding, plus the FTE adjustment. The \$106,193 in fiscal 1983 which also reflects the pay plan was adjusted to the actual amount of \$100,000.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION

Page 6

November 6, 1981

GOVERNOR'S OFFICE (continued)

MOTION PASSED.

A 10 minute recess was taken and the meeting was called back into executive session at 10:45 a.m.

DEPARTMENT OF COMMERCE

ISSUE 2: ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) FUNDS (page 88) was briefed by NORM ROSTOCKI of the LFA. These federal funds are being cut off and the department is asking to take the federal and general funds that were designated for grants and use them for operating expenses. This is the end of all federal funds for this program. There will not be any Federal funds available after the end of the biennium. Reference was made to the chart shown on page 90.

NANCY LEIFER of the Department of Commerce gave an overview stating that MR. BUCHANAN was not able to attend because of another meeting. She referred to the table and stated that it included several allocation of general funds that are not line itemed in HB 500, therefore do not correspond with HB 500. The figures seen in the table includes \$39,662 in FY82 and \$34,952 in FY83, both attached to HB 578 creating the licensing bureau, earmarked funds, and also the 1 FTE that carries out those responsibilities. The other amount included that is not in HB 500 and is included in the table is \$5,000 allocation for the small business state-wide meeting. She stated that they are proposing a staff of 5.5 people, one is a licensing center person, taken care of by his own allocation. The other 4 are defined in groups of twos, one of the groups answer the kind of requests received from out-of-state interests in terms of what Montana is and has to offer in business location. The other group of two would concentrate on in-state small business assistance.

NANCY LEIFER stated that the way they intend to take off these 4 staff people would be from the remaining general fund now designated. Line item, \$84, 579 would be used for the two FTE for grants that handle the out-of-state requests.

The request being made is to use the amounts line itemed in HB 500 for operating expenses (\$59,000 general fund and \$235,000 federal match). The department has also submitted a proposal to the

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION
November 6, 1981

Page 7

DEPARTMENT OF COMMERCE (continued)

EDA to use this amount of money for operating expenses. Half of that, about \$150,000 for the biennium, would be used in a flow fashion to benefit people at a community level for studies on what kind of businesses are best for the communities and help to those businesses to get started. Two staff people will come out of those funds.

SENATOR WOLF stated that she was appointed to sit on the International Trade Commission and found many outside of Montana have no idea of what Montana is like.

MOTION was made by REPRESENTATIVE STOBIE to adopt the Proposed Funding Structure (shown on the attachment A), and the Department's biennium proposal.

MOTION PASSED with all voting AYE.

FISH, WILDLIFE AND PARKS

ISSUE 3: GAS ALLOCATION

SENATOR SMITH briefed the committee on this issue shown on page 95 of the Budget Analysis, and stated that it is important to give the flexibility on travel. It was stressed that these are earmarked accounts from various license fees and if this money is not used for travel it will be used elsewhere.

Discussion was held regarding the efficiency of this department. One of the major complaints by the people was that the game wardens were not doing their job.

A MOTION was made by SENATOR SMITH that the Fish and Game be allowed to spend the amount originally appropriated for gas without limiting the mileage.

Discussion on the issue brought out that the Department may not be as disciplined if they are not given any mileage restrictions and that the department should be able to come up with a definite program to indicate just how many miles per employee were needed, rather than travel as far as funds would permit.

JIM FLYNN, Director of the Fish and Game stated that the scope of the travel budget will not slow them down. They have ex-officio game wardens. He also stated that their budget does not allow

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION Page 8
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION

November 6, 1981

FISH, WILDLIFE AND PARKS (continued)

double backtracking in patrolling areas. He also stated that they are traveling in car pools as often as possible and that they are also pursuing the conservation officer concept, but have not as yet implemented that concept.

In response to REPRESENTATIVE STOBIE'S question regarding uniforms for the wardens, MR. FLYNN stated that a uniform is not being used yet but that they are in the decision making process and that cost is an item in this matter.

SENATOR KEATING asked if the department was limited to gallons.

NORM ROSTOCKI answered, saying as of right now they have the spending authority to be able to stay at the same mileage, calculated on gallons, as they had in FY80, so in this request they are asking for an increase in mileage and in gallons.

MR. FLYNN called attention to page 96, paragraph 1.

NORM ROSTOCKI said there would be no adjustment in the department's budget, as HB 500 shows no mandate to spend this money only for travel but language could be put in to specify this.

SENATOR VAN VALKENBURG asked if MR. FLYNN could not give a specific number of miles they would use and promise to revert excess money beyond that.

MR. FLYNN stated he did not know the necessary number of miles needed to be funded. The MOTION was restated to accept HB 500 and add language to show the original appropriation to be \$456,298 in FY82 and \$511,607 in FY83 to be spent for gasoline only.
MOTION PASSED.

NATURAL RESOURCES

ISSUE 4: COONEY DAM PRIORITY was reviewed. SENATOR SMITH read a letter (ATTACHMENT B) to REPRESENTATIVE JACK MOORE, CHAIRMAN of the Long Range Building Committee, from REPRESENTATIVE HURWITZ, Chairman of the Joint Appropriations Committee II, presenting this issue.

MOTION was made by REPRESENTATIVE HEMSTAD that this letter be sent to the Long Range Building Committee.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION

Page 9

November 6, 1981

MOTION PASSED UNANIMOUSLY.

LIVESTOCK and AGRICULTURE issues were presented by NORM ROSTOCKI who stated that FY82 is only stated in the book showing that they have only spending authority for 1982 and does not show at all for 1983. Therefore, the committee's intent that they should view the program in both years is not shown. Therefore the committee may want to reconsider their action, as neither department has spending authority for the legislation for FY83.

AGRICULTURE, ISSUE 4: ADDITIONAL SPENDING AUTHORITY (page 82)

Shows FY1982 for \$40,000.

LIVESTOCK, ISSUE 1: ADDITION OF SPENDING AUTHORITY (page 102) shows FY1982 for \$30,000.

MOTION was made by REPRESENTATIVE STOBIE to reconsider this action. MOTION PASSED with all voting AYE.

MOTION was made by REPRESENTATIVE MANUEL to add \$40,000 additional spending authority earmarked funds to the Department of Agriculture for FY1982 and \$40,00 for FY1983. MOTION PASSED.

MOTION was made by REPRESENTATIVE STOBIE to add \$30,000 additional spending authority, earmarked funds to the Department of Livestock for FY1982 and \$30,000 for FY1983. MOTION PASSED.

MOTION WAS MADE TO ADJOURN THE MEETING AT 12:00, noon.



CHAIRMAN REPRESENTATIVE BURT HURWITZ

Leona Williams, Secretary

November 6, 1981

Representative Jack K. Moore, Chairman
Long Range Building Committee
Montana House of Representatives
Capitol Station
Helena, MT 59620

Dear Representative Moore:

The department of natural resources (DNR) has requested that the "Committee II" subcommittee reexamine the priority list established by the long-range building committee last session for the expenditure of federal land and water conservation funds.

As you will recall, it was originally anticipated that approximately \$2.3 million would be available from this federal source. Last session, your committee established a priority list which included 11 projects. This list was to be followed in the expenditure of these funds. Due to federal cuts, it is now anticipated that \$1.2 million will be received from the federal land and water conservation fund, a reduction of \$1 million.

The department of natural resources feels that the repair of Cooney dam spillway, which was ninth in priority, will not receive the \$261,000 originally anticipated from this federal funding source. The department has stated that the project will fund the Cooney dam project from its state water project maintenance fund if federal funds are not received. This would preclude maintenance of other state water projects.

Our subcommittee requests that the long-range building committee hold a meeting to discuss the possibility of establishing a higher priority to the Cooney dam project in light of the present situation.

Sincerely,

Representative Burt Hurwitz, Chairman
Joint Appropriations Committee II

Senator Ed B. Smith, Vice-Chairman
Joint Appropriations Committee II

NR:jt:t

ATTACHMENT A

STOBIC MOTION
DGP COMM. C
Issue 2
Passed
11-6-81

Business Assistance Program

Current Funding Structure

FY 83

General Fund Operating	\$130,651
EDA 302 Grant (Operating)	135,748
EDA 304 Grant	235,000
G. F. Match	59,000
	<u>\$560,399</u>
Biennium Total	<u>\$838,488</u>

Proposed Funding Structure

General Fund Operating	\$120,656
EDA 302 Grant (Operating)	76,500
EDA 304 Grant	107,693
G. F. Match	24,038
	<u>\$328,887</u>
Biennium Total	<u>\$637,036</u>

VISITORS' REGISTER

HOUSE _____ COMMITTEE _____

Date _____

SPONSOR _____

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOSE
V. Abram	Billings	Rep #56		
Joe Brand	Rec. Lodge	Dist #28		
James Kembel	Helena	DEPT of Admin. Bill Codes	Information	
T. Coker	" "	OBPP		
D. Booker	" "	OBPP		
V. Leifer	Helena	Dept. of Commerce	Information	
Paul & Pistoria	Great Falls	State Rep Dist #39		
Mike Stehn	Helena	MA CO		
Jim Hayman	Billings	House Dist #61		
Bobby Hayes	Ennis	House of Rep.		
Mike C. Smith	Great Falls	Rep. Dist. 34		
Jerry Carlson	Terrell	Rep. Dist 52		
Sam Kelly	Hamilton	Rep. Harris		
Carolyn Doering	Helena	OBPP		
Howard E. Johnson	Helena	6 Q C.		
Jim Flynn	Helena	West FWP		
Toni Bergine	Great Falls	# 36		
W. D. Johnson	Billings		Anglo.	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION.

November 9, 1981

The meeting was called to order on Monday, November 9, 1981 at 9:00 a.m. in Room 104 of the Capitol Building, Helena, Montana, CHAIRMAN REPRESENTATIVE BURT HURWITZ presiding.

ROLL CALL was taken. All members were present but SENATOR STIMATZ AND REPRESENTATIVE HEMSTAD. Legislative Fiscal Analysts attending were NORM ROSTOCKI and JANDEE MAY. Also in attendance was attorney, GREGORY PETESCH.

The meeting was opened to the HEARINGS OF THE HEALTH DEPARTMENT.

DEPARTMENT OF HEALTH

ISSUE 1: HEALTH SERVICES, was the first item on the agenda and was addressed to by JANDEE MAY, Fiscal Analyst, referring to page 221 of the Budget Analysis Special Session, Book 1. Issue 1 consists of two programs: a. Maternal & Child Health Block Grant (MCH) and b. Early Periodic Screening Diagnosis and Treatment (EPSDT).

ISSUE 1a: Maternal and Child Health Block Grant

The health services program will receive the majority of the maternal and child health block grant funds.

The purpose of the MCH block grant is to offer services to mothers and children to reduce infant mortality and the incidence of preventable diseases, rehabilitative services for disabled persons, and treatment for crippled children.

MCH block grant consolidates seven programs. Montana has been conducting the first three of these programs.

- Maternal and Child Health
- Crippled Children
- Rehabilitative Services for Disabled SSI Children

The present authorization level for Montana for FY82 and FY83 of \$1,489,900 per year is a reduction of 12.3 percent over the 1981 categorical grant award level. (See table, page 222).

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION

Page 2

November 9, 1981

DEPARTMENT OF HEALTH, ISSUE 1 (continued)

Distribution of the Maternal and Child Health Block Grant.

Nationally, \$373 million is available for the MCH block grant in federal FY82 of which 15% goes to special projects. Montana's \$1,489,900 award was calculated after the 15% was set aside, therefore any money received for these special projects will be in addition to the \$1,489,900. FUNDS CANNOT BE TRANSFERRED TO ANY OTHER BLOCK GRANT. However, this grant may receive funds from other block grants. The state Match is 43 percent of total expenditures, none required for special projects. Local funds could be used for match. Remarks were made to transferred spending authority from this division to other divisions within the department on page 223. It is not possible to identify specific transfers for fiscal 1983. Some specific features to the maternal and child health block grant as to the distribution of this money, the federal government states that a substantial portion (up to the state to define) must be provided to mothers and children to special consideration to projects under Title 5 in the Social Security Act. Reasonable amounts must be spent to reduce infant mortality, preventable diseases, rehabilitative services for disabled, crippled children, maternity care, child immunizations and increased services to low income children. The question is 'reasonable amounts' and 'substantial portions'. This is where you get into the Block Grant flexibility.

WITNESSES were presented from the Department of Health.

DR. DRYNAN, Director of the Department of Health presented the Department proposals and presented a prepared statement.

EXHIBIT A. This statement emphasized the Hypertension Program, Health Risk Reduction and EMS Programs. Diabetes was also a major concern. The department also requested the \$30,000 general fund in the EMS Bureau general fund to be used in the laboratory section, reducing that request from \$60,000 to \$40,000 for each year of this biennium. The Food and Consumer Safety Bureau will address their request as well as Solid Waste. The department's proposal also requests \$30,000 to continue the Scobey air study directed to the Governor from SENATOR BAUCUS and REPRESENTATIVE MARLENEE.

The meeting was opened to questions.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION

Page 3

November 9, 1981

DEPARTMENT OF HEALTH, ISSUE 1 (continued)

JANDEE MAY referred the explanation of each block grant to the department.

YVONNE SYLVA, Administrative Officer of Health Services Division presented testimony and the budget request for the Maternal and Child Health Block Grant (EXHIBIT B attached). It was indicated that Dr. Anderson, administrator of Health Services Division, DEE CAPP, Program Manager, Crippled Children's Services and Dr. SIDNEY PRATT, Chief of Maternal and Child Health Services Bureau were available at that time to answer any questions.

SENATOR VAN VALKENBURG asked if they could get a little better budget detail as to how the \$1,489,900 would be spent, noting that \$100,000 would be spent for crippled children, shown broken down into the various counties they would go into, but would like details for the remaining \$400,000.

MS. SYLVA replied that 30% of the total funds included in the block grant will be expended for crippled children purposes specifically, the other 70% is to be allocated toward maternal and child health services but still could be utilized to provide crippled children services. Reference was made to the computer printout (shown as EXHIBIT C) which is based strictly on the \$879,914 for maternal and child health while the other was in reference to the 1981 actual distribution of funds. MS. SYLVA elaborated that the \$1,489,900 would be used for maternal and child health services which includes the \$900,000 that is to be distributed to the counties. It also includes child well clinics, in 13 counties, also includes state level administration of nursing staff, social work, physicians etc., the bulk of the maternal and child health portion is going to aid to counties; the crippled children services programs is spent on administration on the state levels, because they primarily pay bills for children that are eligible, it requires technical staff as well as insurance people. The other goes toward evaluation.

QUESTION was asked regarding the percentage used for administrative purposes. MS. SYLVA stated that there are no restrictions in the maternal and child health block grant but they would fall in the 15 to 20 percent.

DANIELLA CAPP, Manager for the Crippled Children's program described the diagnostic and evaluations and a general overview of costs.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION

Page 4

November 9, 1981

DEPARTMENT OF HEALTH, ISSUE 1 (continued)

She stated that the administrative costs of the handicapped children services is about 25% of the overall money allotted to them, federal funding and general funding. The rest of the money is divided. 25% is spent on administration of handicapped children and the rest is spent between evaluation and medical payments. The previous federal law under Title 5 required evaluations regardless of financial status. Now evaluations are charged to the family on a sliding fee scale. They provide evaluations at clinics in Billings, in Missoula and Great Falls. In addition they provide clinics for cleft palate evaluations in Great Falls, Missoula, Helena and Butte. There are also field clinics provided.

The rest of the \$219,000 this year, is allocated to what is called medical payments which are defined by the department as a handicapped child's condition that are eligible for department payment. Cardiac, burns with ages 0 to 21., cystic fibrosis, digestive, and several other conditions were mentioned.

REPRESENTATIVE HURWITZ asked the income requirements of the parents regarding the department's payment for evaluations.

MS. CAPP said they must be pre-authorized and a physician must make a request for payment. Anyone may request an evaluation. If the person has health insurance they require the insurance must be used before department funds are used.

YVONNE SYLVA said that it is a local decision what the counties would do with the crippled children funds depending upon their priorities within the perimeters of the block grant. The counties would have to submit a plan to use them.

It was asked if the federal government required the state to pay for all the evaluation costs. MS. CAPP said that it is not specific, it says that evaluations must be available to children regardless of income but insurance is being used when available. The reconciliation act does remove that requirement. Now the department must pay for only the income eligible. More families would be able to pay for the evaluation services than the medical services.

DR. DRYNAN stated that the counties insure that the money will not go to the administration but to the children. Most of the counties have identified health monies going to the Board of Health in the county.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATIONS
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION

Page 5

November 9, 1981

DEPARTMENT OF HEALTH, ISSUE 1 (continued)

In some counties, it is the county commissioners job.

SENATOR WOLF asked how much duplication takes place between SRS and the health department. MS.CAPP said very little. The Health Department looks into previous evaluations.

Question was asked regarding services to off reservation (urban) Indians and MS. CAPP said handicapped services do service Indian children by referral, and upon request of the family.

YVONNE SYLVA stated that everyone is eligible for maternal and child health services, including urban Indians.

EDWARD KENNEDY, Indian Alliance said that there is no assurance that the urban Indian would be funded on the same basis as other population.

SENATOR VAN VALKENBURG asked if the \$1,489,900 could be reduced if the secretary of Health of Human Services approves block grant money to the seven Indian tribes.

JANDEE MAY stated the tribes could receive it if they were eligible and received money in FY 81 but that the Montana Indian tribes did not receive any Federal money from these programs in 1981.

DR. DRYNAN said that the total money that was appropriated for MCA Block Grant, of that amount the percentage was taken off the top for appropriation for services for the reservation Indians, then after reducing the total authorization level of the Omnibus Bill by that figure you come up with the amount of the \$1,489,900.

The spending authority was questioned by REPRESENTATIVE HURWITZ and MS. SYLVA stated the health services did reduce their spending authority by that \$391,493 and reverted it to the department.

NORM ROSTOCKI referred the committee to page 223 of the Budget Analysis and questioned the right to transfer funds.

DR. DRYNAN stated at the end of the last session he understood he had the right to move this money around. He stated they have identified the programs the money was used for, now everything has been done by budget amendment.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATIONS
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION

Page 6

November 8, 1981

DEPARTMENT OF HEALTH, ISSUE 1 (continued)

RON WEISS of the Budget Office presented the views of the governor's budget. He stated it is the prerogative of the committee and legislature to adjust it if they feel too much has been spent on the programs that received the additional spending authority, such as the flathead river project, for them to stop it at the \$76,000.

SENATOR KEATING, referring to Table 1, page 222, asked if the 1982 and 1983 allocation is being used for the same three programs as in 1981.

MS. SYLVA stated they were and the reduced Federal cut brought about a reduction of FTEs. 4.5 FTE in FY 82 and 6.5 FTE reduction in FY 83 with a total state reduction of 11 FTEs.

MIKE MORRIS, Director of the Western Montana Comprehensive Development Center in Missoula spoke in support of the department's proposal and made a statement regarding the Block Grant. He stated while the reduction of services in dollars is there, one of the issues is that programs funded under that program and others under the Department of Health are related to Department of SRS and OPI in Institutions. In many ways the preventative health aspects of the budget, early identification of children's problems, has direct impact on SRS and OPI institution budgets. He stated that his department contracts with the Health Department and schools to provide services for children, such as evaluations and treatment services, and their nutrition services, which educate families regarding nutritional information where they have young handicapped children.

BOB JOHNSON, Health Officer for Lewis and Clark County addressed the committee. He stated he also represents the association of local health departments. He stated that the health departments will experience cuts, but feels some of the Block Grant will be beneficial and would like to have the opportunity to distribute a portion of the MCH money. They have in their proposal to distribute \$900,000 of that money over the biennium using a noncompetitive formula distribution among the counties. This would allow them to spend more on distribution to families and not spending on writing applications, etc. At the county (Lewis and Clark) level, they are receiving right now about \$285,000. This supports a program that has been in effect for twelve years and supports three counties, 2,100 children. He stated they have received more than their share of MCH money and the Block Grant states they no longer require this kind of program in Montana. They encourage a simple way of distribution.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATIONS
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION

Page 7

November 9, 1981

DEPARTMENT OF HEALTH, ISSUE 1 (continued)

SENATOR WOLF asked the age of the child in the C & Y (Children and Youth) program and Mr. Morris said it was 0 to 12 years and there is a income criteria in order to have medical bills paid for, but none for services from the program. Mr. Morris stated that they are now able to charge fees to those who can afford it as before they could not.

ISSUE 1 B: EARLY PERIODIC SCREENING DIAGNOSIS AND TREATMENT (EPSDT) on page 224, was reviewed by JAN DEE MAY. This project was terminated October 1, 1981. The impact was minimal as these children were already covered by other programs.

ISSUE 2: PREVENTIVE HEALTH BLOCK GRANT was reviewed by JANDEE MAY, Fiscal Analyst. This block grant affects four program areas. The aim of preventive health block grant is to provide various public health services to individuals and families (especially low income) and provide services to reduce preventable morbidity and mortality and improve the quality of life. It has consolidated the hypertension, risk reduction, emergency medical services, health incentive grants, fluoridation, rodent control and rape crisis programs. Attention was called to the table on page 225, noting that hypertension is the only amount directed in 1982 and 1983. Distribution was referred to and reviewed from page 226, and it was said that the Indian tribes would not be able to receive funds from the federal grant due to the fact they did not receive funds in FY81. Rape Crisis funds will be distributed based on population. The unexpended balance of a block grant may be carried into the next fiscal year. There are no matching requirements but may be used to supplement not supplant state or local spending. Provisions were discussed as explained on page 227. Funding allocation is shown on the charts on page 229. Table 5 on page 230 shows the 1981 expenditures. Hypertension is being maintained at the full amount; the risk reduction program is funded in federal fiscal 82 by a categorical grant and carry-over funds from 1981 and does not show in the block grant. The diabetes program has been significantly increased from the 1981 level of \$14,000.

MARTHA BOHLKEN, Program Manager for Hypertension with the Department of Health gave a report as to what they were doing and stated that currently this year they have received \$124,000. 81% of that went to the locals for the hypertension programs, establishing a screening program where they go into the public and identify these problems by checking blood pressure.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATIONS
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
SPECIAL SESSION

Page 8

November 9, 1981

Educational sessions are provided to teach people on medication for high blood pressure to stay on necessary medication and why they should. It is hard to get people to stay on medication when they do not have any symptoms. Cancer is the leading cause of death, but heart disease and stroke are second and third. Hypertension contributes to heart disease and stroke. They contract with 21 local units for services. They were chosen in the larger populated areas. They contracted with four Indian Alliance Units. They also contracted with six county agencies on aging. Much of the help is volunteer.

The meeting was adjourned at 12:00 p.m.

Burt Hurwitz
CHAIRMAN BURT HURWITZ

Elis H. Smith

Leona Williams
Leona Williams, Secretary

COMMITTEE II
AGENDA

Monday, November 9, 1981

9:00 - 10:30	<u>Health Services</u> 1) Maternal & Child Health (MCH) Block Grant 2) Early Periodic Screening Diagnosis and Treatment (EPSDT)
10:30 - 12:00	<u>Preventive Health Block Grant</u> 1) Communicable Disease 2) Hospital & Medical Facilities 3) Director's Office 4) Dental Bureau
1:00 - 1:30	<u>Solid Waste</u> 1) EPA Funding Recision
1:30 - 2:00	<u>Food and Consumer Safety</u> 1) FDA Contract
2:00 - 2:30	<u>Air Quality</u> 1) Scobey Air Monitoring
2:30 - 4:00	<u>Laboratory</u> 1) Loss of Federal Family Planning 2) Additional Operating Expenses

WITNESS STATEMENT

Name John J. Dwyer, MD Date 11/9/81
Address Opposition P.O. Box 7110, New York, New York Support ? X
Representing DIKE'S Oppose ? _____
Which Bill ? Budget Hearing Amend ? _____

Comments:

Please leave prepared statement with the committee secretary.

Dept. of Health & Environmental Sciences Overview

Chairman Hurwitz, members of the committee, the Dept. of Health and Environmental Sciences wishes to thank you for taking time to hear our program and budget proposals. These proposals will address two block grants and four modified proposals.

Regards block grants the DHES administers the Preventive Health block grant and the MCH block grant. In the MCH block grant we would propose using these funds to continue present level services in Crippled Children Services, Maternal and Child Health Services, and Dental Program. Funds priorly used in demonstration projects would be transferred to a county grant and by a formula of distribution that is set by women of child-bearing age, children under 21 and population, be allocated to all 56 counties to identify their own needs under the MCH Omnibus bill guidelines, and either continue these sources or purchase these services from established programs in other counties using a multi-county contract arrangement.

In the Preventive Health block grant we would propose using funds to continue the Hypertension Program, Health Risk Reduction and EMS Programs or near current level as indicated in our budget proposal. In addition we would propose using the categorical grant award monies to EMS to allow counties and EMS regions in Montana to purchase and/or repair needed equipment on a one-time basis so that we would begin this period of block grants and reduced dollars with 100% necessary equipment that is operable. From there on it would be the responsibility of the county to maintain their own equipment. The block grant sources then would be used for education, training and certification within the EMS Program.

As Diabetes is fast becoming one of the most serious disease entities facing the Montana community, we would like to contract with the Montana Diabetes Association to improve the awareness and

knowledge and treatment of Montanans with this debilitating disease. Diabetes is the #1 cause of long term disability percentage wise today. It is #4 cause of death in Montana today by itself, but it also contributes to other causes of death directly related to other disease entities such as Heart Disease, strokes and kidney failure. As much of this problem is attributable to poor management of the juvenile diabetic often as a result of poor awareness and knowledge of the disease, and as that a high percentage of adverse reaction, either insulin reaction or hyperglycemic shock occur during school hours due in great part to the aforementioned reasons, the contract would enable the Montana Diabetes Association to embark on an educational program aimed at all schools and school teachers in the State of Montana to improve their awareness and thus handling and treatment of diabetic children in their classes and programs, thus possibly decreasing totally preventable adverse reactions and thus decreasing the overall rate of progression of the disease and improving the life-style of the diabetics into adult life. Other block grant funds would then be passed through to counties, much the same as MCH fund proposal, to identify and continue Preventive Health Services Programs in their county. The block grants allow for 10% administrative costs and these funds would be used to replace the indirect cost funds lost from elimination of categorical grants in the DHES as a result of consolidating these into block grants and due to federal rescissions.

We also have as a result of continuing resolution and block grants money appropriated to the Rape Crisis Program, a program administered by the Dept. of SRS. We would like authority to transfer these funds to SRS to be used in their program. Otherwise, these funds would have to be reverted to the federal government at the end of the FFY.

At this point, I want to thank the LFA for their assessment of the DHES budget proposals. They have identified to me a source of \$30,000 general fund in the EMS Bureau appropriation. This money could be used in our laboratory section and reduce our modified request for the lab from \$60,000 to \$40,000 in this biennium. I would hope this proposal would meet favorably with this committee. As regards the laboratory proposal in the 1981 session, I reduced the level of funding and proposed what I believed to be a bottom-line needed budget. This proposal was further reduced in committee, leaving the laboratory program at a deficit. In my budget proposal, I did not calculate a vacancy savings factor into it, and as a result of having to apply this factor, the laboratory was immediately short of operational money as identified in issue #1. This, coupled with the loss of federal funds in FY 1983, will leave a deficit of \$34,000 to continue the necessary laboratory services. If this isn't replaced, we would be forced to cut back on laboratory activities and/or reduce FTE. As the laboratory is working to capacity regards personnel, it would be extremely difficult to reduce FTE beyond that which I have already done and maintain needed preventive health and health-related laboratory testing. In addition, we still are in need of supplies monies, as addressed in issue #2, to continue labotatory testing, and I believe this to be a vital service to the health of the people of Montana.

The total request for these needs is \$60,000, but as stated earlier, we would like to use the previously appropriated \$20,000 general fund in this endeavor and reduce our request at this session to \$40,000 general fund.

Our modified request in Food and Consumer Safety Bureau addresses our grain elevator warehouse inspection program. The state requested in 1977 federal monies to assess the need of such a program in Montana. We had no prior knowledge that these funds would be cut off and learned of this after the 1981 Legislative Session had adjourned. We believe this to be a viable, economically good program for Montana, as witnessed by the marked decrease in embargoes of Montana grain, going from 7,000,000 pounds in 1977 to less than 600,000 pounds in 1980. This translates into a dollar savings to our agricultural community and is indicative of Montana's interest in health safety of our food products. The DHES does have statutory responsibility over all food products to be consumed and, as such, this program does meet those mandates.

Our need in Solid Waste is to be able to continue county assistance as it relates to qualified expertise in locating solid waste sites and as to the discontinuance of the locations. In addition, in the learning process, several lawsuits have been filed against counties and the DHES. In order to prepare defense and maintain the interests of the State of Montana in solid waste matters, these funds will be needed as they have been terminated by the federal government, their feeling this to be a state responsibility in the future.

Lastly, in response to requests from Senator Baucus and Representative Marlenee to the Governor of Montana, we are requesting \$30,000 to continue the Scobey air study as it relates to the Canadian Government's plant siting north of Scobey and its effects on the northeast section of Montana due to SO₂ emissions and its adverse effects on agriculture and water in this area. We will need at least one year's data after the plant is on line to assess the effects and increases over baseline data now being collected. This request is a result of delays in bringing the plant on line. Many test firings required our authorized presence and monitoring to obtain variations

in baseline data for future comparison. Montana's federal delegation will have the federal government continue funding the water monitoring phase and requests Montana to continue the air monitoring phase.

I am available to answer your questions on these proposals, and also have staff members from the addressed programs here or on call to more specifically brief you and answer questions.

Thank you.

WITNESS STATEMENT

NAME Yvonne Sylva BILL No. _____
ADDRESS 8841 Jackpine Dr. DATE 11-9-81
WHOM DO YOU REPRESENT DHES
SUPPORT _____ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

TESTIMONY

Representative Hurwitz, members of the committee, I am Yvonne Sylva, Administrative Officer of Health Services Division. I will present the budget request for the Maternal and Child Health Block Grant.

The Maternal and Child Health Block Grant is designed to provide preventive, educational, diagnostic, treatment, and counseling services to the maternal and child population in an effort to improve the overall health of mothers and children and to reduce the infant mortality rate.

Provisions of the Omnibus Reconciliation Act of 1981 state that funds in this block grant be allocated to and administered by the State Health Agency.

Two programs, the Maternal and Child Health Services Bureau (09) and the Dental Bureau (96) receive funds via this grant to provide services to the maternal and child population (this includes crippled children and children eligible for SSI).

Budget information contained in this request is based on the amount authorized in the Federal Omnibus Reconciliation Act of 1981. The dollars authorized in the Act for Maternal and Child Health represent about a 13% reduction from FFY 1981 funding levels. Should the actual amount be less in the final allocation by Congress for purposes of this block grant any excess federal spending authority will be reverted.

We believe that quality services can continue to be provided to the mothers and children of Montana within the limits of funding as set forth in the Omnibus Reconciliation Act with no increase in general funds.

Match is required to receive funds in the Maternal and Child Health Block Grant. For every three dollars of state money expended four federal dollars may be received.

To meet the match requirements of the block grant we propose to use the general fund appropriated to the 09 Program and 96 Program and the general fund services of the State microbiology laboratory and Preventive Health Services Bureau, and inkind services provided by local agencies.

Approximately eighty percent of the block grant will be used to provide direct and/or indirect services at the local level.

You each have received a packet of information containing a summary of services to be provided with these funds, therefore, my presentation will address the impacts of reduced funding at the state level, the impacts of reduced funding on the delivery of services at the local level, and the proposed plans for future delivery of services in Montana.

In general, formation of the Maternal and Child Health Block Grant and the repeal of previous legislation has allowed for a more equitable distribution of funds to provide needed services to Montanans than in the past. Most of the impact of the federal funding reductions in SFY 1982 and SFY 1983 have or will occur at the State level through a reduction of full-time equivalents, (2.50 SFY 1982 and additional 3.50 SFY 1983) reduced operating cost,

administrative reorganization and consolidation of activities and programs.

Crippled Childrens Services will continue to fund evaluation programs directly and to pay for medical treatment for income eligible children. Two evaluation programs, the Comprehensive Developmental Center in Missoula and the Center for Handicapped Children in Billings will receive a reduction in funds in SFY 1982. This reduction is due to the cutbacks in federal funding and the repeal of regulations requiring Crippled Childrens Services to reimburse 100% for all evaluations regardless of family income. Therefore, payments to these centers for evaluation services will be limited to those children that are income eligible and to those suffering from chronic handicapping conditions. These changes will allow for sufficient remaining funds to pay for the medical treatment many of these children will need.

Impact at the local level in the Maternal and Child Health programs will basically be reorganization of the service delivery network. While existing programs will no longer receive direct funding from the state agency, counties will have the option as to whether to continue them at any level of funding under the new system. In essence then counties or their designated representative will set their own priorities based on needs and determine which agencies and programs will receive Maternal and Child Health Block Grant funds.

This new service delivery system will ensure that a variety of services to mothers and children are available on a statewide basis rather than in just a few counties.

Please refer to the computer printout listing counties in your handout that indicates an estimate of how many dollars each county would be eligible to receive based on funding authorized by the Omnibus Reconciliation Act of 1981.

Based on this Act,

- 1) Approximately \$900,000 will be available to be allocated to county commissioners or their designates via a formula to include the number of women of child bearing age, number of children 0-21 and population (weighting for rurality).
- 2) Each county or designated agency will submit a plan on how they intend to spend the available funds within the guidelines of the block grant. Technical assistance and consultation will be available from staff at the state level.

Reporting requirements will be minimal.

- 3) Counties with no or few health services will be encouraged to contract for services with an organized health department or other organized health service.
- 4) Counties may choose not to participate in this program.

These funds will then be reallocated to those counties participating based on need. Each county will be provided the opportunity to apply for funds annually.

In conclusion, we believe that quality services can continue to be provided to the mothers and children of Montana within the funding limits set forth in the Omnibus Reconciliation Act of 1981.

The following persons from Health Services Division are here today and with the Chairman's permission will respond to any questions that you may have:

- 1) Dr. Anderson, Administrator of Health Services Division
Dee Capp, Program Manager, Crippled Children's Services (CCS)
(Handicapped Children's Program)
- 2) Dr. Sidney Pratt, Chief of Maternal and Child Health Services Bureau

Thank you.

PROPOSED DISTRIBUTION OF MATERNAL AND CHILD HEALTH SERVICES FUNDS SFY 83 EXHIBIT C

COUNTY	TOT. POP.	WOMEN	CHILDREN	TOTAL	COUNTY	WEIGHTED WEIGHTED WEIGHTED WEIGHTING SHARE
BEAVERHEAD	8,186	1,670	2,345	12,201	8,640.89	
BIG HORN	11,096	2,215	3,725	17,036	12,065.10	
BLAINE	6,999	1,294	2,569	10,862	7,692.60	
BROADWATER	6,534	1,953	1,685	10,172	7,203.58	
CARBON	8,099	1,312	2,373	11,784	8,345.57	
CARTER	3,598	414	777	4,789	3,391.63	
CASCADE	80,696	17,630	26,074	124,400	88,101.60	
CHOUTEAU	6,092	1,197	2,105	9,394	6,652.94	
CUSTER	13,109	2,497	4,130	19,736	13,977.30	
DANIELS	5,670	777	1,362	7,809	5,530.43	
DAWSON	11,805	2,315	3,702	17,822	12,621.80	
DEER LODGE	12,561	2,226	4,100	18,907	13,390.20	
FALLON	7,526	1,146	1,775	10,447	7,398.34	
FERGUS	13,076	2,491	3,860	19,427	13,758.40	
FLATHEAD	51,966	9,980	15,544	77,490	54,879.30	
GALLATIN	42,865	9,849	10,835	63,549	45,004.20	
GARFIELD	3,312	416	746	4,473	3,167.83	
GLACIER	10,628	2,231	4,166	17,025	12,057.30	
GOLDEN VALLEY	2,052	293	425	2,769	1,961.04	
GRANITE	5,400	729	1,110	7,239	5,126.75	
HILL	17,985	3,762	6,003	27,750	19,652.90	
JEFFERSON	7,029	1,642	2,454	11,125	7,878.86	
JUDITH BASIN	5,292	693	1,215	7,200	5,099.13	
LAKE	19,056	3,139	5,922	28,117	19,912.80	
LEWIS & CLARK	43,039	8,637	12,418	64,094	45,392.10	
LIBERTY	4,658	750	1,245	6,653	4,711.73	
INCOLN	17,752	3,622	5,445	26,819	18,993.50	
MC CONE	5,404	737	1,304	7,444	5,271.93	
ADISON	5,448	990	1,499	7,937	5,621.08	
MEAGHER	4,308	578	998	5,883	4,166.41	
MINERAL	7,350	1,086	1,974	10,410	7,372.49	
MISSOULA	76,016	15,885	19,547	111,448	78,928.80	
MUSSELSHELL	8,856	1,068	2,096	12,020	8,512.35	
PARK	12,660	2,422	3,472	18,554	13,140.20	
PETROLEUM	1,310	146	381	1,837	1,300.63	
PHILLIPS	5,367	975	1,621	7,963	5,639.49	
PODNERA	6,731	1,305	2,285	10,321	7,309.46	
POWDER RIVER	5,040	792	1,214	7,046	4,989.71	
POWELL	6,958	1,352	2,022	10,332	7,317.25	
PRAIRIE	3,672	504	752	4,928	3,489.71	
RAVALLI	22,493	3,883	6,195	32,571	23,067.20	
RICHLAND	12,243	2,115	3,619	17,977	12,731.50	
ROOSEVELT	10,467	2,019	3,745	16,231	11,495.00	
ROSEBUD	9,899	1,820	3,643	15,362	10,879.60	
SANDERS	8,675	1,633	2,655	12,963	9,180.55	
SHERIDAN	5,414	915	1,619	7,948	5,628.87	
SILVER BOW	38,092	6,833	10,953	55,878	39,573.50	
STILLWATER	5,598	1,052	1,555	8,205	5,810.88	
SWEETGRASS	6,432	794	1,136	8,361	5,921.36	
TETON	6,491	1,168	2,029	9,688	6,861.16	
TOOLE	5,559	950	1,714	8,223	5,823.63	
TREASURE	1,962	309	608	2,879	2,038.59	
WILLE	10,250	2,237	4,229	16,716	11,838.50	
MEATLAND	4,718	609	935	6,262	4,434.47	
ABEAUX	2,952	414	725	4,091	2,896.94	
YELLOWSTONE	108,035	23,177	32,670	163,882	116,063.00	
TOTAL	834,501	162,645	245,299	1,242,440	879,914.00	

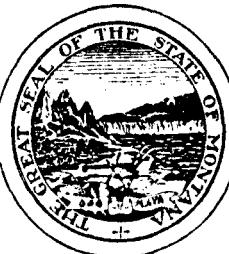
Contracted Services - MCH/CCS - SFY 81

Direct and Indirect Aid to Counties

	MCH	Direct Aid Nutrition	Dental	HCS	Indirect Aid HCS/Med	Total
Beaverhead					673	673
Big Horn					4,662	4,662
Blaine					2,594	2,594
Broadwater					2,344	2,344
Carbon					855	855
Carter					150	150
Cascade	4,241	21,682		91,582	10,511	128,016
Chouteau					813	813
Custer					4,823	4,823
Daniels						
Dawson		1,104			249	1,353
Deer Lodge					6,745	6,745
Fallon					2,867	2,867
Fergus					12,318	12,318
Flathead	45,705				23,107	68,812
Gallatin					15,232	15,232
Garfield						
Glacier	458				4,601	5,059
Golden Valley					5,537	5,537
Granite	345				104	449
Hill					5,026	5,026
Jefferson					800	800
Judith Basin					175	175
Lake	2,716				11,215	13,931
Lewis & Clark	273,815	2,150			21,193	297,158
Liberty						
Lincoln	6,387				830	7,217
McCone					75	75
Madison					3,318	3,318
Meagher					1,586	1,586
Mineral					353	353
Missoula	39,831	26,948		90,450	33,531	190,760
Musselshell						
Park	1,280				2,268	3,548
Petroleum					250	250
Phillips					241	241
Pondera					3,104	3,104
Powder River						
Powell					462	462
Prairie						
Ravalli	4,708				11,193	15,901
Richland	1,564				1,739	3,303
Roosevelt					1,278	1,278
Rosebud					1,153	1,153
Sanders	251		15,000		5,587	20,838
Sheridan					3,701	3,701
Silver Bow	10,000				7,381	17,381
Stillwater	274				381	655
Sweet Grass						
Teton	2,690				765	3,455

	Direct Aid			Indirect Aid		Total
	MCH	Nutrition	Dental	HCS	HCS/Med	
Toole					191	191
Treasure					58	58
Valley					1,658	1,658
Wheatland					1,443	1,443
Wibaux					193	193
Yellowstone	112,000			108,565	12,570	233,135
Totals	507,369	50,780	15,000	290,597	231,903	1,095,649

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES
MATERNAL AND CHILD HEALTH SERVICES BUREAU



TED SCHWINDEN, GOVERNOR

COGSWELL BUILDING

STATE OF MONTANA

(406) 449-2554

HELENA, MONTANA 59620

TO: Representative Hurwitz, Chairman
 Members of Joint Finance and Claim Committee

FROM: Yvonne Sylva, Administrative Officer
 Health Services Division

SUBJECT: Maternal and Child Health Block Grant
 Programs included in the budget request
 Impacts of reductions

ATTACHMENTS: Distribution of Funds in SFY 81
 Distribution of Funds in SFY 83

The Maternal and Child Health Block Grant is designed to provide educational, diagnostic, treatment and counseling services to the maternal and child population in an effort to improve the overall health of mothers and children and to reduce infant mortality rates. The budget request for the Maternal and Child Health Block Grant is based on the Omnibus Reconciliation Act of 1981. In this act it is estimated that \$1,489,900 will be available for expenditure in FFY 82 and FFY 83 in Montana.

Expenditure of these funds in SFY 1982 and SFY 1983 will occur within the Maternal and Child Health Services Program (09) and the Dental Program (96).

The budget presented is based on the premise that the quality and quantity of services to mothers and children will continue within the limits of the federal funding reductions as set forth in the Omnibus Reconciliation Act of 1981 with no increase in general funds.

Block Grant funds will be expended for the following programs and purposes in SFY 1982 and SFY 1983.

1) Crippled Children's Services Programs

Goal: The early detection, diagnosis and rehabilitation of children with chronic handicapping conditions.

Services

The provision of diagnostic evaluation services is arranged through interdisciplinary regional centers and private health care providers. The rehabilitative services, such as surgery, related hospitalizations, special medications and formulas, braces and therapies are arranged through private health care providers.

Payments are limited to conditions, chronic in nature that have a good chance for rehabilitation, thus increasing the individual's prospects for a productive life.

Eligibility - A sliding income scale is used to determine if families are financially eligible for payment of care.

All services must be pre-authorized.

Impact of reduced federal funds in the Crippled Children's Program

- The amount of funds allocated to Evaluation Centers was reduced in SFY 82. In SFY 83 these centers will remain at the reduced funding level.
- In SFY 83, 1.50 full time equivalents will be reduced. These FTE's are located in Billings and provide audiology services to the Center for Handicapped Children. These services will then be provided by Easter Seal, so there will be no impact or interruption of services to clients.
- Consolidation of programs at the state level will result in the additional loss of 1.00 FTE in SFY 1983. Savings from this will be used for medical payments.

2) Maternal and Child Health Services Program

Goal: To reduce the incidence of mental retardation and infant mortality by improving the overall health of mothers and children in Montana through educational, diagnostic and counseling services.

Services

Well Child services provide for examinations by physicians and/or nurses for children (0-5 years) which include an assessment of vision, hearing, nutrition, dental, development, immunizations, speech and language. These services are presently available in twenty counties in Montana.

In addition to Well Child services in SFY 82, Maternal and Child funds support other programs that provide services to mothers and/or children. Following is a list of those programs and the counties they serve.

<u>PROJECT</u>	<u>SITE</u>	<u>COUNTIES SERVED</u>	<u>CLIENTS</u>
* Children & Youth (C & Y)	Helena	Lewis & Clark Broadwater Jefferson portions of Powell	Children 6 wks-12 yrs
* Maternal and Infant (M & I)	Billings	Yellowstone	Pregnant women & infants
* Newborn Intensive Care	5 major hospitals	STATEWIDE	Newborns
* Sanders County Dental Project	Sanders County	Sanders County	K-6
Flathead Teenage Pregnancy	Kalispell	Flathead	Pregnant teenagers & infants
Missoula Adolescent Project	Missoula	Missoula	Pregnant teenagers & infants
Lincoln County Family Planning Adolescent Pregnancy Project	Libby	Lincoln County	Pregnant teenagers & infants
Park County Adolescent Pregnancy	Livingston	Park	Pregnant teenagers & infants

* Previously federally mandated programs. Block Grant Legislation has repealed this requirement.

Impact of Federal Reductions in the Maternal and Child Health Program

Impact at the local level will basically be reorganization of the service delivery network. While existing programs will lose funds, counties will have the option as to whether to continue them at any level of funding under the new system. In essence then, counties will set their own priorities. This new delivery system will ensure that services to mothers and children are available on a statewide basis rather than in just a few select counties.

- 1) It is estimated that \$900,000 will be available to be allocated to locals via a formula to include the number of women of child bearing age, number of children 0-21 and population (weighting for rurality); a minimum level of funding will be established. (Please refer to the attached computer printout indicating the proposed distribution of funds, based on the Omnibus Reconciliation Act of 1981.)
- 2) Each county will submit a plan on how they intend to spend the available funds within the guidelines of the block grant. Technical assistance and consultation will be available from staff at the state level.

Reporting requirements will be minimal.

- 3) Counties with no or few health services will be encouraged to contract for services with an organized health department or other organized service.
- 4) Counties may choose not to participate in this program.

These funds will then be reallocated to those counties participating based on need. Each county will be provided the opportunity to apply for funds annually.

3) Dental Program (96)

Goal: To improve the dental health of the population in Montana through programs of prevention, service, education and research.

Services

Prevention Program:

Brush-in: Over 80,000 elementary school children receive education in proper brushing techniques, and nutrition.

Day Care Program - Over 4,000 children participate in this program teaching them about oral health habits and proper diet.

Mouth Rinse Programs

Education, screening, referral and mouth rinse programs are supported and promoted to reduce the incidence of caries.

Sanders County Project

Provides education, diagnosis, mouth rinse and treatment services to grades K-6 in Sanders County. The goal is to significantly reduce the incidence of caries.

Impact of Federal Reductions in the Dental Program

- Sanders County Project will be terminated June 30, 1982, however the county may choose to continue portions of the program with block grant funds available through the allocation formula. (See the Maternal and Child Health section.)
- The Dental program has a minimum staffing pattern. Funding remains at current level as any staff reductions would jeopardize effectiveness.

ATTACHMENTS

Attached is information showing the distribution of funds in SFY 1981 in the Maternal and Child Health and Crippled Children's Programs. In addition the computer printout page estimates how many dollars each county would be eligible to received based on the authorized amount in the Omnibus Reconciliation Act.

If you have any questions you may call me at 449-4740.

YS/ma
Attachments

WITNESS STATEMENT

NAME Vanessa Capp BILL NO. West Block Grant
ADDRESS 1300 Le Grande Annex Blvd, #1 DATE 11/9/81
WHOM DO YOU REPRESENT Dept of Health & Services
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

WITNESS STATEMENT

Name Martha S. Bokken Date 11/9/81
Address Helena Support ? X
Representing DHES Oppose ? _____
Which Bill ? Pac. Health Block Grant Amend ? _____

Comments:

Please leave prepared statement with the committee secretary.

TESTIMONY FOR COMMITTEE II

HANDICAPPED CHILDREN

A.M. MEETING Nov. 9, 1981

As consumers of the services of Dept. of Health, Maternal Child Health Division, through the Montana Center for Handicapped Children, we would like to make the Committee aware of the cuts in direct services and personnel.

The funding for the Montana Center for Handicapped Children comes from three major sources -- Office of Public Instruction, Department of Health, and Eastern Montana College. The College pays for the building, maintenance and utilities only. Office of Public Instruction, through School District #2, provides for "core" programming as defined by Superintendent Ed Argenbright. All core programs are funded at 100% from OPI (Office Public Instruction). Speech therapy is a core program funded 100% from OPI. Testimony heard this morning revealed that Department of Health has also budgeted money for speech therapy. This is a needless duplication of services. The money for speech therapy could be transferred to Department of Health Crippled Children fund for direct physical therapy and occupational therapy for the physically and multi handicapped children. These two groups of children are low priority groups in the State of Montana at the present time because they are very expensive groups to serve. Most direct service cuts are made in this area.

Cuts made at the "direct service" level at Montana Center for Handicapped Children last spring include one classroom teacher, one physical therapist, one physical therapy aide, one occupational therapist, two general duty aides. We expect more cuts next spring and this is the third year of severe funding cuts to our services. The hiring priority at this time for Montana Center for Handicapped Children is for one part-time nurse because the present nurse's duties are 90% administrative.

We ask you to earmark funds for physical therapist, occupational therapist and physical therapy aide. Without earmarked funds we fear this money will be spent on other services.

Evaluation and identification are important steps in dealing with a handicapped child. BUT why identify a child and not offer him/her the services he needs!!

Our children do not qualify for SSI, Montana Crippled Children funds or any other medical program such as Medicaid. Our insurance picks up some costs and we pick up the rest. Our insurances will not cover physical therapy or occupational therapy services needed as a result of birth defects.

Testimony for Committee II -- Handicapped Children,

A.M. Meeting

Page 2

Nov. 9, 1981

We ask you to help us provide for our children what they need.
Thank you.

Sincerely,

Eleanor "Rusty" Koch

Merry Jane Trewella

"Rusty" Koch
4315 Murphy
Billings, Montana
Phone: 248-6487

Merry Jane Trewella
449 Byrd
Billings, Montana
Phone: 245-5871

WITNESS STATEMENT

Name Merry Jane and Jamey Frewella Date Nov. 9 - 81
Address 449 Byrd Billings, MT 59101 Support ? _____
Representing The John Frewellas' Oppose ? _____
Which Bill ? _____ Amend ? _____

Comments:

Jamey was born in Bozeman in 1972 and was later diagnosed as having Cerebral Palsy. He has attended Montana's Center for Handicapped Children Clinic program since 1973. When he was 3 years old, our family moved to Billings so that he could attend the Center school without living in a foster home. He now attends regular third grade but still receives at the Center for physical therapy.

Last spring a full time Occupational Therapist, Physical Therapist, and Physical Therapy Aide were cut from the Center Budget, while the case load has remained the same or increased.

We are asking that Maternal Child Health be given a block grant to reinstate these positions for the rest of this school year and school year 1982-83.

Please leave prepared statement with the committee secretary.

WITNESS STATEMENT

Name Rusty & Kari & Shawna Koch Date 1/9/81
Address 4315 Murphy Billings, MT 59101 Support ? _____
Representing The Koch Family Oppose ? _____
Which Bill ? _____ Amend ? _____

Comments:

My daughter Shawna is a member of the
disabled population at the Montana Center for Handicapped
Children, Billings, MT. We moved to Billings from Helena
for the sole purpose of enrolling Shawna in the school
but upon the Budget cuts we recently had
(36% cut from Dept of Health and 25% cut from Office
of Public Instruction). We lost a physical therapist,
an occupational therapist and a physical therapy aide.
These positions are vital to our children. Shawna
is now regressing and with the shortage of staff
we cannot even get a maintenance program established.
This cannot all be done at home. We have to have complete
separation from school & home. Other children also in
the same position. Please help us keep our children
at home by budgeting money for these positions
(marked specifically for such). Many children end
up in group homes when care becomes too difficult
and are institutional homes. The decisions you make
will be the decisions we have to live with for
many years to come. Please help us parents. Help
us leave prepared statement with the committee secretary.
Our children to become the most independent
they can be. We really need your support
of the programs for physically handicapped children.

WITNESS STATEMENT

NAME Mike Morris BILL No. _____
ADDRESS 1214 Ft Missoula DATE 11/9/81
WHOM DO YOU REPRESENT Comprehensive Developmental Center
SUPPORT X OPPOSE _____ AMEND X

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

VISITORS' REGISTER

HOUSE SPECIAL SESSION COMMITTEE II

COMMITTEE II

BILL

Date 10-9-51

SORS

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE SPECIAL SESSION COMMITTEE II

BILL _____

Date 11-9-81

SPONSOR _____

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOSE
John Battell	Helena	DHES	X	
Charles Estoh	Helena	DHES	X	
John Kretsch	Helena	St. HES	X	
Leifur Jorgenson	Helena	Helena Indian Alliance Clinic	X	
Terry Shultz	Terry	Rep. Dist 52		
Ron Weisse	Helena	OBPD		
Janet Capp	Helena	DHES	X	
John Dorn	Helena	DHES	X	
Mike Morris	Missoula	WM CDC	X	
Janne Sylva	Helena	DHES	X	
Robert Abram	Billings	Rep. Dist 56		
Eric Dorn	Helena			
Mark Carroll	Lodge Grass	Flathead Legislator		
Sharon Twofeet	Helena			
Benito Sorico	Helena			
Wendy Jamison	Helena	(General) Office		
George Hanger	Helena	United Methodist Church		
Mike J. Kiet	Helena	St. Paul United Methodist		
Yvonne Blackburn	Helena	Helena Indian Alliance Les Poche Clinic		
Drew Dawson	Helena	DHES	X	
Warren Bruce	Helena	DHES	X	
Edward Kennedy	Helena	H. J. A. - M. V. I. A	X	
Martha S. Balkin	Helena	DHES	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION AND
SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
November 9, 1981
Room 104, State Capitol Building

All members were present, along with Norman Rostocki and Jan Dee May from the LFA Office.

Dr. John Drynan, Director of the Department of Health, discussed Hypertension (p. 225) requesting level of services be continued at \$124,000 for FY 1981 and \$93,000 for FY 1982; Diabetic: He asked for authorization to contract with Montana Diabetic Association for \$75,000 in FY 1983 and \$56,250 in FY 1982, proposing the money be used on a training program emphasizing education about, and awareness of, the disease. Emergency medical services wants to use \$327,352 in FY 1982 and \$437,000 in 1983. This money may be used only for licensing and training of technicians. Additional money is available in the form of categoricals for use on a one-time basis for counties to purchase necessary equipment or to repair existing equipment; maintenance of the equipment thereafter would fall upon counties. The block grant would replace categorical grants for program continuation. In 1983, \$437,000 would be used to continue the program for training, education, and certification of EMT programs. Dental: would remain at the same level, \$28,000 in FY 1983 but only \$2,450 would be needed in FY 1982. The block grant balance they would like to be able to allocate (on a formula) to all counties and have them identify what services within the public health grant they need. Administrative costs are 10%, which Dr. Drynan would like to utilize to replace lost indirect costs. If other program totals for 1982 and 1983 weren't needed, he proposed it be added to the pass-through monies to counties.

JanDee referred to p. 232 and the table on p. 233, LFA budget analysis. She said EMS is unique in that they utilize money that is a year old. In FY 1982 EMS will have 1.2 million dollars; the program was allocated for \$931,000. Now an increase in spending authority in the amount of \$327,000 is being requested. The opposite will happen in 1983. There will be more spending authority than cash; the money can't be used for equipment. She asked the committee to be aware that future equipment maintenance will fall upon the counties.

COMMITTEE QUESTIONS:

Keating: Re the disparity between 1982 and 1983 of about \$800,000. He asked if this could be carried over from one year to another.

JanDee: The only amount that could be carried over would be remaining block-grant money.

Keating: How much of the \$865,000 spent in 1981 was for training and operations, and how much for equipment?

Drew Dawson, Chief, EMS Bureau: In FY 1981 \$452,197 went for training; \$310,592 used as pass through to counties on a matching funds basis for procurement of equipment. In the

budget proposed, much of the money would be spent in north-eastern Montana and \$60,000 would be used in southeastern Montana to complete a microwave communications system.

Smith: Don't all counties have a communications system?

Dawson: No, there are major deficiencies, but with the one-shot grant we should be able to update the systems.

Smith: Don't you work with law enforcement agencies?

Dawson: The channels are on different frequencies.

Rostocki: How would you sort between requests for the money?

Drynan: We would allocate the funds on a formula basis for the MCH block grant funds, based on population density, area served (inverse portion on the areas served), etc. County's money is already determined according to the allocation formula.

Norman Rostocki commented on Issue 2b, p. 234, regarding general fund money available in the EMS program.

Representative Bud Gould testified in support of Dr. Drynan's Dept. proposal.

JanDee addressed the use of the 10% administrative cost ceiling on block grants being put in the Director's office.

Wolf: Why do you ask for the full 10% and what will it be spent for?

Drynan: These funds were for indirect costs which are now gone. You cannot charge indirect costs to a block-grant program.

VanValkenburg: Do you know what was received from the federal government during the past year for total indirect costs?

Chuck Stohl: Approximately \$15,000.

Van Valkenburg: Grants to the local health agencies weren't previously budgeted for. Have we had these grants before?

Drynan: As categoricals, yes. The money will have to be used for programs identified by the percentages in the block grant--the prevention, or risk reduction programs.

Wolf: Are these people charged a fee?

Dawson: Most are free. We want to maintain current levels for training.

The hearing was closed on the Department of Health portion.

Chairman Hurwitz called on Michael Welsh for his comments in support of health services for urban native Americans; his testimony is Exhibits 1 and 2, attached.

Mr. Welsh said that the figures listed by the department would not be adequate to serve the Indian population and that there would be no services at all through the Health Department for the urban Indian.

Ed Kennedy, Helena Indian Alliance, testified, Exhibit 3. He wanted a note made for the record that in 1969 when the program was started we had a broad-based community support expressed by letters we received.

Hurwitz: The only situation addressed in the block grants was regarding the reservation Indians? If they made application in 1981 they would be eligible again--and come right off the top, is that correct?

Drynan: I think that is true.

Hurwitz: If the Indians would come to the various Health Department services, they would be served just like anyone else.

Marsha Bolken stated that all people who ask for services are served.

Reverend George Harper, St. Paul's United Methodist Church, spoke in support of the Helena Indian Alliance; his testimony is attached as Exhibit 4.

Yvonne Blackburn, Indian Clinic employee, spoke next, Exhibit 5 is attached.

The hearing on the Indian Health issue was ended.

Solid waste program was the next item for consideration.

Norman Rostocki took the committee through the narrative in the LFA budget analysis book, p. 241, 242. He said the Department of Health wants the program funded totally from the general fund and they haven't requested a cut in spending authority. They didn't lose the carryover, and thus, had actually requested replacement of more funds than they had lost.

Bureau Chief, Duane Robertson, testified next, Exhibit 6.

Rostocki said when he had talked to Mr. Robertson, Duane had said the solid waste program had a federal carryover and therefore were able to spend it in the 1st quarter of FY 1982. In session last year, you were authorized for \$30,000 spending authority expected from the federal government. He summarized this by stating the department requests an additional \$12,763 for legal costs. Duane agreed that was correct.

Robertson: All we are saying now is that we weren't aware of legal costs.

In answer to other committee questions, Robertson said that: It is up to local people to get into compliance with landfills; strides are being made in the burner program with the first steam burner to be on line in Livingston very soon; out of 56 counties 20 are bringing their waste to one disposal site; 200+ service stations are accepting used oil, but there is no re-refiner in Montana.

Max Dodson, Director of Montana's EPA office, said the plan had been to get out of the solid waste program by FY 1983, and that the State had been told last year they could count on \$30,000 support. Subsequently, a decision was made to disengage EPA and turn the function to the respective states. Montana is one of the few legislatures to appropriate money for solid waste. He felt lots of work needs to be done to provide technical services to individual governments.

The meeting was adjourned at 4:10 p.m.



Representative Burt Hurwitz, Chairman

Betty Dean, Secretary

VISITORS' REGISTER

HOUSE Senate Appropriations COMMITTEE II

Health Dept.

Date 1/29/1981

SPONSOR

1:30 p.m.

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

ROLL CALL

FOR SENATE FINANCE AND CLAIMS
AND HOUSE APPROPRIATIONS SUBCOMMITTEES

COMMITTEE NO. II

Date Jan 9, 1981

NAME	PRESENT	ABSENT	EXCUSED
Rep. Burt Hurwitz, Chairman	✓		
Rep. Francis Bardanouve	✓		
Rep. Andy Hemstad	✓		↗
Rep. Rex Manuel	✓		
Rep. Chris Stobie	✓		↗

Sen. Ed Smith, Vice Chmn.	✓		
Sen. Jan Johnson <i>Chmn.</i>	✓		
Sen. Tom Keating	✓		
Sen. Bill Thomas	✓		
Sen. Larry Stimatzi	✓		
Sen. Fred Van Valkenburg	✓		

Sakakawea #1

NAME MICHAEL WEST BILL No.
ADDRESS 846 FRONT ST. HELD DATE NOV. 7, 1981
WHOM DO YOU REPRESENT Montana Indian Union Association
SUPPORT OPPOSE AMEND
URBS INDIAN AGENT PROTESTS
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

TESTIMONY OF THE MONTANA UNITED INDIAN ASSOCIATION
TO COMMITTEE II

Mr. Chairman, Committee Members and distinguished guests:

The Montana United Indian Association is extremely grateful to have this opportunity to address you today on the vital issue of Health Services provision to the Urban Native American. I wish to stress that we are dealing with Urban Indian people who do not receive primary health services from reservations or tribal organizations.

The following constitutes our statistical and historical testimony; Mr. Edward Kennedy will follow me with testimony on the impact of Budget Cuts on our programs.

The Montana United Indian Association (MUIA) was incorporated in 1971 as a non-profit organization representing urban Indians throughout the state of Montana. Eight local Indian alliances and the MUIA joined forces to create a consortium to provide needed services in their respective communities. Those alliances were: Anaconda, Billings, Butte, Great Falls, Havre, Helena, Miles City and Missoula.

Seven alliances currently offer services to the urban Indian population which include health care, housing, job placement assistance, educational opportunities, outreach, transportation, mental health counseling and other supportive services.

The MUIA central office, located in Helena, is responsible for the administration of state and federal programs. MUIA provides technical assistance, guidance, counseling and advocacy for the consortium and the estimated 16,000 urban Indians of Montana. A major responsibility of the MUIA is to procure funding to continue existing programs and to expand services to the urban Indian population of Montana.

In the past the MUIA has successfully obtained health funding from the Indian Health Service as a result of Public Law 94-437, "The Indian Health Improvement Act." As a result of this legislation passed in 1976, the alliances were enabled to provide the following services:

- * A data needs assessment
- * Establishment and provision of direct medical care on site
- * Removal of the multiple barriers accessing health care
- * Provision of preventive health care education

Public Law 94-437, Title V, Section 501, The Indian Health Care Improvement Act, reads "The purpose of this title is to encourage the establishment of programs in urban areas to make health services more accessible to the urban Indian population;" the Congress of the United States, recognizing the severity of the urban Indian Health status, passed the public law to ensure health services provision.

Since reauthorizing Public Law 94-437 in 1980, the Congress has been exhorted to indiscriminately cut social service programs regardless of need or their accomplishment. The Office of Management and Budget (OMB) has issued several misstatements of fact about urban Indian health organization, namely "Urban Health projects largely provide referral, rather than medical, services; (they) are not required by treaty obligation; and (they) are over and above services available to the general population." In the detailed Health Proposal for fiscal year 1982, we successfully address these "artificial" issues. The documentation that follows is a skeleton outline of the needs and accomplishments of Urban Indian Health Centers.

You should be acutely aware of the life and death ramifications of immediate access to quality health care. Urban Indians face deprivation of urgently needed health care services every day. The efforts of urban Indian health care professionals will be for naught if projected cuts of one hundred percent elimination in Fiscal Year 1982 are enacted.

Program Narrative and Budget Request

Page 2. (continued)

The Health Advisory Committee of the Montana United Indian Association has prepared the following data summary for your personal attention: Indian programs will suffer a disproportionate share of the proposed budget cuts. Indian programs, which account for only .4% of the total federal budget, would absorb nearly 3% of the national budget cut.

It cannot be disputed that American Indian people are the neediest of Montana's poor. In this, the most affluent country in the world, Indian people rank at the bottom of every social and economic statistical indicator:

- * lowest per capita income
- * highest unemployment rate
- * lowest level of education
- * shortest lives
- * worst health conditions
- * poorest housing
- * highest suicide rate
- * family poverty 300% greater than national average

Contrary to OMB justifications, Block Grants to states will not guarantee provision of Urban Indian Health Care Services to our population. All of the truly remarkable accomplishments achieved by Urban Indian health care programs in the past five years will be utterly negated - clinics will cease to exist, trained Native American health care personnel will not be able to fulfill their commitment to Indian people and, worst of all, another successful Urban Indian program will be eliminated precisely at the moment of fruition.

We can no longer look to the Federal Government to meet all our financial needs. Proposed budget cuts from the Reagan Administration will zero out urban Indian health care in Fiscal Year 82. We are requesting financial support from the State of Montana so that the MUIA may continue its commitment to all urban Indians in the State of Montana.

THE EFFECTIVENESS OF UTILIZATION OF URBAN INIDAN HEALTH CENTERS

Urban Indian Health Care Centers are a vital key to meeting the health needs of urban and rural non-reservation Indians. In meeting those needs, Montana's urban Indian health centers have demonstrated an ability to be:

- * cost effective and well utilized.
- * developing and/or maintaining a quality assurance program
- * improving the health status of American Indians
- * developing linkages with other providers

I. Cost Effective

In a study on several health centers, it was shown that:

- * per patient costs are lower than national norms
- * \$19.50 was the average cost of a patient encounter
- * health care centers can deliver quality care at reasonable costs. Last year's average administrative costs was 19.74%, below the 20% criteria
- * for every dollar of Title V funds, a dollar or more was matched by other sources of revenue
- * financial audits have indicated strong financial management
- * productivity rates are in keeping with standard norms. An average 2.6 patient encounters per hour was maintained by several of the health centers

II. Utilization

Urban Indian Health centers have shown a marked increase in medical and dental encounters over the years and are leveling off at full productivity. Since 1979, the health care centers have had an average 55 percent overall increase in services provided. This remarked increase is attributed to:

- * institution of more comprehensive health services where none existed before. More health centers have moved from Phase II to Phase III, increasing the level of health care.
- * Changing patterns of utilization of expensive episodic health care (emergency rooms, hospitalization, for preventive diseases) to prevention and early intervention primary care.

III. Quality Assurance

Initiative has been taken by the health centers to improve and maintain a high degree of professional training and responsibility. This is being achieved by:

- * peer review
- * on-going continuing education
- * implementing of services, where careful review has shown a need.
- * patient evaluation of centers
- * treatment compliance review process

IV. Improving the Health Status of American Indians

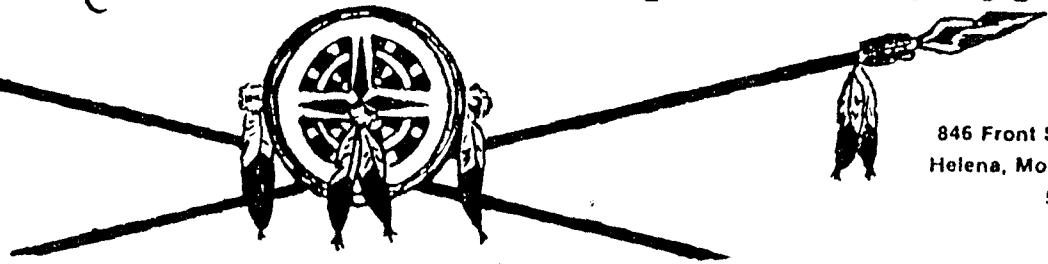
In the past American Indians have been the victim of non-existent or poor medical-dental services. Consequently Indians suffered from a higher death rate, higher infant death rate, and higher preventable death rate.

- * statistics have shown that the death rate of Indians is 841.4 deaths per 100,000, this in contrast to the overall USA population which is 606.1 per 100,000.

Montana United Indian Association

Phone:
443-5350

846 Front Street
Helena, Montana
59601



MUIA

MONTANA UNITED INDIAN ASSOCIATION POSITION PAPER

DUPLICATION OF SERVICES

By far the most controversial aspect of Minority oriented social service programs is the question of duplication of services, or in the jargon of the bureaucrat, "duplicative" services.

Opponents of urban Indian health programs are fond of loudly and persistently exclaiming that these programs duplicate services available to "everybody" through "private sector" health care providers. This issue has become an emotional area since detractors of the program's progress make the claim without examining the facts.

Fact: The United States Government policy of relocating reservation Indians to the country's urban and rural areas in 1952 left those people in a "limbo" status insofar as health care provision is concerned. There were no health care services waiting for the relocated Indian people. Indians who have lived off-reservation for 180 days are no longer eligible for health services. The Indian Health Service does not universally care for all Indian people. There is no "Indian Insurance Card" which will provide free health care to urban or rural Indians. Where "free" health care has been provided through Public Health Service projects and charitable institutions, blatant discrimination has caused extreme resentment among Indians. A person should not have to suffer degradation at the hands of tax supportive institutions' personnel in order to secure health care. The public blithely assumes that Indians' health care is provided for ... this is not the case.

Fact: Public Law 94-437, reauthorized by the Congress of the United States in 1980, states categorically that: "The purpose of this title is to encourage the establishment of programs in urban areas to make health services more accessible to the urban Indian population." In the opinion of the 94th and 95th Congresses of the United States, urban Indian health programs are not duplicative.

Fact: The American Indian Policy Review Commission in their "Report on Indian Health," does not see urban Indian health programs as duplicative

MUIA IS AN EQUAL OPPORTUNITY EMPLOYER

BILLINGS AMERICAN INDIAN COUNCIL
BILLINGS, MONTANA

NORTH AMERICAN INDIAN ALLIANCE
BILLINGS, MONTANA

GREAT FALLS INDIAN EDUCATION CENTER
GREAT FALLS, MONTANA

HELENA INDIAN ALLIANCE
HELENA, MONTANA

MISSOULA QUA QUI CORPORATION
MISSOULA, MONTANA

HI-LINE INDIAN ALLIANCE
HAVER, MONTANA

NORTH AMERICAN INDIAN LEAGUE
DEER LODGE, MONTANA

ANACONDA INDIAN ALLIANCE
ANACONDA, MONTANA

NATIONAL ASSOCIATION OF
BLACKFEET INDIANS

since they recommend that: "Congress appropriate sufficient funds for the continuance of present Indian centers in urban areas which assist Indians in obtaining medical ... services; and should encourage, with funds and guidance, the establishment of additional such centers in all urban areas where Indians live."

Fact: Health Departments in many states recognize the necessity of urban Indian health centers and contract with them for delivery of services to the Indian population that would not otherwise be provided at all. This would not occur if the states considered these programs duplicative.

Fact: Transportation and referral alliances provide urban people with the means of accessing health care. It is hardly a duplication of services to transport Indian people to a health care provider since no alternative exists.

Fact: If a patient does not have the financial resources to visit a private provider of medical care, that provider will cease to deliver services. It is not then duplicative to provide medical services to that patient.

Fact: The American Public Health Association (APHA) has acknowledged the severity of (urban) Indian health in their meetings on November 1 through November 5, 1981. The opinion of the APHA is that these programs are not duplicative.

Fact: Preventive health provision in lieu of episodic and emergency room usage reduces duplication by eliminating an increasing burden on the taxpayer. In this sense, the programs are financially non-duplicative and cost-efficient.

Therefore, it is apparent that urban Indian health programs do not duplicate services, but provide medical services where none have existed before and at a lower per patient rate than available in the private sector.

References: Montana Senator Max Baucus
American Indian Policy Review Commission
American Public Health Association
State of Montana Department of Health
The Congressional Record - October 27, 1981
California Urban Indian Health Council
Montana United Indian Association

HEALTH FACT SHEET
OCTOBER, 1980 to SEPTEMBER, 1981

	GREAT FALLS	HELENA	MISSOULA
PULATION SERVED	11,651	7,291	1,785
SERVICES PROVIDED *			
	(4) contracting physicians Hypertension Screening Urinary Screening Physical Exams Diet Counseling Diabetic Counseling Nutrition Counseling Transportation Prescriptions Referral	10,191 Services Provided: Outreach Transportation (2) Contracting Physicians Nutrition Counseling Physical Exams Hypertension Screening Referral Elderly Nutrition Prescriptions Contracting Dentists Urinary Screening	Outreach (2) Contracting Physicians Prescription Services Dental Exams Optometric Exams Nutrition Services Preventative Outpatient Care
ALTH EMPLOYEES	Health Director Registered Nurse Medical Assistant	Health Director Registered Nurse Receptionist	Health Director Health Outreach Worker Clinic Receptionist (9 month period only)
PERCENT OF ELDERLY	3%	25%	17% Average = 14.25%
ST PER ENCOUNTER	\$7.13**	\$19.50	\$17.60

* Total number of services provided during FY 81 is 21,327

** Represents the average of all services provided; the cost per patient for the three clinics averages \$18.08

October 27, 1981

economic conditions in rural areas, the percentage could be even higher.

Indians were not received in the cities with health care waiting for them, and currently the Indian Health Service of the Department of Health and Human Services will not provide direct health care to urban Indians.* Individuals cannot afford to go to a reservation health center in most instances, and because people assume the Federal Government provides for its Indian wards, there are no urban health care delivery systems which have served Indian people.* Where there are free health care systems, Indians are denied their services.* It has also been found that there has been gross discrimination against Indians in tax-supported institutions.* In other words, urban area facilities simply assume Indians have been provided for, and some discriminate against Indian people for reasons too lengthy and complex to comment upon here.

As a result of this situation, Indian and urban community leaders attempted to establish part-time volunteer community clinics. While those experiments were noteworthy and noble, they found that the health needs of urban Indians were larger than anticipated, due to the numbers of people to be served and due to the frequency and kinds of ailments to be treated. Thus they found they simply could not go further without outside funding.*

As a result of this situation, we enacted the Indian Health Care Improvement Act, which was designed to bring Indian health to an acceptable level.* Funding for programs under the act did not begin until fiscal year 1978, and now that the programs has gotten off the ground for funding urban Indian health programs, it is in great danger of death at an early age.

Our American Indian Policy Review Commission looked at these problems in a great deal of detail, and it developed the expertise to tell Congress what is needed to address some of the problems I mentioned earlier. On the issue before us the Commission recommended:

Congress appropriate sufficient funds for the continuation of present Indian centers in urban areas which assist Indians in obtaining medical and other social services; and should encourage, with funds and guidance, the establishment of additional such centers in all urban areas where Indians live.*

That is some of the background to the problem, but what is the current problem?

Of the 80 percent of all American Indians who live in cities, over 80 percent of that number are children of school age or younger.* In other words, 25 percent of all American Indians are urban children. They, along with other urban Indians, have an unusual incidence of special medical problems.* Some of the

more recent studies of Indian health problems show that the No. 1 ailment among Indians is otitis media, an ear infection which is related to poverty, and which can cause deafness.* Reports show this ailment to be quite high in children, with 83.6 percent of the children having it being under the age of 8. If those little children are untreated they will have hearing problems which will cause them to do poorly in school, leaving more people in the vicious cycle of poverty. The No. 2 disease is strep throat, a highly infectious disease.* It only makes public health sense to make certain there are facilities which can check the spread of this disease. The next highest ailment consists of intestinal infectious diseases, and we know these can cause a great deal of pain or even death.* I will not go through the full list, which is available to you in government reports, but the fourth highest ailment is impetigo, a staphylococcal skin disease, the fifth is pneumonia, and the sixth is influenza. These are all serious ailments and many of them are very highly contagious. However you can see they are ones which can be treated easily and effectively in a clinic setting. If they are caught early through checkup programs and the encouragement of parents and others to come in, the community is protected and, more importantly, Indian people can obtain the medical care they deserve.

That is the background. We owe a duty to the Indian peoples who were sent our cities, we owe a duty to the cities to assist them in providing services, and the nature of the ailments treated require public attention for the sake of the community at large. This program is for the truly needy, it is fundamental, and it is in line with the history of the special relationship of the Federal Government to Indians. It is also a step toward a better future. As one of my Indian constituents put it, "I have a right of a day when being Indian and poor in America is not dangerous to your health."

Mr. President, it is thus, with great concern that I note the action of the Senate Interior appropriations to totally eliminate funding for the urban Indian health program.

The House, however, has seen fit to fund the urban Indian health program. And it recommended \$9.78 million for fiscal year 1982. When the Interior measure goes to conference, I want to strongly urge my colleagues to adopt the House figures for this very important health care program.

*Id.
*Id.

*American Indian Policy Review Commission, Final Report, p. 288.

*Report of the Indian Health Service, p. 149.

BUDGET OUTLINE
Fiscal Year 1982

Alternative I. Clinic and non-clinic alliances

Clinics in Great Falls, Helena and Missoula @ \$75,000 = \$225,000

MUIA (Administration, technical assistance, planning and fundraising)
@ \$45,000

Transportation and referral alliances in Anaconda, Butte and Miles City
@\$25,000 = \$75,000

Grand Total = \$345,000.00 per annum

Alternative II. Clinic Alliances only

Clinics in Great Falls, Helena and Missoula @ \$80,000 = \$240,000

MUIA (Administration, technical assistance, planning and fundraising)
@\$45,000 or 15.7% administrative cost which is 4.3% below the 20%
Federal administrative percentage guideline

Grand Total = \$285,000 per annum

NOTE: A detailed, line-item budget for both alternatives will be submitted upon request.

The MUIA clinics have realistically projected self-sufficiency by Calendar Year 1984. At that time, fees paid by private insurance, Medicaid, Medicare and funds from private foundations will enable the clinics to operate independently of State or Federal funds.

In the past few years, urban Indian health programs have been able to generate one dollar of in-kind and volunteer services for every federal dollar granted. Our health personnel have helped to bridge cultural barriers, reduce discrimination, educate school children, and provided awareness of

Indian culture and customs. They have actively involved themselves in local government and provided input at community meetings.

The MUIA health staff, in conjunction with local alliances, have brainstormed innovative approaches to health care delivery and possible research programs to determine why the incidence and prevalence of specific degenerative disease afflict urban Indian populations.

OCTOBER, 1980 to SEPTEMBER, 1981

	GREAT FALLS	HELENA	MISSOULA
POPULATION SERVED	11,651	7,291	1,785
SERVICES PROVIDED *			
	(4) contracting physicians Hypertension Screening Urinary Screening Physical Exams Diet Counseling Diabetic Counseling Nutrition Counseling Transportation Prescriptions Referrals	10,191 Services Provided: Outreach Transportation (2) Contracting Physicians Nutrition Counseling Physical Exams Hypertension Screening Referral Elderly Nutrition Prescriptions Contracting Dentists Urinary Screening	Outreach (2) Contracting Physicians Prescription Services Dental Exams Optometric Exams Nutrition Services Preventative Outpatient Care
		* Total number of services provided during FY 81 is 21,327	
ALTH EMPLOYEES	Health Director Registered Nurse Medical Assistant	Health Director Registered Nurse Receptionist	Health Director Health Outreach Worker Clinic Receptionist (9 month period only)
PERCENT OF ELDERLY	3%	25%	17% Average = 14.25%
ST PER ENCOUNTER	\$7.13**	\$19.50	\$17.60

** Represents the average of all services provided; the cost per patient for the three clinics averages \$18.08

WITNESS STATEMENT

NAME Edward Kennedy BILL No. _____

ADDRESS 436 N. Jackson Helena, Montana DATE November 6, 1981

WHOM DO YOU REPRESENT Helena Indian Alliance

SUPPORT XX OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

SEE ATTACHMENT:

helena Indian alliance

436 North Jackson
Helena, Montana 59601
(406) 442-9334



EDWARD KENNEDY
Executive Director

TESTIMONY

HELENA INDIAN ALLIANCE

I have been hearing the concerns of Urban Indian people who are not only from Helena but from other cities with significant Indian populations. What I am hearing is evidence Urban Indians are indeed among the "Truly Needy." Indians fall at the bottom of every social & economic statistical indicator. We have the shortest life expectancy; we have the highest suicide rate; our poverty is 300% of the national average; we have the highest unemployment rate; we have the poorest housing; and we have the worst health conditions and health care. It is little wonder there is an acute need for health care for Native Americans in urban areas.

In response to the need for health care, the Indian Health Service provided funding to open our clinic and three (3) others in Montana recently. After these have been providing an invaluable services for only a short time, the new federal administration and the U.S. Senate are recommending cessation of funding. Examples of the services provided by our clinic are attached to this statement with minimum funding level budget.

Our clinic is not duplicating services provided by other resources. This is evidenced by the fact that our County C&Y Project and County Welfare Department submitted letters of support for funding of our clinic by Indian Health Services. It should also be noted that we have documentation of local health providers refusing service to Native Americans because of their inability to pay for services. The fact of the matter is that our people generally see a physician only in a crisis or life threatening situation rather than engaging in preventative medicine. Because of our clients trust of us, they were beginning to utilize our clinic regularly and engage in preventative medicine.

If our clinic and others like it are not funded, the immediate impact will be:

1. Increased deaths from heart attacks.
2. Undiagnosed & untreated diabetes.
3. Increased hearing loss from untreated otitis media
4. Increased incidence of untreated strep throat.
5. Increased incidence of untreated intestinal infectious diseases.
6. Undiagnosed and untreated dental & visual problems.

These are but a few of the problems which will be generated by the closure of our clinic. These alone will cost us the lives of many of our elderly and seriously impair the ability of our youth to succeed in life. This would rob us of the wisdom of our elders and the promise of our youth for the future.

Only through the support of the State of Montana can we continue to operate our Urban Indian Health Clinic. Only through continued operation of this clinic and similar clinics can we have a chance of fulfilling our Vision for the future.

We Have A Vision Of:

1. A life expectancy of 75 rather than 55!
2. Substantial reduction of the suicide rate!
3. Raising our people above the poverty stricken level!
4. Substantially raising our per capita income!
5. Substantially lowering our unemployment rate!
6. Raising the level of education of our people!
7. Providing higher quality housing to our people!
8. Assuring that all Urban Native Americans have quality health conditions and health care.

Our Vision is for a step toward a better future!!

We have a Vision of a day when being Indian and poor in Montana will not be hazardous to our health.

DAVID JORDAN, M.D.
Internal Medicine
1111 N. Rodney
Helena, Montana 59601
443-3457

Sirs:

I have been seeing patients at the Leo Pocha Clinic approximately one afternoon per week, since the Clinic's inception last February. During this time I have cared for many patients who, I believe, would not have received health care had it not been for the Clinic. Reasons for this are both financial and cultural, with financial problems predominating. To date, for example, fewer than 1/3 of our patients have had any kind of health insurance. This is in stark contrast to the 85% of the non-military population nationwide with some form of health insurance. Even those who do have insurance are unlikely to have coverage for visits to a doctor's office; only 20% of our "insured" patients have such coverage. Needless to say, many of these individuals are living on a very limited income. Under such circumstances, the health care which most of us take for granted, becomes "optional" and is usually neglected. An illness which might be minor if treated early, may be allowed to progress until it becomes devastating. A simple strep throat, may lead to a serious ear infection, or even worse to rheumatic fever, which is still seen among Native Americans in Montana while practically unheard of in the white population.

A more subtle problem than the lack of financial resources, is the uneasiness which an American Indian may feel in a conventional doctor's office. Memories of previous racial slurs or hassles about finances may make the waiting room an unpleasant place, while the emphasis on carefully and closely scheduled appointments runs counter to his upbringing. Even the doctor's scientific theories on the causation of disease are quite different from what the Native American has been taught. While we still try to practice modern medicine at the Pocha Clinic, it is our belief that many of our patients feel more at ease in the familiar surroundings of the Helena Indian Alliance building, with individuals of their own background providing the clerical and nursing help.

For these reasons, I believe that the Pocha Clinic has been providing a unique and valuable service to the community, which cannot be duplicated by other existing facilities. I hope that a way can be found to provide continued financial support for this very deserving endeavor.

David Jordan, M.D.

David Jordan, MD

Katherine E. Dawson, M.D., F.A.A.P.
1537 Broadway
Helena, Montana 59601
Telephone 442-8181

TESTIMONY ON MONTANA URBAN INDIAN HEALTH CARE

I have been associated with the Leo Pocha Memorial Clinic since it's planning over a year ago. The planning done by the staff of the Helena Indian Alliance was excellant. Every consideration was given to the best possible service for the least amount of money.

Contributions of equipment, carpentry done by staff and as time went on, volunteer workers giving time freely all helped to make the clinic more and more the needed service for Indians that it has become.

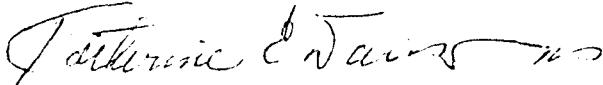
The understanding of problems and attitudes of Indian patients by Indian staff can not be over estimated. More time is available to individual patients to discover the problems and explain the illness and treatment than is possible in the average busy office. The staff does outreach in following patients where necessary; even to being present in Labor and delivery rooms with a non-english speaking patients.

The biggest impact of the Clinic is with the low income worker whose health care is not covered by a government or private insurance. One of the answers, of course, is to stop working and accept Welfare and Medicaid. But this attitude does nothing to promote self reliance of proud people.

The Leo Pocha Memorial Clinic does a great deal to keep individuals and families off Welfare roles and earning productively.

I cannot over stress how impressed I am with the goals of the Clinic and the efforts of the Staff to carry them out.

Sincerely,



4

Katherine E. Dawson
M.D., F.A.A.P.

NAME Benilde Sarico BILL NO. _____

ADDRESS 703 1/2 N. Rodney Street DATE _____

WHOM DO YOU REPRESENT Lea Pacha Memorial Clinic

SUPPORT OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

My name is Benilde Sarico. To me, justice means that medical attention is available to all people. But since it is necessary to have a hearing today to present testimony, I would guess that means my view isn't shared by everyone.

I do some of the lab work for the Lea Pacha Memorial Clinic in Helena. I was a lab tech for about 6 years, and then quit for awhile to work in another area. One of the major reasons I quit was because I was beginning to feel like the medical profession was a big ripoff. At the last clinic I worked at, one doctor would see 20-28 patients in a 4 hour period. I was told ^{he saw} ~~so many~~ so many because he had some pretty steep alimony payments.

People are dissatisfied with the present medical system and are trying to come up with new

WANT WHAT THEY HAVE?

alternatives. Socialized medicine has been discussed. But having worked in England for 3⁰ years, I saw that their system was also not very satisfactory. A clinic like the Leo Rocha Memorial Clinic however, offers a satisfactory means of providing medical care to everyone. No one is ever turned away. If you have money, you pay. If you have insurance it pays. And if you are broke, the clinic pays.

The goal of this clinic is to be self-sufficient. We are asking for your help so that we can achieve this goal.

I hope that if your eyes cannot see the need, and your heart cannot justify its elimination automatically - that you will at least be able to support this clinic for what it is - the beginning of a solution to the problem of expensive + impersonal medical care.

I am grateful to be able to work in a place that I can believe in.

NAME Sharon Twofeeth BILL NO. _____
ADDRESS 2141 York Rd DATE _____
WHOM DO YOU REPRESENT Leo Pocha Clinic
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: I work at The Helena Indian Alliance as the receptionist for the Alliance and the clinic I have seen a lot of people go through our clinic people who were in need of medical attention but could not afford to go another clinic. Because they didn't have the money to pay for the office calls. For example I know of a young man who is a diabetic he went to the doctors office and they told him he couldn't see a doctor because he couldn't afford to pay. at that time we were opening our doors for the clinic so he came here. And been using the clinic service ever since then. Now what will happen to him and many others who have used our services. If we don't have the funds to operate on, they will probably never receive good medical attention again if any at all.

MONTANA BLOCK GRANT HEARING, OCT. 29, 1981 - HELENA, MT.

In our planning we must constantly separate Reservation and Urban Native Americans. Landless Native Americans like the Little Shell Band of Chippewa Cree, and hundreds of others who have not been associated with Reservations for perhaps two or three generations, receive no federal assistance.

Here in the Helena area a large number of Native Americans are constantly overlooked because the federal and state spotlight never picks them out as a part of the Native American situation.

Through the Helena Indian Alliance they have forged an instrument for making themselves visible and for working together on problems of mutual need.

Here the landless Native American Community faces 30 to 50 percent unemployment, with a great percentage of those who are employed having only part-time and low paying jobs. And now, with inflation and recession hitting them harder than probably any other group in the Helena community, the little assistance they have had is being seriously cut. Medical aid is being cut; food stamp and other aid for the working poor is being curtailed; and the working poor people of Helena, Native Americans included, simply cannot afford medical care.

No jobs, or poor jobs, mean poverty. Poverty means health problems. No basic health care means less ability to function, to find work, to hold a job. It's a vicious cycle.

One practical, common sense place to break the cycle a little bit is at the point of making health care available for Native Americans who simply cannot afford visits to white clinics and hospitals, or who are so unfamiliar with the process that they are afraid to try to get into the white medical system, or who have faced discrimination in subtle or not-so-subtle ways in years past.

The Native American community pin-pointed this need, moved ahead to establish the Leo Pocha Memorial Medical Clinic. It operates in the Helena Indian Alliance Building. It is serving the community in a wonderful fashion, already reaching many people with aid they would never be getting. And just as it seems the whole enterprise will get on its feet, federal and state cuts in assistance are killing it.

Our St. Paul's United Methodist Church has decided that we will give some financial support, but the total amount we will be able to provide cannot be a main source of funding for the Clinic.

We earnestly hope that Montana will recognize this legitimate need and this pioneering effort on the part of Helena's non-reservation Native American community. We ask that their request for funding be answered with an affirmative.

As white American members of the local and state community, the United Methodist Churches of Montana will continue to be closely associated with this political process that affects so basically the life of us and our friends.

Rev. George Harper
St. Paul's United Methodist Church

George Harper

WITNESS STATEMENTNAME Yvonne Blackburn BILL NO. _____ADDRESS 3675 Meadowlark Dr. DATE 11/8/81WHOM DO YOU REPRESENT Urban Indian populationSUPPORT OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

As an Indian and a service provider, I am in strong support of the urban Indian Health Clinics. I am a firm believer in the "wholistic" approach to health care whereby we try to see that all ~~health~~ needs are met. We usually see our people in an emergency situation where immediate help is needed. Indian people have dignity and pride. We try to maintain that pride and dignity and help them in their time of need. In an immediate situation it seems no one wants to give up their dollars to provide for these people. For example; a middle aged male comes to our clinic with a fever and cough; welfare is called for assistance; they tell me to try for assistance from the reservation before he is enrolled. The reservation says he's been off the reservation too long to be eligible. I call welfare back; they state they will pay for a physician visit only. I try to find an M.D. to examine him and of course you again go through the interrogation of who is going to pay for it as well as trying to find transportation to that health facility. I call welfare back and says the man needs an x-ray.

We then have to call welfare for approval. In the course of all this, this very ill man has waited 5 hours to receive the service he should have been able get immediately, not to mention the time spent obtaining the dollars to pay for the service, nor to mention the whole reason he probably developed the fever and lung congestion in the first place was because he had been in a place without adequate heat. Another point I would like to bring out is the man was given a prescription. I then had to go through the whole process again to find funds ~~to pay~~ for the prescription.

This is but one example of the types of patients we see. We see non-Indians in our clinic as well. They are treated with the dignity and respect they deserve and are assisted with all their needs.

Yvonne Blackburn R.N.
Leo Pocha Memorial Clinic
Helena Indian Alliance
Helena, Montana

NAME Jennifer Topash BILL NO. _____
ADDRESS 1285 Van Dusel id Helena mt DATE Nov. 9-81
WHOM DO YOU REPRESENT Helena Indian Alliance
SUPPORT XXX OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Dear Chairman Hurnity and Committee Members:

I'm Jennifer Topash Clinic Director of the Leo Pocha Clinic Helena, Montana. I support funding for Urban Indian Health programs. I realize this program is new to many of the committee members here today. I would like to make the distinction of urban Indian programs vs. reservation. Fifty (50%) percent of Indians living in Montana live in urban areas and do not qualify for reservation services after leaving for 180 days. Historically, the reservations have received their funding from the federal government. Urban Indian health programs have had to work extra hard to assure funding through law PL 94-437. The Reagan administration has proposed zero (0) funding for urban Indian Health Care programs for FY 82. Our organization has been told that the block grants were the solution to our problems. We would deeply appreciate your support for our clinic.

WITNESS STATEMENT

NAME Shirley Sheets BILL NO. _____

ADDRESS 508 5th Ave DATE 11-9-81

WHOM DO YOU REPRESENT St. Paul's United Meth. Ch.

SUPPORT Urban Indian OPPOSE _____ AMEND _____

Health Care

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Please support Urban Indian Health Care, as urban Indians' health needs will not be met under any other funding allocations.

WRITTEN TESTIMONY
WITNESS STATEMENT

NAME SUE SCHIELD BILL No.

ADDRESS 508 TOOLE STREET MISSOULA DATE 11-9-81

WHOM DO YOU REPRESENT QUA QUI CORPORATION - MONTANA UNITED INDIAN ASSOC.

SUPPORT ✓ OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

for C.I.T. 3/9 2.m.2

November 9, 1981

As consumers of the services of Dept. of Health, Maternal Child Health Division, through the Montana Center for Handicapped Children, we would like to make this committee aware of the cuts in direct services and personnel.

The funding for the Montana Center for Handicapped Children comes from three major sources - Office of Public Instruction, Dept. of Health, and Eastern Montana College. The college pays for the building, maintenance, & utilities only. Office of Public Instruction, through school district #2, provides for "core" programming as defined by Superintendent Ed Engenbright. All core programs are funded at 100% from O.P.I. (Office Public Instruction). Speech therapy is a core program funded 100% from O.P.I. Testimony heard this morning revealed that Dept. of Health has no budgeted money for speech therapy. This is a needless duplication of services. The money for speech therapy could be transferred to Dept. of Health Crippled Children fund for direct physical therapy and occupational therapy for the physically and multi handicapped children. These two groups of children are low priority groups in the State of Montana at the present time because they are very expensive groups to serve. Should direct service cuts are made in this area.

Cuts made at the "direct service" level at Montana Center for Handicapped Children last spring include one classroom teacher, one physical therapist, one physical therapy aide, one occupational therapist, two general duty aides. We expect more cuts next spring and this is the third year of steadily funding cuts to our services. The hiring priority at this time for Montana Center for Handicapped Children

is for one part-time nurse because the present nurse's duties are 90% administrative.

We ask you to earmark funds for physical therapist, occupational therapist and physical therapy aide. Without earmarked funds we fear this money will be spent on other services.

Evaluation and identification are important steps in dealing with a handicapped child, BUT why identify a child and not offer him/her the services he needs!!

Our children do not qualify for SSI, Montana Crippled Children funds or any other medical program such as Medicaid. Our insurance picks up some costs and we pick up the rest. Our insurance will not cover physical therapy or occupational therapy services needed as a result of birth defects.

We ask you to help us provide for our children what they need. Thank you

Sincerely,

Eleanor "Rusty" Koch
Mary Jane Frenchella

TESTIMONY

SUBMITTED BY QUA QUI CORPORATION

NOVEMBER 5, 1981

Qua Qui Corporation has fought long and hard (since the inception of Public Law 94-437 in 1977) to reach our ultimate goal of providing direct, outpatient services to the Indians of Missoula.

October 1, 1980, Qua Qui Corporation's Urban Indian Clinic officially began providing those services seen for so long needed by our Indian population. Preventative health care, provided at Qua Qui's Clinic has taken precedence over last minute emergency room visits which our clients needlessly over used. Patients now regard our clinic physicians as helpful, family Dr.'s and a feeling of confidence is instilled to continually seek required health care.

Emergency room costs are triple of that charged by our clinic physicians for office visits. Our contracted pharmacist has greatly attributed to the efforts of cost efficiency by prescribing generic drugs whenever possible. Lab and X-ray expenses are contracted through low-cost facilities. Dental and Optometric services are provided at discounts to Qua Qui referred patients. These cooperative agreements have resulted in the best means of providing cost efficient, quality assured health care.

Qua Qui's data for FY 1980-81 reflects that cost per patient encounter is \$17.61. Please see the service data below for further reference. Also, please refer to the letter of support submitted by one of Qua Qui's physicians in regards to cooperative, cost efficient services.

SERVICES PROVIDED BY QUA QUI CORPORATION'S CLINIC
OCTOBER 1 to SEPTEMBER 30
FY 1980-81

POPULATION SERVED

Qua Qui Corporation has documented (monthly unduplicated count of patients per month) to have served 1,785 patients during Fiscal Year 1980-81. This number of unduplicated patients receiving health related services is

only two (2) full-time positions funded by Indian Health Service. The positions being (1) Health Program Director and (1) Health Program Outreach Worker. A Clinic Receptionist was funded for a nine month period of time. Qua Qui was able to acquire much supportive medical staff by way of community volunteers. All nursing manpower was donated by community registered nurses and faculty and student nurses from the University of Montana. During FY 80-81, Qua Qui benefited from the expertise and dedication of fourteen (14) nurses.

SERVICES PROVIDED
(FY80-81)

A documented number of 11,467 health related services were provided by Qua Qui Corporation's Health Program. Categorical services included; (1) referrals by outreach, (2) contracted physician outpatient visits and affiliated lab and x-ray services, (3) prescription services, (4) dental exams and preventative services, (5) contracted optometric exams and supplemental payments for glasses, (6) elderly nutrition services, (7) and preventative outpatient care provided by clinic nurses.

Total FY 80-81 I.H.S. funding allocated to Qua Qui for the above direct and contracted health care provisions was \$31,425.00. The proof of cost-efficient health care services provided by Qua Qui Corporation's Health Program is displayed in the equation below:

Total contracted dollars (FY 80-81)	\$31,425.00
Total patients served (FY 80-81)	÷ by
Patient cost per encounter (FY 80-81)	= <u>1785</u>
	= <u>\$17.60</u>

This amount of \$17.60 is something to be proud of in view of the fact that before Qua Qui's clinic was established, the Native Americans of Missoula were accustomed to paying triple this amount for health care by resorting to hospital emergency rooms.

The elderly Native American population of Missoula has always been viewed as a special target group of the Health Department. Fortunately, Qua Qui receives funding from the county to provide nutritious hot meals

to the elderly seven days a week; both congregate and delivered. The elderly and health programs of Qua Qui work hand in hand to ensure that the cultural, social, economic, and health needs of our seniors are met and continually followed-up on. Qua Qui has provided nutrition counseling and hot meals, nursing home visits, hypertension clinics and outreach transportation to approximately twenty-five (25) elderly per month. This constitutes 17% of total Indian population served in Missoula during FY 80-81.

To summarize, it is hoped that this report will address to you that Qua Qui Corporation has been able to provide the most cost efficient outpatient clinic services possible. We are requesting the chance to further fulfill our obligation to the Indians of Missoula by being able to continually provide life-sustaining, quality health care in Fiscal Year 81-82.

FAMILY PRACTICE MISSOULA

601 W. Spruce
Missoula, Montana 59801
Telephone: 721-1850

LARRY R. HARPER, M.D.
DONALD R. NEVIN, M.D.
WILLIAM A. GROMKO, M.D.



Diplomates, American
Board of Family Practice

September 22, 1981

Ms. Sue Schield
Health Program Director
QuaQui Corporation
Missoula Indian Center
401 West Railroad
Missoula, Mt. 59801

Dear Sue:

In followup to our meeting today, I just wanted to write and let you know of our satisfaction of the program for the past six months. We are pleased at the close cooperation between our office and QuaQui. We have also been pleased with the proven cost-effectiveness of the program. We are hopeful that funding will be continued, as I think it is a very valuable addition to the health care of the urban Indian community. Also, in this time of close scrutiny to finances, I think it is very difficult to beat the cost-effectiveness of our program, which we have been participating in for the past six months.

If I can be of further help, please do not hesitate to contact me.

Sincerely,

Larry R. Harper, M.D.

LRH/h1

WRITTEN TESTIMONY

NAME Carol Duran BILL No.
ADDRESS P.O. Box 2612 DATE 11/9/81
WHOM DO YOU REPRESENT Native American Center
SUPPORT ✓ OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

The new Administration has proposed lumping many or all of the Federal conglomerate of grants into approximately five or six categories of block grants to the states; in education, one each in Social Services, Energy Assistance, and Health Services. It seems to me what's going to happen is the Administration is going to create six bureaucratic monsters in each one of our states. If this is true, just how much money will be poured into administration to administer the programs. What assurance do we have that there will be community participation, who will be accountable for programs and is there some kind of guarantee that the services proposed will reach the poor and the people with special needs. If our Governor is going to be responsible for distribution of the block grant funds will he take into consideration the unmet needs of Montana's largest minority population? The Native Americans in Great Falls have found that most of our local community development block grant funds have gone mainly to brick and mortar type projects for the City of Great Falls and very little goes to human services and suffering.

In Great Falls we have 1,998 registered Urban Indians in our clinic, over 2/3 have no medical coverage, over half of those people's income is from \$0-100 per month. Our people are very poor. Through our Urban Indian Clinic, clients find help to alleviate illnesses through the competent care of our contracting physicians and our health staff. Our health staff provides numerous hours of preventative health education on a one to one basis and through group meetings and we make every effort to provide prompt medical attention so minor illnesses do not grow into chronic health problems. We have had incidences where an elderly diabetic was using her insulin needles more than once for injections because she didn't have money to buy needles, we have had a client with high blood pressure who only took his medicine every other day because he couldn't afford to buy all he needed. That is just a sample of what happens when our clients have no resources. Our Urban Indian Centers offer an island of hope in a sea of turmoil, poverty and hopelessness.

Exhibit #6

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES



TED SCHWINDEN, GOVERNOR

COGSWELL BUILDING

STATE OF MONTANA

HELENA, MONTANA 59620

SOLID WASTE BUDGET REQUEST FOR FY82 AND FY83

The request for additional state solid waste funds has become necessary because of the recision of federal funds at the end of FY81. Going into the 1981 legislative session, we cut the solid waste program back to what we considered the very minimum program that we could operate with and still have the necessary environmental controls to adequately protect the land, air and water. Losing the federal funds has put us in a position of not having enough funds in our operating budget to provide any technical assistance to the cities and counties to provide hydrogeological assistance in locating new disposal sites and evaluating existing sites for ground water pollution. The geohydrological work is necessary because a good landfill operation in a poor site will still result in contaminating the ground water. With more demands being made on ground water, we must take every reasonable precaution to protect the quality so it can be used. The location of today's landfills is going to have long-term effects on ground water resources. Once an aquifer is ruined, it remains so for hundreds of years. For example, the West Yellowstone sanitary landfill was properly operated for years; but because the soils were too permeable, the ground water has become contaminated to the point it can no longer be used for domestic or agricultural purposes. Also of great concern is not having adequate funding to contract for the necessary legal assistance to defend the state against lawsuits that have been brought by adjacent landowners to disposal sites naming either the city and state or the private disposal site operator and the state as defendants. Recent trends indicate that frequently when new disposal sites are licensed in Montana, even though they are able to meet the siting criteria, the adjacent property owners bring legal action in an attempt to revoke the license in order to protect their property values. This problem will worsen if a minimal program is not kept to insure that disposal sites are being located and operated properly.

The request for the electrical resistivity meter (\$3,000) was made in order that the solid waste staff, after proper training by a hydrogeologist, could provide information to cities and counties on the suitability of new and existing disposal sites. By sending an electrical impulse through the ground, a trained operator can detect underground features such as gravel, bedrock and ground water.

Presently, the solid waste program is responsible for inspecting, providing technical assistance, and enforcement for 250 disposal sites located across the state of Montana; and administering a \$350,000 Renewable Resources Grant program approved by the 1981 Legislature. Other important functions of the program that are very necessary and not handled by other state agencies are:

- 1) providing information on proper disposal of waste oil;
- 2) licensing sites for proper disposal of sewage sludge from sewage treatment plants; and
- 3) handling special waste problems at landfills, such as tires, discarded appliances, septic tank and cesspool wastes, dead animals, wood products and hospital and medical facility wastes.

A new concern to the cities and counties in Montana is disposal of hazardous wastes, such as pesticides, pesticide containers, left-over chemicals from college, high school and private laboratories, and industrial wastes being dumped by many industries in the state at municipally owned and operated disposal sites. The cities and counties will ultimately be liable for any problems associated with these sites and are looking for guidance as to the best ways to handle these types of problems.

We feel that for the funding being asked for, we are providing a great deal of necessary service to the local governments and the citizens of Montana. The solid waste program needs \$30,000 instead of \$17,237 as indicated by LFA because (if it would have been granted by EPA) it would have been needed to defend the department in legal cases. We have estimated costs for legal service for four cases at \$12,700, travel for legal and bureau staff for cases--\$1,000, communications--\$500, and supplies--\$200. Professional technical services for evaluating soil types and ground water at disposal sites is estimated at \$9,000. This is used for both locating and siting new landfills and evaluating existing sites in order to prevent damage on new ones and correct problems on old ones. We sincerely feel the small amount spent to continue a minimal solid waste program in Montana is easily justified when compared to the tremendous costs that will occur in the future to clean up the land and water as a result of improper location or operation of waste disposal sites. I am sure you have read about this type of thing happening in many areas of the United States at this time; and Montana, with its vast land mass and small population, is continually being considered a prime state to become a depository for the nation's wastes.

SOLID WASTE COURT PROCEEDINGS
REQUIRING LEGAL ASSISTANCE IN THE FORESEEABLE FUTURE

At present, the bureau is named as a defendant in the Palagi landfill suit. The bureau licensed a new disposal site and an adjacent landowner brought suit to have the license revoked. A second case in Cascade County involves the Great Falls landfill and a private citizen who brought suit against the city. The case was heard at both the district court and supreme court levels with the individual winning. The supreme court sent the case back to district court for damages and we've been told we will be named in this second district court proceeding. Yellowstone County applied for a license to operate a sanitary landfill and area residents have retained a lawyer to stop it. We've been told that should the county pursue the license, court proceedings would be implemented to stop the bureau from issuing the license. The bureau initiated legal action against the city of Chinook for operating a disposal site in violation of department rules. This action is still in the pre-hearing stage.

Estimates from the Department of Health legal division indicate that an average case going to district court would take 200 hours. This could vary greatly depending on the case. A rule change takes between 15 to 25 hours depending on the complexity. The Solid Waste Management Bureau may end up in four district court proceedings during FY82, or potentially 800 hours of legal time. Also because of legislative mandates, three solid waste rules must be revised early in FY82. This potentially amounts to 75 hours. Eight hundred seventy-five (875) hours at \$35/hr. amounts to \$ 30,625 legal costs. We have asked for \$12,700 with the thought that some of the cases will be resolved prior to district court proceedings.

United States
Environmental Protection
Agency

Region 8, Montana Office
Federal Building
301 S. Park, Drawer 10096
Helena, Montana 59601



Ref: 8MO

OCT 14 1981

Duane Robertson, Chief
Solid Waste Management Bureau
Cogswell Building, A 201
Helena, Montana 59620

Dear Duane:

EPA will not be providing State program grants for Solid Waste Management for Fiscal Year 1982. Discussions with Region VIII prior to this decision had indicated that \$30,000 would be available for FY '82.

Attached is a copy of the State program grant amounts for FY '82 indicating that no funds will be available.

Please contact me if you need further information.

Sincerely yours,

Max
Max H. Dodson, Director
Montana EPA Office

Attachment

RECEIVED

OCT 14 1981
MONTANA DEPARTMENT OF HEALTH
AND ENVIRONMENTAL SCIENCES
SOLID WASTE SECTION

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATIONS
AND SENATE AND CLAIMS SUBCOMMITTEE II - SPECIAL SESSION

November 10, 1981

The meeting was called to order by CHAIRMAN REPRESENTATIVE HURWITZ at 9:00 a.m. on Tuesday, November 10, 1981 in room 104 of the Capitol Building, Helena, Montana.

ROLL CALL was taken with all members counted present.

The agenda was the continuation of the DEPARTMENT OF HEALTH.

ISSUE 4: FOOD AND CONSUMER SAFETY, page 243 and 244, was presented by NORM ROSTOCKI, Fiscal Analyst.

ISSUE 4a: FOOD AND CONSUMER SAFETY program receives a grant to inspect grain elevators and public food warehouses for contamination from rodents and birds. Funding was scheduled to end in FY 82 but was not brought up during hearings last session. The department is not required by law to complete these inspections. They are requesting general fund to keep the program at current level.

VERN SLOULIN, Chief of the Food and Consumer Safety Bureau, in the Department of Health, presented his written testimony, shown attached as EXHIBIT A. He remarked that he had not heard of the program as being a 5 year program.

QUESTIONS were asked by the subcommittee. SENATOR STIMATZ asked the requirements of a sanitarian. MR. SLOULIN said that the requirements were basically set up in the Registration Act, and there is a mandatory registration in Montana. They must have 30 credits of basic science and a degree as well as taking an examination. Most of these people have the knowledge but not the field training. They must do their examinations by the regulations and forms must be filled out.

JANDEE MAY, Fiscal Analyst stated to MR. SLOULIN that the program being a five year program was confirmed from an interview no less than a month ago at the Department Director's office.

SENATOR SMITH commented on the grain storage inspection saying the embargo was because of grain treatment, not due to rodent or birds. He used an example by saying that he had sold 5,000 bushels of Durum. The sample was kept in the elevator and then sent to Great Falls and notice came back that it was contaminated. After checking this out it was found that it was picked up from the elevator and transported to Great Falls in a station wagon where some gas spilled on it. The gas was being carried in the station wagon as extra gas.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATIONS
AND SENATE AND CLAIMS SUBCOMMITTEE II - SPECIAL SESSION

Page 2

November 10, 1981

When asked how much of an embargo there was in 1978 and 1979
MR. SLOULIN stated that he would have to get that.

MR. SLOULIN gave the breakdown of the \$38,000 as follows:

Salaries	\$23,415
Benefits	4,613
Contracted Services	1,300
Supplies & Materials	200
Postage & Communications	300
Travel	7,522
Repair and Maintenance	500
Other	150

They are asking \$38,000 and 1 FTE.

There are three people that do this work, one out of Billings
and two out of Helena. There is no one in western Montana.
The salary goes to one person. They do have an office in
Billings.

The \$38,000 is payment for reports, etc. and if this money
is not continued, he stated they will most likely still make
the reports in order to have the source of the reports covered.
MR. SLOULIN said that they work very close with the FDA.

In answer to SENATOR SMITH's question regarding trailer court
inspections, MR. SLOULIN said that it is becoming one of their
biggest problems and that they work with the local sanitarian,
trying to solve many problems.

ISSUE 5 AIR QUALITY

ISSUE 5a, shown on pages 245 and 246, refers to the Scobey
Air Monitoring in the Scobey area to establish baseline data
prior to the operation of the Canadian power plant across the border.
The legislature provided \$35,512 general funds for 1982 because
the power plant operation was delayed. A further delay has involved
another request from the department for \$30,000 general funds for
1983 to continue the monitoring. This issue was reviewed by NORM
ROSTOCKI, Fiscal Analyst.

HAL ROBBINS, Chief of Air Quality Bureau, stated they started
monitoring in 1977 and the plant continues delaying opening the
plant. In 1974 a Crown Corporation of Canada announced their
plans to build two power plants near Cornac about 3 1/2 miles

November 10, 1981

DEPARTMENT OF HEALTH, ISSUE 5 AIR QUALITY (continued)

from the U. S. border. They also talked about building up to four of them, and each of them would be about 300 megawatts, which is about the size of Colstrip I. Their units 1 and 2 are about the same size as Colstrip I and 2.

Montana became concerned because they did not have plans for carbon dioxide control, so the ERA and others came up with money to do some evaluation in about 1977. The Saskatchewan Power Company had problems and finally got operational in June of this year. He stated they have been receiving data on the number 1 unit, but that they were down more than they were up. They would like to complete a full year of data after the plant was in full operation. They anticipate in January 1982 they would have a full year's study, but now they do not.

MR. ROBBINS said that they have worked out an agreement with Canada to submit the emission data. He was assured by Senator Baucus that they would try to fulfill the Federal share of the load by procuring additional water pollution funds. The money portion is in contracted service. There are no FTEs. The State of Montana owns the equipment and someone there is contracted to take readings and service the equipment. The \$30,000 mostly covers contracted services. The contract is let to Geo-Research in Billings and Kurt Selia is doing the reports.

SENATOR WOLF asked why they need to further the program if Canada offered to submit the emission data. MR. ROBBINS stated it is not enough, they need a receptor also.

SENATOR SMITH stated that he is very involved in this and there must be data taken before, as well as after the plant is in operation, so we can tell what is necessary if it is a hazard.

SENATOR THOMAS asked how much money is in the Federal grants. MR. ROBBINS said there is no grant left, that they were using money left in the budget.

REPRESENTATIVE STOBIE asked about the rules in Canada that they must abide by. MR. ROBBINS stated they had rules, but if the plant were in Montana they would have to put wet-scrubbers on. They have made provisions to do this now if they have to.

The power plant is called SAS POWER.

MR. ROBBINS said they feel they are collecting data that would stand up in court if need be. The plant is a "Crown" owned plant (by the Providence). Canada had informally agreed that

November 10, 1981

DEPARTMENT OF HEALTH, ISSUE 5, AIR QUALITY (continued)

if we find damages they will negotiate and correct the problems.

SENATOR SMITH stated that this plant is so close to the border and the wind blows this way that we are the only one that can monitor it.

MR. ROBBINS was excused.

DEPARTMENT OF HEALTH

ISSUE 6: LABORATORY, was the next issue. This is shown on page 248 and 249 of the Budget Analysis. Issue 6 has two issues: 6a: Loss of Federal Funds and Corresponding Work Load; and 6b Request for General Fund not Related to Changes in Federal Funds.

In FY '83 the lab will indirectly lose \$21,000 in Federal funds because of Federal reduction of required lab tests for family planning program. The actual fund loss is \$21,000; the department has reported a reduction of \$34,000 in it's FY 83 budget. The lab submitted a modification requesting \$34,000 general fund to support a full-time microbiologist and half-time business manager due to the loss of these Federal funds. There are three options listed on page 249. NORM ROSTOCKI reviewed this and stated that the business manager had nothing to do with the loss of funds from tests for family planning, however it is included in the requests. The business manager position is intertwined between the 1st and 2nd issue. Norm Rostocki did challenge the position of the business manager. He also asked if the funding is cut why keep the FTE since the work load would be cut. The second issue has nothing to do with changes in Federal funds. The department's requests for supplies were requested during the Legislature last session three different times and each time it was denied. This fund is general fund, \$10,000 in FY '82 and \$16,000 in FY '83. It seems that in the first issue they are asking for a full time business manager and reduced to half-time business manager in the second issue. The second option is to move funds from preventive health block grants.

Health and Human Services (HHS) authorities in Denver said there is a very liberal interpretation of the use of the preventative health block grant funds. One of the programs consolidated into the block grant was the 314 (d) program. It was called the Public Health Incentive Grants. That was one of the programs thrown together in the programs funded by the block grants. Denver said there was no problem in moving funds from the preventive Health block grant after they were told it was a program using 314 (d) funds until they lost those funds. This

November 10, 1981

DEPARTMENT OF HEALTH, ISSUE 6 (continued)

is shown in the second option.

DR. DRYNAN answered to these options by saying he did not feel comfortable addressing the issues the way they have been presented. When he talked to the Legislature in 1981 and came in with a reduced budget, they were informed the department could not replace these federal 314 (d) dollars and the lab wouldn't be able to get it and the cuts were made at a bottom line budget, the lab could run on if there were no further reductions. At that time he said he was unaware of the 4.6 vacancy savings that had to come off the top which further reduced the lab budget. All but the operating supplies were approved and those were reduced below what they could operate on. That with the loss of federal money which is what we have addressed, the lab request is about \$60,000. The \$21,000 lost in Family Planning was supposed to be taken in FY 82; the amount to lose in FY 83 is a negotiable figure with them, and could have reached as high as \$34,000 if they negotiated to cover the loss from them, but they will not be able to take it from Family Planning now, as the tests are no longer mandated. As a result they are looking at the bulk of \$60,000 that they are short.

DR. DRYNAN addressed the business manager necessity by freeing up the biologist and the chemist and putting them back in the lab to work. The proposed reduction of business manager by half-time was not my recommendation. DR. DRYNAN said, it was a suggestion and Norm wondered how we could make this request up if the legislature didn't approve it. He said they would have to reduce supplies, FTE's or have to run at 100% services and when we run out of supplies shut the lab down or reduce services, and make it through the year with the present people they have.

JANDEE MAY, Fiscal Analyst stated that the budget modification that requests the \$34,000 as well as the budget (current level) depicted what would happen if the \$34,000 was not received. The current level budget received by the LFA office shows that if the \$34,000 was not received the department would reduce FTE level by 1.5. DR. DRYNAN interrupted by saying that he was asked by the LFA to show a plan by where he would reduce, which he did. That was one option. JANDEE said if the committee chooses not to put in the money, the revised operational plan would then be with those reductions of \$34,000 and 1.5 FTE. The money is not coming in and DR. DRYNAN has chosen to reduce FTEs and personal services. DR. DRYNAN said he thinks this is up to the committee.

DR. DRYNAN spoke in regards to loss of .33 FTE that normally alludes to a family planning test. The total lab testing, as a reference

HE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATIONS Page 6
AND SENATE AND CLAIMS SUBCOMMITTEE II - SPECIAL SESSION

November 10, 1981

DEPARTMENT OF HEALTH, ISSUE 6 (continued)

lab, has increased 6%. He stated that the hospitals send them samples that they cannot identify. This is not a rechargeable item to the hospital even though the patient has paid the hospital lab. DR. DRYNAN was told he may be called on for more questions and thanked for his report.

DOUG ABBOTT, Bureau Chief of the Microbiology Laboratory Bureau, read a prepared statement (EXHIBIT B). He stated that all they really were requesting was that they get the money that was allocated originally with the vacancy factor put back into it.

REPRESENTATIVE STOBIE questioned the business manager.

MR. ABBOTT said it is actually an administrative assistant. They took two positions that add up to the amount of money reduced and plugged it in. The business manager is responsible for the paper work of the budget, handling all of the vouchers, payoff, etc. and taking away the responsibilities from the Bureau chiefs and the service supervisors in the two labs. The business manager is a Grade 11. There are 13 FTEs in the microbiology lab.

SENATOR WOLF stated that the major items seemed to be the \$21,000 from the loss of family planning funds and the business manager. The department lost \$21,000 and was asking \$34,000 and doing tests from non-profit organizations and not charging them. How many tests will you be doing and what dollar amount generated if you charged for them.

MR. ABBOTT said they had planned to charge family planning \$34,000 in FY 1983. They have been charging family planning a percentage of what it takes to run the laboratory, which now totals \$21,000. They are paying part of the rent, equipment repair, maintenance, etc.

SENATOR SMITH asked if family planning has been subsidizing the program.

MR. ABBOTT said, in essence that is what it amounts to.

REPRESENTATIVE THOMAS asked if they could give a more concrete report and stated that it looks like they put the money into one pot.

MR. ABBOTT stated that it is more or less going into one pot and used as necessary.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATIONS Page 7
AND SENATE AND CLAIMS SUBCOMMITTEE II - SPECIAL SESSION

November 10, 1981

DEPARTMENT OF HEALTH, ISSUE 6 (continued)

SENATOR THOMAS asked if they could have a breakdown of where each of the funds are coming from in fees, etc., and specify where their costs are going.

It was pointed out that the budget for the lab in the LFA analysis includes two labs: the microbiology lab and the chemistry lab.

NORM referred to an issue not included in the Book. Anytime federal funds were lost and there was a general fund match requirement change that freed-up general funds, it was presented by the LFA in the analysis.

FAMILY PLANNING received Title 20 funds with a 10% match. The match amounted to \$22,950 per year plugged in to allow the department to receive Title 20 funds. Title 20 no longer requires a 10% match so that general fund would be available.

A recess was called. The meeting reconvened and was called back to order by CHAIRMAN HURWITZ.

MIKE WELSH, Health Director read a prepared statement in answer to questions from the committee regarding the Indian Health Service funding and the relative percentages delineated.
(EXHIBIT C).

SENATOR SMITH asked that they check into the Indian's 180 limit on receiving health care in returning to the reservation.

THE MEETING WAS CALLED INTO EXECUTIVE ACTION:

SOLID WASTE, page 241 was overviewed by NORM ROSTOCKI, Fiscal Analyst. It was stated that the department has transferred the excess federal spending authority and by moving the money they have the ability to expand other programs.

RON WEISS stated that in this case the excess spending authority was transferred to the junk vehicle program.

SENATOR KEATING questioned the footnote on page 240 and asked why they were moving money to junked vehicles.

RON WEISS, Budget Office stated that this was a place to park the money until it was needed.

SENATOR SMITH questioned the hazardous waste program. NORM ROSTOCKI stated that it is aimed at monitoring the transportation of hazardous waste such as pesticides, etc. to dumping grounds

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATIONS AND SENATE AND CLAIMS SUBCOMMITTEE II - SPECIAL SESSION

Page 8

November 10, 1981

DEPARTMENT OF HEALTH, ISSUE 6 (continued)

located in Idaho or Oregon.

REPRESENTATIVE STOBIE made a MOTION to adopt Option 1 shown on page 242. QUESTION was called. MOTION PASSED with SENATOR KEATING, REPRESENTATIVE MANUEL AND REPRESENTATIVE HURWITZ voting NO.

FOOD AND CONSUMER SAFETY, ISSUE 4 was reviewed. This program receives a grant to inspect grain elevators and public food warehouses for contamination from rodents and birds. (page 244) MOTION was made by SENATOR WOLF to DO NOT FUND THE PROGRAM.

Discussion was called. REPRESENTATIVE MANUEL asked if he did not feel it necessary to inspect elevators.

SENATOR WOLF stated she felt there is a lot of duplication and was not satisfied with the answers she received.

QUESTION was asked. MOTION PASSED with all voting Aye except SENATOR VAN VALKENBURG, REPRESENTATIVE MANUEL, REPRESENTATIVE BARDANOUVE AND SENATOR STIMATZ who voted NO.

AIR QUALITY, page 245, was reviewed.

ISSUE 5a: Scobey Air Monitoring was discussed. REPRESENTATIVE BARDANOUVE questioned how long this program could go on and the answer was 'indefinite'. Because this is a provincial Plant there is no incentive for it to get started and when and if they do we could possibly start the program back up. SENATOR SMITH stated that it would have to be a legislative act, and it would be possible they would start the plant up in January.

SENATOR SMITH made a MOTION to appropriate the \$\$30,000 to continue monitoring of air quality in Scobey for FY '83. Discussion was held. QUESTION was asked. Roll call vote was taken with Hemstad, Stobie, Wolf and Keating voting NO. (ATTACHED). MOTION PASSED.

ISSUE, TITLE 20 MONEY of \$22,950.

MOTION was made by SENATOR KEATING to rescind the general fund appropriation of \$22,950 per year from the family planning budget, this being the match for federal title 20 funds, and that the 1982 appropriations be prorated and 1983 be deleted in full.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATIONS
AND SENATE AND CLAIMS SUBCOMMITTEE II - SPECIAL SESSION

Page 9

November 10, 1981

EXECUTIVE ACTION - ISSUE: TITLE 20 MONEY (continued)

YVONNE SYLVA, Health Department stated that the 1982 money has already been contracted, but no 1983 money has been obligated.

SENATOR KEATING withdrew his motion and MOVED that the 1983 appropriation of general funds as matching funds for title 20 in the amount of \$22,950 for the family planning program be rescinded.

QUESTION was asked. MOTION PASSED UNANIMOUSLY.

The meeting was adjourned at 12:00 noon.

BURT HURWITZ, CHAIRMAN

Leona Williams
LEONA WILLIAMS, Secretary

Ed Smith
SEN. ED SMITH, VICE CHAIRMAN

ROLL CALL VOTE -----

COMMITTEE II

SPECIAL SESSION Nov. 10, 1981

Date:11/10 Date
No.: No:
AIR QUALITY
SCOBEY.

Rep. Burt Hurwitz, Chairman Yes

Sen. Ed Smith, V.Chairman yes

Rep. Francis Bandanawa yes

Rep. Andy Hemstad no

Rep. ex. Name _____ Yes _____

One

卷之三

卷之三

San Francisco

Scan Fred VanVallambush

VISITORS' REGISTER

HOUSE _____ SUB _____ COMMITTEE II SPECIAL SESSION

I.T.T.
PONSOR _____

Date November 10, 1981

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOSE
Ernest E. Succin	HELENA	DHES		
Bill Mandrell	HELENA	DHES		
Charles Ellott	Helena	DHES		
Douglas O. Smith	HELENA	DHES		
Dennis Thorsen	Helena	DHES		
Howard G. Salmyng	Helena	EQC		
Paul W. Bartlett	Helena	DHES		
Pat Weiss	Helena	OBPP		
Bill Dieron	"	LIE TH		
Gold W. Robbins	"	DHES		
Don Willems	"	"		
Gill Selser	"	LTC Co. Health Dept		
Robert R. Johnson	"	"		
Mark Garrison	"	Government Office		
Mike Johnson	Helena	LIE		
Mike Johnson	Helena	LIE		
Ed. Kennedy	Helena	MLW/ELIN		
Tom Cooper	Helena	OBPP		
John Carter	"	EQC		
Ann Doan	"	EPA		
Tom A. Pendleton	Bellantine, Mt.	Mont. Senior Citizens MSCA		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

REQUEST FOR FISCAL 1983 SUPPLEMENTAL FUNDS IN THE AMOUNT OF \$38,000

FOR THE FOOD & CONSUMER SAFETY BUREAU

The \$38,000 is being requested to replace monies which we previously received under contract from the Federal Food and Drug Administration for an inspection program involving grain storage facilities, food warehouses, food salvage dealers, and bakeries. At our budget hearings for 1982 we had no idea that the FDA contract monies might not be available for Fiscal 1983. This money is used to support all programs administered by this Bureau.

Up to 1977 we had been receiving information from the states of Washington and Minnesota indicating that there were a large number of embargoes being issued on grain shipments from Montana. Our records, which are incomplete in that not all embargoes were reported to us, indicated that in 1977, 6,964,650 pounds were embargoed. Estimates that we have received from shippers indicate there is an approximate loss of 56 cents a bushel when grain is embargoed. This provides us with an estimate of approximately \$65,000 per year which has been lost or saved, whichever way you choose to look at it.

Last year, 1980, the amount of grain embargoed was one-tenth of that which was embargoed in 1977 (600,600 lbs.).

Because of the many embargoes that were occurring we requested assistance from FDA, and FDA agreed by providing monies enough to make unannounced inspections about every two years. There was no limit on the period of time that FDA agreed to provide these monies. There has been some indication that this was a five-year phase out program; however, we have never received any information of this nature from FDA.

Through receipt of these monies from FDA we have been able to initiate and maintain a much more efficient program of administration of the Montana Food, Drug, and Cosmetic Act which requires inspections as part of the administrative responsibility (Section 50-31-106, M.C.A.).

There has been a statement that inspections are not required. This is not true, in that we are charged with the responsibility for administration of a law that requires that we provide surveillance to ensure that food is not adulterated or misbranded. The only way that we can carry out this charge is by making inspections and investigations.

These monies have permitted us to maintain our present staff level, which was decreased by approximately 25% from Fiscal 1981 staff level. This reduction has created an extreme hardship on our bureau in that one of our prime functions is to provide training and assistance to local health units, and local health department staff has been increasing over the years and therefore requests for assistance have been increasing. As an example just recently there have been ten new sanitarians employed locally. Six of these positions are ones related to units in which there is only one inexperienced sanitarian. So all the training and consultation which is available to them is obtained from the State Department of Health & Environmental Sciences.

A number of years ago the Food & Consumer Safety Bureau funding was entirely from general fund sources. This was changed to primarily federal funds in order to release state funds which could be matched with federal funds for initiating and expanding programs in other divisions and bureaus of the department. This is why the Food & Consumer Safety Bureau took such a severe loss in Fiscal 1982, with the loss of 314D funds.

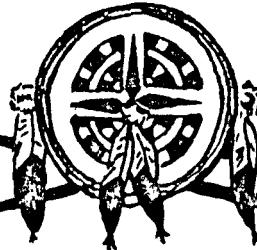
The granting of the supplemental funds in the amount of \$38,000 will permit us to retain staff at the 1982 level, which will permit us to continue reasonable, effective programs including food and drug control plus assistance to local health units.

Statement to Joint Subcommittee concerning Health Department's Laboratory budget requests. Presented by Douglas O. Abbott, Chief, Microbiology Laboratory Bureau.

The Laboratory, in response to federal budget cuts, reduced its staff and operating budget to what the department felt was the bare minimum necessary to maintain vital state public health programs following the last legislative session. With further projected federal budget cuts the laboratory is scheduled to lose \$34,000 from the family planning program necessitating even further loss of personnel. Since the laboratory is already at a minimum staff for its mission, any further reduction in personnel cannot be accomplished without reducing and eliminating state public health programs Montana has operated for over 60 years. Because of the medical diagnostic and investigational services the laboratory offers, neither the laboratory nor the department can accept the liability of pretending to offer services that are not staffed nor funded. The impact of a major reduction in disease control programs on the state is frankly quite easy to assess. The present levels of morbidity and mortality that this state enjoys are in large part due to public health control measures. As we lose these, preventable illnesses and deaths will result.

To compound the financial problems in the laboratory, the department requested and the legislature allocated a bare minimum operating budget to allow maintenance of laboratory programs. With the mandated removal of funds because of the vacancy factor later built into the budget, the laboratory has insufficient operating expenses to continue to offer analytical services requested by local agencies. To prevent a shut down in these services the laboratory is requesting that the funds originally allocated actually be given to the program.

Montana United Indian Association



Phone:
443-5350

P.O. Box 5988
Helena, MT
59601

MUIA

November 10, 1981

Chairman Burt Hurwitz
Legislative Committee #2
Room 104
State Capitol
Helena, MT. 59601

Dear Chairman Hurwitz:

This letter is written in response to requests for additional information from your committee members.

Senator Wolf requested a breakdown of last year's Indian Health Service funding and the relative percentages delineated below:

FY 1981
INDIAN HEALTH SERVICE CONTRACT

ALLIANCE

Anaconda	\$22,619.00
Butte	\$22,619.00
*Great Falls	\$83,092.00
*Helena	\$39,266.00
Miles City	\$22,122.00
*Missoula	\$34,845.00
Montana United Indian Association (MUIA)	\$43,762.00
FY 79'-80' Supplemental Carry Over	<u>\$32,336.00</u>
	GRAND TOTAL
	\$321,815.00

*Clinic Alliances

Given the awesome inflationary trends in the field of medical service provision, the MUIA's total budget request to the Indian Health Service (IHS) for Fiscal Year 1982 was \$461,412.00. MUIA's request to the State for funding alternative #1 (\$345,000) equals a 25% cut from the IHS request.

—MUIA IS AN EQUAL OPPORTUNITY EMPLOYER—

BILLINGS AMERICAN INDIAN COUNCIL
BILLINGS, MONTANA

NORTH AMERICAN INDIAN ALLIANCE
BUTTE, MONTANA

GREAT FALLS INDIAN EDUCATION CENTER
GREAT FALLS, MONTANA

HELENA INDIAN ALLIANCE
HELENA, MONTANA

MISSOULA QUA-QUI CORPORATION
MISSOULA, MONTANA

HI-LINE INDIAN ALLIANCE
HAVRE, MONTANA

NORTH AMERICAN INDIAN LEAGUE
DEER LODGE, MONTANA

ANACONDA INDIAN ALLIANCE
ANACONDA, MONTANA

NATIONAL ASSOCIATION OF
BLACKFEET INDIANS

Chairman Burt Hurwitz

November 10, 1981

Page 2

Alternative #2 equals a 38.3% cut from that request.

Since the actual funding received from the Indian Health Service for FY'81 equals \$321,815, funding alternative #1 to the State Legislature equals an extremely modest 7% increase; alternative #2 equals an 11.5% decrease over last year's actual funding.

In response to Senator Van Valkenburg's question asked on November 9, 1981 regarding why all these clinics were proposed to be funded at \$75,000 each, one can see that Great Falls received a larger share of the monies to upgrade their clinic operations in FY'81. Likewise, Helena had previously received improvement funds from a one-time source called Norton-Sound monies. Therefore, it is the MUIA's position that Missoula should be allowed to achieve parity with the other two clinics. However, the budget could be restructured if so desired.

Vice-Chairman Smith cited an example (near Fort Peck) of Indian people receiving reservation benefits while living off-reservation. The MUIA does not have specific knowledge of this example, but we wish to state that the people we serve through the urban clinics located in Great Falls, Helena, and Missoula are solely urban people who live, work and recreate in Montana's cities. The approximate one-way distances from the nearest reservation to each of the urban health centers is detailed below:

Great Falls to Rocky Boys'	= 87 miles
Helena to Flathead	= 173 miles
Missoula to Flathead	= 61 miles

It is important to note that very few Montanans would drive 174, 346 or 122 miles in the summer to receive Primary Health Care, even if they could afford the gasoline, to say nothing of making the same trip in the winter.

Equally important is the fact that appointments have to be made for the service delivery which many times involve planning weeks ahead. In addition, if urban Indians had the money for the gasoline to travel those distances, they could pay for local non-Indian primary care.

After all of the above stipulations are met, the last hurdle is one of tribal affiliations; the tribe's ability to absorb twice as many patients (even if they wanted to) in this year of budget cuts.

The MUIA wishes to thank you, Chairman Hurwitz, and your committee for allowing us the opportunity to present our proposal and for offering us an eminently fair hearing.

Should your committee require further information relative to our testimony, please contact us at your convenience.

Sincerely,



Mike Welsh

Health Director


Edward Kennedy
Chairman
Health Advisory Committee

WITNESS STATEMENT

NAME EDWARD KENNEDY BILL NO. 1/1/81
ADDRESS HELENA, MT. DATE 11/10/81
WHOM DO YOU REPRESENT HELENA INDIAN ALLIANCE
SUPPORT X MONTANA UNITED INDIAN ALLIANCE
OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

WITNESS STATEMENT

NAME MICHAEL WELST BILL No. _____
ADDRESS 846 FRONT STREET HELENA DATE 11/10/81
WHOM DO YOU REPRESENT MONTANA UNITED INDIAN ASSOCIATION
SUPPORT OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

WITNESS STATEMENT

NAME Robert Johnson BILL NO. _____
ADDRESS 316 Park DATE _____
WHOM DO YOU REPRESENT L+C City-Count Health Dept & Montana
SUPPORT X ASSOC. OF LOCAL HEALTH DEPTS. _____
OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Support distribution of MCH Block
Grant funds to local health depts.
on a formula basis.

WITNESS STATEMENT

NAME John J. Daegan III BILL NO. 1
ADDRESS Cogswell Rd DATE 01/10/81
WHOM DO YOU REPRESENT Office S

SUPPORT ✓ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION AND
SENATE FINANCE AND CLAIMS SUBCOMMITTEE II
November 10, 1981
Room 104, State Capitol Building

The meeting was called to order at 1:15 p.m. by Chairman Burt Hurwitz; all members of the committee were present.

MATERNAL AND CHILD HEALTH GRANT

JanDee reminded the committee that Departments are coming to this committee with their proposals; the committee has the ability to change spending patterns if it so chooses.

Two issues under MCH: 1) Use of funds for MCH, as well as the crippled children portion and 2) transfer of money. There has been a reduction in categorical grants of 12.3%. The Department proposes to transfer the money into other areas of the Department. JanDee handed out Exhibit #1, attached.

Yvonne Sylva, Administrative Officer, Health Services Division: The MCH grant includes 1) maternal and child health program, 2) crippled children's program, and 3) SSI for disabled children. In 1981 MCH was a categorical grant. Page 4, Exhibit #1, lists who received the funds. In addition, there were well-child contracts with counties. The Dept. proposal under 1982's block grant is to redistribute those funds statewide. Administration has been reduced during this FY to take up most of the slack. It will be a local decision as to what is maintained in services. Lewis and Clark County will lose most, because they have been getting the bulk of the money. The only program that could not be maintained at the current level would be the children and youth program in Lewis and Clark County.

Dee Capp, Program Manager, Handicapped Children's Services, explained what evaluations consist of.

Norman Rostocki referred to the sheet showing MCH distribution. The first 3 lines show the program consolidated into the block grant. Within the MCH program there are 9 other sub-programs or activities that fall under the MCH line. The Department is saying that that is the area of reduction you will see, reductions to be at a county level with the counties establishing priorities for cuts.

Van Valkenburg: The language in the block grant says there is a 43% match. Has the Department considered that and used all the creative ideas there are with regard to match to free up any general fund monies which might be available?

Ms. Sylva said the \$914,000 in 1982 and \$660,000 general fund and the \$713,000 in 1983 is substantially less than the 43% match. She said they would use the general fund they get at the state level (\$713,000) and use general fund services pro-

vided by the microbiology lab and in-kind match from the local level. She said they have found they can meet the block grant without requesting additional funds to do so.

JanDee wondered if all kinds of block-grant match from every source were investigated could they have come up with more general fund in-kind match. Sylva said many of the counties they are suggesting to receive funds currently do not receive them, so asking them for a match might be a diversion. She didn't know how much local money is out there for match. JanDee wondered if there was more than the state needed would there be anything that could be reverted?

Sylva said at the local level she could identify \$216,000 match. A requirement on the Program of Projects is that there be a 25% match in-kind. She went through all the projects the Department had and felt confident in coming up with the match. She counted anything that was federal money as match.

Chairman Hurwitz said he understood that MCH would receive a 12% reduction. He asked if they were saying there would be almost as much money as though there were no cut because operations and other things have been reduced within the department.

Ms. Sylva said budgeting processes are confusing because of the state fiscal year and the federal fiscal year. Due to the uncertainty of the level of federal funds, she opted for her budgets to be prepared from October 1 to June 30 with a 25% reduction. Meanwhile, the grant was reduced by 12.2%; they are underspending now; they will move the other 12 or 13% of funds in the budget to the first quarter of FY 1983 to offset any major impacts the block grants could have made. Figures on the sheet, Exhibit 1, match exactly what the block grant will be.

Smith: Because of your computation process, will we cause some of the counties to expect more from the state the next time around?

Ms. Sylva said that was a good question. Her responsibility would be to continue to reduce or maintain operating levels at the State office in an attempt to pass through as much as possible. She didn't know how many counties would choose to participate or contract.

Representative Hurwitz wondered how we break the circle. He said the Health Dept. has brought this program on board; we either approve or disapprove it. There isn't enough specific information to implement. He thought we should vote on whether we are going to accept the program--then decide upon the transfer of the money in question. He referred to the \$216,000, p. 221

Senator Keating was concerned about funds distribution, particularly in Yellowstone County. He didn't see any advantage of passing funds through to the counties who didn't already have a crippled children's program.

Ms. Sylva said the funds are available on a state-wide basis, not limited to a specific county. Medical payments are made directly to physicians and are appropriated after the fact, rather than before. She said the Dept. is more free now to put on income guidelines.

Senator Thomas moved that we accept the concept that the Department has recommended.

Senator VanValkenburg thought that by adopting their program, programs would be started up in counties that don't have any now. About centers in Missoula and Billings, we are cutting on programs people now depend on. He wondered if we wanted to do that and also wondered if we wanted to back away from the evaluation concept to identify children's needs as soon as possible, thereby avoiding future long-term costs. He proposed the committee lop off \$40,000 of the money scheduled to go to locals, move it to the crippled children, thereby keeping Missoula and Billings going in their programs.

Mike Morris, Director of Western Comprehensive Development Center, Missoula, said neither Billings or Missoula will collect fees from anyone--the policy has been that there is no charge. He hoped the committee could fix the situation so that the centers will be assured of receiving the dollars.

Ron Weiss: Under the old categorical grants you had to evaluate any one. There is now more latitude in seeking funds from other than counties.

Senator Thomas made a motion we adopt the concept of allowing the block grant system to flow down to the counties (long sheet) without money plugged into it, but with the concept, and then a second motion (No. 2) to adjust the dollar amount according to Senator Van Valkenburg's concept.

A vote on Motion #1 showed that it passed by unanimous voice vote.

Senator Thomas then made a motion that \$15,000 be subtracted from the total block grants to the counties and to be line-itemed \$15,000 to Billings and \$15,000 to Missoula in fiscal year 1983.

Representative Bardanouye wanted the motion amended to pro-rate amounts given to each center.

Rostocki said the figures on the front sheet show one outfit got less. CDC had 43% of the total of the amount those two centers received.

Senator Van Valkenburg said you cannot appropriate money specifically to the centers. The money we appropriate goes to the Dept. of Health which then contracts for the services. He said he wanted some assurance that if the money is appropriated to the Dept. of Health, it is responsive to our wish to give \$30,000 to the two centers.

Van Valkenburg: Substitute motion: That the Committee approve the proposed distribution of MCH block grant funds the Dept. of Health has given us with the amendment that \$30,000 additional money be provided for child evaluation services during FY 1983. That that \$30,000 be distributed in contract services in a proportional basis to past distributions to existing centers to receive the money. CDC amount is \$12,900 and CHC is \$17,100.

The question was called and the motion passed unanimously.

JanDee said there was a 12.3% reduction in funds that made up the MCH block grant, p. 221. This cut reflects excess authority that should have come about. Rather than reducing federal spending authority, the Department has transferred the spending authority and increased other programs throughout the department. The LFA questions whether the transfer should have been made or whether there should have been a reduction in authority. If there are programs within the Dept. the Director thinks need to be increased there are budget amendments the Director could propose.

Ron Weiss: Two of the programs on p. 223, communicable disease and dental bureau, are in the preventive health grant. The question comes to the transfers into air monitoring and water quality bureau. If you remove this authority the programs will have to be funded some other way.

Norm said that was not correct. Reducing authority in the health services division won't affect the budgets for other programs as decided by the subcommittee last session. The Department has moved the authority there on its own.

Rep. Hurwitz: It was my understanding that if you increase spending in an individual program the manner in which you change is by making a budget amendment.

Stohl: HB 500 appropriates two funds, general and other funds, in total to the agency. It implies the director has the authority to put those where funds are received.

Smith: To pursue that, this is a special session. All those budgets were reviewed and the budget set by the Legislature in subcommittee. If federal monies were reduced or increased, then what you are attempting to do is shift monies after the fact, after the federal funds have already been decreased.

Stohl: The authority, not dollars.

Smith: You are still going with the intent of the last committee when they set the budgets?

Stohl: If the committee would publish in their minutes exactly what the figures were, we would have a better idea of what you would want us to do.

Smith: Are you telling us maybe we should line-item the requests?

Stohl: If you say you are appropriating by program. If you would say how much that program has and put it in as to what is really in that program...

Drynan: This may be my fault. I was told I had this budget and had the authority to move the money. I assumed that if I got the federal dollars I could do this.

Wolf: I make a motion that we reduce the federal spending authority in Maternal and Child Health for 1982 by \$217,256 and for 1983 by \$391,493 and reduce the FTE level by 4.5 in 1982 and by 6.5 in 1983.

A short recess was announced while LFA Office and Budget Office personnel worked out details regarding the excess spending authority. After re-convening, JanDee recapped that the Department has no problem in offering up the excess authority. They will reduce that from their budget in 1982 and 1983. They asked that language be included that would allow them to budget amend the programs where the excess authority had been transferred to, and now subsequently reduced. There has been some reduction in EMS where our narrative points out there could be a reduction of \$518,000. When we get to that point we should have it work out to make sure that the \$518,000 doesn't double count reduction of excess spending authority.

Senator Wolf moved that we reduce the federal spending authority in Maternal and Child Health in 1982 by \$217,256 and in 1983 by \$391,493 and reduce the FTE Level by 4.5 in 1982 and by 6.5 in 1983. That language be included that would allow the Department to budget amend the programs when extra cash might become available.

The motion passed unanimously.

Senator Wolf: See p. 224. Early Periodic Screening Diagnosis Treatment. This program is no longer in existence and I would make a motion to reduce the federal funding authority by \$50,841 in 1982 and \$84,021 in FY 1983 and reduce FTE's by 3 in 1982 and 3 in 1983.

The vote was unanimously in favor of the motion.

The next item to be addressed was to be the preventive health block grant with more information given about the microbiology lab. Because the committee hadn't had time to look over the Exhibit offered, it was decided to hold it for discussion tomorrow morning, November 11.

The meeting was adjourned at 3:15 p.m.


Burt Hurwitz
Representative Burt Hurwitz, Chairman
by Betty Dean

ROLL CALL

FOR SENATE FINANCE AND CLAIMS
AND HOUSE APPROPRIATIONS SUBCOMMITTEES

COMMITTEE NO. II

Date Nov. 10, 1981

NAME	PRESENT	ABSENT	EXCUSED
Rep. Burt Hurwitz, Chairman	✓		
Rep. Francis Bardanouye	✓		
Rep. Andy Hemstad	✓		
Rep. Rex Manuel	✓		
Rep. Chris Stobie	✓		

Sen. Ed Smith, Vice Chmn.	✓		
Sen. Jan Johnson <i>Walf</i>	✓		
Sen. Tom Keating	✓		
Sen. Bill Thomas	✓		
Sen. Larry Stimatzy	✓		
Sen. red Van Valkenburg	✓		

VISITORS' REGISTER

HOUSE

COMMITTEE

BILL

SPONSOR

Date Nov. 10, 1981

1:30 p.m.

NAME

RESIDENCE

REPRESENTING

SUPPORT

OPPOSI

Howard E Johnson

Helena

EQC

John Odwoski

Helena

Dept. Hel. Dist. 5 X

Wonne Silva

Helena

DHEC

Terry Devlin

Terry MT

Rep. Dist. 52

Dee Capp

Helena

DHEC

J.C. Price

Helena

DHEC

Kathy Rice

Senate Dist. 39

Frances Molina

Helena

CIG Project

Robert Allard

Bozeman

Rep. Dist. 45

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

DISTRIBUTION OF MATERNAL AND CHILD HEALTH FUNDS
SUMMARY

Exhibit #7

	<u>FY 81</u>	<u>BLOCK GRANT</u>
Maternal and Child Health	1,127,000	1,042,930
Crippled Children	455,000	446,970
Supplemental Security Income for Disabled Children	117,000	- 0 -
	1,699,000	1,489,900

Distribution of Federal Funds:

<u>Maternal and Child Health</u>	<u>FY 81</u>	<u>BLOCK GRANT</u>
* (Aid to Local) Grants/Contracts	573,149	920,356
Consultation and Technical Assistance to Locals receiving funds	220,672	58,726
Consultation Services to remaining counties	220,479	N/A
Administration	112,700	63,848
Total	1,127,000	1,042,930

* In 1981 Grant funds went to local health boards for the provision of maternal and child health services in all counties listed except Sanders. Funds listed in Sanders County went to private providers to reimburse for dental services for needy children.

Grant monies in FY 1982 will be allocated to Local health boards and expended in each county for maternal and child health purposes as defined in Title V of the Social Security Act.

Distribution of Federal Funds:

<u>Crippled Children's Services</u>	<u>FY 81</u>	<u>BLOCK GRANT</u>
* Evaluation Services	199,015	175,186
** Medical Payments	231,903	253,170
Administration	24,082	18,614
	455,000	446,970

* Evaluation Services		
Comprehensive Developmental Center	83,000	70,000
Center for Handicapped Children	108,565	70,000
University of Montana (hearing registry)	7,450	- 0 -
(Great Falls) x-rays & laboratory	- 0 -	12,000
(Great Falls) cystic fibrosis clinic		1,650
Heart & Cleft Palate Clinics (Bozeman, Helena, Missoula, Billings, Butte)	- 0 -	21,536
	199,015	175,186

* Medical Payments include physician services; related hospital charges, physical therapy; orthopedic, orthodontic; hearing aids; drugs/special formulas; occupational therapy; speech therapy; additional funds for x-ray and laboratory services for evaluations and treatment.

<u>Supplemental Security Income Disabled Children's Program</u>	<u>FY 81</u>	<u>BLOCK GRANT</u>
* Grants/Contracts	73,000	- 0 -
** Medical Payments	30,000	- 0 -
Administration	<u>14,000</u>	- 0 -
	117,000	

* Grants include the development of an individual service plan for a maximum of 45 children within each region who are between the ages of birth and six years. The contractee must also provide case management services for 45 children.

<u>GRANTS</u>		<u>FY 81</u>	<u>BLOCK GRANT</u>
Comprehensive Developmental Center	Lincoln, Flathead, Sanders, Lake, Mineral, Missoula	15,000	- 0 -
Region II Family Outreach Great Falls	Glacier, Toole, Liberty, Pondera, Teton, Chouteau, Cascade, Hill, Blaine	15,000	- 0 -
Region IV Family Outreach Helena	Lewis & Clark, Powell, Granite, Deer Lodge, Silver Bow, Beaverhead, Jefferson, Broadwater, Park, Meagher, Madison, Gallatin, Park	15,000	- 0 -
Developmental Assessment Services - Glendive	Sheridan, Daniels, Roosevelt, Valley, Phillips, Richland, Dawson, McCone, Garfield, Wibaux, Prairie, Treasure, Rosebud, Custer, Fallon, Carter, Powder River	15,000	- 0 -
Center for Handicapped Children - Billings	Big Horn, Carbon, Fergus, Golden Valley, Petroleum, Judith Basin, Musselshell, Stillwater, Sweet Grass, Wheatland, Yellowstone	13,000	- 0 -

** Medical payments: daycare; therapy, transportation costs to obtain care; any type of treatment or equipment which has been identified in the child's individual service plan. Medicaid and Handicapped Children's Services must verify that they will not reimburse for the service prior to Supplemental Security Income/Disabled Children's Program authorizing payments for care.

Medical component of this program is included in the Crippled Children's Program in 1982.

COMPARISON

COUNTIES	FY 81	Block Grant
Deaverhead	673	9,975
Big Horn	4,662	17,984
Blaine	2,594	11,038
Broadwater	2,334	10,218
Carbon	855	9,840
Carter	150	3,792
Cascade	67,404	132,241
Choteau	813	8,010
Custer	4,823	20,158
Daniels	-0-	5,900
Dawson	22,773	16,140
Deer Lodge	6,745	21,649
Fallon	2,867	11,030
Fergus	12,318	28,234
Flathead	86,458	84,709
Gallatin	15,232	66,146
Garfield	-0-	3,379
Glacier	5,236	18,699
Golden Valley	5,537	8,140
Granite	581	6,191
Hill	5,026	34,556
Jefferson	800	9,288
Judith Basin	175	5,642
Lake	14,968	37,660
Lewis & Clark	424,360	75,885
Liberty	-0-	5,029
Lincoln	9,687	21,173
McCone	75	5,725
Madison	3,318	9,642
Meagher	1,586	6,194
Mineral	353	8,270
Missoula	237,479	199,039
Musselshell	-0-	9,087
Park	25,134	16,496
Petroleum	250	1,667
Phillips	241	6,293
Pondera	3,104	11,188
Powder River	-0-	5,324
Powell	462	8,310
Prairie	-0-	3,724
Ravalli	17,710	40,584
Richland	3,899	18,055
Roosevelt	1,278	13,687
Rosebud	1,153	12,873
Sanders	26,705	16,143
Sheridan	3,701	10,056
Silver Bow	21,219	64,691
Stillwater	744	7,479
Sweetgrass	-0-	6,320
Teton	4,491	11,624
Toole	191	6,439
Treasure	58	2,249
Valley	1,658	14,447
Wheatland	1,443	6,322
Wibaux	193	3,323
Yellowstone	294,213	207,431
SUB TOTAL	1,347,739	1,407,438
Administration	150,782	82,462
Consultation to non-participating Counties	200,479	-0-
TOTAL	1,699,000	1,489,900

	GRAND TOTAL	MCH GRANTS	MCH CONSULT	A TOTAL	MED PAY	CCS EVALS	B TOTAL	SS I CONTRACTS	MED PAY	C TOTAL
Beaverhead	673					673			673	
Big Horn	4,662					4,662			4,662	
Blaine	2,594					2,594			2,594	
Broadwater	2,344					2,344			2,344	
Carbon	855					855			855	
Carter	150					150			150	
Cascade	67,404	25,923	9,970	35,893	10,511		10,511	15,000	6,000	21,000
Choteau	813					813			813	
Custer	4,823					4,823			4,823	
Daniels	- 0 -					- 0 -			- 0 -	
Dawson	22,773	1,104	420	1,524	249		249	15,000	6,000	21,000
Deer Lodge	6,745					6,745			6,745	
Fallon	2,867					2,867			2,867	
Fergus	12,318					12,318			12,318	
Flathead	86,458	45,705	17,646	63,351	23,107		23,107			
Gallatin	15,232					15,232			15,232	
Garfield	- 0 -					- 0 -			- 0 -	
Glacier	5,236	458	177	635	4,601		4,601			4,601
Golden Valley	5,537					5,537			5,537	
Granite	581	345	132	477	104		104			
Hill	5,026					5,026			5,026	
Jefferson	800					800			800	
Judith Basin	175					175			175	
Lake	14,968	2,716	1,037	3,753	11,215		11,215			
Lewis & Clark	424,360	275,965	106,202	382,167	21,913		21,913	15,000	6,000	21,000
Liberty	- 0 -					- 0 -			- 0 -	
Lincoln	9,687	6,387	2,470	8,857	830		830			
McCone	75					75			75	
Madison	3,318					3,318			3,318	

GRAND TOTAL		GRANTS	CONSULT	CCS	MED PAY	EVALS	TOTAL	CONTRACTS	MED PAY	TOTAL
Meagher	1,586				1,586				1,586	
Mineral	353				353				353	
Missoula	237,479	66,779	25,719	92,498	33,531	83,000 7,450	123,981	15,000	6,000	21,000
Musselshell	- 0 -				- 0 -			- 0 -		
Park	25,134	1,280	586	1,866	2,268			2,268		
Petroleum	250				250			250		
Phillips	241				241			241		
Pondera	3,104				3,104			3,104		
Powder River	- 0 -				- 0 -			- 0 -		
Powell	462				462			462		
Prairie	- 0 -				- 0 -			- 0 -		
Ravalli	17,710	4,708	1,809	6,517	11,193			11,193		
Richland	3,899	1,564	596	2,160	1,739			1,739		
Roosevelt	1,278				1,278			1,278		
Rosebud	1,153				1,153			1,153		
Sanders	26,705	15,251	5,867	21,118	5,587			5,587		
Sheridan	3,701				3,701			3,701		
Silver Bow	21,219	10,000	3,838	13,838	7,381			7,381		
Stillwater	744	274	89	363	381			381		
Sweetgrass	- 0 -				- 0 -			- 0 -		
Teton	4,491	2,690	1,036	3,726	765			765		
Toole	191				191			191		
Treasure	58				58			58		
Valley	1,658				1,658			1,658		
Wheatland	1,443				1,443			1,443		
Wibaux	193				193			193		
Yellowstone	294,213	112,000	43,078	155,078	12,570	108,565	121,135	13,000	6,000	19,000
Total	1,347,749	573,149	220,672	793,821	231,903	199,015	430,918	73,000	30,000	103,000

	GRAND TOTAL	MCH GRANTS	CONSULT	TOTAL	MED PAY	CCS EVALS	TOTAL	B TOTAL	S&I TOTAL	CONTRACTS MED PAY	TOTAL	C
Beaverhead	9,975	8,641	575	9,216	759				759			
Big Horn	17,984	12,065	805	12,870	5,114				5,114			
Blaine	11,038	7,693	510	8,203	2,835				2,835			
Broadwater	10,218	7,204	482	7,686	2,582				2,582			
Carbon	9,840	8,346	558	8,904	936				936			
Carter	3,792	3,392	223	3,615	177				177			
Cascade	132,241	88,102	5,884	98,436	11,155	22,650			33,805			
Chouteau	8,010	6,653	446	7,099	911				911			
Custer	20,158	13,977	916	14,893	5,265				5,265			
Daniels	5,900	5,530	370	5,900								
Dawson	16,140	12,622	840	15,862	278				278			
Deer Lodge	21,649	13,390	892	14,282	7,367				7,367			
Fallon	11,030	7,398	493	7,891	3,139				3,139			
Fergus	28,234	13,758	916	14,674	13,560				13,560			
Flathead	84,709	54,879	3,659	59,538	25,171				25,171			
Gallatin	66,146	45,006	3,007	48,013	16,633	1,500			18,133			
Garfield	3,379	3,168	211	3,379								
Glacier	18,699	12,057	804	13,661	5,038				5,038			
Golden Valley	8,140	1,961	129	2,090	6,050				6,050			
Granite	6,191	5,127	341	6,165	126				126			
Hill	34,556	19,653	1,310	29,063	5,493				5,493			
Jefferson	9,288	7,879	523	8,402	886				886			
Judith Basin	5,642	5,099	341	5,440	202				202			
Lake	37,660	19,913	1,327	25,240	12,420				12,420			
Lewis & Clark	75,885	45,392	3,030	48,422	23,063	4,400			27,463			
Liberty	5,029	4,712	317	5,029								
Lincoln	21,173	18,994	1,268	20,262	911				911			
McCone	5,725	5,272	352	5,624	101				101			
Madison	9,642	5,621	376	5,997	3,645				3,645			

LAND		GRANTS	CONSULT	MED PAY	EVALS	CONTRACTS	MED PAY	TOTAL
TOTAL								
Meagher	6,194	4,166	282	4,448	1,746			1,746
Mineral	8,270	7,372	493	7,865	405			405
Missoula	199,039	78,929	5,274	90,403	36,400	72,236	108,636	
Musselshell	9,087	8,512	575	9,087				
Park	16,496	13,140	875	14,015	2,481			2,481
Petroleum	1,667	1,301	88	1,389	278			278
Phillips	6,293	5,639	376	6,015	278			278
Pondera	11,188	7,309	487	7,796	3,392			3,392
Powder River	5,324	4,990	334	5,324				
Powell	8,310	7,317	487	7,804	506			506
Prairie	3,724	3,490	234	3,724				
Ravalli	40,584	23,067	1,539	28,356	12,228			12,228
Richland	18,055	12,731	851	16,157	1,898			1,898
Roosevelt	13,687	11,495	775	12,270	1,417			1,417
Rosebud	12,873	10,880	728	11,608	1,265			1,265
Sanders	16,143	9,181	611	10,042	6,101			6,101
Sheridan	10,056	5,630	376	6,006	4,050			4,050
Silver Bow	64,691	39,573	2,642	52,215	8,076	4,400	12,476	
Stillwater	7,479	5,811	388	7,049	430			430
Sweetgrass	6,320	5,921	399	6,320				
Teton	11,624	6,861	458	10,789	835			835
Toole	6,439	5,824	388	6,212	227			227
Treasure	2,249	2,039	135	2,174	75			75
Valley	14,447	11,838	787	12,625	1,822			1,822
Wheatland	6,322	4,434	294	4,728	1,594			1,594
Wibaux	3,323	2,897	199	3,096	227			227
Yellowstone	207,431	116,063	7,746	123,809	13,622	70,000	83,622	
TOTAL	1,407,438	920,356	58,726	979,082	253,170	175,186	428,356	

ANNUAL GROSS INCOME	1	2	3	4	5	6	7	8	9	10	11	12
\$ 0 - 3,699	0	0	0	0	0	0	0	0	0	0	0	0
3,700 - 4,299	0	0	0	0	0	0	0	0	0	0	0	0
4,300 - 4,899	21	0	0	0	0	0	0	0	0	0	0	0
4,900 - 5,499	62	0	0	0	0	0	0	0	0	0	0	0
5,500 - 6,099	123	0	0	0	0	0	0	0	0	0	0	0
6,100 - 6,699	205	0	0	0	0	0	0	0	0	0	0	0
6,700 - 7,299	308	21	0	0	0	0	0	0	0	0	0	0
7,300 - 7,899	431	62	0	0	0	0	0	0	0	0	0	0
7,900 - 8,499	574	123	0	0	0	0	0	0	0	0	0	0
8,500 - 9,099	738	205	21	0	0	0	0	0	0	0	0	0
9,100 - 9,699	923	308	62	0	0	0	0	0	0	0	0	0
9,700 - 10,299	1,128	431	123	21	0	0	0	0	0	0	0	0
10,300 - 10,899	1,353	574	205	62	0	0	0	0	0	0	0	0
10,900 - 11,499	1,599	738	308	123	0	0	0	0	0	0	0	0
11,500 - 12,099	1,866	923	431	205	21	0	0	0	0	0	0	0
12,100 - 12,699	2,153	1,128	574	308	62	0	0	0	0	0	0	0
12,700 - 13,299	2,460	1,353	738	431	123	21	0	0	0	0	0	0
13,300 - 13,899	2,788	1,599	923	574	205	62	0	0	0	0	0	0
13,900 - 14,499	3,137	1,866	1,128	738	308	123	0	0	0	0	0	0
14,500 - 15,099	3,506	2,153	1,353	923	431	205	21	0	0	0	0	0
15,100 - 15,699	3,890	2,460	1,599	1,128	574	308	62	0	0	0	0	0
15,700 - 16,299	4,305	2,788	1,866	1,353	738	431	123	21	0	0	0	0
16,300 - 16,899	4,736	3,137	2,153	1,599	923	574	205	62	0	0	0	0
16,900 - 17,499	5,187	3,506	2,460	1,866	1,128	738	308	123	21	0	0	0
17,500 - 18,099	5,658	3,890	2,788	2,153	1,353	923	431	205	62	0	0	0
18,100 - 18,699	6,171	4,305	3,137	2,460	1,599	1,128	574	308	123	0	0	0
18,700 - 19,299	6,704	4,736	3,506	2,788	1,866	1,353	738	431	205	21	0	0
19,300 - 19,899	7,257	5,187	3,890	3,137	2,153	1,599	923	574	308	62	0	0
19,900 - 20,299	7,831	5,658	4,305	3,506	2,460	1,866	1,128	738	431	123	21	0
20,500 - 21,099	8,426	6,171	4,736	3,890	2,788	2,153	1,353	923	574	205	62	0
21,100 - 21,699	9,041	6,704	5,187	4,305	3,137	2,460	1,599	1,128	738	308	123	0
21,700 - 22,299	9,676	7,257	5,658	4,736	3,506	2,788	1,866	1,353	923	431	205	21
22,300 - 22,899	10,332	7,831	6,171	5,187	3,890	3,137	2,153	1,599	1,128	574	308	62
22,900 - 23,499	11,009	8,426	6,704	5,658	4,305	3,506	2,460	1,866	1,353	738	431	123
23,500 - 24,099	11,706	9,041	7,257	6,171	4,736	3,890	2,788	2,153	1,599	923	574	205
24,100 - 24,699	12,423	9,676	7,831	6,704	5,187	4,305	3,137	2,460	1,866	1,128	738	308
24,700 - 25,299	13,161	10,332	8,426	7,257	5,658	4,736	3,506	2,788	2,153	1,353	923	431
25,300 - 25,899	13,899	11,009	9,041	7,831	6,171	5,187	3,890	3,137	2,460	1,599	1,128	574
25,900 - 26,499	14,658	11,706	9,676	8,426	6,704	5,658	4,305	3,506	2,788	1,866	1,353	738
26,500 - 27,099	15,436	12,423	10,332	9,041	7,257	6,171	4,736	3,890	3,137	2,153	1,599	923
27,100 - 27,699	16,236	13,161	11,009	9,676	7,831	6,704	5,187	4,305	3,506	2,460	1,866	1,128

HANDICAPPED CHILDREN'S SERVICES
APPROVED CONDITIONS AND TREATMENTS

CONDITION

TREATMENT

Musculoskeletal System

Amputees	Rehabilitative care and prostheses
Arthritis, rheumatoid	Evaluation Surgery Physical Therapy
Clubbing of foot or hand	Surgery Physical Therapy Braces (shoes must be permanently attached to brace)
Congenital bands	Surgical correction
Dislocation of hip	Surgery and casting
Scoliosis	Conservative or operative care Appliances

Neurological

Convulsive disorders	Epilepsy evaluations and medications
Cerebral Palsy (both congenital and result of cerebro-vascular accident)	Rehabilitative surgery Physical therapy Speech therapy Occupational therapy Braces
Myelomeningocele	Surgery Physical therapy Braces
Craniosynostoses	Surgical correction
Spinal cord injuries	Surgery Rehabilitative services
Hydrocephalus	Shunts and revisions

Cardiovascular System

Referred cases with congenital heart disease	Surgical correction Pacemaker implantation and replacement
--	---

Integumentary System (Skin)

Burns (only after initial care and epidermolysis)	Plastic surgery Excision of scar tissue Relief of contractures Physical therapy Occupational therapy
---	--

CONDITIONTREATMENTGenitourinary System

Epispadias	Surgical correction
Hypospadias	Surgical correction
Extrophy of bladder	Surgical correction
Congenital anomalies and defects of kidney and ureter	Surgical correction

Ear

External auditory canal atresia	Surgical correction for functional result
---------------------------------	---

Hearing Disabilities

Mastoiditis (Chronic)	Hearing aids, speech and language therapy, ossicular chain reconstruction, tympanoplasty, insertion of myringotomy tubes in those patients who have a long history of chronic ear disease only after conservative measures have failed. T & A <u>MAY</u> be provided Surgery Hearing rehabilitation
-----------------------	--

Cleft Lip and Palate

	Child is to be seen by Cleft Palate Team Plastic surgical correction Obturators Speech therapy Orthodontics Dental care may be provided
--	--

Metabolic Disorders

PKU	Formula
Cystic Fibrosis	Medications, nebulizers, oxygen, necessary hospitalization
Other metabolic disorders will be considered by case review committee.	

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

Preventive Block Grant Proposed Expenditures

	<u>FFY 81</u>	<u>FFY 82</u>
Health Incentive Grant	\$ 53,975	\$ 0
Hypertension	154,210	124,000
Risk Reduction	36,950	61,000
Diabetes	14,349	75,000
EMS	864,773	437,000
Dental Fluoridation	28,800	28,800
Aid to Counties	-0-	167,000
Administrative Costs	<u>20,000</u>	<u>99,200</u>
 TOTAL	<u>\$1,173,057</u>	<u>\$992,000</u>
 State Administrative Costs	\$ 51,079	\$130,250
State Provided Direct Services	210,386	67,417
Grants to Counties	310,593	204,100
Contracts:		
Diabetes Association	0	75,000
Other	<u>600,999</u>	<u>515,233</u>
 TOTAL	<u>\$1,173,057</u>	<u>\$992,000</u>

HYPERTENSION CONTROL

Total Expenditure FY 81	<u>\$154,210.00</u>	Total Proposed Budget	<u>\$124,000.00</u>
State Agency Direct Service	\$ 20,228.00	State Agency Direct Service	\$ 23,742.00
State Agency Admin	\$ 11,350.80	State Agency Admin	\$ 14,025.00

	<u>FFY 81</u>	<u>FFY 82</u>	<u>Proposed</u>
1. Yellowstone City-County Health	\$ 22,500.00	\$ 18,100.00	
2. Cascade City County Health	20,000.00	13,200.00	
3. Missoula City County Health	20,012.00	14,612.00	
4. Butte-Silver Bow Health Dept.	9,200.00	6,600.00	
5. Lincoln County Health	1,000.00	910.00	
6. Hi-Line Indian Alliance	2,157.60	-	
7. Helena Indian Alliance	2,767.60	2,057.00	
8. Anaconda Indian Alliance	1,772.00	1,625.00	
9. North American Indian Alliance	1,702.00	1,561.00	
10. Beaverhead County Health	705.00	450.00	
11. Carbon County Council on Aging	2,294.60	1,480.00	
12. Granite County Council on Aging	450.00	450.00	
13. Lake County Home Health	2,230.00	1,120.00	
14. Lewis & Clark County Health	23,036.00	16,155.00	
15. SOS Health Center	1,500.00	1,375.00	
16. Musselshell County Council on Aging	1,373.00	1,145.00	
17. Ravalli County Health	1,954.80	1,504.00	
18. Sanders County Council on Aging	4,400.00	1,098.00	
19. Stillwater County Council on Aging	1,681.20	1,401.00	
20. Golden Valley County Council on Aging	1,428.40	1,190.00	
21. Wheatland County Council on Aging	<u>467.00</u>	<u>200.00</u>	
Total	\$122,631.20	\$ 86,233.00	

Date: October 1, 1980 - November 30, 1981

HEALTH EDUCATION/RISK REDUCTION

	FY 81 (9 Months of Operation)	FY 82 Proposed (12 Months)
State administration	5,046	9,025
Direct services to counties	31,904	41,675

Projected Distribution of Dollars
To Counties

	\$1,000	Missoula
	500	Flathead
	800	Powell
	1,000	Silver Bow
	500	Custer
	500	Valley
	500	Hill
	1,200	Gallatin
	1,000	Lake
	500	Teton
	1,000	Lewis & Clark
	800	Richland
	1,000	Cascade
TOTAL	\$36,950	\$61,000

Health Education/Risk Reduction Program
Preventive Health Services Bureau

Background: Montanans are suffering needless, preventable death due to destructive lifestyles which include smoking, alcohol abuse, overeating, lack of exercise, lack of knowledge to deal with stress, and unwillingness to follow treatment regimens for risks such as hypertension. The yearly costs of these self-selected, destructive lifestyles total billions of dollars in absenteeism, medical care, accidents, property loss, and emotional inability to contribute productively to society.

The prevention of chronic disease is complex as causation is determined by behavior, what we eat, nature of environment, human genetics, and the medical/health services. This grant gives the Department the opportunity to establish a statewide focal point for health education/risk reduction and assist in initiating, evaluating, strengthening, and delivering programs which voluntarily allow Montana residents to consider replacing undesirable lifestyle behaviors for those which help to promote health. We believe widespread implementation of health education programs through organized community efforts can substantially reduce the risks of premature death and disability from chronic diseases and ultimately reduce the overall costs Montana currently bears in the premature loss of productive citizens.

Basic Elements: Emphasis in Montana is being placed on developing the capacity to manage implementation of efforts, to establish an organized approach to health education/risk reduction through a variety of methods, services, and strategies. A set of five 'basic program elements' is being addressed in coordinating grant activities.

1. The first basic element is the preparation, updating, and maintenance of an inventory of existing health education/risk reduction activities ongoing in Montana. The information gained from the inventory can be used in a variety of ways to assist in planning and coordinating both state and local health programs.

2. The second basic program element is the development and maintenance of working liaisons directed toward cooperative strategies with voluntary health agencies, professional organizations, providers of clinical services, State and local education agencies, and other groups which have the potential for positively affecting risk reduction activities. This basic program element includes fostering recognition of common goals and objectives, establishing or strengthening communications channels, and developing mechanisms to encourage cooperative activities which will further the mutual health education program interests of the organization involved.

3. The third basic program element is the maintenance of consistent methods and procedures to obtain risk factor prevalence and other data on a systematic basis. This includes identification of a geographic frame of reference, either Statewide or in selected communities; determination of the sampling methodology; selection of a representative sample of individuals; and standard terminology for aggregation and comparison of information.

4. The fourth basic program element is the development and/or improvement of surveillance systems to identify and record the morbidity and mortality of chronic diseases and their related risk factors.

Health Education/Risk Reduction Program
Basic Elements--continued

(4.) This process is coordinated with existing data collection systems where appropriate and available. Emphasis is placed on eventually providing a system that will monitor risk factors associated with chronic diseases so that illness patterns related to these risk factors can be identified and subsequent preventive interventions with susceptible target groups initiated.

5. The fifth basic program element is the provision of technical and management consultation to communities to establish, maintain, and improve an organized approach to risk reduction. This assistance includes identifying the extent of risk behaviors, establishing specific, measurable objectives to reduce the prevalence of risk factors, coordinating resources and local efforts to meet established objectives, and periodically assessing the status of risk factors to establish priorities for health education-risk reduction services.

EMERGENCY MEDICAL SERVICES
EMS CATEGORICAL FUND EXPENDITURES

	<u>SFY 81</u>
Personnel	48,987
Supplies & Materials	8,442
Communications	16,657
Travel	23,613
Rent	1,616
Contracted Services	
Region 1B ¹ Training	96,773
Region 3A ² Training	146,231
Region 2A ³ Training	60,367
Statewide Training & Other	148,197
Grants to Locals	
Butte-Silver Bow	47,880
<u>3A</u>	
Daniels	10,466
Dawson	37,795
Richland	21,251
Fergus	22,332
Garfield	14,106
Judith Basin	13,981
Petroleum	18,540
McCone	16,778
Phillips	9,736
Prairie	15,511
Roosevelt	19,922
Sheridan	9,186
Wibaux	10,916
Valley	28,184
<u>2A</u>	
Chouteau	843.75
Cascade	12,677.10
Toole	487.50
Equipment	911
Repairs & Maintenance	559
Other	<u>1,828</u>
TOTAL	864,773.35

1. All of the conduct of statewide training activities has been supported, to date, with categorical grant funding.
2. Most of the personnel and travel have been used to directly support training activities.
3. A large percent of travel and communications costs for the entire EMS Bureau have been supported, to date with EMS Categorical grant funding.

	<u>Existing Categorical</u>	<u>Proposed Categorical</u>	<u>Proposed Block Gran</u>
Personnel	34,367	34,367	-0-
Supplies and Materials	6,001	6,001	-0-
Communications	16,000	16,000	-0-
Travel	17,000	17,000	6,000
Rent	-0-	-0-	-0-
Equipment	-0-	45,000	-0-
Repairs & Maintenance	-0-	-0-	-0-
Other	2,000	2,000	-0-
Contractual			
Region 1B Training ¹	137,793	62,793	75,000
Region 3A Training ²	170,000	70,000	100,000
Region 2B Training ³	-0-	20,000	20,000
Statewide Training & Other ⁴	150,053	82,553	126,000
Grants to Locals			
Counties of Region 3A ⁵	39,475.51	136,975.51	-0-
Counties of Region 1B ⁶	11,520.00	71,520.00	-0-
Silver Bow	54,417.50	54,417.50	-0-
Powell	3,747.50	3,747.50	-0-
Madison	37,252.50	37,252.50	-0-
Deer Lodge	17,122.50	17,122.50	-0-
Beaverhead	34,590.00	34,590.00	-0-
Daniels	1,216.00	1,216.00	-0-
Dawson	6,361.88	6,361.88	-0-
Valley	6,361.88	6,361.88	-0-
Richland	1,216.00	1,216.00	-0-
Garfield	304.00	304.00	-0-
Judith Basin	1,216.00	1,216.00	-0-
Petroleum	4,826.25	4,826.25	-0-
McCone	15,000.00	15,000.00	-0-
Phillips	11,250.00	11,250.00	-0-
Sheridan	1,216.00	1,216.00	-0-
Sheridan	15,000.00	15,000.00	-0-
MAST Trousers 3A ⁷	3,500.00	3,500.00	-0-
Meagher (Est.)	10,000.00	10,000.00	-0-
Jefferson (Est.)	17,000.00	17,000.00	-0-
Gallatin (Est.)	34,000.00	44,000.00	-0-
Park (Est.)	15,000.00	15,000.00	-0-

	<u>Existing Categorical</u>	<u>Proposed Categorical</u>	<u>Proposed Block Grant</u>
Lewis & Clark (Est.)	35,000.00	45,000.00	-0-
Broadwater (Est.)	<u>16,000.00</u>	<u>16,000.00</u>	<u>-0-</u>
Direct Costs	\$925,807.00	\$925,807.00	\$327,000.00
Indirect	<u>5,484.00</u>	<u>5,484.00</u>	
TOTAL	\$931,291.00	\$931.291.00	

1. Region 1B includes Butte-Silver Bow, Madison, Deer Lodge, Powell, Beaverhead counties.
2. Region 3A includes Daniels, Dawson, Richland, Fergus, Garfield, Judith Basin, Petroleum, McCone, Phillips, Prairie, Roosevelt, Sheridan, Wibaux and Valley counties.
3. Region 2B includes Lewis and Clark, Gallatin, Broadwater, Park, Jefferson and Meagher counties.
4. This amount is for training programs conducted throughout the state which each involve persons from many different counties. The increase is to continue training programs which would otherwise be eliminated due to cutbacks in the amount of categorical funds for statewide training activities.
5. \$136,975.51 would be utilized by the 14 counties of Northeastern Montana. Approximately \$80,000 would be utilized for four (4) Regional EMS Communications sites which would be shared by counties - possible through an inter-local cooperation agreement. Additional engineering studies are necessary. The remainder would be utilized for unmet equipment needs at the county level and would be allocated based upon need by the Regional Council - composed of two representatives from each county.
6. \$71,520 would be utilized in the six (6) counties of Southwestern Montana predominately to complete their regional communications systems and to meet equipment needs in the individual counties which were reduced through categorical funding. This would be allocated based upon need by the Regional EMS Council.
7. MAST trousers will be provided to each ambulance service in Region 3A.

DENTAL

	FFY 81	FFY 82
Direct Service to Counties	\$2,000	\$2,000
Contract with League of Cities & Towns	26,800	
Fluoridation Equipment for Cities	<u> </u>	<u>26,800</u>
	<u>\$28,800</u>	<u>\$28,800</u>

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II - SPECIAL SESSION

November 11, 1981

The meeting was called to order by CHAIRMAN REPRESENTATIVE BURT HURWITZ on November 11, 1981 at 9:00 a.m. in room 104 of the Capitol Building, Helena, Montana.

Roll call was taken and all members were present. Also in attendance with the committee were Fiscal Analysts, NORM ROSTOCKI and JANDEE MAY and GREGORY PETESCH, Attorney.

SENATOR KEATING offered a prayer and led the Pledge of Allegiance in honor of Armistice Day.

THE MEETING WAS CALLED INTO EXECUTIVE SESSION:

ISSUE 6: LABORATORY

ISSUE 6a - Loss of Federal Funds and Corresponding Work Load.

NORM ROSTOCKI, Fiscal Analyst called the committee's attention to the spread sheet presented by the Microbiology Laboratory Bureau (EXHIBIT A).

This is not the original budget presented to the Legislature. The first issue in the LFA analysis involved a request for a full time microbiologist and half time business manager. Options were reviewed as shown on page 249. There are three options.

It was recognizing that they are losing \$21,000 and are asking for \$34,000. Because of the cut, the work load will decrease.

SENATOR THOMAS asked Dr. ABBOTT who would be the payee of the medical fees.

DR. ABBOTT, Bureau Chief of Microbiology Laboratory stated most, over 60% would be paid by a third party such as insurance companies or welfare and such. Some of these tests are done for the hospitals.

DR. ANDERSON stated that the information is of no value to the patient but is for the public.

SENATOR WOLF asked how much they got from the hospitals.

DOUG ABBOTT stated that the majority of their work comes from the hospitals, estimating about 50%.

SENATOR WOLF asked if the specimens relate to communicable diseases or all health problems.

MR. ABBOTT stated that it took in all health problems.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION Page 2
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II - SPECIAL SESSION

November 11, 1981

He said that the service was for a public service. That they could probably charge the hospitals for the lab work but that it was already costing the hospital to send these specimens in. He also stated that if they start charging they will have to become licensed and it would entail much paper work.

In answer to SENATOR WOLF's question in regards to losing 6% of the funding it would be gaining this back by charging the fee. MR. ABBOTT stated that there would be no guarantee that they could get the specimens.

DR. DRYNAN said that they receive on-contact specimens. These people are being forced to have these tests and did not volunteer to be tested.

REPRESENTATIVE HURWITZ questioned the involvement of the health during the Endrin epidemic. DR. DRYNAN said that they were asked to help out by the Agriculture Lab because of the volume of testing was so great. They considered it an emergency and the federal government was also asked to help.

SENATOR VAN VALKENBURG questioned that the LFA was told by Family Planning that they were supplying \$21,000 and that the lab was showing \$34,000.

DR. DRYNAN said that the \$21,000 for 1982 was left in and that 1983 was negotiable as to what would be lost and thus the department suggested that up to \$34,000 could be lost in 1983.

SENATOR KEATING reviewed this remark by commenting that the \$21,000 for 1982 was O.K. and not lost and that they just need \$10,000 that year for supplies. In reference to 1983 and the estimated revised budget for 1983 (EXHIBIT A handout on November 10,) it was asked what the difference was between the revised and what the session authorized.

DR. DRYNAN said that it is the same if they plug in the \$34,000.

NORM ROSTOCKI stated the possibility of funding from the preventive health block grant to solve the lab problems.

SENATOR WOLF MOVED to adopt Option 2 shown on page 249 of the Budget Analysis, to take no action.

Discussion was held and page 233 was referred to showing where money could be freed up from the EMS (Emergency Medical Service).

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION Page 3
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II - SPECIAL SESSION

November 11, 1981

JANDEE MAY reviewed table 6 on page 233. She stated that the \$494,799 carry-over should run the administration as well as offer counties some level of equipment. Out of the \$437,000 categorical it would seem they should be able to offer equipment and repair purchase to the counties. The \$327,750 block grant is a possible carry-over into FY83. She stated that it seems hardly likely they would spend the full \$1.2 million dollars in 1982.

SENATOR WOLF WITHDREW HER MOTION.

REPRESENTATIVE STOBIE made a MOTION to allow the department to either charge fees for the lab tests or transfer money from the block grant.

SENATOR KEATING AMENDED REPRESENTATIVE STOBIE's MOTION to delete the option of charging for fees.

QUESTION was asked for on the AMENDMENT. MOTION PASSED with SENATOR THOMAS, REPRESENTATIVE STOBIE, SENATOR VAN VALKENBURG and SENATOR WOLF voting NO.

QUESTION was asked to REPRESENTATIVE STOBIE's MOTION. MOTION PASSED.

The second part of the issue was establishing the FTEs. and how much should be transferred from the block grant.

SENATOR VAN VALKENBURG said that supplies are the essence of the lab and there is \$20,000 of each biennium they could place in there. Personal services is a different issue, but supplies should come from the general fund.

SENATOR KEATING referred to page 238 at the bottom of the page.

DR. DRYNAN stated that they have 12 FTEs now in the microbiology lab and it was asked why they show 10 FTEs. DR. ABBOTT stated that they move people between the lab divisions. They are trying to keep 7 microbiologists.

SENATOR VAN VALKENBURG MOVED to approve general fund expenditures of \$10,000 for FY82 and \$16,000 in FY83 for supplies in the laboratory program and to take \$20,000 general fund per year from the EMS (Emergency Medical Service). The remaining general fund of \$10,000 in FY82 and \$4,000 in FY83 will be reverted to the general fund.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION Page 4
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II - SPECIAL SESSION

November 11, 1981

MOTION PASSED with all voting AYE.

SENATOR WOLF MOVED to accept funding 1 FTE and to be funded from the preventative health block grant which is in essence would be funded out of the EMS money. This would reduce the FTE level by .5, the business manager position.

DR. DRYNAN argued this point by saying it would be necessary to put the microbiologist in the office if there were no business manager to do all the paper work.

SENATOR WOLF WITHDREW HER MOTION.

SENATOR WOLF made a new MOTION to approve the \$19,179 which would be used by the department in its discretion, to come from the Preventative Block Grant, the Emergency Medical dollar award.

A SUBSTITUE MOTION was made by REPRESENTATIVE BARDANOUVE to give the department the \$34,000 from the preventative health block grant and the 1.5 FTEs.

MOTION PASSED with SENATOR WOLF and REPRESENTATIVE STOBIE voting NO.

ISSUE 2:

PREVENTATIVE HEALTH BLOCK GRANT, page 228. Table 4 shows where the department proposes to spend the preventative block grant money. By the last motion the emergency medical services will be reduced in the second year by \$34,000.

JANDEE MAY reviewed this issue and presented a handout (EXHIBIT B) and a copy of the newspaper article.

Question was asked by SENATOR SMITH regarding the 180 days absence required by Indians before they could return to the reservation for medical services in the clinic. MIKE WELSH stated that if they leave, the 180 days is the rule but that each tribe may enforce it differently. BEN BUSHYHEAD stated if the Indians are located where there is no service they may go to their reservation.

It was questioned to the possibility of the Indians receiving the same medical service as other low income people. REPRESENTATIVE HURWITZ asked why they did not put the \$80,000 toward a service that would serve all people not showing discrimination.

JOHN ANDERSON, Bureau Chief of Communicable Disease, MONTANA DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCE, stated to keep

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION Page 5
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II - SPECIAL SESSION

November 11, 1981

in mind the categorical funding. They are dealing with Preventative Health Block Grant that shows anyone can go in and be served.

SENATOR VAN VALKENBURG stated that urban Indians must be realistic about what they can have since they missed the boat in Washington by not applying for the 1981 funds.

MIKE WELSH, INDIAN HEALTH CLINIC DIRECTOR, stated that he would be willing to accept any trimming and that they do not believe the block grant is the only source of funds available.

MOTION was made by SENATOR WOLF (referring to page 237 that the pass-through money to the counties, that the criteria used for funding the counties, would include addressing the preventative health needs of the urban Indian population.

REPRESENTATIVE BARDANOUVE asked for the response of the Lewis and Clark County Health Officer.

BOB JOHNSON, Health Officer, Lewis and Clark County, stated that the health department cannot refuse to service anyone. Funds from the local health department are used for the foot soldiers of the local health departments. He stated he thought the SRS budget was fat.

JOHN ANDERSON said if the committee decides to earmark a certain amount of money to pass through the department to be distributed to these clinics at their request, the problem of the Health and Environmental Sciences Department would be knowing that these monies would be going for the purposes that the federal government says they must be spent.

MIKE WELSH asked if there were money in the SRS budget.

REPRESENTATIVE BARDANOUVE said he doubted if there was any SRS money for new programs.

SENATOR WOLF WITHDREW her MOTION.

SENATOR VAN VALKENBURG moved to approve the Preventive Block Grant as proposed by the Department of Health, with the exception that the committee direct the Department of Health to utilize \$80,000 of the money of that grant to contract with urban Indian health centers to provide services to one center within the State of Montana, with the change that was previously made to fund the microbiology lab with money that has been proposed for EMS funding.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION Page 6
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II - SPECIAL SESSION

November 11, 1981

DISCUSSION was held and SENATOR VAN VALKENBURG stated that what he was talking about here is contracted services between the Department of Health and a non-profit organization. SENATOR KEATING challenged that by establishing a facility, no matter where it is located, to serve only Indians, we increase the discrimination that we are trying to do away with.

QUESTION was called for. ROLL CALL VOTE was taken.

Rep. Hurwitz	NO	Rep. Stobie	NO
Sen. Smith	NO	Sen. Wolf	NO
Rep. Bardanouve	YES	Sen. Keating	NO
Rep. Hemstad	YES	Sen. Thomas	YES
Rep. Manuel	NO	Sen. Van Valkenburg	YES
		Sen. Stimat	YES

MOTION FAILED.

MOTION was made by SENATOR THOMAS to accept the Department of Health recommendation with the \$34,000 adjustment.

QUESTION was called. MOTION PASSED with all voting AYE.

DIRECTOR'S OFFICE

ISSUE 2d: grants to local health agencies, page 237, was reviewed by JANDEE MAY. She stated that within the director's office, they are proposing to use block grant money to pass through to the local government.

Attention was called to table 4 on page 228 and also to table 6, page 233 and to the excess authority to be removed, not cash.

SENATOR SMITH MOVED that the Governor's Budget Office and anyone else involved in this money get together, after they get this figure into their budget and we will then act upon their recommendations.

MOTION PASSED.

HOSPITAL AND MEDICAL FACILITIES DIVISION

ISSUE 2: Issue 2c: Medicaid Certification was reviewed by JANDEE MAY, Fiscal Analyst, referring to page 235.

In reference to licensing, DR. DRYNAN stated that they now have a bill which will authorize licensing every three years rather than every year. This money is for licensing hospitals so they

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION Page 7
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II - SPECIAL SESSION

November 11, 1981

could be Medicaid eligible.

REPRESENTATIVE BARDANOUVE MOVED that the general fund money be line itemed, and reduce the federal authority.

WATER RESOURCES DIVISION, DEPARTMENT OF NATURAL RESOURCES.

ISSUE 1: Loss of Federal Water Resources Planning Funds, page 104, was called to the attention of the subcommittee and the Chairman asked for reconsideration of action.

SENATOR KEATING MOVED to reconsider previous action regarding water resource planning funds, as set up on page 104.

MOTION PASSED with REPRESENTATIVE STOBIE and SENATOR WOLF VOTING NO.

NORM ROSTOCKI stated he understood the concern here was the general fund match and the three FTEs previously deleted by the committee.

SENATOR KEATING elaborated on this. Stated the \$180,000 per year which they deleted was actually a soft match and was appropriated by the Legislature to handle the businesses of the department and by deletion we are taking away funds that have nothing to do with the deletion of the federal funds. They also deleted three FTEs. There are 140 employees and about 20 spent time on the project on which the federal funds were expended.

SENATOR SMITH suggested that if there are no federal funds there are less projects and if they already have the projects they already have the money and if there is less money for projects why the FTEs.

NORM ROSTOCKI pointed out that if now the department in FY82, is funding 3 FTEs in Personal Services with federal funds, this frees up about \$60,000 general fund to put into additional operating expenses. There was no problem in FY82 funding the FTEs because they had federal funds from the water commissions that were deleted, so they were able to fund the 3 FTE in 1982 and spend some additional money in operating expense because the federal money was paying for the FTE. In 1983 if the FTEs are retained they will have to take money from operating expenses to fund them. Because FY 1982 is the base budget year for the next biennium the operating expenses will actually be inflated by \$60,000. Next session the department will have the operating expenses base inflated and will request general fund for the 3.0 FTE.

REPRESENTATIVE BARDANOUVE asked what these three FTEs do. LEO BERRY, Director of Natural Resources, stated that they have

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION Page 8
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II - SPECIAL SESSION

November 11, 1981

charged off 6,000 hours to federal funds which is equivalent to 3 FTEs. They are not federal projects but all state water resource related projects. No people have been added.

NORM ROSTOCKI stated that all he would ask, is that if the committee goes with this is to ask where those funds are being spent in the operating expenses because this is going to come back next session, then they would be able to identify the funds in the operating expenses because the department will come in and ask for both the operating expenses and the FTE to be funded with general funds.

LEO BERRY stated that if they had never received these federal funds, theoretically there would have been state funds all along to supply these.

JANDEE MAY asked MR. BERRY if when the federal funds became available, and you had your current level FTEs and established operating base, did the department use some of the federal funds to supplant salaries. MR. BERRY said they could not trace it back further than 1972 when the department was created. JANDEE MAY said that unless there was a general fund reversion, the department must have increased their operating expenses which inflated the base.

SENATOR BARDANOUVE asked what the federal funds were allocated to the department for. LEO BERRY said for any water program the state wanted to work on.

GARY FRITZ, Administrator of Water Resource, Natural Resources, stated that in 1960 the federal government decided to give money to the states for state water resources to be used at the states' discretion. Examples are: Studies how to supplement water into the Milk River Basin. The Yellowstone River Basin. The Yellowstone River reservation process for agriculture, the Poplar River compact between the U.S. and Canada.

SENATOR KEATING MADE A MOTION to reinstate the general fund money of \$180,000 in FY 82 and \$181,026 in FY83 to the water resource divisions.

REPRESENTATIVE STOBIE referred to money budgeted to dues to water commissions (page 105). and made a SUBSTITUTE MOTION to take the \$30,000 soft match off of the \$180,000 each year, a total of \$60,000.

DISCUSSION: MR. BERRY stated that they would use the money, the motion would take out, to fund the 3 FTEs. That they do not need it for dues now .

QUESTION was asked on the Substitute Motion. MOTION FAILED.

THE MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION Page 9
AND SENATE FINANCE AND CLAIMS SUBCOMMITTEE II - SPECIAL SESSION

November 11, 1981

ROLL CALL VOTE as follows:

REP. HURWITZ	NO	SEN. WOLF	YES
SEN. SMITH	Not present	SEN. KEATING	YES
REP. BARDANOUVE	NO	SEN. THOMAS	NO
REP. HEMSTAD	NO	SEN. STIMATZ	NO
REP. MANUEL	NO	SEN. VAN VALKENBURG	NO
REP. STOBIE	YES		

QUESTION was asked to the ORIGINAL MOTION BY SENATOR KEATING to reinstate the general fund money of \$180,000 in FY82 and \$181,026 in FY83 to the water resource division.

MOTION PASSED UNANIMOUSLY.

MOTION was made by SENATOR KEATING that the 3 FTE be reinstated to water resources in FY83.

MOTION PASSED.

The meeting recessed at 12:00 noon until 1:15 p.m.

BURT HURWITZ
BURT HURWITZ, CHAIRMAN

ED SMITH
SEN. ED SMITH, VICE CHAIRMAN

Leona Williams
LEONA WILLIAMS, Secretary

LABORATORY SERVICES PROGRAM FY 83

Category	FTE's.	Micro.		Lb. + Modified		Total		Chem.		Lb. + Modified		Total		Division		+ Modified		TOTAL	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1. Salaries	209,421	27,563	236,984	146,620	146,620	356,041	27,563	383,604	146,620	146,620	356,041	27,563	383,604	1	1	1	1	1	1
2. Benefits (20.8%)	43,560	5,733	49,293	30,497	30,497	74,057	5,733	79,790	30,497	30,497	74,057	5,733	79,790	2	2	2	2	2	2
3. Total Personal Services	252,981	33,296	286,277	177,117	177,117	430,988	33,296	463,394	177,117	177,117	430,988	33,296	463,394	3	3	3	3	3	3
4. Contracted Services	4,000	2,000	6,000	1,000	1,000	5,000	1,000	5,000	2,000	2,000	5,000	1,000	5,000	4	4	4	4	4	4
5. Supplies & Mats.	27,296	9,704	37,000	11,000	11,000	38,296	11,704	50,000	13,000	13,000	38,296	11,704	50,000	5	5	5	5	5	5
6. Communications	12,800	12,800	12,800	2,200	2,200	15,000	2,200	15,000	2,200	2,200	15,000	2,200	15,000	6	6	6	6	6	6
7. Travel	2,750	2,750	2,750	2,726	2,726	5,476	2,726	5,476	2,726	2,726	5,476	2,726	5,476	7	7	7	7	7	7
8. Rent	42,703	42,703	42,703	28,177	28,177	70,880	28,177	70,880	28,177	28,177	70,880	28,177	70,880	8	8	8	8	8	8
9. Utilities	1,000	1,000	1,000	1,500	1,500	2,500	1,000	2,500	1,000	1,000	2,500	1,000	2,500	9	9	9	9	9	9
10. Repair & Maintenance	3,000	1,000	4,000	2,500	2,500	5,500	1,000	5,500	2,500	2,500	5,500	1,000	5,500	10	10	10	10	10	10
11. Other (Freight)	5,000	5,000	5,000	800	800	5,800	5,000	5,800	800	800	5,800	5,000	5,800	11	11	11	11	11	11
12. Total Operating Exp.	98,549	12,704	11,253	49,903	49,903	148,452	12,704	165,156	49,903	49,903	148,452	12,704	165,156	12	12	12	12	12	12
13. Equipment	10,950	10,950	10,950	26,000	26,000	36,950	26,000	36,950	26,000	26,000	36,950	26,000	36,950	13	13	13	13	13	13
14. TOTAL PROGRAM	362,480	46,000	408,480	253,020	253,020	615,500	46,000	665,550	253,020	253,020	615,500	46,000	665,550	14	14	14	14	14	14
15. FUNDING:	0													15	15	15	15	15	15
1. General Funds	278,980	46,000	324,980	85,520	85,520	4,000	89,520	4,000	89,520	4,000	89,520	4,000	89,520	20	20	20	20	20	20
2. Earmarked Revenue	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	21	21	21	21	21	21
3. EPA Federal Funds	15,500	15,500	15,500	167,500	167,500	167,500	15,500	167,500	15,500	167,500	15,500	167,500	167,500	22	22	22	22	22	22
4. Recharges	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	23	23	23	23	23	23
5. TOTAL FUNDING	362,480	46,000	408,480	253,020	253,020	4,000	89,520	4,000	89,520	4,000	89,520	4,000	89,520	24	24	24	24	24	24
6. <i>✓</i>														25	25	25	25	25	25
7. <i>✓</i>														26	26	26	26	26	26
8. <i>✓</i>														27	27	27	27	27	27

WORK LOAD IN THE MICROBIOLOGY LABORATORY BUREAU

Appended is a listing of specimen load by type of specimen from January through September for 1981 and 1980 for comparisons.

Mere specimens received and processed is incomplete for assessing the work of the laboratory since the following activities are not included:

1. Direct consultation and investigative work. The laboratory serves as the Scientific arm of the disease control activities of the department. Through written and oral consultations on disease control problems with other state programs, local health departments, and private physicians and their laboratories, the laboratory is often able to solve pressing disease control problems without time-consuming and expensive analyses. The amount of time spent by the bureau chief and the professional microbiologists on this work depends on medical situations in the state and averages about 20% of the professional time in the bureau.
2. Training of local laboratory personnel, laboratory certificaton, Laboratory Approval, and registration programs. These mandated functions of the bureau are designed to help insure the provision of quality medical work offered throughout the state. The amount of time spent on these activities consumes about 20% of the personnel time in the bureau.
3. Scientific analyses of materials. This consumes about 60% of the time of the bureau. While this includes the time for processing the appended specimen load it is far from limited to mere routine processing of these specimens. As the state reference laboratory the bureau must develop and evaluate testing methods as the scientific community provides new techniques and methods. As these tests are developed and validated the bureau then applies them to medical problems found in the state and makes practical recommendations to the medical community as to valid testing that can be used for patient care. The appended list also does not differentiate the amount of time any particular specimen may require. As an example the laboratory processes about 400 requests a year for Legionnaires' disease. The processing time for most of these specimens, the screens, is about one hour each. This fall we had two fatal cases of the disease under situations indicating that there might be a potential for an outbreak. The laboratory work on these specimens and the investigational time has now taken, in total, 60 hours of the bureau chief's time over the last three months.

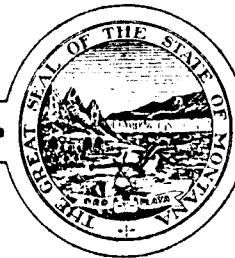
MICROBIOLOGY LABORATORY BUREAU

Specimen Load through September

CLINICAL MICROBIOLOGY	Jan-Sept. 1981	Jan-Sept. 1980
Bacteriology	1,647	1,751
Serology	20,668	21,791
Veneral Disease	8,787	7,898
Food	28 *	218
	<hr/>	<hr/>
	31,730	31,658
SPECIAL PATHOGENS		
Tuberculosis	2,079	1,916
Mycology	273	252
Parasitology	1,106	952
Water	8,020	7,424
	<hr/>	<hr/>
	11,478	10,517
VIROLOGY		
Viral Isolation	404	287
Viral Serology	22,931	21,165
	<hr/>	<hr/>
	23,335	21,452
TOTALS	65,943	63,627
	change up 4%	

* Unit now accepts samples only in emergency situations

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES
LABORATORY DIVISION



TED SCHWINDEN, GOVERNOR

COGSWELL BUILDING

STATE OF MONTANA

(406) 449-2642

HELENA, MONTANA 59620

FY 83 Laboratory Services Program - source of "Other" funding.

Microbiology Laboratory Bureau:

\$63,000 Earmarked Revenue Account. Entirely from Drinking Water testing.
approximately 80% public supplies,
20% private.

\$15,500 EPA Funds. Strictly for laboratory certification, Drinking Water.

\$ 5,000 Recharge. MCH funds in support of rubella and syphilis testing.

Chemistry Laboratory Bureau:

\$167,500 EPA Funds. Approximately half and half Air and Water programs.

EFFECT OF PULL-OUT OF FAMILY PLANNING SCREENING ON WORK LOAD IN LABORATORY

Family planning programs were expected to generate approximately 7,000 gonorrhoea screens into the laboratory's venereal disease unit. This translates into approximately a \$3,000 actual savings in materials. The fixed costs involved in running gonorrhoca testing will not be affected unless all of the testing were to be dropped.

Because of the prevelance of the disease and the public health demands for its control, actual work load in gonorrhoea will not be significantly altered. Most of the positive cases that are at present picked up through the relatively inexpensive screening process will eventually pass through the laboratory as more expensive outbreak investigations. In 1979 the laboratory precipitated a similar reduction in gonorrhoea screens and discovered that within several months the positivity rate of test specimens had increased and more and more demand for referral testing was being placed on the laboratory from around the state. The problem is that the state has involved itself with diagnosis and control of this disease since 1918 and whether the work is performed through family planning clinics or other sources the work will remain unless a policy decision is made that this disease is no longer of public health interest in the state of Montana.

B

MODEL BUDGET REQUEST
MONTANA UNITED INDIAN ASSOCIATION
HEALTH CLINICS

1. DIRECT LABOR

Executive Director	20%	\$ 3,600.00
Clinic Health Director	100%	15,750.00
Registered Nurse	2080 X 7.69	15,995.20
Clinic Receptionist	2080 X 4.62	9,610.00

2. FRINGE

17.5%	<u>\$ 7,849.70</u>
-------	--------------------

DIRECT LABOR/FRINGE TOTAL \$52,805.00

3. MATERIALS AND SUPPLIES

A. Expendable Clinic Supplies	\$166.67 X 12 mo.	\$ 2,000.00
B. Office Supplies	\$100.00 X 12 mo.	<u>1,200.00</u>
		MATERIALS/SUPPLIES TOTAL
		\$ 3,200.00

4. CONSULTANTS/SUB CONTRACTORS

A. Physicians	\$50.00 hr. X 5 hr./wk X 52 wks.	\$13,000.00
B. Contracted Care Services		
1. Pharmacy	\$150.00 mo. X 12 mo.	1,800.00
2. Dental	\$150.00 mo. X 12 mo.	1,800.00
3. X-Ray/Lab	\$150.00 mo. X 12 mo.	<u>1,800.00</u>
		CONSULTANTS/SUB CONTRACTORS TOTAL
		\$18,400.00

5. EQUIPMENT/RENTAL

A. Rent of Office Space	\$150.00 mo. X 12 mo.	<u>\$ 1,800.00</u>
		EQUIPMENT/RENTAL TOTAL
		\$ 1,800.00

6. OTHER DIRECT COST

A. Xerox	\$100.00 mo. X 12 mo.	\$ 1,200.00
B. Telephone	\$175.00 mo. X 12 mo.	2,100.00
C. Training	Continuing Medical Education-R.N.	<u>495.00</u>
		OTHER DIRECT COST TOTAL
		\$ 3,795.00
		GRAND TOTAL
		<u>\$80,000.00</u>

NOTE: This budget represents a subsistence level - It excludes optical care and provides minimal contract physician's services.

Funding sought for urban Indian health clinics

By CHARLES S. JOHNSON

Tribune Capitol Bureau

HELENA — A legislative budget committee was asked Monday to take over financing of health clinics for urban, non-reservation Indians because the federal government suddenly is cutting off their money. The request came to a committee already facing numerous requests for the limited federal money the Legislature has to distribute for various health programs.

"It cannot be disputed that Americans are the neediest of urban Indians,"

can Indian people are the neediest of urban Indians,"

our last chance," pleaded Ed Kennedy, executive director of the Helena Indian Alliance. "It seems to us the safety net we have heard so much about in the last few months has a great hole in it."

Mike Welsh, director of the Montana United Indian Association, told committee members their decision might have "life and death ramifications" for some of the state's 16,000 urban Indians.

"You're somewhat our last resort,"

can Indian people are the neediest of urban Indians,"

Montana's poor," he said. Even though they live in the most affluent country in the world, Indians rank at the bottom of every social and economic indicator, Welsh said. These, he said, include: lowest per capita income, highest unemployment rate, lowest education level, shortest lives, worst health conditions, poorest housing, highest suicide rate and highest family poverty rate. "We're not asking you for a hand-out," Welsh said.

Rather, he said, Indians want a chance to keep operating these health programs, which were to be self-sufficient in the next few years.

The group wants \$345,000 for each of the next two years to pay for health clinics in Great Falls, Helena and Missoula and transportation and referral programs in Anaconda, Butte and Miles City.

As an alternative, the group would settle for \$285,000 a year to operate only the three clinics. Patients from outlying areas would have to provide their own transportation.

But the legislative committee chairman, Rep. Burt Hurwitz, R-White Sulphur Springs, pointed out the \$345,000 annual request is more than half of the total money granted to the state for all preventive health programs.

"We do not presume to tell this Legislature where these funds could be obtained," Welsh replied. Hurwitz asked Welsh if he was certain that the services provided by local health departments weren't adequate for Indians.

Welsh said he was "absolutely certain."

The two Indian officials said the clinics were established to serve urban, non-reservation and landless Indians who are no longer eligible for various tribal and federal programs.

The policy varies with different reservations, the Indian officials said. In addition, Indians often have trouble obtaining medical services from private physicians and other government programs, Kennedy said.

He cited an example where a private clinic refused to see a baby suffering from epilepsy because the child's parents weren't carrying a welfare card to ensure the bill would be paid. The parents had obtained a card but weren't carrying it at the time.

Because of similar experiences, many Indians won't seek regular health care except through the Indian clinics, Welsh said. Their refusal means they seek help only in extreme emergencies, which not only means higher medical bills but endangers their health.

The Rev. George Harper, a Methodist minister from Helena, urged support for the programs, saying white Montanans have a particular responsibility to help Indians.

Dr. John Dryman, state Health Department director, but speaking as a private physician, endorsed the Indian health clinics but didn't specify any particular funding level.

Ethnic and social barriers had caused some Indians to be rejected by private physicians in the past and made Indians reluctant to seek conventional health care.

The clinics, he said, "could serve as a stopgap measure until our attitudes toward each other change."

...
The Rev. George Harper, a Methodist minister from Helena, urged support for the programs, saying white Montanans have a particular responsibility to help Indians.

WITNESS STATEMENT

Name Bill Norman Date 11/11/81
Address _____ Support ? _____
Representing SENATE Oppose ? _____
Which Bill ? _____ Amend ? _____
Comments:

Please leave prepared statement with the committee secretary.

VISITORS' REGISTER

HOUSE

COMMITTEE

Date 11 Nov 81

SPONSOR

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOSE
Dr. Nease	Helena	OBPP		
John Anderson	"	Rep. H. & S. S.	X	
Lucile Roter	Big Sandy	State split.		
Yvonne Taylor	Helena	SDHES		
Charles Hall	Helena	SDHES		
Andy C. Atch	Helena	SDHES		
Bill Norman	MSla	Senate		
Howard Johnson	Helena	EJC		
Jack Kanduch	Anaconda	Dist. 89		
Clair Justice	Living	Rep. H. & S. S.		
Tom Paul	Hamilton	Rep. Harrison		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

ROLL CALL VOTE -----

COMMITTEE

JANUARY 11, 1987 STOOGIE PARK		Date: 1/11/87	Date: 1/11/87	Date: 1/11/87	Date: 1/11/87
		No: 80-250	No: 60,000	No: 60,000	No: 60,000
		PERUVIAN HERITAGE WATER RESOURCE			
Rep. Burt Hertzlitz, Chairman	No	1/11/87	—	—	—
Sen. Ed Smith, V.Chairman	No	—	—	—	—
Rep. Francis Bardancour	Yes	No	—	—	—
Rep. Andy Hemsted	Yes	No	—	—	—
Rep. Rex Manuel	No	No	—	—	—
Rep. Chris Stobie	No	No	—	—	—
Sen. Jan Johnson	Will	No	Yes	—	—
Sen. Tim Keating	No	Yes	—	—	—
Sen. Bill Thomas	Yes	No	—	—	—
Sen. Larry Stimatz	Yes	No	—	—	—
Sen. Fred VanValkenburg	Yes	No	—	—	—
			FAILED	FAILED	—

MINUTES OF THE MEETING OF THE HOUSE APPROPRIATION AND

SENATE FINANCE AND CLAIMS SUBCOMMITTEE II

November 11, 1981

Room 104, State Capitol Building

The meeting was called to order at 1:25 p.m., Chairman Burt Hurwitz presiding. All members of the committee were present.

Hard Rock Mining Board:

Norman Rostocki said this item is not in the book--the Department's presentation was received yesterday. He said he had made up a sheet that compares with the Coal Board, Exhibit #1, attached. For background on the Board, the Hard Rock Mining Board was created by HB 718. The bill established a program to reduce the effect of large-scale mining on local communities with companies pre-paying property taxes before they start mining to deal with impacts in communities before it gets ahead of them. The House bill says expenses for the board are to be paid from the metal mines tax. The metal mines tax goes directly to the general fund. Therefore, the board is asking for general fund monies. On Exhibit 1: this is not the request of the Board for 1982. Their request is on the department's handout and includes 6 months for 1982. Norman said he annualized it for comparison.

Gary Buchanan, Department of Commerce, said Commerce will be represented by himself, Nancy Leifer, and the Chairman of the Board. Chairman Koehler Stout said that HB 718 calls for formation of a board and they has several questions to answer. Are we quasi-judicial? Do we publish guidelines for the community? The budget was prepared by Gary with Coal Board guidelines. The Board approved the budget as presented by the Dept. of Commerce. Mr. Stout turned things back to Buchanan.

Buchanan said this is a new board; we are being asked to implement a new bill and none of us have had any experience with it; the Board must adopt a whole set of rules and procedures; the Board and Dept. staff have been asked to participate in the EQC interim study with our acting staff asked to help with technical assistance for developing an impact plan. We visited the Stillwater complex and Buchanan felt it had great potential for Montana. McLeod, Montana, will be heavily impacted with 350-400 miners living there.

Buchanan said he felt the Department has two choices in how to implement the board and its activities: a totally passive role or development of a more active role. He thought the board would be active, but they need adequate funding. Under HB 718 all mines must have an approved impact plan before mining begins. Buchanan said he did not agree with the bill's provision on staffing. The bill says the Board shall hire its own staff; Buchanan's hope was that the Department and the Board can work together to staff. The proposed budget would allow us to leave the hardrock staffing people in with the impact section. The Board itself would still be involved in making staff decisions along with the Department. Buchanan thought the Legislature might want to pick up a few loose ends from the last session and recognize the importance of getting going on the Board. He said they have had to go on the idea that the

funding would be from the general fund, but that he would not argue that revenue sources could come from other areas. A consistent source of funding is needed for steady program operation.

Others testifying in favor of the Department of Commerce receiving funds to staff the Hard Rock Mining Board were: Jay Fabrega, District 44; Bob Marks, District 80; and Dean Switzer, District 54. Rep. Switzer said there had been some feeling that Mr. Buchanan could have staffed the Board with the personnel he now has, but he also felt that every legislator expected the bill to be funded when they voted for or against it. Debbie Schmidt, Acting Director of the Environmental Quality Council, also testified to support funding, but was not prepared to address specific dollar amounts. Dorothy Eck, Senate District #39, speaking as a member of the Senate Taxation Committee, supported action needed to get this started, but said that it was the intent of the sponsors and the committee that the board be funded from industry funds, not general funds. She felt it would look bad for the session to turn over to industry \$169,000 plus when programs have been cut affecting the needy. She felt industry has indicated they are willing to pay their way.

Questions from the Committee:

STOBIE: Could you tell me what dollar contribution to the general fund has been by the mining industry?

ROSTOCKI: Metal mines tax in 1981 brought in \$1,564,569.

BARDANOUVE: Are you requesting that this be an amendment to HB 500 from the regular session?

MARKS: It should be handled in the same manner you have been handling some of the other considerations.

BARDANOUVE: Everything we have so far is in HB 500. This will be an addition to 500.

BUCHANAN: The reason it wasn't presented as part of my budget is that it will be an amendment to HB 500.

BARDANOUVE: What's the composition of the Board?

CAROL FERGUSON: Five members. One from industry, one elected county commissioner, one school trustee, one major financial institution, and one member of the legislature. Three must come from the area and no more than 3 from any congressional district.

BARDANOUVE: Is platinum assessed under metal mines? Will we recover more than we spend?

BUCHANAN: I can't make a specific prediction, but it seems to me that with development of the Stillwater complex a substantial amount could be picked up.

BARDANOUVE: How would it have been financed if it had not been from the general fund?

KEATING: The industry people who wanted to continue uranium operations in the state stated in HB 662 they would be willing to pay license fees for any expenses for board personnel. I asked mining people the same thing; they said the same thing--that they would pay for the fee for application, etc. There are methods of obtaining financing from industry prior to operation.

BARDANOUVE: Is it possible to make an advance of general fund money and to be reimbursed later?

BUCHANAN: I would like to see that explored. I would be very receptive to looking at other sources. I don't know how we're going to pay--I can just give you a good estimate of the cost.

VAN VALKENBURG: Do you have statutory authority to collect a fee?

BUCHANAN: No.

BARDANOUVE: Is there an apparatus in place now?

MARKS: I don't like to give up general fund money either, but it is important to get the board in operation. I think industry testimony showed they were very interested in having such a mechanism work, and I think they would support it. Possibly an additional levy could be put on them to take up the slack.

BARDANOUVE: I feel we should fund the board, but I would like to recover anything I might be able to later.

THOMAS: Aren't you going to expand the call of the session?

BUCHANAN: Our position (Governor's) wasn't to put this on call. I thought we could talk about it as an unfinished piece of business from last session as it related to HB 500. It wouldn't be right for me to take funding from other sources to build an operation based on this house bill. In order to move ahead, it will require an appropriation.

THOMAS: But when the legislature goes home, everything is sine die. You are definitely broadening the scope of the call.

SMITH: Unless I know there are going to be impact problems, I don't know how necessary it is for a Board.

GREG PETESCH to THOMAS: So long as this is funded by an amendment to HB 500, it is within the call of the session. The law states that the monies be paid from the metal mines tax. You have no options now. I consulted with the Governor's Office. They are taking the position that so long as it is only an amendment to HB 500, it is valid.

THOMAS: Your definition of what the call would be would mean that anyone could come in and ask for general fund money.

MARKS: The Governor's Office wanted to open HB 500. It is a kind of wide-open game.

NORMAN: Refer to page 4 of LFA book, Table 1, regarding revenue estimates that had been requested. He wanted it noted that the difference between 1980 and 1981 levels was because of the 5-month strike at Anaconda.

BARDANOUVE: With regard to local impact, it isn't merely impact of the population moving in, it is concern that we have to have the Board in place to set guidelines before any people come in?

BUCHANAN: Our interpretation of the bill is that the Board would have to assess economic impact before it came in. The situation is a perfect Catch 22. There is an obligation to implement; I don't have the money--if I use other money the auditor will be all over me in a year. I am open to suggestions about implementation.

HURWITZ: Is it possible to go to the mining industry at this time?

BUCHANAN: I don't know how to proceed there. I think it would take legislative action to do that.

BARDANOUVE: I don't think we have a choice. This bill says this money comes from the metal mines fund. I make a motion we amend HB 500 to provide general fund money to operate a hard-rock mining board.

THOMAS: I feel uncomfortable not knowing what the industry will have to say. I think there are more implications than are on the table now.

SMITH: I will have to resist Rep. Bardanouve's motion until I get some idea of the kind of figure they are going to put in the call.

KEATING: Would you be willing to give them 6 months financing of \$56,000 up front? If they can get started, within 6 months they will have the money.

BUCHANAN: I don't like asking for this kind of money, but to put me in a position of going to industry and asking them to implement my program is not good.

STOUT: As I interpret this, the administrative and operating expenses of the board shall be paid from revenue derived from the license tax under metal mines. The grants are to be given to a community, not to operate the board.

KEATING: Under the list of general powers, it says hire staff.

STOUT: When you only have 6 months funding, it is difficult to entice people to come to work for that length of time.

Senator Eck thought it would be unconscionable for a board like this to go to industry. The grants we have talked about are grants that industry makes through the board to go to local governments. She thought if you can't do other than fund from general fund, she would say go ahead and do it.

BUCHANAN: The function of the Board: a mine cannot go ahead without a permit; the permit isn't granted without a plan; the Board has to approve the plan.

SMITH: How about the 5 FTE staff and travel allowance of \$18,000 per year? Will that staff be sitting there doing nothing if only a few mines intend starting?

BUCHANAN: My proposal calls for 2 1/2 FTE. We feel the amount of staff work we'll do is highly technical, the work is substantial, and the bill has enough in it that we thought we would need that much staff.

HURWITZ: On all these boards in your department, 36 in all, all are funded by industry, aren't they?

BUCHANAN: All are financed by license fees, mostly earmarked or generated by a license fee of some sort. I would like to fill a current vacancy on the Coal Board and use half that person. The Coal Board would have to concur.

BARDANOUVE: I move that we amend HB 500 to include money for the Hard Rock Mining Board. The motion passed on a 6-5 vote.

WARD SHANAHAN, PGM Resources registered lobbyist, said he had received a list from the Governor's office on September 25, 1981, showing projects now operating and financed under Resources Indemnity Trust Act. The bill first states that industry should pay this. Sponsors of this bill originally put Resources Indemnity Trust Tax into this bill. According to the Governor's report from his Budget Analyst, under Item 4, there is a \$500,000 matching grant from the National MHD program due to fall back into the Resource Indemnity Trust Fund. Mr. Shanahan's opinion was that, with the collapse of the Department of Energy, this money might be available. He said industry pays the money for this very purpose.

KEATING: If the call were open, we could introduce an amendment to the bill. The bill specifically says we will use metal mines tax money.

Shanahan said he was just stating there is an additional source of funding and that the money will be available for re-appropriation at the end of this year.

Rep. Stobie said he didn't feel comfortable in appropriating the kind of money the Dept. of Commerce is asking for. His motion was that the LFA, in conjunction with the budget staff, recompute this on the basis of one administrative officer and .5 FTE, and the operating expenses be shaved.

Buchanan introduced Nancy Leifer, Bureau Chief in charge of the Impact Analysis Unit. She said the position of the Board is one of a mediator. If the Board doesn't have enough resources in this year to outline what it expects from industries and communities. . The Board has no responsibilities in areas that State Lands takes care of--only serve as facilitators and mediators between industry and the community. Part of the money is to take care of up-front rule-making questions. The Board needs its own administrative officer program manager. We have an administrative assistant who works with the Coal Board who is knowledgeable. We propose to share this person with the two boards. In terms of technical assistance, we have had requests from the Stillwater area for help. This person would be shared with the Coal Board staff, then we could get a clerical person to pick up on the typing, etc. Under operating costs, the major item is anticipating 10-12 board meetings a year. Legally we are responsible for reviewing industry impact plans.

Rep. Stobie said he would still like his motion to stand.

KEATING: How long would it take to begin hearing applications and for rule-making authorities?

LEIFER: My estimate would be that six months would be needed to sort pieces out and get the rules in place; one application is in to be looked at already.

SMITH: Suppose there are no activities, or very little, would that mean that the Board will still be traveling and spending money?

LEIFER: Once the rules are in place, they will be able to take action.

BARDANOUVE: My motion is that we approve the budget of the Department of Commerce, with Rep. Stobie's motion incorporated. I want the Department to be very careful in spending the funds. So, the motion would be this amount of money, less the deletion.

JanDee said if the committee's vote was going to be on the numbers from the LFA's standpoint, she would say it isn't fair. She thought they should go out and come back with a figure.

There was a short recess while Norman Rostocki, Nancy Leifer, Gary Buchanan, Koehler Stout, and Carol Ferguson met on discussing terms for Rep. Stobie's motion.

The hearing was resumed with Primary Health Care Block Grant hand-out distributed, Exhibit #2 attached. JanDee said this was left out of the book by accident. The block grant is aimed at providing aid to underserved areas and could be considered for administration by the state in 1983 FY. In 1981 the money went directly to the cities. There is a 25% reduction for FY's 1982 and 1983, with the state having the option for administering or not. If they decline, the Government will make the money available. However, the government would make 2.5 million dollars available for planning these funds. JanDee didn't think the Governor had made any plans to even apply for the 2.5 million to administer. A specific agency isn't mentioned for administering the plans. The Governor hasn't indicated, if the state applies, which department would administer. Whatever is applied for and granted establishes what is available for 1983. If no funds are applied for there would be no money available; the money can't be transferred anywhere else. A 20% state match is required and it wasn't known whether it was a soft match or local match.

Rep. Bardanouve made a motion that no action be taken on this grant. The motion passed unanimously after some further discussion.

Chairman Hurwitz brought up the \$5 million contingency fund matter. He said SRS had decided to do nothing with it, and it was sent back to us. What SRS said was that if it appeared there would be a terrible need for the money, a special session could be called. We should be addressing the Department of Revenue. The question was called on the motion that the committee concur with the other committee's recommendation on the contingency fund. The motion was voted and passed.

The committee then considered the Hard Rock Mining Board funding question for which a recess had been called earlier.

Norman Rostocki said the Department is willing to go for a biennial appropriation of \$125,000. They want authority for 2 FTEs and if they need the money in other areas they won't fill the FTE. A bottom line then is a \$125,000 biennial appropriation, FTE authorization, and the authority. We didn't talk about specific FTE's. That way they would have more flexibility to move within operating expenses and people. If they don't need the clerk, they have the option of hiring someone else.

Rep. Bardanouve's motion was to set the figures arrived at by the LFA office of \$125,000 and 2 FTEs over the biennium.

The motion passed by unanimous voice vote.

Buchanan wondered if the Legislature itself couldn't address the source of revenue for the Board by expanding the call of the session to reconsider HB 718.

SMITH: I am not mistrusting your Department, but if there isn't much activity in that Department I think it would be much easier for you next session. I think it should be impressed that this be operated in a very prudent manner.

Mr. Buchanan said he agreed with that, that he would be glad to keep watch on that, and would not abuse the flexibility the committee has given his Department.

The Chairman asked JanDee to present some small matters left from the Health Department.

She said there were four housekeeping issues. The first was on p. 233 of the LFA book. When the Health Department hearing was concluded, there was one issue unresolved. That we would go back and revise the excess authority figure, that \$219,937 would replace the \$518,942.

Sen. Van Valkenburg moved that \$219,937 excess federal authority be removed from the OMS budget in FY 1983.

The motion passed unanimously.

Merit System Council:

JanDee said Committee III made their determination as to what would happen with the Merit System Council function and their determination was to decentralize it, with an actual budget level established. Because their budget rests with this committee, you can actually firm up the numbers which were line-itemed the other day. JanDee said part of the merit system's budget was line-itemed for systems development. That line item should be removed from HB 500.

BARDANOUVE: Will there be reversion of general fund money?

JanDee: There will be reversion back to the agencies using the service.

KEATING: These monies will revert to those other agencies, but their expenditure of general fund money was not line-itemed.

WEISS: It is my understanding that there is about \$23,000 to \$27,000 for the Merit System within the Department. Labor and Industry will be picking up this function.

JANDEE: If the Health Department is now going to contract with Labor and Industry, we will pursue it and find it out. The Health Dept. was given general fund to pay for this service. Now, that it is disbanded, maybe there would be money that would go back to the general fund. I will check that out.

KEATING: Line item 6 in HB 500 identifying \$25,000 and \$27,000 for systems development would be removed. In its place would be a line item for entire merit system's budget of \$111,430 in 1982 and \$3,042 in 1983.

The motion passed unanimously.

Old West Regional:

The funds are no longer coming into the state. The Committee voted to rescind in FY 1983 the original figure of \$106,193. This motion would reduce another \$6,193 from the Old West Regional Commission which was the equivalent pay plan funds. The motion passed unanimously.

Highway Department, HB 500, p. 20, line item 2, Low-Band Radio Equipment.

The Highway Department feels this language ties them just to low-band radio equipment purchases. Line Item 2 should be for the purchase of low-band in an emergency situation and high band equipment in designated high-band areas.

Rep. Bardanouve moved that HB 500 be amended as JanDee stated. The motion: That funds line-itemed for low-band radio equipment may be used to purchase low-band equipment only in emergency situations and also may be used to purchase high-band radio equipment for pilot project areas.

The motion passed unanimously.

The meeting was adjourned at 3:45 p.m.

Betty Dean
Betty Dean, Secretary

Burt Hurwitz
Rep. Burt Hurwitz, Chairman *by Betty Dean*

VISITORS' REGISTER

HOUSE Senate Joint Appr. COMMITTEE II

BILL _____
SPONSOR _____

Date 11/11/81

1:30 p.m.

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOSE
Jay Fabrega	Great Falls	House Dist #44		
Jerrey Duglin	Terry	Rep Dist #52		
Gary Buchanan	Helena	Rep. of Commerce		
Nancy Leifer	Hebgen	Dept. of Commerce		
Kochler, Mary	Butte	Head Rock Impact Bd		
John Cappi	Helena	EQC		
Carolyn Naering		OBAD		
Robert C. Wold	Hamilton	Rep. of Commerce		
Dorothy Eick	Bozeman	Senate Dist 39		
Dean Soper	Rickey	EQC		
Chub Stark	Helena	DHES		
Carolyn Ferguson	Clancy	DOC		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

ROLL CALL

FOR SENATE FINANCE AND CLAIMS
AND HOUSE APPROPRIATIONS SUBCOMMITTEES

COMMITTEE NO. II

Date Nov. 11, 1981

NAME	PRESENT	ABSENT	EXCUSED
Rep. Burt Hurwitz, Chairman	✓		
Rep. Francis Bardanouve	✓		
Rep. Andy Hemstad	✓		
Rep. Rex Manuel	✓		
Rep. Chris Stobie	✓		

Sen. Ed Smith, Vice Chmn.	✓		
Sen. Jan Johnson <i>Walf</i>	✓		
Sen. Tom Keating	✓		
Sen. Bill Thomas	✓		
Sen. Larry Stimatzy	✓		
Sen. red Van Valkenburg	✓		

Amendment to HB500 - to be included in the Department of Commerce.

Proposed budget for the Hard Rock Mining Impact Board as provided in HB718. Approved by the Board on November 6, 1981.

STAFF: 2.5 FTE's

1.0 Administrative Officer/Program Manager
 .5 Administrative Assistant
 .5 Technical Assistance
 .5 Clerical

	<u>6 Months</u> <u>FY 81-82</u>	<u>12 Months</u> <u>FY 82-83</u>
Salary and Benefits	\$ 28,885	\$ 64,327
OPERATING COSTS:		
Contracted Services	6,400	9,600
Board Compensation	2,500	4,500
Supplies and Materials	1,926	2,900
Communications	2,900	6,200
Travel (Board and Staff)	9,500	18,000
Equipment	1,100	200
Rent and Utilities	566	1,136
Other (Centralized Services)	<u>2,889</u>	<u>6,430</u>
TOTAL OPERATING COSTS:	\$ 27,781	\$ 48,966
TOTALS:	<u>\$ 56,666</u>	<u>\$113,293</u>

FUNDING:

General Fund	<u>\$ 56,666</u>	<u>\$113,293</u>
--------------	------------------	------------------

PRIMARY CARE BLOCK GRANT

The basic aim of the primary care block grant is to assist in providing services to medically underserved areas through primary care centers.

Funding for this block grant will not become available until federal fiscal 1983. The following table illustrates Montana's receipt of primary care funds in 1981, the anticipated categorical level in 1982 and the anticipated block grant level in 1983.

Table 1
Allocation of Primary Care Funds

	---Categorical---		Block Grant
	<u>FFY '81</u>	<u>FFY '82</u>	<u>FFY '83</u>
Primary Care Funds	\$193,222	\$144,916	\$144,916*
Percent Reduction		(25%)	

*This amount would drop to \$108,687 or 75 percent of the award for state fiscal 1983.

Funding drops 25 percent in 1982 from the 1981 level and is maintained through 1983.

The state has the option of administering the primary care block grant in federal fiscal 1983. If the state chooses not to, the federal government will continue to administer it. The federal government has made available \$2.5 million on a national basis in 1982 to conduct planning for the administration of the grant. There has been no indication from the governor if the state intends to apply for these planning funds or whether the state will assume the administration of this block grant in 1983.

Department of Health - Primary Care Block Grant - 2

Block grant guidelines do not specify which state agency would administer the primary care block grant. The governor has not indicated which state department he would delegate to administer the grant should Montana accept it.

During 1981, two community health centers received primary care funding: the Bighorn health corporation at Hardin and a center at Miles City. Because 1982 funding is limited to 1981 recipients, only these two centers are eligible for funding under the 1982 categorical grant. Should the state take over the grant in 1983, funds could still be received even if the two centers closed down.

The following provisions are unique to this block grant:

Funding

The fiscal 1983 distribution of funds to the states will be based proportionately on funds received in fiscal 1982 for community health centers. At this time it is not known if Montana's two centers have requested funds for 1982 or at what level. Table 1 reflects the maximum level of available 1982 funds at \$144,916. Should these two centers receive less than the available amount, the available block grant funds would decrease by the same amount.

The federal government can make direct grants from the state's allocation to Indian tribes or tribal organizations. No tribes received funding in 1981 and are therefore not eligible in 1982. Tribes should not be eligible for block grant funds in 1983.

Transferability

Funds from the primary care block grant may not be transferred to other block grants.

Department of Health - Primary Care Block Grant - 3

Matching

In fiscal 1983, a 20 percent state match is required. In fiscal 1984, a 33 percent state match is required.

Distribution

No federal funds may be used for state administration costs. In fiscal 1983, funding of existing centers must be proportionate to funding received through the federal program in fiscal 1981.

ROLL CALL VOTE

JOINT COMMITTEE No. II

Date 11/11/81 Hearing on: Dept. of Commerce Time 2:35 p.m.

NAME	YES	NO
Sen. Ed Smith, Vice Chairman		✓
Rep. Francis Bardanouye	✓	
Rep. Andy Hemstad	✓	
Rep. Rex Manuel	✓	
Rep. Chris Stobie	✓	
Sen. Jan Johnson <u>Wolfe</u>		✓
Sen. Tom Keating		✓
Sen. Bill Thomas		✓
Sen. Larry Stimatzy	✓	
Sen. Fred VanValkenburg	✓	
Rep. Burt Hurwitz, Chairman		✓

6 - 5

Leona Williams

Betty Dean

Secretary

Burt Hurwitz

Chairman

Motion: from Rep. Bardanouye. To amend NB 500 to include money for the Hard Rock Mining Board. Motion carried.

(include enough information on motion--put with yellow copy of committee report.)

ROLL CALL VOTE

JOINT COMMITTEE No. II

Date Nov 11, 1981 Hearing on: _____ Time 2:55 p.m.

NAME	YES	NO
Sen. Ed Smith, Vice Chairman	✓	✓
Rep. Francis Bardanouve		✓
Rep. Andy Hemstad	✓	
Rep. Rex Manuel		✓
Rep. Chris Stobie	✓	
Sen. Jan Johnson wife	✓	
Sen. Tom Keating		✓
Sen. Bill Thomas		<i>absent</i>
Sen. Larry Stimatzy	✓	
Sen. Fred VanValkenburg		✓
Rep. Burt Hurwitz, Chairman	✓	

6 - 4

Leona Williams
Betty Dean,
SecretaryBurt Hurwitz
Chairman

Motion: Rep. Stobie's motion for LFA Rostocki
and Gary Buchanan to work out a dollar
figure reduction for DC's proposed budget.
(Hard Rock Board opn.)

(include enough information on motion--put with yellow copy of committee report.)