

MINUTES OF THE APPROPRIATIONS COMMITTEE
HOUSE OF REPRESENTATIVES
State Capitol, Room 225

March 16, 1977

The Chairman called the meeting to order at 3:30 p.m. Roll call was taken and a quorum was present; see attachment. Also present were Bill Gosnell, Fiscal Analyst and Senator Pat Regan.

House Bill 140: Amending sections and raising the amount of silicosis benefits from \$175 to \$250 a month. Representative J.D. Lynch, District #87, sponsor, explained that this is the only program that is not covered by worker's compensation or anything else. It would, therefore, require a general fund appropriation each year and raises would have to be granted through legislative process. Recipients now receive \$175 per month and for most of them this is their only income. Widows receive one-half of the benefit. There are 277 people with this illness left. The fiscal note indicates \$524,925 fiscal impact for the biennium. He asked the committee to give them some kind of a raise if they are not able to appropriate the full \$75 raise. Whatever is given, the widows would get half of that. There is a bill, Rep. Lynch stated, that is trying to get the widows the full amount and this bill has passed the Senate.

Proponents:

Ernie Post, Montana State AFL-CIO, said that in 1941-1942 Montana assumed responsibility to pay the silicotics this benefit. The last increased they received was in 1973-1974; the increase in 1975 was denied. He further reported that 70% of those receiving benefits are over 70 years of age; 97% are over 60; 5% are 60 years or younger; and there are none under the age of 50. There are two that are over 90 years; 15 people are between 85 and 89 years; 51 are between 80 and 84 years; 51 are 75-79 years and 70 are between 70 and 74 years of age. It is evident by these statistics, Mr. Post said, that we are talking about the older group of individuals who depend on this benefit to live. See the attachment for further statistics. He recommended that H.B. 140 DO PASS.

Jim Murry, Executive Director of the AFL-CIO, was also present and indicated his support. He would be willing to answer any questions from the committee.

Opponents: None

Questions:

Rep. Gunderson said that the fiscal note shows 285 people, which seems like more than we had last time. Rep. Lynch explained that the last figures he had indicated 277 as opposed to 271 in 1974-1976. People can be added to the program if they qualify by contracting the disease before worker's compensation came into being. They can still make applications for the benefit; but there will not be an upsurge in the number of recipients although there could be 10 or 15 more beneficiaries. Jim Murry added that they had come up with 285 because there were about 50 applicants last year, of which 33% qualified.

Chairman Bardanouve asked what the total cost of this program is without the increase. Mr. Murry responded that the budget for this program is \$601,914, not including the widows; their portion last year was approximately \$271,688. The total cost for the entire program was approximately \$1.7 million.

Rep. Kvaalen asked if they get Social Security; Mr. Murry replied that some may but not all of them do.

In response to a question from Chairman Bardanouve, Mr. Murry said that a person must be a resident of Montana for at least ten years to receive benefits under this program. They could possibly have contracted silicosis in some other area. The only criterion to be eligible is that the individual is totally disabled because of silicosis and have resided in Montana for ten years. Rep. Kvaalen asked if this is progressive, to which Mr. Murry replied no, not if you are removed from the environment that caused the illness.

The question again was raised about Social Security and Mr. Murry said they are not covered because of the strictness of the requirements for that kind of coverage. Chairman Bardanouve said that maybe our criteria should be more strict on some of the cases that go back so far. Rep. Lynch indicated that he felt the criteria is adequate and said that several people who thought they were eligible were not deemed so.

There was then a discussion by the committee as to why silicotics working in the 1930's do not qualify for worker's compensation. The Chairman also asked if people who worked for Anaconda in the 1940's would not have Social Security benefits and benefits from Anaconda. Rep. Lynch responded they would not necessarily but some of these people are exceptions.

There being no further discussion or questions, the hearing was then closed on H.B. 140.

House Bill 826: Appropriating funds for acquisition. . . of the Charles Russell paintings. Representative P. Mike Meloy of District #29, sponsor, explained that this bill appropriates \$320,000 to the Montana Historical Society for acquisition of the C.M. Russell painting "When the Land Belonged to God." Money would come out of earmarked revenue fund, part of the coal tax money reserved for historical sites and areas. The bill is conditioned upon a match from the Historical Society of \$150,000 for purchasing this painting.

The history of this painting was given. The Montana Club commissioned C.M. Russell to paint this in 1914; it is his third largest painting and considered by many critics as the best of the Russell works. The Montana Club has loaned the painting to the Historical Society where it presently hangs. The reason for the bill is that the Montana Club, because of substantial additions needed, is going to sell the painting. It would be unfortunate to let this painting leave Montana; we have a heritage which would be fulfilled by keeping this painting within the state. Rep. Meloy further stated that this bill should be passed because Montana has no better opportunity to acquire the painting

at this cost; we will never get a more reasonable price, he said. Senator Regan was the prime mover with the Montana Club to determine ways we would be able to afford this purchase. Two outstanding Russell critics were present at this hearing to speak on the painting. It is insured for \$500,000; the total purchase price to us would be \$450,000 and the Historical Society would raise money from private donations and through the sale of bronzes and belt buckles.

B. F. Morgan of Helena is not an art expert but was present as a fifth generation Montanan. This painting is one of the finest of Russell's. This is what Montana was at one time and our children and grandchildren won't know what it looked like if we lose this painting. He does not want to see it leave the state. Mr. Morgan further spoke of the collection of Russell paintings acquired in the past for \$50,000; no painting in that collection today is not worth at least three times that amount.

F. G. Renner of Paradise Valley, Arizona, is a Russell expert and a native of Montana. He was raised in Great Falls and became interested in Russell 70 years ago. We have a collection of his work and have been trying to make a complete record of everything Russell did. He said there are two things he would like to see: 1) He strongly supports Mr. Morgan's statement about the quality of this painting. There are no others to compare with it. "No more like it will come on the market because there are no more like it." 2) He indicated he keeps in touch with Russell collectors; about one-third of his works are still in private hands. Many of these people have connections in Montana; many would like to see their paintings go back to Montana but have reservations because they feel the state has not shown much interest in Russell. If this painting goes out of the state, there are many others who won't be returned here. If we purchase this, others will follow and come back to the state.

Proponents:

Senator Pat Regan, District #11, said that many of the committee members she was sure have thought we should buy this painting, and have enjoyed the mural in the House. We have an opportunity to add to the state with the acquisition of this painting. She was in the Senate and realized this painting was going to be sold so she contacted some of the members of the Montana Club and found that the price had not yet been set and asked if they would defer the sale until the next session of the legislature. It was this initial contact that caused us to enter into negotiations. A tentative agreement has been drawn up; the selling price is \$450,000. We will, if this goes through, be reproducing the painting at reduced size (250 commemorative paintings will be sold, which will be numbered with a certificate). The Montana Club will buy 50 of these at cost and they will also be allowed to reproduce then on oil and canvas two inches smaller. They will pay for this so a reproduction can hang in the Club. She thinks it is fair that we buy this and do so by using some of the natural resource money that would otherwise leave our state forever.

Ken Korte, Director of the Montana Historical Society, stood as a proponent. He said he could not add to what had been said but would be available to answer any questions regarding the purchase.

Ward Shanhan, Board of Governors of the Montana Club, appeared as a proponent.

Fletcher Newby, Director of the Fish & Game Department rose in support of the bill but opposed the source of revenue for the purchase. His prepared statement is attached.

Chairman Bardanoue then turned the Chair over to Rep. Gerke and spoke as a proponent of this bill. We will find this money without taxing the general fund and without taxing the program of the Fish & Game Department; he stated. He had consulted with the Governor's Budget Office on this and discussed this purchase with Senator Regan. The copyright will be ours, and he feels this is important because we will have the painting for many years to come. He said he had a call from a lady today who wanted to know how she could make a donation to the Historical Society for this purchase. He has been an admirer of Russell since he was a child, Rep. Bardanoue stated. He saw his first Russell collection in a bar in Montana and that collection has since left the state; this was a loss to Montana. This painting is one of the last major works of Russell that we will have a chance to buy. He urged the approval of this bill.

Opponents: None

Questions:

Rep. Lynch asked Senator Regan if this is her plan that the picture be hung in the Senate. Senator Regan responded yes, they bought one for the House (the large mural) with the consent of the Senate required for that purchase.

In response to another question from Rep. Lynch, Senator Regan said the money from the reproductions will go into the general fund. She felt certain that a nice profit would be realized and this would also provide good pictures for those who wish to acquire them. \$20,000 is being provided for restoration of the painting; some restoration work is needed on the large buffalo. It won't take the full \$20,000, but it is important to have enough money for this purpose, she said.

In closing Rep. Meloy thanked Mr. Renner for appearing and spending the time with the committee. He said that Senator Regan has come up with a very favorable arrangement.

The hearing was then closed on H.B. 826.

House Bill 808: Act making the election campaign fund permanent. Speaker John Driscoll, District #91, sponsored this bill and said this is an attempt to make the gubernatorial campaign fund permanent. Rep. Driscoll commented that the fund could be changed to a public fund to include other political races, and money would be available to handle more than the gubernatorial campaign fund. It has a fiscal impact because of the check-off on tax returns designating funds for this purpose.

Proponents:

Mr. Bruce Nelson of the Office of the Governor said that Office asked Speaker Driscoll to sponsor the bill and they support the bill and the amendment. The committee should give strong consideration to the remarks by the Speaker about extending the campaign fund to other races; the next legislature should have that option. If this bill is killed and we don't collect the money for the next two years, the next legislature won't have the option to extend it. On behalf of the Governor, he strongly urged a DO PASS recommendation.

Mike Pichette, Montana Democratic Party Executive Secretary, appeared as a representative of the Democratic State Treasurer and submitted a copy of a report required by law which shows every disbursement from that fund and an analysis by category of where the funds were spent. See the attachment.

Natalie Cannon representing Common Cause said they support this bill and feel many Montanan's do also. They feel Montana is on the right track in keeping influence of campaign money more widely disbursed through the hands of many people. She urged the support of H.B. 808.

Margaret S. Davis, representing the League of Women Voters, testified in support with the attached testimony.

Ernie Post, Montana AFL-CIO, spoke in support saying they look forward to the day when we will not be allowed to give money to campaigns. At that time, we would look forward to doing our job of seeing that people are registered and get out to vote. Under this proposal, everyone gets at least some money to start a campaign.

Evan Barrett for Howdy Murfitt, Montana's for Judge-Schwinden, supports this bill. It puts candidates in a position where they do not have to beg for money at the beginning of a campaign. Speaking to the Woodahl/Rosell campaign, he said their campaign would not have been viable without public funding. Half of the money they used came from public funds.

Opponents: None

Questions: None

The hearing was then closed on H.B. 808. (Visitors' list attached)

House Bill 827: Appropriating funds to the Department of Community Affairs for defense services. Representative Earl C. Lory of District #99, sponsor, explained that he had introduced H.B. 777 which was heard in the Judiciary Committee along with H.B. 813 which appropriated \$1.4 million to fund H.B. 777. The Judiciary Committee felt the state was not ready for this program, but Rep. Lory felt the idea had merit so asked that H.B. 813 be killed and he introduced this bill which allows 1) to have a coordinator provided to assist local governments in providing defense services to the indigent and 2) to apply for federal grants to study the public defender system.

Proponents:

Fred Van Valkenburg, Public Defender in Missoula, said he drafted this bill and asked that it be submitted as compromise to the defeat of House Bills 777 and 813. Essentially the idea which this bill would fund is that the Department of Community Affairs would receive funds to provide a central clearing house for the problems incurred by the local governments in providing defense services as required by law to indigents. In the more populated counties, there is a public defender system from which one or two law firms provide the services. In the smaller areas the service is rotated among attorneys in the area. Mr. VanValkenburg commented on a report available concerning this service and he further mentioned that one of the biggest drawbacks in Montana in this area is there is insufficient delivery when it comes to appellate work. There is approximately \$400,000 at regional LEAA which could provide defense services so he requested \$40,000 in this bill as matching money to obtain that \$400,000 which requires a 90/10 match. This will in effect hold the cost of the defense services in Montana at a steady level for the next two years. Some recent court decisions in the Montana Supreme Court indicate that the costs of defense services are rising. If the money can be found somewhere for this bill, we can in effect use federal funds to cover defense costs in the next two years. The Supreme Court supports that these costs are a serious problem. It is better for the state if the legislature solves this problem than if the court tries to solve it on its own, he said.

Why should this be directed to the Department of Community Affairs? He indicated the \$35,000 would be used to employ one person to be paid approximately \$12,000 - \$15,000 annually and to be paid necessary expenses. This person needs to gather and start record keeping with respect to costs of defense and how it is provided in our 56 counties. Also it would provide clearing house of information. That person could also be a person trained in "grantsmanship." He urged the support of H.B. 827.

Virginia Griffing, Staff Counsel at the Board of Crime Control, said they look at where priorities are in law enforcement in Montana in order to spend money as fairly as possible. It is clear that there is no need as desperate as the need for quality defense. Arrangements for this service vary drastically from county to county. Also available is \$100,000 to \$500,000 in federal money in addition to that mentioned earlier. If you see to allocate the matching money, we will do all we can to institute such a program, she concluded.

Opponents: None

Questions:

Rep. Gunderson said he read that Cascade County is thinking about contracting for this. Rep. Lory responded that the money appropriated in this bill would not provide direct defense services. It would attempt to determine how many people in Montana are receiving defense service, what the cost is at the level of each county and to do a statistical job.

Rep. Aageson said that the \$35,000 needed for administration seems to be a duplication of something the Crime Control Board has a handle on. Ms. Griffing responded they have just a little information; they know almost nothing about defense services in smaller counties. All they really know, she said, is about the depth of the problem.

Rep. Kvaalen said that the \$35,000 is basically for a study and asked if an interim committee on judiciary do that. Ms. Griffing replied that that is only one area and an interim committee could not provide training, etc.

In closing, Rep. Lory said if we don't receive the grant that the \$40,000 would match, the money goes back to the general fund.

The hearing was then closed on H.B. 827. Visitors' list attached.

House Bill 714: Establish lower income mortgage finance insurance fund. Representative Steve Waldron of District #97, sponsor, said this creates a new program in Montana Board of Housing to set up mortgage finance fund for low income housing. The projects would be owned by the private citizens. This is different from other programs in that it attempts to help really low income families; the current program is for families with up to \$16,000 in income. Bonds would be sold to raise the money for the loans; a mortgage insurance fund would be needed, which would limit the risk. Money from bond sales would probably go at less than 7-1/2%. These would be conventional loans through banks and savings and loan associations. The only thing lacking in this proposal is that it requires \$750,000 to provide mortgage finance insurance fund. The fund would be invested in short-term investments and would draw interest. This fund would insure mortgages at 10:1 ratio, possibly 15:1; it would raise approximately \$7.5 million at a 10:1 ratio. The \$18,000 would be for an additional employee and to set up HUD multi-family housing. The lower interest would mean lower rent payments for the low income families. The \$750,000 is one-time nonrecurring expense to insure this bond sale.

Proponents:

Robert G. Kaparuda, AFL-CIO, spoke on behalf of the workers who belong to the AFL-CIO. This fund would benefit workers whose incomes are from \$5,000 to \$10,000. Working class families in this income bracket don't want to be welfare recipients but inflation has priced these people out of the housing market. The average cost of a home now is between \$35,000 and \$45,000. They cannot afford the high interest rates and renting is costly. H.B. 714 would serve to stimulate jobs and provide housing. His testimony is attached.

Lonny Mayer of the Tri-State Council of Retail Clerks supported the bill.

Cliff Christian, National Association of Realtors, spoke as a proponent, stating the vacancy rate in housing is from 1% to 5%; they see no increase in this factor in the next five to ten years because of the demand for housing. Financial Institutions Act is causing some problem;

fifty percent of the houses financed through this act would be in rural areas if this bill passes. There is a great need for this and he urged the passage of H.B. 714.

The Montana Bankers Association supports this bill.

Opponents: None

Questions:

Rep. Bradley asked if the main thrust is to get at the low income people, why isn't the requirement for higher percentage. Rep. Waldron answered it falls in line with most federal programs.

Rep. Gerke said he sponsored legislation that established a house financing agency and it hasn't had a chance to demonstrate what it can do; there are lots of things that need to be examined about this bill. One is that he thinks the whole thing can be done without any appropriation in connection with programs the federal government has available. There are a lot of ways to approach what this bill is trying to do. He said he sees no definition of what the top guarantee would be, but maybe it is there. Rep. Waldron responded to the first statement that Section 8 housing was mentioned in his testimony. There is this property but there are some real problems with Section 8 housing. It is underfunded and a lot of red tape and they could take another full-time employee to work with Section 8 housing. Montana uses banks to handle loans. But Rep. Gerke said there is not a mandate that banks be used; they can vary that policy if housing authority wants to do it. He said he was not talking against the bill, but we have legislation pending that separates this type of housing. Rep. Waldron indicated there is but that agency won't have the staff to handle that type of housing.

In closing Rep. Waldron said he would be happy to appear during the executive session to answer any questions.

The hearing was then closed on H.B. 715. Visitors' list is attached.

House Bill 168: An act allowing Montana residents to deduct part of their salary as members of a National Guard unit in computing net income. Representative Jack Moore, District #41, sponsor, said this bill passed second reading with a vote of 60-33. This is not an appropriation measure, it affects revenue. The fiscal note indicates it might decrease revenue between \$63,000 and \$105,000.

Proponents:

The following stood in support: Cliff Christian; Hugh P. McElwain, Montana National Guard Association; and John Walsh, Montana National Guard Association. They were present to answer questions.

There were no opponents and no questions from the committee. Hearing Closed on H.B. 168.

The meeting adjourned at 5:30 p.m.

MINUTES OF THE APPROPRIATIONS COMMITTEE
HOUSE OF REPRESENTATIVES
State Capitol, Room 225

March 16, 1977

The meeting of the House Appropriations Committee was called to order on the above date at 7:00 p.m. by Representative Bardanoue, Chairman. Roll call was taken with a quorum present; see attached roll call. Also present were Dave Lewis and John LaFaver. Hearings were held on the following:

H.B. 768: To recognize and declare eligible for state aid Indian controlled public schools and tribal education systems. The sponsor, Representative Gary Kimble, District #94, said that this bill is not seeking racial segregation but to have tribally operated school system directed by the state and subject to the standards of the state. The justification for this bill is that the state constitution permits the preservation of the Indian culture. This strengthens the state commitments and federal commitments by providing for that in the schools. People should have the option to send their children to a public or a tribal school. He said there is no increase in state aid because the tribally operated schools are already eligible for federal and state aid. This bill has already passed the House, he pointed out. It is an important development in Indian education and it is a necessity for the Indian people in Montana. He also felt that it would increase the understanding of the Indian culture.

Proponents:

Bob Stockton, representing the Office of the Superintendent of Public Instruction, said there is a little trouble with this bill and suggested amendments as set forth on the attachment. The schools should be a part of an organized school district so that the bill would not be unconstitutional. Their attorney felt this would be in conflict with the current laws. The concept of alternative schools is good and should be there, but the new standards should be set up under the public schools.

Two other proponents testified later in the hearing.

Questions:

According to the fiscal note, there is no fiscal impact, Representative Lynch pointed out, and asked why the bill is in this committee. Rep. Kimble responded that he also questioned the purpose of this hearing. Mr. Stockton clarified that they show \$1,042,000 per year in the next biennium; this is on a fiscal note dated 2/24/77. (The committee had only received the fiscal note dated 2/14/77.) Rep. Kimble said it was his understanding that the funds are already being paid and this is not a new impact. But Mr. Stockton said that he prepared the fiscal note, using the tribal costs currently. These would be additional costs, according to Mr. Stockton. Representative Kimble responded that there should be some question of the assumptions here because the state already pays these funds currently and there is no new creation for new expenses. Under the alternative school concept, Mr. Stockton said, these would be new expenses. There are some Johnson O'Malley Act moneys that would also be used, but that is considered to be general aid and is not figured in here. Representative Kimble challenged those

figures because Indian education varies from school district to school district. There are some other special moneys, besides JOM moneys. Those school districts are being supported by state equalization aid presently, Representative Kimble said. On first glance there would be no state impact; but on the other hand, Rep. Kimble continued, it could be totally state fiscal impact. Representative Bardanouve suggested that the committee get more information on this, and they will not make a decision until this has been cleared up.

Additional Proponents:

Harold Gray, representing Rocky Boy School, stated he had been asked by Indian educators throughout the state to express the feelings of the people for the need for this program. This bill is designed to recognize the legality of Indian controlled schools. There are 621 school districts in the state; only 10 of these are Indian controlled. Mr. Gray presented the following for the committee's consideration:

1. Letter from Director, Office for Civil Rights, Washington, D.C., dated dec. 21, 1976.
2. "Equal Education Opportunity and Indian Education in Montana, prepared by Harold E. Gray.
3. Letter from the University of Montana Law School, 3/7/77.
4. Rocky Boy School Philosophy.
5. Rocky Boy School's Educational Goals.

Mr. Gray further stated that there is a "free school" in Browning that is tribally operated; it received only a limited amount of tribal and federal assistance. The kids are former drop-outs of public schools. What they are trying to say is that new kinds of school systems must be recognized. It is not creating an extra tax burden because if these kids were in school, the state would have to fund it anyway. It would be taking money for kids that would be out of school; that aid would follow those people. He added that it must be realized that these schools have historically been Indian schools and until recently, there was no question of their legal status. If these schools which are historically 95% or more Indian students are deemed unconstitutional, then the other 611 public school districts in Montana are also because they are 100% white. They are very agreeable to meeting all the standards required. Rocky Boy School exceeds state standards, he said, because both English and Cree are required languages.

Gerald Grey, of UMT scholarship foundation, said that in recent U.S. Congressional findings it was pointed out that the responsibility to Indian children's education has not reached levels it should. None of the agencies have guidelines to ensure quality Indian education; there are no systems in the state systems for finding out the needs of the Indians. Many changes are needed. The drop-out rates among Indians are twice the national average and achievement levels are two or three times behind the national levels. There are few Indian teachers, and Indian children believe themselves to be below average intelligence. There are many textbooks that omit important things about the Indian culture and Mr. Grey expounded at some length on this topic. He concluded by asking for the support of H.B. 768.

Additional Questions:

Representative Bardanouve commented that the Rocky Boy School is a school in the Montana school system and is recognized as a certified school of Montana.

Representative Kvaalen said that some feel you are not contributing your share of the cost of this. Mr. Harold Gray responded that many people work their own land and there is taxable land on the reservation. The Blackfoot Tribe is the largest taxpayer in the Glacier County. Some federal land is not taxable such as Malstrom AFB; it is being done for other races of people. The earned income among Indian people is spent in the state of Montana with non-Indian businesses. They are not manufacturing their own clothing, etc, so they are a very viable part of the state's economy.

H.B. 756: To require timely payments to recipients of supplementary payments and medical assistance from the Department of Social and Rehabilitation Services. Representative Eugene Frates, District #60, sponsor presented an amendment proposal to the committee, attached, to amend the title and strike the entire bill following the enabling clause and insert the new language. The amendments would put it back to the original bill. What they would want to do is establish a revolving contingency fund; there is no fiscal note on this bill. The money would go back to SRS and they would deposit it back in the revolving fund, he explained.

Proponents:

Pat Melby, Director of the Department of Social and Rehabilitation Services, said that when the bill first came before the Public Health Committee, SRS was an opponent. But now this is a different bill, and they are proponents for this bill with the amendments. The bill was never originally intended to make substitute payments of health care provided. It was intended to be able to make substitute payments to people who actually receive the payments; the clients and not the contractors, etc. It would be subject to a constitutional challenge in the old form. This bill was a rather drastic solution to a non-existent problem. In the ten months as Director of SRS, he has never had a doctor or nursing home or health care provider come in to say there was a problem getting their payments on time. He gave statistics on the various lengths of time for getting payments out. The average for hospitals was 21.8 days in getting payments out; nursing home care took 9.8 days on the average. There are some bills pending payment because there are errors on the claim, technical problems, and some are pending review by the peers to determine if there was appropriate service given. Under the new bill, the Department would be paying interest on claims where the provider made an error. They don't know what it would cost.

W. F. Ikard, Chief, Medical Assistance Bureau of SRS, indicated support for the bill with the amendments. SRS cannot always make timely payments but they intend to pay the bills as efficiently and accurately as possible. They have a new computerized billing system for payments to nursing homes, he explained, which will speed up payments.

Chadwick H. Smith, Licensed Lobbyist for the Montana Hospital Assoc., presented the attached statement.

Gary Row, Finance Department of the Northern Montana Hospital in Havre, also submitted prepared testimony, attached.

Representative Polly Holmes, District #67, said that she felt responsible for this bill because she was chairman of the Public Health Committee and when the bill came before them the day before the transmittal date the proponents and opponents were told to come up with a bill they could all go along with; this was the result. The sponsor of the bill was not present at that time. She stated that she was responsible for the word "medical" in the bill because she did not realize it would change the intent. We did not think it would include all medical and professional service providers. She felt something should be done about late payments, but that was not the intent of this bill; it was intended for the clients and not the entire medical profession.

Rod Gudgel, Lobbyist for the Montana Nursing Home Association and the Montana State Pharmaceutical Association, stated support for the bill, without amendments.

Opponents: None

Questions:

In response to a question, Representative Frates said that the problem is great enough that a bill must be passed now. People that care for homes receive \$125 per child under 12 years of age; \$100 of that is for the support of the child and \$25 is for the child. For those over 12 years of age, the payment is \$150; \$125 for support and the remainder for the child. If the payment is delayed, it causes an embarrassment and a tremendous problem for the care takers.

Mr. Melby indicated that there has not been a fiscal note prepared for this, but there would be some fiscal impact because they would have to pay interest on claims that have not been paid because he has to check into them further.

H.B. 208: To authorize the local government units to charge the state for services supplied for the benefit of the state. Representative Darryl Meyer, District #42, sponsor, proposed the attached amendments. He stated that this bill allows cities and counties to contract with the state. This would set up a process that the state could pay for actual or maybe even partial costs that they receive. They feel that Amendment #3 on the attached proposal is the most important. This would mean that the cities and counties could go to the state agencies, draw up a contract, and in 1979 they would have the actual costs.

Proponents:

Dan Mizner, of the Montana League of Cities and Towns, stated that some of the information on the fiscal note was not correct. If the state

agencies have the money in their budgets they would be able to execute a contract. The other contracts would be negotiated and brought back to the legislature to determine if they want to fund them.

Jack Crosser, Director of the Department of Administration, said with the bill as amended it does provide a workable alternative to a problem that comes up in each legislature. With this bill, we can work with the local communities and get firm figures to present to the next legislative session.

Steve Turkiewkz, Montana Association of Counties, testified to his support for H.B. 208.

Bob Kelly, representing the City of Missoula, presented the attached written statement.

Al Thelen, representing the City of Helena, said this is one of the cities that provides services to state agencies outside the city limits. They have the right not to give them services, if they don't contract. This bill may be a step in the right direction. The accomplishment of the state paying for services won't happen until the legislature passes a bill that makes them do this. This bill is for direct services.

Opponents: None

Questions:

There was a brief discussion over the contributions of the state agencies to the city of Helena, especially as it relates to the fire and police protection provided by the City at a cost of about \$200,000 per year.

H.B. 696: An act appropriating funds for compiling and maintaining land use map data and a land use inventory. Representative Hal Harper, District #30, sponsor of this bill, said he was "throwing this bill in." He said it was written because of a duplication of efforts in 6 agencies; but he did not have the time to get an agreement to get a handle on the problem.

MOTION: Representative Moore moved, Representative Lynch seconded, to kill H.B. 696.

VOTE: The motion carried unanimously by voice vote.

H.B. 663: An act to preserve and protect the public health through the provision of home health services to portions of the population not now being served... Sponsor, Representative Hal Harper, District #30, said this is an important bill because it is an answer to the rising costs of medical care and the needs for prolonged medical care for many people. For individuals over 65 years of age, 10%-15% need home care services. This will add seed money to three different agencies to cover the start-up costs for increased home health care. This type of service 1) improves the quality of life; 2) provides for continuum of health care; and 3) is a low cost alternative to institutionalized health care. This type of service is greatly for the people of Montana.

Janet Kovalchik of the Montana Association of Home Health Agencies presented the attached 3 pieces of information. She said they are not asking for a free ride, just some assistance in this.

Beverly Mitchell, from the State Health Department, Bureau of Nursing, addressed the staff positions in the bill. She explained that they want several new FTEs, including a social worker, nurse, etc. This would cover three agencies to start with, but they expect to expand to about twelve agencies.

John Frankino, representative of the Montana Catholic Conference, supported this bill saying that this service is greatly needed and would provide many benefits for the Montana communities, as evidenced by a recent survey they took.

Jan Brown, for the Association of Churches, submitted a pamphlet for the record, attached.

Bob Johnson of the Lewis and Clark City and County Health Department also supported this bill and stated it would be a good investment for the state.

Shirley Thinnis of the Montana Nursing Association, and Rod Gudgel of the Montana Nursing Home Association, stood in support of this bill.

Opponents: None.

Questions:

Ms. Mitchell explained that there are 9 medicare-medicaid certified agencies now; one will be added in Billings and three others but the exact locations have not yet been established. Conrad, Glasgow, Browning, Miles City and some other towns are interested.

Representative Moore asked how these agencies will keep going when this funding is exhausted. Ms. Kovalchik responded that hopefully the agencies would be medicare-medicaid certified and get funding through that source. They could also get reimbursements from insurance companies, as well as some local and United Way funds. This bill would be only for seed money and would be a one-time grant. Some of the agencies that have started in the past have had some hospital money behind them, but now they are often finding that the hospital's can't fit it in their budgets either.

In response to a question from Representative Marks, Ms Kovalchik said that there are no doctors actually employed by the agencies, but they do direct the care of the patients at no charge.

The need for seed money is the issue, Representative Harper stated. When one agency attempts to start, they have expenses for equipment, staff, etc and there is a time lag before they get certified and get medicare and medicaid payments.

H.B. 511: To appropriate money for conducting a study on methods of curtailing growth in state governmental expenditures. Representative J.D. Lynch, District #87, Sponsor of this bill at the request of the Governor's Office, explained the original of the bill. There is definitely a need to curtail and control the growth of state government.

Bob Lohn, representing the Governor's Office, said that when this bill was introduced there was strong public interest at the rate that our bureaucracy was expanding. The legislature has since set forth other ways to get a handle on this and, therefore, he advised that this not be funded.

MOTION: Representative Lynch moved, Representative Estenson seconded the motion, to give H.B. 511 a DO NOT PASS recommendation.

VOTE: The motion carried unanimously by a voice vote.

Executive Session:

The committee meet in executive session to discuss some problems they found with the way the hearings were being conducted within this committee and to work out some methods of controlling the lengths of the testimony presented. Some of these bills had been heard by other committees who made decisions on the subject matter and it was felt that this committee should only address the matter of the appropriations involved. Representative Bardanoue pointed out that the committee really does need to know something about the bill to make a sound decision on the appropriation, and also this is the first time that aspect has been examined.

Numerous suggestions and comments were made about possible ways of handling these hearings, such as limiting the number of witnesses that could testify, limiting the time for proponents and opponents, or having only the chairman of the committee that heard any particular bill originally report to the committee on the hearing they held.

It was made clear that no blame was being placed on any individual, this was merely a discussion session.

The meeting adjourned at 9:30 p.m.

Francis Bardanoue, Chairman

jlm