

MINUTES OF THE MEETING OF  
AGENCY 1

DEPARTMENT OF HEALTH & ENVIRONMENTAL SCIENCES

January 26, 1977  
8:00 A.M.  
Room 225  
State Capitol Bldg.

The meeting was called to order by Chairman Bradley with the following members present: Representative Bradley  
Representative Marks  
Senator Stephens  
Senator Story

Senator Thomas was excused.

HEALTH - MANAGEMENT SERVICES

Mr. Jim Van Koten presented the executive budget. He noted they have 7 general programs, 75 projects the Department actually works with, and each of these areas could all be funded differently, from the general fund, from federal funds or whatever, part or 100%. They recommend the same formula as last year. 96% plus step increase for personal services. In operating costs and equipment an increase of 10% over F.Y. 1976. We can operate with an increase from the general fund of only about 5% for the first year and 1/8% for the second.

We can't deny the Department any availability of Federal funds, therefore we added the Federal funding in case the funds should be available later on. Then they would not have to come back to ask for more later on. We felt we should give them a reasonable amount for the existing programs and they could come in for a budget amendment for more funds for any new programs.

Curt Nichols, the Fiscal Analyst, gave his recommendations:

He said if the federal funding is available, he would agree they should appropriate it and reduce the general fund appropriation. Not knowing what will be available makes a large difference in what the Executive Budget recommends and what I recommend. Looking at this program we see a large increase from 1976 to recommendations of 1978. Two items are responsible. First, in the past general services of the Dept. of Administration has done the janitorial and upkeep work on the buildings. In the future they will be budgeted for through the Agencies at \$2.00 a sq. foot.

The Health Department has the Cogswell Bldg. and the Board of Health Bldg. They only had half of the Cogswell Bldg. in 1978 but the Highway Dept. should leave and they will have the whole thing in 1979. That raises the cost over 1976 by \$75,000 in 1978 and \$134,000 in 1979. This will be partially offset by the Water Quality Bureau moving in after the Highway Dept. moves out.

Grants from local Health Departments only went out at \$93,000 in fiscal 76 and budget to go out at \$130,000 in fiscal 1978-79.

Insurance has increased greatly and we had to put extra money in their budget for that. He is also recommending the continuation of a Field Representative.

Mr. Bob James made his opening statements for the Department. He felt they must get some attention from someone about space. He said we are spending \$155,000 a year for 5 rental spaces in Helena, besides the Cogswell Bldg. Because of being spread all over we have trouble controlling everything and this causes a division in the Department. He said they have a request in for approximately \$2,000,000 in the building fund. He said they had never gotten a separate building. We are number 27 out of 64 in the building priority. Our proposal is strictly for \$120,000 for planning a building.

He said they were slated to get space when the Highway Department moves out but as it stands now, do not have the money to renovate it. They need as a minimum, \$550,000 to renovate the space in order to move in sometime after July, 1978. What we spend in rent over 15 years would buy us a building. The losses from extra cost just for travel from one building to another is a minimum of \$60,000 a year.

The Fiscal Analyst mentioned there is a substantial increase in 1978 over 1976. I would like to point out we had an agreement with the Interim Finance Committee to the extent that approximately \$2,000,000 of budget amendments for Federal funds, that we would squeeze the budget as much as possible to revert to the general fund. We have returned \$170,000 during the year. In 1976 we sold our print shop to the central print shop for \$23,000. In 1977 - 1979 our costs will be higher because we will have to pay to get our printing done.

He supports the Executive Budget in that they want to be given authority to use federal funds whenever we can get the money.

He took exception on requests being called supplementals and not budget amendments.

He then brought up the Management Services. The amount of money, \$134,000 for building services in 1979 may be in question because we don't know if we will be able to use the Highway Department Bldg. If not, we will have to trade with the Water Quality Bureau who has had a reduction in its budget.

He said we do need the Field Representative, which you did approve.

He said they feel there is a real need for a person to do the planning.

It has been mentioned we might get management assistance through the Governors office or Dept. of Administration. Hopefully that might be so but it never works out. They have more and more demands for input etc. They can't come to the agency so we have to go to them.

There has been discussion on the aid to local health departments. The local health department wants to get out from under the thumb of the state department. The amount of funding we have given to the local departments is nothing but embarrassment. We put \$130,000 a year in the local health department: they are spending approximately \$2,000,000, yet we are supposed to help them, guide them, consultation, etc., but we have done very little. He made a few more comments then was open for questions.

Senator Stephens said it seems to him that the department of health spent a lot of time on self-analysis within its own system. I would like to know about the field representative you feel should be retained. What does he do?

Mr. James said he is a person to develop data to help with health plans.

Senator Stephens - you want someone to work with budget amendments. You feel there is real merit in the PBS system?

Mr. James said they were involved in the pilot program. We think we put in many, many hours of input and did not get any benefit. No, I do not. I think the MBO is a lot better.

Senator Stephens agreed.

Senator Stephens asked - You mentioned something about services to the local practitioner or physician. What kind of services and etc. is required?

Mr. James said they had a staff under the communicable disease program headed by Dr. Skinner. They gather data from all over the state when there is an outbreak of some kind, and compile the information, and help wherever they can, however they can.

Senator Stephens asked how many people work for the Dept. of Health and Mr. James replied that right now there were 290 people.

Representative Bradley asked a question on the estimates for federal funds. There are differing views between the LFA and the Executive. Can you explain?

Mr. Van Koten said he would hope the funds would be available, but is not certain. We just want the funds to be available should they be there. We show \$363,000 of other funds available; at least we hope that will be available to this program. The LFA does not think so. That is the big difference.

Representative Marks asked about earmarked revenue. Are there any funds going in?

Mr. James said yes. Such as several licenses systems, variances in fee basis, sub division fees, junk car tax, etc.

Senator Stephens asked about three areas he is puzzled about - contracted services, travel and other expenses. In 1977 they authorized contract services \$18,800, this goes to \$111,000 in 1978. Travel is \$82,777, dropping to \$9,000 in 1978. Other expenses is \$47,000 in 1977 dropping to \$2,500 in 1978. Perhaps the LFA or Jim VanKoten could explain.

Mr. Van Koten said the contract services had been answered by the LFA, related to janitorial costs. On travel - the last legislature increased the per diem with the whole amount put under the management service program and divided out into the various programs. Their share is only about \$10,000. As far as the other expenses, in fiscal 1977 we have a cost for pro-rata which was paid to the Dept. of Administration which is no longer in effect. It will probably be reverted.

Representative Bradley asked Dr. Knight to explain the letter the LFA received on January 20 asking for \$5,000 for legal services.

Dr. Knight explained that the Board of Health has felt there is a great need for their own expertise. We estimated the cost would run in this area but it would depend on what develops.

Representative Marks asked how they operate as far as council is concerned.

Mr. James said they have 4 people and 2 secretaries. Most of the effort goes to environmental programs because of litigation, hearings, etc., some for hospital and medical facilities, administrative staff and other programs such as general health services. We use 3 lawyers.

Representative Marks asked why?

He was answered because of so much compliance, such as sub-divisions, waste disposal, water quality, pollution, screening of junk cars. We get drawn into all of it.

Representative Marks asked if he felt his staff was adequate for these services. Would you be better off on a contract basis?

Mr. James replied no. That would cost twice as much. Hiring attorneys cost at least \$50.00 per hour.

After a wrap up by Mr. James, this portion of the meeting was ended.

#### WATER AND WASTE WATER

Mr. Van Koten gave a brief run down on this Department. They are responsible for enforcing the licensing of water and waste water operators. Professional operating licensing fees come to over \$13,000 a year.

Mr. Nichols, the LFA, recommends primarily the same as the 1976 recommendation plus normal inflation factors. There are no turn-overs, etc.

Mr. Willems spoke for this Department. There are 900 water and waste water operators in the state. Through this program we certify and examine these operators. We give the exams twice a year. We give them out in the field; on the higher class level, they come in to us. A training program comes under the environmental program. These two programs are tied closely together.

The budget this year is \$12,472.00. We have an office manager who works 1/2 time at this job plus mans four board meetings a year. Each meeting costs \$500. We would like to see an increase of approximately \$500 plus \$350. We have \$17,000 in certificates in the earmarked licensing account and are in good shape.

Representative Marks wanted to know what is the criteria for having an operator.

Mr. Willems said a sewer system serving ten families or 25 people must have a certified operator.

As there were no more questions, the meeting was adjourned.

On Friday, the meeting will be changed from 8:00 A.M. to 8:30 A.M. and we will have a meeting Friday at 4:00 P.M.

Dorothy Bradley  
Dorothy Bradley, Chairman

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