

MINUTES OF THE MEETING
SUBCOMMITTEE AGENCY 1

February 22, 1977
8:00 A.M.
Room 225
State Capitol Bldg.

HEALTH WRAP UP -

The meeting was called to order by Chairman Bradley. Roll was taken, all members were present with Representative Gunderson arriving late.

Mr. Redpath, in answer to a question yesterday about the rent for the Heart Diagnostic Center, said the rent was 2,000 sq. feet at \$7.00 a sq. foot. We are now down to 1800 sq. feet at \$7.00 a sq. foot for a total of \$12,600. This would include janitorial service, utilities, and space located in the hospital.

Representative Bradley said to wait on the final decision until the LFA had had a chance to check into this a little further. She then called for questions concerning any of the other programs.

Senator Thomas asked Mr. James if he thought the figure of \$7.00 a sq. foot was fair. Mr. James said this figure is not out of line.

Representative Marks asked about the Family Planning program. The LFA was \$100,000 less than the executive. Why?

The LFA said he used less of the Title 20 - federal funds.

Representative Bradley asked for a little more discussion on Title 20 funds.

Mr. James said they get Title 20 from SRS. This helps us to hit the section of the public that needs family planning services. He said we get the maximum we can out of Title 20. Family Planning is an initiative program at the federal level.

Representative Marks asked about the additional money they contemplate - will there be any money available without a match?

Mr. James said on Title 20 it is 9 to 1. We do have enough in the program for that. Title 10 is an outright grant.

Representative Marks then asked if we accept the LFA budget, will there be enough local match to get Title 10?

Mr. James said I think there would be enough matching but I think the Title 20 is targeted on low income people.

Representative Bradley then called for a motion.

Senator Thomas said he felt the Family Planning money is well spent. He moved that the additional \$100,000 in the Executive Budget be accepted. \$10,000 general on the 9-1 match.

Mr. James asked if he meant general funds?

Mr. Nichols said the executive budget includes general fund money. I included \$200,000 from Title 20. The Executive went for \$300,000.

Representative Marks asked if the additional \$100,000 in Senator Thomas's motion would require additional general fund money.

Mr. Nichols said yes, it would require \$10,000.

Senator Stephens asked Mr. Nichols - you are recommending \$200,000 request on Title 20. The Department wants \$300,000, is that right?

Mr. Nichols said yes.

There was some discussion on the functions of family planning, what they do, etc.

Senator Story asked if we are trying to hold this Health Department to the executive level or give increases, or what?

Representative Bradley said for the most part it is a budget that will keep present level of service with increase for inflation and pay raises.

The LFA said the Department was authorized to use \$300,000 of Title 20 in the last session. They did not spend it all but will probably do so this year.

Representative Marks felt they were dealing with a lot of the problems that the Public School System also covered. Is this not some duplication?

Representative Bradley disagreed. She felt the bulk of people using this service are older people out of school, such as young married people. She felt they did a lot in early detection of diseases, such as cancer in young women. She does not feel this is the place to start trying to save money.

Senator Story called for the question.

All in favor of increasing the amount to \$300,000.

Senator Story abstained - ALL THE REST VOTED AYE MOTION CARRIED

HEALTH EDUCATION AND NURSING BUDGET

The LFA said he continued both operations at level they operated in 1976 with increase in cost of line items and staff increases for employees. No cuts in this program.

Mr. Weiss said under the priority budget it would be an A or reduced level, 1.5 FTE reduction and \$11,000 in total funds reduction.

Representative Bradley said according to comments made yesterday you felt the FTE could be saved with greater coordination with the Superintendent of Public Instruction on the film usage.

Mr. Weiss said yes, but this is a lower priority program.

Representative Bradley called for a motion.

Representative Marks moved to accept the executive recommendation.

ALL AYES

MOTION CARRIED

NURSING BUDGET

The executive was to reduce the FTE's by 1.5.

Senator Stephens moved to accept the executive budget.

ALL AYES

MOTION CARRIED

WIC PROGRAM -

This is another area of difference. The LFA said he thought the difference is \$3,000,000 in federal funds. They have 7 million.

Mr. Weiss said the committee should recommend the 4 million - strictly federal funds.

Representative Marks asked if they were talking about the entire nutrition program or just a part?

Mr. Nichols said the 4 million is related to the WIC program. The other part of that is they have a nutritionist and clerk typist in a consulting and training program. This is only about 20 to 30 thousand.

Representative Marks asked if the higher recommendation were adopted would that cause more FTE's?

The LFA said yes, 6 additional FTE in the higher recommendation.

Mr. Weiss said he was confused, are we talking about B or C level? In B level there is no increase. In C it would be \$286,000 difference in general funds. I am recommending we go with the B level.

There was some discussion about the differences between B and C level.

Representative Marks then asked if the Governor's recommendation was A level?

Mr. Weiss said no, it would be the B level. \$1800 in general funds in the B level.

The LFA also felt the governor's budget was A level. Mr. Weiss tried to explain. He explained how the package was put together. He said we are only talking about \$1800 a year in general funds. I think it would be punishing the agency if we didn't take the B level.

The LFA said he would also recommend the B level. I can't see where the federal funds would be available.

Representative Marks asked in order to get the 4 million, do you have to expand general fund to C level? The LFA said no.

Representative Marks then moved we accept the budget including the 4 million.

ALL AYES

MOTION CARRIED

The LFA said on the other budgets we are basically the same. You seem to be accepting the Executive level.

Mr. Redpath said he spoke to the people in Health Services regarding the handicap children. Could you explain again the \$70,000 limitation. The maximum amount that is going to be spent for administration of handicap children and cleft palate is closer to \$80,000 than \$70,000.

Senator Thomas said he did not understand why administrative costs should be so high.

Mr. James said he understood the increase has been to go through the case load and to do a better job of follow-up to provide better care. In the past they have not done as good a job in follow-up as they should have. We added a bureau chief and a couple other positions to make it a good program.

Mr. Redpath said they have 5.25 FTE's in the Department now.

Senator Thomas mentioned the public health nurse does a great amount of the work. Why do we need Mrs. Hendricks. He talked about the team approach and how it worked. He did not feel they need so many people in Helena in the administrative positions.

Mr. James mentioned these are not simple cases. Many of them require a long time follow up. Some over a span of years.

The LFA said in looking over that program I come up with \$35,000 for personal services in 77. Five people; 4 part time and 1 full time.

He then said that Mr. Thomas's bill was for cripple children, not cleft palate.

Senator Thomas said it was for the entire package. He then talked about how he became involved.

Senator Thomas made the motion we remove the line items of the \$70,000. He also said he would be watching very carefully.

ALL VOTED AYE

MOTION CARRIED

DEPARTMENT OF COMMUNITY AFFAIRS -

Economic Development.

Representative Bradley asked the committee to study the proposal she passed out (copy attached) and make a recommendation to the appropriate sub-committee on this proposal.

She said what this proposal means is the Economic Development Division in the Department of Community Affairs would be entirely deleted and a new office would be set up in the Governor's office. Instead of the original 15 FTE's this has 5 FTE's. The salaries are substantially increased. In the travel for \$22,500, part of that includes the expenses for a council of economic advisors - 9 members - which would meet in Helena once every 2 months.

Senator Stephens asked who would make the appointments?

Representative Bradley said the Governor would.

Senator Stephens asked how does this budget compare with the deleted budget? Representative Bradley said this will cut it approximately in half. This is the figure per year.

Senator Thomas asked what the contracted services are for \$100,000?

Representative Bradley said a lot of it would go for economic studies.

Representative Gunderson asked what are we doing? Transferring this from DCA to the Governor's office?

Representative Bradley said that would be about it. This would delete it out of DCA and put it in the Governor's office.

Jim Flynn talked to the committee. He said their basic philosophy behind this is, it is a new approach we think will work. It will use a fewer number of people on staff. Contract services will be less. The original proposal made to you was the result of a report to you. Rather than go into a smaller staff, we felt this was an alternative we would rather pursue. The high profile of it being in the Governor's office will give it added prestige. We feel this will have great merit. The Governor has no conflict with this and will put the entire economic development for Montana in this committee.

Representative Bradley said in looking at the budget for the \$300,000, the general fund amount was closer to \$100,000 in fiscal 76 and over \$100,000 in fiscal 77. We are talking about around \$33,000 increase in general funds.

Representative Gunderson asked, this administrative assistant for \$15,000, what is he going to be doing.

Mr. Flynn explained the administrator will be out of the office most of the time and hopefully the assistant would be an in-house person to keep things going. That person would be support staff for the council for economic advisors.

Senator Roberts asked what the Council of Economic Advisors are going to be doing?

Mr. Flynn said at the present time, we don't have much of a way to get advice to the governor regarding Montana's economy. He talked about the different areas of Montana's economy and how they could keep the governor informed. At the present time we do not have much of a handle on this.

Senator Roberts asked what kind of people are you looking for?

Mr. Flynn said we would hope the council would be made up of representatives of Montana economy, get some people from the University system, some from Montana State Government, some from the private sector, some lay people.

Representative Marks asked if they plan to draw heavy on the university for members?

Mr. Flynn said we would have one or two I am sure.

Senator Stephens asked if the economic advisors would be business experts?

Mr. Flynn said we would probably have four people at least from the business community.

Senator Stephens asked why would you have two public people that did not have any business knowledge? Would you not want citizen input?

Representative Marks said it seems to me where you have \$100,000 for contract services, you might bring the university people in under that instead of 9 members of the economic advisors. You should have successful business people rather than university people. You would have a better balance on the advisory council.

Mr. Flynn was asked if he planned on having Mrs. Maxine Johnson?

He said yes, they would want her for sure.

Senator Thomas asked if there would be an advocate for business? They would need a speaker.

Mr. Flynn said I would assume the Director would be the individual who would assume that role.

Senator Stephens asked about the people in Commerce now.

Mr. Flynn said the one person in place right now has been since the office was organized, that is Mike Fitzgerald. He could fill one of the top three positions. The other person, who came in the past month, I don't know.

Senator Stephens asked if they are thinking of bringing in a new person for the director?

Mr. Flynn did not know what the governor planned. I think it should be a successful business man.

Representative Bradley said probably we all have definite ideas of who it should be, but that was not our problem.

Senator Story said if we do take this, it would go under elected officials, wouldn't it?

Representative Bradley said we should consider it and send it one way or the other to the appropriate committee. The final decision is not ours.

Senator Roberts asked about the director position(mentioned it was a nice title). I can't see what the governor is going to do with any information given him.

Mr. Flynn said the first thing the council could do is make available to him what the president is doing in regard to the economy of Montana. The governor can do many things regarding economy. This group could get to the governor and keep him informed at all times.

Representative Marks said in contracted services, previously it was \$165,000, now about \$100,000. Did you scale everything down or what?

Mr. Flynn said he took the amount of general fund revenue in original program and took federal funds we could count on and decided what we wanted to do. We compromised down to \$100,000 and that is where we are now.

Representative Marks said one criticism I had in your original budget was trade promotion - the location of film in California. Is the Trade Show Case included?

Mr. Flynn said we moved this out of the department. We cut out the film location. We can still do something of this type without spending that much.

Senator Stephens said the only other thing I would say is that the top 2 people must be successful business people. I move we approve the budget as laid out and send it on to the proper committee.

Senator Story asked what they would do that small business administration won't be doing?

Mr. Flynn said the SBA is not much help to businesses in Montana. They don't have the manpower to provide the field services they should have.

Senator Roberts said he would like to wait up on this a day or two and see the breakdown on services. I want to look at it a little more.

Senator Stephens withdrew his motion.

Everyone agreed to wait, so the meeting was adjourned until tomorrow morning at 8:00 a.m.

Dorothy Bradley
Dorothy Bradley, Chairman

Nina Kosmas, Sec.