

44  
3/7/79

HOUSE TAXATION COMMITTEE  
46th Legislature

Rep. E. N. Dassinger, Vice-chairman, called the meeting to order at 8:30 a.m., March 7, 1979, in room 434, Capitol Building, Helena. Rep. Huennekens was excused - all other members finally were present. Randy McDonald, staff attorney was present.

Bills to be heard today were House Bills 725, 844, 858.

Rep. R. Budd Gould, District #98, Missoula, sponsor of HB 725 which is an act to generally revise laws relating to treatment of alcoholism, advised HB 725 ties in with HB 724. Took a lot of work to come up with the things that are appropriate in the first interests of alcoholism. Wants to work at a point where we don't have fragmented programs.

HOUSE BILL

725                      Ron Spurlin explained a hand out which is attached. HB 725 is a massive housekeeping effort in Montana. ADAD is the state alcohol division.

Are concerned about being able to continue some programs for their clients and whether they can be afforded. Other bills are coming - there is one that is very similar, HB 844 which will be compatible with HB 725.

Opponents:

Kay Hanrahan, State Task Force on Women's Substance Abuse, Helena, opposes HB 725. She has served on the state advisory board for drug and alcoholic programs in the state; as a counsellor and administrator, particularly as to alcoholic services in the eastern part of the state. Reasons for opposing HB 725 are listed on attached testimony. Exhibit #1.

Marcia Staigmilller, Cascade County Alcohol Program, Great Falls, said the overall treatment and concern for emergency services which is necessary in gaining an easy access to later treatment for alcoholics, is reason for proposing HB 725 be amended. She requests that this bill address clearly emergency treatment. It must be included as a part of the services provided to the alcoholic.

Michael Murray, Department of Institutions/Alcohol & Drug Abuse Division, Helena, oppose HB 725 because of specific items. (3) removed obligation to provide training carryon programs such as physicians who call their office and others for detoxification. See a need to continue in the state law that our department have a responsibility to deal with professional groups.

Will turn over for the public's inspection a study regarding their alcohol research work. Want to develop a drug curriculum for schools. Line 19, page 6 eliminated state law allowing them to take the advise of Alcoholics Anonymous - they are two separate organizations with no ties. The fact that we use recovered alcoholics does not necessarily mean he is a member of AA.

Under powers of the department, line 11, page 7, powers of the department - line 16 (3) why not leave in the right to dispose of property. To transfer on a loan basis to community alcoholic programs.

Dan Mizner, League of Montana Cities and Towns, Helena, does not oppose HB 725, but it depends on HB 724 to fund HB 725 since it takes away all of the dollars of the cities and towns under the HB 724.

Rep. Gould closed saying HB 724 will not take away all of the money from the cities. This will strengthen the local community groups such as Mrs. Staig-miller's - should have more money, more emphasis in the program. This is going to be a lot of work for this committee to come up with fees and formulate not what is best for state agencies or groups, but what is best for the alcoholic and the state of Montana.

Questions from the committee:

Rep. Fagg asked Mr. Murray if Salt Lake was used for writing the fiscal note? A new fiscal note is to be requested. Rep. Reichert said she doesn't think it is appropriate to name it as a criteria. Wants to know the rationale around this bill.

Rep. Bertelsen said no mention was made of a service now provided which is a non-hospital related detoxification facility.

Rep. Johnson asked if there are going to be other bills very similar.

Rep. Joe Tropila, District #36, Great Falls, chief sponsor explained HB 858 would generally revise laws relating to treatment of alcoholics and intoxicated persons, and provide for a change in funding of treatment centers.

HOUSE BILL                      A state plan for overall programs would be developed by the  
858                                  department of institutions.

Sixty percent of license taxes collected would be kept by the county and the other 40% would go to the cities and towns. Of the 60% retained by the county, 9/10 would be used for alcoholism treatment purposes and the other 1/10 would be used by the county as they see fit.

Larry Zanto, Director of the Department of Institutions, Helena, thinks this bill transfers present treatment centers to a regional one privately operated on a nonprofit basis to serve the people on a regional basis. It eliminates state employee's assistance program for which it is basically intended. Each department has one - concerned about education and training programs.

Michael Murray, Dept. of Institutions/Alcohol & Drug Abuse Division, Helena, explained some amendments he recommends. He supports HB 858, but offers suggestions for problems he thinks the bill has. The bill eliminates training - if the legislature wants training, should allow two more years - put off until July 1, 1982. Would give them 2 years to establish training under some other entity.

Duties - eliminates state clearing house function (page 8, line 3) - the advantage of having the division serve as a clearing house for dissemination of information that is available is eliminated. Many people write in about alcohol and drug abuse - it is their responsibility to provide the clearing house function.

(10) eliminates the obligation to use recovered alcoholics in rehabilitating alcoholics. (6) Powers and duties of the counties opens the door so that the

counties can provide every service given at Galen. All allocated money could go to Galen to provide service for persons from all over the state. Suggests that since an AA member cannot be used, that a recovered alcoholic be a member of the board.

Mr. Zanto - distribution of monies - this bill would propose to take the liquor tax and distribute 95% to the state and 5% to the counties. It seems to him better to allow the appropriations committee to determine if the department is spending the money properly. Ought to allow the appropriations subcommittee to allocate what they feel is necessary to the department and then distribute 100% of whatever is left.

Mona Sumner, Rimrock Foundation, Billings, has been involved as a volunteer in alcoholic services. The status quo is not working down in our home communities. The chairman of the board of Rimrock Foundation says they are not receiving state alcoholic funds, yet the legislature granted funds for a local level. It has subsequently taken \$500,000 to administer that law. Have subsequently closed a treatment unit and are now sending people to Glasgow, which costs more. Recommends trying to set a ceiling on administration so that money can come down to the local level. Limits duplication of services. Thinks their job ought to be to manage state services, not provide the services. Need a formula so that there is an equitable base for distribution of funds. Some programs have been robbed so that some other ones could get in. HB 858 needs some amendments. See testimony attached. Supports HB 844 and with good communication can work this out.

Dan Mizner, Executive Director of Montana League of Cities and Towns, Helena, has no problem with the bill. Distribution of funds is their concern. Support programming, but at the local level. In favor - with some changes on page 26, line 14 - if you were to consider changing that to 65% - reduce 40% to 35% -- these funds may be used for alcoholic treatment programs. The money has gone into the police funds since about 1957. Think if the intent is to leave present allocation with the police operation as it is, and the other for money to go to training programs, it would be better.

Marcia Staigmiller, Great Falls, page 2, line 3, thinks the public facility section should be left in. The new section 6, page 11, concerns her - (1) re the treatment facilities - should not eliminate good programs.

Dave Goss, City of Billings, Billings, urges committee to maintain present level of funding from liquor tax to cities for law enforcement purposes. See testimony attached.

Opponents -

Kent Farr, Musselshell Foundation, Roundup, described himself as a person coming from a rural area with rural problems. On page 11, lines 5 and 6, the county is concerned that this would open the door for Galen to bill cities for care of local residents. Page 15, lines 6-10, the same thing seems to occur as far as transportation. Could bill the county for transportation. Drop into Galen overnight and the county could be billed for transportation. Page 26 - funding. Personally doubts there will be that much more money available for programs during the year. It goes on to a division of monies on a population or purchase basis which will adverse effect on some places. 85% based on population and 15% based on land mass - this would have to have a formula to allow programs in rural counties to exist. Are O.K. on population and purchase basis, but if split on a population basis, would have to quit.

Thinks it is a mistake to remove training monies. Need someplace to go to get new ideas, new approaches, and keep abreast of what is happening in the field. If we have to go to Salt Lake, it is going to be quite an expense. If you want the training taken out of the department, do it on a 2-year basis.

Doug Austin, Tri-County Alcohol & Drug, Baker, feels the purposes of HB 858 from the first page is that private and public treatment facilities have been closed out. Page 10, lines 21 and 23, former members have been scratched.- feels former members are also ill.

Powers and duties of a county: will give counties 95% of the money, but they may not operate a treatment facility. Seems Galen State Hospital is to be the only treatment facility. Page 11, "program" has been scratched and "plan" is underlined. Would ask what the program is. Page 13, public and private treatment facilities are scratched. This bill simply gives money to counties and mandates contracting services. Recommends a do not pass on the entire bill.

Kay Hanrahan, Montana State Women's Task Force on Substance Abuse, Glendive, referred to exhibit #1 which she first left with the committee in connection with HB 725. She sees family members getting no primary treatment at all, but by definition, it is a family disease - makes no sense. Montana is behind as far as counsellor services are concerned and only way to obtain them is to have that education available in the state. For specific objections to HB 858, see Exhibit #1. Looks like Galen would have specific and exclusive services under HB 858. Opposes this bill.

Harry Knowlton, Deaconess Hospital, Glasgow, opposes HB 858 - sees it as a clear attempt to jerk all the money out of smaller communities. Would delete any coordination of alcohol programs throughout the state. If those programs were to be eliminated, it would send Montana back 10 years in the treatment of the chemically ill.

Mary Wright, Cascade, opposes HB 858. On page 2, recommends that the definition of an approved public facility be left in. Page 11, line 1, recommends that the word "not" be deleted--have to have the flexibility necessary to provide the programs.

Kim A. Baker, Musselshell County Drug & Alcohol Foundation, Roundup, said the language in section 14, page 26, lines 2-4, distribution formula, would probably be the ending of their full-time director. Rural programs are being deleted because of insufficient funding because of the distribution formula. Thinks the rural formula will really lose out.

Dean Zinnecker, Director of the Montana Association of Counties, opposes HB 858, suggesting amendments. County interest is in local control and equitable funding for funding programs. HB 858 takes away what little control is left in the programs. Distribution should be equitable with some money flexibility, and want to see the cities participate in the programs. It does set up an advisory board - there are 100 advisory boards already - doesn't think another one is necessary.

Rep. Tropila closed saying there is a problem. He advises putting the bills into a subcommittee. Money is not getting down to the place where it is needed. "Plan" inserted - want them to develop a comprehensive plan and local governments can adjust it to themselves. On page 9, subsection (10) - treatment for the state employees is still in there. Page 10 (4) - private programs is still in there. Doesn't mind putting a recovered alcoholic on the board. Recommends

having an advisory board. There is a problem - money is just not getting down to client services. Murray wants an extension, but Tropila does not want an extension. Suggests putting into a subcommittee.

In answer to Rep. Sivertsen, Mr. Murray said there are 16 new programs. Rep. Sivertsen asked Mona Sumner - in your opinion how much is your program being denied in funds under this new bill even though we would raise the tax on liquor? Are you able to get what you needed? Ms. Sumner said the state has a different opinion about my one-third share, and we are not getting any of the funds. The county generates in excess of \$400,000 from this tax - Rimrock Foundation would not have been here this morning testifying had they got any of the money they should have.

Rep. Sivertsen asked the sponsor if he would have any problem if the committee earmarked any of that 65/35? Rep. Tropila said he would like to line item.

Rep. Bertelsen asked Ms. Sumner what their administrative expenses are. She said less than \$10,000, probably close to \$8,000. Takes into consideration the entire county. Rep. Bertelsen asked Mr. Farr - in general you stated that the rural areas had a program, where do you find the difficulty in your rural programs? Mr. Faun said administrative costs are mostly everything. Expenses such as telephone, travel, it would be very high, where salary goes.

Rep. Gilligan asked if Musselshell County couldn't contract for these services? Mr. Knowlton said if counties could contract, they would end up with no money left in the funds through the proposal in the present bill through which "X" dollars would come to the counties and cities. Would use up all their money for the treatment. Rep. Gilligan asked how the program was originally funded? Mr. Knowlton said it was based on a decreasing basis between the department supposedly over a four-year period - after 4 years we would be selfsufficient. The program began in November, 1977. (Rep. Lien came in)

Rep. Vinger asked Mr. Knowlton about the hospital. He said it is recognized by the state as being certified. Not JCH accredited. Only program in the state. County programs will have to have money to operate. Rep. Vinger said patients have to have proper treatment. He thinks this bill will help your hospital. Money would be spent entirely on treatment of clients. They would virtually hope to use the outpatient kinds of programs that are presently available in the counties. In turn you would refer those same clients or patients into their program.

Rep. Vinger said the money they get as appropriations, is it going out per capita? Rep. Fabrega asked how could you counter the arguments that Galen would get a large share of this program? Rep. Tropila said the patient gets the treatment away from his county, but the county gets the money. Rep. Fabrega remarked counties are prohibited from establishing a program - they would have to go to Glasgow or Galen.

Rep. Reichert said approved detox centers could be contracted out by the county. Montana has 750,000 population and has one of the highest alcohol rates. Do you think you could do something that you are not doing now. Ms. Sumner said they could reopen their residential treatment center. Could provide outpatient, intermediate care, residential care at some point and consultation and education in their program. Our recidivism rate is 30% which is very low.

Rep. Dozier - where it alludes to education and training, could go back in but thought it would be under the department's planning.

Rep. Underdal asked Harry Simons, Mayor of Shelby, if he would like to see local recovery centers continue. He said Shelby is a prime example of what alcohol does in the cost of cities. They have 7 people on the police department. It takes two people to get people out of the bars. Think it should be retained on a local level rather than haul them to Galen and back.

Rep. Hirsch said in the treatment process, the family has to be involved. How do you get them involved if the patient is at Galen or Glasgow? Rep. Tropila said he is not against the community centers. Should be treated in the community where his family is. Rep. Hirsch said the community center in Miles City would have to be discontinued. It is a limited profit center. There are problems of losing money from the alcohol tax in the process of administration. Need some kind of money that is not lost. An audit showed no specific loss of money - Mr. Scott said they found no loss, no defaults, no fraud.

Rep. Vinger said the Deaconess hospital has a 28-day treatment program - the family is there for 4 days. They have facilities for them.

Doug Austin said 5-7% is administrative, the rest is for treatment and education. In sending people for inpatient programs, counties will get a certain amount of money, the money will go back, and the county won't be able to operate. Outpatient treatment programs are important. Who gets these people into the programs - who does the intervention - the persons who are ill do not say "I have the illness" - you have to do intervention work.

Rep. Darryl Meyer, District #42, Great Falls, sponsor explained HB 844 revises the laws relating to alcoholism treatment programs and the distribution of revenues received from liquor license tax.

HOUSE BILL	Franklin H. Steyaert, Vice-chairman of the Board of County Commissioners of Cascade County, supports HB 844, and suggests
844	some amendments. See letter to Taxation Committee Chairman explaining their views and amendments. Letter is attached.

Mona Sumner, Rimrock Foundation, Billings, supports HB 844. A little history behind this legislation - Alcoholism has been decriminalized. The legislature passed HB 627 which established some funds for community based programs. Two-thirds of those funds have subsequently been used to fund essential organizations at Galen and Glasgow. The budget to administer that law exceeded \$500,000 for that year.

Funds are needed to provide care for those returning from Galen or Glasgow after treatment. As a result of loss in Rimrock funds, had to close their center for this purpose. It is costing more to send a person to Galen or Glasgow. Community services are the most cost-effective programs. This is substantiated.

Suggests a limit of 10% ceiling be set on administration; limit the division to perform only management functions not direct service treatment functions. Establish a uniform formula - 85/5 - for distribution of funds. If you are getting a larger share of the larger share, you will be better off. Advocate for counties to eliminate costly duplication of services. See testimony attached.

Dick Baumgardner, Director of Alcohol Program in Great Falls, left testimony which is attached.

David Cunningham, Rimrock Foundation, Billings, suggests HB 844 be amended. See

proposed amendments attached. HB 844 does provide adequate funding for local programs; provides a ceiling for administration expenses; provides equitable distribution and avoids duplication of services.

Marcia Staigmler, Cascade County Alcohol Program, Great Falls, said must also allow ourselves the job of taking into consideration the patient, not just distribution of funds.

Mike Murray thinks the money could be used for any program - page 6, line 1 (6). Section 4 (a) suggests dependence of drug treatment be allowed at present centers. It is not unusual that family members are as sick as the patient. The bill itself eliminates funding for Galen. The earmarked budget is \$1,441,-831 for FY 1980 and \$1,244,199 for FY 1981. Doesn't believe there is money in the general fund for treatment of alcohol program at Galen. Also excludes funding that would go to the department of justice DWI program.

#### Opponents -

Dr. Robert L. VanHorne, Alcohol Advisory Council to Department of Institutions, Missoula, suggests HB 844 be amended. He is chairman of the advisory council. HB 844 eliminates funding for alcohol treatment. Has been concerned about getting treatment to the local level. There is obviously a great deal of difficulty in distributing money that is approved by everybody. You simply establish small and more local programs. Personally would not disapprove money going to the county - would hope that these monies are spent for treatment.

Dan Mizner, Montana League of Cities and Towns, Helena, opposes HB 844 only in part - supports the bill for local government distribution. Originally the liquor tax and beer money generated went to the cities and towns. There was no concern of that money going to an alcohol treatment program and all of the dollars were used for the enforcement of the laws at the local level. In 1977, some new money came into the picture earmarked for alcohol treatment. It was a slight increase to the cities and towns - did not have an earmark on it for the treatment, but was for the city police. The distribution of the money going to the alcohol treatment was all going to the cities and towns. Hope that all of these bills will be put into a subcommittee. If you want the cities and towns to use the increased money if it were earmarked for drug treatment, they would object vigorously - would be like saying money going for police work were to be used for something else. Some of the other mandates are saying you must do this and you must pay for them.

The customary program in Whitehall has increased. West Yellowstone police department costs were \$85,014 - costs have all increased. Costs generated by alcohol have greatly increased costs of police departments of cities and towns. This bill takes away \$33 per \$1,000 and would force cities and towns to go to a property tax. Page 16, lines 12-15, distribution of dollars would be allocated to the cities and towns of the county. Thinks it would be alright to say the money could be used for alcoholic programs, but not remove any money from the police force. If you take money away from cities and towns, you automatically raise property taxes.

Distribution of liquor taxes last year - 31 of those cities and towns listed that are not incorporated cities and towns and do not participate in the pot of any going to the cities. They participate in that portion of money going to the counties.

See attached witness sheets for other opponents of these bills heard today.

Dave Goss, City of Billings, recognizes problems with programs. They receive in Billings \$316,000 which goes to law enforcement. Approximately 350 establishments in Billings. Police are responsible for those at parties also. He feels law enforcement is a very integral part of alcohol programs. Supports improved alcohol rehabilitation programs. See testimony attached.

Jim Irvin, Director of Custer County Alcohol Program and Commissioners, Miles City, is very much opposed to this bill. Don't feel they can continue their program under this bill.

Mary P. Wright, Cascade County Comm. Office, Great Falls, opposes HB 844 saying 10 mills out of the 25 mills goes to law enforcement. No alcohol tax money goes to police enforcement. Inasmuch as counties have the responsibility to protect these people, should receive some tax money for that purpose.

Harry Knowlton, Program Director of the Glasgow Dependency Center, believes it was the legislative intent to have an inpatient treatment facility in eastern Montana. This bill allows no mechanism for funding of the treatment center in Glasgow and would force closure. Opposed to the bill as it is written.

Doug Austin, Tri-County Alcohol and Drug, Baker, opposes HB 844 - under definitions it means there would not be county programs. Would be under a state agency which is the alcohol division for alcohol and drugs. Wants the family part put back into the bill. Recommends do not pass.

Harry Farr opposes the emphasis on detoxification centers.

Dick Baumgardner, Director of Alcohol Program in Great Falls, says the intent of the bill is not as it is written on page 12, lines 16-19, which places the family in a secondary position and stresses detoxification services for the treatment and rehabilitation of alcoholics.

Charles Bicsak, Bicsak Ambulance Service, Great Falls, said he doesn't get paid for most of their services on calls for alcoholics and drug addicts. They average 3,000 runs per year and about 50% is alcohol related. The percentages in 74 were 45% and in 78-79, it is now 73%. They answer these calls and the only help they get is from the county - don't get a cent from the city.

Rep. Meyer closed saying amendments will cover problems mentioned.

Questions from the committee -

Rep. Dozier asked who does all this "approving"? He was told the alcohol division of the state.

#### EXECUTIVE SESSION

Rep. Fagg moved the date on HB 768 be changed from December 31, 1978, to December 31, 1977. Unanimously adopted. Reps. Robbins and Huennekens were absent.

Meeting adjourned at 11:45 a.m.

REP. E. N. DASSINGER, Acting Chairman

By Herb Huennekens  
REP. HERB HUENNEKENS, Chairman

Josephine Lahti  
Josephine Lahti, Secretary