

APPROPRIATIONS COMMITTEE

Room 104
Capitol
8:00 A.M.
March 19, 1979

The meeting was called to order at 8:05 a.m., March 19, 1979 by Vice Chairman South, with all members of the committee present.

Vice Chairman South presented Representative Jerry Metcalf, the sponsor of House Bill 754, who said that his bill asks for \$40,000 for the Montana Folklore Preservation Act. It provides \$20,000 a year to bring a professional folklorist to Montana. It would be funded by an earmarked revenue fund in the coal tax fund. There is about \$800,000 available in the fund, and there will still be about \$113,000 left in the account. (The other two bills to which Representative Metcalf referred are House Bills 913 and 905.)

There were no further proponents to the bill and no opponents.

Mr. Manuel asked Mr. Metcalf if parks and acquisition and maintenance of these parks can also come out of this \$800,000, and Metcalf responded that this is so but he doesn't know how much. Vice Chairman South asked if this is the balance for fiscal 1979 or is this the revenue, and Metcalf replies that this is what we have to work with this session.

Representative Bengtson asked if they have a person in mind for this work and Metcalf stated that the Montana Arts Council has been looking at a woman in Oregon for the position.

Mike Koehnke stated that there are no remaining funds in the coal tax trust account. He went on to say that if the committee decides in favor of this bill, they will have to take it out of the Fish and Game or Long Range Building program to balance this out. Mr. Manuel stated that he felt the committee should look into this before making a decision. The hearing was closed on House Bill 754.

Mr. South then presented Speaker of the House Gerke, sponsor of House Bill 584. Mr. Gerke stated that this bill would eliminate the requirement that state funds appropriated for mental health centers may not exceed 50% of the budget approved for the centers. He went on to say that it corrects a situation that needs correcting. The Appropriations Subcommittee on Mental Health Centers is limited to appropriate not to exceed 50% of the approved budget for the centers. Mr. Gerke stated that we haven't reached the point when you consider all the budgets together. When you consider one at a time, you may run into a situation where you would need to appropriate more than the 50% to one institution.

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The speaker went on to say that the 50% limitation should be removed. They could then consider this on the same basis that every other appropriation bill is considered. This bill gives the flexibility that the committee has for all other bills.

There were no further proponents and no opponents to the bill.

At this point, Rep. Moore asked if the patients are transferred will the money follow them, and Gerke said that this is the intention. Moore asked if they return to the original institutions, the funds likewise return to the original institutions. Gerke said this would be the case if you put "shall" in the first sentence of the bill. Moore commented that the money should follow the patients.

Representative Hand asked the reason for the 50% limitation in the first place, and Speaker Gerke said he has no idea. Rep. Bengtson asked how they get the other 50% and Gerke responded that there are five mental health districts in the state. They can levy to support the mental health centers. The other fees come from federal money and from SRS and from private fees. Further discussion and questions were asked on the limitation.

Representative Marks asked which mental health centers are approved at 50% mark and Gerke said he wasn't sure, perhaps the one in Miles City. When they began the mental health center, they were one of the first and the federal funds came in then on an 8-year basis. They have been able to supplement it. This closed the hearing on House Bill 584.

Chairman Bardanouve then presented Rep. Ellis who sponsored House Bill 356. Ellis stated that he was requested to carry this bill by the Fish and Game Department and the purpose of the bill is to remove the unfunded liability in the state game wardens' retirement account by utilizing money received as fines for fish and game violations. He stated that they are now using \$5 to contribute to pension plans. They hope to direct all the fines into this fund. He presented Erwin Kent, the Administrator of the Law Enforcement Division of the Fish and Game Department. Mr. Kent stated that according to an actuarial report dated July 1, 1978, the unfunded liability being discussed in this bill is approximately 3.5 million dollars. He went on to say that this bill is designed to utilize all of the fine money collected over and above the 4% of the members' salaries and eliminate the 3.5 million mentioned above. He stated that in 1978, \$145,000 in fine money was collected. Of this \$52,000 was placed in the warden retirement account as 4% of the members' salary and this leaves \$93,000 of fine money in the earmarked account. If House Bill 356 were in effect at this time, the \$93,000 would also be placed in the warden retirement account to be used in decreasing the unfunded liability. He concluded his testimony by saying that it will take approximately 40 years to eliminate the liability at this rate and that when the liability is extinguished,

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the additional monies would remain in the earmarked fish and game account.

At this point Larry Nachtsheim, the Administrator of the Public Employees Retirement System rose in support of the legislation. Nachtsheim stated that the last session saw a bill introduced that increased contributions from 7 to 11%. That legislation kept the system from going backwards; it didn't solve the unfunded liability problem.

Mel Wojcik from the Fish and Game Department rose in support of the legislation. He stated that there is proposed legislation now to study the feasibility of combining highway patrolmen's retirement and Fish and Game retirement systems. The Highway Patrolmen's have unfunded liability. They are sound. If there is any possibility of combining these two, we have to eliminate the unfunded liability in the Fish and Game retirement system. He urged the committee to act on this. The state is willing to eliminate the unfunded liability through this method.

There were no further proponents and no opponents to the legislation.

Representative Hand asked for an explanation of unfunded liability.

Mr. Nachtsheim responded that it occurs when something changes in a retirement area. Here it was created in 1967 by splitting away from PERS. The rates that they put in the retirement system at that time wouldn't fund it.

Mr. Hurwitz asked what is the withholding from the payrolls for this purpose and Mr. Nachtsheim responded that it is 7% for the game wardens and 11% from the employer.

Mr. Manning asked if 18% is the total amount of contributions into this fund and Mr. Nachtsheim responded yes, it nets 26.92% for the total 40-year funding contribution rate.

Mr. Nachtsheim went on to say that the total unfunded liability is \$3,587,000 through July 1, 1978. Further explanation was made of the fiscal note by Mr. Nachtsheim.

Representative Hurwitz asked how they compare the benefits from the Warden's Retirement System with P.E.R.S.

Nachtsheim explained the benefits included in the Warden's Retirement System. There were no further questions regarding House Bill 356 and the hearing was closed.

At this time Chairman Bardanoue presented Representative Vincent who is the sponsor of House Bill 502. Representative Vincent stated

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that House Bill 502 is referred to as a one-step business licensing bill. This bill would set up a procedure which would result in a single master license for Montana businesses. It would simplify the licensing procedures. The total appropriation for the bill is \$69,034 as proposed. He stated that the Office of Commerce would handle the administration of this and Rep. Vincent thinks the bill is clear. He concluded by saying that the Montana Chamber of Commerce and the Citizens Advocate Office have supported this bill.

Mr. Vincent introduced John Lopach, of the Office of Commerce, who stated that there are 105 categories of licenses required by state government. There are 6,000 alone in the Department of Health. He said that there are 4 licenses for each licensee. He feels that this bill can perfect savings for state government. There would also be a time savings because all the information would be in one place. Confusion and frustration would be eliminated. They are projecting 600 hours per year savings for state government. Mr. Lopach went on to say that Oregon spends \$55,000 to \$65,000 in their business procedures. He said that their goals include a Master License Certificate, a Permit Certificate, 1 application form, a single renewal date for each type of store, a single information center, and one annual bill from government.

Rosemary Strobe from Helena rose in support of the bill. She stated that she would like to save the cost to government.

There were no further proponents and no opponents to the bill and Rep. Vincent closed saying there is an error in the fiscal note attached to the bill. He stated that the researcher will hand out a corrected copy.

Mr. South noted that there is no appropriation in the bill and Mr. Vincent stated that it was amended in Business and Industry, however, it will show on the original bill. He stated that the appropriation is from the general fund.

Mr. Hurwitz asked if after the appropriation is made for the organization of this plan, will it be self-supporting in the future.

Mr. Vincent stated that he believes it will be. Most of the money is to develop the system. After two years it should be self-supporting. It may not be totally self-supporting, but it should be relatively cost effective.

Discussion was held on the departments which would handle this program. Representative Bengtson asked what they will do with the people who are handling these duties in the department at the present time.

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Mr. Vincent stated that there would be objections from the other agencies because of the possibility of job losses. He stated that if the plan develops like Oregon's, it will be very efficient. If it works properly, the cutbacks would be justified. This closed the hearing on House Bill 502.

The hearing was then opened on the presentation of House Bill 760, sponsored by Rep. Meyer. Mr. Meyer stated that this is an act to revise the fee for housing federal prisoners in county jails. He stated that several counties in the state feel they should be reimbursed for actual and necessary expenses incurred in the housing of these prisoners and he distributed information to members of the committee explaining his rationale in more detail.

There were no other proponents and no opponents to the bill and Mr. Meyer closed his presentation.

Representative South stated that changing the law in this regard would make it open-ended. He asked Mr. Meyer if he would have any objection to just raising the dollar amounts. Mr. Meyer said that he would not have any objection.

Mr. Manning asked if this bill would alleviate any of the problem at the state prison and Mr. Meyer said that this is just for county jails. This concluded the hearing on House Bill 760.

Chairman Bardanouve presented Representative Dussault who presented House Bill 897. Ms. Dussault said that this legislation requests \$80,000 to continue work begun during the last biennium on editing and publishing the printing of the 1972 Constitutional Convention. She stated that two years ago the legislature appropriated \$130,000 for the purpose of editing and printing the proceedings. They underestimated the printing costs. This appropriation is to cover additional printing costs as well as carry on the indexer. Once the proceedings are complete it will be a 7-volume set and there will be about 1,000 copies printed. Sixty of those are donated at no cost to state agencies and the state library system. The remaining 940 copies will be sold for approximately \$200 to \$250 per set. The sale of the volumes will recoup the expenditures of the fund.

She then presented Diana Dowling, Director of the Legislative Council, who stated that this appropriation is primarily needed because of printing costs. The contract had been let for the printing of these procedures. At the time the contract was let, they assumed the volumes would not be as large as they have ended up being. They are now talking about 9,000 pages of proceedings. The first estimate was about \$72,000 short. This appropriation is to make up the difference.

There were no further proponents and no opponents. At this point, Representative Hurwitz asked Mrs. Dowling if they are asking for \$80,000 and Mrs. Dowling replied that they are.

Mr. Moore stated that this is in addition to the \$140,000 that was appropriated last session. Further discussion was held on the cost of the proceedings of the Convention. There was no further discussion and the hearing was closed on House Bill 897.

The next legislation to be discussed was House Bill 357. Rep. Ellis is the sponsor of the bill and he rose to state that this is a concept they would like to see in the government of Montana. It is an incentive pay plan. This is a concept that has been used by industry and has paid off. He then presented Mr. Bill Goznell, Administrator of the Personnel Division of the Department of Administration. Mr. Goznell said that his department would implement this system. They support the concept. As the bill now reads with the amendments, they would try 3 departments to see if there are savings. It won't be a free ride, but criteria for this program is difficult to meet.

There were no further proponents and no opponents to the bill and Mr. Ellis closed, saying that this is a cheap expenditure. It pays for itself. He said that there are lots of areas wherein efficiency would save us money. There are all kinds of places where attitude of employees could save us money.

A question and answer period followed on this bill during which Mr. Goznell stated that this is a one-time bonus for the employees. It would not be an ongoing thing. This closed the hearing on House Bill 357.

Chairman Bardanoue again presented Rep. Dussault, the sponsor of HB 692. Ms. Dussault explained that this legislation insures that if we get to the point where services would no longer be available, medicaid persons would be able to seek relief in the county welfare fund.

She introduced Judy Carlson from the Department of SRS who stated that the bill is aimed at protecting counties from having to pay for any services which may be cut out of the state Medicaid program. She further stated that if a service is cut at the state level, individual recipients may turn to the county medical program to meet their needs. Unless there is some way to control this potential shift in payments, we are not likely to save any dollars.

She explained that if a person who is eligible for medicaid goes to the county, the county would then have to pay 100% of whatever the state did not pay with the federal participation. She stated that six counties in the state are at the highest possible mill level and that others are approaching the maximum.

Representative Dussault stated that the primary opposition to this legislation came from the Montana Hospital Association. They said the recognized rate for medicaid reimbursement is about 85% of total

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cost. If this bill passes, they would be prohibited from going to the county general fund to make up the remaining 15%.

Ms. Joan Uda also rose in support of House Bill 692. Ms. Uda stated that she was the Chief Counsel for the Department of SRS and was involved in these matters. The bill is designed to correct problems that prohibit the state from limiting the Medicaid program. She went on to say that Medicaid will not pay for hospital bad debts. She said that since bad debts are incurred by private sector, costs should be borne by them also. She said if Medicaid does not pay the whole bill, there is a reason. She feels it would be unfortunate not to have that leverage. She concluded her testimony by saying that the issue is controlled by federal law and is legally settled.

There were no further proponents and no opponents to the bill. Rep. Dussault closed saying that the bill was opposed by the Montana Hospital Association and Legal Services. There is a potential under this bill that should Medicaid be cut off, the State Welfare for people might also be cut off. She explained the proposed amendments to the bill. A bill has been introduced in the Senate to do the same thing as this, however, it was killed in committee. Mr. Yardley asked for an explanation of the costs in the nursing homes. He wondered if 35% is an average or can it vary. Ms. Uda replied that this is true; it can vary, it is not a flat rate.

Mr. Yardley then addressed the limitation to the counties to provide this service. He stated that it is mandatory in all cases. He asked if they would allow some discrepancies and Rep. Dussault stated that is the implication of this bill.

Ms. Carlson explained that the point of permissiveness was discussed. If you allow counties either to pay or not to pay, those that were at the upper end of the mill levy are most likely to be permissive than those at the lower end.

Question and answer period followed on the bill. At this point, Representative Dussault rose again and stated that the senior citizens testified in support of this bill. She also said that if the legislature ultimately funds the Medicaid program, then this will not be necessary. The services are provided by Medicaid. The only time this will have an impact is if the department does not manage the money well.

Representative Dussault stated that the amendment would prohibit two more groups of people from applying for county assistance, those that are eligible for federal programs, and those persons who have private insurance that should cover the costs. She stated that this bill will not force people from being taken out of nursing homes. This closed the hearing on House Bill 692.

At this point, Chairman Bardanoue presented John Fitzpatrick of the Office of Budget and Program Planning who presented House Bill 895. Mr. Fitzpatrick stated that this is the second bill to process budget amendments. We have passed House Bill 415 and this bill is for budget amendments received for the month of February. There is no general fund money involved. It is either federal, private or

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earmarked revenue. He then explained each of the requested budget amendments as follows:

Department of Agriculture:

Centralized Services Program, \$22,495, Federal and Private Income

Department of Fish & Game:

Capital Program, \$6,000, Earmarked Revenue

Capital Program, 66,400 Earmarked Revenue

Fish Program, 16,051 Federal and Private Revenue

Fish Program, 29,081, Federal and Private Revenue

Fish Program, 19,792, Federal and Private Revenue

Parks Program, 44,000, Federal and Private Revenue

Wildlife Program, 12,977, Federal and Private Revenue

Wildlife Program, 14,200, Federal and Private Revenue

Department of Highways:

General Operations Program, 154,373 Earmarked and Federal

General Operations Program, 41,000 Federal and Private Revenue

Rail Planning Program, 199,418 Earmarked and Federal and
Private Revenue

Historical Society:

Library Program, 5,000 Federal and Private Revenue

Department of Institutions:

Mountain View School

Developmental Program 230 Federal and Private Revenue

Department of Natural Resources and Conservation:

Energy Program 22,304 Federal and Private Revenue

Energy Program 33,592 Earmarked Revenue

Resource Districts Program 10,622 Federal and Private Revenue

Department of Professional and Occupational Licensing

Board of Psychologists 3,000 Earmarked Revenue

Board of Nursing 8,530 Earmarked Revenue

Office of Public Instruction

Chief State School Officer Program

220,778 Federal and Private Revenue

Department of Social and Rehabilitation Services

19,746 Federal and Private Revenue

There were no further proponents and no opponents to the bill and Mr. Fitzpatrick closed.

Chairman Bardenouve then called upon Rep. Polly Holmes, the sponsor of House Bill 781. Mrs. Holmes stated that this legislation asks for a raise in retirement benefits for retired teachers. She stated that the last increase in the teachers' retirement happened in August of 1976 when they received a 3% raise.

She stated that the retired teachers are living just at the poverty level. People are not able to make it on the retirement that they are receiving. She feels that it is the state's responsibility to

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be ethical employers. Mrs. Holmes then introduced Genevieve Adair of the Legislative Task Force of the National Retired Teachers Association and the American Association of Retired Persons. Mrs. Adair stated that their goal is to provide reimbursement for retired teachers to partially offset the inflation costs of today. They are asking for \$.50 per month for each year of creditable service. This would amount to \$2400 a year, or \$200 a month for some teachers. She stated that many retirees are not drawing social security and are dependent entirely upon the retirement from the teachers.

Mark Jennings, from the National Retired Teachers Association and the American Association of Retired Persons, said he rose in support of the bill. He said that inflationary pressures have hit hard on retirees. He cited utility costs which have gone up, and the cost of living has increased 70%. He stated that there is no provision in the Teachers Retirement System for a cost of living increase. This is one reason that they are in the situation they are. He concluded by saying that he hopes the committee will look favorably upon this bill.

Ralph Eudaily, Representative from House District #100, rose in support of the bill. Representative Eudaily said that we have a real problem. He said that any good retirement system should have a cost of living increase clause built in. In this instances, we have to take other measures to reimburse these people. He encouraged a "Do Pass".

There were no further proponents to the bill and no opponents.

Representative Yardley stated that this is general fund money. If we change the statute as proposed, we will actually commit the next legislature to spend a million dollars for 30 years of service or more.

Rep. Manning expressed concern that there is no clause built into the retirement system and Mr. Morris of the PERS stated that there is no clause in any of the retirement systems.

There being no further questions from the committee, Rep. Holmes closed, saying that this is not a special interest to her. The state owes her nothing. However, she feels the state does owe the people who have taught the children of this state and who have retired, more than they are getting.

This closed the hearing on House Bill 781.

Representative South then presented House Bill 811 which raises the reimbursement rate for school bus and individual and isolated transportation costs. After a brief explanation of this bill, executive action was taken on this piece of legislation.

A motion was made by Representative Moore that House Bill 811 do pass. The question was called and the vote was unanimous. There was no further business at this time and the meeting was adjourned at 10:50 to reconvene at 3:45 p.m.

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The meeting reconvened at 3:45 P.M. All members were present and Chairman Bardonouve presented Representative John Scully, the sponsor of House Bill 828, which was the first matter of business to be presented.

Representative Scully explained that his bill would set up appropriations to the State Board of Examiners to satisfy a court case filed against the state of Montana. He stated that if we waited until the next biennium to appropriate the money, the interest accrued would be around an additional \$50,000; compiling at \$31.20 per day until July of 1979, and \$53.20 per day after that time. He then introduced Mr. Larry Huss.

Mr. Huss, Geraldine Strong's attorney, stated that the case was made against the Department of Institutions for sexual discrimination. The jury awarded Ms. Strong \$193,618.19 plus court costs, and an additional 6% interest after May of 1978. The case is currently pending before the Supreme Court, and he said that they anticipate a decision before July 1, 1979. He explained the reason for the case going before the Supreme Court as two-fold; were the facts presented to the jury sufficient enough to base their decision on; and was a piece of evidence submitted at a later date important enough for them to change their decision? He told the Committee that the woman did not have a job currently, and that by waiting to appropriate the money to her, it would cause another undue hardship. The bill, as it is written, is contingent upon the Court's decision, he explained, and asked that the Committee please appropriate the money.

There were no opponents to House Bill 828, and at this time questions were asked and answered. No further discussion was made on this legislation.

At this time Representative Verner Bertelsen presented his House Bill 907 which would appropriate money to Lincoln Elementary School District No. 38 to assist in providing educational facilities which were destroyed last summer by a fire. The facility had only been insured for \$155,000, which alone is not enough to replace this facility. The Lincoln School District, he went on further to explain, contains 669 square miles of land, of which 82% is owned by the federal, state, and local governments, and 18% by the private sector. The assessment value of private property in the Lincoln School District is \$1,323,081, which provides a borrowing capacity of \$384,693. This school district has applied to several different sources to receive money, but to no avail. Their location is so remote that it would be unfair to send the children to another locality to go to school, and would also provide a hardship on the other existing school systems. He asked that the committee please understand this unusual circumstance and act accordingly.

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There were no opponents to House Bill 907, and at this time questions and answers followed. No further discussion was made on House Bill 907.

Chairman Bardanouve then opened the hearing on House Bill 894, which was sponsored by Representative Vicki Johnson, who was not able to attend. Chairman Bardanouve explained that this bill had already passed the House and that it needed an appropriation which was estimated at \$50,000, but didn't contain in the bill a clause to that end. Chairman Bardanouve then introduced Mr. Jack Gunderson, a witness who came to testify in behalf of House Bill 849.

Mr. Gunderson explained that it was the feeling by many Legislators that in the past there have been problems in grain dealings with the Federal Government. Therefore, grain producing states have formed a compact between themselves for regulation of transportation and commerce. The bill has a clause for giving the commission in charge a subpoena power for any investigation purposes this commission deems necessary. In order to meet ratification requirements, each state that adopts this compact must do so without amending it. Mr. Gunderson felt that it was a good piece of legislation, and requested the Committee appropriate the \$50,000 which is needed to finance the general operations of the commission.

There were no opponents to this measure, and lengthy questioning and answering followed. No further discussion was made on House Bill 849.

At this time Chairman South of the Education Subcommittee, introduced a statement of intent drafted by Representative Esther Bengtson regarding federal requirements embodied in Title IX, addressed to the Board of Regents. Title IX, he explained, requires that each university system spend the same amount of money for women's athletic programs as for men's. It was the concensus of the Subcommittee not to spend any new monies on athletics, and that each system should, as quickly as possible, equalize the disparities in funding of these programs. He stated that the Board of Regents has been anxiously awaiting a word from the Legislature on this matter.

Chairman Bardanouve moved that the Subcommittee's letter be adopted. Representative South seconded that motion, and it passed with three dissenting votes, Menahan, Waldron and Manuel.

There being no further business, the meeting was recessed at 4:25 P.M., and would meet again at 7:30 P.M.

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The meeting was called to order at 7:30 p.m. by Chairman Bardanouve. He presented Rep. Verner Bertelsen, the sponsor of House Bill 907. Representative Bertelsen stated that this is a bill to appropriate money to Lincoln Elementary School District No. 38 to assist in providing educational facilities necessitated by destruction by fire of the former facilities. He presented Pete Vukad of Lincoln who stated that the building in question in House Bill 907 is in the preliminary stages of planning. They are down to the third set of plans which they consider a main building facility. Their estimates are somewhat remote. They are in danger of having to reduce the size of their school from 8 to 6 classrooms. The community would also like to have a kindergarten, if possible.

Tim McCauley, from the Lincoln School Board, rose in support of the bill. He stated that the bill requests \$38,000. It is now estimated that the school facility along with the desire of the school board to purchase the property for the school will run in the neighborhood of \$580,000. The school board has carried \$155,000 insurance on the old structure, and there was a bonding capacity of \$379,000. This leaves them \$38,000 short. They would like to build the school and furnish it completely with the bonding capacity they have. They are buying land adjacent to the school which was there before the fire. They would like to have access off of a side street rather than off the main highway.

Questions were asked about the problems that could arise in appropriating money for the building of special schools. Chairman Bardanouve stated that this might open the door for other communities.

Representative Menahan asked if they might raise the money through bond levies and Chairman Bardanouve responded that they are bonded to full capacity.

There were no further proponents and no opponents to this legislation and no further questions from the committee and the hearing was closed on House Bill 907.

Chairman Bardanouve then introduced Senator Thiessen, who is the sponsor of Senate Bill 425. Senator Thiessen stated that this bill would take care of the developmentally disabled persons. Nothing in this bill prohibits the disposition of the facility. It is an open-ended bill. It would give authority to the Department of Institutions to decide what they have a need for. A need exists in the state for this type of facility. It is a shame to create the bill and then allow the buildings to sit there empty. They should be used for handicapped or mentally retarded people.

John Fitzpatrick of the OBPP rose in support of the bill. He stated that the number of geriatrics has shrunk dramatically in the past few years. He went on to say that Senate Bill 425 makes two changes in the statute. It broadens the scope to include any population covered by the Department of Institutions and provides to contract with non profit organization to operate the facility. The bill provides that nothing will prohibit the disposition of the facility.

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It is important in a number of different ways. It provides flexibility for use of a facility that we have. It is new, it is up to code, it is fully certifiable for medicaid reimbursement. The general fund will pick up 34% of the cost. Federal funds will pick up the remaining costs. He concluded by saying the Department of Institutions, the Governor's Office and the Budget Office all support the passage of Senate Bill 425.

There were no further proponents of this bill. Representative Marks spoke in opposition to the bill. He stated that he opposes the transfer from Boulder to Eastmont. He feels that they should have looked into remodeling the facilities at Boulder so they could get reimbursement. He stated that in cottage 6, 7 and 8 at Boulder with minor remodeling would have made them acceptable. He doesn't understand why it wasn't looked into to provide space for these people to live and possibly use cottages 3 and 5 for office space. That way there would have been no duplication of services, etc. between Boulder and Glendive. He stated that the Governor's Office called it the Town of Tomorrow and said that the Town of Tomorrow was supposed to get all the reimbursement it could. He feels we are letting the people down including the staff at Boulder. He said that the Human Services Committee dealt with SRS who planned to take 40 to 44 people from Boulder and put them in group homes. Now they want to take 30 to 40 and send them to Eastmont for identical care. This will lower the population at Boulder dramatically. The staff would be reduced about 25%. This will cause a serious economic impact on the community. It would probably take out about 10% of the people who occupy homes in Boulder. If we take 60 staff people and put them in Glendive, where are they going to live? He also wondered about facilities for the staff at Glendive. He questioned the care of the patients. He doesn't think we are going to solve a bad situation by making another bad situation. He thinks there are many questions that haven't been answered. He stated that there is a problem here that needs to be addressed. If you are going to use the facility at Glendive, use it for something else, but don't use it for people who are currently in Boulder.

Bob Laumeyer rose in opposition to the bill. Mr. Laumeyer stated that he has talked to people about the facilities at Boulder. He stated that they are not ideal, but they are adequate. It serves the people very well. He stated that the biggest concern is what happens to a cost pattern. It appears that SB 425 would duplicate services. It establishes another institution. If you take employees from Boulder, how are you going to serve the patients who remain there. He said that it is true that they have a one-to-one situation at Boulder. You have certain people who have certain needs. You are not going to reduce that budget by one-eighth. The net results will probably be poorer treatment for both places.

Dave Kirsch from Boulder rose in opposition. He stated that the town of Boulder was requested to provide housing for the employees there. They built 66 new homes and there are approximately 40 new trailers there now. There are 20 new businesses in the town. They feel that they have done everything they were asked to do, and now they want to move some of the people out of their town. He also stated that the town has built 3 1/2 miles of new water and

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sewer lines. He concluded by saying that the city is opposed to having a town of empty houses.

Mr. George Ammen also opposed the bill. He said that he owns the drugstore in Boulder. He feels that they could upgrade the buildings at Boulder. He suggested that they use the one-story buildings for the patients and move the offices into the two-story buildings. He said that a special pool had been constructed for the retarded children for physical therapy. He wondered if this sort of facility would be available at Glendive.

The City Clerk in Boulder then rose in opposition to the legislation. She stated that she had checked into possible housing in Glendive and had found that there wouldn't be over 12 rentals available and that there would be very few that would be available for sale.

Joe Geraghty, representing AFSCME Local 971 in Boulder rose in opposition to Senate Bill 425. Mr. Geraghty stated that once a facility is open, it is difficult to close it. He feels that in making the move to Glendive, you are creating more institutions. He feels it would be better to put all the eggs in one basket and make Boulder the finest institution rather than splitting it up. He doesn't feel Montana can afford two institutions for the mentally retarded.

At this time Bob Morris, also representing the AFSCME Local 971 in Boulder rose. Mr. Morris feels that they could fill the building at Eastmont with people they put into the group homes a few years ago. The staff at Boulder is trained to deal with violent patients. The staff at Glendive is not. He asked about the cost of re-training the staff to handle this type of patient. He stated that he doesn't think you will find too many people in Boulder who would be willing to move to Glendive. Mr. Morris also stated that he is concerned with duplication of services. It would cost \$10 a day more to care for patients at Eastmont.

In the essence of time, the Chairman then permitted the remaining delegation from Boulder to stand and identify themselves as being in opposition to the legislation.

There were no further proponents and no opponents to the bill and Senator Thiessen closed by saying that this bill is a matter of "after the fact". The building is there, it is a good building. We are not creating another Boulder. Adding the patients that we are considering transferring to the 25 already at Eastmont, they would have a total of 65. There are benefits of transferring those patients over there. Families have to travel to Boulder from the eastern part of the state to visit with their children. Putting some of those children in the facility at Glendive would benefit those families. He closed urging the passage of this bill.

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Chairman Bardonoue then introduced Representative Joe Brand who is the sponsor of House Bill 747. Representative Brand stated that this bill provides for a payment of \$30 per month to be paid by a public employer to a former employee on disability retirement who elects to continue group health insurance at the time of retirement and who is not eligible for medicare. This \$30 payment will go towards his insurance premium as long as the retiree remains eligible. He explained further that when the retiree reaches medicare age, the payment stops. The necessary appropriation for this legislation is \$18,000 per year of the biennium and only a state employee is covered under this bill.

He presented Larry Nachtsheim, Administrator of the P.E.R.S. who concurred in Mr. Brand's presentation. There were no further proponents to the bill and no opponents.

At this point, Rep. Manning asked how many years this would carry the retirees and Rep. Brand said that it would depend on the person. They have to be totally disabled before they are eligible.

Rep. Bengtson asked if this would be about the same drain on general funds for the small public employers. She wondered how they would compare these two bills.

Mr. Nachtsheim said this is not a retirement bill. We would only administer it. It would require an appropriation every year. It is a supplement to the insurance they receive. The reason behind the bill is that they are people who are put into a retirement situation by no action of their own.

Rep. Hurwitz asked if this includes county and city employees, and Rep. Brand said it just covers state employees, but Mr. Nachtsheim stated that they cover all types of public employees, both city and county.

Rep. Bengtson asked if this would be an on-going appropriation and Rep. Brand stated that he plans on this. He said it is difficult for a person who is completely disabled to get insurance on his own.

Rep. Bengtson asked if they would also include those people in the future who become disabled and Rep. Brand said yes. Discussion was held on the definition of totally disabled. Rep. Manning asked if the people under this plan are unable to buy insurance anywhere else, and Rep. Brand stated that it is almost prohibitive.

This closed the hearing on House Bill 747.

Chairman Bardonoue then presented Rep. Joe Brand, the principal sponsor of House Joint Resolution 39. Rep. Brand stated that this

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bill enacts Phase 2 of the Railroad Planning Act. The Department of Highways will administer this act. It will require 80% federal money and 20% state money. He stated that Montana is the only state that does not have a Rail Planning Act. After we establish Phase II, then we will participate with the federal government. This will possibly cost the state \$275,000 and the federal participation would be \$1,400,000.

He presented Kenneth Clark who rose in support of the bill. Mr. Clark stated that Phase I of the Act is completed. He said that Phase II is the money we have talked about in House Bill 483 for this project. When we go to Phase III, that is where they put the act into action.

Mr. James Mular said that 21% of the branch lines in the state are subject to abandonment. Each year they are subject to change. He said that the \$670,000 is good until 1981 and there may be money available in excess of that after the plan is completed.

John Craig, from the Department of Highways, will be the individual responsible for the administration of this program within the Department. He was available to answer any questions that the committee has.

Rep. Hand asked if this legislation will implement building a railroad, or is it to implement the study. Mr. Brand stated that this will implement the study, and it is all federal money that is being spent.

Further discussion was held on this bill. Rep. Brand closed saying that this program is intended to find what is needed in the railroad program. This closed the hearing on HJR 39.

Rep. Bardanouve then presented Rep. Brand who is the sponsor of House Bill 890. Mr. Brand stated that this bill asks for \$50,000 for the attorney general office to pay for legal costs involved in developing and pursuing Montana's position with regard to reorganization and bankruptcy proceedings of the Milwaukee Railroad. This is necessitated because the trustees have declared bankruptcy and the courts are in control of the railroad. They need to get into court to get the records of what happened to the railroad. The state will do the work. If the Milwaukee Railroad goes bankrupt, each county will have quite a tax loss.

Jim Mular rose in support of the bill. He stated that the money is to insure the state with a creditor's lien of \$770,000 in taxes. He said that there are also court costs that the attorney general's office has incurred. He stated that if the railroad withdraws from Montana, the only competing line from the south would be the Union Pacific. Not only are the shipper's interest involved in this, but also the employer's interests. The attorney general would be

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representing all the people of Montana. Ken Clark rose and stated that this funding simply makes certain that the attorney general pursues this case.

Rep. Oberg from Havre rose and stated that it would be a hardship to the state and to the shippers to have a monopoly situation. The state has to have a good faith effort on behalf of the action. We have a lot to lose in taxes and benefits to the citizens of Montana. There were no further proponents and no opponents to the bill.

Rep. Yardley asked if the \$50,000 would be enough to handle this litigation and Rep. Brand stated that this is the amount the attorney general has said he needs for this.

Mr. Marks then asked why this appropriation is made direct to the governor's office when it is the attorney general that is going to do the work.

Rep. Brand stated that this is the way they wanted the bill worded. The attorney general also wanted it worded this way. Further discussion was held on appropriating the money to one office and having another office make the expenditures.

Rep. Moore asked what fund this money comes from and Rep. Brand said he didn't know. Mr. Mular stated that this is a one-time shot.

There were no further questions from the committee and at this time Rep. Brand closed saying that this bill is very important. He gave an example of the farmers having grain and need it to be shipped, if we can manage to keep the Milwaukee in Montana, it is going to make competition to the other types of transportation in the state. This closed the hearing on House Bill 890.

Rep. Ellis, the sponsor of House Bill 665 testified on behalf of his bill. He stated that this money is to be match money from federal grant money to get a Displaced Homemakers Program established in Montana. The cost would be \$30,000 for the biennium. He presented Sally Moore.

Mrs. Moore stated that she is the Consultant for Human Potential Development with the Dept. of Vocational and Occupational Services under the Office of Public Instruction. She explained that a displaced homemaker is a person who finds themselves without support of a spouse through various reasons. They have generally provided unpaid services in homes for a substantial number of years. They face special problems in attempting to become self-sufficient. Many states are opening displaced homemaker centers. Mrs. Moore went on to say that during the last biennium they were appropriated

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\$30,000 to establish protective service programs. She stated that Billings and Missoula are establishing centers through this program. She supports this bill and requested the committee approve this bill by appropriating another \$30,000 for the biennium.

There were no further proponents and no opponents to the bill.

Rep. Moore asked about the \$30,000 reserve and asked what happened to the federal money they expected to receive.

Bruce DeRosier from the Dept. of Labor and Industry stated that they had expected federal legislation to be passed. He stated that the federal government had just acted in October of this past year. They are in the process of implementing these programs.

Rep. Moore asked how much federal funds will come into this program and Mr. DeRosier stated that he couldn't give the committee an exact figure.

Rep. Steve Waldron asked what they would use the money for, and Mr. DeRosier stated that they would use it primarily as entry money for counseling and so forth.

Joan Duncan rose and stated that this is much like the Women's Bureau. It is a problem that is very much misunderstood. They are trying to provide counseling services to get them out of situations that they have been in for 20 to 25 years. It takes special people to deal with these special people. It is meeting the needs of a special person. Further discussion was held on the definition of the term "Displaced Homemakers".

Rep. Bardanouve asked if there is language in the bill that says that if the federal money isn't available, it was not to be spent. Mr. DeRosier stated that this is intended to be an extension of the original bill which was a pilot program.

Rep. Bengtson wondered how many people we are talking about and Mr. DeRosier replied the impact of national lobbying is causing congress to pass legislation and funding for such a program. However, there are no available figures for the number of people it involved.

At this point, Rep. Ellis closed, saying that this is preventive medicine. It is best to take care of these people before they become a burden to the state. He hopes to have the bill passed. This closed the hearing on House Bill 665.

There being no further bills scheduled for presentation at this time, Rep. Ellis moved that we consider action taken on House

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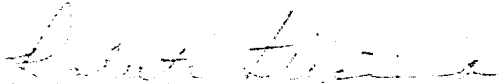
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Bill 483. Rep. Ellis stated that he would like to see the 2% put back in the budget for the faculty at the University. A question was asked about the community colleges and another question was asked as to why we are limiting this request to the faculty salaries. Rep. Ellis replied that he is trying to find a level of percentage that would treat them all equally.

Rep. Yardley stated that he could not support the motion. A lengthy discussion followed of Rep. Ellis' motion to reconsider action taken on House Bill 483. With a roll call vote showing 8 voting "yes" and 9 voting "no", the motion to reconsider action taken on House Bill 483 failed.

There was no further business before the committee, and the Chairman entertained a motion from Representative Moore to adjourn the meeting. Motion carried. The meeting was adjourned.

Chairman


Secretary