

MINUTES OF THE MEETING
OF THE LEGISLATIVE APPROPRIATIONS COMMITTEE

March 21, 1979

9:00 a.m.

Room 104

State Capitol Building

Subject: HB 647, HB 679

HB 681, HB 644

The meeting was called to order at 9:05 a.m. in the House Chambers. Chairman Francis Bardanoue presided over the meeting with all members of the committee present with the exception of Representative Ellis, who was excused.

Chairman Bardanoue presented Representative Harrington, who is the chief sponsor of HB 647. Representative Harrington stated that we have three pieces of legislation designed for the elderly. He explained that this bill deals with the aging services under the department of SRS. He said that it is important that we look further in this area and develop a better area for the service of the senior citizens, both those who can stay in their own homes and possibly those who could use foster home care. He stated that foster home care is not a step backward. It could be a great step forward.

At this point, Representative Jerry Metcalf explained House Bill 679. He said that we are trying to get away from a piece meal approach to senior citizen legislation. In presenting HB 679, he is not going to dwell on the financial plight faced by many of the senior citizens. He said that inflation has a terrible hold on them. The \$2,000,000 to the SRS provides for 25% of the hospital deductible under Medicaid. He explained that an individual is responsible for one day of his care while hospitalized. Medicaid then pays for 100% of the next 59 days. This is the reason they are asking for this program. He said that there were 35,719 medical hospital admissions between July 1, 1977 and June 31, 1978. They are estimating 25,000 admissions were charged to the hospital deductible. If you multiply that 25,000 times the \$40.00 which is the amount the State pays, you come up with a total amount of \$1,000,000.

He went on to explain that they are asking \$1,536,000 to provide \$20 a month to all supplemental security income recipients. He said that there are 3,200 recipients who receive monthly payments. The maximum for a single person is \$189.00 and \$284.00 for a couple.

Representative Metcalf then stated that they are requesting \$1,492,474 to reinstate optional services that were to be eliminated from the Medicaid program under the SRS, such as teeth, visits to the doctors, hearing aids and eye glasses, etc. He said that these services are a necessity to the senior citizens.

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If we fail to fund these, we are turning back millions of federal dollars. He said that since this is an appropriation bill it is necessarily vague in the details for the administration of the program. There are already existing programs. The extra \$20 SSI should go directly to the senior citizens. Under federal law they receive \$25 for their personal needs. He said that this isn't enough. They must pay for everything they need other than food and shelter out of that \$25. He urged the committee to give this bill a Do Pass recommendation.

Representative Oberg then explained the purpose of House Bill 681. He said that this establishes a pilot program for group homes for senior citizens. He said that we have to look for places and ways to provide services for our senior citizens. This is a new concept. We are trying to return the senior citizens to the community again to become involved in living again. He said that they would like \$90,000 to try and improve the way these people live. They are asking the SRS to establish pilot group home projects. He explained that people 60 years or older will live in these homes and that there would be 8 complexes in a unit. This will provide personnel to staff those homes. He said that if we go into this and spend 2 years on it, the results will be satisfying. If it doesn't work it will not continue on. It is a small amount for the people we are going to serve. He continued saying that he thinks we can get private contributions for the program.

Representative Kvaalen took over at this point.

Virginia Kenyon rose in support of House Bill 681. She stated that she supports the concept of group living for the aged and would very much like to see a pilot program in Montana.

Tom Ryan from the M.S.C.A. rose in support of the three bills. He gave the committee a package containing petitions that had been signed in support of the legislation.

Helen Haegele rose in support of HB 644. She stated that the bill provides appropriate care. She also stated that the bill mandates that services be coordinated by the area agencies on aging. She concluded her testimony saying that the need for the bill is tremendous and urged the committee to pass the bill.

Robert Vandevere, from Helena rose in support of the bill. He stated that he hopes the committee does not put a chopping block in and start chopping. He asked that they amend it properly so that these bills will pass.

Ann Kline rose and stated that \$200 a month doesn't go very far. She said that she is in favor of the bills and that she represents all those who couldn't come this morning.

Larry Ryan from Missoula rose in support of House Bills 647 and 679. He stated that there will not be enough attention given to the elderly. They are not asking for a handout, only a help out.

The next proponent of the bill was Lloyd Young from the Ravalli County Council for the Aging. He said that he is particularly interested in these three bills. They will help senior citizens in the outlying areas. The additional money will allow the people to get into town for medical care and social activities. Please do not cut any of these bills.

Grace Hicks from Great Falls stated that she is very concerned about home health care for senior citizens. She said that there are senior citizens who do not meet the criteria to qualify to be taken out of the hospital and put into a nursing home. We have people who cannot leave unless they have someone to look after them. Many do not have a family that can look after them. It is time for our State to look into the fact that we need to have a training program and help for the elderly. It is much cheaper to bring a person back than it is to pay \$1,000 a month for expenses for them to be in a nursing home. He said that HB 679 is a good bill and thinks it should be well considered. He also can go along with HB 681.

Rose Smith from Townsend rose in support of the bills. She stated that she feels the State should help. However, they do not ask for any appropriation unless a well formulated program is worked out. House Bills 679 and 647 shows this has been done. They believe they should get the appropriation they are asking for on those two bills.

Al Bendor from Shelby rose. He stated that he is in favor of House Bills 647 and 679 and that he has reservations about House Bill 681. He said that \$90,000 doesn't go too far. He wondered who is going to pay the bill to keep these people in the nursing homes. He asked that the committee support House Bills 647 and 679.

Rose Albertson from Glasgow rose in support of the legislation stating that we are in favor of House Bills 657 and 679. She said that people would be a lot happier if they are allowed to stay in their own homes. She said that medical costs are getting so high that those on fixed incomes cannot deal with them. Anything they can get will be helpful.

A gentleman from Alberton rose and stated that he is interested in all three bills, but that 647 and 679 are the most important. He doesn't know if he and his wife would be able to go to Missoula for social activities because of the fuel emergency situation that has arisen. The extra money would help them in this regards.

William F. Couture from Hamilton rose in support of the bills. Bob Williams from Missoula also spoke in favor of the bills.

Eileen Simpson from Ravalli County rose and stated that if the committee is going to cut, please give the \$40,000 to the people that need it. In regards to House Bill 647, she stated that they need all the programs.

They have made a good start. In the western areas not all the counties have these programs. She asked the committee to please pass this so the State can give additional training to people so they can serve all the senior citizens in the State. She also supports HB 681. She said that this is only a pilot program. She said that if 4 or 5 can get together and help take care of each other, they can try it out. If it doesn't work, it is only a study program.

Darlene Jensen said that anything you can do to help the elderly would be appreciated.

Otis Capps from Ekalaka rose and expressed concern about the area of transportation for citizens having to travel great distances for medical care. He also expressed concern about the senior citizens having to pay school taxes and said that he feels that they should not have to pay them when the citizens turn 65 years of age. He stated that the main problem the senior citizens have is with money. He went on to say that he is proud that Montana does not have a sales tax. He concluded his testimony by suggesting that we look at the other states and see how their programs are being administered.

Bernice Schneider from Missoula rose in support of HB 681. She stated that she knows what it means to be alone. She feels it would be tremendous not to be alone and she hopes that 681 will come to pass.

Representative Paul Pistoria rose in support of the senior citizens. He stated that the majority of the senior citizens have paid their debt to society.

Judith Carlson was the last proponent to rise in support of the legislation. She stated that she represents the Department of Social and Rehabilitation Services and that they support House Bill 647. She said that there are two sections of the bill which they heartily endorse as needed revisions of the present program of adult services. She said that one would increase the numbers of persons who could be cared for in adult foster care from three to four. This would help families who provide foster care to make it more economically feasible for them. The other section will provide liability insurance for licensed foster home care vendors. They consider this to be a needed service. She closed by urging that House Bill 647 Do Pass.

There were no further proponents and no opponents to the legislation and no questions from the committee. At this point, Representative Harrington closed on HB 647. He asked for the passage of all three bills. He said that each will need a certain amount of work and he feels that some of these areas are very expensive. He said that we must address this problem and come to grips with it. It is important to have a consolidation of these particular group activities.

Representative Metcalf closed on HB 689 and also on behalf of

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Representative Oberg. He handed to the committee a package of letters from senior citizens in Anaconda. He said that the money asked for is roughly \$5.2 million. That represents about 1% of the total state budget. Senior citizens comprise about 15% of the population in Montana. We would be using about 1% to provide services for about 15% of the people. He doesn't think that is too much.

He closed by saying that on behalf of Representative Oberg, he would like to solicit the committee's support for House Bill 681.

There was no further business before the committee and the Chairman adjourned the meeting at 10:15 a.m. to reconvene on adjournment.

The meeting reconvened at 3:50 p.m. with Chairman Bardanoue presiding. At this time, the Chairman introduced Representative Dussault who is the sponsor of House Bill 284.

Representative Dussault stated that this is a bill to appropriate money for foster family homes at a rate prescribed in the bill. Foster family homes are defined in the bill. She went on to say that the bill does not cover institutional group homes. She stated that this bill does three things: (1) It sets out in statutory language the dollar amount that is being paid to the foster parents. (2) In the timely payment provision of the bill, there will be a slight amendment needed. She explained that foster families receive their payment at indeterminate times. They receive the payment without any type of warrant or voucher. (3) Part of the intent of this bill is to straighten out the above problems so that there is a clear accounting system.

Jack Stevens from Great Falls was the first proponent to speak in favor of the bill. He stated that he has had 15 foster children over the years. He said it is extremely important to realize when they take children into their homes that they also ask their children to help them. He went on to say that it is difficult to mobilize foster parents to come to the Legislature because the most important role for the foster parent is to be home with the children. They are also concerned with the children being lost in the system. He said they were last granted an increase in 1975 but that was reallocated to custodial care.

There is a dollar amount in the general fund for the last biennium of \$867,258. The appropriation bill for the SRS budget has a general fund impact of \$961,727 and the request by SRS has a general fund impact of \$1,909,357. He said that the House Bill has an impact of \$1,574,787. They are asking for an increase of \$707,000. Mr. Stevens went on to say that they had a cost of care survey prepared by the Foster Care Association, that showed that the cost of care was substantially higher

than some of the others that were prepared nationwide.

He closed by saying that in HB 284, the daily rate would be \$3.00 which would amount to 33 cents an hour for 24 hour day care.

Eunice Ask from Billings rose in support of the legislation. Ms. Ask stated that a cost study came from Denver to see how much it cost them to raise a child in their homes. They had permission to use the survey. She stated that 14 counties took part in the study and the results showed that there was an average cost of \$225 per month for an age group of 0 to 13 and \$275 per month for ages 13 to 18. This figure does not include medical expenses. It is just for food, clothing and the necessities of living. The national figures are a little higher than our State. The foster parents do not feel like they are asking for a raise. She stated that people are actually spending this much money. She concluded her testimony by saying that she feels that children should be put into foster homes. It is a lot cheaper to raise them there than it is to raise them at Warm Springs and also the children get a lot more.

Bill Campbell from Darby stated that he participated in the cost study. He figures it cost him over and above the State's share \$3,110.49 to care for two children. He said that if he didn't have a good paying job he wouldn't be able to keep the children he has. Mrs. Campbell then rose in support of the bill and stated that they are sharing the money they have with all kinds of children, but they only have so much. They are not able to save any money.

Collice M. Watts from Kalispell was the next proponent of the bill. Ms. Watts stated that she is a single parent and that she has adopted a child and has taken in several foster children. She said that she has specialized in children with severe emotional handicaps. She cannot afford to take in the children any longer. She said that the State pays \$6.50 to \$10 a day to take care of a dog. That is \$2 to \$4 more than foster parents get for caring for children. It has gotten to the point here that they can no longer afford to take away from their own children. They deserve and need to be reimbursed for the expenses that they do incur.

John Ginnaty from Great Falls stated that he and his wife have 7 children of their own. They have had 19 foster children over the years and now they have 2 in their home. He is self-employed and brings in a fair check. He feels he operates at a deficit, but would not give up his foster children even if they were cut off completely.

Jake Bromgard from Billings stated that he helped start the Big Sky Foster Home Association. He said that it is sad that they have to go to these extremes to testify to get what they deserve for their children. He said they sometimes have problems with the caseworkers. They are trying their best to

raise the children to be responsible citizens. Their goal is to bring them out and be self-supporting in this state. They do want to be treated fairly. He said that the cities get more to take care of a dog than they get to take care of a child. It is a shame. He concluded by saying that they are fighting for their foster children and they want what is theirs. They are not trying to make money but they do want be treated equally and fairly.

The next proponent was Rita Rowland from Victor. Ms. Rowland stated that she is especially interested in the medical foster children, especially those who are physically and mentally handicapped. She pointed out that it costs from \$14,000 to \$22,000 a year to care for a child in an institution. With proper training, foster parents can take care of these children for about 1/3 of that figure. It brings children back into the mainstream. She said that all the children that are in the foster care need a good chance.

Connie Mitchell said that we are investing in the children's future. She said that the institutions are doing their best, but that families are better. She said the committee should help them.

Nancy Nemitz from Great Falls said that it has been the greatest experience of her life. She agrees with all the people that have been at this for 15 to 20 years even though she has only been a foster parent for 7 months. She said that in addition to providing for that foster child's expenses, she has had a considerable loss of work time to provide the child with emotional stability.

Fritzi Broten rose and said that she would rather be a mother than anything else in the world. She said that they are the only family that her foster children know. She has had to get a part-time job so that they could continue to keep the children. She is now going to have to get a fulltime job or give up the children. Ms. Broten went on to say that she takes little children from problem homes and keeps them from 2 months to 2 years while they are going through court proceedings for adoption. She cares for them until they are adopted out. She has had 45 children in 11 years.

Esther Williams from Billings said that she has cared for 83 foster children in her time and she hopes the committee will see their way.

Sylvia Boling stated that she didn't know how to deal with her problem. She is learning better ways through the SRS and the foster care program.

Mr. Kessler stated that we have a problem. Either the children are going to end up in an institution or in a foster home. He said that the foster parents are a deserving group of people and he hoped for a Do Pass on the bill.

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The Director of the Montana State Foster Parent Organization in Kalispell was the last proponent to speak on behalf of the bill. He said that he has had 90 children to care for. He travels around the state now and helps foster parents set up training for their children.

There were no further proponents and no opponents to the legislation and no questions from the committee.

At this time, Representative Dussault closed that she hopes the committee sees fit to pass this bill.

The hearing was closed on HB 284.

Chairman Bardanoue then presented Representative Andrea Hemstad who is the sponsor of HB 838.

Representative Hemstad stated that the bill will appropriate \$250,000 for the implementation of Senate Bill 276 which has passed the House and the Senate. The funding would be for this biennium. Ms. Hemstad stated that gifted and talented children are those with specific academic attitude. She explained that the funding will be through the Office of the Superintendent of Public Instruction. In-kind contributions will not be part of that kind of contributions. Senate Bill 276 lists the criteria which would review and make recommendations. She then presented Lyle A. Eggum from the Office of Public Instruction.

Mr. Eggum stated that the bill requests a modest fund to implement Senate Bill 276 which authorizes public schools to include programs for gifted and talented children. He went on to explain that the second portion would provide technical assistance. Schools are struggling to initiate programs for these students. He said that the Superintendent's office has had over 50 requests for this type of program. He urged for a Do Pass consideration.

The next proponent of the bill was Harriett Meloy from the Board of Public Education. Ms. Meloy stated that the amount being requested is a small thing compared with what is being requested from other programs. She went on to say that these children will be the leaders of tomorrow. They will be the ones who conquer cancer, explore the frontiers of space, solve our energy dilemmas and bring peace to the world. She closed saying that these children have special needs and the Board of Public Education strongly supports this legislation which would provide a modest first step toward fulfilling those needs.

T. Carl Johnson rose in support of the bill. He said that he hopes the committee can find the money to support the program. It has been needed for a long time.

Bill Campbell rose and said that he hopes the committee will find the money for the program. It is long overdue.

Ms. Andrea Upshaw stated she has worked with 12 districts in setting up these programs. She said the programs have been very successful. Parents tend to be the most outspoken proponents for the gifted and talented children. Even with this type of dedication they don't do this alone. The children are very demanding. They challenge the teachers to come up with a different and more challenging curriculum. They need additional aid if they are to carry this program. These districts are willing to do this with matching funds. Costs are sparse when compared with the results you receive. The gifted will make it in spite of the system.

There were no further proponents and no opponents.

QUESTIONS FROM THE COMMITTEE:

Representative Hand asked how they know a gifted child and Ms. Upshaw replied that you look at a variety of things. She stated that these are children who came to school having taught themselves to read. They have already mastered the information they will be dealing with in their classes.

Representative Hand then asked how many are there and Ms. Upshaw stated that you will find about 3 to 5% in most states.

Questions were asked on what they are going to do with the children and how you tell a gifted child.

At this point, Representative Hemstad closed saying that there is a definite need for this bill. These children, if not treated with special care, are often bored, they often do not go to school. The children should have the opportunity to excel.

This closed the hearing on HB 838. There being no further business, the committee adjourned until 7:30 p.m.

The meeting was called to order by Chairman Bardanouve in Room 104, at 7:30 p.m. A quorum was present as was John LaFaver, Legislative Fiscal Analyst.

House Bills 894, 841, 917 and 849 were to be heard,

Representative Jim Burnett, District 71, Carbon County, presented HB 849 of which he is chief sponsor. He explained that this bill was an appropriation for the repair of Cooney Dam. This is a state dam, built in 1930 and therefore, is a state responsibility. This dam has been classified as one of the most dangerous dams in the state. The dam could have been repaired for \$100,000 to keep it at present level, however, due to all the federal standards it must now meet the cost of repair which will be about \$591,300.

Don Myrppa, Department of Fish and Game stated that this is an extremely popular recreation site with good road access from all directions. Last summer, about 10,000 vehicles visited the area carrying some 30,000 people. The department has invested heavily to accomodate this kind of use. Since 1970, he estimated that the department has spent about \$105,000. Another project proposed for this spring will cost \$200,000. If the project is breeched the department will suffer a financial loss. The proposed project would increase the water surface and improve fisheries in the area. The department has agreed to assist financially if HB 849 is approved. He estimated they could make about \$300,000 available to the project. However, this money can only be legally provided if the project goes to construction.

Mr. Myrppa concluded saying that Cooney is an important recreation area and should not be lost. The cost of breeching the project would also be very high, with no return to the state.

Richard Bondy, Department of Natural Resources presented a slide show, to visually show the members the problems at Cooney Dam. He went on to explain that this area is classified as a high hazard because it is located above a populated area. The spillway is inadequate and the state might have some responsibility to fix it. In 1977, there were two bills in the Legislature, the one that passed directed that a study be conducted to determine the feasibility level, design a project and propose a cost estimate with a financial package.

Total cost of the project is \$1.8 million. This is proposed to be financed with an \$890,000 loan taken out by the water users. \$260,000 from the Bureau of Reclamation, federal funds and the \$591,300 from the state requested in this bill. This does not add up because some money has already been expended, about \$17,000.

Al Kirshich, head engineer that did the study and put in the original revenue said the basic problem is being unable to meet the maximum possible flood. The spillway was designed under different conditions from today. They have spilled about five times and each time there is further damage to the spillway. They have decided the best thing to do is rehabilitate the principle spillway which will allow them to raise the water level of the dam in time to meet an emergency flow. The earthen spillway is protected with a dike. When it over tops they can let it go out. They have brought the cost down tremendously.

They are left with no other alternative than to purge the dam. The cost of purging the dam would exceed the cost of fixing.

It was also pointed out that the dam is basically as sound as it was when it was built. The standards have changed over the years.

Mr. Hilton explained that the water users are paying \$1.00 per acre foot for 20 days. This project will not make the water

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any easier to get, it won't help in operations so it is of little advantage to the water users. They do realize that they will have to pick up the tab.

The main source of irrigation for this area is Rock Creek. Half of the water users would be more than doubling their payments. The other half would be only a little bit better off than they were 40 years ago. It was also pointed out that this is only supplementary water.

Representative Bardanoue asked about income to the state, what goes to the general fund. It was explained that the contracts with the water users are for \$1 per acre foot for 40 years, based on the original construction costs. The water users will incur an additional \$890,000 debt with this project. These charges to the water users are based only on cost, not the value of the property.

Representative Manuel asked who will pay the \$890,000. It was explained that the water users will have to pay \$22,000 a year back. Fish and Game has used the area for years and have cost the water users considerably. They have asked the Park Division to come up with \$266,000 and they are not sure how much the department will contribute. Representative Manuel asked how much the state will have to match. The state must put up the front money; \$591,000 to get the project under way.

Mr. Hyyppa explained they can get a dollar for dollar match. The financial arrangement can be handled any way, but something other than federal money has to match that money some way. Representative Manuel asked about the \$500,000 federal grant to Cooney Dam included in the subcommittee's budget. When the budget was put together, they did not have this final report. The \$500,000 figure is misleading and will have to be handled through a budget amendment. They did ask for \$500,000 federal money in the department budget.

Representative Manuel asked if they had looked into the possibility of getting coal tax money. They stated that this request was originally in the coal tax bill.

With regard to the \$500,000, Representative Hurwitz asked if this money they are asking for now would be in addition to the \$500,000. This request did not show up in the appropriation. The funding of this project was discussed at length by the committee.

In response to a question it was said that it is not feasible to sell the dam to the water users because they could not be held liable if the dam went out.

Representative Bardanoue commented that Montana made a loan and the water users paid it back; \$1 an acre foot is very cheap. He did not feel the dam should be purged because it is an asset to the state. He asked if the committee considered making them

a loan could they amortize a loan. It was explained that the water users pay \$7 an acre foot by the time it gets to their land. Even then, there is no guarantee they will get this water. They have paid some years and did not get any water. They can only use the water for 20 days in the year. Therefore, they are paying \$1 a year for water behind the dam, this is only supplemental water, it could not support the area. It was estimated that for four years out of ten, they have a firm supply of water.

Representative Burnett closed, thanking the committee for their consideration of this bill. He was trying to be responsible to his electorate in introducing this will. He asked that they approve some phase of this bill. He would also be willing to reconstruct to come up with a committee bill.

Representative Ernie Dassinger, District 50, presented HB 841, of which he is sponsor. The appropriation is to do a study of a state dam in Park County.

Ted Doney, Department of Natural Resources, stated that this is a very serious problem, the dam is very unsafe and needs to be repaired immediately. It suggested that we must either fix the dam or get rid of it. It would cost \$2 million to purge the project. He concluded saying this is a serious problem and he urged the committee to make a decision. If this dam were to break it would flood Miles City and others on down the line.

Richard Bondy, Department of Natural Resources presented some slides of the area. He explained that they can either fix the existing dam or build a new dam further down stream. The estimated cost of a new dam down stream is \$100 million, the cost to repair the existing dam is \$30 million. Land rights are a big issue, due to coal fields in the area. An estimated 60,000 feet of additional water would be realized with an enlarged project. They must have this allocation and soon if industry is to pay for the rest of the project.

There is an Indian Reservation along the east border and they have water rights. The Crow Tribe is interested in participating with the state in fixing the project. They have 7,500 feet under contract.

The 1975 Legislature looked at raising the present dam at a cost of \$30 million to provide 60,000 more acre feet of water. The cost of a new dam down stream was \$60,000, however, when inflation factors are applied to this estimate the present cost would be \$100 million. It would cost only slightly less for the upstream dam which is uncertain because of the coal rights.

The 1977 Legislature authorized a study for the marketing potential and found that projected with the Indian findings the dam was insufficient and must be repaired or purged. Wyoming will cooperate but are not interested in joint statutes. The Northern

Cheyenne will cooperate anyway they can. The Crows are interested in the project. The market for industrial water is still uncertain. The projection is that there is a need for this water and someday they should have no trouble selling it. Someday additional agricultural water will also be needed.

The next step in the project is to do a feasibility study to lead to the project design which is what they are asking for here. The only alternative is to purge at a cost of \$2 million and they will need about \$200,000 to prepare for that.

Mr. Doney explained that presently, they are looking at two sites. Under this reservoir there is coal; the best coal in the state but it cannot be mined. Personally, he thought the best site is downstream. His suggestion was that the department could build a new dam downstream, flood to the existing dam, purge the existing dam, mine the coal and use this money to pay for the cost of the new dam by selling bonds with contracts for the dam. This was proposed to them by the Decker Coal Company. We are talking about millions of dollars in coal under this reservoir.

It was explained that the alluvial content prevents mining in the present situation under federal law. This area would eventually be flooded over, after the coal was mined. This is a complex and expensive project, but if the study proves that this is feasible, they will be able to finance everything with the sale of coal. These projects have a value to the state even though the initial cost will be great.

A question was asked concerning the state's obligation. It was explained that when the dam is unsafe the contract is no longer valid, therefore, the state can purge the dam.

Dick Montean, representing the Northern Cheyenne, presented a letter in support of this bill. He stressed that at present they have experienced some damage and are very concerned about the dam. He hoped that the issue of jurisdiction could be set aside. He was also concerned about flooding the coal fields after they are mined. He said the water quality is not that good and was concerned that this would render it unsafe for irrigation. He hoped that this study would determine this.

Father Dan Frosby, St. Labre Indian Mission testified that the dam flooded last year causing \$250,000 in damage to the Mission. It has been determined that the dam would not withstand another flood like the one last spring. He asked the committee to consider the law suits if the state has known that the dam will not hold and there is another flood with subsequent loss of life and property. He concluded saying that something has to be done or the state will be held responsible.

Representative Bardenhewer asked about a generator in the dam. It was explained that this is something they would do if they raised the dam.

In response to a question it was explained that at present there is no mining being done on reservation lands.

It was asked if the Bureau of Indian Affairs could help the reservation. Mr. Monteau did not think the BIA would help on this and the Housing Authority would only be able to provide a limited amount.

Representative Bardanouve asked if they had looked into National Energy Impact money where they could get up to 75% funding for energy impacted areas. In most cases in this situation they do not have the funds to provide the non-federal share. They have not looked beyond this.

Representative Hand asked if they had plans to mine the coal on their land. It was explained that they are at present trying to get out from under some very bad economic leases. The structure is not there to enable them to do mining and reclamation.

In closing, Representative Dassinger said the tribe is trying to get in a better position with the idea that someday they will see mining on this land. The Nance Mine is building a plant in Spokane and it was his estimate that within three years they will be mining coal. If a mine does not get under way they will have to buy coal from another source. It takes about a year to construct a drag line.

Representative Johnson presented HB 849, as a bill to make the state a million dollars for \$50,000 through a grain marketing contract. It is an attempt to get some local and state control over grain marketing.

Elroy Letcher, Multi-State Grain Compact Marketing, said that the concept is something that the majority of grain users would support. The Federal Congress is more concerned with keeping low food prices. It felt it was important that the state government take an interest in the problems of the state by addressing this problem or transportation impact of continuous agricultural production. He asked for the committee's favorable consideration.

Jim Stevin, Montana Farmer's Union and WIFE said there was a need for this type of legislation to help solve problems. He felt the producers were getting the short end of the stick and hoped for favorable consideration by the committee.

Representative Reichart explained that agricultural production was 40% of Montana's income. The state could realize another \$2 million assessing 1 cent per bushel.

Representative Marks asked about the constitutionality of some of the powers granted in this bill. It was explained that this bill was based on other state compacts. The Attorney General has been involved in the drawing up of this bill so there should be no problems with its constitutionality.

Representative Marks was concerned about the potential chemical pollution transfer problem. It was explained that they were not sure of this yet, that this would be one of the things that would be studied. Representative Marks asked if the dam were converted to produce power, who would run the facility. This is addressed in a bill that is presently pending. They would prefer to lease the operation because of the revenue. There would be some loss if it was a lease. It was also pointed out that last year the dam failed on 2 days.

There is a possibility of using renewable resource money, a handout was provided summarizing this proposal.

Representative Dassinger closed saying that the state has the possibility of building a \$100 million dollar project without costing much to the State. He emphasized the need for the study to look at the possibility of using the water to produce electricity. There is also the possibility of selling the coal to finance this project and this needs to be considered. At any rate, the dam is too small and has to be fixed regardless of what the committee decides.

Representative Waldron suggested selling the coal and using that to sell bonds.

Representative Dassinger presented HB 917, of which he is Chief sponsor. The bill would appropriate \$326,000 to the Department of Administration for the construction of the Birney Comprehensive Public Works Project. There was an attempt to get money from the mineral fees from the federal government, they found no way to divert this money and decided to ask for a direct appropriation.

Dick Monteau, Rocky Boy, testified that there have been impacts to the area from the energy development and there will continue to be. The Attorney General has declared that impact funds from the coal leasing may not be distributed to Indian tribes. They are left with no means to meet the impact of this development. He felt that the tribe is experiencing many impacts and wanted access to mineral leasing funding. The area where this is most needed is Birney Village. He felt this is money they can legitimately take. In the event that mining takes place, this village is going to receive a tremendous impact placing a tremendous strain on the existing facilities. The unemployment rate is very high and would not support the families that would have to live on the reservation. He also predicted that members of the tribe who have gone elsewhere will come back when employment becomes available. They are going to need additional housing and services. They are going to need to put together a proposal for water, sewer and road projects. He closed saying he felt this project was worthy of assistance and that there was a real need for it. He would appreciate the committee's support.

There were no opponents.

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Representative Hand asked if the program would need an appropriation every year. It was explained that they can get federal funds that in turn will have to be approved by the Legislature.

There was no further business, the meeting was adjourned at 10:00 p.m.

Respectfully submitted,

FRANCIS BARDAMOUVE, Chairman

Secretary