

APPROPRIATIONS SUBCOMMITTEE ON INSTITUTIONS

January 18, 1979 - Room 108

The meeting of the Appropriations Subcommittee on Institutions was called to order at 8:00 a.m. by Chairman Yardley. Other members present were:

Representative Howard Ellis  
Senator Mark Etchart  
Representative Art Lund  
Senator Bill Thomas

Representative Pat Gesek was excused.

Betty Waugh, Legislative Fiscal Analyst, and Doug Booker and Ted Clack, Office of Budget and Program Planning, were present.

Those attending from the Department of Institutions were: B. J. Rhay, Larry Zanto, Curt Chisholm, Jim Haubein and Joe Evangeline. Mike Murray, Bob Anderson and Darryl Bruno were present representing the Alcohol and Drug Abuse Division. Others present were: Kyle Hopstad and Harry C. Knauth, representing Francis Mahon-Deaconess Hospital in Glasgow; Allan Davis and Herman Gibson, representing Pine Hills School; Dick Baumberger, Cascade Council on Alcohol; Diane Williams, League of Women Voters; and Cleo Lund, Scobey.

Chairman Yardley said the supplemental request from the Alcohol and Drug Abuse Division will be heard first.

Mr. Zanto introduced Mr. Murray who began the presentation for the Alcohol and Drug Abuse Division. Mr. Murray said it was his intention to justify their request for a budget addition of \$306,936. He reviewed briefly alcoholism and the measures legislature had taken in combating the disease of alcoholism. In 1977 the Montana Legislature passed House Bill 627 which increased the tax on alcoholic beverages and established earmarked revenue funds at two levels, state and individual county government. Some of the problems in managing and dealing with the alcohol treatment programs were caused in part in the dual system of funding. They have had to use state money to supplement county funding to bring programs up to minimal level. Why the Department of Institutions believes the budget addition is justified, is that in 1977 when the division's budget was presented to this committee and HB 627 was discussed and indicated if HB 627 was passed the Department of Institutions would be called back into committee to review the estimated revenues to be generated and it was the intent to appropriate the revenue. Because of the shortage of time in the last days of the session they assume that was the reason why they were not called back to review the estimated revenue. In July of 1978 Mr. Murray appeared before the interim finance committee and asked for their support in using

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the \$309,000 to fund community programs. The committee by voice vote were agreeable to using the money for community alcohol programs.

Mr. Murray handed to the committee members information sheets on HB627 Operational Plan FY79 which is exhibit 1. On page 2 of the handout are programs they are proposing to fund. The current level of contracts reflect 65% of the total appropriation at the time of funding. The budget addition they are asking for is 35% of the amount necessary to operate individual alcohol community programs.

The first page of the handout lists the cost of FY79 operational plan and Mr. Haubein explained this. They had been working with the original revenue estimate of \$2,334,000. Of this Galen would utilize \$1,058,729 and this left about \$1,276,205 for use by the Alcohol and Drug Abuse Division and what they are requesting is \$1,187,003. Since the beginning of the year the revenue had dropped and the last revenue estimate was \$2,245,369. This would leave them \$1,186,994 and would compare to the total asked for of \$1,187,003. There was one contingency. Last year to start up the alcohol program it was necessary to make a general fund loan of \$237,000 to be paid back in the last fiscal year. Contracts were based on revenue exclusive of this loan. In February or March the Department of Revenue informed them they had put \$70,000 to much into their revenue fund. This lowered their anticipated revenue and they were unable to pay off \$95,000 of this loan in FY78. This loan was paid off in August with the June beer receipts. What this leaves them with is about \$89,000 less than what they anticipated when they put the budget addition in.

Mr. Murray said they have some problems with the revenue estimates the Department of Institutions are using. Mr. Zanto has authorized them to ask for the \$306,936 budget addition on the contingency they review funding generated on the county level on a program by program basis and where appropriate reduce contracts and take the problem to the Montana Advisory Council on Alcohol and Drug Dependency for their review and recommendation.

There were questions and discussion by the committee.

Senator Etchart introduced Mr. Hopstad and Mr. Knauth from Glasgow who spoke on the Francis Mahon program.

The hearing was closed on the Alcohol and Drug Abuse Division supplemental request.

After a short recess the hearing on the supplemental request for Pine Hills School started.

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Mr. Zanto introduced B. J. Rhay, Department of Institutions; Allan Davis, Superintendent, and Herman Gibson, Business Manager, from Pine Hills School.

Mr. Chisholm spoke briefly on the supplemental budget request. There was a handout for the committee members.

Mr. Rhay began the presentation and said since 1975 they have been in federal litigation in Eastern Montana Federal Court. In early 1978 they asked for and received a \$20,000 Board of Crime Control grant to do an evaluation of Pine Hills School for two reasons. First, to have some recommendations which could form the basis for a consent decree from that court and to settle out of court. Second, the facts they brought out would be available to the master plan. This is now complete and they have a total of 126 recommendations pertaining to Pine Hills School. The majority of the recommendations have been accomplished by the Pine Hills School staff. There had been a change of administration at Pine Hills and the tremendous job that has been accomplished since the change is reflected in the evaluation.

Mr. Davis was introduced and spoke on his going to Pine Hills School, the accomplishments so far and what they hope to accomplish.

Mr. Gibson spoke next.

Personal Services - There is a surplus of \$36,000. They have been having a problem at Pine Hills in keeping a psychologist and they have downgraded that position to a clinical psychologist. This savings combined with vacancy savings in farm positions is the reason for the \$36,000 surplus. A decision was made to not support the continuation of the farm.

Contracted Services - This represents a total sum that they are going to need to take care of medical services and insurance until the end of the fiscal year.

Representative Bardanouye came in.

Supplies and Materials - \$5,940 is for the physical plant and another portion of \$695 for feed and medicine for the dairy operation is needed until the farm is closed.

Communications - This was caused by the new telephone system.

Travel - The \$2,500 in travel represents the pickup and delivery of boys all over Montana and the nation. There was no administrative travel planned in this budget.

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Utilities - They are requesting \$24,916. Pine Hills has a standby heating system where they burn fuel oil. They are on an interruptable schedule by Montana-Dakota Utilities and two weeks ago they called Pine Hills and told them to switch to fuel oil. When they do that they use 65 gallons per day at \$778 per day.

Repairs and Maintenance - This is for \$4,940 to finish out the year and represents money they have had to spend to repair lodges that the kids disassemble. \$300 is for a cooker in the kitchen.

Other Expenses - There is a surplus due to not having to rent a combine.

Pine Hills School is going to need a supplemental budget request of \$25,265.

There was general discussion on the proposed closure of the farm.

The committee members are to receive a copy of the 126 recommendations for Pine Hills School.

Information on the long range building program was given to committee members which is exhibit 2.

The meeting adjourned at 11:00 a.m.

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Dan Yardley, Chairman

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Yvonne Borgmann, Secretary