

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

April 3, 1979

The 26th meeting of the Senate Finance and Claims committee met in room 108 of the State Capitol Building on the above date. Roll call was taken and the Chairman, Senator Himsl called the meeting-to order at 8:04 a.m.

ROLL CALL: All members present.

CONSIDERATION OF HOUSE BILL 811: This bill was explained by Representative Porter as the school bus bill. It was heard in the Education committee in the House and in the Senate. I will let Bob Stockton, office of the Superintendent of Public Instruction explain this bill.

Bob Stockton, OSPI: This bill funds the school transportation both for bus and for individual transportation, in which the state shares. The funding is 1/3 state, 1/3 county, and 1/3 district. In the Highschool districts the state paid 1/3 and the counties 2/3. This bill increases the bus rates per mile by 5¢ and the individual is raised from 12¢ to 18¢. We pay for only one round trip a day. We are actually paying 9¢ a mile since we pay only one way and only what is over and above the three mile limit on a school. (There is no transportation provided below 3 miles, and this equalizes that part.) If they live 20 miles out we pay for the one trip even though they make two in a day.

Senator Himsl: This explains where the money comes from and then says general fund. Senator Story: Part of the money is paid in from the county.

Senator Nelson: Do they have to pay more for the contracted busses? Mr. Stockton: It appears on paper that the contract busses are getting a little more than the district busses. The districts depreciate their busses in another fund. I support this bill.

There were no further proponents, no opponents, and the hearing was closed following the above questions from the committee.

CONSIDERATION OF HOUSE BILL 906: Speaker of the House, Representative Gerke explained the bill. He said this is the homestead tax relief bill. This bill is very popular, I have been told, from all the districts. It is a bill that obviously should be funded fully. The polls indicated people wanted this type of tax relief, the initiative in '76 proved the people do want it. The appropriation is for a little more than \$10 million a year.

George Bousliman, director of the office of Budget and Program Planning, Governor's office, spoke in favor of the bill. He said the administration supports this bill.

There were no further proponents, no opponents, and questions from the committee followed.

Senator Smith: What was the cost of administration? I read it was over \$1 million. Mr. Bousliman: The Department of Revenue reports to us the administrative costs for 1977 were \$196,000 and in 1978 they were \$149,990.

Senator Smith: What about the costs to the counties? Mr. Bousliman: We had no way of getting those figures.

Senator Story: In the survey that was made all the county treasurers combined the cost was between \$45,000 and \$50,000.

Senator Thiessen: Didn't we appropriate a set amount for the administration? Mr. Bousliman: There is a lot more being reverted than the \$350,000 received and the \$750,000 appropriated. There was \$15 million appropriated in 1977 which included the administrative costs. The difference in the administrative costs plus the remainder not spent will be reverted.

Senator Thiessen: Isn't it true that some of the money from the appraisals was used for this program?

Senator Himsl: I thought it was for a one year shot this time. I read this as for 2 years. Mr. Bousliman: For 1980. After the Supreme Court announcement we had more money and the Governor wanted this added so that we had enough for another year.

Representative Gerke: I would urge you to give this bill some serious consideration. It is a tax that helps more people than any other program we have now.

The hearing was closed on House Bill 906.

CONSIDERATION OF HOUSE BILL 116: Senator Fasbender said he would carry the bill for Representative South, the sponsor. He said that in the last session we pretty well open ended special ed. The actual costs exceeded the amounts--It was indicated that some of the things that were bad for special ed was the incentive and some of the costs should be born by the local school districts. The subcommittee worked on this problem and came up with some special bills. The main one, HB 116 is here. Many of these bills have passed. This will take variable allowable costs and remove them from the allowable cost schedule. He listed some of the costs--supplies, clerical, etc. He said it worked closely with Senate bill 2. The cost is in excess of \$3 million to put back on the local school districts. In order to make this up on the additional burden on the districts the money will go to all districts in Montana. It allows some of the costs to go back into the district and puts the responsibility on the district to contain the costs of these services.

Shirley Miller, Representative OSPI said it was their pleasure to work with the interim finance committee. We support this bill in conjunction with Senate Bill 2.

Danny Oberg, Havre, Representative said he had served on the committee that did some of this work. As we looked at the cost we reached the same conclusions that these people did. We were also concerned about the cost on the local districts so House Bill 453 went through in its original form. Senate Bill 116 has a years delayed date. School districts started and are operating their special ed on the premises of 100% funding and their budgets are established. We were able to bring most of the school districts and education groups to help with this.

Leonard Seargent, School Board Association said at the beginning of the session he had not been in favor of this bill. He had worked closely with the subcommittee and particularly with Representative South. We would now go on record as in support of this bill.

John Farro, School Administrators of Montana said that probably no other piece of legislation that had more discussion among the administrators than House Bill 116 and 453. We had a pretty good feeling that the majority would be in opposition. In working with Representative South we could see the consequences---school districts would be in a bad position. Special education has been mandated. We have done this, and to remove the money would put us in a tail spin. There are not many people in education that don't agree that C D & E funds should be borne by the school districts. This piece of legislation will take care of this if it goes along with Senate Bill 2.

Phil Campbell, Montana Education Association said they support the bill because of the increase in the foundation program.

There were no further proponents, no opponents, and the hearing on House Bill 116 was opened for questions from the committee.

Senator Story: What effect will the recent court decision have on the special education funding? Senator Fasbender: Which one? Senator Stimatz: It was around the child they ruled should be sent to California.

Senator Himsl: A child that was emotionally disturbed around 12 years old. He failed repeatedly, and possibly some woodshed therapy might be the best solution. It went through a hearing, evaluation, etc., and it was stated that they were denying the parents request that this child should go to a school in California. They appealed the case in district court. The judges disqualified themselves. Judge Olson took the case. They had first ruled in favor of the school district. The court held for the family and said the state would have to pay the costs of the amount of \$30,000 a year to train the child in California. Now the county attorney is appealing to the Supreme Court. I read on page 10--there appears to be an effort to

reach this problem and puts the superintendent right into the cross fire--if this section of the law means what I think it does.

Senator Fasbender: This is if the training is not available in local districts. That will probably be the first of many suits. We have discussed the possibility that most of the money may be in court costs.

Senator Himsl: On page 10, line 21 it appears to suggest that any liability would be subject to OSPI. Any out of state.

Ralph Branson, OSPI, Special Education, said it is in the present law now. We have had that portion since Sepecial Education became law.

Senator Fasbender: Could Mr. Branson address the problem?

Mr. Branson: There is a child study team. When a child is up for placement in one of these it first goes to the school district from the class teacher. The review team consists of the class room teacher, a member of the school district, a psychiatrist and the parent. They go over all the information that has been required and they make a decision as to the most appropriate place. If the parent disagrees they can appeal. They took this to an appeal hearing process in California and the appeal follows out of that. This is the second one that has gotten into court. 7 or 8 are in the process down the line disputing the results of the team.

Senator Himsl: Apparently the court isn't paying any attention as to whether the district has a liability.

Mr. Stockton: I think you are right. The courts do not. The thing is that this is a district cost. It is not affected by this bill, House Bill 116. If the final decision of the courts is that the state pay it, then they pay it to the school district which would in turn pay it to the special education. The question comes up if punitive damanges are involved. So far we have avoided that type of problem.

Senator Himsl: If the courts judgement prevails and the cost of about \$30,000 is to be paid then the state would pay it into the district? Stockton: yes.

Senator Himsl: The stamp of approval by the OSPI then means nothing? Stockton: Not if the court says different.

Senator Himsl: This bill just reduces some of the costs? Senator Fasbender: It reduces the allowable costs. There is about \$1.5 million for use of the state decisions. We took about .7 million and put back about \$3.4 million.

Mr. Fero: In looking at the package appropriation the one bill that wasn't mentioned was 453. It puts the retirement back on the counties and is also the 453 which puts money back on the counties. With House bill 116 and 453 the district would be picking up more than the 2% in Senate Bill 2.

Senator Story: It will cost the districts a little more because not paying the tuition. It was felt that districts with programs should not handle districts from other areas. Tuition was put back into the bill to take care of this. Not just general fund money but department service and retirement. Mostly department service.

Senator Aklestad: The local school districts are mandated by state regulations. They get into the situation where if there is one student they have to provide the special education for it. Aren't we strapping these people in? Senator Fasbender: We are paying 100% of the district costs. We have taken out the portion that is for regular school costs anyway.

Mr. Branson: When the question came up we really looked at it and worked on it. The figures were evolved prior to the time tuition was in it. There was a handout given to the members. There are 325 students placed out of districts in the state. This clearly reduces the amount of tuition required.

Senator Himsl: Have you identified more handicapped? Senator Story: There is no increase, just their location. Senator Himsl: What is the percentage of students required to live out of their districts for this type of education? Ans. 27% live outside of the district in which they attend school.

Senator Himsl: I think my figures say we have 6% and the feds say we should have 12% and that we are not doing 100% of our job.

Mr. Branson: There is about 7% of the population being served. The Federal Government is giving estimates of 12%. Public Law 142 sold congress on a 12% figure. The feds are saying--we are looking for 12%. If you can prove less than the feds and take this evidence to them --and I think we are pretty close-- then we will get our funds okay.

Senator Himsl: Has the Government adjusted the 3 to 21 age limit? Now I understand these programd do not have to extend beyond 6 and 18.

Mr. Branson: In addressing the mandates--if contrary to state or local law their regulations shall take precedent. It is written into the law and that is the reason we have a description on it.

Senator Himsl: We are not mandated to go beyond this? Our program is between 6 and 18?

Senator Fasbender: There are special laws going through that puts us back into the 6-18 age bracket.

Mr. Branson: The present law makes it voluntary to do this in the district. If they elect to do so--it is also funded by the state.

Senator Fasbender: The arguments were that since this is in the permissive--the districts will not bother to pick up the 3 to 6 year olds.

The hearing was closed on House Bill 116.

DISPOSITION OF HOUSE BILL 116: Motion by Senator Fasbender House Bill 116 be concurred in. Voted and passed, unanimous with Senators Lockrem and Story absent. Senator Fasbender to carry on the floor.

CONSIDERATION OF HOUSE BILL 811: Motion by Senator Fasbender, second by Senator Aklestad that House Bill 811 be concurred in.

Senator Aklestad: The percentage here is the same? Senator Fasbender: Just changed the rate. The disposition is the same.

Voted and passed, unanimous with Senators Story and Lockrem absent. Senator Fasbender to carry the bill.

CONSIDERATION OF HOUSE BILL 483: The committee went back to continuing the subcommittee suggested changes in this bill.

Senator Fasbender: Two units of the University System complained that the rolling average was not good for them. It appears there will be a gradual decline. We took a difference between the rolling average and the students there. They had some trouble with operating costs--they had over extended the money given to them. We did indicate we would be making further adjustments when the bill got into the Senate. In comparing the budgets in all instances except the two, the operating budget, after taking out organized research and plant, were able to live within their budget--the two needed more operating expenses for the biennium. MSU received \$253,000 over the biennium. U of M an amount the House set of \$354,000 added to the budget. Now 415 FTE on board. Under the formula, 403. We did not feel it was right to continue the slow let down in staff because the rolling average was taking it into consideration. We recommended 8 be funded in the first year of the biennium and could be carried over into the second year if not spent in the first. We are taking out the \$203,000 in the second year that was added by the House.

Senator Hims1: Why increase the operating expenses at MSU and Butte? Aren't the other ones needing it too?

Senator Fasbender: We had made adjustments before, we took a look and it appeared the other institutions were adequate. There is still some discussion in regard to U of M. Tech --75% of the budget, and it was obvious they had a problem.

Senator Aklestad: With the additional 8 going into U of M does that lower them below the 19.8 staffing pattern? Senator Fasbender: Yes. They are already below it. They still will be. They say that because of the graduate courses they have if a more sophisticated method was used it would generate more money for them.

Senator Thiessen: Aren't graduate students being used for teaching? Senator Fasbender: In the larger ones, yes. There are some in the smaller ones. We did look into this consideration.

Senator Himsl: There was a study made by WICHE a few years ago to see if it was more expensive to teach graduate courses. The study indicated the concentrated areas of costs were not as expensive as against specialized courses. You can get the figures to relate to almost anything. On the surface it seems that the graduate courses are higher cost; this study would not seem to indicate it. Senator Fasbender: Nursing may not be--some of the courses are.

Eastern: This involves the controversy over the category 1 and 2 schools. We are not in a position to agree whether Eastern should be in 18.5 or 19-1. There is a possibility that problems have been created by holding them to higher ratios and if any adjustments should be made it should be done. The subcommittee agreed on the lower student ratio and by doing that they generated about \$79,000 more than the House amendments.

Senator Regan: I think this is an example of what the committee faces. You address Eastern as one of the smaller schools and identify it with Northern, Western, etc. Our faculty student ratio -- instead of 16-1. I am concerned that they hold to it. You can see the inequity and you can classify Eastern as one of the smaller schools and as one of the larger schools with a 19-1 ratio on faculty student ratio. You really have not addressed the problem of Eastern. I know your committee has worked hard. You attempt to do this, and I hope that when you do the study you will address the question fairly and properly.

Senator Fasbender: Western has a problem in regard to the comptroller. This office is not as dignified as the title might suggest. It does many functions. When this was reviewed, they had 17 people in the administrative area. Northern with nearly twice as many students had about the same staffing pattern. It is hard to justify. We went through and looked at it and then came back and recommended that they cut some people. They did not agree with us. They agreed to some of the cuts and not others. One of these was the comptroller. At the present time there is only one at Northern and nearly twice as many people. We felt that Tom Briggs can handle all the problems Western has on this.

Senator Himsl: What about the buildings at Western? Senator Fasbender: We recommended that there could be some colded down. Some of the monies were used to increase personnel service in the area of operation. We felt that it was adequate.

Montana Tech: Senator Stimatz said that Montana Tech says they are about \$100,000 short and can live with what they have.

Senator Fasbender: Since you talked to them we corrected an error of \$68,000 so they are not that short now.

Agriculture Experiment Station: Senator Fasbender: We struck some language and gave them more flexibility.

MOTION by Senator Fasbender that the above items be adopted.

Senator Fasbender: On the community college. There is an increase of 4 1/2%. By all standards of inflationary measures this is such a minimal amount. The budget office proposed 11%. It seems that other budgets were increased in that area. You may be in trouble with the language on page 61, but the whole area of financing is a problem. The law provides that the district community college submit to the board of regents their budget, they then take it under consideration. The language appears that the committee is telling the board of regents I am not sure I can change the attitude of the committee. Action is not as bad as 2 years ago. We increased by 40% 2 years ago. We made a grave error because of the change in going to the 65-35. If you use the board of regents budget and are made by law to take 35% they could then come up with another amount and we would be made by law to go again. We realized we could be in trouble.

The above motion was seconded by Senator Nelson.

Senator Boylan: Did they do anything about the salaries in the experiment station? Senator Fasbender: Not over and above the normal increases we gave, no.

Motion was voted and passed, roll call vote.

Senator Fasbender: The subcommittee is meeting and I would like to have the opportunity to open this up if necessary.

Institutions: Professor Elison explained that they were working on the agreements, contract, and the court order in regard to the tramway at the Lewis and Clark Caverns. He said the Link Brothers have a 50 year contract with the State of Montana to have the concession on the tramway at the Caverns. The contract includes the upkeep and repair of the tramway. This was dangerous and was torn out and a path put in. The State has continued to pay a portion of the contract in lieu of the actual concession. Link Bros. has sued the State and the court has mandated that the tramway must be put back and that the State must hold to the contract. The percentage paid to the Link Bros. is also in question since the state has continued to pay a set amount and recently the fees had gone up - thus, the Link Bros. insist they have a higher fee coming and they do absolutely nothing to receive it. There has been a settlement offered, so far they have not accepted. One contractor has said the cost of rebuilding the tramway would be about \$275,000. Some of this has been considered in the Long Range Building Committee. After they meet, the committee and the Legislature will have to respond to the court decision in some manner. The interest will be 10% if this is let go for another biennium.

Senator Boylan: If this is repaired will the Link Brothers get the money out of the operation or will they let it go back to the Fish and Game or what? Mr. Elison: The court order says you will provide them with a tramway. We interpret it that the Link Brothers would then operate it as their own.

Senator Lockrem: How did they wind up with a 50 year contract--renegotiated in 1971? Elison: It looked unwise, but the court has sustained it.

Senator Lockrem: Is there any fish and game money for this? Mr. Elison: We don't have any money for it. \$6 or \$8,000 came in from the curio shop, but it is plowed right back into it.

Senator Himsl: There are two operations there. The curio shop and the tramway, One brother runs the curio shop and the other runs the tranway operation. The court case only deals with the one brother.

Senator Stimatz: If we make the settlement can we then hand it over to the Link Brothers and there is no more expense for maintenance?

Senator Aklestad: How much money for maintenance? Elison: I have no idea. They kept trying to make it operational in '73 and '74 and they then shut it down.

Senator Boylan: You termed it unsafe? Who did this, OSHA? Elison: The tramway board. They called in a certified tramway inspector.

Senator Fasbender: At this point we have lost 3 or 4 court cases. We build it up and it goes back to them. Can we get by with this type of bid for fixing it? Elison: The court case says it must be operational and safe, it does not say it must be done to the Link Brothers specifications. We cannot make the decision, the legislature has to give us their recommendation.

Senator Fasbender: How long would it take to get a firm bid and not just an engineers bid on the cost? Elison: I have requested an answer from the Link Brothers on a settlement and have asked them the two questions: 1. Would you be interested in receiving annual payments, or 2. Would you be willing to receive anything else besides the \$463,000.

Special Ed: Senator Fasbender: I have the amendment on the special ed which would go into page 53, line 6. (copy attached) and would move it be adopted. This would essentially limit the increases in the costs. The motion was seconded by Senator Stimatz.

Voted, Passed, unanimous with Senators Story, Regan, Lockrem and Smith being absent.

Institutions: Senator Etchart having been ill and missing some of the meetings of the subcommittee, Senator Thomas presented the subcommittee amendments to the bill.

1. Page 4. line 20. This would delete about \$15,000 start up money for a home for emotionally disturbed youngsters. No matching money for this.

Motion by Senator Thomas, Second by Senator Etchart, voted and passed, unanimous. Senators Lockrem, Regan and Smith were absent.

Senator Thomas said that House Bill 844 has passed and provides funding mechanism for the alcohol programs and a formula distributed from the Department of Revenue. We suggest that we delete this money and have the money allocated according to the formula perscribed in the bill.

Senator Aklestad: I don't understand this formula. If you sell more in the county you get more money? Senator Thiessen: 85% to the counties, based on population and 15% to the counties based on consumption?

2. Motion by Senator Thomas, second by Senator Etchart that this amendment be adopted, page 42, line 12 and page 41, line 8.

Senator Thiessen: What is the effect of this. Is it less funds for the community? Senator Thomas: Funds are distributed to the counties. They will be responsible for the work. At the present time they are appropriated to the Department of Institutions, and then passed on to the programs.

Senator Thiessen: The telephone calls I have been getting say it is patching up the programs at Galen and there will be less money to the counties. Senator Thomas: Actually it is about the opposite. The county commissioners would be responsible for distributing the money to the programs.

Senator Aklestad: What about Havre? Senator Thomas: If 844 is enacted the money will go to the county commissioners and they will either contract with the existing center or will do whatever they so decide at the local level.

Senator Fasbender: My county will benefit. 85% on the large county since it is on population. There will be adverse effects on the small counties to run alcohol programs.

Senator Boylan: In some cases won't this encourage the counties to increase the amount of consumption to get more money? Senator Thomas: There will be a certain amount sent to the localities at the discretion of the county commissioners. We had no handle on this.

Senator Boylan: What if 844 doesn't pass? Senator Thomas: We thought there would be very little resistance to 844. If it doesn't pass we would have to go back in and make some changes here.

The motion was withdrawn pending a letter of information from the committee, or if not, then it will be taken up in the conference committee.

3. Motion by Senator Thomas, Second by Senator Etchart that this amendment be adopted. It would revert earmarked liquor tax funds if third party reimbursement exceeds revenue projections.

John LaFaver, fiscal analyst, said the intent of the subcommittee was to assure that if the alcohol program received reimbursements, when they reached a certain point it would revert back. That threshold should be \$479,618. We inadvertently put in the wrong figure. This is to correct it.

Senator Thiessen: How does it compare with this year? In the amount of third party payments you are receiving. Unidentified gentleman: It is now 13 months old. I do have encouraging news. They have collected \$13,000 in January, \$14,000 in February and are reaching about \$35,000 in March. We think it can be funded with about 50% of the total reimbursements.

Senator Hims1: The state makes a contract with you? Answer: Yes.
Senator Hims1: They make a contract with you to do this service and you can collect from the residents or patients. If you recover more than this and the amount is in excess of this you would have to revert money back to the institutions? Answer: Yes.

Senator Fasbender: Why line item Glasgow and no other ones? Senator Etchart: Two years ago we thought Eastern Montana should have a long range treatment center, and if funds were available it would be Glasgow. This is to be sure we will have a program in Eastern Montana.

Senator Aklestad: I received a couple of letters concerned about the way we were being funded as far as the money going into a private entity. Do you have any response to this?

Senator Etchart: It is administered through the Deaconess Hospital. A non-profit organization in Glasgow. The reason is that reimbursements will be handled that way.

Senator Hims1: Is this discrimination? Why single out one program and not the rest? Senator Etchart: It goes back to 2 years ago when it was decided that Eastern Montana should have a treatment center to offset the treatment at Galen. Senator Thiessen: I have really good reports on this and on the percentage of success being quite good there.

Senator Fasbender: If appropriated, is it anticipated that there would be about \$165,000 added before they would be required to revert the third party payments?

John LaFaver: The first is alcohol payments. Third party payments would revert to the extent that they are above the set amount.

Mr. Francis Mann, Deaconess Hospital, said for the first time they can see this possibility in the program now. If continuing to progress there may be more money revert back to the general fund. We feel that we have more than adequately lived up to our obligation.

Item #3 was called for a vote, voted, passed, unanimous with Senators Regan, Lockrem and Smith absent.

4. Motion by Senator Thomas, Second by Senator Etchart to adopt the amendment. This would be an increase in appropriation to Galen State Hospital since it appeared there was insufficient funds to cover therapists.

Voted, passed, unanimous with Senators Lockrem and Smith absent.

5. Motion by Senator Thomas, Second by Senator Etchart to adopt this amendment. It would allow any money that might come in from the milk and lunch programs in Mountain View School to go into the general fund.

Voted, passed, unanimous, Senators Lockrem and Smith absent.

6. Motion by Senator Thomas, Second by Senator Etchart to adopt this amendment. It would make additional funds available at Warm Springs because the needs in supplies and materials had been underestimated.

Motion was voted and passed, unanimous with Senators Story and Lockrem absent.

7. Motion by Senator Thomas, Second by Senator Etchart that this amendment be adopted. This motion would change the amount of compensation for the members of the Board of Pardons. It would give them \$150 per month compensation and \$25 per day expenses at the meetings. Senator Thomas explained the duties and responsibilities of these members and the amount of work they had to do. He said it was difficult to get good people to volunteer their time, and it was even harder when they could not get their expenses paid.

Senator Aklestad: You felt it was a monetary problem. People leaving it, that is? Senator Thomas: There is more to it than that, but obviously the monetary problems would be diminished.

Senator Himsel: Wasn't there a bill in the legislature to increase the number of days? Senator Thomas: That was to have an extra person on the Board to attend if one of the other three could not do so. This makes three people available to make the decisions, not just two.

Voted, passed, roll call vote, Senators Regan and Thiessen voting no.

Senator Himsl said there were people here to present some alternatives to the problem of growth at the prison.

Senator Thomas said that the subcommittee had heard the proposals, had decided not to act, but to request the committee of the whole to make whatever recommendations they so chose.

Boulder River School and Hospital:

Proposal #1 - marked on attached sheet as "A" was the proposal recommended by the Office of Budget and Program Planning, the amendment which would do this is attached. They would like to increase the FTE level by 12 positions to the area of treatment needs and to care and custody.

Proposal #2 - offered by the Department of Institutions would raise the FTE 38 positions and the amount needed to do this.

Proposal #3 - offered by the employees of Boulder River School and Hospital would raise the employees by 125.

A. Office of Budget and Program Planning. George Bousliman, director, explained this. He said the budget office is saying we would need 12 additional FTE if you want the institution to have the staff-direct care ratio of 1-1.

Senator Thiessen: What is the total staff at Boulder compared to the residents? Answer: 588.6 staff and about 290 residents.

Doug Booker, Governor's Office: We cut administrative staff by approximately 38%. Out of 459.1 which was recommended by the House, we have 29.1 staff and administration. If it was a 1-1 we should have 12.

Senator Smith: I am wondering whether the federal requirements are being met. Doug Booker: We are meeting those medicaid standards for reimbursement.

Senator Aklestad: I have a lot of problems with this program. How many people actually administering service to the people were taken out? Are we getting to the point where we are taking out more people that are giving direct care?

Doug Booker: You are taking direct care. Direct care would be 244 people and we have about 300 people right now.

Peter Blouke, Department of Institutions said part of the question arises in terms of what we are attempting to do at Boulder. Clearly there is a strong training program in Boulder. The 459 FTE that have been approved by the House provides for essentially only care and custody. It does not allow staff to provide for the development program. The bulk is added here to keep up the training that we have now at the current level.

Senator Himsl: The 459 was the level approved by the House. You are asking for how many? Blouke: 498. That will allow for at least maintaining the current level of training and program. It would allow the additional staff at Boulder and be providing only a care and custody program. This amount is for only one year.

Senator Story: What does the staffing pattern have to do with those transferred to Eastmont?

Dr. Blouke: The current staff of 528 FTE in the population of 300 - the proposal is based on a population of 244 average for 1980. We have reduced the original requests based on a population of 300. The average daily for 1980 is 244 after the others will be moved and that is what we are basing the additional FTE on.

Senator Aklestad: How many people do we have in nursing homes across the state that could be put into Boulder or Glendive?

Dr. Blouke: Approximately 55.

Senator Aklestad: I am not concerned with the 1-1 so far as it is concerned. I am concerned we are getting rid of the wrong staff so that we are taking away the direct care.

Doug Booker: The care should be about the same since we are taking out some administration also. We would hope that service would not be cut in Boulder. What Dr. Blouke is recommending is for development care.

Senator Story: What does he mean -y 1-1?

Doug Booker: As the appropriation committee recommended it is Registered nurses, L.P.N.'s, Aides that give direct care at .

Senator Regan: In the yellow comments dealing with the budget - the recommendation was for less employees. The OBPP has given them 12 more who will be providing 1-1 direct care. Is that not correct?

The B marked exhibit, staffing proposal for BRS&H projected resident population 244 summary is attached; it is the recommendation by the Institutions.

The third proposal, a proposal from the employees of the BRS&H is attached as "C".

Seven Kaniese said it is different from the one OBPP proposal and is another alternative. It is based on a level of population at 244, and he felt there are two critical things involved. He said there are things necessary like professional services provided by a psychiatrist, psychologist, special occupational therapist, speech pathologist, audiologist, etc. We also feel the direct care staffing level would not provide for a 1-1 ratio of adequate professional direct care people. We do not feel nurses, dieticians, etc., can be considered as direct care staff.

Representative Marks: The proposal written into this bill. It was not given to us until the day the committee had to take action on it. The full committees are the ones who will have to study it. We did not realize the impact it would have on all the programs. It would be very difficult to maintain even a custodial institution. Sepecial education people are taken out so far as the programs and I am concerned that we would be asking for law suits because we do not provide the service program for these people either here or the local school district would have to take on this task. It would take up to 20 in the local school district to accomodate this. The list presented by the Department is for 498. It is a good deal better than the OBPP one that was given to you. There is still about a 20 deficiency on staffing in the area of laundry and food service. If these people are taken out you would have to have personal care taken away from the direct care to do these things. They would be required to do the clean up and then go back to continue serving meals for example.

Don Judge, employee union representative, said we are asking the subcommittee to prepare the figures for the cost of implementing the program. Even at this level of staffing they are still not implementing a 1-1 staffing pattern.

Senator Himsl: I wonder why this wasn't all brought in before. It is difficult for this committee to make an 11½ hour decision.

Larry Zantó, director of the Department of Institutions: The position of the Department was fairly well articulated by Dr. Blouke. You could maintain what is going on--if so then 38 positions are necessary. I don't sense that there is too much argument about that. I think it is generally agreed. It seems to me that what the committee is being asked to do is essentially maintain what is going on at Boulder or reduce it.

Senator Himsl: Aren't we being asked to put on more people for less patients? Dr. Blouke: 588 are authorized. We are at about 540 now.

Senator Smith: If we constantly place patients in group homes, doesn't this leave a less trainable person in the institution?

Mr. Judge: The ones left are needing more direct care than before.

Senator Etchart: We received the information from Mr. Anderson that 95% of the people there are profoundly retarded, 80% are non-verbal. 75% of them are bed-ridden. It actually takes 5 people for a 1-1 care.

Senator Himsl: Would the committee be comfortable in delaying this until after the discussion upstairs? Senator Boylan: These people are not all satisfied with what came from the House.

Senator Thiessen: Particularly the recommendation which is in the present bill which most people say will just take care of care and custody. The OBPP is recommending 12 additional FTE, the Department of Institutions are recommending 38 in re-hab.

teachers, occupational therapists, etc. The employees are recommending raising staffing level by 85 positions which would include audiologists, laundry workers, etc.

Senator Thomas: The subcommittee came in at just about the executive level, but between now and what happened in the House there seems to be a concern that this would not be enough.

John Fitzpatrick, OBPP, said their original proposal did not take into consideration the "taking out" of people. The original is not comparable to what you are looking at now.

DISPOSITION OF HOUSE BILL 906: Motion by Senator Lockrem that House Bill 906 be not concurred in. Second by Senator Aklestad.

Senator Smith: First homeowners were told that everybody would get a certain amount of dollars in tax relief. The Department of Revenue used an 8.55 figure in the last biennium instead of 12% in the earlier one. They did not give the money the promised. It was reverted. In many counties they had to buy calculators to make the reimbursements. A lot of people did not understand the process and did not get it. I thin 522 would give both the owner and the renter a tax break and is a much better bill.

Senator Fasbender: Explained the philosophical difference in the two bills, and the political implications that could be a result of just killing the bill now. We could possibly wind up in a position of not getting any kind of tax relief for the people.

Senator Boylan: I would make a substitute motion that we lay the bill on the table. Second by Senator Regan.

Senator Lockrem: I would speak in opposition to the motion. I think we should go ahead and take the action now. I think if the House would kill 522 over there it's just because we killed this one and that would be showing irresponsibility.

Senator Fasbender: It is not the only tax relief bill available. If worked in conjunction with some of the House bills we might be able to compromise. If we kill this now it does not put us into a better position to look at it.

Senator Thiessen: I never did support the Homestead Tax. I campaigned against it. I came back and supported the funding of it because the people had spoken. It cost us nearly half a million to do this.

Senator Smith: Senator Fasbender said the House might retaliate and a lot of people testified on increasing the exemption. I don't think the people of Montana care whether it is one or the other. Senate Bill 11 is killed. If we are going to accept one of those bills out of the House it is going to take bi-partisan support by both the House and the Senate.

Senator Boulan: I would like to explain my motion to lay the bill on the table. I don't want to see the bill killed at this point in time. We could get into an extra session, etc. I think it should be left alive - if we kill it out-right, we are going to have problems. I have always voted against it, but I would like to have it kept alive at the present time for those reasons.

Senator Smith: They have already killed one of the personal income tax exemption bills. If we lay this on the table and they kill the other one we will end up with the homestead tax relief and the personal income tax exemptions. That will be it.

Senator Boylan: If they kill them all I would vote to kill them all.

Senator Aklestad: I feel we have still quite a few tax measures that are more workable than the homestead tax relief act. Counties say it is a burdensome load. The funding is more costly than brought out. I think this is a bad piece of legislation as far as the people of Montana are concerned. There are more bills that give us more.

Senator Regan: I think you can kill this and we will ask for a minority report, etc. Obviously, the people will have to get together and decide what is going to be passed out. The proper motion is to go upstairs and tell the leadership to get their act together and say what we are going to compromise with. I am not absolutely wedded to 906. Some of the people in the House think the piece of legislation we sent over is the harder of the two to administer. I think the problem is what are we going to compromise on.

Substitute motion was voted to table the bill. Roll call vote, 5 yes, 8 no, motion failed.

Original motion - do not concur, voted, roll call vote, 8 yes, 5 no, motion carried.

Minority report requested.

The meeting was adjourned. The next meeting will be following adjournment of the Senate

Senator Himsl, Chairman

ROLL CALL

SENATE FINANCE AND CLAIMS COMMITTEE

46TH LEGISLATIVE SESSION 1979

Date 4-3-79

NAME	PRESENT	ABSENT	EXCUSED
SENATOR HIMSL	✓		
SENATOR STORY	✓		
SENATOR AKLESTAD	✓		
SENATOR LOCKREM	✓		
SENATOR ETCHART	✓		
SENATOR NELSON	✓		
SENATOR SMITH	✓		
SENATOR BOYLAN	✓		
SENATOR REGAN	✓		
SENATOR FASBENDER	✓		
SENATOR THIESSEN	✓		
SENATOR THOMAS	✓		
SENATOR STIMATZ	✓		

Institution

E & Thomas

Page 41, line 16
Strike: "168,245"
Insert: "141,245"

Amend to adjust mental health division totals for fiscal 1981.

W. C.

①

Page 41, line 20
Strike: "3,281,674"
Insert: "3,270,291"

Amend to adjust mental health community program totals.

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Page 42, line 12

Strike: lines 12 and 13 in their entirety.

2

Page 41, line 8

Strike: "1,449,945" "1,562,630"

Insert: "1,038,981" "1,038,266"

Amend to adjust totals for alcohol community programs

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Page 44, line 18, Central Office - Alcohol Division

Strike: "1,094,121"

Insert: "479,618"

Language: Glasgow alcohol program will revert earmarked liquor tax funds if third party reimbursement exceeds revenue projections. The \$1,084,121 includes liquor tax funds and should only include third party reimbursement funds.

3

Page 45, line 24, Galen State Hospital

Strike: "3,346,743"

Insert: "3,374,976"

④ Strike: "3,504,892"

Insert: "3,520,723"

Personal services fund increased \$28,233 in fiscal 1980 and \$15,831 in fiscal 1981. Insufficient funds to cover therapists positions.

✓ J V P

Page 46, line 9

Strike: "additional other"

Line 10

Strike: "appropriated funds"

Insert: "federal per diem payments and school lunch monies"

Line 12, after "funds"

Insert: "from these services"

After: "available"

Insert: "in excess of \$76,419 in the biennium"

Strike: "except as provided by law or"

Strike: all of lines 13 and 14 in their entirety.

10 - 1 - 19
 10 - 1 - 19
 10 - 1 - 19

Page 48, line 8, Warm Springs

Strike: "9,042,643"

Insert: "9,415,133"

Strike: "8,921,647"

Insert: "9,155,433"

Addition is to increase:

1. Personal services \$363,640 in fiscal 1980 and \$224,936 in fiscal 1981. Insufficient funds for holiday pay and patient pay. Operating costs - \$8,850 each year - underestimated needs in supplies and materials.

Page 48, line 11

Following "members"

Insert: "shall receive \$150 per month compensation."

Strike: "may receive compensation at \$25 a day for"

Strike: all of line 12 in its entirety.

Special
PROPOSED AMENDMENT TO HOUSE BILL 483
Third Reading Bill

1. page 53, line 6.

Following: "education."

Insert: "For the fiscal year 1980 the allowable costs for the special education portion of administration; salaries, benefits, supplies and other expenses, salaries of principals and clerical personnel, library, student body activities, school food services, operation, maintenance, insurance, building, rental costs and other expenses as prescribed by 20-7-431, subsections (1)(a), (b)(i), (b)(iii), (b)(iv), (c), (d), (d)(iii), (e), (f), (g), (h), (i), (i)(i), (i)(ii), (i)(iii), (j), (j)(i) and (j)(v), may not exceed 107 percent of those costs for fiscal year 1979."

April 2, 1979

To: Whom It May Concern

From: Harry Freebourn, Director
Butte Vo-Tech Center

Re: Summer Session 1979

Proposed amount of

\$ 75,000

Programs offered

Auto Mechanics - 1 instructor	\$ 3,756.78
Office Occupations - 3 instructors	15,504.52
Electrical - 1 instructor	4,241.16
LPN - 3 instructors	15,901.38
Welding - 1 instructor	5,286.06
Related instruction - $\frac{1}{2}$ instructor	2,698.65
Special Services - $1\frac{1}{2}$ instructors (includes one secretary)	11,724.82
Tool man	<u>3,320.53</u>
Total for salaries	\$62,434.00
Fringe benefits	<u>9,365.00</u>
	\$71,799.00
Supplies - consumable	2,500.00
nonconsumable	<u>701.00</u>
	\$75,000.00

Note: School District #1 will pick up on operation expenses for the summer. We reduce the present staff from 22 $\frac{2}{3}$ FTE's to 13 FTE's. There should be some flexibility allowed for adjustment in these programs due to enrollment.

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A
Proposal ①
Boulder
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AMENDMENT TO HB 483

Page 45, line 2

Strike: 7,128,782 6,860,844

Insert: 7,271,742 7,006,805

This will allow for 1-1 direct care staffing at Boulder River School and Hospital as defined by the House Appropriations Committee.

STAFFING PROPOSAL FOR BRS&H
PROJECTED RESIDENT POPULATION 244
SUMMARY

	Current Level Based on Average Population 300 588.6.FTE	Based on Average FTE Level of 498	Added Cost	Based on Average FTE Level of 459.1 for 244 ADP
PROGRAM 11 ADMINISTRATION	42.4	33.4	\$59,308	29.9
PROGRAM 12 CARE & CUSTODY	499.2	419.6	248,512	399.9
PROGRAM 13 DEVELOPMENTAL SERVICES	41.0	41.0	287,698	25.3
PROGRAM 14 COMMUNITY SERVICES	5.0	3.0	0	3.0
PROGRAM 15 CANTEEN	1.0	1.0	0	1.0
TOTAL ALL PROGRAMS	<u>588.6</u>	<u>498.0</u>	<u>595,518</u>	<u>459.1</u>

RECOMENDED ADDITIONS AND CUTS DIFFERING FROM BUDGET OFFICE

	<u>No. Positions</u>	<u>Dollars</u>
Superintendent's Office:		
Administrative Assistant II	(1)	
Duplicating:		
Offset Duplicating Officer IV	.5	
Mail Room:		
Mail Clerk	.5	
Staff Development:		
Training Officer Supervisor I	1	
Training Officer III	1	
Personnel:		
Personnel Officer I	1	
Accounting:		
Accounting Supervisor II	(1)	
Purchasing/Warehouse:		
Purchasing Agent II	(1)	
Warehouse Worker II	1	
Payroll:		
Clerk, General Office IV	1	
Habilitation Services Department:		
Habilitation Coordinators	1	
Habilitation Aide I's	20.8	
Habilitation Aide II's	17	
Habilitation Aide III's	(9)	
Cottage Custodial Workers	(1.4)	
Cottage Laundry Workers I	5	
Habilitation Training Specialists	4	
Cottage Supervisor I	1	
Habilitation Aide V	1	
Resident Support Department:		
Secretary III	1	
Food Service:		
Food Service Worker IV	2	
Food Service Worker III	5	
Food Service Worker II	6.7	
Dietitian Aide III	1	
Equipment Operator II	(1)	
Central Laundry:		
Laundry Worker II	1	
Word Processing:		
Automatic Typewriter Operator II	1	

	<u>No. Positions</u>	<u>Dollars</u>
Plant Maintenance:		
Maintenance Worker II	(1)	
Equipment Operator II	1	
Groundskeeper Foreman I	(1)	
Dental:		
Dental Assistant	1	
Medical Records:		
Medical Records Clerk II	1	
Occupational Therapy:		
Occupational Therapy Supervisor	1	
Rehabilitation Aide III	1	
Physical Therapy:		
Physical Therapist II	1	
Physical Therapy Technician II	2	
Physical Therapy Technician I	2	
Licensed Practical Nurses:		
LPN II	1	
LPN I	2	
Registered Nurses:		
Nurses Professional II	.2	
Ward Clerks:		
Ward Clerk I	1.5	
Resident Services Department:		
Director	1	
Speech:		
Speech Pathologist I	2	
Rehabilitation Aide I	2.5	
Audiology:		
Audiologist II	1	
Rehabilitation Aide II	.5	
Education:		
Education Director	1	
Secretary I	1	
Teacher, Ungraded Room II	8	
Psychology:		
Psychologist III	1	
Recreation:		
Recreation Therapist II	2	
Rehabilitation Aide I	(5.3)	
Social Services:		
Social Worker I	1	

Amend line 14, page 48

strike: 7,128,782 6,860,844

omit: 8,000,462 7,924,159

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Amendments to H.B. 483
(Second Printing, Third Reading)

Montana State University

	<u>FTE</u>	<u>1980</u>	<u>1981</u>	<u>Biennium</u>
Faculty	1.21	\$ 28,911	\$ 30,783	\$ 59,694
Non-Faculty	<u>1.12</u>	<u>17,424</u>	<u>18,811</u>	<u>36,235</u>
Total Personal Services	2.33	\$ 46,335	\$ 49,594	\$ 95,929
Operating Expenses		<u>76,300</u>	<u>80,878</u>	<u>157,178</u>
Total		\$122,635	\$130,472	\$253,107

MSU was budgeted by the education subcommittee for 9,309 unrestricted students. This enrollment figure was based on a three year rolling average. Actual enrollment in fiscal 1979 is expected to be 9,355 or 46 students greater than the rolling average.

The amendment funds personal services for half (23 students) of the enrollment difference between the three year rolling average and fiscal 1979 enrollment.

University of Montana

	<u>FTE</u>	<u>1980</u>	<u>1981</u>	<u>Biennium</u>
Faculty	8.00	\$191,146	-0-	\$191,146

UM is provided funds to keep eight faculty for fiscal 1980. These funds will be restricted to faculty salaries and benefits.

Eastern Montana College

	<u>FTE</u>	<u>1980</u>	<u>1981</u>	<u>Biennium</u>
Faculty	4.05	\$87,115	\$92,745	\$179,860

The student-faculty ratio was changed to 18.5:1 for EMC rather than 19:1. This adds 4.05 FTE faculty.

Montana College of Mineral Science and Technology

	<u>FTE</u>	<u>1980</u>	<u>1981</u>	<u>Biennium</u>
Faculty	2.59	\$ 58,489	\$ 62,273	\$120,762
Non-Faculty	<u>2.63</u>	<u>32,662</u>	<u>35,290</u>	<u>67,952</u>
Total Personal Services	5.22	\$ 91,151	\$ 97,563	\$188,714
Operating Expenses		<u>94,601</u>	<u>100,277</u>	<u>194,878</u>
Total		\$185,752	\$197,840	\$383,592

MCMST was provided personal service dollars for 41.5 FTE students. This is half the students between the three year rolling average and the 1979 actual enrollment.

Operating expenses incurred at MCMST through February of fiscal 1979 were 75 percent of the operating expenses provided for fiscal 1980. Therefore added operating expense dollars are recommended so actual fiscal 1979 expenditures will be 56 percent of the operational dollars provided for fiscal 1980.

To be consistent with the method used for MSU, MCMST's supplemental was reduced for all other revenues which were available. This is a decrease from \$285,394 to \$161,844.

Agriculture Experiment Station

Language prohibiting budget amendments and requiring a reversion of U.S. Range funds above a \$100,000 ending fund balance is being removed.

Summary

The house added \$744,668 general fund to the education section. Amendments proposed to senate finance and claims cost \$818,471 or \$73,803 more than the house included.

		<u>Net Change 1981 Biennium</u>
MSU	Add	\$253,107
UM	Subtract	(203,522)
EMC	Add	79,860
MCMST	Add	259,502
Vo-ed	Subtract	<u>(250,000)</u>
Total Change		\$138,947
Other Funds		<u>65,144</u>
General Fund Change		\$73,803

Amendments to H.B. 483
(Second Printing, Third Reading)

Page 58, line 11

Strike: 19:1
Insert: 18.5:1

Page 62, line 10

Strike: "11,557,740" "8,718,996" "12,667,769" "9,023,617"
Insert: "11,592,253" "8,730,818" "12,705,541" "9,035,439"

Page 62, line 12

Strike: "2,036,078" "2,191,447"
Insert: "2,112,378" "2,272,325"

Page 63, line 14

Strike: "9,977,661" "10,938,455"
Insert: "9,786,515" "10,734,933"

Page 63, Following line 20

Insert: "5. Faculty transition 191,146"

"The funds appropriated in item 5 are restricted to faculty salaries and benefits. These dollars may be carried forward into fiscal 1981. A unique budget and appropriation number will be established in the state accounting system for item 5."

Page 65, line 4

Strike: "3,709,163" "4,024,421"
Insert: "3,746,278" "4,067,166"

Page 66, line 8

Strike: "1,596,449" "1,064,299" "1,740,001" "1,112,459"
Insert: "1,666,850" "1,085,049" "1,816,814" "1,133,209"

Page 66, line 10

Strike: "314,859" "338,430"
Insert: "409,460" "438,707"

Page 66, line 16

Strike: "142,967" "142,967"
Insert: "80,922" "80,922"

Page 71, line 3

Strike: lines 3 through 7.

	1978 Actual	1979 Estimated	WMC Requested		LFA Recommended		HB 483	
			1980	1981	1980	1981	1980	1981
Salaries	1,553,411	1,672,326	1,679,636	1,679,636	1,642,538	1,642,538	1,648,317	1,759,733
Operations	270,672	311,875	334,000	369,880	327,036	348,445	291,635	311,000
Equipment	156,004	68,187	57,170	61,692	47,633	50,491	41,831	44,341
Scholarships	52,309	50,470	50,470	50,470	48,818	48,949	38,628	38,628
Total	2,032,396	2,102,858	2,121,276	2,161,678	2,066,025	2,090,423	2,020,411	2,153,702

As is evident from the above figures, HB 483 recommends the following decreases over the budget for fiscal 1979:

HB 483 & Change - 1980 v. 1979

Salaries	1.4% decrease
Operations	6.5% decrease
Equipment	19.0% decrease
Scholarships	23.6% decrease
Total Budget	3.9% decrease

(a.) It should be noted that HB 483 is 2.2% less than the status quo budget recommended by the Fiscal Analyst. This reduction includes a 10.8% decrease in the "Operations" recommendation of the Fiscal Analyst.

(b.) The salary amount in HB 483 does not include funding for the "Controller" position. It is imperative that WMC, like all of the 6 units, receive funding for the Controller. The Controller shares the duties of 4 other positions in addition to his own: purchasing agent, personnel director, facilities coordinator and payroll system director. It is essential that in view of the austere operations budget, the Controller position be funded in the 1981 biennium.

Minimum additional General Funds required by WMC:

	<u>1980</u>	<u>1981</u>
Salaries (Controller		
with 13% benefits)	\$24,239	\$24,809
Operations	27,000	27,000
Equipment	15,339	17,351
Scholarships	<u>11,842</u>	<u>11,842</u>
Total	\$78,420	\$81,002

Western Montana College needs at least a current level budget to meet the challenge of the Legislature to increase our enrollment over the next two years.

We know that unless we can increase enrollment, we will be exposed to the damaging threat of closure again during the 1981 legislative session. Unless we have the above general funds in addition to what is included in HB 483, our chances of increasing enrollment are practically nil. Because of fixed operating cost increases, serious cuts in instructional budgets are imminent.