

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

April 6, 1979

The thirty-third meeting of the Senate Finance and Claims Committee met in Room 108 of the State Capitol on the above date. Following roll call, the meeting was called to order by Senator Himsl, Chairman, at 1:10 p.m.

ROLL CALL: All members present except Senator Thiessen.

CONSIDERATION OF HOUSE BILL 125: Rep. Reichert said this bill offered property tax relief. This is a revenue sharing bill, and the counties would get the share.

Dan Mizner, Executive Director Montana League of Cities and Towns, said that under the ACAI report, many of the states have already looked at the mandated costs being imposed upon the local governments, and will try to do something to offset it. They have mandated salaries, etc. that make the expense go up to the local governments. You are allocating money to build state buildings, and that will cost the local governments more for fire and police protection - it increases the costs. Under the reassessment they have gone through 65 cities and towns lowered the taxable valuation because of legislative action. Choteau 75-76 taxable valuation was \$1,700,000 plus; 1978, \$1,627,000; 1979, \$1,568,000 and now down to \$1,400,000. You have created problems by legislative action, then by appraisal reduced the dollars. House Bill 125 gives a method of transferring funds to effectively take care of the mandates.

Marie Macalear, Twin Bridges, said when you study the budget of a small community you can see the problems. They get \$11,000. The state tells them how to work some of the programs. To live up to state regulations they have to spend \$13,000. That is \$2,000 out of their local budget. One mill is \$364 in Twin Bridges and they are taxing at the 65 mill limit. Out of this must come the new water tank and the library books, etc. In a small town what do you take out? One law enforcement officer, one librarian, the library books, one city clerk, one city crew man - that's all we have. If we continue to get mandated programs, do we cut the entire police force or the entire library force or what? State revenue sharing would help us to solve some of our problems.

Ed Seding, Mayor of Bozeman, said these funds would be helpful in trying to maintain the costs. He considered it to be a refund. The refund program seems to be a very acceptable one. The sharing seems to be one we looked at from a very different point of view. The result is it originated in our locality and would have done the work there if not forwarded to other areas.

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

Senator Hafferman said he would like to pose a question. He heard all these programs and where they want to go but he wanted to know where the money was coming from.

Senator Story: What is your smallest incorporated area? Mr. Mizner: Bear Creek with a population of 46 people.

Senator Himsl: I wondered why this was in Finance and Claims. If this was just a mechanism, then I noticed that still in the bill there is a minimum allocation. Is this still in the bill? \$200 minimum allocation to any local government. Does that just mean incorporated cities and counties or what? School districts? It says monies to municipalities and counties.

Rep. Reichert: There is no funding for this. The fiscal note states there is no fiscal impact. Assuming there will be money, we are talking about money in the surplus. We do not have to go out and appropriate money for homestead and whatever. If there is no surplus it would just sit there.

The hearing on House Bill 125 was closed.

CONSIDERATION OF HOUSE BILL 841: Rep. Dassinger explained this bill as appropriating money for the DNR to conduct geotechnical and economic studies on the High Tongue Dam and on the New Tongue Dam. He said this money would be used from the renewable trust fund interest account, and would continue the studies of the Tongue River Dam.

Ted Doney, Director of the Department of Natural Resources, said last session they had been directed to do a study of the dam. He had pictures he showed, talked about some of the alternatives and gave out a report on the two alternatives to see which one is the most economic. He said presently they feel the downstream alternative has the most potential. By doing this they can sell the coal under the present one and use the money to help finance the other one. A decision must be made as to whether this dam should be repaired or breached.

Mr. Bondy, DNR, said he would explain the current conditions of the project. He showed some pictures of the project. He said the first alternative was to try to get through with this so that whatever they do is temporary and the cost is kept to a minimum. It is used as a fish hatchery and Montana Power has water from it. He explained the location of the dam, gave informational sheets (attached) and said the alternatives were: (1) repair the present dam; (2) the High Dam above stream; and (3) make it bigger and add another 70,000 acre feet of water. He said further information had to be done for the environmental impact requirements.

Peter Jackson, Western Environmental Trade Association, said they have looked at this project and are in strong support of it.

Tom Athies, Rosebud County, said the Board of Natural Resources plans to repair what was done in the flood last year and this bill would be in addition to that. They are in favor of this and are looking ahead.

There were no further proponents, no opponents, and the following are questions from the committee members:

Senator Story: I would address this question to Mr. Doney. Why was this not a part of the regular request. Mr. Doney: The report we gave you in January did not get finished until January of this year. We did not know how much money we would need or how much for further economic needs. The next time we will have it put together ahead of the budget.

Senator Aklestad: Aren't you afraid of erosion if you start mining in the bottom of this? Mr. Doney: Yes. It is discussed to some extent in the report. It is something we will have to look at very closely.

Senator Aklestad: How much? Mr. Doney: Industry uses at \$1 per acre foot and irrigation at \$2 or \$3 per acre foot.

Senator Boylan: Can't we just amend the bill and put the money into the High Dam and go rather than make more studies? Mr. Doney: I have talked to several legislators that have expressed the same view. We don't know for sure. Before we spend \$100 million on a new dam we should try to see if it is the right thing before we spend the money. Downstream costs more, upstream we have to buy out some of the coal lands.

Senator Himsel: I understand some of the funds were (you tell us in some other cases 5%) seed money that generates a lot of other money. If \$250,000 had this magic power why shouldn't it be used to trigger the sources? Mr. Doney: We are talking about studies here. If we are talking about construction, then you are correct. There are more federal funds available for construction. Mr. Bondy elaborated on this.

Senator Story: How high is the proposed dam downstream? Answer: 130. Raising the present dam is 40 feet higher. Earth dam with a concrete spillway.

Senator Smith: It might be 5 or 6 years before the study is done and maybe \$1 million worth of work done on it.

Mr. Bondy: The next step for building the project is paper plans and specifications. The cost is \$1 million.

Senator Smith: How much to repair the present spillway? Answer: A new spillway is \$30 million.

Rep. Dassinger: There is over \$1 million in the state equalization fund. Taking from the economy of Rosebud County takes directly from the state, and there is a possibility of getting some of the money from the Cheyenne tribe. They are interested in helping us.

The hearing on H.B. 841 was closed.

CONSIDERATION OF HOUSE BILL 844: Rep. Meyer, sponsor of the bill explained it. He said that H.B. 627 last session was the mechanism to treat alcoholism in the state of Montana. He said it was a 70-30

spread to the counties and this bill would tighten up the law so that there is not any duplication.

Rep. Fabrega said he supported the 5% state tax, but it is getting away from us. He gave the committee some amendments to change the bill from last session to make it work correctly. The legislature made a direct appropriation of funds to the program in Glasgow. The purpose of the tax was that the funds would be left in the area in which they were collected.

Senator Himsl: Can you walk us through the bill - what has been done differently from the original?

Rep. Meyer: Page 1, line 15-20 redefines what an alcoholic means. On page 2 at the top of the page we added a non-profit or local government agency. Page 6, line 11 we earmarked funds for the prevention and treatment of alcoholics. We changed the distribution.

Senator Regan: Page 4, section 3. To state approved programs whose sole function is the treatment of alcoholics - this means a mental health service may not qualify then?

Rep. Meyer: We felt from 20 programs - applications in for 46 more programs. Somewhere along the road we have to start limiting this. This will let the counties go together.

Senator Smith: On page 2, line 8, we go into approved treatment under the control of the department. You are eliminating the state from having private contracts in the alcoholic program.

Rep. Meyer: Page 7, lines 22-25 plan for the greatest utilization of funds; encouraging programs, etc. On page 10, line 5 provides on-going training on approved programs. On page 16 - funding. Basically it says - and I have some amendments - that once the tax has been collected the Galen funds would be coming out of there and also Glasgow. The balance is sent to the cities and counties - 30% to the cities and 70% to the counties. Page 19, line 6, the county may retain up to 5% of the monies for programs. They have to submit a plan which would be a county wide plan and they could use some of the money for that.

Senator Himsl: The money would go to the county which has the approved plan. They will contract services and they can continue to run that program and the distribution to the counties is in regard to the population and land mass. Basically it will take 3 1/3 away from the cities. The cities presently get 33 1/3 and now they will get 30%. Overall most of the programs in the state will be getting just a little less money than before because we have more programs in operation.

Dick Larson, City Administrator, Billings, said the city of Billings supports the bill in its basic intent. It is needed throughout the state. Alcohol and beer tax funds are needed to police aspects of alcoholism. We urge support of this bill without further erosion of funds to the local governments. We recognize the functions localizing the program in the best manner.

Ralph Gildroy, Montana Health System Agency, said they had gone into the bill and the people he had calls from were concerned that the sole function would be to cut them out of the program. I would like to have that avenue left in the program. He gave out some amendment proposals, attached.

Mona Sumner spoke in favor of the bill, her testimony is attached.

Kent Farr, Director and Counselor in a rural county at Roundup said they had tried to divide the money across the state and get it out of Helena and into the rural areas. They had to use some sort of formula and settled on the 85-15 formula. This does not protect the smaller rural programs. Back in section 12, page 22 is the plan to set aside \$100,000 to guarantee the smaller rural programs will be able to survive and change over to this funding. He said his feeling was that rural programs would get left out. They need specific help. We do not have the population to bring in the money, but they do have the problems. They have the alcoholics and they have the programs. If this bill should go into a conference committee, he would urge them to keep this in mind. He said those in the smaller programs do not have the time nor the money to keep coming back to Helena to see that the rural areas do get the money.

Larry Zanto, Director, Department of Institutions, said they appear in very strong support of the legislation. We felt we needed help in the problem from the last session bill. These problems have been very real. Essentially, it takes the money from the Department of Institutions and gives it to the counties for distribution. They come to us with a plan and then they run their own programs. I think it would be a much better program and I am very much in favor of it. The amendments I have handed out allows the department of revenue to put it into the counties' hands rather than to unnecessarily go through us.

Dick Baumberger: He gave his support to the bill and to the amendments worked out by Rep. Meyer and the Department of Institutions.

Darrel Bauer, Billings Chamber of Commerce, gave his support to the bill.

Yvonne Silva gave her support to the bill and the amendments proposed by the Department of Institutions and by Rep. Fabrega. She said she was once a provider of alcohol service in Cascade County, then came to work for the state. She had been employed by the alcohol plan when working with the Board of Health. We need to take a look at the county based alcohol funded center in the state. Less than 10% receive services through a center like a hospital. I would like to have the committee consider even stronger language. I think it should consider a moratorium on any services and quit worrying about any more.

David Cunningham: Supported the bill, testimony attached. He also supports the auditor's comments.

Randy McDonald: He said he has a technical problem with the bill. Page 1 and 2 - changes in the definitions corresponds to other areas and should be changed. He presented some amendments from the Legislative Council which would do this. Attached.

Marsha Stagmiller, representing the Alcoholism Programs and the Commissioners Program said it provides for comprehensive planning to offer continuing care to the alcoholic where it says necessary to group and incorporate their services. I support the bill and also the amendments.

Beverly Gibson, testimony attached, said in the present bill the 5% allocated other counties - general fund - it is not clear whether the funds are allocated before the money goes to the state approved programs or after and then the remainder goes to the counties.

There were no further proponents.

Senator Hafferman, District 11, Lincoln County said in 1978 they received 88,413. This \$33,279 they will receive and they have 1/10 of the population. They are now serving 6% of those served under the alcohol program. They had the support of the business community, the ministerial association, and the people. They say if you don't like a bill amend it to take care of it. He read and presented a letter to the committee. He gave figures and what would result in the funding in the area. He said with 10% staying at the state level, the bill will reinforce problems in areas like Lincoln County. As it is it will do no damage. There has to be some flexibility in funding incorporated in this bill. This bill is destroying one of the best alcohol programs in the state.

Senator Story: What is the relation of the Galen program to House Bill 844? Mr. Zanto: It allows for the appropriation committee to appropriate money to certain programs. The appropriation program in this bill operates the Galen Program and the Glasgow program. Those appropriations are recognized before the distribution of the remaining money are made to the counties.

Senator Story: Will this hurt the Galen program? Mr. Zanto: No.

Senator Himsl: Do I understand you to say that Galen and Glasgow get a formulated amount of money and what is left goes to the counties? Mr. Zanto: Yes. 30% goes to the cities and the remaining 70% of the appropriations are made on an 85-15 basis. Some programs will be helped and some will be hurt.

Senator Smith: On page 11, line 22, the Department shall: all of the cost of programs and paper work is in the paper pushing. This provision for forms for state wide participation. The plan and coverage will provide for service, etc., all through the whole program. What is it going to cost to take care of this program? Will you have to beef up the staff, etc.?

Mr. Zanto: We don't think so. We will have sounder people in the division than we have had in the past 2 years. Much of the training - we are the only one with the people who have the training ability now. The appropriation is in 483 and we have not asked for more.

Senator Aklestad: How many community treatment centers are there?
Answer: 39.

Senator Aklestad: Like under Hillcock? Answer: One of them.

Senator Aklestad: What was the cost under the old law? Answer: Under the old law it was 33 1/3%. Now it goes back to 30%.

Senator Aklestad: Was it discussed that the towns and cities spend their money on the alcohol programs and the other didn't? Mr. Zanto: Cities have always had a broad way of spending their money. Counties are for specific programs. The new bill would remain about the same. The cities use part of it for law enforcement.

Senator Regan: Under the proposed law, the language - revenue generated whose sole function is alcoholism - would it preclude your department from granting any money to existing mental health programs?

Senator Boylan: Is there any check made on the recidivism rate on these people? A lot of money comes from taxing this kind of drinking. There is a lot of people being employed. How much checking has been done to see how many of these people they are rerouting through the centers. Are there any records kept of this?

Mr. Zanto: They are trying to do a good job. I am not sure how much the recidivism rate is - sometimes a person recidivises 3 or 4 times - sometimes 5 or 6 times and then finally dries out. At Glasgow the recidivism rate is over 60%.

Senator Fasbender: Under this formula - once the state takes out its amount you then allocate the money back to the counties. Are the counties going to come back and say we have the program going and we have to put in the money? Mr. Zanto: I don't think so. We don't give them the money until we have approved the plan. This bill says we have to look pretty hard at the plan.

Senator Fasbender: If they don't get approved they don't get the money? Answer. Then it stays in the earmarked fund. At any time the Department of Revenue could take any money in the earmarked revenue fund and distribute it to the counties. Several things could happen to give an earmarked balance at the end of the year.

Senator Fasbender: They do not feel the 85-15% is a mandate? The money would just stay in there? Mr. Zanto: The bill says it will be distributed by the department of Revenue when the county gets an approved plan. We have no control over how much goes to the counties.

Senator Fasbender: You no longer have any control over the money that they can receive from these programs? Mr. Zanto: Just the limit of the funds coming in.

Senator Himsl: The counties would still have control. They could only contract with an approved program. Mr. Zanto: We have already approved more than one program in some counties.

Senator Smith: What happens to the counties that have no program? Mr. Zanto: Some of the smaller counties can go together under a multi-county area.

The hearing was closed on House Bill 844.

CONSIDERATION OF HOUSE BILL 692: This bill was explained by Rep. Dussault, District 95, Missoula, as a bill requested by SRS. She said this would ensure that persons who are eligible for medicaid would not receive county medical assistance. If medicaid is adequately funded there is no reason to resort to county assistance in the event that services have to be cut back. Persons would obtain relief at the county level, but once the county has levied the maximum mill levy then they would receive 100% state funding from the general fund. We are trying to short circuit the care and aid process should we not fund the medicaid budget. It appears to everyone that it is adequately financed for the biennium. We need this bill if we are ever going to try to take ahold of this, otherwise we are putting the cost on the counties.

Judy Carlson gave written testimony. She said this bill would be an insurance program in the event of unforeseen problems.

Joan Uda said she wished to testify on the legal ramifications of the bill. The problem was that if any effort was made to limit it in any way the expenditures by category or whatever, the burdens would go back to the counties. If they exhaust the poor fund they come back to the state. That money going to the counties is 100% state general fund. It is one other way to get a handle on the medicaid program. I think some providers see this as a way to get them from collecting 100% of the payments from the hospital. The state has no control over the formula once it is in the medicaid program. The formula says it will pay the real and actual cost or the reasonable cost of providing the service. There is a formula and that will always be something less than what goes on the bill to private patients. The reason is as you go through the formula the federal has, the medicaid does not pay for bad debts, also the cost of construction. The national medicaid does not pay for this so the part that is contribution to this is not paid. Since medicaid always pays their bill, the accumulated payments to construction and improvements to a hospital as well as the bad debt structure are removed. Therefore, medicaid pays 80-90% or whatever the formula comes out to be. That controversy is not relevant to this bill. In this bill you say if one is eligible then medicaid says they will pay and the counties will not pay. It does not say how.

Beverly Gibson, Montana Association of Counties said they support the bill.

There were no further proponents to the bill.

Chad Smith, opponent, National Hospital Association, said they had looked at this bill as an abuse of government authority. It is an attempt to make certain that the hospitals will never get the fair charge for their services. Since 1976 the hospitals have been forced by the state of Montana to receive and perform their full services for a discount. The amount hospitals are getting at this time is about 85%. Bad debts are one of the costs of operating.

Senator Smith: I have been told that the reimbursement for nursing homes is inadequate now. Would it have any effect there? Judy Carlson: This bill does not relate to it or to rate setting.

Senator Himsl: I would like to ask Miss Uda if the portion that is the difference between general hospital bills - if the normal billing would be \$100 and medicaid would be \$90. At the present time, the hospital would bill the counties for the difference?

Joan Uda: Federal law would intervene and say no. Federal law says that when a medical provider provides service that provider has to accept it as a payment in full and cannot go after the difference from anyone else.

Senator Himsl: On medicare? Ms. Uda: That is a different program. Under medicaid they state very specifically no they cannot go for more money. It is a felony for them to even charge more. There was a case on this. In the suit the hospitals said that was a discount - they appealed the case. We have reason to believe that the court will go with us. In another case that was recently decided, we think they are going with their way. This is addressing as to whether the burden falls on the counties, the state or the medicaid program.

Senator Nelson: Why are we putting in this amount? We are putting this amount in to say that what you are saying is in the law now? Ms. Uda: We are saying it is now - for the type of problem Mr. Smith is saying. It is addressed in the federal law. This bill addresses it in the state law. This says if you curtail programs in the medicare program - if that category is cut out then the county poor fund is exhausted, and then to the state general fund.

Senator Nelson: Just the same, that county can levy the tax to pay for this but the hospital will go broke if not paid for their services.

Chad Smith: In regard to the federal law on this issue. The only one that touches on this is the Deaconess committees that wish there were no position on this. Twice the SRS has taken it to court, both times it has been refused. You can't charge the patient for the difference. In medicare you do have the option of charging the patient for the difference.

Rep. Dussault closed by saying: Let us assume that over the next 2 years SRS has to cut back on services. If this bill is not passed, those persons can then go through the counties to get the services. If the county raises its mill levy to the maximum, they can then go to the state through the care in aid. The hospitals see it as an attempt to keep them from getting the difference from the county for the difference in the billing. If there is a reason why the state only pays a portion of that cost - if a reasonable explanation, then it does not seem sensible to provide another way for us to pick up the same cost.

The hearing on House Bill 692 was closed.

CONSIDERATION OF HOUSE JOINT RESOLUTION 58: Rep. Dussault explained this resolution was a request for an interim study on the funding of the Montana University System. The resolution is fairly self-explanatory. There was some serious concern in the past biennium about the method used to fund it. We are using a formula derived budget system. There are a lot of questions as to its meeting the demands of Montana. This just says a study will take a look at it. I think it is very important that this be a legislative study. The interim legislative study will take a good and honest look at the whole question as it exists.

George Bandy, Acting Commissioner of Higher Education said he would urge passage of the resolution. He said they do think this is needed. Some improvement in the nature of funding but think there is a way to go in this regard. We need to take into consideration more than the numbers game. We know that many formulae exist. In the two years we should be able to find a formula. There is more at stake than just our interest. The legislative, executive and the public have something at stake in the cost of higher education in Montana.

Kurt Johnson, student of the University System said they would feel more secure if the legislative council rather than the finance interim committee did the study.

Bill Bronson, associate students, University of Montana said we need to get all of the groups before the legislature and do the study. When we are dealing with SJR 58 we are dealing with higher education.

Michael Dohlhouse, associate student of University of Montana said we have a chance to determine the cost by the valuation of it. The reason in the council is the greatest diversity of expenses is necessary.

There were no further proponents and no opponents to the bill and Senator Himsl asked the sponsor if she would have any objection to having it more confused and having the community colleges in the same study? Rep. Dussault: The House considered this and felt it might be too complex.

The hearing was closed on House Joint Resolution 58.

The meeting was adjourned.

Senator Himsl, Chairman

DATE

4-6 PM

COMMITTEE ON

F+C

BILL NO.

VISITOR'S REGISTER

NAME	REPRESENTING	BILL NO	Check One	
			Support	Oppos
Paul Weiner	Heart Center Tower	#125 844	X	
Bob Noel Furr	Mossesbell Foundation	#844	X	
Ralph Gildroy	Montana Health Systems Agency	#844	X with amendment	
Montana Health Systems Agency				
Beverly Gibson	mt. assoc. of Counties	#844 #692	X w/amendment	
J.D. Holmes	MT. INST. OF THE ARTS FOUNDATION	#8550	X	
Wynne Silva	Self	#844	X	
W.H. Salomon	Self	#844	X	
Bob Anderson	ADDD	844		
Bob Luffing	Montana Health Systems Ag.	844		
But H. Lueckert	" " "	844		
Al Rosen	City of Billings	844 ²⁵		
Monica Sumner	Burrack Foundation	844	X	
H. Cunningham	Reinisch FDN.	844	X	
Rick Bowdy	DNR+C	841	✓	
Steve Fry	"	841	X	
Annell Vennard	DNRC	841	X	
Paul Miller	Self	844		
Vernon Clauson	Self	844		
E.M. Dunnington	Spencer	844	X	
Jim DeLong	Self			
John Walbridge	Self			
Leah Beth Trotter	town of Boulder	844	-	
Robert H. Christian	✓ ✓ -	✓		
SAM GESKO	CITY OF BOZEMAN	125	X	
Edward P. Seligson	Mayor of Bozeman	125	X	

4-6 PM

BILL NO.

THE

(Please leave prepared statement with Comptroller)

ROLL CALL

SENATE FINANCE AND CLAIMS COMMITTEE

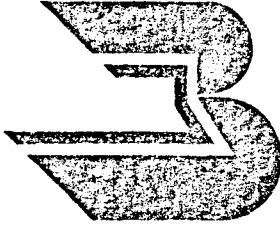
46TH LEGISLATIVE SESSION 1979

Date 7-6 ^{PM}

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	✓		

Billings Area

CHAMBER OF COMMERCE



TO: Members of the Senate Finance & Claims Committee
FROM: Billings Chamber of Commerce
RE: Support of HB 844

The Billings Chamber of Commerce wishes to go on record in support of HB 844 and we urge your support and consideration of this bill for several important reasons.

With the ever-growing scarcity of dollar resources, the available funds must get to the people who need the services -- they are in our community and their care and treatment must be available in the community. Rimrock Foundation has been providing this care and treatment for eleven years to our expanding population. This fiscal year, the Alcohol and Drug Abuse Division expended more money on administration (\$560,000) than Rimrock Foundation's total annual budget.

HB 844 provides assurance that excessive administrative expenses will be curtailed and available funds will be equitably allocated to community-based alcoholism treatment programs.

The bill contains other equally important measures that assure a maximum return on our human service tax dollars.

Thank you,

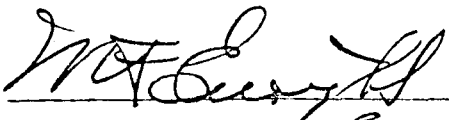
John Ireland, Executive Vice President
Billings Area Chamber of Commerce

TO: Members of the Senate Finance & Claims Committee
FROM: United Way of Yellowstone County
RE: Support of HB 844

We have been gravely concerned with the treatment one of our most important agencies has received from the State Alcohol and Drug Abuse Division throughout this fiscal year. Our repeated requests of the Division for information regarding why Rimrock Foundation does not receive State earmarked alcohol tax funds have gone unanswered.

Yellowstone County generates \$460,000 of these funds and contains 90% of the population of region III. We have funded the Foundation since its beginning in 1968 because we know the magnitude of alcohol and drug problems and we believe in the need for community alcoholism treatment programs.

We urge your support of HB 844 in the interest of continued community-based treatment for this serious health problem.


Maury Enright *Exec Dir*

We support the concept of HB 844 because it has the framework for a well-administered alcohol treatment program. However, we are concerned that counties may end up running existing programs with less money than formerly allocated for the purpose, and we wish to point out -- again -- the inequitable distribution of beer and liquor tax revenues.

In 1977-78, the state received \$1.8 million from the beer tax, and cities received \$2.4 million from beer and liquor, right off the top, for their general funds. Counties received \$193,000 for their general funds, out of their share of the alcohol funds (not beer.) The remaining revenues go to alcohol treatment programs.

We wish to raise the following questions: Why not put all beer and liquor taxes together in one earmarked revenue fund; why not appropriate the necessary money for all alcohol treatment programs right off the top; and then divide the remainder equally among state and local governments?

On a smaller scale, and addressing the revenues and funding in HB 844, may we suggest that the liquor license tax, and the \$1 beer tax be combined before any distribution of funds; and that the \$100,000 for grants and the \$1.7 million for state programs be deducted at that point; and then the distribution be made 30% to cities and 70% to counties...with the counties' 70% being divided 60% to alcohol treatment programs, and 10% to their general fund. This represents a small loss to cities, but cities do receive another \$1.1 million from the beer tax.

I do want to point out, that in the present bill, the 5% allocated to the counties general fund is not clear whether the funds are allocated before or after the appropriation to Galen, etc. Section 3 first allows the legislature to appropriate money to fund alcohol programs--then it distributes the remainder to the counties. If your intent is to allow counties a comparable amount of money for their general fund as in the past, the 5% will have to be allocated before the legislative appropriation.

(Pages 18 and 19.) *3rd Reading copy.*

Thank you for allowing me to comment.

TESTIMONY BEFORE THE SENATE FINANCE
AND CLAIMS COMMITTEE

April 6, 1979

HOUSE BILL 692: A Bill for an Act Entitled: "An act to Ensure that Medicaid Eligible Persons may not Receive County Medical Assistance; Amending Sections 53-3-103, MCA."

House Bill 692 is aimed at protecting counties from having to pay in the event that any services must be cut out of the state Medicaid program. As the law now stands, counties are required to provide medical treatment for the indigent as part of their general relief programs. Thus, if a service is cut at the state level, individual recipients may turn to the county medical program to meet their needs. Unless there is some way to control this potential shift in payments, state taxpayers are not likely to save any dollars.

Generally, people who are eligible for Medicaid would also be eligible for county medical assistance. Medicaid is the preferable program because it offers more services, and it is funded out of state and federal funds with no county money involved. But in the event that state Medical Assistance is not available for certain services, those recipients could apply for the county medical program. To pay for those additional clients, the counties could respond in the following way.

Since county medical assistance is paid for through the county poor fund, counties could raise the property tax mill levy which supplies the poor fund. Each county, however, is limited to a maximum levy of 13.5 mills. In Fiscal Year 1978-79, 5 counties (Cascade, Garfield,

Granite, Silver Bow and McCone) are already levying the maximum amount and others are approaching the maximum. County Commissioners must also use the poor fund to pay for general relief assistance to destitute county residents.

When a county exhausts its poor fund, it may apply to the state through SRS for an emergency grant-in-aid. The state is required to grant eligible counties the necessary amount of money to fulfill their welfare responsibilities. Unlike state Medicaid assistance, which is nearly 2/3 funded by federal funds, emergency grants-in-aid are completely financed by the State General Fund.

Currently, four main groups of people receive county medical assistance because they are ineligible for Medicaid. They are the working poor, single persons, persons with seasonal employment and transients. Nothing in this legislation would prevent these people from continuing to receive such assistance.

H.B. 692 would free the counties from the obligation to provide services for Medicaid recipients. Any state money saved through the elimination of certain Medicaid services would not be lost through grants-in-aid to the counties. Otherwise, any attempt to save state funds by cutting Medicaid services might indeed wind up costing the state even more money.

If, as we expect now, there are sufficient funds to pay for all services to all those in need, this bill would not be needed. However, in view of the unpredictability of health care costs, we strongly support passage of this bill.

EXPLANATION OF H.B. 692

"An Act to Ensure that Medicaid Eligible Persons May Not Receive County Medical Assistance; Amending Sections 53-3-103, MCA."

STATE MEDICAID PROGRAM

Financial Participation: 66% federal
(Approximations) 34% state
0 county

Mandatory Services: In-hospital services
Out-patient hospital services
Physician Services
Lab & X-ray services
Skilled nursing home care

Optional Services: Other licensed practitioners
Home health care
Private duty nursing
Dental services
Physical therapy and other services
Drugs, dentures, prosthetic devices
Eye glasses
Other services (e.g., diagnosis, prevention)
Intermediate nursing home care

↓ [Any service not paid by State
drops to county responsibility]

COUNTY MEDICAL PROGRAM

Financial Participation: 100% county - up to 13.5 mills

↓ [After 13.5 mills are spent,
State must pay]

STATE EMERGENCY GRANT-IN-AID

Financial Participation: 100% state general fund

Problem: to avoid shifting costs to counties if state appropriation is insufficient for all services

Solution: HB 692 will prohibit counties from paying for services for Medicaid eligible clients

Disadvantage: if state makes insufficient appropriations, some recipients will not receive certain lower priority services

Advantages: --no shift of burden to counties
--no shift back to 100% state general fund
--maximum use of federal funds

RE: HB 895

To increase agency budgets during biennium ending June 30, 1979

- ROCKY MOUNTAIN FRONT STUDY BY U.S.F.S. INDICATES NO OR LITTLE IMPACT ON DEER BY OIL AND GAS ACTIVITIES.
- ARE FUNDS FOR INVENTORY? IF NOT, WHY CAN'T DATA ALREADY AVAILABLE BE UTILIZED?
- WHY IS THIS A PRIORITY? WHY NOT STUDY IMPACTS OF HARSH WINTERS, HUNTING PERIODS (EXTRA HUNTING PERIOD IN HIGHWOOD AREA THIS YEAR)
- HOW DO THEY INTEND TO "MEASURE?"
- HOW CAN YOU MEASURE IMPACT OF OIL AND GAS ACTIVITY UNTIL THEY OCCUR? IMPACTS CAN BE DOCUMENTED IF AND WHEN ACTIVITY TAKES PLACE.
- IS THIS STUDY CONCERNED WITH STATE LAND OR FEDERAL LAND?
- IF ON FEDERAL LAND, WHY NOT USE DATA ALREADY AVAILABLE? ROCKY MOUNTAIN FRONT STUDY WAS ONE OF THE BEST AND MOST COMPLETE STUDIES THAT HAS BEEN DONE.
- WHAT WILL BE QUALIFICATIONS OF THOSE DOING THE STUDY? BIOLOGISTS? FORESTERS? WITH FIRST-HAND KNOWLEDGE OF OIL AND GAS OPERATIONS?
- HOW MUCH FEDERAL MONEY? HOW MUCH STATE? IF FEDERAL PROGRAM, WHICH ONE?
- HOW DO THESE FUNDS DIFFER FROM THOSE ALREADY OBTAINED IN HB 415? (\$7,901 for a "wildlife program)
- WHY DON'T AGENCIES HAVE TO IDENTIFY IN THE BILL WHAT THE MONEY WILL BE USED FOR?

Proposed Technical Amendment to HB 844

1. Page 1, line 25.

Following: "private"

Insert: "private"

2. Page 2, line 1.

Following: "nonprofit"

Strike: "OR LOCAL GOVERNMENT"

3. Page 2, line 6

Following: "means"

Insert: ": (a)"

4. Page 2

Following: line 10

Insert: "; or ~~or~~

(b) a treatment agency operating under the direction and control of a local government and approved under 53-24-208."

TESTIMONY IN SUPPORT OF HB844

BY

David W. Cunningham, MHA
Executive Director
Rimrock Foundation
923 North 29th Street
Billings, Montana
248-3175

The December, 1978 Legislative Audit of the Alcohol and Drug Abuse Division supports the need for HB844.

THE AUDITORS SAY:

DUPLICATION:

"If the Division is to perform its mandated responsibility to encourage and promote effective use of facilities, resources and funds in planning and conducting alcohol programs, DUPLICATION OF SERVICES SHOULD BE AVOIDED."

NEED:

"Needs assessments were not completed in fiscal year 1977-78, prior to the allocation of funding."

"The allocation of ADAD discretionary monies for fiscal year 1977-78, to alcoholism programs was based on staff recommendations", (without conducting a needs assessment). "The Division had not established criteria for the funding of approved alcoholism treatment programs", (prior to allocating the funds).

ALLOCATION FORMULA:

"In May of 1978, Touch Ross Company issued an evaluation report on the management methods of the Division. The report stated the Division had no published criteria for the allocation of alcoholism treatment funds."

ADAD MANAGEMENT:

"Based on our analysis, communication problems between the Division and the individual alcoholism treatment providers are significant."

"The Department of Institutions paid miscellaneous travel expenses without proper receipts."

"In seven instances we could not determine whether payments had been made to a number of providers (programs) when we reviewed files. Files contained support for these payments, but no documentation could be found showing payments were made."

"State plans are not completed on a timely basis for use by local providers."

DUPLICATION OF SERVICES:

"For example, in these cities there was more than one approved alcoholism program providing outpatient services."

HB844 answers the Legislative Auditor's Report!

Thank you.

H.B. 483

Second printing, third reading (Coop - Park County)

Page 69, line 11

Strike: "1,006,769" "1,157,498"

Insert: "1,016,119" "1,167,356"

Prop Coop Extension

1006769
9350
<hr/>
1016119

9350
9852
<hr/>
19208

*water center
studies
community college
Pilot program for
no program for
no basketball team*

ESTIMATED LIQUOR TAX*

HB 844
Bamber

\$3,779,145
-100,000 (ADAD Discretionary)**

\$3,679,145

Cities 30%

\$1,103,744

Dept. of Institutions 70%

\$2,575,401

+ \$56,000 Beer tax

\$3,431,401

Appropriations

HB 483

DWI	\$ 84,379✓
Glasgow	314,000✓
Corrections	31,756✓
ADAD	81,880
Galen	1,219,021

Total -1,731,036

\$1,700,365

Counties 85/15%

\$1,528,795

Counties 5%

\$171,570

These figures based on Governor's office Liquor Tax projections for 1980
Co. Impact funding not to exceed \$10,000 per county.

Account

ESTIMATED LIQUOR TAX

\$3,779,145

+ 856,000 beer tax (\$1)

- 100,000 (ADAD Discretionary)

\$4,535,145

Appropriations

HB 483

DWI \$ 84,379

Glasgow 314,000

Corrections 31,756

ADAD 81,880

Galen 1,219,021

Total \$1,731,036

= \$2,804,109

Cities 30%

Counties 70%

\$841,252

County Programs 60%

10% Gen. Fund

\$1,682,467

\$280,410

Amendments to HB 844

1. Page 13, line 1.

Following: "services"

Strike: "for the purpose of determining"

2. Page 13, line 1.

Following: "services"

Insert: "."

3. Page 13, line 2.

Strike: line 2 in its entirety

4. Page 13, lines 3 through 6.

Strike: lines 3 through 6 in their entirety.

Insert: "(3) The following order of priorities for program services shall be followed:

(a) treatment and rehabilitation of alcoholics;

(b) detoxification services;

(c) services for family members."

5. Page 18, line 14.

Following: "SUPPORT"

Insert: "state operated"

Judith Basin County
Weed Control District

Court House
Stanford, Montana
April 5, 1979

Gentlemen:

We, the people of Montana, are in trouble. Leafy Spurge is a weed that is taking over Montana and cannot be controlled by chemicals. It is in our pasture lands, crop lands, forests and is also invading our cities.

The State of Wyoming allocated 1.4 million dollars in the 1977 legislature for the chemical eradication of leafy spurge.

We hope we don't have to follow suit but if things keep going like they are, our costs will be worse than those of Wyoming.

Our farmers and ranchers are already spending thousands upon thousands of dollars trying to control leafy spurge, but it is to no avail. It is estimated that they are already spending over a million dollars a year.

House Bill 410 provides for a more permanent solution to leafy spurge eradication.

Biological control of leafy spurge will give us a means of control that could be self-supporting in time and greatly reduce the number of dollars spent on weed control.

Thank you for your cooperation.

Sincerely,

Wm. Reilly

Wm Reilly
Weed Supervisor
Judith Basin County

WR/jmp

20,000 acres in B. Co.
39,000 " " " " " "
Heiger Co



Montana Health Systems Agency, Inc.

324 Fuller Avenue
Helena, Montana 59601

(406) 443-5965

Ralph Gildroy
Executive Director

April 4, 1979

TO: Senator Matt Himsel, Chairman
Senate Finance and Claims Committee

FROM: Ralph Gildroy, Executive Director *Ralph Gildroy*

RE: H.B. No. 844, An Act to Generally Revise the Laws Relating to
Alcoholism Treatment Programs and the Distribution of Revenues
from the Liquor License Tax Proceeds

1. Page 2, lines 2 - 4
(whose sole function is the treatment, rehabilitation, and prevention of alcoholism and drug dependence) change to read -
"(one of whose functions is the treatment, rehabilitation, and...)"

Page 4, lines 13 - 14, to state approved programs whose sole function is, change to read - "to state approved programs one of whose functions is..."

The words "sole function" constitute a delimiting which is inconsistent with the Comprehensive Plan for Alcoholism and Drug Abuse Prevention, Treatment and Rehabilitation - FY 1979, page 79, Montana Health Systems Plan 1979 Alcoholism Component, and a list of potentially affected facilities, references attached.

2. Page 2, line 1, add the word "corporation" after the word nonprofit.
3. Page 4, line 21, replace the word "persons" to read "(b) as grants to non-profit corporations or local government agencies operating state-approved alcoholism programs."
4. Page 5, line 3, replace the word "person" to read, "section, a non-profit corporation or local government agency operating..."
5. Page 5, line 7, replace the word "person" to read, "no non-profit corporation or local government agency receiving..."
6. Page 7, lines 23 - 24, reword as follows:

(a) encourage planning, in conjunction with the Montana Health Systems Agency and the State Health Planning and Development Agency, for the greatest utilization of funds by discouraging unnecessary duplication of services, encouraging...

Continued page 2

7. Page 8, lines 3 - 6, reword as follows:

(b) coordinate the efforts and enlist the assistance of all public and private agencies (including the Montana Health Systems Agency and the State Health Planning and Development Agency), organizations, and individuals interested in treatment and prevention of alcoholism.

8. Page 20, lines 22 - 23, add the word "unnecessarily" to read "the proposed services do not unnecessarily duplicate existing local services."

9. Page 20, line 23, after the sentence ending "services," add the following: "The department shall recognize that specific alcohol grant program categories are subject to specific procedures for reviewing Federal funding applications as outlined in OMB Circular A-95, revised, Sections 1513(e)(1) and (2) of Public Law 93-641, and the Montana Certificate of Need Law. For alcohol grant programs subject to New Institutional Health Services review, the procedures and criteria are in the 1979 Montana Certificate of Need Law.

10. Page 21, line 16, after the sentence ending "standards.", add the following:

"If a licensed health care facility loses its approval to offer alcoholism services, the facility must receive a certificate of need prior to the reduction of that service."

11. Page 23, line 2, add the word "corporation" to read, "existing non-profit corporation and local government programs..."

COMPREHENSIVE PLAN FOR ALCOHOLISM AND DRUG ABUSE PREVENTION, TREATMENT AND REHABILITATION

FY 1979

B. COORDINATION WITH OTHER AGENCIES

1. Coordination with Mental Health

Service coordination has involved local and regional agreements between community alcohol and drug programs and comprehensive community mental health centers. Agreements with mental health centers have involved reciprocal referral arrangements so that local mental health staff provide psychiatric evaluations of alcohol and/or drug abusing clients and alcohol and/or drug program staff provide diagnosis of mental health client alcohol and drug abuse patterns as well as providing treatment alternatives.

To date, two community mental health centers have been issued "state-approval" for delivery of alcoholism services: Southwestern Montana Mental Health and Alcohol Program in Helena and Southcentral Montana Mental Health Center in Billings.

The Southwest Montana Mental Health and Alcohol Program provides alcoholism services to outlying communities in several counties throughout Region IV utilizing satellite centers.

Southcentral Montana Mental Health Center also provides alcoholism services through satellite centers in Region III. In January, 1978 the ADAD contracted with the Center to administer the newly established Big Horn County Indian Alcohol Program in Hardin, Montana.

Administrators of the Alcohol and Drug Abuse Division and the Mental Health and Residential Services Division meet frequently to insure that a coordinated effort in planning for community based service delivery is an on-going process between the Divisions' staff. An example of this coordinated effort is in

Montana Health Systems Plan 1979

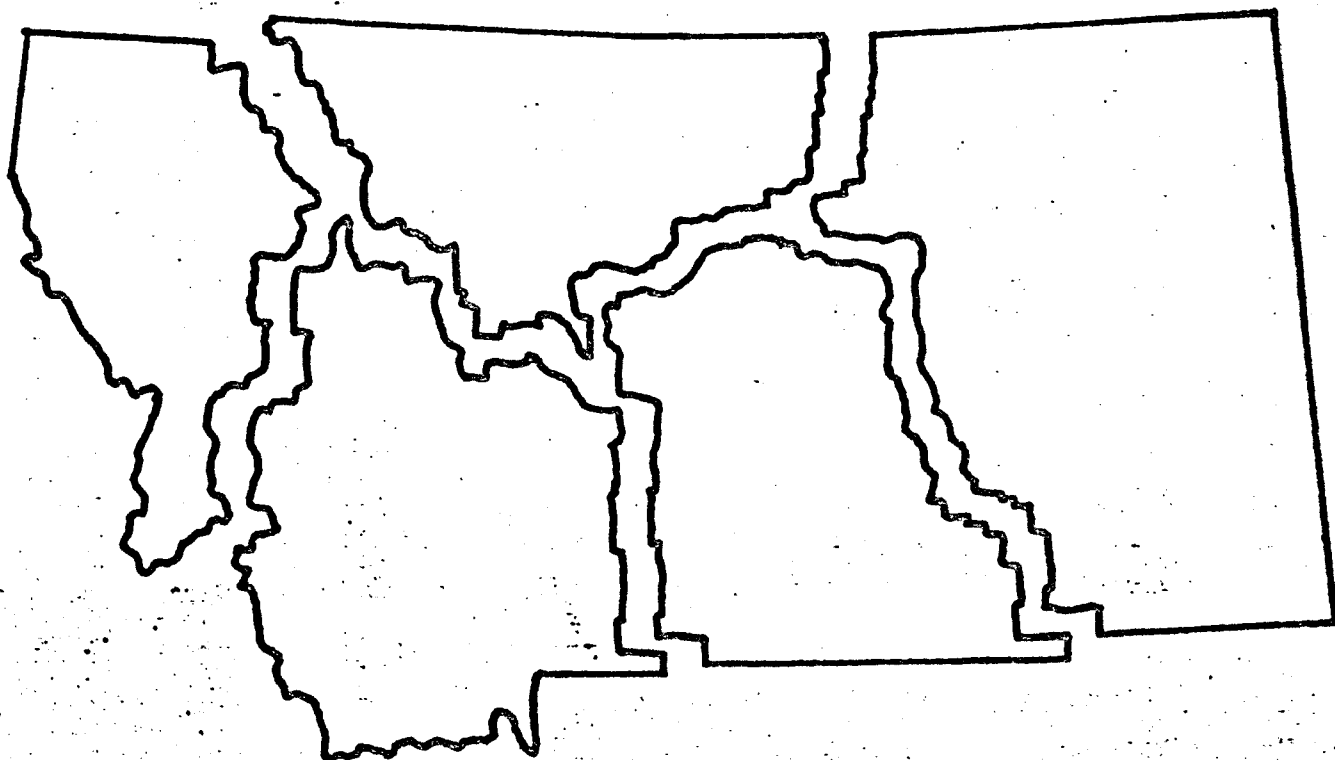


Table 1

Five Year Crude Mortality Rates in Montana from Cirrhosis of the Liver and Motor Vehicle Accidents (1972-1976).

Subarea and County	Crude Death Rate for Cirrhosis of the Liver (1972-1976)	Crude Death Rate for Motor Vehicle Accidents (1972-1976)
Northwestern		
Lincoln	1.2	35.3
Flathead	9.8	35.9
Sanders	18.0	79.9
Lake	10.9	81.2
Mineral	5.8	29.2
Ravalli	1.1	50.0
Missoula	6.9	32.4
North Central		
Glacier	42.7	96.1
Toole	18.2	61.8
Pondera	11.4	48.4
Teton	15.6	24.9
Cascade	13.1	29.9
Chouteau	6.4	48.2
Hill	12.3	34.8
Blaine	5.8	72.3
Liberty	16.3	56.9
Southwestern		
Beaverhead	22.0	56.1
Madison	7.2	53.8
Gallatin	6.6	27.3
Lewis and Clark	14.9	34.2
Broadwater	7.2	64.7
Jefferson	20.6	32.4
Meagher	18.3	91.7
Silver Bow	27.0	45.4
Deer Lodge	17.0	35.2
Powell	14.0	41.9
Granite	15.0	45.1
Park	11.6	48.3
South Central		
Fergus	1.6	34.3
Petroleum	30.3	90.9
Judith Basin	0.0	45.1
Wheatland	24.8	33.1
Golden Valley	0.0	85.1
Musselshell	4.8	67.3
Sweet Grass	19.4	45.2
Stillwater	0.0	39.2
Carbon	12.8	35.7
Big Horn	35.9	87.0
Yellowstone	13.2	33.0
Eastern		
Valley	16.9	35.4
Daniels	12.9	51.6
Sheridan	18.1	50.7
Roosevelt	42.6	89.1
McCone	14.7	66.2
Garfield	0.0	47.1
Richland	10.1	44.5
Dawson	5.5	38.6
Wibaux	0.0	70.4
Rosebud	43.5	79.3
Treasure	0.0	66.7
Powder River	0.0	68.4
Custer	11.6	46.3
Prairie	10.9	43.5
Phillips	11.1	40.7
Fallon	10.3	41.0
	0.0	10.8

SOURCE:

Unpublished data from the Bureau of Records and Statistics.

3.0 Screening and Early Intervention Strategies

At the present time, self-diagnosis or family awareness appear to be the first steps in delivering alcohol services to the abuser. Of the persons admitted to alcohol programs between September, 1977 and February, 1978, 29 percent were self-referral and 8 percent were referrals by the patient's immediate family. Court referrals constituted another large block of people coming in for treatment. They referred 10 percent of all the admissions.

Another prevention and early intervention program sponsored by the Highway Traffic Safety Bureau, Department of Community Affairs and the Highway Patrol Bureau, Department of Justice, is the DWI Court Schools. Many persons convicted of driving under the influence of alcohol are required by the court to attend a course of six sessions - one hour a piece - dealing with alcohol education. Most of the state approved, off reservation alcohol programs serve as the schools. A fee of \$50 is charged, and usually the court assesses this as part of the fine.

It has been estimated that about 25 percent of those attending the school are referred to an alcohol treatment program; however, not all participate.

4.0 Treatment Programs

ADAD is currently implementing a regional, community-based concept for delivering alcohol treatment services with satellite counselors providing services to outlying areas. Figure 3 shows the location of these programs. Utilization statistics and general goals have already been addressed in the Alcohol Services Component.

To strengthen the programs and to develop a better financial basis for them, ADAD is working to maximize third-party payments for alcohol treatment. One strategy is to amend the Insurance Code, through legislative action, to require alcohol service coverage. A second strategy is to approve programs (annually) in accordance with the state law and to certify alcohol counselors. At the present time, ADAD is also encouraging the various programs to become accredited by JCAH. The certification program for professionals is now operating on a voluntary basis. ADAD is suggesting that the legislature make it a mandatory program for all counselors in state programs. It is felt that these two certification programs will reduce the third party paying resistance toward reimbursement for alcohol and drug services.

5.0 Rehabilitation and Aftercare

In order to be approved by ADAD, they must have the followup services. Most aftercare services, however, appear to be provided by local Alcoholics Anonymous (AA) and associated programs (Alanon, Alateen). These programs are found in communities throughout the state.

<u>Facility</u>	<u>Classification</u>	<u>No. of Beds</u>
Alcoholism Receiving Center of Billings Deaconess Hospital, Inc. 923 North 29th Street Billings, Montana 59103 Tel: 259-5551 657-4141 Dir: Donald J. Danielson	Alcohol Treatment Facility	15
South Central Montana Regional Mental Health Center 1245 North 29th Street Billings, Montana 59101 Tel: 252-5658 Dir: Bryce G. Hughett, M.D.	Mental Health Outpatient Facility and Mental Health Day Care Center	
Northcentral Montana Community Mental Health Center P. O. Box 2717 1015 First Avenue North Great Falls, Montana 59403 Tel: 761-2100 Dir: Evan S. Crandall	Day Treatment Unit	
Hilltop Recovery Center 1020 Assiniboine Havre, Montana 59501 Tel: 265-9665 Dir: George E. Bowery	Half-way House	15
Southwest Montana Mental Health Center 510 Logan Mailing Add: 215 E. 6th Avenue, Suites 14 & 15 Helena, Montana 59601 Tel: 442-0310 Adm. Dir: C. J. Harrington	Outpatient	
Clarke Street Inn - Transitional Care Unit 2101 Clarke Miles City, Montana 59301 Tel: 232-1856 Dir: Frank L. Lane	Transitional Care Unit	8
Eastern Montana Mental Health Center Executive Building Miles City, Montana 59301 Tel: 232-1687 Dir: Frank L. Lane	Outpatient	
Missoula General Hospital Alcohol Treatment & Rehabilitation Center (Melvin Johnson Center) 300 North Second Avenue Missoula, Montana 59801 Tel: 542-2191 Adm: J. P. Smith	Half-way House	12

March 23, 1979

Honorable Joe Brand
Speaker Pro-Tempore
Montana House of Representatives
State Capitol
Helena, Montana 59601

Dear Joe:

As you know, we continue to be deeply concerned about ongoing problems of the Milwaukee Road. The Milwaukee is a major employer and the service it provides is crucial to the present and future development of Montana's resources. It is imperative that we all work together, in Washington and Montana, to assure the continued operation of this Railroad.

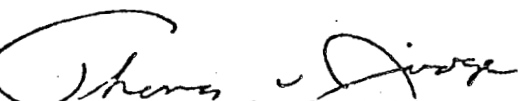
We have requested that the Office of Rail Public Counsel participate in the court proceedings. We have asked that the Interstate Commerce Commission (ICC) closely monitor the Milwaukee's situation and we are in constant contact with both the ICC and the Federal Railroad Administration. We have expedited through the Federal Railroad Administration a recent \$5.1 million loan and we are sponsoring legislation designed to provide federal assistance for the Milwaukee.

We feel it is important to Montana to provide financial resources for legal defense of the State's interest in the Courts, for Rail Planning activities within the Department of Highways, and for matching funds so that Montana can take advantage of federal funds that might be available for preserving the essential service. The State's initiatives concerning the Milwaukee may very well be our only hope for preserving the Railroad.

We understand the crush of business during this part of the legislative session. However, the Milwaukee bankruptcy proceedings are of the highest priority and we must protect Montana's interests from potentially harmful actions that might be taken during those proceedings. We hope you can expedite consideration of pending legislation relating to the Milwaukee Road.

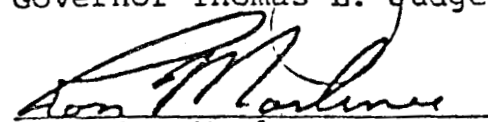
We look forward to working with you in the future on this important issue. Please don't hesitate to contact any of us if we can be of assistance.

Sincerely,


Governor Thomas L. Judge


Senator John Melcher


Senator Max Baucus


Rep. Ron Marlenee


Rep. Pat Williams

4/3/79

AMENDMENTS TO THE DRIVER LICENSING PROGRAM

	<u>FY 1980</u>	<u>FY 1981</u>
Longevity		
as requested		
GF (52%)	\$ 6,514	\$ 7,165
ERA (48%)	<u>6,013</u>	<u>6,615</u>
	\$12,527	\$13,780
 Less		
13 positions x .062		
x 2080 hrs.		1,676
		<hr/>
		\$12,104

For the purpose of this act and for the 1981 Biennium only, provisions of Section 44-1-501 MCA shall not apply to salaries appropriated for the Driver Licensing Program.

TESTIMONY BEFORE THE SENATE FINANCE
AND CLAIMS COMMITTEE

April 6, 1979

HOUSE BILL 692: A Bill for an Act Entitled: "An act to Ensure that Medicaid Eligible Persons may not Receive County Medical Assistance; Amending Sections 53-3-103, MCA."

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Generally, people who are eligible for Medicaid would also be eligible for county medical assistance. Medicaid is the preferable program because it offers more services, and it is funded out of state and federal funds with no county money involved. But in the event that state Medical Assistance is not available for certain services, those recipients could apply for the county medical program. To pay for those additional clients, the counties could respond in the following way.

Since county medical assistance is paid for through the county poor fund, counties could raise the property tax mill levy which supplies the poor fund. Each county, however, is limited to a maximum levy of 13.5 mills. In Fiscal Year 1978-79, 5 counties (Cascade, Garfield,

Granite, Silver Bow and McCone) are already levying the maximum amount and others are approaching the maximum. County Commissioners must also use the poor fund to pay for general relief assistance to destitute county residents.

When a county exhausts its poor fund, it may apply to the state through SRS for an emergency grant-in-aid. The state is required to grant eligible counties the necessary amount of money to fulfill their welfare responsibilities. Unlike state Medicaid assistance, which is nearly 2/3 funded by federal funds, emergency grants-in-aid are completely financed by the State General Fund.

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H.B. 692 would free the counties from the obligation to provide services for Medicaid recipients. Any state money saved through the elimination of certain Medicaid services would not be lost through grants-in-aid to the counties. Otherwise, any attempt to save state funds by cutting Medicaid services might indeed wind up costing the state even more money.

If, as we expect now, there are sufficient funds to pay for all services to all those in need, this bill would not be needed. However, in view of the unpredictability of health care costs, we strongly support passage of this bill.

EXPLANATION OF H.B. 692

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(Approximations) 34% state
0 county

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Out-patient hospital services
Physician Services
Lab & X-ray services
Skilled nursing home care

Optional Services: Other licensed practitioners
Home health care
Private duty nursing
Dental services
Physical therapy and other services
Drugs, dentures, prosthetic devices
Eye glasses
Other services (e.g., diagnosis, prevention)
Intermediate nursing home care



[Any service not paid by State
drops to county responsibility]

COUNTY MEDICAL PROGRAM

Financial Participation: 100% county - up to 13.5 mills



[After 13.5 mills are spent,
State must pay]

STATE EMERGENCY GRANT-IN-AID

Financial Participation: 100% state general fund

Problem: to avoid shifting costs to counties if state appropriation is insufficient for all services

Solution: HB 692 will prohibit counties from paying for services for Medicaid eligible clients

Disadvantage: if state makes insufficient appropriations, some recipients will not receive certain lower priority services

Advantages: --no shift of burden to counties
--no shift back to 100% state general fund
--maximum use of federal funds



Dick Hansen Jr.

Grain compact simmering

JOPLIN — A movement by grain producers and their organizations to form a multi-state marketing compact has quietly gained momentum over the past few months. Centered mainly in Kansas and neighboring wheat and feed grain producing states, the movement is steadily spreading. A mid-October meeting in Topeka, Kan. saw legislators from 14 states, half a dozen farm organizations, an equal number of major grain corporations, several federal offices and the Kansas City Board of Trade, among others, represented.

The conference left no doubt farmers want their agricultural marketing practices changed.

"No amount of persuasion to the contrary from grain corporations, boards of trade, or the Commodity Futures Trading Commission is about to penetrate the hide of these wheat producers," a spokesman said, "hides toughened by continual low prices spattered with periodic interference by federal government, through boycotts, embargoes, and inaction to prevent railroad and dock strikes and perennial hopper car shortages."

Attendance and reactions are reported to leave no doubt that producers are looking to state governments to help them out of their marketing dilemma. They have given up hope for meaningful action from Washington. They say in concert at these meetings it now behooves state lawmakers to come up with workable solutions, the beginning of which would be a binding, multi-state compact that would open the door for investigations into viable marketing alternatives and other agricultural needs.

A list of suggested topics to be considered in forming a multi-state compact has been drawn up and distributed to lawmakers from various states at the conference. These are to be returned to the Kansas Revisor of Statutes, who will then draft a proposed compact from the recommendations. Congressional ratification would be sought should the proposed compact be approved at a one-day meeting for legislators and state officials, scheduled for Dec. 14 in Topeka.

It's pointed out that lack of federal sanction would not prohibit the states from cooperating, but federal ratification would be necessary if the compact were to encroach upon federal authority or create an imbalance in interstate or foreign commerce.

Producers working on the proposal note the established grain trade, as well as federal government and others, are not taking the matter lightly, since the major grain trade has been represented at all meetings; as well as top government and other officials, including a representative from the

all cooperating states produce large quantities of the same commodity, such as wheat. This has brought a solid brock of grain-producing states from North Dakota to Texas and Colorado to Indiana to the meetings thus far.

Among the subjects under fire are speculative short selling of 'paper grain', for confusing the market regarding actual amount of grain available for world consumption, and what is called monopoly of a few major grain companies in marketing.

"The grain merchants and bureaucrats should be now aware of the growing dissension among producers over the pricing structure for farm products," another spokesman said.

"Farmers, especially wheat growers, are fed up with having price-depressing factors over which they have no control being passed back to them, while invirtually all other industries such costs go the other direction — to distributors, suppliers, and ultimately, consumers."

Whether it's called an underlying current or an overriding wave, these grain producers say the jawboning has ended: the next step is toward a multi-state grain compact.

STATE OF KANSAS



OFFICE OF THE GOVERNOR

State Capitol
Topeka 66612

John Carlin Governor

March 8, 1979

The Honorable Vicki Johnson
House of Representatives
State Capitol Building
Helena, Montana 59601

Dear Representative Johnson:

I'm happy to advise you that the Multi-State Grain Marketing Compact Bill passed the Kansas Senate 38-0 on February 27, and has been sent to the Kansas House.

The bill contains the original language that was adopted at the September meeting of which you were a part.

I might note that the galleries were packed with Kansas farmers who offered their support for the measure. Moreover, many in Kansas consider the passage of the bill by the Senate to be a major victory for the American farmer.

As I said in my early letter of February 6, the time to act is now. But it will take the organized and coordinated efforts of all of our states to make the compact a reality.

Again, I expect to sign the bill before the Kansas Legislature adjourns in April. I will keep you apprised of what is happening in Kansas and I would hope that you would let me know what is happening in your state.

For the sake of our agricultural community and the nation as a whole, I again strongly urge you to join with me in supporting the compact.

Sincerely,

A handwritten signature in cursive script, appearing to read "John Carlin".

JOHN CARLIN
Governor

JC:jl

Let the grain states investigate

The mere mention of interstate agricultural grain marketing would be enough to cause many U.S. congressmen's eyes to glaze over. For most of them, rural matters are more alien than foreign affairs. Even though many Montana state legislators are not intimately familiar with agriculture, it's an issue close to home here.

For that reason, along with several others, farmers in grain states like Montana have decided to attack some of their concerns on a state, rather than a federal front.

The idea of an interstate grain marketing compact has been around for several years, but this year has been targeted for getting legislatures to allow participation in such a compact. Rep. Vicki Johnson, D-Columbus, is carrying the Montana effort in this venture. She has proposed a bill that would allow Montana to have members on an interstate marketing commission.

Here's why such a commission has been proposed: Farmers

are fed up with what they think are inadequate answers from the federal level of government on issues of vital concern to the business of agriculture. They are upset with the fact a very few, huge companies market the vast majority of the world's grain and the fact these companies seem less concerned with the price of wheat than with volumes of grain being sold. Farmers don't think the federal government has adequately attacked other issues such as dock strikes, boycotts and continual grain car shortages.

Five states would have to agree to take part in a commission before it would be created. Each state then would be represented by three people: a member of the state Senate, a member of the House and an appointee of the governor. State attorney generals would be non-voting members.

The commission would take it upon itself to study grain marketing practices and make recommendations for solutions, including federal and state legislation. To make an investiga-

tion, the commission would be granted subpoena powers, but enforcement would be through the courts.

Some Montana legislators have two reservations about Johnson's bill. First, they worry about granting subpoena power to a commission and fear possible witch hunts could result. Bill proponents point out, however, that without investigative authority, creating a commission would be a toothless act.

Second, legislators balk at the fact states are asked to provide an initial \$50,000 funding to enter the compact. In a time of budget cuts, such a request must be closely examined. But it's not an outrageous amount; and would be well worth it if the commission's efforts result in a better grain market for the farmer.

The Legislature should pass Johnson's bill. If the federal government can't come up with satisfactory agricultural answers, then let's let the grain states have a hand at it.

Following marketing compact down but not out

Inducing states could pool knowledge and resources and the expertise of grain specialists in an attempt to examine to obtain marketing system for possible improvement to beneficiaries.

Proposal is a grassroots effort farmers improve their position to Johnson.

A compact would provide a using state authority to analyze system as it affects producers economy of participating states, Johnson also said the proposal, "state" legislation, would responsive to farmers' needs a marketing system that more consideration to the growers. Such farm inputs as possible in the urban-growth areas, she said.

It is emphasized that marketing, or any other specific are not a part of the compact quota system is of one possibility if producers needed this to back up efforts. Such a system at not only be instituted through regulated by the federal government. However, it is noted the

Federal government is not inclined to return to an allotment system. But states can, if they wish, use a compact arrangement to do so if growers want it.

A side benefit to such program would be others to help counteract the loss of natural resources — soil, water and which, which some see as being threatened by all-out production.

The overall concept involves shifting some of the decision-making on agricultural marketing from the federal government back to the states, giving producers more access to and clout in the marketing process. Along with this, such things as conducting a review of the whole system of grain marketing and recommendations for any needed changes. This could include such things as transportation and many other related farm problems.

The basic concept calls for adoption by at least five states, each participating state to have three members, one from the House, one from the Senate and one appointed by the governor.

Commission members would then hire a staff, and they would undertake approved preliminary investigative

work based on producer input. Subpoena powers would be available to the commission, but enforcement would be through the courts so that anyone objecting to a subpoena would have opportunity to voice such objections to a judge. There is also an escape clause which reads: "The provi-

sions of the subpoena paragraph apply only in states that have adopted this article."

But proponents say the subpoena power is necessary for a fully effective compact, and anything less would be like having a police force without the power of arrest. The remainder of the document is pointed out as being virtually meaningless without granting of some authority. The commission would need this authority over calling for records and witnesses, should such be necessary, not only for producers but the grain trade, transportation officials and others.

Another doubt concerns the probability that the compact would justify another government bureaucracy. "Perhaps," says one proponent, "if it would help farmers, it would be worth it. Such a program would be some of that 'bureaucracy' Washington to the state level, where farmers are still represented in legislatures, where their problems are more visible and where closer monitoring of the programs would be likely."

Johnson said she expects the committee to hold a hearing on the some time next week.

NEWSLETTER



Kansas

COOPERATIVE COUNCIL

700 KANSAS AVENUE, TOPEKA, KANSAS 66603 — Phone 233-4085

HAL HELLEBUST, Executive Vice President
ED DUCKWORTH, Editor

Published Semi-Monthly. Annual Subscription Rate \$8.20.
2nd Class Postage Paid at Topeka, Kansas.

No. 15 - August 9, 1978

VISITING LAWMAKERS WANT GRAIN PROBE TO CONTINUE

It's uncommon to say the least, if not almost unheard of, for 10 Kansas legislators and 14 or 15 out-of-state lawmakers to spend 2 days discussing a topic, then adopting, by unanimous agreement, a resolution to continue the study. But that's what happened on July 26-27 when the Kansas Legislature's Special Committee on Grain Marketing hosted a conference to discuss the feasibility of a multi-state compact to examine agricultural grain marketing practices, as directed by last session's passage of House Bill 2794, supported by this state's cooperatives.

A solid block of grain-producing states from North Dakota to Texas and Colorado to Indiana, were represented at the meeting in the State Capitol in Topeka. Besides Kansas, states represented included North and South Dakota, Iowa, Nebraska, Oklahoma, Texas, Colorado, Illinois, Indiana, Missouri, and Washington. Participating were legislators, secretary's of agriculture, and attorneys general. Interested observers were present from several of those states, plus Ohio, Maryland, and Washington, D.C.

Farm organizations identifiable in the spectator gallery included the Kansas Grain and Feed Dealers Association, Kansas Farm Bureau, National Farmers Organization, American Agricultural Movement, Kansas Farmers Union, Kansas Grange, Concerned Farm Wives, the Kansas Livestock Association, Kansas Corn Growers Association, Far-Mar-Co, your Co-op Council and some co-op elevators. Other spectators were from universities, the U.S. Senate Ag Committee, the Kansas Grain Inspection Department, Kansas Budget Department, the Kansas City Board of Trade, grain dealers, the Kansas Department of Transportation, Commodity Dealer's Licensing Association, the Federal Grain Inspection Service, and the Council of State Governments.

Approval was given for the Kansas Committee to draft a 'compact' to be considered at the next meeting scheduled for Oct. 2-3, also in Topeka. During its recent legislative session, the Nebraska Unicameral approved the compact concept. At the recent meeting in the Kansas House Chamber, no doubt was left that the other states represented at the meeting would at least propose the concept to their respective legislative bodies.

Speakers at the July session included Dr. Roy Frederick, Extension economist in grain marketing at Kansas State University; Dr. Dan McCurry, economist, previously with the ASCS, now on the board of Rural America, Inc., and Consumers Federation of America; Al Krebs, journalist and director of the Agribusiness Accountability Project in San Francisco; Nelson Coyle, Research Assistant to the Food and Agriculture Credit

Minister, Canadian House of Commons, and Dr. Rick Gilmore, Overseas Development Council and former member of the Senate Foreign Relations Subcommittee on Multinational Corporations.

Here are comments by those speakers on some of the topics covered.

THE MULTINATIONALS: (Krebs) - "In wheat, corn and soybeans, six major multiproduct, multinational and often multibillion dollar corporations control nearly 90% of the world's grain trade—Cargill, Continental, Bunge and Born, Louis Dreyfus, Archer-Daniels-Midland (ADM) and Peavey Corp.

"For those devotees of the modern myth that bigness is better, the scope of the grain trade's marketing power is impressive. For people concerned about an adequate and nutritious food supply, fair prices, freedom of choice, and the general welfare of a world without hunger, the grain trade's power and control deserve close scrutiny.

"The leaders in the grain trade are the Cargill Corporation and Continental Grain, who each control about 25% of the market. They are followed by the Argentine Bunge & Born Corp. with approximately 15%-20%, and the French-held Louis Dreyfus Corp. with 10% of the trade. Both of the latter corporations have large U.S. subsidiaries. These four, which control almost 80% of the world's grain trade—Cargill, Continental, Bunge, and Louis Dreyfus—are all privately-owned corporations.

"The remaining 20% is dominated by the Peavey Corp., and Archer-Daniels-Midland, both publicly-held firms, which together control approximately 5%-10% of the trade.

"Controlling interest in the Cargill Corp. is held by the MacMillan family and Continental grain's control rests solidly in the hands of Michel Fribourg. The MacMillan family and Fribourg are each reportedly worth between \$400 and \$600 million.

"Cargill sends more than 25% of its invested capital abroad. The company's world-wide storage capacity exceeds 200 million bushels of grain marketed via some 3,000 rail cars, 400 river barges, and 14 ships.

"Continental owns and operates over 30 U.S. grain elevators with a domestic storage capacity of over 3 million tons, and in excess of 500,000 tons abroad.

"Bunge's storage capacity is around 100 million bushels. It maintains offices and agents in 80 foreign countries; has 22 river, five interior rail, and four port terminals and over 100 country elevators in the U.S. It operates 105 barges with nearly 100,000 gross tons and controls 75,000 railroad cars.

"Louis Dreyfus' activities in the U.S. are pretty much limited to the traditional grain trade business. In Europe it owns a shipping fleet of more than a million tons, operates ships on a time-charter basis.

"ADM is the nation's largest soybean processor with a soybean crushing capacity of 150 million pounds and oil refining capacity of 1 billion pounds. It is also the largest processor of bulk finished oils in the U.S., and the nation's third largest flour miller. In addition to maintaining 42 country elevators, the company is the nation's largest barge shipper on the Mississippi, with 70 facilities in 40 cities in 18 states producing and marketing more than 400 products.

Zante

PROPOSED AMENDMENTS TO HB844

1. Page 16, lines 16 and 17, following "revenue fund"

Strike: to the credit of the Department of Institutions

2. Page 18, line 15, following "counties"

Insert: by the Department of Revenue

AMENDMENTS TO HB 125

Rep. Reichert

1. Page 2, line 15

Following: line 14

Insert: (5) "State expenditures" means the total amount of money generated from state resources that is spent by any agency of state government, excluding:

- (a) money received from the federal government;
- (b) payments of principal and interest on bonded indebtedness;
- (c) payments for unemployment or disability insurance;
- (d) money received from the sale of a good or service provided that the purchase of the good or service is discretionary;
- (e) money received from permanent endowments, trusts, or pension funds;
- (f) proceeds of gifts or bequests made for purposes specified by the donor;
- (g) money appropriated for tax relief; and
- (h) funds transferred within state government or used to purchase goods for resale.

Section 4. State surplus to revenue sharing program.

- (1) Seventy-five percent of the amount by which state revenue exceeds state expenditure during any fiscal year must be transferred at the end of the fiscal year to a revenue-sharing account in the earmarked revenue fund, which account is hereby established.
- (2) Money in the revenue-sharing account may be allocated by appropriation for distribution under the state-local revenue sharing program established in [section 5]."

Renumber subsequent sections.

2. Page 3, line 11

Following: "reduce"

Strike: "their"

Insert: "the"

Following: "taxes"

Insert: "on residential property"

Leg. Council *ME*
Proposed Technical Amendment to HB 844

1. Page 1, line 25.

Following: "private"

Insert: "private"

2. Page 2, line 1.

Following: "nonprofit"

Strike: "OR LOCAL GOVERNMENT"

3. Page 2, line 6

Following: "means"

Insert: ": (a)"

4. Page 2

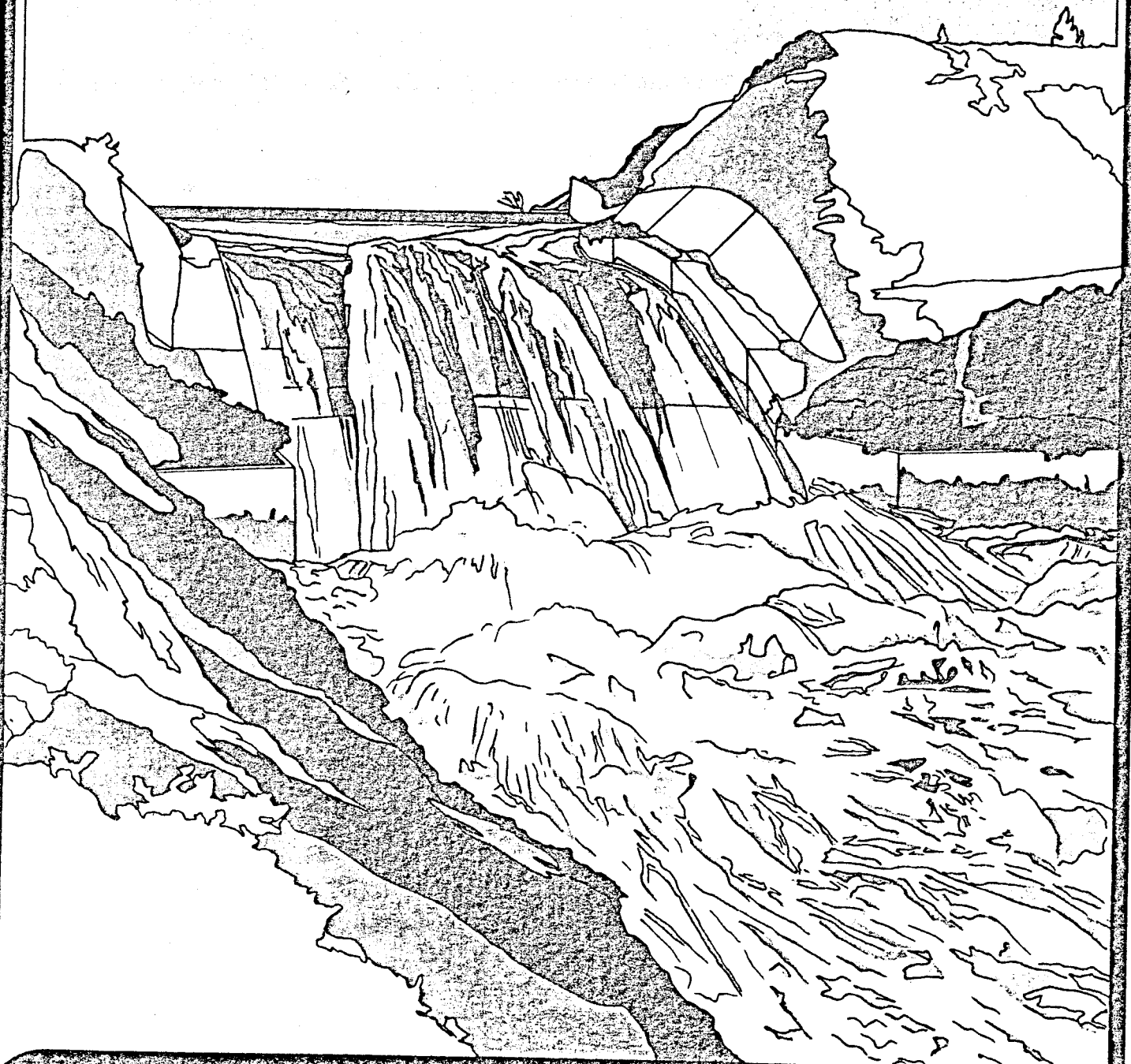
Following: line 10

Insert: "; or ~~the~~

(b) a treatment agency operating under the direction and control of a local government and approved under 53-24-208."

	<u>P. E. R. S.</u>	<u>JUDGES</u>	<u>GAME WARDENS</u>	<u>HIGHWAY PATROL</u>	<u>SHERIFFS</u>	<u>POLICE</u>
RETIRES	Employee 6.0% Employer 6.2% Social Security	Employee 6.0% Employer 6.0% Court Fees 20.0% of salary Supreme Court Fees, 25% of Court Fees Social Security	Employee 7% Employer 7% Fines and Forfeitures 4% of salary Social Security	Employee 6.5% Employer 16.0% salary out of drivers license fees No Social Security	Employee 7% Employer 7.5% Social Security	Employee 7% Employer 7.5% Social Security No Social Security
TERMINATION	60 with 5 years service 55 actuarially reduced benefit 65 no minimum service Any age after 30 years service 1/60 x yrs. of serv. x FAS * 5 years service 25% of FAS or 90% of Annuity which would have been paid at retirement Member contributions and interest plus 1 mo. salary for each year of service up to 6 years or if member has 5 yrs. or more of service, beneficiary may elect the annuity based on the actuarial equivalent	65 and 5 years service 5 years service, actuarially reduced benefit 3-1/3% for 15 years **** 1% for each year thereafter Actuarial equivalent non-duty 1/2 paid if duty-related Non-duty, actuarial equivalent Duty-related death actuarial equivalent Duty-related - 1/2 FAS less amount paid by workers' comp.	25 years and 55 years of age 20 years at 55, actuarially reduced benefit 2% per year, 25 years service Retirement at 55, mandatory at 60 years of age Non-duty actuarial equivalent Duty-related after 10 years service 1/2 pay Non-duty death actuarial equivalent Duty-related - 1/2 FAS less amount paid by workers' comp.	25 years - 1/2 pay 20 years - 1/4 pay 10-20 years - Actuarially reduced Actuarial equivalent non-duty Duty-related, 1/2 FAS Actuarial equivalent, non-duty Duty-related, 1/2 FAS Non-duty death, actuarial equivalent Duty, 1/2 FAS less amt. paid under workers comp.	2% - 25 years serv. age 55 20 yrs. serv., actuarially reduced benefit 1/2 pay, 25 years serv. Compulsory retire. 65 yrs. age. Actuarial equivalent non-duty Duty-related, 1/2 FAS Actuarial equivalent non-duty Duty-related, 1/2 FAS Lump sum. Actuarial equivalent of 2% for each year of serv. up to 25 yrs. Duty-related, 1/2 FAS less amt. paid under workers comp. Max. 15 yrs. or until member would have reached age 65	No age prior to age 70 7/1/70 age 65 2% yrs. add'l duty of 1/2 duty
TERMINATION	Contributions plus interest Average highest 36 months received if member has more than 10 years service at prior pension paid by state title position retired from	Contributions **	Contributions **	Contributions **	Contributions and interest	Contributions and interest

water development in the tongue and powder river basins



MONTANA DEPARTMENT OF NATURAL RESOURCES & CONSERVATION

WATER RESOURCES DIVISION

JANUARY 1979

DNRC

MONTANA COUNCIL ON ALCOHOLISM
AFFILIATE

P. O. Box 632
Phone: (406) 442-5726



Helena, Montana 59601

APR 17 2 1979
LEGISLATIVE ALERT

LEGISLATIVE ALERT

The original fiscal note for HB 844 of 3/7/79 may or may not be accurate. Our questions with the fiscal note revolve around wine impact. The stated assumptions are not now valid in light of HB483, which directs \$1,731,036 away from community alcoholism programs. We have to seriously question most of this, particularly the combined Glasgow/Galen figure of \$1,533,031.00. The general consensus is that Galen didn't properly utilize prior funds.

Also, it would appear that Department of Institutions intends to severely curtail services at Galen, evidently to the 50% level. Current practice indicates that inpatient treatment beds will be reduced to 30-35 range. Detox would appear to be limited by earlier discharge or reduced acceptance for treatment. It appears that as long-term hospital clients are discharged, the beds involved in this part of the program would not be reinstated. In our opinion the budget is significantly over-stated. We estimate the budget will fall in the \$600-700,000 range.

Lacking a more current fiscal note, we must still use the Budget Director's most applicable figures and have done this with our analysis on the following page.

Fiscal Impact (current note)	<u>FY '80</u>	<u>FY '81</u>
Liquor	\$3.769 M	\$3.946 M
Beer	+ 3.405	+ 3.557
	<hr/>	<hr/>
Total	\$7.174 M	\$7.503 M

Only 25% or \$1 of \$4 from beer tax	- 2.554 M	- 2.668
HB844 (\$.100M to ADAD)	- .100 M	- .100 M
HB 483 page 40, L. 6-17 page 45, L. 23-25	- 1.731 M	- 1.755 M
	<hr/>	<hr/>
Net Available	2.789 M	2.980 M
Beer Tax	- .851 M	- .899 M
	<hr/>	<hr/>
Liquor Tax	1.938 M	2.081 M

3% of tax or 30% of Revenue
to cities and towns

3.769 M	3.946 M		
.30	.30		
<hr/>	<hr/>		
\$1.131 M	\$1.184 M	- \$1.131 M	- \$1.184 M
		<hr/>	<hr/>
Available to Community Programs - Liquor	.807 M		.897 M
Available to Community Programs - Beer	+ .851 M		+ .889 M
	<hr/>		<hr/>
	1.658 M		1.786 M

AMENDMENTS TO HB 125

Rep. Reichert

1. Page 2, line 15

Following: line 14

Insert: (5) "State expenditures" means the total amount of money generated from state resources that is spent by any agency of state government, excluding:

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- (c) payments for unemployment or disability insurance;
- (d) money received from the sale of a good or service provided that the purchase of the good or service is discretionary;
- (e) money received from permanent endowments, trusts, or pension funds;
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- (2) Money in the revenue-sharing account may be allocated by appropriation for distribution under the state-local revenue sharing program established in [section 5]."

Renumber subsequent sections.

2. Page 3, line 11

Following: "reduce"

Strike: "their"

Insert: "the"

Following: "taxes"

Insert: "on residential property"

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DIRECTOR, RESEARCH

SHAROLE CONNELLY
DIRECTOR, ACCOUNTING DIVISION

March 27, 1979

TO: Senate Taxation Committee

FROM: Teresa Olcott Cohea

RE: HB 125

As Senator Turnage requested, I have prepared the following brief analysis of HB 125.

Purpose of Bill

This bill would establish a mechanism for allocating state revenue collected from sources other than property taxation to counties and municipalities.

Method of Allocation

Revenue-sharing money would be allocated on the basis of population, as shown in federal census figures or estimates.

In determining county populations, city residents in the county would be excluded. The minimum allocation to any local government would be \$200 per year. The Department of Community Affairs would allocate the money to each jurisdiction.

Use of Revenue-Sharing Funds

HB 125 provides that revenue-sharing funds may be used for the local government units' "best interests" as determined by its governing body.

A House amendment also provides that local government units receiving revenue-sharing funds "will reduce their property taxes accordingly".

Appropriation

HB 125 does not appropriate any money for revenue-sharing. It would only have created the mechanism if funds were made available in the future.

Proposed Amendment

Representative Reichert proposed an amendment to the House Local Government Committee that would place 75% of the state surplus each fiscal year in a revenue-sharing account. The legislature would appropriate funds from this account to the revenue-sharing program for distribution.

The amendment defines the state surplus funds as the amount by which state revenue exceeds state expenditures. State expenditures are defined to exclude federal funds, inter-government transfers, etc.

Livingston, MT.

April 4, 1979

Peter Story

Capiton Station

Helena, MT. 59601

Dear Senator,

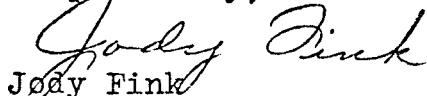
I am contacting you in support of House Bill #9. I feel Montclirc is a vital aid to the legal profession and to judges of all jurisdictions.

There are many conflicting Montana laws, such a volumn of case law and an ever increasing number of Montana and U.S. Supreme Court decisions, that a thorough research is often ^{oops} (needed) to resolve one particular point of law. The time for re-search required is becoming more horrendous each year.

Montclirc provides answers to questions submitted within a suprisingly short period of time, and are very thorough. They received inquiries as of December 1978 from all but 8 Montana counties.

I sincerely hope you will give due consideration to the request of Montclirc for their needed funding.

Respectfully,



Jody Fink
Justice of the Peace
Park County
Montana

A PROJECT OF THE
UNIVERSITY OF MONTANA
SCHOOL OF LAW

JAMES T. RANNEY, DIRECTOR

MONTANA CRIMINAL LAW INFORMATION RESEARCH CENTER

724 EDDY AVENUE
MISSOULA, MONTANA 59812
(406) 243-6492

March 26, 1979

Mrs. Jody Fink
Justice of the Peace
Park County Courthouse
Livingston, Montana 59047

Dear Judge Fink:

We are extremely appreciative of your willingness to help us in contacting Senator Pete Story, who is a crucial member of the legislature, and also Representatives Orval Ellison and ~~Diane~~ Dan Yardley. I am enclosing two copies of a "Fact Sheet" which describes what MONTCLIRC has been doing and why we need a funding bill. I am also enclosing a copy of House Bill No. 9 and a Financial Note. I would note that the budget we are submitting is a "bare nubs" budget providing for almost nothing but personnel costs, with the Law School picking up a good deal of the other costs. Unfortunately, the Law School has no flexibility in picking up any of the personnel costs. *my understanding*

I strongly believe that MONTCLIRC is a tremendously worthwhile program that is saving the State of Montana a great deal of money. It is also proved to be extremely valuable as a means of providing a clinical education experience for the students.

Thank you once again for your efforts on our behalf.

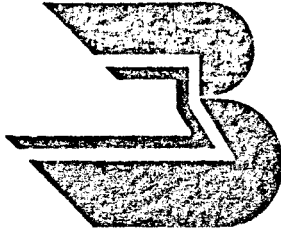
Sincerely,

James T. Ranney
James T. Ranney
Director, MONTCLIRC

JTR/cab

Enclosures: "Fact Sheets"
Financial Note
House Bill No. 9

Billings Area
CHAMBER OF COMMERCE



TO: Members of the Senate Finance & Claims Committee
FROM: Billings Chamber of Commerce
RE: Support of HB 844

The Billings Chamber of Commerce wishes to go on record in support of HB 844 and we urge your support and consideration of this bill for several important reasons.

With the ever-growing scarcity of dollar resources, the available funds must get to the people who need the services -- they are in our community and their care and treatment must be available in the community. Rimrock Foundation has been providing this care and treatment for eleven years to our expanding population. This fiscal year, the Alcohol and Drug Abuse Division expended more money on administration (\$560,000) than Rimrock Foundation's total annual budget.

HB 844 provides assurance that excessive administrative expenses will be curtailed and available funds will be equitably allocated to community-based alcoholism treatment programs.

The bill contains other equally important measures that assure a maximum return on our human service tax dollars.

Thank you,

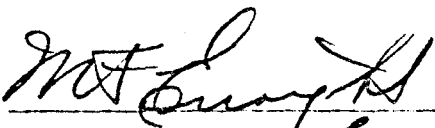
John Ireland, Executive Vice President
Billings Area Chamber of Commerce

TO: Members of the Senate Finance & Claims Committee
FROM: United Way of Yellowstone County
RE: Support of HB 844

We have been gravely concerned with the treatment one of our most important agencies has received from the State Alcohol and Drug Abuse Division throughout this fiscal year. Our repeated requests of the Division for information regarding why Rimrock Foundation does not receive State earmarked alcohol tax funds have gone unanswered.

Yellowstone County generates \$460,000 of these funds and contains 90% of the population of region III. We have funded the Foundation since its beginning in 1968 because we know the magnitude of alcohol and drug problems and we believe in the need for community alcoholism treatment programs.

We urge your support of HB 844 in the interest of continued community-based treatment for this serious health problem.



Maury Enright Exec R19

(5) Provision shall be made for a continuum of coordinated treatment services so that a person who leaves a facility or a form of treatment will have available and utilize other appropriate treatment.

History: En. 69-6217 by Sec. 7, Ch. 302, L. 1974; Sec. 69-6217, R.C.M. 1947; redes. 80-2714 by Sec. 6, Ch. 280, L. 1975; amd. Sec. 4, Ch. 414, L. 1977; R.C.M. 1947, 80-2714.

53-24-210. Departmental reports to legislature. The department shall report to each legislative session on the status of the implemented chapter. This report or any part thereof may be included as the department's state plan for alcohol abuse and alcoholism.

History: En. 69-6225 by Sec. 19, Ch. 302, L. 1974; Sec. 69-6225, R.C.M. 1947; amd. and redes. 80-2722 by Sec. 3, Ch. 280, L. 1975; R.C.M. 1947, 80-2722(part).

Part 3

Treatment of Alcoholics and Intoxicated Persons

53-24-301. Voluntary treatment of alcoholics. (1) An alcoholic may apply directly to an approved public treatment facility for voluntary treatment. If the proposed patient is a minor or an incompetent person, he, a parent, legal guardian, or other legal representative may make the application.

(2) Subject to rules adopted by the department, the administrator of an approved public treatment facility may determine who shall be admitted for treatment. If a person is refused admission to an approved public treatment facility, the administrator, subject to departmental rules, shall refer the person to another approved public treatment facility for treatment if possible and appropriate.

(3) If a patient receiving inpatient care leaves an approved public treatment facility, he shall be encouraged to consent to appropriate outpatient or intermediate treatment. If it appears to the administrator of the treatment facility that the patient is an alcoholic who requires help, the department shall arrange for assistance in obtaining supportive services and residential facilities.

(4) If a patient leaves an approved public treatment facility, with or against the advice of the administrator of the facility, the department shall make reasonable provisions for his transportation to another facility or to his home. If he has no home, he shall be assisted in obtaining shelter. If he is a minor or an incompetent person, the request for discharge from an inpatient facility shall be made by a parent, legal guardian, or other legal representative or by the minor or incompetent if he was the original applicant.

History: En. 69-6218 by Sec. 8, Ch. 302, L. 1974; Sec. 69-6218, R.C.M. 1947; redes. 80-2715 by Sec. 6, Ch. 280, L. 1975; R.C.M. 1947, 80-2715.

53-24-302. Involuntary commitment of alcoholics. (1) A person may be committed to the custody of the department by the district court upon the petition of his spouse or guardian, a relative, the certifying physician, or the chief of any approved public treatment facility. The petition shall allege that the person is an alcoholic who habitually lacks self-control as to the use of alcoholic beverages and that he has threatened, attempted, or inflicted physical harm on another and that unless committed is likely to inflict physical harm on another or is incapacitated by alcohol. A refusal to undergo treatment does not constitute evidence of lack of judgment as to the need for treatment. The petition shall be accompanied by a certificate of a licensed physician who has examined the person within 2 days before submission of the petition unless the person whose commitment is sought has refused to submit to a medical examination, in which case the fact of refusal

shall be alleged in the petition. The certificate shall set forth the physician's findings in support of the allegations of the petition. A physician employed by the admitting facility or the department is not eligible to be the certifying physician.

(2) Upon filing the petition, the court shall fix a date for a hearing no later than 10 days after the date the petition was filed. A copy of the petition and of the notice of the hearing, including the date fixed by the court, shall be served on the petitioner, the person whose commitment is sought, his next of kin other than the petitioner, a parent or his legal guardian if he is a minor, the administrator in charge of the approved public treatment facility to which he has been committed for emergency care, and any other person the court believes advisable. A copy of the petition and certificate shall be delivered to each person notified.

(3) At the hearing the court shall hear all relevant testimony, including, if possible, the testimony of at least one licensed physician who has examined the person whose commitment is sought. The person shall have a right to have a licensed physician of his own choosing examine him and testify on his behalf. If he has no funds with which to pay such physician, the reasonable costs of one such examination and testimony shall be paid by the county. The person shall be present unless the court believes that his presence is likely to be injurious to him. He shall be advised of his right to counsel, and if he is unable to hire his own counsel, the court shall appoint an attorney to represent him at the expense of the county. The court shall examine the person in open court or, if advisable, shall examine the person in chambers. If he refuses an examination by a licensed physician and there is sufficient evidence to believe that the allegations of the petition are true or if the court believes that more medical evidence is necessary, the court may make a temporary order committing him to the department for a period of not more than 5 days for purposes of a diagnostic examination.

(4) If after hearing all relevant evidence, including the results of any diagnostic examination by the department, the court finds that grounds for involuntary commitment have been established by clear and convincing evidence, it shall make an order of commitment to the department. It may not order commitment of a person unless it determines that the department is able to provide adequate and appropriate treatment for him and the treatment is likely to be beneficial.

(5) A person committed under this section shall remain in the custody of the department for treatment for a period of 30 days unless sooner discharged. At the end of the 30-day period, he shall automatically be discharged unless before expiration of the period the department obtains a court order from the district court of the committing district for his recommitment upon the grounds set forth in subsection (1) for a further period of 90 days unless sooner discharged. If a person has been committed because he is an alcoholic likely to inflict physical harm on another, the department shall apply for recommitment if after examination it is determined that the likelihood still exists.

(6) A person recommitted under subsection (5) who has not been discharged by the department before the end of the 90-day period shall be discharged at the expiration of that period unless before expiration of the period the department obtains a court order from the district court of the committing district on the grounds set forth in subsection (1) for recommitment for a further period not to exceed 90 days. If a person has been committed because he is an alcoholic likely to inflict physical harm on another, the department shall apply for recommitment if after examination it is determined that the likelihood still exists. Only two recommitment orders under subsections (5) and (6) are permitted.

(7) Upon the filing of a petition for recommitment under subsection (5) or (6), the court shall fix a date for hearing no later than 10 days after the date the petition was filed. A copy of the petition and of the notice of hearing, including the date fixed by the court, shall be served on the petitioner, the person whose commitment is sought, his next of kin other than the petitioner, the original petitioner under subsection (1) if different from the petitioner for recommitment, one of his

parents or his legal guardian if he is a minor, and any other person the court believes advisable. At the hearing the court shall proceed as provided in subsection (3).

(8) A person committed to the custody of the department for treatment shall be discharged at any time before the end of the period for which he has been committed if either of the following conditions is met:

(a) in case of an alcoholic committed on the grounds of likelihood of infliction of physical harm upon another, that he is no longer in need of treatment or the likelihood no longer exists; or

(b) in case of an alcoholic committed on the grounds of incapacity and the need of treatment, that the incapacity no longer exists, further treatment will not be likely to bring about significant improvement in the person's condition, or treatment is no longer adequate or appropriate.

(9) The court shall inform the person whose commitment or recommitment is sought of his right to contest the application, be represented by counsel at every stage of any proceedings relating to his commitment and recommitment, and have counsel appointed by the court or provided by the court if he wants the assistance of counsel and is unable to obtain counsel. If the court believes that the person needs the assistance of counsel, the court shall require, by appointment if necessary, counsel for him regardless of his wishes. The person whose commitment or recommitment is sought shall be informed of his right to be examined by a licensed physician of his choice. If the person is unable to obtain a licensed physician and requests examination by a physician, the court shall employ a licensed physician.

(10) If a private treatment facility agrees with the request of a competent patient or his parent, sibling, adult child, or guardian to accept the patient for treatment, the department may transfer him to the private treatment facility.

(11) A person committed under this section may at any time seek to be discharged from commitment by writ of habeas corpus or other appropriate means.

(12) The venue for proceedings under this section is the place in which person to be committed resides or is present.

History: En. 69-6221 by Sec. 11, Ch. 302, L. 1974; Sec. 69-6221, R.C.M. 1947; redes. 80-2718 by Sec. 6, Ch. 280, L. 1975; R.C.M. 1947, 80-2718.

53-24-303. Treatment and services for intoxicated persons and persons incapacitated by alcohol. (1) An intoxicated person may come voluntarily to an approved public treatment facility for emergency treatment. A person who appears to be intoxicated in a public place and to be in need of help, if he consents to the proffered help, may be assisted to his home, an approved public treatment facility, an approved private treatment facility, or other health facility by the police.

(2) A person who appears to be incapacitated by alcohol shall be taken into protective custody by the police and forthwith brought to an approved public treatment facility for emergency treatment. If no approved public treatment facility is readily available, he shall be taken to an emergency medical service customarily used for incapacitated persons. The police, in detaining the person and in taking him to an approved public treatment facility, are taking him into protective custody and shall make every reasonable effort to protect his health and safety. In taking the person into protective custody, the detaining officer may take reasonable steps to protect himself. No entry or other record may be made to indicate that the person taken into custody under this section has been arrested or charged with a crime.

(3) A person who comes voluntarily or is brought to an approved public treatment facility shall be examined by a licensed physician as soon as possible. He may then be admitted as a patient or referred to another health facility. The referring approved public treatment facility shall arrange for his transportation.

(4) A person who by medical examination is found to be incapacitated by alcohol at the time of his admission or to have become incapacitated at any time after his admission may not be detained at the facility once he is no longer incapacitated by alcohol or, if he remains incapacitated by alcohol, for more than 48 hours after admission as a patient unless he is committed under 53-24-304. A person may consent to remain in the facility as long as the physician in charge believes appropriate.

(5) A person who is not admitted to an approved public treatment facility and is not referred to another health facility may be taken to his home. If he has no home, the approved public treatment facility shall assist him in obtaining shelter.

(6) If a patient is admitted to an approved public treatment facility, his family or next of kin shall be notified as promptly as possible. If an adult patient who is not incapacitated requests that there be no notification, his request shall be respected.

History: En. 69-6219 by Sec. 9, Ch. 302, L. 1974; Sec. 69-6219, R.C.M. 1947; redes. 80-2716 by Sec. 6, Ch. 280, L. 1975; amd. Sec. 5, Ch. 414, L. 1977; R.C.M. 1947, 80-2716.

53-24-304. Emergency commitment of intoxicated persons and persons incapacitated by alcohol. (1) An intoxicated person who has threatened, attempted, or inflicted physical harm on another and is likely to inflict physical harm on another unless committed or who is incapacitated by alcohol may be committed to an approved public treatment facility for emergency treatment. A refusal to undergo treatment does not constitute evidence of lack of judgment as to the need for treatment.

(2) The certifying physician, spouse, guardian, or relative of the person to be committed or any other responsible person may make a written application for commitment under this section directed to the administrator of the approved public treatment facility. The application shall state facts to support the need for emergency treatment and be accompanied by a physician's certificate stating that he has examined the person sought to be committed within 2 days before the certificate's date and facts supporting the need for emergency treatment. A physician employed by the admitting facility or the department is not eligible to be the certifying physician.

(3) Upon approval of the application by the administrator of the approved public treatment facility, the person shall be brought to the facility by a peace officer, health officer, the applicant for commitment, the patient's spouse, the patient's guardian, or any other interested person. The person shall be detained at the facility to which he was admitted or transferred to another appropriate public or private treatment facility until discharged under subsection (5).

(4) The administrator of an approved public treatment facility shall refuse an application if in his opinion the application and certificate fail to sustain the grounds for commitment.

(5) When on the advice of the medical staff the administrator determines that the grounds for commitment no longer exist, he shall discharge a person committed under this section. No person committed under this section may be detained in any treatment facility for more than 5 days. If a petition for involuntary commitment under 53-24-302 has been filed within the 5 days and the administrator in charge of an approved public treatment facility finds that grounds for emergency commitment still exist, he may detain the person until the petition has been heard and determined, but no longer than 10 days after filing the petition.

(6) A copy of the written application for commitment and of the physician's certificate and a written explanation of the person's right to counsel shall be given

to the person by the department within 24 hours after commitment. The department shall provide a reasonable opportunity for the person to consult counsel.

History: En. 69-6220 by Sec. 10, Ch. 302, L. 1974; Sec. 69-6220, R.C.M. 1947; redes. 80-2717 by Sec. 6, Ch. 280, L. 1975; amd. Sec. 51, Ch. 37, L. 1977; amd. Sec. 6, Ch. 414, L. 1977; R.C.M. 1947, 80-2717.

53-24-305. Visitation and communication rights of patients. (1) Subject to reasonable rules regarding hours of visitation which the department may adopt, patients in any approved treatment facility shall be granted opportunities for adequate consultation with counsel and for continuing contact with family and friends consistent with an effective treatment program.

(2) Neither mail nor other communication to or from a patient in any approved treatment facility may be intercepted, read, or censored. The administrator may adopt reasonable rules regarding the use of telephone by patients in approved treatment facilities.

History: En. 69-6223 by Sec. 13, Ch. 302, L. 1974; Sec. 69-6223, R.C.M. 1947; redes. 80-2720 by Sec. 6, Ch. 280, L. 1975; R.C.M. 1947, 80-2720.

53-24-306. Records of alcoholics and intoxicated persons. (1) The registration and other records of treatment facilities shall remain confidential and are privileged to the patient.

(2) Notwithstanding subsection (1), the department may make available information from patients' records for purposes of research into the causes and treatment of alcoholism. Information under this subsection shall not be published in a way that discloses patients' names or other identifying information.

History: En. 69-6222 by Sec. 12, Ch. 302, L. 1974; Sec. 69-6222, R.C.M. 1947; redes. 80-2719 by Sec. 6, Ch. 280, L. 1975; R.C.M. 1947, 80-2719.

CHAPTERS 25 THROUGH 29

RESERVED

CHAPTER 30

CORRECTIONS

Part 1 — Adult Offenders Montana State Prison

Section

- 53-30-101. Location and function of prison.
- 53-30-102. Qualifications of warden.
- 53-30-103. Working hours of prison employees.
- 53-30-104. Punishment of inmates.
- 53-30-105. Good time allowance.
- 53-30-106. Contracts for confinement of inmates in other institutions.
- 53-30-107. Establishment of intensive rehabilitation center authorized.
- 53-30-108. Standards of admission to intensive rehabilitation center.
- 53-30-109. Management and control of intensive rehabilitation center.
- 53-30-110. Expense of trial for offenses committed in prison.
- 53-30-111. Clothing and money furnished on discharge or parole.

Amendments Proposed by Subcommittee to
Senate Finance and Claims Committee

	-----1980-----		-----1981-----	
	<u>General</u>	<u>Other</u>	<u>General</u>	<u>Other</u>
<u>Legislative Auditor</u>				
1. Adds in pay hikes	63,801		140,836	
<u>Amendment:</u>				
Page 6, line 16				
Strike:	1,315,058		1,355,481	
Insert:	1,378,859		1,496,317	
<u>LFA</u>				
1. Adds in pay hikes	17,646		43,085	
<u>Amendment:</u>				
Page 8, line 9				
Strike:	364,905		395,324	
Insert:	382,551		438,409	
<u>Legislative Council</u>				
1. Cut NCSL and all related travel				
Leg. travel and dues	(39,180)		(21,100)	
Staff travel	<u>(4,485)</u>		<u>(4,570)</u>	
Total	(43,665)		(25,670)	
2. Cut 25,000 contingency and put 25,000 back into interim studies.				
3. Include forestry task force within the legislative council budget.				
4. Line-item 20,000 for CSG travel and allow for biennial expenditures.				
5. Include language to allow interim study funds to be spent for the biennium.				
6. Include pay hikes.	(7,366)		11,806	
<u>Amendments:</u>				
Page 8, line 12				
Strike:	1,580,238		1,496,261	
Insert:	1,509,207		1,482,397	
Page 8, following line 14				
Insert:				
3. CSG travel	20,000			

	-----1980-----		-----1981-----	
	<u>General</u>	<u>Other</u>	<u>General</u>	<u>Other</u>

Page 8, following line 14

Insert:

4. Forestry task force 14,960

Page 8, line 16

Strike: 1,730,238 1,496,261

Insert: 1,694,167 1,482,397

Page 8, line 17

Strike lines 17 and 18 in their entirety.

Page 9, following line 2

Insert: Appropriations in items 2, 3, and 4 are appropriated for the biennium.

Page 9, following line 2

Insert: Item 4 allows for membership dues and expenses of the Western States legislative forestry task force. The funds are to be used only for expenses incurred by task force members.

Page 35, line 14

Strike: 1,910,705

Insert: 1,895,745

Page 35, line 20

Strike: 4,977,793

Insert: 4,962,833

Page 36, line 9

Strike lines 9 through 14 in their entirety.

E.Q.C.

1. Add pay hikes

4,152

8,247

Amendment:

Page 9, line 4

Strike: 130,260

136,000

Insert: 134,412

144,247

Consumer Counsel

1.. Add pay hikes

3,060

1,561

Amendment:

Page 9, line 7

Strike: 438,500

458,800

Insert: 441,560

460,361

	-----1980-----		-----1981-----	
	<u>General</u>	<u>Other</u>	<u>General</u>	<u>Other</u>
<u>Judiciary</u>				
1. Increase law library for travel and misc.	(648)		(948)	
2. Reduce microfilming line-item by \$20,000 per year and include within supreme court operations to provide match money for the district court reporting system.				
3. Add pay hikes				
Supreme Court Operations	33,127		71,907	
Boards & Commissions	2,612		5,639	
Law Library	3,742		8,565	
District Court	<u>64,803</u>		<u>140,936</u>	
Total	104,284		227,047	
<u>Amendments:</u>				
Page 9, line 10				
Strike:	633,875		637,704	
Insert:	687,002		729,611	
Page 9, line 12				
Strike:	50,000		50,000	
Insert:	30,000		30,000	
Page 9, line 14				
Strike:	100,000		100,000	
Insert:	102,612		105,639	
Page 9, line 16				
Strike:	169,140		181,744	
Insert:	172,234		189,361	
Page 9, line 18				
Strike:	1,302,600		1,305,938	
Insert:	1,367,403		1,446,874	
Page 9, line 20				
Strike:	2,255,615		2,275,386	
Insert:	2,359,251		2,501,485	
<u>Governor's Office</u>				
1. Cut assistant position to Lt. Governor	(25,367)		(25,367)	
2. Cut general fund from economic development	(50,000)		(50,000)	

	-----1980-----		-----1981-----	
	<u>General</u>	<u>Other</u>	<u>General</u>	<u>Other</u>
<u>Amendments:</u>				
Page 10, line 14				
Strike:	50,000		50,000	
Page 10, line 18				
Strike:	158,872		160,187	
Insert:	133,505		134,820	
Page 10, line 22				
Strike:	1,788,300		1,803,624	
Insert:	1,712,933		1,728,257	
<u>Commissioner of Campaign Practices</u>				
1. Cut accountant position	(12,455)		(17,747)	
<u>Amendment:</u>				
Page 12, line 3				
Strike:	93,386		99,310	
Insert:	80,931		81,563	
<u>Department of Justice</u>				
1. Delete antitrust program		(151,289)		(156,243)
2. Reduce postage from motor vehicle registration		(33,000)		(34,832)
3. Delete motor vehicle division administrator		(38,908)		(39,265)
4. Allow \$2,500 per year in patrol operations to train civilian examiners, must reduce training amounts presently in 1980 (38,198)		(35,698)		2,500
5. Add funds for transportation of prisoners	85,000		85,000	
<u>Amendments</u>				
Page 12, line 21				
Strike:		6,896,030		6,845,166
Insert:		6,637,135		6,617,326
Page 13, after line 4				
Insert:				
5. Transportation of Prisoners	85,000		85,000	

	-----1980-----		-----1981-----	
	<u>General</u>	<u>Other</u>	<u>General</u>	<u>Other</u>
Page 13, line 6				
Strike:	4,791,683	6,896,670	4,859,174	6,845,806
Insert:	4,876,683	6,637,775	4,944,174	6,617,966

Page 13, line 20
Strike lines 20 through 25 in their entirety.

Page 14, line 1
Strike lines 1 and 2 in their entirety.

Department of Revenue

1. Need to decrease revenue's budget by \$100,000 due to a math error in 1980.

Amendment

Page 16, line 21

Strike:	10,039,862
Insert:	9,939,862

Page 17, line 4

Strike:	10,164,862
Insert:	10,064,862

Department of Administration

1. Entry Error-Change line
item for data processing
costs from other funds to
general funds 614,607 (614,607) 582,061 (582,061)
2. Change the line item
amount for data processing
and place the difference
within general operations
Original 614,607 582,061
Adjusted 595,296 561,600
3. Insert language for printing to allow department of administration to continue to use its printing facilities.
4. Add funds for upgrades
within purchasing 10,000 10,000
5. Delete transportation of
prisoners and move to (85,000) (85,000)
justice dept.
6. Increased building code
staff by 18 FTE and
related operating costs 421,029 418,953

	-----1980-----		-----1981-----	
	<u>General</u>	<u>Other</u>	<u>General</u>	<u>Other</u>
7. Established group benefit program and line-item this amount		35,959		36,057
8. Increased board of housing staff (2 FTE) and operating costs		57,392		83,275
9. Computer services - increased funds for computer contract		8,400		8,400
10. Funds are added to place vo-tech centers on SBAS. Line-item this amount	53,000		50,000	

Amendments

Page 19, line 9

Strike: 3,852,213 10,667,070 3,932,037 10,797,046

Insert: 3,266,917 11,768,498 3,380,437 11,889,735

(related narrative items 1, 2, 4, 6, 8, 9)

Page 19, line 13

Strike: 614,607 582,061

Insert: 595,296 561,600

(related narrative items 1, 2)

Page 20, following line 4

Insert:

11. Group Benefit Program 35,959 36,057

12. SBAS (vo-tech centers) 53,000 50,000

(related narrative items 7 and 10)

Page 20, line 5

Strike lines 5 and 6 in their entirety.

(related narrative item 5)

Page 20, line 8

Strike 4,220,085 14,849,711 4,207,684 15,209,797

Insert: 4,198,085 15,372,491 4,182,684 15,756,482

(related narrative items 1, 2, 4 - 10)

Page 20, following line 24

Insert: It is the intent of the legislature that the state may continue to use its own printing facilities.

(related narrative item 3)

Page 20, following line 24

Insert: The appropriation in item 11 is contingent on passage of H.B. 437.

(related narrative item 7)

TESTIMONY IN SUPPORT OF HB844

BY

Mona L. Sumner
2211 Oak Street
Billings, Montana
259-7091

- 13 years experience as a Volunteer in development of Alcohol and Drug Programs in Montana.
- Former member Governor's Advisory Council on alcohol and drug dependence.
- President, Board of Directors, Rimrock Foundation

HISTORICAL BACKGROUND

Forward thinking, concerned legislators passed HB909 in 1974, decriminalizing alcoholism. In 1976, legislators passed HB627 which established a new tax on liquor and beer, and earmarked the tax for the treatment, rehabilitation and prevention of alcoholism by community-based programs like Rimrock Foundation.

PROBLEM

Two-thirds (2/3) of these tax funds have subsequently been used to fund Galen State Hospital and a private program at Glasgow. The Alcohol and Drug Abuse Division's administrative costs exceeded \$500,000 of these tax funds; LEAVING LESS THAN 1/3 OF THE TAX FUNDS AVAILABLE TO COMMUNITY-BASED PROGRAMS.

IN ADDITION

No criteria to contain service duplications were developed, and the number of treatment programs has more than doubled in the past 2 years.

CORRECTIVE ACTION

HB844, a bi-partisan effort, has been developed and passed in the House, 90-6, because:

1. It sets a 10% ceiling on administrative expense.
2. Limits the Alcohol and Drug Abuse Division's duties to management functions.
3. Earmarks all available funds, and provides an equitable allocation formula--assuring community-based services.
4. Limits duplication of services, and establishes criteria for new programs based on need.
5. Earmarks a portion of alcohol tax funds cities currently receive for treatment.

Your support of HB844 will mean more of the available alcohol tax funds will reach the people who need help.

Community-based treatment by private non-profit programs are cost-effective -- providing a maximum return on tax dollars expended!

The Legislative Auditor's findings support the need for HB844.

Thank you.

Appropriation

HB 125 does not appropriate any money for revenue-sharing. It would only have created the mechanism if funds were made available in the future.

Proposed Amendment

Representative Reichert proposed an amendment to the House Local Government Committee that would place 75% of the state surplus each fiscal year in a revenue-sharing account. The legislature would appropriate funds from this account to the revenue-sharing program for distribution.

. The amendment defines the state surplus funds as the amount by which state revenue exceeds state expenditures. State expenditures are defined to exclude federal funds, inter-government transfers, etc.

PROPOSED EXPANSION OF THE TONGUE RIVER PROJECT

Present Need

The existing Tongue River Dam is unsafe and cannot be left in its present condition. A large, expensive expansion of the Tongue River project is proposed as an alternative to removing the existing project.

The expansion is a complex project and requires many important decisions on several unusual complicating factors before the project can be completed. A step by step series of studies and reports allows these decisions to be made in a timely manner while keeping preliminary costs to a minimum. The next step is to determine the most efficient project size, location, and financing, requiring \$690,000 worth of studies. These studies will allow the State of Montana to select the best project configuration from a variety of options that have been identified in previous work. The proposed studies will include both financial and environmental considerations and must be completed before construction can begin. The result of these studies would be reports presenting:

1. The recommended project configuration.
2. A recommended method of financing.
3. The environmental impacts.

The studies will take two years to complete and will provide information to allow the Forty-Seventh Montana Legislature to take further direct action towards developing additional water supplies from the Tongue River.

Background

The present dam was completed in 1940.

The present dam has a capacity of 70,000 acre-feet.

The Tongue River Water Users Association operate the reservoir.

The present dam provides 35,900 acre-feet of irrigation water in Big Horn, Rosebud, and Custer Counties.

The Tongue River project provides water for 18,500 acres (29 sections) and stabilizes the agricultural base of the region.

Some of the irrigation water is purchased by the Bureau of Indian Affairs for the Northern Cheyenne.

U.S. Fish and Wildlife buys water for use in a fish hatchery at Miles City.

Industrial water sales include 175 acre-feet to Decker Coal Company, 175 acre-feet to Spring Creek Coal Company, and 3,825 acre-feet under option to the Montana Power Company.

Background (Cont.)

The reservoir is heavily used for recreation including camping, picnicing, boating, fishing, and water skiing.

The excellent fishery in the Tongue River is due to the stabilizing influences of the present reservoir.

The present reservoir provides flood control benefits to Birney, Ashland, Miles City, and the many ranches in the Tongue River valley.

There are several strippable coal deposits in the area and two existing mines adjacent to the reservoir.

Threat to Project

The present dam presents an unacceptable risk to people and property downstream and must be either removed (breached) or modified.

The spillway at the present dam is too small to pass a large flood.

If a storm like the one that occurred in 1964 in the Glacier Park area were to occur over the Big Horn Mountains, the resulting flood would cause catastrophic failure of the Tongue River Dam.

A flood large enough to cause the dam to fail did occur on the Tongue River in the 1920's.

The present spillway is in poor condition and cannot be economically modified to create a safe project.

Failure of the present dam would cause significant flooding of the entire Tongue River valley in Montana including Miles City, Birney and Ashland.

Failure would cause a loss of all project benefits.

Present users cannot pay for needed modifications or for the studies necessary for the expansion of the project.

Solutions and Opportunities

DNRC believes there are only two alternatives - to expand the Tongue River Reservoir or to breach the present dam.

There are several options within the reservoir expansion alternative.

The existing dam can be raised.

A new dam can be built downstream, flooding the existing dam.

A dam at either site can be constructed in stages to allow for completion of competing uses of reservoir land (coal mining).

Solutions and Opportunities (Cont.)

The engineering and construction costs are estimated to be \$63,000,000 for the new dam downstream and \$34,000,000 for raising the present dam.

The cost estimates are 1976 prices and do not include items such as land costs, permit costs, and interest during construction.

Land costs may be very high for the option of raising the present dam to its ultimate height until the Decker mines are mined.

There is strippable coal under the present reservoir.

There is the possibility that the new dam downstream could be built large enough to store the same amount of water as the present dam, the coal under the present reservoir mined, and the revenue from the coal sales could help pay for the new dam.

The total cost of the enlarged reservoir is estimated to be \$100,000,000 or more if the downstream alternative is chosen.

The total cost is potentially recoverable from water sales.

DNRC would sell part of the water for irrigation and part of the water for industrial uses.

Industrial water would be priced very high and pay for most of the project costs while agricultural water would be priced at a lower rate.

Hydroelectric generators could be feasibly installed on the enlarged project. They are not feasible on the present project.

The project offers a potential solution to many of the issues in water rights claims by the Northern Cheyenne Tribe.

To adequately study alternative project configurations \$690,000 is needed.

If we assume now that the downstream site is the most attractive alternative, geotechnical work at the present dam can be eliminated, reducing the study costs to \$525,000.

If we also assume that no further environmental studies are needed, the cost is reduced to \$265,000.

There have been several environmental reports written about the Tongue River area.

Losses if Dam is Removed

The economic loss to agriculture in the Tongue River valley due to the reduced water supply will be up to \$1,200,000 annually.

Losses if Dam is Removed (Cont.)

18,600 acres of irrigated crop land in Big Horn, Rosebud and Custer Counties will lose a substantial portion of their water supply.

Flood control benefits to Miles City, Ashland and Birney would be lost. During the 1978 flood, the flood peak at the dam was reduced from 20,000 cubic feet per second or 11,000 cubic feet per second.

The opportunity to place hydropower generators in an enlarged project would be lost.

All recreation benefits associated with the reservoir and much of that associated with the river would be lost.

The good fishery in the Tongue River would be lost.

The opportunity to develop a joint water resources project with the Crow and Northern Cheyenne Tribes would be lost.

The State of Montana would not be able to put to use much of its share of water under the Yellowstone River Compact.

The water reservation granted for the Tongue River project could not be put to use.

Project revenues to the state would be lost.

The cost of breaching is estimated to be \$2,000,000.

There are likely to be unforeseen environmental impacts if the project is removed.

Conclusion

The Tongue River project must be removed or expanded. In order to determine the best course of action \$690,000 is needed for engineering work, environmental reports, a financing report and economic studies. If we assume now that a dam at the downstream site is likely to be the best alternative, geotechnical work at the present site can be eliminated, reducing the study costs for now to \$525,000. If we also assume that no environmental studies are needed, the study cost can be reduced to \$265,000.

Major decisions will be needed on the future of the Tongue River project. The proposed studies will insure that reasonable decisions can be made. Without the studies the project will have to be removed.

Previous Engineering Investigations

These studies represent a step by step process in the modification of the Tongue River Project. Together, their total cost has been about one-half percent of the estimated final project cost.

Tongue River Project Water Allocation Study and Tongue River Project Basic Design Report by Bechtel Corporation, 1969.

These reports determined the amount of water available for an expansion of the Tongue River Project, found a suitable new dam site and presented a feasibility level design for the new dam. These reports included:

1. The basis for final design of a two-stage dam (High Tongue Dam) downstream of the present dam.
2. A determination of water supplies and firm annual yield of the expanded project as well as the existing project.
3. A calculation of the project design flood.
4. A determination of probable filling times for first filling the reservoir.
5. An estimate of construction and engineering costs based upon quantity estimates.
6. A feasibility level design of a two-stage High Tongue Dam.
7. Complete geotechnical investigations for the downstream (High Tongue) dam site.
8. A conclusion that the present project is unsafe.

The reports do not include:

1. An estimate of land costs, financing costs, interest costs during construction and during first reservoir filling, and costs of administering the construction project.
2. A consideration of the alternative of raising the existing dam.
3. A report of environmental issues.
4. Calculations of economic and financial feasibility.
5. A recommended method of financing the project.
6. An evaluation of coal reserves under the reservoir.
7. A final design of the project.
8. Plans and specifications for project construction.

Tongue River Project Modification Feasibility Study by
R.C. Harlan and Associates, 1977.

This report considers the alternative of raising the present dam, updates the cost estimate provided by the 1969 Bechtel report, and provides recommendations for further engineering work.

Nine alternatives are presented for raising the present dam are presented. The cost estimates for these alternatives are based upon the update of the Bechtel cost estimate and are not based upon any geotechnical investigations at the present site since none have been done. The recommendations include a listing of further engineering work that is needed for any enlarged project as well as further work needed only at the present dam site.

Water Development in the Tongue and Powder River Basins by
DNR&C, 1979.

This report set out to answer certain questions about water development in the area as requested by the Forty-Fifth Legislature HJR 22. It concluded that the most urgent need for further action was the Tongue River Project. For the Tongue River Project, the study included:

1. a preliminary economic report;
2. a brief survey of the market for water and;
3. a survey of potential cooperation with the Northern Cheyenne, The Crow, and the State of Wyoming.

The report reached several conclusions concerning the Tongue River Project.

1. The project is unsafe and must be repaired or breeched.
2. Wyoming will cooperate but is not now interested in joint development.
3. The Northern Cheyenne Tribe will cooperate and is very interested in joint development.
4. The Crow Tribe will cooperate and may be interested in joint development.
5. The market for industrial water is uncertain. No firm commitments were found, but projections for the area say that developments requiring water are likely. This market for water is relatively insensitive to the price of water.
6. Additional water for agricultural use is needed.
7. Economic feasibility will depend on industrial water sales to subsidize agricultural sales.
8. The next step in project construction includes feasibility design work, environmental and economic studies, and financial reports. This next step is estimated to cost \$690,000.

COSTS OF STUDIES NEEDED TO EVALUATE OPTIONS FOR A NEW DAM

	\$690,000 STUDY	\$265,000 STUDY
<u>Geotechnical and Engineering investigations - Tongue River Dam site</u>		
Geological explorations, geologic mapping and report.		
1. Mobilize drill, construct drill pads, exploratory trenching and surveying in proposed spillway area.	\$ 53,000	
2. Drill toe drain area	\$ 16,000	
3. Topographic map of dam area	\$ 8,000	
4. Enlarge existing piezometer network	\$ 7,000	
5. Geologic mapping:		
Spillway area	\$ 38,000	
Toe drain	\$ 9,000	
Piezometers	\$ 3,000	
6. Geotechnical Report	\$ 51,000	
Lab testing, recommendations, reviews, printing, drafting		
<u>Geotechnical and Engineering investigations - Tongue River Dam site</u>	\$185,000	\$ 15,000
<u>High Tongue Dam site</u>	\$ 10,000	\$ 15,000
Review, update, and report findings of 1969 Bechtel study		
TOTAL GEOTECHNICAL INVESTIGATIONS	\$195,000	\$ 30,000
<u>Feasibility report</u>	\$ 85,000	\$ 85,000
- Quantity estimates for two levels at two sites		
- Cost estimates for four schemes		
- Improved firm annual yield study		
- Study feasible outlet modification		
- Determine potential for hydroelectric generation		
- Determine filling rates and probabilities		
- Write report		
<u>Land rights appraisals</u>	\$ 30,000	\$ 30,000
<u>Environmental impact statement</u>	\$260,000	
- Two dam sites and removal of present dam will be considered		
<u>Consultant review board</u>	\$ 15,000	\$ 15,000
- Field review during investigations, review of final reports and recommendations		
<u>Financing report</u>	\$ 25,000	\$ 25,000
- Recommend funding sources		
- Prepare bonds or other documents for legislative approval		
<u>Economic</u>	\$ 50,000	\$ 50,000
<u>Marketing studies</u>	\$ 30,000	\$ 30,000
TOTAL NEEDED FOR TONGUE RIVER PROJECT IN 1980-81 BIENNIUM.	\$690,000	\$265,000

House Joint Resolution No. 65

*Introduced by ~~Stall~~ ~~Don~~ ~~Donovan~~ ~~Ellis~~
Holmes ~~Alvord~~ ~~McKay~~ ~~Spence~~*

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING ASSIGNMENT OF AN INTERIM STUDY OF CORRECTIONS POLICY AND PRISON NEEDS.

WHEREAS, there are currently more than 300 inmates housed at the old prison facility in Deer Lodge; and
WHEREAS, it is intended that the old prison be closed upon completion of the two new medium security buildings at the new prison; and

WHEREAS, it is vital that the planned closure of the old prison occur because it cannot meet minimum health standards; and

WHEREAS, a maximum of 718 inmates can be housed in the new facilities, using double bunking whenever possible; and
WHEREAS, the total prison population is likely to exceed 718 in the near future; and

WHEREAS, this projected prison population increase indicates a need for the construction of additional prison space and auxiliary facilities; and

WHEREAS, there is a need to develop a long-term policy on construction and replacement of juvenile correctional and

evaluation facilities; and

WHEREAS, long-term needs for replacement of facilities at juvenile institutions must be identified; and

WHEREAS, there are alternatives to the construction of additional prison facilities such as the development of additional pre-release centers and proper community facilities; and

WHEREAS, the Legislature should relate overall corrections policy to facility needs and develop a long-range prison facilities plan to most economically meet the state's long-term prison needs.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

(1) That an interim committee be assigned to study Montana's corrections policy and related prison needs.

(2) That the committee include in its study a consideration of at least the following:

(a) the prison release and furlough programs;

(b) pre-release programs and facilities;

(c) questions about the maximum size of a prison facility that should be built in one location;

(d) the proper use of community programs and the relationship of such programs to prison needs;

(e) the long-term need for prison facilities in the

4/17/77

- 1 state; and
- 2 (f) the long-term needs for juvenile correction and
- 3 evaluation facilities.
- 4 (3) That the committee submit to the 47th Legislature
- 5 a report of its findings together with recommendations for
- 6 future corrections policy in Montana and recommendations for
- 7 the construction of additional prison facilities; the
- 8 location of such facilities and other pertinent
- 9 recommendations.