

MINUTES OF THE MEETING OF THE HOUSE APPROPRIATIONS COMMITTEE
January 29, 1981

The House Appropriations Committee met at 5:15 p.m. on January 29, 1981 in Room #104, with Chairman Art Lund presiding and all members present except. Rep. Hurwitz who was excused and Representatives Conroy and Stobie who were absent. Legislative Fiscal Analyst Judy Rippingale was present.

HOUSE BILL No. 69

REP. GENE DONALDSON introduced House Bill #69, a study of the budget and financing for community colleges. He briefly reviewed Section 3, page 2 which dealt with the various funding sources available to community colleges. Rep. Donaldson did feel some concern with Subsection (3) under Section 3, page 2 which dealt with the 1-mill adult education levy and whether it should be listed under restricted funding sources or left where it is under unrestricted funding. He did want to put this before the committee for discussion and for their input.

CHAIRMAN LUND expanded on Rep. Donaldson's introduction by stating that the FTE and the amount of funding would be set by the Legislature, and that is why it was not set forth in this bill.

CHAIRMAN LUND then asked for any proponents of House Bill No. 69.

Proponents of H.B.#69 were Bill Lannan, Community College Coordinator-Commissioner of Higher Education; Paul Dunham, Director of Planning & Research-Commissioner of Higher Education; Dr. Norbert Berning, President-Flathead Valley Community College; Jud Flower, President-Miles Community College; Jim Hoffman, President-Dawson Community College; R. C. McDonough, Dawson Community College and Mr. Dean Switzer, Richey, Montana, a resident of Dawson County.

MR. LANNAN said he had no testimony to present but wanted to thank the committee and the Legislative Fiscal Analysts office for their efforts on behalf of the community colleges. He then introduced Mr. Russ McDonough, Chairman of the Montana Association of Community Colleges to speak on H.B.#69.

MR. MC DONOUGH stated he would like it known that he was speaking for himself and not the Association, and that he had no objection to the bill as a whole but did have a concern with a couple of items. One was on Page 2, Section 3, subsection (5) in the voted levy. He would like to see it amended after the word "levy" to read "which may include funds for capital items". With this wording there would be no question they could ask for larger remodeling projects and even small buildings. His other concern was with the percentage of the state's contribution in this bill. If this was left up to the legislature, it would be very indefinite as to what percentage and what amount would be contributed.

BRUCE SHIVELY, Assistant Fiscal Analyst, stated that they had come up with 51% based on other states.

MR. MC DONOUGH said that he felt this percentage should be higher because other states could have other revenue which Montana doesn't have. The balance must be made up by mill levy and the State has to contribute less funding than to any other institution. He felt a more realistic percentage would be 55 to 60%.

MR. DUNHAM had some concern with Page 4, Section 4, subsection (g), that the wording was vague as to the impact on enrollment and estimated enrollment. On Line 9, after the word "estimates" should insert "by more than 10% when enrollment does exceed estimated enrollment". He also questioned the percentage of contribution suggested by the State. If the bill is implemented this rapidly, there will be a drastic impact on local budgets. A suggestion for gradual implementation would be 65% the first year, then 58% and then 55%, so as not to hit all at once.

DR. BERNING was then introduced by Mr. Lannan. Dr. Berning indicated that he felt some of the same concerns as addressed by the previous speakers. Especially in the area of the percentage that the State would pay and also whether the 1-mill adult education levy should be a restricted item or not.

MR. JIM HOFFMAN indicated that he had several concerns for the committee. One of the major concerns for Dawson Community College is the drop in enrollment. It is the lowest that its been in 10 years. Their fall enrollment report for 1980 indicated more part-time students than in previous years - 48%. The yearly credit load is based on full-time students, therefore it takes a greater number of part-time students to fill the annualized FTE. Under formula funding, Dawson Community College would be affected differently as they do not encompass all of the county they are located in as do the other community colleges. Due to this situation, formula funding would mean a 35% tax burden on the people. This would be too severe and too immediate. They are presently involved in union negotiations over Teacher's Retirement for the next two years which could have disastrous funding impact. They feel they need more time before they spring this on the taxpayers.

JUD FLOWER indicated that he had worked with the LFA on the study that lead to this bill and he didn't like having the bill first and the dollars second, and leaving out the percentage of state appropriation. He also felt the 1-mill levy on adult education should be placed under restricted not unrestricted funding sources. Other than that he felt he would like to reserve testimony until such time as money is being discussed. He indicated he did support the bill in its intent.

BILL LANNAN said he would like to make a comment on the funding formula for the colleges. He said there will be funds available for operation. The adult education levy is part of the money that becomes available for the operation of a program that we call public services or community services. It should be part of the unrestricted funds. He also indicated there are statutes available that allow community colleges to bond themselves for purposes of capital construction. However, the bond market is not too amenable. It is more appropriate for a local voted levy to raise money, and not to indebt themselves. In addition, he asked that under Section 6, page 5, line 18, "15-24-505" be deleted. This reference should have been crossed out by the analysts he said.

DEAN SWITZER, resident of Dawson County, had some information regarding the drop in enrollment. He said that at the present time there are excellent wages for the young people in the oil fields and they don't feel the need for continuing education. He felt this contributed greatly to the drop but in his estimation they would go to school later, which would make the low enrollment figures a temporary situation. He also wanted to point out that due to the economics of the county and the rising costs of fuel, many students would not be able to go to another college if Dawson Community College was not available.

CHAIRMAN LUND then asked for any opponents of H.B.#69. Let the record show there were none.

CHAIRMAN LUND then asked for questions from the Committee.

REP. SHONTZ agreed that Dawson County will suffer at this point in time at the 51% level. He then asked Pres. Hoffman if he had any idea what they were talking about in negotiations over salaries for the next two years. Pres. Hoffman said 13% increase in salaries the first year and 9% in the second year.

PRES. HOFFMAN said he would prefer a mill levy to a bond issue for raising funds. He said it's hard to get people out to vote on a bond issue because a bond goes on for years and is hard for the public to swallow whereas a mill levy is one year only.

REP. QUILICI asked Pres. Hoffman what their enrollment is this year. Pres. Hoffman replied that it presently stood at 333. Rep. Quilici then asked if that was what they had projected. Pres. Hoffman replied yes. Rep. Quilici then asked if this figure included both part-time and full-time students. Pres. Hoffman said yes, it includes both and the committee should be aware that the FTE is based on a full-time student and it sometimes takes ten part-time students to make up one full-time FTE.

REP. DONALDSON told Pres. Hoffman that the voted levy could be used for capital. Pres. Hoffman said that he felt the language was not specific on this point.

REP. MOORE asked Pres. Hoffman what the mill levy was in Dawson County at the present. Pres. Hoffman replied 319.27 mills. Education at all levels - 201.86 or 63% of the total tax burden. The community college portion of that is 10.3% or a total of 20.76 millage.

REP. MOORE asked Mr. McDonough if the funds for capital items did include capital construction, who would pay for the upkeep of the buildings, utilities, etc.

MR. MC DONOUGH replied that state general funds and the budget based on pupil cost.

REP. MOORE said this hasn't been true in the past. Buildings are constructed under one legislature and under the next legislature, the new buildings come up again with requests for money for expenses, upkeep and maintenance.

REP. BARDANOUVE told Pres. Hoffman that his unit will be in financial difficulty unless they have increased enrollment and any formula would not be adaptable to their circumstances.

PRES. HOFFMAN indicated that he felt the low enrollment was only a temporary situation and that over the biennium they would be back up again. If their enrollment is at 320 they should have no problem. It would only be during the inception of this program that they would like assistance in the percentages. After it is phased in there should be no problem.

REP. SHONTZ indicated that Dawson County's assessed value has not increased over the last 5 - 6 years. Oil and gas revenues are in there. The committee is aware that Dawson Community College does not have all of Dawson County and there is a bill before the Legislature to change that. There will be additional revenue available if it goes through. Their present shortfall is \$141,227. That bill (HB#388) would reduce this shortfall by approximately one-half.

CHAIRMAN LUND then asked if there were any further questions. There were none and the hearing on H.B.#69 was closed.

REP. WALDRON then asked the committee to consider the draft of the Renal Disease Treatment Program (EXHIBIT I) which had been handed out. Originally this bill was established because this treatment is very expensive and on an ongoing basis people would not have had adequate care and treatment. However, in subcommittee it was found that most of the people in the program had other resources available. FY'79 ran out of money and nobody suffered the loss. The subcommittee felt that treatment was available, there is health insurance in most cases, federal grants and community services available. Also, Medicaid will pick up most of the expense.

REP. WALDRON further stated that in the past, \$150,000 was allocated per year for this program. However, the Department of Social and Rehabilitation Services felt that there might be only one person, possibly two that would have need of assistance from this funding, so the amount has been cut to \$50,000 per year. Rep. Waldron said he would like to move that a committee bill be introduced that would instruct SRS to establish rules for eligibility. It was moved and seconded this bill go to Council for drafting. Let the record show it PASSED unanimously.

Discussion was closed on the Chronic Renal Disease Treatment Program.

REP. WALDRON then asked the committee to examine a portion of the day care bill, Section 53-4-516 (EXHIBIT II). This was originally intended to introduce a sliding scale for day care with the purpose in mind of aiding working mothers on AFDC and keep other working mothers off AFDC. In the beginning it was intended to pay all of her day care costs, then as her salary increased, the amount would go down until she was not on any assistance at all. However, this was not the result accomplished. When the mother is on AFDC, she is eligible for other benefits. She loses these if she makes more money to pay the day care costs and goes off AFDC.

REP. WALDRON said he would like a committee bill approved that would eliminate the section dealing with sliding scale. He made a motion to delete Section 53-4-516 Expanded day-care assistance.

REP. BARDANOUVE said he supported the motion. He indicated that this has been tried in other states - Michigan, Colorado, and Alaska, to name a few. The concept is fine but it just doesn't work.

REP. MOORE asked Rep. Waldron just what we were talking about in funds for the Day Care Program. Rep. Waldron referred the question to Judy Rippingale, Legislative Fiscal Analyst.

MS. RIPPINGALE said the figures indicated were \$465,857 for FY'82 and \$501,729 for FY'83. These figures were in contrast to the original figures of \$1,236,790 for FY'82 and \$1,385,143 for FY'83 which included the Expanded day-care assistance. She indicated an \$800,000 savings by removing sliding scale. The need is still being met through AFDC and federal funding.

REP. WALDRON told the committee that the bill is now being researched and drafted in council. It was moved and seconded this bill go to Council for drafting. Let the record show it PASSED unanimously.

Discussion was closed on the Expanded day-care assistance program.

REP. MOORE asked the committee's time to present a request for a Committee Bill. Before the bill can be drafted in Council, the Committee must give its approval. For purposes of clarification, what has happened is that a number of the agencies have upgraded certain classifications and at the time of upgrading there were no funds to pay for the difference in the grades. The intention of the agency was to wait until they received their funding on July 1 and pay the upgrades at that time with no retroactive pay. The purpose of this bill is to avoid being sued by the individuals involved for the retroactive pay. Specifically, at Mountain View and the Prison this situation now exists. In order to avoid litigation, we need a bill that states classification upgrades will be effective at the start of the next biennium (July 1) with no retroactive pay.

REP. QUILICI said he did not like the fact that the upgrades were being done when the Legislature was not in session. He stated he realized when the Board of Personnel Appeals says upgrades are to be granted, we must abide by their decision. He further stated that he would hesitate to vote until he saw the bill and its language.

REP. SHONTZ said that he knew some of the agencies paid retroactive pay and that we would be discriminating by not paying everybody retroactive pay. The Institutions didn't grant any additional pay at the time of the upgrades because they didn't have the funds. Some agencies paid their upgrades out of vacancy savings and the revolving fund account agencies can pay because they can generate the funds. There should be something in the bill that says the Board of Personnel Appeals can grant upgrades but not if it is going to exceed the agency's budget.

REP. WALDRON said he would like to see the bill drafted but didn't want to vote on a bill at this time.

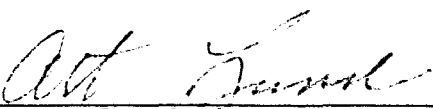
REP. BARDANOUVE said that he has a bill proposed that won't take care of the past but will prevent this happening in the future. It will put a control on upgrading and spending of funds and the Board of Personnel Appeals will not be able to take this kind of action.

It was moved and seconded that a Bill Drafting Request be submitted to the Council on upgrading and classification. Let the record show it PASSED unanimously.

REP. MOORE said that he would like to invite the Committee members to a Institutions Subcommittee Meeting in Room #108 at 1 p.m. on Saturday, 1/31/81. There is an interview team from the Office of Civil Rights, Human Services Division at Warm Springs right now and they have been invited to attend this meeting. The Civil Rights agency already has two federal complaints filed against us at Boulder and we don't know what for. The Saturday meeting will give us an opportunity to not only discuss the problem at Boulder but possibly prevent a similar action at Warm Springs. Rep. Moore wished it noted that if the interview team from the Office of Civil Rights does not come to the meeting voluntarily, subpoenas have been issued in their names and will be presented to them at the airport when they attempt to board their plane. He also wanted the Committee to know that Congressman Marlenee has been invited to the meeting to discuss the allegations against the State and in addition, Pat Williams and Max Baucus have been apprised of the situation.

REP. MOORE then moved that House Bill No. 69 be referred to the Subcommittee on Education. Rep. Quilici seconded the motion and let the record show that it PASSED UNANIMOUSLY.

The meeting adjourned at 7:20 p.m.


Art Lund, Chairman

/lml

Bill No. _____

INTRODUCED BY _____

A BILL FOR AN ACT ENTITLED: "AN ACT DEFINING ELIGIBILITY FOR THE PURPOSE OF THE RENAL DISEASE TREATMENT PROGRAM AND GRANTING THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES SPECIFIC AUTHORITY TO ADOPT RULES FOR THE RENAL DISEASE TREATMENT PROGRAM: AMENDING SECTIONS 53-6-201 AND 53-6-202 AND ENACTING 53-6-203."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 53-6-201, MCA, is amended to read:

53-6-201. Legislative intent. It is the intent of the legislature to insure the establishment of a program for the care and treatment of persons suffering from chronic renal diseases who require lifesaving care and treatment for such renal diseases but who ~~are unable to pay for the services on a continuing basis.~~

have insufficient financial resources available in order to pay for the services on a continuing basis.

Section 2. Section 53-6-202, MCA is amended to read:

History: En. 71-2501 by Sec. 1, Ch. 453, L. 1975; R.C.M. 1947, 71-2501.

53-6-202. Establishment of program. The department of social and rehabilitation services shall establish a program to provide treatment to

eligible

persons suffering from chronic renal diseases, including dialysis and other medical procedures and techniques, which will have a lifesaving effect in the care and treatment of such persons. The department shall extend financial assistance to persons suffering from chronic renal diseases in obtaining the medical, nursing, pharmaceutical, and technical services necessary to care for such diseases, including the rental or purchase of home dialysis equipment and supplies. ~~The department shall establish standards for determining eligibility for care and treatment under this program in order that treatment shall be provided to those who are financially unable to obtain such treatment without creating a severe economic imbalance in the family-economic unit. Such standards shall be established without reference to income or educational attainment.~~

History: En. 71-2502 by Sec. 2, Ch. 453, L. 1975; R.C.M. 1947, 71-2502.

NEW SECTION. Section 3. Rules and Criteria.

(1) The department shall adopt rules for determining eligibility of persons for the program and for establishing appropriate standards for program services.

(2) No person shall be eligible for this program if the person has either adequate personal financial resources, including medical insurance coverage, or is currently eligible for any public programs providing financial resources for medical needs.

(3) The department shall not expend funds for program services over the amount of funds currently appropriated for the program.

-End-

Statement of Intent

The Vocational Rehabilitation Division of the Department of Social and Rehabilitation Services administers the "renal disease treatment" program authorized by Title 53, Chapter 6, Part 2 MCA. The department's authority to adopt rules for the program under the current statutory provisions is only implied. This legislation would grant express rule-making authority to the department. By that authority the department could adopt rules controlling the eligibility of applicants and the nature of the renal medical services provided.

This legislation provides that eligibility would be predicated on actual need for the financial assistance. Those persons who have adequate financial resources, medical insurance coverage, or who are eligible for other public programs providing financial resources for medical needs would not be eligible for the benefits of this program. At the time the act was passed in 1975, other sources of financial assistance were limited in number and nature. Since that time the development and expansion of other programs has resulted in almost all recipients of service in this state-funded program being eligible for assistance from the Federal Medical programs. The eligibility criteria added by this legislation will insure that the participants in the program are those who most deserve to benefit from the program.

This legislation in limiting expenditures to that appropriated currently for the program will insure that the state does not assume financial responsibilities beyond its capability to do so.

against the facility until a license is issued. In addition, the department may institute any action necessary to enforce compliance with this part or any order or rule of the department under this part or to obtain a judicial interpretation of any of the foregoing. The department may institute action by its own attorney or counsel or may call upon any county attorney to represent it in the district court of the county in which the action is taken or the attorney general to represent it on appeal to the supreme court of Montana or it may associate its own counsel with either in any court.

History: En. Sec. 11, Ch. 247, L. 1965; amd. Sec. 9, Ch. 121, L. 1974; R.C.M. 1947, 10-811.

53-4-516. Expanded day-care assistance. (1) In addition to the payments authorized under 53-4-514 and available federal funding, the department of social and rehabilitation services shall pay to a licensed day-care facility, for each child eligible to receive public financial support, a portion of the total cost of day-care as determined under subsection (2).

(2) The level of expanded day-care assistance provided under this section shall decrease as family income increases according to the following criteria:

(a) A family whose family income is 150% of the AFDC level is eligible for 100% of day-care costs.

(b) A family whose family income is equal to or above 75% of the state's median income for families of like size is not eligible to receive expanded day-care assistance.

(c) A family whose family income is between the levels established under (a) and (b) above is eligible to receive expanded day-care assistance established on a 12-step progressive scale establishing income brackets and support levels as nearly equal as possible. This additional day-care assistance will provide for the gradual assumption of the total cost of day-care by the parents of eligible children based upon the 12 income brackets and support levels established.

(d) The department of social and rehabilitation services shall establish an expanded day-care assistance schedule in accordance with the procedures of the Montana Administrative Procedure Act.

(3) The department of social and rehabilitation services may transfer money between programs to affect the purposes of this section.

History: En. Sec. 1, Ch. 637, L. 1979.

CHAPTER 5

ADULT SERVICES

Part 1 — Problems of Aging

Section

- 53-5-101. Functions of department of social and rehabilitation services.
53-5-102. Grants and gifts to department.

Part 2 — Protective Services

- 53-5-201. Short title.
53-5-202. Definitions.
53-5-203. Purpose.
53-5-204. Duties of department.

- 53-5-205. Departmental authority.
53-5-206. Annual reports.

Part 3 — A

- 53-5-301. Short title.
53-5-302. Definitions.
53-5-303. Purpose.
53-5-304. Standards for adult foster family.
53-5-305. Limitation on care offered.

Part 4 — Old

- 53-5-401. Old-age assistance recovery.

Pro

53-5-101. Functions of d
services. The department of so

(1) consult with and advise c
tions, associations, and groups
tance to problems of aging;

(2) study and identify proble

(3) review existing programs
the governor and the legislature

(4) encourage the sponsorsh
make optimum use of the time a

(5) coordinate, through area
based care, including but not li
vices, foster home care, nutritio
and referral, and recreation.

History: En. Sec. 4, Ch. 73, L. 1965;
amd. and redes. 71-2001 by Sec. 43, Ch.
L. 1979.

53-5-102. Grants and g
social and rehabilitation services
from the federal government or
the grant or gift so that the titl
aid, or gifts shall be deposited
ously available to the departme

History: En. Sec. 5, Ch. 73, L. 1965;
amd. and redes. 71-2002 by Sec. 44, Ch. 1

Pro

53-5-201. Short title. T
vices Act for Aged Persons or I
History: En. 71-1914 by Sec. 1, Ch. 2

