

MINUTES OF THE MEETING OF THE HOUSE APPROPRIATIONS COMMITTEE
March 7, 1981

The meeting was called to order by CHAIRMAN LUND at 8:00 a.m. in Room 104, State Capitol with all members present.

EXECUTIVE SESSION - HB 500.

CHAIRMAN LUND explained the ground rules for the session, stating that testimony in the form of advocacy would not be allowed in executive session and that there would be no interruptions.

REP. MOORE stated that HB 833, (see attached), must be passed right away as there were only two manufacturers for wire in the State and the wire was needed for the prison immediately.

REP. BARDANOUVE moved that HB 833 do pass. REP. MOORE added that the wire would be installed in thirty days.

The motion was passed unanimously.

INSTITUTIONS.

REP. MOORE stated that in subcommittee action on March 5, 1981, an additional six FTE were deleted in Central Services for the Department of Institutions, including benefits and insurance. He stated that 9.4 FTE were deleted from Galen, 2 FTE (social worker-counselors) were deleted from the State prison, and 4 FTE (Health Aide I) were deleted from Boulder. REP. MOORE added that 3% was deleted in Contracted Services and 3% in supplies, materials and travel.

REP. MOORE stated that the subcommittee deleted \$5,000 annually for out-of-state travel for the Board of Pardons, 3% in repairs and maintenance, 6% of certain equipment in the amount of \$50,206. He stated that a total of \$37,687 had been deleted for the biennium in FTE; \$269,565 in supplies and materials; \$12,789 in travel and \$28,083 in repairs and maintenance.

Personal Services were reduced \$718,580 for the biennium and vacancy savings for the prison were changed from 1% to 2.5% for a \$136,157 savings, according to REP. MOORE.

REP. MOORE stated that a total of \$1,363,057 was eliminated in general funds out of \$98,392,777 budgeted in general funds. He stated that the total revenue budget was \$113,546,073 without the pay plan and \$126,412,775 including the pay plan. REP. MOORE stated that the committee would need to reduce the total pay plan and that the revised total for the general fund for the Department of Institutions would be \$97,029,020.

REP. MOORE stated that the subcommittee had deleted three butchers at the Prison Ranch and that four butchers remained. He stated that the subcommittee originally reduced the number of FTE for the consolidation of Galen and Warm Springs State Hospital by 25 and that the subcommittee later added 9.94 FTE. He stated that in subcommittee meeting of March 5, 1981, the 9.94 FTE were removed from the budget and that a total of 261.79 FTE remained to care for 195 patients.

REP. MOORE stated that in Management Services Division, the subcommittee deleted 6 FTE, 2 in the Director's office, 2 in Management Services, and 2 in corrections, for a total of \$718,580 in reductions for Personal Services for all three institutions, Galen, Warm Springs, and Boulder.

REP. QUILICI asked what was the 1981 biennium level of FTE in Management Services. REP. MOORE stated that it was 39 and that the figure would be 37 in FY 82 and 36 in FY 83.

REP. MOORE stated that a little more than 170 FTE had been cut. REP. QUILICI asked what the .5 FTE in the Board of Pardons was for. REP. MOORE stated that this was a secretarial position and that the subcommittee had deleted this position, with the intention that Contracted Services funds could be used for a Court Reporter for hearings, instead of the secretarial position.

MR. CARROLL SOUTH, Director, Department of Institutions, stated that Missoula County was the only one in the state that would contract to keep women offenders in its jail. REP. MOORE stated that there was no space out of state for women offenders and that the cost was \$39.23 daily for Spruce Cottage and \$36.42 daily without equipment. He stated that the estimated FY 82 costs for the Billings Life Skills Center was \$37.07 daily.

REP. MOORE stated that in the Director's Office, the number of FTE was reduced to 6 from 8. REP. DONALDSON asked what would happen to the 2 FTE in Central Division. MR. SOUTH stated that he preferred that he be allowed to make the cuts himself. REP. MOORE stated that he concurred with this request.

Central Office was originally staffed with 191 FTE, and was cut to 184 FTE with additional cuts to 178 FTE.

REP. MOORE stated that 25.5 FTE were staffed in Alcohol and Drug Abuse, and that 12 FTE had been cut from the Alcohol program and 2.5 from the Drug Abuse program. He stated that four Federally funded slots were left with the stipulation that when the Federal funds ran out, so would the FTE's.

REP. MOORE stated that county funds totaled \$3,046,997 for the Programs and that \$1,600,000 would be spent in FY 82 and \$1,800,000 in FY 83 in the counties with Alcohol district funds.

MR. RAY HOFFMAN, LFA, stated that money was no longer appropriated to the Drug and Alcohol programs by Statute for the counties and that this is now left to the counties.

REP. MOORE stated that \$1,179,486 in FY 80, \$1,572,246 in FY 81, \$1,677,479 in FY 82 and \$1,809,498 in FY 83.

REP. MOORE stated that 2 FTE were deleted in Corrections Division. He stated that the \$94,000 figure was increased to \$107,000 to establish a 20-bed correctional facility at the girl's school. He stated that the subcommittee recommended \$184,675, which was previously funded by Crime Control Youth Detention funds.

REP. MOORE stated that the subcommittee recommended \$60,000 rent for the Missoula Life Skills Facility and \$48,184 for Foster Care rate increases. He stated that \$254,000 was recommended for an increase for women offenders and \$65,000 for equipment for parole and probation officer vehicles, in addition to the purchase of eleven cars at \$7,227 each.

REP. LORY asked what the total drop in general funding was. REP. MOORE stated that it was spread across the Board in the Department of Institutions.

REP. SHONTZ asked if the vehicles could be purchased in conjunction with the Motor Pool purchase to save money. REP. MOORE stated that this intent could be written into the bill and that if the vehicles were purchased at a lesser amount than that appropriated, the excess would revert.

REP. STOBIE asked if the LFA could check the cost for co-agency purchase of vehicles.

REP. COZZENS stated that he was curious about the nearly tripled increase in Administrative costs for earmarked Alcohol funds. MR. HOFFMAN, LFA, stated that the funds were needed to replace lost Federal funds.

REP. MOORE explained the breakdown of the number of Administrators and Clinical positions in the regions, for Mental Health. He stated that in the 81 biennium a monetary accounting system was established, but a program accounting system was not established. He explained that this was the intent of the subcommittee for the 83 biennium in its recommendation.

REP. MOORE explained that the Department of Institutions was to contract to each of the five regions for specific dollar amounts for specific programs, with the first contract to be in force by July 1, 1981, as a conditional contract, until final contracts are agreed upon.

REP. MOORE stated that six counties in Montana don't participate in the Mental Health Program at this time. He stated that Federal funds had decreased and that the State would not contract more than 50% general funds and that the general fund figure was 46% in the 81 biennium. He added that the subcommittee recommend current level for the 83 biennium and that the Mental Health Centers were non-profit organizations.

REP. CONROY stated that he feels the local governing body needs to get a handle on Administrative and Travel expenditures.

DR. PETER BLOUKE, Mental Health Administrator and Resource Service Division, stated that the State had been receiving Federal funds for mental health since 1971.

DR. BLOUKE, stated that the contracts would be for specific services for the very seriously mentally ill and that centers have sliding fee schedules and pay according to ability.

REP. MOORE stated that Boulder River School and Hospital staff were almost at a one to one patient ratio and that the subcommittee deleted only 4 FTE, for a revised total of 486.90 FTE.

CHAIRMAN LUND stated that the Office of Civil Rights in Denver has gone into Boulder and caused consternation, but has given no answers on issues. CHAIRMAN LUND stated that he had received a letter from SEN. MELCHER on this issue which any of the committee members were welcome to read.

REP. MOORE stated that the subcommittee had made no changes since March 3, 1981, in its recommendations for the Center for the Aged and for Eastmont.

REP. MOORE stated that the treatment level remains at current level, including the FTE cut for Galen. MR. HOFFMAN, LFA stated that the ratio of staff for the number of hours of acute care are adequate. He stated that an individual patient analysis recommended 3.2 hours of care per patient.

REP. MOORE, stated that the subcommittee reduced the number of FTE at Warm Springs from 514 to 417.99. REP. BARDANOUE stated that as the more severe patients were left in the Institutions, there was a need for more care according to Dr. Hamill, Superintendent of Warm Springs.

MR. HOFFMAN, LFA, stated that Dr. Hamill had 20 vacant direct care positions when he testified regarding the need and that currently there were 25 vacant positions at Warm Springs.

MR. SOUTH, Director, Department of Institutions, stated that the position were open because of a hiring freeze.

REP. MOORE stated that the subcommittee had made no changes in its original recommendation for the Mountain View School and for Pine Hills School. He stated that FTE were deleted in Pine Hills because of the reduction in population and that the new cottage provided better control with fewer personnel.

REP. MOORE stated that the subcommittee made no additional changes in its recommendations for the Montana State Prison, with the exception of the deletion of 2 social worker-counselor FTE, as explained earlier in this session.

REP. BARDANOUE asked why the Department was not using the renovated medical facility at Galen. Mr. South stated that post-operative costs after surgery are high and that the physicians preferred that surgery patients not be transferred. He stated that it is planned to staff the Prison infirmary as a licensed medical facility.

MR. SOUTH stated that currently three physicians visit the Prison and that he feels there are too many physicians taking care of patients. He added that drug costs in FY 81 were \$58,000 and that they were \$23,000 in FY 80. Mr. South stated that he planned to utilize fewer physicians to control this situation and stated that there was a problem with some physicians prescribing special shoes and boots, which were costing the state additional dollars.

MR. SOUTH stated that the current policy is one guard for each prisoner-patient at the Powell County Hospital.

REP. MOORE stated that the subcommittee had made no changes from its original recommendations for the Prison Ranch and that there were no changes for the Prison Canteen, Prison Industry and the License Plate Factory.

REP. MOORE stated that no changes had been made for the Swan River Center nor the Veterans House and that out-of-state travel had been reduced for the Board of Pardons as stated earlier.

REP. MOORE stated that the total budget for the general fund was \$97,029,020 and that the revised total for the entire budget for the Department of Institutions was \$112,183,016.

REP. MOORE moved that the committee approve the Department of Institutions budget as amended. REP. BARDANOUE stated that he felt that the Department should have some flexibility on inter-institution spending.

REP. MOORE replied that the subcommittee had decided against this.

REP. BARDANOUE made a substitute motion for boiler-plate language to set restrictive guidelines but give leeway to allow inter-institutional transfer of funds for Operations, Supplies and Equipment only.

REP. MOORE stated that the subcommittee intended to line-item utilities within all institutions and that he would resist the effort of REP. BARDANOUE as he feels the transfer of funds would destroy the base.

REP. BARDANOUE stated that SRS was not line-itemed and has blanket spending. REP. MOORE stated that this funding is for programs.

MS. RIPPINGALE, Legislative Fiscal Analyst, stated that SRS is one agency, comparable to Montana State Prison. REP. MOORE stated that inter-institutional spending was approved by the subcommittee only for Galen and Warm Springs, because of the merger.

REP. BARDANOUE's motion failed, 14-3, with all members voting no, with the exception of REP. BARDANOUE, QUILICI and WALDRON.

REP. QUILICI made a substitute motion that 9.94 FTE be added to the budget as Galen-Warm Springs. REP. MOORE stated that he would resist the motion as the occupancy rate at Galen was only 40.5% in FY 80 for the 105 bed facility.

REP. MOORE stated that the Union does not allow transfer of employees between facilities.

REP. QUILICI's motion failed with 13 members voting no and REP. BARDANOUE, QUILICI, MANUEL and WALDRON voting yes.

REP. BENGTON made a substitute motion to raise the appropriation to 50% of the total requested budget for Mental Health Centers, or \$800,000. REP. MOORE stated that he would resist the motion as he feels the regions the Mental Health Centers serve are adequate and that during hearings the subcommittee could not get specific information from the Centers.

REP. MOORE stated that the new regions were not formalized yet and that the subcommittee chose not to replace lost Federal funds with General funds. He stated that the regions recommended different percentages of Federal funds.

CHAIRMAN LUND stated that Region One, the oldest in the state in Miles City, receives less Federal funds now and that there is concern that there are not enough funds for adequate services.

REP. MOORE stated that there was not a cap on funds other than the general fund.

REP. BENGTSON amended the motion to 48% of \$400,000. REP. MOORE stated that he would still resist the motion.

REP. BENGTSON's motion failed with 13 members voting no and 4 voting aye.

REP. MOORE's original motion passed, with 16 voting aye and 1 voting no.

HIGHER EDUCATION.

REP. BARDANOUVE stated that the budgets should be fairly evaluated for all agencies. REP. CONROY supported REP. BARDANOUVE's statement.

REP. DONALDSON stated that the subcommittee came out nearly on balance with the LFA recommendation overall.

REP. DONALDSON stated that the subcommittee recommended \$48,133 for the 83 biennium for the Board of Regents and added that there was an increase in transportation costs.

REP. DONALDSON moved that the committee approved the recommendation of the subcommittee. REP. MOORE stated that he supported the motion, which was unanimously approved by the committee members.

REP. DONALDSON stated that a Labor Relations Specialist was added to the budget for the Commissioner of Higher Education by the subcommittee, in addition to an increase in travel. He moved that the committee appropriated \$9,008,191, for Higher Education Commissioner, but did not move the pay plan.

MR. NOBLE, Deputy Commissioner of Financial Affairs stated that no funds for WAMI go to the student, but go straight to the University of Washington and that this would be the first year a migration report would be received from WAMI.

REP. LORY stated that Montana pays the University of Washington to run the Medical School for the State of Montana, as Montana has no medical school. He stated that the cost per student is \$26,100 the first year and \$25,804 the second year and that students also pay toward these fees.

REP. SHONTZ asked if the subcommittee anticipated Federal funding for the National Defense Student Loan fund. REP. DONALDSON stated that this was too difficult to estimate and that it is line-itemed, so that the funds appropriated will revert if not matched.

MR. NOBLE stated that Student Incentive Grants were a 1 for 1 match and that there were firm Federal figures for FY 82 for this fund.

REP. DONALDSON's motion passed with 16 members voting aye and REP. STOBIE voting no.

REP. DONALDSON stated that the subcommittee recommendation for College and University Funding was \$6,218,029 under the LFA recommendation and \$6,742,000 over the OBPP recommendation. He stated that the subcommittee didn't accept all of the two-year study on Colleges and Universities in several states for comparisons and that the subcommittee did not approve the contingency area. He stated that the subcommittee funded the Washington Library Network and appropriated \$1,300,000 for Montana Tech.

REP. DONALDSON moved that the subcommittee appropriate \$170,883,956 for the biennium for Colleges and University funding, excluding the pay plan. He added that this was a 46% increase over the biennium.

REP. MOORE stated that he supported the subcommittee recommendation. REP. LORY stated that he also supported the recommendation and feels that it is well justified.

REP. QUILICI stated that this was a \$51,000,000 increase. REP. CONROY questioned the committee consistency in this matter, as the Department of Institutions were cut across the board.

REP. DONALDSON stated that there have been student increases and that it is difficult to estimate inflation costs. He stated that he feels there is a need to fund the systems properly and not to cut X number of dollars in each area. He stated that additional cuts would be made, if necessary, but that he would resist this.

REP. BARDANOUVE asked what controls were in this bill. MS. RIPPINGALE, LFA, stated appropriations in the bill are by University Unit.

REP. DONALDSON stated that, generally speaking, most modification requests were rejected. REP. BARDANOUVE stated that he supported the subcommittee recommendation, but that he feels there is a need for spending control and guidelines.

REP. DONALDSON stated that he had no objection to line-iteming, but that an attorney might be needed with a constitutional background to see how far line-iteming could go.

REP. STOBIE stated that he feels college professors can get by on lesser salaries. He made a substitute motion to put control in the bill via line-iteming of expenditures and asked that the budget be reconsidered to make certain that cuts were equivalent to other subcommittee cuts.

MS. RIPPINGALE, LFA, stated that the LFA could make suggestions as to what controls would be most applicable to method of funding.

REP. STOBIE's motion passed with 16 members voting aye and REP. LORY voting no.

REP. QUILICI questioned whether the University system was funded adequately in the past. REP. MOORE stated that the committee thought the system was adequately funded in the 81 biennium, but that they were wrong.

REP. BENGTON stated that she feels the subcommittee is responding to actual need in this area.

The second portion of REP. STOBIE's motion failed with 12 members voting aye, four voting no and one passing on the vote.

REP. MOORE made a substitute motion that Western Montana College and Northern Montana College be funded at 84% for consistency, a difference of \$153,000 for the 83 biennium. REP. BARDANOUVE supported the motion.

REP. QUILICI stated that he opposed the motion as it did not follow the formula verbatim. REP. DONALDSON stated that these colleges were at 90% now and that it was felt that it would be unfair to move them back to 84%.

REP. BARDANOUVE asked what the reduction would do to salaries. REP. DONALDSON stated that the colleges were paying more than they should have been in the past and that the instructors would get less than a 12% pay increase.

REP. MOORE stated that the interim study committee tried to find peer schools agreed upon by the unit presidents, the interim committee and that staff, including the Board of Regents. He stated that after the study was completed, the schools did not agree with the choice of peer schools. He stated that in order to be fair he was requesting that Northern and Western be funded at 84%.

REP. MOORE's motion failed with 14 members voting no and 3 voting aye.

The original motion made by REP. DONALDSON and amended by REP. STOBIE's motion, passed with 11 members voting aye, 5 voting no and one member passing on the vote.

The meeting was adjourned at 6:40 p.m.



REPRESENTATIVE ART LUND, Chairman

jc

STANDING COMMITTEE REPORT

March 11 1901

MR. SPEAKER

We, your committee on APPROPRIATIONS

having had under consideration HOUSE Bill No. 833

A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE MONEY TO
THE DEPARTMENT OF INSTITUTIONS FOR CONSTRUCTION OF SECURITY
IMPROVEMENTS AT MONTANA STATE PRISON AT DEER LODGE; AND
PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Respectfully report as follows: That HOUSE Bill No. 833

DO PASS