

MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS SUBCOMMITTEE
FOR INSTITUTIONS

January 23, 1981

Mental Health Center Hearing

JACK K. MOORE, CHAIRMAN called the meeting for further testimony in the Mental Health Center's to order at 8:05. Committee members present were:

Rep. Conroy
Rep. Ernst
Sen. Etchart
Sen. Thomas
Sen. Johnson

Testimony was given by Carroll South, Director of the Department of Institutions; Peter Blouke, Director of Mental Health and Residential Services, Harold E. Gerke, member of Mental Health Center, David Briggs, Region IV Director of Mental Health, Ray Hoffman, Fiscal Analyst.

MR. SOUTH gave the Committee Exhibit 27A in regard to the Regional Mental Health Centers reserves.

SEN. ETCHART, acting Chairman, asked Mr. South how accurate these figures are. Mr. SOUTH stated these figures were given to him by the Centers and he felt that they were accurate. He stated the departments policy is to get them to attempt to increase their reserves, so that they can be carried over to the next year if need be.

MR. HOFFMAN asked Mr. South regarding Exhibit 27. Some of the totals have changed, specifically in the area of fees and reserves. He noted that yesterday's figures were anticipated to be 1,912,631 for FY 82, and now it is stated 1,954,631.

MR. WOLCOTT explained there were \$42,00 in reserves that were included in other funding.

MR. HOFFMAN stated he noticed the bottom lines were the same, but asked if the adjustment was made between items.

MR. WOLCOTT stated Yes. He stated these were the reserves in Region 5.

MR. HOFFMAN asked what happened in FY 83 on Exhibit 25, the figure was \$7,671,174, and Exhibit 27 FY 83 figure was 7,661,829.

MR. WOLCOTT stated the question was raised yesterday regarding the Rent in Region III. They had allocated the Rent, Utilities and Repairs and Maintenances to two programs. The Budget office chose not to ask for funding for those so the expenses were backed out. He stated he called Region III in regard to

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the Rent, and they said it should have been taken out of Personal Services. He also noted the Personal Services amount has changed.

MR. HOFFMAN explained to the Committee the discrepancies shown in the body of the Report in Region III regarding the Personal Service and the Rental cost in that area.

MR. WOLCOTT stated the salaries at the top do not include the pay raise. Instead on Exhibit 26, Line 29 the Pay Plan increase is included.

MR. HOFFMAN asked if that was a total 12% based on the personal services.

Mr. WOLCOTT said yes, less the 3% vacancy savings.

MR. HOFFMAN stated that until the Pay Plan has been approved, those figures should not be included in the budget.

MR. SOUTH stated he agrees, but the reason they did is to show they are at the 50% ceiling.

MR. HOFFMAN explained how the Pay Raise will work with different grades getting different percent increases.

THE CHAIRMAN stated we will handle this by giving them a dollar amount.

MR. HOFFMAN explained to the Committee that the regions are not consistent in applying benefits. He felt if the Committee would like an answer on this, either the Region Directors or the Department of Institutions could explain this. He stated the Board of Directors of each region do pass on these items.

MR. BLOUKE stated, there is no state pay classification for Mental Health Directors. He explained the federal regulations governing 94-63, which is the federal staffing grant, states the director must be a mental health professional with experience in administration. He felt this is a loose term for a Mental Health Professional.

MR. SOUTH suggested the Committee invite the Directors of the Centers to answer questions.

THE CHAIRMAN stated this was a good idea, and no executive action would be taken on their budgets until more answers were given by the Directors.

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MR. SOUTH stated his job is to help keep the state mandated programs and people not be sent to Warm Springs unjustified, and their follow-up care be assured. He stated it was difficult to defend some of the practices taking place.

REP. CONROY asked if he had a list of what the state mandated programs are.

MR. SOUTH stated that in 1977 there was a law passed for the MHC to screen, and do after-care, and there was a mandate for the emotionally disturbed children.

REP. CONRY asked if the self-assertive programs was mandated.

MR. SOUTH mentioned the assertive training, and the relationship the Centers have with the school systems and they might be better left to the local discretion. He felt they could compile the list of the mandated services and this would take approximately 1 1/2 hours.

MR. BLOUKE explained the broad category of services, and the difficulty there is in defining service.

REP. CONROY asked MR. BLOUKE to make sure the Centers can answer if the self-assertive program for married women and the WIC Program are state mandated.

MR. SOUTH stated he would ask each of the Directors to bring in a list of the services they are providing.

SEN. JOHNSON asked if the breakdown of the dollars spent for computers was available.

MR. BLOUKE stated he did have the breakdown for Region II, and noted that all the regions did not have such a sophisticated breakdown.

SEN. JOHNSON stated when the regions come in, could they be asked to all bring in their breakdowns.

THE CHAIRMAN stated that on February 2, we will schedule all the Directors of the Mental Health Centers to appear before the Subcommittee.

REP. ERNST asked which funds would be voted on.

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MR. SOUTH stated he would be voting on the General Funds, and would be discussing a total expenditure level. He stated he would like to have all the General Fund requested, and expressed concern for the \$1.7 million shortfall in FY 83 indicated on Exhibit 27.

MR. HOFFMAN explained to the Committee the shortfall anticipated by the Centers in 82 and 83. One of the main reasons is due to the federal participation for those years, and its uncertainty of how much will be provided.

SEN. JOHNSON asked if the Directors in the satellite offices were paid by county funds.

MR. BRIGGS explained that sometimes a check is given to a representative of the county, who disperses the check to the employee for verification purposes. He stated that they are not county funds.

SEN. JOHNSON asked about the alcohol program in Billings.

MR. BLOUKE stated there is some alcohol counseling done in each of the centers, but Billings does have a specific alcohol program, but they are not included in this allocation.

MR. BOOKER explained to the Committee, the alcohol program is broken down on a 85-15 population and geographic. The county makes the dispersion of the alcohol funds within their country.

MR. HOFFMAN explained the community alcohol funds, and how they were used for alcohol programs.

MR. BOOKER noted the counties can only give the funds for approved alcohol programs.

MR. GERKE stated duplication was a problem in most areas. He noted when there are funds available, several areas compete for the funds.

MR. BRIGGS explained the reason Region IV does not provide alcohol services was because there was too much duplication.

MR. HOFFMAN stated there were problems with services being done by the alcohol and drug abuse counselors, and what was being done by the community Mental Health Centers. He noted it was the intent of the last legislative committee that the duplication of services be stopped.

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SEN. JOHNSON asked about the tracking mechanism from the regions to the satellites.

MR. BLOUKE stated once the centers submit a budget, there is a clear audit trail where the money is being spent. The satellite office books are kept by the regional administrative offices. There is an annual review of these books.

SEN. JOHNSON asked if there couldn't be a fee schedule attached to each of the 5 regions.

MR. BLOUKE stated during the last allocation of funds, the centers came in with their requests. He reduced the requests by approximately \$485,000 of General Funds. Each of the Boards were given the reasons for the reduction, however, because they are a non-profit organization, the board is the one who makes the ultimate decision to accept the allocation. He noted it was a fine line between a state agency and a private non-profit corporation. He feels the state's role is to monitor and establish long range contracts.

MR. HOFFMAN asked if the centers were reduced by \$500,000. Did they receive too much money before?

MR. BLOUKE stated that two years ago there were no restrictions on reserves. They also were not collecting fees to the extent they now are.

MR. GERKE stated the centers are trying to collect all the fees they can. He felt when you get around to contracting for service, there is a possibility it will cost more money than at present, because when the people get released from Warm Springs, the state will have to pay 100%. He feels the Centers will agree with a fee for services schedule.

MR. BRIGGS stated the Centers have made every effort to make the fee collections more professional, to increase the revenue. He stated he is a strong supporter of the contract for service proposal.

MR. SOUTH stated the Department's policy would be to support the bill that would lift the 50% ceiling. He stated there would be a problem of complying with the state law, if the contract for services exceeded 50% funding.

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SEN. THOMAS stated there will have to be specific language as to what services the state will pay for.

MR. SOUTH agreed with Senator Thomas.

REP. CONROY stated there are a lot of services going on in his area that are not state mandated. He feels a lot of state dollars are going to these non-mandated services.

SENATOR JOHNSON asked what happens when the counties will not pay.

MR. BRIGGS stated when two of his counties failed to participate, services were not provided.

MR. SOUTH stated if the county participates or not, we are required to provide service.

SENATOR THOMAS stated there was a problem with a large number of people moving into an area for the services. He stated in his area the evaluations can be done cheaper in the private sector than in the Centers.

MR. GERKE stated the state does have a responsibility whether they go to the Mental Health Center or if they go to Warm Springs.

MR. BLOUKE noted at the last year's council meeting, he stated the importance of showing the legislatures what the state dollars are buying. He noted all the Center Directors and the Board Directors were there and they had gone as far as contacting a person in Denver, in regard to a contract for service. Due to the election, and a new director, this had not been carried through. He felt it would not be possible to get a definitive contract for service at this point because it needs to be based on a good needs assessment. He stated the Centers need to come up with a general proposal relative to breaking down the costs and services before they come before the Committee on February 2.

SENATOR THOMAS felt the Board of Directors should be educated on how to deal with the Mental Health Centers.

MR. BLOUKE noted he has talked to the Board members and they also want to know where their county money goes.

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REP. CONROY asked what is the budget for regional workshops.

MR. BLOUKE stated this varies from region to region. Some regions have a \$400.00 per individual where another region has a \$600.00 amount.

MR. SOUTH stated there wasn't a maximum per region because his department doesn't have that kind of control over expenses at 3rd level.

MR. BLOUKE stated it has only been in the last two years since enough information was available for a fee for service contract.

THE CHAIRMAN asked to look at the Mental Health and Residential Services Budget. The Regional Mental Health Centers would be moved to a later date.

MR. BLOUKE explained Exhibit 23, Page 1. They are reducing FTE from 15 to 14 by deleting a manpower position. He explained the difference in the LFA and executive budget. He noted there was a new figure in the Grants from State Sources in the Executive Budget, and it would be \$4,129,903 for FY 82, and \$4,595,932 for FY 83.

THE CHAIRMAN asked why the difference in the various Grants for State Sources.

MR. SOUTH noted there was a difference in the Mental Health Centers pay plan factor of 9% for LFA and 12% for Executive. He explained they pulled out some items from 80, but the department used FY 82 to project expenditures for the 82-83 biennium.

MR. HOFFMAN explained to the Committee what the Department spent for fiscal 1980.

THE CHAIRMAN asked to go only to the Administration portion of the budget.

MR. BLOUKE explained Page 2 on Mental Health Administration. He noted the main difference is inflation factors.

MR. WOLCOTT explained the difference in Rent, which related to an office machine rent.

MR. HOFFMAN explained this was a lease purchase agreement, and he did not feel there should be inflation attached to this amount.

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THE CHAIRMAN asked if the Budget Office was in agreement with the LFA figures.

MR. BOOKER stated if the Department was willing to do this, he would not argue.

THE CHAIRMAN asked for an explanation of Contracted Services.

MR. BLOUKE explained Exhibit 23, Page 7.

MR. HOFFMAN explained the \$1,000 used in FY 80 for Private Legal Council.

MR. BLOUKE explained Page 8. He noted the food item was for coffee provided during the Mental Health Advisory meetings.

THE CHAIRMAN asked if there were any problems with Communications, Travel, Rent, Utilities, Repairs and Maintenance and other expenditures, Equipment. He stated if there were no problems in these areas, he would like to take Executive Action on this portion of the Budget.

REP. CONROY moved the Personal Services amount of \$141,223 for FY 82 and \$141,223 for FY 83 be approved.

THE MOTION PASSED.

SENATOR ETCHART moved to accept the LFA figures in Contracted Services for \$31,547 for FY 82 and \$34,045 for FY 83.

THE MOTION PASSED.

REP. CONROY moved to accept the LFA figures for Supplies and Materials, Communication, Travel, Rent, Utilities, Repair and Maintenance and other expenses with Total Operating Expense amounting to \$65,396 for FY 82 and \$70,144 for FY 83.

THE MOTION PASSED.

SENATOR JOHNSON moved the Equipment amount of \$422 for FY 82 and \$211 for FY 83 be approved.

THE MOTION PASSED.

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MR. BLOUKE explained the Manpower Project, Page 3, and the
Community Support Project, Page 4. He noted they are not certain
of the amount of funds that will be available in FY 82 and FY 83.

THE CHAIRMAN stated there is no state money going into these
projects.

MR. HOFFMAN explained to the Committee, the Legislature has
insured that these two Projects will be dropped if federal
funding is dropped.

REP. CONROY moved that authority be given to fund the ManPower
Project at the requested level.

THE MOTION PASSED.

SEN. JOHNSON moved that authority be given to fund the Community
Support Project at the requested level.

THE MOTION PASSED.

There being no further discussion or comments, the meeting was
adjourned at 10:45 a.m.



JACK K. MOORE, Chairman

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MENTAL HEALTH CENTER RESERVES

<u>REGION</u>	<u>BANK/ADDRESS</u>	<u>TYPE OF ACCOUNT</u>	<u>BALANCE AS OF</u>	<u>BALANCE</u>	<u>ACCOUNT NUMB</u>
I	Security State Bank Plentywood MT 59254 765-2265	CD's	12/31/80	\$33,215.32	#1415 & #188
	First Security Bank Miles City MT 59301 232-3620	Savings Checking	12/31/80 12/31/80	\$16,849.49 \$71,818.70	#940755 #09215243031
II	Village Bank P.O. Box 3029 Great Falls MT 59403	Checking Savings	11/30/80 11/30/80	^{28,37} \$15,855.34	#06325-5 #43-566-1
III	First Bank 303 N. Broadway Billings MT 59101	Checking Savings Savings	1/5/81 1/5/81 1/5/81	\$28,803.02 \$12,792.00 \$ 3,450.00	#1082562 #5205205804 #520524998
IV	Northwestern Bank Helena MT 59601 442-5050	Savings *Total savings & checking as of 1/21/81 - \$68,194.69	1/21/81	\$51,065.71	#687-623
V	Ronan State Bank Ronan MT 59864 676-4605	Savings *Total savings & checking \$70,831.11	12/31/80	\$55,551.54	#0803374-7

State of Montana
AGENCY BUDGET WORK SHEET

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CENTER EASTERN MONTANA REGION I
Summary

Expend. Category	FY80 Actual	1981 Authorized	REQUESTED 1982 FISCAL YEAR		REQUESTED 1983 FISCAL YEAR		IOBPP Use Only	RECOMMENDED 1983 BIENNIMUM	
			Total FY 1982	IOBPP Use Only	Total FY 1983	(CHPP Use Only)			
FULL TIME EQUIVALENT EMPLOYEES	365	425	425		425			1982	1983
Salaries	637,253.06	860,858	757,613		757,613				
Hourly Wages									
Other Compensation	16,106.21	16,106.21	16,106.21		16,106.21				
Employee Benefits	107,642.67	140,449.00	123,220		123,220				
Total Personal Services	761,001.94	1,017,413.21	897,939.21		897,939.21				
Contracted Services	56,907.80	56,793.36	62,063.20		62,169.11				
Supplies and Materials	32,455.76	35,197.41	37,103.20		42,913.47				
Communications and Transportation	36,739.23	31,051.44	34,000.31		37,109.57				
Travel	62,275.51	71,616.54	52,527.37		54,713.27				
Rent	63,953.20	71,193.45	75,768.97		86,951.77				
Utilities	6,536.97	8,183.21	9,619.86		11,362.61				
Repair and Maintenance	8,254.94	8,714.73	9,753.17		10,839.20				
Other Expenses	17,854.20	19,554.20	19,554.20		19,554.20				
Goods Purchased for Resale	277,210.61	303,232.64	335,818.38		370,913.50				
Total Operating Expenses	13,861.85	2,500.00	2,500.00		2,500.00				
Equipment									
Total Equipment	13,861.85	2,500.00	2,500.00		2,500.00				
TOTAL OPERATING COSTS	1,910,712.46	3,057,327.64	3,383,118.38		3,734,113.50				
Capital Outlay									
Local Assistance									
Grants									
Benefits and Claims									
Transfers									
Doubt Service									
TOTAL PROGRAM COSTS	1,053,024.40	1,323,150.55	1,230,357.59		1,265,352.21				
FUNDING SOURCE									
Federal	182,090.67	125,474.00	850,524.28		870,199.15				
STATE	610,410.00	829,373.90	54,434.09		54,434.09				
County	49,519.07	51,435.00	120,126.10		125,272.28				
Fees Current	62,052.78	115,875.69	205,173.15		215,442.39				
Fees Prior	54,924.13	161,632.26							
Other Income	63,017.71	39,340.00							
TOTAL FUNDING	1,053,024.40	1,323,150.55	1,230,357.59		1,265,352.21				

CENTER	SOUTHWEST - REGION IV (summary)	Code	Page 1 of 6	FY80 Actual	1981 Authorized	REQUESTED		RECEIVED
						1982 FISCAL YEAR	1983 FISCAL YEAR	
						Total FY 1982	(Olymp Use Only)	Total FY 1983
	FULL TIME EQUIVALENT EMPLOYEES			49.5	49.5	43.5		41.5
1100	Salaries	813,372	941,524			860,418		818,043
1200	Hourly Wages							
1300	Other Compensation							
1400	Employee Benefits	139,792	173,294	158,813				147,697
	Total Personal Services	953,164	1,114,818	1,019,231				965,740
2100	Contracted Services	30,179	40,627	41,240				44,304
2200	Supplies and Materials	30,089	32,992	36,695				40,292
2300	Communications and Transportation	30,868	35,318	38,579				41,913
2400	Travel	24,191	27,820	27,793				32,592
2500	Post	55,983	90,715	97,840				105,760
2600	Utilities	6,052	7,730	9,077				10,713
2700	Repair and Maintenance	10,157	10,880	12,379				13,235
2800	Other Expenses	6,525	6,525	6,525				6,525
2900	Goods Purchased for Resale	194,044	252,607	270,128				295,334
	Total Operating Expenses	5,209	5,000	15,000				5,000
3100	Equipment							
	Total Equipment	5,209	5,000	15,000				5,000
	TOTAL OPERATING COSTS	1,152,417	1,372,425	1,304,359				1,266,074
4000	Capital Outlay							
5000	Local Assistance							
6000	Grants							
7000	Benefits and Claims							
8000	Transfers							
9000	Debt Service							
	TOTAL PROGRAM COSTS							
	FUNDING SOURCE							
	Federal Staffing Grant	208,026	204,371	204,371				51,093
	Patient Fees & Workshop Income	249,704	303,000	325,500				350,500
	State General Fund	625,698	712,814	722,035				812,028
	County Revenue	52,453	52,453	52,453				52,453
	Unencumbered Reserves	4,914	99,787					
	Other Non-fee for Service Income	11,622						

Expend. Category	FY80 Actual	1981 Authorized	REQUESTED 1982 FISCAL YEAR		REQUESTED 1983 FISCAL YEAR	
			Total FY 1982	(OBPP Use Only)	Total FY 1983	(OBPP Use Only)
FULL TIME EQUIVALENT EMPLOYEES	47.27	52.85	52.85		52.85	
Salaries	654,934.34	815,963.00	815,963.00		815,963.00	
Hourly Wages						
Other Compensation						
Employee Benefits	107,769.52	161,031.00	161,031.00		161,031.00	
Total Personal Services	762,703.86	976,994.00	976,994.00		976,994.00	
Contracted Services	104,992.69	113,785.00	123,636.00		133,773.00	
Supplies and Materials	26,810.80	32,230.00	36,148.00		39,265.00	
Communications and Transportation	26,415.54	31,229.00	34,029.00		36,897.00	
Travel	30,169.94	38,191.00	43,900.00		50,507.00	
Rent	27,910.00	37,526.00	41,316.00		45,572.00	
Utilities	13,670.32	19,748.00	23,133.00		27,124.00	
Repair and Maintenance	5,970.04	6,990.00	7,425.00		8,348.00	
Other Expenses	3,431.44	3,431.00	4,281.00		4,628.00	
Goods Purchased for Resale			513,323		346,117	
Total Operating Expenses	12,198.49	16,020.00	11,000.00		11,000.00	
Equipment						
Total Equipment						
TOTAL OPERATING COSTS	1,014,273.12	1,270,144.00	1,301,862.00		1,334,108.00	
Capital Outlay	25,000.00					
Local Assistance						
Grants						
Benefits and Claims						
Transfers						
Debt Service						
TOTAL PROGRAM COSTS	1,039,273.12	1,270,144.00	1,301,862.00		1,334,108.00	
FUNDING SOURCE						
State	587,612.00	642,326.00		642,326.00	539,538.00	642,326.00
County	54,898.00	64,090.00	69,944.00		75,447.00	
Fees	195,867.00	250,000.00	335,950.00		386,334.00	
Reserves & Tech. Assit.	68,333.00	115,918.00	42,000.00			
After Exhaustion from State			82,051.00	72,598.00	131,826.00	120,993.00
Federal	132,554.00	156,144.00	96,224.00		64,189.00	
Additional State as Federal			59,580.00	- 2	91,955.00	- 0 -
Decreases						
CSP		41,666.00	42,970.00		44,419.00	
TOTAL FUNDING	1,039,273.12	1,270,144.00	1,301,862.00		1,334,108.00	