

MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS
SUBCOMMITTEE FOR INSTITUTIONS - MENTAL HEALTH
RESIDENTIAL SERVICES

February 16, 1981

JACK K. MOORE, Chairman called the meeting to order at 8:05 a.m. in Room 108 Capitol Building. All committee members were present except Senator Thomas, excused. Ray Hoffman, Analyst, was present.

THE CHAIRMAN stated the Department will contract with each of the Centers for both monies and services. He asked if the Department would be able to finalize one Center by July 1, 1981, and the others would be under temporary contracts possibly on a quarterly basis.

MR. SOUTH stated they would try to set the one Center up for the first of July, and they would probably only go six months on this to make sure there aren't too many problems and would renegotiate for the remaining six months.

SEN. JOHNSON asked about the Friends of Youth Program for Missoula.

THE CHAIRMAN asked how money could be put into this worthwhile program.

MR. SOUTH stated the request they heard was more than just for the Missoula program. They not only wanted a dollar amount for the Missoula program, but also wanted to expand to another urban area within the state. He did not feel the entire budget could be met by the Regional Mental Health Center. He stated they can insure they provide the services that are within their ability to provide.

MR. HOFFMAN stated when he was going over the RITZ program, he had asked how many funds were currently in the SRS budget for how many children. He was informed that SRS has funds to maintain between 17 to 21 children in a program within the state. He stated the RITZ has a capacity of 16, so there are 3 to 6 children that could be contracted with for additional programs in the state. Mr. Russell has funds within his budget to continue to contract for the juvenile children that were previously in there. The Friends to Youth does not receive any funds from anyone except the community or from the parents. If they could enter some type of contract with the Department of Institutions to handle some of the children they now have from Missoula, there may be some revenue source there. This would also apply to the SRS budget if they are providing services to the emotionally disturbed children and are not under the Juvenile Court Act, perhaps SRS could also put funds into that program. He noted the program did start up with donated

funding and is now asking for state support to maintain its program.

THE CHAIRMAN feels the Mental Health Program can take some money out of their funding. He asked how much would be cut if these people were brought back into the Pay Plan.

MR. HOFFMAN stated the Department has looked at the salaries being paid currently by the centers, and has cut out x dollar amounts they felt were in excess of state salaries. He noted the problem is the governing board who will give the salaries requested, and it is the center's responsibility to come up with the additional funds needed. He referred to Exhibit 108 regarding the Personal Services amounts of \$6,689,744 for FY 82 and \$7,483,359 for FY 83. The initial LFA recommendations on Page 382 in the book show the LFA recommended salaries are below that level, yet are based only on a 9% increase. The LFA has adjusted their figures to reflect an 11% increase. He noted there has been a switch of funds between Personal Services, and Operating and Capital Expenditures. The LFA agrees on the bottom line figures. However, between the three categories there are some differences, yet he noted the LFA is only recommending a maximum of 46% state participation. He feels it is best to look over an overall expenditure base rather than at each area, and then recommend how much state participation would be involved.

In regard to Travel, Mr. Hoffman explained the Department of Institution has the individual line item for Travel, and the LFA did not specifically have a line item for Travel.

MR. SOUTH explained on Exhibit 108 the reduction amounts in Operating Expense for \$34,503 in FY 82 and \$39,700 in FY 83 were exclusively related to reduction in Travel. He noted as the original request was brought in, the Travel budget for all 5 regions for FY 82 was \$241,630. This has been reduced to \$207,127. For FY 83 the request was \$277,896, and has been reduced to \$238,196. He explained in the original request 50% could not be funded of what the department felt the Centers should spend. There was a short fall in both years which will have to be picked up by other funding sources. If not, there will be a serious deficiency somewhere along the line. He noted they also looked at Personal Services and found there were upgrades granted each year in the biennium, and he intends to look into that.

MR. HOFFMAN explained the difficulty of tracking areas even though there is a uniform accounting system.

MR. SOUTH stated once the contract for service was established, out of state travel would not be included. He stated concern

over having adequate general fund money to provide the required state services. He stated he had a new figure on the shortfall to fund the total current level programs--for FY 82, \$382,314 and for FY 83 it would be \$1,715,499. He noted this in itself will require cuts above and beyond this request unless other funding sources are available.

MR. HOFFMAN stated if these shortfalls do materialize, and the intent of the Committee is to participate at the 50% level for general fund, then there would be a reversion of \$190,000 in FY 82 and \$850,000 in FY 83.

MR. SOUTH felt these entire amounts would be offset because for every dollar of revenue they do not get, they would have to revert a dollar of general fund. He noted he is referring to the shortfall as they see now, since they do not have guaranteed revenues to fill that hole.

MR. HOFFMAN stated if that is the case, then they are talking about \$764,000 shortfall in FY 82, and \$3.4 million in FY 83. He felt this would dramatically reduce the effectiveness of the Community Mental Health Centers. He explained the LFA arrived at \$3,191,721 by anticipating the expenditures at a certain level for 81 and then took the total 46% and came up with the state participation. This is based on a 9% increase for Personal Services for 82 and 83.

THE CHAIRMAN stated the Personal Service increase has been put into these figures, whereas none of the others have this increase included.

MR. HOFFMAN stated the Department's recommendation includes the 12% increase in their figures.

THE CHAIRMAN stated no matter what the state does for pay increases, the Centers' personnel are already so much higher than the state, he feels this Personal Service should be adjusted.

MR. SOUTH stated in order to do this they would have to reclassify every employee they have. Most of the Centers are paying a grade 15, Step 2 at the same rate the state is, but perhaps they should be reclassified as a Grade 13. In order to determine this, the Department would have to bring in the Personnel Division of the Department of Administration and have them do the reclassifying. He noted in most cases they are being paid correctly for their grade.

MR. HOFFMAN asked if the Personal Service base was calculated at an 80 or an 81 base.

MR. WOLCOTT stated the base was on 81, but they went back and looked at 80 and 81 and compared the figures. Anything out of line was backed out.

MR. SOUTH stated his recommendation would be that the state totally support certain programs and not support other programs. This will leave the priority decision making at the local level. He felt they would be looking at more transitional type of programs where people are coming out of Warm Springs and need an intensive type of care, or emergency help. He felt the Department would take a hard look at Consultation, Education and Outpatient services.

REP. CONROY asked Mr. South how he was going to get a handle on out-of-state Travel.

MR. SOUTH stated they would do it region by region based on the fee structure devised for the services provided, and there will be no out-of-state travel included within those fee structures. He answered the question concerning county participation, by providing 100% funding for certain critical programs that need to be provided. For other programs that they don't feel the state should participate in, they can get it from the county or private sources or discontinue the programs. He stated why he testified about lifting the restriction on the 50% funding, because if this is not lifted and the county decides they are not going to participate in those other programs, then the overall budget for the Health Centers would be greatly reduced, thus reducing the general fund money to be used for critical state programs. He expressed concern over not having the general fund to provide the vital programs necessary, and he would like to see the 50% level removed because this will affect the way they contract for services.

SEN. ETCHART asked how these figures compared to the last bien-nium.

MR. HOFFMAN explained the figures for 80 are attributed to 46% of what was actually generated. For FY 81, the LFA increased the FY 80 Personal Services by 7.4%. They increased the 81-82 by 9%, and the 82-83 by 9%. The operation was increased from 80-81 by 10%, 81-82 by 10%, 82-83 by 8.7%. He noted the reductions between the 50% and the 46% funding would be \$324,475 for FY 82, and \$358,458 for FY 83. He noted where there is the 50% amount on Exhibit 109, there is an 11% increase.

SEN. ETCHART asked how many actual general fund dollars were appropriated in 80 and 81.

MR. HOFFMAN stated in FY 80 there was \$3,191,791, in FY 81

there was \$3,499,211. He stated there was a 6.7% increase between 81-82 and an increase in 82-83 of 10.47%. He asked Mr. Wolcott what his actual 80 base was for Personal Services.

MR. WOLCOTT stated his 80 base was \$5,968,029 and this includes the vacancy savings.

MR. SOUTH stated that will be a different figure in FY 83 because more of the Personal Service money was pulled from the base.

REP. ERNST asked what has transpired regarding the RITZ program.

MR. HOFFMAN explained in the RITZ program, the SRS has enough funds within their budget for seriously emotionally disturbed children that would cover the cost of the RITZ program except for a minor dollar amount. The Department of Institutions currently has \$27,000 in their budget for those types of services. If the children are committed to the RITZ program by the Mental Health Act, then the SRS can pay for those children. If the children are committed by the Youth Justice Court, then SRS cannot pay for it.

REP. CONROY asked how the total Operating Expense would be affected whether the Committee goes 50% or 46%.

MR. HOFFMAN stated this will affect the general fund money which would be over half a million in the biennium.

SEN. JOHNSON moved to accept the 46% funding figure for the Mental Health Regions.

THE MOTION PASSED with 5 in favor, 1 excused, Sen. Thomas excused.

SEN. ETCHART felt the ceiling for 50% funding should be removed.

MR. HOFFMAN stated the Committee is passing an intent on an X amount of dollars. If it is the intent of the Committee that the Community Health Centers will not receive any more than 46% of the total expenditures, then the committee has made that limitation by their intent. He stated the Department can allocate the money at a 46% level, but cannot exceed that amount.

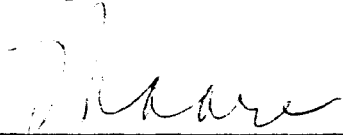
SEN. ETCHART asked to have the record show the dollar amount indicated and the amount of increase as relates to FY 80 and 81.

SEN. ETCHART moved that the maximum amount of general fund

participation for the Community Mental Health Programs be \$3,731,453 in fiscal 1982, and \$4,122,272 in fiscal 1983. This is a 6.6% increase over fiscal 81 appropriated, and 10.47% increase over fiscal 1982 of general fund support to the programs. The Department will contract with Community Mental Health programs for the appropriate level of services required by the state of Montana, not to exceed \$3,731,453 in FY 82 and \$4,122,272 in FY 83.

THE MOTION PASSED with 4 in favor and 1 opposed. Rep. Conroy opposed.

There being no further discussion or comments, the meeting was adjourned at 9:50 a.m.



JACK K. MOORE, CHAIRMAN

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DEPARTMENT OF INSTITUTIONS
 COMMUNITY MENTAL HEALTH PROGRAM
 REGIONAL COMMUNITY MENTAL HEALTH CENTERS

	FY 82	ADJ.	REVISED FY 82	FY 83	ADJ.	REVISED FY 83
PERSONAL SERVICES	<u>\$6,736,009</u>	<u>(\$46,265)</u>	<u>\$6,689,744</u>	<u>\$7,544,330</u>	<u>(\$60,971)</u>	<u>\$7,483,359</u>
OPERATING	1,501,296	(34,503)	1,466,793	1,628,019	(39,700)	1,588,319
EQUIPMENT CAPITAL	<u>12,177</u>		<u>12,177</u>	<u>11,802</u>		<u>11,802</u>
				<u>5,000</u>		<u>5,000</u>
TOTAL	\$8,249,482	(\$80,768)	\$8,168,714	\$9,189,151	(\$100,671)	\$9,088,480
GENERAL FUND @50%	<u>\$4,124,741</u>	<u>(\$40,384)</u>	<u>\$4,084,357</u>	<u>\$4,594,575</u>	<u>(\$50,335)</u>	<u>\$4,544,240</u>

Department of Institutions
 Community Mental Health Program
 Regional Community Mental Health Centers

Personal Services	82 \$6,689,744	83 \$7,483,359
Operating	1,466,793	1,588,319
Equipment Capital	12,177	11,802 5,000
 Total	 <hr/> 8,168,714	 <hr/> 9,088,480
 General Fund @ 50%	 4,084,357	 4,544,240
LFA reccommended General Fund @ 50%	4,055,928	4,480,730
 (over)/under LFA	 (28,429)	 (63,510)

DEPARTMENT OF INSTITUTIONS
 COMMUNITY MENTAL HEALTH PROGRAM
 COMMUNITY MENTAL HEALTH CENTERS

	FTE AMT.	CSP	COAL BOARD	ALCOHOL	RHI	NHSC	CETA/PSE	OLDER ADULT	ACTION GRANT	TOTAL
REGION I		1.5 \$23,925	1.35 \$14,947		.65 \$12,000					3.5 \$50,872
REGION II		2.66 39,499					? 34,000			2.66 73,466
REGION III		2.00 40,570		4.25 84,674	1.50 15,383	2.00 57,000	1.66 11,535	3.75 70,958	2.00 29,560	17.16 309,680
REGION IV	FTE AMT.									
REGION V		2.00 21,475								2.00 21,475
TOTAL		8.16 \$125,436	1.35 \$14,947	4.25 \$84,674	2.15 \$27,383	2.00 \$57,000	1.66 \$45,535	3.75 \$70,958	2.00 \$29,560	25.32 \$455,493