

MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS
SUBCOMMITTEE FOR INSTITUTIONS WORK SESSION
February 17, 1981

JACK K. MOORE, CHAIRMAN called the work session to order at 8:05 a.m. in Room 108, Capitol Building. All Committee members were present.

BOULDER RIVER SCHOOL AND HOSPITAL

THE CHAIRMAN stated he wanted to reduce the FTE's at Boulder River School and Hospital by 4.36 FTE. This would include 3 Habitational Aide I's, 1 Habitational Aide II and .36 LPN, making the total FTE level 461.90 at a reduction of \$42,903; \$7,619 in benefits and \$3,139 in insurance for a total reduction of \$53,661 for FY 82. This would change the Personal Services amount to \$7,303,518 for FY 82 and FY 83 respectively.

The Supplies and Materials amount would be \$715,868 for FY 82 and \$806,907 for FY 83. The reduction for the biennium would be \$109,022 see original Exhibit 10, Page 1.

SEN. ETCHART asked how this amount compared to the FY 80 figures.

MR. HOFFMAN explained the difficulty of comparing FY 80 figures with the FY 82 column is that it is askewed in two ways. Because of their supplemental situation BRSH maintained vacant FTE's, and the Utility increases were greater than the 18%, 12%, and 12% estimated by the LFA, plus there is no percentage of increase in salaries. He noted if you take the actual amount authorized to Boulder for FY 80 the supplemental would have to be added.

SEN. ETCHART moved to accept the 4.36 FTE reduction at Boulder River School and Hospital for a total reduction of \$53,661 for FY 82.

THE MOTION PASSED.

MR. HOFFMAN explained Boulder River's school lunch fund, see Exhibit 10, Page 2, that previously the school lunch program was a budgeted dollar amount for the institution to operate on, which is a direct reduction of general fund support. The Department of Institutions came to the Committee and asked if it were possible to deposit these funds directly to general fund instead of using it in its appropriation. At that time the Committee agreed with it. He suggests that they should get the dollar amount the Department of Institution anticipates receiving from the school lunch program at Boulder and budget that into their appropriation as other funds and reduce general funds by a like amount. The school age population is going down, plus Boulder received more school lunch funds for FY 81 than they should have.

The Department has reprojected those figures. He stated they could put in language that if the school lunch program exceeds these dollar amounts, then as the dollars come in a dollar for dollar reduction in general fund be made.

MR. HAUBEIN stated they would go with the figures given them because as of January 1981, they have received no school lunch money. It was his understanding that OSPI has not received their federal appropriation for school lunch, so his office has no way to change these figures other than the estimate given by Boulder River School and Hospital so will go with \$26,760 for FY 82 and \$21,408 for FY 83.

MR. HOFFMAN stated he would be ready to give the Committee the correct dollar amounts. He asked the Committee to refer to their LFA book, Page 392 and explained the rationale of why the reduction of the 4.36 FTE's. The additional laundry workers and the cottage life supervisor will alleviate some of the work loads of the existing direct care staff. The other area that affected Personal Services is the 18 additional positions being put in Boulder's budget to meet the Office of Civil Rights suit. He noted Mr. Booker from OBP brought up the fact that they did anticipate receiving more Title I funds in FY 82 than they had shown to the Committee of \$69,147, but they were unsure of that amount. They had recommended if there were carry-over funds from Title I, this amount would be used to fund one of the teacher's positions and a like amount of general fund could be reverted. He noted it was difficult to anticipate how much carry-over funds there would be.

MR. BOOKER stated this position would be the rehabilitational aide.

MR. HOFFMAN stated one item that Mr. South recommended to the Committee and they had agreed on was the separation of the total budget for all institutions. That was each institution should be broken out between Personal Services, Utilities, Operations and Equipment. Previously, there has been a transfer of funds from Personal Services down to Operating or from Operating up to Personal Services. He noted it was Mr. South's intent that Personal Service funds could be transferred down into Operating, but not be transferred from Operating into Personal Services. This was meant to give the Department the flexibility in a supplemental situation to terminate staff if necessary. The reason behind this is each line item will have an individual appropriation and any time funds are transferred then a budget amendment, or a revised operational plan would be necessary.

CENTER FOR THE AGED

REP. CONROY moved to delete the pharmacist.

SEN. THOMAS stated it was his understanding that the local pharmacist did not want the contract because of the large amount of paperwork.

MR. BOOKER noted the local pharmacist did not like the paperwork or the length of time for reimbursements.

REP. CONROY stated since the session started Medicaid has raised their costs so they can make a profit, and reduced the paperwork.

MR. HOFFMAN explained there are 3 pharmacies in Lewistown and 2 have been pulled from the Medicaid eligibility. There is only 1 licensed pharmacist for Medicaid, who in the past had been discouraged by time delays in payment. He stated if this pharmacist was deleted then the Contracted Service would have to be increased to include the new contract.

SEN. JOHNSON questioned the need for the pharmacist at the Center.

MR. SOUTH stated if the state contracts with a private pharmacist, then they need to buy drugs at market value. Another consideration would be the Medicaid and the fact there may be a ceiling put on federal participation. Once that ceiling is reached, the state will be reimbursing the Medicaid dollars with pure general fund money. He stated if they have their own pharmacist, they would buy their own drugs wholesale.

MR. HOFFMAN stated one of the main reasons they requested the pharmacist was for the state to generate additional reimbursements.

SEN. JOHNSON asked why they aren't buying the wholesale drugs and contracting for the pharmacist's time.

MR. BLOUKE stated one of the major reasons the Department wanted to go with the pharmacist is that there was very poor inventory control and records. He stated there is a serious problem due to this inventory and poor records plus patient review of daily prescriptions needed. He noted each of the patients have their own private physician. One of the reasons for the medical director was to insure accepted medical practices were being conducted in the facility, and if problems arose he would contact the patients individual physician. The pharmacist is being trained to be aware of inappropriate medications, and the amount of time in the previous contract did not allow for that type of review.

MR. HOFFMAN explained the Montana Center for the Aged has the lowest number of hours of nursing care per resident in the state.

A roll call vote was called regarding REP. CONROY's motion.

THE MOTION FAILED with two in favor and 4 opposed.

Those in favor were REP. CONROY and SEN. JOHNSON, those opposed were REP. MOORE, REP. ERNST, SEN. THOMAS and SEN. ETCHART.

MR. HOFFMAN explained the other area of concern to the Committee was the Repair and Maintenance and the fire alarm system. He put the language in that \$18,964 for FY 82 and \$21,771 for FY 83 in Repair and Maintenance must be used for fire alarm system or it will revert to the general fund.

MR. SOUTH stated the Committee needs to take action on the retro-active pay for the Center for the Aged in the amount of \$17,518.

MR. CONROY moved the Committee do not accept the retro-active pay for the Center for the Aged in the amount of \$17,518.

THE MOTION PASSED.

MR. SOUTH stated the retro-active pay for Boulder would be \$5,699.

SEN. JOHNSON moved the Committee do not accept the retro-active pay for Boulder in the amount of \$5,699.

THE MOTION PASSED.

REP. CONROY asked if the Social Security and the SSI money could be tracked to the residents individual checking or savings account.

MR. SOUTH stated at this time they are billing against their account, but they are in litigation and the trust accounts are locked up. He stated in answer to the question of having inmates receive inmate SSI benefits while in prison. Congress passed and signed legislation that there would be no inmates receiving SSI and this will be cut off retroactively to October 1, 1980.

MR. HOFFMAN explained the individual accounts for the residents within the institutions.

EASTMONT

MR. HAUBEIN stated in regard to the Eastmont school lunch fund they are able to go with \$4,350 for FY 82 and \$3,900 for FY 83.

THE CHAIRMAN stated the school lunch funds would be handled the same way as Boulder.

VETERAN'S HOME

THE CHAIRMAN stated they were going to add money to the Repair and Maintenance budget for the Vet's Home. He is requesting for the old domiciliary linoleum in the 1st floor hallway at \$415, and two tub shower combinations at \$219 each for a total of \$438 which would make the total addition for FY 82 \$853. This would allow the old domiciliary to be used temporarily. He currently has a bill in to build a new 50 man domiciliary and would not have to worry about the old domiciliary or the annex. He stated the figures to remodel the annex would be \$517,000, and by adding the sprinkler system and remodel the old domiciliary to meet the VA requirements, the cost would be over \$100,000.

REP. ERNST moved to increase the Repair and Maintenance amount for the Veteran's Home for \$853 for FY 82.

THE MOTION PASSED.

MR. HAUBEIN stated he has itemized the 3rd party VA funds, and has itemized the two sources of funding for reimbursement, the VA would be \$279,000, and the reimbursement will run \$431,000 in FY 82 and \$444,000 in FY 83.

MR. HOFFMAN explained the initial supplemental was submitted to the Veteran's Home for FY 81, Mr. South made the commitment that should the FTE be less than what was there, currently on the board, that those positions should be terminated or attrited. This would involve a reduction of 4 or 5 FTE. He asked Mr. Haubein what number the reimbursement was based on.

MR. HAUBEIN stated the reimbursement was based on a population of 100.

MR. HOFFMAN stated the anticipated population at the Vet's Home was 115 but due to some cash flow problems the facility has, the Department felt they would put in reimbursement for 100 to take care of the lag time. There could be a reduction of general fund money.

MR. HAUBEIN asked the Committee to recall the discussion regarding indirect costs for Management Services and the overrun, he stated rather than go anything over this reimbursement to decrease the general fund, he would rather place this directly into the general fund as revenue. He explained the problem of trying to tie all

these revenues at the fiscal year end. He stated he was referring to school lunch as well as the other funding. He stated if he exceeds any of the funding he would like to do this.

THE CHAIRMAN stated this seemed to be a better way and would show revenue into the general fund at the end of the fiscal year.

PINE HILLS

REP. ERNST moved the modified program for the Pine Hills School SID fees and operational maintenance of \$19,744.44 per year.

THE MOTION PASSED.

THE CHAIRMAN asked what they were going to do about the old water system and the old tower.

MR. SOUTH stated they would like to look this over in the next two years to see if it would be worthwhile to keep it or tie directly into the city water.

MR. HUNTINGTON stated every biennium there is money put into water tower maintenance and well maintenance on a cycle program, during the next biennium Pine Hills is on this program, but the following biennium they would be asking for the periodic maintenance money.

MR. HOFFMAN stated there had been previous discussion as far as the number of cottages that Pine Hills School FTE would man. For instance, there were 124.87 FTE in the FY 82 and 118.97 FTE in FY 83. The average daily population for Pine Hills has fluctuated from 82 up to 110. There are 4 cottages that can handle a maximum population of 82 and with the 5th cottage they can come up to 115. He stated at Pine Hills they are constructing a new cottage so within the budgeted FTE there is enough staff to maintain 5 cottages, but with the population fluctuation it could be reduced to 4 cottages. He noted there is the flexibility within the budget to maintain the 5 cottages during the biennium so there may be a reversion to the general fund based on their population.

MR. SOUTH stated the population goes down in the summer, and you can't attrite a position in the summer just because the population goes down.

SEN. THOMAS moved to allow the Department the flexibility of transferring of funds not be allowed. If one of the institutions were to get into dire problems, then it could be necessary for several institutions to reduce their current level appropriations given them by the Committee. The LFA feels the Committee's intent as far as the appropriations has been deliberated by the Committee and the amounts should stand. If the institution does come into

management problems, then it should request a supplemental and go directly before the full legislation Committee.

A roll call vote was called.

THE MOTION FAILED WITH 4 opposed.

Those opposed were Rep. Moore, Rep. Ernst, Rep. Conroy and Sen. Thomas. Excused were Sen. Johnson and Sen. Etchart.

MR. SOUTH stated they needed language in the bill to allow the Department the flexibility between Warm Springs and Galen.

MR. BOOKER asked to get together with the LFA and work out the language for the Warm Springs and Galen consolidation.

MENTAL HEALTH AND RESIDENTIAL SERVICES

REP. ERNST moved to accept the Mental Health and Residential Services administration budget.

THE MOTION PASSED.

MOUNTAIN VIEW

THE CHAIRMAN stated the school lunch amount for Mountain View was \$18,000 per year. He asked to discuss Exhibit 111, the modified Helena Women's Unit.

REP. ERNST asked how many inmates could be placed within this unit, and if the Department was planning to bring back the Nevada women.

MR. SOUTH stated 20 women could be housed, and they would still need the Nevada placement and are anticipating 6 women at this time in the Nevada program. He stated due to federal law, a privacy fence will be built and a separate road would be constructed at Mountain View.

REP. ERNST asked why they changed from the Boulder recommendation to Mountain View.

MR. SOUTH stated primarily because of cost, and this is a short term solution to see what happens to the female population over the next two years. This is cheaper to get into at this time and will be able to get into it faster. If the population continues to rise then a permanent recommendation may be necessary. The problem at Boulder was there were only 12 open spaces, without the additional building and any more new commitments would create a space problem. The closeness to Helena, also seemed to be a better advantage. He asked if they would be able to discuss this at greater length on February 18, 1981.

MR. SOUTH stated the Pine Hills school lunch program is \$60,000 a year. The I&I fund is estimated at \$300,000 a year.

HR. HAUBEIN noted the \$300,000 does include the previous \$187,912 budgeted for 82.

MR. HUNTINGTON stated the primary variable has been oil leasing. This is based on the outstanding 10 year leasing to be continued at the same rate and there would be some new leasing in 82. They projected 1/4 as much first time bonus money in 82 as received in fiscal 80. Pine Hills has been receiving higher revenues on grazing and other miscellaneous areas.

MANAGEMENT SERVICES DIVISION

MR. HAUBEIN stated he reduced \$11,000 in FY 82 and \$12,000 in FY 83 relating to maintenance costs for programing.

SEN. THOMAS moved to accept the Management Services Budget.

THE MOTION PASSED.

ALCOHOL AND DRUG ABUSE DIVISION

REP. CONROY moved to accept the ADAD budget as approved.

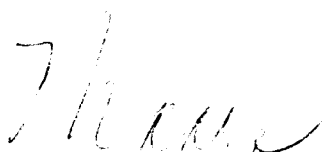
THE MOTION PASSED.

DIRECTOR'S PROGRAM

MR. HOFFMAN stated there was a question in discussing the Director's Budget regarding the industry money going into that office.

MR. SOUTH stated when the Committee was acting on the amount of revolving fund going into the office for the one position, this did not equate with amount in Contracted Services at the Ranch and at the Industries. The original amount was \$25,036 for FY 82 and \$25,161 for FY 83. The correct amount should be \$28,994 for FY 82 and \$32,616 for FY 83. This will tie in with the Contracted Services for the Ranch and Industry Budget. He stated the Swan River School Lunch program was \$12,500 each year and \$29,400 for the Federal Boarder Money, \$25,000 each year at the Montana State Prison, and \$20,000 at Mountain View.

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



JACK K. MOORE, Chairman