

MINUTES OF THE MEETING  
FINANCE AND CLAIMS COMMITTEE  
MONTANA STATE SENATE

March 25, 1981

The 27th meeting of the Senate Finance and Claims Committee met in room 108 of the State Capitol on the above date. The meeting was called to order at 7:12 a.m. by the Chairman, Senator Himsl. Roll call was taken with all members present. Senator Himsl said since the subcommittee chairman would not be present until a bit later he would hear SJR 29.

CONSIDERATION OF SENATE JOINT RESOLUTION 29: Senator Stimatz, District 43, Butte, Silver Bow, said this is for a study dealing with the youth. This corresponds with a series of bills that have been introduced in the Legislature this session. We heard one that was kind of in point, Representative Vincent's on divorce cases and the child in court. This asks for a study of all problems and what causes them. It is a very pervasive and expensive thing for the counties, and the state. There is not much point in hauling a youth into court and giving him a sentence if the place he is sent is not equipped to help him. One can judge whether this is necessary from the host of bills introduced this session which each deal with one facet of the problem without solving the problem. I did have 2 people coming in on this, but not until 8. One is from the crime control, one from SRS.

Senator Himsl asked if there were further proponents, or if any opponents, and since none were present, the hearing was opened for questions from the committee.

Senator Keating: Senator Keating related some experience in his community where there is a private volunteer group. They are doing some things through a private group and not through any agency. We have been able to bring in some people to explain how to recognize this. We are really talking about families planning or family teaching or really teaching parents to be parents. He said, I really don't know what the state could legislate in the law. It has to be done within.

DISPOSITION OF SENATE JOINT RESOLUTION 29: Motion by Senator Dover that SJR 29 do pass.

Substitute motion by Senator Van Valkenburg that on page 3, line 3, following "county attorney's" insert "defense attorney's"

Substitute motion was voted, passed, unanimous.

Motion by Senator Dover that SJR 39, as amended, do pass. Voted, passed, unanimous.

DISPOSITION OF HOUSE BILL 727: Motion by Senator Dover that House Bill 727 be not concurred in.

Substitute motion by Senator Van Valkenburg that we postpone consideration of House Bill 727 until our next meeting to have an opportunity to get the answer and see how it would fit in. This bill is an important bill from the prospective of students in the University System. There have been considerable abuses in the past. This is, more than anything, putting the Board of Regents and the presidents on notice that the abuses have to come to an end. I think the amendments will protect the bond holders and as a result force the Board of Regents to take a closer look.

Senator Regan: In all fairness. What difference does a couple of hours make? We can meet in the morning and look at them. It is just treating the bill and Anne Mary with the proper respect due them.

Senator Smith: My name is on it. They came to me and I think they did give me some mis-information.

Question was called, the substitute motion was voted and passed. Roll call vote 9-7.

CONSIDERATION OF HOUSE BILL 500:

Department of Institutions: Representative Moore went through this section of the bill highlighting the changes made in the bill by the House Appropriation Committee and the House floor action after the bill had left the subcommittee on recommendations.

Representative Moore said they have 198 people in the Center for the Aged and they are all Geriatrics. He said they did add 4 more people on the staff since the problem there was with housekeeping.

Senator Keating: How many recipients? Moore: 198, all geriatric, all on medicaid.

Senator Himsl: On the fire alarm. 4 years ago when put in Honeywell was to bring it up at no cost. Moore: The fire alarm is in place and every time the Lewistown fire department comes out there we pay for it.

Representative Moore continued going through the bill and mentioned that the Mountain View School in Helena is a very well run school and that the school would be addressed later. He said the average attendance at Pine Hills is about 90, and they try to take care of them in the community before they send them to Pine Hills.

Senator Stimatz: You reduced the population to 90? The story I get is that Pine Hills won't take anyone. Moore: They try to take care of them in the counties first before they submit them to Pine Hills.

Senator Stimatz: Is there a cottage closed down there?

Moore: Yes. We closed an old one since we built a new one. We have a great summer fluctuation and there are times we get down to 70 and then we can close another cottage.

Representative Moore continued through the bill to the Prison Industries and said that is a revolving fund, but they had put \$225,000 in for equipment. He said one piece of equipment makes reflectionized license plates instead of sending them out to have it done.

Senator Hims1: Some of these things they had before and they discontinued them. Is there a reason for thinking it will do better now? Moore: It was not discontinued, just not much there. They have always refinished some furniture.

Senator Hims1: Why now? Moore: We have an expanded market in the state and furniture is wearing out. It also keeps them gainfully employed. On the license plates, they are very efficient.

Senator Regan: Who came up with the design on them? Moore: The Institutions. Regan: Is it subject to review?

Senator Hims1: Who has the authority to make the design? Moore: If I remember clearly, the Department of Justice. The design will be the regular Montana design. We delete the bi-centennial and put the tab in another place. The design is very similar and the material has proven itself.

On Swan River Youth Forest Camp, Representative Moore said there are 48. We funded them for 46 currently, 50 for the coming biennium. There are about 46 or 47 there now.

Senator Regan: Was this vo-tech the only one or do you have the adult basic ed? Moore: Basic Ed, yes.

Senator Hims1: More special services? Moore: yes.

On the Veterans Home Representative Moore said that 1 year ago there were 47, now there are 61 in the new domiciliary. There are 14 in the old dom. Last may they closed the admission building and it is one of the newest buildings. It was built to Arizona standards, but built in Montana. It was bad enough so that the older people were not being properly cared for, and the V. A. does not approve it. It would cost over \$½ million to refurbish it. The old one is 60 or 70 years old and it would cost \$110 to \$120,000 to do it. He said this would be adding a 50 bed unit. A 50 bed nursing home unit.

Senator Haffey: How many veterans are waiting to get in? Moore: We had a list of 20 or 30 now and we are down to 115 now. The new ones will be nursing home beds. Most of the ones waiting to get in are nursing home bed veterans.

Senator Regan: Is there any guarantee that it will continue?

In looking at some of the proposed cuts, the V A is one of the ones that will be hit. Moore: Not in the nursing homes. This is getting into post WW II vets. We found last spring a lot were inadequately cared for. The facility was not clean, there was not enough direct care. They put on 32 people. After looking at the new administrator, they have a good accountable system. We increased the staff by 12 people.

Senator Smith: 30 they had. Are you thinking of another 12? Moore: No, he temporarily had them before. We increased to 61.8 FTE on an 80 base.

On the Board of Pardons Representative Moore said they took \$10,000 out of their travel monies. We had the officer at our committee to state his case, and we told Mr. South to continue to take a deep look at the operations. The director has been most cooperative with the committee and we should be most cooperative with him. He has a much tighter budget than anyone else.

Senator Hims1: General fund, does it include the salary? Moore: Salary and supplemental appropriations. There was \$4.2 million in supplemental. \$880,000 was for utility costs alone. The '83 biennium does not include the pay plan. It is not included in this budget.

Senator Haffey: Why did the House committee reduce what you brought to them? Moore: We did that in committee. The bill before you is the same one that came to the House floor.

Senator Haffey: I am looking at the summary from LFA that shows the changes from the floor. (read from white copy) Moore: It was reduced in the House at the request of the subcommittee.

Senator Haffey: Why? Moore: We went back through and reduced the general fund by \$2.2 million. We increased the other funds to make up for it. On the next look, the subcommittee went through and reduced additional personnel and on some of it a 3% across the board cut. There was a 3% cut on contract services, 6% on some equipment, and that effected another \$2.93 million savings out of the general fund money.

Senator Haffey: I am trying to understand why. Moore: The subcommittee thought they could operate less those monies. We worked every budget on it and we took it to the third level. At the third level we worked it so close we tried to even find even \$2.

Senator Keating: Young men at Pine Hills are at the same status as the women at Mountain View. They handle the incorrigibles and they also go to school. Swan River was one we had to cut off at the age of 18. Those kinds work in the

state forest 5 days a week. They are a minimum security type of person. They go to prison first, and then there.

Senator Hims1: It was started as an honor school for those with good behavior at Miles City. The ones with good records could be transferred there. It later got a little different complexion. It has changed considerably.

Senator Keating: ½ price, as to Pine Hills. Moore: The good thing they are there and do something constructive.

Senator Van Valkenburg: On Mountain View. What is the next alternative? Moore: The other alternative would be another spot and spend several hundred thousand to fix up a facility to take care of up to 20 women.

Senator Van Valkenburg: We are spending \$500,000 a year. That is for personnel, supplies and equipment. Moore: The only cost on the building is for a fence and a road. It would cost \$3 or \$400,000 to fix up a place at Boulder. Two years ago we thought a lot about re-doing one of the buildings at Warm Springs.

Senator Van Valkenburg: Why is this just temporary? Moore: The Department is going to get together a study of it to see what the long range solution would be.

Senator Regan: If you build 20 beds, you have to build bunks. We will have 40 people. The question he is asking is valid. I don't know the answer either. Moore: The Department has studied the three and the subcommittee did. For an interim, that is the most logical decision.

Senator Van Valkenburg: I sat on the interim corrections committee and I would question whether the Department has studied that three. This was not one of the programs we studied. The last session when the Department came in in the 7th hour. It is a temporary measure and we will all be wondering later on about it.

Representative Moore: There is a complete new regime in that Department. It is better. The new director knows a lot more about them than the former one did. I still remember the panic session last session. We did set aside \$4 million. They projected the prison population to go out of sight. It remained about the same.

Senator Van Valkenburg: The only change is the director. We have about \$4,625 in the AA program. What percent of the total program does it constitute? Out of the Alpha House, how much does the state pay? Moore: All of it.

Senator Van Valkenburg: That funds the total at Alpha House? It is to contract for the people that run the House. The \$65,000 for equipment we talked about buying cars for parole

and probation. Moore: 11 new cars.

Senator Van Valkenburg: What is the total number of cars they have there? Moore: It was somewhere around 36. They are very high mileage cars.

Senator Stimatz: In this surplus cottage for women prisoners are you satisfied and is the Department satisfied they are meeting the complete segregation between adults and juveniles? The redwood separate fence? Moore: The redwood fence will be about 100 yerds away. It will cost \$67,000. Their dining facilities will be used. They will supply meals within the correctional division to procur food. The kitchen is 300 yards or so away. Most of the female offenders will be on work furlough. There will be very few in the House during the day.

Senator Haffey: When you talk about Warm Springs and the 46th Legislature, and the ratio for direct care people. Why did your subcommittee rely on the 46th Legislature to adopt a direct care ratio? Moore: That was the year we determined how many employees should be provided if they have direct care for each person.

Senator Haffey: Is that a function? The proper direct care? Is that fixed or depending on how many ill patients there is and how ill they are? Moore: The initial staffing recommendations came from Warm Springs. They had determined how many were needed. You have those in the long term committment. You have those in the geriatric unit etc. that are short term. Those in the evaluation unit. Those figures came from Warm Springs.

Senator Haffey: They relied on the Warm Springs management figures. Did they have a profile of the patient load then? Moore: Every one of the mentally ill, retarded children, etc. and in a different mental state and some are transferred from one unit to another on a contained basis depending on their problem. In 1974 the Department of Justice sued the state. In 1975 we pumped in \$4 million to help this.

Senator Haffey: Some of the patients required more than the average and some less and that was the weighted average. Is that right? Moore: Since they came in with that, they have never come in with any other staffing pattern to say if it should be more or less.

Senator Haffey: Those ratios are compared as a sort of weighted average? Moore: That is right.

Senator Haffey: You talked about a 9.94 FTE total reduction and another time 27.11 reduction and 6 social workers. Moore: 9.94 were FTE that the subcommittee put back in at one time and there was 34 cut out at one time. We put the 9 back in and took them back out.

Senator Haffey: Why? Moore: We felt with the staffing latitude at Galen and they could do without the 9.94 FTE. That is based on 3 hours of care per patient.

Senator Haffey: Where would it come from? Moore: That was all from the Lafferty report.

Senator Haffey: That is a scientific study and we can go over it later.

Senator Boylan: There used to be a lot of trouble with the ranch? Moore: They are getting a much better handle on the ranch out there. We think it can be self sustaining and they have a captive market.

Senator Keating: Warm Springs was \$22 million in general fund to take care of 315 patients. Regional Health (5) will budget for \$8 million general fund and the other total of \$9 million. Warm Springs reduced from 900 to 315 patients because of the regional centers. This is a 600 patient reduction. 2½ times as much money in Warm Springs and much less on the Mental Health people. You put a cap on the mental health centers. They state in the language that they get an increase but the figures indicate they are not funded at a current level. It seems to me that the figures don't jibe too well. For 600 patients and keep the lower level at Warm Springs from growing like Topsy again. The people in there are back in the community and paying taxes in the community. Why not another \$700,000 to get them up? Moore: The cost at Warm Springs is that a single one installed takes so much money. There they have the personnel to man it. Warm Springs takes \$42,000 per patient by the end of the next biennium. First, the facilities, etc, the de-institutionalization back into the communities. They are more productive people. They are the ones that were screened that could be released. Some have been back in Warm Springs, since many people could not hack it in the communities. They have a motivation program. Even the civil rights chapter were very impressed. They take several of the people 3-5 and evaluate them and put them together in a separate living area. Progress and interdependency will find out whether or not they can hack it alone in the cluster program. Many can succeed here but not alone. Now in Butte some are out and they can function very well by their dependency on each other. However, the state mandates 5 functional services to be provided for these people between deinstitutionalization and those that come in from the community to the mental health first. We have done with our total budget request included our pay raises, funded at 46% of the budget request with general fund monies. We realize in some of the community health programs that the federal Health funds are drying up. We have found several sources that are available. We did not put a cap on any of those monies. Other sources include fee monies and they are increasing. County funds --many of the counties have not properly funded the mental health clinics. Region 2 in Great Falls serves a

9 county area with headquarters in Great Falls. 8 counties participate, there are 8 county commissioners on the governing board. Choteau does not. The other counties have not used their full mill levy for it. There is more county funds available. Reserve funds are flexible. Nobody knows what they were in the beginning. I had them go back and submit the funds. That was in late January they had \$375,000 in reserve funds then, and there are many other funds including local contributions. 314 D grants from the Federal Government. We did not put a cap on any of them. We found a lot of split off programs. They can still do this if they find the money. There is enough money to take care of the people under the 5 mandated programs. Children and adults.

Senator Thomas: The city had problems getting up a per patient cost. When you talk about some of that it was for psychiatric help. The mental health patients can get food stamps and help from welfare. That cost is not added in in the community.

Senator Keating: It costs as much? Thomas: We are dealing with separate corporations. Mr. South is in the process of developing contracts to get a handle on it.

Senator Keating: The cost here is about \$12,000 a year as to ab out \$47,000 at Warm Springs. It seems like a fair trade off to give them more.

Senator Hims1: Let's keep this to the presentation. Regan: There are problems in the clinic centers.

Senator Regan: Did your subcommittee consider talking about the prison population which I understand is stable because it is full up. They are even double bunked. On the dangerous criminals, did they consider what might happen if some of the bills pass? Moore: In general and we took the count one day and compared it with 1 year ago and it was within a difference of 3 people. In the last month we have picked up a few more. Alpha House still has some vacant beds. There are 2 or 3 at Swan River. We did discuss it. If we get an unexpected influx we don't know what we are going to do with them. We would go back and consider 2 new units within the confines of the prison itself. The report they had is the scare of the last session did not materialize.

Senator Regan: Spruce Cottage. These are a sort of a half-way house? They are there at night and work in the day time. You will still be keeping the dangerous ones somewhere else? Moore: We can bring back 6 from Nevada and make room for 6 in Nevada. We don't have room to send them out of state any more.

Senator Haffey: When you talk about the shortage of people in Warm Springs, they complain they are short but your observation is that they are under what they are authorized.

They had the opportunity to have more but chose not to?  
Is that right? We took the on-board people and on the last  
day there were 20 vacancies.

Senator Himsl: 20 vacancies under the '81 biennium? Moore:  
yes.

Senator Himsl: Does the vacancy savings have anything to do  
with this? Did that vacancy savings factor in '79 leave  
them pretty light? Moore: The vacancies were lower than  
anticipated.

Senator Haffey: Why weren't they filled? Moore: No one  
wants the job.

Senator Himsl: Was there a forced vacancy because of the  
vacancy savings? Moore: yes.

Senator Himsl: I am concerned as to whether the prisoners  
can handle the meat cutting thing at the ranch. Moore: They  
buy the produce and cut it.

Senator Himsl: The prisoners are capable meat cutters? Moore:  
They are prisoners that work there as meat cutters now.

Senator Himsl: We are assured that they can handle the job?  
Moore: yes.

Senator Himsl: Whether you start at the Department or the  
Analyst they wanted 5 additional custodial workers.

Moore: I would let Mr. Hoffman answer that. Ray Hoffman:  
The Department of Health had come down to Warm Springs and  
did a survey. At the time they were at the area they found  
a deficiency. Because only the deficiency area they did not  
go into the other area. It was the thought of the LFA and  
the subcommittee that their adequate staffing could be moved  
into that area.

Senator Van Valkenburg: Is prison control in the corrections  
division? Moore: Yes.

Senator Van Valkenburg: It is at current level? Moore: Yes.

Senator Van Valkenburg: Did the Department request any  
additional? Moore: None.

Senator Van Valkenburg: With respect to the prisoners. How  
many of the inmates will have jobs of the 672, Industries,  
Dairy and Farm operations and some others that do a little  
clerical work? Moore: Industries employ 60, farm--it  
will fluctuate according to the season, but about 45 or so.  
Food service will take some.

Senator Himsl: It depends on the operation of the management.  
You can't run anything with some of them. It has it's judge-  
ment on the people who can do it.

Senator Van Valkenburg: Is there any additional treatment in the prison or additional effort with AA among the prisoners?  
Moore: There is a current full time person.

Senator Van Valkenburg: Did the Department request any additional people in that area?

Mr. South, Director, Department of Institutions: The Department will take 10 minutes or less. He handed out a letter, and said he had also given it to the House Appropriation committee. He said, each of you were on a subcommittee. LFA had one and the executive had one. If each subcommittee acted like ours, the lower one was accepted. With one vote, a 3% reduction was made in the area of operations in all the Departments. The inflation factor of LFA -- they said the rationale of being too high was only for the last part in the institutions. Equipment: The appropriations committee reduced it by \$50,000. The one institution was reduced at present of \$330,000. The motion was made and adopted by the appropriation committee. A change was made in the vacancy savings in the prison. 1%. It makes sense there. The appropriation changed it to 2½%. In terms of security forces at the prison. 150 FTE. You do not have a vacancy savings there. Within the appropriation bill the Department cannot exceed those appropriation levels. There is no such thing as vacancy savings in the security' of the prison.

Counselors: These two counselors that Mr. Blodgett asked to keep are working in the closed security units. They are part of the team that classify the inmates. These counselors play a very important role in the security of the prisons. We are double bunking the closed security.

Galen and Warm Springs. The concept has opened out in Governor Schwinden's budget. It was to save a little money in the process and put additional people in the Galen. They would reduce what we thought we needed for direct care. The Department is not disputing that it was the wrong staff 2 years ago. It is wrong now. There is an increase of about 60% in the type of mental illness in Warm Springs. It is not necessarily valid now. We have an amendment prepared to take care of the type of problems Dr. Hammel talks about.

Mental health. 50%. We recognize we could well be short the second year. With the revenue certain, we will look at a short fall. We are limited by law in requesting 50%. There was not enough money to provide the vital services by the state. They reduced that by \$700,000. I would ask for reconsideration. The cuts made for 2 FTE in management services. They generate about \$51,000 in personnel cuts. I would like to appeal to you to reinstate some of the money so that we do not have to lay off the 2 which will be fiscal analysts. I cannot do a good job to keep on top of it

without a good fiscal staff. We would still lay off 2 people, but not 2 of my fiscal analysts.

Utilities. The institutions had a utility line itemed in the budget. If we exceeded it I would be expected to get the money. The central office was neglected. We would like to have the same line item put in for utilities in the central office. Since there was a great deal of opponents to women going to Mountain View, there was some talk about a building at Boulder. It did get in, I think, proposal to do it in January. In later conversation they asked me to persue another proposition. That was Mountain View. I guess I have no pride of authorship in that proposal. If you want the facility somewhere else we will put it wherever. If you turn that recommendation down, give us another place.

Senator Van Valkenburg: I was concerned in asking Representative Moore about many of the recommendations the interim Committee made and what recommendations they had made. Several of the recommendations came out in the course of the questions. Increase parole officers, increase AA etc. The committee considered these very much. We expect that by increasing services we can reduce future population in these areas. If I understand it, the request was submitted to the budget office and turned down there. Given the climate of asking for additional FTE you can see how futile. The current went down.

Senator Aklestad: The additional money is general fund money? South: right.

Senator Aklestad: Warm Springs. 60% increase of the highly disturbed have increased? You take the better ones out and it leaves you with the ones with more problems. South: yes.

Senator Aklestad: The people that are left are higher? South: I don't have a break down as to whether the ones coming in here or the ones that are there.

Senator Haffey: You submit your presentation and you had people in the budget, people for custodial. We heard the certified notice. Can you keep Warm Springs clean enough to pass the Department of Health part on it without beefing up the staff? South: At the time, I had to establish priorities and I would rather have it in direct care.

Senator Haffey: Your explanation of ratio. Might not be still valid because of what Senator Aklestad added? South: It is one thing to make decisions here setting priorities sitting behind a table and another to go down and see what is there.

Senator Smith: Can you account for the large number of vacancies there? South: They are just vacancy savings now. I put a hireing freeze on.

Senator Johnson: In the area of Mental Health. Did you not assure the committee you are looking at the 12 areas of service? I thought it was 6. They need to be funded and you are taking a look at the list. South: There are 6. I am looking at the list.

Senator Johnson: Did you not also talk to the subcommittee as to the institutions concern when the money went to the area without knowing what it was? South: We will take care of it with contract services.

The committee took a short recess and reconvened at 10:17 a.m. with Representative Donaldson. House District 29 giving the presentation on Education.

Board of Public Education: Representative Donaldson explained this section and said they had removed \$1.2 million the contingency in the base was taken out. The result is a budget with about 5.8% increase, enrollment about 5.6% increase. We really had no increase in the special education budget. Of the \$12,000 service, about \$10,000 are in the school foundation program. That portion, through 610 received about 18% inflation. About \$27 million over the biennium for special education. The formula, or a variation of the formula from 18% to 6%. We tried to change this. This allows about a 13% increase for each of the vo techs.

Senator Nelson: Would you explain what happens to the \$44,000? Donaldson: If CETA program continues, that money will resume and not be spent.

Senator Van Valkenburg: What % increase are in the pay plan in this program? Donaldson: The reason is that the caps are on it. Butte, If the pay plan when incorporated, it would have some problems.

Senator Van Valkenburg: How much increase is in the pay plan? The % of increase. Donaldson: I am not clear on it.

Senator Himsl: In plugging in the pay plan figures, do you remember what percentage increase that was? Donaldson: It was anticipated at about 11%. Analyst: With the caps, the over all budgets there is 3 centers would increase a percentage in their budget and the pay plan is included in the cap.

Senator Himsl: Are there about ½ dozen? A gentleman from OSPI said he could get the information for the committee.

Senator Himsl: The audio visual library is a library in their own job and not connected with the state library? Donaldson: yes.

Senator Himsl: Didn't they have trouble in marketing them because the rental cost was so high? Donaldson: Yes. This is trying to bring the cost down. They are going to look

at T. V. Cassetes. It is about 1/3 the cost of filming a production.

Transportation. Under House Bill 655 to change the schedule. They are now static. We cut H. B. 655 to an 18% increase and the schedules will be plugged into 500.

Senator Hims1: We are talking about transportation? The reimbursement (schedules) to the busses are statutory. We had to plug in what was there. We do believe there should be a change to take care of inflation. H. B. 655 does this. The addition of \$2 million to the 1983 column figures. We changed the fund from 55 to 60 and 65¢ in the next biennium.

Senator Regan: School lunches. This is an unrealistic cut in federal funding. Donaldson: We have not taken into account any of the federal losses.

Senator Regan: It will not affect the state? Donaldson: I don't believe it would.

Senator Regan: On the secondary education program. Didn't we have a bill upstairs that added money? Smith: No, it provided the vehicle. Donaldson: It provided the mechanism. We had ANB. Yes.

Senator Aklestad: I want to back up to vo-tech. The last session allocated 1.5 is there a different mechanism for the distribution? Donaldson: That is the bill we just referred to.

Historical Society: Senator Hims1: Item 5. Is this \$150,000 for a traveling exhibit? The Educational out-reach. D: They send out a little foot locker and photography to schools. There are a lot of programs.

Senator Hims1: How much general fund money? Donaldson: None.

Senator Hims1: On Item # 7. Did your committee review it as to subscription programs along with advertising? Donaldson: It was our feeling that if we made it totally self-sustaining we would probably put them out of business.

Senator Haffey: Just a subscription increase? Donaldson: Yes.

Senator Dover: On Item # 3. Operation of the original government machine. Is there a fee charged? Donaldson: This included head lights and one staff for 2 years. They anticipated \$300 a month in destinations.

Arts Council: Senator Hims1: The \$26,000 for 2 years? Donaldson: Yes.

Senator Hims1: \$13,000 a year will pay for what? Donaldson:

Artists, etc. that go right into the school. It is restricted to a few schools.

Senator Hims1: Time? Donaldson: They are paid through contract services through federal funds.

Senator Keating: Are these artists actors, performers, dancers or what? Are they contracted services? Donaldson: Yes, they are professional artists.

Representative Bengtson: This money is matched by the community, so that in the community it will supplement the work.

Senator Johnson: How many schools are possibly involved in this? Donaldson: About 200. This would expand it by 20 or 25.

Senator Aklestad: When was it started? Donaldson: About 10 or 15 years ago.

School for the Deaf and Blind: Donaldson: We put in considerable state funds to replace federal funds. The Interpretor Tutor Program came out of general funds. Federal funds were lost. The pay plan in this is comparable to the Great Falls School district. The pay plan is not addressed in any way shape or form here.

Senator Keating: On the interpretor program. Is it increasing or decreasing as to numbers in the program? Donaldson: It is far cheaper to send them into the school system with an interpretor. This is cheaper than to set up their own classes.

Senator Story: Not all of these are in the Great Falls system are they? Donaldson: Prior children have come there and are back home and still get the use of this program. Bruce Shively, LFA: There might be one in Helena but I think it is a mother that goes down there.

Representative Donaldson: There are quite a number of people who volunteer to help the children.

Senator Hims1: Isn't this program dealing with elementary and secondary programs in the Great Falls school? They picked it up and now say they will not pick it up so we funded an interpretor program. It probably also included Great Falls students in the program.

Higher Education: Board of Regents: Senator Regan: How many on the board of Regents? Donaldson: 7. 6 and one student.

Senator Van Valkenburg: Does it include any air travel? Donaldson: They go by the cheapest method. It could

include air travel.

Commissioners Office: Himsl: How many in the WHICHE program now? Donaldson: It isn't a large number, but I think about 3.

Senator Himsl: I think I saw 3 awhile back.

Senator Keating: Students that take the medical program, do they come back into the state to practice? Donaldson: We are just seeing the first ones coming back into the state or wherever so that it is hard to do this.

Senator Keating: Do you know if we can sign a contract to have them serve in the rural area in Montana for a certain time? Donaldson: It is illegal.

Senator Himsl: Some states have an indenture program. Idaho still has it on the books, but it just doesn't work.

Senator Keating: Is there any pay back? Donaldson: We come to this. Quite honestly some of the others may leave the state.

Senator Dover: These people they told come under this program--there is programs that borrow and pay back and there is an interest. I think it is something we ought to look at.

Senator Story: There is another serious charge leveled at this program. Certain students seem to have an inside track. Have you ascertained whether the eligibility is rightly based on the qualifications of the students or do some have an inside track? Donaldson: We did not try to go into the method of selection.

Community Colleges: The changes from the funding formula in House Bill 69. 53% contribution of general fund money. In 69 it says you will set the percentage in the appropriation bill. The enrollments, White situation.

Senator Reagan: This biennium the percentage will be 53% and next biennium 55 or 60%. I would once again ask this committee and the legislative researchers to look at the idea of tying the state obligation to a fixed standard which then can not be played with in each legislature. We look at how much cost for ANB and tie that appropriation to that. It was the original intent. Donaldson: Bruce does have information that says this is very close. I have said this before, we do not have to excell at everything. We did not increase the percentage. Just pulled it out because of the restricted suits.

Bureau of Mines: Donaldson: The Bureau of mines and the next 3 are all tied to the University system themselves. There are other requests for water research. We are looking closely to see that we don't have duplication here.

Senator Dover: You said a match of 3-1. Is this federal fund? Donaldson: Yes.

Senator Keating: Is there any payment from the companies planning these programs for mining operations other than the Bureau has to go to work on making a determination for the protection of the states environment? Donaldson: No. Other than the state general fund.

Senator Keating: No charge to the operators? Donaldson: Not the Bureau of Mines, no. In case of a special study with the private sector maybe.

Agricultural Experiment Station: Is that basic research?

Senator Keating: They research in the companies, but it is kept confidential and is not public information. They pay for it and are not going to give it away.

Senator Haffey: Would you explain because of the reduction of the minerals economist. They have to know what the minerals are in the ground and the other is how much to tax. Donaldson: There doesn't appear to be many people dealing with here with the minerals. This idea had some merit but was taken out of our budget.

Senator Aklestad: It seemed to the committee that we had to put some money into this if we were to get back what they need.

Senator Himsl: I was at a meeting before this session and they were proposing \$1 million increase over the previous budget. No additional FTE. They wanted to increase the salary increases. What prompted these additional people? Donaldson: I did not see the report.

Senator Aklestad: How many cattle were sold? Donaldson: Miles City station has sold a considerable amount of live-stock because of the drought.

Senator Aklestad: Is it broken down as to where? Donaldson: Primarily Bozeman and Miles. I think we will see much more accountability in this area.

Senator Keating: How many stations in the area? Donaldson: 8 with Miles City.

Senator Keating: What are their assets? Donaldson: I would have to get a list.

Cooperative Extension Service: Donaldson: Agnet, the Computer System which is in place in the county agents office have a variety of answers. We think it should become self supporting, eventually. We added some to the base. People who attend various meetings, people with expertise, if hired, then put them out in the field where they will do some good.

Senator Aklestad: Are all the county agents office charging for the agnet system? Donaldson: No, but in the next two years they will have to start.

Senator Aklestad: The one in the county agents office, will they put a fee on it? Donaldson: Next year they are to put a fee system of some kind that will generate about 10% of the cost.

Senator Aklestad: That is not close to self sustaining. How long? Donaldson: If people use it it should be helped. If not, it should be dumped.

Senator Dover: How much revenue is brought in through the Coop extension service? The trees are practically for nothing. How much revenue? Donaldson: It is very limited. For the most part, it is free. The Cooperative Extension Service is a University Site Extension. It is serving more urban people than rural people. Bureau of Mines, etc. can use this as an out-reach program.

Senator Nelson: I would like to state that with these county agents its not all out of general fund. That is 1/3 federal 1/3 state and 1/3 county.

Senator Dover: On the fees. Donaldson: Those grain groups etc., do generate money, but it is on a revolving account.

Forestry: Lubrecht Forest is now in its second growth period. This experiment station was spread away from the University System. It has been limited to federal and private grants. The state of Montana should be at the point to start research. Inorder to insure the private grant is to come there has to be a committment that Montana will get serious about 220 million forest acres in Montana. We will pull together the management and then get together some research. It is a sizable investment. The major companies have an opportunity to do some of our research, but not the smaller ones. They will get a users charge on the ICPS.

Senator Smith: Do they intend to work with DNR? We provide them with a new green house etc. Is there going to be cooperation? Donaldson: It seems to be a close one.

Senator Stimatz: What is ICPS? Also what does it cost. Donaldson: I am not sure of the cost. It is over \$100,000. It is an analytical instrument. It determines kinds of soil woods and that sort of thing.

Senator Aklestad: Does all this go to the University of Montana? Donaldson: Yes.

Senator Aklestad: Didn't we have something trying to get started at Montana State? Donaldson: There was a bill last year and 2 this year. An extension forester. It would work through the extension service, but through Missoula.

Senator Aklestad: There is nothing on foresters in Montana State? Donaldson: I am not aware of it.

Colleges and Universities: Donaldson: This evolved from a 2 year study of the finance committee. An attempt to compare with the state of Montana on how they are sitting with other states. The study proved we are not keeping current. The report was out and you all had a copy and it is a guide line for funding. The formula is because of a concern for catch up for pay. With the exception of 2 we fell behind the peer groups. This is probably not a unique situation in Montana. University of Montana, problems. Problems in Butte. We have an amendment that perhaps if it were added to 500 it would clearly delineate what it should do. It would help the University to get the critical areas where we are in trouble and try to catch them up. There is some concern relative to enrollment. We think that perhaps we have reached our peak enrollment and maybe it will be coming into a decrease. I did not want to drive to the peak and then back off because of declining enrollment. It was recommended that we take another look at the indirect costs this year.

Senator Aklestad: Has tuition been increased now? Donaldson: Yes. There was a 4 year lack in tuition increases. They have increased for 80-81. In '80, \$330,000 and it will go to 423 and 437. Out of state from 16 to 29 at MSU and U of M.

Senator Haffey: What percentage are out of state students? Donaldson: It varies. The Commissioner would probably have those figures.

Senator Aklestad: How much of that generates into that budget? Donaldson: Tuition fees are about \$6 million.

Senator Keating: The guideline lets three of the colleges have guideline compensations at 90% with the University level. Aren't those at Eastern and the other qualified? Donaldson: There are a couple of reasons.

Senator Regan: It is not really a formula. There is no formula that really exists. They have been so adjusted and re-adjusted and they have forfeited the use of the whole formula. Donaldson: There have been several adjustments. The study that we embarked upon 2 years ago with peer group comparisons, and come back with results--it is difficult to find a peer institution. They did not reflect exactly what was happening. They did arrange the peer institutions. We have different groups. We did not use the same peers for

peer groups for Eastern and U of M. The final result was U of M are 80%, Eastern at 90%. Butte, we had pulled them up to 90% since it seems we can't say we will reduce your salary. One of the basics is Universities have higher salaries. They are graduate colleges. The average salary is higher.

Senator Keating: As a matter of fact some teachers at Eastern have a higher education and teaching lower grades and get no more salary than one with less. Donaldson: One place, because a person has a Doctor Degree and teaches English, they should not necessarily get a higher salary than the one in a different university. Perhaps at Eastern some might be over qualified. They might make more money at another University.

Senator Keating: I see some falacies in the peer system. Isn't there some incentive to have merit raises rather than blanket raises? There are 4 of the Universities that do negotiate salaries. Those will be in the pay plan inclusion. It will make us competitive with other schools. The merit system ones will negotiate.

Senator Regan: I would like to refer to page 130. I assume these figures were derived at only on the enrollment but also on the number of faculty needs. I would like to address first -- or rather explore with you, the relationship of faculty to student in each unit. Could you give me this?

Donaldson: Page 130. The committee is totally aware of how we arrived at that. We came out with a productivity as to how many hours to come out with this. There were three peer groups. Pulling all the productivity units together and we came up with them. The ratio of students, 18.87 at MSU; 18.15 U OF M; 17.62 at Western; 18.57 at Eastern, 13.98 at Northern and 17.77 at Tech.

Senator Regan: I have heard a great deal here about the formula was derived at comparing peer institutions and the student ratio. Did that hold true in education and no motivations needed? Curt: Yes.

Senator Regan: Each university shows an increase except Eastern. Is there an error or what?

Senator Hims1: How many FTE were put into the whole system?  
Donaldson: 232.

Senator Smith: Page 133, Maintenance and improvement. Can we be sure the funds appropriated have this purpose and will not be used for something else? Donaldson: I was a little amazed at the cooperation we recieved. The board of Regents have a lot of latitude. I was very pleased and I think we will have a continuing degree of cooperation between us. Barring some unforeseen thing. No one could have anticipated the emergency with utility rates and the enrollment increase which could not be seen. I think barring some unforeseen

emergency like that we will see better cooperation and much of it will be voluntary. We had much better cooperation than in several years.

Senator Aklestad: I understand behind. Did the committee ever consider instead of playing catch-up in one biennium to do it in two? Donaldson: That is what we have done. We have worked this budget. We have to be competitive, but we also have to realize the economics of the state.

Senator Haffey: That doesn't mean the next biennium we would still have to address what the interim conclusions were. We will not try to do the full extent this year.

Senator Aklestad: Did the committee consider the amount of institutions in Montana along with other states? Donaldson: Wyoming has one and I think a lot of little ones connected and their cost is high.

Dr. Richardson: Representative Donaldson reported the Interim study. We can provide more information if you want. It is important to emphasize the whole study and the recommendations only propose to bring Montana to the average of the peer groups and they are largely rural colleges and universities in the Eastern states. This budget does not propose to move the state of Montana and higher education way out ahead. Only to achieve the average. Because of the cuts made by the subcommittee, we will not even be average. I am pleased by the work with the subcommittee. I think we got a fair hearing. I don't necessarily agree with all of the cuts but know you have a problem. The level will be increased \$6 million over what it was this biennium. We looked at some peers and paid the same salary to them. On WICHE. It is my intent to recommend to the Board of Regents that we make a study of these during the interim. Man power made our state of Montana. Distribution of the professions throughout the state. We need to look and see if we determine to recommend the program.

There are a number of new propositions. The LFA did an analyst business and there were 235 new positions. We took two analysis and compared it to the faculty. With the faculty under old 19-1 with the new. The difference is 4 system wide. 4 more under the new appropriation than the old one. Most of the positions that remained are in the support areas such as libraries etc. Assuming we plugh them all and I think it doubtful because of the words. Governor Schwinden said 170 positions under his budget.

Senator Regan: Did I hear you right to say that of the 235 positions you do not expect to fill them all? Richardson: There are a number of variables. We have to take into effect the various cuts, the pay plan, etc. I cannot give you 100% assurance to say we will fill all of these.

Senator Haffey: As a matter of fact, when you pay the salary, don't you have to be competitive? Richardson: Yes. Title IX compliance in the physical plant, library, office, etc.

Senator Aklestad: On the total budget, other funds. Where is the increase coming from? Richardson: Federal Government, research funds, etc. There are a variety of other funds. Millage; \$23 million.

Senator Van Valkenburg: Are there any committments on the other portions of the budget.

Senator Nelson: We would like to thank Gene Donaldson for being the Chairman of that subcommittee. It was a pleasure serving with him.

Senator Himsl declared the hearing closed on House Bill 500. He said we would meet tomarrow morning at 9 a.m. since there is another session at 8 a.m.

The meeting was adjourned.

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Senators Himsl, Chairman

ROLL CALL

FINANCE AND CLAIMS COMMITTEE

47th LEGISLATIVE SESSION - - 1981

Date

3/25/81

NAME	PRESENT	ABSENT	EXCUSED
Senator Etchart	✓		
Senator Story	✓		
Senator Aklestad	✓		
Senator Nelson	✓		
Senator Smith	✓		
Senator Dover	✓		
Senator Johnson	✓		
Senator Keating	✓		
Senator Boylan	✓		
Senator Regan	✓		
Senator Thomas	✓		
Senator Stimatz	✓		
Senator Van Valkenburg	✓		
Senator Haffey	✓		
Senator Jacobson	✓		
Senator Hims1	✓		

March 25

1981

MR. President

We, your committee on Finance & Claims

having had under consideration Senate Joint Resolution Bill No. 29

Respectfully report as follows: That Senate Joint Resolution Bill No. 29,  
introduced bill, be amended as follows:

1. Page 3, line 3.  
Following: "attorneys,"  
Insert: "defense attorneys"

And, as so amended,  
DO PASS

~~DO PASS~~

Senator Himsel

Chairman.

## SENATE COMMITTEE

## FINANCE AND CLAIMS

Date

3/25

Bill No.

227

Time

7:27

NAME	YES	NO	ABSENT	EXCUSED
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Senator Etchart

✓

Senator Story

✓

Senator Aklestad

✓

Senator Nelson

✓

Senator Smith

✓

Senator Dover

✓

Senator Johnson

✓

Senator Keating

✓

Senator Boylan

✓

Senator Regan

✓

Senator Thomas

✓

Senator Stimatz

✓

Senator Van Valkenburg

✓

Senator Haffey

✓

Senator Jacobson

✓

Senator Himsl

✓

9

7

Sylvia Kinsey

Secretary

Senator Himsl

Chairman

Motion:

7:27  
7:27