

MINUTES OF THE MEETING OF THE APPROPRIATIONS COMMITTEE
March 9, 1983

The Appropriations Committee met at 8:00 a.m. on March 9, 1983, in Room 104, with Chairman Francis Bardanouve presiding. All members were present except Rep. Shontz, who was absent. Judy Rippingale, Legislative Fiscal Analyst, was also present. BOULDER RIVER SCHOOL AND HOSPITAL; WARM SPRINGS STATE HOSPITAL; and the DEPARTMENT OF NATURAL RESOURCES budgets were heard. No EXECUTIVE ACTION was taken.

(Tape 5: Track 1:000)

BOULDER RIVER SCHOOL & HOSPITAL:

Representative WALDRON reviewed the budget from Pages D11 and D12 of Exhibit 1. (Exhibit 1).

He said his subcommittee recommends 25 residents be moved out of Boulder... some to Eastmont and some into the communities. The subcommittee deleted 44 FTEs. The subcommittee feels the facility, for the most part, is antiquated and takes \$1.5 million over the biennium just to heat. The General Fund increase is 3.8% between the 1983 biennium and 1985 biennium.

Witnesses:

Carroll SOUTH, Director of the Department of Institutions, stated part of the reason for the transfer of students to Eastmont is because there are only 8 students in a five-day training program at Eastmont. He proposes to close the five-day program in lieu of a seven-day program, which would include the transferred Boulder residents. He stated this is the only movement from Boulder he is recommending at this time until the Boulder situation can be studied more thoroughly and a "master plan" worked out.

Representative MARKS, whose district includes Boulder, opposed any reduction at Boulder Hospital. He presented correspondence from Judith Johnson, Assistant Superintendent, OPI, and Bob Crebo, Consultant to Deaf/Blind Project, Oregon. (Exhibit 2). Representative MARKS asked the Committee to consider the philosophy behind the institution. He feels the comparison to Eastmont is not valid, as the residents of Boulder are more mentally handicapped. Representative MARKS called to the attention of the Committee to a report prepared by Calvin McRae, Superintendent of Glendive elementary schools, showing the first year start-up cost to place a resident in a group home is \$38,332 and \$34,898 the second year. (Exhibit 3). He feels group homes may not be appropriate to deal with the residents. He said there are over 600 people in group homes now needing over 800 service "slots" (identified services). He contends group home residents are not getting services now, so why put more people into the community?

Representative MARKS feels the 4.5% vacancy savings is too high... the other institutions were less.

Representative MARKS feels the Committee should pay special attention to the Medicaid waiver. If the waiver is approved by the federal government, the cost savings of the suggested move would be in the

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neighborhood of \$138,000. If the waiver is not approved, there would be a net loss of \$102,000.

Representative MARKS stated he is preparing a bill to provide for renovation of Boulder to deal with the tremendous \$1.5 million dollar heat cost. In summary, he is asking the Committee to restore all the FTES to support a study to find out how to reduce costs at Boulder, and for support of room at Boulder for training of group home staff.

Bob LAWMEYER, Chairman of a subcommittee in Jefferson County studying the Boulder River School and Hospital, appeared in opposition to the closure. He stated when comparing costs of hospitalization, Boulder is much cheaper per patient. He cited a Texas study which showed it is cheaper to have residents in institutions rather than in group homes. He said Boulder has received a "Commendation for Excellence in Outstanding Care for the Developmentally Disabled". He feels the recommendation for cuts failed to consider the number of people returning to Boulder as readmissions... not just new admissions. He concluded by saying he supports a study to examine Boulder for ways to improve efficiency.

Senator LANE voiced his opposition to the proposed cuts and said he favors more dollars being spent in fixing up the facilities.

Joe GERAGHTY, President of Local 971, AFSCME, AFL-CIO, Butte, stated his opposition to the closure. (Exhibit 4). He said he has worked at Boulder the last 8 1/2 years. He asked the Committee to consider the LFA's final report on Boulder showing a cost study of moving people out into the community. He feels the 4.5% vacancy savings is very unfair, in that the Legislature tells them to hire 450 people, but only funds enough for 425. He feels there are repairs needed that the Legislature has been putting off. He supports the study of the Institution and asks the Committee to consider the medical needs and not only the dollar side of the issue.

Lynda ZIESING, Whitehall, spoke in opposition to the reductions. As a resident, she feels the trend toward group homes for these particular residents is not realistic. She stated there are a number of petitions going around in several cities supporting further study of Boulder to see some valid fiscal comparisons between Boulder Hospital and group homes. She asked the Legislature to consider a firm policy with commitment on this issue.

David KIRSCH, former Mayor of Boulder, opposed the reduction. He said a few years ago the City of Boulder invested money for a trailer pad at the institution at a cost of \$250,000. He stated a large investment was made by the city to help the State of Montana and the Legislature to solve some of the problems at Boulder. He

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feels the Legislature has an obligation to maintain Boulder and to increase the facility in the future.

Connie GRENZ, employee from Boulder, has worked with the mentally retarded for over 11 years, in addition to her work with the residents. She also provides consultation and education to the community and the state. She feels there can be good home placements, but not everyone belongs in a group home. She feels the proposed reductions will have an adverse impact.

Jim SPRING, Chairman of the Governor's Council on Management, said when his committee made the recommendation for closure of Boulder, it was from a dollar management viewpoint. He stated complete closure should not be considered without long-range planning and study.

Representative PECK stated it was law to place these residents in the least restrictive environment. Representative MARKS feels Boulder is the least restrictive when one considers the intensive settings in the group homes, such as 1 1/2 hours a day on busing. He said when the residents get sick, they cannot go home because no one is there during the day to care for them.

Representative MARKS stressed, "Why place more residents into group homes when the state cannot service the needs of group home residents now?"

Representative WINSLOW said that in Billings there is a group home right on a busy street which is much more restrictive than Boulder. He wanted to know who makes the decision on what is "restrictive"? Carroll SOUTH replied that the Legislature decided in the 1970's when it decided to start deinstitutionalizing. Representative WINSLOW asked why there are so many people in nursing homes instead of group homes? No one had that information.

(Tape 5: Track 1:343)

Representative BENGTON asked if the full psychological and sociological impacts have been considered? Representative WALDRON said there had been "needs assessment" studies done by the Department. Carroll SOUTH responded that they had weighed the utilization of the various institutions. In order to utilize Eastmont to capacity, they must transfer 20 - 25 people from Boulder. What they lose in Boulder, they gain in Glendive. Representative BENGTON asked if the people in Glendive were really pushing for this? Mr. SOUTH stated that the community has given little response. He feels it is his job to assure the best service for these residents.

Representative THOFT asked about closing the cottage? Representative MARKS replied that this closure means the cottage loses its'

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Medicaid certification forever. The new federal regulations are so restrictive that this building could never qualify. As long as it stays open, it can keep its' certification.

Representative DONALDSON asked Mr. South what he felt the Legislature should be doing? Mr. SOUTH replied that there should be an in-depth study of the Boulder facility on how many residents actually need to be institutionalized and there needs to be consideration on how to best treat the residents. He does not feel Boulder will ever totally close. After this move, he does not plan any other moves until a further study is done.

(Tape 5: Track 1:447)

WARM SPRINGS/GALEN STATE HOSPITAL:

Agency Summary: Representative WALDRON read the narrative from Pages D26 and D27 of Exhibit 1.

He said the subcommittee is recommending consolidation of the food service by closing the Galen food service and using only the Warm Springs kitchen. They plan to have the food bused in on special trays to Galen... about 5 miles away. As a result of this consolidation, 16.79 FTEs would be deleted.

Witnesses:

Anita DAVIS, Galen food service, voiced her opposition to this change. She said the Governor's Council on Management was inconsistent in its' recommendations because in other areas they recommended not to bus food. She said the insulated trays have been tried at the prison and did not work out. She feels transporting food is fine for healthy people who will all be served the same menu, but at Galen they deal with "patients". Some patients, depending on the extent of their illness, need specially prepared foods. From a nutritional standpoint, transporting food can cut down on the nutritional value of food. She stated an important part of the treatment program for the alcoholics at Galen is their diet. Ms DAVIS asked the Committee to consider the patients in their decision.

Representative WALDRON stated the initial cost of starting the food transportation program would be offset by the deletion of FTEs.

Representative KEENAN appeared in opposition to the consolidation. She questioned the 350 average daily population at Warm Springs. Representative WALDRON contended that at the end of the year institutions will have to revert money based on the average daily population. He said that if Warm Springs were to be staffed based on this population, some FTEs would actually have to be cut. So the reversion would be less than if they cut FTEs. Representative MENAHAN pointed out that last year \$1 million dollars

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was taken for vacancy savings. He asked how many patient days were over what was appropriated? He said that after the money is taken for patient care and vacancy savings, there is none left for treatment. Representative KEENAN stated there must be treatment, not merely custodial care. Representative KEENAN asked the Committee to look more seriously at the proposed consolidation... there has to be some provision to take care of the increase in patients. As far as the consolidation of the kitchens, "If we can't treat them, we might as well feed them".

Carroll SOUTH stated that last session, the Executive request was cut 25 FTEs at Warm Springs and 17 FTEs at Galen... a total of 42 FTEs. Mr. SOUTH said he still believes the Legislature determines the level of care through the number of FTEs and the appropriation. If the Legislature feels the treatment is not adequate, then it is up to the Legislature to appropriate more staff and more money.

Representative WALDRON closed the review of his subcommittees budget recommendations.

(Tape 5: Track 1:683)

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION:

Agency Summary: Representative MANUEL, Chairman of the Natural Resources subcommittee began his presentation by reading the narrative from Pages D29 and D30 of Exhibit 1.

He said an important point was the funding for the Water Adjudication Program from earmarked funds. This funding is contingent on legislation (HB 711) being passed to assess and collect fees from water use claimants. This program did not receive the anticipated revenue because SB 76 was amended to read that \$480 be the maximum anyone would have to pay. The federal government filed over 35,000 claims and the state over 10,000. As a result, the department received an average of \$18 a claim instead of the anticipated \$40 a claim. \$1,275,588 will carry this program through the biennium. About 201,000 total claims were filed. Resources Indemnity Trust (RIT) interest was used to replace General Funds. Approximately \$1.1 million dollars was included in the Division to offset the General Funds. \$600,000 of water development funds were used to fund a portion of the Water Engineering Bureau.

Centralized Services:

Representative MANUEL reviewed Page D31 of Exhibit 1.

Oil and Gas:

Representative MANUEL read the narrative from Pages D32 and D33 of Exhibit 1.

Representative BARDANOUE asked how did \$65,000 of RIT interest

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get into this program? Leo BERRY, Director of the Department of Natural Resources, responded that last biennium the Division received \$65,000. The rationale was that RIT was not really General Fund money and was designed to mitigate environmental damage caused by the extraction of natural resources. The money was used to plug abandoned wells. Representative ROUSH asked why the Department did not raise the license tax on oil and natural gas to the statutory limit of 2/10ths of 1%? (It is currently at 1/20th of 1%.) Mr. BERRY stated the statutory limit is for administration and operation of the Division and not for actual services, such as plugging abandoned wells. Representative BARDANOUE asked if this \$65,000 will plug all the abandoned wells? Mr. BERRY stated it will plug about 5 wells. He said they usually do not locate a well until someone calls in who has just discovered one.

Conservation Districts: Representative MANUEL read the narrative from Pages D34 and D35 of Exhibit 1.

The Committee discussed the use of RIT monies again. It was asked just how much RIT money there is? Mr. BERRY stated that with the recommendations of the subcommittee and the money going to other legislation, the RIT interest funds will be about \$3.9 million dollars "in the hole". They are projecting \$9.5 million dollars RIT interest funds for this biennium. \$3.5 million dollars will go into operations, which leaves \$6 million. There is a total of \$32 million dollars in the Trust.

Water Resources: Representative MANUEL presented the budget request from Pages D36 and D37 of Exhibit 1.

Representative QUILICI stated \$1.7 million of water development RIT monies in DNRC will be used to fund the Water Courts.

Representative THOFT presented an amendment to HB447. (Exhibit 5). It is a General Fund [reappropriated] money of \$186,000 to complete the Daily Ditch program. He stated that if this Committee concurs, it will resolve the Daily Ditch problem.


Energy Division: Representative MANUEL read the narrative from Page D38 of Exhibit 1.

Mr. BERRY asked the Committee to consider a modified request for an electrical engineer. They have 13 projects on-line and he feels the electrical engineer is a high priority. The subcommittee recommended this modification be denied. Representative HEMSTAD, a member of the subcommittee, stated this could come out of the \$1 million in Centralized Services. It will force the Department to prioritize their needs in Contracted Services. Mr. BERRY said some of the money in Contracted Services is restricted on how it may be used.

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In conclusion, Mr. BERRY said he was disturbed that \$300,000 in Water Development funds was used in the Engineering Bureau. He feels the Engineering Bureau should have used General Funds.

The meeting adjourned at 11:50 a.m.

A handwritten signature in cursive script, reading "Francis Bardanouve", written over a horizontal line.

FRANCIS BARDANOUE
Chairman

ps

Agency: Department of Institutions

Program: Boulder River School and Hospital

	FY 1982 Actual	-----Fiscal 1984-----			-----Fiscal 1985-----		
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee
FTE	486.4	447.6	476.4	441.4	447.6	475.4	441.4
Personal Ser.	\$ 8,298,761	\$ 9,316,569	\$ 9,477,269	\$ 9,113,693	\$ 9,311,970	\$ 9,460,622	\$ 9,117,716
Operating Exp.	1,564,853	1,913,415	1,815,604	1,748,697	2,116,855	2,020,199	1,931,111
Equipment	192,822	63,965	44,583	42,044	43,595	48,818	13,991
Non-Oper. Exp.	222,017	-0-	-0-	-0-	-0-	-0-	-0-
Total Exp.	\$10,278,453	\$11,293,949	\$11,337,456	\$10,904,434	\$11,472,420	\$11,529,639	\$11,062,818
	=====	=====	=====	=====	=====	=====	=====
FUNDING:							
General	\$ 9,960,576	\$11,244,409	\$11,287,552	\$10,872,184	\$11,425,221	\$11,484,913	\$11,033,246
Earmarked	9,277	12,206	12,206	12,200	12,427	12,427	12,400
Fed. & Private	308,600	37,334	37,698	20,050	34,772	32,299	17,172
Total Funding	\$10,278,453	\$11,293,949	\$11,337,456	\$10,904,434	\$11,472,420	\$11,529,639	\$11,062,818
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Boulder River School and Hospital provides services to mentally retarded children and adults. The population at Boulder is expected to be about 200 in the 1985 biennium compared to 225 in the 1983 biennium.

General fund increases 3.8 percent, or \$810,470, between the 1983 biennium and the 1985 biennium.

Twenty-five residents will move out of Boulder--some to Eastmont and some to the community. As a result of this move, a cottage at Boulder will be closed. This will result in a savings to Boulder of \$629,175 in fiscal 1984 and \$645,027 in fiscal 1985.

In fiscal 1983 there are 485.4 FTE at Boulder River School and Hospital. A total of 44 FTE have been deleted for the 1985 biennium. The deleted FTE and the reasons for their deletions are shown below.

EXHIBIT #1
3-9-83

<u>Title</u>	<u>FTE</u>	<u>Reason for Deletion</u>
Behavior Modification Therapist	1.5	Title I
Custodial Superintendent	1.0	Vacant
Cosmetologist	.5	Vacant
Equipment Operator	1.0	Vacant
Nurse	1.0	Vacant
Warehouse Worker	1.0	Vacant
Painter	1.0	Added last session as an "adaptive carpenter"
Teacher	3.0	Added last session as a result of an Office of
Teacher Aide	4.0	Civil Rights suit. As the population of school
Occupational Therapist	.5	aged children declines, these positions are no
Rehabilitation Aide	.5	longer needed.
Habilitation Aide	22.0	Twenty-five residents will move out of Boulder
LPN	1.0	"
Cottage Supervisor	1.0	"
Food Service Worker	3.0	"
Habilitation Training Specialist	1.0	"
Custodial Worker	1.0	"
Total	44.0	
	====	

Federal funds decrease because no Title I funding is included.

Agency: Department of InstitutionsProgram: Warm Springs/Galen

	FY 1982 Actual	-----Fiscal 1984-----			-----Fiscal 1985-----		
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee
FTE	759.22	746.62	713.23	753.60	704.37	671.23	704.20
Personal Ser.	\$15,234,433	\$16,988,406	\$15,934,137	\$17,084,504	\$16,068,430	\$15,057,990	\$16,062,885
Operating Exp.	2,895,118	3,724,893	3,449,102	3,635,712	3,982,993	3,709,259	3,889,682
Equipment	99,040	192,976	166,391	183,976	26,479	34,860	26,479
Total Exp.	\$18,228,591	\$20,906,275	\$19,549,630	\$20,904,192	\$20,077,902	\$18,802,109	\$19,979,046
FUNDING:							
General	\$16,781,933	\$19,238,106	\$18,011,217	\$19,216,131	\$18,375,570	\$17,237,318	\$18,256,868
Earmarked	1,390,075	1,633,531	1,503,775	1,653,423	1,684,435	1,546,894	1,704,281
Fed. & Private	56,583	34,638	34,638	34,638	17,897	17,897	17,897
Total Funding	\$18,228,591	\$20,906,275	\$19,549,630	\$20,904,192	\$20,077,902	\$18,802,109	\$19,979,046

Language:

Warm Springs State Hospital is budgeted for an average daily population of 350 patients in fiscal 1984 and 320 in fiscal 1985. Should the actual average daily population be less than the budgeted levels, there shall be a pro-rata personal service reversion for direct care services personnel based on the following direct care ratios.

RN	-	1:11
LPN	-	1:6.4
Special Duty Aides and		
Psychiatric Aides	-	1:1.9

A pro-rata portion of the supplies and materials appropriation directly attributable to the reduction in average daily population referred to above shall also revert.

Item 1 contains \$131,218 for funding through December 31, 1983 for 16.79 FTE food service positions, which will be eliminated once the food services of Warm Springs and Galen are consolidated. Should the consolidation occur prior to December 31, 1983, a pro-rata portion of the funding for the 16.79 FTE positions described above shall revert. This reversion shall be calculated as \$1,693 per day for each day the consolidation is in place before December 31, 1983.

Comments:

Warm Springs/Galen State Hospital is the consolidation of Warm Springs and Galen. The Warm Springs campus provides evaluation and psychiatric treatment for persons who are mentally ill. The Galen campus has alcohol and drug treatment programs. In addition, the Galen campus provides treatment for tuberculosis and silicosis and provides acute medical services for patients from the Warm Springs campus. The fiscal 1984 population is expected to be 350 at Warm Springs and 181 at Galen; the fiscal 1985 population is expected to be 320 at Warm Springs (the children's unit will move to the new Montana Youth Treatment Center in Billings) and 181 at Galen. In the 1983 biennium, Warm Springs was budgeted for 315 residents and Galen 195.

General fund increases 6.0 percent, or \$2,112,797, between the 1983 biennium and the 1985 biennium.

In fiscal 1983, there are 758.97 FTE at Warm Springs/Galen. The following FTE have been deleted by the sub-committee:

<u>Position</u>	<u>FY 1984</u>	<u>FY 1985</u>
Radiologist	.10	.10
Title I	1.25	1.25
Food Service Consolidation ¹	8.39	16.79
Children's Unit Move	0.00	43.00
Vacant Positions	<u>22.70</u>	<u>20.70</u>
Total	32.44	81.84
	=====	=====

Because the population at the Warm Springs campus is expected to increase from the fiscal 1982 level of 323.3 to 350 in fiscal 1984, 27.07 additional direct care positions were appropriated. Operating expenses were increased by \$153,773 to handle the additional population.

Operating expenses were increased \$16,878 over the biennium to pay the transportation costs for court ordered evaluations.

¹In fiscal 1984, 16.79 FTE were deleted for the food service consolidation. Because the equipment needed for the consolidation may not arrive until December, the food service staff were allowed to stay until the equipment arrives.

Agency: Department of Natural Resource

Program: Agency Summary

	FY 1982 Actual	-----Fiscal 1984-----			-----Fiscal 1985-----		
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee
FTE	252.57	257.80	230.55	259.80	259.30	230.55	260.80
Personal Ser.	\$ 5,561,621	\$ 6,092,935	\$ 5,442,875	\$ 6,005,382	\$ 6,109,435	\$ 5,435,237	\$ 6,009,809
Operating Exp.	3,275,795	4,083,269	3,810,192	4,958,000	3,983,351	3,947,810	4,417,395
Equipment	188,209	632,514	85,645	130,514	379,395	49,641	67,395
Non-Oper. Exp.	4,264,597	2,961,320	2,807,000	3,699,320	3,353,940	2,905,400	3,891,940
Total Exp.	\$13,290,222	\$13,770,038	\$12,145,712	\$14,793,216	\$13,826,121	\$12,338,088	\$14,386,539
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FUNDING:							
General	\$ 3,327,700	\$ 3,387,796	\$ 4,587,704	\$ 3,305,279	\$ 2,354,605	\$ 4,547,477	\$ 2,268,939
Earmarked	7,310,936	9,557,189	6,828,611	9,912,187	10,665,066	7,060,925	10,586,877
Fed. & Private	2,651,586	825,053	729,397	1,575,750	806,450	729,686	1,530,723
Total Funding	\$13,290,222	\$13,770,038	\$12,145,712	\$14,793,216	\$13,826,121	\$12,338,088	\$14,386,539
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The Department of Natural Resources and Conservation is responsible for the maintenance and enhancement of Montana's land, water, and energy resources.

The Department consists of five divisions: Centralized Services, Oil and Gas Regulation, Conservation Districts, Water Resources and Energy. The Facility Siting Bureau, formerly a separate unit, has been transferred to the Energy Division.

Funding for the water adjudication program for the 1985 biennium is from earmarked revenues. This funding scheme is contingent on legislation (HB 711) being passed to assess and collect fees from water use claimants. In each year of the 1985 biennium, \$1,275,588 is included to pay the expenses incurred by the state for administering the water adjudication program. This allocation represents the department's portion of the program.

The 1985 biennium general fund appropriation for the Department of Natural Resources decreases \$1,718,865 or 24 percent over the 1983 biennium. The major reasons for this decline are:

1. In the Water Resources Division, Resources Indemnity Trust interest was used to replace general fund. Approximately \$1.1 million was included in the division to offset the general fund.
2. Also in the Water Resources Division, \$600,000 of water development funds were utilized to fund a portion of the Water Engineering Bureau.

Agency: Department of Natural Resources

Program: Centralized Services

	FY 1982 Actual	-----Fiscal 1984-----		-----Fiscal 1985-----			
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee
FTE	47.35	44.00	45.85	45.00	44.00	45.85	45.00
Personal Ser.	\$1,043,168						
Operating Exp.	543,491	\$1,102,164	\$1,142,210	\$1,132,225	\$1,101,706	\$1,140,944	\$1,131,810
Equipment	7,799	396,520	343,246	381,435	377,393	345,287	362,394
Non-oper. Exp.	112,245	2,713	2,698	2,713	5,624	5,624	5,624
		-0-	-0-	-0-	-0-	-0-	
Total Exp.	\$1,706,703	\$1,501,397	\$1,488,154	\$1,516,373	\$1,484,723	\$1,491,855	\$1,499,828
		=====	=====	=====	=====	=====	=====
FUNDING:							
General	\$1,115,206	\$1,124,385	\$1,112,904	\$1,139,361	\$1,083,990	\$1,101,555	\$1,099,095
Earmarked	220,334	347,615	343,250	347,615	371,047	358,300	371,047
Fed. & Private	371,163	29,397	32,000	29,397	29,686	32,000	29,686
Total Funding	\$1,706,703	\$1,501,397	\$1,488,154	\$1,516,373	\$1,484,723	\$1,491,855	\$1,499,828
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The Centralized Services Division is responsible for budgeting, accounting, purchasing, data processing, inventory, technical writing, and editing support for the department.

In the current biennium 1.50 FTE have been removed from the Centralized Services Division. One FTE was transferred to the Conservation Districts Division, with .50 FTE being eliminated due to loss of federal funding. For the 1985 biennium, an .85 FTE was increased to 1.00 FTE to provide a full-time position for publications manager. Also 2.0 FTE were eliminated, the assistant administrator and the special staff to the director.

One FTE editor/technical writer was transferred into the Centralized Services Division from the Facility Siting Bureau as approved by the subcommittee. This transfer will consolidate all editor/technical writer positions in this division. The position is funded by facility siting application fees.

The general fund decreases 4.4 percent in the Centralized Services Division over the 1985 biennium. To offset the declining federal indirect cost revenue, indirect charges against earmarked sources have been increased.

Agency: Department of Natural Resources & Conservation

Program: Oil & Gas

	FY 1982 Actual	-----Fiscal 1984-----			-----Fiscal 1985-----		
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee
FTE	21.01	25.01	19.51	23.00	27.01	19.51	25.00
Personal Ser.	\$391,712	\$ 573,608	\$488,933	\$543,236	\$ 608,561	\$488,178	\$578,270
Operating Exp.	176,328	367,693	246,923	362,049	378,769	249,983	372,442
Equipment	68,372	62,804	28,800	60,804	37,054	9,450	37,054
Total Exp.	\$636,412	\$1,004,105	\$764,656	\$966,089	\$1,024,384	\$747,611	\$987,766
	=====	=====	=====	=====	=====	=====	=====
FUNDING:							
Earmarked	\$636,412	\$1,004,105	\$764,656	\$966,089	\$1,024,384	\$747,611	\$987,766
Total Funding	\$636,412	\$1,004,105	\$764,656	\$966,089	\$1,024,384	\$747,611	\$987,766
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The Oil and Gas Division is responsible for monitoring and licensing all drilling, production, and seismic operations for oil and gas exploration in the state. This division is funded by a license tax imposed on all oil and natural gas produced in the state and \$65,000 of Resource Indemnity Trust interest. The tax is currently set at 1/20 of 1 percent of the value of oil and gas production. Statutorily the tax cannot exceed 2/10 of 1 percent.

The subcommittee approved two additional FTE in fiscal 1984 and four additional FTE in fiscal 1985. These additional FTE are field inspectors which will be used to clear up a backlog of oil and gas well inspections, provide spot check inspections of seismic operations, and to insure the department adequate manpower if oil and gas exploration activities increase substantially in western Montana. These additional FTE will cost \$69,028 in fiscal 1984 and \$118,893 in fiscal 1985. All funding will be from the oil and gas earmarked account.

The subcommittee also approved one FTE and operating expenses to implement an improved oil and gas record system. The improvement to the current system involves the addition of individual oil and gas well records. The cost of the additional FTE and operating expenses is \$69,732 in fiscal 1984 and \$73,290 in fiscal 1985.

In each year of the 1985 biennium, \$65,000 of Resource Indemnity Trust interest money is budgeted to have abandoned wells plugged. Prior to 1953, drillers were not required to post a bond to insure their wells were properly plugged. No records were kept of well locations. In fiscal 1982, none of the money appropriated to plug wells was spent.

Agency: Department of Natural Resources & Conservation

Program: Conservation Districts

FY 1982		-----Fiscal 1984-----		-----Fiscal 1985-----			
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee
FTE	4.20	5.20	5.20	5.20	5.20	5.20	5.20
Personal Ser.	\$ 69,576	\$123,957	\$125,331	\$123,957	\$123,672	\$125,097	\$123,672
Operating Exp.	153,558	120,895	104,304	120,895	130,714	110,506	130,714
Equipment	1,831	297	297	297	717	717	717
Non-Oper. Exp.	113,950	340,000	240,000	340,000	340,000	240,000	340,000
Total Exp.	\$338,915	\$585,149	\$469,932	\$585,149	\$595,103	\$476,320	\$595,103
	=====	=====	=====	=====	=====	=====	=====
FUNDING:							
Earmarked	\$293,500	\$580,909	\$469,932	\$585,149	\$590,711	\$476,320	\$595,103
Federal & Private	45,415	4,240	-0-	-0-	4,392	-0-	-0-
Total Funding	\$338,915	\$585,149	\$469,932	\$585,149	\$595,103	\$476,320	\$595,103
	=====	=====	=====	=====	=====	=====	=====

The Conservation Districts Division is responsible for the administration of soil and water conservation districts.

This division includes one FTE that was transferred from the Centralized Services Program. The additional FTE will monitor grants and loans for the division as well as evaluate increasing grant and loan applications.

In fiscal 1982 two positions were vacant, resulting in a 25 percent vacancy savings rate. The two positions have now been filled. Operating expenses have declined approximately \$23,000 from fiscal 1982, due to the end of the Leafy Spurge Grant Program.

Included in non-operating expenses in each year of the 1985 biennium is \$100,000 of resource indemnity trust interest for local conservation districts' administrative and other expenses. Also \$240,000 of coal tax monies is included each year in grants for individual conservation districts. The conservation districts receive a direct allocation of .25 percent of the coal severance tax receipts.

The subcommittee approved the department's request to spend fees collected for the administration of the rangeland improvement loan program. The funds will be used for travel expenses of the Montana Rangeland Resource Executive Committee to inspect the loan program projects. The request was for \$4,240 in fiscal 1984 and \$4,312 in fiscal 1985.

Funding for the Conservation Districts Program is as follows:

Resource Indemnity Trust Interest	45%
Grass Conservation	1%
Coal Tax	41%
Renewable Resources Development	11%
Conservation Districts	2%

Agency: Department of Natural Resources & Conservation

Program: Water Resources

	FY 1982 Actual	-----Fiscal 1984-----			-----Fiscal 1985-----		
		Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee
FTE	138.01	142.00	122.99	141.59	140.00	122.99	140.59
Personal Ser.	\$2,910,627	\$3,253,912	\$2,746,743	\$3,235,311	\$3,247,033	\$2,742,860	\$3,205,462
Operating Exp.	1,602,295	1,486,087	1,531,151	1,909,443	1,440,061	1,600,424	1,423,738
Equipment	91,504	63,200	50,350	63,200	36,000	33,850	24,000
Non-Oper. Exp.	3,569,840	500,000	500,000	500,000	300,000	300,000	300,000
Total Exp.	\$8,174,266	\$5,303,199	\$4,828,244	\$5,707,954	\$5,023,094	\$4,677,134	\$4,953,200
		=====	=====	=====	=====	=====	=====
FUNDING:							
General	\$1,748,902	\$1,581,489	\$2,995,074	\$1,566,230	\$ 627,958	\$2,988,754	\$ 599,635
Earmarked	4,820,296	3,669,496	1,833,170	4,062,510	4,342,310	1,688,380	4,300,739
Fed. & Private	1,605,068	52,214	-0-	79,214	52,826	-0-	52,826
Total Funding	\$8,174,266	\$5,303,199	\$4,828,244	\$5,707,954	\$5,023,094	\$4,677,134	\$4,953,200
		=====	=====	=====	=====	=====	=====

The Water Resources and Planning Division is responsible for the regulation, apportionment, and conservation of water for the state.

The Water Resources Division has experienced numerous changes in FTE since fiscal 1982. The following chart details these changes:

FY 82	138.01		
	<u>(-)11.02</u>	FTE	Related to Hiplex Project and Daly Ditch
FY 83	126.99		
	(-)1.25	FTE	Closure of Hiplex
	(-)3.15	FTE	Closure of Daly Ditch
	+5.00	FTE	Addition of Reserved Rights Water Compact Commission - HB617
	<u>+11.00</u>	FTE	Addition of Water Development - SB409
	138.59	FY 84	Current Level
	(-)2.00	Subcommittee	elimination of vacant positions
	+2.00	State	flood plain assistance
	+2.00	New FTE's	for Water Rights <i>Permits to</i> Adjudication
	<u>+1.00</u>	National Water Use	Data System
FY 84	141.59	Subcommittee	Recommendation

FTE additions in the 1985 biennium include:

- 2.00 FTE's to administer the federally-funded flood plan insurance program. The two employees provide technical assistance to communities concerning flood plan management and the National Flood Insurance Program. Total cost of these FTE for each year of the biennium is \$108,000.
- 2.00 FTE's - one hearings officer and secretary to reduce the processing time required for hearings on water right permits. This staff would allow the division to hold 40 to 60 additional hearings per year. Total cost per year for these FTE is \$137,000 per year.
- 1.00 FTE to administer the federally funded National Water Use Data Program. Through this effort the department is compiling records of various water uses in Montana. Total cost per year for this FTE is \$27,000.

The 1985 biennium includes \$500,000 in fiscal 1984 and \$300,000 in fiscal 1985 for water development studies and project repairs. Funding is from the Water Development Earmarked Account.

~~Funding for the two additional water adjudication FTEs and the entire water adjudication program has been provided through an earmarked revenue account. This funding is contingent upon the passage of House Bill 711. This legislation would raise user fees based on the number of water claims filed. The total adjudication program is funded at \$1,275,588 in each year of the 1985 biennium. If the legislation does not pass, statutorily the program must be general funded.~~

General fund in the Water Resources Division has been offset in the 1985 biennium with Resource Indemnity Trust Interest funds. Fiscal 1984 includes \$963,774 of RIT interest funds increasing to \$1,820,500 in 1985. General fund decreases over the biennium by 43 percent.

Agency: Department of Natural Resources & Conservation

Program: Energy

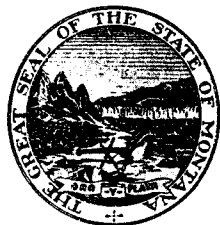
FY 1982		-----Fiscal 1984-----		-----Fiscal 1985-----			
	<u>Actual</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>	<u>Executive</u>	<u>Current Level</u>	<u>Subcommittee</u>
FTE	43.00	41.00	37.00	38.00	40.50	37.00	38.00
Personal Ser.	\$1,146,538	\$1,039,294	\$ 939,658	\$ 970,653	\$1,028,463	\$ 938,158	\$ 970,595
Operating Exp.	800,123	1,712,074	1,584,568	2,184,178	1,656,414	1,641,610	2,128,107
Equipment	18,703	3,500	3,500	3,500	-0-	-0-	-0-
Non-Oper. Exp.	468,562	2,621,320	2,067,000	2,859,320	3,013,940	2,365,400	3,251,940
Total Exp.	\$2,433,926	\$5,376,188	\$4,594,726	\$6,017,651	\$5,698,817	\$4,945,168	\$6,350,642
	=====	=====	=====	=====	=====	=====	=====
FUNDING:							
General	\$ 463,592	\$ 681,922	\$ 479,726	\$ 599,688	\$ 642,657	\$ 457,168	\$ 570,209
Earmarked	1,340,394	3,955,064	3,415,000	3,955,064	4,336,614	3,788,000	4,336,614
Fed. & Private	629,940	739,202	700,000	1,462,899	719,546	700,000	1,443,819
Total Funding	\$2,433,926	\$5,376,188	\$4,594,726	\$6,017,651	\$5,698,817	\$4,945,168	\$6,350,642
	=====	=====	=====	=====	=====	=====	=====

The Energy Division is responsible for administering the Montana Major Facility Siting Act, the Alternative Energy Grant and Loan Program, the Energy Emergency Act, and the Federal Energy Conservation Programs. The Energy Division now includes the Facility Siting Bureau which was formerly a separate division. The Energy Division table reflects this change. The 38 FTE approved by the subcommittee including 31 FTE from the Energy Division and 7 FTE from transferred with Facility Siting.

Operating expenses now include \$1,000,000 in spending authority each year of the 1985 biennium to conduct facility siting research when requested. The department receives funding for environmental impact statements through filing fees paid by applicants. The fees are determined by statute.

The Renewable Energy Grants and Loans Program is funded at \$2,955,064 in fiscal 1984 and \$3,336,614 in fiscal 1985. The grants and loans go to individuals and organizations for projects that utilize renewable energy sources such as solar, wind and geothermal. In each year approximately \$300,000 is included for operating expenses, with the remainder spent for grants and loans.

D 38



OFFICE OF PUBLIC INSTRUCTION

STATE CAPITOL
HELENA, MONTANA 59620
(406) 449-3095

Superintendent

March 3, 1983

To: Representative Bob Marks
House of Representatives

From: Judith A. Johnson *Judith A. Johnson*
Assistant Superintendent
Department of Special Services

Re: Boulder River School and Hospital

Attached is a letter we received from Bob Crebo. We asked Bob to write a brief summary of what he is seeing with our deinstitutionalized kids as he goes around the state. We concur with what Bob is saying and hope it will be helpful to you. Bob's letter certainly does not reflect badly on schools but I do think it points out some uncontrollable factors associated with deinstitutionalization.

Please let us know if we can be of assistance.

JAJ:mf

Attachment

cc: Robert Laumeyer, Superintendent, Boulder Public Schools
Richard Heard, Superintendent, Boulder River School & Hospital

February 25, 1983

To: Ms. Judy Johnson
Assistant Superintendent
Office of Public Instruction
State Capitol
Helena, Montana 59620

From: Robert Crebo, Consultant *RC*
Deaf/Blind Project
6981 N.E. Graham Place
Portland, Oregon 97213

Re: Written Statement in Support of Boulder River School and Hospital

My name is Robert Crebo. I am presently employed by the Special Education Department of Portland Public Schools. My responsibilities include: staff development, program development, and development of district policies, procedures and compliance documents. My current involvement with the State of Montana is as a consultant to the Office of Public Instruction to provide on-site technical assistance to deaf/blind students and the staff working with them. I began my career in Montana at the Boulder River School and Hospital as a teacher in the Deaf/Blind Program. During my last visit (February, 1983) I spent two days at the Boulder River School and Hospital with students and staff. At that time there was a great deal of press regarding the reduction of clients and staff at the institution. I feel professionally compelled to comment on the movement to eventually close the State Institution. It is important to note that my comments have no political or financial connections and are based completely on my professional and philosophical beliefs.

I am and have been a supporter of deinstitutionalization but only on an individual client by client basis. This individual decision must be coupled with a long range plan to systematically 'mainstream' a client back into the community. The plan must not only focus on the client but also on the community as a whole and the educational system. The plan must contain an evaluation procedure to determine the effectiveness of this process.

To illustrate the importance of such a plan the following true example is provided. As an educator who has dealt with many different types of students and adults there are some known educational best practices that must be kept in mind. They are:

1. students/adults learn best when their environment is familiar/predictable.
2. consistency is critical for learning to occur.
3. systematic instruction is an important instructional tool in the educational process.
4. carry over from one environment to another greatly enhances the learning process.

This illustration involves a student who is now 18 years old. The student is blind, is ambulatory, can feed and toilet himself with assistance, and is echolalic in speech (repeats most of his words/initiates little speech). The student is emotionally disturbed and has acting out behaviors which are potentially dangerous to himself and others. From the time this student was

deinstitutionalized 8 years ago he has lived in five different residential environments and has been placed in six different educational placements. Since there is no State adopted special education curriculum/competencies (which is not unique to Montana) the focus of each educational environment can not be commented on. The student is currently placed in a classroom with vision and hearing students which emphasizes pre-academic/academic skills. It is my professional opinion that the focus should be community based pre-vocational and vocational skills.

With this information I suggest that the educational/environmental changes this severely handicapped student has experienced would challenge the skills of a gifted student with no handicap. This says nothing about the seemingly complete disregard for the educational best practices referred to earlier in this document.

It is my contention in siting this example to amplify the need for a well structured plan that assures continuity from program to program when relocating a handicapped client. If this can not be assured and verified I feel that the need for a consistent environment like Boulder River School and Hospital is increased for some students. When I was employed at Boulder River School and Hospital there was a high quality educational program and a great deal of coordination between the school and the residential environment. This had a very positive effect on the skills the students gained.

During my recent visit to Boulder I observed two classrooms of students, who without exception, required very specialized services. These students not only have severe sensory impairments but also require specialized medical and physical therapy services. I am convinced that the centralized services offered at the institution are the most effective means for providing such ongoing and critical needs. This strengthens my opinion that there is a demonstratable need to keep Boulder River School and Hospital open.

In closing I would like to comment on the community of Boulder and the citizens' receptivity to the clients at the institution. During my employment at Boulder River School and Hospital the acceptance of the community was unquestionable. There were many opportunities for interaction in the community by the residence of Boulder River School and Hospital. This is an important component to any program and one that often dictates the success of placing handicapped clients back into the community. The community should be commended for their support and assistance.

The information contained in this document is intended to support two main points:

1. That there is a need to maintain Boulder River School and Hospital for low incidence, high need severely handicapped clients.
2. That deinstitutionalization is an important and supported concept but it must be systematic and well planned in order for it to be successful. If it is not we may ultimately do a greater injustice to these clients and in fact predict their failure.

Exhibit

COST PROJECTION
TO
PROVIDE EDUCATIONAL SERVICES
FOR
EIGHT OUT-OF-DISTRICT PROFOUNDLY HANDICAPPED CHILDREN
PRESENTLY
SERVED BY EASTMONT TRAINING CENTER

PREPARED BY
CALVIN G. McRAE, SUPERINTENDENT

GLENDIVE ELEMENTARY SCHOOLS
GLENDIVE, MONTANA

14 FEBRUARY 1983

COST PROJECTION
CALVIN G. McRAE
14 FEBRUARY 1983

INSTRUCTIONAL SERVICES

1944 1 year

Teachers Salaries 2 @ \$21,840	\$43,680
Speech Therapist salary .5@ 21,840	10,920 →
Instructional aides salaries 2@ 7,100	14,200
Health insurance	7,530
Health 2.5 x 210 x 12 =	\$6,300
Dental 2.5 x 31 x 12 =	930
Disability 2.5 x 7 x 12 =	210
Life 2.5 x 3 x 12 =	90
Supplies, Instructional	600
New equipment (minor) 2 rooms @ 3,500	7,000
New equipment (major) 2 rooms @ 500	1,000
<u>UTILITIES</u>	2,385
Heat \$1,435	
Electricity 775	
Water 175	

BUILDING MAINTENANCE 1,000

SUPPORTIVE SERVICES

Contracted Services:

Psychologist 8 days @ \$150.	1,200
Physical Therapist 4 visits 32 hours @\$50	1,600
Occupational Therapist 4 visits 32 hours @ \$50	1,600

Clerical Salaries:

1.5 hours per day 311 hours @ \$6.00	1,866
--------------------------------------	-------

Custodial Salaries:

360 hours @ \$4.75	1,710
--------------------	-------

Transportation Aides:

1143 hours @ \$5.00 <i>6.35 / hour</i>	5,715 <i>2857.5</i>
----------------------------------------	---------------------

TRANSPORTATION SERVICES

Bus driver 572 hours @ \$6.75	3,861
Maintenance and repair	900
Operation and insurance	1,240
Bus depreciation (beginning 1984-85 school year)	5,124
School bus (1) Equiped for special ed students Including a wheel chair lift	25,600

COST PROJECTION
CALVIN G. McRAE
14 FEBRUARY 1983
page 2

CURRENT COSTS

Social Security	$\$81,952 \times .067$	5,491
Teachers Retirement	$54,600 \times .06463$	3,524
Public Employees Retirement	$16,066 \times .0632$	1,016
Unemployment	$81,952 \times .002$	656
Workman's Compensation	$11,286 \times .02$	
	$70,666 \times .0018$	354
TOTAL BUDGET		<u>\$144,653</u>

First year cost \$144,653

Cost per child $144653 \div 8 = \$18,082/\text{child}$

Second year cost \$117,177 + inflation.

Cost per child $117177 \div 8 = \$14,648$ plus inflation/child

The second year reduction is due to removing one time costs of the bus and most of the equipment expenditure and adding bus depreciation.

DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES

RECEIVED

FEB 14 1983

3-1-1983



TED SCHWINDEN, GOVERNOR

STATE OF MONTANA

Miles City Regional Office
Developmental Disabilities Division
P.O. Box 880
Miles City, Montana 59301

DATE: February 4, 1983

TO: Cal McRae, Superintendent

FROM: Susan Matthews, Regional Supervisor *SM*

Per your request I have enclosed preliminary budget figures for start-up costs and operational costs for a children's group home.

Our Division would contract with a local non-profit corporation to provide these services.

Please call if you have any questions regarding these costs.

SM/clg
enclosure

Copy to Gail Gray

INCOME SOURCES: (Based on 4 residents per home)

I. Developmental Disabilities Division (Training Dollars, *based on
Statewide average)

*\$15,603 per child/per year x 4 children = \$62,412

II. Supplemental Security Income or Social Security

\$3,412 per child/per year x 4 children = \$13,648

III. State Supplement paid by SRS

\$1,248 per child/per year x 4 children = \$4,992

TOTAL ANNUALIZED OPERATIONAL EXPENSE INCOME: \$81,052

Start-up costs: \$40,000 - Developmental Disabilities Division
Usually approximately \$20,000 has been applied to down payment of
home and \$20,000 applied for furnishings.

Using the existing budget in Miles City, I have provided an approximated
budget using a minimal breakdown outlining typical expenses.

Staff Salaries (5 trainers)	\$60,000
Mortgage, Utilities, Repairs, Maintenance	8,000
Office supplies, postage, etc.	500
Staff Travel	400
Insurance	500
Telephone, Accounting, Professional Supplies, legal, etc., Advertising, food, client allowance	11,600

TOTAL \$81,000

These budgets vary immensely across the state due to amount of salary negotiated, mortgage payments, etc. Some group homes hire live-in "parents" where a portion of their salary comes from room and board. State and federal law does not require payment for sleeping over-night unless the individual has to get up with a client during the night.

In summary, 2 group homes would provide jobs for approximately 10 persons. On-going expenses, i.e. food, clothing, insurance, professional and educational supplies, etc. would impart approximately \$10,000 to \$15,000 to the Glendive community.

I hope this information is helpful to you and should you have any questions please call me.

SM/clg

GLENDIVE PUBLIC SCHOOLS

BOX 701 GLENDIVE, MONTANA 59330

CALVIN G. McRAE

SUPT. OF SCHOOLS

406-365-5293

MRS. VADA M. TAYLOR

DISTRICT CLERK

406-365-2555

DAWSON COUNTY

HIGH SCHOOL

406-365-5265

JOHN H. JOHNSON

PRINCIPAL

406-365-6130

HELENE M. HOPFAUF

VICE-PRINCIPAL

406-365-3533

ELEMENTARY SCHOOL

DISTRICT NO. ONE

WASHINGTON SCHOOL

HARRY DARLING

PRINCIPAL

406-365-5680

LINCOLN SCHOOL

WILLIAM D. KELLY

PRINCIPAL

406-365-2755

JEFFERSON SCHOOL

LAWRENCE J. BOWMAN

PRINCIPAL

406-365-4155

RECEIVED
FEB 21 1983
SUPERINTENDENT
OF PUBLIC INSTRUCTION

21 February 1983

Ms. Gail Gray, Supervisor
Special Education
Office of Public Instruction
Helena, MT 59620

Dear Ms. Gray:

I have prepared a cost breakdown for providing for the eight out-of-district students presently in the Eastmont Training Center's five day program. The breakdown, which is attached is based on providing two classrooms for the students. Glendive also has three (3) students, (two (2) of which are in the Eastmont program) which will require services. Additional classroom space would not be needed for Glendive's students since they could be placed in the same rooms with an additional aide for each room.

Some questions need to be answered and hopefully you can provide the answers.

- speech*
side +
indicated
p - 20;
1. Which costs and what percentage of those costs will be reimbursed to the receiving district? *all the services of funds would pass to the receiving district for P.T., OT*
 2. How much can the receiving district charge the resident district for excess costs? *only regular tuition charged to other non resident students*
 3. Are all excess costs chargeable to the resident district? *no*

I would like to know the answers to the above questions as soon as possible.

I received a breakdown of anticipated costs for the group homes. You can put that together with my cost sheet and come up with the actual costs for educating these children and make a comparison with the cost of keeping them in the Eastmont program.

Figuring the cost of the group homes and the educational program combined is more than it presently costs to do both at Eastmont.

21 February 1983
Gail Gray
page 2

The cost breakdown is as follows:

1983-84 (First Year)

Educational program	18,082/child	144,656
Group Home costs	<u>20,250</u>	<u>162,000</u>
Total costs	<u>\$38,332</u>	\$306,656

1984-85 (Second year and thereafter)

Educational program	14,648/child + inflation	117,184
Group Home costs	<u>20,250</u>	<u>162,000</u>
Total cost (must add to this for inflation)	<u>\$34,898</u>	\$279,184

If you need any other information, please contact me. I will be happy to cooperate in any way I can.

Sincerely,

Calvin G. McRae

Calvin G. McRae
Superintendent

February 28, 1983

Calvin McRae
Superintendent
Glendive Public School
PO Box 701
Glendive, MT 59330

Dear Mr. McRae:

This is in response to your letter of February 21, 1983 and our telephone conversation of February 25, in which the impact of the proposed movement of eight students from Eastmont Training Center to group homes in Glendive was discussed. Those students would then require educational services from the Glendive Public Schools.

Below are my responses to your three questions:

1. Which costs and what percentage of those costs will be reimbursed to the receiving district?

The Office of Public Instruction, through contingency funding, would allocate funds for the proposed two teachers and two aides including salaries and health insurance. Contracted services for physical and occupational therapy and some additional speech therapy services would be fundable with contingency funds. The cost of a transportation aide would be fundable with set aside funds from our EHA-B federal grant. The cost of equipment and supplies is not one for which state contingency has been allocated. Utilities, building maintenance, clerical, custodial transportation and employee benefits except health insurance would have to be born by the local district or county.

2. How much can the receiving district charge the resident district for excess costs?

Regular tuition equal to that which is charged for nonhandicapped students for other nonresident students would be the only charge that the Glendive School District could seek from resident districts.

3. Are all excess costs chargeable to the resident district?

No.

If you would like to discuss this further, please contact me.

Sincerely,

GAIL GRAY
Specialist
Department of Special Services

GG/vv

The legislative subcommittee on Institutions recently approved the movement of 16 residents out of Boulder River School and Hospital into community facilities.

This action will deprive 16 more of the 651 developmentally disabled clients, currently in the community, of needed services. Additionally, the movement represents a financial shell game, with the taxpayers holding the bag, at the expense of the 651 clients currently on waiting lists for community services. Subcommittee Chairman, Steve Waldron, (D-Missoula), claims the movement will save the state money, but the figures tell an entirely different story.

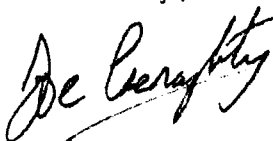
In Fiscal Year 1982, Boulder River School and Hospital spent \$10,055,967 or \$45,591 per resident. However, the conveniently overlooked fact is that the state general fund was reimbursed, in FY 1982, at the total of \$3,889,195.20 or \$17,632.56 per resident. The reimbursements came from Medicaid (\$2,889,920.20), Medicare (\$80,094), Insurance (\$79,838) and Private (\$848,343). This does not reflect the state share of \$1,677,497.80 for 36.8% of Medicaid. The actual cost to the state for FY 1982 for Boulder River School & Hospital was \$6,166,772 or about \$27,958.47 per resident. This includes the full and total cost of caring for, feeding, housing, educating, transporting, clothing, nursing, medical treatments, entertainment of BRS&H residents and the cost of maintaining the entire institutional physical plant.

The institutions subcommittee approved cuts of \$597,396, in the Boulder Budget, as savings to the taxpayers of the state as a result of the move. Assuming the savings would be the same in the second year of the biennium, the total "savings" would be \$1,194,792.

It is at this point the supposed savings break down because the committee has recommended \$900,000 for the Developmentally Disabled budget of Social Rehabilitative Services. Since the state is not reimbursed once the clients leave BRS&H, the average cost from the reimbursements, the state now receives, is about \$17,632.56 per resident per year. The total loss to the state, from the reimbursement for these 16 residents, would be \$564,241.92 for two years. If you assume the state share of Medicaid reimbursements would be the same as at the institution the state share would be \$7,605.32 per person per year or \$243,370 for the biennium. Add the \$900,000 to the SRS budget and the total cost to the state is \$1,707,612 for moving 16 residents from Boulder versus anticipated savings of \$1,194,792 from the Boulder budget. It puts the taxpayers about \$512,820 in the hole to move the 16 persons to the community to deprive 16 people, in the community, of badly needed services.

If the Legislature keeps spending about \$1,707,612 to save \$1,197,792 we'll save ourselves into bankruptcy.

Sincerely,



Joe Geraghty, President
Local 971, AFSCME, AFL-CIO
1550 Waterline Road
Butte, MT 59701

For Representative Thoft

Add to H.B. 447 at end of Department's appropriation:

"The general fund appropriation of \$186,000 in item 5 for fiscal year 1983 contained in H.B. 500, Laws of 1983, for a grant to an irrigation district formed to operate the Daly Ditch water project was conditioned for the purpose of operating and maintaining the project for one (1) year. This condition is changed to allow the grant for the purpose of operating and maintaining the project for two (2) years."

VISITORS' REGISTER

HOUSE Appropriations COMMITTEEBILL InstitutionsDate 3-9-83~~SPONSOR~~

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Gordon McGowan	Highwood Mont	M.S.U.	✓	
Francis Olson	E. Helena, Mt	O.B.P.P.		
Dore Goss	Billings	Blge Chamber of Commerce		
Hayden	Helena	Chloro of Montana League of Women		
Bo Almsten	Boulder		✓	
Robert Lawmeyer	Boulder	Chairman B.R.S.H. Jefferson C. Comm.	✓	
Nedra Jansen	Helena	AFSCME		
ROLF ZIESING				
Janet H. Krich	Box 209 Boulder Mt	Boulder	✓	
Clarence Nelson	Box 73, Boulder Mt.	Boulder	✓	
W.E. Stevens	Box 609 Boulder Mt	Boulder	✓	
Doug Schmitz	Box 19 Jefferson City	Jefferson County	✓	
Gene Hill	Raynsford, Mt	E.M.S.U.	✓	
Avis Erickson	Whitehall, Mt.	Self	✓	
Lynna Ziesing	Whitehall, Mt.	Self	✓	
Connie L. Arney	Boulder Mt	Boulder	✓	
Dave DeFew	Helena	M.P.E.A		
Bill Gosnell	Helena Helena	O.B.P.P.		
John Spence	Helena	Asst. of Institutions		
Jim Hubbard				

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

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BILL

Date 3/9/83

SPONSOR

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
<i>Norm Englund</i>		<i>LDA</i>		
<i>Lo Hehe Kana</i>		<i>NPCH</i>	✓	
<i>Norm Hillier</i>	<i>Baniden</i>	<i>3R 548</i>	✓	
<i>Dana K. Hlop</i>	<i>Amst. la</i>	<i>EP 644</i>		✓
<i>Joe H. Hlop</i>	<i>Butte</i>	<i>Local 911 + Self</i>		✓
<i>Deborah Hlop</i>	<i>Braidli</i>	<i>Local 911 self</i>		✓
<i>Lo Hlop</i>	<i>Seventon Dist 40</i>			
<i>Lo Hlop</i>				

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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE APPROPRIATIONS

COMMITTEE

~~XXXX~~ DEPARTMENT OF NATURAL RESOURCES

DATE MARCH 9, 1983

SPONSOR

[illegible]

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WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.