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MINUTES OF THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON  
INSTITUTIONS  
February 11, 1983

Side 60 The meeting was called to order at 8:15 a.m.  
in Room 108 of the Capitol Building.

Members present were Sen. Mark Etchart, Sen. Bill Thomas,  
Rep. Bob Thoft, Sen. Donald Ochsner, Rep. Steve Waldron,  
and Rep. Glenn Roush.

Also present were Norm Rostocki of the Legislative Fiscal  
Analyst's Office (LFA), Bill Gosnell of the Governor's  
Office of Budget and Program Planning (OBPP), Carroll  
South, director of the Department of Institutions, Dan  
Russell, administrator of the Corrections Division,  
Jerry Hoover, administrator of the Mental Health Division,  
and Jim Pomroy, Corrections Support Bureau Chief.

(021) Mr. South introduced his staff and provided an  
overview of the Corrections Division.

The Chairman asked Mr. South to explain what HB24 does  
and what affect it would have on the Department of  
Institutions. Mr. South explained that this bill would  
affect the residential youth facilities in the state.  
He noted that it would not affect the four aftercare  
group homes currently under the Department of Institutions.  
The committee discussed placement of youths in corrections  
programs and the funding structure for these corrections  
programs. Mr. Russell explained the different kinds of  
group homes and the method by which they are funded.

(250) Mr. Rostocki outlined some of the issues the com-  
mittee will discuss in their joint session with the Human  
Services Subcommittee. Included in this area of discussion  
was intensive group homes for the emotionally disturbed,  
the lack of an intermediate care facility for emotionally  
disturbed adolescents, and the Youth Treatment Center to be  
constructed in Billings.

The committee discussed the rising cost of group homes and  
foster care. The LFA stated that part of this problem is  
that there is no definition of allowable costs. Rep. Roush  
voiced concern regarding the potential profit to be made by  
foster parents and whether this may contribute to these  
rising costs.

(551) Mr. South explained to the committee why the private  
intermediate care facility for emotionally disturbed adole-  
scents had to be closed down. The main problem was that the  
Department of Social and Rehabilitation Services could not  
keep up with the payments for placements because they had

increased the rates to all care facilities in excess of their budget. When the rates were later rolled back, this facility's rates were dropped from \$2,200 per month to \$1,600 per month. The Department of Institutions had to pick up some of these costs. Also, the owner sold the building and the Departments could not find another suitable building.

The committee discussed the reasoning behind the Department starting a program to deal with youth 5-11 years old when they aren't adequately dealing with the 12-18 year old population.

The Chairman voiced his concern that there are not any intermediate care facilities for emotionally disturbed adolescents. Mr. South stated that the program is in an embryonic state at this time and can be changed depending on needs. Mr. Russell reiterated that this Department's primary concern is the treatment of youth.

Side 61

(025) Cliff Murphy of the Advisory Board of the Volunteers of America in Billings explained to the committee that the program in Billings was initially designed for children under 11 years of age but they have been accepting adolescents over 12 years of age. A large number of the clients at the Volunteers of America program in Billings were referred by the Department of Social and Rehabilitation Services.

It was established that the Volunteers of America program in Billings is primarily utilized by the Department of Social and Rehabilitation and their program in Missoula is primarily utilized by the Department of Institutions.

(081) The committee discussed the cost of Alcohol programs in Warm Springs/Galen (see Attachment 1). There was a portion of this program funded by the General Fund as the costs of the Alcohol Program exceeded the earmarked revenues which fund the program. There was some disagreement in the committee whether General Fund should be used for this program or whether this program should be funded solely from Alcohol block grants.

The meeting was adjourned at 9:15 a.m.

Respectfully submitted:



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Steve Waldron, Chairman

Approved

VISITORS' REGISTER

HOUSE Institutions Sub COMMITTEE

BILL \_\_\_\_\_

Date 2-11-83

SPONSOR \_\_\_\_\_

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
<i>Phil Murphy</i>	<i>- Blgs.</i>	<i>V O. A.</i>		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

# WS/G Cost of Alcohol Program

Cost in fiscal 1982 (SBAS 662, #51 + #52)

115,482	General Fund
<u>1,305,988</u>	Alcohol Funds
1,421,470	Total

## Inflate Personal Services

1,210,516 Total Personal services FY82

X 1.12

1,355,778 Personal services base level

+ 18,809 Sal + Benefits for position included  
in FY84 +84 which was vacant  
in FY82

1,374,587

## Inflate Operating Costs (from LIBS)

FY84 255,813

FY85 288,297

## Total Cost

FY84 1,374,587 + 255,813 = 1,630,400

FY85 1,374,587 + 288,297 = 1,662,884

Indirect costs are allocated based on the type of service:

food service based on number of meals  
med. records based on number of admissions  
warehouse based on number of issues  
admin. based on number of FTE

Detox (SBA\$ 662 # 511 + 521)

570,553

34,823

605,376

FY82 detox costs