

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

April 4, 1983

The 14th meeting of the Senate Finance and Claims Committee met on the above date in room 108 of the State Capitol. Senator Himsel called the meeting to order at 9:12 a.m.

ROLL CALL: Roll call was taken with all members present except Senators Hammond and Thomas who were excused.

CONSIDERATION OF HOUSE BILL 447: (Continued) Senator Himsel said he had a request from the Board of Regents who had not had the opportunity to make some comments on changes in the budget. Mr. Morrison would speak on the prospective of the board on the budget.

JEFF MORRISON, Board of Regents said that it is important to understand the formula as it was presented to you. This was an attempt 2 years ago to bring the universities to the level of its peer institutions in the area. Last session there was not enough funds to do this so certain cuts were made. Support costs were cut to 92% the first year and 97% the second year. The salaries--faculty salaries were at a point where we are unable to meet the peer institutions. The pay plan plus the clerical area was added to some of the areas in attracting and retaining faculty. Engineering, science, business, etc. added quite an infusion of dollars into the budget but not up to the level of the peers. With that in mind--now--other than that part of the formula that is travel, by inflationary factors the instruction and support now is presented at 97% of what was generated 2 years ago. In essence, it created a 3% vacancy factor. We are now at 95% where it was at 97% 2 years ago. The total budget--some corrections need to be made there. The percentage increase for the first year over this year is 6%. The figure here over the first year, the increase, will be about 3 1/2%, quite a difference. To put it another way, what has happened to the cost per student in the session. In the 1981 budget, 3600 students, in the coming year 3900 students. Second \$4,000 per student. This is an increase of 100 dollars, but still \$100 below the last one. The added cost per student was less than the budget cost because we had a number of students, 3500 in the first and 3800 in the second. Two to three hundred dollars below what we are budgeted for. Enrollments have always been in a catch-up situation. We hope now we are in a leveling off situation where we are not playing catch up with enrollments. However, last year we were 10% over enrollment. Twenty-five hundred students not in the budget. This is the total of the number of students enrolled in Western and Northern combined that the system had to absorb. We, in essence, absorbed 2 institutions without funds. How were the students affected? As a member of the board and having a student in the system, I can answer. In some areas they have tremendously large classes. In some cases they are not being taught. There is not enough space, particularly in the freshman and sophomore areas. They are not getting the classes and when they do, no individual attention.

Labs are almost impossible to come by, sometimes running after midnight. Testing has become very difficult. Not time to make a good measurement when 200 in a class. Evaluation is difficult. Counselors are difficult. Another thing being that when the students don't get the classes and are forced to not take them or to take other classes, it may mean another year in school. This costs the parents, the students and the state more money. The admission policy. The Board of Regents has talked about it. We think it is something we should be concerned about. Also talking with the State Board of Education to see how we can work together. Perhaps project from their enrollments. To control the admission policy by setting a limit? By scholarship? Drive tuition up to a point where they cannot afford to attend? Maintain higher standards which would force many out? Before we do it, what are the results? Montana right now has no comprehensive junior college system. Where will they go? Particularly in this economy. A number will probably go on welfare and some may even wind up in prison. We are certainly better off with them in the university system. We should see that students are there for a purpose. First, where last? in state 12 1/2 %. Second, willingness--an additional 11 1/2% per credit hour. In 1980 a credit hour, this is an increase to in-state students to \$15 a credit hour, or 85% in 4 years. We think that they are carrying their share. The budget includes very little as far as modifieds. More space, computer for NMC. It includes \$500,000 for a work study. Reduces from \$2 million from what was recommended by the Governor. The Board of Regents after much discussion is against the recommendations of the commissioner recommending a budget with no salary increases. We would go along with whatever the pay plan was, we think we have presented a responsible budget and the one before us is a responsible budget. With the number of students we have to serve, we think we are doing as good a job as we can.

SENATOR HIMSL: We do appreciate your comments. We will now open the section on Human Services. I would have you remember, this is not a public hearing in the regular sense, since all the issues have come up before the subcommittees and the House Appropriations Committee. Presentations have come up before the subcommittees and many members are on this committee. Recognizing things change, we think it only fair the department heads have an opportunity to share with us any new information they have. We don't want a re-run on presentation made to other committees. I would also suggest if anyone in the departments have an amendment to run by, you ask your subcommittee member who heard the requests of your department to hear these requests. We will not open this committee up to a blizzard of amendments coming in from all over.

Department of Health and Environmental Sciences.

REPRESENTATIVE SHONTZ, Chairman for the Human Services subcommittee gave the presentation of this section of the budget, beginning on page 32, line 13 of the blue bill, B 1 of the blue book. Represen-

tative Shontz said the Department of Health reorganized during the first week of the legislative session and the subcommittee acted upon the new organizational budgets. Several programs show no 1982 actual expenditures. The Governor's budget and the LFA were built on the department before reorganization.

Food and Consumer Safety, we added training for a sanitarian across the state. In regard to Senate Bill 403; 403 increased all license fees for food establishments and this was decreased in line 20. The passage of 119 and 418, much is passed through to the counties, and there is a reduction of about 1/4 million in the biennium.

In solid waste management, we will be asking for an amendment. B11. On hazardous waste there is a temporary 16 month contract and \$16 million. This will complete the hazardous waste contract in Montana.

Air Quality Control. B 12-13. This has the maintenance of effort clause. The state must expend the minimum, the amount expended in the base figure year. We have increased general fund to 323,870 in '84 from the \$311,082. This is building the general fund base for future bienniums.

SENATOR KEATING: Has the Canadian plant cranked up yet? Are they working north of Scobey?

REPRESENTATIVE SHONTZ: Units 1 and 2 are on line and the base line study is granted. Three and 4 are scheduled in the last biennium, are now scheduled for this summer or late this fall. In order to compare gathering the base line data for all 4 units a \$30,000 appropriation for one time with the language that it can be used when all 4 units are operating at 100% capacity.

SENATOR KEATING: We have had that monitoring staff up there for 2 years doing nothing?

REPRESENTATIVE SHONTZ: They have finished the first 2 units. This will allow us to finish it. There is no one sitting and drawing a pay check until they go on line. There is funding for a maximum of one year if they go on line.

SENATOR SMITH: The money that has been used has been used to collect data prior to them going into operation. The type of plant does not use the same things as the United States. There was a cloud of smoke there for 12 miles. This will see what kind of an effect it has on the area.

SENATOR HIMSL: ON B13, is some of the same explanation.

Occupational Health. There will be a committee bill coming to the Senate. It takes one section of the nuclear waste law. Utilities

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would be licensed. We are asking it be made permissive rather than mandatory, or put money in to handle it.

Water Quality Bureau: About the same.

Subdivision Review: The subcommittee recommendations were that this be funded on a fee basis only. There is a bill in conference committee that will establish the fees to do this.

SENATOR VAN VALKENBURG: On the subdivision review. You have language in the bill that says they will be operated solely from fees. I guess given the experience where the bureau of land use and water were separate--why did the subcommittee go that way instead of depositing fees and making general fund appropriation to insure the operation?

REPRESENTATIVE SHONTZ: 1. Total budget consideration. If a short fall in this area and it was funded by general fund, it could end up with the general fund subsidizing this bureau to some extent. 2. The other thing, there are a number of bills and one was the fee bill. To increase the fees the committee felt the developer should pay the price. Also some question as to the last biennium in particular, the management of the bureau itself. The Health Department has made some improvements under the reorganization that will bring the costs down and make it more responsible.

SENATOR VAN VALKENBURG: So then the subcommittees are told that no budget amendment or supplementals if there is a short fall?

REPRESENTATIVE SHONTZ: The legislature passed a bill already for \$60,000 plus for the balance of the biennium to this effect, and in fact the Department will have those dollars available in a revolving fund account.

SENATOR VAN VALKENBURG: In this current fiscal year?

REPRESENTATIVE SHONTZ: There is no language to revert it.

SENATOR VAN VALKENBURG: I think the general budgeting laws likely do. If not money to move instead of getting a supplemental, they just shut down?

REPRESENTATIVE SHONTZ: With good guys in management and the changes in the bureau, it will not be necessary to shut down. The subdivision does a lot of business during certain times of the year. This bureau is going to have to even out its cash flow.

SENATOR VAN VALKENBURY: That makes good sense. But if they run out of money is your intention that they shut down?

REPRESENTATIVE SHONTZ: I guess the bottom line is yes, but I don't think that is going to occur.

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SENATOR VAN VALKENBURG: I don't have that experience in the other agencies.

REPRESENTATIVE SHONTZ: The department has addressed the problems that were manifest.

SENATOR HIMSL: Aren't there bills that will increase the fees and make some difference?

REPRESENTATIVE SHONTZ: One bill currently in conference committee that will do that. We have developed it with the information that fees will have to go to about \$45 to do this in the budget. One of the other amendments, page 33, line 18, that is a super fund dollar. Management supervision and other management support in the division in the Department of Health.

SENATOR DOVER: Page 36, line 21. It says a biennial appropriation and is contingent upon the passage of House Bill 200.

SENATOR HIMSL: House Bill 200 passed both houses and has been sent to the governor.

SENATOR DOVER: What does it fund? Is it just something if we can handle it we have got it and if not, lose the responsibility of handling it?

REPRESENTATIVE SHONTZ: Not related to the language, but relates to page 32, line 1 on solid waste management. Hazardous waste management in the past was handled through EPA in Denver by the feds. We had the option of taking over this management. That occurred during the past biennium. A lot of support for the state continuing the operation of this program both from environmental groups and from industry. With Industry and Agriculture the state should do it but if the general fund has to provide the greater portion there is some question.

SENATOR DOVER: Line 5 on page 37. This says federal funds received for radiation projects may be added by budget amendment. What is the reasoning here?

Norm Rostocki: Human Services - Health, Labor, Social & Rehabilitation Services; That language regards the occupational hazards in the Butte area on radiation. Some question as to the Veterans Administration allowing housing money in high radiation areas.

PREPRESENTATIVE SHONTZ: On page 34 of the bill, here we are getting into an area of operation where massive cutbacks of support are. The committee said we are in a position to replace federal fund loss and tried to maintain the integrity of the program and keep them at a minimum level. The Dental Bureau is a classic example. General fund in both years. One dentist clerk also.

Hypertension: This is in the block grant.

Nursing brueau. This is one of the programs that did not exist

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before under the same bureau. It is part of the reorganization of the first week of legislature.

Venereal Disease: This program is mandated.

Vaccination: This program receives most of its money from a federal block grant.

Family Planning: In the past it was funded by general fund and with Title XX funds transferred from SRS. It was mandated. This is now funded with the preventative and maternal and child health block grants and Title X funds.

Clinical Services: This is the last of the 4 divisions in the Health Department, page 35, line 5. The administration section takes quite a chunk of money. Most is passed through to counties for local health projects. Several cutbacks of federal support here. We tried to protect the integrity in passing through dollars to local government. The reduction was about \$7,000 in fiscal year '85. The handicapped and infants service was federal funded. The infant program would provide transportation and some clinical services for a new born and provided funding for air ambulances to hospitals equipped to handle complicated cases. There is \$50,000 remaining in the program and the subcommittee allowed that carry over to go into '84. When the funds are expended the program dies.

SENATOR DOVER: B 34 does not show the clinical services administration as funded last time.

REPRESENTATIVE SHONTZ: The clinical services division is new and it is part of reorganization. All the functions and dollars exist but under the name of Clinical Services Administration.

Diabetes: 35 d. This primarily provides education to teachers in elementary schools. It is a block grant program. It was reduced. We felt they would have finished with the first bunch of teachers and if continued, they should raise local funds. We are reducing the states share of this effort.

TUMOR REGISTRY: General fund. The state works with a medical center in Salt Lake. They get detailed information.

Women Infant Children Food Program: Line 20. This is one place we can probably look forward to increased spending from the feds.

SENATOR VAN VALKENBURG: In the language on this, you have indicated \$138,000 of carry over. The Department is responsible. What does it mean and where is the language coming from?

REPRESENTATIVE SHONTZ: This program does not require hard language. We left it to the discretion for the director to find a soft match within the program or at the county level.

SENATOR VAN VALKENBURG: Soft match?

Representative Shontz: Office space, copy machines, etc. No cash match. It says x number of dollars, it says x number of services.

Licensing and Certification Bureau: They do certification for medicare and medicaid and that is where the certificate of need arises.

SENATOR DOVER: I would like to go back to the children section in Health Care.

REPRESENTATIVE SHONTZ: We are not there yet.

Emergency Medical Services: Federal funding, services reduced approximately \$1/2 million a year. The subcommittee spent a lot of time on this. The House Appropriation Committee added 1 FTE here to become a coordinator for advanced life support activities in the state. There is legislation passed in the house and coming to the Senate regarding this arrangement. Because of cutbacks, general funding has been increased \$150 to license each ambulance. All the state gets is \$5. We are increasing it to \$35 in this bill. The general fund level will decrease by that amount if it passes the Senate.

Health Planning: Page 36.

SENATOR DOVER: This program will cease if you don't get the federal funds?

REPRESENTATIVE SHONTZ: Yes. Over the years predicated on the requirement of the Federal Government to its existence. If we did not have this program we would be penalized on medicaid. While this is a good program there is some problems financially and if the federal funds cease, the program will cease.

Legal Unit: P 36, line 10. We reduced the legal assistance for the program by 5 FTE and if they have need for more, then the Attorney General will provide the services.

Directorts Office: The department primarily funded programs with general fund. We reverted that and put federal funds in the programs and funded primarily with federal funds and you may see the reflection in the budget. There was a shifting of FTE where 4.5 were transferred to the newly created Management Services Division. There was no net decrease in FTE.

SENATOR VAN VALKENBURY to Dr. Drynan, Director of DHES: With respect to the subdivision area operating fees. There are 4 FTE in the subdivision area that are now a part of the Water Quality Program

DR. DRYNAN: We think it is the bottom level in order to review even the minimum number and get the 60 days requirement in. If an increase--there is no intention to increase the personnel. Rather, we will use water quality people if a period of escalation in the state. Some of the functions of the water quality are related to the subdivision reviewing. We cannot use federal dollars for anything that they are not intended for.

SENATOR VAN VALKENBURG: Can you actualize some enhanced management of cash flow to see that enough cash is there to keep it operating?

DR. DRYNAN: No. That would mean laying people off. We just don't go out and find the people with the ability to do these reviews.

SENATOR VAN VALKENBURG: Somewhere in the neighborhood of a \$42 for fees for this, is that something you can live with?

DR. DRYNAN: We had \$50 a lot. That amounted to \$35. This particular part is put together at \$50 instead to keep the 4 FTE. There would be more to the counties.

REPRESENTATIVE SHONTZ: The bill is in conference committee and we have worked up some numbers that indicated the fees would have to raise to \$42 in '84 and \$43 in '85 to fund the budget at the rock bottom number of reviews the Department had projected. The conference committee has not met yet, and the department has not been involved in this discussion.

Department of Labor and Industry: P 38; No federal funds. Labor standards: This includes the apprenticeship bureau, state labor laws and the child labor laws. There is start up money to put in the revolving fund for future case printings with a fee for those who ask for the cases. It will get the cases indexed and printed.

SENATOR AKLESTAD: The bill failed.

REPRESENTATIVE SHONTZ: We will have to pull it out then.

Human Rights Commission: Two and one half additional FTE, page 40, line 8 to reduce the caseload which has backed up. We used additional general fund money to do that.

REPRESENTATIVE SHONTZ: There was some concern about federal funds in the operating budget. We did not put as much money as in the past. The budget office concurred with that, but recommended that no more general funds be put into it. The reason is the federal fund in the Human Rights Commission is not on a flat case by case basis. They get so many dollars to process. If the case load is reduced the federal payment is reduced by that number. The budget office recommended no general fund dollars be put in. In this budget in Labor and Health, the place the subcommittee increased

the general fund budget by the largest percentage.

Employment Security Division: Job Service: Page 40 line 9. Legislature passed and signed by the governor a bill, and that is where the job controversy has been. Some talk about closure of some offices, that is not what would happen. What would happen is the job placement program throughout the state of Montana would cease to exist. That is a very important distinction. What would be left would be the unemployment insurance offices. The effort to put people back to work would be refunded across the state.

Unemployment Insurance Program: Federal funding.

Workers' Compensation: P 39, line 8. Some enhancement of computer. the system needs to be updated in regard to software.

SENATOR VAN VALKENBURG: With respect to the Human Rights. Did I understand you correctly to say an agreement of the amount page 38 line 18 where federal funds are higher than expected to come in.

REPRESENTATIVE SHONTZ: That number is the budget office's number. We accepted it. There are several assumptions floating around on this.

SENATOR VAN VALKENBURG: Could I ask Mr. Brown to respond.

MR. RAY BROWN, Montana Human Rights Commission: There is a letter here that federal funds will be approximately \$22,000 in '84 and \$27,000 in fiscal year '85.

REPRESENTATIVE SCHONTZ: Do you have the letter? The letter was read to the committee at the request of Representative Shontz. No copy was made available for the minutes.

The committee broke for 10 minutes, then reconvened and Senator Himsel said he had a request to share some information from a member of the Human Rights Commission.

MR. ED LYNN, Human Rights Commission, said he was delegated to make a presentation, speaking on behalf of our commission. A few misconceptions here. You have the proposals and shifts. Those speaking here were speaking on generalities. We did not ask for money we did not need. The budget office knows of the actual figures here as reported by the federal funds. They took another opportunity to take another cheap shot at us in the memo by LFA at the bottom of the fact sheet. Basically a discrepancy in the federal funds. I have always been a proponent of zero based budgets. The figures never were that and never expected by the Human Rights Commission but they suggest they cut. Our basic contract has not changed in 4 years. It is a cost balancing proposition. The feds are real happy with us for their per case load. If they took it on we would still be obligated by the constitution and implemented by the Human Rights Act to do it anyway. You will see where an increase in general fund money over the biennium. We got a federal grant to reduce our back log and that was used to reduce the general fund participation.

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Go to our budget, and if there is anything there we don't need, cut it. I think you will agree with me there is nothing there. We are a small agency and any cut goes directly to us. Our fight against discrimination is important and I think it is imperative that we do the job. Discrimination must be addressed and solved and spite cases weeded out. Give us the money we need and I will pledge in two years we will have our backlog taken care of and everything in shape. Check our sunset review. Check our record. There is an old base ball saying, say it or play it. Our track record is good and we are proud of it. Montana community and business industry will suffer if it is not done in a timely manner. If we do not do our job the legislature should take a cold hard look at it and possibly change the law. I think we had better take a very hard look at it this session. Some of the people will give up working one day a month so that we can get more done.

REPRESENTATIVE SHONTZ: We will continue with the presentation of the SRS budget.

SRS: B 101, P 40, line 14, blue bill.

Assistance Payments Programs: The AFDC case load increased. The AFDC case load was originally proposed at a level of 5600 cases in the biennium. The department reevaluated the number in January and upped its request to 7300 cases. The LFA took another look at the case load requirements and increased its requirements to 6300 cases. The subcommittee looked at this and one of the resulting developments was the contingency fund and the AFDC case load is a part of it in this budget. We got analysis of surrounding state case loads. No state is showing an increase projection like Montana is in their case load. In fact some of our neighboring states are showing a slight decrease in the number of cases. There was no one as high as Montana

SNEATOR HIMSL: Is this because of the changes in eligibility requirements that make the difference?

REPRESENTATIVE SHONTZ: There are a number of considerations. That may be one. Economics are catching up to Montana where it happened earlier in other states. That may be another consideration. The subcommittee and House felt the department was being extremely optimistic or maybe pessimistic--whatever. The executive budget portrays a fairly optimistic revenue picture for our economy and SRS a very bleak one. The twain have to meet and we spread the difference. The high point in AFDC case loads was 6282; in 1972 the average was 5773. We increased 1000 additional cases in '83 and '84 over the current fiscal year. I think it is a pretty healthy increase projection. The payment levels were also issued to some extent by the committee. The first included 6%, we reduced it in the

second year and supported an increase of 3%. Six and 6 in '82-'83.

SENATOR AKLESTAD: The figures don't change on the general fund. The percentage increase in the House was not put in?

REPRESENTATIVE SHONTZ: The inflationary figures that were reduced are not projected in personal costs and entitlement programs. Just operating budgets.

SENATOR HIMSL: That would not include utilities would it?

REPRESENTATIVE SHONTZ: That is right. Operating portion less utilities. The other thing in this area, the committee transferred 10% of the LEA to SRS block grant. The language provided for that. That has been changed and would go over the contingency fund.

SENATOR STORY: A contingency fund of \$4.9 million was new to me. It is contingent on the case load going higher?

PEGGY WILLIAMS: Legislative Fiscal Office, Institutions: It was set up because an emergency in areas could occur. If something should happen the money is in. House Appropriations committee set about \$4.9 million to be triggered and drawn upon if greater than 6800 people. Second, if the case load is greater than 6800 people and the medicaid money might be short and three if foster care is short.

SENATOR STORY: Is this DD foster care or what?

PEGGY WILLIAMS: Regular foster care. Foster people in in-state like Yellowstone, out-of-state, etc.

SENATOR STORY: Was there a projected level of clients in foster care?

REPRESENTATIVE SHONTZ: We left the level basically flat and then funded it using 6% inflationary increase. In addition we put \$330,000 over and above the base of expended care level, page 46 the language starts on line 5. We had the basic amount, they received x number of dollars for x number of children. It forced some of the providers out of business and we wanted to be sure it did not do it again.

SENATOR STORY: I had understood indirectly before that this money was for AFDC. If plugged in foster care and AFDC will not go above 6800 then all this money could be used for foster care and AFDC will not go above 6800 then all this could be used for foster care, couldn't it?

REPRESENTATIVE SHONTZ: The contingency fund is a pool of money put in place to afford money to a number of cases if an over run. In the bill it specifies the number of dollars per child. The cap in essence would be the x number of dollars per child would reduce

the program. It was the way the House Appropriations Committee put it. The contingency fund would assist in the SSI and also medicaid.

SENATOR STORY: Only if AFDC goes up on this, but the others are different.

SENATOR STIMATZ: Is this a true contingency fund or a new spending level? It depends on how tightly the contingency funds are controlled. What is the SSI perimeters?

REPRESENTATIVE SHONTZ: If we go through the budget.

SENATOR HIMSL: The contingency fund was developed by the House Appropriations Committee, not by the subcommittee.

SENATOR REGAN: When we went through the budget we made some tough decisions and as we looked at it, I felt, for one, that the cuts might have been too deep and we felt uneasy that if many of the unseen should take place, such as the increase in AFDC then SRS would be terribly under funded. On that basis this contingency was built into the budget. I know of no other way to address it.

REPRESENTATIVE SHONTZ: The way the contingency fund was built, of the \$4.9 million in the fund, \$1.6 million was added by the House Appropriations Committee from the general fund. The balance of \$3.3 million was put in various sections of the budget as contingencies instead of being just medicaid, for instance: Some flexibility was granted to the department. The \$1.6 million would probably be there too except instead of increasing the case loads the subcommittee requested it was the department would come in for supplementals.

Foster Care: P 41 line 9. P 45, line 23. These parts of the bill were read and commented on briefly. Representative Shontz said they wanted the department to pay for the services it was getting on behalf of the department.

SENATOR VAN VALKENBURG: Is there any reason to just limit this to foster care and DD?

REPRESENTATIVE SHONTZ: Those are the two programs most obviously manifest. I think the subcommittee would be amicable to putting it into the boiler plate of the whole bill. A number of foster care are placed out-of-state. The subcommittee made budget adjustments here assuming the Billings treatment would open Jan 1, 1985. On this basis, the out-of-state treatment center was reduced. About 1/2 of the youngsters to be treated there instead of out-of-state. One note: Much of this program is federally funded through the SSI block grant replacing Title XX. One section

Senator Regan had some concerns about--the subcommittee left it in place. This was the family teaching center.

SENATOR REGAN: The family teaching center was a program primarily in Helena and it is a program we intend to phase out. That was the feeling of the subcommittee. It was to be funded for this coming biennium at full appropriations and next year at 1/2 appropriation. I don't see what page to put it on but they will be offering an amendment when we take executive action. The other section of the budget I wanted to mention is the Aging Services. There was some economic inflation factors much higher than 6% and we brought those back in line and the executive and LFA agreed.

Eligibility Determination Program: This is federal funds. The subcommittee deleted by 7 the FTE. Twenty vacant spots all or part of '82. We reduced the FTE by 7 and if the case load should increase they would need the other (about 14) vacancies we left.

Administration: We adopted the executive budget.

Claim System Conversion, p 43, line 7-8: This was the Dikewood system. Approximately \$1 million to convert it to a state system. We are still being converted to an internal management system.

SENATOR HIMSL: Yes. Savings to the state should be fairly substantial.

SENATOR KEATING: Are we talking about the transfer of the patients from Boulder to Eastmont or what?

Representative Shontz: That is not in this section. We are not to it yet.

In the medicaid area we have several items. The subcommittee established a contingency of approximately \$1.5 million here and it would be a case load of AFDC tied to the medicaid. They provide the largest base for the contingency fund.

SENATOR DOVER: Where is it at? I didn't see any cuts.

REPRESENTATIVE SHONTZ: Look on page 121 of the blue book, Page 43 of the blue bill, line 16 and 17. There are several items in the medicaid budget that need addressing. The institutions reimbursement of nursing homes. The department has to have a fairly substantial increase. The number of patient days and the number of nursing home days dropped between '82 and '83. We took the same number of nursing home days as provided in fiscal year '82 and they are funded in fiscal year '84 and '85. This is an area we are interested in because of the argument that the elderly population was increasing. On the national it was increased also. In neighboring states it is remaining static or declining. They were not increasing their number of nursing home days in their budget. I think we are seeing an increase in this area at a greater rate than other areas.

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SENATOR DOVER: I am having trouble finding whether it was taken out.

PEGGY WILLIAMS, Human Services: It does not show it in the bill. House Appropriations changed it and they were not shown on the bill.

REPRESENTATIVE SHONTZ: The other thing again. In the nursing home area we reduced inflationary rate of increase and there was some controversy of the way it was changed. The department had asked 9%. We granted 6% increases and 9% in '85 over '84. There were arguments that this represented 3 and 6. Again our neighbors are decreasing. I am bringing that to you because that argument was used.

The Renal Treatment showed a need to increase. Apparently many were cut off the program who really did need it. This may be transferred to the Health Department.

Buy-In Program: There is economy in this. This allows federal money to be used because the state has paid the premium to medicare for those who cannot pay it themselves.

REPRESENTATIVE SHONTZ: Again, the Renal Program is here, the sub-committee and House concurred. It remained static and there is legislation to move it to the Health Department.

SENATOR REGAN: It will mean an amendment to this bill to make that transfer.

Representative Shontz: When it was in the House the bill had not gone far enough to make the transfer and this committee would be the proper place to take it up.

Page 43, line 12 and 13. 6800 is funded for cases and the contingency would kick in if the case load goes over and above that.

SENATOR STORY: You are talking about the \$4,885,000? That then does not apply to foster care? Just strictly to medicaid contingency?

REPRESENTATIVE SHONTZ: It is where it was put in the bill AFDC, Foster Care, Nursing Homes and Medicaid matching rate. The Federal Government has changed its share of Medicaid funds it pays for. A portion is in the state and some in the counties. There was a reduction made by a very slight percentage in the federal share which will expire with the budget and Reconciliation Act of 1985. There is a lot of discussion as to whether we just maintain the lower and go back to the level prior to the act or what. We couldn't get a response out of Washington, We talked to the Montana delegation and they told us where they thought it would go. We plugged it in there.

SENATOR AKLESTAD: The area this contingency fund is being used in. You've said the surrounding states in the Northwest are maintaining or reducing the status quo. Was this information made available to the House Appropriation Committee when it went through there?

REPRESENTATIVE SHONTZ: No. As a matter of fact we completed work on it last week. Language in line 25 and following in the blue bill, page 46 and continued on page 47 was read. Before they can tap the contingency fund they in essence, have to go through the budget amendment process. We wanted it clear that exceptional services could not be reduced and that language insures it.

SENATOR HIMSL: On nursing homes--6% in '84, 9% in '85, and the same number of nursing care days will be provided.

REPRESENTATIVE SHONTZ: The total number of dollars will be in the bill. If an increase the department can actualize it.

SENATOR HIMSL: Those numbers are in there now?

REPRESENTATIVE SHONTZ: Yes.

SENATOR TVEIT: Four percent savings difference between Boulder and Eastmont. Is there something missing or am I missing It?

PEGGY WILLIAMS, Human Services: The difference is the marginal cost. Five day and 7 day. Five day does not receive medicaid at the moment. There is a proposal to have the 5 day to be a 7 day and they would be able to receive medicaid. By becoming eligible for medicaid it will be offset by medicaid.

SENATOR HIMSL: Five days--nonresident type, to 7 days--committment type. What is the change of program here?

PEGGY WILLIAMS, Human Services: Five day was educational placement and not court committment. Seven days would be a court committment.

SENATOR HIMSL: Still a voluntary program with it?

PEGGY WILLIAMS, Human Services: They would move the 8 people into group homes in Eastern Montana.

SENATOR SMITH: Eastmont changed Boulder. Either those prevail at Boulder or Eastmont. All you are doing is transferring them and the reimbursements will be the same no matter where?

REPRESENTATIVE SHONTZ: To some extent that is true. The individuals at Boulder and fund at Eastmont wasn't funded, but some reduction in cost. This would result in a savings in the federal treasury as well as heneral fund. The proposal and the 8 individuals presently in the 5 day program would go to intensive care group homes. The people now at Eastmont would solely be general funded and be funded at lower cost level but supported through medicaid.

People at Boulder medicaid will continue and at the lower cost.

SENATOR TVEIT: What is the state's share now at Boulder? The federal share is about 60%.

PEGGY WILLIAMS, Human Services: Not all the costs at Boulder are reimbursable. Of those the federal government pays approximately 63% and the state pays the rest.

SENATOR TVEIT: Of \$100 at Boulder what share would be state?

PEGGY WILLIAMS, Human services: Thirty-three to 36%.

REPRESENTATIVE SHONTZ: That is approximate. Not all services are reimbursable. The funding in the last section of the bill that provides for that transfer. Montana offers the most services in the optional program. Glasses, etc. Neighboring states have eliminated or severely reduced it. We have insured those services remain in place. There is language in the bill that says no new service in this area.

Audit productivity: Page 23, line 22-23. Productivity in regard to the number of audits done. We found the department could complete about 1/2 of the audits it said it could do last session. Therefore the committee felt we needed to look at funding before granting new individuals. We granted 2 FTE. Those individuals will work exclusively with the medicaid. We gave them 2 to audit low energy programs. They asked for 11, we granted them 2.

SENATOR KEATING: In the low income energy assistance program. Was there a substantial surplus in that this year?

REPRESENTATIVE SHONTZ: Approximately \$4 million, that is why we felt comfortable in transferring some money out of it.

SENATOR REGAN: No new funds will come in to start the next winter and therefore those monies are necessary in order to start payments in October before the new money comes in in January. That is why the so-called surplus exists. The \$4 million will remain in place and the 10% will come out of the new money.

SENATOR HIMSL: I understood it was \$3 million.

REPRESENTATIVE SHONTZ: It could have changed since we plugged it in.

SENATOR VAN VALKENBURG: It is my understanding at the close of the season \$900,000 became available from over charges that was then allocated between LEAP and weatherization and about 1/2 million dollars to LEAP and \$400,000 to weatherization. Did your subcommittee talk again on this?

REPRESENTATIVE SHONTZ: It is in the bill.

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SENATOR HIMSL: About \$500,000 that was separate?

JOHN LAFAVER, Director of SRS: He said the total of \$500,000 was put in SRS. It went to low income areas.

REPRESENTATIVE SHONTZ: The remaining--about \$300,000 went to Natural Resources for weatherization, etc.

SENATOR VAN VALKENBURG: The money for LEAP and weatherization. That is different than DNR?

REPRESENTATIVE SHONTZ: Yes. It is used from DNRC for schools, etc. This part is used for homes, etc.

SENATOR VAN VALKENBURG: The \$1/2 million that went to SRS, that part is all into low income weatherization?

REPRESENTATIVE SHONTZ: Yes. The department has the discretion to transfer the funds back and forth.

SENATOR VAN VALKENBURG: John, I take it it is your desire to have all the money in low income energy assistance?

JOHN LAFAVER, Director of SRS: We think with the 10% transfer there we very much want to have it remain in LEAP to keep the program in place.

SENATOR VAN VALKENBURG: If you can put the money in weatherization you reduce the long term energy costs. Otherwise the fuel bills keep coming and 2 or 3 years down the road you might need more.

JOHN LAFAVER, Director of SRS: With 10% over to SRS program we may not have enough money to take care of this.

SENATOR DOVER: A question on the \$4 million left over. We did not anticipate that much left over when we appropriated it.

SENATOR REGAN: I am not sure the figure is \$4 million. I think it is more like \$2.9 million. I think that money is needed to start the program in October when the cold weather starts. That is the amount that is being carried over and the reason for it.

SENATOR DOVER: We heard the cry and hue that we did not put enough money in it. Would they get by with what we appropriated and for this much left over or what?

JOHN LAFAVER, Director of SRS: The percentage to the special legislature said we wanted to carry over between \$2.6 million and \$3 million to start the program up when winter starts. That is basically what we did. Now we are looking at \$2.9 million. We are pretty well right on the course that we set for ourselves in this program.

SENATOR DOVER: Why the hue and cry then that we did not appropriate money, if we have the money left over we anticipated we would have?

JOHN LAFAVER: In October of '82 we were looking at having to cut back a scope of the process, in looking at the increased number of people eligible in Montana. We used a proposed rule that would have accepted that. I heard from a number of people that said whatever--don't cut that program back. We asked for that appropriation and the House Committee did not let that bill out. At the same time the Congress, very late in the season, increased the appropriation for LEA so that we ended up with more money than we thought we would have in '82. At the present time if they continue to climb and federal climbs at the rate they do in the past, we will not have enough money to pay the level of benefits we do now.

Vocational Rehabilitation--visual: The subcommittee utilized seeking a funding from the section 110 Vocational funds, Industrial Accident funds, General fund and CETA funds. You will find a change from the Executive in about that amount.

Visual: Some reductions in federal funds. The committee felt the program needed to increase and this is an area that probably ties with the Human Rights Commission. Increased about 20% general fund.

Disability determination: This is a federally funded program that provides determinations of disability for individuals receiving SSI (Supplemental Security Income) and SSDI (Social Security Disability Income) benefits. The eight FTE added by budget amendment in 1983 biennium are continued.

Developmentally Disabled: The subcommittee did a couple of things that deserve attention. We honored a modified request for \$150,000 general fund be put into this program for salary upgrades for direct care providers over and above the normal budget.

REPRESENTATIVE SHONTZ: He said the work in the direct care was under paid, and the committee felt it was justified. This was also the only program they recommended expansion of. D.D. Foster Care. DDPAC (Developmental Disabilities Planning and Advisory Council) received federal funds for programs that are unique, experimental, and a little bit different. The subcommittee felt a better use was to develop a DD foster care program. \$162,500 will be used each year to fund specialized foster care for developmentally disabled individuals. This money cannot be used for a continuing fund source for DD patients but we felt it was a good use of the dollars and provides us an opportunity to expand their unique services to some people in Montana that deserve that effort.

SENATOR KEATING: Would you define foster care for DD?

REPRESENTATIVE SHONTZ: Foster care of individuals that are developmentally displaced should a youngster that is placed in a foster care have trouble with the law or the parents or whatever. We are asking that they put people into homes and give them a chance to

develop to the maximum possible and to get individual care. There is also a reduction of 9 FTE out-of-state level and National level. The savings are plus the federal dollars and put together will fund the foster care for DD in Montana.

SENATOR KEATING: The foster care denotes an developmentally displaced individual outside of his own home. Is there any assistance to parents to perform this service that would have been in foster care?

SENATOR REGAN: We can respite 1. Baby sitting type, 2. Family training where there would be someone to train to take care of them.

SENATOR SMITH: How many clients? Also additional supervision. You reduced 9 FTE. Didn't this make problems?

REPRESENTATIVE SHONTZ: There was a shift. Again a change made in the language. The allowances--the department can choose to close the regional level or the state level. Originally intended was 5 regionals and they have a regional coordinator plus training and contract officers. Two and 4 in each region. They were left with a regional coordinator and 1. The House changed that to give the flexibility to put them where they are needed. A number of programs developed when you start people out in the field they helped providers get rolling. If the program gets rolling, then through performance and audits the committee felt these people were performing these services and the level of skill no longer fell at the same level as before. Now group homes have people to come and do this. You reach a point where you say you can fly on your own or with less help.

SENATOR SMITH: Who is going to allow this flexibility? Your local DD council or the director in the division or through the SRS office?

REPRESENTATIVE SHONTZ: The ultimate responsibility lies with the director of the department. This is the area where the transfer manifests itself. Here is where the subcommittee and the House did fund the medicaid waiver program that will assist in offsetting the cost of the Boulder River-Eastmont transfer.

Veterans Affairs: Funded at a level fairly consistent with the rest of the department. Reduced 2 FTE. Reduced because they are expected to move to the Department of Military Affairs. There was a couple of small adjustments in rent for instance, in doing this. If the Legislature has reached the right point then you might want to move the transfer.

SENATOR VAN VALKENBURG: The medical reimbursements rate is, I believe, prior to the triggering of the contingency fund, page 46, line 23. You have .6369. How did you commit that rate?

REPRESENTATIVE SHONTZ: The rate is .3139 which is the current

unadjusted rate.

SENATOR VAN VANKENBURG: The write up in here talks in the terms of .64 something.

B 122. It is .6446. This is an adjusted comparison of those two numbers of the 2 years. The state fiscal year is different than the federal fiscal year. We assumed that congress would at least keep the rate up where it is and not reduce it more. The narrative would indicate that because of the proposal in the President's budget that the contingency fund was put in. I gather then the \$4.9 million is related somehow to that reduced rate?

REPRESENTATIVE SHONTZ: Approximately \$1.4 million is related to that potential rate in funding formula. That was the level the formula put in. The House pulled it together and put it with some others to come up to the \$4.9 million. Just a portion of that amount was related to this.

SENATOR STORY: I hope I am not doing something everybody but me understands. It takes 5 things to trigger these funds. 1. AFDC use load if beyond 6800. 2. Nursing home care days--how many to trigger it?

REPRESENTATIVE SHONTZ: The budgeted amount of care days is on page 46 line 16 of the bill.

SENATOR STORY: 3. SSI. They think there will be 39 more?

REPRESENTATIVE SHONTZ Line 20, page 46.

SENATOR STORY: 4. Foster care

SENATOR STIMATZ: On line 18. If you look on line 5 it will give you the exact amount of payment permitted under the bill for foster care. If a certain increase in the number of children it would trigger it. The assumption was it would remain approximately the same.

SENATOR STORY: 5. If the federal reimbursement rate for medicare would go down. No other thing that would trigger it?

REPRESENTATIVE SHONTZ: On page 46, line 25.

SENATOR STORY: No way to transfer that into any other programs in anticipation or whatever?

REPRESENTATIVE SHONTZ: House Appropriation Committee felt it was broad enough to cover the needs the department raised.

SENATOR STORY: This gets back to the amendment made a few days ago--that 5% of the budget could be transferred to another. If that

amendment were to pass even though none of those things triggered it they could still get \$200,000 for something else?

SENATOR HIMSL: I am not sure they could here in a contingency fund.

REPRESENTATIVE SHONTZ: If that amendment is put in the bill I would recommend you take a good look at this. This contingency fund that is established addressed the needs the department felt was left unaddressed. If you grant them the transfer I would even question the need for a contingency fund.

The hearing on this section was closed and the committee recessed for lunch.

The committee reconvened at 1:15 p.m. with Representative Joe Quilici giving the report as subcommittee chairman for the section on Legislative Judicial and Administrative budgets.

First, John LaFaver, Department Director of SRS said he wished to make some comments.

JOHN LAFAVER: SRS; I am passing out a hand out (attached to minutes) which speaks to the contingency of which you spoke. The basic thing is that the contingency is for \$4,855,000. Most of the items that relate to the contingency costs are here. The costs related are \$7.7 million. Even spending that SRS would be \$2.9 million short if these cost items come to be. The projections made all along are reasonable ones. We talked at some length about the AFDC. The subcommittee set it at 6800. It is over that right now and is going up every month for the past 18 months and we know of no evidence it is going to turn around. I would hope we would see that. My feeling is the case load we projected at 7300 is reasonable and might be short. If these things come to pass we will be \$2.9 million short in terms of balancing out. The only way to balance out then would be to make cuts. The total spending package is \$11 million short of what the Executive budget recommended. That is obviously short. Most of the recommendations are from the subcommittee recommending lower case loads. Let me outline about 4 types of cuts that I think are probable by '85. 1. Emergency assistance payments cut and eligibility standards being tightened up. 2. Quite probable the ARDC benefits could very well be cut by '85. I think there are services now available that could be eliminated. In visual or rehab. you are probably looking at cut backs in services now available. Provider rates will end up getting cut back or eliminated. Flattening them out. In terms of physicians we pay 52 to 60% of the going rate now. It is very probably that those rates will be frozen or cut. 4. Those needing services simply won't have the opportunity (in the area of foster care and DDD). The over all point I want to make from what I can see in comparison in the subcommittees and House proposals--no agency cut as deeply as SRS. It will be hard to come up with added money and

I want to impress on this committee, though they have this spending package and it is adopted finally or further cut backs are made, it will come in at the expense of very deep cut backs from one end of the agency to the other.

SENATOR VAN VALKENBURG: Representative Shontz indicated that in general Montana was maintaining and providing more services than surrounding states. Why do you think it appropriate that we do something now?

JOHN LAFAVER: I am not proposing to now. Only that we fund the AFDC as it occurs. The same people are eligible in Montana as elsewhere. I don't know if it is following an idea or if they know where it is going. Of the 6 states around us, we are number 4 in the amount we pay for AFDC. The comments that we are paying more than the states around us are not true.

SENATOR REGAN: John, as you know, we had a terrible time arriving at numbers. Did you address the same problem in regard to optional medicaid services? Do we not address more than the states around us? John LaFaver: Intermediate nursing care, prescriptions, psychiatric care. Very few states that fail to provide those. Montana provides such things as occupational therapy, etc. Many are necessary to keep our DDD afloat. Many states do not have the kind of DDD program that Montana has. To the extent that they don't have the occupational therapy and physical therapy they would not have as high a care.

DAVE HUNTER, Director of the Department of Labor, said he had a few comments to make as the department head. He said we are basically in agreement. There was an error on. Leave the number in regard to job services and SB 210 by Dover. Representative Shontz said just insurance would be operating out of the job service. If you did we would have to close a number of offices particularly in rural areas. CETA in federal funds under program changes except 30 of this year would be the job training partnership. There has been some talk about taking some to vocational programs. The federal says to the governor's office and have him turn it over to federal training programs in accordance with the act.

REPRESENTATIVE QUILLICI now began the presentation on his section of the budget, the Legislative, Judicial and Administrative.

A3 Legislative Auditor: We cut \$25,000 each fiscal year here out of the budget. Some of the staff seemed to think they can live with the budget.

L.F.A. Book needed A5 1/2 FTE. I am sure they need it, but the committee wanted to make some cuts and they took the 1/2 FTE out of the LFA budget.

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Legislative Council: \$97,000 out of the original budget. \$24,000 out of NCSL budget.

ENVIRONMENTAL QUALITY CONTROL: Page 6, line 13. They asked for 7 FTE. We granted them 7 1/2 and appropriated the operating expenses for them. We were asked to reevaluate and we cut 1 1/2 FTE out. We have put back some money for contracted service but not the fund of \$35,000.

Consumer Counsel: In case more land came in than they anticipated - there was money put in for unanticipated cases.

Legislative Council: The Legislative Council did not build in an inflationary factor into their budget. We cut it down and they cut it again in the full House and it had a dramatic effect.

SENATOR HIMSL: That says all. The above budget allows for pay increases established by the Legislative Consumer Committee. Why would they establish a pay increase?

REPRESENTATIVE QUILICI: They came in for a rate increase on a calendar year. The rate increase given to the staff secretaries of 4%, consumer counsel around 3%. This was much lower than some of the agencies. Most were at 6 and 6 during the last biennium.

SENATOR SMITH: The interim studies - that is put in at \$75,000, they requested \$100,000. We cut it down.

SENATOR AKLESTAD: Legislative audit - why so much general fund pumped in? Especially over '82 actual. 65 FTE for budget. They added 54 people during '82. FY82 number is not a true reflection of the actual number.

CURT NICHOLS: They didn't hire the people and didn't spend the money. It was not an error.

REPRESENTATIVE QUILICI: Judiciary: Supreme Court Operations - a secretary service was deleted. There were some rent increases due to the move to the new building and education and training increased.

Boards and Commissioners: A modified request of 1/2 FTE for a secretary was deleted. There was a lot of talk in subcommittee about how much they did for examinations for law students when they get out of college. We think it is pretty well resolved now.

SENATOR REGAN: How many law clerks do they have over there?

REPRESENTATIVE QUILICI: Fourteen.

SENATOR REGAN: How did they get them? Answer: Two of them last time by taking operating expenses and picking up the law clerks. That was instead of doing the microfilming - they hired two law clerks.

SENATOR REGAN: Two positions that were never authorized and were specifically forbidden by the Legislature.

SENATOR VAN VALKENBURG: We did take out about \$70,000 of the operating expenses because we felt that 8 FTE was more important. There has been some retribution for that action.

SENATOR HIMSL: Is there a pattern of having two law clerks for every judge, or what? REPRESENTATIVE QUILICI: Yes.

SENATOR SMITH: You said last year they did not put in the micro-filming. Did they come back this time, keep the two law clerks and microfilming also? REPRESENTATIVE QUILICI: They wanted it but the subcommittee disallowed it. They increased 20.2%. Many agencies got money.

LEO O'BRIEN, Legislative Fiscal Analyst: A large portion of the increase was due to the transfer from this building to the new building. In the law library they had never paid building space rent.

REPRESENTATIVE QUILICI: Governor's Office: Funding was requested for \$500,000 for the funding of the coal tax lobby in Washington. There was a holdover of about \$200,000 from the 1982-83 biennium. The subcommittee cut that request down by \$100,000 but inserted the following language on page 9 9-11 of the bill. They also transferred the Indian Legal Jurisdiction Project over to the Department of Justice. It is in the Attorney General's office.

SENATOR HIMSL: On the Board of Visitors. Was the committee satisfied that the services are functional and worthwhile?

REPRESENTATIVE QUILICI: There was quite a bit of discussion concerning the Board of Visitors and their budget has come up quite a bit. There was one board member from Eastern Montana and he was never put on the board. This reflected more travel on the 1984-85 budget. There is just one FTE; one lady that takes care of the Board of Visitors. They only visited about seven of the institutions during the last biennium. This will give them a chance to do a little better job.

SENATOR HIMSL: What does the office of Lieutenant Governor do beyond standing ready? REPRESENTATIVE QUILICI: His main duties are to work closely between the Department of Commerce and local governments.

SENATOR AKLESTAD: Under the governor's budget, the personal services have gone up substantially and FTE are down.

LEO O'BRIEN: The FTE have gone down. I am uncertain as to the language on A 30, as to why the personal services have come up so much with the FTE down.

SENATOR SMITH: Aren't there 3 FTE transferred to another agency of government? REPRESENTATIVE QUILICI: Yes. One of the lawyers in Indian Affairs.

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SENATOR VAN VALKENBURG: Could I ask Mr. Booker? Doug Booker, Governor's office: Personal services reflect the pay raise in '82 and '83. This does not reflect the pay raise in '83.

SENATOR AKLESTAD: There was a pay raise in '82 too. It should reflect 1/2 of it. Mr. Booker: Since they are based on the 2nd year.

Secretary Of State: We had one problem concerning this budget. This was the indexing project for the administrative codes. One FTE deleted in '84 and also in '85 and operating expense of \$25,000 a year was deleted and deleted from the general fund. A49.

Commissioner Of Political Practices: The FTE remain the same - general fund is about \$19,000 over '83. This reflects the inflation factor. The House Appropriation and full House cut down inflation factors.

SENATOR AKLESTAD: What are the earmarked funds under campaign practices? Cliff Roessner, Legislative Fiscal Analyst: The \$75,000 earmarked fund is for the sale of filing certificates. If someone comes in and asks for a copy, they want a copy of the filing, they pay for it and are charged a fee for it.

State Auditor: The Payroll/Personnel/Position Control System (PPP System) - This was an addition in the 1977 Legislature. The shift in appropriation came about in 1981. We combined this office into the State Auditor along with the duties and total budget. It was the main problem we had concerning that budget. We put quite a bit of modified request in there. Kathy Beam could probably explain it to the committee if they would like.

SENATOR REGAN: Does this result in a decrease some place else? For instance, in the central payroll to the State Auditor's office? REPRESENTATIVE QUILICI: Yes, it will reflect a transfer from the budget office and the Department of Administration.

SENATOR REGAN: Is it a wash or an actual increase? REPRESENTATIVE QUILICI: An actual increase in some and some modifieds the committee put in and the full House committee left in. It might be an issue you will want to look at.

SENATOR REGAN: Modifieds here? REPRESENTATIVE QUILICI: Minor Enhancements -- \$15,000. Personnel Enhancements were \$64,000. There is one FTE that can be cut out. Office equipment for \$644. I would like Kathy to explain this system to you.

KATHY BEAM: The PPP system represents an integration of those three functions in one common data base. We capture data base to be used by the three different functions. We feel it is a good system. We include leave and service systems for accrued vacations and sick leave. This amount is between \$20-21 million statewide. The system allocates what it would pay to every state employee at the end of a pay period. Sick leave and vacation time.

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SENATOR HIMSL: It is a comprehensive personnel payroll system. Does that reduce the personnel someplace else?

Kathy Beam: I can't truthfully say it will. It will probably reduce overtime someplace else. The agencies are no longer required to take care of their own vacation and sick leave themselves. We will do many new things and do it with the same personnel.

SENATOR SMITH: Agencies are not required to take it? Are they reduced then or what? Kathy Beam: The agencies are required to give us the input and we make the account.

SENATOR AKLESTAD: Were you doing it by hand before you asked for it? Kathy Beam: Over the years Central Payroll, and the state auditors criticized them for just writing the payroll checks. We did not have the other information that was needed. It did not provide adequate information for state government.

SENATOR HIMSL: Isn't it true in the accounting practices the liability has not been really accounted for? Kathy Beam: Yes. It is either done on a standard basis or this way.

REPRESENTATIVE QUILICI: The Justice Department: The subcommittee put on three investigators out of the Attorney General's office and four for Eastern Montana. They are funded by coal tax money and requested by the commission. House Appropriations deleted one criminal investigator and one secretary. It was a savings to the general fund. In the Justice Department, the Anti-trust was reduced. No current level FTE were reduced and case assessments costs for multi-state anti-trust cases will continue. Highway Patrol Officers salaries were switched from the highway earmarked fund to the general fund.

SENATOR SMITH: FTE numbers, the subcommittee set at 500, the executive recommended at 512 and the House set at 540. Was this part of the switch of the Highway Patrol over there or what?

CLIFF ROESSNER, Legislative Fiscal Analyst: A series of increases - 84 there and 7 in communications added in the Department of Justice field service for high band radio. This was approved last session and carried over into '85. Five were added for the eastern counties on coal investigators, 3 from general fund for an investigator located in Helena, 1 FTE programmer from the Board of Crime Control to take processing. Two FTE at the law academy in Bozeman. Two for Indian for Attorney General - an attorney and administration assistant. Those programs were transferred from the governor's office.

SENATOR AKLESTAD: Communications 7 people. Why the additional FTE? Cliff Roessner: The project started in '83. High Band Dispatch out of Great Falls, FTE in Helena. It is a pilot program and expanded into eastern Montana, so more FTE.

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SENATOR DOVER: That is a revolving fund. Twenty-four hour services and Highway Patrol, etc.

SENATOR AKLESTAD: Why not operate out of the Highway Patrol or someplace? Why a new one? I object to having all these new programs to do the same thing.

CLIFF ROESSNER: The highway can dispatch their own instead of going through the local sheriff's office.

SENATOR DOVER: There will be a frequency that can hone in on the communications. The Highway Patrol and Highway Commission, on off hours, will be sharing the same personnel.

SENATOR AKLESTAD: I represent little towns and they have a dispatcher on 24 hours a day. Why not through the sheriffs' office?

SENATOR DOVER: Not all of them operate 24 hours a day. We have a radio man here.

SENATOR SMITH: Why don't they have 24 hour service now? Someone from the sheriff's office has to be on. What counties don't have this kind of service now?

SENATOR AKLESTAD: How about the additional legal people being put on? What will they be going to do? Cliff Roessner: Are you referring to the Indian legal one? An attorney and an administrative assistant was added there; A 121. This was a grade 19 lawyer and a secretary to the legal Indian jurisdiction there. They were to coordinate efforts with some of the lawyers that were doing this on a contract business. Especially the Crow Indian case in Eastern Montana. Also, many others being addressed at this time. They were hired for that particular purpose.

CLIFF ROESSNER: Two attorneys were added to handle the extra agency legal services. If hired, they know how much and it will be reflected in their budget. It is a revolving fund.

SENATOR TVEIT: On A 74. A new car for the Attorney General. Is this an official or a personal car? REPRESENTATIVE QUILICI: That car is the Attorney General car used for the business of the state for that office. He has that car with him at all times. He wanted a lot more - a larger car. The subcommittee saw fit to allow this. His car is so old and we have put a lot of maintenance - the fact is, he got a lemon. The committee saw fit to give him another vehicle.

SENATOR TVEIT: Is this a common practice? REPRESENTATIVE QUILICI: Yes. With the highway patrol they may get rid of a number of cars before an older one if a lot of maintenance is required on it.

Board of Crime Control: We picked up a lot of federal funds here. The subcommittee thought it could back up a lot of this because of using the federal funds. A 127.

Property Assessment Division: Asked for 23 new vehicles, and this was modified to 16 new vehicles. We were shown the statistics, and the subcommittee granted them. The House appropriation committee cut them to 16. The building for the appraiser's staff in the county was deleted. The equipment for the offices was reduced by 1/2 and we felt this might be a long term higher cost to the state.

Liquor Division: The intention of the subcommittee that the liquor division be allowed to run this division as a business. Language in the appropriation bill was amended in the full House. The director of the Department of Revenue has some good perspectives and thinks it might tie their hands and not allow them to run the business.

SENATOR AKLESTAD: Funding recommendations. Can you explain why the high charge? Cliff Roessner: The \$7 million includes the liquor division but not '84 and '85 when it is open ended.

SENATOR AKLESTAD: There wasn't general fund made up? REP. QUILICI: No.

CLIFF ROESSNER: Actual FTE includes the liquor division.

SENATOR SMITH: On A 128. FTE in the liquor division. It says the 1982 FTE net of the liquor division was 739.92. Why the big increase in the number of FTE in the liquor division? Cliff Roessner: There is a decrease in the liquor division - not an increase.

SENATOR SMITH: This goes back to an article I read. If the amendment isn't left there is a possibility of closing many of the liquor stores. What is the reason? Because of the amendment proposed?

JAN DeMAY, Governor's Office: There are several amendments proposed changing the language. One required they shut down agency stores when they proved to be unprofitable. Prior to that they said keep them open if it would cut down on convenience. Under the new language, they would have to shut them down.

SENATOR SMITH? Why can't they be? 10% profit. All they have to do is to deliver it.

JAN DeMAY: If closed and another store opened somewhere else would it be more profitable? SENATOR SMITH: When you are driving from one end of the state to another or from one area to another, they can just stop and drop off the liquor. They go right by it anyway, and it won't cost any more. I can't see the logic in the type of statement that came out in the paper.

SENATOR KEATING: The Department evaluates each store on its own merit. The transportation of liquor will add at a dollar a case in the warehouse. This is a standard fee no matter how far and then the markup is to be added on to that. All the stores

are evaluated on their own as far as profit and loss. The Department is required to come up with a certain amount of profit and if they find a store that is unprofitable then out of good business management that store will have to be closed. We in the subcommittee addressed the fact that the stores there are giving a service to the area. It was the full committee that put the hard line in. The subcommittee just demanded they make a profit. They came in with the amendment that let them close liquor stores and changed the language to say "shall" be closed if the division decides they are marginally profitable. This was not done in the subcommittee, and I don't understand the reason for imposing that on the department.

Senator Dover asked Rep. Marks to address this. REPRESENTATIVE MARKS: On page 20 of the bill. The Department is concerned and so are we. There was a bill to take them out of business. They made a pact to guarantee \$13 million in 1981, and the language was still in the draft. The Department thought to make it but with the reduction in sales and inflationary factors, they ran into a snag last year and so in order to make it they reduced inventory. This time it had a cap on it - this time 13%. I suggested an amendment to delete some of the language. Starting on line 17. The agency stores could be closed if ---- etc. on line 19. The way it was written originally they had very little control. They have open-ended appropriation in the first part of the language. I understand the newspapers said that but I don't think so.

ELLEN FEAVER, Director, Department of Revenue said she was surprised when it came out. Economics and declining sales of spirits in our state will not allow a 15% expense limitation being imposed to live with unless we do it.

At this time and looking at the language the only way we can figure out living with the statutory limit of 15% is to close stores. Certain fixed expenses, no matter how much, we sell. Salaries, etc., in our marginal stores - we can definitely save money in Billings, Bozeman, Kalispell and Missoula. We can definitely save money cutting down. The agency stores are our most marginal operations. Both the commission and our cost of inventory there are factors. Many are open in really isolated parts of the state. We would be facing situations where people had to drive 100 miles to buy at state prices. I honestly believe the only way we can live with the 15% limitation is to close a number of stores. If the economy improved and sales improved, then I think in all honesty, we might still have some trouble. I think if you go with this language you are telling us to close stores.

SENATOR HIMSL: The only demand performance is to live within the 15%. The only others are attempted or discretionary authority.

ELLEN FEAVER: The words on lines 18 and 19 changing to "shall" are changing from a goal to a mandate. Having lines 20 and 21 in there makes it clear what we are supposed to do.

Finance and Claims
April 4, 1983
Page thirty

SENATOR BOYLAN: Don't you have two different kinds of stores? In the rural areas you don't pay the wages? ELLEN FEAVER: 10% of the sales are overhead. We have a staff. Central administration costs, inventory, freight etc., in an agency store. We have to look at keeping our inventory in the store and that is general fund money. Many of the agency stores have sales and that is general fund money. Many of the agency stores have sales that are less than \$1,000 a month. These are fixed costs we can cut off. We need direction - we want to know if that is what you really want us to do.

SENATOR SMITH: I don't know how your delivery system is. You have paper work, etc. Why weren't some of the problems addressed with management? How do you deliver your liquor to the stores? By truck? ELLEN FEAVER: Yes. Going through the drop off towns there should be hardly any cost. The overhead costs are quite low. There are significant accounting costs. Agency costs, etc. Those are costs we can cut down to meet a percentage requirement.

SENATOR LANE: What percent?

ELLEN FEAVER: The options would be to rescind that language and say "shall attempt to". If the wording on line 14 is out or changed, we could live with it.

SENATOR AKLESTAD: What were your operating costs last year?

ELLEN FEAVER: About 14.7 percent. This year we have to do more layoffs to do 15%. With this bill, a built in 3% increase here.

SENATOR HAFLEY: If this language is not changed, is there a store that will be closed? A lot of them or some of them are located within reasonable distance from another store. Will stores be closed and make it like a city where it will be a long way to another liquor store?

ELLEN FEAVER: I anticipate some three discontinued, about five that would be closed first. I just don't know. We have to do some work on this depending on what happens in the bill.

SENATOR HAFLEY: The closing would be because of the 15% mandatory that would be made? ELLEN FEAVER: Yes.

MEETING ADJOURNED to continue at 8 a.m. with the Department of Administration.


SENATOR HIMSEL, Chairman

ROLL CALL

FINANCE AND CLAIMS COMMITTEE

48th LEGISLATIVE SESSION - - 1983

Date 4-4-83

NAME	PRESENT	ABSENT	EXCUSED
Senator Etchart, VC	✓		
Senator Dover	✓		
Senator Keating	✓		
Senator Smith	✓		
Senator Thomas			✓
Senator Van Valkenburg	✓		
Senator Stimatz	✓		
Senator Story	✓		
Senator Ochsner	✓		
Senator Haffey	✓		
Senator Jacobson	✓		
Senator Regan	✓		
Senator Lane	✓		
Senator Aklestad	✓		
Senator Hammond			✓
Senator Tveit	✓		
Senator Boylan	✓		
Senator Hims1, Chairman	✓		

DATE

4-4-83

COMMITTEE ON

VISITORS' REGISTER

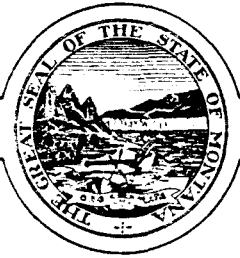
NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
JAMES Smith	Reg. & CAA Assoc.	447	X	
Stacy Flaherty	Women's Lobbyist Fund	447	X	
E. E. DAYTON	MT. UNIV. SYSTEM	447	X	
Jeff Morrison	BOARD OF REGENTS			
Jeanne Sylva	SDHES	"	✓	
Suzanne May	SDHES	447	✓	
Jack Noble	MT. UNIV. SYS.	447	✓	
Ray Hoffman	DHES	447	X	
W. J. Stutz	DHES	447	X	
Ray Stutz	HD SP			
Bonnie Monahan	Primary Teachers	447		L
David Hunter	Dept of Labor	447	✓	
Rod Ager	- - -	447	✓	
Bob Denney	MT. Sch. for Deaf & Blind	447	✓	
Bill Davis	MT. School for Deaf & Blind	447	-	
Ray Brown	MT. Human Rts Comm	447		
Paul W Bartlett	DHES	447	✓	
P. William	LFA			
Gary Blawie	Dept. of Labor	447	-	
Don Reed	MEIC	447	✓	
N. Lorkin	LFA			
J. Fris	LFA	447		
Sam Hughes	State Teachers	447	✓	
Chuck Wright	MT. School for Deaf & Blind	447	-	
Terry Mingo	MT Fed of Teachers	447	-	
Bill Hanson	UPA			

4-4-83

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Ben Johns	SAD			
Dennis Rehberg	Realtors			
Jay Byrnes	Family Tracking Center			
Nickell Anderson	Governor's Office			
Rose Skoog	MT Health Care Assn			
Arny MacIntyre	Human Rights Comm.			
Edward Smith	Human Rights Comm.			
Celinda Lake	Women's Sublyst Fund		✓	
Charles Briggs	Governor's Office			

(Please leave prepared statement blank)



HUMAN RIGHTS COMMISSION

STATE OF MONTANA

TED SCHWINDEN, GOVERNOR
(406) 449-2884

ROOM C-317, COGSWELL BUILDING
HELENA, MONTANA 59620

April 11, 1983


The Honorable Matt Hims1
Chairman
Senate Finance and Claims
Room 108
State Capitol
Helena, MT 59620

Dear Senator Hims1:

Would you please enter the testimony of Edward Lien, Montana Human Rights Commission member, into the record of testimony before the Senate Finance and Claims Committee.

Thank you.

Sincerely,


Raymond D. Brown
Administrator
Human Rights Division

RDB/tg

Enc.

Testimony of Edward Lien
Before the Senate Finance and Claims Committee
April 4, 1983

INTRODUCTION

Mr Chairman - Members of the Committee. For the record, I am Edward Lien, member of the Human Rights Commission and I have been delegated by the Commission to speak on their behalf.

I will endeavor to hold by your rules that no old testimony be rehashed here today but there have been a few misconceptions that have dogged our budget so far through the legislative process and I will do my best to set the record straight as the commission sees it. You have our proposals and fact sheets so I will not get into any of the figures involved.

We have been accused of asking for more money when we received everything we wanted. That is definitely not the case. You have our proposed budget and we did not ask for one penny more than we actually needed. The federal figures were never there and were not expected by the Human Rights Division. Our basic contract with the EEOC has not changed for four years. The result of adjusting the fictitious figure to the authentic one had the effect of cutting our budget by \$52,000 for the biennium. The pressing need for an additional compliance officer was presented at the first possible legislative opportunity this session.

We have been accused of being ineffecient because the federal contract covers only about half of our per case cost. The federal contribution was always intended as a cost share contribution and the feds think our cost per case is fine and considering our large land area, admirable. If all federal cost sharing was stopped we still are required to investigate and resolve those cases.

You will hear that we got a 23% increase in general fund money this time over the last biennium. We readily admit it but check our history and see what has happened in the past when federal grants for inventory reduction resulted in a

replacement of state general fund participation. Again, let me reiterate, go to our budget and if you can find fat - cut it.

We are a small agency and any adjustments in our budget go quickly and directly to our job performance.

I am proud of my fellow commissioners and our support division.

We commissioners will spend approximately six weeks this coming year as volunteers to Montana's fight against discrimination. It is an important job, legitimate discrimination must be addressed and resolved and, just as importantly, frivolous and spite cases must be summarily weeded out. Give us the money in our budget and our additional compliance officer and two years from now I personally pledge we will have our backlog of cases well resolved and in a position to deal currently and economically with any complaints.

In conclusion, let me say to you - Look over our budget proposals very carefully, check our sunset review from two years ago. If you can find any fat in our budget, cut it, but I'm confident you will find we are asking for only the minimum basic necessities to do an important job mandated by the constitution and implemented by the Human Rights Act.

There is an old baseball saying "play me or trade me". My fellow commissioners and I will resolutely volunteer our time and expertise to help get the job done as we realize the alternative is a morass of litigation and federal investigation with Montana citizens and business people suffering in the process.

If you give us the tools and we don't do the job I think you should clearly face up to the fact that the Human Rights Act should be amended and perhaps the Commission abolished. Your decision could well be made this session.

Thank you. Our administrator, Ray Brown, will be available for any questions.

4-8³
Items Contingency Addresses

1.	Nursing Home Patient Days	\$ 745,143
2.	Federal Medicaid Matching Rate	2,051,798
3.	Unit Costs for Hospitals, Physicians, Mental Health, etc.	536,786
4.	Foster Care Caseload	229,470
5.	Supplemental Security Income	35,299
6.	AFDC Caseload	3,125,165
7.	Nursing Homes @ 6% Inflation	329,600
8.	AFDC @ 51% Poverty Index	654,856
		<u>\$7,708,117</u>
	Less Contingency	<u>\$4,855,000</u>
	Deficiency Remaining	<u><u>\$2,853,117</u></u>

DEPARTMENT OF COMMERCE



TED SCHWINDEN, GOVERNOR

CAPITOL STATION
1424 9TH AVENUE

STATE OF MONTANA

(406) 449-3494

HELENA, MONTANA 59620-0401

March 30, 1983

MEMORANDUM

TO: Senate Finance and Claims Committee

FROM: Department of Commerce
Professional and Occupational Licensing

RE: Funding for New Boards

Four new Boards have passed or are in the process.

	<u>Fiscal 1984</u>	<u>Fiscal 1985</u>
HB 699 - Board of Athletics	8,598	9,084
HB 452 - Board of Polygraph Examiners	3,000	3,000
HB 523 - Board of Private Investigators	25,372	25,887
HB 284 - Board of Social Workers	<u>3,150</u>	<u>3,100</u>
Total	40,120	41,071

Amendment to HB 447

	<u>Fiscal 1984</u>		<u>Fiscal 1985</u>	
	<u>State Special Revenue</u>	<u>Total</u>	<u>State Special Revenue</u>	<u>Total</u>
Strike line 24, page 47	1,878,769	1,878,769	1,940,156	1,940,156
Insert line 24, page 47	1,918,889	1,918,889	1,981,227	1,981,227

NOTE: Amendment is based on yellow reading copy of HB 447.

/rv

Amend HB 447, third reading bill, as follows:

(appropriate page and line)

	From the Resources Indemnity Trust Fund	
	FY 1984	FY 1985
DEPARTMENT OF NATURAL	100,000	0
RESOURCES AND CONSERVATION		

The foregoing appropriation is to conclude the investigation of off-stream water development in the Yellowstone River Basin as authorized in House Bill 861 of the 47th legislature, for the purposes of (1) developing alternative operational plans to demonstrate the potential of an integrated system of off-stream storage and hydropower projects which could tie into a comprehensive river basin plan; (2) identifying and evaluating the benefits of such a system, including consulting with potential beneficiaries as necessary, in order to formulate cooperative arrangements for funding one or more demonstration projects within such a system; and (3) stimulating public discussion of this concept and public participation in decisions about its possible implementation.



CITY OF BILLINGS

WILLIAM B. FOX
MAYOR

220 NORTH 27TH STREET
P. O. BOX 1178
BILLINGS, MONTANA 59103
PHONE (406) 259-2489

To: Senate Finance & Claims Committee
From: Mayor William B. Fox, Billings
Re: Family Planning Funding

Planned Parenthood of Billings has provided an invaluable service to our community for the last thirteen years. Not only have they provided needed medical services in the area of contraception and reproductive health screening, but they have been a leader in gathering many health providers to low-income people in one center. This has helped avoid costly duplication of many services and has helped provide more for the tax-payer's dollar than could reasonably be expected. They have worked in educating parents, teachers, and others working with youth in ways to help young people make good decisions.

As the principal of Washington School, I have witnessed first hand the heartache that accompanies the lack of good family planning... too many unwanted children, children arriving before young couples can afford to support them, the families that have split apart because of the stress of too many mouths to feed and not enough money to feed them. Before Planned Parenthood was organized, there was no place to refer people who had no medical dollars. Planned Parenthood has become a real center of health care for families. Although their main emphasis is reproductive health, I know for a fact that last year they did free blood pressure screening for senior citizens in our community. This was an added bonus. They offer this free service in the spirit of outreach and the senior citizens love going there and talking with their friendly nurses. If a blood pressure is abnormally high or low, the nurses will talk to that person about seeing their own physician soon.

The whole staff at Planned Parenthood is dedicated and committed to providing the highest quality of medical service, in a caring environment, and at the lowest possible cost to their clients. Last year a full 79% of their clients received either subsidies or free services. It is this sort of community spirit that makes me feel that this clinic must get the funds from the legislature that enable them to continue this work. I urge your continued funding of family planning services.

PLEASE ENTER THE PROGRAM CODE (2 DIGITS - 00 LISTS ENTIRE AGENCY):

*****MAIN TABLE*****

Y-AS01-DEPT OF COMMERCE (W/C POL) PCM-70-INDIAN AFFAIRS COORDINATOR

WYEST, GILBERT DATE: 03/28/03 TIME: 14:57 VSF: 0.000 GFPPH:0.000

	FISCAL APPROPRIATED 1902	1903	1904	LFA CURRENT LEVEL 1905	% CHANGE 1903-05
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	2.00	3.00	2.00	2.00	(33.3)
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END SOURCE

GENERAL FUND	\$74,391	\$92,586	\$67,198	\$68,435	(18.7)
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TOTAL FUNDS	\$74,391	\$92,586	\$67,198	\$68,435	(18.7)
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EXPENDITURES BY OBJECT

PERSONAL SERVICES	\$42,383	\$59,971	\$42,273	\$42,226	(17.4)
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OPERATING EXPENSES	\$31,558	\$32,615	\$24,925	\$26,209	(20.3)
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EQUIPMENT	\$450	\$0	\$0	\$0	(100.0)
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TOTAL OPER COST	\$74,391	\$92,586	\$67,198	\$68,435	(18.7)
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TOTAL EXPENDITURES	\$74,391	\$92,586	\$67,198	\$68,435	(18.7)
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ADJUS/EXPEND DIFF	+0	+0	+0	+0	
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NOTE: THE VSF HAS BEEN APPLIED TO THE ABOVE PERSONAL SERVICE DATA

I HAVE REQUESTED LISTING THE MAIN TABLE FOR AN AGENCY

POINT-OF-SALE SYSTEM
LIQUOR DIVISION
Option I - POS in 42 Stores with Hand Held Inventory Devices in 32 Stores

	FY83	FY84	FY85	FY86	FY87	FY88	FY89	FY90	FY91	FY92	FY93	FY94
COSTS:												
Additional Manpower to Develop & Maintain System	\$ 42,936	\$ 42,936	\$ 21,283	\$ 21,283	\$ 21,283	\$ 21,283	\$ 21,283	\$ 21,283	\$ 21,283	\$ 21,283	\$ 21,283	\$ 21,283
Employee Benefits	8,588	8,588	4,257	4,257	4,257	4,257	4,257	4,257	4,257	4,257	4,257	4,257
Electrical Preparation	--	13,200	--	--	--	--	--	--	--	--	--	--
D.P. Computing, Testing, Developing	67,200	6,500	--	--	--	--	--	--	--	--	--	--
Added Computer Production Costs	3,972	21,960	43,920	43,920	43,920	43,920	43,920	43,920	43,920	43,920	43,920	43,920
Equipment Costs	230,000	593,318	--	--	--	--	--	--	--	--	--	--
Maintenance Costs	4,740	32,088	64,176	64,176	64,176	64,176	64,176	64,176	64,176	64,176	64,176	64,176
Communications Costs	267	2,616	5,232	5,232	5,232	5,232	5,232	5,232	5,232	5,232	5,232	5,232
Additional Supplies	200	1,680	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360
TOTAL COSTS	357,903	722,886	142,228	142,228	142,228	142,228	142,228	142,228	142,228	142,228	142,228	142,228

BENEFITS:												
40% Inventory Reduction	--	918,400	1,377,600	--	--	--	--	--	--	--	--	--
Elimination of New or Replacement Cash Registers	--	--	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
10% Reduction in Store FTE's	--	120,791	240,583	240,583	240,583	240,583	240,583	240,583	240,583	240,583	240,583	240,583
1% Return (Cost) Invest.	--	(44,568)	(2,000)	183,659	226,284	265,625	309,687	359,036	414,307	476,210	545,582	623,193
Software Contract	--	70,000	70,000	70,000	--	--	--	--	--	--	--	--
TOTAL BENEFITS	--	\$1,064,123	\$1,689,183	497,442	470,067	509,408	553,470	602,819	658,090	719,993	789,325	866,976

NET ANNUAL BENEFITS (COSTS):	(357,903)	341,237	1,547,155	355,214	327,839	367,180	411,242	460,591	515,862	577,765	647,097	724,748
ACCUMULATIVE BENEFITS (COSTS):	(357,903)	(16,666)	1,530,489	1,885,703	2,273,542	2,580,722	2,991,964	3,452,555	3,968,417	4,546,182	5,193,279	5,918,027

3. Grievances These include complaints of patients and family members regarding rights violations, treatment issues, commitment/re-commitment proceedings, admissions/discharges, questions on the use of patient funds and billings. The Board is frequently called upon to fill requests for assistance, which include: information on appropriateness of placements to a facility, questions on less restrictive environments, information on guardianship/conservatorship.

During Fiscal Year 1982 the Board responded to 242 grievances. Thus far for FY 83 (through the end of March) the Board has responded to 281 complaints. We feel the increase can be attributed to the increases in populations at the various facilities and more awareness by people of their rights.

The Board is requesting a half-time administrative assistant to aid me in resolving (in a timely fashion) the increase in grievances, requests for assistants and complaints. The average complaint takes eight hours to resolve. The assistant would help with the research, investigation and fact-finding necessary to resolve these complaints. The assistant would also help with the general office management (presently I xerox, type letters, make arrangements for facility reviews, respond to the grievances, visit the institutions (especially Boulder, Warm Springs and Galen approximately six to eight times per month). The costs associated with this position are approximately \$11,000.

If you need further information, I am available to answer any questions. We feel the additional money is needed so the Board can do its job in protecting the rights of Montana's disadvantaged. Thank you for your continued support of the Board.

APRIL 4, 1983

AMENDMENT TO HB #447 - AppropriationsDEPARTMENT OF AGRICULTURE

1. CENTRALIZED SERVICES

	<u>Fiscal 1984</u>	<u>Fiscal 1985</u>
	General Fund	General Fund
Amend to increase	40,680	40,524

This amendment will reinstate the salary and benefits of the Deputy Director.

The need for Deputy Director was recognized prior to Director McOmber's tenure. He attempted to operate without a deputy and came back with a request to reinstate the Deputy Director at which time the committee recognized and concurred with the need. The sub-committee recognize and concurred when they passed a motion to retain the Deputy Director.

Salary	-	34,474	34,134
Benefits	-	6,205	6,390

5. MARKETING AND TRANSPORTATION

	<u>Fiscal 1984</u>	<u>Fiscal 1985</u>
	Federal Special	Federal Special
Amend to Increase	14,200	14,200

This amendment will provide the Department authority to continue the Grain Movement Report for the Wheat Research & Marketing Committee.

This project was authorized previously through the Budget Amendment process.

It is understood that the Committee will continue to require this service from the Department.

April 4, 1983

AMENDMENT TO HB #447 - Appropriations

7. Environmental Management

	<u>Fiscal 1984</u>	<u>Fiscal 1985</u>
	General Fund	General Fund
Amend to Increase	25,000	25,000

Contingent upon increased fees as provided in HB #802 which will generate \$140,544 to enable the Department's response to public demand for entomologist support to pest and chemical problems.

HB #802 - Revenue Increase	- 140,544
Expenditures	
Personal Services	(40,836)
Operations	(9,164)
Balance to General Fund	<u>90,544</u>

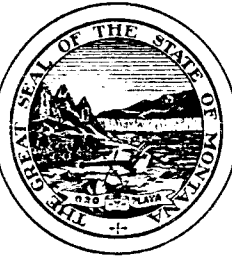
8. Plant Industry

	<u>Fiscal 1984</u>	<u>Fiscal 1985</u>
	General Fund	General Fund
Amend to Increase	33,350	30,010

Fee increases as provided in HB #673 will generate \$54,864 to enable the Department's response to recent elevator bankruptcy issues.

HB #673 - Revenue Increase	- 54,864
Expenditures	
Personal Services	(44,152)
Operations	(19,208)
	<u>(8,496)</u>

DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES



TED SCHWINDEN, GOVERNOR

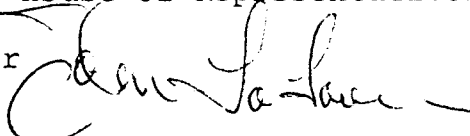
P.O. BOX 4210

STATE OF MONTANA

HELENA, MONTANA 59604

March 25, 1983

TO: Members of the House of Representatives

FROM: John D. LaFaver
Director 

SUBJECT: Underfunding of Human Services

You need to be aware of the serious financial dilemma facing Montana's human service programs. The actions of the house appropriations committee left SRS with a \$5.7 million deficiency in continuing present benefit levels and services under present eligibility standards.

The \$4.9 million contingency approved by house appropriations is an improvement that is appreciated. However, our enthusiasm for the contingency is tempered by the fact that it allocates only \$4.9 million to fund \$7.7 million of costs. A \$2.9 million deficiency in that area remains.

In addition, the committee failed to address in any way \$2.8 million of basic needs; the most obvious being \$2.2 million to continue present energy assistance benefits.

I hope you agree that we should not take financial risks at the expense of those who depend upon us the most.

Attachment



THE MONTANA UNIVERSITY SYSTEM

33 SOUTH LAST CHANCE GULCH
HELENA, MONTANA 59620-2602

(406) 449-3024

COMMISSIONER OF HIGHER EDUCATION

TO: Senator Matt Hims1
Chairman - Finance and Claims

FROM: Jack Noble *JHN*
Deputy Commissioner for
Management and Fiscal Affairs

DATE: April 1, 1983

SUBJECT: Request to Amend H. B. 447 to Provide for a Reallocation
of Millage Funds

I mentioned to you on Thursday, the problem that was created by the floor amendment in the House of Representatives that added \$1,332,000 to the millage revenue in fiscal year 1984-85. The entire additional millage revenue was inserted in U of M's budget on page 86, line 20 in place of general fund. Historically, all millage revenue has been allocated to the six campuses based upon enrollment. We would prefer to maintain that allocation principle.

I am requesting that the analyst (or legislative council) prepare an amendment allocating the millage revenue to the six campuses and adjust the general fund amounts accordingly.

This amendment would not require any additional funding. Your consideration of this request would be greatly appreciated.

JHN/llt

xc: Senator Jacobson
Senator Hammond
Senator Haffey

Items Contingency Addresses

1.	Nursing Home Patient Days	\$ 745,143
2.	Federal Medicaid Matching Rate	2,051,798
3.	Unit Costs for Hospitals, Physicians, Mental Health, etc.	536,786
4.	Foster Care Caseload	229,470
5.	Supplemental Security Income	35,299
6.	AFDC Caseload	3,125,165
7.	Nursing Homes @ 6% Inflation	329,600
8.	AFDC @ 51% Poverty Index	654,856
		<u>\$7,708,117</u>
	Less Contingency	<u>\$4,855,000</u>
	Deficiency Remaining	<u><u>\$2,853,117</u></u>

Items Not Addressed In Contingency

9.	Low Income Energy Assistance	\$2,221,460
10.	Aging Services	153,158
11.	Family Teaching Center	108,400
12.	Audit	77,487
13.	DDPAC	<u>325,000</u>
	Deficiency	\$2,885,505
	Total Deficiency	<u><u>\$5,738,622</u></u>

We're here today to ask the support of the Board of Regents on Item A under unfinished business on today's agenda, the proposal to offer nursing school pre-requisites now available only at Montana State University, Bozeman, at extended campuses in Missoula, Butte, Great Falls and Billings.

Incidentally, it is my understanding that these courses, N106, N213, N225, N226 and N227, are not pre-requisites, but are actually part of the curriculum of the School of Nursing.

It is my feeling that the consideration here today is actually much broader than one school and a handful of classes. It seems to me that we are also considering whether we are going to continue to honor the commitment made years and generations ago to offer a quality education to as many Montana citizens as is humanly possible.

The simple way to offer a university education would be to have one university in one location, possibly Lewistown as the geographical center of the State, and make all students travel from throughout the State to attend that one university. In fact, we have six units and the people of Montana have supported these units generously with their taxes.

Obviously that mandate from the people must be tempered with practicality. As Dr. Dayton has pointed out in his November 12, 1982 letter to Senator Tom Towe, 'The System cannot be all things to all people and will not attempt to offer all possible programs.' We're not asking for unnecessary duplication of programs and classes. We don't believe the interests of the people the students or the universities would be served by teaching law at Eastern or engineering at Missoula.

However, just as universal access has to be tempered with reason, so does the avoidance of duplication. No one has demanded the removal of literature classes from Bozeman because they are not part of an engineering education. Nursing classes are now duplicated at four locations, Missoula, Butte, Great Falls and Billings, because it is reasonable to do so.

In any managerial problem, there are always two possible approaches. One can try to find a way to do something or one can try to find reasons why it is not possible.

Since the spring on 1982 we've been offered nothing but reasons and lists of reasons why it is impossible to teach Introduction to Nursing in Missoula or Nursing Trends and Issues in Great Falls.

While the responses to many of these objections are based on data developed in Billings, it is believed that the same situation would exist in the other three locations. We have simply used Billings as a handy example.

First, supplicants were told there were not enough students to justify offering the basic classes outside Bozeman. Overnight a petition bearing close to forty names made that an empty objection.

It was then said that there wouldn't be enough clinical facilities to serve more students. However, Valley, Glendine, Western Manor and St. Johns nursing homes said they would welcome many times more nursing students than they were receiving. St. Vincent's Hospital is expanding and Deaconess Hospital is expanding. Finally, no effort has been made to investigate scheduling changes to make broader use of existing clinical facilities.

Let me read you an item from the January issue of Nursing Magazine, a

professional journal.

"Recently, we talked with Mary Ann McDermott, associate professor at the Marcell Nichoff School of Nursing at Loyola University of Chicago. She's director of an unusual public health-care program run by the faculty and students"

"In the past, our senior students would work in an agency, such as the board of health or a visiting nurse association, for their public health nursing experience," Dr. McDermott told us. "But with our own student body growing and a number of other nursing schools in the area, the agencies couldn't accommodate all the students. So we decided to open our own community nursing agency."

"They did that by expanding a small program they had already begun at a nearby church. In this program, nursing students visited elderly church members and socialized with them. Dr. McDermott recalled, "We asked the pastor if we could have a bigger physical facility set aside for us where we could offer skilled nursing care. He was delighted and gave us the old library under the church belfry."

"The center, whose medical director is Dr. Ming Wu, Loyola's student health director, offers its services free to people in the community, about 80% of whom are elderly. The center offers blood pressure monitoring and health education programs about such things as hypertension and diabetes. Dr. McDermott added, "We have expectant parent classes, and we do some cardiopulmonary resuscitation instruction."

The article goes on in more detail, but that isn't necessary here. The point is that the school took a dynamic, creative approach to a problem and made an effort to solve it. I am in no way suggesting that we set up any nursing clinics, I am suggesting that there are ways to solve almost any problem.

Returning to some of the objections to our five classes, we were told that it might not be proper to offer a degree with the student never having been on the campus from which the degree is earned. Why? It would be the MSU degree, MSU instructors, MSU curriculum. What do buildings or geography matter?

It was claimed that the quality of the program would suffer. Again, I can see no reason for such a statement since again it would be MSU instructors

and curriculum.

It was claimed that it would be difficult to find instructors with 'expertise' to teach the five basic classes. Don't you believe any teacher qualified to teach "Medical/Surgical Nursing" could teach Introduction to Nursing? And more to the point, if the five classes were offered at the other four locations, would there be 13 instructors required at Bozeman?

Employment opportunities do not warrant more RNs in Montana. Dean Shannon herself has said the School of Nursing has a 98% placement rate. Dr. John Dorr said, ".....in the nation as a whole there is a critical shortage of nurses." Dr. David K Drill said, "We in Billings have been chronically short of Registered Nurses." Dr. John Shollenberger said, ".....we are in somewhat of a dire need for additional nurses in the community."

Can we change this totally negative approach and commit ourselves here, today to find a way to give access to a nursing career to as many as possible?

In the flood of objections thrown at the proposal to offer the five basic classes on all extended campuses, it seems to me that there are only two which might have any foundation in fact. There is the question that accreditation might be jeopardized if the entire curriculum were given in a site other than the campus offering the degree.

Obviously this has to be examined. I will guarantee there is not one person in this room, or possibly in the entire state, who would want to do anything which would jeopardize the health and reputation of the Montana School of Nursing. However, according to Marsha Dale of the Wyoming School of Nursing at the University of Wyoming in Laramie, the entire curriculum is now being offered at a University of Wyoming extended campus located at Rock Springs

Community College. I have no idea how the accreditation question was worked out, but apparently it was not insoluble.

This has also been the case in Washington.

Quoting from a Washington paper, "The full scope of undergraduate nursing education was fulfilled in 1980, when, through an arrangement with Washington State University, it became possible for students to complete all the educational requirements for a bachelor of science degree from WSU while studying at Yakima Valley Community College."

Because it is so critical, certainly the accreditation question should be studied before any steps are taken, but it should be studied, not simply offered as an objection.

The other valid objection is cost. In these times and with the budget constrictions facing the entire nation, it is clear that this simply is not the time to spend money idly. But how much money are we talking about? Or are we talking about any additional expenditures? All we have to go on here is a cost study made by Dean Shannon last April.

I don't want to devote a great deal of time to the cost study. I think it has already received much more attention than it deserves. I will suggest that it has certainly not understated anything.

The amount of equipment needed to duplicate the Bozeman facility, other than administration, on the four extended campuses is substantial. According to that April 28 study, it would be \$50,800 per campus. I think there are some areas we can investigate, such as the increased use of already existing audio visual equipment, software, teaching models, etc., but more importantly, I think there is every possibility that the communities concerned would endow the extended campus in their area. In fact, I have previously committed myself to such an effort in Billings. I don't have the contacts necessary to make the same effort

in Missoula, Butte and Great Falls, but I have contacts in those communities who have contacts. It is possible that we could equip all four campuses without demanding one penny from the legislature.

How about personnel? As in any teaching situation, the bulk of the cost is in salaries. Here the study suggest \$99,270 direct personnel cost. No question, that's substantial, but let's try to take a sober look at it. First, almost \$20,000 of that figure is for administrative and secretarial help. I can only use Billings as an example, but again there is probably not a great deal of difference between the situation in Billings and the other campuses. The administrative head of the extended campus in Billings, Ruth Vanderhorst, told me she had carried a full teaching load in 1981 or '82. I didn't get the quarter pinned down. This being the case it is self evident that the administrative load is not critical and five classes could be added without increased administrative cost.

However, there's something much more important involved in the personnel cost of these programs.

Let's look at some figures. Dean Shannon was kind enough to give me a detailed breakdown of faculty and students at all five campuses.

On campus at Bozeman there are 37 students from Cascade County, 43 from Missoula County, 12 from Silverbow and 42 from Yellowstone. That's 134 students just from the direct area of the 4 extended campuses. I suggest that many, many of these students would jump at the chance to stay in their home area if they could take the 5 basic classes there. There is every possibility that Bozeman domiciled faculty could be transferred to the other communities and we could have the classes on the extended campuses with no additional teachers.

While we're on the subject of the student/faculty breakdown, let's check a few more figures.

Gallatin County has a population of about 35,000 and has 65 students on campus at Bozeman in the nursing school. Cascade County has about 85,000 people and only 37 students on campus at Bozeman. Missoula supplies 43 students from a population of 65,000 and Yellowstone 42 from a pool of 95,000 people.

What do those figures tell us about availability? Obviously, since the smallest county of the five supplies far and away the greatest number of students, the accessibility of the classes is all important. It's simple for a resident of Bozeman to enter nursing school, more difficult for one from Missoula.

There's another interesting fact hidden in these figures.

While Gallatin County has 65 students in Bozeman, there are only 31 students from that county in the extended campuses. Compare that with Missoula which has 38 students on extended campuses and only 43 in Bozeman. Yellowstone has 33 out of 42. It's clear that availability works both ways. Students from other communities can't get to Bozeman, but also, students from Bozeman can't get to the extended campuses in the other four communities.

I'm sure we would all agree that the purpose of the school is to graduate students. Certainly any education is valuable, but when dealing with a profession such as law, medicine or nursing, the education is virtually valueless unless the degree is obtained. All right. There are 389 students in the school of nursing at Bozeman, spread through two quarters. Presumably then, that's almost 200 students a quarter ready for the two years on extended campus, or

600 a year. The extended campuses, therefore, should be training 1200 students. However, there are only 286 students on the four campuses. Certainly there are academic dropouts, career decision changes, marriages, endless reasons for non fulfillment of the chosen nursing career, but as sure as I am sitting here, the bulk of them fail because they can't get to one of the extended campuses.

My concern when I became involved in this subject was with the non traditional student who cannot get from Missoula, Butte, Great Falls or Billings to attend the five classes at Bozeman because of job, family, etc. It is obvious, however, from the figures we've just glanced at, that the problem is staggering. What a waste when only one out of four students is able to graduate!

I think it is clear to everybody that there is a problem. It is my contention that the primary cause is the bottleneck in Bozeman.

There was a time when university study was restricted to those whose parents could write a check for tuition and living expenses. The growth of the state universities extended the university opportunity to those who could simply sustain themselves, the tuition was within almost everyone's reach. Today, we have come to recognize that there is another change taking place, the importance of the non-traditional student in our society.

Dr. Dayton covered this question thoroughly in his November 12 letter to Senator Towe. Dr. Dayton said,

"The present policy to avoid duplication arises in part from the historic situation where essentially all students in the University System were recent high school graduates and could move to any location in the state, unencumbered by families, jobs, homes or other obligations. That situation has changed markedly in the last decade, and we now have large numbers of persons who

are 'place bound' and who want to participate in higher education where they presently reside. Since many of the potential students cannot move to the programs, we are getting an increasing number of calls to bring the programs to the students.

We cannot possibly take every program to every potential student, so we are forced to make choices. These choices tend to be made on the basis of some kind of cost-benefit analysis."

While Doctor Dayton did not make any kind of cost-benefit analysis in his remarks, I believe we must recognize that the cost is extremely high when only one student in four completes the course.

Dr. Terry Radcliffe, Director of Education at St. Vincent Hospital in Billings said in a June letter to this Board,

"I have experienced two years of frustration while attempting to counsel St. Vincent Hospital Nursing Aides, Medical Assistants, Ward Clerks, L.P.N.s, and R.N.s into the MSU School of Nursing Program. The problems I encounter are these:

- 1) The five course rule. Our people cannot afford to move to Bozeman for the five courses. They choose not to enroll in the program, and consequently they leave the profession, leave the hospital, etc.
- 2) Most of our people have to work 40 hours a week. They do not have the luxury of not working. They own homes, and have families. Many of them are single wage earners. The MSU School of Nursing is not flexible in meeting our people's needs:
 - Courses are not teleconferenced from the MSU Campus (even though the technology is there to do so).
 - Our people are told they can't work full time and enroll in the upper division Nursing program. This was also said to me personally in a conference with the Director of the program at the EMC campus.
 - Our people are told they have to follow the curriculum sequence. This means they cannot take one or two courses per quarter (outside of their work) until they finish. I would like to see at least one night course per quarter offered--which would be open to any person that has the pre-requisites to take the course.

At the present, we are exploring alternatives to the situation. These alternatives include:

- 1) Re-opening our own School of Nursing.
- 2) Working with Carroll College and Rocky Mountain College to have them help our needs.

- 3) Utilize our telecommunication technology (satellites, cable, teleconferencing, CCTV), and contract with an out of state school for our academic needs.
- 4) Establish St. Vincent Hospital as an extended campus for an out of state school.
- 5) Have our people obtain their degrees through programs like the State of New York Regency Program, St. Francis College, St. Joseph College, etc.

I'm uncomfortable with these alternatives, particularly when we already have a School of Nursing that could meet our needs--if the program were modified--and if the program were to become more flexible."

I'd like to add one further suggestion to Dr. Radcliffe's. Many of the non-traditional students we are now rejecting have already made a career decision and are working in hospitals, nursing homes, clinics, etc., on a level below the professionally trained RN. However, oftentimes their experience is substantial. Why cannot we develop a carefully controlled program whereby people who meet certain criteria can challenge the basic classes. A check of nursing schools in several areas such as California and Illinois indicates that there is no legal, professional or accreditation barrier to challenges to nursing classes. It is a fact that none of the schools questioned allowed challenges, but in each case that was an individual decision.

There are three ways to go. This appeal can simply be rejected. The appeal can be accepted and the five classes extended to the four campuses.

Finally, if it is decided to study the various costs and options which are available, I suggest a committee be formed made up of the academic vice presidents of the schools involved, plus one private citizen.

Montana State University

School of Nursing

Cost Study---May, 1982

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MONTANA STATE UNIVERSITY, BOZEMAN 59717

April 28, 1982

TO: Vice President Knapp

FROM: Anna M. Shannon, Dean

RE: Cost Study: Offering N106, N213, N225, N226, N227 at the Billings Extended Campus

The requested cost study is contained herein. This study presents program assumptions that provide a framework within which the costs can be estimated. Other assumptions would probably have produced different costs. According to one view of educational administrative theory, program costs are affected by environment, volume, and decision. The assumptions address the "decision" component. The influence of environment (changes in faculty size and administrative load at Billings, identification with MSU and a university, the perception of the Billings campus by community, faculty and prospective faculty) and of volume (numbers of students, control of faculty load, steady supply of juniors) are almost self-evident. The teaching of HEC 222 is not addressed.

A. Assumptions:

1. Program quality will not be compromised in relation to:
 - a. Faculty qualifications.
 - b. Student qualifications for admission, progression and graduation.
 - c. Resources.
2. Courses will be offered each quarter.
3. Courses would not be offered for fewer than ten (10) students (undergraduate course size rule).

B. Problems raised by assumptions:

1. Increased administrative load at Billings Extended Campus including:
 - a. Additional faculty members for development and review.
 - b. Expansion of curricular oversight responsibility to lower division as well as upper division specialty courses.
 - c. Prenursing advisement.
 - d. Certification of completion of prerequisites.
 - e. Transcript evaluations for equivalency.
 - f. Some type of preregistration set up for this group of EMC (not MSU) students.
2. Recruitment of qualified faculty members in terms of specialty (fundamentals of nursing) preparation.
 - a. Vulnerable to resignations since would be "one deep".
 - b. Bozeman faculty have been developed and "groomed" in these specialties.

3. Preferential placement of a subgroup of students at the Billings campus for upper-division.
 - a. This problem is inferred from proposed action, i.e., that these students would not only take the lower division courses in Billings but would receive placement for upper division courses in Billings irrespective of current criteria which are designed to avoid discrimination based on non academically relevant criteria.
 - b. Establishment of non academic criteria for placement.
4. Space requirements for faculty members, lab room with beds for N226, classrooms and audio-visual laboratory.
 - a. Faculty members require offices, telephones, support services, travel funds, etc.
 - b. N226, Nursing Process II is a course in systematic human assessment including physical examination. Five stations are required (to teach in groups of ten) furnished with high/low bed, curtains on tracks, linens, pillow.
 - c. N225, Nursing Process I is a course in fundamentals of nursing and the learning of the nursing process, a decision-making model. Many audio-visual materials are used for self paced learning. An audio-visual laboratory with adequate "open hours" and space for students is required. The lab must be staffed for ISL activities.
 - d. Other classes would need to fit into the EMC class schedule, an already difficult task.
5. Philosophical/Accreditation issues
 - a. Can we have a university program in nursing if we deliberately design a component of our regular, generic curriculum so that some students are never on a university campus? (We have developed some short range, limited term programs for R.N.s compromising this principle but have not compromised our major program.)
 - b. A degree of flexibility that has allowed this school to meet state needs would be lost by this scheme.

C. Costs

Cost data are presented to provide a differentiation of "set-up", or "one-time" costs and on-going costs. The cost figures are conservative, e.g., audio-visual needs for N106, Intro to Nursing and N213, Nursing Trends and Issues would be met by rearranging course units so that materials could be sent by bus from Bozeman.

i.
I. SET-UP COSTS (Detail follows in appendix)

a. Faculty and Secretarial Offices - Furnishings	\$ 3,900
b. Nursing 226	
(1) Lab	6,700
(2) Audio-Visual Equipment	5,700
(3) Audio-Visual Software	4,300
(4) Teaching models	1,971
(5) Equipment	1,500
(6) Supplies	500
c. Nursing 225 (including use of equipment in N226)	
(1) Audio-Visual lab	4,500
(2) Software	5,200
(3) Supplies	600
d. Nursing 227 (including use of equipment in N226, N225)	
(1) Equipment	2,400
e. Library	<u>14,000</u>
	\$50,800

NOTE: Minimal Set-up Costs does not duplicate equipment, course to course. Cost of a given course is not inclusive since duplication is eliminated.

2. ON-GOING COSTS

a. Personnel	\$99,270
b. Space Rental	
3500 square feet	18,150
c. Supplies (lab and faculty)	5,000
d. Equipment repair and replacement	6,000
e. Library, maintenance	2,000
f. Software replacement	2,000
g. Telephone	<u>500</u>
Minimal On-Going Costs	\$132,940

NOTE: Does not include increases,
changes in "state-of-art", advent
of computer technology, etc.

Lab equipment — \$ 40,000.00

Upper division courses are clinical.

MSU Facility Federal Money \$ 575,000 \$ 250,000 Fed.

Duplication is costly!

MSU's responsiveness is hurting us.

APPENDIX

i. SET-UP COSTS

A. Faculty offices, 2

<u>Item</u>	<u>Unit Cost</u>	<u>Total</u>	
3 Desks	\$307.39	\$922.17	
2 Executive Chairs	217.80	435.60	
3 Side Chairs	131.67	395.01	
1 Secretarial Chair	180.00	180.00	
3 File Cabinets (4 dr.)	161.37	484.11	
2 Bookcases	127.71	255.42	
1 Typewriter	1,200.00	<u>1,200.00</u>	
		\$3,872.31	<u>\$3,872.31</u>

B. Nursing 226, Nursing Process II

1. LABORATORY

<u>Item</u>	<u>Unit Cost</u>	<u>Total</u>	
5 Beds	\$327.95	\$1,639.75	
5 Mattresses	151.00	755.00	
5 Bedside Stands	157.95	789.75	
5 Overbed Tables	79.25	396.25	
5 Curtains on tracks	125.70	628.50	
10 Chairs	66.08	660.80	
2 Locked Storage Cabinets	214.33	428.66	
Linens (sheets, bedspreads, towels, washcloths, drawsheets, bath blankets, laundry bags, pillows, pillowcases, mattress covers, 12 each)		807.15	
1 Handwashing sink (cost depends on space)		<u>550.00</u>	
		\$6,655.86	<u>\$6,655.86</u>

2. AUDIO-VISUAL EQUIPMENT N226

<u>Item</u>	<u>Unit Cost</u>	<u>Total</u>	
Tape Recorder	\$ 67.50	\$ 67.50	
Overhead Projector	254.00	254.00	
Video Cassette Recorder	2,350.00	2,350.00	
Video Monitor	1,095.00	1,095.00	
Cart	148.00	148.00	
Filmstrip Projector	399.50	399.50	
Screen	67.00	67.00	
Movie Projector	1,123.00	1,123.00	
Slide Projector	180.00	<u>180.00</u>	
		\$5,684.00	<u>\$5,684.00</u>

3. SOFTWARE N226

<u>Item</u>	<u>Unit Cost</u>	<u>Total</u>	
Bates Videocassettes	\$3,500.00 set	\$3,500.00	
Ear assessment (2)		140.00	
Eye assessment (2)		140.00	
Thoracic assessment (7)		<u>490.00</u>	
		\$4,274.00	<u>\$4,274.00</u>

4. TEACHING MODELS N226

<u>Item</u>	<u>Total</u>	
Ear	\$ 78.00	
Eye	152.00	
Heart	66.00	
Breast	175.00	
Recussi-Annie	<u>1,500.00</u>	
	\$1,971.00	<u>\$1,971.00</u>

POSITION PAPERS

Montana State University
School of Nursing

Recent History of MSU School of Nursing's Efforts to Serve the Students
and Nurses of Montana in Terms of Access and Flexibility

1975 - Baseline Situation

- . Lower division courses in Bozeman
- . Students move to extended campus Spring Quarter or Summer Session of sophomore year
- . Students move to Warm Springs and back to extended campus, senior year
- . Students move to community health placement and back to extended campus, senior year
- . Program for R.N.s (diploma and A.D.) to complete B.S.N. offered only in Bozeman
- . Master's program not focused on Montana -- general
- . Master's program offered only in Bozeman
- . Faculty 35% baccalaureate prepared; one doctorally prepared faculty member (dean)
- . School criticized for too many students (overload on agencies) and inadequate supervision of students in community health (preceptors)

1976 - Missoula Campus Opened

- . Improved access for students in Western Montana
- . Educational offerings started with R.N.s completing B.S.N. to prepare community

1977 - Criticized for Having Too Many Students

- . Sophomores afraid of not being placed
- . Upper division petitioning for guaranteed placement instituted
- . Regents ruled that MSU students could have no advantage in placement over in-state or out-of-state transfers

1978 - New Curricula Started at Extended Campuses

- . New curriculum for juniors at extended campuses
- . Spring/Summer (sophomore) move to extended campus not required
- . Move to Warm Springs not required
- . Move to community health placement not required
- . First year of Master's program offered in Missoula
- . Sixteen per cent of faculty had only baccalaureate preparation
- . Three faculty members had doctorate

1980 - First Group of New Curriculum Students Graduated

- . First Master's students from Missoula graduated
- . Second year of Master's program in Billings (first year in Billings in 1979)
- . First year of Master's program in Great Falls

- . Program for R.N. students available at Billings, Great Falls, Butte and Missoula
- . Faculty less than 10% baccalaureate prepared
- . Six faculty members with doctorate
- . Special project to offer upper division courses for R.N.s (Roving R.N. Project) taken to Lewistown, Miles City

1981 - 1982

- . R.N. students at each extended campus (Billings, Butte, Great Falls, Missoula)
- . Master's program at Great Falls (second year) and Missoula (first Year)
- . Less than 10% of faculty prepared only at baccalaureate level
- . Four faculty members with doctorate (one resigned end of Autumn Quarter to follow husband)
- . "Roving R.N. Program" offerings in Kalispell, Miles City and Sidney

Anna M. Shannon
May, 1982

Montana State University
School of Nursing

Plans Based on Projected Numbers

Numbers of potential students must be analysed to project possible enrollments. The Billings pre-nursing students claim 120 known potentials (some in high school) and claim 250 probable.

In a 1979 survey of all licensed R.N.s in Montana and a followup to respondents in 1981, potential students were asked to indicate their interest in obtaining their B.S.N., close to home. The survey contained a self-advisement-program-planning-tool so that positive respondents could realistically respond and plan on the basis of their own transcripts. The numbers in the following table represent the results of that part of the survey.

From 1979 to 1981 there was a reduction of 93 of whom 44 may be represented by students enrolling in 1980, a 23% enrollment. Forty-seven were enrolled in 1981 as compared with the 99 indicating serious interest, a 47% enrollment.

This survey differs from the one reported by the pre-nursing students in that it was systematic, specific, realistic and studies a population, not a sample.

Results of R.N. Survey 1979 and 1981
 Number of Respondents Interested In
 Earning B.S.N. By Town and By
 Enrollment (MSU School of Nursing)

<u>Town</u>	<u>Survey*</u>		<u>Entered Program</u>	
	1979	1981	1980	1981
Billings	28	17	9**	3
Butte	23	11	1	2
Great Falls	23	12	10	2
Missoula	31	11	4	5
Glasgow/Wolf Point	3	7	--	--
Glendive	3	0	--	--
Havre	10	12	--	6
Kalispell	19	19	--	10
Lewistown	10	0	5	--
Miles City	32	1	15	11
Sidney	10	9	--	8
Totals	192	99	44	47

IN ADDITION
 TO THE ABOVE
 R2A1

* Numbers not additive may represent person more than once. Reduction in numbers in 1981 due to enrollment and/or loss of interest.

** Three dropped out after one quarter.

Anna M. Shannon
 May 1982

Montana State University
School of Nursing

Probable Effects of Several Small Nursing Schools
(Rather Than One MSU School with Extended Campuses)

1. Faculty

Recruitment of qualified faculty is difficult enough now because MSU is just becoming known in the region and nation as a quality school with a research thrust. Faculty like the collegueship with their peers at other campuses and the experience of being part of a larger endeavor. They all like being part of a university.

I do not believe that the current quality of faculty could be maintained.

2. Administration

Each new school would require a doctorally prepared dean or director. This is a waste of doctorally prepared nurses. Administrative assistance would be required. Schools of nursing process many more reports than most disciplines.

3. Accreditation

Accreditation would have to be sought by each.

4. Program Flexibility

At the present time a student can transfer among campuses because we maintain the same curriculum each place. This opportunity is used by students when personal problems intervene (husband changes job, illness in family, etc.) or when they drop out (failure or other reason) and wish to return when a "slot" at the original campus is not available. Separate schools with separate curricula would not offer this opportunity.

5. Master's Program

In 1978 the Master's program was designed to focus on health care in a sparsely populated state and to be implemented through rotation among the campuses.

The implementation plan was adopted so that nurses in leadership roles in the major Montana communities could earn their Master's degree without decimating the nurse workforce in that community. Each of the extended campuses of the School of Nursing has participated or will participate.

Through this mechanism the School upgrades care through education. In addition, out-of-state Master's students are added to the nurse workforce.

Having separate schools would negate this plan.

6. Library, Equipment, Other Resources

School of Nursing resources are shared among the campuses. A central library committee (representing all campuses) insures adequate library resources within the system. Separate schools would require totally duplicated libraries.

7. Competition for Students

At the present time small adjustments in student numbers can be accommodated by differential assignment to the four campuses. With separate schools each would be actively recruiting to maintain their own enrollment.

Anna M. Shannon
May 1982

Montana State University
School of Nursing

Policies: Student Placement

The School of Nursing has developed policies in regard to student placement consistent with principles of fairness, non-discrimination and academic validity.

At the time (1977) that the guaranteed placement petition policy was instituted, several supporting policies were adopted, i.e.,

1. Before each petitioning period:
 - . Notices to pre-nursing advisors at each System unit
 - . Advertisements in school and city newspapers
2. Placement at one of the campuses is guaranteed for only 198 spaces. A specific campus placement is not guaranteed. Preferences are solicited.
3. When there are more students than spaces, selection is based on cumulative GPA (CGPA) in required prerequisite courses.
4. For placement at a specific campus, when a campus is over-subscribed, (e.g., 90 requests for 66 spaces) preferences are honored on the basis of cumulative GPA in required prerequisite courses.
 - a. Students with "extraordinary need" (to be at one specific campus) may petition (by letter) to "go ahead" of someone with a higher CGPA.
 - b. A student/faculty committee (three students with high GPAs going to unaffected campuses and two faculty members) considers the letters.
 - c. Criteria for selection are usually related to dependent care and severe financial problems such as sole support of dependents.
 - d. Since all the students have financial problems and other common student problems, criteria are restricted to those that do not discriminate against a group. Therefore, sex, age, marital status, economic status, religion, and ethnic origin are not, in and of themselves, adequate reason to place a student.

The above policies have functioned well. Students believe they are dealt with in a fair and appropriate manner.

If the lower division nursing courses were taught in Billings, for example, whether on a regular three quarter basis or on a two summer basis, policies related to the affected students, if different from those in place for the regular students, would have to be determined in advance.

For example, if students who claimed extraordinary hardship (dependents, sole support) were the only ones enrolled in the lower division courses in Billings, they could be placed in Billings on the basis of current policies. If, on the other hand, other Billings pre-nursing students were enrolled in the courses in Billings but could not demonstrate "extraordinary need" they would only be placed in Billings for upper division work if, 1. CGPA was high or, 2. the campus was not over-subscribed. Since neither of these conditions is predictable very long in advance, placements could be delayed for all students.

The policies now in place were developed at the time the Regents were threatened with a discrimination suit based on residence. Further development of non-discriminating policies must await the Regents' decision.

Anna M. Shannon

May, 1982

April 28, 1982

KAY:

What role have we played in getting specific prerequisites out in the state for the "Roving R.N." and for the master's program?

Anna

ANNA:

Basically we act as brokers in setting up these courses, that is bring students and faculty from other disciplines together. We also play a coordinating role, help with advertising, subsidize low enrollment classes, help establish class schedules, etc. In this coordinating role we help channels of communication open between students, extended campus, the offering department, and the continuing education office and act as a clearinghouse for information. We also have made the final decision (since subsidies have been involved) as to whether or not a course would be offered.

The process works as follows:

1. We learn of an interested group of students (through Roving RN or Education Director).
2. I contact the offering department and the Continuing Ed. office.
3. The Continuing Ed. office contacts the offering department for course details.
4. The Continuing Ed. office figures cost, numbers of students needed to "make" the course, prints the flyers.
5. We distribute flyers and often place ads in the local paper.
6. Students return registration slips or call our extended campus office to express interest, get further info etc.
7. At times we "beat the bushes" in local communities to try to get more students (very time consuming).
8. Ray Sperry and I get together to compare enrollments and potential enrollments and a decision is made about offering the course. Ray notifies the home department.

I should also mention that in some cases (eg. Math 480) (Stat 216), we work with the course instructor to advise on content.

Attached is the listing of courses we have helped offer during the last 2 years.

Kay

<u>COURSE</u>	<u>WHERE</u>	<u>WHEN</u>	<u>#STUDENTS</u>	<u>OFFRD/NOT OFFRD</u>
MA 480	Great Falls	S 80	16	offered
HE 112	Great Falls	S 80	10	offered
HEC 222	Billings & Great Falls	SU 80	34	offered
HEC 222	Kalispell	A 80	11	offered
HEC 222	Sidney	A 80	14	offered
STAT 216	Great Falls	W 81	14	offered
HEC 222	Wolfpoint	-	-	not offered
HEC 222	Glasgow	W 81	7	offered
HEC 221	Wolfpoint	W 81	-	not offered
HEC 221	Glasgow	W 81	5	offered
HEC 222	Butte	S 81	12	offered
HEC 221	Butte	S 81	-	not offered
HEC 222	Havre	S 81	10	offered
HEC 222	Kalispell	A 81	-	not offered
HEC 222	Billings	W 82	-	not offered
HEC 222	Billings	S 82	(Scheduled for late May)	
STAT 216	Butte	S 82	-	not offered
MB 206	Butte	S 82	9	offered
	Miles City	S 82	7	offered
	Great Falls	S 82	10	offered
	Billings	S 82	3	offered

5. LAB EQUIPMENT

<u>Item</u>	<u>Unit Cost</u>	<u>Total</u>	
5 Tuning Forks	\$ 9.90	\$ 49.50	
1 Tuning Fork	12.60	12.60	
5 Oto-ophthalmoscopes	197.25	968.25	
1 Teaching Oto-ophthalmoscope	168.75	168.75	
1 Teaching Stethoscope	33.10	33.10	
5 Aneroid Blood-pressure Manometers	32.95	164.75	
1 Mercury Blood-pressure Manometer	58.95	58.95	
5 Reflex Hammers	2.75	13.75	
5 Oral Thermometers	1.00	5.00	
1 Snellen Vision Chart	7.75	<u>7.75</u>	
		\$1,482.40	<u>\$1,482.40</u>

6. SUPPLIES		\$ 500.00	<u>\$ 500.00</u>
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C. NURSING 225, NURSING PROCESS I

1. Audio-visual laboratory (N225)

<u>Item</u>	<u>Unit Cost</u>	<u>Total</u>	
1 Bed	\$ 327.95	\$ 327.95	
1 Mattress	151.50	151.50	
1 Curtain on track	125.70	125.70	
1 Pillow	7.00	7.00	
1 Bedside Stand	157.95	157.95	
1 Overbed Table	79.95	79.95	
Linens		70.00	
Wheelchair	257.95	257.95	
Bedpan, wash basin, urinal, etc.		20.00	
Positioning Devices		83.00	
1 Desk	307.39	307.39	
1 Chair	120.00	120.00	
6 Chairs, stackable		396.48	
2 Storage Cabinets		428.66	
Carrels (6 station unit)		258.00	
Study Table		184.63	
2 File Cabinets		322.74	
Tape Recorder, Vari-speech		499.20	
Filmstrip Viewer		79.90	
Filmloop Projector		43.50	
Electronic Thermometer		<u>325.00</u>	
		\$4,505.80	<u>\$4,505.80</u>

2. Soft Ware for N225

<u>Item</u>	<u>Total</u>
Lippincott, Management of Environment, 4	\$ 380.00
" Anatomical Terminology & Joint Class,	190.00
" Body Mechanics, 9	855.00
" Making a Bed, 3	216.00
" Care of the Mouth, 3	380.00
" Care of the Skin, 5	475.00
" Vital Signs, 10	950.00
Concept Media, Therapeutic Communication, 6	420.00

<u>Item</u>	<u>Total</u>	
Filmloops, Lifting & Moving Patients, 6	\$ 570.00	
Positioning & Exercise, 3	285.00	
Bedmaking, 6	<u>432.00</u>	
	\$5,153.00	<u>\$5,153.00</u>

3. Supplies	\$ 600.00	<u>\$ 600.00</u>
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4. Lab Equipment for N226 would be used in N225.

D. N227 NURSING THERAPEUTICS

1. Equipment

<u>Item</u>	<u>Total</u>	
1 Parenteral Medication filmstrip series	\$ 665.00	
1 Simulated IM injection pad	120.00	
1 IM Model, nerves and vessels	183.50	
1 Injectable arm	155.75	
1 IV Standard and set-up	98.69	
1 Anatomical Chart	40.00	
Brady Anatomy & Physiology Overhead Series	<u>875.00</u>	
	\$2,138.69	<u>\$2,138.69</u>

2. Supplies	\$ 225.00	<u>\$ 225.00</u>
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3. Lab Equipment for N226 would be used in N227.

E. LIBRARY

Basic	\$13,000.00	
Course specific	<u>1,000.00</u>	
	\$14,000.00	<u>\$14,000.00</u>

On-Going Costs

A. PERSONNEL

2 FTE at \$25,000 AY	\$50,000	
Employee Benefits at 20%	10,000	
1 Lab Monitor at \$15,000 AY	15,000	
Employee Benefits	3,000	
Secretarial 0.5 FTE at \$12,000 AY	6,000	
Employee Benefits	1,200	
Administrative time 0.25 FTE (RV salary rate)	8,225	
Employee Benefits	1,645	
Recruitment	<u>4,200</u>	
	\$99,270	<u>\$99,270</u>

B. SPACE, RENTAL AT \$5.50 sq. ft./yr.

N226 Lab, 800 sq.ft. (20 x 40)	\$ 4,400	
Four offices at 15 x 15. 225 sq. ft. (2 faculty FTE; Secretary; Administrative), total 900 sq. ft.	4,950	
N225 Audio-visual lab, 40 x 40, 1600 sq. ft.	<u>8,800</u>	
	\$18,150	<u>\$18,150</u>

C. SUPPLIES

Lab Supplies	\$ 1,000	
Faculty Support	<u>4,000</u>	
	\$ 5,000	<u>\$ 5,000</u>

D. EQUIPMENT REPAIR AND REPLACEMENT

Repair	\$ 1,000	
Replacement	<u>5,000</u>	
	\$ 6,000	<u>\$ 6,000</u>

E. LIBRARY

Maintenance	\$ 2,000	
Software replacement and update	<u>2,000</u>	
	\$ 4,000	<u>\$ 4,000</u>

F. TELEPHONE

Per month, \$13.36 x 2

\$ 320.64

WATS, LD, etc.

150.00

\$ 470.64

\$ 470.64

SUMMER SESSION

Montana State University
School of Nursing

Summer Session Alternative

As an alternative to establishing the lower division nursing courses at EMC on a regular, three quarter basis, they could be offered through a two summer sequence under the following conditions:

1. No fewer than ten students.
2. Move the Bozeman labs to Billings at beginning of summer and back at end of summer.
3. Only "extraordinary need" students to receive continuing priority for Billings placement.
4. If other than "extraordinary need" students enrolled in the courses they could not automatically be guaranteed Billings placement irrespective of the qualifications of the remainder of the student group.
5. Disadvantages:
 - a. Student attrition from SSI to SSII.
 - b. Inability to teach courses in Bozeman with materials gone.
 - c. Students delayed for a year.
 - d. Small student numbers.
 - e. Placement policy problems.
 - f. Faculty recruitment.
6. Cost data follow.

Summer Costs

A. Personnel (Based on 1982-83 salary rates)

1. Education Director 0.5 FTE		
2/9 x .5 x \$32,900	\$ 3,655	
2. 2 FTE at \$25,000 AY	\$11,110	
\$5,555 x 2		
3. Employee Benefits	\$ 2,953	
4. Lab Monitor 1.5 FTE	\$ 4,000	
5. Secretary	\$ 2,400	
Employee Benefits	<u>1,080</u>	
	\$25,198	<u>\$25,198</u>

6. Travel, per diem faculty	\$ 3,375	per diem 45 days	
	<u>1,200</u>	travel 10 trips	
	\$ 4,575		<u>\$ 4,575</u>

7. Personnel for set up, Billings and Bozeman:

Two weeks Faculty	\$ 1,235		
Two weeks Monitor	750		
Employee Benefits	397		
Travel and per diem for two people,			
one week	375	per diem	
	<u>240</u>	travel	
	\$ 2,997		<u>\$ 2,997</u>

B. Equipment:

Moving to Billings (estimate)

5 bed setups and	\$ 6,000		
Audio - visual equipment			
Breakage, repair, loss	<u>4,000</u>		
	\$10,000		<u>\$10,000</u>

C. Library (basic)	\$13,000		<u>\$13,000</u>
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D. Space - Donated	-0-		-0-
Must have hand-washing sink			
Must be secure			

Moveable Summer Session Cost \$55,770

Anna M. Shannon
May 1982

1982 ENROLLMENT REPORT

Appendix A Special Report #1

Summary of In-state and Out-of-State Students, by Campus, Fall 1978 - Fall 1982

Montana University System

	<u>UM</u>	<u>MSU</u>	<u>MCMST</u>	<u>WMC</u>	<u>EMC</u>	<u>NMC</u>	<u>Total</u>
<u>1978</u>							
In-state	5,726	8,269	1,090	775	3,267	1,097	20,224
Out/state	<u>2,637</u>	<u>1,651</u>	<u>220</u>	<u>87</u>	<u>183</u>	<u>98</u>	<u>4,876</u>
Total	8,363	9,920	1,310	862	3,450	1,195	25,100
% Out/state	31.5	16.6	16.8	10.1	5.3	8.2	19.4
<u>1979</u>							
In-state	5,815	8,431	1,117	768	3,457	1,165	20,753
Out/state	<u>2,561</u>	<u>1,678</u>	<u>269</u>	<u>56</u>	<u>153</u>	<u>44</u>	<u>4,761</u>
Total	8,376	10,109	1,386	824	3,610	1,209	25,514
% Out/state	30.6	16.6	19.4	6.8	4.4	3.6	18.7
<u>1980</u>							
In-state	6,402	8,932	1,402	884	3,604	1,427	22,651
Out/state	<u>2,482</u>	<u>1,813</u>	<u>308</u>	<u>68</u>	<u>175</u>	<u>46</u>	<u>4,892</u>
Total	8,884	10,745	1,710	952	3,779	1,473	27,543
% Out/state	27.9	16.9	18.0	7.1	4.6	3.2	17.8
<u>1981</u>							
In-state	6,392	9,202	1,646	795	3,866	1,527	23,428
Out/state	<u>2,477</u>	<u>1,985</u>	<u>346</u>	<u>85</u>	<u>169</u>	<u>57</u>	<u>5,119</u>
Total	8,869	11,187	1,992	880	4,035	1,584	28,547
% Out/state	27.9	17.7	17.4	9.7	4.2	3.6	17.9
<u>1982</u>							
In-state	6,541	9,263	1,800	892	3,982	1,635	24,113
Out/state	<u>2,560</u>	<u>1,970</u>	<u>389</u>	<u>92</u>	<u>195</u>	<u>52</u>	<u>5,258</u>
Total	9,101	11,233	2,189	984	4,177	1,687	29,371
% Out/state	28.1	17.5	17.8	9.3	4.7	3.1	17.9

1982 ENROLLMENT REPORT

In-State Versus Out-of-State Enrollment

Out-of-state enrollment constitutes 16.4% (5,897) of the total enrollment of institutions of higher education in Montana in Fall 1982. Of the out-of-state enrollment, 12.9% is foreign students. Table 10 shows these data by institutions for 1981 and 1982.

Table 10. Distribution of students by residency,
Fall 1981 and Fall 1982

<u>Institution</u>	<u>Percent Distribution</u>			
	<u>In-State</u>		<u>Out-of-State</u>	
	<u>1981</u>	<u>1982</u>	<u>1981</u>	<u>1982</u>
<u>Montana University System</u>				
University of Montana	72	72	28	28
Montana State University	82	82	18	18
Montana College of Mineral Science and Technology	83	82	17	18
Eastern Montana College	96	95	4	5
Western Montana College	90	91	10	9
Northern Montana College	96	97	4	3
<u>Independent Colleges</u>				
Carroll College	69	72	31	28
College of Great Falls	96	95	4	5
Rocky Mountain College	62	64	38	36
Big Sky Bible College	40	58	60	42
<u>Community Colleges</u>				
Dawson Community College	97	97	3	3
Miles Community College	99	98	1	2
Flathead Valley Community College	98	99	2	1

In-state enrollment varies from 58% at the Big Sky Bible College to 99% at Flathead Valley Community College while in the Montana University System in-state enrollment varies from 72% at the University of Montana to 97% at Northern Montana College.

UNIVERSITY OF MONTANA

INFORMATION

I. Enrollment

The University of Montana enrollment has been increasing since 1978-79. It was 7,747 FTE in that year and is 8,379 FTE in the current year, 1982-83. The figures for the current biennium and the upcoming biennium are:

	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>
Actual or Projected	8,142	8,379	8,283	8,283
Budgeted Figure	8,043	8,052		

II. Formula Funding

The goal when the formula was adopted was to bring the Montana schools to the peer average (100%). The cost was high so the goal was modified to "phase in" the formula. It was planned to achieve the 100% level for Instruction and the 97% level for Support by the 1982-83 year.

This was not accomplished for any school because the enrollment estimates used were too low. The University of Montana estimate was closest to the goal but still low (see above).

If the University of Montana had been funded in 1982-83 for the students actually served, we would have received \$1,000,000 more dollars. Every school was above the enrollment estimate and therefore underfunded according to the peer averages. The University of Montana was closest to the estimated enrollment in percentage terms; yet it still represents a major shortfall of funding.

For the upcoming biennium the formula factors have been reduced to 97% Instruction and 95% Support. This represents a special problem for the University of Montana since the reduction cuts into our current budget base.

Another issue hurting the University of Montana is the "enrollment shift" problem. This reflects a loss of dollars based on student shift to different disciplines. Even if enrollment figures are held constant, this shift will cost the University of Montana \$500,000 in the upcoming biennium.

III. Transition Appropriation

The reduction from 100%/97% to 97%/95% cut \$1,500,000 from the University of Montana budget for the upcoming biennium. The Board of Regents

evaluated the impact on all the schools and requested special help for the University of Montana.

The analysis showed that it would require cuts of positions to implement the reduction. The Board of Regents asked for a one-year special appropriation for the University of Montana to allow them to phase in the reduced budget.

The amount requested was \$525,000 for the 1983-84 year. The Appropriations Committee approved this proposal by the Board of Regents.

The temporary appropriation is used to support 14 faculty positions and 3.3 non-faculty positions for one year. The personnel positions for the current year and the next biennium are:

	<u>Current Year</u>	<u>Next Biennium</u>
Faculty	416.6	402.6
Non-faculty	162.8	159.5

The special allocation would allow the University to accommodate the budget cut with more time for planning. It would result in less impact on programs for students while the best way to implement the cuts was assessed.

IV. Summary

The University of Montana is enjoying an all-time record headcount enrollment. It is fiscally stable and living within its current budget. The decision to reduce the level of formula funding has caused a special problem. The University of Montana, with the support of the Board of Regents, is asking for temporary assistance so that budget cuts can be implemented with the least impact on students and their education.

UNIVERSITY OF MONTANA

FACT SHEET

1. Enrollment

There has been a steady growth of enrollment at the University of Montana over the past five years.

1978-79	-	7,747	FY-FTE
1979-80	-	7,843	FY-FTE
1980-81	-	8,139	FY-FTE
1981-82	-	8,141	FY-FTE
1982-83	-	8,379	FY-FTE

In the current year the University is at an all-time record headcount enrollment.

2. Faculty Positions

The University of Montana implemented a program reducing faculty positions during the mid to late 1970's. This was in response to enrollment declines in the early 1970's. The reductions made are illustrated below:

1977-78	-	466	FTE
1978-79	-	433	FTE
1979-80	-	423	FTE
1980-81	-	406	FTE

Since 1980-81 the University has been able to deal with its staffing in relation to overall enrollment patterns.

In the current year the staffing level of 416 FTE was funded by a budget enrollment figure of 8,052 students. There were actually 8,379 students served. It would have required over one million additional dollars to fund the University of Montana in 1982-83 for the students actually served.

3. Faculty-Student Ratio

In 1977-78 the faculty-student ratio was below 17:1. In the current year it is 20.1:1 and is estimated to grow to 20.6:1 in the upcoming biennium. This higher ratio means that there are less faculty to serve students, now at an all-time headcount enrollment level.

4. Budgets

The recommendation of the Appropriations Committee provides a tight budget for the biennium. In fact, in the second year it will

necessary to reduce approximately 14 faculty and 8 staff positions. The committee recommendation does provide a special appropriation in the first year of \$525,000 so that adequate planning can take place on how to handle the cuts.

5. Salary Increase Program

The recommended budget includes no funds for salary increases. Each 1% of salary increase costs the University \$250,000. If we were required to fund the salary increase program from the projected budget, it would require the elimination of about 10 faculty or staff positions for each 1% of salary increase.

MONTANA UNIVERSITY SYSTEM
Policy and Procedures Manual

PAGE: 940.9.2 (1 of 1)

SUBJECT: FINANCIAL AFFAIRS

Effective: Jan. 16, 1978

Section: 940.9.2 Use of Plant Funds, Including
Student Building Fee Reserves, for
projects over \$10,000,
Montana University System

Issued: January 30, 1978

Approved: *P.C. Duncan*

Board Policy:

1. The president of any unit of the Montana University System may expend plant funds, including student building fee reserves for projects over \$10,000, in accordance with the following procedures.

Procedures:

1. Such expenditures may be used to plan, construct, renovate, equip, maintain or improve any campus buildings or facilities.

2. Expenditure requests between \$10,000 and \$25,000 for any project shall be submitted to the Commissioner for approval. Expenditure requests in excess of \$25,000 for any project shall be submitted to the Commissioner of Higher Education for approval by the Board of Regents.

3. When requests for expenditures in excess of \$10,000 have been approved, they shall be submitted to the Director of the Department of Administration.

4. Any proposed expenditure of student building fee reserves shall be consistent with appropriate laws and indentures.

History:

Item 211-002, July 14, 1969 (rescinded); Item 223-001, July 10, 1972 (rescinded); Item 2-016-R1073, Use of Plant Funds, including Student Building Fee Reserves for projects over \$10,000, Montana University System, October 19, 1973 as revised January 16, 1978.

MONTANA UNIVERSITY SYSTEM

Policy and Procedures Manual

PAGE: 940.9.3 (1 of 1)

SUBJECT: FINANCIAL AFFAIRS

Effective: Jan. 16, 1978

Section: 940.9.3 Building Fees; Use of

Issued: January 30, 1978

Approved: *B. C. Dunham*

Board Policy:

1. When a construction project to be financed by the use of any new or existing building fee payable by students is planned to be in excess of \$200,000, an election or survey of student opinion shall be conducted by the duly constituted student government organization on the proposition. The determination of which means of ascertaining student views is to be used shall be made by the campus administration in consultation with the student government.

2. Before any existing building fee payable by students is increased, a similar election or survey shall be held and report made.

Procedures:

1. All affected students shall be afforded the opportunity to be polled on the proposition.

2. The president of a unit shall report the result of the election or survey to the Commissioner of Higher Education who shall apprise the Board of Regents of it to assist the Board in making its decision regarding the establishment of a new fee or major construction.

History:

Item 214-002, April 13, 1970 (rescinded); Item 3-007-R1273, Policy on Building Fees, Montana University System (Revised), December 10, 1973 as amended January 16, 1978.

STADIUM

The current stadium, Dornblaser Field, is potentially unsafe and has inadequate seating and facilities. Seating is deteriorating and some improvement must be made soon.

Various ideas have been suggested for dealing with this matter. It is important to review the current situation and develop a plan for improving the stadium facilities at the University. A study committee is being established with the following charge.

1. Review of the advantages and problems of the current stadium facility. Compare the stadium with those of other Big Sky Conference schools.
2. Identify and explore alternatives for improving the stadium facilities at the University. Consider the advantages and disadvantages of each alternative. Describe the multiple uses available in each option (such as academic, intramural, recreational). Evaluate cost of operations as well as estimates of construction or remodeling cost for each option. Identify potential sources of revenue for construction or remodeling.
3. Review the current MEFIC project and describe its potential to serve the stadium needs of the University on a lease basis.
4. The full report is to be submitted to the President and the Campus Development Committee. Copies will be made available to interested parties.

MEMBERSHIP OF STUDY COMMITTEE

Faculty - The President will appoint three faculty in consultation with ECOS. Consideration will be given to one faculty member currently serving on the Campus Development Committee and one faculty member from the University Athletic Committee.

Administration - The President will appoint one administrator.

Staff - The President will appoint one staff member from a panel of names prepared by the Staff Senate.

Students - ASUM will appoint three students. ASUM will be asked to consider a student athlete as well as students currently serving on the Campus Development Committee and the University Athletic Committee.

Community - Two members from the community will be appointed. One will be named by the Grizzly Athletic Association Executive Committee and one by the President.

Ex-Officio - The University Athletic Director will serve as an ex officio member of the committee.

The President will appoint the chairperson of the committee.

Office of the President
November 19, 1982

UNIVERSITY OF MONTANA

FACT SHEET

1. Enrollment

There has been a steady growth of enrollment at the University of Montana over the past five years.

1978-79	-	7,747	FY-FTE
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1981-82	-	8,141	FY-FTE
1982-83	-	8,379	FY-FTE

In the current year the University is at an all-time record headcount enrollment.

2. Faculty Positions

The University of Montana implemented a program reducing faculty positions during the mid to late 1970's. This was in response to enrollment declines in the early 1970's. The reductions made are illustrated below:

1977-78	-	466	FTE
1978-79	-	433	FTE
1979-80	-	423	FTE
1980-81	-	406	FTE

Since 1960-61 the University has been able to deal with its staffing in relation to overall enrollment patterns.

In the current year the staffing level of 416 FTE was funded by a budget enrollment figure of 8,052 students. There were actually 8,379 students served. It would have required over one million additional dollars to fund the University of Montana in 1982-83 for the students actually served.

3. Faculty-Student Ratio

In 1977-78 the faculty-student ratio was below 17:1. In the current year it is 20.1:1 and is estimated to grow to 20.6:1 in the upcoming biennium. This higher ratio means that there are less faculty to serve students, now at an all-time headcount enrollment level.

4. Budgets

The recommendation of the Appropriations Committee provides a tight budget for the biennium. In fact, in the second year it will

necessary to reduce approximately 14 faculty and 8 staff positions. The committee recommendation does provide a special appropriation in the first year of \$525,000 so that adequate planning can take place on how to handle the cuts.

5. Salary Increase Program

The recommended budget includes no funds for salary increases. Each 1% of salary increase costs the University \$250,000. If we were required to fund the salary increase program from the projected budget, it would require the elimination of about 10 faculty or staff positions for each 1% of salary increase.

UNIVERSITY OF MONTANA

INFORMATION

I. Enrollment

The University of Montana enrollment has been increasing since 1978-79. It was 7,747 FTE in that year and is 8,379 FTE in the current year, 1982-83. The figures for the current biennium and the upcoming biennium are:

	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>
Actual or Projected	8,142	8,379	8,283	8,283
Budgeted Figure	8,043	8,052		

II. Formula Funding

The goal when the formula was adopted was to bring the Montana schools to the peer average (100%). The cost was high so the goal was modified to "phase in" the formula. It was planned to achieve the 100% level for Instruction and the 97% level for Support by the 1982-83 year.

This was not accomplished for any school because the enrollment estimates used were too low. The University of Montana estimate was closest to the goal but still low (see above).

If the University of Montana had been funded in 1982-83 for the students actually served, we would have received \$1,000,000 more dollars. Every school was above the enrollment estimate and therefore underfunded according to the peer averages. The University of Montana was closest to the estimated enrollment in percentage terms; yet it still represents a major shortfall of funding.

For the upcoming biennium the formula factors have been reduced to 97% Instruction and 95% Support. This represents a special problem for the University of Montana since the reduction cuts into our current budget base.

Another issue hurting the University of Montana is the "enrollment shift" problem. This reflects a loss of dollars based on student shift to different disciplines. Even if enrollment figures are held constant, this shift will cost the University of Montana \$500,000 in the upcoming biennium.

III. Transition Appropriation

The reduction from 100%/97% to 97%/95% cut \$1,500,000 from the University of Montana budget for the upcoming biennium. The Board of Regents

evaluated the impact on all the schools and requested special help for the University of Montana.

The analysis showed that it would require cuts of positions to implement the reduction. The Board of Regents asked for a one-year special appropriation for the University of Montana to allow them to phase in the reduced budget.

The amount requested was \$525,000 for the 1983-84 year. The Appropriations Committee approved this proposal by the Board of Regents.

The temporary appropriation is used to support 14 faculty positions and 3.3 non-faculty positions for one year. The personnel positions for the current year and the next biennium are:

	<u>Current Year</u>	<u>Next Biennium</u>
Faculty	416.6	402.6
Non-faculty	162.8	159.5

The special allocation would allow the University to accommodate the budget cut with more time for planning. It would result in less impact on programs for students while the best way to implement the cuts was assessed.

IV. Summary

The University of Montana is enjoying an all-time record headcount enrollment. It is fiscally stable and living within its current budget. The decision to reduce the level of formula funding has caused a special problem. The University of Montana, with the support of the Board of Regents, is asking for temporary assistance so that budget cuts can be implemented with the least impact on students and their education.

March 4, 1983



Representative Frances Bardanoue
Chairman
House Appropriation's Committee

Dear Representative Bardanoue:

On February 16, my executive assistant, Dave Wanzenried, appeared before the Natural Resources Appropriations Subcommittee. He recommended the following changes be made in conjunction with the enactment of HB 313, which proposed to transfer the functions of the Coordinator of Indian Affairs to the Office of the Governor:

Delete:

	<u>1984</u>	<u>1985</u>
ADMINISTRATIVE ASSISTANT		
Salary	\$15,997	\$15,935
Benefits	2,347	2,369
Health Insurance	960	960
	<u>19,340</u>	<u>19,264</u>
LEGAL	2,079	2,204
INDIRECT	<u>8,817</u>	<u>9,327</u>
	<u>\$30,236</u>	<u>\$30,795</u>

The proposal was offered with the understanding that the changes would be supported by my office only if HB 313 is enacted.

In part because of the proposed budget modifications, the Native American community testified in opposition to HB 313 during the Senate hearing. While reinstating the administrative assistant position and other program support costs may partially resolve their concerns, the testimony presented at the Senate hearing on HB 313 made it clear that the tribes have other, non-budgetary concerns about the proposed transfer of functions.

I would like, therefore, to request that the House Appropriations Committee restore the administrative assistant position and the appropriation levels requested in the Executive Budget for the Office of the Coordinator

Page two
March 4, 1983

of Indian Affairs. I will also ask Representative Addy to request Senate State Administration Committee to table HB 313. If approved, the effect of these requests will be to leave the Office of the Coordinator of Indian Affairs in the Department of Commerce with its current level budget.

If you need additional information, please contact Mr. Wanzenried

Sincerely,

TED SCHWINDEN
Governor

cc: Representative Kelly Addy
Representative Rex Manuel
Representative Roland Kennerly
Representative Ramona Howe
Senator Pete Story

bcc: ✓Louie Clayborn
Tribal Council Chairmen
Montana Inter-Tribal Policy Board

4/4/83

James
Claus
Secretary

Amendment to HB 447

Amend HB 447, p. 80, between lines 22 and 23 and insert:

Any Library Services and Construction Act funds available for Title II grants, construction and renovation of public library facilities, under P.L. 98-8, may be budget amended under this act.

Montana State Library
SP/jf
04-01-83



WASHINGTON OFFICE

URGENT MEMORANDUM

110 MARYLAND AVENUE, N.E. • WASHINGTON, D. C. 20002 • TEL (A.C. 202) 547-4440

March 28, 1983

TO : State Library Agency Heads

FROM : Eileen D. Cooke, Director, ALA Washington Office

SUBJECT: \$50 million for LSCA II!

For the first time in ten years, funds are available under the Library Services and Construction Act title II public library construction program. HR 1718, the emergency supplemental funding bill for FY-1983, was signed March 24 by President Reagan. Now PL 98-8, it contains \$50 million in LSCA II funds to remain available until expended for construction and renovation of public library facilities.

The LSCA II funds are included in the targeting formula of the measure designed to direct funds for certain programs toward high unemployment states. One half of the library funds will be allocated among states according to the provisions of LSCA II, one third according to a relative unemployment ratio, and one sixth according to a long-term unemployment ratio.

States are, "to the extent practicable," to "utilize such funds in areas of the State where unemployment is highest and has been high for the longest period of time and for authorized purposes which have the greatest immediate employment impact." Federal and state administering agencies are "to the extent practicable" to "utilize such funds in a manner which maximizes immediate creation of new employment opportunities to individuals who were unemployed at least 15 of the 26 weeks" preceding enactment. Funds are to be "obligated and disbursed as rapidly as possible."

Federal agencies are to "expedite final approval of projects." It is possible some normal requirements may be waived. You should be hearing soon from the Department of Education regarding state allocations and procedures.

Thanks to all of you and to the many public librarians who responded with information about renovation needs both to the ALA Washington Office and to legislators. Thanks are due, especially from constituents, to Sen. Mark Hatfield (R-OR), Senate Appropriations Committee Chairman, who initiated the inclusion of LSCA II funds in the Senate version of HR 1718. Thanks are also due to Sen. Lowell Weicker (R-CT), Sen. William Proxmire (D-WI), Rep. William Natcher (D-KY), and Rep. Silvio Conte (R-MA). These members, as chairs and ranking minority members of the Labor-HHS-Education Appropriations Subcommittees, were the key figures in retaining the LSCA II funds in House-Senate conference committee.

EDC:ps

4/4 testimony

My name is Jeanne Schutt. I'm the director of a United Way Agency in Great Falls. My agency doesn't have anything to do with family planning, however, I have worked as an education coordinator in a family planning clinic. My background is in information processing and education. I'd like to speak about the importance of family planning with regard to the area I know best, education.

As an educator, I believed what the Quakers say about free access to information long before I even knew that Quakers had a policy about information - that they believe that all human beings have a right to the information that can help them arrive at rational and responsible decisions about the conduct of their lives.

That's how I saw my job of education coordinator - as a provider of information. I think it's safe to say that that statement represents the attitudes of most of the other family planning educators I met while working for the clinic.

Access to information and education is not just a matter of an individual staff person's attitude, though. The federal project guidelines for family planning clinics include a mandate for community education. Also, a mandate for community involvement in that education in the form of an advisory council that previews all educational materials before they're distributed.

Family planning clinics provide up-to-date, factual material for use by all segments of society - from health professionals to just ordinary folks.

During my year-and-a-half as education coordinator at the clinic I spoke to, or arranged programs for many different kinds of groups:

County - health nurses, welfare supervisors, and a child protection team

The staff of a mental health clinic

60 students at a beauty college - ages approximately 19-40

PTAs

A counselor's association

and a Presbyterian church Young Mothers Club

I also provided information to:

College students and student nurses doing research
Lutheran ministers
A church education director
and many, many parents - with children of all ages

Family planning clinics provide such information as:

- Basic biology that dispels myths that surround family planning topics
- What's involved in decision making - choosing what's right for you
- Parenting skills - a real popular one is "How to talk to your kids"
- How to withstand pressure - no matter what your age
- Reproductive health care
- New discoveries and treatments
- Health maintenance, disease prevention, and the importance of health check-ups

All these educational services are in addition to the health services offered, which are important because of the medical treatment and cancer detection they provide to low income women who might otherwise not have those services available to them.

In 1982, 89% of the patients seen at the Great Falls clinic were living at poverty level or below.

In the long run, family planning services save lives and money - there's a direct correlation between timing/spacing of pregnancies and the future health of both mother and child.

I don't believe that the different kinds of people I came in contact with , or the information they sought is unique among family planning educators. What is unique is that the information is not readily available to low income women. It's been documented that for many low income women, going to a family planning program is their first encounter with health care of the kind offered at a clinic.

The kinds of information and education offered by family planning clinics is the kind of information that everyone needs to be able to make responsible decisions about an extremely important part of their lives. It's something they can't escape, or ignore, starting from the

the time when the doctor tells their parents, "Congratulations, it's a _____." (I'll let you fill that one in.)

The fact that so many different kinds of people seek this information from family planning clinics demonstrates a real need that should continue to be attended to, if not expanded.

If only for that reason, I would support the continued funding of the family planning program. We all need the information that can help us arrive at rational and responsible decisions about the conduct of all aspects of our lives.

Jeanne Schutt
3-2-83

Jeanne Schutt
429 9th Ave. S.W.
Great Falls, MT 59404

4-4-83

TRAINING FOR SRS

FY82

<u>DATE(S)</u>	<u>LOCATION</u>	<u>NUMBER</u>	<u>TYPE</u>
3/16-19/82	Great Falls	18	Child
4/6,13,20,27	Helena	6	Child
4/23	Havre	9	Follow-up Consultation
5/11-12	Bozeman	10	Child
5/26-27	Anaconda	11	Child
6/1-2	Great Falls	16	Adolescent

FY83

8/18-19/82	Billings	12	Child
9/8-9	Lewistown	9	Child
10/5-7	Deaconess Home	13	Adolescent
10/13-14	Miles City	8	Child
10/26-27	Kalispell	15	Child
11/16 & 12/7	Butte	16	Child
11/30-12/1	Bozeman	9	Adolescent
1/11-12/83	Anaconda	14	Adolescent
1/26	Great Falls	7	Follow-up Consultation
2/3-4	Butte	15	Adolescent
2/10	Anaconda	6	Follow-up Consultation
2/17	Great Falls	8	Follow-up Consultation
2/25	Bozeman	4	Follow-up Consultation
3/3	Havre	10	Follow-up Consultation
3/9-10	Lewistown	8	Adolescent
3/25	Butte		Follow-up Consultation
3/30-31	Kalispell		Adolescent
4/7	Anaconda		Follow-up Consultation
4/21-22	Glendive		Adolescent
5/6	Lewistown		Follow-up Consultation
5/31	Glendive		Follow-up Consultation

FY84

9/7-8	Hamilton	Child
9/26-?	Choteau	Child
10/10-?	Fort Benton	Child
11/?-?	Havre	Child

For each of these training sites we will provide follow-up consultation and plan to do our adolescent training in the spring of 1984. We also plan to contract with two more sites for both our child and adolescent training which would amount to 1,000 hours.