MINUTES OF THE MEETING
APPROPRIATIONS COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

March 18, 1985

The meeting of the Appropriations Committee was called to order by Chairman Bardanouve on March 18, 1985 at 8:05 a.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present.

(Tape 32:A:000)

GENERAL: Judy Rippingale, Legislative Fiscal Analyst, (024) went over the budget position facing this committee. The potential budget problem will be $46.1 million over the HJR 9 revenue estimates. This figure assumes a $15 million ending fund balance.

EXECUTIVE ACTION:

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

DEPARTMENT OF INSTITUTIONS: Representative Waldron, Chairman, Institutions and Cultural Education Subcommittee, (138) said there is a problem with the workers' compensation rates for the Department. SB 281, the Willis Decision, will help if passed but there will still be 15 increases in these rates regardless of the Willis Decision, 20% for the Prison. Representative Waldron would like to add $650,000 to the Department's budget for these increased rates. Chairman Bardanouve said we should delay this action until the end of the agency budget executive action.

Representative Winslow (203) expressed concern that this subcommittee did not take 4-3-3% inflation for these budgets. He said he felt we could save $500,000-800,000 if we took the same inflation as was taken in the other subcommittee's budgets. Representative Bardanouve said we can also look at setting a common vacancy savings across-the-board.

Representative Menahan (228) was concerned about these proposals because we would end up cutting direct care staff to come up with this money. He said he did not want to see any further reductions in treatment. He noted that the Director had to take $400,000 from the Warm Springs budget last biennium to cover workers' comp rates and he did not want to see that happen again.

Ms. Rippingale (272) said her office will look at the workers' comp rates for all state agencies. If SB 281 passes, they will add that amount to the workers comp rates. If SB 281 passes, they will add 12% to the rates.

Chairman Bardanouve (305) noted the Department is self-insured and they are not included in the workers' comp pool for the state agencies because of the different type of workers they have, i.e., asylum and corrections workers. He said the Prison has about a 20% increase because of recent stabbings there. Representative Waldron was concerned that, if this committee does not include money for these rates, the Department will have to "eat" the increased rates from their budgets and that may affect direct care.

Representative Waldron said the 4-3-3% inflation factors are not accurate. He said these agency budgets are not paper and pencils like some of the other state agencies. These costs are food, clothing, shelter and medication for people who cannot care for themselves. He noted that drug costs have increased 20% since last year. He did not feel we could compare these agencies with other state agencies for these reasons. Also, Representative Waldron noted that equipment was very tight, perhaps too tight. For instance, the Prison has a $23 million budget but were only appropriated $80,000 for equipment.

Chairman Bardanouve said the committee should leave the inflation factors and the workers' comp rates issues alone for now until we can get a better handle on things. Representative Winslow said he felt these were separate issues and he wanted something done about the inflation factors now.

Representative Winslow made a motion to set 4-3-3% inflation factors for the agencies covered by the Institutions and Cultural Education Subcommittee.

Representative Menahan (410) said we have a new program, the Youth Treatment Center, which has not opened yet. He said, if we delay opening until next session, we could save about $5 million.

A roll call vote was taken and the motion carried with 18 members approving and 2 members opposing the motion.

Representative Waldron made a motion to add $650,000 for a 12% increase in workers' comp rates.

Representative Waldron said there will be at least a 12% increase, even without the passage of SB 281. Chairman Bardanouve said he would like to look at the increased workers' comp rates for the entire state before we start making adjustments.

Representative Waldron withdrew his motion.

There was some discussion regarding vacancy savings. Representative Waldron said his subcommittee took 4% vacancy savings for all but a few agencies, two of which had a larger than 4% vacancy savings. Representative Moore said a flat vacancy savings rate is not realistic and vacancy savings should be set on a case-by-case basis.

Representative Moore made a motion to set vacancy savings on a case-by-case basis.

A voice vote was taken and the motion carried with Representative Nathe opposing the motion.

Management Services: Representative Waldron (598) went over the modified which is outlined on page 3 of Exhibit 1. This would give the Department data processing capabilities. He noted this system is cheaper than using the state's mainframe.

Representative Waldron made a motion to include $23,195 per fiscal year for operating espenses for the data processing system.

Representative Waldron said the last legislature told the Department to computerize and we should follow through by appropriating these funds.

(Tape 32:B:000)

Informational data has always been kept by hand by the Department. This makes it difficult to find statistical data or to keep track of who is in the institutions. Computerizing will cut down on manhours needed to find statistical data.

A voice vote was taken and the motion carried with Representatives Nathe and Hand opposing.

Corrections Division: Representative Waldron (098) went over the modified which is outlined on page 7 of Exhibit 1. He explained that depreciation is not included in our contracts with non-profit organizations who administer the pre-release centers. If we do not include depreciation in the contracts, we will either have to include money for equipment or increase our contracted services to pay for the interest if the centers have to get loans for equipment. The equipment becomes the property of the non-profit corporations after one year.

Representative Waldron made a motion to include $32,856 per fiscal year for depreciation at the pre-release centers.

Representative Winslow said the group homes attempt to solicit donations from the community for equipment. He said, if we include depreciation in these contracts, it gives the non-profit organizations no incentive to seek donations.

Representative Winslow made a substitute motion to include $15,000 per fiscal year for depreciation for the three contracted pre-release centers.

Representative Waldron said the pre-release centers are different from group homes in that it would be more difficult to find donations for "convicts" than it is for children.

A voice vote was taken and the substitute motion carried unanimously.

Youth Evaluation Program: Representative Miller (216) said the Youth Evaluation Program (YEP) was an ongoing program and should have been included in the current level, not the modifieds.

Representative Miller made a motion to reinstate the YEP into the Corrections Division budget.

Since this is a current level program, it is not necessary to move to keep it.

Representative Miller withdrew his motion.

Representative Waldron made a motion to delete the YEP from the Corrections Division budget.

There was some discussion regarding this motion. The evaluations done at YEP are also performed at Mountain View and Pine Hills Schools. Both the Department and the Office of Budget and Program Planning deleted this program because it was a duplication of services performed at two existing institutions. Representative Waldron said the incremental costs for doing the evaluations at the two existing institutions are minimal.

A roll call vote was taken and the motion failed with 12 members opposing and 8 members approving the motion.

Women's Corrections: Representative Waldron (387) went over the modified for additional corrections officers which is outlined on page 8 of Exhibit 1. He said we have a dangerous situation at this facility in that there are times when there is only one guard in the facility and that person has to secure the control room. It takes at least 15 minutes to get back up if there is trouble. Also, Representative Waldron noted there are some "boss cons" that are causing trouble at that institution.

Representative Waldron made a motion to appropriate $52,656 in FY 1986 and $52,749 in FY 1987 for 3.10 FTE corrections officers.

A roll call vote was taken and the motion failed with 11 members opposing and 9 members approving the motion.

Gary Blewett, Administrator, Workers' Compensation Division, (565) said the increase in workers' comp rates for the Department of Institutions are due to several factors:

1. The Supreme Court changed the lump sum payment. That could have as much as a 38% increase for all employers, not just state agencies.

2. In the last seven years, there has been an average of 12% increases per year for all employers. That figure varies depending on the experiences of the employer. In the case of the Department of Institutions, they have experienced one death at Montana State Hospital and a couple of stabbings at the Prison.

As far as specific impact to the Department of Institutions, they will experience a higher increase unless they improve the way in which they prevent accidents in the next biennium.

(Tape 33:A:000)

Carroll South, Director, Department of Institutions, said the Department has always had to absorb increased workers' comp rates in the past and those costs have been substantial, about $1 million last session department-wide. He said they are self-insured because no one else in the state deals with asylum or corrections workers.

The Legislative Fiscal Analyst's Office and the Office of Budget and Program Planning will work up figures for the increased workers' comp rates and bring these figures back for this committee's review.

Eastmont Human Services Center: Representative Donaldson (118) asked why there are teachers at this facility but there are no children. Representative Moore said they do need special education trainers. There was a lot of discussion regarding this issue. Representative Waldron said the people at Eastmont are trained because they are the ones most likely to be moved into the community.

Mr. South said the staffing is richer because of the training center status which was designated by the Legislature. He said that facility will provide any level of training the Legislature tells it to provide.

Montana State Prison - Care and Custody: Representative Waldron (275) went over the modified for the Prison which is outlined on page 20 of Exhibit 1. The modified is for additional staff which were overlooked when the staff estimates were made last session. The staff estimates did not take into account the separate campuses for the canteens. The special duty aid is for the new treatment unit.

Representative Quilici made a motion to appropriate $29,309 in FY 1986 and $58,655 in FY 1987 for 3 FTE additions.

A voice vote was taken and the motion carried unanimously.

Montana State Hospital: Representative Waldron (524) went over the modified for changing staffing from ratios to posting which is outlined on page 34 of Exhibit 1. He explained that ratios don't mean anything when you are dealing with a 24-hour institution. If 5 patients move in, you don't have to add 5 staff to accommodate them. Likewise, if you move 5 patients out, you still have to have a minimum number of staff.

Representative Menahan made a motion to appropriate $77,630 in FY 1986 and $77,793 in FY 1987 for 4.54 FTE additions.

A roll call vote was taken and the motion failed with 12 members opposing and 6 members approving the motion.

Montana Youth Treatment Center: Representative Waldron (687) went over the budget for the Youth Treatment Center. It is not known how many children will be in the Center the first year but it is doubtful there will be 55 as it budgeted.

(Tape 33:B:000)

This information was discussed in detail. Mr. South said there would be $300,000 savings if we fund for 40 in FY 1986 and 55 in FY 1987 but that does not take into account the loss of Medicaid for the 15 deletion.

Representative Moore made a motion to set the average daily population at the Youth Treatment Center at 40 in FY 1986 and 55 in FY 1987 and budget accordingly.

Representative Winslow asked why we don't drop the 55 to 50. Representative Waldron responded that the incremental costs are negligible from 55 to 50 but we would not have Medicaid reimbursement budgeted for the 5 difference. In essence, it would cost more at 50 than at 55.

A voice vote was taken and the motion carried unanimously.

MONTANA ARTS COUNCIL: Representative Waldron (181) went over the budget for the Arts Council which is outlined on page 1 of Exhibit 2. He explained there has been $25,000 in general fund for grants appropriated in the past but this subcommittee took that money out of the budget.

Representative Winslow made a motion to add $18,000 per year from general fund for grants to the counties.

Representative Waldron explained that this money is used to underwrite community projects. If a project doesn't get the crowd it anticipated, the state will help pay up to 25% for the cost of the project. He added the agency was going to use this money to change their contracted FTEs to state FTEs. He said, if the agency did not feel the grants were that important, why should we.

Representative Moore said he remembers when this money was first put into the budget and, as he recalls, this was not supposed to be a continuing expense.

This money is used for the same kinds of projects as the cultural and aesthetic coal tax grants but, it was noted, not all communities apply for those grants. David Nelson, Executive Director, Montana Arts Council, said, if we don't give the communities this money, they will not have some of these projects anymore because they don't want to risk not having a good turnout.

Chairman Bardanouve said this committee did not approve a modified request for additional corrections officers for the Women's Corrections Center, which the subcommittee felt was top priority, and he asked what is more important. Representative Moore agreed that there are modifieds that are more important that this.

A roll call vote was taken and the motion failed with 10 members opposing and 8 members approving the motion.

There was no vacancy savings set for this agency.

Pam Joehler, Associate Analyst, Legislative Fiscal Analyst's Office, said the figures for the federal special revenue for the Grants Program and the Special Projects Program have changed.

Representative Waldron made a motion to change the figures for federal special revenue to $171,348 in FY 1986 and $128,171 in FY 1987 for the Grants Program.

If federal revenue increases, it is the intent of this committee to allow the agency to come in for a budget amendment.

A voice vote was taken and the motion carried unanimously.

Special Projects: (440)

Representative Waldron made a motion to change the figures for federal special revenue to $190,465 in FY 1986 and $192,451 in FY 1987 for the Special Projects Program.

A voice vote was taken and the motion carried unanimously.

MONTANA STATE LIBRARY: Representative Waldron (456) went over the budget for this agency which is outlined on page 5 of Exhibit 2. A 2% vacancy savings has been set for this agency.

Technical Services: Representative Waldron (465) went over the modified which is outlined on page 12 of Exhibit 2. This would allow the purchase of two IBM PCs and additional telecommunications.

Sara Parker, State Librarian, said the Washington Library Network will have the IBM PCs on line by FY 1987 but she requested the equipment in FY 1986 because they are experiencing a lot of down time with their current system. She said she could go for either year.

There was discussion regarding alternative funding. It was determined that Library Services and Construction Act (LSCA) funds cannot be used for this project. Representative Donaldson said coal tax money can be used because coal tax money was used to implement the program. The table on page 6 of Exhibit 2 shows how LSCA and coal tax funds are used. If we use this money for the Washington Library Network, it would decrease the amount of money going to grants.

Representative Waldron made a motion to add $10,083 in FY 1986 and $1,247 in FY 1987 from general fund for the purchase of 2 IBM PCs and increased telecommunications.

Representative Donaldson made a substitute motion to allow the purchase of equipment and increased telecommunications of $10,083 in FY 1986 and $1,247 in FY 1987 from coal tax funds.

A voice vote was taken and the substitute motion carried unanimously.

MONTANA HISTORICAL SOCIETY: Representative Waldron (682) said there were a number of modifieds for this agency that are not funded with general funds. All the modifieds from the Institutions and Cultural Education Subcommittee are outlined on Exhibit 3.

(Tape 34:A:000)

Representative Moore made a blanket motion to authorize the expenditure of other funds for modifieds #7 through #18 from Exhibit 3.

The intent of this motion is to give the Library spending authority for #7 and #10 from other funds, not general fund.

A voice vote was taken and the motion carried unanimously.

Representative Waldron (039) said he was really concerned about this committee not accepting the modified for additional corrections officers at the Women's Corrections Center. He said we are putting people's lives in danger by not adequately staffing that facility. He said no one will be up here to lobby for these positions even though they are seriously needed. Representative Thoft supports Representative Waldron's request to deal with this issue.

HEALTH AND HUMAN SERVICES SUBCOMMITTEE

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES: Representative Winslow, Chairman, Health and Human Services Subcommittee, (161) went over the action taken by the subcommittee which is outlined on Exhibit 4.

Taryn Purdy, Associate Analyst, Legislative Fiscal Analyst's Office, (189) explained how we can use the Maternal and Child Health Care Block Grant (MCHCBG). She said these funds can only be used to serve women and children under 16 years of age. The state has to justify the use of these funds for administration. About $5,000 can be used to supplant general fund in the Emergency Medical Services Program. Also, $90,000 can be used to supplant general fund in the Dental Program. Representative Winslow said this still will not get the counties up to the level they want. The bottom line is approximately $120,000 can be used from MCHCBG to supplant general fund for the biennium.

Representative Winslow said the result of using this money for other programs would almost eliminate the Perinatal Program.

Representative Quilici said the Perinatal Program can save general fund money. He used his grandson as an example. The Perinatal Program attempts to stop birth defects before birth. He has a 2-1/2 year old grandson who was born 1 lb., 5 oz. So far, medical expenses for this boy is in excess of $187,000. Representative Quilici said he was glad they have insurance but some people aren't so lucky and the state would have to pick up these costs for them.

There was a good deal of discussion regarding the MCHCBG. The federal government requires the state to have a perinatal program to receive these funds.

Dr. John Drynan, Director, Department of Health and Environmental Sciences, (349) went over the history of the federal funds in this department. There were carryover passthrough funds. The 1983 session funding language said this was one-time money and, when it was spent, there would be no more appropriated.

Chairman Bardanouve (440) said the counties have benefitted from several windfalls but that money is gone and the counties will have to live with what they have.

Clinical Bureau: Representative Winslow (476) went over the modified from page 35 of Exhibit 4.

Representative Quilici made a motion to appropriate $204,599 in FY 1986, $41,383 of which is Preventive Health Block Grant Funds and $163,216 of which is MCHCBG, and $220,819 in FY 1987 from MCHCBG funds for the Perinatal Program.

Representative Waldron made a substitute motion to appropriate $350,000, including the newborn transport, as a base and inflate that figure.

Representative Waldron explained that this would give them the same amount as they had in the biennium and inflates it. Dr. Drynan (518) said the $50,000 newborn transport will only pay for 5 patients. (The Newborn Transport funds are included in the Handicapped Child Program.) He said it costs more than $100,000 to care for a child 3 lb., 5 oz. and under. He said these costs will come back on the taxpayers or the Department of Social and Rehabilitation Services and we will end up paying for it anyway.

Representative Waldron withdrew his substitute motion.

Representative Waldron made a substitute motion to appropriate $321,360 over the biennium for the Perinatal Program, excluding the Newborn Transport funds.

The figure for this motion was derived by taking $50,000 for Newborn Transport out of the budget for an appropriation of $300,000 for the biennium inflated to $321,360.

A roll call vote was taken and the substitute motion failed with 18 members opposing and 2 members approving the motion.

A voice vote was taken to reverse the roll call for Representative Quilici's original motion and the motion carried unanimously.

(Tape 34:B:000)

The roll call vote was reversed for Representative Quilici's original motion and the motion carried with 18 members approving and 2 members opposing the motion.

Representative Winslow (013) said there are more modifieds for the MCHCBG and Preventive Health Care Block Grant funds. They are Modifieds #14, #19, #21, and #22 on Exhibit 5, a breakdown of all modifieds from the Health and Human Services Subcommittee. These figures are outlined on pages 2 and 3 of Exhibit 4.

(Note: The figures for #21 are incorrect. There should be $0 in FY 1986 and $35,414 in FY 1987 for nursing staff.)

Representative Menahan made a motion to accept Modifieds #14, #19, #21, and #22 from Exhibit 5, all to be funded from federal funds.

A voice vote was taken and the motion carried unanimously.

Ms. Rippingale (067) said there are some loose ends to be cleaned up for the Department of Institutions budget.

Montana Youth Treatment Center: Keith Wolcott, Senior Analyst, Legislative Fiscal Analyst's Office, (075) went over the savings of reducing the average daily population from 55 to 40 for FY 1986 (Exhibit 6).

Mountain View School: Representative Winslow (104) had asked the Legislative Fiscal Analyst's Office to research the cost for contracting a social worker and psychologist for 45-day evaluations at Mountain View. Exhibit 7 shows that it would cost $84,536 more to contract than have the FTE in place.

Eastmont/Boulder: (151) Exhibit 8 compares the training staff at Eastmont and Boulder. Mr. Wolcott (155) went over Exhibit 8.

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES:

Director's Office: Representative Rehberg (226) said he is bothered by an area in this office. There is a grade 10 public information staff who writes press releases and deals with the public.

Representative Rehberg made a motion to delete $20,196 in FT 1986 and $20,205 in FY 1987 for a grade 10 public relations staff person.

A voice vote was taken and the motion carried with Representative Bradley opposing the motion.

Fiscal Services Bureau: Representative Winslow (264) went over the modified for a child nutrition auditor which is outlined on page 11 of Exhibit 4. This is not an FTE; the audit will be contracted. This is mandated by the federal government to receive the federal funds.

Representative Rehberg made a motion to add $25,000 in both fiscal years from federal funds for contracting child nutrition audits.

A voice vote was taken and the motion carried unanimously.

Records and Statistics Bureau: Representative Winslow (280) went over the modified for a system update which is outlined on page 12 of Exhibit 4.

Representative Winslow made a motion to appropriate $21,848 in FY 1986 and $3,996 in FY 1987 to update the Bureau's data entry capability.

Dr. Drynan (304) said this is the last phase of a six year process. This gets rid of cards dating back to 1887.

A roll call vote was taken and the motion carried with 17 members approving and 2 members opposing.

Solid Waste Bureau: Representative Winslow (355) went over the modifieds for this Bureau which are outlined on page 16 of Exhibit 4.

Superfund funds used in this Department are included as modifieds. The Department requested these funds be included as modifieds except $5,138 in FY 1986 and $5,140 in FY 1987 for the lawyer. The lawyer would be used for all Bureau work and, consequently, would have to be funded with general fund money. Dr. Drynan (467) said the general fund dollars are match for Solid Waste federal funds. Those dollars were in contracted services so they are not new.

Representative Winslow made a motion to authorize the expenditure of federal funds for Modifieds #1, #2, #3, and #4 from page 16 of Exhibit 4.

A voice vote was taken and the motion carried with Representative Moore opposing the motion.

Air Quality Bureau: Representative Winslow (552) went over the modifieds for this Bureau which are outlined on page 17 of Exhibit 4. There is no general fund in either #1 or #2. There is $15,000 in general fund in FY 1987 for the Scobey Air Monitoring Project.

Representative Winslow made a motion to accept Modifieds #1, #2, and #3 from page 17 of Exhibit 4.

Representative Nathe said there is no international tribunal should there be damage from the power plant in Saskatchewan. Representative Waldron said this project was started in FY 1981 as a temporary project and he asked when we could quit putting money into it. Representative Rehberg explained that the $15,000 in FY 1987 is to pull the filters after the power plant has been operating to see if there is indeed damage. If there is damage or problems, the EPA will pick up the costs.

Representative Moore made a motion to segregate the modifieds from Representative Winslow's motion.

A voice vote was taken and the motion carried unanimously.

(Tape 35:A:000)

Representative Winslow made a motion to appropriate $48,412 in FY 1986 and $48,509 in FY 1987 from EPA air quality funds for the Tribal Air Monitoring Project.

A voice vote was taken and the motion carried unanimously.

Representative Winslow made a motion to appropriate $15,414 in FY 1986 and $15,420 in FY 1987 from EPA air quality funds for the .5 FTE lawyer.

A voice vote was taken and the motion carried unanimously.

Representative Winslow made a motion to appropriate $15,000 general fund money in FY 1987 for the Scobey Air Monitoring Project.

Chairman Bardanouve noted there may be some funds somewhere in the Long Range Planning Subcommittee to fund this project. Representative Thoft, Chairman, Long Range Planning Subcommittee, said he would take this under advisement.

Representative Winslow withdrew his motion.

Occupational Health Bureau: Representative Winslow (019) went over the modified for this Bureau which is outlined on page 18 of Exhibit 4.

Representative Rehberg opposed this modified. He said the Bureau should charge fees for these inspections and it would not require any general fund.

Dr. Drynan (049) said, if we charge $1 fee for the inspections, the doctors, dentists, etc., will charge three times that amount to their patients to recoop the cost for the inspection and any administration costs.

Dr. DaSilva, a dentist in Butte, (072) said he depends on the state's inspection and he is reassured by it. He said he would be glad to pay a fee for the inspection and he would not charge his patients more than the inspection cost him. He said he would spread the cost among all of his patients.

Representative Lory made a motion to appropriate $41,072 in FY 1986 and $34,084 in FY 1987 for 1 FTE x-ray inspector from the general fund.

A roll call vote was taken and the motion failed with 13 members opposing and 7 members approving the motion.

Representative Lory made a motion to authorize 1 FTE x-ray inspector to be paid by fees set by the Department.

A voice vote was taken and the motion carried unanimously.

Representative Bradley (218) said the Department cannot charge fees without the proper authorization. Ms. Rippingale said, as long as there is no conflicting legislature, we can put language in the appropriations bill to allow the Department to charge fees adequate to fund this position.

Water Quality Bureau: Representative Winslow (241) went over the modifieds for the Bureau which are outlined on page 20 of Exhibit 4.

The increase in general fund is due to the substitution of some federal funds with general fund. Last biennium, there were three years of 205J funds available. This biennium, there will just be two years of 205J funds. The 205J funds are capped at this level.

The two modifieds outlined on page 20 are federal funds.

Representative Lory made a motion to appropriate $93,004 in FY 1986 from federal 106 funds for 1 FTE environmental specialist and operating expenses for the Clark Fork River Monitoring Project and $92,778 in FY 1986 and $92,842 in FY 1987 from federal 106 funds for 1 FTE environmental engineer and operating expenses for Groundwater Pollution Control.

A voice vote was taken and the motion carried unanimously.

Microbiology Lab Bureau: Representative Winslow (300) went over the modified for PKU testing which is outlined on page 25 of Exhibit 4. Oregon has been doing the testing but they don't want to do it anymore. The money needed to start up testing in the state was taken from the Clinical Bureau and, after implementation, the testing will be paid for through fees. Representative Winslow said this is not new money.

Representative Lory made a motion to appropriate $145,600 in FY 1986 from general fund to start a PKU testing program.

A voice vote was taken and the motion carried unanimously.

Health Services and Medical Facilities Division Administration: This is a new division which is why the increase in general fund was substantial.

Dental and Risk Reduction Bureau: Representative Winslow (393) went over the modifieds for this Bureau which are outlined on page 30 of Exhibit 4. This committee has already accepted the first modified in previous action.

Representative Hand made a motion to appropriate $12,000 in FY 1986 from federal funds for an epidemiological study.

A voice vote was taken and the motion carried unanimously.

Nursing Bureau: Representative Winslow (416) noted we have already accepted the two modifieds for this Bureau which are outlined on page 32 of Exhibit 4.

Clinical Bureau: Representative Winslow (422) went over the modifieds for this Bureau which are outlined on page 35 of Exhibit 4. We have already taken care of #1 and #4.

Representative Winslow made a motion to appropriate $818,399 in FY 1986 and $818,419 in FY 1987 from federal funds for an expansion of the program requested by the federal government.

A voice vote was taken and the motion carried unanimously.

Representative Winslow made a motion to appropriate $213,805 in FY 1986 and $213,811 in FY 1987 from federal funds for a .5 FTE program manager and grants at the request of the federal government.

A voice vote was taken and the motion carried unanimously.

Licensing and Certification Bureau: Representative Winslow (471) went over the modified for this Bureau which is outlined on page 38 of Exhibit 4. He said we have to meet minimum requirements by the federal government to avoid penalties. He noted Nebraska was not meeting those requirements and they have been penalized $12 million by the federal government because they were audited.

Representative Waldron made a motion to appropriate $27,405 in FY 1986 and $25,763 in FY 1987 from general fund and $33,901 in FY 1986 and $32,080 in FY 1987 from federal funds for 2 FTE surveyors and related expenses.

A voice vote was taken and the motion carried unanimously.

Ms. Rippingale (590) said we may be able to use MCHCBG funds for the Dental Program if we did not fund all the modifieds. We can trade off some of the modifieds and save $90,000 in general fund. Dr. Drynan said MCHCBG has to be used for mothers or children under the age of 16. This would delete any males over 16 or any geriatric patients from this program. The Department and the Legislative Fiscal Analyst's Office will work together and try to find a way to save general fund money by using block grant funds.

Representative Winslow (666) said we have received $15,000 from the federal government to start an AIDS program.

Representative Winslow made a motion to authorize the expenditure of $15,000 from federal funds for an AIDS program.

A voice vote was taken and the motion carried unanimously.

Representative Winslow (698) said there are water quality management funds of $95,000 for the biennium for the Cabin Creek study.

(Tape 35:B:000)

Representative Connelly made a motion to authorize the expenditure of $95,000 for the biennium from federal funds for the Cabin Creek study.

A voice vote was taken and the motion carried with Representative Moore opposing the motion.

DEPARTMENT OF LABOR AND INDUSTRY:

Commissioner's Office: Representative Rehberg (013) said there was a deputy director position that was vacant but the money was used as a slush fund. He said he felt, if the Department did not fill this position, it should be deleted. The subcommittee gave them an administrative assistant position instead of the deputy director position.

Representative Rehberg made a motion to delete the administrative assistant position from the Commissioner's Office.

Dave Wanzenried, Commissioner of Labor, said he downgraded the deputy director position from a grade 22 to a grade 14 and made it an administrative assistant position. He said he did not fill the deputy director position because he did not know until after the election in November that he would be the Commissioner and he did not want to appoint someone for the short period of time he thought he would be in that position.

A roll call vote was taken and the motion failed in a tie vote, 10 members opposing and 10 members approving the motion.

Human Rights Commission: Representative Winslow (074) went over the modifieds for this agency which are outlined on page 43 of Exhibit 4.

Representative Winslow made a motion to appropriate $4,302 in FY 1986 and $4,304 in FY 1987 for a .5 FTE compliance officer to assist in handling the backlog.

Representative Connelly (130) said, in 1974 she filed a complaint with the Human Rights Commission and it took 2-1/2 years for her case to come before the Commission. She said, by that time, all of her witnesses had been promoted and she didn't have a case.

Anne MacIntyre, Administrator, Human Rights Commission (140) said they processed 342 cases in FY 1984 and, in that period, 317 cases were filed. She said there are 6 compliance officers and she does not have the time to review the work of her compliance officers. Ms. MacIntyre said she needs the supervisor more than the compliance officer.

A roll call vote was taken and the motion failed with 11 members opposing and 9 members approving the motion.

Representative Winslow made a motion to appropriate $18,131 in FY 1986 and $17,521 in FY 1987 for a .5 FTE compliance supervisor.

A roll call vote was taken and the motion failed with 14 members opposing and 6 members approving the motion.

Job Service: Representative Winslow (216) went over the modified for this division which is outlined on page 46 of Exhibit 4. This would be funded with federal funds.

Representative Winslow made a motion to appropriate $48,880 from federal funds in each fiscal year for management training.

A voice vote was taken and the motion carried unanimously.

Unemployment Insurance: Representative Winslow (235) went over the modified for this division which is outlined on page 47 of Exhibit 4. The modified is funded with federal funds. Mr. Wanzenried presented new figures for this modified (Exhibit 9).

Representative Winslow made a motion to appropriate $221,230 in FY 1986 and $219,207 in FY 1987 from federal funds for the Random Audits Program.

A voice vote was taken and the motion carried unanimously.

Centralized Services Program: Representative Winslow (259) went over some modifieds that were not included in Exhibit 4 (Exhibit 10).

Representative Hand made a motion to appropriate $103,073 in FY 1986 and $85,813 in FY 1987 from federal funds to increase statistical estimation capabilities of the Research and Analysis Bureau.

A voice vote was taken and the motion carried unanimously.

Representative Bradley made a motion to appropriate $43,079 in FY 1986 and $43,089 in FY 1987 from other funds for the Montana Career Information System.

(Note: Other Funds consists of $20,000 of SOICC funds with the balance provided by a combination of user fees and federal funds.)

A voice vote was taken and the motion carried with Representatives Swift and Moore opposing the motion.

Job Training Partnership Act: Representative Winslow (295) said this is where the Dislocated Workers and Displaced Homemakers Programs are appropriated. General fund is used for federal fund match.

Ms. Purdy (308) said the 1983 legislative session appropriated $750,000 to JTPA subgrants. $271,000 was expended, the rest to be expended in FY 1985. The Department requests a continuation of the $750,000. The subcommittee reduced the appropriation by $82,000 from the 1985 biennium to the 1987 biennium.

There was a lot of discussion regarding this funding. The Legislative Fiscal Analyst's Office will analyse the figures to see how much general fund match is required to continue the programs.

Workers' Compensation Division: Representative Winslow (431) went over the modifieds for this division which are outlined on page 52 of Exhibit 4.

Representative Winslow made a motion to appropriate $150,000 in each fiscal year from federal funds to supplement Montana's Crime Victims Fund.

A voice vote was taken and the motion carried unanimously.

Representative Winslow made a motion to appropriate $94,466 in FY 1986 and $94,384 in FY 1987 from workers' compensation funds for 4 FTE claims examiners and related expenses to deal with an increased in workload.

A roll call vote was taken and the motion carried with 11 members approving and 9 members opposing the motion.

Representative Winslow made a motion to appropriate $103,000 in FY 1986 and $85,000 in FY 1987 from workers' compensation funds for 3 FTE legal positions and expenses to deal with the increase in workload.

A roll call vote was taken and the motion carried with 12 members approving and 8 members opposing the motion.

Ms. Rippingale (632) said there was a question on the amount of administration needed for the Crime Victims Fund. The Department said they will reduce their administration costs by about $21,000 per year and the remainder would go for grants. That does not change the amount in the bill but it will change the explanation. Chairman Bardanouve told Ms. Rippingale to make the change in the explanation in the bill.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES: Representative Winslow (690) said there are substantial increases in general fund throughout this department but that is due to the replacement of the Social Services Block Grant in the Developmentally Disabled Division (DDD).

The transfer of 12 mills to the general fund is cleaner accounting than routing it through the Department.

(Tape 36:A:000)

Assistance Payments: Representative Winslow (009) went over the modifieds for this division which are outlined on page 58 of Exhibit 4.

Representative Winslow made a motion to authorize the expenditure of $187,500 from federal funds for the Solar Bank.

A voice vote was taken and the motion carried unanimously.

Representative Winslow made a motion to authorize the expenditure of $156,400 from federal funds for Temporary Emergency Food Assistance.

A voice vote was taken and the motion carried unanimously.

Representative Winslow made a motion to authorize the expenditure of $174,578 in FY 1986 and $231,752 in FY 1987 from federal funds for the Job Search Program.

A voice vote was taken and the motion carried unanimously.

Representative Winslow said, if the proposed bill to cut all able bodied people 35 years of age and under does not pass, this division will need $5 million more for general assistance.

Social Services: Representative Winslow (046) went over the modifieds for this division which are outlined on page 64 of Exhibit 4.

Representative Winslow made a motion to authorize the expenditure of $49,220 in FY 1986 and $49,239 in FY 1987 from federal funds for 2 FTE for advocacy assistance.

A voice vote was taken and the motion carried unanimously.

Representative Winslow made a motion to authorize the expenditure of $243,090 in FY 1986, $82,651 of which is general fund, and $254,855 in FY 1987, $86,651 of which is general fund, for support services for Foster Care.

A roll call vote was taken and the motion carried with 15 members approving and 4 members opposing the motion.

The general fund portion is used for match for federal funds.

Representative Winslow (130) said the third modified for this division, additional social workers, was lobbied for the hardest by the Priorities for People (PFP). The Department requested 54 additional social workers but the subcommittee cut that back to 30 and these positions will be phased in 4 every quarter. Representative Winslow made it clear this means there will be 30 more people next biennium in the current level base.

Representative Winslow made a motion to appropriate $834,849 for the biennium to phase in 30 additional social worker positions and 2 administrative aid positions.

There was concern regarding the FY 1987 base. Representative Moore suggested phasing in 6 positions every 6 months and save a little money.

Representative Moore made a substitute motion to phase in 6 social workers every 6 months.

A roll call vote was taken and the motion carried with 13 members approving and 7 members opposing the motion.

Eligibility Determination: Representative Winslow (287) went over the modified for additional eligibility technicians from page 65 of Exhibit 4. These positions are federal and county funded and will be phased in. This does not require the counties to hire these people.

Representative Winslow made a motion to add 54 eligibility technicians during the FY 1987 biennium.

A roll call vote was taken and the motion carried with 13 members approving and 7 members opposing.

Representative Winslow made a motion to add 25 FTE as outlined on page 66 of Exhibit 4.

A voice vote was taken and the motion carried unanimously.

Medical Assistance: Representative Winslow (480) said there is a change in the figures for Medicaid - Institutions because of the action by the committee to decrease the average daily population at the Youth Treatment Center from 60 to 40 in FY 1986 and from 60 to 55 in FY 1987. The FY 1986 Medicaid reimbursement for the Youth Treatment Center went from $2,151,894 to $1,639,323, saving $174,834 general fund. In FY 1987, the figures go from $2,216,302 to $2,002,433, saving $71,902 general fund.

Representative Winslow (555) went over the modifieds which are outlined on page 77 of Exhibit 4.

Representative Winslow made a motion to authorize the expenditure of $1,200,000 for Medicaid Management Information System, $120,000 of which is general fund for match.

A voice vote was taken and the motion carried unanimously.

Representative Winslow made a motion to authorize the expenditure of $99,664 in FY 1986 and $99,544 in FY 1987, 50% of which is general fund, for 2 financial analysts, one clerical position, and one accounting technician for acute care reimbursement.

A voice vote was taken and the motion carried unanimously.

Representative Winslow made a motion to appropriate $375,449 in FY 1986, $170,118 of which is general fund, and $627,302 in FY 1987, $229,882 of which is general fund, for program expansion of the Home and Community Based Services Program.

(Tape 36:B:000)

A voice vote was taken and the motion carried unanimously.

Representative Winslow made a motion to approve an additional 2.5 FTE physician positions for the State Medical Program.

This motion is just to clean up accounting because the positions are already on board in Butte and are already funded out of a .11 FTE position in the Medical Assistance Program.

This motion gives authorization for the positions. Chairman Bardanouve was distressed because this program is only in Butte and not statewide.

A voice vote was taken and the motion carried with Chairman Bardanouve opposing the motion.

Audit and Program Compliance: Representative Winslow (060) went over the modified which is outlined on page 78 of Exhibit 4. This expenditure will generate money by collecting money owed the state.

Representative Winslow made a motion to authorize the expenditure of $88,924 in FY 1986, $67,374 of which is general fund, and $85,592 in FY 1987, $64,871 of which is general fund, for four additional auditors.

A voice vote was taken and the motion carried with Representative Menahan opposing the motion.

Vocational Rehabilitation: Representative Winslow (079) went over the modifieds for this division which are outlined on page 80 of Exhibit 4.

Representative Winslow made a motion to appropriate $435,775 in FY 1986, $75,000 of which is general fund, and $573,596 in FY 1987, $75,000 of which is general fund, for expansion of the General Rehabilitation Services Program.

The general fund is required to match federal funds. This is an expansion of the present program and will attempt to serve the unserved.

A roll call vote was taken and the motion failed in a tie vote, 10 members opposing and 10 members approving the motion.

Representative Winslow made a motion to appropriate $50,000 per fiscal year to expand the Extended Employment Program.

A roll call vote was taken and the motion failed with 15 members opposing and 5 members approving the motion.

Representative Winslow made a motion to appropriate $196,000 in FY 1986, $100,000 of which is federal funds, and $100,000 in FY 1987 from general fund to start a program for special disabled people.

This program has a one-time appropriation from the federal government to start up this program but the state has to continue funding. This is a new program and, presently, these people do not receive any services. The people served by this program are those head injured, Multiple Sclerosis, and Multiple Dystrophy.

Representative Waldron said this is a new category of clients. He said these people are falling through the cracks and are not getting served anywhere. He said many of the people this program would serve have the capability of becoming productive members of society if given the chance.

A roll call vote was taken and the motion failed with 11 members opposing and 9 members approving the motion.

Representative Bradley made a motion to reconsider our action in rejecting the modified for Expansion of General Rehabilitation Services.

A voice vote was taken and the motion carried with Representatives Nathe, Moore, Swift, and Thoft opposing the motion.

Representative Bradley made a motion to appropriate $35,000 in each fiscal year for Expansion of General Rehabilitation Services.

This would provide $70,000 for the biennium to match the federal funds. This is an 80:20 match.

Representative Lory made a substitute motion to appropriate $50,000 in each fiscal year for the General Rehabilitation Services expansion from workers' comp funds.

A roll call vote was taken and the substitute motion failed with 12 members opposing and 8 members approving the motion.

A roll call vote was taken on the original motion and the motion failed with 14 members opposing and 6 members approving the motion.

Adjourn: The meeting was adjourned at 10:50 p.m.

F. Bardanouve

FRANCIS BARDANOUVE, Chairman

DAILY ROLL CALL

APPROPRIATIONS COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date March 18, 1985

NAME	PRESENT	ABSENT	EXCUSED
BARDANOUVE	X		
DONALDSON	X		
BRADLEY	X		
CONNELLY	X		
ERNST	X		
HAND	X		
LORY	X		
MANUEL	X		
MENAHAN	X		
MILLER	X		
MOORE	X		
NATHE	X		
PECK	X		
QUILICI	X		
REHBERG	X		
SPAETH	X		
SWIFT	X		
THOFT	X		
WALDRON	X		
WINSLOW	X		

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)	X	
DONALDSON, GENE (Vice Chairman)	X	
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE	X	
HAND, BILL	X	
LORY, EARL	X	
MANUEL, REX	X	
MENAHAN, WILLIAM		X
MILLER, RON		X
MOORE, JACK	X	
NATHE, DENNIS	X	
PECK, RAY	X	
QUILICI, JOE	X	
REHBERG, DENNIS	X	
SPAETH, GARY	X	
SWIFT, BERNIE	X	
THOFT, BOB	X	
WALDRON, STEVE	X	
WINSLOW, CAL	X	
	18	2

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Winslow made a motion to set 4-3-3% inflation factors for the agencies covered by the Institutions and Cultural Education Subcommittee.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)	X	
DONALDSON, GENE (Vice Chairman)	X	
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN		X
ERNST, GENE		X
HAND, BILL	X	
LORY, EARL		X
MANUEL, REX		X
MENAHAN, WILLIAM		X
MILLER, RON		X
MOORE, JACK		X
NATHE, DENNIS		X
PECK, RAY	X	
QUILICI, JOE		X
REHBERG, DENNIS	X	
SPAETH, GARY	X	
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE	X	
WINSLOW, CAL		X
	8	12

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Waldron made a motion to delete the Youth Evaluation Program from the Corrections Division budget.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)		X
DONALDSON, GENE (Vice Chairman)		X
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE	X	
HAND, BILL		X
LORY, EARL	X	
MANUEL, REX		X
MENAHAN, WILLIAM	X	
MILLER, RON	X	
MOORE, JACK	X	
NATHE, DENNIS		X
PECK, RAY		X
QUILICI, JOE	X	
REHBERG, DENNIS		X
SPAETH, GARY		X
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE	X	
WINSLOW, CAL		X
	9	11

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Waldron made a motion to appropriate $52,656 in FY 1986 and $52,749 in FY 1987 for 3.10 FTE corrections officers for the Women's Corrections Center.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)		X
DONALDSON, GENE (Vice Chairman)		X
BRADLEY, DOROTHY		X
CONNELLY, MARY ELLEN	X	
ERNST, GENE		X
HAND, BILL		X
LORY, EARL		X
MANUEL, REX		X
MENAHAN, WILLIAM	X	
MILLER, RON	absent	
MOORE, JACK	X	
NATHE, DENNIS		X
PECK, RAY		X
QUILICI, JOE	X	
REHBERG, DENNIS		X
SPAETH, GARY	X	
SWIFT, BERNIE		X
THOFT, BOB	absent	
WALDRON, STEVE		X
WINSLOW, CAL	X	
	6	12

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Menahan made a motion to appropriate $77,630 in FY 1986 and $77,793 in FY 1987 for 4.54 FTE additions for Montana State Hospital.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)		X
DONALDSON, GENE (Vice Chairman)		X
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE	X	
HAND, BILL	X	
LORY, EARL	X	
MANUEL, REX		X
MENAHAN, WILLIAM	X	
MILLER, RON	absent	
MOORE, JACK		X
NATHE, DENNIS		X
PECK, RAY	X	
QUILICI, JOE		X
REHBERG, DENNIS		X
SPAETH, GARY	absent	
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE		X
WINSLOW, CAL	X	
	8	10

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Winslow made a motion to add $18,000 per year from general fun d for grants to the counties to the Montana Arts Council budget.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)		X
DONALDSON, GENE (Vice Chairman)		X
BRADLEY, DOROTHY		X
CONNELLY, MARY ELLEN		X
ERNST, GENE		X
HAND, BILL		X
LORY, EARL		X
MANUEL, REX		X
MENAHAN, WILLIAM		X
MILLER, RON		X
MOORE, JACK		X
NATHE, DENNIS	X	
PECK, RAY		X
QUILICI, JOE		X
REHBERG, DENNIS		X
SPAETH, GARY		X
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE	X	
WINSLOW, CAL		X
	2	18

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Waldron made a substitute motion to appropriate $321,360 over the biennium for the Perinatal Program, excluding the Newborn Transport funds in the Department of Health and Environmental Sciences.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)	X	
DONALDSON, GENE (Vice Chairman)	X	
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE	X	
HAND, BILL		X
LORY, EARL	X	
MANUEL, REX	X	
MENAHAN, WILLIAM		
MILLER, RON	X	
MOORE, JACK	X	
NATHE, DENNIS		X
PECK, RAY	X	
QUILICI, JOE	X	
REHBERG, DENNIS	X	
SPAETH, GARY	X	
SWIFT, BERNIE	X	
THOFT, BOB	X	
WALDRON, STEVE	X	
WINSLOW, CAL	X	
	17	2

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Winslow made a motion to appropriate $21,848 in FY 1986 and $3,996 in FY 1987 to update the Bureau's data entry capability.

CS-31

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)		X
DONALDSON, GENE (Vice Chairman)		X
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE		X
HAND, BILL		X
LORY, EARL	X	
MANUEL, REX		X
MENAHAN, WILLIAM	X	
MILLER, RON		X
MOORE, JACK		X
NATHE, DENNIS		X
PECK, RAY	X	
QUILICI, JOE	X	
REHBERG, DENNIS		X
SPAETH, GARY		X
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE		X
WINSLOW, CAL	X	
	7	13

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Lory made a motion to appropriate $41,072 in FY 1986 and $34,084 in FY 1987 for 1 FTE x-ray inspector from the general fund for the Occupational Health Bureau.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)		X
DONALDSON, GENE (Vice Chairman)	X	
BRADLEY, DOROTHY		X
CONNELLY, MARY ELLEN		X
ERNST, GENE	X	
HAND, BILL	X	
LORY, EARL		X
MANUEL, REX		X
MENAHAN, WILLIAM		X
MILLER, RON	X	
MOORE, JACK	X	
NATHE, DENNIS	X	
PECK, RAY		X
QUILICI, JOE		X
REHBERG, DENNIS	X	
SPAETH, GARY		X
SWIFT, BERNIE	X	
THOFT, BOB	X	
WALDRON, STEVE		X
WINSLOW, CAL	X	
	10	10

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Rehberg made a motion to delete the administrative assistant position from the Commissioner's Office.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME ______

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)	X	
DONALDSON, GENE (Vice Chairman)		X
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE		X
HAND, BILL		X
LORY, EARL	X	
MANUEL, REX		X
MENAHAN, WILLIAM	X	
MILLER, RON		X
MOORE, JACK		X
NATHE, DENNIS		X
PECK, RAY	X	
QUILICI, JOE	X	
REHBERG, DENNIS	X	
SPAETH, GARY	X	
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE	X	
WINSLOW, CAL	X	
	11	9

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Winslow made a motion to appropriate $4,302 in FY 1986 and $4,304 in FY 1987 for a .5 FTE compliance officer to assist in handling the backlog for the Human Rights Commission.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)		X
DONALDSON, GENE (Vice Chairman)		X
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE		X
HAND, BILL		X
LORY, EARL	X	
MANUEL, REX		X
MENAHAN, WILLIAM	X	
MILLER, RON	X	
MOORE, JACK		X
NATHE, DENNIS		X
PECK, RAY		X
QUILICI, JOE		X
REHBERG, DENNIS		X
SPAETH, GARY		X
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE		X
WINSLOW, CAL	X	
	6	14

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Winslow made a motion to appropriate $18,131 in FY 1986 and $17,521 in FY 1987 for a .5 FTE compliance supervisor.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)	X	
DONALDSON, GENE (Vice Chairman)	X	
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE		X
HAND, BILL	X	
LORY, EARL	X	
MANUEL, REX	X	
MENAHAN, WILLIAM		X
MILLER, RON		X
MOORE, JACK		X
NATHE, DENNIS		X
PECK, RAY	X	
QUILICI, JOE	X	
REHBERG, DENNIS		X
SPAETH, GARY		X
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE	X	
WINSLOW, CAL	X	
	11	9

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Winslow made a motion to appropriate $94,466 in FY 1986 and $94,384 in FY 1987 from workers' compensation funds for 4 FTE claims examiners and related expenses to deal with an increase in workload.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)	X	
DONALDSON, GENE (Vice Chairman)	X	
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE		X
HAND, BILL	X	
LORY, EARL	X	
MANUEL, REX		X
MENAHAN, WILLIAM	X	
MILLER, RON		X
MOORE, JACK		X
NATHE, DENNIS		X
PECK, RAY	X	
QUILICI, JOE	X	
REHBERG, DENNIS	X	
SPAETH, GARY		X
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE	X	
WINSLOW, CAL	X	
	12	8

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Winslow made a motion to appropriate $103,000 in FY 1986 and $85,000 in FY 1987 from workers' compensation funds for 3 FTE legal positions and expenses to deal with the increase in workload.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)	X	
DONALDSON, GENE (Vice Chairman)	X	
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE	X	
HAND, BILL		X
LORY, EARL	X	
MANUEL, REX	X	
MENAHAN, WILLIAM	X	
MILLER, RON	absent	
MOORE, JACK	X	
NATHE, DENNIS		X
PECK, RAY	X	
QUILICI, JOE	X	
REHBERG, DENNIS	X	
SPAETH, GARY	X	
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE	X	
WINSLOW, CAL	X	
	15	4

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Winslow made a motion to authorize the expenditure of $243,090 in FY 1986, $82,651 of which is general fund, and $254,855 in FY 1987, $86,651 of which is general fund, for support services for Foster Care.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)	X	
DONALDSON, GENE (Vice Chairman)	X	
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN		X
ERNST, GENE	X	
HAND, BILL		X
LORY, EARL		X
MANUEL, REX	X	
MENAHAN, WILLIAM		X
MILLER, RON	X	
MOORE, JACK	X	
NATHE, DENNIS	X	
PECK, RAY	X	
QUILICI, JOE		X
REHBERG, DENNIS	X	
SPAETH, GARY	X	
SWIFT, BERNIE	X	
THOFT, BOB	X	
WALDRON, STEVE		X
WINSLOW, CAL		X
	13	7

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Moore made a substitute motion to phase in 6 social workers every 6 months for the Social Services Division.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)		X
DONALDSON, GENE (Vice Chairman)	X	
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE	X	
HAND, BILL		X
LORY, EARL	X	
MANUEL, REX		X
MENAHAN, WILLIAM	X	
MILLER, RON	X	
MOORE, JACK		X
NATHE, DENNIS		X
PECK, RAY	X	
QUILICI, JOE	X	
REHBERG, DENNIS	X	
SPAETH, GARY	X	
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE	X	
WINSLOW, CAL	X	
	13	7

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Winslow made a motion to add 54 eligibility technicians during the FY 1987 biennium for the Eligibility Determination Bureau.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)		X
DONALDSON, GENE (Vice Chairman)	X	
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE		X
HAND, BILL		X
LORY, EARL	X	
MANUEL, REX		X
MENAHAN, WILLIAM	X	
MILLER, RON	X	
MOORE, JACK		X
NATHE, DENNIS		X
PECK, RAY	X	
QUILICI, JOE	X	
REHBERG, DENNIS		X
SPAETH, GARY		X
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE	X	
WINSLOW, CAL	X	
	10	10

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Winslow made a motion to appropriate $435,775 in FY 1986, $75,000 of which is general fund, and $573,596 in FY 1987, $75,000 of which is general fund, for expansion of the General Rehabilitation Services Program.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)		X
DONALDSON, GENE (Vice Chairman)		X
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE		X
HAND, BILL		X
LORY, EARL		X
MANUEL, REX		X
MENAHAN, WILLIAM	X	
MILLER, RON		X
MOORE, JACK		X
NATHE, DENNIS		X
PECK, RAY		X
QUILICI, JOE		X
REHBERG, DENNIS	X	
SPAETH, GARY		X
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE		X
WINSLOW, CAL	X	
	5	15

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Winslow made a motion to appropriate $50,000 per fiscal year to expand the Extended Employment Program.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)		X
DONALDSON, GENE (Vice Chairman)		X
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE		X
HAND, BILL		X
LORY, EARL	X	
MANUEL, REX		X
MENAHAN, WILLIAM	X	
MILLER, RON		X
MOORE, JACK		X
NATHE, DENNIS		X
PECK, RAY	X	
QUILICI, JOE	X	
REHBERG, DENNIS		X
SPAETH, GARY	X	
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE	X	
WINSLOW, CAL	X	
	9	11

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Winslow made a motion to appropriate $196,000 in FY 1986, $100,000 of which is federal funds, and $100,000 in FY 1987 from general fund to start a program for special disabled people.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)		X
DONALDSON, GENE (Vice Chairman)	X	
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE		X
HAND, BILL		X
LORY, EARL	X	
MANUEL, REX		X
MENAHAN, WILLIAM	X	
MILLER, RON		X
MOORE, JACK		X
NATHE, DENNIS		X
PECK, RAY	X	
QUILICI, JOE	X	
REHBERG, DENNIS		X
SPAETH, GARY		X
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE		X
WINSLOW, CAL	X	
	8	12

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Lory made a substitute motion to appropriate $50,000 in each fiscal year for the General Rehabilitation Services program expansion from workers' comp funds.

ROLL CALL VOTE

HOUSE COMMITTEE APPROPRIATIONS

DATE March 18, 1985 BILL NO. HB 500 TIME

NAME	AYE	NAY
BARDANOUVE, FRANCIS (Chairman)	X	
DONALDSON, GENE (Vice Chairman)	X	
BRADLEY, DOROTHY	X	
CONNELLY, MARY ELLEN	X	
ERNST, GENE		X
HAND, BILL		X
LORY, EARL	X	
MANUEL, REX	X	
MENAHAN, WILLIAM	X	
MILLER, RON	X	
MOORE, JACK		X
NATHE, DENNIS		X
PECK, RAY	X	
QUILICI, JOE	X	
REHBERG, DENNIS	X	
SPAETH, GARY	X	
SWIFT, BERNIE		X
THOFT, BOB		X
WALDRON, STEVE	X	
WINSLOW, CAL	X	
	14	6

JEAN CARROLL
Secretary

FRANCIS BARDANOUVE
Chairman

Motion: Representative Bradley made a motion to appropriate $35,000 in each fiscal year for expansion of the General Rehabilitation Services Program.

EXHIBIT 1
March 18, 1985
Department of Institutio

NARRATIVE FOR HOUSE BILL 500
on the
Department of Institutions Action
by the
Institutions and Cultural Education Subcommittee

March 11, 1985

SUBCOMMITTEE ACTION

Agency: Department of Institutions

Program: Central Office Summary

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	173.45	164.10	166.90	161.40	164.10	166.90	161.50	(6.9)
Personal Services	$ 3,908,300	$ 3,912,565	$ 3,928,165	$ 3,841,445	$ 3,923,504	$ 3,936,218	$ 3,849,306	(1.7)
Operating Expenses	2,529,475	3,086,047	3,170,324	3,169,778	3,056,544	3,250,455	3,247,426	25.3
Equipment	101,859	49,770	120,119	103,832	16,890	101,750	4,990	1.9
Non-Operating	6,292,382	6,628,994	6,382,234	6,496,207	6,650,489	6,586,977	6,493,671	3.2
Total Exp.	$12,832,016	$13,677,376	$13,600,842	$13,611,262	$13,647,427	$13,875,400	$13,595,393	6.1
FUNDING								
General Fund	$ 9,953,831	$10,728,321	$10,883,289	$10,813,746	$10,797,256	$11,131,105	$10,927,127	8.6
State Special Rev.	289,306	353,007	329,320	331,197	384,180	344,774	346,831	14.5
Federal Revenue	2,555,327	2,596,048	2,388,233	2,466,319	2,465,991	2,399,521	2,321,435	(3.5)
Proprietary	33,552	-0-	-0-	-0-	-0-	-0-	-0-	(100.0)
Total Funding	$12,832,016	$13,677,376	$13,600,842	$13,611,262	$13,647,427	$13,875,400	$13,595,393	6.1

Program Description: The Central Office of the Department of Institutions provides direction and administrative support for the state's institutions and community programs involving corrections, mental health, and alcohol and drug abuse, as well as the institutional programs for the developmentally disabled. Programs within the Central Office are: the Director's Office, Corrections Division, Mental Health and Residential Services Division, Alcohol and Drug Abuse Division, and Management Services Division. Each program will be discussed in the narrative that follows.

A total of 13.55 FTE have been deleted from the Central Office current level budget. They include the 1.0 FTE institutional industries coordinator, 1.0 FTE data entry operator, 2.0 FTE administrative officers in the Corrections Division, 1.55 FTE correctional officers at the Women's Correctional Facility, and 1.0 FTE life skills attendant at the Women's Pre-release Center, a 1.0 FTE physician in the Corrections Medical Program, and 6.0 FTE at the Youth Evaluation Program in Great Falls. A .50 FTE lawyer and a 1.0 FTE management analyst were added to the Director's Office.

General fund increases 8.6 percent primarily as a result of increasing contracts of the pre-release centers and the general fund support for community mental health. Alcohol state special revenue funds are expected to decline in the 1987 biennium as well as available federal block grant funds.

The proprietary funds were generated by the Industries Program to support the industries coordinator whose position has been deleted.

KWLEG:d/i app nar/1

Agency: Department of Institutions--Central Office

Program: Director's Office

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	9.5	10.0	8.5	10.0	10.0	8.5	10.0	5.3
Personal Services	$326,967	$339,312	$304,217	$339,430	$339,969	$304,864	$340,120	3.8
Operating Expenses	41,619	45,719	45,646	46,438	38,128	39,210	40,016	11.6
Equipment	216	-0-	-0-	-0-	-0-	-0-	-0-	(100.0)
Total Exp.	$368,802	$385,031	$349,863	$385,868	$378,097	$344,074	$380,136	4.6
FUNDING								
General Fund	$335,250	$385,031	$349,863	$385,868	$378,097	$344,074	$380,136	15.1
Proprietary Fund	38,552	-0-	-0-	-0-	-0-	-0-	-0-	(100.0)
Total Funding	$368,802	$385,031	$349,863	$385,868	$378,097	$344,074	$380,136	4.6

Program Description: The Director's Office coordinates and directs the administrative tasks of the Department of Institutions. The director, through his staff and administrative programs of the Central Office, assures the financial solvency and integrity of the department, assures uniform and appropriate personnel, budget, and legal policies and procedures throughout the department, assures that appropriate legal and inmate/patient treatment policies are maintained, and oversees the construction and maintenance programs of the eleven institution campuses.

Current Level Budget: The subcommittee increased the LFA current level FTE by 1.5 FTE. This addition includes a .5 lawyer which brings the total to two full-time lawyers from 1.5 in the 1985 biennium and 1 FTE management analyst to perform internal audits. These positions are included with the understanding that 1 FTE administrative officer position in the corrections division will be deleted as well as a .50 FTE data entry operator from the Management Services Division. Personal services were decreased by the deletion of the industries coordinator position which was funded by the prison industries proprietary account in fiscal 1984. The director has determined, as a result of the position vacancy, that current staff under the supervision of the corrections division administrator can operate the program without the coordinator position. Operating costs were increased $486 each year to allow travel costs for the management analyst.

KWLEG:d/i app nar/2

SUBCOMMITTEE ACTION

Agency: Department of Institutions--Central Office

Program: Management Services Division

	FY 1984	- - - - - - - - Fiscal 1986	- - - - - - - -		- - - - - - - - Fiscal 1987	- - - - - - - -		FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	31.0	30.5	30.0	30.0	30.5	30.0	30.0	(5.2)
Personal Services	$659,031	$689,390	$678,091	$678,091	$690,464	$679,160	$679,160	2.9
Operating Expenses	239,681	239,931	214,630	215,497	207,274	183,784	184,694	(10.1)
Equipment	57,392	1,664	832	832	1,172	1,272	1,272	(98.6)
Total Exp.	$956,104	$930,985	$893,553	$894,420	$898,910	$864,216	$865,126	(6.5)
FUNDING								
General Fund	$956,104	$930,985	$893,553	$894,420	$898,910	$864,216	$865,126	(6.5)

Program Description: The Management Services Division provides technical assistance to the institutions in budgeting, accounting, and other management areas. The Reimbursement Field Section is responsible for billing and collecting for services provided to residents in the state's institutions. The Information and Systems Bureau is responsible for coordinating data processing projects within the department.

Current Level Budget: Personal services reflects the deletion of 1.0 FTE data entry operator that was left vacant in fiscal 1984 and determined to be unnecessary in the future. One-time data processing expenditures of $23,195 in fiscal 1984 have been removed from the base. Audit fees of $35,000 for the Legislative Audit are included in fiscal 1986 only.

Modified Recommendations: Data Processing System - As a result of a data processing study authorized and conducted during the 1985 biennium, the department is implementing a new data processing system. All hardware and software costs will be funded through current level with the exception of $23,195 per year requested for operating costs over and above current level. The department's study indicated they could purchase hardware, develop software, and run the new programs for the same cost as they are currently paying to the Department of Administration to run current programs on the state's main frame. The central office currently has three programmers so there is no need to contract for outside programming. The hardware that has not already been purchased with the study funds appropriated in the 1985 biennium, will be purchased under contract over the next three years. The cost of this modified is $23,195 general fund each year.

KWLEG:d/i app nar/3

Agency: Department of Institutions

Program: Alcohol and Drug Abuse Division

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	10.00	10.00	10.00	10.00	10.00	10.00	10.00	0.00
Personal Services	$ 255,165	$ 271,860	$ 271,947	$ 271,947	$ 272,261	$ 272,359	$ 272,359	6.6
Operating Expenses	100,649	113,486	114,269	117,896	114,336	98,265	102,072	17.1
Equipment	8,125	3,000	5,000	3,000	3,000	5,000	3,000	(63.1)
Non-Operating	1,223,362	1,318,500	1,272,302	1,272,302	1,339,200	1,272,302	1,272,302	4.0
Total Exp.	$1,587,301	$1,706,846	$1,663,518	$1,665,145	$1,728,797	$1,647,926	$1,649,733	4.9
FUNDING								
General Fund	$ 219,592	$ 220,951	$ 219,592	$ 219,592	$ 232,037	$ 219,592	$ 219,592	0.0
State Special Rev.	289,306	353,007	329,320	330,947	384,180	344,774	346,581	14.4
Federal Revenue	1,078,403	1,132,888	1,114,606	1,114,606	1,112,580	1,083,560	1,083,560	3.4
Total Funding	$1,587,301	$1,706,846	$1,663,518	$1,665,145	$1,728,797	$1,647,926	$1,649,733	4.9

Language in Bill: The department is authorized to maintain an aggregate funding level of $2,236,595 during fiscal 1986 and fiscal 1987 for those substance abuse programs that during fiscal 1984 were partially or totally funded under the provision of 53-24-206, MCA. Expenditures of revenues available under 53-24-206, MCA, when combined with the discretionary distribution of the alcohol federal block grant, may not exceed the aggregate funding totals specified above.

Program Description: The Alcohol and Drug Abuse Division's (ADAD) role is to administer chemical dependency programs and distribute state funds to certified community programs. The division approves treatment facilities and programs, certifies approved programs, and prepares a long-term state chemical dependency plan.

Current Level Budget: This level of authority maintains the current level personal services with a 4 percent vacancy savings factor. Current level operating expenses were increased $3,000 before inflation to fund the ADAD Advisory Council honorariums and travel. Fiscal 1986 includes audit costs of $19,750 that are not included in fiscal 1987. Equipment was reduced $2,000 each year to allow the purchase of six films per year rather than 10. These films are purchased for distribution to the local alcohol and drug programs through the health department film library.

Non-Operating expenses consist of 1) the distribution of alcohol earmarked tax revenue to county alcohol programs; 2) discretionary grants to local alcohol programs; and 3) grants to local drug programs. The table below shows the non-operating expenses and funding.

Table 1
Alcohol and Drug Abuse Non-Operating Expenses and Funding

	Fiscal 1986				Fiscal 1987			
	General Fund	Alcohol*	Federal Block Grant	Total	General Fund	Alcohol*	Federal Block Grant	Total
County Payments	$ -0-	$1,589,771	$ 248,202	$1,837,973	$ -0-	$1,589,771	$ 248,202	$1,837,973
Discretionary Grants	-0-	-0-	398,622	398,622	-0-	-0-	398,622	398,622
Drug Program	219,592	-0-	405,886	625,478	219,592	-0-	405,886	625,478
Total	$219,592	$1,589,771	$1,052,710	$2,862,073	$219,592	$1,589,771	$1,052,710	$2,862,073

*The alcohol earmarked revenue is appropriated by statute in 53-24-206, MCA.

The general fund supports 35 percent of the drug program while federal block grant funds support the balance. The drug program is maintained at the same amount as was expended in fiscal 1984.

The alcohol abuse funds are passed through to approved private non-profit and county alcohol programs based on both population and land area. These alcohol programs are funded from the excise tax on wine and beer, the liquor license tax, and the federal alcohol abuse block grant. The block grant funds will be appropriated to the department for distribution to the alcohol programs while the alcohol funds distributed are appropriated in statute, (53-24-206, MCA).

The state special revenue funds of $330,947 in fiscal 1986 and $346,581 in fiscal 1987 appropriated to the division are alcohol earmarked revenues to support the central office administration.

KWLEG:d/i app nar/5

KWLEG:d/i app nar/5

SUBCOMMITTEE ACTION

Agency: Department of Institutions--Central Office

Program: Corrections Division

	FY 1984 Actual	Fiscal 1986 Executive	Fiscal 1986 Current Level	Fiscal 1986 Subcommittee	Fiscal 1987 Executive	Fiscal 1987 Current Level	Fiscal 1987 Subcommittee	FY 84-86 % Change
FTE	93.50	88.00	91.50	85.50	88.00	91.50	85.50	(8.6)
Personal Services	$2,038,299	$2,005,886	$2,065,594	$1,943,661	$2,011,413	$2,069,202	$1,947,034	(4.6)
Operating Expenses	1,423,724	1,849,309	1,893,156	1,897,067	1,858,012	1,981,942	1,984,831	33.2
Equipment	30,319	45,106	114,287	100,000	12,000	94,760	-0-	229.8
Total Exp.	$3,492,342	$3,900,301	$4,073,037	$3,940,728	$3,881,425	$4,145,904	$3,931,865	12.8
FUNDING								
General Fund	$3,490,012	$3,897,706	$4,070,442	$3,937,883	$3,878,726	$4,143,205	$3,928,916	12.8
State Special--Donations	-0-	-0-	-0-	250	-0-	-0-	250	100.0
Federal Revenue	2,330	2,595	2,595	2,595	2,699	2,699	2,699	11.4
Total Funding	$3,492,342	$3,900,301	$4,073,037	$3,940,728	$3,881,425	$4,145,904	$3,931,865	12.8

Language in Bill: The equipment budget of $100,000 is for the biennium.

Program Description: The Corrections Division provides coordination, supervision, and support to the correctional programs of the state. These programs include the Prison, Swan River Forest Camp, Pine Hills School, Mountain View School, Women's Correctional Facility, five pre-release centers, Juvenile Aftercare, Probation and Parole, and the Corrections Medical Programs.

Current Level Budget: This budget includes Corrections Administration, four men's pre-release centers, Juvenile Aftercare Group Homes, and Probation and Parole. The major difference, $339,885 from fiscal 1984 to fiscal 1986, is the addition of two contract pre-release centers which opened during fiscal 1984. The Butte pre-release center opened in late December 1983 while the Great Falls pre-release center opened in April 1984. Therefore, fiscal 1984 does not reflect the full costs of operating the new centers.

The subcommittee current level deletes the Youth Evaluation Program with its 6.0 FTE. The total amount reduced from current level is $167,339 in fiscal 1986 and $155,348 in fiscal 1987.

Two administrative officer positions left vacant during fiscal 1984 were deleted from the current level. A 4 percent vacancy savings factor was applied.

Table 1 below breaks down the Corrections Division into its three functional parts for fiscal 1986. The community program includes parole and probation with its 36 officers and the juvenile after care programs.

Table 1
Fiscal 1986 Corrections Division Program Breakdown

	Corrections Administration	Mens' Pre-Release	Community Programs	Total Corrections
FTE	12.00	11.50	62.00	85.50
Personal Services	$303,451	$ 217,601	$1,422,609	$1,943,661
Operating	98,217	1,260,442	538,408	1,897,067
Equipment	-0-	17,556	82,444	100,000
Total Exp.	$401,668	$1,495,599	$2,043,461	$3,940,728
Funding				
General Fund	$401,418	$1,495,599	$2,040,866	$3,937,883
State Special	250	-0-	-0-	250
Federal Revenue	-0-	-0-	2,595	2,595
Total Funding	$401,668	$1,495,599	$2,043,461	$3,940,728

Modified Recommendations: (1) Depreciation--Included is $10,952 per year for each of the three contract pre-release centers to allow for depreciation. The total included is $32,856 in fiscal 1986 and $32,856 in fiscal 1987.

(2) Youth Evaluation Program--The Youth Evaluation Program with 6.0 FTE and a total budget of $167,339 in fiscal 1986 and $155,348 in fiscal 1987. The YEP is located in Great Falls and conducts 45-day evaluations in a community setting. The program has an average population of six while serving approximately 55 youth during a year. If this program is not funded, the evaluations could be done at Mountain View School in Helena and Pine Hills School in Miles City.

KWLEG:d/i app nar/7

SUBCOMMITTEE ACTION

Agency: Department of Institutions--Central Office

Program: Women's Corrections

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	23.45	20.60	20.90	20.90	20.60	20.90	20.90	(10.9)
Personal Services	$408,791	$426,809	$428,897	$428,897	$429,585	$430,699	$430,699	4.9
Operating Expenses	138,829	203,860	216,951	206,953	204,521	227,676	215,968	49.1
Equipment	3,714	-0-	-0-	-0-	718	718	718	
Total Exp.	$551,334	$630,669	$645,848	$635,850	$634,824	$659,093	$647,385	15.3
FUNDING								
General Fund	$551,334	$630,669	$645,848	$635,850	$634,824	$659,093	$647,385	15.3

Program Description: The Women's Correctional Program consists of three components. (1) The Women's Correctional Facility at the Warm Springs Campus of Montana State Hospital is a minimum to medium security facility for Montana's women offenders requiring incarceration. (2) The Billings Life Skills Pre-release Center located in Billings is a state operated pre-release center with a capacity for 12 women inmates. (3) The third component of the women's program is the housing of women in out-of-state prisons because of their security classification or jails within the state pending placement.

Current Level Budget: Personal services were decreased by 1.55 FTE at the Women's Correctional Facility and 1 FTE at the Billings Live Skills Center. The 1983 legislature authorized 2.35 additional correctional officers at the Women's Correctional facility based on seven posts and a relief factor of 1.55. This budget is based on returning to six posts with a relief factor of 1.55 or a total of 9.3 correctional officers. The life skills attendant was deleted as a result of being vacant all of fiscal 1984 and the occupancy is only expected to be at 72 percent during the 1987 biennium. The current level allows for incarcerating an average daily population of 25 women at the women's prison in Warm Springs and an ADP of 8 at the Billings pre-release center. This budget also allows for one out-of-state placements costing $17,155. This is an increase in average daily population of ten over fiscal 1984. The average daily population increases nearly 50 percent from fiscal 1984 to fiscal 1986, therefore the operating expenses required to support the population must necessarily rise proportionately. The women's prison at Warm Springs experienced an ADP of 17 in fiscal 1984 while the first six months in fiscal 1985 is 24.24, the Billings pre-release center experienced an ADP of 6.72 in fiscal 1984 and 6.97 in the first six months of fiscal 1985. Because the women's prison is a minimum to medium security facility, women requiring maximum security must be placed out-of-state. Currently there are no women placed out-of-state. The women's pre-release center is authorized to purchase a replacement washer and dryer.

A vacancy savings factor of 4 percent has been applied.

Modified Recommendations: (1) Correctional Officers--The subcommittee added 3.10 correctional officer FTE to allow one additional officer, using a relief factor of 1.55, for the afternoon/evening shift and the night shift. This modified will add $52,656 in fiscal 1986 and $52,749 in fiscal 1987 to the general fund. These positions were added after testimony from three of the correctional officers currently working at the facility indicated the need for additional help on the afternoon and night shifts.

KWLEG:d/i app nar/8

SUBCOMMITTEE ACTION

Agency: Department of Institutions--Central Office

Program: Corrections Medical

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	1.00	0.00	0.00	0.00	0.00	0.00	0.00	(100.0)
Personal Services	$ 52,269	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	(100.0)
Operating Expenses	530,529	615,041	616,779	616,779	615,041	647,618	647,618	16.3
Total Exp.	$582,798	$615,041	$616,779	$616,779	$615,041	$647,618	$647,618	5.8
FUNDING								
General Fund	$582,798	$615,041	$616,779	$616,779	$615,041	$647,618	$647,618	5.8

Language in Bill: The Corrections Medical Program is a biennial appropriation.

Program Description: This program consolidates the outside medical costs of all the corrections institutions as well as the pre-release centers and after-care. The total average daily population served by this program is 1,066.

Current Level Budget: The current level has been increased to add Mountain View School and Pine Hills School medical costs. The anticipated corrections population during the 1987 biennium is 1,066. Therefore this program will cost $578.60 per inmate in fiscal 1986 and $607.52 per inmate in fiscal 1987 compared with $577.03 in fiscal 1984. The physician position reflected in actual fiscal 1984 has been transferred to the prison budget.

KWLEG:d/i app nar/9

Agency: Department of Institutions--Central Office

Program: Mental Health & Residential Services

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	5.00	5.00	5.00	5.00	5.00	5.00	5.00	0.00
Personal Services	$ 167,778	$ 179,308	$ 179,419	$ 179,419	$ 179,812	$ 179,934	$ 179,934	6.9
Operating Expenses	54,444	62,891	68,893	69,148	63,422	71,960	72,227	27.0
Equipment	2,093	-0-	-0-	-0-	-0-	-0-	-0-	(100.0)
Non-Operating	5,069,020	5,310,494	5,109,932	5,223,905	5,311,289	5,314,675	5,221,369	3.0
Total Exp.	$5,293,335	$5,552,693	$5,353,244	$5,472,472	$5,554,523	$5,566,569	$5,473,530	3.4
FUNDING								
General Fund	$3,818,741	$4,092,128	$4,087,212	$4,123,354	$4,203,811	$4,253,307	$4,238,354	8.0
Federal Funds	1,474,594	1,460,565	1,271,032	1,349,118	1,350,712	1,313,262	1,235,176	(8.5)
Total Funding	$5,293,335	$5,552,693	$5,358,244	$5,472,472	$5,554,523	$5,566,569	$5,473,530	3.4

Program Description: The Mental Health and Residential Services Division provides administrative supervision and coordination for the institutional and community programs for the mentally ill, institutional programs for the developmentally disabled, and institutional programs for veterans and geriatrics with emotional problems. Community-based services for the mentally ill are provided through contracts administered by the Mental Health Division with the five private, non-profit, regional community mental health centers (CMHC). The division contracts for inpatient, emergency, day treatment, transitional living, community living support, outpatient, and prevention services.

Current Level Budget: Operating expenses increased $13,484 over the fiscal 1984 level to allow a full year's education and training budget and to allow the division to contract with clinicians to conduct program reviews of the community mental health centers. The 1983 legislature authorized the consolidation of institutional training funds from the Center for the Aged, Eastmont, Boulder River School and Hospital, the Veterans' Home, and Montana State Hospital within the Mental Health Division. However, of the $20,000 authorized, only $8,310 was expended as a result of a slow start-up of the new program. The total authorized for each year of the 1987 biennium is $19,373 before inflation. A vacancy savings rate of 4 percent was used for this budget.

Non-operating expenses reflects the general fund and federal block grant funded contracts with the five regional community mental health centers. The level reflected here is based on the executive recommendation of no increase over the fiscal 1985 contract level. General fund support for the CMHC contracts is $3,874,787 in fiscal 1986 and $3,986,193 in fiscal 1987. The CMHC's are included in the executive's recommended pay plan. It is anticipated, that the pay plan would add $109,000 in fiscal 1986 and $221,000 in fiscal 1987 to the CMHC budgets. Table 1 below shows the contracted services, rates, and costs for fiscal 1984 through fiscal 1987.

Table 1
Community Mental Health Contract Costs and Funding
1987 Biennium

Services	Units: Actual Fiscal 1984	Units: Projected Fiscal 1985-86-87	Units: Percent Change	Unit Cost: Actual Fiscal 1984	Unit Cost: Projected Fiscal 1985-86-87	Unit Cost: Percent Change
Inpatient I	4,069	3,562	(12.5)	101.91	104.67	2.7
Inpatient II	1,499	1,443	(3.7)	44.29	45.48	2.7
Day Treatment	127,377	131,436	3.2	6.80	6.99	2.7
Outpatient Individual	28,741	32,102	11.7	51.95	53.36	2.7
Outpatient Group	10,065	13,755	36.7	11.44	11.75	2.7
Emergency	5,447	5,842	7.3	53.98	55.44	2.7
Community Support	42.808	41,776	2.4	10.75	11.04	2.7
Transitional I	23,009	26,107	13.5	49.50	39.46	(20.3)
Transitional II	15,591	13,435	(13.8)	5.92	6.08	2.7
Prevention	1,260	1,223	(2.9)	47.62	48.91	2.7

Funding	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987
General Fund	$3,775,687	$3,892,807	$3,874,787	$3,986,193
Block Grant	1,219,973	1,235,176	1,235,176	1,235,176
Block Grant Carryover	40,776	95,922	113,942	-0-
Total HB500 Funding	$5,036,436	$5,223,905	$5,223,905	$5,221,369
Potential General Fund Pay Plan Funding	-0-	-0-	109,000	221,000
Total Potential Funding	$5,036,436	$5,223,905	$5,332,905	$5,442,369

SUBCOMMITTEE ACTION

Agency: Department of Institutions

Program: Boulder River School and Hospital

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	443.40	440.40	446.40	440.40	440.15	446.15	440.15	(.7)
Personal Services	$ 8,705,134	$ 9,087,366	$ 9,414,481	$ 9,118,207	$ 9,113,190	$ 9,441,496	$ 9,145,047	4.7
Operating Expenses	1,645,089	1,780,040	1,773,777	1,776,783	1,752,831	1,852,034	1,797,592	8.0
Equipment	47,059	10,474	26,740	20,000	-0-	15,864	-0-	(57.5)
Non-Operating	39,061	-0-	-0-	-0-	-0-	-0-	-0-	
Total Exp.	$10,436,343	$10,877,880	$11,214,998	$10,914,990	$10,866,021	$11,309,394	$10,942,639	4.6
FUNDING								
General Fund	$10,376,227	$10,793,362	$11,155,385	$10,829,377	$10,802,844	$11,257,723	$10,878,488	4.4
State Special Rev.	7,548	33,844	7,844	33,844	20,324	7,844	20,324	348.4
Federal Revenue	52,568	50,674	51,769	51,769	42,853	43,827	43,827	(1.5)
Total Funding	$10,436,343	$10,877,880	$11,214,998	$10,914,990	$10,866,021	$11,309,394	$10,942,639	4.6

Language in Bill: The $20,000 authorized for equipment is a biennial appropriation.

Program Description: Boulder River School and Hospital provides services to mentally retarded children and adults. Boulder served an average daily population of 219 residents in fiscal 1982, 221 in fiscal 1983, and 202 in fiscal 1984. A total of 25 residents were placed out of Boulder in fiscal 1984. However, readmissions of some residents previously placed is causing the average daily population to increase to a current level of 204. The average daily population is expected to stabilize at 204 through the 1987 biennium.

Current Level Budget: The subcommittee deleted two physician positions and an occupational therapist position that were vacant all of fiscal 1984. The services provided by these positions are now provided through contract services. The vacancy savings factor applied is 6 percent in comparison to 4 percent used in the current level analysis.

Operating expenses were increased $26,000 in fiscal 1986 and $12,480 in fiscal 1987 to allow the institution to spend donated funds.

The agency presented a posting of direct care staff which was 15.876 FTE over the fiscal 1984 level and 10.876 over the LFA current level analysis. The LFA current level was based on a direct care ratio of 1 to 1 as established by previous legislatures. The table below shows the posting compared with authorized.

KWLEG:d/i app nar/12

Table 1
Direct Care Staff Posting Compared to Staff Authorized for the 1987 Biennium

	Total Required Posting	Total Authorized	Difference
Registered Nurse	6.996	7.0	(0.004)
Licensed Practical Nurse	17.680	16.0	1.680
Habilitation Aides I, II, III	179.200	165.0	14.200
Total Direct Care Staff	$203.876	188.0	15.876

Although the subcommittee approved the concept of the posting method to replace the direct care ratio established by previous legislatures, no additional direct care staff was authorized. Therefore, the institution maintains the same direct care staff as authorized for the 1985 biennium.

Boulder River School and Hospital funding consists of: 1) the general fund, 2) state special donations and canteen funds and 3) federal ECIA Chapter I and II, and school lunch funds. Donations are $26,000 in fiscal 1986 and $12,480 in fiscal 1987 while canteen funds are $7,844 each year. Federal school lunch is $14,277 in fiscal 1986 and $10,885 in fiscal 1987 and ECIA Chapter I and II funds are $37,492 and $32,942, respectively.

Agency: Department of Institutions

Program: Center for the Aged

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	102.93	103.43	100.24	100.24	103.43	100.24	100.24	(2.6)
Personal Services	$1,889,249	$2,003,864	$1,952,450	$1,952,450	$2,011,024	$1,958,986	$1,958,986	3.34
Operating Expenses	518,219	574,667	584,685	580,896	562,681	601,258	594,452	12.1
Equipment	14,543	7,103	24,718	7,803	622	2,938	622	(46.3)
Total Exp.	$2,422,011	$2,585,634	$2,561,853	$2,541,149	$2,574,327	$2,563,182	$2,554,060	4.9
FUNDING								
General Fund	$2,415,501	$2,578,448	$2,554,867	$2,533,763	$2,566,871	$2,555,847	$2,546,325	4.9
State Special	6,510	7,186	6,986	7,386	7,456	7,335	7,735	13.5
Total Funding	$2,422,011	$2,585,634	$2,561,853	$2,541,149	$2,574,327	$2,563,182	$2,554,060	4.9

Program Description: Center for the Aged provides long-term services to geriatric residents transferred from Montana State Hospital and referrals from Montana Community mental health centers. The population in the 1987 biennium is expected to be 180 residents compared with a budgeted population of 190 in the 1985 biennium.

Current Level Budget: Based on a direct care staffing ratio of one staff to 3.6 residents, 2.69 FTE were deleted. Staff deleted are .5 FTE registered nurse, .3 FTE licensed practical nurse, and 1.89 FTE psychiatric aide. Operating expenses have been increased $20,331 over fiscal 1984. Professional contracts have been increased $4,800 to provide a psychiatrist four hours per week pursuant to a program audit recommendation. The contracted laundry cost increased $3,932 due to a rate increase. Audit fees of $10,000 have been included for fiscal 1986. Supply costs have been adjusted for an average daily population of 180 residents. A vacancy savings factor of 4 percent was applied.

General Fund increases 4.9 percent from fiscal 1984 to fiscal 1986. The state special revenue consists of canteen funds and donated funds. The canteen is an institution store providing candy, pop, cigarettes and incidental items for the residents to purchase. The canteen is self-supporting and totals $6,986 in fiscal 1986 and $7,335 in fiscal 1987. Donations are included at $400 each year.

Modified Recommendations: (1) Staff posting--The subcommittee approved a posting of direct care staff in lieu of the direct care ratio. The posting provides a more accurate method of determining direct care staff required to provide around-the-clock coverage for the care of residents. The posting method adds 1.04 direct care staff back to the current level. The change from current level is; -0.02 FTE registered nurse, +0.26 FTE licensed practical nurse, and +0.80 FTE psychiatric aide. The total cost to the general fund is $17,313 in fiscal 1986 and $17,340 in fiscal 1987.

Agency: Department of Institutions

Program: Eastmont Human Services Center

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	95.02	94.52	93.02	93.02	94.52	93.02	93.02	(2.1)
Personal Services	$1,657,917	$1,754,620	$1,732,781	$1,732,781	$1,757,529	$1,735,784	$1,735,784	4.5
Operating Expenses	280,692	345,454	365,146	350,347	336,202	376,108	356,068	24.8
Equipment	20,383	4,082	10,097	4,082	559	1,130	559	(80.0)
Total Exp.	$1,958,992	$2,104,156	$2,108,024	$2,087,210	$2,094,290	$2,113,022	$2,092,411	6.5
FUNDING								
General Fund	$1,934,656	$2,101,036	$2,108,024	$2,084,210	$2,091,170	$2,113,022	$2,089,411	7.7
Federal Rev.	24,336	-0-	-0-	-0-	-0-	-0-	-0-	
State Special	-0-	3,120	-0-	3,000	3,120	-0-	3,000	100.0
Total Funding	$1,958,992	$2,104,156	$2,108,024	$2,087,210	$2,094,290	$2,113,022	$2,092,411	6.5

Program Description: Eastmont Human Services Center is a 55-bed intermediate care facility for mentally retarded adults and children. The center provides care, treatment, and education services to mentally retarded residents of the state under the authority of Title 53-20-204, MCA.

Current Level Budget: As a result of the department of health notification of laundry deficiencies, the laundry contract will be $57,350 in fiscal 1986 in comparison to $23,004 in fiscal 1984. However, since the laundry must be done by a private contractor, personal services have been decreased by one laundry worker and operating expenses have been decreased for laundry supplies which makes the net increase for laundry costs $17,690 in fiscal 1986. A 1.0 FTE teacher funded by ECIA Chapter I funds has been deleted since Eastmont no longer has any school age residents. A vacancy savings rate of 4 percent has been applied.

General Fund increases 7.7 percent from fiscal 1984 to fiscal 1986. Eastmont has lost federal ECIA Chapter I funds and school lunch funds due to the transfer of its school age population to the community. The state special revenue consists of $3,000 each year for donations. Eastmont requested authority to spend donated funds based on a recommendation of the Legislative Auditor. The center spends donated funds for resident activities, Christmas gifts and items to enrich the residents' environment. The recommendation covers those moneys donated for the benefit of the residents spent at the center's discretion. The auditor's office considers these funds to be state moneys requiring an appropriation. The center has spent these funds in an unbudgeted agency account in the past.

SUBCOMMITTEE ACTION

Agency: Department of Institutions

Program: Mountain View School

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	65.55	64.49	65.49	64.49	64.49	65.49	64.49	(1.6)
Personal Services	$1,274,535	$1,400,071	$1,421,307	$1,388,582	$1,404,167	$1,425,531	$1,392,790	8.9
Operating Expenses	238,737	260,076	273,078	252,033	251,098	276,696	252,381	5.6
Equipment	20,920	2,426	3,526	2,526	2,150	2,903	2,150	(87.9)
Total Exp.	$1,534,192	$1,662,573	$1,697,911	$1,643,141	$1,657,415	$1,705,130	$1,647,321	7.1
FUNDING								
General Fund	$1,423,512	$1,604,553	$1,636,836	$1,575,555	$1,599,386	$1,643,905	$1,579,557	10.7
State Special--								
Donations & Canteen	-0-	-0-	-0-	2,000	-0-	-0-	2,000	100.0
Federal Revenue	110,680	58,020	61,075	65,586	58,029	61,225	65,764	40.7
Total Funding	$1,534,192	$1,662,573	$1,697,911	$1,643,141	$1,657,415	$1,705,130	$1,647,321	7.1

Program Description: Mountain View School is responsible for the care, education, and rehabilitation of juvenile girls who are committeed to the school by district courts. The school also contracts with the federal government to care for girls who are in federal custody.

Current Level Budget: The subcommittee deleted 1.0 FTE accounting specialist, a .06 FTE Chapter I teacher aide, and established a vacancy savings rate of 5 percent. The agency requested the deletion of these positions after the budget was submitted. Operating costs have been reduced $19,000 for medical costs transferred to the corrections medical program in the central office of institutions and $9,000 for a psychological services contract. Operating cost increases are $8,153 for the incremental costs of six additional average daily population, $2,948 for educational supplies associated with the ECIA Chapter II grant, $1,375 for insurance coverage from the Department of Administration, and $1,650 to trim 11 of the 44 large trees on the school campus.

The subcommittee added $1,000 for donated funds and $1,000 for a canteen fund based on recommendations from the Legislative Auditor. The school has used an unbudgeted agency fund to spend donations and provide incidental items to the residents in the past. The school's federal revenue consists of school lunch, ($33,871 in fiscal 1986 and $34,040 in fiscal 1987), ECIA Chapter I and II funds, ($28,115 in fiscal 1986 and $28,124 in fiscal 1987), and federal boarder revenue of $3,600 each year. This level of operating expense allows for an average daily population of 45.

SUBCOMMITTEE ACTION

Agency: Department of Institutions

Program: Pine Hills School

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	117.42	116.97	117.47	116.97	116.97	117.47	116.97	(.4)
Personal Services	$2,417,154	$2,556,862	$2,564,604	$2,558,011	$2,563,886	$2,571,895	$2,565,299	5.8
Operating Expenses	582,288	619,585	654,787	640,615	609,408	676,344	656,101	10.0
Equipment	14,426	13,450	3,351	14,928	1,400	5,168	-0-	3.5
Total Exp.	$3,013,868	$3,189,897	$3,222,742	$3,213,554	$3,174,694	$3,253,407	$3,221,400	6.6
FUNDING								
General	$2,510,098	$2,708,047	$2,708,431	$2,685,243	$2,692,663	$2,738,385	$2,692,378	7.2
State Special	24,962	27,466	27,455	41,455	27,466	27,467	41,467	10.0
Federal Rev.	478,808	454,384	486,856	486,856	454,565	487,555	487,555	1.7
Total Funding	$3,013,868	$3,189,897	$3,222,742	$3,213,554	$3,174,694	$3,253,407	$3,221,400	6.6

Program Description: Pine Hills School is responsible for the care and custody of juvenile boys aged 10 to 21 who have been sentenced to the institution by the courts. Title 53-30-202, MCA, establishes Pine Hills as a correctional facility to diagnose, care for, train, educate, and rehabilitate children in need of these services. Pine Hills has a capacity of 115 students in five cottages. In fiscal 1984, the average daily population was 88 students whose average length-of-stay was 6.5 months.

Current Level Budget: Included in subcommittee action is the deletion of a .5 FTE custodial worker, the addition of indirect costs of $6,419 in fiscal 1986 and $6,598 in fiscal 1987 associated with the ECIA Chapter I Program, the transfer of medical costs of $25,182 to the Corrections Medical Program and the addition of $4,000 each year for fire protection. A 4 percent vacancy savings factor is applied.

Funding includes earmarked alcohol revenue to fund a substance abuse counselor costing $27,455 in fiscal 1986 and $27,467 in fiscal 1987. The school has land grant income estimated at $275,000 each year of the biennium and school food of $66,248 in fiscal 1986 and $66,569 in 1987. Federal boarder revenue is estimated at the current level average daily boarder population of 2.38 with a daily rate of $74. Total federal boarder revenue is $64,284 each year of the biennium. ECIA Chapter I and II is $81,324 in fiscal 1986 and $81,702 in fiscal 1987. The subcommittee added $4,000 each year for donations and $10,000 each year for a canteen fund. These funds were spent in unbudgeted agency funds previously.

Equipment includes a new vehicle at $12,000, a washer and dryer at $678, and nine sets of dormitory furniture manufactured by prison industries at $2,250.

Agency: Department of Institutions

Program: Prison Summary

	FY 1984	- - - -	Fiscal 1986	- - - -	- - - -	Fiscal 1987	- - - -	FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	332.45	365.28	363.95	363.78	404.53	401.70	401.53	9.4
Personal Services	$ 7,188,769	$ 8,762,269	$ 8,516,849	$ 8,568,597	$ 9,640,665	$ 9,369,960	$ 9,428,710	19.2
Operating Expenses	3,804,677	4,576,620	4,532,543	4,627,296	4,704,144	4,795,472	4,824,184	21.6
Equipment	491,679	629,038	1,060,580	784,990	611,101	776,492	713,850	59.7
Non-Operating	72,185	-0-	-0-	-0-	-0-	-0-	-0-	(100.0)
Total Exp.	$11,557,310	$13,967,927	$14,109,972	$13,980,883	$14,955,910	$14,941,924	$14,966,744	21.0
FUNDING								
General Fund	$ 9,029,994	$10,799,467	$10,771,827	$10,742,530	$11,741,354	$11,522,889	$11,707,310	19.0
State Special Rev.	623,980	800,502	698,750	740,222	887,253	722,199	761,477	18.6
Federal Revenue	96,713	44,130	90,284	142,527	44,130	90,996	90,996	47.4
Proprietary	1,806,623	2,323,828	2,549,111	2,355,604	2,283,173	2,605,840	2,406,961	30.4
Total Funding	$11,557,310	$13,967,927	$14,109,972	$13,980,883	$14,955,910	$14,941,924	$14,966,744	21.0

Program Description: The Montana State Prison provides low, high, and maximum security for Montana's male inmate population. In addition, the prison provides work, education, and training for inmates through the ranch and diary operation, the Industries Program, and the Industries Training Program. The fiscal 1984 average daily population was 740, five less than fiscal 1983 and 195 more than the design capacity. The 1983 legislature authorized a major expansion of the prison to ease the overcrowding. A new high security unit and a new maximum security unit with a capacity of 96 each or 192 beds are under construction.

The 1986 budget including the prison expansion increased 21.0 percent over fiscal 1984. This growth is due to inflation, equipment and livestock purchases for the ranch and diary, and the Industries Training Program being funded as fully operational. The prison has deleted 6.25 FTE from the Prison Industries and Industries Training Programs.

Staffing, and operating costs associated with the expansion are included in the table above and in the care and custody table. the new facilities are expected to be completed and ready for occupancy in January 1986. The expansion is discussed under care and custody.

The prison budget has six programs: care and custody, the ranch and diary, the license plate factory, the canteen, the industries program, and industries training. Each of these will be discussed on the following pages.

SUBCOMMITTEE ACTION

Agency: Department of Institutions — Program: Montana State Prison--Care and Custody

	FY 1984	- - - - Fiscal 1986	- - - -	- - - -	- - - - Fiscal 1987	- - - -	- - - -	FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	300.45	340.53	338.2	339.03	379.78	375.95	376.78	12.8
Personal Services	$6,599,360	$ 8,103,190	$ 7,829,240	$ 7,909,412	$ 8,980,129	$ 8,680,877	$ 8,768,063	19.8
Operating Expenses	2,292,918	2,610,457	2,660,632	2,750,891	2,689,320	2,849,475	2,934,018	20.0
Equipment	206,331	12,548	347,221	80,000	11,251	62,642	-0-	(61.2)
Total Exp.	$9,098,609	$10,726,195	$10,837,093	$10,740,303	$11,680,700	$11,592,994	$11,702,081	18.0
FUNDING								
General Fund	$8,960,400	$10,631,448	$10,696,192	$10,584,402	$11,585,933	$11,451,361	$11,560,448	18.1
State Special Rev.	41,496	50,617	50,617	50,617	50,637	50,637	50,637	22.0
Federal Revenue	96,713	44,130	90,284	105,284	44,130	90,996	90,996	8.9
Total Funding	$9,098,609	$10,726,195	$10,837,093	$10,740,303	$11,680,700	$11,592,994	$11,702,081	18.0

Language in Bill: The equipment is a biennial appropriation.

Program Description: The Prison Care and Custody provides minimum, high, and maximum security incarceration for Montana's male inmate population.

Current Level Budget: The current level as approved by the subcommittee adds the physician position from the Corrections Medical Program at approximately $77,000 per year, deletes a .17 FTE mail clerk which was vacant in fiscal 1984 saving $2,000 per year and includes a 2.9 percent vacancy savings in fiscal 1986 and 3.3 percent in fiscal 1987. The lower vacancy savings overall adds $80,172 in fiscal 1986 and $87,186 in fiscal 1987 to the LFA current level personal services.

The 1983 legislature appropriated $14,416,000 to expand the prison facilities to ease overcrowding. The prison, as it exists, has a design capacity of 545 inmates. The expanded facilities will provide three levels of security to house 737 inmates without "double bunking". The expanded facilities are expected to be ready for occupancy by January of 1986. Included in current level is the additional staff and operating expenses to operate the expanded prison for half of fiscal 1986 and all of fiscal 1987. There are 37.75 FTE additional staff in fiscal 1986 (reflecting a half year for 75.5 positions) and 75.50 FTE in fiscal 1987. The additional staff costs $766,717 in fiscal 1986 and $1,539,845 in fiscal 1987. Table 1 shows the expansion staff included in current level.

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Table 1
Staffing for the Prison Expansion

Program	Position	FTE
Administration	Security Manager	1.00
Support Services	Maintenance Worker	2.00
Treatment Services	Social Worker	3.00
	Psychologist	1.00
	Teacher	1.00
	Librarian	.50
	Secretary	1.00
	Recreation Aide	3.00
	L.P.N.	4.80
Security	Lieutenant	1.60
	Sergeant	8.00
	Correctional Officers	48.60
Total Additional Staff		75.50

Operating Expenses were increased: $41,720 per year to allow 30 additional ADP or a total ADP of 770, $36,000 per year to annualize paper and janitorial supplies, $15,000 in fiscal 1986 for a National Institute of Correction Training Grant, and $105,624 in fiscal 1986 and $197,406 in fiscal 1987 for expenses associated with the prison expansion. The funding includes state special alcohol earmarked revenue to fund 2 FTE alcohol counselors and federal boarder revenue of $71,138 in fiscal 1986 and $71,850 in fiscal 1987 to house five federal prisoners. Also included in federal revenue is ECIA Chapter I and II funds $4,099 each year, and federal adult basic education funds of $15,047 each year.

Modified Recommendations: (1) Added Staff--The modified level added 1.5 FTE and 3.0 FTE in fiscal 1987. A special duty aide, a warehouse manager and a canteen manager were overlooked when the original staffing for the expansion was made. The special duty aide is needed to complete the staffing of a special treatment team to deal with sex offenders, substance abusers, assaultive offenders, and forensic patients (men whose instability is not serious enough to be housed at the forensic unit at Montana State Hospital). The warehouse manager is needed due to extra work required to set up orders and deliveries for three separate compounds and additional buildings. The canteen manager is needed as a result of there being two canteens after the expansion. These positions cost an additional $29,309 in fiscal 1986 and $58,655 in fiscal 1987.

Agency: Department of Institutions

Program: Prison--Ranch and Dairy

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	18.00	15.75	16.75	15.75	15.75	16.75	15.75	(12.5)
Personal Services	$ 411,572	$ 416,224	$ 435,854	$ 417,312	$ 417,455	$ 437,132	$ 418,582	1.4
Operating Expenses	678,729	698,576	728,721	645,647	696,251	767,170	677,404	(4.9)
Equipment	235,521	604,350	692,850	692,850	599,850	713,850	713,850	194.2
Non-Operating	72,185	-0-	-0-	-0-	-0-	-0-	-0-	(100.0)
Total Exp.	$1,398,007	$1,719,150	$1,857,425	$1,755,809	$1,713,556	$1,918,152	$1,809,836	25.6
FUNDING								
Proprietary	$1,398,007	$1,719,150	$1,857,425	$1,755,809	$1,713,556	$1,918,152	$1,809,836	25.6

Program Description: The Prison Ranch provides beef, pork, and dairy products to state institutions while providing work and training for inmates. This program is designed to be self-supporting by selling meat and diary products to other state institutions.

Current Level Budget: This level of funding will maintain the current level of production at the ranch. Personal services have been reduced $46,436 by deleting a 1.0 FTE vacant correctional officer position and transferring a .5 FTE accountant II, a .5 FTE accounting technician, and a .25 over-the-road truck driver to the Industries and Industries Training Program. Operating expenses have been decreased by $72,310 each year as a result of the USDA cheese contract being cancelled. Other adjustments to operating costs decreased the base $8,800 overall. Inflation amounts to $48,863 in fiscal 1986 and $83,467 in fiscal 1987.

Equipment and livestock are included at the agency requested levels. If the funds do not materialize through the ranch operations, these purchases cannot be made. Table 1 lists the equipment in the budget.

Table 1
Equipment Budget at Montana State Prison Ranch--Fiscal 1986 and 1987

Item	Fiscal 1986	Fiscal 1987
Farm Equipment	$119,100	$144,000
Ranch Truck	20,000	20,000
Shop Electric Hoist	4,500	600
Breeding Bulls (10 per year)	10,000	10,000
Horses (2 each year)	1,400	1,400
Slaughter Hogs (1,550 each year)	189,550	189,550
Slaughter Cattle (900 each year)	348,300	348,300
Total Equipment Budget	$692,850	$713,850

The ranch will maintain its current pricing policy for products supplied to the institutions. Meat products are priced at 90 percent market value of the quarterly meat orders for the school for the Deaf and Blind and Northern Montana College. Dairy products are priced at 95 percent of the price established by the Montana Milk Board.

SUBCOMMITTEE ACTION

Agency: Department of Institutions

Program: Prison--Canteen

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	$288,787	$373,370	$320,000	$361,044	$410,848	$320,683	$361,727	25.0
FUNDING								
State Special Rev.	$288,787	$373,370	$320,000	$361,044	$410,848	$320,683	$361,727	25.0

Program Description: The canteen provides an institution store for the inmates to purchase personal and incidental items. The canteen is supported through funds generated from its operation.

Current Level Budget: This level of funding provides for the operation of a second canteen which is part of the Prison expansion. The additional authority results from a policy change which requires inmates to purchase TV's, stereos, and radios through the canteen rather than directly from outside vendors. This policy change reduces security problems and decreases man hours required to order and procure the items.

Agency: Department of Institutions

Program: Prison--License Plate Factory

	FY 1984 Actual	Fiscal 1986 Executive	Fiscal 1986 Current Level	Fiscal 1986 Subcommittee	Fiscal 1987 Executive	Fiscal 1987 Current Level	Fiscal 1987 Subcommittee	FY 84-86 % Change
FTE	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Personal Services	$ 48,100	$ 50,381	$ 50,399	$ 50,399	$ 50,401	$ 50,419	$ 50,419	4.8
Operating Expenses	245,597	326,134	277,734	278,162	375,367	300,460	298,694	13.3
Total Exp.	$293,697	$376,515	$328,133	$328,561	$425,768	$350,879	$349,113	11.9
FUNDING								
State Special Rev.	$293,697	$376,515	$328,133	$328,561	$425,768	$350,879	$349,113	11.9

Program Description: This program manufactures license plates for the state of Montana, however, it is not one of the prison industries enterprises. The license plate factory is funded by the motor vehicle state special revenue account through the Department of Justice.

Current Level Budget: This level of funding allows the manufacture of 392,000 large plates and 52,000 small plates each year of the biennium. Amounts of $20,000 in fiscal 1986 and $30,000 in fiscal 1987 are included for major maintenance and overhaul of the manufacturing equipment. The subcommittee also added $4,500 each year for a management contract with prison industries.

Excess funds in the motor vehicle account are used to replace general fund in the Department of Justice programs. The more funds spent in the license plate factory, the less there is to allocate to general fund operations in the Department of Justice.

SUBCOMMITTEE ACTION

Agency: Department of Institutions

Program: Prison Industries

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	7.00	4.25	4.25	4.25	4.25	4.25	4.25	(39.3)
Personal Services	$125,986	$111,396	$110,312	$110,312	$111,508	$110,399	$110,399	(12.4)
Operating Expenses	243,936	298,355	294,157	292,783	295,481	305,501	303,359	20.0
Equipment	38,694	-0-	-0-	-0-	-0-	-0-	-0-	(100.0)
Total Exp.	$408,616	$409,751	$404,469	$403,095	$406,989	$415,900	$413,758	(1.4)
FUNDING								
Proprietary	$408,616	$409,751	$404,469	$403,095	$406,989	$415,900	$413,758	(1.4)

Program Description: This program provides work opportunities for prison inmates to prevent idleness, to train inmates in job skills and work habits, and to provide products and services to public agencies. The Industries Program is designed to be self-supporting.

Current Level Budget: Personal services have been decreased 2.75 FTE at the agency's request. The Industries Program transferred a .25 FTE accountant, a .25 FTE accounting technician, and a .25 FTE truck driver from the prison ranch. These positions performed duties for industries in the past, while paid out of the ranch budget. This transfer allocates the costs of the positions to the programs where their duties are performed. Industries reduced other staff by 3.5 FTE from the fiscal 1984 actual level. The industries production manager position is now split between the Industries Program and the Industries Training Program. Two industries shop supervisor positions and an industries technician position were deleted as unneeded positions.

Operating costs were increased a total of $28,735. Operating expense increased $31,836 for production materials, $1,384 for marketing services, $894 for legislative audit fees, $123 for payroll fees, $617 for over-the-road trucker meals. Professional contracts of $2,280 and freight costs of $3,580 were reduced.

SUBCOMMITTEE ACTION

Agency: Department of Institutions

Program: Prison--Industries Training

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	5.00	2.75	2.75	2.75	2.75	2.75	2.75	(45.0)
Personal Services	$ 3,751	$ 81,078	$ 80,752	$ 81,162	$ 81,172	$ 80,841	$ 81,247	2,063.7
Operating Expenses	54,710	269,728	247,795	298,769	236,877	248,189	248,982	446.1
Equipment	11,133	12,140	20,509	12,140	-0-	-0-	-0-	9.0
Total Exp.	$69,594	$362,946	$349,056	$392,071	$318,049	$329,030	$330,229	463.4
FUNDING								
General Fund	$69,594	$168,019	$ 73,301	$158,128	$155,421	$ 69,096	$146,862	127.2
Proprietary	-0-	194,927	275,755	196,700	162,628	259,934	183,367	100.0
Federal	-0-	-0-	-0-	37,243	-0-	-0-	-0-	100.0
Total Funding	$69,594	$362,946	$349,056	$392,071	$318,049	$329,030	$330,229	463.4

Program Description: Industries training is a new program approved and funded by the 1983 legislature as a result of Senate Bill 1 of the second special session in fiscal 1982. The program, as approved, includes auto repair, heavy equipment repair, industrial arts, meat cutting, horticulture, business skills, and an electronic repair center. A new building was approved by the 1983 legislature to house the program and will be completed in the 1987 biennium.

Current Level Budget: The program did not become fully operational in fiscal 1984. As a result, fiscal 1984 expenditures are not representative of the full operation of the program.

The program has deleted two teacher positions and 1.25 FTE industries shop supervisor positions while adding portions of FTE from both the ranch and Industries Program. The positions added are: .25 FTE accountant II, .25 FTE accounting technician II and .5 FTE of the industries production manager. The resulting compliment of FTE is 2.25 less than the fiscal 1984 authorized level of 5 FTE.

There are, however, 7 FTE in the prison general fund budget assigned to the training program. These training positions include: 3 automotive repair, 1 industrial arts position, 1 meat cutter, 1 heavy equipment mechanic, and 1 printer. These positions will cost $191,400 in fiscal 1986 and $191,638 in fiscal 1987 before any pay plan increases

Operating expenditures have been adjusted to reflect the agency's request. The overall increase above fiscal 1984 is $188,485. Utility costs of $13,910 in fiscal 1986 and $29,776 in fiscal 1987 have been included to cover the anticipated costs of the new vocational education building. The program will receive two training grants in fiscal 1986 totaling $37,243 which have been included.

The current level budget maintains the general fund at a level commensurate with the level established for the 1985 biennium or 44.52 percent of the total budget, exclusive of federal funds.

SUBCOMMITTEE ACTION

Agency: Department of Institutions

Program: Swan River Forest Camp

	FY 1984 Actual	Fiscal 1986 Executive	Fiscal 1986 Current Level	Fiscal 1986 Subcommittee	Fiscal 1987 Executive	Fiscal 1987 Current Level	Fiscal 1987 Subcommittee	FY 84-86 % Change
FTE	26.33	26.83	26.83	26.83	26.83	26.83	26.83	1.9
Personal Services	$608,660	$643,831	$643,935	$657,117	$644,897	$645,033	$658,221	8.0
Operating Expenses	239,667	255,987	262,773	289,208	252,035	268,144	296,518	20.7
Equipment	11,339	21,394	11,194	22,394	3,650	3,650	3,650	97.5
Total Exp.	$859,666	$921,212	$917,902	$968,719	$900,582	$916,827	$958,389	12.7
FUNDING								
General Fund	$787,552	$831,522	$828,325	$857,421	$808,355	$824,839	$844,655	8.9
Alcohol	16,182	26,238	26,227	26,773	26,238	26,238	26,784	65.4
Canteen	23,491	26,000	26,000	46,000	26,500	26,500	46,500	95.8
School Lunch	5,823	5,220	5,220	5,220	5,220	5,220	5,220	(10.4)
Federal Boarder	18,484	16,300	16,300	16,300	16,450	16,450	16,450	(11.8)
ECIA Chapter I	8,134	8,529	8,530	8,705	8,532	8,510	8,710	7.0
Donations	-0-	-0-	-0-	1,000	-0-	-0-	1,000	100.0
Voc-Ed	-0-	7,403	7,300	7,300	9,287	9,070	9,070	100.0
Total Funding	$859,666	$921,212	$917,902	$968,719	$900,582	$916,827	$958,389	12.7

Program Description: The Swan River Forest Camp is a minimum security work camp for inmates transferred from the state prison who are between the ages of 18 and 26. The inmates work with the Forestry Division of the Department of State Lands and are involved in several forestry programs such as thinning, seeding and planting trees, and campground and recreational area maintenance.

The facility has an overall capacity of 54 inmates. In fiscal 1984, the camp experienced an average daily population of 49 with a 5.3 month average length of stay. The camp expects to remain at current level through the 1987 biennium.

Current Level Budget: Personal services are increased for the addition of a .5 FTE teacher aide position funded by ECIA Chapter I. In addition, the substance abuse counselor was vacant five and one-half months during fiscal 1984 and has been included at full cost for the 1987 biennium. A vacancy savings factor of 2 percent is applied.

Operating expenses were increased $25,713 in fiscal 1986 and $20,158 in fiscal 1987. Contract services were increased $8,000 for audit fees and $1,035 for insurance, but reduced $1,413 for one-time expenditures associated with the ECIA Education Program.

Supplies and materials were increased $3,564 for the purchase of EMIT system supplies (a system to check for substance abuse through urine analysis). These funds were spent in the Corrections Division budget during fiscal 1984. The Corrections Division budget has been decreased $3,564. Shop supplies have been increased $2,580 for the Vocational Education Program funded by the OPI grant.

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Rent for the facility's copy machine was increased $705 to annualize the seven month cost in fiscal 1984. The lease purchase contract on this machine expires in December of 1986, therefore, the annual cost was reduced $1,005 to reflect five months of expense in fiscal 1987.

Utilities were reduced $1,420 as a result of canceling the garbage removal contract and savings in electricity from installing a gas range, oven, and braising pan.

Communications, repairs, and other expenses were reduced a combined total of $866 for ECIA grant expenses.

Goods purchased for resale were increased $22,523 to allow sufficient authority within the canteen fund to purchase goods sold to the inmates. The Canteen Program is a self-supporting activity.

Equipment in the current level budget includes a van, major maintenance and upgrading of a radio base station, a 50 pound capacity washer to replace a machine requiring $1,200 in repairs during fiscal 1984, and office furniture. The total current level cost is $17,674 in fiscal 1986. Equipment included in the OPI vocational education grant totals $4,720 in fiscal 1986 and $3,650 in fiscal 1987.

Funding

Reimbursement for federal inmate room and board is estimated at $16,300 in fiscal 1986 and $16,450 in fiscal 1987 for one inmate during the 1987 biennium. Vacancies within the federal system have reduced the number of federal boarders sent to Montana. In addition, rising populations of the state's own inmates leaves little room for federal boarders.

School lunch funds are declining as a result of fewer school age inmates. Those inmates 21 and older, or that have a GED or diploma, are not eligible for the program. The number of school age inmates in fiscal 1983 was 13, and 9 in fiscal 1984. The agency anticipates school lunch funds of $5,220 in each year of the biennium for an average of nine school age inmates.

ECIA and OPI funds total $16,005 in fiscal 1986 and $17,780 in fiscal 1987.

A substance abuse counselor is funded by the earmarked alcohol funds. The amount included is $26,773 in fiscal 1986 and $26,784 in fiscal 1987.

Funding for the Canteen Program is $46,000 in fiscal 1986 and $46,500 in fiscal 1987. Donations are included at $1,000 each year.

SUBCOMMITTEE ACTION

Agency: Department of Institutions | Program: Veteran's Home

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	65.68	74.50	74.00	74.50	74.50	74.00	74.50	13.4
Personal Services	$1,160,605	$1,360,111	$1,334,417	$1,347,060	$1,364,645	$1,338,600	$1,351,243	16.1
Operating Expenses	348,588	491,601	439,870	548,226	484,217	455,165	538,749	57.3
Equipment	22,099	-0-	-0-	-0-	8,520	12,000	12,000	(100.0)
Total Exp.	$1,531,292	$1,851,712	$1,774,287	$1,895,286	$1,857,382	$1,805,765	$1,901,992	23.8
FUNDING								
General Fund	$ 556,413	$ 543,761	$ 431,188	$ 488,558	$ 548,171	$ 448,186	$ 482,985	(12.2)
Veterans' Administration								
Reimbursement	317,734	485,220	521,713	566,113	485,220	521,713	566,113	78.2
Third Party	652,375	817,517	816,172	814,637	818,777	830,652	826,916	24.9
Canteen	-0-	-0-	-0-	20,764	-0-	-0-	20,764	100.0
Lease Income	4,770	5,214	5,214	5,214	5,214	5,214	5,214	9.3
Total Funding	$1,531,292	$1,851,712	$1,774,287	$1,895,286	$1,857,382	$1,805,765	$1,901,992	23.8

Language in Bill: The Veteran's Home is authorized $24,995 for the biennium to phase-out the old boiler.

Program Description: The Montana Veteran's Home provides domiciliary and nursing care to honorably discharged veterans and if space is available to veterans' spouses. An addition to the home was completed in fiscal 1984 increasing the bed capacity to 151, a net increase of 36. Eighty-five of the 151 beds are domiciliary while 66 are nursing care beds. The home is projecting an average daily population of 136 for the 1987 biennium which is an occupancy rate of 90 percent.

Current Level Budget: A .50 FTE pharmacists costing $13,170 was added to manage the drug program as a result of the Veterans' Administration discontinuing this service. A 4 percent vacancy savings rate has been applied. Operating expenses increased $158,052. The operating adjustments are broken into two types--adjustments for the increased average daily population of 136 and adjustments for changes in services or rates paid for services.

Average Daily Population Increases

The home is projecting an increase of 26 residents for the 1987 biennium as a result of the expansion completed in fiscal 1984. Contract services have been increased for laundry, medical services, and dental services. The laundry will cost $5,161 for 26 additional residents. It will require an additional two hours per week for a physician to provide the necessary medical services. A dentist will spend an additional one-half hour per week providing dental coverage. The physician will cost an additional $4,963 while the dentist will cost $1,028 more.

The food budget has been increased $37,306 over fiscal 1984 for an average cost per meal of 75 cents before inflation. The food increase is due to serving 30,703 additional resident and staff meals in fiscal 1986 than fiscal 1984 and accounting for costs incurred but not shown in SBAS due to food inventory changes.

Electricity usage has increased with the new addition. The usage is expected to reach 900,000 kilowatt hours compared with 759,640 in fiscal 1984. The increase in usage will cost $6,415.

Additional linens and bedding were included at $542.

Service or Rate Adjustments

Professional contracts were decreased $3,426 to $1,848. This will continue to provide dietician coverage eight hours per month, however, a physical therapist contract and an activities coordinator contract have been deleted. Insurance fees charged by the Department of Administration increased $2,083 to $4,915 in fiscal 1986 and will cost $5,093 in fiscal 1987. Fees charged by the legislative auditor for the biennial audit are included at $8,000. The home did not have an audit in fiscal 1984.

Water and sewer rates for the home were increased from $678.30 per month to $812.25 per month. The total increase is $1,608 per year. Fiscal 1984 relocation costs of $1,000 were removed from the base.

In prior years, the federal veteran's hospital has filled prescriptions and provided medical supplies for the members of the Montana Veterans' Home. The federal Veterans' Administration determined that the cost of these items should be part of the per diem reimbursement and as of July 1, 1984 will no longer supply these items. Officials at the federal Veterans' Administration hospital estimated the fiscal 1984 drugs and supplies provided to the veterans' home at $38,640. The subcommittee added $41,158 each year for drugs and medical supplies.

As a result of a legislative audit recommendation, a state special revenue canteen fund was authorized by the subcommittee at $20,764 each year.

Water and Heat

Because water lines which feed the chapel and the superintendents residence are buried with the steam lines and the water lines together with the steam lines are not buried to a depth which would prevent the water lines from freezing when the steam is shut off, the department will reroute the water lines to the chapel and superintendents residence in a manner which will ensure the lines will not freeze, but in so doing will save the greatest amount of general fund dollars. The department will install new heating units in the chapel and the superintendents residence in such a manner as to achieve the greatest amount of heat with the most efficiency while saving the greatest amount of general fund. Should the project or any of its several parts become unfeasible within the limits of the funding appropriated, that part of the project deemed infeasable, or the project in its entirety will cease with the unexpended balance reverting to the general fund. The purpose of this project is to shut down the old boilers permanently which if left on would cost nearly $13,000 per year just to heat the chapel and the superintendents residence.

Funding

The Montana Veterans' Home has four sources of funding: general fund, Veterans' Administration per diem reimbursement, private third party reimbursement, and land grant funds. The Veterans' Administration per diem rate has increased from $12.10 per day for nursing home care and $6.35 for domiciliary care to $17.05 and $7.30, respectively. The private reimbursement pays approximately 46 percent of total expenditures.

Agency: Department of Institutions

Program: Montana State Hospital

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	755.6	703.6	702.3	701.20	703.6	702.3	701.20	(7.2)
Personal Services	$16,493,283	$16,393,068	$16,397,711	$16,370,664	$16,452,979	$16,458,892	$16,431,804	(.7)
Operating Expenses	3,047,259	3,089,705	3,231,075	3,112,992	3,074,298	3,379,371	3,209,602	2.2
Equipment	14,378	33,257	153,965	130,000	9,286	18,086	-0-	804.2
Total Exp.	$19,554,920	$19,516,030	$19,782,751	$19,613,656	$19,536,563	$19,856,349	$19,641,406	.3
FUNDING								
General Fund	$17,876,128	$17,805,503	$18,096,109	$17,910,410	$17,826,036	$18,157,738	$17,937,764	.2
State Special Rev.	1,634,829	1,705,424	1,681,539	1,698,143	1,705,424	1,693,508	1,698,539	3.9
Federal Revenue	43,963	5,103	5,103	5,103	5,103	5,103	5,103	(88.4)
Total Funding	$19,554,920	$19,516,030	$19,782,751	$19,613,656	$19,536,563	$19,856,349	$19,641,406	.3

Language in Bill: The equipment is a biennial appropriation.

Program Description: Montana State Hospital provides evaluation and psychiatric treatment on the Warm Springs campus for adults who are mentally ill. Inpatient alcohol and drug treatment programs are offered at the Galen campus as well as acute and intermediate care medical services for the mentally ill.

Current Level Budget: The current level provides for an average daily population of 313 at Warm Springs, 105 acute and intermediate care at Galen, 64 alcohol patients, and 11 drug patients. The staffing at Montana State Hospital decreases 54.4 FTE from fiscal 1984 to fiscal 1986. Table 1 shows the FTE deleted. Forty-three of the staff reduced are directly associated with the children's unit which will be closed when the new Montana Youth Treatment Center opens in Billings. Also, with the children's unit moving, the hospital will no longer have school age children; and therefore, no more federal ECIA Chapter I funds. The Chapter I teacher is deleted. With the completion of the food service consolidation 4.4 FTE food service workers are deleted.

The hospital has installed a new telephone system which eliminates one switchboard at Galen. In fiscal 1984 5 FTE were assigned to the Galen switchboard. Those FTE have been converted to other positions as follows: 1) 1.0 FTE switchboard operator for relief at the Warm Springs switchboard, 2) 1.5 FTE receptionists for Galen main entrance, 3) 1.0 FTE mechanic, 4) 1.0 FTE groundskeeper, and 5) .5 FTE deleted.

The canteen had 2.0 FTE store managers and a .6 FTE cook. The subcommittee authorized 1.0 FTE store manager to be funded with general fund. The other FTE were deleted since the canteen cannot generate the funding to support them.

An executive chef position was converted to a food service worker saving $13,539 in fiscal 1986 and $13,522 in fiscal 1987.

Based on direct care ratios established by previous legislatures 3.9 FTE direct care positions were deleted based on an anticipated average daily population of 313 at Warm Springs and 105 at Galen.

Table 1

Montana State Hospital Staff Change--1987 Biennium

Position	FTE Changes	
Children's Unit		
Unit Supervisor	1.0	
Unit Clerk	1.0	
Psychologists	2.0	
Social Workers	2.0	
Recreation Therapist	2.0	
Music Therapist	1.0	
Rehabilitation Counselor	1.0	
Teacher Aide	2.0	
Teacher	1.0	
Registered Nurses	3.0	
Licensed Practical Nurses	8.0	
Aides	19.0	
Children's Unit Changes		43.0
Chapter I Teacher		1.0
Food Service Workers		4.4
Switchboard Operator		.5
Store Manager (Canteen)		1.0
Cook II (Canteen)		.6
Direct Care Adjustment:		
Add: Registered Nurses	+1.5	
Delete: Licensed Practical Nurse	-2.6	
Aides	-2.8	
Direct Care Changes		3.9
Total Deletions		54.4

Operating expenses decreased from fiscal 1984 to fiscal 1986 as a result of the children's unit move and eliminating the garbage removal contract. By purchasing their own garbage truck and hauling their own garbage, the hospital can pay for the truck in less than two years and save up to $15,000 overall. The increases reflected in the table from fiscal 1984 to fiscal 1986 and 1987 is inflation of $152,467 and $270,649 respectively. The fiscal 1986 base is actually $87,016 under fiscal 1984. The subcommittee approved a biennial appropriation of $130,000 for equipment. This level was established to enable the hospital to purchase a garbage truck and a radiographic/flourscopic unit.

Montana State Hospital is funded with general fund, alcohol state special revenue, the canteen state special revenue, federal school lunch, and income from land leases and mineral royalties. The alcohol state special revenue of $1,570,731 in fiscal 1986 and $1,564,827 in fiscal 1987 supports the alcohol treatment center on the Galen campus. The canteen which is funded by revenues generated from sales to residents is included at $114,995 in fiscal 1986 and $120,674 in fiscal 1987. The small amount of school lunch and lease income together total $5,103 each year of the biennium. The subcommittee added $12,417 in fiscal 1986 and $13,038 in fiscal 1987 of state special donations based on a recommendation from the Legislative Auditor. The hospital has spent donations in the past using an unbudgeted agency fund.

Modified Recommendations: (1) Direct Care Staff Posting--The direct care staff was increased 4.54 FTE over the LFA current level. The current level was based on a staff to client ratio of 1 RN to 11 patients, 1 LPN to 6.4 patients and 1 aide to 1.9 patients. A posting of both Warm Springs and Galen shows a need for 4.54 more direct care positions than the ratio. Posting provides a more accurate way to determine the direct care staff required to maintain 24 hour coverage seven days per week. The total cost of adding this modified recommendation is $77,630 in fiscal 1986 and $77,793 in fiscal 1987.

Agency: Department of Institutions

Program: Board of Pardons

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	4.00	4.00	4.00	4.00	4.00	4.00	4.00	0.00
Personal Services	$114,977	$122,434	$119,629	$127,335	$122,538	$119,736	$127,444	10.7
Operating Expenses	32,213	41,208	40,693	40,693	39,325	39,586	39,586	26.3
Equipment	662	-0-	-0-	-0-	-0-	-0-	-0-	(100.0)
Total Exp.	$147,852	$163,642	$160,322	$168,028	$161,863	$159,322	$167,030	13.6
FUNDING								
General Fund	$147,852	$163,642	$160,322	$168,028	$161,863	$159,322	$167,030	13.6

Program Description: The Board of Pardons oversees Montana's inmate parole and furlough programs. The board consists of four members appointed by the Governor with a support staff of 4 FTE.

Current Level Budget: This level of funding provides a total of 444 board member hearing and reading days per year. The board will conduct hearings at the prison, Swan River Forest Camp and the five pre-release centers. The board hears cases at the prison and Swan River Forest Camp two days each month, and four and one-half days at the pre-release centers each month. There are a total of 154 more days budgeted in fiscal 1986 than in fiscal 1984. This increase is due to additional hearing days at the two new pre-release centers, plus extra reading and work days requested for board members. Travel costs were increased $5,087 to allow up to five out-of-state parole hearing trips and the additional travel required to conduct hearings at all five of the pre-release centers.

KWLEG:d/i app nar/35

Agency: Department of Institutions

Program: Montana Youth Treatment Center

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	0.00	112.26	112.26	112.26	112.26	112.26	112.26	
Personal Services	$ -0-	$2,151,603	$2,111,384	$2,111,384	$2,155,455	$2,112,381	$2,112,381	
Operating Expenses	-0-	400,819	389,738	398,478	390,128	396,476	408,207	
Equipment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
Total Exp.	$ -0-	$2,552,422	$2,501,122	$2,509,862	$2,545,583	$2,508,857	$2,520,588	
FUNDING								
General Fund	$ -0-	$2,514,411	$2,459,768	$2,440,443	$2,507,572	$2,467,302	$2,450,968	
Federal Rev.	-0-	38,011	41,354	41,354	38,011	41,555	41,555	
Proprietary				28,065			28,065	
Total Funding	$ -0-	$2,552,422	$2,501,122	$2,509,862	$2,545,583	$2,508,857	$2,520,588	

Program Description: The Montana Youth Treatment Center is a 60-bed psychiatric hospital for the treatment of seriously emotionally disturbed youth between the ages of 12 and 18 committed by the courts. No youth may be admitted to the center unless determined to be seriously mentally ill and committed by a district court, (53-21-505, MCA). All commitments made to the center will be Pursuant to 53-21-114 through 53-21-127, MCA which outline the commitment procedure. This is to ensure that no youth is inappropriately placed at the Montana Youth Treatment Center. The center is expected to open in April 1985 with the transfer of 27 youth currently at the children's unit in Warm Springs. It is expected that current out-of-state placements and youth on the children's unit waiting list will also be placed in the new center.

Current Level Budget: This level of funding serves an average daily population of 55 with a direct care staff of 49.10 FTE, an education staff of 15 FTE and a treatment staff of 18 FTE. The remaining 30.16 staff are administrative and support.

With the exception of school lunch of $41,354 in fiscal 1986 and $41,555 in fiscal 1987 and a proprietary account of $28,065 each year, the center is entirely funded with general fund. However, the center will be licensed as a psychiatric hospital and be eligible for medicaid reimbursement.

The proprietary account is established to enable the instituion to charge employees for meals. All other institutional employees receive a free meal. However, this will be the first institution to charge employees for meals they eat at the institution. Charges for meals will be based on raw food costs.

Institutions and Cultural Education
Subcommittee Modified Recommendations

Agency	Fiscal 1986 General Fund	Fiscal 1986 Other	Fiscal 1986 Total	Fiscal 1987 General Fund	Fiscal 1987 Other	Fiscal 1987 Total
Central Office						
1. Management Services	$ 23,195	-0-	$ 23,195	$ 23,195	-0-	$ 23,195
2. Youth Evaluation Prog.	167,459	-0-	167,459	155,858	-0-	155,858
3. Women's Corrections	52,656	-0-	52,656	52,749	-0-	52,749
Center for the Aged						
4. Direct Care	17,313	-0-	17,313	17,340	-0-	17,340
Prison						
5. Expansion Staff	29,309	-0-	29,309	58,655	-0-	58,655
Montana State Hospital						
6. Direct Care	77,360	-0-	77,360	77,793	-0-	77,793
Montana Historical Society						
7. Accountant & Clerk	29,953	-0-	29,953	29,964	-0-	29,964
8. Photocopy Service	-0-	10,400	10,400	-0-	10,400	10,400
9. Newspaper Cataloging	-0-	49,000	49,000	-0-	-0-	-0-
10. Reader/Printer (Equip.)	6,000	-0-	6,000	12,000	-0-	12,000
11. Renovation of Museum	-0-	99,075	99,075	-0-	99,057	99,057
12. Restoration of Governor's Mansion	-0-	10,000	10,000	-0-	10,000	10,000
13. Press Operation	-0-	75,531	75,531	-0-	75,545	75,545
14. Historic Preservation	-0-	74,476	74,476	-0-	74,669	74,669
15. Federal Grants	-0-	595,000	595,000	-0-	610,000	610,000
16. Photograph Service	-0-	12,556	12,556	-0-	12,613	12,613
17. Assess. Local Gov't. Records	-0-	20,000	20,000	-0-	-0-	-0-
18. Process Holter Collection	-0-	25,000	25,000	-0-	-0-	-0-
State Library						
19. Washington Library Network	10,083	-0-	10,083	1,247	-0-	1,247
Total Subcommittee	$413,328	$971,038	$1,384,366	$428,801	$892,284	$1,321,085

PJLEG:doi mod 2-16-5

D. DEPARTMENT OF INSTITUTIONS

	Fiscal 1986 General Fund	Fiscal 1986 State Special Revenue	Fiscal 1986 Federal Special Revenue	Fiscal 1986 Proprietary	Fiscal 1986 Total	Fiscal 1987 General Fund	Fiscal 1987 State Special Revenue	Fiscal 1987 Federal Special Revenue	Fiscal 1987 Proprietary	Fiscal 1987 Total
CENTRAL OFFICE										
1. Director's Office	385,868				385,868	380,136				380,136
2. Management Services Division										
a. Management Services	859,420				859,420	865,126				865,126
b. Audit	35,000				35,000					
3. Alcohol & Drug Abuse Division	219,592	330,947	1,114,606		1,665,145	219,592	346,581	1,083,560		1,649,733
4. Corrections Division										
a. Central Office										
i. Operations	3,837,883	250	2,595		3,840,728	3,928,916	250	2,699		3,931,865
ii. Equipment	100,000				100,000					
b. Womens Corrections										
i. Operations	635,850				635,850	647,385				647,385
c. Corrections Medical										

	Fiscal 1986					Fiscal 1987				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
i. Operations	616,779				616,779	647,618				647,618
d. Mountain View School										
i. Operations	1,565,555	2,000	65,586		1,633,141	1,579,557	2,000	65,764		1,647,321
ii. Audit	10,000				10,000					
e. Pine Hills School										
i. Operations	2,672,243	41,455	486,856		3,200,554	2,692,378	41,467	487,555		3,221,400
ii. Audit	13,000				13,000					
f. Montana State Prison										
i. Care and Custody -- Operations	10,486,255	50,617	105,284		10,642,156	11,560,448	50,637	90,996		11,702,081
ii. Care and Custody -- Audit	18,147				18,147					
iii. Care and Custody -- Equipment	80,000				80,000					
iv. Ranch and Dairy Operations				1,753,704	1,753,704				1,809,836	1,809,836

	Fiscal 1986					Fiscal 1987				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
v. Ranch and Dairy Audit										
				2,105	2,105					
vi. Industries Operations										
				399,902	399,902				413,758	413,758
vii. Industries Audit										
				3,193	3,193					
viii. Industries Training Operations										
	157,328		37,243	196,700	391,271	146,862			183,367	330,229
ix. Industries Training Audit										
	800				800					
x. Canteen Operations										
		360,723			360,723		361,727			361,727
xi. Canteen Audit										
		321			321					
xii. License Plate Factory Operations										
		328,377			328,377		349,113			349,113
xiii. License Plate Factory Audit										
		184			184					
9. Swan River Forest Camp										
i. Operations										
	849,421	73,773	37,525		960,719	844,655	74,284	39,450		958,389

	Fiscal 1986					Fiscal 1987				
		State	Federal				State	Federal		
	General	Special	Special			General	Special	Special		
	Fund	Revenue	Revenue	Proprietary	Total	Fund	Revenue	Revenue	Proprietary	Total
ii. Audit										
	8,000				8,000					
5. Mental Health Division										
a. Central Office										
i. Operations										
	4,123,354		1,349,118		5,472,472	4,238,354		1,235,176		5,473,530
b. Boulder River School and Hospital										
i. Operations										
	10,789,377	33,844	51,769		10,874,990	10,878,488	20,324	43,827		10,942,639
ii. Audit										
	20,000				20,000					
iii. Equipment										
	20,000				20,000					
c. Center for the Aged										
i. General Operations										
	2,523,763	7,386			2,531,149	2,546,325	7,735			2,554,060
ii. Audit										
	10,000				10,000					
d. Eastmont										
i. General Operations										
	2,074,210	3,000			2,077,210	2,089,411	3,000			2,092,411

	Fiscal 1986					Fiscal 1987				
		State	Federal				State	Federal		
	General	Special	Special			General	Special	Special		
	Fund	Revenue	Revenue	Proprietary	Total	Fund	Revenue	Revenue	Proprietary	Total
ii. Audit	10,000				10,000					
e. Veterans' Home										
i. General Operations	455,563	20,764	1,385,964		1,862,291	482,985	20,764	1,398,243		1,901,992
ii. Audit	8,000				8,000					
iii. Boiler Replacement	24,995				24,995					
f. Warm Springs/Galen										
i. General Operations	17,751,010	1,698,143	5,103		19,454,256	17,937,764	1,698,539	5,103		19,641,406
ii. Audit	29,400				29,400					
iii. Equipment	130,000				130,000					
g. Youth Treatment Center										
i. General Operations	2,430,443		41,354	28,065	2,499,862	2,450,968		41,555	28,065	2,520,588
ii. Audit	10,000				10,000					

Fiscal 1986					Fiscal 1987				
	State	Federal				State	Federal		
General	Special	Special			General	Special	Special		
Fund	Revenue	Revenue	Proprietary	Total	Fund	Revenue	Revenue	Proprietary	Total

Within item 4, transfers may be made between line items in excess of 5% of the total appropriation authority in each line item upon approval of the Governor or his designated representative.

Within item 5, transfers may be made between line items in excess of 5% of the total appropriation authority in each line item upon approval of the Governor or his designated representative.

Items 4aii, 4ci, 4fiii, 5biii, 5eiii, and 5fiii are biennial appropriations.

The department is authorized to maintain an aggregate funding level of $2,236,595 during fiscal 1986 and $2,236,595 during fiscal 1987 for those substance abuse programs that during fiscal 1984 were partially or totally funded under the provision of 53-24-206, MCA. Expenditures of revenues available under 53-34-206, MCA, when combined with discretionary distribution of the alcohol federal block grant, may not exceed the aggregate funding totals specified above.

6. Board of Pardons

	General Fund 1986	State Special Revenue 1986	Federal Special Revenue 1986	Proprietary 1986	Total 1986	General Fund 1987	State Special Revenue 1987	Federal Special Revenue 1987	Proprietary 1987	Total 1987
a. General Operations	165,508				165,508	167,030				167,030
b. Audit	2,520				2,520					
Total	168,028				168,028	167,030				167,030
TOTAL SECTION D	63,129,284	2,951,784	4,683,003	2,383,669	73,147,740	64,303,998	2,976,421	4,493,928	2,435,026	74,209,373

EXHIBIT 2
March 18, 1985
Cultural Education

NARRATIVE FOR HOUSE BILL 500
on the
Cultural Education Action
by the
Institutions and Culturla Education Subcommittee

March 11, 1985

SUBCOMMITTEE ACTION

Agency: Montana Arts Council

Program: Agency Summary

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	4.00	8.50	4.00	4.00	8.50	4.00	4.00	0.0
Personal Services	$118,561	$ 198,298	$ 110,864	$110,864	$ 198,720	$ 111,265	$111,265	(6.5)
Operating Expenses	230,127	351,906	238,890	230,983	341,908	257,933	227,932	.4
Equipment	2,754	-0-	2,993	-0-	-0-	3,142	-0-	(100.0)
Non-Operating	389,227	488,689	770,811	193,628	479,195	832,553	187,895	(50.3)
Total Exp.	$740,669	$1,038,893	$1,123,558	$535,475	$1,019,823	$1,204,893	$527,092	(27.7)
FUNDING								
General Fund	$130,883	$ 177,575	$ 122,647	$100,457	$ 167,185	$ 128,204	$ 96,300	(23.2)
State Special Rev.	224,205	349,286	561,561	-0-	347,726	637,139	-0-	(100.0)
Federal Revenue	385,581	512,032	439,350	435,018	504,912	439,550	430,792	12.8
Total Funding	$740,669	$1,038,893	$1,123,558	$535,475	$1,019,823	$1,204,893	$527,092	(27.7)

Program Description: The Montana Arts Council, with its offices now in Helena, was created by the legislature in 1967 in recognition of the increasing importance of art in the lives of Montanans, the need to provide the opportunity for young people to participate in the arts and contribute to the great cultural heritage of Montana, and the growing significance of the arts as an element which make living and vacationing in Montana desirable. The responsibilities of the council are to encourage the study and presentation of the arts, to foster public interest in our cultural heritage and resources, and to encourage and assist in freedom of artistic expression.

Current Level Budget: The subcommittee current level budget provides an overall decrease of 27.7 percent from fiscal 1984 to fiscal 1986. Personal services are projected to decrease 6.5 percent while there is no change in the number of employees. This occurs because the agency expended $14,562 in fiscal 1984 for expenses, primarily termination pay, associated with the agency's move to Helena. Non-operating expenditures are projected to decrease 50.3 percent from fiscal 1984 to fiscal 1986 as $224,205 of cultural and aesthetic project expenditures were removed from the agency budget. These projects were referred to the Long-Range Planning Subcommittee.

General fund decreases 23.2 percent from fiscal 1984 to fiscal 1986 as the one-time moving costs incurred in fiscal 1984 were funded by general fund. Additionally, the subcommittee removed general fund support for community grants of approximately $23,000 each year in the 1987 biennium. State special revenue decreases 100 percent as this was the revenue for cultural and aesthetic projects. Federal funds received from the National Endowment for the Humanities are projected to increase 12.8 percent from fiscal 1984 to 1986. These funds are used for agency operations and grants. Federal funds used for agency operations must be matched dollar-for-dollar with state funds.

SUBCOMMITTEE ACTION

Agency: Montana Arts Council

Program: Administration

	FY 1984 Actual	Fiscal 1986 Executive	Fiscal 1986 Current Level	Fiscal 1986 Subcommittee	Fiscal 1987 Executive	Fiscal 1987 Current Level	Fiscal 1987 Subcommittee	FY 84-86 % Change
FTE	2.10	4.10	2.10	2.10	4.10	2.10	2.10	0.00
Personal Services	$ 78,533	$104,286	$ 71,250	$ 71,250	$104,670	$ 71,635	$ 71,635	(9.3)
Operating Expenses	53,421	88,323	43,459	51,501	77,736	53,332	44,057	(3.6)
Equipment	2,754	-0-	2,993	-0-	-0-	3,142	-0-	(100.0)
Non-Operating Costs	22,338	-0-	12,701	12,123	-0-	13,570	12,489	(45.7)
Total Exp.	$157,046	$192,609	$130,403	$134,874	$182,406	$141,679	$128,181	(14.1)
FUNDING								
General Fund	$ 70,910	$ 84,026	$ 58,851	$ 61,087	$ 75,137	$ 64,055	$ 57,306	(13.9)
Federal Special Revenue	86,136	108,583	71,552	73,787	107,269	77,624	70,875	(14.3)
Total Funding	$157,046	$192,609	$130,403	$134,874	$182,406	$141,679	$128,181	(14.1)

Program Description: The Administration Program includes the central agency administrative functions, such as the executive director, accounting, clerical services, and council operations.

Current Level Budget: The subcommittee current level budget provides a 14.1 percent expenditure decrease caused primarily from removing $14,562 of one-time moving costs incurred in fiscal 1984. Due to the small agency size, no vacancy savings was applied to personal services. Operating expenses in fiscal 1986 include $8,400 for audit costs. Non-operating costs are for clerical services obtained through a grant. The 45.7 percent reduction in these costs from fiscal 1984 to fiscal 1986 occurs as $4,600 of grant expense were misclassified in fiscal 1984 and $6,400 of additional one-time moving costs funded from federal revenues were recorded as a grant expense.

SUBCOMMITTEE ACTION

Agency: Montana Arts Council

Program: Grants

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
Community Grants	$ 21,918	$ 22,068	$ 23,392	$ -0-	$ 22,068	$ 23,392	$ -0-	(100.0)
Cultural and Aesthetic Grants	186,720	311,016	550,000	-0-	309,456	625,000	-0-	(100.0)
Federal Grants	143,843	155,605	169,520	166,816	147,671	154,504	160,275	16.0
Total Grants	$352,481	$488,689	$742,912	$166,816	$479,195	$802,896	$160,275	(52.7)
FUNDING								
General Fund	$ 21,918	$ 22,068	$ 23,392	$ -0-	$ 22,068	$ 23,392	$ -0-	(100.0)
State Special Revenue	186,720	311,016	550,000	-0-	309,456	625,000	-0-	(100.0)
Federal Special Revenue	143,843	155,605	169,520	166,816	147,671	154,504	160,275	16.0
Total Funding	$352,481	$488,689	$742,912	$166,816	$479,195	$802,896	$160,275	(52.7)

Program Description: All grant activity administered by the Montana Arts Council is recorded in this program. There are several types of grants, including community arts projects grants, council grants and fellowships, and cultural and aesthetic project grants.

Current Level Budget: The budget approved by the subcommittee represents a decrease from current level as general fund support for community arts grants, approximately $23,000 per year, was deleted. Cultural and Aesthetic grants will be funded in a separate appropriations bill submitted by the Long-Range Planning Subcommittee. Federal grants are estimated to increase 16 percent.

pilea:mt arts app par/3

Agency: Montana Arts Council

Program: Special Projects

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	1.90	4.40	1.90	1.90	4.40	1.90	1.90	0.0
Personal Services	$ 40,028	$ 94,012	$ 39,614	$ 39,614	$ 94,050	$ 39,630	$ 39,630	(1.0)
Operating Expenses	203,553	263,583	195,431	179,482	264,172	204,601	183,875	(11.8)
Non-Operating Costs	2,561	-0-	15,198	14,689	-0-	16,087	15,131	473.6
Total Exp.	$246,142	$357,595	$250,243	$233,785	$358,222	$260,318	$238,636	(5.0)
FUNDING								
General Fund	$ 38,055	$ 71,481	$ 40,404	$ 39,370	$ 69,980	$ 40,757	$ 38,994	3.5
State Special Revenue	37,485	38,270	11,561	-0-	38,270	12,139	-0-	(100.0)
Federal Special Revenue	170,602	247,844	198,278	194,415	249,972	207,422	199,642	14.0
Total Funding	$246,142	$357,595	$250,243	$233,785	$358,222	$260,318	$238,636	(5.0)

Program Description: Activities in this program include the Artists-in-the-School Program, community arts, special project administration, and technical assistance to grant recipients.

Current Level Budget: The current level budget provides funding for the above activities and services. The 1.90 FTE include a .9 FTE program manager for the Artists-in-the-School Program and a 1.0 FTE administrative aide. Additionally, the Community Arts Project is directed with services obtained on contract. The accounting technical assistance services are also obtained on contract, but is classified as a grant expenditure. Both contract services are funded from federal funds.

Approximately $135,600 is available for the Artists-in-the-Schools Program in fiscal 1986 and $141,750 in fiscal 1987. Of this amount, the general fund provides $13,700 each year for the Artists-in-the-schools project. These program services are obtained by contract and are recorded as an operating expense.

The Folklife Project, funded from the cultural and aesthetic project grant funds in fiscal 1984 was not continued in the current level operating budget. Cultural and aesthetic funds of $28,649 appropriated to the Arts Council in the 1985 biennium for grant administration were also removed from the operating budget; funds for these expenditures will be appropriated in the same bill as the cultural and aesthetic projects.

SUBCOMMITTEE ACTION

Agency: State Library Commission

Program: Agency Summary

	FY 1984 Actual	Fiscal 1986 Executive	Fiscal 1986 Current Level	Fiscal 1986 Subcommittee	Fiscal 1987 Executive	Fiscal 1987 Current Level	Fiscal 1987 Subcommittee	FY 84-86 % Change
FTE	22.50	22.50	22.50	22.50	22.50	22.50	22.50	-0-
Personal Services	$ 549,014	$ 564,607	$ 560,307	$ 576,449	$ 565,632	$ 561,361	$ 577,498	5.0
Operating Expenses	300,679	352,237	326,612	313,881	347,628	335,137	316,655	4.4
Equipment	97,853	163,250	88,381	88,381	121,340	88,449	88,449	(9.7)
Grants	361,225	774,358	567,298	702,723	654,220	544,271	612,039	94.5
Total Exp.	$1,308,771	$1,854,452	$1,542,598	$1,681,434	$1,688,820	$1,529,218	$1,594,641	28.5
FUNDING								
General Fund	$ 527,185	$ 650,721	$ 519,670	$ 557,599	$ 600,428	$ 506,534	$ 544,074	3.9
State Special Rev.	414,026	518,000	448,104	448,104	484,000	446,175	446,175	8.2
Federal Revenue	367,560	685,731	574,824	685,731	604,392	576,509	604,392	86.6
Total Funding	$1,308,771	$1,854,452	$1,542,598	$1,681,434	$1,688,820	$1,529,218	$1,594,641	28.5

Language in Bill: Library Services and Construction Act funds may be transferred between fiscal 1986 and 1987.

Program Description: The Montana State Library provides direct library services to state government agencies, to persons residing in the state institutions, and to the blind and physically handicapped public of Montana. Indirect services are provided to all public libraries by providing grants to six regional library federations. The state library serves as a partial federal depository and also collects state government publications.

Current Level Budget: Personal services increase by 5 percent from fiscal 1984 to 1986. Personal services increase over current level as the vacancy savings rate was lowered from 4 to 2 percent which increased the cost of personal services over current level by $11,355 in fiscal 1986 and $11,348 in fiscal 1987. Additionally, a position upgrade was funded in the Reference and Information Program which increased the cost of personal services by $4,787 in fiscal 1986 and $4,789 in fiscal 1987.

Grants to the six library federations and local libraries funded from the coal severance tax and federal Library Services and Construction Act funds (LSCA) increase by 94.5 percent from fiscal 1984 to 1986. The increase results from an increase of 86.6 percent in federal LSCA funds from fiscal 1984 to 1986.

The general fund increases by 4.4 percent from fiscal 1984 to 1986. The increase in the general fund over the current level analysis results from (1) lowering the vacancy savings rate from 4 to 2 percent; (2) using $21,518 less than what is included in the current level analysis in federal LSCA funds in fiscal 1986 and $36,885 less in fiscal 1987 to fund state library operations and (3) funding the position upgrade in the Reference and Information Program. Using less federal LSCA funds to support library operations causes general fund to increase by a like amount and raises the state maintenance of effort requirement. According to federal maintenance of effort requirements, the state is required to maintain expenditures funded from state sources for service to public libraries in fiscal 1986 at the fiscal 1984 level, and expenditures in fiscal 1987 at the fiscal 1985 level. The library estimates the state maintenance of effort requirement at $332,000 in each year of the 1987 biennium.

State special revenue funds are coal tax funds provided to the state library under Section 15-35-108, MCA to be used for providing grants to library federations and for payments of the costs of participants in regional and national networking. Table 1 presents the amount of coal severance tax and federal LSCA funds used for operations of the state library and grants to public libraries in fiscal 1984 and projected amounts for fiscal 1986 and 1987. State library operating expenses funded from the coal severance tax increase by 8.7 percent from fiscal 1984 to 1986 and by 5 percent from fiscal 1986 and 1987. Coal tax grants to the six library federations increase by 8.2 percent from fiscal 1984 to 1986 and decrease by 1.4 percent from fiscal 1986 to 1987.

Federal LSCA funds used to support state library operations increase by 1.8 percent from fiscal 1984 to 1986 and by 1.1 percent from fiscal 1986 to 1987. This occurs as the subcommittee chose to allocate more federal funds for grants. Grants to local libraries funded from federal LSCA funds increase by 116.3 percent from fiscal 1984 to 1986 and decrease by 11.9 percent from fiscal 1986 to 1987.

Table 1
Operating Expenses and Grants Funded from the Coal Severance Tax and Federal LSCA Funds
1987 Biennium

	Coal Severance Tax			LSCA Funds		
Year	Operations	Grants	Total	Operations	Grants	Total
1984	$ 61,170	$352,849	$414,019	$358,071	$148,464	$506,535
1986	66,480	381,624	448,104	364,632	321,099	685,731
1987	69,804	376,371	446,175	368,724	235,668	604,392

SUBCOMMITTEE ACTION

Agency: State Library Commission

Program: Reference and Information

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	6.34	6.50	6.50	6.50	6.50	6.50	6.50	2.5
Personal Services	$138,817	$146,502	$141,986	$149,554	$146,798	$142,290	$149,857	7.7
Operating Expenses	147,777	149,776	152,385	145,550	151,102	158,969	149,118	(1.5)
Equipment	77,664	80,800	84,405	84,405	80,800	88,626	88,626	8.7
Total Exp.	$364,258	$377,078	$378,776	$379,509	$378,700	$389,885	$387,601	4.2
FUNDING								
General Fund	$254,266	$263,881	$257,454	$268,474	$261,289	$262,646	$271,911	5.6
State Special Rev.	19,173	22,994	20,832	20,832	23,595	21,874	21,874	8.7
Federal Revenue	90,819	90,203	100,490	90,203	93,816	105,365	93,816	(0.8)
Total Funding	$364,258	$377,078	$378,776	$379,509	$378,700	$389,885	$387,601	4.2

Program Description: This program provides (1) housing for the Montana State Library collections other than materials for blind and physically handicapped patrons and those collections housed in state institutions, (2) identification and lending of library materials owned by the state library, (3) answers to general reference questions for specific subject areas, (4) bibliographies of materials available in specific subject areas, and (5) interlibrary loan services.

Current Level Budget: FTE increase by 2.5 percent from fiscal 1984 to 1986 as the library transferred .16 FTE from the Administration Program in fiscal 1985. There is a commensurate decrease in FTE in the Administration Program. A librarian position was upgraded from a grade 14, step 11 to a grade 16, step 10 at a personal services cost of $9,576 in the 1987 biennium.

Operating expenses decrease by 1.5 percent from fiscal 1984 to 1986. The decrease results from an anticipated decrease in rent charged by the Department of Administration, from $93,334 paid in fiscal 1984 to $90,312 in fiscal 1986 and $93,949 in fiscal 1987. The equipment budget allows for the purchase of books and reference materials in each year of the 1987 biennium.

State special revenue (coal severance tax) increases by 8.7 percent from fiscal 1984 to 1986. Federal LSCA funds used to support operations of the program decrease by .8 percent from fiscal 1984 to 1986.

SUBCOMMITTEE ACTION

Agency: State Library Commission

Program: Library Development

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-0-
Personal Services	$ 86,087	$ 90,220	$ 90,247	$ 92,099	$ 90,341	$ 90,371	$ 92,223	7.0
Operating Expenses	42,310	40,101	40,672	40,180	40,033	41,942	40,754	(5.0)
Equipment	2,458	500	-0-	-0-	-0-	-0-	-0-	---
Grants	361,225	774,358	567,298	702,723	654,220	544,271	612,039	95.0
Total Exp.	$492,080	$905,179	$698,217	$835,002	$784,594	$676,584	$745,016	69.7
FUNDING								
General Fund	$ 42,753	$ 42,284	$ 38,169	$ 43,542	$ 41,861	$ 34,775	$ 43,843	1.8
State Special Rev.	360,157	461,000	389,565	389,565	426,269	384,709	384,709	8.2
Federal Revenue	89,170	401,895	270,483	401,895	316,464	257,100	316,464	350.7
Total Funding	$492,080	$905,179	$698,217	$835,002	$784,594	$676,584	$745,016	69.7

Program Description: The Library Development Program provides for administration of state and federal pass through grants and for consultation, advice and public information services to public libraries.

Current Level Budget: Operating expenses decrease by 3.9 percent from fiscal 1984 to 1986 as a $3,000 contract with a non-profit organization was transferred to the Administration Program.

All grants funded from the coal severance tax and federal LSCA funds are recorded in this program. Grants to the six library federations and to local libraries increase by 95 percent from fiscal 1984 to 1986. Grants funded from the coal severance tax increase by 8.1 percent from fiscal 1984 to 1986 and grants funded from federal LSCA funds increase by 116.3 percent over the same time period.

State special revenue (coal severance tax) increases by 8.2 percent from fiscal 1984 to 1986. Federal LSCA funds increase by 350.7 percent from fiscal 1984 to 1986.

Agency: State Library Commission

Program: Institutional Library Services

	FY 1984	- - - -	Fiscal 1986	- - - -	- - - -	Fiscal 1987	- - - -	FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-0-
Personal Services	$45,377	$46,084	$46,103	$47,044	$46,103	$46,122	$47,064	3.7
Operating Expenses	8,275	10,731	8,991	8,973	10,731	9,436	9,027	8.4
Equipment	9,855	10,000	10,710	10,710	10,000	11,245	11,245	8.7
Total Exp.	$63,507	$66,815	$65,804	$66,727	$66,834	$66,803	$67,336	5.1
FUNDING								
General Fund	$18,031	$19,701	$16,381	$19,613	$19,720	$14,909	$20,222	8.8
Federal Revenue	45,476	47,114	49,423	47,114	47,114	51,894	47,114	3.6
Total Funding	$63,507	$66,815	$65,804	$66,727	$66,834	$66,803	$67,336	5.1

Program Description: This program provides library services to residents of state institutions by contract through the nearest public library or directly from the Montana State Library.

Current Level Budget: Operating expenses were increased $250 in each year of the 1987 biennium for printing a brochure to be distributed to new residents of Montana's institutions informing them of the library's services. The equipment budget allows for the purchase of library materials for Galen, Montana State Prison, Women's Correctional Facility, Warm Springs State Hospital, Mountain View School, Boulder River School and Hospital, and the Pine Hills School.

Federal LSCA funds used to support operations of this program increase by 3.6 percent from fiscal 1984 to 1986.

SUBCOMMITTEE ACTION

Agency: State Library Commission

Program: Services for Physically Handicapped

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	5.00	5.00	5.00	5.00	5.00	5.00	5.00	-0-
Personal Services	$ 90,993	$ 95,601	$ 95,640	$ 97,592	$ 95,940	$ 95,991	$ 97,939	7.3
Operating Expenses	39,501	61,866	39,331	38,015	50,838	40,824	39,311	(3.8)
Equipment	-0-	58,080	-0-	-0-	29,040	-0-	-0-	---
Total Exp.	$130,494	$215,547	$134,971	$135,607	$175,818	$136,815	$137,250	3.9
FUNDING								
General Fund	$ 52,190	$132,817	$ 49,868	$ 52,877	$ 92,609	$ 47,457	$ 54,041	1.3
Federal Revenue	78,304	82,730	85,103	82,730	83,209	89,358	83,209	5.7
Total Funding	$130,494	$215,547	$134,971	$135,607	$175,818	$136,815	$137,250	3.9

Program Description: This program provides direct library service to blind and physically handicapped citizens through selection of recorded materials and provision of machines on which to play talking books.

Current Level Budget: The decrease in operating expenses from fiscal 1984 to 1986 results from an anticipated decrease in rent charged by the Department of Administration; from $24,482 paid in fiscal 1984 to $22,579 in fiscal 1986 and $23,489 in fiscal 1987.

Federal LSCA funds used to support operations of this program increase by 5.7 percent from fiscal 1984 to 1986.

SUBCOMMITTEE ACTION

Agency: State Library Commission

Program: Administration

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	4.16	4.00	4.00	4.00	4.00	4.00	4.00	-0-
Personal Services	$ 96,887	$ 99,141	$ 99,165	$101,207	$ 99,182	$ 99,206	$101,249	4.5
Operating Expenses	31,854	40,263	43,913	40,263	31,696	36,199	31,696	26.4
Equipment	626	1,500	862	862	1,500	930	930	37.7
Total Exp.	$129,367	$140,904	$143,940	$142,332	$132,378	$136,335	$133,875	10.0
FUNDING								
General Fund	$ 94,651	$106,187	$106,210	$107,615	$ 97,661	$ 96,718	$ 99,158	13.7
Federal Revenue	34,716	34,717	37,730	34,717	34,717	39,617	34,717	-0-
Total Funding	$129,367	$140,904	$143,940	$142,332	$132,378	$136,335	$133,875	10.0

Program Description: Functions within this program include: (1) administration of all library programs, (2) mail processing, (3) budgeting and accounting, (4) personnel administration, and (5) administration of state and federal policies and regulations.

Current Level Budget: The increase in operating expenses of 26.4 percent from fiscal 1984 to 1986 results primarily from $9,000 in audit costs being included in fiscal 1986. In fiscal 1984, the library spent $1,143 for audit costs out of an $8,000 appropriation. The balance of the appropriation will be expended in fiscal 1985. Additionally, $3,000 in expenditures relating to a contract with the Western Council of State Libraries was transferred into this program from the Library Development Program. The budget provides $3,000 in each year of the 1987 biennium for continuance of the contract. The council is engaged in developing a western regional networking system to provide bibliographic services to state libraries in the western states. The equipment budget provides for the purchase of one replacement typewriter in each year.

The general fund increases by 13.7 percent from fiscal 1984 to 1986 as a result of lowering the vacancy savings rate from 4 to 2 percent and from the adjustments to operating expenses mentioned above. There is no increase in federal LSCA funds from fiscal 1984 to 1986.

SUBCOMMITTEE ACTION

Agency: State Library Commission

Program: Technical Services

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	5.00	5.00	5.00	5.00	5.00	5.00	5.00	-0-
Personal Services	$ 90,853	$ 87,059	$ 87,166	$ 88,953	$ 87,268	$ 87,381	$ 89,166	(2.1)
Operating Expenses	30,962	49,500	33,724	33,304	63,228	35,415	34,397	7.6
Equipment	7,250	12,370	-0-	-0-	-0-	-0-	-0-	---
Total Exp.	$129,065	$148,929	$120,890	$122,257	$150,496	$122,796	$123,563	(5.3)
FUNDING								
General Fund	$ 65,294	$ 85,851	$ 51,588	$ 55,478	$ 87,288	$ 50,029	$ 54,899	(15.0)
State Special Rev.	34,696	34,006	37,707	37,707	34,136	39,592	39,592	8.7
Federal Revenue	29,075	29,072	31,595	29,072	29,072	33,175	29,072	-0-
Total Funding	$129,065	$148,929	$120,890	$122,257	$150,496	$122,796	$123,563	(5.3)

Program Description: Technical services is a new program established during reorganization in fiscal 1984. Functions of this program include distribution of state publications, acquisition, cataloging and technical processing of Montana State Library and institutional library collections, and development and maintenance of the state library's participation in the Washington Library Network.

Current Level Budget: The decrease of 2.1 percent in personal services from fiscal 1984 to 1986 results from 2 percent vacancy savings being applied. This program experienced slightly less than 1 percent vacancy savings in fiscal 1984.

Total expenditures and funding decrease by 5.3 percent as no equipment was requested in fiscal 1986 and 1987.

Modified Recommendations: Washington Library Network (WLN) - General fund of $10,083 in fiscal 1986 and $1,247 in fiscal 1987 is provided to allow the library to maintain current access to WLN. The modified includes $1,173 in fiscal 1986 and $1,247 in fiscal 1987 to pay for increased telecommunications costs. Also included is $8,910 in fiscal 1986 to allow the library to replace their current Hazeltine Modular computer with an IBM personal computer. As of December of 1986, the network will have replaced their Hazeltine computer with IBM personal computers. The library will need to convert to an IBM PC in order to access the network.

State special revenue (coal tax) increases by 8.7 percent from fiscal 1984 to 1986. There is no increase in federal LSCA funds from fiscal 1984 to 1986.

Agency: Historical Society

Program: Agency Summary

	FY 1984 Actual	Fiscal 1986 Executive	Fiscal 1986 Current Level	Fiscal 1986 Subcommittee	Fiscal 1987 Executive	Fiscal 1987 Current Level	Fiscal 1987 Subcommittee	FY 84-86 % Change
FTE	42.50	51.00	42.50	42.50	51.00	42.50	42.50	-0-
Personal Services	$ 909,238	$1,138,455	$ 968,622	$1,008,245	$1,140,426	$ 970,515	$1,010,184	10.8
Operating Expenses	422,517	682,922	513,817	538,801	711,988	534,138	574,152	27.5
Equipment	19,030	19,634	13,106	12,106	22,115	11,473	9,473	(36.4)
Total Exp.	$1,350,785	$1,841,011	$1,495,545	$1,559,152	$1,874,529	$1,516,126	$1,593,809	15.4
FUNDING								
General Fund	$ 979,892	$1,092,025	$1,027,466	$1,080,626	$1,112,500	$1,038,838	$1,113,240	10.3
Federal Revenue	161,170	391,993	188,688	194,144	391,654	193,566	196,519	20.5
Proprietary	209,723	356,993	279,391	284,382	370,375	283,722	284,050	35.6
Total Funding	$1,350,785	$1,841,011	$1,495,545	$1,559,152	$1,874,529	$1,516,126	$1,593,809	15.4

Program Description: The purpose of the Montana Historical Society is to acquire, preserve, and protect historical records, art, archival and museum objects, historical places, sites and monuments for the use and enjoyment of the citizens of Montana. The society maintains a library, an archive, a museum, an art gallery, publishes the state historical magazine, provides traveling educational and historical exhibits, and coordinates implementation of the National Historic Preservation Act and the State Antiquities Act.

Current Level Budget: Personal services increase by 10.8 percent from fiscal 1984 to 1986. The increase results from ten position upgrades being funded at a general fund cost of $13,736 in fiscal 1986 and $13,784 in fiscal 1987. Additionally, the vacancy savings rate was lowered from 4 to 2 percent on all programs at a general fund cost over the current level analysis of $20,249 in fiscal 1986 and $20,230 in fiscal 1987. The following table presents the number of position upgrades by program, cost, and source of funds.

Table 1
Number of Position Upgrades, Cost, and Source of Funds by Program
Fiscal 1986 and 1987

	Number of Upgrades	Fiscal 1986 Cost[1] General Fund	Federal	Proprietary	Total	Fiscal 1987 Cost[1] General Fund	Federal	Proprietary	Total
Administration	1	$ 6,624	$-0-	$ -0-	$ 6,624	$ 6,628	$-0-	$ -0-	$ 6,628
Library	1	2,635	-0-	-0-	2,635	2,636	-0-	-0-	2,636
Museum	1	2,299	-0-	-0-	2,299	2,307	-0-	-0-	2,307
Publications	2	-0-	-0-	3,928	3,928	-0-	-0-	3,944	3,944
Historic Sites	1	523	523	-0-	1,046	527	527	-0-	1,054
Archives[2]	3	528	-0-	-0-	528	551	-0-	-0-	551
Education	1	1,127	-0-	-0-	1,127	1,135	-0-	-0-	1,135
Total	10	$13,736	$523	$3,928	$18,187	$13,784	$527	$3,944	$18,255

[1] Includes increase in benefits.

[2] Net of three upgrades at a cost of $4,503 in fiscal 1986 and $4,527 in fiscal 1987 minus one position downgrade at a decrease in salary and benefits of $3,975 in fiscal 1986 and $3,976 in fiscal 1987

Operating expenses increase by 27.5 percent from fiscal 1984 to 1986. The increase results primarily from a rent increase in the Administration Program, increase in goods purchased for resale in the Publications Program, and from an increase in contract services in the Education Program for printing new capitol tour brochures and for hiring extra tour guides for the 1987 legislative session.

The general fund increases by 10.3 percent from fiscal 1984 to 1986. The increase in the general fund results from lowering the vacancy savings rate from 4 to 2 percent, funding eight position upgrades, and from the operating expense increases mentioned above. Federal special revenue increases by 20.5 percent from fiscal 1984 to 1986. Federal special revenues include federal historic preservation funds, private donations and service income generated from the society's photocopy and photograph services. Federal historic preservation funds are included in the budget at $74,541 in fiscal 1986 and $73,836 in fiscal 1987. Private donations are included in the budget at $107,176 in fiscal 1986 and $109,635 in fiscal 1987. Service income generated from charging fees for the photocopy service in the library and from the sale of photographs in the Archives Program is included in the budget at $12,427 in fiscal 1986 and $13,048 in fiscal 1987.

Proprietary funds consist of revenue generated from the society's merchandising operating, income from the sale of Montana the Magazine of Western History and from the sale of books and other society publications. These funds are budgeted to increase 35.6 percent between fiscal 1984 and fiscal 1986 as the budget provides authority for expansion in these activities.

SUBCOMMITTEE ACTION

Agency: Historical Society

Program: Administration

	FY 1984 Actual	Fiscal 1986 Executive	Fiscal 1986 Current Level	Fiscal 1986 Subcommittee	Fiscal 1987 Executive	Fiscal 1987 Current Level	Fiscal 1987 Subcommittee	FY 84-86 % Change
FTE	11.00	12.50	11.00	11.00	12.50	11.00	11.00	-0-
Personal Services	$237,131	$278,856	$242,616	$253,576	$279,237	$242,991	$253,953	6.9
Operating Expenses	123,439	152,669	137,119	147,358	166,030	144,561	177,327	19.4
Equipment	3,244	4,615	3,524	3,524	4,615	-0-	-0-	8.6
Total Exp.	$363,814	$436,140	$383,259	$404,458	$449,882	$387,552	$431,280	11.2
FUNDING								
General Fund	$334,530	$396,848	$343,967	$365,166	$410,590	$346,295	$390,023	9.2
Federal Revenue	29,284	39,292	39,292	39,292	39,292	41,257	41,257	34.2
Total Funding	$363,814	$436,140	$383,259	$404,458	$449,882	$387,552	$431,280	11.2

Program Description: The Administration Program is responsible for purchasing, accounting and budgeting, personnel, and overall management of the Historical Society.

Current Level Budget: Operating expenses increase by 19.4 percent from fiscal 1984 to 1986. The increase results from an increase in rent from $52,072 paid in fiscal 1984 to $58,763 in fiscal 1986 and $98,871 in fiscal 1987. The fiscal 1987 amount includes $38,300 to pay for ten months of occupancy of a new addition (18,000 square feet) to the Pioneer and Veteran's Memorial Building. Additionally, maintenance expenditures were increased by $1,286 in fiscal 1986 and $1,415 in fiscal 1987 for computer equipment used in the program. Audit costs of $12,264 are included in fiscal 1986.

The equipment budget provides for the purchase in fiscal 1986 of two calculators at a total cost of $350, a replacement typewriter at a cost of $862, and four hand held radios for security personnel at a cost of $2,312.

Funding from private donations increase by 34.2 percent from fiscal 1984 to 1986. The agency requested this increase in current level funding.

Modified Recommendations: Accountant and Clerk (1.50 FTE) - General fund of $29,953 in fiscal 1986 and $29,964 in fiscal 1987 is recommended to allow the society to hire 1 FTE accountant and a .50 FTE clerk to meet workload increases which have resulted from program expansion over the past several years.

Agency: Historical Society

Program: Library

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	5.00	5.00	5.00	5.00	5.00	5.00	5.00	-0-
Personal Services	$111,348	$117,151	$114,657	$119,591	$117,200	$114,705	$119,641	7.4
Operating Expenses	27,120	40,266	32,359	31,842	40,595	33,811	32,556	17.4
Equipment	9,194	9,200	8,783	8,783	9,200	9,222	9,222	(4.5)
Total Exp.	$147,662	$166,617	$155,799	$160,216	$166,995	$157,738	$161,419	8.5
FUNDING								
General Fund	$137,819	$146,217	$145,101	$149,518	$146,595	$146,505	$150,186	8.5
Federal Revenue	9,843	20,400	10,698	10,698	20,400	11,233	11,233	8.7
Total Funding	$147,662	$166,617	$155,799	$160,216	$166,995	$157,738	$161,419	8.5

Program Description: Major functions of the society's library include collecting, preserving, organizing, and making accessible to the public, published material concerning the history of Montana and the surrounding region.

Current Level Budget: Operating expenses increase by 17.4 percent from fiscal 1984 to 1986. The increase results from maintenance expenditures being increased by $3,000 in each year of the 1987 biennium for maintenance of computer equipment used in the library. The equipment budget allows for the purchase of books and other published materials representative of Montana's history.

Federal revenue consists of photocopy fees, estimated at $7,521 in fiscal 1986 and $7,897 in fiscal 1987, and private donations of $3,177 in fiscal 1986 and $3,336 in fiscal 1987.

Modified Recommendations: (1) Microform Reader Printers - General fund of $6,000 in fiscal 1986 and $12,000 in fiscal 1987 is recommended to purchase a total of three reader/printers in the 1987 biennium. The society indicated their current Kodak reader/printers break down often and parts are becoming scarce for maintaining repairs.

(2) Photocopy Service - Revenues from the photocopy service of $10,400 in each year of the 1987 biennium are to replenish photocopy supplies and materials.

(3) Newspaper Cataloging - Federal/private donations of $49,000 in fiscal 1986 are recommended to complete cataloging the society's newspaper collection.

SUBCOMMITTEE ACTION

Agency: Historical Society

Program: Museum

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	7.00	9.50	7.00	7.00	7.00	7.00	7.00	-0-
Personal Services	$136,684	$210,447	$159,287	$164,841	$210,987	$159,823	$165,391	20.6
Operating Expenses	63,533	102,434	54,491	54,170	102,605	57,340	56,017	(14.7)
Equipment	2,606	1,000	1,000	-0-	1,000	2,000	-0-	--
Total Exp.	$202,823	$313,881	$214,778	$219,011	$314,592	$219,163	$221,408	8.0
FUNDING								
General Fund	$202,823	$214,788	$214,778	$219,011	$215,500	$219,163	$221,408	8.0
Federal Revenue	-0-	99,093	-0-	-0-	99,092	-0-	-0-	--
Total Funding	$202,823	$313,881	$214,778	$219,011	$314,592	$219,163	$221,408	8.0

Program Description: The Museum Program is responsible for collecting, preserving, and interpreting art and artifacts representative of Montana's past.

Current Level Budget: Personal services increase by 20.6 percent from fiscal 1984 to 1986. The increase results primarily from 17 percent vacancy savings in fiscal 1984 and funding of one position upgrade in the 1987 biennium. Operating expenses decrease by 14.7 percent from fiscal 1984 to 1986 as a result of the following: (1) Expenditures for contract services were reduced $12,431 because the society transferred salary savings of the same amount into contract services; and (2) One-time expenditures of $881 were removed from the budget.

Modified Recommendations: (1) Renovation of Formal Museum - Donations of $99,075 in fiscal 1986 and $99,057 in fiscal 1987 are recommended to renovate the formal museum and install updated modular exhibits. The society plans to hire a 1 FTE carpenter, 1 FTE museum assistant and a .50 FTE graphic artist at a personal services cost of $51,160 in fiscal 1986 and $51,164 in fiscal 1987 to work on the renovation. The balance of the recommended modified in each fiscal year is for operating expenses.

(2) Restoration of Original Governor's Mansion - Donations of $10,000 in each fiscal year is recommended to restore the kitchen of the Original Governor's Mansion.

SUBCOMMITTEE ACTION

Agency: Historical Society

Program: Publications

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	4.00	6.00	4.00	4.00	6.00	4.00	4.00	-0-
Personal Services	$ 94,485	$126,284	$ 95,622	$101,355	$126,433	$ 95,763	$101,501	7.3
Operating Expenses	150,213	270,268	219,052	224,110	284,054	227,167	223,773	49.2
Equipment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	--
Total Exp.	$244,698	$396,552	$314,674	$325,465	$410,487	$322,930	$325,274	33.0
FUNDING								
General Fund	$ 34,975	$ 39,559	$ 35,283	$ 41,083	$ 40,112	$ 39,208	$ 41,224	17.5
Proprietary	209,723	356,993	279,391	284,382	370,375	283,722	284,050	36.5
Total Funding	$244,698	$396,552	$314,674	$325,465	$410,487	$322,930	$325,274	33.0

Program Description: The Magazine Program is responsible for publishing Montana the Magazine of Western History, society sponsored quarterlies, books, brochures, catalogs, prints, and other publications. Additionally, this program is responsible for the operation of the society's museum store and Merchandising Program.

Current Level Budget: Operating expenses increase by 49.2 percent from fiscal 1984 to 1986 as the amount budgeted for goods-purchased-for-resale for the society's merchandising operation was increased from $26,104 spent in fiscal 1984 to $58,000 in fiscal 1986 and $59,500 in fiscal 1987. Additionally, expenditures financed from the sale of Montana the Magazine of Western History increases from $121,426 in fiscal 1984 to $138,504 in fiscal 1986 and $139,086 in fiscal 1987. In fiscal 1984, the society published three issues of the magazine. Normally, the society publishes four issues. The increase in operating expenses allows the society to publish four issues in each year of the 1987 biennium. Audit costs of $1,008 are included in fiscal 1986.

General fund supports 22.8 percent of the cost of publishing Montana the Magazine of Western History at a cost of $41,083 in fiscal 1986 and $41,224 in fiscal 1987. The increase in the general fund of 17.5 percent from fiscal 1984 to 1986 results from an increase in publications from 3 issues in fiscal 1984 to 4 issues in each year of the 1987 biennium. The remainder is financed from magazine sales, estimated at $138,504 in fiscal 1986 and $139,086 in fiscal 1987. Proprietary authority of $40,674 in fiscal 1986 and $40,212 in fiscal 1987 is provided for the publication of books and $104,196 in fiscal 1986 and $104,752 in fiscal 1987 is provided for the merchandising operation.

Modified Recommendations: Publication of Books - Proprietary funds of $75,531 in fiscal 1986 and $75,545 in fiscal 1987 is provided for the publication of three books in the 1987 biennium. The society plans to hire a 1 FTE editor and 1 FTE clerk at a personal services cost of $33,411 in fiscal 1986 and $33,425 in fiscal 1987. The remainder of the modified is for supplies and goods-purchased-for-resale.

Agency: Historical Society

Program: Historic Sites Preservation

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	5.00	7.00	5.00	5.00	7.00	5.00	5.00	-0-
Personal Services	$110,275	$160,930	$116,572	$119,993	$161,103	$116,729	$120,150	8.8
Operating Expenses	23,361	61,416	28,046	29,089	59,654	26,005	27,522	24.5
Equipment	501	1,566	-0-	-0-	1,500	-0-	-0-	--
Total Exp.	$134,137	$223,912	$144,618	$149,082	$222,257	$142,734	$147,672	11.1
FUNDING								
General Fund	$ 67,828	$ 74,703	$ 72,309	$ 74,541	$ 73,778	$ 71,367	$ 73,836	9.9
Federal Revenue	66,309	149,209	72,309	74,541	148,479	71,367	73,836	12.4
Total Funding	$134,137	$223,912	$144,618	$149,082	$222,257	$142,734	$147,672	11.1

Program Description: This program is responsible for implementing the National Historic Preservation Act and the State Antiquities Act. Activities include nominating sites to the National Register, reviewing tax certification projects, administering federal grants-in-aid, reviewing federal projects to determine and comment on any impacts to historic and cultural properties and coordination with local governments, state agencies, and the public on matters relating to historic preservation.

Current Level Budget: The following adjustments were made to operating expenses: (1) rent expense was increased from $720 in fiscal 1984 to $1,875 in fiscal 1987 for ten months of occupancy of the new addition to the Pioneer and Veterans' Memorial Building; and (2) expenditures of $146 related to hiring a secretary in fiscal 1984 were removed from the budget. Audit costs of $3,528 are included in fiscal 1986.

The general fund provides 50 percent of the program's funding support. The remainder is financed from federal historic preservation funds.

Modified Recommendations: (1) Historic Preservation - Federal funds of $74,476 in fiscal 1986 and $74,669 in fiscal 1987 is recommended to allow the society to clear up a backlog of requests from communities seeking nomination of sites to the National Register of Historic Places. The society plans to hire 1 FTE anthropologist and 1 FTE historian at a personal services costs of $44,358 in fiscal 1986 and $44,374 in fiscal 1987. Related operating expenses are provided at a cost of $30,118 in fiscal 1986 and $30,295 in fiscal 1987.

(2) Federal Grants - Federal pass through grants of $595,000 in fiscal 1986 and $610,000 in fiscal 1987 is recommended for restoration and preservation of historic sites in local communities. Previously, these funds were expended through administrative appropriation. Due to the change in the fund structure, the society must receive an appropriation to expend these funds in the 1987 biennium.

SUBCOMMITTEE ACTION

Agency: Historical Society

Program: Archives

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	8.00	8.50	8.00	8.00	8.50	8.00	8.00	-0-
Personal Services	$181,815	$196,867	$191,938	$197,892	$197,315	$192,336	$198,315	8.8
Operating Expenses	8,603	18,244	13,574	13,407	18,172	14,239	13,840	55.8
Equipment	3,184	3,253	500	500	5,800	1,391	1,391	(84.3)
Total Exp.	$193,602	$218,364	$206,012	$211,799	$221,287	$207,966	$213,546	9.4
FUNDING								
General Fund	$189,088	$199,072	$195,287	$206,893	$201,938	$196,705	$208,395	9.4
Federal Revenue	4,514	19,292	10,725	4,906	19,349	11,261	5,151	8.7
Total Funding	$193,602	$218,364	$206,012	$211,799	$221,287	$207,966	$213,546	9.4

Program Description: This program is responsible for collecting, preserving, organizing, and making accessible to the public, unpublished material relevant to Montana's history.

Current Level Budget: Operating expenses increase by 55.8 percent from fiscal 1984 to 1986. The increase results from budget amended expenditures funded from the sale of photographs being included in the base resulting in a cost to the general fund of $4,199 in fiscal 1986 and $4,325 in fiscal 1987. The equipment budget allows for the purchase of a portable light table in fiscal 1986 at a cost of $500 and a map case in fiscal 1987 at a cost of $1,391.

General fund provides 97.6 percent of the program's funding support. The remainder is financed from the sale of photographs, estimated at $4,906 in fiscal 1986 and $5,151 in fiscal 1987.

Modified Recommendations: (1) Photograph Service - Sales revenue of $12,556 in fiscal 1986 and $12,613 in fiscal 1987 is recommended to hire a .50 FTE administrative assistant and to purchase photograph supplies.

(2) Local Government Records - A federal grant of $20,000 in fiscal 1986 is provided to allow the society to complete a handbook on the preservation and organization of local government records.

(3) Holter Collection - A private donation of $25,000 in fiscal 1986 from the Holter Foundation is recommended to finish processing and cataloging the scientific and personal papers of N.J. Holter donated to the society.

SUBCOMMITTEE ACTION

Agency: Historical Society

Program: Education

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	2.50	2.50	2.50	2.50	2.50	2.50	2.50	-0-
Personal Services	$37,500	$47,920	$47,930	$50,997	$48,151	$48,168	$51,233	36.0
Operating Expenses	26,248	37,625	28,475	38,124	40,878	29,875	41,977	45.2
Equipment	301	-0-	-0-	---	-0-	-0-	-0-	--
Total Exp.	$64,049	$85,545	$76,405	$89,121	$89,029	$78,043	$93,210	39.1
FUNDING								
General Fund	$12,829	$20,838	$20,741	$24,414	$23,987	$19,595	$28,168	90.3
Federal Revenue	51,220	64,707	55,664	64,707	65,042	58,448	65,042	26.3
Total Funding	$64,049	$85,545	$76,405	$89,121	$89,029	$78,043	$93,210	39.1

Program Description: This program is responsible for providing exhibits and materials using society resources and expertise to schools, museums, libraries, and other public institutions throughout the state. Additionally, capitol tours are administered from this program.

Current Level Budget: Personal services increase by 36 percent from fiscal 1984 to 1986. The increase results from funding a position upgrade, lowering the vacancy savings rate in the 1987 biennium from 4 to 2 percent, and an actual vacancy savings rate of 24 percent in fiscal 1984.

Operating expenses increase by 46.7 percent from fiscal 1984 to 1986. Contract services were increased $10,033 in fiscal 1986 for printing new capitol tour brochures and by $13,033 in fiscal 1987 for hiring additional tour guides for the 1987 legislative session.

The general fund increases by 90.3 percent from fiscal 1984 to 1986. The increase in the general fund over the current level analysis results from (1) lowering the vacancy savings rate from 4 to 2 percent, and (2) increasing operating expenses for printing new capitol tour brochures and hiring additional tour guides.

EXHIBIT 3
March 18, 1985
Cultural Education

Institutions and Cultural Education
Subcommittee Modified Recommendations

Agency	Fiscal 1986 General Fund	Fiscal 1986 Other	Fiscal 1986 Total	Fiscal 1987 General Fund	Fiscal 1987 Other	Fiscal 1987 Total
Central Office						
1. Management Services	$ 23,195	-0-	$ 23,195	$ 23,195	-0-	$ 23,195
2. Youth Evaluation Prog.	167,459	-0-	167,459	155,858	-0-	155,858
3. Women's Corrections	52,656	-0-	52,656	52,749	-0-	52,749
Center for the Aged						
4. Direct Care	17,313	-0-	17,313	17,340	-0-	17,340
Prison						
5. Expansion Staff	29,309	-0-	29,309	58,655	-0-	58,655
Montana State Hospital						
6. Direct Care	77,360	-0-	77,360	77,793	-0-	77,793
Montana Historical Society						
7. Accountant & Clerk	29,953	-0-	29,953	29,964	-0-	29,964
8. Photocopy Service	-0-	10,400	10,400	-0-	10,400	10,400
9. Newspaper Cataloging	-0-	49,000	49,000	-0-	-0-	-0-
10. Reader/Printer (Equip.)	6,000	-0-	6,000	12,000	-0-	12,000
11. Renovation of Museum	-0-	99,075	99,075	-0-	99,057	99,057
12. Restoration of Governor's Mansion	-0-	10,000	10,000	-0-	10,000	10,000
13. Press Operation	-0-	75,531	75,531	-0-	75,545	75,545
14. Historic Preservation	-0-	74,476	74,476	-0-	74,669	74,669
15. Federal Grants	-0-	595,000	595,000	-0-	610,000	610,000
16. Photograph Service	-0-	12,556	12,556	-0-	12,613	12,613
17. Assess. Local Gov't. Records	-0-	20,000	20,000	-0-	-0-	-0-
18. Process Holter Collection	-0-	25,000	25,000	-0-	-0-	-0-
State Library						
19. Washington Library Network	10,083	-0-	10,083	1,247	-0-	1,247
Total Subcommittee	$413,328	$971,038	$1,384,366	$428,801	$892,284	$1,321,085

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EXHIBIT 4
March 18, 1985
Health & Human Services

NARRATIVE FOR HOUSE BILL 500
on the
Departments of Health and Environmental Sciences,
Labor and Industry, and
Social and Rehabilitation Services

March 12, 1985

Agency: Department of Health and Environmental Sciences — Program: Agency Summary

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	224.35	240.25	216.35	216.75	240.25	215.35	216.75	(3.4)
Personal Services	$ 5,863,879	$ 6,486,142	$ 5,872,931	$ 5,889,745	$ 6,486,452	$ 5,867,064	$ 5,901,819	.4
Operating Expenses	6,949,215	10,870,525	7,505,831	7,362,190	11,559,970	7,599,136	7,373,090	5.9
Equipment	174,301	142,129	86,435	95,867	10,655	17,878	12,305	(4.5)
Grants	5,437,300	5,871,611	5,682,050	5,737,731	5,927,764	5,716,148	5,739,506	5.5
Total Exp.	$18,424,695	$23,370,407	$19,147,247	$19,085,533	$23,984,841	$19,200,226	$19,026,720	3.6
FUNDING								
General Fund	$ 3,486,390	$ 3,761,154	$ 3,298,854	$ 3,452,813	$ 3,685,258	$ 3,241,618	$ 3,473,233	(1.0)
State Special Rev.	1,292,364	1,999,200	1,717,102	2,056,599	2,093,724	1,746,338	2,016,597	59.3
Federal Revenue	13,645,941	17,610,053	14,131,292	13,576,121	18,205,859	14,212,270	13,536,890	(.4)
Total Funding	$18,424,695	$23,370,407	$19,147,247	$19,085,533	$23,984,841	$19,200,226	$19,026,720	3.7

Program Description: The Department of Health and Environmental Sciences is responsible for promoting and protecting the health of Montanans through public health laws, environmental regulations and enforcement activities. It is composed of five divisions: The Director, Financial Management, Environmental Sciences, Management Services, and Health Services and Medical Facilities.

Current Level Budget: The Superfund and Hazardous Waste Dump Inventory Programs were appropriated for by the 1983 legislature, but are presented as modified requests in the 1987 biennium due to significant program expansion. Total expenditures rise 3.7 percent over the fiscal 1984 level.

Funding

State special revenue rises due primarily to three factors: (1) the addition of resource indemnity trust fund monies as Section 15-38-202, MCA allocates 6 percent of all interest earned on the account to the department's Hazardous Waste Program in the Solid Waste Bureau; (2) increased utilization of the Junk Vehicle fund balance in the Solid Waste and Environmental Sciences Division Administration Bureaus; and (3) the reclassification of mircobiology and chemistry laboratory fee income, which had been classified as federal revenue, to state special revenue.

The department receives two federal block grants: (1) the maternal and child health and (2) preventive health block grants. Tables 1 and 2 summarize actual fiscal 1984 and appropriated fiscal 1985, 1986, and 1987 expenditures.

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Table 1

Maternal and Child Health Block Grants

	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987
Beginning Balance	$ -0-	$ -0-	$ -0-	$ 23,258
Grant Award	2,034,402	1,994,507	1,897,421	1,897,421
Total Funds Available	$2,034,402	$1,994,507	$1,897,421	$1,920,679
Current Level Programs				
Director's Division				
Administration	$ 28,264	$ 28,264	$ 30,000	$ 30,000
Grants to Counties	1,272,076*	1,189,203**	717,922	685,599
Health Services Division				
Administration	-0-	-0-	23,683	23,727
Nursing Administration	25,146	25,971	28,000	28,000
Family Planning	25,787	27,334	28,000	29,000
Clinical Administration	36,574	41,257	105,756	80,634
Handicapped Children	646,555	682,478	700,276	725,191
Newborn Transport	-0-	-0-	66,000	66,000
Total Current Level	$2,034,402	$1,994,507	$1,699,637	$1,668,151
Modified Programs				
Mouthrinse	-0-	-0-	$ 15,000	$ -0-
Cleft Palate	-0-	-0-	52,500	52,500
Perinatal	-0-	-0-	107,026	200,028
Total Modified Expenditures	-0-	-0-	$ 174,526	$ 252,528
Total Disbursements	2,034,402	1,944,507	1,874,163	1,920,679
Ending Balance	-0-	-0-	$ 23,258	$ -0-

*Includes budget amendment of $490,350

**Includes budget amendment of $586,762

Table 2
Preventive Health Block Grant

	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987
Beginning Balance	$ -0-	$ -0-	$ -0-	$ 30
Grant Award	605,457	758,418	632,187	632,187
Total Available	$ 605,452	$ 758,418	$ 632,187	$ 632,217
Current Level Programs				
Director's Division				
Rape Crisis	$ 10,260	$ 11,542	$ 11,970	$ 11,970
Administration	44,975	44,975	43,557	48,645
Management Services Division				
Microbiology Laboratory	33,999	34,000	34,000	34,000
Health Services Division				
Administration	-0-	-0-	-0-	-0-
Hypertension	76,661	24,810	-0-	-0-
Risk Reduction	34,309	35,759	48,714	49,257
Family Planning	203,968	203,048	189,105	190,308
Diabetes	34,157	19,157	-0-	-0-
Emergency Medical Services	167,128	235,255	185,439	204,855
EMS Grants to Counties	-0-	149,872	-0-	-0-
Total Current Level Expenditures	$ 605,457	$ 758,418	$ 522,935	$ 549,203
Modified Programs				
Mouthrinse	$ -0-	$ -0-	$ -0-	$ 15,000
Nursing	-0-	-0-	-0-	35,414
Family Planning	-0-	-0-	11,649	11,653
Perinatal	-0-	-0-	97,573	20,791
Total Modified Expenditures	-0-	-0-	$ 109,222	$ 82,858
Total Disbursements	605,457	758,418	632,157	632,061
Ending Balance	-0-	-0-	$ 30	$ 156

Table ws the total federal funds included in the Department of h and Environmental Sciences appropriation for fiscal 198 . 1987.

Table 3

Federal Funds - Department of Health and Enviormental Sciences

Fund	Fiscal 1986	Fiscal 1987
1. Indirect Revenue	$ 474,336	$ 436,959
2. Death Index	2,333	2,333
3. National Center for Health Statistics	61,090	61,090
4. EPA Hazardous Waste	175,826	176,254
5. Bureau of State Lands	31,502	31,516
6. EPA Air Quality	475,063	477,813
7. EPA Safe Drinking Water	292,312	294,840
8. EPA 106	313,337	314,245
9. EPA 205g	398,294	397,241
10. EPA 205j	107,012	107,426
11. Film Library	26,815	19,892
12. Data Processing	36,213	33,600
13. Title X Family Planning	787,340	787,030
14. Vaccination	192,542	196,859
15. Venereal Disease	52,346	52,334
16. Rabies Vaccine	45,430	47,374
17. Women, Infants and Children	5,451,752	5,449,067
18. Child Nutrition	1,914,275	1,914,678
19. Health Planning	213,258	213,916
20. Medicare Title XVIII	182,470	184,010
21. Medicaid Title XIX	120,003	121,059
22. Maternal and Child Health Block Grant	1,699,637	1,668,151
23. Preventive Health Block Grant	522,935	549,203
Total Other Federal Funds	$13,576,121	$13,536,890

Agency: Department of Health and Environmental Sciences

Program: Director's Office

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	9.00	9.00	9.00	9.00	9.00	9.00	9.00	0.00
Personal Services	$278,722	$ 301,727	$301,759	$ 301,759	$ 302,425	$302,461	$ 302,461	8.3
Operating Expenses	292,278	168,029	182,946	159,309	168,520	185,713	160,894	(45.6)
Grants	10,260	638,509	11,970	729,892	663,571	11,970	697,569	7,013.9
Total Exp.	$581,260	$1,108,265	$496,675	$1,190,960	$1,134,516	$500,144	$1,160,924	104.8
FUNDING								
General Fund	$497,761	$ 396,169	$405,752	$ 387,511	$ 392,300	$407,985	$ 384,710	(22.2)
Federal Revenue	83,499	712,096	90,923	803,449	742,216	92,159	776,214	862.2
Total Funding	$581,260	$1,108,265	$496,675	$1,190,960	$1,134,516	$500,144	$1,160,924	104.8

Program Description: The Director's Office is responsible for overall management and program support for the Department of Health and Environmental Sciences.

Current Level Budget: General fund and operating expenses decline due to the expiration of two bills enacted by the 1983 legislature for the duration of one fiscal year: the Family Practice Residency, which provided training to physicians in family practice, and the Health Information Center which provided a centralized information source for professionals and lay persons. Expenditures totaled $112,400 in fiscal 1984. Legal expenses of $22,716 were deleted as part of the reorganization of the Legal Services Bureau. The legal expenses were funded by general fund and the federal maternal and child health and preventive health block grants.

Direct grants to counties are funded from the federal Maternal and Child Health block grant to provide services to women and children at health risk. The counties receive all monies of the Maternal and Child Health block grant which are not allocated to programs in the department of health. The federally mandated Rape Crises grants are funded by the federal Preventive Health block grant. The following table shows actual fiscal 1984 and appropriated fiscal 1985, 1986 and 1987 grant totals.

Table 1
Grants--Director's Office

Recipient	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987
Rape Crisis	$ 10,260	$ 11,542	$ 11,970	$ 11,970
Grants to Counties	1,272,076*	1,189,203	717,922	685,599
Total Grants	$1,282,336	$1,200,745	$729,892	$697,569

*Budget amended $490,350 in fiscal 1984 and $586,762 in fiscal 1985. As per the intent of the legislature, this entire amount was allocated to the counties. During the 1985 biennium, these grants were in the Clinical Bureau.

Federal revenue consists of the two grants and administrative costs of $30,000 each year from the Maternal and Child Health block grant and $43,557 in fiscal 1986 and $48,645 in fiscal 1987 of the Preventive Health block grant.

Agency: Department of Health and Environmental Sciences

Program: Board of Health

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	$2,800	$ 3,150	$ 4,200	$ 3,150	$ 3,150	$ 4,200	$ 3,150	12.5
Operating Expenses	6,017	15,488	17,455	15,488	15,488	17,927	15,488	12.5
Equipment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0
Total	$8,817	$18,638	$21,655	$18,638	$18,638	$22,127	$18,638	111.4
FUNDING								
General Fund	$8,817	$18,638	$21,655	$18,638	$18,638	$22,127	$18,638	111.4

Program Description: The Board of Health is a quasi-judicial board appointed by the Governor to advise the department of health in public health matters.

Current Level Budget: Per-diem expenses of the board were raised $350 per year and other expenses were raised $1,638 per year to allow for a greater number of board meetings. The board is mandated to meet five times each year, but met only four times in fiscal 1984. The contract the board maintains with a private legal firm was restored to the fiscal 1984 appropriated level of $8,000 from the actual fiscal 1984 expenditures level of $455 in anticipation of additional lawsuits related to certificate of need. The Legal Services Bureau cannot represent the Board of Health in certain cases due to the possibility of a conflict of interest.

Agency: Department of Health and Environmental Sciences

Program: Legal Services Bureau

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	5.00	3.00	5.00	3.00	3.00	5.00	3.00	(40.0)
Personal Services	$145,529	$ 93,901	$151,814	$ 93,817	$ 94,303	$152,491	$ 94,295	(35.5)
Operating Expenses	17,388	10,262	18,088	10,665	10,442	18,941	11,294	(38.7)
Total	$162,917	$104,163	$169,902	$104,482	$104,745	$171,432	$105,589	(35.9)
FUNDING								
General Fund	$ -0-	$104,163	$ -0-	$104,482	$104,745	$ -0-	$105,589	100.0
Federal Revenue	162,917	-0-	169,902	-0-	-0-	171,432	-0-	(100.0)
Total Funding	$162,917	$104,163	$169,902	$104,482	$104,745	$171,432	$105,589	(35.9)

Language in Bill: The Department of Health and Environmental Sciences shall use the Attorney General's legal fee rate to charge federal programs for services performed by the Legal Services Division. Use of federal appropriation authority of $42,701 in fiscal 1986 and $52,472 in fiscal 1987 shall be used only to purchase legal services from the department of health legal services bureau. All legal services performed for federal programs shall be billed and all fees collected shall be deposited into the general fund.

Program Description: The Legal Services Bureau provides all aspects of legal representation to all divisions of the department of health with the exception of the Environmental Sciences Division.

Current Level Budget: This bureau was reorganized in order to provide stability to the funding base and ensure that all programs of the department of health would have adequate legal resources. Previously, programs were allocated funds for legal expenses based upon the availability of funds and the program's anticipated needs. The programs would then reimburse legal services on a $42.50 per hour basis. This system did not always ensure that each program would have adequate funds to meet legal needs as they arose. Also, income of the Legal Services Bureau could be erratic.

The reorganization deletes all general fund legal support from each program with the exception of the Environmental Sciences Division. Within that division all legal fees are eliminated. One FTE lawyer and 1 FTE legal support staff and related expenses are transferred to the Water Quality, Solid Waste and Air Quality Bureaus to handle all legal work of the division. The positions and related expenses are supported by the funds mix in each of the Bureaus.

Table 1
Expenses Movement

Program	Transferred from Legal Services Fiscal 1986	Transferred from Legal Services Fiscal 1987	Deleted From Fiscal 1986	Deleted From Fiscal 1987
Water Quality	$39,986	$40,251	$ 66,478	$ 69,802
Solid Waste	14,234	14,326	26,883	28,227
Air Quality	14,218	14,310	15,646	16,428
Division Administration	-0-	-0-	3,375	3,544
Occupational Health	-0-	-0-	1,152	1,210
Food and Consumer Safety	-0-	-0-	11,030	11,581
Total	$68,438	$68,887	$124,564	$130,792

In addition, two modified requests were approved to add .5 FTE lawyer to the Solid Waste and Air Quality Bureaus.

Table 2
Modified Additions

Solid Waste	$15,414	$15,420
Air Quality	15,414	15,420
Total	$30,828	$30,840

The general fund support to legal expense of all other programs of the department were deleted, totaling $29,035 in fiscal 1986 and $32,748 in fiscal 1987. The remaining federal funds totaling $42,701 in fiscal 1986 and $52,472 in fiscal 1987, will be used specifically for legal expenses. As they were paid, the funds will be deposited into the general fund.

If a program is 50 percent supported by federal funds, the rate paid will be 50 percent of the hourly fee. When the legal funds are deleted, the program receives free legal assistance.

The remaining FTE and expenses of the Legal Service Bureau are supported by general fund.

Agency: Department of Health & Environmental Sciences | Program: Financial Management Administration

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Personal Services	$ 94,925	$ 93,169	$ 93,220	$ 93,220	$ 93,250	$ 93,302	$ 93,302	(1.8)
Operating Expenses	46,565	52,339	52,980	52,751	54,687	55,875	55,585	13.3
Equipment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	--
Total Exp.	$141,490	$145,508	$146,200	$145,971	$147,937	$149,177	$148,887	3.2
FUNDING								
General Fund	$ 55,138	$ 45,508	$ 30,331	$ -0-	$ 17,937	$ 11,656	$ -0-	(100)
Federal Revenue	86,352	100,000	115,869	145,971	130,000	137,521	148,887	74.3
Total Funding	$141,490	$145,508	$146,200	$145,971	$147,937	$149,177	$148,887	3.2

Program Description: This program provides technical fiscal support to all other programs within the department of health.

Current Level Budget: The department negotiates an indirect cost rate with the federal government each year. This rate, which equaled 13.1 percent in fiscal 1984, 8.7 percent in fiscal 1985, 17.6 percent in fiscal 1986, and is expected to equal 17 percent in fiscal 1987, is applied against that portion of federal and state funds used to fund personal services, with the exception of federal block grants and National Center for Health Statistics funds. If a program is 50 percent federally funded, 50 percent general funded, the indirect rate is applied against the 50 percent of personal services supported by federal funds. The resulting amount is then taken by this bureau and the Fiscal Services Bureau to fund agency-wide administrative costs. The rate negotiated depends upon a number of factors, including previous rates, total administrative costs and the sufficiency of previous levels of indirect funds. In fiscal 1984, this bureau was partially funded by general fund due to the comparatively low indirect rates. The program will be completely funded by indirect charges in the 1987 biennium, eliminating all general fund support. The reduction in general fund does not cause a corresponding increase in general fund elsewhere in the department. The rise in operating expenses is due to an increase of $6,870 in Department of Administration insurance expenses.

TBLFC:bas app par/38

Agency: Department of Health and Environmental Sciences

Program: Fiscal Services Bureau

	FY 1984	- - - - Fiscal 1986 - - - -			- - - - Fiscal 1987 - - - -			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	11.00	11.00	11.00	11.00	11.00	11.00	11.00	0.00
Personal Services	$238,983	$246,446	$246,582	$246,582	$246,948	$247,099	$247,099	3.2
Operating Expenses	69,701	107,826	81,660	81,784	66,170	41,454	40,973	17.3
Total Exp.	$308,684	$354,272	$328,242	$328,366	$313,118	$288,553	$288,072	6.4
FUNDING								
Federal Revenue	$308,684	$354,272	$328,242	$328,366	$313,118	$288,553	$288,072	6.4

Program Description: The Fiscal Services Bureau maintains the accounting system and provides centralized purchasing, mailroom, cashier, and auditing functions for the department of health.

Current Level Budget: Operating expenses rise in fiscal 1986 due to the addition of audit costs of $42,000. Audit costs were $32,908 in fiscal 1984. This program is entirely funded by indirect charges.

Modified Recommendations: Child Nutrition 1 FTE child nutrition auditor and operating expenses totaling $25,000 in fiscal 1986 and 1987, was approved. The position, which was added by budget amendment in fiscal 1984, is mandated by the federal government and funded by federal child nutrition funds.

Agency: Department of Health and Environmental Sciences

Program: Records and Statistics Bureau

	FY 1984	- - - - Fiscal 1986	- - - -	- - - -	- - - - Fiscal 1987	- - - -	- - - -	FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	14.5	13.5	13.5	13.5	13.5	13.5	13.5	(6.9)
Personal Services	$295,537	$281,135	$281,303	$281,303	$281,568	$281,747	$281,747	(4.8)
Operating Expenses	59,637	70,936	61,718	67,059	81,476	64,123	78,041	12.4
Equipment	-0-	17,916	728	-0-	-0-	728	-0-	0.0
Total	$355,174	$369,987	$343,749	$348,362	$363,044	$346,598	$359,788	(1.9)
FUNDING								
General Fund	$210,481	$234,295	$198,326	$212,670	$227,418	$201,175	$224,162	1
State Special	81,360	72,269	82,000	72,269	72,203	82,000	72,203	(11.2)
Federal Revenue	63,333	63,423	63,423	63,423	63,423	63,423	63,423	.1
Total	$355,174	$369,987	$343,749	$348,362	$363,044	$346,598	$359,788	(1.9)

Program Description: The Records and Statistics Bureau maintains the state's vital statistics system, produces statistical publications and analyses based upon this data, and provides statistical and consultative services.

Current Level Budget: A 1 FTE programmer position was deleted from current level at the department's request, resulting in the personal services decrease. Microfilming and computer processing charges were raised $3,849. A one-time expense of $9,905 was added in fiscal 1987 to print the vital statistics forms, which are updated every ten years.

State special revenue consists of fees charged to the public for copies of birth and death certificates. The total amount available is anticipated to decrease primarily due to a higher rate of indirect costs taken. The department contracts with the National Center for Health Statistics each year to provide them with health data. This contract totals $61,090 each year of the biennium. The balance of federal revenue consists of the Center for Disease Control Death Index totaling $2,333 each year.

Modified Recommendations: System Update A modified request of $21,848 in fiscal 1986 and $3,996 in fiscal 1987 of general fund to update the bureau's data entry capability was approved. The modified consists of $17,916 in equipment and $3,932 in operating expenses in fiscal 1986 and $3,996 in operating expenses in fiscal 1987.

DEPARTMENT: Department of Health and Environmental Sciences

PROGRAM: Environmental Sciences Division Administration

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Personal Services	$ 98,517	$102,624	$102,632	$102,729	$102,873	$102,882	$102,979	4.2
Operating Expenses	13,814	10,903	15,994	10,916	10,889	15,984	11,020	(20.7)
Total	$112,331	$113,527	$118,626	$113,645	$113,762	$118,866	$113,999	1.2
FUNDING								
General Fund	$ 59,002	$ -0-	$ 59,002	$ -0-	$ -0-	$59,055	$ -0-	(100.0)
State Special	22,171	78,763	25,084	113,645	78,881	27,094	113,999	412.5
Federal Funds	31,158	34,764	34,540	-0-	34,881	32,717	-0-	(100.0)
Total	$112,331	$113,527	$118,626	$113,645	$113,762	$118,866	$113,999	1.2

Program Description: This bureau is responsible for overall administrative, management, and coordinating support for the Environmental Sciences Division.

Current Level Budget: Operating expenses decline due to less travel, Governor's inflation factors, and the removal of $3,000 in legal expenses as a result of the reorganization of the Legal Services Bureau. This bureau will now use the services of the 1.0 FTE division lawyer and 1.0 FTE legal support staff supported by the Air Quality, Solid Waste, and Water Quality Bureaus.

This bureau does not receive a specific federal grant, but incorporates portions of grant monies received by other bureaus of the division. The federal funds are incorporated as they become available. In fiscal 1984 the bureau used EPA Montana Operator's Certification funds, EPA East Helena Blood Lead Study funds, EPA Hazardous Waste funds, and EPA Safe Drinking Water funds. Since it is not known how much if any federal funds would be available for this bureau in the 1987 biennium, they have been replaced by state Resource Indemnity Trust (RIT) and Junk Vehicle funds from the Solid Waste Bureau due to the surety of their availability. If federal funds become available during the biennium, they will replace state RIT funds. Any federal matching requirements will be met with Junk Vehicle funds. RIT funds become statutorily available to the Environmental Sciences Division beginning in fiscal 1986. This new availability allowed for the total replacement of general fund in this biennium.

Agency: Department of Health and Environmental Sciences | Program: Solid Waste Bureau

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	13.3	19.0	11.0	11.5	19.0	11.0	11.5	(13.5)
Personal Services	$ 341,363	$ 486,976	$ 294,821	$ 305,612	$ 487,598	$ 295,298	$ 306,115	(10.5)
Operating Expenses	530,186	2,298,762	229,328	213,773	2,977,817	240,094	219,716	(59.7)
Equipment	1,316	14,604	1,500	6,405	-0-	-0-	-0-	386.7
Grants	574,165	782,885	782,885	782,885	814,983	814,983	814,983	36.4
Total Exp.	$1,447,030	$3,583,227	$1,308,534	$1,308,675	$4,280,398	$1,350,375	$1,340,814	(9.6)
FUNDING								
General Fund	$ 125,991	$ 75,172	$ 75,435	$ 73,128	$ 75,029	$ 76,056	$ 72,962	(42.0)
State Special Rev.	705,871	1,328,056	1,061,393	1,059,721	1,420,105	1,097,431	1,091,598	50.1
Federal Revenue	615,168	2,179,999	171,706	175,826	2,785,264	176,888	176,254	(71.4)
Total Funding	$1,447,030	3,583,227	$1,308,534	$1,308,675	$4,280,398	$1,350,375	$1,340,814	(9.6)

Language in Bill: Resource Indemnity Trust funds allocated to the Department of Health and Environmental Sciences as per 15-38-202, MCA, received in excess of $358,240 in fiscal 1986, and $417,192 in fiscal 1987 are appropriated for use by the Solid Waste Bureau for the Hazardous Waste and Superfund Programs.

Program Description: This bureau is responsible for the licensing, inspection, and enforcement duties concerning the 200 waste disposal sites in the state; enforcement of federal and state hazardous waste statutes; and the junk vehicle recycling program.

Current Level Budget: The Superfund and Hazardous Waste Dump Inventory Programs were appropriated for by the 1983 legislature, but are included as modified requests for the 1987 biennium due to a substantial program expansion. Therefore, 2.3 FTE and related operating expenses of $409,009 were removed from current level.

Two .25 FTE legal support personnel and expenses totaling $14,234 in fiscal 1986 and $14,326 in fiscal 1987 were transferred to this bureau as part of the reorganization of the Legal Services Bureau. Legal fees of $26,883 in fiscal 1986 and $28,227 in fiscal 1987 were commensurately removed. Funds totaling $10,000 each year of the biennium were added to plan and design an in-state hazardous waste dump site.

The Junk Vehicle Program contracts with counties to provide free junk vehicle graveyards and provides grants to the counties for their upkeep. The income from the sale of the vehicles as scrap metal supports administration of the program and the grants to counties. A total of $100,000 of junk vehicle funds is included in operating expenses as a contingency should the price of steel fall and the program no longer be self-sufficient.

State special revenue consists of Resource Indemnity Trust and junk vehicle funds. As per Section 15-38-202, MCA, starting in fiscal 1986 6 percent of all interest from the Resource Indemnity Trust (RIT) fund will be available to match federal superfund and hazardous waste funds. Federal revenue consists of EPA hazardous waste funds, which require a 25 percent state match. Table 1 shows the Resource Indemnity Trust fund for the Health Department.

Table 1
Resource Indemnity Trust Funds

	Current Level Fiscal 1986	Current Level Fiscal 1987	Modified Fiscal 1986	Modified Fiscal 1987
Beginning Balance	$ -0-	$ 8,155	-0-	-0-
Anticipated Revenue	366,395	412,556	-0-	-0-
Total Available	$366,395	$420,711	-0-	-0-
Disbursements				
Hazardous Waste	$ 58,610	$ 58,754	$ 33,871	$ 32,295
Superfund	-0-	-0-	203,858	264,122
Legal	-0-	-0-	5,138	5,140
Division Administration	56,763	56,881	-0-	-0-
Total Disbursements	$115,373	$115,635	$242,867	$301,557
Balance	$251,022	$305,076	$ 8,155	$ 3,519

Table 2 shows the current level cash flow for the junk vehicle account.

Table 2
Junk Vehicle Funds

	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987
Beginning Balance	$1,609,051	$1,641,624	$1,237,554	$ 799,574
Revenue	738,459	620,000	620,000	620,000
Total Available	$2,347,510	$2,261,624	$1,857,554	$1,419,574
Disbursements				
Junk Vehicle	$ 705,851	$1,001,585	$1,001,111	$1,032,844
Division Administration	22,187	22,485	56,869	56,987
Total Disbursements	$ 728,038	$1,024,070	$1,057,980	$1,089,831
Adjustment	22,152	-0-	-0-	-0-
Ending Balance	$1,641,624	$1,237,554	$ 799,574	$ 329,743

TPLEG:hes app nar/15

Modified R[illegible]endations: (1) Hazardous Waste - 1 FTE environmental [illegible]er, 2 FTE environmental specialists, a .5 FTE admini[illegible]ve aide, and operating expenses totaling $135,486 in fiscal 1986, $33,871 of RIT and $101,165 of EPA hazardous waste funds; and $129,181 in fiscal 1987, $32,295 of RIT and $96,886 of EPA hazardous waste funds, was approved due to a change in federal regulations bringing more businesses under the jurisdiction of the Hazardous Waste Program.

(2) Hazardous Waste Dump Inventory 1.5 FTE, an environmental specialist and an administrative aide, and related expenses totaling $41,941 in fiscal 1986 and $41,801 in fiscal 1987 of EPA hazardous waste dump inventory funds to complete the Hazardous Waste Dump Inventory project were approved.

(3) Superfund 2.0 FTE environmental engineers and expenses totaling $2,082,558 in fiscal 1986, $203,858 of RIT and $1,878,700 of superfund, and $2,759,270 in fiscal 1987, $264,122 of RIT and $2,495,148 of superfund, to continue the cleanup of Milltown and Silverbow Creek superfund projects and expand the program to include new sites on the federal superfund list were approved.

(4) Lawyer A .5 FTE lawyer and expenses totaling $15,414 in fiscal 1986 and $15,420 in fiscal 1987 to handle all legal needs of this bureau and other bureaus of the Environmental Sciences Division was approved. The position is supported by general fund totaling $5,138 in fiscal 1986 and $5,140 in fiscal 1987; the remaining costs are funded by RIT, EPA hazardous waste and junk vehicle funds.

Agency: Department of Health and Environmental Science

Program: Air Quality Bureau

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	17.50	19.50	17.50	18.00	19.50	17.50	18.00	2.90
Personal Services	$ 471,306	$548,457	$498,173	$508,948	$549,748	$499,371	$510,172	8.0
Operating Expenses	419,943	241,386	246,408	217,774	242,679	256,898	218,814	(48.2)
Equipment	111,154	6,305	5,500	5,500	400	5,000	5,000	(947.2)
Grants	95,000	95,000	95,000	95,000	95,000	95,000	95,000	0.0
Total Exp.	$1,097,403	$891,148	$845,081	$827,222	$887,827	$856,269	$829,986	(24.6)
FUNDING								
General Fund	$ 280,110	$326,071	$ 310,657	$320,657	$326,077	$310,657	$320,657	14.5
Federal Funds	817,293	565,077	1,051,089	506,565	561,750	545,612	509,329	(78.8)
Total Funding	$1,097,403	$891,148	$ 845,081	$827,222	$887,827	$856,269	$829,986	(24.6)

Program Description: The Air Quality Bureau is responsible for maintaining outdoor air quality levels considered safe to the public health and welfare through permit review, inspections, monitoring, and information dissemination.

Current Level Budget: Three temporary projects that were appropriated for by the 1983 legislature and completed in fiscal 1984 have been removed from current level: 1) United Minerals variance; 2) Scobey Air Monitoring; 3) East Helena Blood Lead Study. The three projects totaled $190,498 in operating expenses and $101,969 in equipment. A .5 FTE legal support staff and operating expenses totaling $14,218 in fiscal 1986 and $14,308 in fiscal 1987 were added as part of the reorganization of the Legal Services Bureau. Legal expenses of $15,646 in fiscal 1986 and $16,428 in fiscal 1987 were correspondingly removed from current level. Grants are made to local governments with approved programs that perform air monitoring. General fund increases due to maintenance of effort provisions in federal law, which state that state contributions must equal the prior year's level in order to receive the EPA air quality grant. The figure of $320,657 represents the anticipated level of expenditure in fiscal 1985. Federal revenue consists of the EPA air quality grants, expected to total $475,063 in fiscal 1986 and $477,813 in fiscal 1987, and Bureau of State Lands, which supports a shared FTE. This source totals $31,502 in fiscal 1986 and $31,516 in fiscal 1987.

Modified Recommendations: (1) Tribal Air Monitoring Project--A modification was approved to continue the Tribal Air Monitoring Project, started by budget amendment in fiscal 1984, which monitors air quality on Indian reservations. The project is supported by EPA air quality funds totaling $48,412 in fiscal 1986 and $48,509 in fiscal 1987.

(2) Lawyers--A .5 FTE lawyer at a cost of $15,414 in fiscal 1986 and $15,420 in fiscal 1987 of EPA air quality funds was approved to provide legal support exclusively to this bureau.

(3) Scobey Air Monitoring Project--A continuation of the Scobey Air Monitoring Project totaling $15,000 in general fund in fiscal 1987 was approved to monitor air quality from the Saskatchewan Power plant, which emits pollutants. This expenditure will not raise the EPA Air Quality grant maintenance of effort requirements because it is not considered part of the federal program.

TPLFG:bes app nar/17

Agency: Department of Health and Environmental Sciences

Program: Occupational Health Bureau

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	4.00	5.00	4.00	4.00	5.00	4.00	4.00	0.00
Personal Services	$125,285	$152,570	$124,269	$124,269	$152,691	$124,269	$124,380	(.8)
Operating Expenses	40,693	53,738	50,092	46,373	53,651	47,637	47,661	14.0
Equipment	1,900	14,500	2,200	2,200	-0-	-0-	-0-	15.8
Total Exp.	$167,878	$220,808	$176,561	$172,842	$206,342	$171,906	$172,041	3.0
FUNDING								
General Fund	$167,878	$220,808	$176,561	$172,842	$206,342	$171,906	$172,041	3.0

Program Description: This bureau is responsible for administering the Radiological and Occupational Health Programs. Primary emphasis is on the inspection of x-ray machines and the provision of measurement and technical expertise to ensure safety in homes and workplaces.

Current Level Budget: Operating expenses rise due to the addition of $2,000 each year of the biennium to purchase lab gas that had previously been stockpiled for the Beckman Low Level Alpha Beta counter, and the addition of $2,700 for the purchase of a maintenance contract on laboratory equipment. Legal expenses of $1,152 in fiscal 1986 and $1,210 in fiscal 1987 were removed as part of the reorganization of the Legal Services Bureau.

Modified Recommendations: (1) X-Ray Inspector There are currently over 2,000 x-ray units in the state. A modified request to add 1 FTE x-ray inspector and related expenses totaling $41,072 in fiscal 1986 and $34,084 in fiscal 1987 was approved to help alleviate the workload of the health physicist who currently inspects the units. This expansion is funded by general fund.

TPLFG:hes app nar/18

Agency: Department of Health & Environmental Sciences — Program: Water Quality Bureau

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	37.25	40.25	37.25	38.25	39.25	36.25	38.25	2.7
Personal Services	$ 994,362	$1,132,675	$1,042,615	$1,079,759	$1,107,572	$1,027,044	$1,082,182	8.6
Operating Expenses	327,753	431,999	360,716	306,423	372,896	377,908	316,798	(6.5)
Equipment	271	10,805	6,500	6,500	3,100	1,700	1,700	2.3
Grants	154,357	200,420	197,960	200,420	200,420	197,960	200,420	29.8
Total Exp.	$1,476,743	$1,775,899	$1,607,791	$1,593,102	$1,683,988	$1,604,612	$1,601,100	7.9
FUNDING								
General Fund	$ 211,213	$ 304,861	$ 216,010	$ 293,972	$ 305,558	$ 218,307	$ 296,531	39.2
State Special Rev.	168,066	177,115	222,232	188,175	177,538	211,420	190,817	12.1
Federal Revenue	1,097,464	1,293,923	1,169,549	1,110,955	1,200,892	1,174,885	1,113,752	1.2
Total Funding	$1,476,743	$1,775,899	$1,607,791	$1,593,102	$1,683,988	$1,604,612	$1,601,100	7.9

Program Description: This bureau is responsible for Montana's safe drinking and water pollution laws, the Subdivision Program, wastewater operator licensing, water quality management, and administration of the federal construction grants program.

Current Level Budget: One FTE lawyer position and related expenses totaling $39,986 in fiscal 1986 and $40,251 in fiscal 1987 was transferred to this bureau as part of the reorganization of the Legal Services Bureau. Commensurately, $65,656 in fiscal 1986 and $68,921 in fiscal 1987 in legal costs were removed from operating expenses. Laboratory expenses of $10,056 in fiscal 1986 and $10,558 in fiscal 1987 were added.

General fund rises due to two factors: 1) the Subdivision Program, which had been entirely funded by developer fees, was allocated $30,000 each year to supplement the fee income and provide some stability to the funding base; 2) the Water Quality Management section's general fund contribution was increased from $36,039 in fiscal 1984 to $94,679 in fiscal 1986 and $97,558 in fiscal 1987. The section is partially funded by federal 205j funds, which will be available at a reduced level in the 1987 biennium from the level available in the 1985 biennium. The increase in general fund will allow the section to maintain current level operations.

State special revenue includes subdivision developers fees of $168,736 in fiscal 1986 and $171,077 in fiscal 1987; and waste water operators certification fees of $19,439 in fiscal 1986 and $19,740 in fiscal 1987. Federal revenue consists of the following:

Table 1

Federal Funds--Water Quality Bureau

Fund	Recipient	Fiscal 1984	Fiscal 1986	Fiscal 1987
205j	Water Quality Mgmt.	$ 155,962	$ 107,012	$ 107,426
205g	Construction Grants Water Pollution Control	286,085	398,294	397,241
106	Water Pollution Control	377,733	313,337	314,245
Safe Drinking Water	Safe Drinking Water	276,364	292,312	294,840
Total		$1,096,144*	$1,110,955	$1,113,752

*Balance of federal revenue of $1,320 is a one-time payment from Champion International

Safe drinking water requires a 25 percent state match, 106 funds require a maintenance of effort equal to the 1971 level of effort, and 205g funds require the 106 fund 1977 maintenance of effort.

Modified Recommendation: (1) Clark Fork - The state monitors the Clark Fork River for contaminants emanating from Champion International. A modified request to add 1 FTE environmental specialist and operating expenses to complete the project at a cost of $93,004 in fiscal 1986 of federal 106 funds was approved.

(2) Groundwater Pollution Control - Complaints of ground water pollution are under the jurisdiction of this bureau and have increased in recent years. Federal 106 funds totaling $92,778 in fiscal 1986 and $92,842 in fiscal 1987 were approved to expand the Groundwater Pollution Control Program by 1 FTE environmental engineer and operating expenses.

Agency: Department of Health & Environmental Sciences

Program: Food and Consumer Safety Bureau

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	10.00	9.00	9.00	9.00	9.00	9.00	9.00	(10.0)
Personal Services	$281,100	$275,419	$275,649	$275,649	$276,294	$276,551	$276,551	(1.9)
Operating Expenses	60,886	52,665	64,624	52,684	53,364	67,099	54,087	(13.5)
Equipment	155	155	500	155	155	-0-	155	0.0
Grants	181,841	204,000	204,000	204,000	206,000	206,000	206,000	12.2
Total Exp.	$523,982	$532,239	$544,773	$532,488	$535,813	$549,650	$536,793	1.7
FUNDING								
General Fund	$342,141	$328,239	$340,773	$328,488	$329,813	$343,650	$330,793	(3.9)
State Special Rev.	181,841	204,000	204,000	204,000	206,000	206,000	206,000	12.2
Total Funding	$523,982	$532,239	$544,773	$532,488	$535,813	$549,650	$536,793	1.7

Program Description: This bureau is responsible for (1) issuing licenses to food establishments, hotels, motels, trailer parks, pools and spas, and (2) training and support services to local health inspectors.

Current Level Budget: A 1 FTE word processor operator position was transferred to the word processing pool of the Management Services Division. The major cause of the decrease in operating expenses of 13.5 percent is the removal of $10,000 in legal fees due to the reorganization of the Legal Services Bureau. Grants to counties are from the local board inspection fees account. All hotels, motels, tourist and retirement homes, and rooming houses pay a fee of $30, of which 85 percent goes into the account and the balance to the general fund. Counties are reimbursed from the fund to pay their local inspection costs. The increase in grants is due to an anticipated increase of 175 licensed establishments.

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Agency: Department of Health & Environmental Sciences

Program: Management Services Administration

	FY 1984	- - Fiscal 1986 - -			- - Fiscal 1987 - -			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	8.5	9.00	9.00	9.00	9.00	9.00	9.00	5.9
Personal Services	$172,173	$186,126	$186,121	$186,121	$186,250	$186,249	$186,249	2.3
Operating Expenses	42,313	46,277	45,867	48,075	49,116	49,318	50,898	13.6
Equipment	48,520	8,400	8,400	8,400	-0-	-0-	-0-	(82.7)
Total Exp.	$263,006	$240,803	$240,388	$242,596	$235,366	$235,567	$237,147	(7.8)
FUNDING								
General Fund	$164,973	$165,931	$159,761	$167,781	$164,336	$160,844	$166,255	1.7
State Special Rev.	48,520	18,000	30,000	48,000	18,000	30,000	51,000	(1.1)
Federal Revenue	49,513	56,872	50,627	26,815	53,030	44,723	19,892	(45.7)
Total Funding	$263,006	$240,803	$240,388	$242,596	$235,366	$235,567	$237,147	(7.8)

Program Description: This program is responsible for word processing services for the health department, maintenance and distribution of audio visual aids to private and public health organizations, and administration of the chemistry and microbiology laboratories.

Current Level Budget: The number of FTE increases due to the transfer of 1 FTE word processor operator from the Food and Consumer Safety Bureau and 1 FTE office manager position from the Data Processing Bureau, and the deletion at the agency's request of 1 FTE administrative clerk and .5 FTE film library clerk.

The increase in operating expenses is due to maintenance contracts on existing equipment of $1,585 in fiscal 1986 and $1,664 in fiscal 1987 and an increase in rent of $664 in fiscal 1986 and $1,040 in fiscal 1987 over the fiscal 1984 level. The rent figure represents an increase of $2,987 in fiscal 1986 and $3,108 in fiscal 1987 due to a reallocation of space. Equipment is a film maintenance machine, funded by film library fees.

State special revenue is water test fees and laboratory fee income of the microbiology and chemistry laboratories. In the 1987 biennium $18,000 of the water test fees will be used to fund this program each year. The remainder of the fees will be for the support of the microbiology lab. Table 1 shows the fund balance for water test fees.

Table 1
Water Test Fees

	FY 84	FY 85	FY 86	FY 87
Beginning Balance	$ 84,440	$ 70,905	$ 70,905	$ 35,584
Revenue	99,875	61,530	70,000	70,000
Total Available	$184,315	$132,435	$140,905	$105,584
Disbursements				
Administration	$ 48,520	$ -0-	$ 18,000	$ 18,000
Microbiology Lab	51,797	61,530	75,400	75,400
Chemistry Lab	9,628	-0-	-0-	-0-
Indirect Costs	-0-	-0-	11,921	11,514
Total Disbursements	$109,945	$ 61,530	$105,321	$104,914
Adjustments	(3,465)	-0-	-0-	-0-
Ending Balance	$ 70,905	$ 70,905	$ 35,584	$ 670

Table 2 shows the fund balance for laboratory fee income.

Table 2
Laboratory Fees

	FY 84	FY 85	FY 86	FY 87
Beginning Balance	$ 12,953	$ 54,432	$ 95,938	$ 35,934
Revenue	190,891	204,800	243,800	193,800
Total Available	$203,844	$259,232	$339,738	$229,734
Disbursements				
Administration	$ 34,895	$ 20,082	$ 30,000	$ 33,000
Chemistry Lab	114,398	143,212	200,217	171,013
Microbiology Lab	-0-	-0-	50,000	-0-
Indirect Costs	-0-	-0-	23,587	22,902
Total Disbursements	$149,293	$163,294	$303,804	$226,915
Adjustments	119	-0-	-0-	-0-
Ending Balance	$ 54,432	$ 95,938	$ 35,934	$ 2,819

Laboratory fee income had been classified as federal revenue in the 1985 biennium, but will be classified as state special revenue in the 1987 biennium. Fiscal 1986 revenue includes $50,000 biennial contingency fund, included in the microbiology laboratory.

Federal revenue consists of film library fees, which are charged to the Department of Institutions and the Clinical and Emergency Medical Services Bureaus of the Health Services Division. Charges are based upon the funds needs of the film library and are expected to total $26,815 in fiscal 1986 and $19,892 in fiscal 1987.

Agency: Department of Health & Environmental Sciences

Program: Microbiology Lab Bureau

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	9.00	9.00	9.00	9.00	9.00	9.00	9.00	0.00
Personal Services	$231,881	$234,019	$234,096	$234,096	$234,343	$234,428	$234,428	4.1
Operating Expenses	97,610	91,349	93,883	143,254	91,940	98,202	96,424	47.6
Equipment	-0-	7,000	7,400	7,400	-0-	-0-	-0-	100
Total Exp.	$329,491	$332,368	$335,379	$384,750	$326,283	$332,630	$330,852	17.0
FUNDING								
General Fund	$243,691	$222,968	$230,773	$225,350	$216,883	$228,024	$221,452	(7.5)
State Special Rev.	51,799	75,400	70,606	125,400	75,400	70,606	75,400	45.6
Federal Revenue	34,001	34,000	34,000	34,000	34,000	34,000	34,000	0.0
Total Funding	$329,491	$332,368	$335,379	$384,750	$326,283	$332,630	$330,852	17.0

Language in Bill: A $50,000 biennial contingency fund is line-itemed for reimburseable laboratory work in excess of $253,804 in fiscal 1986 and $226,915 in fiscal 1987. This laboratory work does not include water testing fees.

Program Description: This bureau provides testing, consultation and coordination for disease control and environmental programs, and approves and certifies laboratories within the state.

Current Level Budget: Operating expenses rise due to the inclusion of $50,000 in state special revenue contingency funds in fiscal 1986. Equipment consists of a Brightfield microscope and a CO_2 incubator. All equipment purchases of this bureau had been funded in Management Services Division administration in fiscal 1984 for reporting purposes. State special revenue consists of water test fees of $75,400 each year and $50,000 of laboratory fee contingency funds in fiscal 1986. General fund decreases due to an anticipated increase in water test fee income due to the utilization of carryover funds and an increase in the lab handling charge from $1.50 to $1.75. Federal revenue consists of the Preventive Health block grant.

Modified Recommendations: (1) PKU Testing--The Clinical Bureau currently contracts with Oregon State Labs to perform PKU testing on newborns. A modified request to make the microbiology laboratory capable of performing PKU tests was approved. Start up costs of $145,600 in fiscal 1986, funded by general fund, were approved. Correspondingly, general fund of $69,068 in fiscal 1986 and $72,521 in fiscal 1987 was deleted from the Clinical Bureau, which had paid for the tests. Fees will now be paid to the labs by medical service providers for the cost of performing the tests. This fee income is expected to total $21,550 in fiscal 1986 and $75,973 in fiscal 1987. It is the intent of the legislature that the PKU testing program be completely self sufficient and that no general fund be requested after fiscal 1986.

Agency: Department of Health Environmental Sciences

Program: Chemistry Lab Bureau

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	6.00	6.00	6.00	6.00	6.00	6.00	6.00	0.00
Personal Services	$163,749	$166,012	$166,097	$166,097	$166,466	$166,565	$166,565	1.4
Operating Expenses	68,897	81,213	81,539	83,031	81,610	85,422	85,825	20.5
Equipment	-0-	37,500	35,000	37,500	-0-	-0-	-0-	100
Total Exp.	$232,646	$284,725	$282,636	$286,628	$248,076	$251,987	$252,390	23.2
FUNDING								
General Fund	$108,619	$ 84,550	$ 74,967	$ 86,411	$ 77,063	$ 36,118	$ 81,377	(20.4)
State Special Rev.	9,630	-0-	-0-	200,217	-0-	-0-	171,013	197.9
Federal Revenue	114,397	200,175	207,669	-0-	171,013	215,869	-0-	100
Total Funding	$232,646	$284,725	$282,636	$286,628	$248,076	$251,987	$252,390	23.2

Program Description: This bureau provides analytical and consulting services to various divisions within the department of health and other state agencies. Private air and water samples are also analyzed.

Current Level Budget: The rise in operating expenses is due to the inclusion of a maintenance contract on laboratory equipment for $8,895 in fiscal 1986 and 1987, and an increase in rent of $2,371 in fiscal 1986 and $2,472 in fiscal 1987. Equipment consists of a gas chromatograph, a purge and trap concentrator and a calculator. All equipment purchases of this bureau were funded in Management Services Division administration in fiscal 1984 for reporting purposes. State revenue allocated to this program in fiscal 1984 consisted of water test fees, all of which are used to fund division administration and the microbiology laboratory in fiscal 1986 and 1987. State special revenue in the 1987 biennium consists of laboratory fee income, which had been classified as federal revenue in the 1985 biennium. Laboratory fee income is anticipated to increase based upon the use of carryover funds and an increase in the handling charge from $1.50 to $1.75. The rise in lab income allows for a decrease in general fund.

Agency: Department of Health & Environmental Science | Program: Data Processing Bureau

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	2.00	1.00	1.00	1.00	1.00	1.00	1.00	(100)
Personal Services	$31,732	$24,016	$24,019	$24,019	$24,026	$24,028	$24,028	(24.3)
Operating Expenses	6,249	9,306	9,033	9,094	9,360	9,537	9,572	46.3
Equipment	-0-	3,100	-0-	3,100	-0-	5,000	-0-	100
Total Exp.	$37,981	$36,422	$33,052	$36,213	$33,386	$38,565	$33,600	(4.6)
FUNDING								
Federal Revenue	$37,981	$36,422	$33,052	$36,213	$33,386	$38,565	$33,600	(4.6)

Program Description: This bureau provides systems analysis, design, development and maintenance to the programs of the department of health.

Current Level Budget: A 1.0 FTE office manager position, which had been 20 percent supported by this bureau, but for reporting purposes appeared as a full FTE, was transferred to division administration resulting in the reduction in personal services. The rise in operating expenses of 44.5 percent is due to a reallocation of rent charges from $2,020 to $4,196 per year and an increase in computer processing charges of $470 in fiscal 1986 and 1987.

Federal revenue consists of fees charged to programs within the department of health. The bureau determines what needs to be charged in order to provide the service, based on the number of FTE required and the hours of actual billing. These fees appear as operating expenses in the contributor programs.

Agency: Department of Health and Environmental Sciences

Program: Health Services and Medical Facilities Division Administration

	FY 1984 Actual	Fiscal 1986 Executive	Fiscal 1986 Current Level	Fiscal 1986 Subcommittee	Fiscal 1987 Executive	Fiscal 1987 Current Level	Fiscal 1987 Subcommittee	FY 84-86 % Change
FTE	2.65	1.9	0.0	1.9	1.9	0.0	1.9	(28.3)
Personal Services	$22,833	$62,796	$ -0-	$62,843	$62,919	$ -0-	$62,965	175.5
Operating Expenses	-0-	4,719	-0-	4,724	4,734	-0-	4,794	100.0
Total Exp.	$22,833	$67,515	$ -0-	$67,567	$67,653	$ -0-	$67,759	196.9
FUNDING								
General Fund	$ 7,167	$33,682	$ -0-	$33,734	$33,758	$ -0-	$33,864	370.6
Federal Revenue	15,666	33,833	-0-	33,833	33,895	-0-	33,895	116.0
Total Funding	$22,833	$67,515	$ -0-	$67,567	$67,653	$ -0-	$67,759	196.9

Program Description: This bureau supervises, organizes, and directs the individual activities of the Health Services and Medical Facilities Division.

Current Level Budget: In fiscal 1984 several programs were consolidated within the existing Health Services Division, which included the Health Planning and Licensing and Certification Bureaus, to create the Health Services and Medical Facilities Division. The Health Services Division administrator became the new division administrator and consequently took on division-wide responsibilities. The following shows the FTE of each program as allocated by the 1983 legislature and as reorganized by the 1985 legislature.

Table 2
FTE Allocation - 1987 Biennium

Positions	Health Planning Bureau Prior to Reorganization	To Division Administration Bureau	Licensing and Certification Bureau Prior to Reorganization	To Division Administration Bureau	Total Administration Bureau
Division Administrator	.5	.25	.5	.25	.5
Assistant Administrator	1.0	.50	.0	.00	.5
Secretarial and Support	1.3	.50	.8	.40	.9
	2.8	1.25	1.3	.65	1.9

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In a[illegible]on, .05 FTE support staff was transferred from the Health [illegible]ning Bureau to the Emergency Medical Services Bureau.

Since the duties of each position have expanded and diversified, the federal authorities indicated they would no longer continue federal financial support to the prior extent given. Therefore, 1.9 FTE were transferred to the new health services and Medical Facilities Division Administration bureau to reduce the contribution of federal health planning and licensing and certification funds to their support.

Operating expenses include rent of $1,716 in fiscal 1986 and $1,786 in fiscal 1987 and travel of $3,007 in fiscal 1986 and 1987.

This bureau is funded 50 percent by general fund and the balance by federal Maternal and Child Health and Preventive Health Block Grants.

Agency: Department of Health and Environmental Science

Program: Dental and Risk Reduction Bureau

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	2.5	2.4	2.0	2.4	2.4	2.0	2.4	(.4)
Personal Services	$ 89,361	$ 89,391	$ 75,405	$ 89,442	$ 89,624	$ 75,630	$ 89,674	0.0
Operating Expenses	26,008	58,406	24,260	24,959	27,374	25,194	25,613	(4.0)
Equipment	2,058	-0-	-0-	-0-	-0-	-0-	-0-	(100.0)
Grants	58,919	26,495	1,233	1,233	23,488	1,233	1,233	(97.9)
Total Exp.	$176,346	$174,292	$100,898	$115,634	$140,486	$102,057	$116,520	(34.3)
FUNDING								
General Fund	$ 65,374	$ 68,370	$ 67,640	$ 66,920	$ 67,373	$ 68,273	$ 67,263	2.4
Federal Revenue	110,972	105,922	33,258	48,714	73,113	33,784	49,257	(56.1)
Total Funding	$176,346	$174,292	$100,898	$115,634	$140,486	$102,057	$116,520	(34.3)

Program Description: This bureau consists of two programs: (1) Dental which consists of prevention and educational projects aimed at school children; and (2) Health Education and Risk Reduction which promotes healthy lifestyles in the state.

Current Level Budget: A vacant 0.1 FTE secretarial position was deleted from current level. All operating expenses and grants associated with the Hypertension Program totaling $60,788 in fiscal 1984, which had been funded by the federal Preventive Health block grant, were deleted as the program is no longer federally mandated as a condition of receiving the Preventive Health Block grant. Remaining grants are within the Health Education and Risk Reduction Program for community health promotion.

Modified Recommendations: (1) Mouthrinse Program. Thirty thousand dollars for the biennium was approved to purchase and distribute supplies for the Mouthrinse Program for school children, an ongoing project of the Dental Program. The modified is funded by $15,000 of the maternal and child health block grant and $15,000 of the preventive health block grant.

(2) Epidemiological Study The federal government has announced the availability of $12,000 in fiscal 1986 with which the Health Education and Risk Reduction Program will conduct an epidemiological study of health risk problems. Information from this study will be used for future planning of health services.

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Agency: Department of Health and Environmental Sciences

Program: Nursing Bureau

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	15.00	18.5	15.00	15.00	18.50	15.00	15.00	0.00
Personal Services	$ 410,390	$ 495,087	$ 416,938	$ 416,938	$ 495,555	$ 417,386	$ 417,386	1.6
Operating Expenses	162,096	300,113	279,117	279,527	301,078	290,656	286,890	72.4
Equipment	1,790	3,100	1,500	1,500	1,550	1,000	1,000	(16.2)
Grants	734,857	818,964	818,964	818,964	818,964	818,964	818,964	11.4
Total Exp.	$1,309,133	$1,617,264	$1,516,519	$1,516,929	$1,617,147	$1,528,006	$1,524,240	15.9
FUNDING								
General Fund	$ 182,068	$ 195,961	$ 188,387	$ 194,166	$ 196,765	$ 185,991	$ 193,335	6.6
Federal Revenue	1,127,065	1,421,303	1,328,132	1,322,763	1,420,382	1,342,015	1,330,905	17.4
Total Funding	$1,309,133	$1,617,264	$1,516,519	$1,516,929	$1,617,147	$1,528,006	$1,524,240	15.9

Program Description: The Nursing Bureau consists of: 1) administration; 2) nursing operations, which provides for continuing education and training of health care professionals; 3) communicable disease, which maintains surveillance and outbreak control of communicable disease; 4) childhood immunization, which provides for the prevention and control of vaccine preventable childhood disease; 5) venereal disease control, which provides for prevention and control of sexually transmitted diseases; 6) family planning, which provides education, counseling and medical services to women; and 7) rabies vaccine, which provides rabies vaccine to those in need.

Current Level Budget: Operating expenses rise due to two factors: 1) $54,000 of federal funds was added each year of the biennium to the Childhood Immunization Program to purchase whooping cough vaccine; 2) $42,000 was added each year of the biennium to purchase rabies vaccine. The Rabies Vaccine Program is supported by a proprietary account and had been in the Clinical Bureau in the 1985 biennium. Vaccine is made available to those persons in need and the state is reimbursed for the cost. Grants consist of Family Planning grants made to local family planning offices around the state. Federal funds are comprised of the following:

Table 1

Federal Funds--Nursing Bureau

	Program Supported	Fiscal 1984	Fiscal 1986	Fiscal 1987
1. Vaccination	Childhood Immunization	$123,973	$192,542	$196,859
2. Venereal Disease	Venereal Disease	58,524	52,346	523,344
3. Title ~~XX~~ X (10.X)	Family Planning	685,466	787,340	787,030
4. Maternal and Child Health Block Grant	Administration	25,146	28,000	28,000
	Family Planning	25,787	28,000	29,000
5. Preventive Health Block Grant	Family Planning	203,968	189,105	190,308
6. Rabies	Rabies Vaccine	27,067	45,430	47,374

The Family Planning Program total $1,004,445 in fiscal 1986 and $1,006,338 in fiscal 1987.

General fund supports the Communicable Disease Program and the remainder of the Administration Program, and provides the 20 percent match on personnel services and travel in the childhood vaccination and venereal disease programs.

Modified Recommendations: (1) Nursing Operations A modified request to add 1 FTE nurse consultant and related expenses totaling $35,414 in fiscal 1987 was approved. The nurse consultant will provide support services to local public health nurses, alleviate the current workload on traveling staff and allow the Bureau Chief, who currently performs many of the duties the staff will perform, to assume more Helena-based bureau responsibilities. The position is funded by the federal Preventive Health block grant.

(2) Family Planning A .5 FTE public health nurse and related expenses to expand the Family Planning Program staff was approved at a cost of $11,649 in fiscal 1986 and $11,653 in fiscal 1987. The staff would provide program support to local family planning offices. The position is funded by the Preventive Health block grant.

Agency: Department of Health and Environmental Sciences | Program: Clinical Bureau

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	19.5	21.5	16.5	16.5	22.5	16.5	16.5	(15.4)
Personal Services	$ 496,636	$ 557,560	$ 411,561	411,561	$ 574,006	$ 412,400	$ 412,400	(17.1)
Operating Expenses	4,207,188	6,222,381	5,075,912	5,025,305	6,325,127	5,121,701	5,047,414	19.6
Equipment	2,381	16,544	16,507	16,507	1,000	-0-	-0-	593.3
Grants	3,827,901	3,105,338	3,570,038	2,905,337	3,105,338	3,570,038	2,905,337	(24.1)
Total Exp.	$8,534,106	$9,901,823	$9,074,018	$8,358,710	$10,005,471	$9,104,139	$8,365,151	(2)
FUNDING								
General Fund	$ 230,533	$ 224,708	$ 189,268	$ 120,651	$ 212,289	$ 181,980	$ 129,581	(47.7)
Federal Revenue	8,303,573	9,677,115	8,884,750	8,238,059	9,793,182	8,922,159	8,235,570	(.8)
Total Funding	$8,534,106	$9,901,823	$9,074,018	$8,358,710	$10,005,471	$9,104,139	$8,365,151	(2)

Program Description: The Clinical Bureau is an administrative entity consisting of: 1) Administration; 2) Tumor Registry, which collects cancer data from medical facilities around the state; 3) handicapped children, which provides diagnosis, evaluation and treatment services to chronically handicapped children; 4) Women, Infants, and Children, which provides low income women and children at risk with nutritional counseling, education, and food supplements; and 5) Child Nutrition, which provides cash reimbursements to those facilities that provide nutritional supplements for children.

Current Level Budget: Three FTE associated with the Improved Pregnancy Outcome Program were removed from current level as the program has been phased out due to the expiration of federal funding.

Operating expenses rise due to: (1) the removal of all operating expenses of the Improved Pregnancy Outcome (IPO) Program which totaled $159,914 in fiscal 1984; (2) increased Women, Infants and Children funds of $946,236; (3) the addition of $66,000 for Newborn Transport, which had been a part of the IPO Program in fiscal 1984; and (4) the reduction of PKU testing costs of $63,704. The state microbiology lab will now perform the tests.

Operating expenses without WIC food payments are $932,313 in fiscal 1986 and $970,622 in fiscal 1987. All maternal and child health grants to counties, which had totaled $781,727 before budget amendments, in fiscal 1984, were transferred to the Director's Office. Remaining grants are illustrated in Table 1.

TRLFG: bes app par/33

Table 1
Grants--Clinical Bureau

Recipient	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987
Grants to Counties	$ 781,727	$ 602,441	$ -0-	$ -0-
Women, Infants, Children	1,040,471	953,229	1,081,919	1,081,919
Child Nutrition	2,005,703	1,823,418	1,823,418	1,823,418
Total	$3,827,901	$3,379,088	$2,905,337	$2,905,337

Table 2 shows the Clinical Bureau funding from federal sources.

Table 2
Federal Funding--Clinical Bureau

Source	Recipient	Fiscal 1984	Fiscal 1986	Fiscal 1987
Women, Infants, Children	WIC	$4,436,986	$5,451,752	$5,449,067
Child Nutrition	Child Nutrition	209,982	1,914,275	1,914,678
Maternal and Child Health Block Grant	Administration	36,573	105,756	80,634
	Handicapped Children	646,555	700,276	725,191
	Newborn Transport	-0-	66,000	66,000
	Grants to Counties	781,726	-0-	-0-
Improved Prenancy Outcome	IPO	248,797	-0-	-0-
Preventive Health Block Grant	Diabetes	34,157	-0-	-0-
Rabies Fund	Rabies	18,956	-0-	-0-
Total		$8,303,573	$8,238,059	$8,235,570

The Improved Pregnancy Outcome Program contained Newborn Transport. The program is not included in current level due to the discontinuance of its funding. Diabetes is no longer federally mandated. Rabies is now in the Nursing Bureau.

TPLEC: bes app par/34

Modified Re nendations: (1) Perinatal Program--Three FTE, a medical ector, public health nurse, and administrative aide, and ated expenses totaling $163,216 of maternal and child health block and $41,383 of preventive health block funds in fiscal 1986 and an additional 1 FTE administrative aide and operating expenses totaling $220,819 of maternal and child health block funds in fiscal 1987 was approved. The program is designed to increase the knowledge of health care specialists and lay persons in preventing prematurity and handicaps in infants.

(2) Women, Infants and Children--Two FTE, an administrative officer and a public health nutritionist, and increased food benefits, totaling $818,399 in fiscal 1986 and $818,419 in fiscal 1987 for the WIC program was approved. WIC is a federal program and the expansion was requested by the federal government.

(3) Child Nutrition--A .5 FTE program manager and grants totaling $213,805 in fiscal 1986 and $213,811 in fiscal 1987 was approved at the request of the federal government for this federal program.

(4) Cleft Palate - The Handicapped Children Program currently performs initial closure of cleft palates. This expansion, totaling $52,500 of maternal and child health block grant each year of the biennium, will provide for follow-up orthodontic or dental work.

TPLFC: hes app nar/35

Agency: Department of Health and Environmental Sciences

Program: Emergency Medical Services Bureau

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	9.30	9.35	9.30	9.35	9.35	9.30	9.35	.5
Personal Services	$200,635	$228,065	$226,982	$228,136	$228,242	$227,161	$228,315	13.7
Operating Expenses	266,389	313,344	292,361	297,747	334,492	300,861	320,313	11.8
Equipment	4,035	700	700	700	4,450	4,450	4,450	(82.6)
Total Exp.	$471,059	$542,109	$520,043	$526,583	$567,184	$532,472	$553,078	11.8
FUNDING								
General Fund	$282,142	$293,654	$299,143	$295,972	$300,001	$301,520	$303,656	4.9
State Special Rev.	21,787	45,597	21,787	45,172	45,597	21,787	44,567	107.3
Federal Revenue	167,130	202,858	199,113	185,439	221,586	209,165	204,855	11.0
Total Funding	$471,059	$542,109	$520,043	$526,583	$567,184	$532,472	$553,078	11.8

Program Description: This bureau is responsible for the planning, implementation, and coordination of statewide emergency medical services; managing the ambulance licensing program; providing training and certifying emergency medical technicians; and administering the Montana Poison Control System.

Current Level Budget: A .05 FTE was transferred to this bureau from the Licensing and Certification Bureau as part of the reallocation of division administrative costs. Operating expenses rise primarily due to (1) an increase in the costs of the contract with the Rocky Mountain Poison Center and the WATS line of $10,936 in fiscal 1986 and $18,309 in fiscal 1987 and (2) expanded advanced medical training and certification costs of $23,385 in fiscal 1986 and $22,780 in fiscal 1987. Funds of $10,000 were added in fiscal 1987 to print the state emergency medical services plan.

State revenue consists of emergency medical training and certification fees. The bureau anticipates an expansion in the number of persons taking advanced medical training and certification, resulting in the rise in income. Federal revenue consists of the preventive health block grant.

TPLEG:hes app nar/36

Agency: Department of Health and Environmental Sciences

Program: Health Planning Bureau

	FY 1984	- - Fiscal 1986 - -			- - Fiscal 1987 - -			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	10.3	9.0	10.3	9.0	9.0	10.3	9.0	(12.6)
Personal Services	$264,521	$253,005	$296,670	$253,608	$253,605	$297,258	$254,162	(4.1)
Operating Expenses	82,309	84,705	86,492	86,051	82,221	86,876	85,189	4.5
Equipment	5	-0-	-0-	-0-	-0-	-0-	-0-	(100.0)
Total Exp.	$346,835	$337,710	$383,162	$339,659	$335,826	$384,134	$339,351	(2.1)
FUNDING								
General Fund	$118,414	$123,886	$122,003	$126,401	$120,581	$122,003	$125,435	6.7
Federal Health Planning	228,421	213,824	261,159	213,258	215,245	262,131	213,916	(6.6)
Total Funding	$346,835	$337,710	$383,162	$339,659	$335,826	$384,134	$339,351	(2.1)

Program Description: This bureau produces the state health plan and related plans; administers the Certificate of Need Program; and collects, maintains and distributes health facility service and manpower data.

Current Level Budget: In fiscal 1984, .5 of the division administrator was supported by this bureau, the assistant administrator fully supported, and secretarial staff of 1.3 FTE supported. In the 1987 biennium, .25 FTE of the administrator, .5 FTE of his assistant, and .5 FTE secretarial have been transferred to the Division Administration Bureau and .05 to the emergency medical services bureau at the direction of the federal authorities to reduce the contribution of federal health planning funds to their support. Operating expenses rise due to an additional $7,500 in fiscal 1986 for the Governor's Conference on Health Care and $4,550 in fiscal 1987 to print and distribute the state health plan. Rent was reduced due to a reallocation to Division Administration.

Federal funds consist of health planning funds and decline due to an anticipated cap on their availability. The funds carry a state maintenance of effort requirement which is the average of the previous three years expenditures, and totals $122,033 in fiscal 1986.

TPLFC:bas app par/37

Agency: Department of Health and Environmental Sciences

Program: Licensing and Certification Bureau

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	15.00	17.35	15.00	14.35	17.35	15.00	14.35	(4.3)
Personal Services	$411,537	$471,816	$418,528	$400,087	$472,996	$419,659	$401,214	(2.8)
Operating Expenses	105,293	144,379	135,358	125,424	144,839	141,716	128,787	19.1
Equipment	716	1,500	-0-	-0-	-0-	-0-	-0-	(100.0)
Total	$517,546	$617,695	$553,886	$525,511	$617,835	$561,375	$530,001	1.5
FUNDING								
General Fund	$124,876	$293,520	$132,933	$223,038	$292,352	$134,706	$224,932	78.6
Federal Funds	392,670	324,175	420,953	302,473	325,483	426,669	305,069	(23.0)
Total Funding	$517,546	$617,695	$553,886	$525,511	$617,835	$561,375	$530,001	1.5

Program Description: This program is responsible for the issuing of licenses, the granting of medicaid certification, and the recommending of medicare certification to a variety of health care providers. It is also responsible for legal enforcement duties concerning state, local, and federal laws governing health care providers.

Current Level Budget: A .6 FTE was transferred to health services administration and .05 FTE was transferred to the Emergency Medical Services Bureau as part of the division administration reorganization. Operating expenses rise due to two factors: 1) federally mandated travel associated with the training staff on medicaid or medicare regulations was increased by $12,200 in fiscal 1986 and fiscal 1987; 2) contract services were raised $8,000 in fiscal 1986 and fiscal 1987 to increase the payment to the building construction consultant who reviews building plans to ensure that design and construction meet minimum standards. General fund rises in order to raise the state contribution of medicaid certification costs to the federal guidelines of 30 percent and to fully fund licensing costs, which is entirely a state function. Federal funds consist of medicaid, totaling $120,003 in fiscal 1986 and $121,059 in fiscal 1987, and medicare, totaling $182,470 in fiscal 1986 and $184,010 in fiscal 1987.

Modified Recommendations: Additional Surveyors--A modified request to add 2 FTE surveyors and related expenses was approved at a cost of $27,405 in general fund and $33,901 in federal funds in fiscal 1986; and $25,763 in general fund and $32,080 in federal funds in fiscal 1987. Federal laws require annual certification and recommendation for certification surveys of all medicare and medicaid eligible facilities. The federal authorities had indicated that the current level of staff was insufficient to maintain federal certification inspections at an acceptable standard.

Agency: Department of Labor and Industry

Program: Agency Summary

	FY 1984 Actual	Fiscal 1986 Executive	Fiscal 1986 Current Level	Fiscal 1986 Subcommittee	Fiscal 1987 Executive	Fiscal 1987 Current Level	Fiscal 1987 Subcommittee	FY 84-86 % Change
FTE	45.25	44.00	42.00	42.75	44.00	42.00	42.75	(5.5)
Personal Services	$1,139,855	$1,206,101	$1,121,859	$1,160,445	$1,208,758	$1,124,538	$1,163,242	1.8
Operating Expenses	374,438	395,511	372,815	397,617	398,651	378,836	407,144	6.2
Equipment	16,589	346	400	346	-0-	-0-	-0-	(97.9)
Total Exp.	$1,530,882	$1,601,958	$1,495,074	$1,558,408	$1,607,409	$1,503,374	$1,570,386	1.8
FUNDING								
General Fund	$ 986,635	$1,062,768	$ 953,994	$1,043,160	$1,072,008	$ 961,224	$1,058,618	5.7
State Special Rev.	2,800	3,250	3,250	3,250	3,250	3,250	3,250	16.1
Federal Revenue	541,447	532,440	534,330	508,498	528,651	535,400	505,018	(6.0)
Proprietary	---	3,500	3,500	3,500	3,500	3,500	3,500	100.0
Total Funding	$1,530,882	$1,601,958	$1,495,074	$1,558,408	$1,607,409	$1,503,374	$1,570,386	1.8

Program Description: The Department of Labor and Industry is comprised of four divisions: Commissioner's Office, Labor Standards Division, Appeals Division, and Human Rights Commission.

Current Level Budget: FTE increase .75 over current level due to the deletion of .25 FTE associated with federal Veterans' Administration funds and the retention of 1 FTE compliance specialist position deleted in current level, both in the Labor Standards Division.

Federal funds decline due to reduction in total expenses of the Commissioner's Office, which is totally supported by federal revenue, the loss of federal Veterans' Administration funds in the Labor Standards Division, an overall reduction in total expenses of the Appeals Division, which is partially supported by federal funds, and a change in Housing and Urban Development reimbursement in the Human Rights Commission from a flat grant award to a case-by-case basis. A proprietary account for the sale of Appeals Division case decisions was added in fiscal 1985.

gency: Department of Labor and Industry

Program: Commissioner's Office

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	4.00	4.00	3.00	4.00	4.00	3.00	4.00	0.00
Personal Services	$120,736	$153,547	$106,208	$136,712	$153,807	$106,447	$137,018	13.2
Operating Expenses	56,710	36,662	26,502	30,298	35,449	25,462	29,372	(46.6)
Equipment	---	---	---	---	---	---	---	--
Total Exp.	$177,446	$190,209	$132,710	$167,010	$189,256	$131,909	$166,390	(5.9)
FUNDING								
Federal Revenue	$177,446	$190,209	$132,710	$167,010	$189,256	$131,909	$166,390	(5.9)

Program Description: The Commissioner's Office is responsible for overall administration of the Department of Labor and Industry.

Current Level Budget: This program was authorized 4.0 FTE in fiscal 1984, but did not fill the deputy commissioner position. The subcommittee added an administrative assistant position instead of the deputy commissioner in the 1987 biennium. Operating expenses decline due to two factors: 1) an office automation study was conducted for $21,000 in fiscal 1984; 2) Interstate Conference of Employment Security Agencies dues of $8,000 were paid from this program in fiscal 1984. The dues will be paid in the Centralized Services Program in fiscal 1986 and 1987. Operating expenses increase over current level as the indirect charges which are based on FTE increased with additional FTE. Indirect charges are $18,707 in fiscal 1986 and $19,362 in fiscal 1987 compared with the initial current level of $14,813 in fiscal 1986 and $15,216 in fiscal 1987.

Federal revenue consists of charges levied against the other programs of the department on an FTE allocation basis. The charges appear as expenses in the budgets of those contributor programs.

Agency: Department of Labor and Industry

Program: Labor Standards Division

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	16.25	16.00	14.75	15.50	16.00	14.75	15.50	(1.5)
Personal Services	$368,921	$398,728	$372,290	$388,088	$399,781	$373,353	$389,197	5.2
Operating Expenses	127,820	151,442	145,438	153,936	152,144	146,942	157,880	20.4
Equipment	-0-	346	400	346	-0-	-0-	-0-	100.0
Total Exp.	$496,741	$550,516	$518,128	$542,370	$551,925	$520,295	$547,077	9.2
FUNDING								
General Fund	$479,214	$547,266	$460,301	$539,120	$548,675	$462,255	$543,827	12.5
State Special Rev.	2,800	3,250	3,250	3,250	3,250	3,250	3,250	16.1
Federal Revenue	14,727	-0-	54,577	-0-	-0-	54,790	-0-	(100.0)
Total Funding	$496,741	$550,516	$518,128	$542,370	$551,925	$520,295	$547,077	9.2

Program Description: The Labor Standards Division consists of two bureaus: Standards and Apprenticeship. The Standards Bureau enforces all state laws pertaining to wages and hours; wage payments; bar, restaurant, tavern, and contractor bonds; and private employment agencies. The Apprenticeship Bureau provides for apprenticeships and on-the-job training for workers.

Current Level Budget: A .5 FTE clerical position was deleted due to efficiency savings. A 1 FTE compliance specialist position deleted from current level was retained. A .25 FTE position associated with the Veterans' Administration which had been included in current level has been deleted. The federal government is phasing out Veterans' Administration funds, which will be available through fiscal 1986 to reimburse the state for activities specifically related to securing apprenticeship positions for veterans. The federal government will support up to .75 FTE and travel expenses. Due to the federal fund availability decline, the strict accountability required by the federal government, the availability of federal staff to perform the veterans' functions, and the declining number of veterans, the state will no longer participate in the federal program.

Operating expenses rise due primarily to an increase of $11,832 each year for legal fees to meet increased wage cases and an increase in this division's contribution to the support of the Commissioner's Office and Centralized Services Program. Both the Commissioner's Office and Centralized Services allocate their costs to other programs in the department based upon FTE levels. FTE totalling 1.5 were transferred to this division at the end of fiscal 1984. Indirect costs above the rate charged in fiscal 1984, which was based on 14.75 FTE, are $19,687 in fiscal 1986 and $22,307 in fiscal 1987 from the fiscal 1984 level of $58,085.

State special revenue consists of license fees paid by private employment agencies. The total available rises due to the incorporation of the present fund balance.

Agency: Department of Labor and Industry

Program: Appeals Division

	FY 1984	- - - Fiscal 1986 - - -			- - - Fiscal 1987 - - -			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	14.50	13.50	14.50	13.50	13.50	14.50	13.50	(6.9)
Personal Services	$444,725	$401,376	$417,561	$400,962	$402,248	$418,465	$401,859	(9.8)
Operating Expenses	123,154	126,242	128,499	136,079	128,750	132,163	139,856	10.5
Equipment	---	---	---	---	---	---	---	---
Total Exp.	$567,879	$527,618	$546,060	$537,041	$530,998	$550,628	$541,715	(5.4)
FUNDING								
General Fund	$331,258	$307,763	$309,617	$305,024	$309,735	$312,967	$308,308	(7.9)
Federal Revenue	236,621	216,355	232,943	228,517	217,763	234,161	229,907	(3.4)
Proprietary	-0-	3,500	3,500	3,500	3,500	3,500	3,500	100.0
Total Funding	$567,879	$527,618	$546,060	$537,041	$530,998	$550,628	$541,715	(5.4)

Program Description: The Appeals Division is composed of two boards: The Board of Personnel Appeals, which hears classification appeals for state employees and administers the Montana Collective Bargaining Act for public employees and the Nurse's Employment Practices Act; and the Board of Labor Appeals, which hears disputes involving Montana's unemployment insurance laws.

Current Level Budget: A 1.0 FTE secretarial position was deleted due to efficiency savings when the Board of Labor Appeals was transferred to this division from the Unemployment Insurance Program in fiscal 1984.

Operating expenses rise due primarily to: (1) an increase of $3,938 each year in consultant fees to reimburse fact-finders for the two boards; and (2) an increase of $10,628 in fiscal 1986 and $11,895 in fiscal 1987 in indirect charges used to fund the Commissioner's Office and Centralized Services over the fiscal 1984 level of $33,478. Rent of $8,000 was transferred to Centralized Services.

Federal revenue consists of two funds: Board of Personnel Appeals, which are payments received from the federal government to reimburse persons doing contract work for the division and which are expected to total $7,280 in fiscal 1986 and 1987; and Unemployment Insurance funds that support the Board of Labor Appeals. The proprietary funds consist of income from the sale of case decisions. The sale of case decisions is authorized to begin in fiscal 1985.

Agency: Department of Labor and Industry

Program: Human Rights Commission

	FY 1984 Actual	Fiscal 1986 Executive	Fiscal 1986 Current Level	Fiscal 1986 Subcommittee	Fiscal 1987 Executive	Fiscal 1987 Current Level	Fiscal 1987 Subcommittee	FY 84-86 % Change
FTE	10.50	10.50	9.75	9.75	10.50	9.75	9.75	(7.1)
Personal Services	$205,473	$252,450	$225,800	$234,683	$252,922	$226,273	$235,168	14.2
Operating Expenses	66,754	81,165	72,376	77,304	82,308	74,269	80,036	15.8
Equipment	16,589	---	---	---	---	---	---	(100.0)
Total Exp.	$288,816	$333,615	$298,176	$311,987	$335,230	$300,542	$315,204	8.1
FUNDING								
General Fund	$176,163	$207,739	$184,076	$199,016	$213,598	$186,002	$206,483	13.0
Federal Revenue	112,653	125,876	114,100	112,971	121,632	114,540	108,721	.3
Total Funding	$288,816	$333,615	$298,176	$311,987	$335,230	$300,542	$315,204	8.1

Program Description: The Human Rights Commission is charged with enforcement of state and federal laws designed to eliminate discrimination in the areas of employment, public accommodations, housing, financing and credit transactions, education, and government services.

Current Level Budget: A .75 FTE added on a one-year only basis in fiscal 1984 was deleted. Positions upgrades were awarded to the 4.25 FTE compliance officers by the Board of Personnel Appeals, adding $9,273 in fiscal 1986 and $9,285 in fiscal 1987.

The increase in operating expenses is due primarily to a rise of $2,400 each year for maintenance contracts and $3,600 for increased communications expenses each year of the biennium.

Federal revenue consists of Equal Employment Opportunity Commission (EEOC) and Housing and Urban Development (HUD) funds. The federal government reimburses the state for expenses on a case by case basis for those cases that cross over into federal law. HUD had made a flat grant award prior to the 1987 biennium. This change in HUD reimbursement causes the flattening and decline of federal fund availability. The commission anticipates 220 EEOC cases at $420 per case and 20 HUD cases at $500 per case, plus travel reimbursement of $5,000 each year. The commission will also receive one quarter of the federal HUD grant in fiscal 1986 totaling $5,000.

Modified Recommendations: The committee approved two modifications to reduce the current case backlog, which totaled 309 at the end of fiscal 1984.

1) Part-time Compliance Officer - Funds to add .5 FTE compliance officer to assist the current 4.25 FTE alleviate the human rights complaints case backlog was approved at a cost of $17,207, $4,302 general fund and $12,905 federal fund in fiscal 1984; and $17,215, $4,304 general fund and $12,911 federal funds in fiscal 1987.

2) Part-time Compliance Supervisor - General fund totaling $18,131 in fiscal 1986 and $17,521 in fiscal 1987 was approved to add a .5 FTE compliance supervisor to assist the current 4.25 FTE alleviate the human rights complaint case backlog.

The department did not give any specifics as to the number of cases by which the positions would reduce the backlog.

TPLEC:dolI app nar/5

Agency: Department of Labor and Industry--Employment Services | Program: Agency Summary

	FY 1984 Actual	Fiscal 1986 Executive	Fiscal 1986 Current Level	Fiscal 1986 Subcommittee	Fiscal 1987 Executive	Fiscal 1987 Current Level	Fiscal 1987 Subcommittee	FY 84-86 % Change
FTE	563.15	569.90	557.90	563.90	569.90	557.90	563.90	
Personal Services	$11,864,713	$12,967,713	$12,709,388	$12,841,594	$12,987,679	$12,729,594	$12,861,818	8.2
Operating Expenses	2,929,390	3,545,521	3,304,613	3,491,153	3,600,180	3,431,056	3,587,966	19.2
Equipment	1,353,658	526,763	451,734	508,627	460,640	405,758	448,275	(62.4)
Grants	10,328,922	10,075,000	10,455,000	7,514,000	10,475,000	10,455,000	7,514,000	(27.2)
Total Exp.	$26,476,683	$27,114,997	$26,920,735	$24,355,374	$27,523,499	$27,021,408	$24,412,059	(7.9)
FUNDING								
General Fund	$ 312,013	$ 375,000	$ 375,000	$ 334,000	$ 375,000	$ 375,000	$ 334,000	7.0
Federal Revenue	26,164,670	26,739,997	26,545,735	24,021,374	27,148,499	26,646,408	24,078,059	(8.1)
Total Funding	$26,476,683	$27,114,997	$26,920,735	$24,355,374	$27,523,499	$27,021,408	$24,412,059	(7.9)

Program Description: The Employment Security Division collects and disburses state unemployment funds, acts as an employment agency, provides training, and oversees federal Job Training and Partnership Act (JTPA) grants. It is composed of four programs: Job Service, Unemployment Insurance, Centralized Services, and JTPA Subgrants.

Current Level Budget: FTE rise primarily due to the transfer to this division from the Commissioner of Higher Education of 4 FTE associated with the Montana Career Information System. LFA current level had deleted 2 FTE which had been vacant in fiscal 1984. These FTE were retained by the subcommittee.

Additional operating expenses by the subcommittee over current level include $24,000 in the Job Service Program for non-Department of Administration rent and repair and maintenance, $35,000 in Centralized Services in travel, maintenance contracts and Interstate Conference of Employment Security Agencies dues; and $50,000 in operating costs of the Montana Career Information System. The remainder of the increase is due to indirect charges and Department of Administration rent.

General fund rises ~~20.2~~ 7.0 percent due to an expansion in the Displaced Workers and Displaced Homemakers Programs, which require match on federal JTPA grants. Federal grant figures are inflated in fiscal 1984 due to the double counting of $2.6 million in JTPA grants that were subgranted to the Job Service Program and therefore counted twice.

TPLFG:dolI app par/6

Agency: Department of Labor and Industry--Employment Security Division

Program: Job Service

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	357.00	355.00	355.0	355.00	355.00	355.00	355.00	(.6)
Personal Services	$ 7,743,359	$ 8,203,077	$ 8,206,985	$ 8,206,985	$ 8,216,935	$ 8,221,226	$ 8,221,226	6.0
Operating Expenses	1,639,691	1,904,396	1,808,339	1,845,510	1,927,883	1,875,633	1,892,707	12.6
Equipment	404,867	357,212	355,251	355,251	369,174	356,809	356,809	(12.3)
Grants	2,346,350	2,600,000	80,000	80,000	3,000,000	80,000	80,000	(96.6)
Total Exp.	$12,134,267	$13,064,685	$10,450,575	$10,487,746	$13,513,992	$10,533,668	$10,550,742	(13.6)
FUNDING								
General Fund	$ 40,837	$13,064,685	-0-	-0-	$ -0-	-0-	-0-	(100.0)
Federal Revenue	12,093,430	-0-	$10,450,575	$10,487,746	13,513,992	$10,533,668	$10,550,742	(13.6)
Total Funding	$12,134,267	$13,064,685	$10,450,575	$10,487,746	$13,513,992	$10,533,668	$10,550,742	(13.6)

Language in Bill: Federal spending authority is included to provide for current level operations of all existing job service offices. If federal funds for job services are less than these amounts, the department may supplement federal funds with state unemployment assessments as provided in Section 39-51-404(4), MCA.

Program Description: The Job Service Program acts as a labor exchange through the job service offices throughout the state by listing jobs and referring qualified personnel to employers.

Current Level Budget: The FTE decrease from fiscal 1984 due to the transfer of 2 FTE associated with the State Occupational Information Coordinating Committee to the Centralized Services Program. Operating expenses of $40,612 were also transferred.

Operating expenses rise due primarily to an increase of $49,000 in software and licensing costs and $65,000 in maintenance costs. Both expenses are part of the automation of local job service offices undertaken in fiscal 1984 and continuing in the 1987 biennium. The subcommittee added $14,000 in local job service offices rent and $10,000 in repair and maintenance over current level. The remainder of the increase is due to adjustments to indirect costs.

Job Training and Partnership Act (JTPA) grants are originally allocated to the JTPA Program of the Employment Security Division, which in turn allocates those funds to public and private organizations. In fiscal 1984, a portion of these funds were allocated to the Job Service Program. For budgeting purposes, all available JTPA grants have been appropriated to the JPTA Subgrant Program. The grants in the Job Service Program consist of Work Incentive (WIN) funds.

This program is funded by federal Wagner Peyser and a number of other federal funds. General fund in fiscal 1984 was for the administration costs of the Job Training Partnership Act's share of Build Montana funds. The FTE and related costs remain in the budget but will no longer be supported by general fund.

Modified Rec[illegible]endations: 1) Management Training - Federal funds totaling [illegible]8,880 each year were approved to provide additional manage[illegible]t training to the 355 employees of the job services offices.

Agency: Department of Labor and Industry--Employment Security Division

Program: Unemployment Insurance

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	84.9	90.9	84.9	86.9	90.9	84.9	86.9	2.4
Personal Services	$1,624,928	$1,861,599	$1,725,324	$1,782,496	$1,864,097	$1,727,733	$1,784,916	9.7
Operating Expenses	400,479	562,376	455,444	507,232	576,689	468,228	517,153	26.7
Equipment	19,664	98,674	41,406	95,299	83,923	41,406	83,923	384.6
Total Exp.	$2,045,071	$2,522,649	$2,222,174	$2,385,027	$2,524,709	$2,237,367	$2,385,992	16.6
FUNDING								
Federal Revenue	$2,045,071	$2,522,649	$2,222,174	$2,385,027	$2,524,709	$2,237,367	$2,385,992	16.6

Program Description: This program is responsible for the administration of state and federal unemployment insurance laws. It collects unemployment insurance taxes and makes benefit claims to eligible recipients. The program also manages the unemployment insurance trust fund.

Current Level Budget: Two FTE were transferred to this program from the Centralized Services Program due to reassignment of duties. Operating expenses rise due to the addition of $100,000 each year of the biennium to completely automate the system for processing claims. Equipment expenses include the replacement of obsolete data processing equipment and the addition of work station dividers.

Modified Recommendations: 1) Random Audit - Federal funds totaling $183,908 in fiscal 1986 and $181,005 in fiscal 1987 to continue the Random Audit Program initiated by budget amendment in fiscal 1984 was approved. All aspects of randomly chosen unemployment claims will be examined to verify information and ensure that all aspects of the benefit system are functioning properly.

Agency: Department of Labor and Industry--Employment Security Division

Program: Centralized Services

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	121.00	124.00	118.00	122.00	124.00	118.00	122.00	.8
Personal Services	$2,496,426	$2,903,037	$2,777,079	$2,852,113	$2,906,647	$2,780,635	$2,855,676	14.2
Operating Expenses	889,220	1,078,749	1,040,830	1,138,411	1,095,608	1,087,195	1,178,106	28.0
Equipment	918,027	70,877	55,077	58,077	7,543	7,543	7,543	(93.6)
Total Exp.	$4,303,673	$4,052,663	$3,872,986	$4,048,601	$4,009,798	$3,875,373	$4,041,325	(5.9)
FUNDING								
Federal Revenue	$4,303,673	$4,052,663	$3,872,986	$4,048,601	$4,009,798	$3,875,373	$4,041,325	(5.9)

Program Description: This program provides overall management and support services to the Department of Labor and Industry including legal assistance, personnel hiring and training, data processing, auditing, budgeting, and economic forecasting.

Current Level Budget: Since fiscal 1984, two FTE were transferred to the Unemployment Insurance Program due to a reassignment of duties. One FTE was deleted due to the position's vacancy during all of fiscal 1984. Four FTE and related operating expenses totaling $145,954 in fiscal 1986 and $143,811 in fiscal 1987 associated with the Montana Career Information System (MCIS) were transferred to this program from the Commissioner of Higher Education. The MCIS activities correspond to and supplement the activities of the State Occupational Information Coordinating Committee, which is currently within this program. The MCIS is supported by a combination of user fees and federal funds.

The remainder of the rise in operating expenses is due primarily to the addition of $41,253 in fiscal 1986 and $47,000 in fiscal 1987 to update, convert and rewrite statistical programs, $30,000 in maintenance contracts and an increase in rent of $20,550 in fiscal 1986 and $26,150 in fiscal 1987. The rental charges of all the programs in the department, with the exception of Workers' Compensation and the Human Rights Commission will be paid for from this program and funded by indirect charges. Equipment purchases in fiscal 1984 included expenses of the Job Service Program in the automation of the local job service offices. Equipment in fiscal 1986 and 1987 includes computer hardware and general office equipment.

This program is funded entirely by direct and indirect charges against all other programs in the department. Each program contributes on an FTE basis. Direct charges are levied directly on the funding sources of each program, while indirect charges appear as operating expenses in the program budgets. The balance of the Centralized Services funding is federal State Occupational Information Coordinating Committee (SOICC) funds and various funds that support the Montana Career Information System. The following table shows the funding of the Centralized Services Program.

Agency: Department of Labor and Industry--Employment Security Division

Program: Job Training Partnership Act

	FY 1984	- - - - Fiscal 1986	- - - -	- - - -	- - - - Fiscal 1987	- - - -	- - - -	FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
Grants	$7,982,572	$7,475,000	$10,375,000	$7,434,000	$7,475,000	$10,375,000	$7,434,000	(6.9)
FUNDING								
General Fund	$ 271,176	$ 375,000	$ 375,000	$ 334,000	$ 375,000	$ 375,000	$ 334,000	23.2
Federal Revenue	7,711,396	7,100,000	10,000,000	7,100,000	7,100,000	10,000,000	7,100,000	(7.9)
Total Funding	$7,982,572	$7,475,000	$10,375,000	$7,434,000	$7,475,000	$10,375,000	$7,434,000	(6.9)

Program Description: This program formerly passed through federal CETA funds and now passes through federal JTPA funds to the Department of Labor and Industry, state agencies, and non-state organizations that provide training to help individuals enter or reenter the work force.

Current Level Budget: Approximately $850,000 is required to match certain JTPA funds. General fund consists of $209,000 for displaced workers and pre-employment training and $125,000 for displaced homemakers to provide the necessary match on JTPA funds. The remainder of the required match is provided by employer on-the-job training funds and unemployment insurance wages paid to dislocated workers, which do not appear in the agency budget. In fiscal 1984, $147,749 was expended for displaced workers and $123,427 for displaced homemakers. Federal funds are JTPA funds and represent the total amount anticipated in the 1987 biennium.

Agency: Department of Labor and Industry--Division of Workers' Compensation

Program: Workers' Compensation Division

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	167.50	172.00	168.00	168.00	172.00	168.00	168.00	.3
Personal Services	$3,413,481	$3,647,994	$3,548,575	$3,548,575	$3,656,029	$3,556,790	$3,556,790	4.0
Operating Expenses	2,120,511	2,370,166	2,371,678	2,388,301	2,392,539	2,396,596	2,414,272	12.6
Equipment	172,229	176,726	184,642	184,642	113,231	133,445	133,445	7.2
Grants	907,613	1,294,281	1,133,901	1,133,901	1,366,165	1,101,158	1,101,158	24.9
Total Exp.	$6,613,834	$7,489,167	$7,238,796	$7,255,419	$7,527,964	$7,187,989	$7,205,665	9.7
FUNDING								
General Fund	$ 783,743	$ 716,179	$ 716,179	$ 716,179	$ 681,194	$ 681,194	$ 681,194	(8.6)
State Special Rev.	5,761,559	6,700,870	6,439,341	6,467,122	6,774,933	6,423,797	6,452,634	12.2
Federal Revenue	68,532	72,118	83,276	72,118	71,837	82,998	71,837	5.2
Total Funding	$6,613,834	$7,489,167	$7,238,796	$7,255,419	$7,527,964	$7,187,989	$7,205,665	9.7

Program Description: The Division of Workers' Compensation is responsible for several laws relating to Montana's workers. The division enforces occupational safety laws, provides payment to workers injured on the job, monitors private insurer's adequacy of coverage and payments, and provides payments to innocent victims of crime.

Current Level Budget: Grants consist of three programs: Silicosis Benefits, Social Security Offsets, and Crime Victims. The following table shows the grants, each funding source, actual fiscal 1984 expenditures, and appropriated fiscal 1986 and 1987 levels.

TPLEG:doli app nar/13

Table 1

Grants - Division of Workers' Compensation

Grant	Fund Source	FY 84	FY 86	FY 87
Silicosis Benefits	General Fund	$ 686,900	$ 615,600	$ 580,800
Social Security Offsets	General Fund	84,825	88,301	87,858
Crime Victims	Crime Victims Fund	340,509	347,733	342,196
Crime Victims Administration	Crime Victims Fund	57,113	82,267	90,304
Total Grants		$1,169,347	$1,133,901	$1,101,158

Silicosis benefits are paid to those persons who contracted the disease on the job prior to 1959 and to widows of silicotics.

Table 2

Silicosis Cases, Payment Levels, and Cost

	- - - Cases - - -		- Monthly Payments -		
Fiscal Year	Silicotic	Widow	Silicotic	Widow	Total Cost
1984 Actual	198	166	$200	$100	$686,900
1985 Projected	190	163	200	100	651,000
1986 Projected	180	153	200	100	615,600
1987 Projected	171	142	200	100	580,800

Social security offsets are paid to those persons who were adversely affected by the law in effect from July of 1973 to April of 1974 that stated that workers compensation benefits would be offset 100 percent by any social security payments made for the same purpose. The law was subsequently changed to a 50 percent offset.

Crime victims benefits are paid to those persons who are the innocent victims of crime, and are funded with 18 percent of all fines and citations issued by the highway patrol. The funding levels for the coming biennium reflect the total amount anticipated as revenue and does not reflect any use of the fund balance.

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Fede revenue consists of federal study projects, expected to tot $37,293 in fiscal 1986 and $36,897 in fiscal 1987; and Occ ional Safety and Health Administration, expected to total $34,825 in fiscal 1986 and $34,940 in fiscal 1987. State revenue consists of crime victims funds totaling $430,000 in fiscal 1986 and $432,500 in fiscal 1987, and workers' compensation funds, totaling $6,037,122 in fiscal 1986 and $6,020,134 in fiscal 1987.

Modified Recommendations: 1) Crime Victims Fund - Federal funds will be available in the 1987 biennium to supplement Montana's Crime Victims fund by up to 35 percent of the state contribution. A modified request to add $150,000 of these fund each year was approved.

2) Claims Examiners - A request to add 4 FTE claims examiners and related expenses to deal with an increase in workload was approved, at a cost of $94,466 in fiscal 1986 and $94,384 in fiscal 1987, funded by state workers compensation funds.

3) State Insurance Funds - Three FTE legal positions and expenses were added to deal with the increased workload primarily attributable to the Willis court decision, which allowed workers and courts greater discretion in the type and size of workers' compensation payments. This modified is funded by state workers' compensation funds.

TPLEG:doli app nar/15

Agency: Department of Social and Rehabilitation Services

Program: Agency Summary

	FY 1984	- - - - Fiscal 1986	- - - -	- - - -	- - - - Fiscal 1987	- - - -	- - - -	FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	1,043.12	1,110.12	1,037.82	1,036.82	1,116.12	1,037.82	1,036.82	(0.6)
Personal Services	$ 22,301,459	$ 24,667,149	$ 23,139,278	$ 23,064,759	$ 25,729,895	$ 23,181,065	$ 23,106,416	3.5
Operating Expenses	7,789,238	10,602,739	8,265,393	8,946,673	9,385,191	8,520,513	9,043,745	14.8
Equipment	359,997	139,336	137,504	104,215	48,204	72,845	50,500	(71.0)
Grants and Benefits	169,844,250	201,453,579	186,478,736	198,594,626	217,353,636	195,440,710	203,635,326	17.8
Total Exp.	$200,294,944	$236,862,803	$218,020,911	$230,710,273	$252,516,926	$227,215,133	$235,835,987	15.1
FUNDING								
General Fund	$ 67,288,558	$ 75,984,588	$ 69,690,618	$ 79,884,681	$ 84,007,005	$ 73,580,521	$ 82,796,977	18.7
State Special Rev.	6,067,454	6,728,192	6,765,447	462,367	6,712,452	6,801,880	484,142	(92.7)
Federal Revenue	126,938,932	154,150,023	141,564,846	150,363,225	161,797,469	146,832,732	152,554,868	18.4
Total Funding	$200,294,944	$236,862,803	$218,020,911	$230,710,273	$252,516,926	$227,215,133	$235,835,987	15.1

Program Description: The Department of Social and Rehabilitation Services administers programs in the area of human services. Services include assistance payments to recipients of the Aid to Families with Dependent Children Program, foster home services, medicaid and other benefits to the aged and indigent, rehabilitation services for the vocationally and visually handicapped, and community-based placement services for the state's developmentally disabled.

Current Level Budget: Two funding issues were approved by the committee that affect funding within several programs of the department. (1) The committee approved depositing, as revenue to the general fund all county mill levy paid to SRS by counties whose welfare programs have been assumed and are administered by the state. Thus funds become part of the general revenue and are replaced within SRS by general fund. This change does not increase general fund costs for the program, but simplify the accounting procedures within the department. (2) All social service block grant funds have been consolidated in a single program, developmental disabilities. Because of the flexibility in use of the block grant, these funds may be considered as similar to general fund in terms of allocation. During fiscal 1984, SRS used social service block grant funds for administrative and/or benefits in six different programs. To simplify accounting procedures and to provide a clear track of block grant expenditures, the committee approved consolidation of these funds in the developmental disabilities program, reduced the general fund in that program, and substituted general fund in the other five programs.

SUBCOMMITTEE ACTION

Agency: Department of Social and Rehabilitation Services

Program: Assistance Payments

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	47.50	49.50	47.50	47.50	49.50	47.50	47.50	0.00
Personal Services	$ 1,186,899	$ 1,293,253	$ 1,255,173	$ 1,255,173	$ 1,295,483	$ 1,257,454	$ 1,257,454	3.2
Operating Expenses	1,603,752	1,845,600	1,659,784	1,766,336	1,849,907	1,729,679	1,807,711	11.4
Equipment	47,122	8,057	8,616	6,500	6,000	8,616	6,000	(86.2)
Grants & Benefits	44,535,066	50,160,019	45,962,761	49,378,650	54,481,385	48,284,420	51,393,949	9.8
Total Exp.	$47,372,839	$53,306,929	$48,886,334	$52,406,659	$57,632,775	$51,280,169	$54,465,114	9.6
FUNDING								
General Fund	$10,316,431	$12,086,033	$11,876,905	$14,128,982	$13,293,706	$12,675,921	$15,254,805	42.8
State Special Rev.	1,607,850	1,819,642	1,819,642	-0-	1,819,642	1,819,642	-0-	
Federal Revenue	35,448,558	39,401,254	35,189,787	38,277,677	42,519,427	36,784,606	39,210,309	5.0
Total Funding	$47,372,839	$53,306,929	$48,886,334	$52,406,659	$57,632,775	$51,280,169	$54,465,114	9.6

Language in Bill: Ten percent of the low income energy block grant shall be transferred to the social services block grant in each fiscal year. If the transfer is greater than $1,169,510 in either fiscal year, a like amount of general fund shall revert.

Ten percent of the low income energy block grant shall be used for the Weatherization Program in each fiscal year.

No funds may be transferred out of the non-resident general assistance program or the state general assistance program.

Program Description: The Assistance Payments Program is administered through the Economic Assistance Division and includes Aid to Families with Dependent Children (AFDC), Day care Services, Food Stamp and Commodity Programs, Non-resident General Assistance, the Low Income Energy Assistance Program (LIEAP), the community service block grants, the Weatherization Program, and the state administered general assistance.

Current Level Budget: General fund increases 36.9 percent from fiscal 1984 to fiscal 1986. The principal cause for this increase is an increased regular AFDC caseload inclusion of the unemployed parent as eligible for AFDC payments, and increased costs associated with the state administered General Assistance Program. The following table compares the fiscal 1984 actual expenditures and the subcommittee approved level for benefits in the Assistance Payments Program.

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Assistance Payments Grants and Benefits
Fiscal 1984 Through Fiscal 1987

Grants and Benefits	FY 1984 Actual	FY 1986 Subcommittee	FY 1987 Subcommittee	FY 84-86 % Change
AFDC	$26,429,128	$31,484,707	$33,544,240	19.1
LIEAP	11,999,113	11,256,830	10,513,595	(4.6)
General Assistance	2,179,346	2,934,665	3,528,095	34.6
Weatherization	2,063,583	1,618,712	1,618,073	(21.6)
Community Services Block Grant	1,230,126	1,189,334	1,259,120	(3.3)
Day Care	428,745	465,960	489,258	8.7
Training	162,205	171,984	183,787	6.0
Non-Resident General Assistance	18,475	130,000	130,000	603.6
Food Stamps	24,345	26,458	27,781	8.7
Legal Services	-0-	100,000	100,000	100.0
Total Expenditures	$44,535,066	$49,378,650	$51,393,949	10.8

Aid to Families with Dependent Children (AFDC)

Aid to families with dependent children is a cash assistance program to assist needy families with dependent children. The program is funded jointly by the state and federal government. The average monthly caseload in fiscal 1984 was 7,125 and has been budgeted at 7,940 in fiscal 1986 and 8,083 in fiscal 1987 which include 450 recipients in fiscal 1986 as part of the unemployed parent program and 600 recipients in fiscal 1987 as unemployed parents. The payment level for both years of the 1987 biennium has been set at 49 percent of the poverty index. This represents an increase over the 47 percent of the poverty index that is in effect during fiscal 1985. The AFDC program is funded with approximately 34 percent general fund, 2 percent county funds, and 64 percent federal funds.

Low Income Energy Assistance Program (LIEAP)

The Low Income Energy Assistance Program is a federally funded program to help low income families with fuel and home heating costs. The anticipated grant level for both years of the 1987 biennium is $11,695,105. Ten percent of the grant award is to be transferred to the social services block grant to provide services to the developmentally disabled. Ten percent of the grant award is to be used in conjunction with the Weatherization Program.

PBLFC:srs ap par/3

Low Income Energy Assistance Program Funds and Expenditures
Fiscal 1984 through Fiscal 1987

Funds Available	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987
Grants	$12,297,691	$12,297,692	$11,695,105	$11,695,105
Carryover	2,858,426	1,737,426	1,318,235	-0-
Oil Overcharge Funds	-0-	-0-	-0-	575,000
Total Funds Available	$15,156,117	$14,035,118	$13,013,340	$12,270,105
Expenditures				
Social ~~Security~~ Services Block Grant	$ 1,229,769	$ 1,229,769	$ 1,169,510	$ 1,169,510
State and Local Administration	956,425	1,000,000	1,000,000	1,000,000
Fuel Assistance Grants	9,881,968	10,217,757	10,037,130	9,321,283
Weatherization	1,698,038	614,939	1,169,510	1,169,510
Refunds	(347,509)	(345,582)	(362,810)	(390,198)
Total Expenditures	$13,418,691	$12,716,883	$13,013,340	$12,270,105
Ending Fund Balance	$ 1,737,426	$ 1,318,235	$ -0-	$ -0-

General Assistance

The General Assistance Program provides basic necessities such as shelter, heat, and personal needs for low income persons. This program was formerly operated as part of the county welfare program. However, during the 1985 biennium 12 counties opted to have their welfare program assumed and administered by the state. Since state assumption of the programs, the caseload has risen significantly. The department anticipates that the caseload will increase at the rate of 12.5 percent per year during the 1987 biennium. The payment level for general assistance has been funded at a level equal to the AFDC payment level of 49 percent of the poverty index. The approved level of funding for the program assumes changes in the legislature governing this programs to include elimination of all able bodied individuals under the age of 35 from the program and able bodied persons between 35 and 50 limited to three months of general assistance in any 12 month period. This program is 100 percent general fund.

PBLFC:srs ap par/4

Growth of General Assistance Caseload and Average Payment Level
Fiscal 1984 Through Fiscal 1987

	Fiscal 1984	Fiscal 1986	% Change	Fiscal 1987	% Change
Caseload	1,399	904	(35.)	1,033	14.2
Support Payments	$163.00	$270.53	65.9	$284.61	5.2

Weatherization

This federal funded program provides funds to low income families to assist in weatherizing their homes. The anticipated grant award is $1,618,712 in each year of the 1987 biennium.

Community Services Block Grant

The community service block grant includes county anti-poverty programs originally established under the Federal Economic Opportunity Act of 1964. State statute required that 90 percent of the funds be allocated to Human Resource Development Councils in support of local programs, 5 percent is retained by SRS for administrative costs and 5 percent may be used as discretionary funds. The approved level of funding for this federally funded program is $1,252,984 in fiscal 1986 and $1,324,404 in fiscal 1987.

Day Care

Day care is provided to AFDC recipients who are working or participating in work related training programs. Costs associated with employment related day care is considered a work-related expense and is included in the AFDC payment. Training related day care is paid directly to day care providers when the AFDC recipient is participating in such training as vocational technical school or WIN work experience. This program is funded at the same funding rate as AFDC payments and medicaid or approximately 34 percent general fund.

Training

Training is provided to county eligibility technicians regarding changes in eligibility requirements. During the 1985 biennium, the program was funded 50 percent with federal funds and 50 percent from the University of Montana which provided the training. The committee approved the department's request that $15,762 in fiscal 1986 and $16,393 in fiscal 1987 of general fund be used for non-university related training. The balance of the training is for the contract with the university, with 50 percent of the funds ($78,111 in fiscal 1986 and $83,697 in fiscal 1987) being provided by the University of Montana as the required match for federal AFDC funds.

Non-Resident General Assistance

This benefit provides emergency assistance to families or individuals traveling through the state with no intent to establish residency. The committee increased benefits to the program by $100,000 per year to provide a maximum of three days emergency assistance to individuals who might be adversely impacted by changes in the General Assistance eligibility requirements. The additional $100,00 per year is only intended for the 1987 biennium and is not to be considered as part of the base for future budget calculation. This program is 100 percent general fund.

Food Stamps

The Food Stamp Issuance Program is a federally funded program. The committee adopted a funding level reflecting inflation increases of 4, 4.5, and 5 percent in costs.

Legal Services

Funds of $100,000 per year are approved to contract with the Montana Legal Services Association. The contract is intended to assist general assistance clients in receiving federal Social Security benefits and thus remove them from the general assistance caseload. It is expected that a minimum of 180 clients will be removed from the general assistance caseload.

Modified Recommendations: The committee approved three federal funded programs that the department had begun through budget amendment during fiscal 1984: 1. Solar Bank Program. This program would assist low income family replace home heating equipment. This program is funded at $187,500 per year.

2. Temporary ~~Energy~~ Emergency Food Assistance. This program is a federally funded program to provide food for low income families. This program is funded at $156,400 per year.

3. Job Search. This program is a federal program, to assist food stamp recipients in finding employment. This program is funded at $174,578 in fiscal 1986 and $231,752 in fiscal 1987.

PRLFG:srs an nar/6

Agency: Department of Social and Rehabilitation Services | Program: Social Services

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	365.64	394.64	367.64	365.64	421.64	365.64	365.64	0.00
Personal Services	$ 7,701,121	$ 8,580,867	$ 8,018,693	$ 7,961,449	$ 9,169,967	$ 8,027,965	$ 7,975,693	3.4
Operating Expenses	846,217	970,469	848,433	844,844	1,092,251	880,126	862,306	.3
Equipment	4,028	16,050	6,574	11,500	7,050	6,904	2,500	185.5
Grants and Benefits	11,661,197	13,535,247	11,954,011	12,614,892	13,928,520	12,510,123	12,941,698	8.2
Total Exp.	$20,212,563	$23,102,633	$20,827,711	$21,432,685	$24,197,788	$21,425,118	$21,782,197	6.0
FUNDING								
General Fund	$ 5,232,416	$ 7,305,958	$11,328,285	$12,586,650	$ 8,154,344	$11,573,678	$12,834,888	140.5
State Special Rev.	813,214	845,743	845,743	-0-	845,743	845,743	-0-	(100.0)
Federal Revenue	14,166,933	14,950,932	8,653,683	8,846,035	15,197,701	9,005,697	8,947,309	(37.6)
Total Funding	$20,212,563	$23,102,633	$20,827,711	$21,432,685	$24,197,788	$21,425,118	$21,782,197	6.0

Language in Bill: If third party payments received by the department to offset costs of the Foster Care Program are in excess of $320,000 in fiscal 1986 or $320,000 in fiscal 1987 these funds shall revert to the general fund.

Program Description: Services provided through this program include foster care, protective daycare, Big Brother and Sister, legal services to low income groups, services to the elderly, and the supplemental security income program. Except in the 12 counties that have opted for state assumption of their welfare program, funding and supervision of social workers and homemaker field staff is a shared state and county responsibility. Social services for senior citizens are provided through contracts with eleven agencies for aging that are located around the state.

Current Level Budget: The general fund increases 140 percent from fiscal 1984 to fiscal 1986. The major cause of this increase is the transfer of social service block grant funds to the developmental disabilities program and the substitution of general fund for the county mill levy. In total funds the percent increase from fiscal 1984 to fiscal 1986 is 6.0 percent. The department receives credits from families, insurance, and social security to offset some costs of foster care. The committee adjusted the appropriation for foster care to include $320,000 per year of such payments. If these payments exceed $320,000, the excess funds are to be deposited in the general fund.

The reduction of 2 FTE from the LFA current level are the nursing home ombudsman and legal advocate for senior citizens. These positions were added as a budget amendment during fiscal 1984 and are removed from subcommittee current level they are included as a modified recommendation.

The following table compares the fiscal 1984 actual expenditures and the approved level of funding for programs administered by the Social Services Program.

Social Services Grants and Benefits
Fiscal 1984 through Fiscal 1987

Grants and Benefits	FY 1984 Actual	FY 1986 Subcommittee	FY 1987 Subcommittee	FY 84-86 % Change
Day Care	376,597	$ 430,271	$ 457,063	14.3
Child Abuse	64,691	70,306	73,821	8.7
Legal Services	100,000	50,000	50,000	(50.0)
Domestic Violence	121,922	131,871	137,146	2.4
Big Brothers & Sisters	200,913	217,307	226,000	8.2
Home Health	26,933	30,047	31,249	11.6
West Yellowstone	6,395	7,150	7,436	11.8
Refuge	239,999	250,000	250,000	4.2
Subsidized Adoption	115,589	161,245	161,245	39.5
Supplemental Security Income	755,402	901,748	946,446	19.4
Aging	4,433,382	4,456,534	4,472,358	.6
Foster Care	4,920,899	5,649,366	5,856,778	13.3
Training	298,475	259,047	272,156	(13.2)
Total Expenditures	$11,661,197	$12,614,892	$12,941,698	8.1

Day Care

Protective daycare services are provided as an alternative to foster care. Funding for the program is approximately 70 percent general fund with the balance made up of federal Refugee and Title IV A funds. The committee approved a $.50 per day increase over the fiscal 1985 average cost per day for each year of the 1987 biennium. This results in a 6.6 percent increase in total funds for fiscal 1986 and a 6.2 percent increase for fiscal 1987. The average days of daycare were held constant at the fiscal 1984 level.

Comparison of Fiscal 1984 Actual Expenditures with
Days of Care with Fiscal 1986 and 1987

	Fiscal 1984	Fiscal 1986	Fiscal 1987
Days of Care	53,569	53,583	53,583
Rate Per Day	$7.03	$8.03	$8.53
Total Cost	$376,597	$430,271	$457,063

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Child Abuse

Child abuse services are provided through grants to local agencies for training and public awareness of issues surrounding the physical and sexual abuse of children. The committee adopted a funding level that reflects a 4, 4.5, and 5 percent inflation from the fiscal 1984 expenditure level through fiscal 1987. The program is 100 percent federal fund.

Legal Services

This services is provided through a contract with the Montana Legal Services Association, which provides legal services for AFDC and SSI recipients. The committee reduced funding for this program by one-half of the level authorized for fiscal 1984. The program is funded 100 percent with general fund.

Domestic Violence

This program provides protection and counseling services to abused spouses. A $14 fee from the marriage license is deposited in the general fund to offset costs of the program. The committee approved a funding level that was 4 percent above the fiscal 1985 appropriation of $130,875 for fiscal 1986 and a 4 percent inflation of that amount for fiscal 1987. The level of funding was established to maintain the fiscal 1985 contracts the department has with private providers and safe home operators.

Big Brothers and Sisters

The Big Brothers and Sisters Program is intended to provide an appropriate adult role model for youth of single parent families. Funds for this program include a 25 percent local match, with the balance being general fund. The committee approved funding that was 4 percent above the fiscal 1985 appropriated level for fiscal 1986 and a 4 percent increase for fiscal 1987.

Home Health and West Yellowstone

These two programs are grants awarded by SRS to local contractors to fund social services and homemaker services in areas where there is no departmental staff. The Home Health Foundation provides services to Lewis and Clark County and the West Yellowstone Project provides services to the West Yellowstone area. The committee funded both programs at a level corresponding to a 7.5 percent increase from the fiscal 1984 level of $33,328 to fiscal 1985 and 4 percent each year for fiscal 1986 and 1987. The Home Health Program is 100 percent general fund while the West Yellowstone Project is 75 percent general fund and 25 percent local match.

Refugee

Services to the Indo-Chinese are 100 percent federal fund. Services include support for refugee centers, assistance in locating employment and public education programs. The committee approved funding for the program at the anticipated level of available federal funds. The $250,000 per year is 4 percent above the fiscal 1984 actual expenditure level.

Subsidized Adoption

Subsidized adoption is a program designed to assist families in adopting children with special needs such as physical or mental handicaps, or sibling groups. If the child is eligible for federal Title IV-E funding, the program costs are shared at the same percentage as the medicaid rate; if the child is not IV-E eligible, the payment is 100 percent general fund. The actual amount of support is negotiated with the family and depends upon the particular needs of the child. The maximum subsidy in fiscal 1984 was $225 per month which was set at $10.00 less than the foster care payment.

For th iscal 1987 biennium, the committee adopted a funding leve. ased upon the estimated fiscal 1985 caseload of 55 subsidi d children and maintained this caseload through fiscal 1986 and 1987. The maximum payment level was retained at $225 per month.

Supplemental Security Income

The state supplements federal payments to indigent aged, blind, or disabled persons. The amount of the supplemental payment is determined according to the residence of the recipient. During fiscal 1984, individuals living in residential homes and group home for the mentally ill or developmentally disabled received $94.00 per month; children and adults in foster care receive $52.75 per month; and developmentally disabled in semi-independent living situations received $26.00 per month. The average monthly payment in fiscal 1981, 1982,and 1983 was $93.34. In fiscal 1984, the average monthly payment was reduced to $85.49. The reduction in the fiscal 1984 rate was possible due to a $10 increase in the federal supplement. With the increased federal payment the agency was able to reduce the state's share and still maintain the fiscal 1983 combined federal/state level of payment.

Because the average monthly payment is constant through fiscal 1986 and 1987, the determining factor in calculating the current level benefits is the caseload. The committee adopted the executive estimate of the fiscal 1985 caseload of 841 and then inflated the caseload at 4.5 percent for fiscal 1986 (879 cases) and 5 percent for fiscal 1987 (923 cases). Funding for this program is 100 percent general fund.

Aging Services

Funding for the aging program is partly determined by the level of anticipated federal grants. State general funds are used to support information and referral services, in-home care, and a 5 percent match on federal funds used for social services, congregate nutrition, and home delivered meals. Funding for services during the 1987 biennium were calculated by inflating the fiscal 1984 expenditures at 4 percent for fiscal 1985, 4.5 percent for fiscal 1986, and 5 percent for fiscal 1987, with an adjustment to reflect a slight decrease in available federal funds.

Funding For Aging Service

Federal Funds	Fiscal 1984	Fiscal 1986	Fiscal 1987
Supportive Services	$1,193,558	$1,200,016	$1,200,016
Congregate Units	1,654,444	1,688,819	1,688,819
Home Delivery Meals	283,883	325,462	325,462
Cash in Lieu of Comm	445,344	626,980	626,980
Total Federal Funds	$3,577,229	$3,841,277	$3,841,277
General Funds			
State Match	$ 189,828	$ 189,076	$ 189,076
Information/Referral	126,685	137,681	144,565
In-Home Service	273,600	286,000	297,440
Legacy Leg.	5,000	2,500	-0-
Total General Fund	$ 595,113	$ 615,257	$ 631,081
Total Program	$4,172,342	$4,456,534	$4,472,358

Training

Funds approved for training of the social services staff includes a 25 per match from the University of Montana which provides the training. The following table shows that although the total funds for training have decreased by 13.2 percent, the amount of general fund increased 673 percent. This increase is due to the substitution of social services block grant funds with general fund. Social services block grant funds are transferred to the Developmental Disabilities Program.

Funding for Social Services Training

	Fiscal 1984	Fiscal 1985	Fiscal 1986
General Fund	$ 24,616	$190,345	$200,019
University match	50,002	68,702	72,137
Social Services Block Grant	223,857	-0-	-0-
Total Funds	$298,475	$259,047	$272,156

Foster Care

The following table shows the growth of foster care services from fiscal 1982 through fiscal 1984.

Comparison of Foster Care Service Cost
Fiscal 1982 through 1984

Service	Fiscal '82	Fiscal '83	Fiscal '84	% Change 82--84	Fiscal '86	% Change 84--86	Fiscal '87
Foster Family	$1,713,685	$1,889,308	$1,983,412	15.7	$2,259,137	13.90	$2,386,141
Group Home	403,638	414,269	756,157[1]	87.3	840,110	11.10	880,357
Attention Home	153,120	115,923	193,962	26.6	216,383	11.56	227,551
Receiving Home	118,780	135,353	164,727	38.6	182,979	11.08	192,227
In-state Treatment	1,396,282	1,381,234	1,176,579	(15.7)	1,412,150	20.02	1,559,340
Out-of-state Treatment	238,362	505,264	420,691	76.5	485,687	15.45	344,813
Care & Professional Treatment.	117,167	190,815	225,371	92.3	252,920	12.22	266,349
Total Cost	$4,141,034	$4,632,166	$4,920,899	18.8	$5,649,366	14.80	$5,856,778

[1] Includes $295,940 in grants to District Youth Guidance Homes.

The fu[illegible]g level approved for foster family, group home, attention [illegible]e, receiving home, and care and professional treatment was [illegible]sed upon a 6, 4.5, and 5 percent inflation of fiscal 1984 actual cost through fiscal 1987 and thus adjusted according to anticipated refunds (credits) by each program.. For out-of-state and in-state treatment costs, the committee averaged the costs for in-state and out-of-state treatment and allocated the days of care proportionate to the mix of care days that occurred in fiscal 1984. The total days of care were reduced by 1,825 in fiscal 1986 and 3,650 in fiscal 1987 to adjust for five children in fiscal 1986 and ten children in fiscal 1987 that would be placed in the new Billings Youth Treatment Center. These are 30,500 in state care days in fiscal 1986 and 32,072 state care days in fiscal 1987. Out-of-state care days are 10,490 in fiscal 1986 and 7,092 in fiscal 1987.

Modified Recommendations: (1) Advocacy Assistance: Two FTE are approved to provide advocacy assistance to the elderly, a nursing home ombudsman and a lawyer. These positions were added during fiscal 1984 through a budget amendment. Funding for the additional positions is federal Commissioner on Aging funds of $49,220 in fiscal 1986 and $49,239 in fiscal 1987.

(2) Support Services for Foster Care: Additional funds of $243,090 in fiscal 1986 of which $82,651 are general fund and $254,855 in fiscal 1987 of which $86,651 are general fund, are approved to provide such services as increased psychological services, funds for special nutritional program, increased clothing allowance, and reimbursement to foster families for personal property damages caused by the foster children.

(3) Additional Social Workers: The committee approved 30 additional social worker positions and 2 administrative aid positions. These positions will be phased in during the 1987 biennium. The additional positions were requested by SRS to reduce the caseload of child care workers.

Funding for Additional 32 Positions
During 1987 Biennium

		Fiscal 1986	Fiscal 1987	Biennium
Original Dept Request for 54 FTE	General Fund	$628,007	$1,252,437	$1,880,444
	County Fund	89,715	178,919	268,634
	Total	$717,722	$1,431,356	$2,149,078
Committee Approved funding for 32 Additional Positions	General Fund	$233,018	$ 601,831	$ 834,849
	County Fund	33,288	85,976	119,264
	Total Funds	$266,306	$ 687,807	$ 954,113

As may be seen from the above table, the phasing in of the 32 positions reduces the costs during the 1987 biennium. However, by the 1989 biennium, the annualized costs for these positions will be approximately $848,210.

Agency: Department of Social and Rehabilitation Services

Program: Eligibility Determination

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	318.61	336.61	318.61	318.61	354.61	318.61	318.61	0.00
Personal Services	$6,236,285	$6,760,858	$6,443,111	$6,443,111	$7,090,245	$6,454,195	$6,454,195	3.3
Operating Expenses	108,493	117,875	114,196	113,165	124,874	117,779	115,285	5.3
Total Exp.	$6,344,778	$6,878,733	$6,557,307	$6,556,276	$7,215,119	$6,571,974	$6,569,480	3.3
FUNDING								
General Fund	$ 855,687	$1,053,086	$ 766,201	$1,993,101	$1,152,638	$ 765,803	$1,997,107	132.9
State Special Rev.	999,938	1,039,936	1,039,936	-0-	1,039,936	1,039,936	-0-	0.0
Federal Revenue	4,489,153	4,785,711	4,751,170	4,563,175	5,022,545	4,766,235	4,572,373	1.6
Total Funding	$6,344,778	$6,878,733	$6,557,307	$6,556,276	$7,215,119	$6,571,974	$6,569,480	3.3

Language in Bill: No FTE or spending authority may be transferred into or out of this program.

Program Description: This program is responsible for eligibility determination of applicants for AFDC, medicaid, food stamps and general assistance. Expenditures for the programs are for personal services and travel expenses associated with county welfare eligibility staff, clerical staff, and an allocated portion of county welfare director's salaries.

Current Level Budget: The program is maintained at the fiscal 1984 expenditure level adjusted for inflation. Federal funding for this program is a combination of food stamp, AFDC, and medicaid funds in the 12 assumed counties, and 46 percent county funds in the non-assumed counties.

Modified Recommendations: (1)Eligibility Technicians. The executive requested 54 additional eligibility technicians be added during the fiscal 1987 biennium due to increased workload associated with growing AFDC and general assistance caseloads. The subcommittee approved a total of 12 FTE for state assumed counties and 22 FTE in non-state assumed counties. The additional positions in the state assumed counties are to be phased in during each year of the biennium.

Additional Eligibility Technician Positions

	Fiscal 1986					Fiscal 1987				
	FTE	General Fund	Federal	County	Total	FTE	General Fund	Federal	County	Total
State Assumed	6	$35,430	$ 27,837	$ -0-	$ 63,267	12	$96,202	$ 75,587	$ -0-	$171,789
Non-Assumed	11	-0-	91,390	116,315	207,705	22	-0-	182,855	232,729	415,579
Total	17	$35,430	$119,227	$116,315	$270,972	34	$96,202	$258,442	$232,729	$587,368

(2) Authorization for Additional FTE. The committee approved 25 additional FTE within this program. The position are currently located in the county welfare office and are being paid for by SRS with federal LIEAP funds through contracts with county welfare offices. Although the LIEAP grant provides funds for local administration and eligibility determination of applicants, counties have the option of providing this service with county staff, or allowing local HRDC's to administer the program. FTE associated with the modified are in counties when the HRDC does not administer the program. Nineteen FTE are eligibility technicians for the LIEAP Program and 4 FTE are associated with the food stamp program. The FTE associated with issuance of food stamps in assumed counties are currently paid with federal fund that pass through SRS.

Additional FTE for LIEAP and Food Stamp Issuances

	Fiscal 1986		Fiscal 1987	
	General Fund	Other Funds	General Fund	Other Funds
LIEAP (19 FTE)	$ -0-	$ -0-	$ -0-	$ -0-
Food Stamp Issuance (4.0 FTE)	-0-	68,925	-0-	70,303
Total Modification	$ -0-	$ 68,925	$ -0-	$ 70,303

Agency: Department of Social and Rehabilitation Services

Program: Administration and Support Systems

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	83.5	83.5	83.5	83.5	83.5	83.5	83.5	0.0
Personal Services	$2,019,289	$2,071,655	$2,073,032	$2,073,032	$2,075,774	$2,077,256	$2,077,256	2.7
Operating Expenses	788,666	908,204	869,980	929,454	811,517	791,312	834,150	15.5
Equipment	10,132	47,540	25,704	25,704	18,714	26,989	26,989	153.7
Total Exp.	$2,818,087	$3,027,399	$2,968,716	$3,028,190	$2,906,005	$2,895,557	$2,938,395	6.8
FUNDING								
General Fund	$ 525,276	$ 566,519	$1,271,602	$1,638,889	$ 541,111	$1,228,153	$1,594,114	210.1
State Special Rev.	308,335	320,668	320,668	-0-	320,668	320,668	-0-	(100)
Federal Revenue	1,984,476	2,140,212	1,376,446	1,389,301	2,044,226	1,346,736	1,344,281	(30.4)
Total Funding	$2,818,087	$3,027,399	$2,968,716	$3,028,190	$2,906,005	$2,895,557	$2,938,395	6.8

Program Description: This program provides the overall agency management, budgeting, and planning. Services include data processing, planning and research, personnel management, financial analysis, and overall agency supervision and policy development.

Current Level Budget: The current level includes $41,211 in fiscal 1986 and $43,141 in fiscal 1987 for additional state liability insurance costs and $15,741 in additional Department of Administration rent in fiscal 1986 and an additional $12,627 in Department of Administration rent for fiscal 1987. The increase in the general fund results from the transfer of social service block grant funds to the developmental disabilities programs and the substitution of general fund for the county mill levy.

Agency: Department of Social and Rehabilitation Services

Program: County Assumption--Administration

	FY 1984 Actual	Fiscal 1986 Executive	Fiscal 1986 Current Level	Fiscal 1986 Subcommittee	Fiscal 1987 Executive	Fiscal 1987 Current Level	Fiscal 1987 Subcommittee	FY 84-86 % Change
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Expenses	$ 954,057	$1,263,183	$1,033,033	$1,281,444	$1,278,260	$1,085,475	$1,323,391	36.1
Equipment	196,397	44,200	44,200	44,200	-0-	-0-	-0-	(77.5)
Total Exp.	$1,150,454	$1,307,383	$1,077,233	$1,325,644	$1,278,260	$1,085,475	$1,323,391	16.7
FUNDING								
General Fund	$ 294,756	$ 252,736	$ 235,984	$ 963,626	$ 238,385	$ 240,758	$ 962,009	231.1
State Special Rev.	386,700	402,168	402,168	-0-	402,168	402,168	-0-	(100.0)
Federal Revenue	468,998	652,479	439,081	362,018	637,707	442,549	361,382	(21.8)
Total Funding	$1,150,454	$1,307,383	$1,077,233	$1,325,644	$1,278,260	$1,085,475	$1,323,391	16.7

Program Description: The County Assumption Program includes a portion of the operational costs and all equipment costs associated with administration of the state's assumption of 12 county welfare programs. Personnel and benefit costs associated with the assumed county welfare program are allocated to other divisions in the department.

Current Level Budget: An additional $127,003 in fiscal 1986 and $133,353 in fiscal 1987 was approved for contracts with two assumed counties for annualized costs related to food stamp issuance and expansion of the Food Commodities Program. These additional costs are entirely federally funded. Two of the assumed counties moved the welfare offices which increases rent by $103,585 in fiscal 1986 and $108,763 in fiscal 1987. Repair and maintenance was increased by $34,639 in fiscal 1986 and $36,371 in fiscal 1987 for maintenance contracts on new word processing and duplicating equipment.

The increase in general fund results from the substitution of social service block grant funds transferred to the Developmental Disabilities Program and that substitution of county mill levy funds. If adjustments are made to compensate for the shift of social services block grant and mill levy funds, the general fund increase between fiscal 1984 to fiscal 1986 is 4.6 percent and 68.1 percent for federal funds. Federal funds included in this program are food stamp, AFDC, and medicaid funds.

Agency: Department of Social and Rehabilitation Services — Program: Medical Assistance

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	20.99	33.99	20.99	20.99	36.99	20.99	20.99	0.00
Personal Services	$ 571,153	$ 922,049	$ 622,809	$ 629,012	$ 989,656	$ 623,847	$ 630,036	10.3
Operating Expenses	1,787,499	3,291,384	1,964,948	1,980,394	2,016,126	2,060,413	2,021,854	16.82
Equipment	1,471	5,529	18,000	230	230	-0-	230	(84.4)
Grants & Benefits	96,333,666	117,586,488	110,654,974	118,153,766	125,137,937	115,855,339	120,119,849	22.6
Total Exp.	$98,693,789	$121,805,450	$113,260,731	$120,763,402	$128,143,949	$118,539,599	$122,771,969	22.7
FUNDING								
General Fund	$37,984,575	$ 42,012,512	$ 39,174,690	$ 43,018,177	$ 44,120,059	$ 40,719,678	$ 43,411,584	13.9
State Special Rev.	1,445,520	1,819,643	1,819,643	-0-	1,819,643	1,819,643	-0-	0.0
Federal Revenue	59,263,694	77,973,295	72,266,398	77,745,225	80,204,247	76,000,278	79,360,385	31.4
Total Funding	$98,693,789	$121,805,450	$113,260,731	$120,763,402	$128,143,949	$118,539,599	$122,771,969	22.7

Language in Bill: Funds appropriated in the contingency fund may be used only for documented costs directly attributable to increases in the AFDC or Medicaid Program as a result of the Deficit Reduction Act of 1984. No funds may be expended from the contingency fund until the regular appropriation for AFDC and medicaid is expended.

Program Description: The Medical Assistance Program is administered by the Economic Assistance Division and provides support for a variety of medical programs for the state's low income population. Included under the Medical Assistance Program are medical payments to nursing homes, inpatient hospitals, physicians, and other medical services that provide care and treatment to individuals who qualify for the Aid to Families with Dependent Children Program (AFDC); aged, blind or disabled; or the medically needy.

Current Level Budget: The general fund increased 13.9 percent from fiscal 1984 to fiscal 1986. The principal cause of this increase are attributable to an understatement of the fiscal 1984 medicaid costs, increased caseload for AFDC and the Aged, Blind and Disabled, the expansion of the medicaid waiver program, the addition of the Montana Youth Treatment Center in Billing, and changes in the eligibility criteria for medicaid services required by the Federal Deficit Reduction Act of 1984. With only minor adjustments amounting to less than 2 percent of the total operating costs, the fiscal 1984 operating expenses were carried forward to fiscal 1986 and 1987 with an inflation increase.

The following table shows the fiscal 1984 actual expenditures for benefits and the approved level for fiscal 1986 and 1987.

Medical Assistance Grants and Benefits
Fiscal 1984 through Fiscal 1987

Grants and Benefits	FY 1984 Actual	FY 1986 Subcommittee	FY 1987 Subcommittee	FY 84-86 % Change
DHES Surveys	$ 123,701	$ 133,457	$ 133,744	8.1
Indian Health	1,121,036	1,577,486	1,577,486	40.7
Medicare Buy-in	1,193,629	1,499,040	1,745,280	46.2
Medicaid-Other	40,955,853	51,311,948	54,201,993	26.7
Medicaid-Nursing	39,798,400	43,231,858	44,675,452	12.2
Medicaid-Institutions	10,103,536	13,688,363	14,085,559	39.4
State Medical	2,970,011	2,954,772	3,237,525	29.8
Medicaid Waiver	67,500	1,191,357	1,238,810	1,735.2
DEFRA Contingency	-0-	3,341,487	-0-	0.0
Medicaid-Refunds	-0-	(776,000)	(776,000)	0.0
Total Expenditures	$96,333,666	$118,153,768	$120,119,849	21.5

Department of Health Nursing Home Services

The Department of Health and Environmental Sciences conducts reviews of nursing homes to ensure they are in compliance with federal and state licensing requirements. Funding for the reviews is federal funds that pass through SRS to DHES and matched with general funds in DHES. The approved funding for this program is $133,465 in fiscal 1986 and $133,744 in fiscal 1987. This level of funding is consistent with the amount approved in the health department budget.

Indian Health Services

Administration of various federal health services on Indian reservations is funded through a federal grant that passes through SRS. The department has requested $1,577,486 for each year of the 1987 biennium.

Medicare Buy-In

States have the option of paying the medicare Part-B premiums for individuals qualifying for medicare, but are unable to pay for the premiums themselves. If the state chooses to pay the premiums, then medical expenses and drugs are paid with federal medicare funds rather than medicaid which requires a general fund match. The premium paid by the state is funded according to the eligibility of the individual for other assistance programs. If the individual is already receiving some form of social assistance such as AFDC or SSI, then the premium for the medicare buy-in is a combination of Title XIX and general fund at the same match used for medicaid.

The following table shows the cost of the Part-B premiums from fiscal 1982 through 1984 and the approved funding for the 1987 biennium.

Caseload and Premium Costs for Medicare Part-B Insurance
Fiscal 1982 through Fiscal 1987

Fiscal Year	1982	1983	1984	1986	1987	% Change FY 84-86
Caseload	7,653	7,377	7,423	7,200	7,200	13.0
Premium	$ 11.00	$ 13.40	$ 13.40	$ 17.35	$ 20.20	24.4
General Fund	667,378	722,875	802,968	932,403	1,085,564	16.1
Federal Fund	342,818	357,197	390,658	566,637	659,716	45.0
Total	$1,010,196	$1,080,072	$1,193,626	$1,499,040	$1,745,280	25.6

Medicaid--Other

Medicaid-Other includes costs of inpatient and outpatient hospital services, drugs, and other medically related services for recipients of AFDC, SSI and the medically needy.

Because fiscal 1984 is the base year used to calculate the current level budget for the 1987 biennium, it is critical that the estimate of actual fiscal 1984 expenditures be accurate. Using the most recent data available, January 1985, a revised estimate of fiscal 1984 costs were made to take into account the time lag between when the services were actually provided and when the payment for services was made. The following table compares the original estimate of medicaid--other made during July 1984, and the revised estimate based upon the January 1985 data. The amount SRS recorded as medicaid expenses from their fiscal 1984 appropriation understated the costs by approximately 7.2 percent.

Comparison of Original and Revised Estimates of Fiscal 1984 Expenditure Base

Recipient	Department Original	January Estimate	Difference	% Change
AFDC	$21,215,359	$22,419,829	$1,204,407	5.7
SSI	19,740,494	21,482,147	1,741,653	8.8
Total Cost	$40,955,853	$43,901,976	$2,946,060	7.2

Because the AFDC and SSI populations differ in terms of service utilization and costs, calculation of benefits for these two populations are made separately.

The AFDC medicaid-other costs were based upon a projected caseload of 7,490 in fiscal 1986 and 7,483 in fiscal 1987.

Comparison of Fiscal 1984 Through Fiscal 1987
AFDC Medicaid Caseload and Costs

	Fiscal 1984	Fiscal 1986	Fiscal 1987
Caseload	7,125	7,490	7,483
Costs-Subcommittee	$22,419,829	$25,635,676	$26,892,302
Percent Change		14.3%	4.9%

In calculating the costs for medicaid services, a 4, 4.5, and 5 percent inflation factor was used for the fiscal 1984 base to fiscal 1987. These inflation factors assume that cost containment measures adopted by SRS will be effective in reducing the rate of inflation for health care. The following table shows the cost per service, number of services and total costs by service for AFDC medicaid-other before estimated costs of $1,869,689 in fiscal 1986 and $2,284,193 in fiscal 1987 were added as a result of the addition of the unemployed parent to the AFDC caseload.

AFDC-Medicaid
Cost Per Service, Total Services and Total Costs Fiscal 1984 and 1987 Biennium

	Cost/Service					Total Services					Total Costs			
	Fiscal 1984	Fiscal 1986	Fiscal 1987	% Change 1984-1986	*	Fiscal 1984	Fiscal 1986	Fiscal 1987	% Change 1984-1986	*	Fiscal 1984	Fiscal 1986	Fiscal 1987	% Change 1984-1986
Inpatient	155.32	168.80	177.24	8.7	*	70,115	73,769	73,700	5.2	*	10,890,195	$12,452,258	$13,062,651	14.3
Outpatient	26.36	28.65	30.08	8.7	*	53,748	56,545	56,496	5.2	*	1,416,792	1,620,014	1,699,425	14.3
Physicians	25.66	27.89	29.28	8.7	*	191,740	201,713	201,555	5.2	*	4,920,050	5,625,770	5,901,537	14.3
Other Practices	13.69	14.88	15.62	8.7	*	73,343	77,156	77,104	5.2	*	1,004,062	1,148,083	1,204,360	14.3
Drugs	9.10	9.89	10.38	8.7	*	94,579	99,507	99,457	5.2	*	860,672	984,124	1,032,365	14.3
Dental	21.05	22.88	24.02	8.7	*	83,415	87,751	87,684	5.2	*	1,755,892	2,007,753	2,106,170	14.3
Other	9.95	10.81	11.36	8.7	*	158,007	166,297	166,003	5.2	*	1,572,166	1,797,674	1,885,794	14.3

A procedure similar to that use in calculating AFDC medical costs was used to calculate the Aged, Blind, and Disabled (SSI) medicaid-other. For SSI, however, the caseload was held constant at 10,700 per year and inflation factors of 4, 4, and 4 percent were used. The medicaid-other for the SSI population approved by the committee was $24,059,810 in fiscal 1986 and $25,025,089 in fiscal 1987. The following table shows the cost per service, number of services and total costs for Aged, Blind, and Disabled medicaid-other.

Aged, Blind, and Disabled

Cost per Service, Total Services, and Total Cost for 1984 and 1987 Biennium

	Cost/Service				Total Services				Total Costs			
	Fiscal 1984	Fiscal 1986	Fiscal 1987	% Change 1984-1986	Fiscal 1984	Fiscal 1986	Fiscal 1987	% Change 1984-1986	Fiscal 1984	Fiscal 1986	Fiscal 1987	% Change 1984-1986
Inpatient	216.46	234.12	243.48	8.1	38,158	39,722	39,722	4.1	8,259,681	9,299,715	9,671,513	12.6
Outpatient	37.17	40.21	41.82	8.1	17,606	18,328	18,328	4.1	654,415	736,969	766,477	12.6
Physicians	19.30	20.07	20.87	8.1	103,248	107,479	107,479	4.1	1,992,686	2,157,104	2,243,087	12.6
Other Practices	12.61	13.11	13.63	8.1	42,383	44,120	44,120	4.1	534,450	578,413	601,356	12.6
Drugs	11.06	11.96	12.44	8.1	347,785	362,038	362,038	4.1	3,846,502	4,329,974	4,503,753	12.6
Dental	30.67	31.90	33.18	8.1	347,785	362,038	362,038	4.1	3,846,502	4,329,974	4,503,753	12.6
Other	6.38	6.91	7.19	8.1	878,704	914,716	914,716	4.1	5,606,132	6,320,688	6,576,808	12.6

During the 1987 biennium, the matching rate for the state/federal share in funding the medicaid program will increase from an average rate of 62.75 percent federal funds for the 1985 biennium to 65.89 percent in fiscal 1986 and 66.38 percent in fiscal 1987. The effect of this change will be to increase the federal share of the costs of the program by approximately $1,611,194 in fiscal 1986 and $1,967,532 in fiscal 1987 above what would have been paid had the match rate remained at the 1985 biennium level. However, if the federal government should lower the match rate in future years, the state would have to either increase the general fund to offset the reduced medicaid federal funds or cut services. As may be seen from the following table, although total expenditures for medicaid other increase 16.9 percent, the general fund increase is only 4.4 percent.

The table also shows that although the costs between fiscal 1984 and 1986 increase by 16.9 percent, the total cost change shown from the amount recorded in state accounting records as expenditures in fiscal 1984 to the subcommittee's fiscal 1986 appropriation will be a 25.3 percent increase. The difference between the 16.9 percent and the 25.3 percent increase is due to the costs officially recorded for fiscal 1984 being understated.

Total Medicaid Benefits
1987 Biennium

	Subcommittee Fiscal 1984	Subcommittee Fiscal 1986	Subcommittee Fiscal 1987	Subcommittee % Change 1984/1986	Recorded Fiscal 1984	Subcommittee Fiscal 1986	% Change 1984/1986
AFDC	$22,419,829	$27,252,136	$29,176,495	21.5	$21,215,359	$27,252,136	28.5
SSI	21,471,882	24,059,810	25,025,498	12.1	19,740,494	24,059,810	21.9
Total	$43,891,711	$51,311,946	$54,201,993	16.9	$40,955,853	$51,311,946	25.3
General Fund	$16,757,855	$17,502,505	$18,222,710	4.4	$15,636,945	$17,502,505	11.9
Federal Fund	27,133,856	33,809,441	35,979,283	24.6	25,318,908	33,809,441	33.5
Total Fund	$43,891,711	$51,311,946	$54,201,993	16.9	$40,955,853	$51,311,946	25.3

Medicaid Nursing Home

Caseload and per day costs are the two factors that contribute to the total medicaid costs for nursing homes. During the 1985 biennium, medicaid nursing home rates were established under a formula designed jointly by SRS and the nursing home industry. In 1984, the nursing homes filed a class action suit against SRS to block changes in the formula proposed by SRS. As part of the lawsuit settlement, SRS agreed to provide a 4 percent increase for nursing home operating costs and 2.5 percent property cost increase each year of the 1987 biennium. The funding level approved for fiscal 1986 and 1987 includes these increases in the nursing home rate.

Nursing Homes Reimbursement for Fiscal 1987

	Fiscal 1984	Fiscal 1986	Fiscal 1987	% Change 1984-1986
Per Day Cost	42.33	45.33	47.03	7.0
Patient Contribution	(10.47)	(11.19)	(11.75)	6.9
State Cost Per Day	31.86	$34.14	$35.28	7.2
Number of Care Days	1,215,331	1,266,311	1,266,311	4.2
Nursing Home Cost	$38,722,686	$43,231,857	$44,675,452	11.6

The comm ee approved projected nursing home days of 1,266,311 for cal 1986 and 1987. This projection includes 149 additiona nursing home beds that have been approved for construction through the certificate of need process. The committee also anticipates that with the additional services provided under the medicaid waiver for home and community based services as an alternative to nursing home care, there may be a reduction in the need for additional medicaid nursing home beds.

Medicaid-Institutions

Institutional medicaid reimbursement is a function of care days provided, multiplied by the total institutional cost per day, minus third party collections. With the exception of the new Montana Youth Treatment Center in Billings, there is no change anticipated in institutional care days provided during the 1987 biennium. The approved level of benefits include $13,688,363 in fiscal 1986 and $14,085,559 in fiscal 1987. The following table shows the medicaid funding by institution.

Medicaid Reimbursement by Institution
Fiscal Years 1984, 1986, and 1987

Institution	Fiscal 1984	Fiscal 1986	Fiscal 1987
Boulder	$ 7,127,122	$ 7,680,449	$ 7,908,760
Center for the Aged	1,048,892	1,126,385	1,157,022
Eastmont	1,087,912	1,417,852	1,454,795
Galen	1,006,600	1,027,192	1,055,875
Warm Springs	256,778	284,591	292,805
Youth Center	-0-	2,151,894	2,216,302
Total	$10,527,304	$13,688,363	$14,085,559

State Medical Assistance

As part of the state's assumption of county welfare programs, SRS has assumed administration and funding for the county medical assistance programs in 12 counties. Under the administrative rules governing the program, medical assistance is provided to individuals whose income and resources are insufficient to pay for needed medical care, but are ineligible for other government programs such as medicaid or medicare. Although this caseload is the same as the General Assistance caseload and has grown significantly since fiscal 1983, according to SRS, actual payments under the State Medical Program have been slightly lower during the first part of fiscal 1985 then were experienced in fiscal 1984. The funding level approved by the committee includes inflation of 4, 4.5, and 5 percent on the cost per service for fiscal 1984 through fiscal 1987 and adjusted downward by $582,474 in fiscal 1986 and $618,192 in fiscal 1987 to reflect changes on the caseload as a result of the unemployed parent addition to AFDC caseloads. This program is 100 percent general fund.

Medicaid Waiv

During the fiscal 1985 biennium, the legislature authorized SRS to begin establishment of home and community based services for the elderly as an alternative to using home care. During fiscal 1984, SRS expended $67,800 as start-up costs for the year. Total costs for the program during the 1987 biennium equal the number of cases served per day multiplied by the cost per day. Funding for this program is similar to other medicaid services with federal participation of 65.89 percent of total costs in fiscal 1986 and 66.38 percent of total costs in fiscal 1987. The large increase in authorized days of care between fiscal 1984 and 1985 reflects the start-up period needed during fiscal 1984. The following table shows the fiscal 1984 costs, the estimated fiscal 1985 cost and the approved funding for fiscal 1986 and 1987.

Medicaid Home and Community Based Services
Fiscal Years 1984 Through Fiscal 1987

	FY 84	FY 85	FY 86	FY 87
Days	4,500	70,322	73,000	73,000
Cost/Day	$15.00	$15.69	$16.32	$16.97
Total Costs	$67,500	$1,103,352	$1,191,360	$1,238,810

Deficit Reduction Act of 1984 (DEFRA)

The Deficit Reduction Act of 1984 (DEFRA) was passed by Congress to provide additional assistance to low income families. Regulations of the act became effective October 1984. There are three major changes in eligibility for medical assistance that will affect the medicaid-other budget: 1) increase in the need standard; 2) coverage for pregnant women and young children; and 3) prolonged disregards of earned income. Because the Act did not become effective until fiscal 1985, it was not possible to make an accurate estimate of the fiscal impact of these changes. The department originally projected a total biennium cost of $10,000,000 associated with the DEFRA changes. However, a revised estimate by the department based upon the impact of the changes during the first five months of fiscal 1985, indicates a total biennium cost of $4,622,444. According to SRS estimates, the DEFRA changes will increase the AFDC caseload by 48 cases each year of the 1987 biennium, and 598 cases for medicaid eligibility. A contingency fund has been approved based upon an SRS estimate of the impact of these changes during the first five months of fiscal 1985.

DEFRA Impact For the Fiscal 1987 Biennium

	- - - Fiscal 1986 - - -		- - - Fiscal 1987 - - -		- - Total Biennium - -	
	General Fund	Total	General Fund	Total	General Fund	Total
AFDC	$ 65,229	$ 191,323	$ 66,810	$ 198,720	$ 132,039	$ 389,952
Medicaid	635,050	1,861,772	797,036	2,370,720	1,432,086	4,232,492
Total	$700,279	$2,053,095	$863,846	$2,569,440	$1,564,125	$4,622,444

The ap ed level of funding for the contingency fund includes t estimated costs for the first 18 months of the fiscal 1 biennium or $3,341,487 of which $1,132,201 is general fund. This level was adopted to provide the agency sufficient funds until the 1987 legislature convened when if necessary, the department could request supplemental funding. Access to the contingency fund is restricted to documented costs directly attributable to the impact of DEFRA, and the agency may not use these funds until the regular AFDC and medicaid appropriations is expended.

Modified Recommendation: 1) Medicaid Management Information System - The committee approved $1,200,000 for completion of the Medicaid Management Information System. These funds are 90 percent federal medicaid funds and 10 percent general fund. 2) Acute Care Reimbursement - The committee approved $99,664 in fiscal 1986 and $96,544 in fiscal 1987 to develop a new reimbursement system for acute care. The department proposes changing the inpatient hospital reimbursement system from a cost based to prospective payment system. The funds would be used to hire two financial analysts, one clerical position and one accounting technician. The funds are 50 percent general fund and 50 percent federal medicaid funds. 3) Home and Community Based Services: The committee approved funding of $375,449 in fiscal 1986 and $627,302 in fiscal 1987 to expand home and community based services for the elderly. Funds are approved for an additional 90 home and community based slots over the biennium.

Funding for Expanded Home and Community Based Services

	Fiscal 1986	Fiscal 1987
General Fund	$170,118	$229,882
Federal Medicaid	205,331	397,420
Total	$375,449	$627,302

4) Physician Position - The committee approved on additional 2.5 physician positions. This position provides medical evaluations for the State Medical Program. No funds are associated with the positions because they are currently paid through a 0.11 FTE position in the medical assistance program.

gency: Social and Rehabilitation Services

Program: Audit and Program Compliance

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
TE	40.0	40.0	40.0	40.0	40.0	40.0	40.0	0.0
ersonal Services	$ 944,175	$ 980,724	$ 986,713	$ 981,374	$ 981,803	$ 987,818	$ 982,478	3.9
perating Expenses	163,436	161,576	168,884	169,526	163,024	174,345	171,745	3.3
quipment	7,667	400	6,048	400	400	1,437	400	(94.8)
rants & Benefits	101,117	106,315	100,003	114,793	112,061	100,000	114,589	(1.1)
Total Exp.	$1,216,395	$1,249,015	$1,261,648	$1,266,093	$1,257,288	$1,263,600	$1,269,212	2.8
FUNDING								
eneral Fund	$ 457,551	$ 463,708	$ 588,303	$ 619,169	$ 469,200	$ 585,214	$ 625,354	35.2
ederal Revenue	758,844	785,307	673,345	646,924	788,088	678,386	643,858	(16.7)
Total Funding	$1,216,395	$1,249,015	$1,261,648	$1,266,093	$1,257,288	$1,263,600	$1,269,212	2.8

Program Description: The Audit and Program Compliance Division is responsible for auditing contractors, counties, and food stamp issuance offices; performing reviews of public assistance cases to monitor eligibility determination; receiving overpayments of public assistance and medicaid from recipients, providers, and third party payers such as insurance companies; and monitoring the claims processing contractor to ensure that medicaid claims are properly paid.

Current Level Budget: The general fund increase 35.2 percent from fiscal 1984 to fiscal 1986. The principal cause of the increase is the transfer of Social Services block grant fund to the developmentally disabled program.

The current level budget maintains the fiscal 1984 FTE level and operating costs are increased from fiscal 1984 through fiscal 1987 for inflation. Included in federal funds are $36,136 in fiscal 1986 and $33,777 of LIEAP funds to offset costs associated with audits of the LIEAP program. Benefits included for this program are a pass through of federal fund to the Department of Revenue to investigate food stamp fraud.

Modified Recommendations: (1) Additional Auditors. Four additional auditors are added to investigate fraud and increase collection for third party payers for medicaid. Costs for the additional FTE are $88,924 in fiscal 1986, of which $67,374 is general fund, and $85,592 in fiscal 1987, of which $64,871 is general fund. However, if approved, this modified also includes a reduction of $148,048 in general fund within the Medical Assistance and Assistance Payments Programs during fiscal 1986 as a result of anticipated increased collections, and a reduction of $142,387 of general fund in fiscal 1987.

gency: Department of Social and Rehabilitation Services

Program: Vocational Rehabilitation

	FY 1984	- - - Fiscal 1986 - - -			- - - Fiscal 1987 - - -			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
TE	68.15	66.75	65.75	65.75	66.75	65.75	65.75	(3.5)
Personal Services	$1,389,749	$1,438,168	$1,455,242	$1,431,072	$1,485,682	$1,457,802	$1,433,566	3.0
Operating Expenses	349,592	381,817	344,290	347,126	393,009	357,143	355,368	(0.1)
Equipment	3,810	3,810	4,140	3,810	3,810	4,347	3,810	0.0
Benefits	2,831,754	3,725,281	3,066,682	2,961,037	3,942,519	3,219,629	3,079,478	4.5
Total Exp.	$4,574,905	$5,594,076	$4,870,354	$4,743,045	$5,825,020	$5,038,921	$4,872,222	3.7
UNDING								
General Fund	$ 465,264	$1,155,176	$ 571,810	$ 605,601	$1,177,645	$ 584,473	$ 617,317	30.2
State Special Rev.	586,481	480,392	517,647	462,367	464,652	554,080	484,142	(21.2)
Federal Revenue	3,523,160	3,958,508	3,780,897	3,675,077	4,182,723	3,900,368	3,770,763	4.3
Total Funding	$4,574,905	$5,594,076	$4,870,354	$4,743,045	$5,825,020	$5,038,921	$4,872,222	3.7

Program Description: The Vocational Rehabilitation Program provides services to vocationally handicapped persons of employable age with the intent of returning those individuals to gainful employment. In addition to the federally funded program of vocational rehabilitation, this program also administers the Extended Employment Program for individuals who are very severely disabled and would not meet the federal criteria of potential gainful employment. The Extended Employment Program is 100 percent general fund, while the federal vocational rehabilitation program is 80/20 match of federal and state funds. During the fiscal 1985 biennium, funds for the state match to the federal vocational program are Industrial Accident and Rehabilitation Account funds (IARA) transferred to SRS from the state Department of Labor. The IARA funds are Workers' Compensation funds derived from contributions by employees enrolled under the state's Workers' Compensation Act. These funds are used to rehabilitate injured workers of the contracting employers and are matched at a 80/20 ratio with federal funds.

Current Level Budget: General fund increase 30.2 percent from fiscal 1984 actual expenditures. This increase results from a combination of a 6 percent increase between fiscal 1984 and 1985, 4 percent increase for each year of the 1987 biennium for the Extended Employment Program, and the addition of $12,000 per year of general fund to be used as match for federal vocational rehabilitation funds. The additional general fund match was approved to increase total funds available for vocational programs for individuals who have non-industrial accident related disabilities and thus would not qualify for federal funds matched by IARA funds.

Personal services is reduced by 2.4 FTE from the fiscal 1984 level. Positions deleted included a .85 rehabilitation counselor position that was vacant throughout fiscal 1984, a 1.0 clerical position that was vacant, and .55 clerical positions that were transferred to visual services.

A $30,000 per year contract to provide training opportunities for blind food service vendors was transferred to the Visual Service Program.

odified Recom dations: 1. Expansion of General Rehabilitation Services. The committee approved expanded services of $435,775 for fiscal 1986, of hich $75,000 is general fund, and $573,596 for fiscal 1987 of which $75,000 is general fund. The additional general funds are included to match vailable federal revenue and increase services to non-industrial accident related clients.

2. Expansion of Extended Employment Program. Ten additional clients would be served each year of the fiscal 1987 biennium. otal funds for this program are $50,000 in general fund each year. Clients for this program are predominantly chronically mentally ill or borderline entally retarded who do not qualify for the federally funded vocational program

3. Services to Special Disabled Populations This modified would serve severely disabled individuals such as brain injured, uscular dystrophy and multiple sclerosis who do not otherwise qualify for vocational programs due to the severity of their disability. Funding for the rogram is $196,000 in fiscal 1986, of which $100,000 is general fund and $96,000 of one-time federal funds for start-up costs and $100,000 is fiscal 987 all of which is general fund.

Agency: Department of Social and Rehabilitation Services | Program: Disability Determination

	FY 1984 Actual	Fiscal 1986 Executive	Fiscal 1986 Current Level	Fiscal 1986 Subcommittee	Fiscal 1987 Executive	Fiscal 1987 Current Level	Fiscal 1987 Subcommittee	FY 84-86 % Change
FTE	41.13	44.13	41.13	41.13	44.13	41.13	41.13	0.0
Personal Services	$ 960,890	$1,055,764	$ 974,454	$ 974,454	$1,058,058	$ 976,400	$ 976,400	1.4
Operating Expenses	771,358	1,105,033	850,715	1,039,324	1,144,448	901,759	1,082,059	35.1
Equipment	70,112	11,000	18,370	11,000	11,000	20,207	11,000	(84.3)
Benefits	38,393	72,482	43,301	54,982	75,891	45,985	58,391	43.2
Total Exp.	$1,840,753	$2,244,279	$1,886,840	$2,079,760	$2,289,397	$1,944,351	$2,127,850	13.1
FUNDING								
Federal Revenue	$1,840,753	$2,244,279	$1,886,840	$2,079,760	$2,289,397	$1,944,351	$2,127,850	13.1

Language in Bill: No FTE or spending authority may be transferred into or out of this program.

Program Description: The primary function of this federally funded program is to provide disability determination for individuals receiving supplemental security income and social security disability income benefits, and for disabled individuals receiving benefits under the state Medically Needy Program. In addition, the Disability Determination Bureau reviews cases to determine if clients should remain on current rolls or be suspended from the program.

Current Level Budget: The committee increased contracted medical costs by $152,820 in fiscal 1986 and $143,303 in fiscal 1987 for disability redetermination exams of individuals on supplemental security income or social security disability income. The federal government had placed a moratorium on these disability reevaluations during fiscal 1984, but lifted the moratorium in fiscal 1985. These costs are 100 percent federally funded. $24,087 was added for the biennium for client travel costs associated with the additional medical exams. $40,733 was added during the biennium for equipment maintenance contracts; $41,564 for office rent increases in non-state owned facilities.

The program is funded by federal funds and through a contract with the Medical Assistance Program which is budgeted at $45,792 in fiscal 1986 and $48,081 in 1987. This contract is to provide medical examinations to approximately 200 individuals receiving benefits under the medically needed program. General fund pays approximately 34 percent of the contract.

Modified Recommendations: 1. Disability Determination Hearing Unit. The committee approved a disability determination hearing unit added by budget amendment in fiscal 1984. The function of the hearing unit is to give disability beneficiaries, no longer eligible for benefits, an opportunity to request reconsideration of the findings. Two hearings officers and an administrative aid will provide an estimated 350 hearings each year. Federal funds of $171,157 in fiscal 1986 and $171,549 in fiscal 1987 are approved to support this modification.

gency: Department of Social and Rehabilitation Services

Program: Visual Services

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	20.85	19.75	20.45	20.45	19.75	20.45	20.45	(1.9)
Personal Services	$405,252	$448,512	$461,565	$450,296	$449,431	$462,525	$451,221	11.1
Operating Expenses	126,801	133,214	131,089	166,856	135,370	136,349	170,257	32.5
Equipment	6,311	1,000	6,859	1,000	1,000	7,201	1,000	(84.2)
Benefits	277,940	270,589	272,060	272,060	285,830	288,928	288,928	(2.1)
Total Exp.	$816,304	$853,315	$871,573	$890,212	$871,631	$895,003	$911,406	9.2
FUNDING								
General Fund	$240,179	$226,508	$228,634	$234,314	$232,404	$236,507	$241,788	(2.4)
Federal Revenue	576,125	626,807	642,939	655,898	639,227	658,496	669,618	14.0
Total Funding	$816,304	$853,315	$871,573	$890,212	$871,631	$895,003	$911,406	9.2

Program Description: The Visual Services Program provides vocational rehabilitation services to the blind and visually impaired. In addition to physical restoration, services include, rehabilitation training, orientation and mobility, business enterprise, independent living, and visual services medical.

Current Level Budget: General fund for this program decreases 2.4 percent from fiscal 1984 to fiscal 1986 while overall expenditures rose 9.2 percent. The lower general fund proportion results from increasing supplemental security income and social security disability income, which do not require any state match, to replace federal vocational rehabilitation funds that do require an 80/20 federal/state match.

Personal services has been reduced by .4 clerical FTE as the result of a number of position transfers between the vocational rehabilitation program, visual services and medicaid assistance program.

Operating costs increased 26.9 percent between fiscal 1984 and 1986 principally as a result of the transfer of $30,000 from the vocational rehabilitation program for the contract for the Blind Vendor Program, reallocation of rent and rent, for non-state office space.

Agency: Department of Social and Rehabilitation Services

Program: Developmental Disabilities

	FY 1984	Fiscal 1986			Fiscal 1987			FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	30.25	39.25	30.25	30.25	42.25	30.25	30.25	0.0
Personal Services	$ 785,175	$ 1,023,510	$ 805,376	$ 805,376	$ 1,086,753	$ 807,431	$ 807,431	2.6
Operating Expenses	265,320	366,173	244,059	263,031	318,448	247,967	254,591	(1)
Equipment	7,804	1,750	750	750	-0-	-0-	-0-	(90.4)
Grants & Benefits	13,387,491	15,802,158	14,253,667	14,849,446	19,194,493	14,966,352	15,443,444	10.9
Total Exp.	$14,445,790	$17,193,591	$15,303,852	$15,918,603	$20,599,694	$16,021,750	$16,505,466	10.2
FUNDING								
General Fund	$11,056,094	$10,862,352	$ 3,648,204	$ 4,096,172	$14,627,513	$ 4,970,336	$ 5,258,011	(61.1)
Federal Revenue	3,389,696	6,331,239	11,655,648	11,822,431	5,972,181	11,051,414	11,247,455	225.3
Total Funding	$14,445,790	$17,193,591	$15,303,852	$15,918,603	$20,599,694	$16,021,750	$16,505,466	10.2

Program Description: The Developmental Disabilities Program contracts for the provision of community-based services for individuals disabled by mental retardation, epilepsy, cerebral palsy, and autism. The program was initiated with a commitment from the 1975 legislature to promote a least restrictive, community-based living environment for developmentally disabled persons as an alternative to institutionalization. Services provided under the program include day services, adult and child group homes, transportation, semi-independent living, family training, evaluation and diagnosis, and respite services.

Current Level Budget: Although total funds increase 10.2 percent from fiscal 1984 to fiscal 1986, general funds are reduced by 61.1 percent. The general fund reduction is the result of transfer all federal social service block grant funds within the department to this program.

Except for the addition of $17,582 for development of new service standards for DD programs, the personal services and operating expenses were maintained at the fiscal 1984 level, plus inflation of 4, 4.5, and 5 percent per year for operations through fiscal 1987.

Benefits for the DD Program were calculated from the fiscal 1985 contract level and inflated 4 percent each year for fiscal 1986 and 1987. Total benefits for fiscal 1985 were 6.1 percent above the fiscal 1984 expenditure level.

The following table shows the fiscal 1985 contract expenditure base and the approved level of funding for DD benefits in fiscal 1986 and 1987.

Developmental Disabilities Services
Benefits for Fiscal 1986 and 1987

	Fiscal 1985 Base	Slots	Fiscal 1986	Fiscal 1987	% Change 1985-1986
Adult Group Home	$ 2,445,151	408	$ 2,707,732	$ 2,816,042	10.7
Intensive Group Home	1,072,488	70	1,326,203	1,371,251	23.65
Child Group Home	1,000,643	57	1,061,276	1,103,727	6.06
Semi-Independent	771,356	232	803,446	835,584	4.1
Day Service	5,868,655	1,122	5,970,196	6,209,004	1.7
Specialized Family	237,500	30	416,000	432,640	75.2
Family Training	1,046,436	408	1,150,042	1,196,044	9.9
Respite	253,184	467	244,733	254,522	(3.3)
Vocational Placement	32,290	26	84,110	87,474	160.4
Evaluation & Diagnosis	447,347	286	353,674	367,821	(20.9)
Adaptive Equipment	66,560	250	70,305	73,117	5.62
Transportation	841,886	1,055	661,749	696,218	(21.3)
Program Transfer	109,837		-0-	-0-	0.0
Total	$14,193,333		$14,849,446	$15,443,444	4.6

The following table shows the funding for the developmental disabilities program during the 1987 biennium.

Comparison of Fiscal 1984 and Approved Funding
For the 1987 Biennium

Funding	Fiscal 1984	Fiscal 1986	Fiscal 1987
General Fund	$11,056,094	$ 4,294,782	$ 5,480,694
Federal Medicaid	808,150	827,372	878,669
Social Services Block Grant	1,351,779	9,625,549	8,979,276
LIEAP Transfer to SSBG	1,229,767	1,169,510	1,169,510
Total Funds	$14,445,790	$15,917,213	$16,508,149

Modified Recommendations: 1. Specialized Foster Care and Special Needs This modification has two functions: 1: specialized foster care is continued at a level of $169,000 in fiscal 1986 and $175,760 in fiscal 1987, continuing a funding switch from general fund to federal funds begun by budget amendment in fiscal 1984; 2) the remaining funds of $40,789 in fiscal 1986 and $42,420 in fiscal 1987 will allow the department to address the special needs of clients with intensive problems requiring innovative training procedures within a variety of settings. Total funds are $209,789 in fiscal 1986 and $218,180 in fiscal 1987. This modification is 100 percent federal funds.

2. Montana Conference on Developmental Disabilities The conference is funded from donations and registration fees, $14,388 is approved for fiscal 1986 and $16,605 for fiscal 1987.

3. Reduction in Developmental Disabilities Waiting List Funds are requested to remove 285 developmentally disabled adults from the waiting list for community based services, and to convert $2.6 million of existing state funded services to the maximum allowable under the federal medicaid waiver. This program would increase residential, vocational and family services. As may be seen from the following table, the modified will increase the base budget by $770,840 of general fund for each year of the 1989 biennium.

Funding
For Reduction in Waiting List Modification

	Fiscal 1986	Fiscal 1987
General Fund	$ (555,798)	$ 755,775
Medicaid Waiver	1,310,792	1,379,354
Total Cost	$ 754,994	$2,135,129

Agency: Department of Social and Rehabilitation Services

Program: Developmental Disabilities Planning and Advisory Council

	FY 1984	- - - - Fiscal 1986	- - - -	- - - -	- - - - Fiscal 1987	- - - -	- - - -	FY 84-86
	Actual	Executive	Current Level	Subcommittee	Executive	Current Level	Subcommittee	% Change
FTE	2.00	2.00	2.00	3.00	2.00	2.00	3.00	50.0
Personal Services	$ 46,005	$ 46,789	$ 48,495	$ 60,410	$ 47,043	$ 48,759	$ 60,686	31.3
Operating Expenses	28,147	58,211	34,226	44,590	57,957	35,313	44,314	58.4
Grants & Benefits	169,002	195,000	166,277	195,000	195,000	164,544	195,000	15.4
Total Exp.	$243,154	$300,000	$248,998	$300,000	$300,000	$248,616	$300,000	23.4
FUNDING								
Federal Revenue	$243,154	$300,000	$248,998	$300,000	$300,000	$248,616	$300,000	23.4

Language in Bill: Grant funds appropriated must be used for direct service in accordance with recommendations of the Developmental Disabilities Planning and Advisory Council.

Program Description: The Developmental Disabilities Planning and Advisory Council (DDPAC) was created by Public Law 950602. Functions of the council include advising the department (SRS), other state agencies, councils, local governments, and private organizations on programs for services to the developmentally disabled; developing a plan for statewide system of community-based services for the developmentally disabled; and serving in any capacity required by federal law for the administration of federal programs for services to the developmentally disabled (MCA, 53-20206). This program is entirely federally supported.

Current Level Budget: The current level budget increases $50,000 per year as a result of an increase in the federal grant award from the fiscal 1984 level of $250,000 to $300,000 in fiscal 1986 and 1987. Under federal law, a maximum of 35 percent of the total award may be used for administration. The balance of the grant award may be spent in support of demonstration projects, educational projects or programs that improve coordination of state-wide developmental disabilities services.

The current level increased by 1 FTE administration aid position to assist the councils in coordinates meetings and monitoring grants.

Human Services
Subcommittee Modified Recommendations

Agency	Fiscal 1986 General Fund	Fiscal 1986 Other	Fiscal 1986 Total	Fiscal 1987 General Fund	Fiscal 1987 Other	Fiscal 1987 Total
Health and Environmental Sciences						
1. Child Nutrition Auditor	$ -0-	$ 25,000	$ 25,000	$ -0-	$ 25,000	$ 25,000
2. Records & Statistics Equip.	21,848	-0-	21,848	3,996	-0-	3,996
3. Hazardous Waste	-0-	135,486	135,486	-0-	129,181	129,181
4. Hazardous Waste Inventory	-0-	41,941	41,941	-0-	41,801	41,801
5. Superfund	-0-	2,082,558	2,082,558	-0-	2,759,270	2,759,270
6. Solid Waste Lawyer	5,138	10,276	15,414	5,140	10,280	15,420
7. Tribal Air Quality	-0-	48,412	48,412		48,509	48,509
8. Scobey Air Monitoring	-0-	-0-	-0-	15,000	-0-	15,000
9. Air Quality Lawyer	-0-	15,414	15,414	-0-	15,420	15,420
10. X-Ray Technicians	41,072	-0-	41,072	34,084	-0-	34,084
11. Clark Fork Project	-0-	93,004	93,004	-0-	-0-	-0-
12. Groundwater Control	-0-	92,778	92,778	-0-	92,842	92,842
13. PKU Testing	145,600	21,550	167,150	-0-	75,973	75,973
14. Mouthrinse Program	-0-	15,000	15,000	-0-	15,000	15,000
15. Risk Appraisal	-0-	12,000	12,000	-0-	-0-	-0-
16. Perinatal Program	-0-	204,599	204,599	-0-	220,819	220,819
17. Women, Infants and Children	-0-	818,399	818,399	-0-	818,419	818,419
18. Child Nutrition	-0-	213,805	213,805	-0-	213,818	213,818
19. Cleft Palate	-0-	52,500	52,500	-0-	52,500	52,500
20. Surveyors	27,405	33,901	61,306	25,763	32,080	57,843
21. Nursing Staff	-0-	56,190	56,190	-0-	56,190	56,190
22. Family Planning Staff	-0-	11,649	11,649	-0-	11,653	11,653
Total Agency	$ 241,063	$3,984,462	$4,225,525	$ 83,983	$4,618,755	$4,702,738
Social and Rehabilitation Services						
23. Solar Bank	$ -0-	$ 187,500	$ 187,500	$ -0-	$ 187,500	$ 187,500
24. Food Assistance	-0-	156,400	156,400	-0-	156,400	156,400
25. Job Search	-0-	174,578	174,578	-0-	231,752	231,752
26. Advocacy Assistance	-0-	49,200	49,200	-0-	49,239	49,239
27. Foster Youth Support	82,651	160,439	243,090	86,651	168,204	254,855
28. Social Workers	233,018	33,288	266,306	601,831	85,976	687,807
29. Eligibility Technician	35,430	178,896	214,326	96,202	377,826	424,028
30. LIEAP and Food Stamp FTE	-0-	-0-	-0-	-0-	-0-	-0-
31. MMIS	120,000	1,080,000	1,200,000	-0-	-0-	-0-
32. Home Services for Elderly	170,118	205,331	375,449	229,882	397,420	627,302
33. Acute Care Reimbursement	49,832	49,832	99,664	48,272	48,272	96,544
34. Audit FTE	(75,674)	(67,402)	(143,076)	(77,516)	(68,892)	(146,408)
35. Hearing Unit	-0-	171,157	171,157	-0-	171,549	171,549
36. Expand Rehab. Serv.	75,000	360,775	435,775	75,000	498,596	573,596
37. Extended Employment	50,000	-0-	50,000	50,000	-0-	50,000
38. Special Population	100,000	96,000	196,000	150,000	-0-	150,000
39. Specialized Foster Care	-0-	209,789	209,789	-0-	218,180	218,180
40. DD Conference	-0-	14,338	14,338	-0-	14,338	14,338
41. Waiting List	(555,798)	1,310,792	754,994	755,775	1,379,354	2,135,129
Total Agency	$ 284,577	$4,370,913	$4,655,490	$2,016,097	$3,915,714	$5,881,811

Human Services
Subcommittee Modified Recommendations
Continued

Agency	Fiscal 1986 General Fund	Fiscal 1986 Other	Fiscal 1986 Total	Fiscal 1987 General Fund	Fiscal 1987 Other	Fiscal 1987 To
Department of Labor and Industry						
42. Part-time Compliance Officer	$ 4,302	$ 12,905	$ 17,207	$ 4,304	$ 12,911	$ 17,215
43. Part-time Compliance Supervisor	18,131	-0-	18,131	17,521	-0-	17,521
44. Management Training	-0-	48,880	48,880	-0-	48,880	48,880
45. Random Audit	-0-	183,908	183,908	-0-	181,005	181,005
46. Employment Statistics	-0-	103,073	103,073	-0-	85,813	85,813
47. Montana Career Information System	-0-	43,079	43,079	-0-	43,089	43,089
48. Claims Examiners	-0-	94,466	94,466	-0-	94,386	94,386
49. State Insurance Fund	-0-	103,326	103,326	-0-	85,841	85,841
50. Crime Victims Fund	-0-	150,000	150,000	-0-	150,000	150,000
Total Agency	$ 22,433	$ 739,637	$ 762,070	$ 21,825	$ 701,925	$ 723,750
Total Subcommittee	$548,073	$9,095,012	$ 9,643,085	$2,136,905	$9,236,394	$11,323,299

TPLEG:dhes mod 2-16-5

B. HUMAN SERVICES

	Fiscal 1986					Fiscal 1987				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES										
1. Financial Services Division										
a. Administration			145,971		145,971			148,887		148,887
b. Fiscal Bureau			286,366		286,366			288,072		288,072
c. Audit			42,000		42,000					
d. Records and Statistics Bureau	212,670	72,269	63,423		348,362	224,162	72,203	63,423		359,788
2. Environmental Sciences										
a. Administration		113,645			113,645		113,999			113,999
b. Food & Consumer Safety	328,488	204,000			532,488	330,793	206,000			536,793
c. Solid Waste Management	73,128	1,059,721	175,826		1,308,675	72,962	1,091,598	176,254		1,340,814
d. Air Quality	320,657		506,565		827,222	320,657		509,329		829,986
e. Occupational Health										

	Fiscal 1986 General Fund	Fiscal 1986 State Special Revenue	Fiscal 1986 Federal Special Revenue	Fiscal 1986 Proprietary	Fiscal 1986 Total	Fiscal 1987 General Fund	Fiscal 1987 State Special Revenue	Fiscal 1987 Federal Special Revenue	Fiscal 1987 Proprietary	Fiscal 1987 Total
	172,842				172,842	172,041				172,041
f. Water Quality										
	293,972	188,175	1,110,955		1,593,102	296,531	190,817	1,113,752		1,601,100
3. Management Services Division										
a. Administration										
	167,781	48,000	26,815		242,596	166,255	51,000	19,892		237,147
b. Microbiology Laboratory										
	225,350	75,400	34,000		334,750	221,452	75,400	34,000		330,852
c. Contingency Fund										
		50,000			50,000					
d. Chemistry Laboratory										
	86,411	200,217			286,628	81,377	171,013			252,390
e. Data Processing										
			36,213		36,213			33,600		33,600
4. Health Services and Medical Facilities Division										
a. Administration										
	33,734		33,833		67,567	33,864		33,895		67,759
b. Dental										
	66,920		48,714		115,634	67,263		49,257		116,520
c. Nursing										
	194,166		1,322,763		1,516,929	193,335		1,330,905		1,524,240

	Fiscal 1986					Fiscal 1987				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
d. Clinical										
	120,652		8,238,058		8,358,710	129,581		8,235,570		8,365,151
e. Emergency Medical										
	295,972	45,172	185,439		526,583	303,656	44,567	204,855		553,078
f. Health Planning and Resource Development										
	126,401		213,258		339,659	125,435		213,916		339,351
g. Licensing and Certification										
	223,038		302,473		525,511	224,932		305,069		530,001
5. Legal Unit										
	104,482				104,482	105,589				105,589
6. Director's Office										
	387,511		803,449		1,190,960	384,710		776,214		1,160,924
7. Board of Health										
	18,638				18,638	18,638				18,638
Total										
	3,452,813	2,056,599	13,576,121		19,085,533	3,473,233	2,016,597	13,536,890		19,026,720

The total appropriation for the department includes $1,699,637 in fiscal 1986 and $1,668,151 in fiscal 1987 of the maternal and child health block grant and $522,935 in fiscal 1986 and $549,203 in fiscal 1987 of the preventive health block grant. To the extent revenues from these grants exceed those amounts, it shall be distributed to the counties. To the extent revenues from these grants are less than these amounts, distributions to the counties shall be reduced.

	Fiscal 1986					Fiscal 1987				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total

The Department of Health and Environmental Sciences shall use the Attorney General's legal fee rate to charge federal programs for services performed by the Department of Health and Environmental Sciences, Legal Services Bureau. Use of federal appropriation authority of $42,701 in fiscal 1986 and $52,472 in fiscal 1987 shall be used only to purchase legal services from the Department of Health and Environmental Sciences, Legal Services Bureau. All legal services performed for federal programs shall be billed and all fees collected shall be deposited to the general fund.

Resource indemnity trust funds allocated to the Department of Health and Environmental Sciences as per 15-38-202, MCA, received in excess of $358,240 in fiscal 1986 and $417,192 in fiscal 1987 are appropriated for use by the Solid and Hazardous Waste Bureau for the hazardous waste and superfund programs.

Item 3c is for reimbursable laboratory work in excess of $253,804 in fiscal 1986 and $226,915 in fiscal 1987. This laboratory work does not include water test fees.

DEPARTMENT OF LABOR & INDUSTRY

1. Commissioner's Office										
			167,010		167,010			166,390		166,390
2. Labor Standards										
	539,120	3,250			542,370	543,827	3,250			547,077
3. Appeals										
	305,024		228,517	3,500	537,041	308,308		229,907	3,500	541,715
4. Human Rights										
	199,016		112,971		311,987	206,483		108,721		315,204
5. Employment Security Division										
a. Job Services										

	Fiscal 1986					Fiscal 1987				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
			10,487,746		10,487,746			10,550,742		10,550,742
b. Unemployment Insurance										
			2,385,027		2,385,027			2,385,992		2,385,992
c. Central Services										
			4,048,601		4,048,601			3,984,625		3,984,625
d. Audit										
								56,700		56,700
e. Job Training Partnership Act										
	334,000		7,100,000		7,434,000	334,000		7,100,000		7,434,000
6. Workers' Compensation										
a. Operations										
	716,179	6,427,122	72,118		7,215,419	681,194	6,452,634	71,837		7,205,665
b. Audit										
		40,000			40,000					
Total										
	716,179	6,467,122	72,118		7,255,419	681,194	6,452,634	71,837		7,205,665

Item 5a includes federal spending authority for current level operations of all existing job service offices. If federal funds are less than these amounts, the department may supplement federal funds with state unemployment assessments as provided in 39-51-404(4), MCA.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

	Fiscal 1986					Fiscal 1987				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
1. Assistance Payments										
a. Operations	669,713		2,358,296		3,028,009	678,507		2,392,658		3,071,165
b. Benefits										
i. Nonresident General Assistance	130,000				130,000	130,000				130,000
ii. State General Assistance	2,934,665				2,934,665	3,528,095				3,528,095
iii. AFDC	10,119,903		21,364,804		31,484,707	10,637,321		22,906,919		33,544,240
iv. Other Benefits	174,701		14,554,577		14,729,278	180,882		13,910,732		14,091,614
v. Legal Services	100,000				100,000	100,000				100,000
Total	14,128,982		38,277,677		52,406,659	15,254,805		39,210,309		54,465,114
2. Social Services										
a. Operations	6,798,227		2,019,566		8,817,793	6,818,836		2,021,663		8,840,499
b. Benefits										

	Fiscal 1986					Fiscal 1987				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	5,785,923		6,826,469		12,612,392	6,016,052		6,925,646		12,941,698
c. Legacy Legislature										
	2,500				2,500					
Total	12,586,650		8,846,035		21,432,685	12,834,888		8,947,309		21,782,197
3. Eligibility Determination	1,993,101		4,563,175		6,556,276	1,997,107		4,572,373		6,569,480
4. Administration and Support										
a. Operations	1,523,389		1,389,301		2,912,690	1,594,114		1,344,281		2,938,395
b. Legislative Audit	115,500				115,500					
Total	1,638,889		1,389,301		3,028,190	1,594,114		1,344,281		2,938,395
County Assumption - Administration	963,626		362,018		1,325,644	962,009		361,382		1,323,391
5. Medical Assistance										
a. Operations	939,470		1,670,166		2,609,636	954,763		1,697,357		2,652,120

	Fiscal 1986					Fiscal 1987				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
b. Benefits										
i. State Medical	2,954,772				2,954,772	3,237,525				3,237,525
ii. Medicaid - Institution Reimbursement	4,669,101		9,019,262		13,688,363	4,735,565		9,349,994		14,085,559
iii. DEFRA - Contingency	1,132,201		2,209,286		3,341,487					
iv. Other Benefits	16,085,163		31,548,037		47,633,200	16,521,939		32,848,832		49,370,771
v. Medicaid - Other	17,237,470		33,298,474		50,535,944	17,961,792		35,464,202		53,425,994
Total	43,018,177		77,745,225		120,763,402	43,411,584		79,360,385		122,771,969
6. Audit and Program Compliance	619,169		646,924		1,266,093	625,354		643,858		1,269,212
7. Vocational Rehabilitation	605,601	462,367	3,675,077		4,743,045	617,317	484,142	3,770,763		4,872,222
8. Disability Determination			2,079,760		2,079,760			2,127,850		2,127,850
9. Visual Services										

	Fiscal 1986					Fiscal 1987				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total
	234,314		655,898		890,212	241,788		669,618		911,406
10. Developmental Disabilities										
a. Operations	268,563		800,594		1,069,157	265,982		796,040		1,062,022
b. Benefits	3,827,609		11,021,837		14,849,446	4,992,029		10,451,415		15,443,444
Total	4,096,172		11,822,431		15,918,603	5,258,011		11,247,455		16,505,466
11. DDPAC										
a. Operations			104,704		104,704			104,285		104,285
b. Benefits			195,000		195,000			195,000		195,000
Total			299,704		299,704			299,285		299,285
TOTAL SRS	79,884,681	462,367	150,363,225		230,710,273	82,796,977	484,142	152,554,868		235,835,987

In each fiscal year, 10% of the low income energy block grant shall be transferred to the social services block grant. If the transfer is greater than $1,169,510 in either fiscal year, a like amount of general fund shall revert. Ten

	Fiscal 1986					Fiscal 1987				
		State	Federal				State	Federal		
	General	Special	Special			General	Special	Special		
	Fund	Revenue	Revenue	Proprietary	Total	Fund	Revenue	Revenue	Proprietary	Total

percent of the low income energy block grant shall be used for the weatherization program in each fiscal year.

No funds may be transferred out of the nonresident general assistance program or the state general assistance program.

Funds appropriated under item 1bv are for a contract with the Montana Legal Services Corporation to provide legal assistance to all Supplemental Security Income clients with the intent of reducing the state general assistance caseload by a minimum of 180 clients by the end of the 1987 biennium.

If third-party payments or reimbursement from any source received by the department to offset costs of the foster care program are in excess of $320,000 in fiscal 1986 or $320,000 in fiscal 1987, these excess payments shall revert to the general fund.

No FTE or spending authority may be transferred into or out of the eligibility determination program or the disability determination program.

Funds appropriated under item 5biii may be used only for documented costs directly attributable to increases in the AFDC or Medicaid program as a result of the Deficit Reduction Act of 1984. No funds may be expended from item 5biii until the regular appropriation for AFDC and Medicaid is expended.

Funds appropriated under item 11b must be expended for direct services in accordance with recommendations of the Developmental Disabilities Planning and Advisory Council.

TOTAL SECTION B										
	85,430,833	8,989,338	188,541,336	3,500	282,965,007	88,344,022	8,956,623	190,746,672	3,500	288,050,817

EXHIBIT 5
March 18, 1985
Health and Human Services

Human Services
Subcommittee Modified Recommendations

Agency	Fiscal 1986 General Fund	Fiscal 1986 Other	Fiscal 1986 Total	Fiscal 1987 General Fund	Fiscal 1987 Other	Fiscal 1987 Total
Health and Environmental Sciences						
1. Child Nutrition Auditor	$ -0-	$ 25,000	$ 25,000	$ -0-	$ 25,000	$ 25,000
2. Records & Statistics Equip.	21,848	-0-	21,848	3,996	-0-	3,996
3. Hazardous Waste	-0-	135,486	135,486	-0-	129,181	129,181
4. Hazardous Waste Inventory	-0-	41,941	41,941	-0-	41,801	41,801
5. Superfund	-0-	2,082,558	2,082,558	-0-	2,759,270	2,759,270
6. Solid Waste Lawyer	5,138	10,276	15,414	5,140	10,280	15,420
7. Tribal Air Quality	-0-	48,412	48,412		48,509	48,509
8. Scobey Air Monitoring	-0-	-0-	-0-	15,000	-0-	15,000
9. Air Quality Lawyer	-0-	15,414	15,414	-0-	15,420	15,420
10. X-Ray Technicians	41,072	-0-	41,072	34,084	-0-	34,084
11. Clark Fork Project	-0-	93,004	93,004	-0-	-0-	-0-
12. Groundwater Control	-0-	92,778	92,778	-0-	92,842	92,842
13. PKU Testing	145,600	21,550	167,150	-0-	75,973	75,973
14. Mouthrinse Program	-0-	15,000	15,000	-0-	15,000	15,000
15. Risk Appraisal	-0-	12,000	12,000	-0-	-0-	-0-
16. Perinatal Program	-0-	204,599	204,599	-0-	220,819	220,819
17. Women, Infants and Children	-0-	818,399	818,399	-0-	818,419	818,419
18. Child Nutrition	-0-	213,805	213,805	-0-	213,818	213,818
19. Cleft Palate	-0-	52,500	52,500	-0-	52,500	52,500
20. Surveyors	27,405	33,901	61,306	25,763	32,080	57,843
21. Nursing Staff	-0-	56,190	56,190	-0-	56,190	56,190
22. Family Planning Staff	-0-	11,649	11,649	-0-	11,653	11,653
Total Agency	$ 241,063	$3,984,462	$4,225,525	$ 83,983	$4,618,755	$4,702,738
Social and Rehabilitation Services						
23. Solar Bank	$ -0-	$ 187,500	$ 187,500	$ -0-	$ 187,500	$ 187,500
24. Food Assistance	-0-	156,400	156,400	-0-	156,400	156,400
25. Job Search	-0-	174,578	174,578	-0-	231,752	231,752
26. Advocacy Assistance	-0-	49,200	49,200	-0-	49,239	49,239
27. Foster Youth Support	82,651	160,439	243,090	86,651	168,204	254,855
28. Social Workers	233,018	33,288	266,306	601,831	85,976	687,807
29. Eligibility Technician	35,430	178,896	214,326	96,202	377,826	424,028
30. LIEAP and Food Stamp FTE	-0-	-0-	-0-	-0-	-0-	-0-
31. MMIS	120,000	1,080,000	1,200,000	-0-	-0-	-0-
32. Home Services for Elderly	170,118	205,331	375,449	229,882	397,420	627,302
33. Acute Care Reimbursement	49,832	49,832	99,664	48,272	48,272	96,544
34. Audit FTE	(75,674)	(67,402)	(143,076)	(77,516)	(68,892)	(146,408)
35. Hearing Unit	-0-	171,157	171,157	-0-	171,549	171,549
36. Expand Rehab. Serv.	75,000	360,775	435,775	75,000	498,596	573,596
37. Extended Employment	50,000	-0-	50,000	50,000	-0-	50,000
38. Special Population	100,000	96,000	196,000	150,000	-0-	150,000
39. Specialized Foster Care	-0-	209,789	209,789	-0-	218,180	218,180
40. DD Conference	-0-	14,338	14,338	-0-	14,338	14,338
41. Waiting List	(555,798)	1,310,792	754,994	755,775	1,379,354	2,135,129
Total Agency	$ 284,577	$4,370,913	$4,655,490	$2,016,097	$3,915,714	$5,881,811

Human Services
Subcommittee Modified Recommendations
Continued

Agency	Fiscal 1986 General Fund	Fiscal 1986 Other	Fiscal 1986 Total	Fiscal 1987 General Fund	Fiscal 1987 Other	Fiscal 1987 Total
Department of Labor and Industry						
42. Part-time Compliance Officer	$ 4,302	$ 12,905	$ 17,207	$ 4,304	$ 12,911	$ 17,215
43. Part-time Compliance Supervisor	18,131	-0-	18,131	17,521	-0-	17,521
44. Management Training	-0-	48,880	48,880	-0-	48,880	48,880
45. Random Audit	-0-	183,908	183,908	-0-	181,005	181,005
46. Employment Statistics	-0-	103,073	103,073	-0-	85,813	85,813
47. Montana Career Information System	-0-	43,079	43,079	-0-	43,089	43,089
48. Claims Examiners	-0-	94,466	94,466	-0-	94,386	94,386
49. State Insurance Fund	-0-	103,326	103,326	-0-	85,841	85,841
50. Crime Victims Fund	-0-	150,000	150,000	-0-	150,000	150,000
Total Agency	$ 22,433	$ 739,637	$ 762,070	$ 21,825	$ 701,925	$ 723,750
Total Subcommittee	$548,073	$9,095,012	$ 9,643,085	$2,136,905	$9,236,394	$11,323,299

TPLEG:dhes mod 2-16-5

EXHIBIT 6
March 18, 1985
Department of Institution

MONTANA YOUTH TREATMENT CENTER

NET SAVINGS of REDUCING the BUDGET TO 40 ADP FROM 55

FISCAL 1986

TOTAL SAVINGS MYTC		$ 353,056
MEDICAID REIMBURSIBLE AT 82%	$ 289,506	
FEDERAL PORTION OF MEDICAID	65.89%	
FEDERAL REIMBURSEMENT LOST		190,755
NET SAVINGS, GENERAL FUND		$ 162,301

EXHIBIT 7
March 18, 1985
Department of Institution

MOUNTAIN VIEW SCHOOL

COST OF CONTRACTING FOR EVALUATIONS COMPARED TO CURRENT LEVEL FULL TIME EMPLOYEES

CURRENT LEVEL	FTE	HOURS PER WEEK	ANNUAL COST
Social Worker	1.00	34	$21,864
Psychologist	.25	10	8,000
TOTAL	1.25	44	29,864

CONTRACT WITH MENTAL HEALTH CENTER

CONTRACT RATE $50 PER HOUR	44	$114,400
ADDITIONAL COST		$ 84,536

EXHIBIT 8
March 18, 1985
Department of Institution

COMPARISON OF EDUCATION/TRAINING STAFF AT EASTMONT AND BOULDER

STAFF	FTE EASTMONT	FTE BOULDER	DIFFERENCE
EDUCATION DIRECTOR	1.00	1.00	0.00
TEACHERS	2.00	10.00	8.00
TEACHER AIDES	5.15	6.60	1.45
PE INSTRUCTOR	0.00	1.00	1.00
REHABILITATION AIDES	2.00	15.00	13.00
HABILITATION TRAINING SPEC.	3.00	8.00	5.00
TOTAL	13.15	41.60	28.45
AVERAGE DAILY POPULATION	53	204	151
RATIO - STAFF TO PATIENT	1 TO 4	1 TO 4.9	.9
ANNUAL STAFF COST	$ 281,222	$ 914,921	$ 633,699
ANNUAL COST PER PATIENT	$ 5,306	$ 4,484	$(822)

EXHIBIT 9
March 18, 1985
Labor & Industry

DEPARTMENT OF LABOR AND INDUSTRY

COMMISSIONER'S OFFICE

TED SCHWINDEN, GOVERNOR STATE CAPITOL

STATE OF MONTANA

(406) 444-3661 HELENA, MONTANA 59620

March 18, 1985

TO: Representative Francis Bardanouve, Chairman
House Appropriations Committee

FROM: David E. Wanzenried, Commissioner
Department of Labor and Industry

SUBJECT: Request for Additional Spending Authority for the Unemployment Insurance Program

I have just received information from the U. S. Department of Labor authorizing an expansion of the Random Audit/Quality Control function within the Department's unemployment insurance program.

The purpose of the expansion is to increase the number of unemployment insurance claims to be investigated. The expansion of the federally funded and federally-required function will require the following additional spending authority:

	FY 86	FY 87
FTE	1.00	1.00
Personal Services	23,950	24,429
Operating Expenses	13,372	13,773
TOTAL EXPENSES	37,322	38,202
FUNDING		
Federal Revenue	37,322	38,202

The net effect of this request is to increase Item 45 on the listing of the Human Services Subcommittee Modified Recommendations by the specified amounts.

Your consideration of this request is appreciated.

cc: Representative Cal Winslow
bcc: Norman Rostocki

EXHIBIT 10
March 18, 1985
Labor & Industry

Table 1
Funding, Centralized Services Program

	FY 86	FY 87
Indirect Charges	$ 609,251	$ 616,365
Direct Charges	3,223,396	3,211,144
State Occupational Information Coordination Committee	70,000	70,000
*Montana Learning Services	145,954	143,816
Total	$4,048,601	$4,041,325

*Montana Career Information Center.

Modified Recommendations: 1) Employment Statistics - Federal funds totaling $103,073 in fiscal 1986 and $85,813 in fiscal 1987 were approved to increase the statistical estimation capabilities of the Research and Analysis Bureau to allow the department to meet additional statistical requests of the federal government.

2) Montana Career Information System - One FTE and related expenses totaling $43,079 in fiscal 1986 and $43,089 in fiscal 1987 to expand the Montana Career Information System was approved. The expansion had been approved by the Board of Regents through budget amendments in fiscal 1984 and 1985, and is funded by $20,000 of SOICC funds each year with the balance provided by a combination of user fees and federal funds.

VISITORS' REGISTER

Appropriations COMMITTEE

(Executive Action)

BILL NO. House Bill 520 DATE March 18, 1985 a.m.

SPONSOR Thoft

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Kathryn Penrod	Helena		
David Nelson	MT. Arts Council		
Sara Parker	State Librarian		
JoAnn Fallang	State Library		
Brian Cockhill	MHS		
Robert Archibald	M. H. S.		
Phillip Sherman	Helena MT. Fed of Teachers		
Brenda Schye	Montana Arts Advocacy		
Jim Haubein	Helena		
Carroll South	Helena		
Terry Minow	MT Fed Teachers		
Bill Opitz	MHES		
Dr John Drynan	MHES		
Charles ~~Pilotte~~	MHES		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

CS-33

VISITORS' REGISTER

Appropriations COMMITTEE

(Executive Action)

BILL NO. House Bill 500 DATE March 18, 1985 p.m.

SPONSOR Bardanouve

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Bill Opitz	DHES		
Charles Stohl	DHES		
Phillip Sherman	Mont. Feder. of Teachers		
Pat Godbout	SRS		
Gary Pagnotta	Reach Inc		
John Fitz	RSC Hamilton		
JACK ELLERY	SRS		
LEE TICKELL	SRS		
Dr. John Drynan	DHES		
Beverly Gibson	MACo		
David Wanzenried	DOLI		
ROD SAGER	DOLI		
Norm Rostocki	OBPP		
Gary Blewett	Dept of Labor & Ind.		
CARLA SMITH	" " "		
Anne MacIntyre	Human Rights Comm.		
Michelle E. Wing	ASMSU		
Jim Mercer	MFT		
[illegible]	MT Fed State Employees		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

(Exec.) Appropr. COMMITTEE

BILL NO. HB 500 DATE 3/18/85

SPONSOR Bardanouve

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
CHARLES BRIGGS	Governor's Office		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

CS-33