

DAILY ROLL CALL

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

49th LEGISLATIVE SESSION -- 1985

[illegible]

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

DATE January 29, 1985

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

ROLL CALL VOTE

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

DATE January 29, 1985 BILL NO. TIME 1

[illegible]

~~Secretary~~

Chairman

Motion: Sen. BENGTON moved to accept the current level for
Personal Services for the Administration Program which does not
include the switch from contracted services to state FTE.

ROLL CALL VOTE

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

DATE January 29, 1985 BILL NO. TIME 2

[illegible]

Secretary

Waldron
Chairman

Motion: Sen. BENGTON moved to appropriate \$22,068 in both fiscal
years of general fund for grants.

MINUTES OF THE MEETING
INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE
49TH LEGISLATIVE SESSION
January 29, 1985

Tape 21, Side A

The meeting of the Institutions and Cultural Education Subcommittee was called to order by Chairman Steve Waldron on January 29, 1985, at 8:15 a.m. in Room 129 of the Capitol.

ROLL CALL: All members were present. Also present were Keith Wolcott of the Legislative Fiscal Analyst's Office (LFA), George Harris of the Office of Budget and Program Planning (OBPP), Carroll South, Director of the Department of Institutions, Mel Mohler, Superintendent of Swan River Forest Camp, and Gerald Underwood, Business Manager for Swan River.

SWAN RIVER FOREST CAMP

Mr. Wolcott handed out a comparison of the budget analyses for this institution (Exhibit 1).

Sen. BENGTON moved to accept the LFA current level for Personal Services for both years of the biennium.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the LFA current level for Operating Expenses for both years.

The motion PASSED unanimously.

Sen. BENGTON moved to appropriate \$12,000 for the purchase of a van.

The motion PASSED unanimously.

Sen. BENGTON moved to appropriate \$4,500 for the purchase of a heavy duty washer.

The motion PASSED unanimously.

Sen. BENGTON moved to appropriate \$174 for the purchase of two secretarial chairs.

The motion PASSED unanimously.

Sen. BENGTON moved to appropriate \$1,000 for major radio repair.

The motion PASSED unanimously.

Sen. BENGTON moved to authorize the expenditure of OPI money for vocational education equipment.

Sen. AKLESTAD opposed the motion. All other members approved the motion. The motion PASSED.

Sen. BENGTON moved to require a 2% vacancy savings.

The motion PASSED unanimously.

There was some discussion regarding setting up a proprietary account for the vocational education program to contract to repair vehicles for the Forest Service.

Sen. BENGTON moved to authorize the agency to set up a proprietary account involving the Forest Service contract for repair and maintenance of equipment so the vocational education program can use that money at their discretion.

The motion PASSED unanimously.

MONTANA ARTS COUNCIL

(235) Pam Joehler of the Legislative Fiscal Analyst's Office handed out a breakdown of the difference between the OBPP budget request and the LFA current level (Exhibits 2 and 3). She also outlined the affect of converting contracts to state FTE (Exhibit 4). Chairman Waldron noted there would be no net increase in general fund to do the switch. Also, he said the Oral History Project and the Folklife Project would be considered modifieds if this committee chooses to fund them with general fund money. The OBPP has people in their figures twice; once in contracted services under Operating Expenses and once in FTE under Personal Services.

In the Grants Program, general fund was taken from the community grants to free up about \$7,000 in federal funds for grants.

Sen. Aklestad feared that, if we convert the contracted positions to FTE and federal funds drop off, we will have FTE with no money to administer. If the federal funds are withdrawn, a decision will have to be made whether to supplant the federal funds or withdraw part of the program. Currently, the FTE are funded with federal funds. This issue was discussed in depth.

ADMINISTRATION PROGRAM: (590)

Sen. BENGTON moved to accept the LFA current level for Personal Services which does not include the switch from contracted services to state FTE.

Chairman Waldron requested a roll call vote be taken. Reps. MENAHAN and WALDRON opposed the motion. All other members approved the motion. The motion PASSED.

Sen. BENGTON moved to accept the LFA current level for Operating Expenses but to reverse the years for the audit costs of \$8,400 from FY 87 to FY 86.

The motion PASSED unanimously.

Side B

The agency did not request any equipment for this biennium. The LFA included money for equipment based on last biennium. If no motion is made, no appropriation would be given for equipment. There was no motion made on equipment.

The non-operating costs in the current level budget reflects one of the contracts for clerical services for a grant expenditure. The amount reflects what was spent in FY 84 with inflation added.

Sen. BENGTON moved to appropriate the non-operating expenses.

The motion PASSED unanimously.

With the motions made by the committee, the general fund increased from \$58,851 to \$61,555 in FY 86 and decreased from \$64,055 to \$58,284 in FY 87. The federal special revenue fund increased from \$71,552 to \$74,255 in FY 86 and decreased from \$77,624 to \$71,853 in FY 87.

GRANTS PROGRAM: (097)

The difference between the OBPP and the LFA budgets is a difference in the revenue estimate for Cultural and Aesthetic Grants but this committee will not have to deal with those grants. The LFA used the FY 85 appropriated level plus inflation for general fund grants. General fund is used as match money for federal dollars. We have to match federal money 50/50. Using state general fund allows more money for grants.

Sen. BENGTON moved to appropriate \$22,068 in both fiscal years of general fund for grants.

Chairman Waldron requested a roll call vote be taken. Sen. BENGTON and Rep. WALDRON approved the motion. All other members opposed the motion. The motion FAILED.

Sen. BENGTON moved to appropriate the LFA current level for Federal Special Revenue.

As a result of the committee's actions, these figures have been changed to \$166,816 in FY 86 and \$160,275 in FY 87.

The motion PASSED unanimously.

SPECIAL PROJECTS PROGRAM: (267)

The LFA took too much money out of the base for rent. The major differences are shown on page 4 of Exhibit 3. Administration for Cultural and Aesthetic Projects comes out of the grants. There was some discussion regarding the Folklife Project and the Oral History Project. Sen. Himsel said these projects are important to Montana's history because many of the people who were alive when Montana was struggling through its early statehood are still alive today. He felt we should take advantage of this fact and get their views on Montana's roots before they die, taking a lot of Montana's history with them. There was a lot of discussion in this regard.

Chairman Waldron said the Long Range Planning Subcommittee will consider funding these projects with coal tax Cultural and Aesthetic Projects funds. Sens. Himsel and Bengtson felt the Oral History Project was more important than the Folklife Project if it comes down to just one being funded.

Sen. BENGTON moved to accept the current level for Personal Services for both fiscal years.

The motion PASSED unanimously.

Sen. BENGTON moved to require no vacancy savings for the Montana Arts Council.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the current level for Operating Expenses.

The motion PASSED unanimously.

Sen. BENGTON moved to add \$1,309 in each fiscal year to the Operating Expenses for rent.

The motion PASSED unanimously.

Administration for the Cultural and Aesthetic Projects would cost \$11,561 in FY 86 and \$12,139 in FY 87. Because the Long Range Planning Subcommittee will be dealing with this issue, these amounts should be deleted from the Operating Expenses portion of this budget.

Sen. BENGTON moved to remove \$11,561 in FY 86 and \$12,139 in FY 87 for administering the Cultural and Aesthetic Projects.

The motion PASSED unanimously.

For clarification, the committee has appropriated \$185,179 in FY 86 and \$193,771 in FY 87 for Operating Expenses.

MONTANA VETERANS' HOME

Tape 22, Side A

Pat Estenson, Superintendent for the Vets' Home, and Paul Vendetti, Business Manager for the Vets' Home, were present for this portion of the hearing.

The committee went over the differences in the two budgets (Exhibit 5). There was some discussion regarding which option should be taken to deal with the pharmacy problem.

Rep. MENAHAN moved to authorize a .5 FTE pharmacist.

The motion PASSED unanimously.

Rep. MENAHAN moved to accept the assumption of drug, medical and pharmacists (Issue #1 of Exhibit 5) for an appropriation of \$54,328 in both fiscal years.

The motion PASSED unanimously.

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE
January 29, 1985
Page 6

Sen. BENGTON moved to accept the LFA current level for Personal Services including the .5 FTE pharmacist.

The motion PASSED unanimously.

Sen. BENGTON moved to include funding for an average daily population of 136.

The motion PASSED unanimously.

Sen. BENGTON moved to include \$8,000 in each fiscal year for additional Attends.

The motion PASSED unanimously.

(Note: The committee neglected to accept either the LFA or the OBPP figure on the total Operating Expenses budget. This action was taken during clean up on February 22, 1985. The LFA current level figure was accepted including the adjustments made in this hearing.)

(179) There was a lot of discussion regarding the utilities portion of this budget. Mr. South said there is nothing worse than visiting an institution and seeing abandoned buildings. He has requested the demolition of the old buildings at the Veterans' Home but that request was not included in the Long Range Planning Subcommittee recommendation list from the Architecture and Engineering Division. The estimated cost for razing the buildings was \$81,000.

Mr. South noted that there is a problem with the steam tunnels from the boiler running parallel to the water lines. This has kept the water lines from freezing and, if the old boiler is closed down, the water lines will freeze.

Mr. South suggested the committee appropriate the \$25,000 which it would cost to operate the boiler for the biennium and allow the Department to work on closing down the boiler with their existing maintenance personnel and budget. He said, if it costs more than \$10,000 to put in a new heating system for the superintendent's house, they would close the house because payback would take about 50 years at a monthly rent of \$200.

Mr. South said, at worst, the boiler would have to be operated for one more year. With this language and appropriation, Mr. South felt he could get this problem taken care of in-house.

Sen. BENGTON moved to appropriate \$25,000 for the biennium to allow the Department of Institutions to phase out the boiler plant.

The motion PASSED unanimously.

It was noted that any appropriation of \$25,000 or over must be heard in the Long Range Planning Subcommittee.

Sen. BENGTON moved to reconsider this committee's previous motion.

The motion PASSED unanimously.

Sen. BENGTON moved to appropriate \$24,995 for the biennium to allow the Department of Institutions to phase out the boiler plant.

The motion PASSED unanimously.

(300) The OBPP only included enough money in the equipment portion of the budget to purchase a car. The institution would like a station wagon because they need to be able to transport patients in a stretcher in case of an emergency.

Rep. MENAHAN moved to appropriate \$12,000 for the purchase of a station wagon.

Sen. AKLESTAD and Rep. WALDRON opposed the motion. All other members approved the motion. The motion PASSED.

Patients are billed on an ability-to-pay basis (Exhibit 6). Mr. South said this is figured on cash flow only, not assets. There are only three residents who cannot pay at least part of their cost.

Sen. BENGTON moved to require a 4% vacancy savings.

Rep. MENAHAN opposed the motion. All other members approved the motion. The motion PASSED.

The committee has made some adjustments to the funding.

Rep. MENAHAN moved to accept the LFA current level for funding with the adjustments made by previous motions.

The motion PASSED unanimously.

SWAN RIVER FOREST CAMP

Mr. Wolcott noted that the subcommittee should also make the same kind of motion for Swan River Forest Camp.

Sen. BENGTON moved to accept the LFA current level for funding for Swan River Forest Camp with the adjustments made by motions for that budget.

The motion PASSED unanimously.

MOUNTAIN VIEW SCHOOL

Mr. Wolcott said he analyzed the vacancy savings for Mountain View and found they realized a 7.9% vacancy savings for the past three years. The committee has set a 4% vacancy savings for that institution by accepting the LFA current level. Mr. Wolcott said that institution could probably handle a 5% vacancy savings rate.

Sen. BENGTON moved to require a 5% vacancy savings for Mountain View School.

Reps. MENAHAN and MILLER opposed the motion. All other members approved the motion. The motion PASSED.

MENTAL HEALTH AND RESIDENTIAL SERVICES

(550) Mr. Wolcott went over the differences in the two budgets (Exhibit 7). This budget deals with the block grant which is split between ADAD and MH&RS (Exhibit 8). ADAD gets 42.63% and MH&RS gets 57.37%. The amount of the block grant has stabilized to \$2,153,000 per year.

We are required to carry 25% of the block grant forward into the next state fiscal year because of the difference between the federal fiscal year end and the state fiscal year end. There is language in the block grant that says funds can be transferred from one division to another, up to 25%. However, this state has never done that.

Chairman Waldron explained that, if we accept the OBPP recommendation, we will be about \$275,000 short on current services. If we accept the LFA current level,

we will be about \$600,000 short on current services. Chairman Waldron explained the problem that has arisen in this budget. Last session, the subcommittee used carryover block grant money to save on general fund so, in essence, we cut general fund from the previous biennium which multiplied the problem this biennium because they are starting with a much lower base. This may have put the mental health centers in a bind.

Side B

The consequences of the last subcommittee's action was that the base did not have much reflection on the amount of services that were provided. The result is that we have used up all of the carryover funds.

Basically the problem is two-fold: the general fund base has been reduced and all the carryover funds will be used up in this coming biennium.

Both the LFA and the OBPP came off the same base; the OBPP applied no inflation and the LFA applied 4%. The OBPP proposal does not give inflation but they will give them the pay plan which includes an inflation factor.

(047) Mr. Harris wanted to make a point of clarification. The pay plan increase, which is reflected in the \$330,000 for the biennium, \$109,000 in FY 86 and \$221,000 in FY 87, is tied to the pay plan bill. Should the 2% be dropped to 1%, the \$330,000 would become \$165,000. The other point is that, should we decide to put \$330,000 in this budget, they will pull that money out of the pay plan bill. Also, the OBPP is over by \$65,247 which is 1% above the FY 85 level of block grant funds available. This 1% will not be realized.

Sen. BENGTON moved to accept the LFA current level for Personal Services.

The motion PASSED unanimously.

This does include a 4% vacancy savings. However, the MH&RS is in the Central Office so they have the ability to move vacancy savings throughout the office with a program transfer.

There is \$19,000 per year for training for the entire department. Chairman Waldron said this is not a lot of money for training and he urged the committee to

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE
January 29, 1985
Page 10

to accept the LFA current level for Operating Expenses which includes these funds.

Sen. BENGTON moved to accept the LFA current level for Operating Expenses.

The motion PASSED unanimously.

Sen. BENGTON moved to accept the OBPP recommendation plus \$65,247 for the biennium for the overestimate of the block grant and assume this will be funded through the general fund.


This still means they will be \$275,000 short. Any increase for the community mental health centers will be in the pay plan.

Sen. AKLESTAD opposed the motion. All other members approved the motion. The motion PASSED.

Mr. Wolcott said we will end up going with the OBPP recommendation for funding.

Being no further business to come before this committee, the meeting was adjourned at 11:15 a.m.

Respectfully Submitted:



Steve Waldron, Chairman

SW/lt

SWAN RIVER FOREST CAMP

<u>PERSONAL SERVICES</u>	<u>1986</u>	<u>1987</u>
Executive FTE	26.83	26.83
LFA Current Level FTE	<u>26.83</u>	<u>26.83</u>
Difference	<u><u>0.0</u></u>	<u><u>0.0</u></u>

Executive	\$643,831	\$644,897
LFA Current Level	<u>643,935</u>	<u>645,033</u>
Difference	<u><u>\$ (104)</u></u>	<u><u>\$ (136)</u></u>

<u>OPERATING EXPENSES</u>	<u>1986</u>	<u>1987</u>
Executive	\$255,987	\$252,035
LFA Current Level	<u>262,773</u>	<u>268,144</u>
Difference	<u><u>\$ (6,786)</u></u>	<u><u>\$ (16,109)</u></u>

- - - - - Operating Expenses Issues - - - - -

1. LFA current level base under executive base	\$2,756	\$3,761
--	---------	---------

<u>EQUIPMENT</u>	<u>1986</u>	<u>1987</u>
Executive	\$21,394	\$3,650
LFA Current Level	<u>11,194</u>	<u>3,650</u>
Difference	<u><u>\$10,200</u></u>	<u><u>\$ -0-</u></u>

SWAN RIVER FOREST CAMP

Equipment Item:	Fiscal 1986		Fiscal 1987	
	CBPP Qty.	Amount	OBPP Qty.	JFA Amount
Van	1	\$12,000		
Heavy Duty Washer	1	4,500		
Sec Chairs	2	174		
Major Repair--Radio				
Coffee Machine				
Furniture				
*Voc-Ed Equipment		4,720		\$3,650
Total		<u>\$21,394</u>		<u>\$3,650</u>

*Vocational Education equipment is federally funded through a grant from the Office of Public Instruction.

MONTANA ARTS COUNCIL

Program: Administration (01)

Prepared By	Date
Approved By	

	Fiscal Year 1986				Fiscal Year 1987			
	Executive	Current Level	Current Level w/ PTE Change	Subcommittee	Executive	Current Level	Current Level w/ PTE Change	Subcommittee
CURRENT SERVICES								
FTE	4.10	7,110	4.10		4.10	2.10	4.10	
Personal Services	95,411	71,250	97,330		95,792	71,635	97,735	
Operating Exp.	88,323	43,459	37,488		77,734	53,332	47,062	
Equipment	-0-	2993	2993		-0-	3,142	3,142	
Sub-Operating	183,734	117,702	137,811		173,528	128,109	147,939	
Non-Operating	-0-	12,701	-0-		-0-	13,570	-0-	
Total Current Svcs.	183,734	130,403	137,811		173,528	141,679	147,939	
NEW SERVICES	88,75	-0-	9,203		88,78	-0-	9,213	
TOTAL EXPENDITURES	192,609	130,403	147,014		182,406	141,679	157,152	
FUNDING								
General Fund	84,274	58,851	73,507		75,137	64,055	78,576	
State Special	-	-	-		-	-	-	
Federal Special	108,583	71,552	73,507		107,269	77,624	78,576	
TOTAL FUNDING	192,857	130,403	147,014		182,406	141,679	157,152	

EXHIBIT 2
January 29, 1985

MONTANA A S COUNCIL

PROGRAM: Grants (02)

Initialed	Date
checked By	
Approved By	

	Fiscal Year 1986				Fiscal Year 1987			
	Executive	Current Level	Current Level w/ PTE Change	Subcommittee	Executive	Current Level	Current Level w/ PTE Change	Subcommittee
GRANTS								
From State Sources	333084	573392	8736		331524	648392	8871	
From Federal Sources	155605	169520	162994		147671	154504	150853	
Total Grants	488689	742912	171630		479195	802896	159724	
BUFF 6910 GREEN 4210 WHITE								
FUNDING								
General Fund	22068	23392	9736		22068	23392	8871	
State Special	311016	550000	-0-		309456	625000	-0-	
Federal Special	155605	169520	162994		147671	154504	150853	
TOTAL FUNDING	488689	742912	171630		479195	802896	159724	

MONTANA ARTS COUNCIL

Program: Special Projects (03)

Prepared By	Date
Approved By	

	Fiscal Year 1986				Fiscal Year 1987			
	1986		1987		1986		1987	
	Executive	Current Level	Current Level w/ PTE Change	Subcommittee	Executive	Current Level	Current Level w/ PTE Change	Subcommittee
CURRENT SERVICES								
FTE	4.40	1.90	4.40		4.40	1.90	4.40	
Personal Services	86684	39614	73787		86690	39630	73816	
Operating Exp.	263583	195431	161914		264172	204601	169408	
Equipment	-0-	-0-	-0-		-0-	-0-	-0-	
Sub-Operating	350237	235045	235701		350862	244231	243224	
Non-Operating	-0-	15198	-0-		-0-	16087	-0-	
Total Current Sves.	350237	250243	235701		350862	260313	243224	
NEW SERVICES	7358		7652		7360		7684	
TOTAL EXPENDITURES	357595	250243	243353		358222	260318	250878	
FUNDING								
General Fund	71481	40404	40404		69180	40757	40757	
State Special	38270	11561	-0-		38270	12139	-0-	
Federal Special	247844	198278	202949		249172	207422	210121	
TOTAL FUNDING	357595	250243	243353		358222	260318	250878	

MONTANA ARTS COUNCIL
Administration Program

<u>PERSONAL SERVICES</u>	<u>1986</u>	<u>1987</u>
Executive FTE	4.10	4.10
LFA Current Level FTE	<u>2.10</u>	<u>2.10</u>
Difference	<u>2.00</u>	<u>2.00</u>

Executive	\$104,286	\$104,670
LFA Current Level	<u>71,250</u>	<u>71,635</u>
Difference	<u>\$ 33,036</u>	<u>\$ 33,035</u>

----- Personal Services Issues -----

1. Vacancy Savings in Executive	\$ (2,851)	\$ (2,866)
2. Modified FTE Recommended by Executive	35,868	35,882

<u>OPERATING EXPENSES</u>	<u>1986</u>	<u>1987</u>
Executive	\$ 88,323	\$ 77,736
LFA Current Level	<u>43,459</u>	<u>53,332</u>
Difference	<u>\$ 44,864</u>	<u>\$ 24,404</u>

----- Operating Expenses Issues -----

3. A contract for an accounting technician was included in executive but not in LFA:	\$ 8,820	\$ 8,820
4. General Clerical Contract Included in Executive at a Higher Cost than Current Level Analysis (see issue 11)	11,151	11,151
5. Accounting Supervisor Contract Included in Executive at a Higher Cost than Current Level Analysis	8,321	8,321
6. Audit Costs were Placed in Different Years	8,400	(8,400)
7. Miscellaneous Expenses Higher in Executive	1,538	1,538

14. General Fund - The LFA current level analysis funded one-half of the operating expenses with general fund. The executive funded one-half of its modification recommendation with general fund (\$21,179 in fiscal 1986; \$19,866 in fiscal 1987).

Grants Program

GENERAL FUND LOCAL COMMUNITY GRANTS

	<u>1986</u>	<u>1987</u>
Executive	\$22,068	\$22,068
LFA Current Level	<u>23,392</u>	<u>23,392</u>
Difference	<u><u>\$(1,324)</u></u>	<u><u>\$(1,324)</u></u>

15. The current level analysis provided funds at the fiscal 1985 appropriated level; the executive provided funds at the fiscal 1984 appropriated level.

CULTURAL & AESTHETIC GRANTS

	<u>1986</u>	<u>1987</u>
Executive	\$ 311,016	\$ 309,456
LFA Current Level	<u>550,000</u>	<u>625,000</u>
Difference	<u><u>\$(238,948)</u></u>	<u><u>\$(315,544)</u></u>

16. Different revenue estimates. As these projects proposals are being heard by the Long Range Planning Subcommittee, there is no need to review these grants in the Institutions Subcommittee.

FEDERAL GRANTS

	<u>1986</u>	<u>1987</u>
Executive	\$155,605	\$147,671
LFA Current Level	<u>169,520</u>	<u>154,504</u>
Difference	<u><u>\$(13,915)</u></u>	<u><u>\$(6,833)</u></u>

17. The LFA current level used fewer federal funds in the administration and special projects programs leaving more available as grants.

8. Executive Inflation Higher (lower)
than LFA 198 (822)

9. Operating Expenses & Inflation
Associated with Modified Request 6,491 3,850

<u>EQUIPMENT</u>	<u>1986</u>	<u>1987</u>
Executive	\$ -0-	\$ -0-
LFA Current Level	<u>2,993</u>	<u>3,142</u>
Difference	<u>\$(2,993)</u>	<u>\$(3,142)</u>

----- Equipment Issue -----

10. LFA provided inflationary increase to fiscal 1984 expenditure level; however, the agency did not request equipment. Therefore, this expenditure could be removed.

<u>GRANTS FROM FEDERAL SOURCES</u>	<u>1986</u>	<u>1987</u>
Executive	\$ -0-	\$ -0-
LFA Current Level	<u>12,701</u>	<u>13,570</u>
Difference	<u>\$(12,701)</u>	<u>\$(13,570)</u>

----- Grants Issue -----

11. The LFA current level analysis provided grant expenditures funded 100 percent from federal funds for the clerical services provided on contract. This is consistent with fiscal 1984 actual expenditures.

<u>FUNDING</u>	<u>-----FY 86-----</u>			<u>-----FY 87-----</u>		
	<u>Exec.</u>	<u>LFA</u>	<u>Diff.</u>	<u>Exec.</u>	<u>LFA</u>	<u>Diff.</u>
Fed-Grants	\$ 11,804	\$ 12,701	\$ (897)	\$ 11,804	\$ 13,570	\$(1,766)
Fed-Admin. & Programs	96,779	58,851	37,928	95,465	64,054	31,411
Gen. Fund	<u>84,026</u>	<u>58,851</u>	<u>25,175</u>	<u>75,127</u>	<u>64,055</u>	<u>11,082</u>
Total	<u>\$192,609</u>	<u>\$130,403</u>	<u>\$62,206</u>	<u>\$182,406</u>	<u>\$141,679</u>	<u>\$40,727</u>

12. Federal-Grants - The LFA current level analysis funded the contract clerical services with federal grant funds.

13. Federal-Admin. & Programs - The LFA current level analysis funded one-half of the operating expenses with federal administration funds. The executive funded one-half of its modification recommendation with federal funds (\$21,180 in fiscal 1986; \$19,866 in fiscal 1987).

Special Projects Program

<u>PERSONAL SERVICES</u>	<u>1986</u>	<u>1987</u>
Executive FTE	4.4	4.4
LFA Current Level FTE	<u>1.9</u>	<u>1.9</u>
Difference	<u>2.5</u>	<u>2.5</u>
Executive	\$ 94,012	\$ 94,050
LFA Current Level	<u>39,614</u>	<u>39,630</u>
Difference	<u>\$ 54,398</u>	<u>\$ 54,420</u>
----- Personal Services Issues -----		
18. Vacancy Savings in Exec.	\$ (1,592)	\$ (1,592)
19. Modified FTE Recommended by Exec. (2.5 FTE)	55,814	55,836
20. Exec. Higher in Current Level Salaries & Benefits	176	176
<u>OPERATING EXPENSES</u>	<u>1986</u>	<u>1987</u>
Executive	\$263,583	\$264,172
LFA Current Level	<u>195,431</u>	<u>204,601</u>
Difference	<u>\$ 68,152</u>	<u>\$ 59,571</u>
----- Operating Expenses Issues -----		
21. Executive included following contracts not in current level analysis:		
a. Folklife Project Director	\$ 22,909	\$ 22,921
b. Visual Arts Administration	7,652	7,654
c. Accounting Tech. Assistance (see issue #29)	14,064	14,072
22. Executive has Higher Contract Price for Organizational Services Director	4,033	4,045
23. Executive has Higher Contract Price for Cultural & Aesthetic Administration	4,392	4,392
24. Executive has Operating Costs Assoc. with Folklife Project	5,413	5,413

25. Rent	1,309	1,309
26. Inflation - LFA Higher than Exec. (3,652)		(12,078)
27. Operating Expenses Associated with Modified positions	13,992	14,104
28. Miscellaneous Operating Expenses LFA Higher than Executive	1,960	2,261
GRANTS FROM FEDERAL SOURCES	<u>1986</u>	<u>1987</u>
Executive	\$ -0-	\$ -0-
LFA Current Level	<u>15,198</u>	<u>16,087</u>
Difference	<u><u>\$(15,198)</u></u>	<u><u>\$(16,087)</u></u>

----- Grants Issue -----

29. The LFA included the accounting technical assistance service as a grant expenditure consistent with fiscal 1984 actual expenditures; executive included it as a contracted service.

FUNDING	-----FY 86-----			-----FY 87-----		
	<u>Exec.</u>	<u>LFA</u>	<u>Diff.</u>	<u>Exec.</u>	<u>LFA</u>	<u>Diff.</u>
Coal Tax Trust						
Earnings	\$ 23,270	\$ 11,561	\$11,709	\$ 23,270	\$ 12,139	\$11,131
MT Folklife						
Project	15,000	-0-	15,000	15,000	-0-	15,000
Comm. Match	52,250	52,250	-0-	52,250	52,250	-0-
Fed.-Admin. & Programs	195,594	128,047	67,547	197,722	136,163	61,559
Fed. Grants	-0-	17,981	(17,981)	-0-	19,009	(19,009)
Gen. Fund	<u>71,481</u>	<u>40,404</u>	<u>31,077</u>	<u>69,980</u>	<u>40,757</u>	<u>29,223</u>
Total	<u><u>\$357,595</u></u>	<u><u>\$250,243</u></u>	<u><u>\$107,352</u></u>	<u><u>\$358,222</u></u>	<u><u>\$260,318</u></u>	<u><u>\$97,904</u></u>

----- Funding Issues -----

30. Coal Tax Trust Earnings - The LFA current level used coal tax trust earnings to fund only cultural and aesthetic grant administration; the executive used approximately \$11,000 each year to fund the Folklife Project.
31. Montana Folklife Project - The LFA current level analysis removed all folklife expenditures from the agency operating budget; the executive recommends the Folklife Project be funded from cultural and aesthetic funds.

32. Federal Admin. & Programs - The LFA current level analysis funded two functions, artists-in-the-schools and project administration, at current level with inflation from federal administration revenues. The executive funded one-half, approximately \$35,000 each year, of its modification recommendation from federal funds.
33. Federal-Grants - The LFA current level funded the accounting technical assistance service and advisory panel expenditures from federal grant revenue.
34. General Fund - The LFA current level analysis provided \$13,700/year for AIS projects and one-half of the administration expenses. The executive funded one-half, approximately \$35,000 each year, of its modification recommendation from the general fund.

Fiscal Impact by Program and Agency Summary Converting Contracts to State FTE Montana Arts Council

EXHIBIT 4
 January 29, 1985

	FY86	FY87
<u>Administration Program</u>		
Expenditure Increase	\$ 16611	\$ 15473

General Fund	14656	14521
Federal Funds	1955	952

Grants Program

Expenditure Decrease		
Net of Cultural + Aesthetic Grants	\$ (21282)	\$ (18172)

General Fund	(14656)	(14521)
Federal Funds	(6626)	(3651)

Special Projects

Expenditure Increase Net of		
Cultural + Aesthetic Administration	\$ 4671	\$ 2699

Federal Fund Increase	4671	2699
-----------------------	------	------

AGENCY SUMMARY

Expenditure Increase (Decrease)	\$ -0-	\$ -0-
---------------------------------	--------	--------

General Fund Increase (Decrease)	-0-	-0-
----------------------------------	-----	-----

Federal Fund Increase (Decrease)	-0-	-0-
----------------------------------	-----	-----

VETERAN'S HOME

<u>PERSONAL SERVICES</u>	<u>1986</u>	<u>1987</u>
Executive FTE	74.50	74.50
LFA Current Level FTE	<u>74.00</u>	<u>74.00</u>
Difference	<u>==.50</u>	<u>==.50</u>

Executive	\$1,360,111	\$1,364,645
LFA Current Level	<u>1,334,417</u>	<u>1,338,600</u>
Difference	<u>\$ 25,694</u>	<u>\$ 26,045</u>

<u>OPERATING EXPENSES</u>	<u>1986</u>	<u>1987</u>
Executive	\$491,601	\$484,217
LFA Current Level	<u>439,870</u>	<u>455,165</u>
Difference	<u>\$ 51,731</u>	<u>\$ 29,052</u>

- - - - - Operating Expenses Issues - - - - -

1. Assumption of Drug, Medical and pharmacists	\$54,328	\$54,328
2. Drugs and Medical Supplies Only	\$67,771	\$67,771
3. Increase ADP to 136	\$10,373	\$10,373
4. Increase in Attends	\$ 8,000	\$ 8,000
5. Utilities	\$12,793	\$12,793

<u>EQUIPMENT</u>	<u>1986</u>	<u>1987</u>
Executive	\$ -0-	\$ 8,520
LFA Current Level	<u>-0-</u>	<u>12,000</u>
Difference	<u>\$ -0-</u>	<u>\$(3,480)</u>

<u>FUNDING</u>	<u>1986</u>	<u>1987</u>
General Fund	543,761	548,171
Executive	\$530,786	\$535,101
LFA Current Level	<u>431,188</u>	<u>448,186</u>
Difference	<u><u>\$ 112,573</u></u>	<u><u>\$ 99,985</u></u>
	\$ 98,588	\$ 87,005
 Veterans' Administration	 <u>1986</u>	 <u>1987</u>
Executive	\$485,220	\$485,220
LFA Current Level	<u>521,713</u>	<u>521,713</u>
Difference	<u><u>\$(36,493)</u></u>	<u><u>\$(36,493)</u></u>

- - - - - Funding Issues - - - - -

1. Assumption of drugs, medical,
and pharmacist, plus ADP
of 130:
136

General Fund	\$ 28,261	\$ 28,261
V.A. Reimbursement	\$ 44,440	\$ 44,440

VETERAN'S HOME

<u>Equipment Item</u>	<u>Fiscal 1986</u>		<u>Fiscal 1987</u>	
	<u>ORPP</u>	<u>LFA</u>	<u>OBPP</u>	<u>LFA</u>
	<u>Qty.</u>	<u>Amount</u>	<u>Qty.</u>	<u>Amount</u>
Station Wagon	1		1	\$12,000
Total		<u>-0-</u>		<u>\$8,520</u>
		<u>=====</u>		<u>\$12,000</u>

KWLEG:VET HOME 1-28-5

KWLEG:EQUIPMENT FORMAT

MONTANA VETERANS' HOME

Analysis of Private Pay

Full Cost [Net of VA Participation]

Domiciliary Care	\$23.68/day
Nursing Care	\$30.94/day

Private Pay Summary [December 1985 Billing Month]

Able to Pay Full Cost:

Nursing	32 Members
Domiciliary	12 Members

Less Than Full Cost:

Nursing	33 Members
Domiciliary	56 Members

No Ability to Pay:

Nursing	1 Member
Domiciliary	2 Members

MENTAL HEALTH & RESIDENTIAL SERVICES

<u>PERSONAL SERVICES</u>	<u>1986</u>	<u>1987</u>
Executive FTE	5.00	5.00
LFA Current Level FTE	<u>5.00</u>	<u>5.00</u>
Difference	<u>0.00</u>	<u>0.00</u>
Executive	\$179,308	\$179,812
LFA Current Level	<u>179,419</u>	<u>179,934</u>
Difference	<u>\$ (111)</u>	<u>\$ (122)</u>

- - - - - Personal Services Issues - - - - -

1. None

<u>OPERATING EXPENSES</u>	<u>1986</u>	<u>1987</u>
Executive	\$ 62,891	\$ 63,422
LFA Current Level	<u>68,893</u>	<u>71,960</u>
Difference	<u>\$ (6,002)</u>	<u>\$ (8,538)</u>

- - - - - Operating Expenses Issues - - - - -

1. Education & Training \$ (9,006) \$ (9,006)
2. Evaluation Contract for Day
Care & Transitional Living 3,500 3,500

Comments:

The LFA current level includes \$9,006 more each year for education and training than the executive budget. The training budget for all six mental health institutions is included in this budget. The executive includes \$3,500 each year for an outside consultant to evaluate the community mental health center day care and transitional living programs.

NON-OPERATING EXPENSE

Executive	\$5,310,494	\$5,311,289
LFA Current Level	<u>5,109,932</u>	<u>5,314,675</u>
Difference	<u>\$ 200,562</u>	<u>\$ (3,386)</u>

- - - - - Non-Operating Expense Issues - - - - -

1. Shortfall in Funding CMHC		
Contracts	\$(219,848)	\$(121,001)
2. Executive Federal Block		
Grant Overestimated		65,247

Comments:

The basic difference between the executive budget and the LFA current level is the inflation used to arrive at fiscal 1986 and 1987 levels and the method of funding the resulting shortfalls. The executive proposes including the CMHC contracts in the pay plan which is estimated to provide \$109,000 additional funds in fiscal 1986 and \$221,000 in fiscal 1987 while the LFA current level uses a 4 percent per year inflationary increase from fiscal 1985 to fiscal 1986 and 4 percent from 1986 to fiscal 1987 with an additional \$328,848 in fiscal 1986 and \$342,001 in fiscal 1987 required to fully fund the contracts. In addition, the executive overestimated the available block grant funds and will require an additional \$65,247 of general fund in their budget.

FUNDING

Executive	\$4,092,128	\$4,203,811
LFA Current Level	<u>4,087,212</u>	<u>4,253,307</u>
Difference	<u>\$ 4,916</u>	<u>\$ (49,496)</u>

FEDERAL BLOCK GRANT

Executive	\$1,460,565	\$1,350,712
LFA Current Level	<u>1,271,032</u>	<u>1,313,262</u>
Difference	<u>\$ 189,533</u>	<u>\$ 37,450</u>

- - - - - Funding Issues - - - - -

1. Executive Block Grant		
Overestimation		\$65,247
2. Executive Modified Jobs Bill	\$78,421	79,205
3. Executive CSP Modified	2,055	2,055

Comments:

The executive overestimated available block grant funds by \$65,247 and has requested general fund to make-up the difference. The Jobs bill funds were first received in October 1983. No additional funds have been received, nor has there been any indication from the federal government that funding will continue.

The major issue is dealing with the projected shortfalls as outlined above.

Table 1
Alcohol, Drug Abuse and Mental Health Services (ADMS) Block Grant
Revenue/Expenditure Plan 1984-1987

Annual Grant Award \$2,153,000		-----ADAD (42.63%)-----				-----Mental Health (57.37%)-----			
Revenue	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	
Unexpended Balance Carry Forward	\$ 695,004	\$ 544,211	\$ 302,280	\$ -0-	\$ 640,452	\$ 408,746	\$ 113,942	-0-	
State Fiscal Year Block Grant	906,527	917,824	917,824	917,824	1,219,973	1,235,176	1,235,176	1,235,176	
Total Block Grants Available	\$1,601,531	\$1,462,035	\$1,220,104	\$ 917,824	\$1,860,425	\$1,643,922	\$1,349,118	\$1,235,176	
<u>Expenditures</u>									
Operating	\$ 53,552	\$ 60,482	\$ 32,508	\$ -0-	\$ 179,133	\$ 198,648	\$ 215,300	\$ 215,300	
Non-Operating	1,003,768	1,099,273	1,219,435	1,294,924	1,272,546	1,331,332	1,384,580	1,439,963	
Total Expenditures	\$1,057,320	\$1,159,755	\$1,251,943	\$1,294,924	\$1,451,679	\$1,529,980	\$1,599,880	\$1,655,263	
Unexpended Balance to Carry Forward	\$ 544,211	\$ 302,280			\$ 408,746	\$ 113,942			
Unfunded Program Costs			\$ (31,839)	\$ (377,100)			\$ (250,762)	\$ (420,087)	