

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

Date June 10, 1986

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MINUTES OF THE MEETING  
INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE  
49TH LEGISLATURE SPECIAL SESSION III

June 10, 1986

Tape 1, Side A

The meeting of the Institutions and Cultural Education Subcommittee was called to order by Chairman William "Red" Menahan on June 10, 1986, at 8:05 a.m. in Room 312-1 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, Dave Briggs, Director of Mental Health Center, Steve Waldron, Montana Council of Regional Mental Health Boards.

Tape 1:A:072

DEPARTMENT OF INSTITUTIONS

Mr. South, Director of the Department of Institutions, said that the cuts did not include reducing direct care staff at the institution, but have reduced treatment staff and held those positions open to generate vacancy savings. Montana State Prison will not become operational with more than a 2% cut due to the expansion. With the savings from the operational costs of the expansion, the prison can handle a 2% cut. He felt that the prison would not be able to handle a 2% cut in FY87.

Mr. South felt that Montana Development Center will cost the general fund about \$5,000,000 to update all the deficiencies found in the center by the federal government. He suggested to hire 16 additional treatment staff plus fill 10 treatment positions that have been authorized and have been open to generate vacancy savings. With a 2% cut this year, there is doubt that it will make it through this year. The Developmental Center has already taken its 2% cut and cannot take another.

The other exception is the Montana Youth Treatment Center. To keep the center up to standards it would not be able to take a 2% budget cut.

Central Office: (135)

Mr. South recommends a 5% budget cut from the Central Office, with one exception being Corrections.

Director's Office: (140)

Mr. South stated that the governor's reduction for the Director's Office would be \$18,974, based on the 5% budget cut. The Management Services Division has a \$44,331 reduction, based on the 5% cut. Alcohol and Drug has a reduction of \$10,980. The \$17,232 would go into the general fund alcohol earmarked funds and then be given to the counties for their programs.

The Corrections Division was the one exception to the 5% budget cut, almost all of the employees work in the Missoula pre-release center or around the state in parole and probation offices. If the division is budgeted on 3%, then the three contract male pre-release centers would also be given a 3% cut. The Women's Correction Center is given a 5% budget cut and could operate with that cut. There is program transfer authority that could help any serious problems. The Correctional Medical budget it not recommended for any cut because it would mean a larger supplemental for the next session.

The Mental Health Division is given a cut of \$211,827 and \$199,313 of that is directed to the five regional Mental Health Centers. The total reduction for the Mental Health Centers is about 2 1/2%, which is similar to the institutions. During the last session it was discussed that money wouldn't be appropriated directly to the Mental Health Centers and allow them to pay salary increases. There was money placed in the pay plan that would provide enough funding for the Mental Health Centers in FY86 and FY87 to provide salary increases similar to those that state employers would be receiving. It is important to know that there is some money in the pay plan bill that was specifically put there for the Mental Health Centers. It was \$71,000 in FY86 and \$225,000 in FY87.

George Harris handed out a breakdown of the various budget cuts for the agencies (Exhibit 1). It was noted that the OBPP did not apply a percentage reduction on worker's compensation money of \$172,000. There was also a \$17,232 cut made in the state's special fund and that is in the Alcohol and Drug Abuse Division. Senator Himsel wondered about the differences of percentage cuts between the various departments under the Central Office. Mr. Harris said that under Corrections, 3% of the adjusted base is \$117,513 and that 5% under Women's Corrections \$34,705.

Chairman Menahan said that on the Women's Corrections there are more clients than budgeted for and you froze the additional positions that we gave you. Your staff can't have vacations because there isn't enough staff to cover for them. He also wondered how the facility would be manned later if it is not doing so now. Mr. South said that positions have been vacant in the past to generate vacancy savings. His intent is to leave the 1.5 vacant to build vacancy savings. We do have authority to transfer funds between budgets in the Corrections Division. The cuts taken here will not be totally made up by personal services, there will be some operational savings too. Chairman Menahan stated that the other position available, other than the 1.5 that you have for vacancy savings is not filled. When I go down to the building there is only one person available. When there is trouble that means that there is only one person around to handle it. Mr. South said that they are not going out filling a lot of vacant positions because we're not sure what the legislature will do.

Vice Chairman Bengtson asked if this was the Central Office that was going on the across-the-board 5% cut. Mr. South said that it was, with the exception of Corrections and that Corrections included two pre-release centers and all the probation and parole officers around the state. The pre-release centers are considered direct care and that in institutions direct care staff would not be cut. Senator Bengtson said she had received allegations from Eastmont and Pine Hills that direct care positions were being cut in the 5% cuts. The morale is very low with the feeling that the management gets to take days off. She also wondered if the 5% cut in the Central Office meant personnel. Mr. South said that in the Central Office it means personnel, because that is about all there is to cut from, in others it means operational expenses. She stated maybe the pay plan money should be segregated for the Mental Health Centers so that it doesn't get tied up in the freeze. Mr. South said the money is in there and that everyone should be aware of it when you begin deliberation. This has nothing to do with collective bargaining contracts or anything else that is tied to the state pay plan. She asked how the salaries compare with the state pay plan. Mr. South said that they are supposed to be tied to the state pay plan, although that would be difficult to prove because of the classification system they are using relative to ours. He explained that there are five generic funding sources:

1. General Fund
2. Federal block grant
3. Medicaid
4. County money
5. Fee for service

Those different funding sources vary in stability.

(413) Sen. Hims1 noticed that the Youth Detention Center is to be deleted, will that change the policy? Mr. Harris pointed out that the handout applies to HB 500. The Youth Detention Center applies to HB 667, and so it will be a general fund reduction and a bill will be proposed to all outside of HB 500 when there is reduction proposed. We did adjust the base column of the handout. The \$110,169 under Corrections is the amount of Youth Evaluation Program savings. The \$4,027,276 is what is in HB 500. We took that out of Corrections to avoid a duplication.

Sen. Bengtson asked what the across-the-board reduction total would be. Mr. Harris stated that the \$102,000 would be for the Youth Detention Center and that is in HB 667. With that added to the \$1,157,291 for the total recommended reduction for the Department of Institutions.

Rep. Miller wondered if the Youth Detention was shown on HB 500. Mr. Harris said that it wasn't. It was not included in the general appropriations act in the last legislature. Rep. Miller noted that the reason for asking the question is that when the committee goes into executive action we will be voting on each one separately.

Chairman Menahan wanted to clarify the reason for deleting the Youth Detention Center. Mr. South said that it was budgeted for five and only have two, and of course the facility requires around-the-clock staff. We are billing the counties at the budgeted rate of \$20,000 a year. He also wated to know where the children would go if the center doesn't have them. Mr. South said that they would be handled in the communities. He didn't know why it's not utilized more. The bill was introduced at the request of the counties. Mr. South responded, the client's stays are so short that it isn't worthwhile to make a round trip or even two round trips.

(568) Sen. Bengtson asked when action is taken on the Central Office and Institutions for across-the-board cuts will there be numbers in there that affect the Youth Detention Center. Mr. South responded that it is a separate bill under the statute but it is part of the program and it will self eliminate next June 30th.

Chairman Menahan expressed concern of the proposed lay-offs of collection positions within the office. We figured we can do the job with fewer employees. We have fewer investigations that must be done due to the decrease in institutional population.

Sen. Bengtson and Chairman Menahan both discussed the understaffing at various agencies and wondered what was being done about it. Mr. South said that he hasn't heard of any complaints but we must realize that we are living with a 2% budget cut. He said the bottom line for this department is \$1.1 million is savings if the committee doesn't generate general fund savings. There is not going to be an ideal situation for anyone. Mr. South went on to say that they do hire additional people to cover for those who are not receiving vacation or sick leave. Sen. Bengtson commended Mr. South for trying to help the committee.

Tape 1, Side B

(033) Rep. Miller asked if the population has increased or decreased in the various institutions. Mr. South said that the Center for the Aged has decreased and is about 10 below the budget. The population at the Prison is about 930 and is budgeted for 800. Swan River is controlled by the department and the population runs about 50 people. The Veterans' Home is down about 10 people from its budgeted amount. But at the Veteran's Home 3/4 of the money for operating expenses comes from billing the patients. Boulder has remained constant at 200-205 along with the State Hospital at 300. Mountain View has averaged close to 60

and it's budgeted for 45 people. Pine Hills averaged about 119 and it's budgeted for 88 people. Mountain View and Pine Hills population decreases in the summer. Eastmont is stable because the department can also control its population. Mr. South also said that at Montana State Hospital no one is allowed to remain at the hospital unless they are seriously mentally ill and when they reach a certain point they are released.

Mr. South said he did look into intensive parole and it would cost about \$6,000 a year compared to a \$15,000 dollar cost at the prison. But that \$15,000 is not saved at the prison when you take an inmate out. The only savings are food, medical expenses, and clothing with a savings of about \$3,000. It was also mentioned that a judge will send a person to the prison because that is where he wants that person to go. If a judge wants someone to go to a halfway house than he will send them there. Sen. Bengtson asked again on the intensive parole through the person's home. Mr. South said that wouldn't save money.

Chairman Menahan asked about the number of parole officers. Counting the supervisors there are 43 or 44 and about 5 aftercare officers. Chairman Menahan also asked what the client load was for parole officers, it was stated that it could be in excess of 60 clients. Keith Wolcott mentioned that in the last session the Department requested to add parole officers to the division and it was turned down. Their jobs are based on the time required for each case. The cases divided into three categories due to the severity of each clients record. These people travel all over the state and particularly in the Eastern part of the State.

(187) Chairman Menahan asked how many people are assigned to the Central Office that do not work in Helena. Mr. South stated that there are about 61, and we have just added four more employees to our building. To save costs we have cancelled a lease on the building downtown that we were using for parole officers and we've made available space to them in our central office building. So now we are housing four more employees. Chairman Menahan also wondered what the costs were for the computer program. Mr. South said that the system saves a significant amount of money for what we would be paying for the mainframe use at the Department of Administration. Reimbursement billing is now done on the computer.



and now we are working on computerization at Montana State Prison. It will automatically schedule discharge dates and parole eligibility and then work into the state hospital. We are making payments for the system by the money saved from not using the mainframe.

Sen. Bengtson wondered how many people are working on the computer programming. Jim Curry, Division Administrator, of Management Services said there are two programmers working on different phases. Mr. South said that the system would process an inmate the day he comes in and plug in information later, that will tie into previous information.

(237) Mr. Harris stated that the across the board percentage reductions are recommended. Policy issues which have been identified by various department directors have also been recommended in addition to the across the board cuts. The handout (Exhibit 1) shows those reductions due to the increase in the population, the Department of Institutions was not given a full 5% reduction in all areas. On page 38 in the Governor's Executive Budget it shows the central office having a reduction of \$438,330 in general fund. Each one of the policy issues has an narrative which explains the reasoning for the recommendation in the Governor's Executive Budget. The \$375,116 in policy issues plus the \$1,157,291 of the across-the-board reductions makes a total recommendation of \$1,532,407. It would give a total percentage of 2.3 for the entire department. Without the policy issues it would be 1.8%.

(301) Rep. Miller asked if the Mental Health pay was included in the \$8.1 million or is it separate from the \$300,000 if a pay freeze is to occur. Mr. South said the '86 allocation has already been made and that is \$71,000. The Governor's proposal is to take enough of the '87 allocation to maintain at the '86 level. The pay freeze does not mean that we are going to go back and reduce what was given in '86. They will maintain what raise they were given in FY86.

Sen. Bengtson asked Mr. Waldron for clarification on the affects of the pay plan freeze for the CMHC's. Mr. Waldron stated that the salaries will not be affected because we're not official state employees. What the Governor proposed is about \$200,000 which is the 5% cut and additional \$154,000 on top of that which is supposed to be in the pay plan.

The cut which the Mental Health Centers will take is about \$350,000, that puts the Mental Health Centers below FY85 as far as general fund and federal funds together. Sen. Bengtson

said that there is something wrong with putting the money that is suppose to go to Mental Health Centers for paying salaries, and then putting it in the pay plan and have a freeze on it. The Department distributes all the general fund money to the Mental Health Centers by a fee for service contract that has a certain uniform rate for the services they provide, within that rate are salaries of the employees that work for the Mental Health Centers. What was requested at the last session was to receive the additional increase for operational expenses, excluding personal services, but permit the amount of money that we would need to raise the rates enough for them to take salary increases in the pay plan. The only way it is tied to salaries is that if we had received the money we would increase our rates by whatever that percentage that is and allow them to pay a higher commensurate with the higher salaries with state employees. It was a way of insuring that the Mental Health Centers would not grant salary increases that the state couldn't. If Mr. South said that if there is no pay plan for the budget Mental Health Centers then there will be no pay plan for the Department of Institution employees but we will have to pay the '87 matrix anyway, because we have 48 unions in the department. We need to talk about the 5% cut with the Mental Health Centers and compare that to this budget and then at some point in time we have to start talking about the pay plan on the department if we don't get the freeze on salaries and still have to allocate the money.

If they want to charge you so much for the services then you are going to pay those fees. If you dont want to pay them or if you want lower fees you won't pay regardless of the pay plan. You are paying for a service. Mr. South said that, in 1982 when the fee-for-service system was set up, he wanted to insure state money to purchase services from these non-profit corporations which was not used to pay salaries well in excess of what the state pays. We made sure that we exempted all the salaries that were in excess of the state plan. We have since then increased the rates by whatever level the legislature has increased the appropriation. If there is less general fund money, then we will purchase fewer services.

(503) Keith Wolcott presented his budget and stated that the department seems to be managing with the Governor's

2% cut that he applied the same cuts in '87. A 2% cut could be livable with the department this year. The first issue which deals with every institution, is the free meals for institutional employees. Mr. Wolcott discussed this issue and said that if eliminated it would save the general fund approximately \$962,200 in FY87 if employees would pay for their meals.

Chairman Menahan stated that people would probably bring their own lunch instead of paying. At the present time some of the employees go over and eat with the patients at Warm Springs, because during the lunch time only half the staff is available. If the employees get that half hour to themselves they will go by themselves. Mr. South said that at Eastmont and Mountain View the employees get a half hour duty-free lunch. During that lunch they are not supposed to be working with the patients.

Rep. Miller asked Mr. Wolcott why meals couldn't be taken away from those who did not have contracts. Mr. Wolcott stated you could look at it if you wanted to determine what it is basically. The staff that are at the Developmental Center, State Hospital and Mountain View aren't covered by contract. It would only be management staff, I assume. The Center for the Aged, Eastmont, Mountain View, Pine Hills, Swan River, Veterans Home, it is my understanding from the labor relations people, that they are not covered by contract but by past practice.

Tape 2, Side A

(013) Mr. Wolcott offered two options for the Director's office. First option is to accept the 2% cut and the second is to eliminate the management analyst position that has never been filled. If the position was needed then it could be filled and vacancy savings could be made up elsewhere, Mr. South said due to budget cuts they haven't been able to fill the position. Mr. Wolcott explained that this is a duplicated cut if the governor's 5% cut is given.

(049) For the Management Services, Mr. Wolcott has two issues. First being the 2% and the second deleting two financial investigators. Mr. Wolcott discussed the second option. There are six financial investigators with one position being vacant. He feels that the department could survive with four financial investigators. If 2 FTE financial investigators were deleted there would be a general fund savings of \$52,600 in FY87. Or delete one vacant FTE financial investigator position and the associated travel costs for a total general fund savings of \$28,100.

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Rep. Miller wanted to know if the financial investigators weren't doing two different jobs. It was stated that the financial investigators handle financial investigations, interview and advise residents, and submit medicaid applications.

Mr. South said that the Governor's \$44,331 across-the-board cut would be more appropriate to give the department with the authority to determine how to handle the management. Chairman Menahan stated that the department has already eliminated one position within management operations. It was made clear to either choose the executive cut or the LFA cut.

(130) Mr. Wolcott's option on the Alcohol and Drug Abuse Program was to take a 2% cut of \$4,392 on the general fund. Rep. Miller wondered why the LFA would cut only \$4,392 and the governor chose to cut about \$10,000. Mr. Wolcott explained that he did not have a policy issue with this program and treated it the same way as the other programs by applying a 2 % cut.

(172) There are three issues in the Correction's Division that Mr. Wolcott presented. First issue being the men's pre-release center, Mr. Wolcott mentioned that during the appropriations process last session depreciation was doubled up. The subcommittee approved \$10,952 per center each year and then House Appropriations approved \$5,000 per center each year. The intent was only \$5,000 and somehow it was overlooked that it was already \$10,952.

Mr. South had noticed that error after the session and did not spend that money. The next issue being the Youth Evaluation Program. Closing the YEP on June 30 would save approximately \$127,689 in FY87.

(207) Rep. Miller noted figures at Mountain View are programed for 45 girls and have 60 girls. Pine Hills is programmed for 88 boys and have 113 boys. These two agencies are over crowded now and how will the 61 or so children from YEP be placed if closed. He said that we pay for them somewhere.

There was questions on evaluations and Mr. South went on to explain the evaluation process. The evaluations that are done at the YEP program, Pine Hills, and Mountain View are called pre-disposition evaluations. If a judge is not

clear on where to send a child then it is up to those three agencies to determine how best the court can dispose of that case. Serious mentally ill children are evaluated at the Youth Treatment Center which is different from the others. Chariman Menahan questioned Mr. South of why a child who is mentally ill is sent to Pine Hills which is for children with criminal records. Mr. South said that the testimony heard last session from probation officers indicated that in some instances the judicial system would not send those young children to Pine Hills or Mountain View and would do something in their own community. This program is not a statutory program and we could meet the needs at Pine Hills and Mountain View despite the over population. Rep. Miller said that in some instances a judge can't put a child anywhere else because of population.

Sen. Bengtson mentioned that in her area there are other places where children can go that are sponsored by various organizations. She suggested maybe there could be places in other cities for alternatives.

Chairman Menahan asked Mr. South how additional money would be needed to give to the other agencies that would carry those people at YEP. Mr. South stated that no additional money would be needed because they are forced to cut and could manage with those extra children. That is why those agencies have only a 1% cut.

George Harris recommended a cut of \$110,169 on the YEP program which is including a lease that runs through the end of this year, the cost of that lease has been taken out.

Mr. South's budget of 110,000 includes finishing the evaluation on all of the children in the YEP on July 1st. Also included is termination pay for all existing employees. Mr. Harris recommended that it be better to go with the \$110,169 and allow Mr. South to pay out termination pay and handle the lease problem that they have.

(422) Mr. Wolcott's recommendation on Women's Corrections was a 2% cut. The Corrections Medical was not given any cut because they are facing a supplemental. With this budget it is hard to determine the amount of people who will be sick and with the undetermined medical condition of prisoners coming to the prison. Mr. Wolcott projected that this budget could be out of money in December of 1986. Mr. South

does have authority to transfer money so the budget will be able to survive until the next session.

(453) The Mental Health Division has two issues that Mr. Wolcott presented. One being the across-the-board cut of 2% and the other eliminating the purchase of services of community Mental Health Centers to those patients functioning a level 1 through 5 on the Functioning Assessment Scale (FAS). Mr. Wolcott explained the State's responsibility for the treatment of the seriously mentally ill and giving definitions of seriously mentally ill and mental disorders. The department contracts for clients who are functioning at a level of 6 or below on the functioning assessment scale (FAS). Mr. Wolcott also explained the level 6 on the FAS. He then said that the elimination of level 6 will save approximately \$877,000 general fund in FY87. Level 6 can be (and has been) interpreted to describe any and all clients who voluntarily come to a mental health center for services. The other option is to require the department to develop new criteria for state billable services based on selected diagnosis from the Diagnostic and Statistical Manual of Mental Disorders (third edition).

Sen. Bengtson wanted some idea of the DSM-3 compared with the FAS scale. Steve Waldron, Montana Council of Regional Mental Health Boards, explained that the DMS-3 can categorize a person by diagnosis but does not necessarily categorize them based on whether they are able to function. There is not a relationship between the diagnosis and whether or not a person can function in society. Mr. Waldron explained the diagnosis mentioned in the DMS-3 book. Sen. Bengtson wondered if the fee for services is the same for each person. Mr. Wladron replied that it is different for people at different levels.

Tape 2:B;038

Sen. Hims1 noted that people at the Mental Health Centers have said that when they leave the center they have medicine but when they run out of medicine they go back and go through treatment over again and some end up in Warm Springs. Sen. Hims1 wondered that when they go back to the center could they go through without the legal process. Mr. South said that the problem is basically insoluble. Conditional releases leave the state hospital responsible for that person. Chairman Menahan added the provisions established to be admitted to Warm Springs are very difficult. There was more discussion on conditional release. Mr. South said that the state hospital

can determine patients that need to stay in the hospital and will not release them. If a person is on medicaid then the cost of medicine could be paid by medicaid other than the patient and the hospital.

Mr. Wolcott questioned Dave Briggs, Director of Mental Health Center, why couldn't the system of using the DSM-3 be used for the purchase of services. Mr. Briggs said a diagnosis is given that doesn't necessarily relate to the level of functioning in terms of being able to function on the job or with family. Mr. Wolcott stated that an in-patient who requires in-patient service is not functioning at level 6. Mr. Briggs said they are not able to handle life outside. He also said that it is the children who are sexually abused who are at level 6. Mr. Wolcott noted that children ages 0-17 are a target population and will not be ignored. Mr. Briggs said the Mental Health Centers have made every effort over the last few years to pay attention to the serious kinds of problem we are dealing with.

Rep. Miller said the Mental Health Center is vital and the other programs are spread so thin that it would be hard to accept anymore patients. He said that it could lead to street people all over the state.

Sen. Bengtson wondered if the Mental Health Centers have lived up to the responsibilities of the state of taking care of certain people. Mr. Waldron explained the funding history of the Mental Health Centers. Mr. Waldron stated that the fee for service contract is not a bad one. When there was block grants, problems came with that soon after.

Mr. Briggs had noted that the Mental Health Centers serve those people, well over 30%, make maybe \$5,000 a year or less. Those people who make large amounts of money go to private places.

The chairman called a recess at 11:30 a.m.

The meeting reconvened at 1:18 p.m.

(365) Mr. Waldron handed out a breakdown of funding. (Exhibit 2). He noted that the Mental Health Center had received a funding increase of 3.7% in FY84 and FY85 and explained the chart of funding for the Mental Health Centers. The second page was explained and was noted that if the centers were put back to a 5% cut it would generally put them at the level they were at in FY84. He said that it would be very difficult to provide employee pay increases. Mr. Waldron asked that the funds be moved out of the pay plan and back into the contracted

amount. Two other handouts were passed out and Mr. Waldron explained the comparison of administrative personal service costs for the Mental Health Centers that was given by the LFA. (Exhibit 3). He also said there is a section of law that should be considered (Exhibit 4). If level 6 is eliminated the Mental Health Centers will not be able to provide those services for clients that cannot pay. It would also cost the staff of Mental Health Centers massive layoffs.

Mr. Waldron went on to say that Warm Springs State Hospital is a necessary component of our mental health system. There is good communication between the two, on insuring the best possible care for clients. It is about \$36,000 a year to keep a patient at Warm Springs State Hospital. The waiting lists for these services are terrible and some day this will end as a tragedy for some person waiting to get into one of these centers. In many cases bills that are not going to be paid by a specific client are written off because the center knows that the client will never be able to pay.

A 5% cut on the division would make the staff pretty trim, and that would cut 5 FTE, that is taking a hard hit. The LFA is suggesting a 2% cut and that should also be considered.

Tape 3:A:020

Mr. Waldron went on to say the possible closure of the Youth Evaluation Program would not leave enough slots for kids in this state. The main reason is because the Human Services is not allowing enough room in the foster care budget. There has to be a good place to put the kid when he/she is under evaluation.

(Tape failure)

Harold E. Gerke, Montana Council of Mental Health Centers, stated that it would help to be more flexible in transferring funds that does not change the overall money. He also asked that it stay at current level and not be cut.

Dave Briggs, Director of Regional Mental Health Centers, stated that with the low economy it is hard for families to survive today and it is even harder for the Mental Health Centers to take a cut. With so many people and their families that have no place to go it is difficult to deal with families and their children.



Joan Nell Macfadden, Mental Health Commission, handed out a letter from judges in Great Falls (Exhibit 5). She said that with the judges opinion that maybe the committee can see the view coming from the people who have to send those kids to a program. With the Youth Evaluation Program it is putting a person in a place to be evaluated before they are sent elsewhere.

(323) Joy McGrath, Mental Health Association of Montana Board Member, handed out a letter (Exhibit 6) stating some opposition on the possible closure of the Youth Evaluation Program. We would rather see increased taxes and do not feel we could support or justify this kind of reduction. With the level 6 functioning it is very hard to assess, and the Mental Health Centers have more expertise in that area. These people need some kind of treatment and somewhere along the line the state will have to make up for it. Don't take it out on the mentally ill who can't speak for themselves.

(395) Sen. Bengtson asked Mr. Wolcott if he had any documentation on the abuses or the people who are involved in this reduction. Mr. Wolcott said the most significant would be the out-patient individual where it is provided 32,558 units before level 6 is taken out. Sen. Bengtson wondered exactly what an out-patient is and what the patient is treated for. Dave Briggs explained that the out-patient therapy is designed that they come back on a regular basis. There are some people that do become dependent on the service but the job of the Mental Health Center is to get as many people through the system as possible. Treatment plans are developed through standards that have been implemented through the Department of Institutions.

Mr. Waldron wanted to point out the Mental Health Centers provide treatment to over 15,000 unduplicated clients per year. Most of the centers do keep a record to make sure that they are not keeping clients that should not be kept on. A small percentage of them are involved in drinking problems.

(505) Mr. South stated that he intends to look at contracts in the way they haven't been looked at since we initially set the fee for service in 1982. He would much prefer to go along with the governor's recommendation and permit the Department to work with the centers to revise the contracts.

I tried to treat the Mental Health Centers in the same way that we were treating the institutions. The vacancy savings that is in the fee structure was naturally occurring and it was there, nothing was ever done to force it. Each institution has a good portion of money that they never receive called vacancy savings.

Chairman Menahan asked Mr. South if he was going to commit to coming in with a revised Mental Health Center plan or schedule in January. Mr. South said that he would intend to figure out something, but it wouldn't hurt any agency or institutions. Chairman Menahan also wondered if the total cut would be 7%, meaning the 2% now and then a 5% later. Mr. South stated that it is 2% of this fiscal year which concludes June 30th and 5% of the next fiscal year.

Chairman Menahan clarified that the committee is just making a recommendation to bring to the appropriations committee. This is just a recommendation.

(680) Sen. Himsel asked if the department was giving only authorization for a budgeted authority to increase the fee for service level. Mr. South noted that it is an actual general fund appropriation in another bill that is part of the pay plan bill. The only thing in HB 500 is enough money to pay salaries at the '85 matrix level. Sen. Himsel stated that pay plan does not apply in dollars to the Mental Health Center, it is an authorization level at which they have to determine their level.

Tape 4:A:007

Mr. Wolcott said that his position on this is that the department is contracting with the Mental Health Centers on the fee for service basis and the money should not be allocated in the pay plan. There was more discussion.

George Harris explained that the governor's recommendation is to freeze the pay plan. The \$154,000 is in HB 374 which is the pay plan and if frozen then it will not go into the Mental Health Centers. He doesn't think that it should go into contracts either.

Mr. Waldron stated that the Mental Health Centers feel the pay plan is not an appropriate place to put that fund and should be put with regular contract money. He recommends that we put that pay plan money into HB 500.

Mr. South said that we have to look at the equity of the situation. Other deficits will come if it is put into the pay plan. Everyone of the institutions will have a problem if the \$8 million is frozen.

Mr. Waldron noted that the Mental Health Center is not an institution we are private corporations contracted by the state that provides services.

(116) Mr. Wolcott handed out a breakdown of executive cuts and policy options (Exhibit 7).

EXECUTIVE SESSION: (135)

Mr. Wolcott explained that the executive is one issue and the policy option is a duplication of the other cuts.

Sen. Bengtson wondered if it is possible to make one motion to accept the executives cuts and then plug in the numbers under the executive column (Exhibit 7). Chairman Menahan said that it is up to the person whoever makes the motion.

Sen. Bengtson moved to accept the figures (5%) cuts that the executive has recommended to the Director's Office of \$18,974, Management Services of 44,331, Alcohol and Drug of \$10,980, Corrections of \$117,513, Women's Corrections of \$34,705 Mental Health of \$211,827.

Mr. Wolcott mentioned that included in the Alcohol and Drug Division is funded with state special revenue from the Alcohol and Drug money plus general fund money. The \$10,980 reflected here is general fund money only, there is \$17,232 proposed by the governor to come out of the state special revenue.

George Harris said that there are some administrated costs in the central office through the personnel in the ADAD division some of the money through the earmarked alcohol funds which is state special revenue funds pays for their salaries, that is not general fund. Those employees should have an equal percentage of reduction. So the \$17,232 represents that figure and is in state special revenue fund.

Question being called, the motion PASSED unanimously.

(282) On Exhibit #7, Mr. Wolcott noted the areas that consisted of duplications. Director's Office, Management Services, and Mental Health are duplications. The Corrections division shows the executive being \$110,169, the LFA being \$127,689. The difference there is the phasing out of the evaluations taking place after June 30th. The pre-releases centers shows the depreciation amount and should come out of each fiscal year of 1986 and 1987.

Sen. Bengtson moved to delete \$32,856 each year of the pre-release centers budget.

Question being called, the motion PASSED unanimously.

Sen. Bengtson moved to accept the executives recommendation to delete the Youth Evaluation Program of \$110,169.

It was made clear through questions from Sen. Aklestad that it would finish off the people that were there, contract lease, and termination pay.

Rep. Miller asked where the Youth Evaluation Program stands in "Priorities for People". Joy McGrath, Mental Health Association of Montana, stated that plenty of people have taken opposition on this issue. Rep. Miller asked the committee to vote against the previous motion. One reason being that the youth committee that the governor has established has not made final recommendation yet. He also noted that the Youth Evaluation Program is a good program and there is not a place that these kids could go if it was closed.

With question being called, Chairman Menahan requested a roll call vote. Sens. BENGTON, AKLESTAD, and HIMSL approved the motion. Reps. FRITZ, MILLER, and MENAHAN opposed the motion. The motion FAILED with a tie vote.

(420) Sen. Aklestad asked if there was something we could do with what we have now and what the proposal states on free meals. Mr. South noted that past practices such as the free meals cannot be stopped without negotiating. We could stop providing the free meal to non-union employees. Sen. Aklestad said that is unfair to those in a union. He also stated that unless the union negotiated, nothing could really be done.

Chairman Menahan said for example, at Warms Springs State Hospital the cooks do not take a lunch count of the employees who are going to eat, so if no employees were able to eat the amount of food cooked would be the same. Mr. South stated that at Billings the employees have chosen to bring their own lunches. But if the prices were too high then no one would eat at the institution.

(515) Sen. Bengtson noted that the legislature shouldn't ignore the pay plan concerning the Mental Health Centers. What could be the consequences if the money in the pay plan allocated to the Mental Health Centers was frozen. Chairman

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Menahan suggested that Mr. Wolcott look into this matter and get back to the committee. There was more discussion on this issue. Mr. South went on to state that 70%-80% of the Mental Health Center's budgets are personal services and that is what determines the rate structure that we get. Either state employees received an increase along with Mental Health employees or netiher received anything.

(633) Mr. Wolcott mentioned an option that wasn't listed in his exhibit to require the department to develop new criteria for state billable services based on selected diagnosis from the Diagnostic and Statistical Manual of Mental Disorders (third edition).

Tape 4:A:002

Mr. South said that this change could cost more money than if it wasn't deleted. There is a small difference between the subjective clinical opinion on whether you are 6 or a 5. Rep. Menahan wondered if anyone would be at the January session to give some kind of report. Mr. South said that he will have something available. Rep. Menahan said that the bottom line is important but we are interested in the services that the people are receiving. It was noted that psychiatrist use the DSM-3 in determining mental illnesses of patients on the FAS scale.

Being no further business to come before this committee, the meeting was adjourned at 3:20 p.m.

Respectfully Submitted:

  
William Menahan, Chairman

### ROLL CALL VOTE

INSTITUTIONS AND CULTURAL EDUCATION      SUBCOMMITTEE

DATE	June 10, 1986	Agency <del>FILE NO.</del>	Dept. of Institutions	NUMBER	1
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TALLY

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Karey Olson

Secretary

William Menahan

Chairman

MOTION: Sen. BENGSTON moved to accept the figures of the 5% cut  
that the executive has recommended (see Exhibit #7).

# ROLL CALL VOTE

INSTITUTIONS AND CULTURAL EDUCATION

SUBCOMMITTEE

DATE June 10, 1986 BILL NO. \_\_\_\_\_ NUMBER 2

NAME	AYE	NAY
Rep. William (Red) Menahan, Chairman	X	
Sen. Esther Bengtson, Vice-Chair	X	
Sen. Gary Aklestad	X	
Sen. Matt Himsel	X	
Rep. Harry Fritz	X	
Rep. Ron Miller	X	

TALLY

6 0

Karey Olson  
Secretary

William Menahan  
Chairman

MOTION: Sen. HIMSL moved that the special revenue fund be  
reduced by \$17,232 in the Alcohol and Drug Abuse Division.

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# ROLL CALL VOTE

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

DATE June 10, 1986 BILL NO. \_\_\_\_\_ NUMBER 3

NAME	AYE	NAY
Rep. William (Red) Menahan, Chairman	X	
Sen. Esther Bengtson, Vice-Chair	X	
Sen. Gary Aklestad	X	
Sen. Matt Himsl	X	
Rep. Harry Fritz	X	
Rep. Ron Miller	X	

TALLY

6 0

Karey Olson  
Secretary

William Menahan  
Chairman

MOTION: Sen. BENGSTON moved to delete \$32,856 each year of  
the pre-release centers budget.



# ROLL CALL VOTE

INSTITUTIONS AND CULTURAL EDUCATION

SUBCOMMITTEE

DATE June 10, 1986 BILL NO. \_\_\_\_\_ NUMBER 4

NAME	AYE	NAY
Rep. William (Red) Menahan, Chairman		X
Sen. Esther Bengtson, Vice-Chair	X	
Sen. Gary Aklestad	X	
Sen. Matt Himsl	X	
Rep. Harry Fritz		X
Rep. Ron Miller		X

TALLY

3

3

Karey Olson  
Secretary

William Menahan  
Chairman

MOTION: Sen. BENGSTON moved to accept the executives  
recommendation to delete the youth Evaluation Program of  
\$110,169.