### MINUTES OF THE MEETING APPROPRIATIONS COMMITTEE 50TH LEGISLATIVE SESSION

The meeting of the Appropriations Committee was called to order by Chairman Rep. Gene Donaldson on January 22, 1987, at 1:30 p.m. in Room 104 of the State Capitol.

<u>ROLL CALL</u>: All members were present at the meeting except Rep. Winslow and Rep. Iverson who were absent. Also present were Judy Rippingale, Legislative Fiscal Analyst, Denise Thompson, Secretary and Tom Cleary, Legislative Intern.

#### HB 185:

Rep. Rex Manuel, District 11, presented the HB 185 to the committee for their consideration. He stated that the appropriation for this bill was \$70,000. This program has been very successful in the past for the amount of money that has been appropriated. It's been run in a very frugal, and efficient manner.

### PROPONENTS(12:A:2.20)

Sandy Norris, Executive Director, Montana Family Practice Residency Satellite Program, explained the statistical profile which was distributed (Exhibit 1). Ms. Norris stated that the program is where they provide a service to the full three-year practice residencies and invite their residences to come into our state for a month or two of their training. We actually borrow residents, they come into Montana and spend a month training. We get to participate from the standpoint of post-graduate medical education, very economically, plus we get the opportunity to expose these newly trained physicians to practice opportunities in a rural setting on what the lifestyle is like, many other benefits that I'm sure will become evident. They do have a Board of Directors, are incorporated as a non-profit organization, have representatives of the Montana Academy of Family Physicians, Montana Medical Association, Montana Hospital Association, and advisors from the Department of Health and the Office of the Governor.

(12:A:5.57)Budget--they operate the administrative office with \$35,000 a year. They have all resident expenses paid for by local communities. Rural communities need family physicians. The return on the investment shows they now have 114 resident positions come into the state, 16 of whom either are currently practicing here or will be practicing here in July.

The two objectives of the program are to give Montana a chance to participate in post-graduate medical education, from an economical approach and also to expose the resident physicians to various opportunities in rural areas. She referred to the objectives and letters that were also a part of Exhibit 1 which reflect support from people who could not attend the meeting.

Mr. Bryan Zinns, Montana Medical Association, stated that he supported the bill.

Dr. Michael S. Strekall, MD, Hawkins Lindstrom Clinic, spoke in support of the bill and distributed a letter in that regard (Exhibit 2). He stated that he originally was from Montana, left the state, and he stated that he doubted he would have returned had it not been for the program. One thing that exists in the residency setting, the later year seems to be quite crucial in terms of selection of where you want to live. He stated that he spent March of 1984 in Helena, looking for an opportunity that matched his needs and his family needs. This one month stay meant a lot because he was able to bring his family. He stated that the family is one of the most important things of any kind of a rotation during the last year of residency is being able to bring your spouse with you. The biggest reason physicians leave has nothing to do with monetary return, it's primarily directed at is the spouse happy.

(12:A:16:13)Marcus Johnson, M.D., family physician in Choteau, Chairman of the Board of Directors of the program. Stated that he has many residents from the west coast, east coast, north and south, and a lot of variety. This gives them a chance to do some teaching which they don't normally get to do. It also keeps him on the ball because he has to keep ahead of the young kids, and gives him a chance to import some of the things he has learned by years of experience that they haven't seen. So it is a two-way street. It is a learning experience for him as well as the student.

The students are in a large school and have not had the experience with the real world, the rural communities.

Mr. Bill Leary, immediate past president of the Montana Hospital Association spoke in support of the bill. He stated that he has had an opportunity to serve on the board of the satellite program. He believes it is one of the most cost effective and cost efficient systems in Montana. He stated that the money invested in the program is extremely well spent and he encouraged support of the bill.

(12:A:20.03)Frankie Jackson, wife of Dr. Robert Jackson, Big Timber spoke in support of the bill. She stated that her

husband was also a WAMI student and a native of Montana, doing his residency in Wyoming which also with shortages. The satellite program allowed them to come to Montana for 6 weeks and was very instrumental in their decision in coming home. She also stated another aspect of the program that has been very helpful is that they have recently recruited a new physician from a residency program in Colorado.

Richard Brown, Administrator of Livingston Memorial Hospital, stated he supported the bill. He had 5 residents that had gone through their program in 1985 and in 1987 they were getting two more. They find that the residents who come into the hospital are stimulating and challenging to the medical staff.

(12:A:25.09)Barbara Kysor, Administrator of a nursing home, hospital in Townsend stated from her point of view the Family Practice Program is the most cost effective way to recruit positions that we just don't have available in any other form. She stated they have two family practice residents, both as a result of the program. The program provides another service that assist, workshops and education.

(12:A:26.00)Dr. Earl Book, physician in Townsend, stated that he was living proof that this is a far reaching program. He was raised, trained, and medically educated in Louisiana. This program is far reaching, it does get down in the south. There are people in his program that he knows of who are very much interested in coming out here in the northwest and in the mountains. Of his senior resident group of five, three of them are now out in this area. The program has practical benefits if you consider getting young doctors in the rural towns.

Rep. Connelly stated she supported the program. Her son is in the WAMI program, he has spent 6 weeks in Alaska; he spent 6 weeks at Whitefish. He is now in Wisconsin but is coming back to Montana as soon as he finishes next July.

(12:A:29.21)Rep. Miller stated he also supported the program. He stated that his fighter squadron had three doctors in Glasgow, two of the three thought they were fighter pilots too. They killed themselves in a light airplane accidents. It was only because of the Airforce, that the federal government allowed them to go into Glasgow to moonlight or help the local community. If this program would have been in being, they might have gotten some people there a little bit quicker and helped that community out.

Rep. Manuel closed on the bills by saying the proponents had given fine testimony and he would not be adding anything to it, just asked the committee's support on the bill.

#### QUESTIONS

Rep. Rehberg asked Mr. Ray Hoffman, Administrator of the Financial Management Division, if the program was included in his budget that he presented to the governor. Mr. Hoffman stated no. The department's position was that the program would be presenting legislation to the legislature and as such, would have the ability to defend the necessity for the program before the committee.

Rep. Manuel stated this was the third time he has helped with this program, he stated he guessed the departments have a hard time getting their own budget passed without laying additional budgets on.

(12:A:30.48)Rep. Donaldson asked if they were attached to the health department for administrative purposes only. Rep. Manuel stated they are used just as a pass through.

Rep. Quilici asked Ms. Norris how many people administer this program. Ms. Norris stated herself and a secretary, the Board of Directors are all volunteer.

Rep. Winslow asked Ms. Norris what percentage of the entire budget is this amount? Ms. Norris stated that in 1983 their request was \$110,000 and in 1985 was \$90,000, this year is \$70,000. In the overall budget, the budget is composed of 10 percent federal, 65 percent community, and 5 percent donations. Rep. Rehberg asked her if they got international help from the AMA. Ms. Norris stated they have had donations from the Montana Medical Association, The Montana Health Physicians, but directly from the AMA, no. She stated they had a sizable donation from one of the drug companies two years ago.

Rep. Donaldson asked Dr. Book if his experience was a valuable training experience. Dr. Book stated he felt experience was the best trainer at least in the situation he was in, there was a one on one relationship with the patient, and the attending doctor was there with the time to sit down and talk with you and tell you what you did wrong, what you did right, and what you need to do.

Chairman Donaldson stated the committee would not take action on the bill at this time.

### FORENSIC LAB: (12:B:.33)

Rep. Connelly requested the committee to reconsider the supplemental on the Forensic Unit. Chairman Donaldson asked her if she could just bring it up on the floor as the bill had already been prepared and gone to print.

(12:B:4.20) Rep. Lory did speak to the committee regarding this issue. He stated that right after the session that he went over to the building and looked at it. The building was a total disarray, the building was falling off, there were cracks you could see through every time the wind blew. It was a total disaster in his opinion. Also the forensic science tests have to have samples that have to be secure. Security was difficult to maintain. There were compressed gases stored in the back, and the back was falling off. At the time they looked at it, they did not have the financial situation that exists now. He stated that he said he felt they had to move. He said Ms. Hansen stated that the legislature was not in session. He told them that he thought they had to move and ask for a supplemental, because he didn't think the laboratory should remain in that condi-He also said that he thought it was an emergency, tion. whether he gave them the right advice is up to the committee. He stated he didn't feel it was the intention of the Justice Department to be making an end run, he had advised them to do it.

Rep. Thoft asked Rep. Lory if the department had made any attempt to find other buildings which were more reasonable. Rep. Lory stated they had looked at other buildings, but for what they needed and the availability of buildings as well as costs, they picked a building that was the most adequate and reasonable.

### YESTERDAY'S BUSINESS:

Rep. Bradley asked if she could change her vote from the previous meeting regarding HB 233 from yes to no. There was no objection from the committee. This changed the vote on HB 233 DO PASS to 12 to 5.

### VACANCY SAVINGS: (12:B:7:02)

There was discussion regarding the vacancy savings for the institutions. Rep. Miller, Chairman of the Institutions Subcommittee distributed and explained a bill which he had drafted regarding the vacancy savings issue of 4 percent. He stated that the bill was approved by the subcommittee. He stated that it was a very good implement as far as providing money for the state. It is a good mechanism for the governor and legislature to get cuts.

The first part of the bill says that we would like comparable essentiality. What that means is the committees who are looking at the budgets, know best what percentage of vacancy savings to put on. Our committee is recommending, when you look at the budget, to go between 0 and 4 percent. Whatever you deem should be put on. If you have a very small agency, they would probably take a zero vacancy savings, and they should take a zero vacancy savings, but they better not come in and ask to come into the pool if they take zero vacancy savings. We would do our job in here at this point and put on the exact amount of vacancy savings that is historically accurate.

The second part, Section 3, of the bill is the pooling aspect. They are asking to set up three pools; one for the governor, one for the legislative agencies, and one for the chief justice. The only exception would be the university system, post-secondary vo-tech center or community colleges.

There is an impact to the governor's budget, we don't know what percentage it would actually break down to.

(B:15.40)Section 4 of the bill appropriates the costs for the percentage match from the general fund for the three pools.

There were several questions from the committee. Rep. Miller and Mr. Keith Wolcott, Senior Analyst, Legislative Fiscal Analyst's office, repeated the intent of the bill to the committee.

The discussion was closed and the meeting adjourned at 3:00 p.m.

Rep. Gene Donaldson Chairman DAILY ROLL CALL

# APPROPRIATIONS COMMITTEE

### 50th LEGISLATIVE SESSION -- 1987

Date 1/22/87

NAME	PRESENT	ABSENT	EXCUSED
DONALDSON, GENE (Chairman)	i		
THOFT, BOB (Vice Chairman)			
WINSLOW, CAL (Vice Chairman)		1,	
BARDANOUVE, FRANCIS			
BRADLEY, DOROTHY	i		
CONNELLY, MARY ELLEN			
DEVLIN, GERRY		V	
IVERSON, DENNIS			
MANUEL, REX			
MENAHAN, WILLIAM "RED"			
MENKE, LARRY			
MILLER, RON			
NATHE, DENNIS			
PECK, RAY	L		
POULSEN, HAROLD			
QUILICI, JOE	L -		
REHBERG, DENNIS			
SPAETH, GARY	L/		
SWIFT, BERNIE	1-		
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### EXHIBIT \_\_\_\_\_ DATE 1 22 87 HB 185

### MONTANA FAMILY PRACTICE RESIDENCY SATELLITE PROGRAM

STATISTICAL PROFILE January, 1987

- 1. Number of Family Physician Resident rotations per year:FY 83 --9FY 84 --15FY 85 --30Total -114
- 2. Number of Family Practice Residencies allowing their resident physicians to participate (cumulative): FY 83 -- 7 FY86 -- 117 FY 84 -- 67 FY87 -- 121 to date FY 85 -- 95
- 3. Number of Montana community rotation sites (satellite units) willing to host family practice resident rotations per year: FY 83 -- 5 FY 84 -- 10 FY 85 -- 20
  FY 85 -- 20
- 4. Number of Montana physician volunteers willing to serve as teachers (preceptors) for the resident rotations (cumulative): FY 83 -- 11 FY86 -- 95 FY 84 -- 32 FY87 -- 119 FY 85 -- 67
- Number of Montana Opportunities/Locations which have contacted our program to list their need for family physicians: <u>69</u> total <u>27</u> current list (does not include IHS or PHS)

7. Number of Family Physicians who have settled in Montana or have made commitments to return this July, 1987 upon completion of their training program: <u>15%</u> Communities: Conrad Sheridan Billings

cres.	Concau	Sherruan	DITITIGS
	Deer Lodge	Helena	Crow Agency
	Big Timber	Hamilton	Libby
	Whitefish (2)	Boulder (2)	Lolo
	Townsend	S+ 19, nations	

- 8. Number of <u>additional</u> physicians who have chosen Montana practices from our listing of Locations Seeking Family Physicians: 7 Communities: Butte Missoula Kalispell Big Timber Dillon Townsend Billings
- 9. Number of resident rotations in process for the remainder of this postgraduate year and for next year: <u>29 to date</u>

Information Sheet Montana Family Practice Residency Satellite Program

I. Annual Budget

Administrative Office \$70,000 Resident Expenses \$100,000 Physician Faculty Time Donated Source: State, Fees, Donations, Fed? Local Community Montana physicians

A \$70,000 appropriation from the State of Montana would provide approximately 20% of the program costs annually. It is a crucial 20% without which the other funds would not be applicable.

We have applied for a federal grant for Graduate Training in Family Medicine which would fund improvement of our evaluation system, preceptor training, and site development. If received, this grant would fund about 10% of the total budget.

II. Physician needs in Montana

Twenty-seven openings for Family Physicians are listed with our office currently. These do not include the openings in the Indian Health service (5 in July at Crow Agency) or the National Health Service Corps sites. There are 18 NHSC physicians in Montana currently with 6 more expected this summer. By 1989, the scholarship physicians program will have completed placements and most of the current NHSC physicians in Montana will have finished their obligations. Since most NHSC assignees do not stay in those sites historically after completion of their obligation, it is anticipated that the need for Family Physicians in rural, underserved areas will increase dramatically.

- III. Return on the State's Investment from FY83 through FY87 For the \$141,000 appropriated during the last two sessions, <u>114</u> resident family physicians have received at least one
  - month of postgraduate medical training in Montana, and 16 Family Physicians have returned to Montana to practice (or will be here 7/1/87) after their rotations.

These two figures illustrated that our program is indeed meeting its objectives:

- For Montana to participate in postgraduate medical training in a high-quality, economical approach
- 2) To expose newly trained family physicians to practice opportunities and lifestyles in rural areas, and to increase their awareness of Montana opportunities

1/22/87 SN



185

### ROTATION OBJECTIVES

- To allow the resident to experience practice characteristics and responsibilities in a rural area
- To enable the resident's family members to experience living in a rural area
- To observe the role of the rural family physician as a primary care provider
- To participate in a volume practice and observe methods of practice management
- To realize the role of the family physician in providing leadership in assessing the needs, goals, objectives, values, and resources relative to community health
- To contrast the characteristics appropriate to rural medical practice versus practices established in communities with easy access to large medical centers and subspecialists
- To learn the skills and roles of rural health care team members as they relate to the health needs of the community
- To observe small group practice dynamics
- To observe the operation of the rural hospital as a primary or secondary care provider
- To observe on-going, long-term family and patient care
- To offer opportunities to become familiar with Montana's rural medical needs





Montana State University Bozeman, Montana 59717

WAMI Program/Medical Science

Telephone (406) 994-4411

January 20, 1987

Gene Donaldson, Chairman House Appropriations Committee Capitol Station Helena, MT 59620

Dear Mr. Donaldson:

I am writing in support of House Bill 185 which would provide funding for family practice residency training in Montana through the Family Practice Residency Satellite Program. Montana is one of the only states in the nation that does not have any complete residency programs and therefore the Family Practice Residency Satellite Program is an essential link in the medical education system of the State of Montana. Like the WAMI program it is a flexible, relatively low cost mechanism by which Montanans and others interested in non-metropolitan medical practice can be given encouragement, education and experience in Montana primary care medical practice. Not only does this program give physicians an opportunity to learn about the medical needs and medical opportunities in Montana, but it also helps them structure the remainder of their education in such a way as to be appropriate for the medical needs of Montana.

It may well be some decades before Montana is ready to develop a complete primary care residency program. In the meantime the Family Practice Residency Satellite Program is exactly what we need at this stage in the evolution of medical education in Montana.

Sincerely,

Stephen J. Guggenheim, M.D. Director

SJG:jf

. cc: Sandy Norris





# **Pondera Medical Center**

1/22/85 185

406-278-3211 805 Sunset Blvd. Conrad, MT 59425

January 19, 1987

Honorable Gene Donaldson Chairman, Appropriations Committee House of Representatives State of Montana Capitol Station Helena, MT 59620

Dear Representative Donaldson:

I am writing to you in support of the House Bill 185 which appropriates \$70,000 for family physician resident training in Montana. This program has had very good results and is money well spent.

When a physician settles in a community such as ours, there are several positive results. Not only does hospital revenue increase since patients can be seen in their hometown, but also at least two new jobs are created. More jobs mean more taxes, and even without the "filter-down" effect, I estimate that at least \$100,000 per year in salaries, hospital revenues, and community purchases is spent for each new physician practice.

In July, we look forward to welcoming Dr. Patsy Vargo, a family physician who has participated in a rotation here in Conrad through the Montana Family Practice Residency Satellite Program. Dr. Vargo is finishing her last year of Residency training currently in Denver, Colorado. Her husband is a rancher who is also looking forward to settling in Montana.

Even if this program attracted only one physician per year to Montana I would feel that the 171,001 appropriation for two years would be worthwhile. With 15 physicians attracted in the past four years, the productivity of this program is self-evident. I hope that you and your committee members will look favorably on House Bill 185.

Yours truly,

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Norman Campeau Administrator Pondera Medical Center THE WESTERN MONTANA CLINIC

515 WEST FRONT STREET MISSOULA. MONTANA 59802 1/22/8/ 185 TELEPHONE (406) 721-5600

January 20, 1987

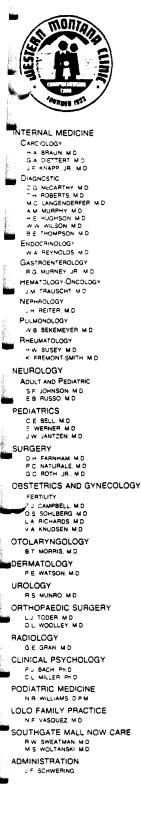
Gene Donaldson Chairman, Appropriations Committee Montana House of Representatives

Dear Mr. Donaldson:

I am writing to urge your support of Health Bill #185 which is scheduled to come before the Appropriations Committee on the twenty-second of this month. I would have liked to have been present to testify on the behalf of this bill in person, but this was not possible.

I am writing this letter from the perspective of a recent participant in this program. I am a Family Practice physician who began working in Montana in August of last year. In August of 1985, I spent a month with the Family Practice physicians in Red Lodge as part of the Family Practice Satellite Residency Program. Although my wife and I had seriously considered coming to Montana prior to our stay in Red Lodge, this experience helped make this a definite decision in several ways. A very important facet of our experience was simply to come in contact with Montanans and with Family Practice in Montana. It gave me a unique opportunity to visit numerous communities in the state and talk to physicians in those communities about practice opportunities in their areas. I was made aware of many of these opportunities through information that the Family Practice Satellite Program provided.

Montana is a unique state from a medical standpoint. The larger communities in the state have an abundance of sub-specialists. In fact, in some communities I was surprised that so many sub-specialists could have viable practices. In contrast, cities such as Missoula have a small number of Board Certified Family Practitioners in proportion to the total number of physicians that are present. Likewise, there are certainly many smaller communities in the state which can only be served adequately by a family physician. Only



Gene Donaldson, Chairman Appropriations Committee Re: Health Bill #185 January 20, 1987 Page 2

individuals who are residency trained in Family Practice are taught a wide enough range of skills to provide medical care as a single practitioner or a member of a small family practice group as one might find in smaller Montana communities.

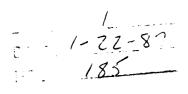
: 1-22-37 11: 185

My intention in mentioning the above, is to impress upon you the need that Montana has at this time and in the future for family physicians. This need may become even more acute as HMOs come into the state. Most HMO systems in the United States rely heavily on primary care physicians and in many cases this means Family Practitioners.

States such as Iowa or Wisconsin, where I have done my training, have a large number of Family Practice Residency Programs. These programs not only train family physicians, but their very existence in those states tends to keep the physicians in those areas. It is a well-known fact that physicians tend to practice in the area where they do their post-graduate training. Likewise, without a medical school in the state, Montana is again at some disadvantage when it comes to making physicians aware of practice opportunities that are available here.

The Family Practice Satellite Residency Program therefore, provides a number of important functions. It provides young Family Physicians outside of the state with an opportunity to spend some concentrated time here and learn what medicine in Montana is like. For me and for my family it also meant an opportunity for my wife to look at areas where we were considering as potential homes. The program provides excellent information on opportunities that are available in Montana and makes one's search for a practice much more efficient. The program also provides a chance for Montana physicians to come in contact with potential partners and to work with them for a month and scrutinize them in a way that otherwise would be impossible.

My overall impression of the Montana Family Practice Satellite Residency Program has been an excellent one. The program seems to be very well-run and coordinated. Loss of this program is going to mean decreased exposure of the state of Montana to Family Practice physicians. This may result in fewer good quality Family Practitioners coming into the state at a time



Gene Dolandson, Chairman Appropriations Committee Re: Health Bill #185 January 20, 1987 Page 3

when they may be the most appropriate source of medical care for many Montanans.

Again, I strongly urge your support of Health Bill #185.

Thank you for your time in reviewing this letter.

Respectfully,

"Tred 2. Varquez m.D.

Ned F. Vasquez, M.D.

NFV/bd

Montana Academy of Family Physicians

2021 Eleventh Avenue, Suite 12

Helena, Montana 59601

1/22/87

January 21, 1987

Representative Gene Donaldson Chairman Appropriations Committee House of Representatives Helena, MT 59601

Dear Chairman Donaldson:

I am writing this letter in support of House Bill 185, "training for family physician residents". I am a Montana native who went to medical school under the WICHE program in the 1970's. After my training, I relocated in Montana to practice medicine. However, I soon found how difficult it was to influence new physicians to come to Montana. New physicians are just not trained to practice in the rural, medically isolated areas of Montana. Not until young physicians can see that they can function in a practice setting that does not contain every medical luxury will they be willing to provide medical care for the rural areas that need them the most.

The Montana Family Practice Satelite Program provides such an opportunity for the young physician in training. Not only has the Satelite Program provided a new arena for medical training outside the medical center but it has also shown during its short existence that it is a viable medium for recruiting physicians to rural Montana. In addition, in comparing the costs of operating the WICHE and WAMI programs to the number of participants that eventually return to Montana to practice medicine versus the same statistics for the Satelite Program, I think your committee will see the financial economy of this program.

I sincerely hope your committee will consider this appropriation favorably.

I appreciate your time and your consideration.

Sincerely, f alic (affen)

Jimmie L. Ashcraft, M.D. 214 14th Avenue SW #114 Sidney, Montana 59270 President, Montana Academy of Family Physicians

## THE FAMILY PRACTICE CENTER OF HELENA A BIT 2 HAWKINS-LINDSTROM CLINIC, P.C. DETE 1/22/87

405 Saddle Drive • Helena, Montana 59601 (406) 442-0120

L;D

Founded 1943

John H. Gordon, M.B.A. Business Manager

Reginald J.O. Goodwin, M.D. Thomas E. Norris, M.D. Paul S. Donaldson, M.D. Kurt E. Werner, M.D. Michael S. Strekall, M.D.

January 21, 1987

Appropriations Committee c/o Sandy Norris Montana Family Practice Residency Satellite Program 2021 11th Avenue Helena, MT 59601

To Whom It May Concern:

This is a letter in support of continuing monies for the Montana Family Practice Residency Satellite Program. I am a Board Certified Family Physician currently practicing in Helena, Montana. As a Montana native, born in Billings, I am a Montana WAMI graduate of the University of Washington School of Medicine: Prior to coming back to Montana, I entered practice in Yakima, Washington because of the difficulties I had in evaluating practice opportunities within the state of Montana.

The main barriers that kept me from returning to my home state were:

- 1. Lack of information about practice opportunities in Montana during the final months of residency training;
- 2. Inadequate exposure to medical communities that were seeking new physicians;
- 3. The fiscal ability needed to travel with my spouse and children while looking for practice opportunities that were a 1,000 miles from my residency.
- 4. The allure of well advertised and accessible practice opportunities near my residency.

Fortunately I have been able to fulfill my dream of returning to the state of Montana when I joined a group of family physicians in Helena, June 1, 1985. I can honestly say that this change would not have occurred if it had not been for my very positive experience with the Satellite Training Program. Through the efforts of St. Peter's Community Hospital and the Family Practice Satellite Training Program, I spent one month, (March, 1984), working with physicians in Helena. This one month rotation broke down the barriers that had kept me out of the state, and allowed my wife and I to have additional time to explore eight communities that were seeking physicians.

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In summary, the Family Practice Residency Satellite Program is a viable operation and addresses the needs of a medically underserved State.

Since beginning practice in Helena, in June of 1985, I have had the opportunity to work with several of the residents that have rotated through this community. Each and every one of these residents have found ample opportunity to evaluate practice opportunities in towns in western and central Montana and I am aware of at least two of them who are back in the state because of the program exposure. During the latter year of residency training, experience in a community is very influential upon practice location choice. I believe that this program provides that type of exposure in a very essential manner. I strongly support continuation of funding for the Residency Satellite Program. It provides the only opportunity for continuing an essential length between the WAMI Medical School Program and the successful return of M.D.'s into our state after residency training.

If you have any questions please feel free to contact me at my office, 442-0120.

Yours truly,

Michael S. Strekall, M.D. American Academy of Family Practice, Diplomat



A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE LEGISLATURE TO DETERMINE FOR CERTAIN AGENCIES' BUDGETS AN APPROPRIATE VACANCY SAVINGS RATE; REQUIRING AN AGENCY'S BUDGET TO BE ADJUSTED ACCORDING TO THIS RATE; CREATING VACANCY SAVINGS POOLS; PERMITTING CERTAIN AGENCIES TO APPLY FOR FUNDS FROM THE POOLS; APPROPRIATING FUNDS TO THE POOLS; AND PROVIDING EFFECTIVE DATES."

Section 1. Definition of vacancy savings. For the purposes of [this act], vacancy savings means the difference between the full cost and the actual cost of all authorized positions at the grade and step calculated in an agency's appropriation for each fiscal year. For positions exempt from the state salary matrix, the salary base is the amount budgeted by position when the appropriation was calculated. The aggregate amount of vacancy of includes, without limitation the funds saved as a result of having a position vacant at any time during the fiscal year and of filling a vacant position with a person whose pay is less than the salary of the employee who was terminated minus the funds paid upon termination for unused annual leave under 2-18-617 and sick leave under 2-18-618.

Section 2. Determination of vacancy savings rate. (1) Except as provided in subsection (3), during a legislative session the legislature shall determine for each agency's proposed budget under review an appropriate vacancy savings rate, ranging from 0% to 4%, to be applied to the proposed budget. This determination must be based on the size of the workforce and the comparable essentiality of the type of work performed by the workforce subject to the vacancy savings rate.

(2) The legislature shall adjust the agency's proposed budget for personal services according to the vacancy savings rate determined under subsection (1).

Section 3. Establishment of vacancy savings pools -application for funds from the pools. (1) There is a vacancy savings pool administered by the:

(a) governor or his designee for executive branch agencies;

(b) legislative finance committee for legislative branch agencies; and

(c) chief justice of the supreme court or his designee for judicial branch agencies.

(2) An agency, other than the Montana university system, a postsecondary vocational-technical center, or a community college, may apply to the appropriate pool administrator for funds to cover personal services costs exceeding the amount appropriated to the agency for personal services if the agency:

(a) had a vacancy savings rate applied to its appropriationas provided in subsection (1);

(b) maintains current and accurate personal service records on the state payroll, personnel, and position control system; (c) during the fiscal year for which the application for funds is made, did not transfer funds or spending authority from personal services to another expenditure category thus reducing its ability to meet its vacancy savings rate determined under [section 1]; and

(d) did not use funds appropriated for personal services for upgrades or step increases that were not appropriated for by the legislature.

(3) If an applying agency satisfactorily demonstrates to the pool administrator the need for additional funds, the administrator may transfer funds to the agency to be used for personal services.

Section 4. Appropriations. (1) There is appropriated \$214,633 from the general fund, \$158,916 from the state special revenue fund, \$74,129 from federal funds, and \$36,822 from proprietary funds for each year of the biennium ending June 30, 1989, to the governor's office for the vacancy savings pool provided for in [section 1].

(2) There is appropriated \$6,056 from the general fund and \$1,944 from the state special revenue fund for each year of the biennium ending June 30, 1989, to the office of the legislative fiscal analyst for the vacancy savings pool provided for in [section 1].

(3) There is appropriated \$6,532 from the general fund and\$963 from the state special revenue fund for each year of the

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biennium ending June 30, 1989, to the supreme court for the vacancy savings pool provided for in [section 1].

Section 5. Effective dates. (1) Sections 1, 2, and 5 are effective on passage and approval.

(2) Sections 3 and 4 are effective July 1, 1987.

-END-

### CNCL87/7019a

VISITOR'S REGISTER

committee committee 2/87\_ DATE

BILL(S)

SPONSOR (S)

NAME	REPRESENTING	BILL NO.	SUP- PORT	OP- Pose
mandahus	Most FP Sat Run Am	-1B185	~	
LEDON KEILMAN	National Q550, Betired Fed Sm	ployee	~	
SHNDON NOICKIS	MT Family Reactive Proz	HBI85		
Frankie JACKSON	56 med. Clinic	HBIR	tu	
Michael Strekall mD	How Kins-Linds them PC	HBRS	1 ~	1
Bontona Kyson ad	m Brandwater Heath Ch		4	Ł
MICHARD V. BROWN	LIVINGSTON MEMORIA HOST	HBIRI	+V	
William E. LEARY	MHA-HolenA	HB 18	t V	
Pave Depen	12:1-2-1	ļ		
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IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR VISITOR'S STATEMEN IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.

FORM CS-33 Rev. 1985

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