

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

April 10, 1987

The 29th meeting of the Senate Finance and Claims Committee met on the above date in room 108 of the State Capitol. Following roll call Senator Regan, Chairman called the meeting to order to continue the hearing on House Bill 2.

ROLL CALL: All members were present.

Senator Regan said, "Members of the Committee, before we begin our work today, there was an error in an amendment that was adopted. It is technical in nature, it dealt with the enforcement division in the Department of Revenue. We put the money in the proprietary account and it should go in the state special account, and in order to have the minutes reflect what we really want to do, I need a motion to make that correction."

Motion by Senator Bengtson to move the above correction. Voted, passed.

CONSIDERATION OF HOUSE BILL 2: (continued) GENERAL
APPROPRIATION ACT OF 1987.

Representative Winslow presented Section B of the Appropriation bill, continuing from April 9.

B45. Department of Labor.

B-45. Employment Security. Read Program Description, B-45, and you will note an increase in general fund and a good share of that increase is due to project work programs which was added to Labor. In the past it has been in SRS 100% general fund and we have added an amendment to that requesting the Department seek federal funds and that is the program that works with the general assistance contributed to the 12 counties to get them employed.

B-47. Job Service. The Job Service Division acts as a labor exchange through the job service offices throughout the state by listing jobs and referring qualified personnel to employers. Representative Winslow said, there was some language we added which includes the federal spending authority for the current level operations of all existing job service offices. See Language in Bill. pp. B-47.

Finance and Claims

April 10, 1987

Page 2

B-48. Unemployment Insurance. Read Program Description B-48.

B-49. Centralized Services. Read Program Description, Budget, and on B-50, Funding.

B-51. Employment Relations. Read narrative on B-51 and B-52.

B-53. Employment Policy. Read narrative on B-51 and B-52.

B-55. Human Rights Commission. Read narrative B-55 and B-56.

B-57. Commissioner of Labor and Industry. This office is responsible for overall management of the Department of Labor and Industry. The Commissioner's office is funded with charges made against all the other programs in the Department. He said these funds are now in a proprietary account.

B-58. Job Training Partnership Act. Read narrative B-58.

B-59. General Assistance Training Program. On this there was language in the House which did change a bit further seeking federal funds. Representative Winslow said these programs exist in 12 counties, the 12 state assumed counties the program that was initiated in the spring session, all persons receiving general assistance must take a training program which is handled by the local job service offices, county governments and local HRDC's. This is to put the general assistance people to work and to assist them in finding work. The funding \$1.4 million in '88 and '89 is total general fund, but hopefully with the amendment and the effort to seek federal funds we can move it over more into the federal fund area.

B-61. AFDC Day Care. Representative Winslow said there are new dollars included in this program. The New Horizons Program which is a Day Care dollar for AFDC recipients provide initial day care assistance to former AFDC recipients. This is a new program for '88 and '89. It is truly an area of experimentation to try to lower the AFDC case load. It is assistance at Day Care as people start employment. I think in the long run the state will save dollars. This is another area the federal government is looking very closely at, and I would expect in the next few years there will be some federal programs available.

B-62 Division of Workers' Compensation. Read Program Description and Funding at bottom of B-62, 63, 64 and 65.

B-66. State Insurance Fund. Read Program Description and Legislative Intent. On B-67 read the modifieds.

B-68. Insurance Compliance. Read Program Description and on B-69 you will see the adjustment that was made to Silicosis, initially \$11,861 each year. General fund was being used and the payment level was approximately \$20,000 more each year. We were able to get an update just prior to the hearing on the floor and make an adjustment down on the payments and to pull out all of the general fund in this area. There is still general fund in social security offset, but none in silicosis. Read the modified budgets on page B-70.

B-71. Safety and Health. Read narrative on Program Description and Funding at bottom of page and page B-72. Representative Winslow said, you will see as we go through here there are substantially new FTE's but all of them were due to the testimony concern that the overload could only be handled by increased staff.

Department of Social and Rehabilitation Services. B-73.

B-73 and B-74. Assistance Payments. Representative Winslow said here you get into where the real money is -- SRS. If you look at the budget it is approaching \$600 million. On the agency summary he said he would show some of the key points the committee needs to look at.

General fund in 1986 was \$59 million; in 1988 it is going to be \$72 million (adjusted down from \$77 million through the House action) and goes to \$74 million in 1989. Representative Winslow said as he goes through the bill he will try to point out some of the major growth areas. We were able to move it from 30% increase in general fund down to 22.98%. There are many areas in this budget that we don't have any control over at this time.

Read Program B-73, 74 narrative.

B-75. Assistance Payments. Representative Winslow said here he would start to go some of the areas that show the increases. He said the areas here that sort of "jump out and grab you" are, first of all, the general assistance and that growth reflects the state winning it's case at the Supreme Court level. This only reflects a 2 month out of 12 month limitation on general assistance. He said, I think everyone needs to recognize that should we lose that case in the Supreme Court this area for g.a. is substantially inadequate and we would probably need about \$5 million more per year.

AFDC continues to grow and you will see the 1986 level on AFDC level was \$33 million and this time there was a \$4 million increase each year to \$41 million.

Read narrative pages B-76, 77 and 78. Representative Winslow went through these programs reading the narrative. Additional comments will be noted in minutes if made.

Burials, this has been broken out this time because in the past it has been accepted practice. Now with the 12 state assumed counties, there are burial costs and we broke them out at \$92,000 per year. These are 100% general fund.

Nonresident General Assistance. On Monday, I will be bringing in a bill to restrict this area to emergency uses outside of medical. This year in the supplemental you saw, I think it was \$150,000 for one individual who was a transient going through the state fell and hurt himself up by Great Falls and the costs were in excess of \$150,000. The bill I will be bringing in does take the state off the hook for paying medical expenses for transients. I am not very proud of this since it does shift the cost to the hospitals or somebody else if somebody gets hurt.

The AFDC payment has really been the lead as far as the District Court Case in 1983, Judge Olson in Butte found that because they were similar the payment levels needed to be similar, so general assistance has been tied to AFDC. The problem that you have there is that as AFDC goes up the general assistance has to go up. It has been real difficult in the committee the last 2 sessions to deal with that. Many on the committee feel it is a different kind of clientele since it is women and children versus single people and it is real difficult to work them together. Some of the floor action in the House dealt with this and going into the floor session, we were following the executive proposal which had AFDC at 44 and 42. There was a freeze of percentages. Floor action moved that to 41 and 40, and it adjusts the AFDC payment level and it also adjusts the general assistance down so there was a substantial savings picked up on the floor, but to a certain extent I think you can see the problems we have in the Human Services when 10 years ago AFDC payments were at 70% of the poverty level. Rather than trimming out some programs, we keep all the programs and we are really going backwards in some of these areas.

B-80 has a breakdown of the AFDC caseload and the payment and cost of the funding at the top of the page. Read narrative following the table.

B-81 under Family Assistance Management Information System (FAMIS). Representative Winslow said this a computerization program to upgrade what is happening at the present time in all of our county offices for eligibility. We are in the dark ages now, and it does cost the state considerable dollars because of the inability to even communicate, for example, of a medicaid patient. Somebody goes off medicaid

and carries their medicaid card with them, I think it is conceivable, because nobody has been told they are off of it, they can just go in and get medicaid coverage. The efforts to make a father pay, for example for a child, without crediting that payment coming in it is difficult to know it quite often, there will be double payments through AFDC. It was a difficult decision to spend money for equipment, but I think we are losing a lot of money in the state by not having the information available. This is 90% federally funded program, and would put the computerization in all of the counties.

B-82. Eligibility Determination. Read Program Description and Legislative Intent. Read Funding and Modifieds on page B-83.

B-84. Administrative and Support Services. Read narrative at the bottom of the page and the top of B-85.

B-86. County Administration. Read the narrative on the bottom of the sheet.

B-87. Medical Assistance. Representative Winslow said this is an area that has some tremendous increases, and he would point some out.

Medicaid Waiver -- he did not feel anyone would question the value of that program but there has been a real switch in legislative intent when we first passed that -- that is that half the monies now are not being used for elderly, they are being used for the disabled. He said, I have now in the budget bill split that out so that in the future people can recognize it. He said, you can remember the bus loads of elderly coming in '83 that came in saying we need to have a medicaid waiver because it will help us stay out of the nursing homes. The fact of the matter is, there is not even a waiting list that I understand for the elderly, but there has been a movement and half of the money is being used for the disabled. On B-89, table 9 Waiver Services Growth, total cost shows the growth from \$252,694 in '84 to \$1.2 million in '86 and 2.89 million in '89.

B-90. State Medical. That program has grown from 1986 with \$2.5 million to 1987 which is not on the chart, but with the supplemental has gone to almost \$3.6, and is continuing to grow. Representative Winslow said, I guess it is the understanding that the state will pick up up, it's not just general assistance recipients here but 40% of the medical bills now being paid by the state in this area are not even people on general assistance. The state is now paying approximately \$500,000 a month for state medical bills in those 12 state assumed counties. Without question, this will have to be controlled in some way or the \$6 million we put in for 1988 is not adequate, and I guess my concern is

that these people have figured out how to work the system. We now have a health plan for the unemployed in this state in the 12 counties. The amendment we put in called for a dollar per dollar match, and I do believe that it is obvious that in counties where they don't have state assumption their programs are different. They don't provide everything that the state sometimes does and the bill would put the responsibilities back on the county commissioners in the counties. We would assume general assistance, but not state medical. With that, there was a substantial amendment in the bill that would save the state about \$6 million over the biennium, but I think that it is something if we don't pay some attention to it, even the \$6 million in 1988 is not going to cover it.

B-93. Medicaid-Primary Care. Representative Winslow said this area has shown probably the biggest increase. It has a 59% increase, but it went from \$52 million in 1986 to what we proposed is \$82 million in 1988 and \$95 million in 1999. This is the area where you are considering the medicaid optionals. The different programs that are provided by medicaid is part of this program and there was a great deal of discussion in the House, and in fact the amendment was placed, and my concern is that people have continually talked about this medicaid optional program and we just cut all those optional programs. I brought in amendments into the House that I recommended everyone should vote on. I recommended everyone vote on which one they thought they cut; rather it be physical therapy or drugs, occupational therapy --or what. They didn't want to cut anything, and then passed an amendment which you probably all heard about which said we didn't want to cut any by the Legislature, but the amendment now says when you run out of money we will have SRS do it.

Representative Winslow said he thought he had gone through most of the programs and would go back over them if anyone had any questions. He mentioned Medicare buy-in, where we buy a portion so we can get the medicare coverage; Indian Health, etc. He said there is a chart on B-91 of the state medical.

B-91. Medicaid Institutions. Read narrative.

B-93. Total Nursing Home Bed-Days, Medicaid Bed-Days and Percent Medicaid Bed-Days of Total. Read narrative. He said actually nursing home bed-days has sort of leveled off a little bit. We did adopt increases in this area in a couple of areas. The Governor had recommended freezes and we looked at some of the ones that are probably hardest hit by their increased cost. Workers' Compensation, malpractice insurance, liability insurance; and recognizing the freezing in some of these programs, they have a very small margin to operate under here anyway and when their rates go up the

quality of service will be cut. In the nursing home area there is a 2% increase.

Representative Winslow discussed the physicians harassment over lower pay schedules, paper work, etc. and said there would be a slight increase to some but not all of the physicians concerned, obstetricians were one of the main concerns. The Department was given the discretion as to which ones needed to have increases and which ones didn't.

The DD homes also received an increase. We felt their margin was very very slim and they work very hard to keep their programs going, and to have another freeze on top of the one they just had last biennium would be considerably difficult so they had a 2% inflation increase put into their budget.

Representative Winslow said, we did do some things in the Medicaid area to try to tighten up what we could do with medicaid. If you look on B-95 (he read the paragraph on limitation of in-patient hospital care) this was an attempt to decrease the number of days that may or may not be necessary, but there is an out there for the committee, and if someone needs to stay in they're not going to get thrown out on the street. We limited the non-emergency visits to 5 which eventually in the House got changed to 2. That means that people on medicaid could have 2 non-emergency visits a year, but if somebody had a heart attack that is an emergency and it would now qualify. In some cases it appears that people are going to emergency rooms when they could go someplace else much cheaper. The other thing we did limit, when we looked at the optional services and we did remove the provision providing eye glasses, hearing aids and dentures. We felt that of all the things that were offered they were not a life or death item. We increased the co-payment for drugs from 50 cents to \$1.

B-96. Audit and Financial Compliance. Read narrative B-96 and 97.

B-98. Vocational Rehabilitation. We saw considerable new federal dollars come into this area. Read narrative on this page through B-101. B-100 has a table listing the federal funds.

B-102. Disability Determination. Read narrative.

B-103. Visual Services. Read narrative.

B-105. Developmental Disabilities. There was one modified that I remember in the House, and that was concerning specialized services and support organization, B 108 #4. He said there were other modifieds, and when through them, but this was the only one that was put on in the full House.

B-109. Developmental Disabilities Planning and Advisory Council. Read the narrative on B 109 and 110.

Representative Winslow said that should finish the presentation and he would be happy to answer any questions.

QUESTIONS FROM THE COMMITTEE: Senator Manning asked, what page was the amendment put in that Representative Marks put in? Representative Winslow answered, I think it is on B-13. There is some real inconsistency in that language now. If the committee and the Senate agrees to stay with the language that passed the House, you still have to go back into the bill and clean up that language because it says cut, don't cut. At some point in time you do need to look at that on B-13. (Narrative, B-88)

Senator Story said, I was surprised that the silicotic program seems to have grown. This is a program that we have had so many years that we thought eventually it would go down. Have we gotten new cases, is that the problem? Representative Winslow said, it really is going down a little bit.

Senator Story asked, isn't the number of cases dropping off at this time? These people seem to be outliving the rest of us. Representative Winslow said, on B-70 (narrative) there is a breakdown of that. You will see that the cases are going down but the widows -- I'm not sure just how that all works out. In the House we did adjust those down. In the beginning the cases were 178 in 1987 and we adjusted it down to 169 and they had earlier in the session had it at 172. The second year we went to 163 and they had it at 166. We also adjusted down the widows.

Senator Regan said, but you really shouldn't because as these people die their widows come on and they go up and that's what you see happening in FY '86 and '87. A drop in silicotics and a increase in widows. Representative Winslow said, the '87 amount is what was projected last time. The '88 and '89 are on their actual case load which we called them on just before the House session.

Senator Story said, we passed a bill out of here which added an on-going service with prenatal care. Is that plugged in yet? Representative Winslow said, no. We tabled that bill. There was another bill passed out of here that included medicaid for professional counselors and we removed the medicaid from that part of it as well. We really tried to keep a handle on it.

Senator Story asked, what is the case load of LIEAP? Representative Winslow said he did not know but could find it for him.

Senator Story asked, what is the upper limit for people on LIEAP? Representative Winslow asked, upper limit of income? Told yes, he said if there was someone from the Department present he would like to have them address that.

Dave Lewis, Director SRS said, there are approximately 25,000 cases on LIEAP right now. I don't know what the upper limit would be -- 125% limit. Ben Johns, SRS said, that is a family sized (While they were looking for information Senator Regan asked if there were other questions and we would come back to this one.)

Senator Story asked, in the last session since it was a fast growing area and we were continually watching the caseload grow, we had suggested they look at a scale so that a family of 4 making \$14,000 couldn't be eligible for the same amount as a family of 4 making no money. Have you done anything on that? Lee Tickle said, we have done that. It depends on where you are on the scale of poverty, there is a sliding scale this hinges upon.

Senator Story said, my final question is concerning AFDC. There was, 2 years ago, an average length of stay was increasing. Is that still increasing? Representative Winslow said, it is a tremendous growth. We're looking at about a 15% growth, but the length of stay -- maybe the Department could address that.

Dave Lewis said, it is slightly over but I don't think significantly so. Senator Story said, what I am concerned about is whether we are welding in a generation of people that never get off of it or if in fact this is a temporary thing like it used to be. Representative Winslow said, I think we are welding them in. There are some barriers that make it more difficult to move off of it, however we are trying to address that somewhat in the program to provide for medical assistance and day care for them if they move off. Those costs alone make it prohibitive for a young woman with a family to go out for minimum wage. If she has children she can't pay for day care and medical care and so in many cases it is better to stay on AFDC. It is not their fault, it is something that we have created.

Senator Keating asked, back to the silicosis thing. What is the rationale for tapping the resource indemnity trust fund for silicosis payment. Cal, in the AFDC part of this there is a Child Welfare Enforcement Bureau that goes out and tries to recover payments. Representative Winslow said, that is in the Revenue Department. Senator Keating said, right, and they recover from fathers payments to restore AFDC payments that have been paid. I think the House cut the number of personnel to this on the floor or someplace. Representative Winslow said, I don't remember that happening, it may have.

Senator Keating said, what I was wondering is, do your numbers reflect any sort of coordination between that Child Enforcement Bureau and the AFDC payments? Representative Winslow said I think the overall payments would reflect and the overall cost of the program would be reflected. They consider it as a district and should be reflected in the payment.

Senator Keating said, actually the money that is collected comes back to the federal account or the state account. The state gets a certain portion of those payments and the feds get a certain portion, but I am wondering if in your committee there was any discussion that AFDC payments are doubled in the last 5 years; but I don't know that the collections have doubled. Representative Winslow said, I don't believe they are. Senator Keating said, I was wondering if there is any coordination between those two bureaus. Representative Winslow said, we don't really deal with that part of it. We just end up putting the payments off to this department.

Senator Smith asked, on B-63, you made the statement additional FTE's would be hired and paid for from the Workers' Comp fund. I understand that is about \$140 million in debt, isn't it? I see there are going to be 23.25 additional FTE's. Are they to help clean up the bad situation and when the situation is cleaned up will they be dropped off or will they just stay on, or what? Representative Winslow answered yes to the first question and to the second he said, a number of these positions we had line itemed so they would be reviewed in 2 years. The intention is to help them pick up the overload and the backlog they have.

Senator Smith asked, do you have any record going back to -- say '81 where Workman's Comp was operating pretty well and then it gradually got worse in '83 and in '85 and it is worse yet in '87. Did you go back and check and see how the number of FTE's were then and compare it to now? It seems like they were handling it then. Representative Winslow said, we really didn't go back that far.

Senator Regan asked if there were other questions, and seeing none said we would have the public comment upon the amendments that were made on the floor. Consolidation of the film library seems to be one.

Testimony from Agencies on House Bill 2, Section B.

B-10. Bill Opitz, Department of Health said, we have an amendment prepared and Senator Jacobson has it. We have a stack of amendments that we can pass out to the committee. We would propose that the amendment that was made on the floor be taken out and the original figures be put back in

so that the film library would remain at the Department of Health. We also have film at the DHES that we keep for the Department of Institutions, so that part of it is consolidated. The net impact would be adding \$17,000 back into the centralized services budget.

Senator Himsl said, I thought that there was a concerted effort to bring all these different film libraries under one operation. Now we have OPI, the Library, you have one, the Aeronautics have one and I thought there was an understanding they were going to be coordinated; now are they all pulling out again. Bill Opitz answered, that is right. The OPI basically was the one to consolidate all the libraries and they are saying they don't have room for the libraries that were to be consolidated. Fish and Game, Aeronautics and ourselves. The State Library was not involved in any amendment, is my understanding.

Senator Himsl said, I think they were involved in this when we were first talking about trying to coordinate this whole film library service. We have them scattered all over the place.

Bill Opitz answered, when they were discussing it, they were discussing whether they should be consolidated at the State Library or at OPI, and my understanding is that the Cobb amendment on the floor would have consolidated them at OPI.

Senator Smith said just to follow up on that I am going to have a question as far as the Aeronautics are concerned because there are so many functions they have over there that are completely unrelated to other programs in the state and they told me the cost would be higher being done this way than the way they are doing it now.

A man who did not give his name said he was representing the Office of Public Instruction said, our major concern is we were not the ones who initiated the consolidation in the first place. Our major concern is, we have enough financial problems maintaining what we have right now. Our office is currently looking at keeping the doors open and unless we have received additional funding to assume the other films that would be tied into our unit -- we have lots of room for them but we do not have the funding to support the consolidated libraries.

B-2. Maternal and Child Care Block Grant. Senator Regan said there was a change here and asked if there was any problem here in the eyes of the department. Bill Opitz answered no.

Reduction in Silicosis Benefits, which supersedes the B-3 amendment. No comment.

Audit costs that were shifted. No comment.

Federal language for the G. A. training. Representative Winslow said there is something on the G. A. training, and he thought Senator Manning had an amendment to change the language even more. It is technical in nature and not a controversial matter.

G. A. payment levels to 41 and 40%. Dave Lewis said, we would hope that the committee would see it's way clear to return this to the level that was in the Governor's budget; 47% of poverty for both G.A. and AFDC. We were not able to give an increase last year and it would be another 2 years in which the actual amount paid would be frozen. The percentage of poverty came to be reduced because I think it goes down from 41% to 40% as the bill came from the House. We have not had an increase in the last 2 years. We started out 10 years ago at 70% of poverty; we are at 47% and we are now down to 41%.

Senator Harding said, Mr. Lewis said 47%, I think we have the Governor's recommendation at 44% and they did get 47; is that right? Mr. Lewis answered, I think that is correct. We are at 47% this year and 44% next year, I think that is the way it was. Basically, what the Governor's budget did was to maintain the existing dollar amount, and then, of course, as the years go by that will be a smaller percentage of the poverty level.

AFDC levels. Dave Lewis said it was the same thing here.

The Elderly Disability Waiver. Denise Berg, an AFDC recipient, resident of Great Falls. She said she did not qualify herself as a chronic welfare case, she had supported herself and her children by herself until she moved to Montana. She said she had full intention of supporting herself and her children but with no job had to resort to AFDC, and at the present time they live on \$354 cash and \$182 in food stamps. Her rent is \$210 per month, electricity is \$60, and the heat is about \$60 per month during the winter months. She said this leaves \$24 for the rest.

Senator Regan said she was not opening the meeting up to complete testimony. I would like you to raise your hands if you support raising the level, and please sign the witness sheet. We are having the agencies do the testimony, but if you have any written testimony we would take it, too. She said we are in a very short time frame and do not have the time for open testimony, only as the amendments change on the floor of the House.

Elderly Disabled Waiver. Dave Lewis said, we don't have any particular problem in supporting it. All of the people that

are receiving medical waiver services whether they are either elderly or disabled would otherwise be eligible for nursing homes. The fact that we are serving more disabled than we originally intended does not diminish the fact that those people would probably be in some type of more expensive, more intensive care facilities if it were not for the waiver program.

The Shift of State Medical to Assumed Counties. Representative Winslow said, this issue I think, needs to wait until the fate of House Bill 910 is resolved. The enabling legislation is in the House and until that bill passes, there is no point in discussing this particular issue. There would be testimony in this committee on that bill.

Senator Regan asked how the House was going to get it over to the Senate at this late date, and Representative Winslow answered, that probably will be the final decision as to what happens on this \$6 million since it will take a 2/3 vote.

Limit Medicaid Emergency visits to 2. Dave Lewis said our major concern since this took place on the floors, is how are we going to control it. If someone goes to an emergency room in Billings and a month later at an emergency room in Butte; it is going to be a difficult situation for us to control. We can probably, through our payment system, limit the payments because we can say they have had their 2 visits for the year. It will probably mean the hospital will end up getting stuck because they will not get reimbursed because the person has gone over their 2 visits; yet they were not aware that person had gone over. Short of tattooing their arm or something so everyone knows they have had their allowed number of visits, it is going to be a difficult thing to administer; we will have to do some more work on how we are going to be able to do that.

Expanded Services for DD.

Senator Regan said, the language dealing with the Medicaid Appropriation. Dave Lewis said, this has been a fairly hard fought issue. The subcommittee agreed with the department that it should be a Legislative decision to lose the optional services. The full Appropriation committee agreed with the department position after some amount of discussion. The change was made on the floor. There are really 3 options, I think. You can retain the existing language, which means we have to cut optional services as of July 1, and I would be happy to go into detail whether now or later on how and why and what that's all about.

Senator Regan said, this is your chance because once we start executive action your chance is over.

Dave Lewis said, the issue is optional services, and we have handouts on that but will leave it to your discretion if you want to go through that. The optional services are less than 10% of the entire primary care program. The remainder of the primary care program is basically hospital admission services, which are mandatory services. If we think we are going to over-run in those areas, we have to eliminate the optional services. Given the situation that we are seeing such dramatic growth in hospitalization costs and case loads in doctors -- in the use of physicians, it is probable that we will over run that primary care area. We have a couple of other items that are difficult to determine right now, one being the fact that Shodair is going to seek certification as in-patient psychiatric facility; if they are successful as being certified as a medicaid facility, that will raise the costs in this program as much as \$2 million a year. It depends on how many medicaid eligible patients they have in those beds. Given the uncertainties in the program, I don't think we have any choice if the language stays as it is presently but to eliminate the optional services. We took the rule to the Secretary of State yesterday that would be notice of the hearing on that action. Option 2 would be to go back to the language in the bill as it came out of the subcommittee and out of the House full Appropriations, and that option says the department shall not reduce the amount, scope and duration of the medicaid services without Legislative permission. That means that those optional services would be safe until the next time the Legislature met and took a look at the budget. I think option 3 would simply be to eliminate the language totally. At that point it is the responsibility of the Governor and the department to determine whether they seek a supplemental or whether they eliminate services. That has been a fairly controversial issue in the past. Those are the 3 options. What we recommended to the subcommittee and to the full committee was if the Legislature felt that it was their prerogative to determine the amount, scope and duration of medicaid services, they should so state in the bill. That is the choice the subcommittee and the Appropriations committee made. We have amendments prepared to do that. Exhibit 4, attached.

Steve Waldron, Mental Health Services, said part of the optional services that are in the rule to be cut include the clinic services for the mentally ill. Exhibit 5, attached. He said the rule would remove drugs and some of the schizophrenics and psychotics for example, need the drugs for control. He said some of the clients are children. Children in group homes, aftercare group homes coming out of Pine Hills and Mountain View use medicaid psychological services for those kids, and a lot of them are pretty serious cases. If you eliminate the optional services for those children you will have a real serious problem.

Dave Lewis said optional services is a misnomer. It is an optional way of delivering the services. These services are going to be available to people, but in different settings. He referred to a handout that was not received by the secretary, and therefore is not attached. He said, for instance in eliminating the podiatrist services, we spent \$100,000. We eliminated that as an optional service and the people that receive those services have the option of going to a physician and receiving those services under mandatory coverage. Mr. Lewis went through several of the optional services and pointed out how they will then go to the higher priced mandatory services and it will not be a savings to the Department in the long run, it will be an expense. It is really not optional services, but optional ways of receiving this service.

Exhibits 1,2,3,6, 7 and 8 were handed in to the Secretary and are attached to the minutes.

Senator Story asked, do we still have a unit that evaluates patients to see whether they are eligible for nursing homes or whatever? Dave Lewis answered, that is right. There is a pre-screening contract with the Foundation for Medical Care as far as hospital care is concerned.

Senator Story asked, won't you have some say as to whether a person should go into the hospital for some of these things? If they do as you say, and anyone that doesn't get the optional service would then go to a physician or a hospital and get the same service at a higher cost, then what point is the screening committee? Dave Lewis answered, I guess the point is that the screening contract says that they can't go into a hospital unless it is "medically necessary". If a doctor feels it is so important that a person get one of these particular services and it is medically necessary they be admitted to a hospital, then that is reinforced by the review committee so they are going to go into a hospital; in some cases they might not go into a hospital.

Judy Carlson, Montana Chapter of Social Workers, gave written testimony, attached as exhibit 6.

Cristin Volinkaty, representing the Providers and Consumers for the Developmentally Disabled said, we are really concerned about these optional services. First, for accreditation standards we need those therapies. Speech, sight, P.T. and O.T.; but more importantly those clients that are out there in the community right now, if we don't offer those kinds of therapies to those little kids, it is going to make the difference whether they walk, talk and eat and I submit to you by the time they are adults if the work is not done while they are little, we will be paying a lot more for them in the long run.

Carol Barnes, physical therapist here in town said, medicaid clients make up less than 3% of my practice. We see people in 3 major areas. The handicapped and disabled children who without the services would be in a higher cost institution like a hospital. The 2nd group we see are the nursing home clients and physical therapy helps these clients get out into the community into low cost settings. The 3rd group is the poor, and we have a role in helping these people get back to work and off the medicaid roles.

Senator Regan having left the room, and Senator Himsel taking the chair, said, We are not having public hearings on these bills.

Senator Story said, I think the Chairman suggested that where there were amendments on the floor people had a crack at talking about them, and one of the amendments on the floor was on optional services.

Joy McGrath, representing the Mental Health Association of Montana, said she was representing the consumers and family members of the mentally ill. We endorse what has been said and would like to make a couple of other points. 1. The optional services that would be eliminated by that language, you are eliminating the ability to treat people in the least restrictive, most appropriate setting; in the community. 2. We received information comparing Montana with the National standards and it shows that nationally 3 cents of every health care dollar is spent on mental health care. Montana's is 2 cents.

Senator Keating asked, Dave, on your handout on personal care, the gross expenditures is \$2 million. You say that would be 100% cost shift factor. Could you tell me what personal care attendants do and where the shift will be? Dave Lewis answered, yes. That is a good example, we've looked at that and we have 400 or 500 people in a community that are receiving assistance that help them stay in their own home. Basically they are elderly; there are a certain amount of disabled and I don't recall just what the split is in this category, but there are people that are receiving assistance that help them stay at home. People come in on an hourly basis and provide cleaning, help with feeding them meals and taking care of their personal hygiene, and that type of thing. In calculating this, we felt that if we eliminated that service, enough of those 400 or 500 people would have to go into nursing homes, we would more than offset the cost of the \$2 million. In fact, in our rule changes, that is one of the areas we are not proposing to cut back because any type of conservative analysis would cost us more in payments to nursing homes than we would save in eliminating this particular service.

Senator Keating asked, would you address the drugs. How do you shift buying drugs? Dave Lewis answered, in-patients. They can go into an in-patient situation; we've looked at a lot of prescriptions as far as heart medicine, blood pressure, and as I recall insulin isn't one of the drugs but the syringes and paraphernalia needed to take insulin are an optional service. Those people obviously have to have that to be able to stay in the community and stay active. If they can't have it they will end up in the hospital.

Senator Keating asked, then the cost shift factor on drugs would be into the hospitals or into the institutions. Dave Lewis answered, right.

Senator Bengtson asked Representative Winslow, now the dentures and eye glasses, there is no shifting of cost on that. Is that part of these optional services that will be taken away? What did you do in committee about those particular services? Representative Winslow answered, the list you have before you, before we took action, if they had dentures and eye glasses, they were part of that. We looked at those that had the least cost shift, and as we looked through that, and that was about as far as we got with it because there isn't a cost shift with that. There is a need for those and we recognize that, but if they don't get eye glasses, they don't wind up in the hospital.

Senator Bengtson asked, but were they part of the optional services. Representative Winslow answered, they were part of the optional services. Senator Bengtson asked, and you left them in? Representative Winslow answered, no we took them out. Senator Bengtson then asked, then the House amendment took everything out? Representative Winslow answered, no the House amendment said that when the department runs out of money it is up to them to decide which ones to cut, and undoubtedly they are going to run out of money in this area; so it is up to them, rather than the Legislature to decide. Representative Winslow said, I feel very strongly that we should have taken a vote, as we did, and eliminate services because that is what we are elected to do, not the department; but with the amendment that is in there the House voted to not eliminate any services and then voted to put an amendment in there that if they ran out of money the department should eliminate services.

Senator Himsel said, basically the issue is simply this, that the subcommittee took the action not in the life threatening cases, but there were areas where there were some community support for some of these programs like glasses, and probably teeth and some of the other services, and that it should be our responsibility to make those cuts. The House then on the floor decided they preferred to put the onus on the department and when they ran out of money they were to make the selection instead of going along with the belief

that it was the Legislature's responsibility to make those cuts, not the department.

Senator Stimatz said he would like to ask SRS, on this speech therapy and audiology -- what does that include? It terrifies me to think we will be dumping these people that can't hear, when with the audiological services we might bring them back into society, so to speak. Dave Lewis said, that is part of the problem of where we are at right now. The bill as it stands now eliminates hearing aids as an optional service, but we still have the fact that they could go to an audiologist and find out if they need a hearing aid or not. We just don't have any way under the state program of getting them that hearing aid. What's left in the program would simply be the examination portion of it.

Senator Haffey asked, the reduction of of the 41% and 40% AFDC payment levels that you did on the House floor, what was the level out of your subcommittee? Representative Winslow answered, 47%. It was moved from 47 to 44 in the House committee and then it went down to 41 and 40 on the floor. Senator Haffey asked, 47 in the one year and 44 in the other year? Representative Winslow answered, no, it was 47 across, I think. The executive budget was at 44 and, I believe coming out of our subcommittee, we felt it was one of those areas -- and tied into that was the possibility that House Bill 600 would go through and then we wouldn't have to have G A tied to the AFDC, and that was all part of that decision, but I believe it came out of the subcommittee with 47 and then it was moved down to 44 in the Appropriations committee.

Senator Haffey asked what was the reason it was pulled down on the floor? Representative Winslow said, I guess from my standpoint we are also looking at a budget that is considerably out of whack. The feeling there was that, as Representative Bardanouve says, whether 44 or 41 you are probably below anything that is defensible in the court. In Massachusetts they lost a case just recently that said they had to go to 100% of the poverty level. If Montana lost a case similar to that it would cost us \$200 million, so I guess the feeling on the floor was that we are a long way from balancing this budget and this is one area that has some substantial dollars in it and that was the basis for it.

Senator Regan asked, what is the level of surrounding states, do you have any idea? Representative Winslow answered, I do -- I don't have that with me, but I think at 40 and 41 we are probably one of the lowest in the country. I think there are some that are lower. Senator Himsel said, Massachusetts has 37%; they've gone to court over that. Representative Winslow answered, Idaho is lower -- there are

a number that are lower. Senator Regan asked if they could have that information.

Senator Story said in the Massachusetts court case, you must have been almost intimately involved in considering that, was it based on their law or was it based on their constitution, and in either case, is theirs similar to ours or what? Representative Winslow said, I would guess that the Supreme Court ruling probably had something to do with their constitution. The committee action really felt like since we are at 44 now, that some small increase would give us some defense in court that we are attempting to try to deal with this, and I imagine the Massachusetts ruling is based on their constitution. Senator Story asked, your researchers did not find out? Representative Winslow said the department had some testimony, as others did, that it appears we certainly could be at risk with this.

Senator Story asked if anyone could answer that. Dave Lewis said, our attorneys looked at it. I don't have it with me right now. My recollection is that it was a case based on Massachusetts statutes and constitution. However the issue has been discussed nationally as a priority of some of the low income groups that they should be seeking payments at 100% of the poverty level, but my recollection was that that case was fairly specific in Massachusetts but it got a lot of national attention because all the other states were watching it very closely because they thought it could happen to them.

Senator Story said he would like to ask one person who had missed a chance and he would like to call on her with a question.

Jan Cronquist, representing the Montana Senior Citizens Association said, I would like to direct attention to hearing aids, eye glasses and dentures. MSC thinks there should be funding for those things; that this is a group of people that will find it difficult to ask for help in an informal setting and we feel that even if they do, we really don't think the help will be there. The \$3 million appropriation -- we don't think the Lion's Club will be able to pick this up, and we think this will have a devastating effect on the quality of their lives.

Senator Himsl said, what do you determine to be the basic needs? Do you have a list of those? Do you consider that eyeglasses, teeth and this sort of thing are basic needs? Jan Cronquist answered, I sure do. There is a lot of isolation if you can't see or hear or you can't eat.

Senator Himsl said, yes but in some of the nursing homes where they can't keep track of glasses or teeth or hearing aids, they are scattered all over; is it our responsibility

to furnish those rather than the essential life-threatening services.

Jan Cronquist answered, I am looking more at the people that are not in the homes but are out on their own in the community and may not go to the Lion's Club for help.

Senator Keating said, I would like to get back to the medicaid cuts on the optional thing if I may, because I can see coming before this amendment how these optional services save money by reducing optional services and the cost shift is a fact. I would like to ask in this regard, in deciding how to reduce the cost of these services, how do you deal with eligibility? I don't have the benefit of the information in your subcommittee. How do you deal with eligibility in the first place for these services? Representative Winslow said, counties have eligibility technicians that look at their income and a number of different criteria and establish their eligibility.

Senator Keating asked, is that based on economics -- on finance entirely? Representative Winslow said, on income, and a number of criteria. They can have up to 10 acres of land, a car of a certain value etc., but they can't have money in a savings account etc.

Peter Blouke, LFA said, basically there are two categories for eligibility. AFDC and those that are receiving supplemental security income (SSI) benefits. Additionally Montana has a third optional group called the medically needy and those are individuals who do not meet the categorical requirements -- they don't have a dependent child in the family or they are not receiving a federal SSI, but their medical bills are such that they are beyond the financial needs of the family to pay the bill. This group actually constitutes a fairly small portion of the total medicaid population. The determination of the eligibility is, as Representative Winslow indicated, made by eligibility technicians at the county level and they take into consideration -- for example, for AFDC if there is a dependent child in the family, if they are receiving cash assistance payment, and the criteria for medicaid then are really driven by the criteria for AFDC eligibility. Again for SSI, if it is determined that the individual is receiving it they are automatically eligible. This is the reason there is tremendous concern with the increase in the AFDC case load, because all the AFDC are automatically eligible for medicaid benefits.

Senator Keating asked, how come that's gone up so much in the last few years? Representative Winslow said, the break down of the family is the easiest way to address it. More single families.

Senator Story said, we took steps last session so that people didn't have to be single and unmarried head of household. We increased the case load by telling married people if they were both out of work they could be eligible; and we did that so that instead of going on general assistance which is 100% state funded, they would be eligible for AFDC which is federal money, but that was a fuse when we did that. Representative Winslow said, but their AFDC for the single parent is considerably up.

Senator Regan suggested if the committee did not have any more questions for the public, perhaps we could take a 15 minute break and come back for executive action.

The meeting resumed and Senator Regan asked if Peter Blouke, LFA would like to go through the technical amendments rather rapidly that they had and he answered yes.

Mr. Blouke said, at your request, I did zerox a sheet from a publication that is put out by the Department of Health and Human Services that deals specifically with aid to families with dependent children (this was a copy of exhibit 8 already in the minutes). He said this sheet shows for federal fy'85 a comparison of the need standard payment standard for the states for AFDC for families with 1 dependent child, 2 dependent children or 3 children. The second page actually shows where Montana is, and I did not have time during the break to highlight the surrounding states. Mr. Blouke went through the chart and made some comparisons. He said to try to make comparisons between states you get into a whole fruit basket of eligibility criteria and what are the deductibles; the comparisons are often very difficult, but I think this may give the committee a sense of where Montana is relative to the rest of the nation and particularly of the surrounding states.

Senator Regan said one other item -- Dave Lewis wanted to address some language in the bill before we started executive action and asked for permission to do so.

Dave Lewis said, we presented language to the subcommittee chairman which he put in on the floor of the House which clarifies that there would be in-patient psychiatric programming that we have in medicaid now, that it be restricted to individuals under age 21. That rule was put in to cover the Rivendell facility and similar facilities which provide treatment facilities for additional therapy under the age of 21. We have had other facilities come in that include adult and individuals under 21, and they could become eligible. We wanted to make clear that the bill which has the appropriation is based on only facilities included the ages under 21, so that is what that language says. We have had -- in order to satisfy the insurance rates by the mental health centers and some others, prepared

an amendment which I gave to the fiscal analyst that further clarifies that language. The intent is to make certain it is clear that the appropriation is based on providing in-patient psychiatric programs for only those individuals under the age of 21.

AMENDMENTS TO HOUSE BILL 2, SECTION B. Senator Regan said we will go to the Health Department and start executive action and hopefully we can get through this. She then went through the sections asking if there were amendments, etc.

Amendment #1. B-4, line 25. Motion by Senator Keating to amend House Bill 2. He said this transfers \$4,000 each year from the Dept. of Labor to the Dept. of Commerce.

Senator Regan asked if that bill had passed both Houses, and Senator Keating said yes, and he thought it had been signed by the Governor.

Question was called. Voted, passed.

Amendment #2. B-1, line 23 and 25 and B-4, line 11. Motion by Senator Jacobson to amend. She said remove some of the money out line 23 and put it in as a separate line item in line 25 and then the language. The second amendment is Page B-1 following line 11 and B-4, line 11. Explanation is on the amendment. The third one is in regard to the film library B-1, line 12; B-2, line 17 and B-2, line 20.

Motion to move the first amendment B-1, line 23.

Senator Smith said, the question I would have is, are they going to increase fees to get additional money or would this be fees collected because of more testing? Senator Keating said, the fees are specified in the statute. You would have to change the law to change that.

Question was called, voted, passed.

Amendment # 3. B-1, the additional general fund money for testing for AIDS.

Senator Keating said, it seems like this is almost a panicky situation. Can you give us any indication of what the detection factor is? What is the percentage of detection that would justify this kind of growth? Bill Opitz answered, basically the problem is in the national media where we have our Attorney General on the T. V. at least once a week suggesting that anyone who had a blood transfer in the last 8 years have an AIDS test; anyone who is contemplating having a baby in the next year and anyone contemplating marriage should have a test. In Montana we have 14,000 births a year, we have about 7,000 marriages a year and we are not sure where this is going to peak out,

but I think you can see the dramatic increase in the last 3 months. We've really been experiencing in the last 2 weeks where we are now at a testing rate of about 200 per week which is going to be about 800 which will take it right off this chart (page 2 following amendment # 2).

Senator Keating said, we are spending general fund money? Are we not collecting fees for this? Bill Opitz said, no we are not. We are charging a handling fee of \$1.75 per test. The majority of the AIDS program in the state for testing and consultation is primarily coming from federal grants that we are in the process of renegotiating. Those grants specifically preclude the testing sites from accessing a fee from someone who comes in. This is a public health problem and we don't want to discourage people from having the test run.

Senator Keating inquired on the cost per test. Senator Jacobson said she did not remember how much federal money was in there, but I can remember dealing with this earlier. Bill Opitz said we had no general funds associated with AIDS testing, we had approximately \$6,000 of preventative health block, the rest was all federal grants and the grants specifically preclude charging fees at the alternate test sites. We at the lab could charge the alternate test sites for it but they would have no way of picking it up. We would use the general fund to offset any additional monies coming from the federal government in the form of AIDS grants, and there is also language in regard to the preventative health block that allows for the director to identify needs and if the preventive health block were above \$632,000 per year, I would suggest we could take some of that preventative health block and offset this general fund also.

Question was called, voted, passed.

Amendment #4. B-1, line 12. Motion by Senator Jacobson to amend House Bill 2. This amendment had to do with the film library.

Question was called, voted, passed.

Amendment # 5. B-2, line 16. Motion by Senator Manning to adopt the amendment. He said this would fund the Nursing Bureau. He handed in an exhibit, attached as exhibit 1, amendment # 5.

Senator Regan said she would like to address a question to Cal Winslow. You considered this budget. When was this dropped in and would you give us the justification? Representative Winslow said, it was discussed at the subcommittee level, moved out at the full committee. As we looked back at what areas we could cut in the subcommittee,

this appeared to be an area that was decreasing and we 're down to 2 persons in the bureau. I think they do provide a good service for the counties, but the actual health care is done by the public health nurses at the county. As we looked at the areas of priority in the full committee and we discussed it at our committee, this appeared to be one that was not as high on the priority list as some of the others. It was \$180,000 of general fund. That was the rational for the position.

Senator Hims1 said, to follow up on that, this issue has been up and down like a yo-yo about 4 times. There is a chorus of support that is very dynamic out in the public health nurses and they keep writing in and putting the pressure on to replace it. There is a Bureau of Nursing and there are only 2 persons in that Bureau. One is a chief and one is an Indian and they do make some contribution to the public nursing area, but we were driven by the instructions to reduce costs where we could, and we figured this was \$180,000 we could save and those public nurses out there are competent and while I am sure they can appreciate some support, but this was one area we felt we could save money on, I would resist the motion.

Question was called, motion failed, those voting yes were Senators Manning, Jacobson, Haffey and Stimatz.

Amendment #6. B-5, line 20. This is the Workers' Compensation Division. Motion by Senator Manning to adopt the amendment. He said this is a redistribution of indirect costs resulting from SB 315.

Senator Bengtson asked, are these in addition to the modifieds? Representative Winslow answered that he had not seen the amendments but it was his understanding that that was right. These amendments have to do with SB 315.

Senator Bengtson asked how big a total did you say? About 22 FTE's? Representative Winslow answered, 23 1/4. I don't know what all is included.

Bob Robinson, Director, Workers' Compensation, said these were needed to clear up the back log, and that the state was protected by safeguards which said what the work load should be to trigger more FTE's or to eliminate FTE's.

Bob Robinson said included in this amendment are funds to pay for the impairment panels and establish the impairment panels. Another area in the reform, is to emphasize the return to work process in this Workers' Comp. Important to that is the rehabilitation evaluation and the assessment of the ability of the injured worker to return to the job. Included in this amendment is rehabilitation panels and their staffing and their costs. A main issue in all

workers' comp is the litigation issue and the Senate Labor committee established mediation process and the dispute resolution process prior to being able to go to the court room. The mediation is included in here.

Mr. Robinson said he would walk through the main issues and the rest of it is just adjustments generally down with other funds to adjust the indirect costs of assessment. On page 1 of 4 where it says FTE's under workers' comp on the top of the page, it speaks to 5.75 FTE's and \$160,000 and \$143,000. These funds are an assessment on all insurers, not just the state compensation insurance fund. It is an assessment on plan 1, the self insurers, plan 2 and the state fund. and These funds will allow for the division to establish and manage the impairment panels; to participate on the rehabilitation panels; and 1 FTE to establish and manage the Hospital Cost Control System that was part of House Bill 315. On the bottom of the page where it says Job Services Division, approximately 2 FTE's there for representatives of the Job Service Division to sit on the rehabilitation panels. This is the connection between the labor pool and the ability of the person to find work. There is an assessment of what jobs are available out there. In the Employment Relations Division which is the middle of page 2, you see 6 FTE's. These are the mediators and the clerical support staff. All of the rest of the adjustments are indirect cost adjustments until you get to page 4 where it says Department of Social and Rehabilitative Services 2.5 FTE's; that provides for the SRS to assist in staffing the Rehabilitation panels. That is where you get the connection between the Rehabilitation services and the assessment of the individuals who participate in the rehabilitation. All of the rest except for those 4 major areas are technical arrangements for the indirect costs.

Senator Smith asked, how many more FTE's are you going to have with these amendments? Bob Robinson went through the amendment areas again listing the FTE's.

Senator Smith asked about the Special Revenue funds. He said, isn't that the premiums that I pay? Mr. Robinson answered, there is a break up. There is trust funds, which you pay if you are insured with the State Compensation; the special revenue fund is an assessment partially on that fund but also on the self insurers which are Champion and Montana Power and those as well as on the 200 private insurers that do business with the state.

Senator Smith asked if all these people would then just stay on board. Bob Robinson answered, no. He said this money was needed to take care of Senate Bill 315.

Senator Haffey said he was not sure what Senator Manning had done, but he would suggest he move the amendments on pages 1 through 4.

Senator Manning moved the amendments on pages 1 through 4 of the amendment # 6 sheets, and concerning SB 315.

Question was called, voted, passed, Senator Boylan voting no.

Amendment #7. B-5, line 6. Motion by Senator Manning to amend. He said this would implement a minimum annual premium for policyholders insured under Workers' Comp. to implement House Bill 249.

Question was called, voted, passed.

Amendment #8. B-4, line 23. Senator Manning said this would depend on House Bill 884 as to whether it should be amended. He said he would move to amend.

Senator Regan asked the LFA if they had looked at these amendments. Mrs. Rippingale said, there was an amendment to implement House Bill 884 which has been made and was given to me along with the others. House Bill 884 has not made it far enough along in the process. Senator Regan said that was right, and this should be laid aside. Senator Manning said he would wait then to move the amendment and withdrew his previous amendment.

New Amendment #8. B-4, line 23. Motion by Senator Manning to amend House Bill 2. He said this would increase fees for filing for a divorce.

Senator Regan said she carried this bill and she also amended it and the bill has not gone to conference committee nor has the House accepted the amendments. I think we have to put this one aside. It is amended so the Children's Trust Fund be retained, and I would hope the House will accept the amendment.

Senator Manning said he would withdraw his motion and wait until later with it.

Judy Rippingale said, you were handed 4 amendments from people who gave us all 20 copies. I am not sure whose they are. Do you want them handed out? Representative Winslow said there were some amendments from the Budget office which also had some change in language but that is still in Labor.

Amendment # 8. B-6, line 25. Motion by Senator Manning to amend House Bill 2. He said Montana may be able to offset general fund expenditures with new federal employment and training funds.

Senator Keating asked, what this meant and Senator Regan said, it simply says if they get federal funds they return the general funds and spend the federal funds.

Senator Keating asked, it is spending authority, isn't it? Senator Regan answered, they already have the spending authority, it is a question of which funds they use.

Question was called, voted, passed.

Amendment #9. B-14, line 6. Motion by Senator Manning read the language to be inserted in this amendment.

Question was called, voted, passed.

Amendment #10. B-7, line 15 and line 18. Motion by Senator Manning to move this page of amendments.

Senator Regan said, these are the Agency amendments, and asked if the Agency would care to explain the amendments.

Dave Lewis said, this would be the amendment which would retain the AFDC and general assistance paymen at their current level.

Senator Regan said, this would restore the AFDC level to 44 and 42. Dave Lewis answered, basically it means they would continue to make the same dollar amount payment we are making in the current fiscal year and in the last fiscal year. I believe that was 44 and 42 percent of the poverty level.

Senator Keating asked, is the rational for this to avoid litigation? Dave Lewis said, in the subcommittee we feel that since they have not been increased in the past 2 years, we feel they are at the minimum level at the current time, and yes there is a concern about the possibility of litigation in the future or currently, in fact, if we make reductions in those rates.

Senator Keating asked, there aren't any amounts in there. Senator Regan said \$2.4 million.

Senator Jacobson asked, is that all general fund then? She was answered, yes.

Senator Keating said he would like to ask the chairman of the subcommittee a question. He said, that level was established in Appropriations committee? After discussion and deliberation? Representative Winslow answered, yes to both questions. Senator Keating then asked if he would share the deliberation of the committee. Representative Winslow said, coming out of the subcommittee we had a higher level than 44, but it was based upon House Bill 600 and

general assistance was split out in a number of different ways. In the full Appropriations they went down to the 44.2 which is what this amendment is attempting to do, to get back to what the executive request was. On the House floor there was a good deal of amendments, and 2 amendments before this one passed, and I guess the feeling was whether 44 or 41, it wouldn't make any difference if there was a law suit brought against this. The feeling was there is not a lot of dollars here, and the attachment of G.A. to AFDC, it was unfortunate that it is a very costly program, and that was the rationale the House used in moving it from 44 to 41. I don't think whether it is at 44 or at 41 it will not have a lot of impact if there is a law suit.

Senator Haffey said, you have said it doesn't matter much whether it is at 41 or 44, but I suspect your subcommittee had a reason to make it 44 where they thought needs were being satisfied rather than appliance, etc. Representative Winslow answered, if you want a comment from me, I think it is unfortunate that over the past 10 years the percentage of the poverty level for AFDC has gone from 70 to even to talking of 40 and 41, but I think it is just as important that we can't set any priorities in Montana and we continue to provide services all the way across the board, so we start doing these things and water them down. I think it is also very unfortunate that G.A. is tied to this because we are talking about mothers and children and when we increase those rates we are also increasing the rates of the singles. When it came out of our committee there was a commitment on the committee's part. I believe that if the G. A. was returned back to the counties and some of these things happened, then we felt there was more of a need for the mothers and children. That didn't happen and at the full committee they said, let's go back to the Governor's request, and in the House, they were looking for areas to balance the budget and this is one that has substantial dollars.

Senator Haffey said, but all those other things being considered, you would not be advocating going down from the 44. You were at 47 and expecting that was appropriate if G.A. were somehow unhooked from AFDC, and now they are both at 41 and 40 and still hooked, but your subcommittee was above 44, the House Appropriations went to 44. I would suspect you are not advocating going lower than that, are you? Representative Winslow said, I am bringing the budget to you and trying to explain what happened. You are not comfortable with it. Am I comfortable with it? No, I'm not comfortable at 47, but also the realities of the budget make it necessary that these kind of decisions have to be made, and so I can live with the 41%. It is a few dollars a month, but as long as we don't set priorities we'll just have to keep watering everything down because we are a long way from getting our budget balanced.

Senator Haffey said, but it is important from the knowledgeable person on these budgets we get, and there must be a point below which you are not willing to go. Is it 35%, 41, 44? Representative Winslow said, I think when you go from 44 to 41 you are talking about cutting a few dollars a month out of this budget, below what they are receiving right now.

Senator Regan said, if my arithmetic is correct, you are talking about a 7% decrease in income to these people when you go from 47. Representative Winslow said, 47 was what came out of subcommittee; 44 is where they're at right now. The executive budget provided for that to be frozen, which would eventually go down to 42. The 47 that came out of the subcommittee was bundled in with a lot of other things.

Senator Regan said, but if we go from 44 to 41, that is a \$3 drop that is very close to a 7% cut in income and when you are talking about people that receive very few dollars, is that not a considerable cut? We haven't even cut our agencies like that. I think it would be different if we cut state agencies 7%, but here we are cutting payments to women who are having a rather tough time of it, and with children and you are asking them to take a 7% cut in income. Representative Winslow said, I was not the one to make the motion to move it down to 41%. Senator Regan asked, do you support it at 44? Representative Winslow answered, yes -- I think the problem is -- you talk about them having a tough time, we are all going to have a tough time if we try to figure out how to come up with \$100 million that we are still off. There are substantial dollars there, and there are a number of things that we did within this budget that I don't feel real comfortable with. I don't feel real comfortable about eye glasses and hearing aids and some of the other things we had to do. We are a long way from balancing the budget, and I think this is one of the areas, as you got your break down, Montana remains fairly high, but the thing they also receive is a number of other things. Food stamps, Low Income Energy Assistance, and some other means, and I guess if you look at this budget there is not a cut in it that comes easy.

Senator Regan said, I understand that and I would say to you --and I have served on this committee -- that this is the toughest budget to work. It is the most difficult budget to work and I appreciate that.

Senator Smith said, I have to make one comment, and that is that there are a lot of taxpayers that I represent that fund this program and their income has decreased far more than 7%, and I realize it is difficult, but I can see that Montana's contribution exceeds many of the other states. I guess if they are going to sue, they have a lot of states to sue before they get to Montana.

Question was called, voted, questionable, roll call vote was taken and the motion failed. 7 yes, 9 no.

Amendment #11. B-9, line 15. Motion by Senator Manning to adopt the amendment. This amendment would reinstate services for eye glasses, hearing aids, dentures, medical assistance medicaid primary care program.

Senator Himsl asked if this was a department proposed amendment. Senator Manning answered yes.

Senator Keating asked, the handout that we have from the department shows gross expenditures. On the last line, is that the total of the three categories? Senator Regan answered yes, the item highlighted in yellow.

Senator Bengtson asked, the other optionals are still available, that is, they will be unless we do something? Representative Winslow said, these would have to be added to the list, and they have been in existence.

Senator Regan said, what we are doing is to dispense with services previously furnished if we do not accept this amendment.

Senator Himsl said, this went through the subcommittee and again consideration was given and we agonized over these things because we were driven with the necessity of conserving funds and we knew we had to face it. This was an area where service clubs contribute glasses, etc., and we felt we were obligated to reduce general fund expenditures and this was one area where it had the least impact, there was nothing life threatening about it, and that is why the committee took the action and I think I speak for the committee.

Senator Jergeson asked, Representative Winslow, when you looked at this particular option, did you look at any ideas that maybe these clients would share in the cost? Representative Winslow answered that there is already a co-payment provided for under medicaid. There is also a limitation of federal level on how much they will let you have for co-payment. With those restrictions there was nothing more that could be made in that co-payment area.

Senator Jergeson said, I guess I am just feeling bad about this whole issue because if I take my glasses off I can't read. It might be life threatening if a guy takes the wrong prescription and kills himself.

Representative Winslow said, I think we looked at all the optional services, and there is a lot of pressure to do away with optional services with that amendment that was passed in the House. We looked at those and first of all those

that were not life threatening, and those that we think there may be some others -- the optometrists and the ophthalmologists and some of these people, may help them. I don't think the committee thought anybody would go without, I think they thought there might be some other areas that would help pick up the slack.

Senator Manning said, I was on the subcommittee, we deliberated on this quite a bit, and I really didn't realize what we were doing until we started in on it that one day; then I came to the realization that this is bad because we have this old guy out here with no teeth --what's he going to do, eat soup the rest of his life? If he doesn't have glasses and can't see he could walk out and get killed by a car. If you are unable to hear you don't have a warning, so I think it is imperative that we put this back in.

Senator Jacobson asked, what about school age children? Where are they going to get hearing aids? Representative Winslow said they are covered; this is adults over 21.

Senator Jacobson said, if we don't pass this amendment they can go in and get a test but that is it? Representative Winslow answered yes.

Senator Story said, just one thing that goes through my mind when you were talking, Senator Jergeson. You have an awful lot of people in your district that lost money on cattle last year. They're having a hard time getting funds for doing anything. Since they still do have some assets, they are not eligible for Low Income Energy Assistance, they are not eligible for medicaid, or an awful lot of these things and yet they are having a hard time too.

Senator Jergeson said, I wasn't arguing so much about that except from a personal perspective. When a guy can't see, and I know what it's like not to be able to see--it's tough.

Senator Regan said, Senator Story if you will forgive the aside, there was some farm aid attempted in considerable amount of money committed by the state to help people who are just having those same problems. Senator Story answered, I voted against that too.

Senator Hammond said, I don't think this should be a kind of test of compassion. Some would like to have you believe that because you vote against these things you don't have any compassion. For 30 years Rotary Club has been furnishing glasses for people that needed it, in my experience. The American Legion has too, and the Shrine Club has quite a program for burns and crippled people. The Rotary Club isn't being asked anymore, that's dried up. The reason it has dried up is because a lot of those people are saying "get 'em from the government, they'll get them for

you". We would be glad to be doing things we did 15 years ago, or 10 years ago, but they are not asking anymore, and I think we had better get back to that.

Senator Regan asked if the Rotary Club would have \$3 million that you will be asking service clubs, and do they have those kinds of resources? Senator Hammond said, if they go to the service clubs, then some of the relatives will help them before they go there, and if they go to the government the relatives don't.

Question was called, voted, roll call, motion failed 6 yes, 10 no.

Amendment #12. B-13, line 8. Motion by Senator Manning to amend House Bill 2. Dave Lewis said this is the optional services we talked about earlier this morning. It puts it back to the way it came out of House Appropriation Committee and says it is a Legislative decision to reduce or add services.

Voted, passed.

Amendment #13. B-14, line 5. Motion by Senator Manning to amend House Bill 2. This would not prohibit payment for psychiatric service in a general inpatient hospital setting for persons under the age of 21.

Senator Story asked Representative Winslow, is this right? He said he thought this was just the revision the Department proposed to make sure that when they limit the care of psychiatric care for children they didn't restrict those that end up in in-patient settings, the ones that are more acutely ill. Dave Lewis answered, that is correct.

Question was called, voted, passed.

Amendment #14. B-8, line 24. Motion by Senator Manning to amend House Bill 2. This amendment would restore full funding to g.a. medical in the 12 state assumed counties.

Question was called, roll call vote. Motion failed, 7 yes, 9 no. Exhibit 1, amendment #14 is attached to minutes.

Senator Keating said, we had a handout on medicaid that was an attempt to reinstate eye glasses, dentures and hearing aids. Am I to understand that the balance of these optional services are left out of this bill? Representative Winslow said they are in the bill.

Senator Manning said, Senator Story, the other amendment you were talking about didn't deal with eye glasses, etc., did it? Senator Story answered no.

Senator Regan asked the LFA if there were any technical amendments on language changes that were needed here. Judy Rippingale answered no, there isn't.

Motion by Senator Gage to close section B except for the issue Senator Story wants to address. Voted, passed.

Senator Regan said the committee will reconvene at 1 p.m. to take up Natural Resources and hopefully finish this section.

The committee reconvened at 1 p.m. and since the Chairman of the subcommittee on Natural Resources could not be present, the committee went to Section D, Institutions. Senator Regan said, before we go to the section on Institutions Senator Story would like to refer back to Section B, where we left one issue open for his amendment.

Amendment #15. B-13, lines 8 through 14. Senator Story said this would take two steps. We would have to reconsider our action on Senator Manning's amendment which inserted language B-13, line 8 and then we would have to in lieu of that amendment, strike all the language in that. Privately Dave Lewis and you and I have spoke on this. This is his fall-back position. I would like him to explain it and then I would like Judy Rippingale to address it.

Dave Lewis said, I think the best thing is to go to B-13 of the bill. Basically, what the committee did in their action just before noon; they struck the language that is underlined here on lines 9 through 12. That was the language that was inserted on the House floor. They reinserted the language that is shown here on lines 6, 7 and 8, which puts it back to the way it came out of House Appropriations. The way the bill reads now it says "the department shall not expand or reduce the amount, scope or duration of benefits", and I guess the basic philosophy change is that it is a Legislative decision. Just looking quickly at the amendment Senator Story put in there, we would strike the language that was put in right before noon, and then the old language left in there. I would suspect that if you adopt this language you might as well strike the next sentence too. I think that should be out too. If this amendment passes, you have gone back to the existing statute that lists the optional services and says if not enough money the department shall establish priorities within optional services; yet there is no specific direction as to whether or not the department should eliminate those services or come back for a supplemental in 2 years. I think it puts us back in the situation that some of the committee members went through when Mr. Melby was the director of what happens when there isn't enough money in the primary medicaid budget.

Senator Story said I will try to explain this. I think the effect of taking the amendment as we have it now, we will probably be in for a supplemental to the extent that we pass a budget knowing that there's probably not enough money and there will be a supplemental. We haven't honestly done our constitutional job of balancing the budget. How much of a supplemental and how nervous he is about a supplemental, and whether he will go to the interim finance committee and talk to them about it will depend on whether or not we pass our amendment. The language in there now, he can go through the next 2 years in total tranquility and come back with whatever supplemental he wants to, and that's what we've told him to do. We said you can't reduce anything, you can't change anything, you can't make any attempts to try to get this thing a little bit under control. If we reconsider our action, which means you strip the motion Manning put on and then pass my motion, then at least he had to think about what he has to say to the interim finance committee, etc.

Senator Jacobson said, I think Mr. Lewis is entitled to a little peace of mind on this.

Motion by Senator Story to strip Amendment # 12, Senator Manning's motion.

Question was called, voted, roll call vote to reconsider #12. motion failed.

Senator Harding asked if she could change her vote since it would not change the outcome. She asked if she could change it from no to yes, since it would not change the outcome of the vote. (roll call vote had her already voting yes and the oral vote was not recorded)

Motion by Senator Manning to close section B. Voted, passed.

SECTION D, HOUSE BILL 2.

D-1, Department of Institutions.

Representative Miller acknowledged the members of the subcommittee and the LFA staff. He said the Family Services Department has been rolled into the Institutions budget. Representative Winslow has another meeting to go to, but if we could let him present his 7 pages at this time we could let him leave.

Representative Winslow asked the committee to turn to D-47 in the narrative. This is the agency summary that results from the Governor's Council on reorganization of Youth Services. House Bill 325 was introduced as a recommendation of the council. This budget reflects the intent of House Bill 325, although it does not include the county probation

officer as was originally proposed. Therefore the budget does not reflect the county probation officers with the 87.5 FTE's and total operation cost of almost \$3 million in each year of the biennium. Read D-38 narrative.

D-39 gives the break down of the various programs included in this. Read narrative pages D 40, 41 and 42. Representative Winslow said in a couple of areas, Big Brothers and Sisters, for example, there was an increase of funding which you have already seen. Actually there was no increase, there is no general fund now. Domestic Violence has been matched with the Marriage License to pick up the funding for that. The drug program is one that was brought in last session for indigent youth, provided for by the funding of 30 cents on the barrel of beer and this had been brought down from the Executive level to match with the income coming in.

D-43. Aging Services. Read the table which breaks down the funding that goes into the Aging Services, fy '84, '86 and '89 biennium.

D-44. Foster Care. Modifieds are listed below. He said they have had freezes and cuts piled on top of each other, and recognizing the increased cost of workers' comp, malpractice, etc., we did give them a 2% increase.

Senator Himsl asked, on page D-44, the county fund contribution, is there any explanation of why that increased over 100%? Representative Winslow said, from '83 to '89. He said he did not know how much of a role county assumption would play in this. He said, I think increased placement is one thing.

Senator Himsl asked if there was a match involved with this and Peter Blouke LFA said, in some cases yes. In the state assumed counties the general fund is picking up what was formerly paid by the counties, but the amount of match varies with the particular type of placement.

Senator Himsl said, my question, from the county standpoint, they went from \$800,000 to \$1.3 million?

Senator Regan asked if there was someone here from the agency that could address this. Norma Boles said, all you have to do is -- the federal money that comes into the state for foster care and the eligibility primers for children to be eligible under that program has been narrowed and we are not able to qualify as many children to be eligible.

Senator Himsl asked, Is this pass through money to the counties? Federal money to the counties that comes back then? Ms. Boles answered, no, it is not pass through money.

Senator Jergeson asked, is there any irony at all in the fact that you raised expenditures for foster care for children that are with somebody else's parents like 2% -- earlier we had decreased funds for AFDC funds for children that are with their own parents. Representative Winslow said, no. I think the question came up as to whether you try to increase it all the way across the board, because the people that have foster care children have to be concerned that the inflation is making their costs higher as well. However, if you look at the increase in inflation in buying food and clothing and things like that, then merely what the price of inflation has been on providing tenants for employees, workman's comp and some of the other things. In the foster care area the reason that this is just going to the provider is because of the increases in some of those other things.

There were no further questions for Representative Winslow and Senator Regan thanked him for doing a great job and the committee appreciated it very much.

Representative Miller took over at this point, and said with the committee's indulgence he would finish the section on Family Services since there are only 4 pages of it.

D-45. Mountain View School for Girls. We funded for 56 girls. Read modified D-46. He said we have used the last cottage named Spruce over there. There are no more cottages at Mountain View, it is completely full now, or will be in this biennium.

D-47. Pine Hills School for Boys. As of the last report I heard yesterday, there were 152 boys there. We funded it for 131 boys. There is a modified on D-48. Again, we have used the last space available at Pine Hills. We are over crowded at both places. There was a cut made on the floor of the House. It was in regard to State Lands; the Governor estimated that we would receive \$300,000 a year from State Lands (oil and lease money from parcels around the state), the state Lands people came and said only to anticipate \$285,000 a year. They took out \$30,000 on the floor of the House and there will be an amendment presented to you at executive action to replace that money.

D-49. Aftercare Services. These are foster care, basically located in Helena, Missoula, Billings and Great Falls. The major thrust of these aftercare services are to place these boys and girls after they get out of Pine Hills and Mountain View.

D-50. Youth Evaluation Program. Program in Great Falls and provides 45 day evaluation, age to 17 and they have about 60 boys and girls go through a year.

D-1. Central Office. This shows a cut of 20 people, there are actually 13 of them transferred to the new Family Services Department, so we have cut 7 FTE's.

D-3. Director's Office. This department shows 150.5 FTE's. Over 100 of those are probation and parole officers. The Director's office, we cut 1 person.

D-4. Management Services Division. Provides technical assistance, budget and accounting and other management areas. Two people from that department were cut.

D-5. Alcohol and Drug Abuse Division. We just received \$377,000 additional on Alcohol and Drugs from the feds injected by the feds. One FTE was deleted from this department. This department administers the Chemical Dependency Programs throughout the state.

D-7. Corrections Div. Adm. They give the support for all the prisons and the parole and probation people. This has been trimmed down by 16 FTE's and again in this area 13 of those that were trimmed down were transferred to the Family Services Department.

D-9. Pre-Release Centers. Read the modifieds on D-9. He said the expansion explained was the Billings, Butte and Great Falls columns on D-8. We are going to allow them to increase their population.

D-10. Women's Correctional Facilities. This consists not only of the Warm Springs Campus but the Billings Womens' Pre-Release Center and is also dealing with women in out of state prisons. We did increase FTE's since we felt they should have 2 more guards on the swing and midnight shift and we approved that increase.

D-12. Correctional Medical Program. This is going up as well as is our prison population. Read the modified on the bottom of D-12.

D-13. Mental Health and Residential Services. This is the people who oversee the mental health contracts etc., over in Institutions with 5 FTE's, and they did not change.

D-16. Montana State Prison. This budget is for 907 inmates, however I did discuss the modified on D-18 which speaks of the population increase. It will be \$295,195 in '88 and \$268,195 in '99. Read modifieds D-16, 17, and 18.

D-19. Ranch and Dairy. There is zero general fund at the Prison Ranch and Dairy. It is self supporting. the License Plate Factory is self supporting, and I would like to remind the committee that the funding for this program comes from the motor vehicle fees from the Department of Justice.

D-21. Prison Industries. This is again zero general funds. They've asked for 1 FTE shop supervisor which will only be achieved if they make enough money to pay for it.

D-22. Prison Canteen. No general fund. Two FTE's there are not paid for out of the Prison Canteen funds, they are on the regular prison payroll. There was an attempt to have their salaries paid out of the funds, but it was voted down in committee again carried out in appropriations committee with a strong opposition to funding it from here.

D-23. Prison Industries Training. There is \$173,000 in general fund. This is the training that trains the men on repair and equipment repair.

D-25. Swan River Forest Camp. This is a pre-release center up at Swan River. It is funded for 51 inmates and is expected to remain at 51.

D-27. Montana Developmental Center. This is Boulder. We did delete 9.5 FTE's from Boulder. The population has remained fairly constant with a population of 202 residents.

D-Center for the Aged. This is in Lewistown. It is funded for average daily population of 171. This is the only institution of all the institutions that is not completely full or has a waiting list.

D-31. Eastmont Training Center. This is in Glendive. It is the Developmental Disabilities Training Center. It has a population of 53 and remains very constant. 1.5 FTE's were deleted by floor action of the House and there is an amendment to replace those FTE's.

D-32. Montana Veterans' Home. This is at Columbia Falls. The makeup of the veterans' home is becoming an older population requiring more nursing bed care. Read the modifieds on page D-33. We made 5 more beds available for nursing.

D-34. Montana State Hospital. This provides evaluation and psychiatric treatment at Warm Springs. The major part of this budget is on D-35 under modifieds which is the new forensic unit being completed there.

D-36. Board of Pardons. That has stayed constant with 4 members that oversee the inmates parole and furlough programs.

D-51. Montana Arts Council. This brings art into the lives in Montana. The Council is requesting the inclusion of the dance and drama community matching funds in the '89 biennium, and this was at the request of the Legislative Auditor.

D-54. Library Commission. Read the narrative D-54 and 55.

D-56. Historical Society. Read the narrative on the pages under Historical Society.

TESTIMONY FROM AGENCIES ON HOUSE BILL 2, SECTION D.

Audit Fees. Senator Regan asked if this was a problem. Senator Bengtson answered no.

Jim Currie, Administrator Management Services Division, said the 1.5 Food Service Worker position that was taken out on the House floor were FTE's that were identified in the Governor's budget. They were part of the positions that were offered up because of the pay plan short fall. I think the argument was made on the House floor as to whether or not these positions were needed, if in fact, we had offered them up. The reason they were offered up was that we had to prioritize positions and Director positions first of all were not touched in this cut, and treatment positions secondly were not touched in this cut; which basically left administrative and support positions. Those are the positions we went to. The Superintendent facility does feel these positions are important to that operation.

The question was asked as to why they did not take out a management position instead of the 1.5, wouldn't the money be about the same? Gene Huntington, Department of Labor said they had done a lot of study on this and it had taken a long time to reach a decision, but people were nervous about the higher levels.

Jim Currie said concerning the I and I at Pine Hills. The I&I account, the two main sources of revenue for that account have to do with Interest and Income and Oil and Gas leases. We worked with the Department of Lands to try to get a handle on exactly what our projected revenues in the future were going to be. We had some tremendous drops in the revenue from the Oil and Gas leases. Our projections show that the revenue is going to be down in the next biennium. We sat down with the Fiscal Analysts office and the Budget office and arrived at the figure \$285,000, which we presented to the subcommittee and subsequently on the floor of the House, it was amended back to \$300,000. We feel \$285,000 is a realistic figure.

EXECUTIVE ACTION ON HOUSE BILL 2, SECTION D.

Amendment #1. D-1, line 16. Motion by Senator Haffey to amend House Bill 2. He said additional funds are available and the Department became aware of it just in the last week. An explanation is given on the amendment sheet.

Question called, voted, passed.

Amendment #2. D-6, line 18. Motion by Senator Bengtson to amend House Bill 2. This would change the I&I account back to the level that came out of the subcommittee for Pine Hills School. Explanation is on bottom of amendment.

Senator Keating asked, this would increase the cost to the general fund by \$30,000? Why? Senator Bengtson asked Keith Wolcott, LFA to explain this as to just how it works when we estimate what the income amount is, and when we over estimate, or under estimate just what happens to the spending authority of Pine Hills. Mr. Wolcott said, this income comes from state lands and any income they get offsets general funds and the boiler plate language under section 3 of the bill requires that if any additional interest and income money comes in they reduce general fund dollar for dollar; but if it does not come in at the level you appropriate then they eat the difference.

Senator Keating asked, then we are trying to appropriate a guess? Senator Regan answered, yes that's about it.

Senator Gage asked, why is that interest in federal special rather than state special. Mr. Wolcott says it is in federal but it is an 03 account and that is federal and other.

Question was called. Voted, amendment passed.

Amendment #3. D-3, line 20. Motion by Senator Tveit and he said this is the 1 1/2 food service to Eastmont. The reason for this, we were over there as a committee, and they have a problem over there; they have 2 cottages that are a little ways apart and the kitchen facilities are in the cottage where the more extreme mentally ill people are. Of course they have to bundle up the little more fortunate retarded people and get them from one cottage to another. In the winter it is extremely difficult. These two settings of the extremely retarded and the less retarded have to eat in the same setting. It is absolute chaos; it is crowded and there is literally just screaming and noise and constant confusion which really affects the less mentally handicapped. You can imagine the problems. This amendment gets the food to the more natural setting in the other cottage and not putting the two segments together.

Question was called, voted, passed.

Amendment # 4. D-7, line 23. Motion by Senator Manning to amend House Bill 2. He said this amendment appropriates the money in regard to the Foster Care program from the SRS to the Department of Family Service. This amendment came from Gene Huntington.

Senator Keating said, it is just a transfer of funds, isn't it? He was told that is right.

Question was called. Voted, passed.

Amendment #5. D-5 lines 21 and 24. Motion by Senator Manning to amend House Bill 2. He said this was in regard to the Department of Family Services and an explanation is given and attached to the minutes as exhibit 1, Amendment #5.

Senator Keating asked, is this \$30,000 a year, for what? Senator Regan and Senator Manning answered for Home Health care to keep them out of nursing homes.

Senator Keating asked, how much is in the budget now? The answer was given to him as \$291,000 in '88 and \$286,000 in '89. Senator Keating asked, for this same service? The answer was yes. Senator Keating then asked, why are we adding \$30,000 a year? Gene Huntington answered the question at the request of Senator Regan. He said, this was in the original Governor's budget. It provided for some expansion of in-home health care services. Charlie Briggs is here and could give you a little more detail. Mr. Briggs said, the number one priority among the elderly, whether it be the Legacy Legislature or other organizations, and certainly in Priorities for People, were for some increase in Aging In-Home Services. The area agencies on Aging that estimated that the most minimal and most conservative number who have received this service -- more than 4,000 served by it in '86-- the most conservative number of those who would have gone into the nursing home had they not had this service, was between 850 and 1,000. The original request from the elderly was for \$500,000 increase, which the committee passed through in House Bill 217, Kelly Addy's bill. The original budget request was for this 10% increase in Aging In-Home Services which would serve an additional 800 senior citizens with the intent of keeping them out of nursing homes placement. I think it is significant when we realize that we have 14.6 million for nursing home costs for those who would be in a nursing home for a year. 800 in a nursing home for a year would be approximately \$14.6 million; of that amount the national average is that it takes 13 weeks for a senior citizen to spend down all the remaining assets before they are destitute and then it is picked up by medicaid. Out of that, that is about \$10 million of that 14.6, of which 1/3 or \$3.6 million is state general fund. So the intent of this was to provide through the In-Home Services and prevent the greater cost to the state by costs to medicaid.

Question was called, voted, passed. Senators Boylan, Himsl, Bengtson, Keating and Story voting no.

Amendment #6. D-5, line 19 and 24. Motion by Senator Manning. This would be the adjustment necessary to the Family Services Department on Worker's compensation coverage. Explanation is attached to minutes as exhibit 1, amendment #6.

Senator Smith asked if this was new in the budget or just a transfer from SRS over to the new Department? Gene Huntington said this adds money in because in the original calculation they assumed this as a new agency with a new agency rate; but the fact is that it is the same as was in the Community Services in SRS, the error was that they need to use their historic rates for workers' comp.

Senator Haffey asked, so if it had been done correctly in the first place this would not have had to be added? Gene Huntington answered, that is correct.

Question was called, voted, passed.

Amendment #7. D-9, 10 etc. Senator Bengtson said she would call on Bob Archibald to go over this. Representative Miller explained about vacancy savings and the small agency that the Historical Society is -- we took a 4% vacancy savings across the whole thing and that included a lot of non-general fund money, so we took it on donated funds, federal funds, everything. I would hope you would give Mr. Archibald just a few minutes to address these amendments.

Mr. Archibald said there are 2 amendments here. The Society has 4 programs that are funded by a combination of general fund, donated funds or other funds. What happened, when the vacancy savings rate was calculated in those 4 programs, is that the entire vacancy savings amount was allocated to the general fund resulting in those programs appropriating vacancy savings to the general fund. That meant that the overall vacancy savings rate levied on the general fund was 5.3%. These amendments on the first page reallocate the vacancy savings on a 4% rate to the general fund as well as 4% to the other funds. The second amendment simply removes vacancy savings from Society "other" funds, that is non-general fund, because to levy vacancy savings on donated funds or on earned revenues has no advantage to the general fund.

Keith Wolcott was asked to address this. He said, on the single page, there is one area where it says line 16, it should say line 17. It is reallocating the vacancy savings. In other words, all vacancy savings apply to its' general funds in the first place. The second one is a decrease in savings from the non general fund areas of the Society budget.

Motion by Senator Bengtson to adopt the amendment on the first single sheet. She requested correction on the lines where an error was made.

Senator Keating asked, how much general fund are we adding in here? How much more are we spending? Mr. Archibald said the bottom line is \$9,760 in '88; \$9,759 in '89.

Question was called, voted, passed. Senators Regan and Boylan voting no.

Amendment #8. Motion by Senator Bengtson to adopt the amendment.

Keith Wolcott said it would not be 4% on the donations. The entire agency vacancy savings will be reduced, but it is still 4% general fund.

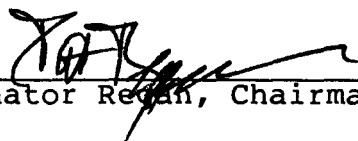
Question was called. Voted, Passed.

Senator Smith said he had one question in regard to D-35 where it had been mentioned the new forensic lab at Warm Springs. Is that the new \$6 million building? Senator Regan answered, it is. Senator Smith asked how many clients are in the new building? Representative Miller answered, exactly 100, and there are 74 in the old building.

Senator Keating asked if we could leave the section open so they could get some information on this section. Senator Regan answered yes. She said she had not realized it was controversial and was just trying to close the section. If you have problems we will hold it open.

The meeting was adjourned to the call of the chair, Senator Regan said she hoped we could come back in a couple of hours.

The meeting was adjourned.



Senator Regan, Chairman

B

non failed

ROLL CALL

50th LEGISLATIVE SESSION - - 1987

Date 4-10-87

NAME	PRESENT	ABSENT	EXCUSED
<u>SENATOR REGAN</u>	✓		
<u>SENATOR HIMSL</u>	✓		
<u>SENATOR JACOBSON</u>	✓		
<u>SENATOR BENGTSON</u>	✓		
<u>SENATOR STIMATZ</u>	✓		
<u>SENATOR HARDING</u>	✓		
<u>SENATOR HAFFEY</u>	✓		
<u>SENATOR SMITH</u>	✓		
<u>SENATOR KEATING</u>	✓		
<u>SENATOR STORY</u>	✓		
<u>SENATOR BOYLAN</u>	✓		
<u>SENATOR JERGESON</u>	✓		
<u>SENATOR TVEIT</u>	✓		
<u>SENATOR MANNING</u>	✓		
<u>SENATOR HAMMOND</u>	✓		
<u>SENATOR GAGE</u>	✓		

DATE _____

COMMITTEE ON _____

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Vis. Committee	MD. Psychiatric Commission	2	X	
Jay Mathias	Mental Health Assoc	2	X	
Barbara Archer	W L F	2	Amend	
Sue Fifield	MLIC	2	Amend	
Jo. Lindberg	CCC Gr. Falls - MLIC	2	Amend	
Duffie D. Smith	CCC Gr. Falls - MLIC	2	Amend	
Denise M. Byrd	CCC Gr. Falls	2	Amend	
JUDITH H CARLSON	NASW	2	"	
Dennis M. Tyle	DDP / SRS	2	—	
William T. Ryan	MT. Hosp. Assoc	2	X	
Steve Walker	Mental Health Centers	2	Amend	
Carai Zander	Physical Therapy	2	Amend	
Maria Jansson	Int. Cnfr. of Clin. P.T. Assoc.	2	Amend	
Bill Spitz	DHES	2	Amend	
Jim Smith	MAK / HRDC	2	Amend - AFDC / Medicaid	
Carla Smith	LABOR / WORKERS' COMP	2	Amend	
Peg Hartman	Dept of Labor + Industry	HB 2	is amended	
Donna Hale	Mental Health Services	2	Amend referred to subcommittee	
James Luckau	Department of Agriculture	2	Amend	
Bob Jensen	Department of Labor			
Brian McWhorter	Dept of Labor	2		
Leann Crassta	SRS		X	X
Tom Crossen	OBPP	3	X	
LOIS STEINBECK	OBPP	2	X	
Mary Sanford	OBPP		X	
Peggy Williams	SRS	2		

(Please leave prepared statement with Secretary)

My Name is ifenise Byrd, I am an A.F.D.C. recipient and a resident of Great Falls.

I do not ~~classify~~ classify myself as a Chronic welfare case. I have supported myself and my children by myself, until I moved to Montana. When I moved here I had full intentions of working and supporting my daughters in Montana's healthy ~~En~~ Environment but Wichita ~~is~~ ^{is} jobs ~~to~~ ~~to~~ ~~to~~ I have had to resort to A.F.D.C.

At this present time my daughters and I live on \$354.00 Cash and \$182.00 in Food Stamps. My Rent is \$210.00 per month because I am on a waiting list for Housing. My Electric runs around \$60.00 per month and to heat my house it costs around \$60.00 per month during the Winter months. So that eats up \$330.00 per month ^{for just 3} Bills That leaves \$24.00 per month to Buy incidentals and try to entertain my daughters.

So, in conclusion, The next

time you see a single parent
or a Couple with Kids try to
visualize what it is like to
raise these children on nothing
We are just Barely surviving
as it is. Can you foresee
whats going to happen ~~if~~ to
our children if you cut us
back ~~even~~ to a ~~higher~~ worse
poverty level.

Thanks

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 1
DATE 4-10-87
BILL NO. 2

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 1 192
DATE 4-10-87
BILL NO. 2

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 2DATE 4-10-87H. BILL NO. 2

44h 2
Honorable Committee members;
my name is Dixie Smith, I am an
A.F.D.C. member

my monthly income for a household
of two is \$279⁰⁰ in cash and \$94⁰⁰ in
food stamp

I am currently living in low income
housing and paying \$73⁰⁰ a month
rent, telephone, milk, and household
necessities which leaves very little left
for clothing and personal necessities

I believe strongly that there is a
misconception on the part of most
people that anyone who draws any
type of welfare assistance is
shiftless and irresponsible when the
~~the~~ truth is most are just plain
everyday people who have had a
series of misfortune and had to
apply to the State and Federal Government
for help.

I also believe if housebill 2 goes
through, it will cause unnecessary
hardship on those people who can
least afford to lose any income
and medical benefits. Thank you -

up 3

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 3

DATE 4-10-87

Honorable Committee Members:

BILL NO. HB 2

My name is Jo Lindberg. I'm an AFDC mother of three children. I live in public housing in Great Falls, which makes me fortunate, because I have no utilities to pay and low rent.

My eldest child is presently with his father, so I receive a grant for a three person household, which is \$354.00 a month. I pay \$82 rent each month, \$20 for telephone, \$100 for paper goods, soaps and other household needs and approximately \$100. on other smaller monthly bills, which leaves me about \$50. for the rest of the month. With a two yr. old and a five yr. old expenses come up that make \$50 disappear quickly. I'm not complaining! We do alright, and I'm grateful for the help until I can get on my feet and support my family. Right now I'm all the family my children have, and it's a full time job taking care of them!

I'm concerned about the people on assistance AFDC and GR, who don't live in public housing and have to pay utilities!

Those people go without things that others take for granted.

To make cuts in public assistance at this point terrifies me! If people are expected to better themselves and become productive tax payers they need incentives and an opportunity to live with dignity and pride in themselves. To beat them down by cutting their benefits will only bring about greater devastation!

Most people in my neighborhood don't understand what a supercollider is, much less why it's worth 4 Billion \$, but they do understand when their children need shoes or ^{their} need to know that they are a worthwhile part of society. People are our greatest resource. Whether they are on Public assistance or living the American dream, they are all people. Some get large slices of pie while so many of us wait beneath the table begging for crumbs. Please consider our situation and give us a chance.

Thank-You!

242104

MEDICAID CUTS
(Estimated Potential Savings)

	Gross Expenditures (Total Funds)	Net Savings (Total Funds)	* Cost Savings	* Cost Shift Factor
Dental Services (Minus EPSDT)	\$2,059,168	\$1,853,251	90%	10%
Other Practitioner				
Podiatrist	\$ 100,802	0	0%	100%
Psychologists	\$ 554,599	\$ 138,650	25%	75%
Clinical Social Workers	(No Data)			
Optometric Services (Incl. eyeglasses)	\$ 601,861	\$ 60,186	10%	90%
Cost of Eyeglasses	\$ 418,557	\$ 418,557	100%	0%
Eyeglasses, Ophthalmologist	\$ 102,052	\$ 102,052	100%	0%
Physical Therapy	\$ 265,535	\$ 66,384	25%	75%
Occupational Therapy	\$ 52,214	\$ 26,107	50%	50%
Speech Therapy & Audiology	\$ 157,008	\$ 39,257	25%	75%
Hearing Aids	\$ 181,551	\$ 163,396	90%	10%
Dentures	\$ 469,474	0	0%	0%
Personal Care Attendants	\$2,100,000	0	0%	100%
Clinic Services (Mental health; surgical centers)	\$1,802,718	\$1,622,446	90%	10%
Drugs	\$6,151,779	\$ 615,178	10%	90%
TOTAL FUNDS		\$5,105,464		
GENERAL FUNDS (31%)		\$1,582,694		

* Cost shift factor only includes shifting to a mandatory Medicaid service. Cost shift factor does not include costs shifted to State/County Medical, Foster Care, Department of Institutions, Developmentally Disabled Programs, Mental Health Services.

1 Duplicated in Dental Services

68.91% FY88
70.92% FY89

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 4
DATE 4-10-87
BILL NO. 2

4/10/89 65

MEDICAID OPTIONAL SERVICES
CLINIC SERVICES - MENTAL HEALTH CENTERS

The majority of clients who receive medicaid in the Mental Health Centers are chronically mentally ill. Before deinstitutionalization most of these clients would have been in Warm Springs. The second largest recipient of medicaid services in the Mental Health Centers are children.

Medicaid reimburses the Centers about \$1.9 million dollars in a biennium (two fiscal years) for the medicaid clinic services. Two thirds of the \$1.9 million is federal funds.

If medicaid clinic services are eliminated, the Centers estimate conservatively that 238 clients would have to be admitted to the Montana State Hospital in Warm Springs in FY89. It costs over \$36,000 of general fund per patient per year at the Warm Springs facility.

It is possible that the additional 238 patients could cost an additional \$8,568,000 of general fund in FY89. (The added incremental costs of 238 additional patients may be less but would still be in the millions of dollars of general fund.)

In addition, many other clients would need to be hospitalized in local community hospital psychiatric units. Hospitalization is a mandatory medicaid service and medicaid would have to pay this additional cost. Since the average cost of a psych unit is about \$245 per day, in all likelihood medicaid would have to reimburse several million dollars for hospital services for Mental Health Center clients.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 5

DATE 4-10-89

14 BILL NO. 2



National Association of Social Workers

MONTANA
CHAPTER

April 8, 1987

To: Montana Senate

RE: HB 2 - Medicaid program

REVENUE FINANCE AND CLAIMS

IT NO. 6

DATE 4-10-87

BILL NO. 2

Background:

Social workers are licensed under 37-22-301, MCA. There are stringent requirements for licensing. Besides a test, the social worker must:

- °have 3 letters of references from other professionals,
- °have a doctorate or a master's degree in social work from an accredited school,
- °have practiced for 3000 hours in psychotherapy after receiving the advanced degree,
- °abides by ethical standards.

Licensed social workers may be practicing as part of the mental health team in a Mental Health Center; or many LSWs now have private practices in their communities.

There are now about 160 licensed social workers. 49 of them have medicaid numbers - that is, they receive payments for medicaid patients referred to them. The rest may or may not be doing psychotherapy.

Medicaid payments for licensed social workers was approved by the 1985 legislative session.

COSTS: Social workers provide the least expensive form of counselling and psychotherapy for medicaid clients. They are paid at a rate of \$33.16 per hour. Maximum number of hours for any one client is 22. This is a controlled and cost saving service.

Social work services, along with other mental health services, could be "cost-shifted" to other higher cost services if social work were cut out as an optional service.

VALUE: Preventive services are always the least costly form of treatment. And early treatment is always less expensive than waiting until physical or emotional problems become more severe.

FOR MORE INFORMATION, call Judy Carlson 442-7462...

1 up 7
Montana Senior Citizens Assn., Inc.

WITH AFFILIATED CHAPTERS THROUGHOUT THE STATE

P.O. BOX 423 - HELENA, MONTANA 59624



(406) 443-5341

Madame Chairperson, Committee Members,

My name is Helen McKnight; I am speaking on behalf of the Montana Senior Citizen Association, in support of the proposed amendment.

Our concern is for the elderly poor, because we feel that many of them will go without hearing aids, dentures and eyeglasses before they will ask for help in an informal system,--and even if they do ask for help, we sincerely doubt that the help will be available. For these people, the effect on the quality of their lives will be devastating.

For these reasons, we urge you to vote for funding these very basic needs of some 2,000 Montana seniors. Thank you.

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 7
DATE 4-10-87
BILL NO. HB 2

TABLE B (continued)

	AFDC FAMILY COMPOSED OF ONE NEEDY ADULT AND					
	ONE CHILD		TWO CHILDREN		THREE CHILDREN	
	NEED STANDARD	PAYMENT	NEED STANDARD	PAYMENT	NEED STANDARD	PAYMENT
Mississippi	\$244	\$96	\$286	\$120	\$327	\$144
Missouri	250	219	312	274	365	320
Montana ¹	337	279	401	332	513	425
Nebraska	280	280	350	350	420	420
Nevada	229	229	285	285	341	341
New Hampshire ²	329	329	389	389	442	442
New Jersey	307	307	404	404	465	465
New Mexico ³	210	210	258	258	313	313
New York ^{3,4}	399	399	474	474	566	566
North Carolina	428	214	492	246	538	269
North Dakota	301	301	371	371	454	454
Ohio	535	238	652	290	809	360
Oklahoma ³	364	225	471	292	583	361
Oregon ⁵	266	266	338	338	397	397
Pennsylvania ⁴	461	273	587	348	724	429
Puerto Rico ⁶	112	56	160	80	208	104
Rhode Island ⁷	331	331	409	409	467	467
South Carolina	294	158	369	199	444	239
South Dakota ³	286	286	329	329	371	371
Tennessee ¹	260	117	339	153	413	186
Texas	493	158	574	184	691	221
Utah	556	301	693	376	809	439
Vermont ^{2,4}	698	461	841	555	943	623
Virginia ⁴	257	231	322	291	386	347
Virgin Islands	154	126	209	171	263	215
Washington	628	385	777	476	914	561
West Virginia	401	201	497	249	623	312
Wisconsin ⁴	545	463	641	544	764	649
Wyoming	320	320	360	360	390	390

1-Need and payment standards for States indicated are rounded to the nearest dollar; all others are rounded to the lowest dollar.

2-The maximum allowable amount for shelter has been added to the amount for basic needs: NEW HAMPSHIRE - basics \$188, \$248, \$301 plus shelter \$141; VERMONT - basics \$462, \$605, \$707 plus shelter \$236.

3-The maximum allowable amounts for shelter and utilities have been added to the amount for basic needs: NEW MEXICO - basics \$122, \$170, \$208 plus shelter \$56 for 2 and 3, \$73 for 4 plus utilities \$32; NEW YORK - basics \$150, \$200, \$258 plus rented shelter with heat (New York City) \$227, \$244, \$270 plus home energy allowance \$22.50, \$30, \$38.70; OKLAHOMA - effective 11/1/85, an additional shelter allowance for "pure" AFDC households who are totally responsible for shelter payment increases payments to \$240, \$310, and \$384; SOUTH DAKOTA - basics \$123, \$166, \$208 plus shelter \$163.

4-Area differentials exist within the State's need standard. Figures given represent the largest caseload areas. NEW YORK - New York City given; PENNSYLVANIA - Schedule 2 given; VERMONT - amount given assumes rented shelter without heat or utilities in Chittenden County; VIRGINIA - Group II given; WISCONSIN - Area I given.

5-OREGON - An \$87 "minimum wage equalization allowance" is added to the above amounts (as a special need) for all families with no income.

6-PUERTO RICO - includes no amount for shelter.

7-Standards are seasonally adjusted. Figures given are for the non-winter period (through 4/31/85). Winter period (11/1/85 - 4/30/86) amounts are \$407, \$503, and \$574.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 8

DATE 4-10-87

K BILL NO. 2

Table B

MONTHLY AMOUNTS FOR BASIC NEEDS IN STATE NEED STANDARDS AND HYPOTHETICAL PAYMENTS
TO AFDC FAMILIES OF TWO, THREE, AND FOUR WITH NO COUNTABLE INCOME
AFTER APPLICATION OF PAYMENT LIMITATIONS, IF ANY

October 1, 1985

	AFDC FAMILY COMPOSED OF ONE NEEDY ADULT AND					
	ONE CHILD		TWO CHILDREN		THREE CHILDREN	
	NEED STANDARD	PAYMENT	NEED STANDARD	PAYMENT	NEED STANDARD	PAYMENT
Alabama	\$288	\$88	\$384	\$118	\$480	\$147
Alaska	638	638	719	719	800	800
Arizona	180	180	233	233	282	282
Arkansas ¹	193	158	234	192	273	224
California	474	474	587	587	698	698
Colorado	331	272	421	346	510	420
Connecticut ²	397	397	487	487	572	572
Delaware	220	220	298	298	349	349
Dist. of Col.	514	257	654	327	798	399
Florida	297	185	400	240	468	284
Georgia	306	187	366	223	432	264
Guam ³	120	120	165	165	210	210
Hawaii ⁴	390	390	468	468	546	546
Idaho ^{1,4}	446	245	554	304	627	345
Illinois ²	480	250	657	341	742	385
Indiana ⁵	247	196	307	256	363	316
Iowa	421	305	497	360	578	419
Kansas ^{2,5}	300	300	365	365	420	420
Kentucky	170	170	197	197	246	246
Louisiana ²	416	137	579	190	712	234
Maine	398	289	536	389	674	489
Maryland	354	256	455	329	546	395
Massachusetts	365	358	439	432	515	505
Michigan ^{2,6}	381	351	467	431	568	526
Minnesota	434	434	528	528	616	616

(continued)

1-Need standards and payment amounts for States indicated are rounded to the nearest dollar; all others are rounded to the lowest dollar.

2-Area differentials exist within the State's need standard. Figures given represent the largest caseload areas.

CONNECTICUT - Region B given; ILLINOIS - Group I given; KANSAS - shelter Region IV given; LOUISIANA - urban area given; MICHIGAN - shelter Area IV and fuel Zone I given.

3-GUAM - includes no amount for shelter or utilities which are considered special needs.

4-The maximum allowable amounts for shelter and utilities have been added to the amount for basic needs: HAWAII - basics \$175, \$228, \$281 plus shelter and utilities \$215, \$240, \$265; IDAHO - basics \$224, \$302, \$375 plus shelter \$117 for 2, \$142 for 3 and 4 plus utilities \$105 for 2, \$110 for 3 and 4.

5-The maximum amount for shelter has been added to the amount for basic needs: INDIANA - basics \$147, \$207, \$263 plus shelter \$100; KANSAS - basics \$191, \$256, \$311 plus shelter (Region IV) \$109; MICHIGAN - basics \$251, \$327, \$403 plus shelter (Area IV) \$137 for two, \$140 for three, and \$165 for four.

6-Standards are seasonally adjusted. - See State pages

*Keating
#1
passed*

Senator Keating
Amend House Bill 2 (third reading copy)
Sections B and C

1. Page B-4, Line 25
Strike: "4,000 4,000"
2. Page C-12, Line 12
Strike: "1,776,611 1,771,899"
Insert: "1,780,611 1,775,899"

This amendment transfers \$4,000 each year of appropriation authority for the Employment Agency Act from the Department of Labor and Industry to the Department of Commerce.

SENATE FINANCE AND CLAIMS
~~amendment~~
EXHIBIT NO. 1
DATE 4-10-87
H BILL NO. 2

Amend Bill 2

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

Amend

Amend House Bill 2

1. Page B-1, Line 23

Strike: "328,236 329,261"
Insert: "121,236 121,261"

2. Page B-1, Following Line 25

Insert: "c. Local Board Inspection Fees

250,000 250,000" State Special Revenue Fund

3. Page B-4, Following Line 11

Insert: "Item 3c is for license fees to pay local boards of health for inspections of food establishments, accommodations and camping facilities. No funds may be transferred out of this item. If the authority is inadequate to reimburse local boards a budget amendment may be requested."

The Montana Code Annotated requires 85% of license fees collections to be deposited in the State Special Revenue Fund to the credit of the local board inspection account and before June 30 of each year pay from the account funds received from license fees to the boards. The number of licenses and the amount collected cannot be accurately determined until all collections are made and the level of authority required must equal the amount of payments. Unless the department has flexibility to request additional authority within the State Special Revenue Fund, distribution can not be made to the full extent required by law.

SENATE FINANCE AND CLAIMS

Amendment
EXHIBIT NO. 2

DATE 4-10-87

BILL NO 2

3

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

renew
~~_____~~

Amend House Bill 2

1. Page B-1, following line 20.

Insert: "f. Aids Testing

70,000"

General Fund

*judy
pg 2*

2. Page B-4, following line 11.

Insert: "Item 2f is a biennial appropriation for AIDS testing only.
If federal funds become available for laboratory testing of
AIDS it will cause a like reversion to the general fund."

The Department of Health is experiencing a sudden increase in the numbers of AIDS testing requested by private citizens. A large part of the increased testing is the developing awareness that testing priorities have moved from being limited to just testing special high risk groups on a volunteer basis to being needed for routine screens and diagnostic workups. Testing priorities are including all patients being evaluated for the presence of sexually transmitted diseases, all prenatal patients and patients being evaluated for diseases associated with HIV infection (e.g. tuberculosis). Further testing priorities are being developed based on specific regional and local needs, (e.g. mandatory testing of prostitutes, routine screening of patients with history of travel to Africa and Western Europe). The present funding in the Department of Health laboratory cannot handle the increased AIDS workload within its present resources. The legislature has reduced staff and operating budgets to the minimum over the last few years and there is simply no funds available to fund AIDS testing.

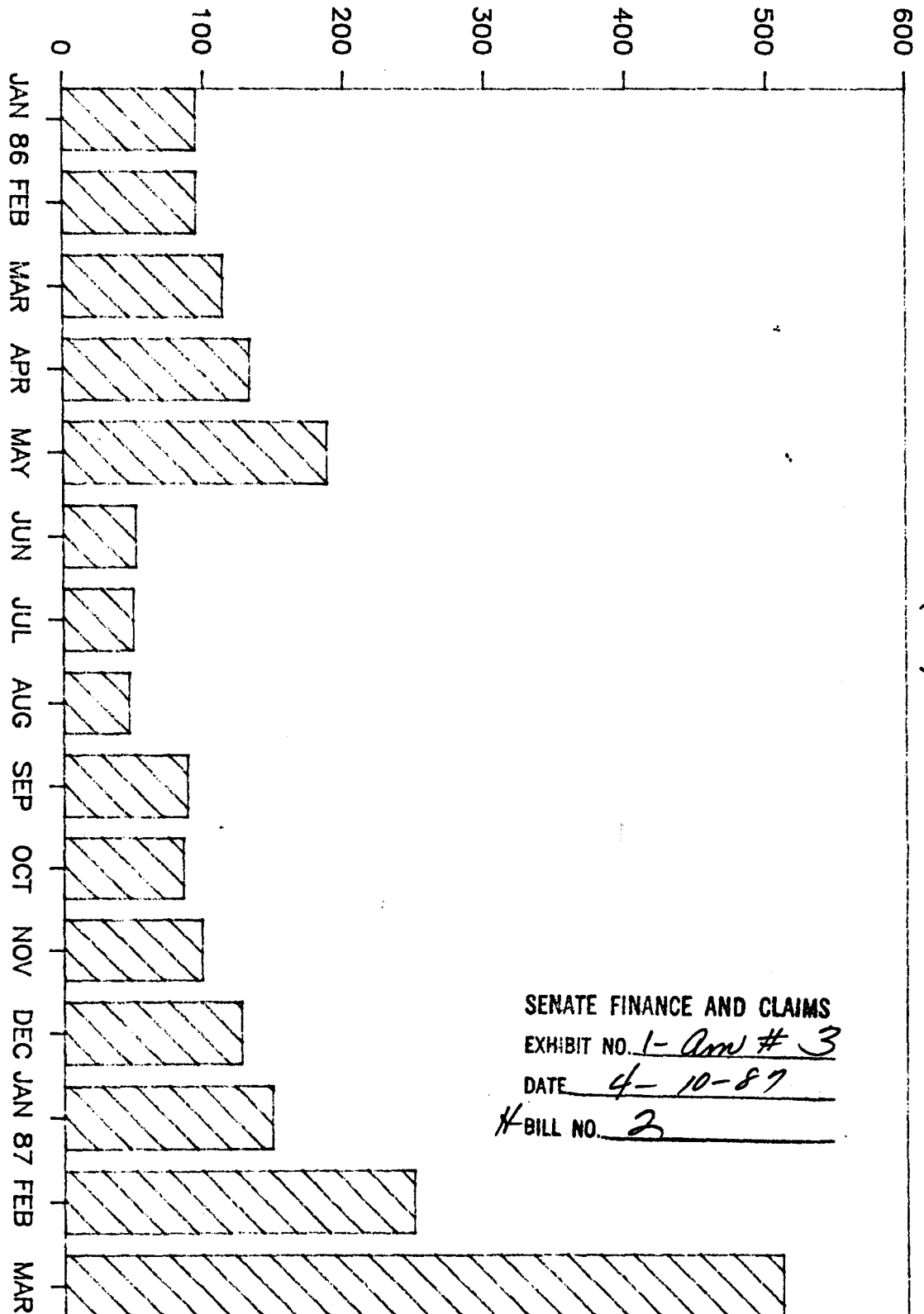
The department is requesting 1 F.T.E. Microbiologist III costing approximately \$24,000 per year and \$11,000 per year in testing supplies. If federal funds become available for AIDS testing the department will revert a like amount of general fund.

SENATE FINANCE AND CLAIMS

Amendment
EXHIBIT NO. 3
DATE 4-10-87
17 BILL NO. 2

pg 2
am # 3
H10/37
14 B 2

NUMBER OF TESTS



HIV (AIDS) TESTS

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 1- Am # 3

DATE 4-10-87

BILL NO. 2

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

Amend House Bill 2

124 #3 4/10/87

1. Page B-1, Line 12

Strike: "532,704 551,285"
Insert: "549,702 569,281"

2. Page B-2, Line 17.

Strike: "198,243 198,469"
Insert: "202,081 202,008"

3. Page B-2, Line 20

Strike: "11,718,058 11,990,742"
Insert: "11,726,980 11,998,964"

This amendment reinstates the Film Library program that was transferred to the Office of Public Instruction. The Department of Health currently maintains a film library consisting of over 1,000 films, filmstrips, cassettes and training aids that are used by public health programs (Schools, County Health Department, Department of Institutions, DHES programs and other civic groups). Funding for the Film Library comes from federal sources (Maternal/Childhood and Preventive Health Block Grants) and a charge assessed the Department of Institutions.

SENATE FINANCE AND CLAIMS

Amendment 34
EXHIBIT NO. 34

DATE 4-10-87

H BILL NO. 2

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

Amend House Bill 2

1. Page B-2, Line 16

Strike: "353,823" General Fund Fiscal 1988

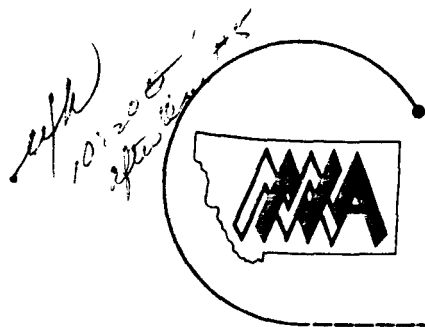
"353,775" General Fund Fiscal 1989

Insert: "448,507" General Fund Fiscal 1988

"448,494" General Fund Fiscal 1989

This amendment is to fund the Nursing Bureau in the Department of Health for Fiscal Years 1988 and 1989. The Nursing bureau has primary responsible for education and consultation for Montana's 369 community health nurses in public health nursing, school health services and home health services. In carrying out the mandate of MCA 50-202 (11), the professional nursing staff develop and promote standards for community health nursing services, including assurance that the legal requirements for nursing practice are met in the community setting. Additionally, staff monitor and evaluate quality assurance and patient care standards in direct-service clinics, including well-child and residential child care health services; provide public and professional education and consultation; develop educational, technical and other materials for local providers of public health, school and home health nursing services. Evaluation of local health services, participation in recruitment and hiring of locally-employed staff as well as generalized nursing responsibilities for the division.

SENATE FINANCE AND CLAIMS
Amendment
PROJECT NO. 5
DATE 4-10-87
H BILL NO. 2



Montana Nurses' Association

2001 ELEVENTH AVENUE

(406) 442-6710

P.O. BOX 5718 • HELENA, MONTANA 59604

Madame Chairperson, Committee Memebers,

I am Jan Cronquist, speaking on behalf of the Montana Nurses Association, in support of the proposed amendment to fund the Nursing Bureau. The Nursing Bureau provides services to public health and school nurses in this state that include:

- consulting services with regard to specific client/consumer needs;
- technical assistance for program development and for workshops;
- coordination of services with other programs such as the WIC program. This is one where the Bureau has been especially active, in seeing that quality well-child and prenatal education services are available; and finally,
- the Bureau provides information regarding current nursing practice to nurses, many of whom work in professionally isolated areas of Montana.

Because these services do much to improve the quality of care given to the citizens of Montana, we feel that the Bureau is of vital importance to this state. For this reason, we urge your support of this amendment. Thank you.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 1 - Amend # 5

DATE 4-10-87

/s/ BILL NO. 2

214-6
AMENDMENTS TO HB 2 to IMPLEMENT SB 315

Amendments to Workers' Compensation Division, Department of Labor, and Department of Social and Rehabilitative Services budgets to conduct hearings, mediate disputes, and staff rehabilitation panels as required by SB 315.

WORKERS' COMPENSATION DIVISION -- SB315, Sections 24, 25, and 39:

To establish, select, and manage impairment panels; staff and conduct hearings on disputes concerning decisions of rehabilitation panels; and to create and manage hospital cost control system.

Year	FTE's	Personal Services	Operating Expense	Equipment	Total
F/Y'88	5.75	\$130,052	\$16,453	\$21,300	\$167,805
F/Y'89	5.75	\$129,555	\$13,703	-0-	\$143,258

AMEND HB 2 -- Page B-6,

Line 10	Strike	\$1,748,113	\$1,692,845
	Insert	\$1,915,918	\$1,836,103

Adjustment to Department of Labor & Industry Cost Allocation Plan

Amend HB 2, Page B-5,

Line 20	Strike	1,561,100	1,856,180
	Insert	1,562,318	1,857,391

Provides for mediators and rehabilitation panel members and a redistribution of indirect costs resulting from SB 315.

JOB SERVICE DIVISION

Year	FTE's	Personal Services	Operating Expense	Equipment	Total
F/Y'88	2.0	\$48,856	\$9,091	\$5,000	\$62,947
F/Y'89	2.0	\$48,670	\$9,091		\$57,761

INDIRECT COST ADJUSTMENT

F/Y '88 Increase State Special Rev. - \$3,936
 Decrease Federal Special Rev. - \$7,360

F/Y '89 Increase State Special Rev. - \$3,846
 Decrease Federal Special Rev. - \$9,087

Amend HB 2, Page B-4

Line 15	Strike \$11,230,843	\$11,312,466
	Insert \$11,223,483	\$11,303,399

After line 15, under State Special Revenue,
 insert \$66,883 - \$61,407

EMPLOYMENT RELATIONS DIVISION

<u>Year</u>	<u>FTE's</u>	<u>Personal Services</u>	<u>Operating Expense</u>	<u>Equipment</u>	<u>Total</u>
F/Y'88	6.0	\$159,962	\$ 51,069	\$4,000	\$215,031
F/Y'89	6.0	\$159,351	\$ 51,069		\$210,420

INDIRECT COST ADJUSTMENT

F/Y '88	Decrease General Fund	\$ 6,508
F/Y '89	Decrease General Fund	\$ 6,563

F/Y'88	Increase State Special Revenue	\$24,306
F/Y'88	Increase State Special Revenue	\$23,381

F/Y'88	Decrease Federal Special Revenue	\$ 6,359
F/Y'89	Decrease Federal Special Revenue	\$ 6,671

Amend HB 2, page B-4

Line 25-

Strike: "627,866" "4,000" "1,102,668" "629,239" "4,000"
 "1,088,022"

Insert: "621,358" "243,337" "1,096,309" "622,676" "237,801"
 "1,081,351"

UNEMPLOYMENT INSURANCE DIVISION

Indirect Cost Adjustment

F/Y'88 Decrease Federal Special Revenue - \$2,289
F/Y'89 Decrease Federal Special Revenue - \$2,736

Amend HB 2, page B-4

Line 17-

Strike: "3,514,806" "3,489,603"
Insert: "3,512,517" "3,486,867"

CENTRALIZED SERVICES DIVISION

Indirect Cost Adjustment

F/Y'88 Decrease Proprietary Fund by \$652
f/Y'89 Decrease Proprietary Fund by \$793

Amend HB 2, page B-4

Line 19-

Strike: "2,404,001" "2,381,443"
Insert: "2,403,349" "2,380,650"

EMPLOYMENT POLICY DIVISION

Indirect Cost Adjustment

F/Y'88 Decrease Federal Special Revenue Fund by \$948
F/Y'89 Decrease Federal Special Revenue Fund by \$1,157

Amend HB 2, page B-5

Line 6-

Strike: "2,196,231" "2,187,232"
Insert: "2,195,283" "2,186,075"

HUMAN RIGHTS DIVISION

Indirect Cost Adjustment

F/Y'88 Decrease General Fund by \$241
F/Y'89 Decrease General Fund by \$286

Amend HB 2, page B-5

Line 8-

Strike: "216,283" "213,663"

Insert: "216,042" "213,377"

GENERAL ASSISTANCE (PROJECT WORK)

Indirect Cost Adjustment

F/Y'88 Decrease General Fund by \$377
F/Y'89 Decrease General Fund by \$466

Amend HB 2, page B-5

Line 12-

Strike: "1,428,099" "1,428,099"

Insert: "1,427,722" "1,427,633"

DEPARTMENT OF SOCIAL & REHABILITATIVE SERVICES

This provides for the staff from SRS that will participate on the Rehabilitation Panels established under SB 315.

<u>Year</u>	<u>FTE's</u>	<u>Personal Services</u>	<u>Operating Expense</u>	<u>Equipment</u>	<u>Total</u>
F/Y'88	2.50	\$61,070	\$17,375	\$5,000	\$83,445
F/Y'89	2.50	\$60,838	\$17,375		\$78,213

Amend HB 2, page B-10

Line 5-

Insert under State Special Revenue "83,445" for F/Y'88 and "78,213" for F/Y'89

Adjust all totals accordingly.

H. 2
Manning

AMENDMENTS TO HB 2 to implement HB 249

Amendment to Workers' Compensation Division budget to implement a minimum annual premium for policyholders insured under the State Compensation Insurance Fund. Costs are to develop a computer program through the Department of Administration.

F/Y '88 Operating Expenses \$12,000

Page B-5

Line 6, Strike	\$1,561,100
Insert	\$1,573,100

SENATE FINANCE AND CLAIMS
Amendment
EXHIBIT NO. 1
DATE 4-10-87
H. BILL NO. 2

#8
Amendment
Wat

4/8/87

Amendment To House Bill 2 Version - House Third Reading - Blue Copy

Department of Labor And Industry

HB 460 provided for an increase in the fees charged for filing for a divorce from \$25 to \$100. The revenues generated from this fee is projected as \$406,425.

Distribution:	Total Revenue	Total Budget	Increase By
Displaced Homemaker Centers	200,000	125,000	75,000
Big Brothers & Sisters(SRS)	150,000	150,000	0
New Horizons(Labor)	56,425	0	56,425
	-----	-----	-----
Total	406,425	375,000	131,425
	=====	=====	=====

HB 2 Section B

Page B - 4

line 23

Strike " 125,000" under Fiscal 1988 General Fund

Insert " 200,000"

Strike " 125,000" under Fiscal 1989 General Fund

Insert " 200,000"

Page B - 5

Following line 12

Insert " New Horizons Program" 56,425" Under Fiscal 1988 General Fund and "56,425" Under Fiscal 1989 General Fund

Change totals accordingly

SENATE FINANCE AND CLAIMS
Amended
EXHIBIT NO. 8
DATE 4-10-87
BILL NO. 2

Manning
and *EQ* *Passed*

#9
Amendment to HB 2, (third reading copy)
Section B

1. Page B-14, Line 6
Following: Line 5

Insert: "The department of social and rehabilitation services may request additional federal authority for work training programs through the budget amendment process. The department may contract with the department of labor to administer such programs."

2. Page B-6, Line 25
Following: "ACTIVITIES."
Strike: "ANY FEDERAL FUNDS"

Insert: "The department shall offset allowable general fund work training project expenses with federal funds received to administer such programs."

3. Page B-7, Line 5

Strike line 5 in its entirety.

SENATE FINANCE AND CLAIMS
a new line
EXHIBIT NO. 8 & 9
DATE 4-10-87
H BILL NO. 2

#10 *Manning*

AMENDMENT TO HB 2
(THIRD READING COPY)
RE: GENERAL APPROPRIATIONS ACT
(GENERAL ASSISTANCE AND AFDC)

1. Page B-7, line 15
Strike:

<u>"3,932,568</u>	<u>3,932,568</u>	<u>3,447,576</u>	<u>3,447,576"</u>
-------------------	------------------	------------------	-------------------

Insert:

"4,319,712	4,319,712	3,691,344	3,691,344"
------------	-----------	-----------	------------

Adjust: total accordingly

2. Page B-7, line 18
Strike:

<u>"11,033,494</u>	<u>26,726,580</u>	<u>37,760,074</u>	<u>11,413,301</u>	<u>30,347,772</u>	<u>41,761,073"</u>
--------------------	-------------------	-------------------	-------------------	-------------------	--------------------

Insert:

"12,106,956	29,326,843	41,433,799	12,188,745	32,409,662	44,598,407"
-------------	------------	------------	------------	------------	-------------

Adjust: totals accordingly

SENATE FINANCE AND CLAIMS

Amendment
EXHIBIT NO. 10

DATE 11-10-87

FILE NO. 2

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE

4-10

Bill No.

2

Time

11/20

NAME

YES

NO

SENATOR HIMSL

✓

SENATOR JACOBSON

✓

SENATOR BENGTSON

✓

SENATOR STIMATZ

✓

SENATOR HARDING

✓

SENATOR HAFHEY

✓

SENATOR SMITH

✓

SENATOR KEATING

✓

SENATOR STORY

✓

SENATOR BOYLAN

✓

SENATOR JERGESON

✓

SENATOR TVEIT

✓

SENATOR MANNING

✓

SENATOR HAMMOND

✓

SENATOR GAGE

✓

SENATOR REGAN

✓

7

9

Sylvia Kinsey

Secretary

Senator Regan

Chairman

MOTION:

Am # 10 Manning

42

Thomson #11 Jule

*Haffey-yes
Baylan now*

AMENDMENTS TO HB 2
(THIRD READING COPY)
RE: GENERAL APPROPRIATION ACT

1. Page B-9, line 15.
Strike:

"19,130,953	56,900,198	82,571,758	21,138,236	67,662,386	95,406,635"
-------------	------------	------------	------------	------------	-------------

Insert:

"19,597,654	-----	57,934,623	84,072,882	21,617,217	-----	68,830,520	97,053,750"
-------------	-------	------------	------------	------------	-------	------------	-------------

Adjust: Totals in HB 2 accordingly.

-End-

Rationale:

This increase is requested to reinstate services for eye-glasses, hearing aids, and dentures to the Medical Assistance - Medicaid (primary care) program. This program is administered by the Department of Social and Rehabilitation Services. The monetary breakdown for each of these services is as follows: (a) eyeglasses -- \$685,344 (FY'88) and \$742,184 (FY'89) for a total biennium increase of \$1,427,528; (b) hearings aids -- \$215,099 (FY'88) and \$232,939 (FY'89) for a total biennium increase of \$448,038; (c) dentures -- \$600,681 (FY'88) and \$671,992 (FY'89) for a total biennium increase of \$1,272,673. The addition of these three items will increase FY'88 expenditures by \$1,501,124 and increase FY'89 expenditures by \$1,647,115 or a total biennium increase of \$3,148,239 (\$945,680 general fund and \$2,202,559 federal special revenue).

SERVICE FINANCE AND CLAIMS
Amendment #11
EXHIBIT NO. _____
DATE *4-10-89*
BILL NO. *2*

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE 4-10-89 H Bill No. 2 Time _____

NAME	YES	NO
SENATOR HIMSL		✓
SENATOR JACOBSON	✓	
SENATOR BENGTSON		✓
SENATOR STIMATZ	✓	
SENATOR HARDING		✓
SENATOR HAFFEY	✓	
SENATOR SMITH		✓
SENATOR KEATING		✓
SENATOR STORY		✓
SENATOR BOYLAN		✓
SENATOR JERGESON	✓	
SENATOR TVEIT		✓
SENATOR MANNING	✓	
SENATOR HAMMOND		✓
SENATOR GAGE		✓
SENATOR REGAN	✓	

6 10

Sylvia Kinsey
Secretary

Senator Regan
Chairman

MOTION: Amendment # 11

Y L

*Amending
#12 passed*

AMENDMENTS TO HB 2
(THIRD READING COPY)
RE: GENERAL APPROPRIATION ACT

1. Page B-13, line 8
Following: Stricken material on line 8
Strike: lines 8 through "appropriation." on line 12
Insert: "The department shall not expand or reduce the amount, scope, or duration of the benefits available to recipients under the medicaid-other program during the 1989 biennium unless Title XIX of the federal Social Security Act is amended to require expansion or reduction of benefits as a condition of the state receiving federal financial participation."

-End-

*Vote to 1:13 &
re-consider*

SENATE FINANCE AND CLAIMS
Amendment
EXHIBIT NO. 12
DATE 4-10-87
FILE NO. 2

#13.
Manning
Passeri

AMENDMENT TO HB 2
(THIRD READING COPY)
GENERAL APPROPRIATIONS ACT

1. Page B-14, line 5.
Following: "to the care of"
Strike: "Children"
Insert: "individuals under age 21. This restriction does
not prohibit payment for psychiatric services provided
in a general inpatient hospital setting."

SENATE FINANCE AND CLAIMS
Amended
EXHIBIT NO. 13
DATE 4-10-89
H BILL NO. 2

#14
Manning failed

Amend House Bill 2, third reading copy, as follows:
Senator Manning

1. Page B-8, line 24.

Strike:	\$3,000,000	3,000,000	3,000,000	3,000,000
Insert:	\$6,000,000	6,000,000	6,000,000	6,000,000

Comment

This amendment restores full funding to general assistance medical in the 12 state-assumed counties. General fund increases by \$3,000,000 in fiscal 1988 and \$3,000,000 in fiscal 1989.

SENATE FINANCE AND CLAIMS
Amendment
EXHIBIT NO. 14
DATE 4-10-87
H BILL NO. 2

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE _____

Bill No. 2

Time 11:00

NAME	YES	NO
SENATOR HIMSL	✓	✓
SENATOR JACOBSON	✓	
SENATOR BENGTSON		✓
SENATOR STIMATZ	✓	
SENATOR HARDING		✓
SENATOR HAPFEY	✓	
SENATOR SMITH		✓
SENATOR KEATING		✓
SENATOR STORY		✓
SENATOR BOYLAN		✓
SENATOR JERGSON	✓	
SENATOR TVEIT		✓
SENATOR MANNING	✓	
SENATOR HAMMOND		✓
SENATOR GAGE		✓
SENATOR REGAN	✓	

7 9

Sylvia Kinsey
Secretary

Senator Regan
Chairman

MOTION: 11 14

H 14

Sailed

Wednesday, April 8, 1987
SENATE FINANCE AND CLAIMS
EXHIBIT NO. 1 - *Amended #1*
DATE *4-10-87*
Am #14

Legislature

State shift of welfare costs called unfair

By SUE O'CONNELL
Tribune Capitol Bureau

HELENA — A plan to have 12 counties pay half or more of the costs of medical care for poor people unfairly burdens those counties and will force tax increases, two lawmakers contend.

Democratic Rep. Harold Poulsen and Republican Rep. Ron Miller, both of Great Falls, said Tuesday they fear the attempt to curb welfare spending at the state level simply shifts the costs to counties.

Both legislators serve on the House Appropriations Committee, which will hear on Wednesday a bill to put into effect the spending change that was approved last week.

That's when the House, debating the major budget bill for the next two years, agreed to an amendment that would halve the amount of money slated for the state medical program.

Pointing to rising medical costs, Rep. Cal Winslow offered the amendment to cut funding from \$6 million to \$3 million a year, with the understanding that counties would match dollar for dollar any of the bills submitted from their areas. And once the state runs out of funds, the counties would have to pay the entire

costs.

The medical program is in effect only in the 12 counties, including Cascade, that have opted to have the state run their welfare programs. The counties in turn levy 12 mills and give the money to the state for welfare costs.

Winslow, R-Billings, contended the change would encourage counties to tighten their regulations for providing medical care to poor people and thus cut program costs. But Poulsen and Miller questioned whether that will happen and stressed that the counties will have to levy more mills to raise money for the unexpected medical costs.

Poulsen noted that an initiative passed last fall could force a property tax freeze, which would prevent the county from increasing its taxes. And Miller said increased taxes could hurt homeowners and "be disastrous for businesses."

They were uncertain just how much of an increase might be involved, but Poulsen said the county submitted medical bills of \$680,000 to the state last year. Under Winslow's proposal, it would have had to pay \$340,000 of those costs.

Poulsen and Miller also said the 12

counties with state-run programs are actually picking up the welfare costs of other counties, which they said offer minimal benefits and encourage people to go to a county with a state-run program.

Of those 12 counties, only four have major hospitals, Poulsen added, saying they will be even harder hit with the change. Those are Cascade, Missoula, Silver Bow and Lewis and Clark counties. The legislators also questioned whether counties can put effective controls on the medical program because both county and state employees will be involved.

"There's always turf battles as it is," Miller said.

Poulsen stressed that the welfare director in each county is actually a state employee.

"That means that that state employee can send a bill of any size and say, 'Here, pay it,'" he argued.

Both agreed that medical costs must be controlled, but they disagreed with an approach Winslow tried earlier that would have returned the state-run welfare program to the counties involved.

Poulsen said eliminating the state medical program altogether would be another option, while Miller said the Legislature should not do any-

thing until voters act next year on a proposed constitutional amendment that would allow future legislatures to limit assistance programs.

If that amendment passes, he said, the Legislature "will be able to take off welfare, in my opinion, the people who should not be on welfare."

Meanwhile, Cascade County Commissioner Jack Whitaker said Monday he would oppose raising property taxes to cover the medical costs, even if the Legislature allowed tax hikes for that purpose.

"We're going to have to say no," Whitaker said. "We're not levying a dime (more)."

Whitaker also characterized Winslow, a Billings resident, as "pretty secure down there in Yellowstone County, trying to nail" poorer counties such as Cascade. Yellowstone County is the state's richest, yet levies fewer mills of property tax for welfare than most big counties, and has not asked state government to take over its program, he said.

Winslow can easily propose raising taxes in other counties when Yellowstone County is not affected, Whitaker indicated.

Winslow was not available for comment.

mers tion e tax

an individual's ability to aid Don Judge of the Montana AFL-CIO, which also s the bill.

people standing in opposition this bill are the same peo-
moring for a sales tax,"
organized labor believes is
to low-and middle-income
Judge said.

04 "appears to be the solu-
your dilemma," said Eric
of the Montana Education
ition. "Let's balance the
and get on with what needs
one."

er education groups, includ-
at associations of school
and school administrators,
pported the bill and its \$96
appropriation to the state
program for public
s, which retains funding at
rrent or so-called "zero-
level for the coming bienni-

ier opponents joined MON-
in claiming the bill is unfair
dle-and higher-income tax-
s, and also argued it would
in adverse impact on retired

don't really think this bill
provide any meaningful tax
n," said Dennis Burr of the
ina Taxpayers Association.
re making the Montana in-
tax regressive compared to
it has been if you pass this.

Colleges could still see cuts

By SUE O'CONNELL
Tribune Capitol Bureau

HELENA — The \$3.5 million boost approved for the Montana university system Monday was "an important step" but may not forestall some program reductions at the state's six colleges, the commissioner of higher education said Tuesday.

ing levels. In response, the Board of Regents asked college presidents to outline cuts that would be made if Schweiden's recommendations were adopted.

Plans to close Montana State University's School of Architecture and the University of Montana's School of Pharmacy were among the proposals developed by the colleges, which

provision would be expensive and would provide relatively little new information on the budget. Yet opponents contended the Legislature needs more details on university spending, noting that the colleges' budgets make up one of the largest chunks of state spending.

Krause said the university system felt it could not handle the reporting without additional

LONDON
\$549
Restrictions Apply

Anderson-Elending
TRAVEL SERVICE
761-0700 or 761-1343
1-800-452-0700

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE 4-10-87

Her Bill No. 2

Time 1:13t

NAME	YES	NO
SENATOR HIMSL		✓
SENATOR JACOBSON		✓
SENATOR BENGTSON		✓
SENATOR STIMATZ		✓
SENATOR HARDING	✓	
SENATOR HAFHEY		✓
SENATOR SMITH	✓	
SENATOR KEATING	✓	
SENATOR STORY	✓	
SENATOR BOYLAN	✓	
SENATOR JERGESON		✓
SENATOR TVEIT	✓	
SENATOR MANNING		✓
SENATOR HAMMOND	✓	
SENATOR GAGE		✓
SENATOR REGAN		✓

7 9

Sylvia Kinsey
Secretary

Sen Harding reg
Senator Regan
Chairman

Changed yes (It was already yes)

MOTION: To reconsider # 12

Motion failed

H 15 Story
Senator Story
Amend House Bill 2
Section B

Page B-13, lines 8 through ⁴12.

Strike: "IN" on line 8 through "APPROPRIATION" on line 12.

SENATE FINANCE AND CLAIMS
Amended
EXHIBIT NO. 15
DATE 2-10-87
H. BILL. NO. 2

Prepared By

Approved By

SECTION

C

AMEND	#	MOTION BY	PAGE	LN	PASS	FAIL	SUB MOTION		PAGE	LN	PASS	FAIL	OTHER ACTION	
							BY							
1	1	Smith	C 3	19	✓									
2	2	Stinity	C 3	6	✓									
3	3	Baylon	C 3	19	✓									
4	4	Baylon	C 3	16	✓									
5	5	Baylon	C 3	6	✓									
6	6	Story	C 5	18	✓									
7	7	Smith	C 7	21	✓									
8	8	Smith	C 7	24	✓									
9	9	Smith	C 7	21	✓									
10	10	Smith	C 7	9	✓									
11	11	Story	C 11	16	✓									
12	12	Regmond	C 12	15	✓									
13	13	Smith	C 12	12	✓									
14	13A	Smith	C 12	12	✓									
15	14	Smith	C 12	15	✓									
16	15	Heffey	C 18	7	✓									
17	16	Heffey	C 16	14	✓									
18	17	Smith	C 18	15	✓									
19	18	Jackson	C 14	18	✓									
20	19	Jackson	C 12	24	✓									
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1, 2, 4, 5 & 7 inc.

11

12

13

✓

3 Amend E 3, 16 and F 4, 10

ROLL CALL

50th LEGISLATIVE SESSION - - 1987

Date

4-11-87

NAME	PRESENT	ABSENT	EXCUSED
SENATOR REGAN	✓		
SENATOR HIMSL	✓		
SENATOR JACOBSON	✓		
SENATOR BENGTSON	✓		
SENATOR STIMATZ	✓		
SENATOR HARDING	✓		
SENATOR HAFFEY	✓		
SENATOR SMITH	✓		
SENATOR KEATING	✓		
SENATOR STORY	✓		
SENATOR BOYLAN	✓		
SENATOR JERGESON	✓		
SENATOR TVEIT	✓		
SENATOR MANNING	✓		
SENATOR HAMMOND	✓		
SENATOR GAGE	✓		

MONTANA AGRICULTURAL STATISTICS SERVICE

P.O. BOX 4369 -- HELENA, MONTANA 59604

(406) 449-5303



Montana Agricultural Statistics Service

April '87

Objectives

Under a Cooperative Agreement between the National Agricultural Statistics Service, USDA, and the Montana Department of Agriculture, this office serves the Agricultural Industry of Montana, allied interests and the general public in collecting and publishing statistics on a State and County basis relating to the production and marketing of crops, livestock and other agricultural products. Currently, about 87 percent of funding is Federal, 13 percent State.

Functions

1. The joint Federal/State operations include:

- Gathering of data by surveys of producers and Agri-Businesses using Federal facilities and postage.
- Summarizing survey results through the Federal ADP central processing network to meet tight time schedules.
- Analyzing summarized survey data and preparing State and County estimates.
- Publishing of official USDA statistics and County estimates in bi-monthly, periodic and biennial publications.
- Special statistical surveys on data research to meet specific needs or requests.

2. The specific State Unit responsibilities and functions include:

- Preparation of County and special State statistics from Federal survey results.
- Several periodic small surveys may be conducted using State postage and mailing materials.
- Publications of the annual bulletin "Montana Agricultural Statistics" through a State contract printer.
- Publication of other periodic County or special State statistics using Federal on-site reproduction facilities.

(over)

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 1DATE 4-11-87X BILL NO. 2

3. The office handles information requests from farmers, ranchers, farm organizations and others. During 1986 the following requests were filled:

- Phone, personal visit, letters	2,065
- Montana Agricultural Statistics Bulletins (50% funded by sales, cover donated)	4,500
- Montana Crop & Livestock Reporter (twice monthly publication)	65,000
- Weekly Crop-Weather Report	61,000

4. Other Services Provided:

- Computes county level statistics for Montana for all major crops and livestock.
- Summarizes and publishes Grain Movement and Utilization data -- (based for McCarty farm case)
- Provides dairy feed and hay price data that's essential for the milk pricing formula.
- Provides beef cow prices used in accurate assessment of value for Montana Department of Revenue.
- Provides beef cattle prices used by State Lands in their grazing fee formula.
- Has conducted a Farm Finance Survey for 1984, 1985 and 1986.
- Provides direct support to the Montana Department of Agriculture as requested.

Keatno
#1 Smith
Peters

Amend House Bill 2 (third reading copy)
Section C

Page C-3, Line 19

Strike:	" 37,204	30,300	37,222	35,300"
Insert:	"102,664	40,300	99,182	45,300"

Reinstate Crop and Livestock Reporting Service

AMEND3:c-3.

SENATE FINANCE AND CLAIMS
amend
EXHIBIT NO. 1

DATE 4-11-87

H BILL NO. 2

#2
Stimatz
passed

Senator Stimatz
Amend House Bill 2 (Third reading copy)
Section C

1. Page C-3, Line 6
Strike: "218,920 215,339 52,374 26,788 226,111 210,375 40,156
25,821"
Insert: "242,558 223,505 60,110 30,226 252,481 217,284 46,935
28,809"

This amendment is to restore the funding for the deputy director of Department of Agriculture. Total cost \$86,024 for the biennium. General Fund \$50,008 for the biennium.

SENATE FINANCE AND CLAIMS
amend
EXHIBIT NO. 2
DATE 4-11-87
BILL NO. 2

AMEND3:ssc-3.

Seaton
H 3
passed
A-7
no case

Amend House Bill 2 (third reading copy)
Section C

Page C-3, Line 19

Strike: "37,204 37,222"

Insert: "42,204 42,222"

Marketing Program

SENATE FINANCE AND CLAIMS
Amend NO. *3*
DATE *4-11-87*
H BILL NO. *2*

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE 4-11-87 Bill No. 2 Time _____

NAME	YES	NO
SENATOR HIMSL		✓
SENATOR JACOBSON		✓
SENATOR BENGTON	✓	
SENATOR STIMATZ	✓	
SENATOR HARDING	✓	
SENATOR HAFLEY	✓	
SENATOR SMITH	✓	
SENATOR KEATING	✓	
SENATOR STORY		✓
SENATOR BOYLAN		✓
SENATOR JERGSON	✓	
SENATOR TVEIT	✓	
SENATOR MANNING	✓	
SENATOR HAMMOND		✓
SENATOR GAGE		✓
SENATOR REGAN		✓

9 7

Sylvia Kinsey
Secretary

Senator Regan
Chairman

MOTION: Boylan C-19
Amend #3

#4
Boy
passed

Amend House Bill 2 (third reading copy)
Section C

Page C-3, Line 16

Strike: "417,807 417,755"
Insert: "422,997 422,945"

Apiary Law Revision - HB461

SENATE FINANCE AND CLAIMS
Amend # 4
EXHIBIT NO. 4-11-87
DATE 2
H BILL NO. 2

Bay
H of Passed

Amend House Bill 2 (third reading copy)
Section C

Page C-3, Line 6
Strike: "52,374"
Insert: "63,790"

Private Special Revenue for Weed Management Project

SENATE FINANCE AND CLAIMS
Amend
EXHIBIT NO. 5
DATE 4-11-87
BILL NO. 2
H

AMEND3:c-3.

6
Sous Pamel

DEPARTMENT OF STATE LANDS

Amendment for H.B. 2/3, Blue Copy

This amendment replaces General Fund removed by the House to continue the expanded timber harvest program on school trust lands administered by the Department of State Lands.

1. Page C-5, line 18.

Strike: "5,127,065"	"5,091,497"
Insert: "5,245,065"	"5,210,325"

SENATE FINANCE AND CLAIMS
Amend
DATE 4-11-87
H BILL NO 2

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 1 - Amendment # 7-10

Proposed Amendments to HB2
Department of Fish, Wildlife and Parks
Senate Finance and Claims

DATE 4-11-87

BILL NO. 2

Bill Number	Description	Centralized Services	Enforcement	Wildlife	Con Ed	Administration
HB-64	Bow Hunter Safety Education. Adds \$1.00 to the Archery Hunter Stamp and requires FWP to conduct Archery Hunter Safety Program. (no FTE's) FY-88 FY-89					
1.)						
HB-298	Requires an elk license before a person can enter elk drawings. Allows a hunter to only kill one grizzly bear in lifetime. Requires FWP to double check applications and maintain grizzly records. (.20 FTE's) FY-88 FY-89	4,200 3,600			29,592 10,400	
2.)						
HB-526	Increases license fees for wildlife habitat (no FTE's) FY-88			3,600,000		
3.)						
HB-535	Creates nonresident deer licenses and establishes procedure for selling licenses (no FTE's) FY-88 FY-89	10,000 10,000				
4.)						
HB-658	Provides fee in lieu of property tax for boats and increases certification fee from \$1 to \$2. The certification increase is earmarked for FWP Enforcement (no FTE's) FY-89		35,000			
5.)						
HB-813	Provides fee in lieu of taxes on ATVs. Earmarks fine monies to FWP for Safety Education. (no FTE's) FY-88 FY-89				2,250 4,500	
6.)						
SE-109	Allows 1 moose permit to be auctioned and earmarks revenue for moose management (no FTE's) FY-88 FY-89			4,000 8,000		
7.)						

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 1 Am # 7- pg 2

Proposed Amendments to HB2

Department of Fish, Wildlife and Parks

Senate Finance and Claims

DATE 4-11-87

BILL NO. 2

		Centralized Services	Enforcement	Wildlife	Con Ed	Administration
8.)	Bill Number SB-177	Description Revise and continue nongame checkoff program. (.40 FTE) FY-88 FY-89		15,000 15,000		
9.)	SB-219	Establishes landowner preference for elk drawings. FWP will review applications individually (.25 FTE) FY-88 FY-89	5,900 5,900			
10.)	SB-331	Increases bird license fees and earmarks for pheasant enhancement (no FTE's). FY-88		987,000		
11.)		Conservation Reserve-Trees & Shrubs: Funding for cost sharing with ASCS to provide trees and shrubs to those in Conservation Reserve Program. FY-88 FY-89				50,000 50,000
12.)		Return Audio Visual Library Responsibility to FWP - House action took FWP funds. The department would still have to pay for film storage. (.25 FTE's) FY-88 FY-89			10,567 10,551	
13.)		Outfitter Council transferred to Commerce October 1, 1987. Funds to run program in transition at FWP from July 1 to October 1. (no FTE) FY-88	12,020			

Amendments Summary

1.) Page C-7 line 21
Strike 1,068,695
Insert 1,098,287
Strike 1,063,491
Insert 1,073,891

2.) Page C-6 line 10
Strike 1,787,055
Insert 1,791,255
Strike 1,848,982
Insert 1,852,582

526 3.) Page C-7 Following line 16
Insert: Wildlife Habitat with \$3,600,000
under state special revenue in FY-88.

Page C-8 line 19
Following 2C
Insert and 5C and 5D

4.) Page C-6 line 10
Strike 1,787,055
Insert 1,791,255
Strike 1,848,982
Insert 1,958,982

5.) Page C-7 line 9
Strike 3,662,824
Insert 3,697,824

813 6.) Page C-7 line 21
Strike 1,068,695
Insert 1,070,945
Strike 1,063,491
Insert 1,067,991

7.) Page C-7 line 14
Strike 2,658,150
Insert 2,662,150
Strike 2,604,810
Insert 2,612,810

177 8.) Page C-7 line 14
Strike 2,658,150
Insert 2,673,150
Strike 2,604,810
Insert 2,619,810

219 9.) Page C-6 line 10
Strike 1,787,055
Insert 1,791,255
Strike 1,848,982
Insert 1,853,682

Page C-7 line 9
Strike 3,684,168
Insert 3,690,068
Strike 3,662,824
Insert 3,668,724

331 10.) Page C-7 Following line 16
Insert: Pheasant Enhancement Program with
\$987,000 under State Special Revenue
in FY-88.

11.) Page C-7 line 24
Strike 731,073
Insert 781,073
Strike 783,905
Insert 833,905

12.) Page C-7 line 21
Strike 1,068,695
Insert 1,079,262
Strike 1,063,491
Insert 1,074,042

13.) Page C-7 line 9
Strike 3,684,168
Insert 3,696,188

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 97-89-10
DATE 4-11-87
BILL NO. 2

Story
110 passed

Senator Story
Amend House bill 2 (Third reading copy)
Section C

1. Page C-11, Following line 16
Strike: Line 17 and line 18 in their entirety

This amendment removes the boilerplate language which limits the amount of water resources division fund which can be used for the adjudication of pre-July 1, 1983 water rights.

SENATE FINANCE AND CLAIMS
amended
EXHIBIT NO. 11
DATE 4-11-87
X BILL NO. 2

AMEND3:ssc-11.

#12
Horn
passed

AMENDMENT TO HOUSE BILL 2

House Bill 512 - Transmitted to the Governor

PAGE C-12, LINE 15

STRIKE:	\$609,188	\$609,683
INSERT:	\$657,769	\$658,264

Aeronautics Division

House Bill 512 imposes a fee in lieu of tax on aircraft. 90% of the fee is allocated in relative proportions to taxing jurisdictions. 10% is allocated to the Aeronautics Division for administration and enforcement of aircraft registration.

This amendment adds \$48,581 of spending authority in both FY88 and FY39 for administration and enforcement as stated in the fiscal note.

Current number of aircraft registered is 1,825. Proper enforcement of the registration laws will undoubtedly increase that number.

SENATE FINANCE AND CLAIMS
amended
EXHIBIT NO. 12
DATE 4-11-87
K BILL NO. 2

In compliance with a written request, there is hereby submitted a Fiscal Note for HB512, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act imposing a fee in lieu of tax on aircraft other than airlines; exempting aircraft other than airlines taxable under the provisions of 15-23-401 through 15-23-403, MCA, from personal property taxation; providing for collection and distribution of the fee in lieu of tax on aircraft; changing the penalty for failure to register an aircraft; amending sections 15-6-138, 15-8-111, 15-24-304, 17-7-502, 67-3-201, and 67-3-202, MCA; repealing section 15-6-210, MCA; and providing an applicability date.

ASSUMPTIONS:

1. Average mills for aircraft in the 56 counties is 251.42 mills (University levy = 6 mills, school equalization = 45 mills).
2. Total taxable value in FY86 on aircraft under current law is \$4,715,980. Assume the same taxable value for FY88 and FY89.
3. The 1,825 total number of aircraft currently registered would remain constant in FY88 and FY89.
4. 1,825 total aircraft would generate \$230,915 in fees in both FY88 and FY89. 90% (\$207,824) of the fee revenue is allocated in the relative proportions to taxing jurisdictions. 10% (\$23,091) is allocated to the Department of Commerce for administering and enforcing aircraft registration.
5. The Department of Commerce estimates that the administration costs of the proposed legislation would be \$54,949 in both FY88 and FY89. Current law costs are \$6,368 in both FY88 and FY89.

FISCAL IMPACT:

	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Expenditures:						
Department of Commerce						
Aircraft Registration	\$ 6,368	\$ 54,949	\$ 48,581	\$ 6,368	\$ 54,949	\$ 48,581

NOTE: Available funding for administering and enforcing aircraft registration would be \$23,091 per year based on the 10 percent specification in the bill. Department of Commerce indicated they would need \$54,949 per year for administration. This leaves a deficit of \$31,858.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 1 - Pm # 12

DATE 4-1-87

FILE NO. 2

David L. Hunter DATE 2/3/87

DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

BOB REAM, PRIMARY SPONSOR

Fiscal Note for HB512, as introduced.

Bob Ream DATE 2/4/87

11/3 512

Fiscal Note Request, HB512, as introduced.

Form BD-15
Page 2

Revenues:

University Levy	\$ 28,296	\$ 24,161	\$ 28,296	\$ 3,969	(\$ 24,327)
School Equalization	212,219	(181,205)	212,219	29,773	(182,446)
TOTAL	\$ 240,515	\$ 205,366	\$ 240,515	\$ 33,742	(\$ 206,773)

According to the FAA, 3,320 airplanes should be registered in Montana. If this legislation increases compliance of aircraft registering, revenues will be increased by \$3,700 each year for the University Levy and \$27,700 each year for School Equalization. Local revenue would be increased by \$157,800 in each year.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

The proposed legislation would decrease revenues to local governments by \$172,675 in FY88 and \$174,082 in FY89.

SENATE FINANCE AND CLERK
EXHIBIT NO. 1
DATE 4-11-87
BILL NO. 22

pg 2

#13
Smith
Passer

AMENDMENT TO HOUSE BILL 2

Senate Bill 170 - In Senate, 3rd reading House Amendments concurred

PAGE C-12, LINE 12

STRIKE:	\$1,776,611	\$1,771,899
INSERT:	\$1,782,536	\$1,774,949

Professional & Occupational Licensing Division
Board of Optometrists

Senate Bill 170 allows optometrists to administer or prescribe certain drugs to treat eye diseases and requires them to demonstrate competency to do the same, which the board will monitor. The bill also provides for an Optometric Oversight Committee.

This amendment adds \$5,925 in FY88 and \$3,050 in FY 89 to cover the costs of the board to implement and operate the program. Funding will cover the development of rules and the expenses of holding Optometric Oversight Committee meetings.

The original fiscal note did not address the amendment to the bill which added the Oversight Committee.

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 13
DATE 4-11-87
BILL NO. 2

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB170, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

LC0663 is an act to allow an optometrist to administer or prescribe drugs to treat eye disease, and to require an optometrist to demonstrate competency to carry out such treatment.

ASSUMPTIONS:

1. Assume that 70 optometrists would be interested in obtaining licensing to prescribe drugs.
2. Assume a hearing will be required to set the rules for implementing the program.
3. Assume certificates will cost \$100, rule filing fees will be \$250, and a hearing will cost \$1000.
4. Assume the Professional and Occupational Licensing Bureau can handle the additional load without increasing the current level staffing.
5. Since the FY86 year end cash balance was \$30,800, assume the amount that expenditures exceed income will be covered by the cash balance.
6. Assume the license fees remain the same.

FISCAL IMPACT:

	FY88		
	Current Law	Proposed Law	Difference
<u>Expenditures:</u>			
Earmarked Special Revenue Fund	\$ 28,217	\$ 29,567	\$ 1350
<u>Revenues:</u>			
Earmarked Special Revenue Fund	\$ 27,925	\$ 27,925	\$ 0
CASH BALANCE	\$ 30,508	\$ 29,158	\$ (1350) See assumption number 5 above.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

None apparent.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

If expenditures exceed revenues for an extended period of time, the program will not be able to function.

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

None apparent.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 1 - *Amended*

DATE *4-11-87*

FILE NO. *2*

David L. Hunter DATE *1/22/87*

DAVID L. HUNTER, CHIEF DIRECTOR
Office of Budget and Program Planning

Tom Rasmussen DATE *1-23-87*

TOM RASMUSSEN, PRIMARY SPONSOR

Fiscal Note for SB170, as introduced.

13 A
Smith

AMENDMENTS TO HOUSE BILL 2

House Bill 555 - Signed by the Governor

AMEND PAGE C-12, LINE 12

STRIKE:	\$1,776,611	\$1,771,899
INSERT:	\$1,836,241	\$1,828,529

Professional & Occupational Licensing Division
Board of Medical Examiners
Impaired Physicians Program

This amendment adds \$59,630 in FY88 and \$56,630 in FY89 to provide appropriation authority to the Board of Medical Examiners to cover the costs of development/implementation of the program in the first year and the continuation of the program in the second year. The cost of the program will be paid for by license fees paid by 1450 licensees, at a cost of \$41/person/year.

The program is for the purpose of assisting and rehabilitating licensed physicians who are found to be physically or mentally impaired by habitual intemperance or the excessive use of narcotic drugs, alcohol, or any other drug or substance.

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 13
DATE 6-11-87
BILL NO. 2

In compliance with a written request, there is hereby submitted a Fiscal Note for HB555, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act authorizing the Board of Medical Examiners to establish a program for impaired physicians.

ASSUMPTIONS:

1. Assume that the board will develop and carry out the program through use of contracted services costing \$59,630 in FY88 and \$56,630 in FY89.
2. Assume that the board's basic operation will be unchanged.
3. Assume the license fees will be increased to cover the costs of the proposed program. Based on 1,450 licensees, the cost will be \$41/person/year.

FISCAL IMPACT:

	FY88		FY89	
	Current Law	Proposed Law	Current Law	Proposed Law
<u>Expenditures:</u>				
Earmarked Revenue	\$ 179,627	\$ 239,257	\$ 179,269	\$ 235,899
				\$ 56,630
<u>Revenues:</u>				
Earmarked Revenue	\$ 198,595	\$ 258,225	\$ 202,345	\$ 258,975
				\$ 56,630
Biennium Difference		\$ 116,260		\$ 116,260

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

There would appear to be no impact on local government.

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

None apparent.

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 1 - Amended H.B. 555
DATE 4-11-87
H.B. NO. 2

David L. Hunter
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning
DATE, 2/3/87

Jack Sands
JACK SANDS, PRIMARY SPONSOR
DATE
Fiscal Note for HB555 as introduced

AMENDMENT TO HOUSE BILL 2

PAGE C-12, LINE 15

STRIKE:	\$609,188	\$609,683
INSERT:	\$610,884	\$611,379

Aeronautics Division

This amendment adds \$1,696 to the Aeronautics Division budget and returns the audio/visual library to the Aeronautics Division.

House Bill 2 as amended on 2nd reading by Representative Cobb removed \$1,696 from the Aeronautics Division budget and transferred the film library to the Office of Public Instruction.

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 14
DATE 4-11-57
H. BILL NO. 2

DEPARTMENT OF COMMERCE
AERONAUTICS DIVISION



TEDESCHWINDEN GOVERNOR

P.O. BOX 5178
2650 AIRPORT ROAD

STATE OF MONTANA

(406) 444 2804

HELENA MONTANA 59604

April 7, 1987

MEMO TO: Keith Colbo
FROM: Michael D. Ferguson *Mike F.*
RE: Amendment to HB 2

Regarding Rep. Cobb's amendment to HB 2 which would transfer the Aeronautics Division's safety and education film library, along with \$1,696 of earmarked revenue, to OPI, I have enclosed some background information including excerpts from the 1982 Legislative Audit Report on the Department of Health and Environmental Sciences as well as correspondence from the Aeronautics Board explaining reasons for opposing this proposal.

As you can see, we have gone through this before, and I feel that the same reasons for opposing this action are still valid.

mk
Encl.

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 1 - *Amended #14*
DATE *4-11-87*
BILL NO. *2* *pg. 2*



TED SCHWINDEN
GOVERNOR

STATE OF MONTANA

Aeronautics Board

Myron K. Strand, Vice Chairman, Kalispell
Brad DeZort, Fairfield
Fred Lark, Lewistown
Terry Marshall, Billings

Clarence R. Ugrin, Secretary, Miles City
James A. McLean, Bozeman
Albert C. Cochrane, Bigfork
Robert Worthington, Great Falls



TED MATHIS
CHAIRMAN
BOZEMAN

April 6, 1987

Senator Pat Regan, Chairman
Finance and Claims Committee

Dear Senator Regan and Committee Members:

The Montana Aeronautics Board wishes to express our strong opposition to Rep. Cobb's amendment to HB 2 transferring the Aeronautics safety and education film program to OPI.

To take the aviation safety and education film away from the Aeronautics Division and place it in the Office of Public Instruction would be counter to the goals of the Aeronautics Board and Aeronautics Division as well as the entire Montana aviation community and, therefore, render this small program ineffective to the users who are primarily the aviation community and who, also, along with donors, provide the total resources.

These films are used frequently (almost daily) by Aeronautics Division personnel for many flight safety programs for pilots conducted by the Division as well as speaking engagements at teacher workshops and civic organizations. The Civil Air Patrol cadets utilize the Aeronautics Division's safety and training films during their bimonthly training sessions held at the Division headquarters. Teachers offering aviation/space education classes also utilize the appropriate film for their purposes. Many of these films have been donated (NASA, FAA, oil companies, etc.) to the Aeronautics Division for these purposes with the stipulation that they be offered free of charge. The primary users of these films have already paid for them; and to have to go through the inconvenience of obtaining them from OPI, plus having to pay for them again at the unreasonable rental rate of \$6.50 each time, would effectively destroy the program.

This amendment would increase the cost to the Aeronautics Division far more than the \$1,696 to be transferred, along with the film, to OPI - not to mention the added costs to the schools and aviation user groups. The Aeronautics Division spends very little time or money on this program. Only slightly over \$1,000 of earmarked revenue money will be spent on the entire program in FY 87, and most of this is for postage. We feel that increasing the costs of the program is reason in itself to reject this amendment, but to also take a smoothly running, effective program and turn it into a burdensome and inefficient program would certainly add to the justification of removing the Aeronautics Division film program from this amendment. The Aeronautics Board therefore respectfully urges you to remove the Department of Commerce Aeronautics Division film program from Rep. Cobb's amendment to HB 2.

Sincerely,

Ted Mathis
Ted Mathis, Chairman

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 2 *Amend # 2*
DATE 4-11-87
FILE NO. 2 *pg 3*

Slattery
15

Passed

Should be
C-18. w. C7

CLAIMS

Amend # 15
DATE 4-11-87
IT NO. 2

C-15
Following Line 25
Insert:

The Board of Investments may utilize designated commissions paid on the purchase and sale of securities for products and services customarily provided by brokers for such transactions according to applicable securities industries rules and regulations and Montana statutes. The Board will make a report to the 51st session on the use of the designated commissions.

Suppley
16
Passed

AMENDMENT TO HOUSE BILL 2
SECTION C

PAGE C-16, LINE 14

STRIKE:	2,907,845	2,937,405
INSERT:	2,999,805	3,025,405

SENATE FINANCE AND CLAIMS
Amend NO. *16*
DATE *4-11-87*
X BILL NO. *2*

House Bill 66 - Signed by Governor

Video Poker Control Program
Department of Commerce

House Bill 66 requires the licensing of Manufacturers and Distributors of video draw poker machines and associated equipment. The Video Poker Control Program will administer the provisions of this bill.

This amendment adds \$91,960 in FY88 and \$88,000 in FY89 in appropriation authority to the Video Poker Control Program to cover the costs of administering this function.

There is a coordinating amendment which will be offered in Section A of House Bill 2 to provide spending authority for the Investigations & Enforcement Division in the Department of Revenue to provide investigations, compliance and enforcement services to the Video Poker Control Program on a contractual basis.

#17
Smith
passed

AMENDMENT TO HOUSE BILL 2

Board of Investments newly created in the Department of Commerce
Montana Economic Development Board
Language

PAGE C-18, FOLLOWING LINE 15

INSERT:

"The current MEDB general fund loan for the 87 biennium will be extended through the 89 biennium."

The general fund four-year startup loan of \$150,000 is due to be repaid at fiscal year end 1987. The Montana Economic Development Board's bonding programs were severely hindered by federal legislation which caused a slow down in tax exempt bond issues and resulting fee income. The Montana Economic Development Board requests a two year extension through the 1989 biennium. This will allow the department time to create new bonding programs to replace previously anticipated income.

This language is contained in the fiscal note on SB 298 which merges the Board of Investments and the Montana Economic Development Board in the Department of Commerce.

AND CLAIMS

Amend # 17

DATE

4-11-87

FILE NO. 2

#18
Jacobson

SENATE FINANCE & CLAIMS COMMITTEE

AMENDMENT TO HB 2
(As passed by the House)

PAGE C - 14

ITEM 14.

AFTER d.

	FY '88	FY '89
Line 15. ADD e. Revenue Collection Coordination	General Fund	General Fund
	\$ 46,200	\$ 21,100

re-number subsequent information

SENATE FINANCE AND CLAIMS
Amend 18
EXHIBIT NO. 18
DATE 4-11-87
H BILL NO. 2

RATIONALE: The passage and approval of SB 146

Short Title: A bill for an act entitled: "An act designating the department of commerce as the agency responsible for coordinating collection of revenue by counties on behalf of the state; and requiring each state agency receiving revenue collected by the counties to coordinate its collection with the department of commerce."

FISCAL INFORMATION:

	FY '88		FY '89	
	Current Law	Approved Law	Current Law	Approved Law
Expenditures				
General Fund				
Personal Serv.	-0-	\$22,000	-0-	\$11,000
Operating Exp.	-0-	\$24,000	-0-	\$10,100
TOTAL	-0-	\$46,000	-0-	\$21,100

JUSTIFICATION:

SB 146 implements a Legislative Audit Committee recommendation that the department shall coordinate "both directions" the procedures and systems used by county governments to collect state revenues on behalf of the state. Commerce will prepare and maintain a "manual" for county treasurers use as a centerpiece of this coordination process. Said "manual" will contain agency directives and other instructional memos and their respective updates concerning collections and deposits for all state agencies. Last Fiscal Year, some \$65 million were collected by local governments on behalf of the state.

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE 4-11

Bill No. 2

Time 11:42

NAME	YES	NO
SENATOR HIMSL		✓
SENATOR JACOBSON	✓	
SENATOR BENGTON		✓
SENATOR STIMATZ	✓	
SENATOR HARDING		✓
SENATOR HAFLEY	✓	
SENATOR SMITH		✓
SENATOR KEATING		✓
SENATOR STORY		✓
SENATOR BOYLAN		✓
SENATOR JERGESON	✓	
SENATOR TVEIT		✓
SENATOR MANNING	✓	
SENATOR HAMMOND		✓
SENATOR GAGE		✓
SENATOR REGAN		✓
	5	11

Sylvia Kinsey
Secretary

Senator Regan
Chairman

MOTION: Jacobson # 18
failed

L

#19 6
28

Amend House Bill 2 (third reading copy)
Section C

1. Page C-12, Line 24
Strike: " 0 728,007 0 750,949"
Insert: "686,692 30,114 683,219 59,257"
2. Page C-12, Following Line 24
Strike: Line 25 on page C-12 through Line 13 on Page C-13 in their entirety.
3. Page C-15, Following Line 14
Strike: Lines 15 and 16 in their entirety.
4. Page C-18, Following Line 8
Strike: Lines 9 through 13 in their entirety.
Insert: "Items 7b and 23b are biennial appropriations."

AMENDMENT NO. 19
DATE 4-11-87
H. BILL NO. 28

#19 6
JD

Amend House Bill 2 (third reading copy)
Section E

1. Page E-3, Following Line 16
Strike: Lines 17 and 18 in their entirety.
2. Page E-4, Line 5
Strike: Line 5 in its entirety.

SENATE FINANCE AND CLAIMS
amended
DATE 19
H BILL NO 4-11-87
2

#19
JR 6

Amend House Bill 2 (third reading copy)
Section F

1. Page F-4, Following Line 10
Strike: Line 11 through Line 14 in their entirety.
2. Page F-4, Following Line 21
Strike: Line 22 in its entirety.

SENATE FINANCE AND CLAIMS
DATE 4-11-87
X BILL NO 2

Prepared By

Approved By _____

SECTION

[illegible]

Vol 1 *Amend*
Amendment to House Bill 2 - Third Reading Copy

Before the Committee on Senate Finance and Claims

1. Page D-1, Line 16:
Under Fiscal 1988 and Fiscal 1989, "Federal Special Revenue" and "total" columns
2. Strike: 1,101,854, 1,658,618, 1,101,854, 1,643,754
3. Insert: 1,290,800, 1,847,564, 1,290,800, 1,832,700
4. Adjust totals accordingly

#

Justification

The Department of Institutions as of April 7, 1987, is in receipt of the official notification by the Federal Department of Health and Human Services of our ADTR Block Grant award available during state fiscal years 1988 and 1989. Therefore, since this information is available during the time that the Legislature is in session to consider this issue, this Amendment is presented in order to request legislative approval for spending authority for this federal money.

Therefore, the purpose of this amendment is to increase the Federal Special Revenue fund in the Alcohol and Drug Abuse Division by \$188,946 in FY88 and \$188,946 in FY89. This will allow the division the additional authority necessary to spend \$377,892 additional Alcohol and Drug Abuse Treatment and Rehabilitation (ADTR) Block Grant funds.

These funds will be utilized to meet the following identified county and statewide planning needs through contracts and service agreement with existing, state-approved, treatment programs:

1. To ensure that current levels of outreach and outpatient chemical dependency treatment services are maintained statewide by supplementing existing state and local revenues. Expansion of these services will be determined through the County Planning process and the Department of Institutions' competitive contract process with local service providers.
2. To purchase residential services from freestanding programs for indigents in the eastern part of the state due to the large geographical distance to the Montana State Hospital, Alcohol Service Center at Galen, Montana.
3. To purchase additional transitional living services.

SENATE FINANCE AND CLAIMS
Amendment 1 - Section
EXHIBIT NO. *1*
DATE *4-10-87*
PAGE NO. *2*

#2
Being
passed

Amend House Bill 2

1. Page D-6, Line 18

Strike: "2,833,740 525,722 2,858,834 525,722"

Insert: "2,848,740 510,722 2,873,834 510,722"

This amendment returns the Pine Hills School interest and income account back to the level established in the subcommittee of \$285,000 each year of the biennium. There is a corresponding increase in general fund of \$15,000 each year or \$30,000 for the biennium.

STATE FINANCE AND CLAIMS
OFFICE NO. #2
DATE 4-10-87
FILE NO. 2

Print # 3 Passed

Amend House Bill 2

1. Page D-3, Line 20

Strike: "2,205,017 2,223,251 (general fund columns)

Insert: "2,229,779 2,248,146 (general fund columns)

This amendment adds back the 1.5 FTE food service workers deleted on the house floor. The general fund cost is \$24,762 in fiscal 1988 and \$24,895 in fiscal 1989 for a biennium cost of \$49,657.

AMEND2:hb2d-3.

SENATE FINANCE AND CLAIMS
Amendment
CREDIT NO. 3
DATE 4-10-87
H BILL NO. 2

Manning
Bussell
Amendment to HB 2 (Third reading copy)

Section B

- 1) Page B-12, Line 16.

Strike: Lines 16 through 18 in their entirety

- 2) Page B-12, Line 20.

Following: "providers . ."

Strike: "or foster care providers"

- 3) Page B-12, Line 21.

Strike: "or foster care services"

Section D

- 1) Page D-7, Line 24.

Following: Line 23

Insert: "Any third-party payments or reimbursement from any source received by the department to offset costs of the foster care program, in excess of \$350,000 in fiscal 1988 or \$350,000 in fiscal 1989, must cause a general fund reversion of an amount equal to the excess payments or reimbursement.

The department may not consider donated or nondepartmental contracted funds obtained by foster care providers when allocating or contracting state payments for foster care services."

Amend
EXHIBIT NO. *4*
DATE *4-10-87*
H BILL NO. *2*
IN RE AND CLAIMS

Amendment to HB 2 (third reading copy)

This amendment moves, in its entirety, appropriation language regarding the foster care program from the Department of Social and Rehabilitation Services to the Department of Family Services.

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 1 Amend # 4
DATE 4-10-87
X BILL NO. 2

5
Manning
(1987-1988) - passed

AMENDMENT TO HB 2
(THIRD READING COPY)
GENERAL APPROPRIATIONS ACT

1. Page D-5, line 21.
Strike:

<u>"7,473,511</u>	<u>14,878,719</u>	<u>7,546,576</u>	<u>14,979,213"</u>
-------------------	-------------------	------------------	--------------------

Insert:

"7,503,511	14,908,719	7,576,576	15,009,213"
------------	------------	-----------	-------------

2. Page D-5, line 24.
Strike:

<u>"14,362,255</u>	<u>24,083,526</u>	<u>14,438,317</u>	<u>24,188,006"</u>
--------------------	-------------------	-------------------	--------------------

Insert:

"14,392,255	24,113,526	14,468,317	24,218,006"
-------------	------------	------------	-------------

Adjust: Totals in HB 2 accordingly.

Amend
SENATE FINANCE AND CLAIMS
DATE 4-10-87
BILL NO 2
H

IN-HOME SERVICES: This increase for \$30,000 per year in general fund will provide additional services to the aging network's local programs to help meet the needs of the elderly in providing the following services: home attendant, home care, personal care, respite care, medical alert, environmental modification, home health, and transportation. The program will be targeted to elderly who are 75 years of age or older, living alone or are socially and economically disadvantaged. A \$30,000 per year increase will allow in-home services to be extended to an additional 851 eligible clients in the community, based on an average cost in FY86 of \$35.25 per person. The nursing home cost for 850 people (the most conservative number served in FY86 who, without the program, would have required nursing home placement) would on average exceed \$14.5 million per year.

FY88	291,000	to	321,000
FY89	286,000	to	316,000

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 1 - Amend #5 Sub D
DATE 4-10-87
H BILL NO. 2

1 2
James Manning

Amendment to HB 2, (Third reading copy)

Section D

1) Page D-5, line 19

Strike:

<u>"6,888,744</u>	<u>2,316,063</u>	<u>9,204,807</u>	<u>6,891,741</u>	<u>2,317,052</u>	<u>9,208,793"</u>
-------------------	------------------	------------------	------------------	------------------	-------------------

Insert:

"6,920,671	2,326,796	9,247,467	6,920,120	2,326,593	9,246,713"
------------	-----------	-----------	-----------	-----------	------------

2) Page D-5, line 24

Strike:

<u>"14,362,255</u>	<u>9,632,271</u>	<u>24,083,526</u>	<u>14,438,317</u>	<u>9,660,689</u>	<u>24,188,006"</u>
--------------------	------------------	-------------------	-------------------	------------------	--------------------

Insert:

"14,394,182	9,643,004	24,126,186	14,466,696	9,670,230	24,225,926"
-------------	-----------	------------	------------	-----------	-------------

Adjust: Totals in HB 2 accordingly

Amendment
H
SENATE FINANCE AND CLAIMS
EXHIBIT NO. 6
DATE 4-10-87
BILL NO. 2

Amendment to HB 2 (Third reading copy)

This amendment adds the following amounts to the social services program in the Department of Family Services.

<u>Fiscal 1988</u>			<u>Fiscal 1989</u>		
<u>General Fund</u>	<u>Federal Special Revenue</u>	<u>Total</u>	<u>General Fund</u>	<u>Federal Special Revenue</u>	<u>Total</u>
31,927	10,733	42,660	28,379	9,541	37,920

This adjustment is necessary to provide adequate funding for the program for worker's compensation coverage. These amounts had been removed from the program's original budget request as it was assumed the worker's compensation modification factor for the program in the new Department of Family Services would be 1.00. The Department was recently informed that modification factor would be based on the program's historical usage in SRS (or approximately 1.30). This requires the funds be included in the program's budget.

SECRET - FOR OFFICIAL USE ONLY
EXHIBIT NO. 1 Am #6
DATE 4-10-87
H. BILL NO. 2

Amendment to HB2
Montana Historical Society

Rationale:

To correct an error in allocation of vacancy savings between funds which properly pay for authorized FTE.

AMENDMENT

Page D-9

Line 11	FY88 General Fund Column	strike "\$423,520"	insert	"\$425,760"
Line 11	FY88 Fed. Spec. Rev. Column	strike "\$59,810"	insert	"\$57,570"
Line 11	FY89 General Fund Column	strike "\$429,174"	insert	"\$431,418"
Line 11	FY89 Fed. Spec. Rev. Column	strike "\$59,926"	insert	"\$57,682"
Line ¹⁶ 16	FY88 General Fund Column	strike "\$205,056"	insert	"\$207,379"
Line ¹⁷ 16	FY88 Fed. Spec. Rev. Column	strike "\$165,442"	insert	"\$163,119"
Line ¹⁷ 16	FY89 General Fund Column	strike "\$205,018"	insert	"\$207,342"
Line ¹⁷ 16	FY89 Fed. Spec. Rev. Column	strike "\$131,304"	insert	"\$129,980"
Line 24	FY88 General Fund Column	strike "\$80,989"	insert	"\$81,319"
Line 24	FY88 Fed. Spec. Rev. Column	strike "\$22,600"	insert	"\$22,270"
Line 24	FY89 General Fund Column	strike "\$81,631"	insert	"\$81,961"
Line 24	FY89 Fed. Spec. Rev. Column	strike "\$17,000"	insert	"\$16,670"

Page D-10

Line 6	FY88 General Fund Column	strike "\$60,862"	insert	"\$65,729"
Line 6	FY88 Fed. Spec. Rev. Column	strike "\$760,395"	insert	"\$755,528"
Line 6	FY89 General Fund Column	strike "\$59,498"	insert	"\$64,359"
Line 6	FY89 Fed. Spec. Rev. Column	strike "761,630"	insert	"\$756,769"

SENATE FINANCE AND CLAIMS
Amendment 7
DATE 4-10-87
BILL NO. 2

Amendment to House Bill 2
Montana Historical Society (2)

SENATE FINANCE AND
BUDGET
COMMITTEE
DATE 4-10-87
BILL NO. 2

Remove 4% vacancy savings from non general fund areas of the Society budget.

AMENDMENT

Page D-9

Line 11	FY88 Fed. Spec. Rev. Column	strike "\$57,570"	insert	"\$59,810"
Line 11	FY88 Total Column	strike "\$483,330"	insert	"\$485,570"
Line 11	FY89 Fed. Spec. Rev. Column	strike "\$57,682"	insert	"\$59,926"
Line 11	FY89 Total Column	strike "\$489,100"	insert	"\$491,344"
Line 17	FY88 Fed. Spec. Rev. Column	strike "\$163,119"	insert	"\$165,442"
Line 17	FY88 Total Column	strike "\$370,498"	insert	"\$372,821"
Line 17	FY89 Fed. Spec. Rev. Column	strike "\$129,980"	insert	"\$131,304"
Line 17	FY89 Total Column	strike "\$336,322"	insert	"\$338,646"
Line 20	FY88 Proprietary Column	strike "\$479,352"	insert	"\$484,927"
Line 20	FY88 Total Column	strike "\$520,672"	insert	"\$526,247"
Line 20	FY89 Proprietary Column	strike "\$514,316"	insert	"\$519,880"
Line 20	FY89 Total Column	strike "\$555,636"	insert	"\$561,200"
Line 24	FY88 Fed. Spec. Rev. Column	strike "\$22,270"	insert	"\$22,600"
Line 24	FY88 Total Column	strike "\$103,589"	insert	"\$103,919"
Line 24	FY89 Fed. Spec. Rev. Column	strike "\$16,670"	insert	"\$17,000"
Line 24	FY89 Total Column	strike "\$98,631"	insert	"\$98,961"

Page D-10

Line 6	FY88 Fed. Spec. Rev. Column	strike "\$755,528"	insert	"\$760,395"
Line 6	FY88 Total Column	strike "\$821,257"	insert	"\$826,124"
Line 6	FY89 Fed. Spec. Rev. Column	strike "\$756,769"	insert	"\$761,630"
Line 6	FY89 Total Column	strike "\$821,128"	insert	"\$825,989"
Line 12	FY88 Fed. Spec. Rev. Column	strike "\$52,203"	insert	"\$53,549"
Line 12	FY88 Total Column	strike "\$52,203"	insert	"\$53,549"

Page D-10 - Continued

Line 12	FY89 Fed. Spec. Rev. Column	strike "\$52,140"	insert	"\$53,484"
Line 12	FY89 Total Column	strike "\$52,140"	insert	"\$53,484"

FOR INVOICE AND CLAIMS
DATE 8-10-87 pg 2
BILL NO. 2

See Haffey

*changed
4/10/89
Matter to change*

AMENDMENT TO HOUSE BILL 2
SECTION A

House Bill 66 - Signed by Governor

Investigations & Enforcement Division
Department of Revenue

House Bill 66 requires the licensing of Manufacturers and Distributors of video draw poker machines and associated equipment. The Video Poker Control Program will contract with the Investigations & Enforcement Division in the Department of Revenue for enforcement activities related to HB66.

This amendment adds \$13,260 in FY88 and \$51,300 in FY89 to the Investigations & Enforcement Division to cover the costs of providing that service.

There is a coordinating amendment which will be offered in Section C of House Bill 2 to provide spending authority for the Video Poker Control Program in order to administer the provisions of HB66.

AMEND PAGE A-17

FTE Uploaded

LINE 19

Strike	\$250,637	\$249,651
Insert	263,897	300,951

Passed

SENATE FINANCE AND CLAIMS

EXHIBIT NO. _____

DATE _____

BILL NO. _____

BILL NO.

DATE _____

Initials	Date
----------	------

Prepared By

Approved By

SECTION

[illegible]

Jacobson #1 *Passed*

Amend House Bill 2 (third reading copy)
Section E

1. Page E-1, Following Line 11
Insert: "c. Interim Study on Adequacy and Cost of Accreditation
Standards
47,100 50,725" (general fund columns)

This amendment adds the appropriation from the fiscal note of HJR16 Interim Study on Adequacy and Cost of Accreditation Standards -- Fiscal Process (see attached). This resolution has passed both the Senate and the House. The House Appropriations Committee supported this funding to the Board of Public Education in order for the Board to carry out the responsibilities as stated in the resolution. Because this resolution has now passed both houses with strong support, this amendment is brought to the Senate Finance and Claims Committee at this time rather than waiting until the conference committee on HB2.

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE _____ Bill No. _____ Time _____

NAME	YES	NO
SENATOR HIMSL		✓
SENATOR JACOBSON	✓	
SENATOR BENGTON		✓
SENATOR STIMATZ	✓	
SENATOR HARDING	✓	
SENATOR HAFLEY	✓	
SENATOR SMITH		✓
SENATOR KEATING		✓
SENATOR STORY	✓	
SENATOR BOYLAN		✓
SENATOR JERGSON	✓	
SENATOR TVEIT		✓
SENATOR MANNING	✓	
SENATOR HAMMOND		✓
SENATOR GAGE		
SENATOR REGAN	✓	

8 9

Sylvia Kinsey
Secretary

Senator Regan
Chairman

MOTION: Co - 1 line 11

#1

2
Hammond
Webster

MDM. CHAIRMAN: I MOVE TO AMEND HOUSE BILL 2

3RD READING COPY (blue) AS FOLLOWS:

1)Page E4, Line 7

Add: If federal revenues exceed the amount budgeted, the Agency may submit a budget amendment to include additional federal spending authority unless specifically prohibited by the legislature.

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE _____ Bill No. _____ Time _____

NAME	YES	NO
SENATOR HIMSL		
SENATOR JACOBSON		
SENATOR BENGTON		
SENATOR STIMATZ		
SENATOR HARDING		
SENATOR HAFLEY		
SENATOR SMITH		
SENATOR KEATING		
SENATOR STORY		
SENATOR BOYLAN		
SENATOR JERGSON		
SENATOR TVEIT		
SENATOR MANNING		
SENATOR HAMMOND		
SENATOR GAGE		
SENATOR REGAN		

Sylvia Kinsey
Secretary

Senator Regan
Chairman

MOTION: Sen #2

Withdraw

#3
Hammond - passed

MDM. CHAIRMAN: I MOVE TO AMEND HOUSE BILL 2
3RD READING COPY (BLUE) AS FOLLOWS:

1) Page E3, Line 9

Strike: "849,051 852,423"

Insert: "870,397 873,767"

#4
Manning

AMEND HOUSE BILL 2

Blue

CCPY

PAGE E2; LINE 8

STRIKE: '686,896 691,805'

INSERT: '702,295 787,991'

AMEND TOTALS TO CONFORM.

COMMENTS:

THIS AMENDMENT REDUCES VACANCY SAVINGS OF FOUR (4) PERCENT ASSESSED AGAINST THE STUDENT SERVICES PROGRAM TO FOUR (4) PERCENT AGAINST ADMINISTRATIVE POSITIONS AND ONE (1) PERCENT AGAINST DIRECT-CARE POSITIONS. THE GENERAL FUND COST OF THE REDUCTION IN THE VACANCY SAVINGS RATE ASSESSED AGAINST THE STUDENT SERVICES PROGRAM IS \$16,199 IN FISCAL 1988 AND \$16,186 IN FISCAL 1989.

Jackson
#5 *James*

MDM. CHAIRMAN: I MOVE TO AMEND HOUSE BILL 2
3RD READING COPY (BLUE) AS FOLLOWS:

1) Page E2, Line 25
Strike "847,788 254,446 250,484"
Insert "852,788 237,905 237,944"

Johnson
passed #6

**TRANSFER OF VOCATIONAL-TECHNICAL CENTERS TO
GOVERNANCE BY BOARD OF REGENTS**

**Amend House Bill 2
Section E**

1. Page E-11, Line 16
Strike: "superintendent of public instruction"
Insert: "commissioner of higher education"

7
Jacobson
Pasquel

Amend House Bill 2 (third reading copy)
Sections E and F

1. Page E-3, Line 6
Strike: "274,812 389,077 274,467 388,881"
Insert: "178,167 274,085 177,974 274,044"
2. Page F-2, following line 19
Insert: "2. Vocational-Technical Administration"
Fiscal 1988: "82,319 153,319" (General Fund & Federal columns)
Fiscal 1989: "93,165 153,165" (General Fund & Federal columns)

Renumber Items

LFA will adjust totals.

These amendments transfer authority from the Office of Public Instruction to the Office of the Commissioner of Higher Education for administration of the vocational-technical centers in accordance with House Bill 39, which transfers governance of the centers to the Board of Regents. There is a general fund savings of \$17,654 for the biennium as a result of the transfer.

Blue

COPY

PAGE E2; LINE 11

STRIKE: "932,839 938,876"

INSERT: "934,839 949,878"

AMEND TOTALS TO CONFORM.

COMMENTS:

THIS AMENDMENT REPLACES A PROJECTED SHORTAGE IN FEDERAL CHAPTER ONE FUNDS OF \$2,000 IN FISCAL 1988 AND 19,000 IN FISCAL 1989 WITH GENERAL FUND. THESE FUNDS ARE USED TO MAINTAIN COUNSELING, AUDIOLOGICAL AND PSYCHOLOGICAL SERVICES TO STUDENTS AT THE SCHOOL AND AROUND THE STATE. ADDITIONALLY, FEDERAL CHAPTER 1 FUNDS ARE USED TO MAINTAIN POSITIONS RESPONSIBLE FOR PROCESSING REQUESTS FROM SCHOOL DISTRICTS (REQUESTS FOR BOOKS, STUDENT RECORDS, ETC.).

SECTION

F

[illegible]

1
Jacobson
Withdrawn

UNIVERSITY OF MONTANA, MONTANA STATE UNIVERSITY
NON-RESIDENT TUITION CONTINGENCY

Senator Jacobson
Amend House Bill 2 (third reading copy)

1. Page F-9, Following Line 15
Insert: "8. Contingent Appropriation"
"340,472 372,114" (general fund column)
2. Page F-9, Line 21
Strike: "7."
Insert: "8."
3. Page F-9, Following Line 21
Insert: "The money in item 8 may be expended only if gross actual nonresident incidental fee revenues, reduced by 18.45 percent for nonresident waivers, are less than \$1,631,995 for fiscal 1988 and less than \$1,605,092 for fiscal 1989, and then only up to the difference between net actual nonresident incidental fee revenues and the \$1,631,995 and \$1,605,092. For every dollar expended from the contingent appropriation, one dollar of appropriation authority from the current unrestricted subfund reverts."
4. Page F-10, Following Line 23
Strike: "8. Contingent Appropriation"
Insert: "337,030 485,766" (general fund column)
5. Page F-11, Line 7
Strike: "7."
Insert: "8."
6. Page F-11, Following Line 7
Insert: "The money in item 8 may be expended only if gross actual nonresident incidental fee revenues, reduced by 18.45 percent for nonresident waivers, are less than \$1,748,796 for fiscal 1988 and less than \$1,751,420 for fiscal 1989, and then only up to the difference between net actual nonresident incidental fee revenues and the \$1,748,796 and \$1,751,420. For every dollar expended from the contingent appropriation, one dollar of appropriation authority from the current unrestricted subfund reverts."

LFA will amend the totals.

This amendment does not increase expenditure authority. This amendment creates a contingency fund for possible undercollection of nonresident fees, increasing general fund by \$667,502 in fiscal 1988 and by \$857,880 in fiscal 1989 for a biennium total of \$1,525,382.

AMEND3:sj2-f.

2 Jacobson

MONTANA STATE UNIVERSITY, UNIVERSITY OF MONTANA
NONRESIDENT TUITION SUPPLEMENTAL

Senator Jacobson
Amend House Bill 2 (third reading copy)
Section F

1. Page F-9, Following Line 21
Insert: "If gross actual nonresident incidental fee revenues, reduced by 18.45 percent for nonresident waivers, are less than \$1,631,995 for fiscal 1988 and less than \$1,605,092 for fiscal 1989, Montana State University may request a supplemental for the difference."
2. Page F-11, Following Line 7
Insert: "If gross actual nonresident incidental fee revenues, reduced by 18.45 percent for nonresident waivers, are less than \$1,748,796 for fiscal 1988 and less than \$1,751,420 for fiscal 1989, the University of Montana may request a supplemental for the difference."

#3
Jacobson
Passed

UNIVERSITY OF MONTANA - SUPPORT PROGRAM

Senator Jacobson
Amend House Bill 2 (third reading copy)
Section F

1. Page F-10, Line 15
Strike: "1,579,801 1,558,539"
Insert: "1,883,300 1,860,880"

LFA will amend totals.

This amendment increases the support program with general fund of \$303,499 in fiscal 1988 and \$302,341 in fiscal 1989 for a total of \$605,840.

4
Amend
General
to Vote

Amend House Bill 2 (third reading copy)
Section F

1. Page F-3, Line 6
Strike: "1,656,141 1,415,429" (general fund columns)
Insert: "1,621,141 1,380,429"

Delete \$70,000 which was added for the Family Practice Residency Training Program pursuant to Title 50, Chapter 5, Part 6, MCA.

#4
Aminal

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE 4-11 Bill No. 2 Time 3:20

NAME	YES	NO
SENATOR HIMSL	✓	1
SENATOR JACOBSON		✓
SENATOR BENGTON		✓
SENATOR STIMATZ		✓
SENATOR HARDING	✓	
SENATOR HAFPEY		✓
SENATOR SMITH	✓	
SENATOR KEATING	✓	
SENATOR STORY	✓	
SENATOR BOYLAN	✓	
SENATOR JERGSON		✓
SENATOR TVEIT		✓
SENATOR MANNING		✓
SENATOR HAMMOND		✓
SENATOR GAGE	✓	
SENATOR REGAN	✓	
	8	8

Sylvia Kinsey
Secretary

Senator Regan
Chairman

MOTION: # 4 F 3, line 6

Let
Failed

Jergeson
#5
Passed

TWO PERCENT VACANCY SAVINGS FOR COOPERATIVE EXTENSION SERVICE

**Senator Jergeson
Amend House Bill 2
Section F**

1. Page F-6, line 23
Strike: "1,906,998 1,908,470" (general fund columns)
Insert: "1,954,375 1,955,847" (general fund columns)

LFA will adjust totals

Story
14 6

MONTANA STATE UNIVERSITY - MUSEUM OF THE ROCKIES

Senator Story
Amend House Bill 2
Section F

1. Page F-9, Following Line 9
Insert: "c. Museum of the Rockies"
"120,000 120,000" (general fund columns)

LFA will amend totals.

This amendment increases the budget for Montana State University for 4.0 FTE at the Museum of the Rockies. The positions would include a planetarium director, a dinosaur preparator, a planetarium technician, and a curator of archeology. Total cost to the general fund would be \$240,000 for the 1989 biennium.

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE _____ Bill No. 2 Time 3

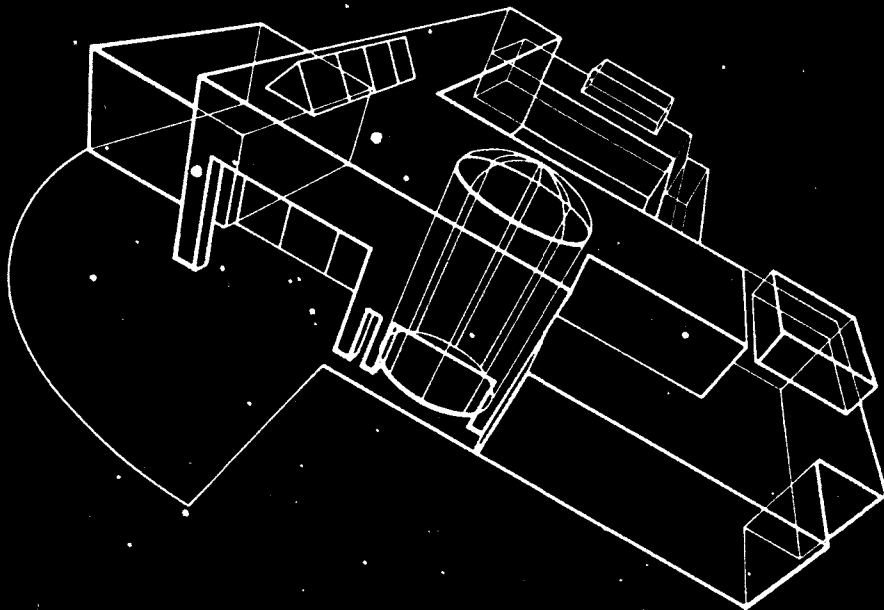
NAME	YES	NO
SENATOR HIMSL	✓	1
SENATOR JACOBSON	✓	
SENATOR BENGTSON	✓	
SENATOR STIMATZ	✓	
SENATOR HARDING	✓	
SENATOR HAFFEY	✓	
SENATOR SMITH		✓
SENATOR KEATING		✓
SENATOR STORY	✓	
SENATOR BOYLAN	✓	
SENATOR JERGESON		✓
SENATOR TVEIT		✓
SENATOR MANNING	✓	
SENATOR HAMMOND		✓
SENATOR GAGE		
SENATOR REGAN		✓

9 6

Sylvia Kinsey
Secretary

Senator Regan
Chairman

MOTION: # 6 Story F 9, line 7



SENATE FINANCE AND CLAIMS
EXHIBIT NO. 1 - Amiat #6
DATE 4-11-87
BILL NO. HB2



A N E W S T A R
I S R I S I N G
O V E R T H E R O C K I E S

#7
Keating

filed
J. C. W.

UNIVERSITY FUNDING STUDY

Senator Keating
Amend House Bill 2 (third reading copy)
Section F

1. Page F-7, Line 22
Strike: "15,000"
Insert: " 5,000"
2. Page F-7, Line 24
Strike: "130,000"
Insert: " 40,000"

LFA will amend totals.

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE

Bill No.

Time

NAME

YES

NO

SENATOR HIMSL

SENATOR JACOBSON

SENATOR BENGTON

SENATOR STIMATZ

SENATOR HARDING

SENATOR HAFLEY

SENATOR SMITH

SENATOR KEATING

SENATOR STORY

SENATOR BOYLAN

SENATOR JERGSON

SENATOR TVEIT

SENATOR MANNING

SENATOR HAMMOND

SENATOR GAGE

SENATOR REGAN

6

9

Sylvia Kinsey

Secretary

Senator Regan

Chairman

MOTION:

7

F 7 line 22

Keating over

no

failed

#8
Jergeson
Port

Senator Jergeson
Amend House Bill 2
Section F

1. Page F-8, Line 11

Insert: "The study shall also address cost-effective methods of developing uniform personnel and class enrollment systems, and consistent statewide budgeting and accounting system procedures and reports."

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE _____ Bill No. _____ Time _____

NAME	YES	NO
SENATOR HIMSL		✓
SENATOR JACOBSON	✓	
SENATOR BENGTSON		✓
SENATOR STIMATZ	✓	
SENATOR HARDING		✓
SENATOR HAFFEY	✓	
SENATOR SMITH		✓
SENATOR KEATING	✓	
SENATOR STORY	✓	
SENATOR BOYLAN		✓
SENATOR JERGESON	✓	
SENATOR TVEIT	✓	
SENATOR MANNING		✓
SENATOR HAMMOND	✓	
SENATOR GAGE		
SENATOR REGAN	✓	

9 6

Sylvia Kinsey _____
Secretary

Senator Regan _____
Chairman

MOTION: July 8 line 1 # 5

Passed

Revised
9

Amend House Bill 2 (third reading copy)

1. Page BP-2, Following Line 16

Insert: "(3) The Board of Regents shall present in the manner set forth in 17-7-111, for legislative consideration, budget proposals relating to major recharge centers, such as the computer center, motor pool, and maintenance and service centers. All non-major recharge centers shall be presented as one program in the manner set forth in 17-7-111 for legislative review."

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE _____ Bill No. _____ Time _____

NAME	YES	NO
SENATOR HIMSL		✓
SENATOR JACOBSON		✓
SENATOR BENGTON		✓
SENATOR STIMATZ		✓
SENATOR HARDING		✓
SENATOR HAFLEY		✓
SENATOR SMITH		✓
SENATOR KEATING		✓
SENATOR STORY		✓
SENATOR BOYLAN		✓
SENATOR JERGSON	✓	
SENATOR TVEIT		✓
SENATOR MANNING		✓
SENATOR HAMMOND	✓	
SENATOR GAGE		
SENATOR REGAN	✓	

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Sylvia Kinsey
Secretary

Senator Regan
Chairman

MOTION: BP 2 - line 16

Reg