

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

JOINT MEETING OF THE JOINT SUBCOMMITTEE ON INSTITUTIONS & CULTURAL EDUCATION AND THE JOINT SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By REP. ED GRADY, Chairman, on January 28, 1993,
at 5:00 pm

ROLL CALL

Members Present:

Rep. Ed Grady, Chair (R)
Sen. Eve Franklin, Vice Chair (D)
Sen. Gary Aklestad (R)
Sen. Tom Beck (R)
Sen. J.D. Lynch (D)
Rep. Red Menahan (D)
Rep. Linda Nelson (D)
Long-Range Planning Committee Members
Rep. Ernest Bergsagel, Chair
Sen. Bob Hockett, Vice Chair
Sen. Ethel Harding
Sen. Eleanor Vaughn
Rep. Francis Bardonoue
Rep. Tom Zook

Members Excused: NONE

Members Absent: SEN. ETHEL HARDING (Long-Range Planning
Committee)

Staff Present: Jim Haubein, Legislative Fiscal Analyst
Sandra Whitney, Legislative Fiscal Analyst
Jane Hamman, Office of Budget & Program Planning
Mary LaFond, Office of Budget & Program Planning
Judy Murphy, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: JOINT MEETING OF
INSTITUTIONS/CULTURAL EDUCATION AND
LONG-RANGE PLANNING COMMITTEES

Executive Action: NONE

HEARING ON JOINT MEETING OF INSTITUTIONS/CULTURAL EDUCATION AND
LONG-RANGE PLANNING COMMITTEES

Tape No. 1:A

Informational Testimony:

Rick Day, Department of Corrections and Human Services Director, presented the reduction plan requested by the Institution/Cultural Education Committee.

The plan establishes priorities and outlines how the Subcommittee could make budget reductions to bring the Department's budget within the \$158 million dollar spending limitation.

The plan identifies reduction options which would affect approximately 392 employees and result in approximately \$32 million dollars in general fund savings. The plan focuses on program elimination rather than across the board cuts; but still includes programs which offer a new approach.

MENTAL HEALTH DIVISION

Closure of Acute Care and Nursing Care at Galen

Eliminate acute care unit and nursing care unit at the Galen campus at Montana State Hospital.

General Fund Savings \$4,819,995

Legislation required - SB 39 and SB 40 have been introduced to authorize the closure of these two units.

SPECIAL SERVICES DIVISION

Eastern Montana Veterans Home (EMVH)

Eliminate EMVH Building Costs by cancelling plans to build the new Glendive nursing home and transfer to General Fund.

General Fund Savings \$1,700,000

Eliminate the DCHS budget modification request for funds to operate the EMVH 80 bed facility.

General Fund Savings \$1,288,794

Use two cent cigarette tax to fund Montana Veterans Home (MVH) operating expenses

General Fund Savings \$2,303,443

Legislation required - to transfer current \$1.7 million in Dept. of Administration's Long Range Building Account to the general fund, eliminate the EMVH and appropriate the two cent cigarette tax to operate the MVH.

Options to the above - Use the two cent cigarette tax to fund a stipend or insurance program to offset or fund veterans nursing needs at a facility of the veteran's choice or to help them stay at home. Remodel and convert Eastmont Center for the developmentally disabled to a smaller veterans home.

ALCOHOL AND DRUG ABUSE DIVISION

Eliminate general fund associated with the Lighthouse program and ensure the chemical dependency program pays a reasonable portion of expense associated with the operation of Galen.

General Fund Savings \$814,166

Legislation required - appropriations action only

Move the CD off the Galen campus and close the facility

General Fund Savings \$998,590

Legislation required - Amendments to SB 39 & 40 may be sufficient along with appropriations action

MENTAL HEALTH DIVISION

Elimination of a block grant to the mental health centers to subsidize services for adults who do not have a serious mental illness but who do not have the ability to pay for the mental health services they need.

General Fund Savings - \$1,194,422

Legislation required - There is no law which explicitly prohibits the Department from eliminating state funded services for certain diagnosis/disability groups.

CORRECTIONS DIVISION

Elimination and downsizing of institutions with a community corrections emphasis.

Eliminate or reduce all modification requests including: Community Corrections Alternatives, Montana State Prison Alternatives, Women's Correctional Center Alternative and Swan River Forest Camp Alternative.

General Fund Savings \$15,183,616

Eliminate or privatize Swan River Forest Camp, Missoula Life Skills Center, Women's Life Skills Center and Women's Correctional Center.

General Fund Savings \$5,860,848

Place a cap on the offender system, provide for good time to be added to the end of an inmate's sentence and reduce prison staff.

General Fund Savings \$3,242,661

IMPLEMENTATION OF A DOWNSIZED WOMEN'S CORRECTIONAL CENTER IN BILLINGS.

Because of the possibility of no construction this biennium, the need to improve conditions and programs and the potential for a lawsuit, the following reflects an option for consideration:

Transfer 15 to 20 violent and long-term inmates to Wyoming.

Contract with the Yellowstone County Jail to lease a 32 bed pod to serve as a security base to program the remaining female offenders who would need a secure setting.

Women transferred to Wyoming (20) \$803,000

Cost to House and Program 32 Women to Yellowstone Co.
\$2,220,000

INCREASE RECOMMENDED EXPANSION OF PROBATION AND PAROLE

\$1,726,408

Create new Pre-release Center to serve 150 phased in over a two-year period. \$3,023,746

Total General Fund Savings After Additions: \$16,513,971

Impact and Legislation needed:

Closing of Swan River Forest Camp will eliminate a program that has been very helpful in addressing the young offender.

Closing of the Missoula and Billings Life Skills Center.

Closing of the Women's Center at Warm Springs.

Reduction at MSP.

MENTAL HEALTH DIVISION

Eliminate Center for the Aged modification

Center staff estimate that 27 current residents could be served in private nursing homes

General Fund Savings \$971,109

Legislation required - No legislation is required although the Department must be able to enforce a population cap at the Center.

Sale of Center for the Aged

General Fund Savings \$6,021,229

Legislation required - specific legislative authority will be necessary in order to sell the Center. Consider reinvestment of any potential sale proceeds to improve the state hospital or for other mental health programs.

SPECIAL SERVICES DIVISION

Downsize and close Eastmont Human Services Center (EHSC) during 1995 Biennium and sell facility.

General Fund Savings \$1,792,403

Legislation required - statutes referencing EHSC would need to be changed by the 1995 Legislature.

Options for the above proposal:

Do not sell the facility, but remodel and convert to a smaller 50 bed eastern Montana veterans home.

General Fund Savings \$660,171

EXHIBIT 1**Questions, Responses, and Discussion:**

SEN J.D.LYNCH stated he sees no reduction in staff support in Helena.

Mr. Day said the committee needs to make the decision on what staff will be reduced. The Department requires central administration as long as there are services required. At some point, central office costs could be reduced depending upon the service level remaining following any major expenditure reductions. EXHIBIT 1 page 7 (bottom of page)

CHAIRMAN GRADY said the department was given the task of putting together a department priority list.

REP. RED MENAHAN stated some of the staff cuts could be made at the 11th Avenue facility.

SEN. HOCKETT asked Mr. Day to explain the items on the priority list that would be one-time savings and which ones would be on-going savings.

Mr. Day explained the one-time savings would be the sale of the two facilities, Center for the Aged and Eastmont. The rest of the savings would be on-going.

CHAIRMAN GRADY asked the Department to project proposals out further for both committees so the proposals can be discussed more fully by each. CHAIRMAN GRADY feels the subcommittee needs to look at the long-term effects of the reductions and savings.

Mr. Day told the committee in his recommendation the Department did suggest the closure of Swan River Forest Camp and the elimination of the modifications dealing with SRFC.

REP. BARDONOUVE stated there was talk earlier of increasing SRFC and incorporating a boot camp at the present facility. He asked if SRFC was closed what would be the alternatives for inmate

placement?

Mr. Day said the SRFC residents would go to the community system.

REP. BARDONOUVE asked if the Department was considering the closure of the Center for the Aged at Lewistown and if they do, where would those patients be relocated. He said the discussion was, if Galen Nursing Home were closed these patients would go to the Center for the Aged in Lewistown.

Mr. Day said the Department would privatize the residence in Lewistown and the patients would remain there. He stated the facility would become a nursing home.

REP. BARDONOUVE asked where the Eastmont patients would be placed?

Mr. Day said the process would begin with construction and locating community centers to house the patients. This would begin by phasing out the population of the facility and placing them in community DD facilities.

REP. BARDONOUVE asked Mr. Day if he has a budget for the cost of transferring patients from Warm Springs, Galen, Center for the Aged and Eastmont to offset the savings. He stated there will be costs in putting the patients into private care.

Mr. Day stated the Department has budgeted for the increased expenditures which will be needed to transfer the patients, specifically Eastmont. The expenditure need would decrease because the cost would be less for DD patients in the community.

REP. BARDONOUVE said the Department has proposed using the two cent cigarette tax to operate the veteran's homes. In long-range planning there are millions and millions of dollars requested for repairs and renovation in other universities and institutions. He asked Mr. Day what the department would use for repairs and renovation in universities and institutions if they used the two cent cigarette tax for operations of veteran's homes?

Mr. Day stated that what this proposal does is take advantage of proposals which have already been introduced. There would be an offsetting general fund savings. He told the committees he will inform the departments himself of any cuts to their budgets.

REP. BERGSAGEL wants to address the WCC issue because this issue affects the long-range building program. He stated they are moving 20 women to Wyoming, and working out arrangements to move 30 women to Yellowstone County. He asked Mr. Day if these women would still be eligible for all the community programs in Billings?

REP. BERGSAGEL asked if this plan will serve our needs for the interim?

Mr. Day feels that parts of the proposal seem sound. The state of Wyoming said they would take some of our prisoners. Yellowstone County is still being worked on as far as the plan goes and there is already a small pre-release facility in Billings. The components seem to be available at this point.

REP. BERGSAGEL asked if this proposal would take care of the inmates that we currently have in the institution?

Mr. Day said yes, and it would provide some flexibility as well.

REP. BERGSAGEL said he has heard there is a waiting list at the Columbia Falls Nursing Home. He asked Mr. Day approximately how many people were on the list?

Mr. Day told the committee to the best of his knowledge there were five people on the waiting list and there was one vacancy.

REP. BERGSAGEL stated he understood there were to be 31 beds open at the Veteran's Nursing Home in Miles City.

Mr. Day said they have been made aware of this. He asked how many beds would be at the proposed Veteran's Nursing Home in Glendive? Mr. Day responded by telling the committee there will be 80 beds.

REP. BERGSAGEL asked Mr. Day how many veterans are in the state of Montana?

Mr. Day said there are 100,000 and the number over 65 years of age is over 26,000.

REP. BERGSAGEL asked if the Veteran's Home in Glendive is canceled and they convert the Eastmont facility into a Veteran's Home, how many beds would be available in the Eastmont facility?

Mr. Day told the committee there would be 50 beds total and 38 of those would be nursing beds and 12 would be non-nursing.

REP. BERGSAGEL said he assumed Mr. Day was not talking about terminating the drug and alcohol program at Galen and that he is talking about directing that program somewhere else. Who has been contacted regarding the drug and alcohol program, where would it be relocated and would that service still be provided?

Mr. Day said they are not contemplating closing or terminating the chemical dependency program. They are looking at relocating the CD program to St. James Hospital in Butte. There would be better accommodations and excess to programs if the facility was moved to Butte.

REP. BERGSAGEL asked if anyone could tell him the cost of keeping a patient in the Boulder facility, Eastmont and group homes?

Mr. Day said the cost at Boulder is approximately \$92,000 per year. The national average for this type of facility is closer to \$100,000 per year. At Eastmont the cost is \$62,000 per year and group home costs would be approximately \$48,000 per year.

REP. BERGSAGEL stated that within the Department's proposal there will be a certain amount of construction which will be required for group homes. He asked Mr. Day to give the committees an estimate of what those costs will be.

Mr. Day said the construction figures will be \$640,000 in FY 1994, \$734,000 in FY 1995, \$860,000 in FY 1996.

REP. MENAHAN said the Department told the committees that to house 32 inmates at Yellowstone county jail would cost \$2.2 million and to continue operating the present facility would cost \$2.2 million. Why is it so costly for the 32 inmates?

Mr. Day responded by saying that is approximately the net cost of Yellowstone county jail and pre-release centers.

SEN. TOM BECK asked Mr. Day what the plan is for the 320 inmates who will be around if the prison cap is 850 inmates?

Mr. Day explained the plan is to expand the community correction capability and to have a higher level of discharge. It will be a combination of discharge, increased parole, increased level of the community probation and parole, intensive supervision, and pre-release centers.

SEN. BECK asked Mr. Day if by cutting back the prison population he thought he could guarantee the safety of the citizens of Montana.

Mr. Day responded by saying he did not know if could give the committees the guarantee of safety to the citizens of Montana. However, he feels this proposal will not generate any increased risk to Montana citizens.

REP. BARDONOUVE asked where the mental health patients will go and if the communities will be able to handle the patients?

Mr. Day said the department is trying to narrow their priorities. The Department's proposal is expanding the service for seriously mental ill in the communities program.

REP. BARDONOUVE asked if the Department has a priority list regarding the cuts that may need to be made?

Mr. Day said the proposal does have such a list and it is based on where the cuts can be made without affecting the delivery of current services. The cuts then become increasingly difficult to accomplish.

SEN. BECK agreed that cuts need to be made but the list may have to be arranged differently.

CHAIRMAN GRADY asked Mr. Day about using prison labor within the prison? He also asked if the Department had figures on the savings to the department by using prison labor?


Mr. Day responded the department has an estimated figure of 40% savings.

CHAIRMAN GRADY commended the Department on the presentation presented to the committees.

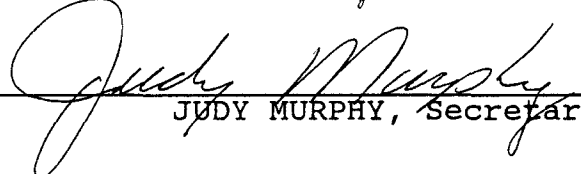
A motion was made to adjourn.

ADJOURNMENT

Adjournment: 6:30 pm



REP. ED GRADY, Chair



JUDY MURPHY, Secretary

EG/jm

HOUSE OF REPRESENTATIVES

INSTITUTIONS/CULTURAL EDU. SUB-COMMITTEE

ROLL CALL

DATE 1-28-93

NAME	PRESENT	ABSENT	EXCUSED
SEN. GARY AKLESTAD	✓		
SEN. TOM BECK	✓		
SEN. EVE FRANKLIN, VICE CHAIRMAN	✓		
SEN. J.D. LYNCH	✓		
REP. RED MENAHAN	✓		
REP. LINDA NELSON	✓		
REP. ED GRADY, CHAIRMAN	✓		

HOUSE OF REPRESENTATIVES

LONG - RANGE PLANNING

SUB-COMMITTEE

ROLL CALL

DATE

1-28-93

NAME	PRESENT	ABSENT	EXCUSED
SEN. BOB HOCKETT, VICE-CHAIR	✓		
REP. FRANCIS BARDONOUVE	✓		
SEN. ETHEL HARDING			
SEN. ELEANOR VAUGHN	✓		
REP. TOM ZOOK	✓		
REP. ERNEST BERGSAGEL, CHAIR	✓		

DEPARTMENT OF CORRECTIONS
AND HUMAN SERVICES

EXHIBIT 1
DATE 1-28-93
CR



MARC RACICOT, GOVERNOR

1539 11TH AVENUE

STATE OF MONTANA


(406) 444-3930
FAX: (406) 444-4920

PO BOX 201301
HELENA, MONTANA 59620-1301

MEMORANDUM

January 28, 1993

TO: Representative Ed Grady
Chairman, Institutions and Cultural Education
Subcommittee on Appropriations

FROM: Rick Day, Director
Department of Corrections and Human Services 

SUBJECT: Requested reduction plan

The Department, in response to your request, developed the attached plan. This plan establishes priorities and outlines how the Subcommittee could make budget reductions to bring the Department's budget within the 158 million dollar spending limitation.

The plan identifies reduction options which would effect approximately 392 employees and result in about 32 million dollars in general fund savings. The plan focuses on program elimination rather than across the board cuts, but still includes programs which offer a new approach.

I'm sure this will be as difficult task for you as it has been for the Department. I ask that, if the committee selects some or all of these options, consideration be given to address the impact to employees and we work together to ensure remaining programs are funded at a realistic level.

RD:bt

Attachments

Copy to: Subcommittee members
Interested Legislators
Mike Lavin, Governors' Office
Judy Browning
Dave Lewis
Superintendents/Wardens

No.	28-Jan-93 02:53 PM	94		95		94		95		DCHS ONLY		BIENNIUM EXPENDITURES		Revenue & Other Agency Impact		Total	
		FTE	95	FTE	95	General Funds	Other Funds	General Funds	Other Funds	General Funds	Other Funds	General Funds	Other Funds	94-95 Blen.	General Fund	94-95 Blen.	General Fund
BEGINNING BUDGET REQUEST:																	
LFA Current Level (Adopted by Subcommittee)																	
Add Executive Recommended Modifications																	
ADJUSTMENTS:																	
Duplicate Pilot Project EB Mod-LFA CL																	
Duplicate Staff Enhancement Corrections Mod In EB																	
ADJUSTED BUDGET REQUEST:																	
REDUCTIONS:																	
1																	
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14																	
15																	
REDUCED TOTAL:																	

Note: The above amounts are estimates subject to further review and refinement.

Item 1: Includes reduction of revenue approximately \$1.4 million and increase in SRS NH cost of approximately \$353,000.

Item 13: Includes \$165,000 per year for increase in SRS NH costs.

Item 14: Includes revenue loss of \$3.6 million, SRS NH general fund of \$1.6 million and increased revenue from sale of facility of \$2.3 million.

Item 15: Includes \$1.1 million lost revenue, \$1.3 million added expenditures in SRS and DFS and increased revenue of \$1.5 million for the sale of the facility and will result in a General Fund expenditure reduction of approximately \$600,000 per year in FY96 and beyond.

Termination pay estimates are not included in the figures above.

\$150,311,478

EXHIBIT
PAGE 11

DEPARTMENT OF CORRECTIONS & HUMAN SERVICES (DCHS)
REDUCTION PLAN NARRATIVE FY 94-95

MENTAL HEALTH DIVISION

1. Closure of Acute Care and Nursing Care at Galen

Eliminate acute care unit and nursing care unit at the Galen campus of Montana State Hospital. Some staff would be transferred to Warm Springs to provide Infirmary level care at the Warm Springs campus to meet the medical needs of Warm Springs patients. Galen Nursing home patients would be transferred to the Center for the Aged or to private nursing facilities.

General Fund Savings **\$ 4,819,995**

Impact: There is limited risk concerning transfer trauma of patient; however, the department has successfully transferred patients between Montana State Hospital and the Center for the Aged in Lewistown. There would be a General Fund impact of \$1,762,579.

Legislation required - SB 39 and SB 40 have been introduced to authorize the closure of these two units.

SPECIAL SERVICES DIVISION

2-4. Eastern Montana Veterans Home (EMVH)

Eliminate EMVH Building Costs by canceling plans to build the new Glendive nursing home and Transfer to General Fund.

General Fund Savings **\$ 1,700,000**

Eliminate the DCHS budget modification request for funds to operate the EMVH 80 bed facility.

General Fund Savings **\$ 1,288,794**

Use 2 cent cigarette tax to fund Montana Veterans Home (MVH) operating expenses.

General Fund Savings **\$ 2,303,443**

Impact: Loss of federal funds (\$3.7 million) for construction project; a loss associated with the state funds used to plan and design the project; possible future shortage of nursing home beds for veterans; and reduction of the funds available for long range building.

Legislation required - to transfer current \$1.7 in Dept of Administration's Long Range Building Account to the general fund, eliminate the EMVH and appropriate the 2 cent cigarette tax to operate the MVH.

Options to The Above

- Use the 2 cent cigarette tax to fund a stipend or insurance program to offset or fund veterans nursing at a facility of the veteran's choice or to help them stay at home.

Remodel and convert Eastmont Center for the developmentally disabled to a smaller veterans home.

Either of these options reduces the general fund savings in FY94-95.

EXHIBIT 1

DATE 1-28-95

92

ALCOHOL & DRUG ABUSE DIVISION

- 5-6. Replace general fund in the Chemical Dependency (CD) programs with alcohol tax revenue.

Eliminate general fund associated with the Lighthouse program and ensure the Chemical Dependency program pays a reasonable portion of expense associated with the operation of Galen.

General Fund Savings

\$ 814,166

Impact: Although less alcohol tax revenue would be available for distribution to local programs, due to an increase in federal funds and tax collections local programs would most likely experience a small increase over FY 92-93.

Legislation required - appropriations action only.

7. Move the CD off the Galen campus and close the facility.

If the acute care and nursing home at Galen are closed the CD program would be the only tenant at the facility. As Galen is self contained the expenses associated with the operation are significant. There may be some cost relative to abandoning the facility unless the campus was sold or converted to another use.

General Fund Savings

\$ 998,590

Impact: Relocation of the program to a facility which would not adversely effect the program.

Legislation required - Amendments to SB 39 & 40 may be sufficient along with appropriations action.

MENTAL HEALTH DIVISION

8. CMHC Services for Adults Who Are Not Seriously Mentally Ill

Elimination of a block grant to the mental health centers to subsidize services for adults who do not have a serious mental illness but who do not have the ability to pay for the mental health services they need.

General Fund Savings

\$ 1,194,422

Impact: The Department would fund services only for children/adolescents and for adults with severe mental illness. The mental health centers have maintained that it is this subsidy for non-seriously mentally ill adults which allows them to keep offices in small rural counties. Consequently, we can expect some rural offices to close.

Legislation required - There is no law which explicitly prohibits the Department from eliminating state funded services for certain diagnosis/disability groups.

CORRECTIONS DIVISION

EXHIBIT

DATE 1-28-93

- 9-12. Elimination and downsizing of institutions with a community corrections emphasis.

Eliminate or reduce all modification requests including: Community Corrections Alternatives, Montana State Prison Alternatives, Women's Correctional Center Alternative and Swan River Forest Camp Alternative.

General Fund Savings **\$ 15,183,616**

Eliminate or privatize Swan River Forest Camp, Missoula Life Skills Center, Women's Life Skills Center and Women's Correctional Center.

General Fund Savings **\$ 5,860,848**

Place a cap on the offender system, provide for good time to be added to the end of an inmates sentence and reduce prison staff.

General Fund Savings **\$ 3,242,661**

Impact: To adequately monitor those on probation or parole and provide for some form of women's corrections. The following alternatives would be needed:

> **IMPLEMENTATION OF A DOWNSIZED WOMEN'S CORRECTIONAL CENTER IN BILLINGS.**

Because of the possibility of no construction this biennium, the need to improve conditions and programs and the potential for a lawsuit, the following reflects an option for consideration:

Transfer 15 to 20 violent and long term inmates to Wyoming. The Wyoming Women's Center was built in 1984 and is one of the model female institutions in the United States. The per inmate cost would be in the range of \$55/day.

Contract with the Yellowstone County Jail to lease a 32 bed pod to serve as a security base to program the remaining female offenders that would need a secure setting. Combine the women currently in the Women's Life Skills Center with the remaining women offenders and develop an alternative Community Correctional Facility where the community and minimum security women can be housed and programmed. This will permit the programming of the majority of the women in community programs. This plan will require the location of an adequate facility to program approximately 50 women but the following biennial costs are estimated:

WOMEN TRANSFERRED TO WYOMING (20) **\$ 803,000**
COST TO HOUSE AND PROGRAM 32 WOMEN IN YELLOWSTONE CO. **\$ 2,220,000**

> **INCREASE RECOMMENDED EXPANSION OF PROBATION AND PAROLE**

TOTAL **\$ 1,726,408**

> IMPLEMENTATION OF THE COMMUNITY CORRECTIONS ALTERNATIVES:

Create new Pre-Release Centers to serve 150
phased in over a two year period.

\$ 3,023,746

Total General Fund Savings After Additions:

\$16,513,971

Impact and Legislation Needed:

Closing of Swan River Forest Camp will eliminate a program that has been very helpful in addressing the young offender. This program presented a much safer and more comfortable environment because of the staff and location. It is a quality program. The cases that are served by this program can be served in the community. No legislation would be required; however there will need to be a decision as to what should be done with the facility.

Closing of the Missoula and Billings Life Skills Centers. These programs have both been quality programs from a staff and services point of view. They have not been adequately staffed, and the service provided by them can be done by the private sector. These programs will take some time for transition and every effort will be made to encourage the selected providers to hire the current staff. The Missoula community is very supportive of the program, and we have already discussed some options to look at the privatization of this program. The Billings program would most likely be absorbed by the Community Corrections for the Women.

Closing of the Women's Center at Warm Springs. Some legislation may be needed. The preceding plan is very preliminary with many questions that will need to be answered. Relocation to Billings will provide the opportunity to do some creative corrections for women, but there are some gaps in how all the services will be provided. There will need to be staff that maintain contact with the women housed in Wyoming, one of the most discouraging things for these women is to be neglected by their state. Movement of the women back to Montana for less secure placement will be done with the cooperation of the inmate, and could take time in some cases. Preparing for these transfers in advance will be very critical.

Reduction at MSP. This will require legislation to set the cap and authority to grant the good time. The real impact of such action will only be known over time. It may in fact have more positive outcomes than anticipated. The numbers will make MSP a manageable institution that can be a resource to the system. The statutes need to be clear in granting the authority to the Department to maintain the caps.

BUILDING PROGRAMS

Major Projects

- o Laundry
- o Low Side Kitchen
- o Dairy Dorm

General Prison Improvement Project

EXHIBIT 1

DATE 1-28-73

- o Remodel to meet American Disabilities Act (ADA) for all units and buildings.
- o Remodel infirmary to include x-ray machine and construct Dental Operatory.
- o Construct Dry Room at the back security station
- o Remodel Reception Unit
- o New electronic fence perimeter security system
- o Remodel A.N.C Units in Low Side for expansion of bathrooms and change security doors.
- o Complete the Bus Barn and High Side vocational building
- o Expand Industries in present compound.
- o Remodel High Side food service.

MENTAL HEALTH DIVISION

13. Eliminate Center for the Aged modification.

Center staff estimate that 27 current residents could be served in private nursing homes. The calculated savings take into account increased SRS general fund necessary to serve an additional 27 people in private nursing homes. Some of the current Center patients and their families will object to placement and there will be controversy over the discharges of elderly long-time residents.

General Fund Savings

\$ 971,109

Legislation required - No legislation is required although the Department must be able to enforce a population cap at the Center.

14. Sale of Center for the Aged:

General Fund Savings

\$ 6,021,229

Impact: The cost per day per patient of the Center is \$65. This is slightly below the average nursing home cost. Looking at the long term, it is possible that sale of the Center to a private provider may lead to cost increases at a faster rate than will occur under state management. This is especially true if it is managed by a private firm as an institution for mental disease and therefore eligible for cost based Medicaid reimbursement. Long term costs to the State through the Medicaid Program may actually, therefore, be higher under private ownership. If sold, it should be with the commitment of the new owner that the population served will be nursing home patients with mental illness.

Legislation Required - Specific legislative authority will be necessary in order to sell the Center. Amendments to Title 53, Chapter 21, Part 4 will be needed to either delete reference to the Center or reference it as a private facility.

Consider reinvestment of any potential sale proceeds to improve the State Hospital or other mental health programs.

SPECIAL SERVICES DIVISION

EXHIBIT

DATE 1-28-93

15. Downsize and Close Eastmont Human Services Center (EHSC) during 1995 Biennium and sell facility.

General Fund Savings

\$ 1,792,403

There would actually be approximately \$640,000 in additional costs in FY 94 due to development of community programs. The general fund savings would not be realized until the third year (FY 1996) \$ 611,000.

Impact: The scope and complexity of this proposal will have major impact on three departments: Department of Corrections and Human Services (DCHS), Department of Social and Rehabilitation Services (SRS) and Department of Family Services (DFS). A downsize of 49-50 residents to community services will require very careful and thoroughly thought out planning so as not to harm clients involved. This would involve the laying off of about 106 people at EHSC. Careful evaluation of residents would have to occur to determine community services required and the actual numbers that could be safely placed. SRS would have to develop start-up services in FY 1994 so as to begin services in FY 95 and DFS would also have to begin services in FY 95. EHSC would begin downsizing in FY 95 and the savings generated would help offset the additional FY 94-95 SRS/DFS costs. These costs could not be totally off set during FY 95 however additional general fund would be saved in FY 96 and thereafter. Selling of the facility would offset any general fund loss during the biennium

Legislation Required - Statutes referencing EHSC would need to be changed by the 1995 Legislature. Appropriations would have to allocate funding to SRS and DFS and reduce EHSC FY 95 levels. A clear statement of intent would have to be developed in the appropriations bill.

Options on the Above Proposal:

Do not sell the facility, but remodel and convert to a smaller 50 bed Eastern Montana Veterans Home (38 nursing - 12 Domiciliary).

General Fund Savings - None

(\$ 660,171)
General Fund Cost

Would reduce savings in above as state would lose proceeds from selling the EHSC facility. This proposal assumes a portion of the \$1.7 million would be used to offset \$400,000 state construction funds required to remodel EHSC (\$1.1 million). Also assumes use of the 2 cent cigarette tax to help offset operational costs (\$800,000).

Department of Corrections & Human Services
General Fund Departmental Priorities
Using LFA Current Level Budget and Executive Requested Modifications

Pri	PG	CV Name	FY94	FY95	Biennium	Biennium
						Cumulative
1 *	50	Montana Developmental Center	15,928,890	16,275,385	32,204,275	32,204,275
2	30	Montana State Hospital	21,571,388	22,388,757	43,960,145	76,164,420
3	30	Community MH - Seriously MI Adults - CL	4,752,842	4,752,842	9,505,684	85,670,104
4	20	Community Corrections	4,867,448	4,957,004	9,824,452	95,494,556
5	20	Community Corr Alternatives	2,760,314	4,233,039	6,993,353	102,487,909
6	20	Montana State Prison	17,685,371	17,999,857	35,685,228	138,173,137
7	20	MSP Alternative Mods	3,036,931	3,555,864	6,592,795	144,765,932
8	30	Community MH - Children/Adolescents	569,881	569,881	1,139,762	145,905,694
9	30	Community MH - Seriously MI Adults - Mod	258,604	374,480	633,084	146,538,778
10	20	Women's Correctional Center	1,214,105	1,232,171	2,446,276	148,985,054
11	20	WCC Alternative Mod	77,864	1,274,019	1,351,883	150,336,937
12	60	Montana Veterans' Home	1,021,894	1,014,770	2,036,664	152,373,601
13	30	Center for the Aged	3,934,575	4,053,941	7,988,516	160,362,117
14	30	Add Budget Mod for 14.8 FTE/CFA	483,411	493,698	977,109	161,339,226
15	50	Eastmont Human Services Center	3,477,806	3,576,671	7,054,477	168,393,703
16 **	40	Montana Chem Dependency Center	257,046	265,047	522,093	168,915,796
17	20	Swan River Forest Camp	1,035,119	1,051,321	2,086,440	171,002,236
18	20	Swan Alternative Mod	19,993	225,592	245,585	171,247,821
19	30	Community MH - Adults not seriously MI	597,211	597,211	1,194,422	172,442,243
20	20	Corrections Medical	1,426,441	1,507,785	2,934,226	175,376,469
21	20	Industries Trng/Tag Plant	702,227	596,884	1,299,111	176,675,580
22	30	Add Budget Mod for 2.0 Nurses/MSH	78,858	81,480	160,338	176,835,918
23	50	EMVH Budget Modification	276,501	1,012,293	1,288,794	178,124,712
24	30	NH and Acute Care Hospital (Galen)	2,462,227	2,357,768	4,819,995	182,944,707
TOTAL			\$88,496,947	\$94,447,760	\$182,944,707	

*NOTE: This includes Central Operations and the Central Office costs of all divisions (\$3,213,131 in FY94 and \$3,163,014 in FY95). The department requires central administration as long as there are services required. At some point, central office costs could be reduced to some extent depending upon the service level remaining following any major expenditure reductions. This also includes \$216,267 general fund in fiscal 1994 and \$215,728 general fund in fiscal 1995 for the Board of Pardons.

** This includes only the general fund portion of the chemical dependency program on the Galen campus.

*** This schedule does not reflect general fund reimbursement revenue loss.

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