

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION**

#### **JOINT SUBCOMMITTEE ON INSTITUTIONS & CULTURAL EDUCATION**

**Call to Order:** By REP. ED GRADY, Chairman, on February 12, 1993,  
at 7:00 am

#### **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)

**Members Excused:** NONE

**Members Absent:** NONE

**Staff Present:** Sandra Whitney, Legislative Fiscal Analyst  
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: NONE  
Executive Action: VETERAN'S NURSING HOMES; MENTAL HEALTH;  
AND CHEMICAL DEPENDENCY

#### **EXECUTIVE ACTION ON VETERAN'S NURSING HOMES**

**Tape No. 1:A**

Sandra Whitney, Legislative Fiscal Analyst explained the work-sheet she has prepared regarding the CD program, the DD program and the Veteran's Nursing Home program. **EXHIBIT 1**

#### **Questions, Responses, and Discussion:**

Ms. Whitney, explained the intent of HB 46 and HB 16 is to take two-cents off the cigarette tax for veteran's operations. The percentages which are in the two bills after the cigarette tax is

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taken off the top are incorrect. **EXHIBITS 2 and 3** show the amendments which correct these percentages. HB 16 creates a statutory appropriation for operating expenses. Enactment of this bill would eliminate legislative oversight of these expenses. **EXHIBIT 3**

The way HB 16 is written is if the state hospital at Galen is closed, the funds would be statutorily allocated to the Department of Administration for a 40-bed nursing home at Galen and there would be no money left in operations to support the action which was taken yesterday at Columbia Falls. **EXHIBIT 3**

Changes were made to HB 46 to correct the percentages. **Ms. Whitney** said some language in HB 16 should be in HB 46. The language references the state pledges and appropriations to the debt service account in section two.

The department has language amending another section which would be needed in both of those bills.

**Bob Anderson, Administrator Special Services Division**, said statutorily HB 16 will not need language. If HB 46 is used the section dealing with the veteran's home program, the special revenue account, will need to be established in order for the department to use the money. **EXHIBIT 4**

**CHAIRMAN GRADY** would like to combine HB 16 and HB 46. If the committee goes with HB 16 there will not be a savings from the two-cent cigarette tax.

The Legislative Council said a Galen Veteran's Home would take preference over operations at Columbia Falls in HB 16.

**SEN. J.D. LYNCH** stated the bill was passed. The bill was not for maintenance but to build two veteran's homes, one in eastern Montana, Glendive, and one in Galen.

**REP. RED MENAHAN** said the original idea was to use and update the facility at Galen. He said the original bill got lost in General Appropriations in 1979 or 1981.

**CHAIRMAN GRADY** told the committee they need to decide where to build the nursing home and the committee's responsibility is to maintain the homes after they are built.

**SEN. LYNCH** feels the sponsors of HB 16 and HB 46 should have a chance to address the committee.

**REP. PAVLOVICH, Sponsor of HB 16**, stated in his original two-cent tax a veteran's home was to be built in Glendive and Galen. If they shut Galen down, the tax was to come off. This was lost in the Senate and they kept it in long-range building. He told the committee if they do not build the home in Glendive they will lose the federal money.

SEN. LYNCH told REP. PAVLOVICH the majority of the committee is in favor of building a veteran's home. He also said the committee is not going to spend the \$1.6 million.

REP. PAVLOVICH said HB 16 states in July 1, 1993 the two-cents which is generated stays in a separate fund to maintain all three homes. EXHIBIT 5

CHAIRMAN GRADY asked if HB 16 is just to build homes and not to maintain them?

REP. PAVLOVICH said after July 1, 1993, the homes will be maintained according to HB 16. He feels the money should have stayed in one account and not been put into long-range building.

CHAIRMAN GRADY said it will be difficult to get the money away from long-range building. He does not feel enough money is generated from the two-cent cigarette tax to maintain the homes.

Mr. Anderson told the committee the cigarette tax will not generate enough money. The tax generates about \$1.3 million a year and the Columbia Falls nursing home requires \$1 million for maintenance.

SEN. LYNCH said the cigarette tax has never been used for maintenance. It was understood the tax would build the homes and the state would take care of the maintenance.

REP. JOHNSON, Sponsor HB 46, said in 1991 there was a bill to use the two-cent cigarette tax for maintenance but it failed. The cigarette tax is increasing and the amounts which were reported in FY 1991 was \$11,733,000 and in FY 1992 the amount was \$12,172,000. In the original bill the amount was to be used for construction and when the construction of the eastern Montana nursing home was completed the tax was to be relieved. He refers to the letter from Thomas T. Yoshikawa, M.D., ... "if the state maintains its state matching funds, the application will remain in priority group one on future priority lists, but Federal funds will be dependent upon our annual appropriations". EXHIBIT 6  
REP. JOHNSON believes the tax should be taken for operations and maintenance of the nursing homes. He told the committee his first priority is the eastern Montana veteran's home in Glendive.

SEN. LYNCH said REP. PAVLOVICH'S bill is both bills. If Galen is closed then a veteran's nursing home can be built in Galen.

CHAIRMAN GRADY is concerned with long-term costs.

Motion/Vote: SEN. LYNCH moved to add the amendments to HB 16. The motion CARRIED unanimously.

Motion: SEN. LYNCH moved to pass HB 16 as amended.

Questions, Responses, and Discussion:

SEN. AKLESTAD feels the committee needs to live up to the obligation which was made in the last legislature. Glendive was instrumental in getting the cigarette tax for the veteran's home to be built in Glendive. He told the committee the cigarette tax is not enough money to build and maintain a nursing home at Glendive and to maintain the operating costs for the veteran's home in Columbia Falls. He feels HB 46 comes closer to meeting the needs of the committee. He spoke against the motion.

REP. LINDA NELSON agrees with SEN. AKLESTAD that there should not be any expansion at Galen.

SEN. LYNCH supports the Glendive location for the veteran's nursing home. At the present time there is no tax money going to the maintenance of any of the nursing homes but now it is going to be allowed.

CHAIRMAN GRADY feels the committee is not favoring anyone regarding the veteran's home situation. He feels the committee has to get a hold of the nursing home situation in order to help balance the budget.

SEN. LYNCH stated there is federal money for veteran's nursing homes.

REP. RED MENAHAN said the building of a nursing home in Glendive is an expansion to the budget.

SEN. AKLESTAD supports the veterans but feels the committee needs to be realistic. He feels it is not being realistic to get involved with HB 16.

CHAIRMAN GRADY told the committee he is against building a nursing home in Glendive.

Vote: Motion CARRIED 4 to 3 with Sen. Aklestad, Rep. Nelson and Chairman Grady voting nay. Roll Call vote. EXHIBIT 7

Questions, Responses, and Discussion:

SEN. LYNCH asked if the committee needs both of the house bills

Motion/Vote: SEN. AKLESTAD moved to accept the amendments made by the department, line 5 add homes, to HB 46. The motion CARRIED 6 to 1 with Chairman Grady voting nay.

Motion/Vote: SEN. LYNCH moved to add the amendments to HB 46. The motion CARRIED 6 to 1 with Chairman Grady voting nay.

Motion/Vote: REP. NELSON moved to accept HB 46 as amended. The motion CARRIED 6 to 1 with Chairman Grady voting nay. Roll Call vote. EXHIBIT 8

EXECUTIVE ACTION ON MENTAL HEALTH

Tape No. 1:A

Questions, Responses, and Discussion:

**Rick Day, Department of Corrections and Human Services Director,** presented the committee with a handout of the Galen campus information for alternative uses for the campus. The best approach may be to direct the department to maintain the campus in good condition during the FY 94-95 biennium while the department seeks potential users of the facilities. If a use can be found which will not have a negative general fund impact, the department could be authorized to make the necessary transfer with the approval of the Interim Finance Committee. **EXHIBIT 9**

**REP. MENAHAN** asked if the acute care and nursing home are closed at Galen, how many staff members will be relocated to the infirmary at Warm Springs?

**Dan Anderson, Administrator of the Mental Health Division,** said the move will involve 27 staff members. Ninety-one FTE is the net reduction. **EXHIBIT 10**

**SEN. EVE FRANKLIN** asked how many patients will be placed in private nursing homes?

**Mr. Day** said they will have 51 patients at the nursing home in Galen and 130 patients will be transferred to The Center for the Aged. The department will look at the populations at both Galen and The Center for the Aged, find the less difficult patients and place them in private nursing homes. This would involve approximately 40 patients transferred to private facilities.

**Mr. Anderson** said the net increase would be 10 patients to The Center for the Aged. He feels half of the Galen population will be transferred to private nursing homes.

**Motion:** **SEN. AKLESTAD** moved to eliminate the acute care and the nursing home on the Galen campus. This would amount to \$1,762,579 **EXHIBIT 10**

Questions, Responses, and Discussion:

**SEN. LYNCH** said if the acute care facility is closed at Galen the committee is closing the door to alternative uses for the campus. He told the committee there is speculation on using the campus for head trauma injuries. He feels by closing the doors to the campus the state will be losing money.

**REP. MENAHAN** said if the acute care facility is closed the state will lose its acute care license and then when the state wants

the acute care facility back it will take more money to bring it up to code.

SEN. LYNCH said the reason the patients (51) are at the long-term nursing facility is the private nursing homes do not want them because they are too violent. He feels the trauma will kill some of the patients who will be moved.

SEN. FRANKLIN said she voted to close the acute care facility in committee because she thought it sounded sensible now she is not sure it is being realistic. She is concerned about using resources in the long-term.

REP. MENAHAN feels the committee should not make a premature decision. He wants the committee to try and work out some of the problems. He feels there may be programs which can be worked on which will save money.

SEN. LYNCH feels the committee should deal with the bills before they make any decisions.

SEN. AKLESTAD feels the committee has to start the process of cutting the budget.

REP. GRADY said he feels this committee should have a clear understanding of these bills. He feels the people in the departments are the experts. The department presented their plans and priorities now it is up to the committee to follow their suggestions.

SEN. LYNCH stated for two years, after extensive study by his committee, the majority of the legislators who served on his committee were against both of these proposals. The committee gave the administration four votes and he feels that was a mistake.

REP. MENAHAN said the department has caused more damage to people than it has done good. He feels the Ihler decision was the department's fault not the legislatures'.

SEN. AKLESTAD believes the prison system has been handled poorly. Cuts have to be made by this committee so the committee needs to listen to the departments and evaluate their suggests and go from there.

Vote: The motion FAILED 3 to 4 with Sen. Aklestad, Rep. Nelson and Chairman Grady voting aye. EXHIBIT 11

#### EXECUTIVE ACTION ON CHEMICAL DEPENDENCY

Tape No. 1:A

Mr. Day feels the facility at Galen is inadequate for the CD program. He believes there would be a savings to the general fund if the department transferred a greater amount of expenses

associated with the CD program. The department will calculate the rent for the CD campus.

Ms. Whitney told the committee they have already accepted the LFA current level. The only issue which needs to be resolved is the bookkeeping issue of how to record, how much to record of the CD support services and to pay them with CD funds. The result would be a net savings of general fund in the state hospital budget and a net increase of state special in the CD budget - rent issue.

Mr. Day explained the remaining MH issues: 1. Eliminate MH services for non-seriously mentally ill adults 2. Modification - Galen NH to CA 3. Modification - Community Increases 4. Modification - Registered Nurses 5. Modification - Crisis Intervention EXHIBIT 12

SEN. LYNCH feels the mentally ill people need the professional care/treatment when they need it or they will be back with more severe problems. He feels it is hard to put these people into categories.

CHAIRMAN GRADY asked Mr. Day for the actual dollar amount which would be saved?

Mr. Day said the savings would be \$1.2 million over the biennium or \$600,000 per year. This savings does not affect the department's reimbursement.

SEN. FRANKLIN is concerned with the MH policy. She feels there needs to be a resource for the moderate income group which have MH problems.

SEN. LYNCH asked for an example of a person presently receiving services who will be denied services if they are categorized as non-seriously mentally ill.

Kathy McGowen, Montana Council of Mental Health Centers representative, said it will affect patients who are receiving temporary services, victims of incest, victims of sexual abuse, and patients who have family problems. She is concerned with the legislative process because she feels there is no communication between the subcommittees which are working on the same issues.

SEN. LYNCH asked who determines how mentally ill a person is?

Mr. Anderson stated groups four and five are considered non-seriously mentally ill. The MH center would make the determination into what class of mental illness the patient would be placed. The department audits the community MH centers. The department determines if the clinician is accurately classifying the patients so they will be receiving the treatment they need. The department feels they have suggested cuts which will involve less risks to the patients.

REP. NELSON asked what the impact will be on community mental health centers, especially in the eastern part of the state?

Ms. McGowen feels the rural offices will be eliminated.

SEN. FRANKLIN believes the department has streamlined Warm Springs and served the people who need MH services. The department has limited admissions and is making sure the admissions criteria are appropriate. She asked the department where the referral source will be for these people?

REP. MENAHAN said one week a person is not seriously mentally ill and the next week he is, what will happen to these people?

Mr. Anderson said this is a good point. The department would continue to provide crisis services. There would be no long-term care.

SEN. FRANKLIN feels the communities need facilities to keep the patients out of inpatient facilities.

Motion/Vote: SEN. AKLESTAD made a motion to eliminate MH services for non-seriously mentally ill adults. The motion FAILED 3 to 4 with Sen. Aklestad, Sen. Beck and Chairman Grady voting aye. Roll Call vote EXHIBIT 13

Questions, Responses, and Discussion:

Ms. Whitney feels the appropriate action would be to decide how much CD money will go into support services and then make the appropriate adjustments in both CD and MH to the LFA current level.

Ms. Joehler said the action the committee took yesterday was to replace general fund support which was in the CD program, LFA current level, and replace it with alcohol earmarked tax. The committee also funded the executive modified request for 5 FTE from earmarked alcohol tax.

SEN. LYNCH asked if there was \$143,000 which could relieve the general fund which would not affect any other program?

Mr. Day believes the above amount is in the budget but the department would like to go back and check their figures before the committee makes more decisions.

Ms. Whitney explained the modifications which relate to the MH budget. They are: Community Mental Health Increase  
Registered Nurses  
Crisis Intervention

EXHIBIT 14 page 2

Motion: REP. MENAHAN moved to accept the modifications.



Questions, Responses, and Discussion:

SEN. LYNCH said the department does not need the modification if the services are not eliminated for the seriously mentally ill and the non-seriously mentally ill.

Mr. Day said additional direct care FTE and operating budget will be provided so additional patients can be served at The Center for the Aged. EXHIBIT 12

SEN. LYNCH said of the 51 patients at Galen approximately 10 patients will go to Lewistown. He said to transfer 10 patients, the department is asking for an additional 10 FTE.

Mr. Day told the committee they need to keep in mind the department will need the additional FTE to meet the certification and because the center is a 24-hour care facility.

SEN. LYNCH finds it hard to believe that modification number two will need 10 additional FTE. EXHIBIT 12

Mr. Anderson said if Galen closes, 25 of the Galen patients will move to Lewistown, 15 of the Lewistown patients (that have been identified) will be transferred to private nursing for a net increase of roughly 10 patients. The patients at Galen have higher nursing needs than the average patient at The Center for the Aged.

Mr. Day told the committee this modification is not really in the picture. The other modifications are not connected to the issue of the non-seriously mentally ill. Modification three deals with the compliance to the Ihler court order, modification four involves nursing increases to the staff at Warm Springs and modification five implements the prohibition against jailing the mentally ill which becomes effective on July 1, 1993. EXHIBIT 12

Motion: SEN. LYNCH made the motion to move modifications 3, 4, and 5.

Questions, Responses, and Discussion:

CHAIRMAN GRADY, asked the department if they have a time frame regarding the Ihler court order?

Mr. Anderson said the department had to present their plan to the judge, the judge accept the plan, and then the department had to report on October 1 of where it was in their process. The plaintiff has reserved the right to complain about the compliance. As soon as Judge McCarter feels the department is in compliance she will end the process. Regarding the nursing issue, the department had a plan to implement 12-hour shifts but the plaintiffs complained about the plan. Judge McCarter agreed with them so additional staff is needed to cover all the shifts.


**SEN. LYNCH** said the Ihler decision has dictated some compliances the committee has no control over.

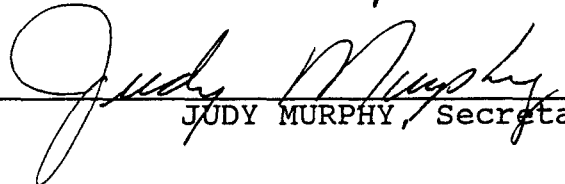
Vote: Motion **FAILED** 3 to 4 with **Sen. Franklin, Sen. Lynch** and **Rep. Menahan** voting aye. Roll Call vote **EXHIBIT 15**

The motion was made to adjourn.

ADJOURNMENT

Adjournment: 9:30 am

  
ED GRADY, Chair

  
JUDY MURPHY, Secretary

EG/jm

HOUSE OF REPRESENTATIVES

INSTITUTIONS/CULTURAL EDU. SUB-COMMITTEE

ROLL CALL

DATE

2-12-93

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	✓		

DEPT. CORRECTIONS & HUMAN SER			DEVELOPMENTAL DISABILITY SYSTE				Program Summary			
Budget Item	Executive Fiscal 1994	LFA Fiscal 1994	Legislature Fiscal 1994	LEG-LFA. Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Legislature Fiscal 1995	LEG-LFA. Fiscal 1995		
PERSONAL SERVICES	459,43	459,43	459,43	.00	459,43	459,43	459,43	.00		
Operating Expenses	14,118,809	14,110,677	14,178,499	67,822	14,550,570	14,560,208	14,644,858	84,650		
Equipment	1,809,563	1,792,983	1,819,093	26,110	1,842,897	1,814,875	1,864,856	49,981		
Transfers	90,663	102,749	102,749	0	90,663	128,085	128,085	0		
Prob Service	24,748	24,748	24,748	0	18,005	5,000	4,675	325-		
					18,005	18,005	18,005	0		
TOTAL COSTS	\$16,043,783	\$16,031,157	\$16,125,089	\$93,932	\$16,502,135	\$16,526,173	\$16,660,479	\$134,306		
and Sources										
General Fund	15,995,783	15,978,298	16,072,230	93,932	16,454,135	16,473,314	16,607,620	134,306		
State Revenue Fund	35,000	39,859	39,859	0	35,000	39,859	39,859	0		
Federal Revenue Fund	13,000	13,000	13,000	0	13,000	13,000	13,000	0		
TOTAL FUNDS	\$16,043,783	\$16,031,157	\$16,125,089	\$93,932	\$16,502,135	\$16,526,173	\$16,660,479	\$134,306		

## PT. CORRECTIONS &amp; HUMAN SER

## Program Summary

## CHEMICAL DEPENDENCY SYSTEM

Budget Item	Executive Fiscal 1994	LFA Fiscal 1994	Legislature Fiscal 1994	LEG-LFA. Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Legislature Fiscal 1995	LEG-LFA. Fiscal 1995
	51.85	59.65	59.65	.00	51.85	59.65	59.65	.00
Personal Services	1,851,118	2,082,547	2,090,016	7,469	1,905,381	2,137,933	2,147,169	9,236
Operating Expenses	823,854	481,200	556,792	75,592	827,883	468,810	569,918	101,108
Equipment	1,800	1,800	1,800	0	3,000	3,000	3,000	0
Grants	2,306,925	2,306,925	2,306,925	0	2,306,925	2,306,925	2,306,925	0
Transfers	0	0	1,000,000	0	0	0	0	0
Net Service	0	2,303	2,303	0	0	2,303	2,303	0
TOTAL COSTS	\$4,983,697	\$4,874,775	\$6,089,045	\$1,214,270	\$5,043,189	\$4,918,971	\$5,164,754	\$245,783
General Fund	271,885	257,046	0	(257,046)	273,352	(265,047)	0	265,047-
State Revenue Fund	2,379,142	2,285,059	2,756,375	471,316	2,437,167	2,321,254	2,832,084	510,830
Federal Revenue Fund	2,332,670	2,332,670	3,332,670	1,000,000	2,332,670	2,332,670	2,332,670	0
TOTAL FUNDS	\$4,983,697	\$4,874,775	\$6,089,045	\$1,214,270	\$5,043,189	\$4,918,971	\$5,164,754	\$245,783

Total Sources

EXHIBIT

DATE 2-12-93

SB

EXHIBIT 1DATE 2-12-93~~SP~~

8 p.m. meeting

PT. CORRECTIONS & HUMAN SER		VETERAN'S NURSING HOME PROGRAM				Program Summary			
Budget Item	Executive Fiscal 1994	LFA Fiscal 1994	Legislature Fiscal 1994	LEG-LFA. Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Legislature Fiscal 1995	LEG-LFA. Fiscal 1995	
PERSONAL SERVICES	85.89	85.89	85.89	.00	85.89	85.89	85.89	.00	
OPERATING EXPENSES	2,460,577	2,467,809	2,474,431	6,622	2,530,556	2,542,686	2,551,321	8,635	
EQUIPMENT	737,931	681,896	681,896	0	762,512	706,801	706,801	0	
	3,463	7,144	7,144	0	3,463	7,144	7,144	0	
TOTAL COSTS	\$3,201,971	\$3,156,849	\$3,163,471	\$6,622	\$3,296,531	\$3,256,631	\$3,265,266	\$8,635	
Ind Sources									
General Fund	1,154,597	1,021,894	0	1,021,894	1,148,846	1,014,770	0	1,014,770	
State Revenue Fund	1,051,934	1,139,515	2,168,031	1,028,516	1,082,783	1,176,959	2,200,364	1,023,405	
Federal Revenue Fund	995,440	995,440	995,440	0	1,064,902	1,064,902	1,064,902	0	
TOTAL FUNDS	\$3,201,971	\$3,156,849	\$3,163,471	\$6,622	\$3,296,531	\$3,256,631	\$3,265,266	\$8,635	

Strike: "29.11%"

Insert: "20.25%"

10. Page 2.

Following: line 25

Insert: "Section 2. Section 17-5-408, MCA, is amended to read:

"17-5-408. Percentage of income, corporation license, and cigarette tax pledged. (1) (a) The state pledges and appropriates and directs to be credited as received to the debt service account ~~9.8% for fiscal year 1990 and 8.7% for fiscal year 1991 of all~~ money received from the collection of the individual income tax and ~~11% for fiscal year 1990 and 10.5% for fiscal year 1991 of all~~ money, except as provided in 15-31-702, money received from the collection of the corporation license and income tax, as provided in 15-1-501, ~~and such additional amount of said taxes, if any,~~ as may at any time be needed to comply with the principal and interest and reserve requirements stated in 17-5-405(4).

(b) ~~No more than the percentages described in subsection (1)(a) of such tax collections may be pledged for the purpose of 17-5-403(2). The pledge and appropriation herein made shall be and remain at all times by this section are a first and prior charge upon all money received from the collection of said the enumerated taxes.~~

✓ (2) The Except for the amount credited to the veterans' home maintenance and improvement account under 16-11-119, the state pledges and appropriates and directs to be credited to the debt service account 70.89% 79.75 % of all remaining money received from the collection of the excise tax on cigarettes which that is levied, imposed, and assessed by 16-11-111. The state also pledges and appropriates and directs to be credited as received to the debt service account all money received from the collection of the taxes on other tobacco products which that are or may hereafter be levied, imposed, and assessed by law for that purpose, including the tax levied, imposed, and assessed by 16-11-202. Nothing herein shall This section may not impair or otherwise affect the provisions and covenants contained in the resolutions authorizing the presently outstanding long-range building program bonds. Subject to the provisions of the preceding sentence, the pledge and appropriation herein made shall be and remain at all times by this section are a first and prior charge upon all money received from the collection of all taxes referred to in this subsection (2)."



Amendments to House Bill No. 46  
Introduced Copy

For the Committee on Institutions & Cultural Education

Prepared by Sandy Whitney  
February 11, 1993

1. Title, line 6.  
Strike: "SECTION"  
Insert: "SECTIONS"  
Following: "16-11-119"  
Insert: "AND 17-5-408"

2. Page 1, line 24.  
Following: "bonds."  
Strike: "Two cents"  
Insert: "10.38 percent"

3. Page 1, line 24.  
Following: "tax"  
Strike: "imposed"  
Insert: "collected"

4. Page 2, line 8.  
Strike: "72.79%"  
Insert: "81.23%"

5. Page 2, line 10.  
Strike: "27.21%"  
Insert: "18.77%"

6. Page 2, line 13.  
Following: "bonds."  
Strike: "Two cents"  
Insert: "11.11 percent"

7. Page 2, line 13.  
Following: "tax"  
Strike: "imposed"  
Insert: "collected"

8. Page 3, line 22.  
Strike: "70.89%"  
Insert: "79.25%"

9. Page 2, line 24.

Strike: "2 cents"

Insert: "11.11 percent"

10. Page 4, line 7.

Following: "tax"

Strike: "on each package of cigarettes"

Insert: "collected"

11. Page 4, line 10.

Strike: "70.89%"

Insert: "79.75%"

12. Page 4, line 13.

Strike: "29.11%"

Insert: "20.25%"

13. Page 5, line 13.

Strike: "70.89%"

Insert: "79.75%"

14. Page 5, line 13.

Following: "all"

Strike: "remaining"

Insert:

#### Notes:

1) This bill creates a statutory appropriation for operating expenses. Enactment of this bill would eliminate legislative oversight of these expenses.

2) The sub-committee action to use cigarette tax instead of general fund at the Columbia Falls Veteran's Home is dependent upon legislation allowing the cigarette tax to be used for operating expenses. This bill would provide operating funds for Veteran's homes in the 1995 biennium only if the state hospital at Galen is not closed. If it is closed, the funds would be statutorily allocated to the Department of Administration for a 40-bed Veteran's Home at Galen.

Amendments to House Bill No. 16  
Introduced Copy

For the Sub-Committee on Institutions & Cultural Education

Prepared by Sandy Whitney  
February 11, 1993

1. Page 2, line 23.  
Following: "(a)"  
Strike: "2 cents"  
Insert: "10.38 percent"
2. Page 2, line 23.  
Following: "tax"  
Strike: "on each package of cigarettes"  
Insert: "collected"
3. Page 3, line 1.  
Strike: "72.79%"  
Insert: "81.23%"
4. Page 3, line 4.  
Strike: "27.21%"  
Insert: "18.77%"
5. Page 3, line 17.  
Following: "(1)"  
Strike: "2 cents"  
Insert: "10.38 percent"
6. Page 3, line 17.  
Following: "tax"  
Strike: "on each package of cigarettes"  
Insert: "collected"
7. Page 3, line 20.  
Strike: "72.79%"  
Insert: "81.23%"
8. Page 3, line 23.  
Strike: "27.21%"  
Insert: "18.77%"
9. Page 4, line 7.  
Following: "(1)"

EXHIBIT 4

DATE 2-12-93

87

PROPOSED AMENDMENT WILL BE NEEDED IN ~~HB 16~~ OR 46 TO ESTABLISH A SPECIAL REVENUE ACCOUNT IN THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES.

*Title 10, Chapter 2, Section 4*

NEW SECTION. Section 1. Utilization of funds generated by taxation on cigarettes. Revenue generated by 16-11-119 to the department of corrections and human services shall be used to support the operation and maintenance of the Montana Veterans Home Programs. The legislature shall appropriate from this account, funds required for the operation and maintenance of the Montana Veterans Homes. For this part operation and maintenance shall include personal services, operations, equipment, and construction or remodeling projects.

1 (b) 72.79% of the amount remaining after the deposit  
 2 designated in subsection (1)(a) in the long-range building  
 3 program fund in the debt service fund type; and  
 4 (c) 27.21% of the amount remaining after the deposit  
 5 designated in subsection (1)(a) in the long-range building  
 6 program fund in the capital projects fund type.  
 7 (2) In fiscal year 1993, \$1,133,624 is transferred from  
 8 the long-range building program fund in the capital projects  
 9 fund type to the general fund. (Terminates June 30,  
 10 1993--sec. 2, Ch. 3, Sp. L. July 1992.)  
 11 16-11-119. (Effective July 1, 1993) Disposition of  
 12 taxes -- retirement of bonds. All moneys money collected  
 13 under the provisions of 16-11-111, less the expense of  
 14 collecting all the taxes levied--imposed--and--assessed--by  
 15 said--section, shall must be paid to the state treasurer and  
 16 deposited as follows:  
 17 (1) 2 cents of the excise tax on each package of  
 18 cigarettes in the veterans' home maintenance and improvement  
 19 account created in [section 1];  
 20 (2) 72.79% of the amount remaining after the deposit  
 21 designated in subsection (1) in the long-range building  
 22 program fund in the debt service fund type; and  
 23 (3) 27.21% of the amount remaining after the deposit  
 24 designated in subsection (1) in the long-range building  
 25 program fund in the capital projects fund type.

1 16-11-119. (Effective August 15, 1993) Disposition of  
 2 taxes -- retirement of bonds. All moneys money collected  
 3 under the provisions of 16-11-111, less the expense of  
 4 collecting all the taxes levied--imposed--and--assessed--by  
 5 said--section, shall must be paid to the state treasurer and  
 6 deposited as follows:  
 7 (1) 2 cents of the excise tax on each package of  
 8 cigarettes in the veterans' home maintenance and improvement  
 9 account created in [section 1];  
 10 (2) 70.89% of the amount remaining after the deposit  
 11 designated in subsection (1) in the long-range building  
 12 program fund in the debt service fund type; and  
 13 (3) 29.11% of the amount remaining after the deposit  
 14 designated in subsection (1) in the long-range building  
 15 program fund in the capital projects fund type."  
 16 **Section 3.** Section 17-5-408, MCA, is amended to read:  
 17 "17-5-408. Percentage of income, corporation license,  
 18 and cigarette tax pledged. (1) (a) The state pledges and  
 19 appropriates and directs to be credited as received to the  
 20 debt service account 9-8%--for--fiscal--year--1990--and--0-7%--for  
 21 fiscal--year--1991--of--all money received from the collection  
 22 of the individual income tax and 1%--for--fiscal--year--1990  
 23 and--10-5%--for--fiscal--year--1991--of--all money, except as  
 24 provided in 15-31-702, money received from the collection of  
 25 the corporation license and income tax, as provided in

HOUSE BILL NO. 16  
INTRODUCED BY PAVLOVICH

1 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE  
2 MAINTENANCE, OPERATION, IMPROVEMENT, AND CONSTRUCTION OF  
3 STATE NURSING HOMES AND DOMICILIARY HOMES FOR VETERANS IN  
4 MONTANA THROUGH CREATION OF THE VETERANS' HOME MAINTENANCE  
5 AND IMPROVEMENT ACCOUNT; DEDICATING A PORTION OF CIGARETTE  
6 TAX PROCEEDS TO THE ACCOUNT; STATUTORILY APPROPRIATING  
7 ACCOUNT FUNDS TO THE DEPARTMENT OF CORRECTIONS AND HUMAN  
8 SERVICES FOR THE MAINTENANCE, OPERATION, AND IMPROVEMENT OF  
9 STATE NURSING HOMES AND DOMICILIARY HOMES FOR VETERANS AND  
10 TO THE DEPARTMENT OF ADMINISTRATION FOR CONSTRUCTION OF A  
11 40-BED STATE NURSING HOME AND DOMICILIARY HOME FOR VETERANS  
12 IN GALEN IF THE STATE HOSPITAL AT GALEN IS CLOSED BY ACTION  
13 OF THE LEGISLATURE; AMENDING SECTIONS 16-11-119, 17-5-408,  
14 AND 17-7-502, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE  
15 DATE."

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
17  
18  
19  
20  
21  
22  
23  
24  
25

1 (1) The department of corrections and human services  
2 shall use account funds for the maintenance, operation, and  
3 improvement of state nursing homes and domiciliary homes for  
4 veterans in Montana, and except as provided in subsection  
5 (2), all funds in the veterans' home maintenance and  
6 improvement account are statutorily appropriated, as  
7 provided in 17-7-502, to the department of corrections and  
8 human services, to be used for the maintenance, operation,  
9 and improvement of state nursing homes and domiciliary homes  
10 for veterans in Montana.

11 (2) If the state hospital at Galen is closed by action  
12 of the legislature, there is statutorily appropriated, as  
13 provided in 17-7-502, to the department of administration  
14 from the veterans' home maintenance and improvement account  
15 an amount sufficient to construct a 40-bed state nursing  
16 home and domiciliary home for veterans in Galen.

17 **Section 2.** Section 16-11-119, MCA, is amended to read:  
18  
19 "16-11-119. (Temporary) Disposition of taxes --  
20 retirement of bonds. (1) Except as provided in subsection  
21 (2), all money collected under the provisions of 16-11-111,  
22 less the expense of collecting the taxes, must be paid to  
23 the state treasurer and deposited as follows:  
24 (a) 2 cents of the excise tax on each package of  
25 cigarettes in the veterans' home maintenance and improvement  
account created in [section 1];

HB 0016/01

HB 0016/01

15-1-501, and such additional amount of said taxes, if any, as may at any time be needed to comply with the principal and interest and reserve requirements stated in 17-5-405(4).  
(b) No more than the percentages described in subsection (1)(a) of such tax collections may be pledged for the purpose of 17-5-403(2). The pledge and appropriation herein made shall be and remain at all times by this section are a first and prior charge upon all money received from the collection of said the enumerated taxes.  
(2) The Except for the amount credited to the veterans' home maintenance and improvement account under 16-11-119, the state pledges and appropriates and directs to be credited to the debt service account 70.89% of all money received from the collection of the excise tax on cigarettes which that is levied, imposed, and assessed by 16-11-111. The state also pledges and appropriates and directs to be credited as received to the debt service account all money received from the collection of the taxes on other tobacco products which that are or may hereafter be levied, imposed and assessed by law for that purpose, including the tax levied, imposed, and assessed by 16-11-202. Nothing herein shall this section may not impair or otherwise affect the provisions and covenants contained in the resolutions authorizing the presently outstanding long-range building program bonds. Subject to the provisions of the preceding

sentence, the pledge and appropriation herein made shall be and remain at all times by this section are a first and prior charge upon all money received from the collection of all taxes referred to in this subsection (2)."  
Section 4. Section 17-7-502, MCA, is amended to read:  
"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.  
(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:  
(a) The law containing the statutory authority must be listed in subsection (3).  
(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.  
(3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105; 2-18-812; [section 1]; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111; 15-23-706; 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424; 17-5-704; 17-5-804; 17-6-409; 17-7-304; 19-5-404; 19-6-709; 19-8-504;

1 19-9-702; 19-9-1007; 19-10-205; 19-10-305; 19-10-506;  
 2 19-11-512; 19-11-513; 19-11-606; 19-12-301; 19-13-604;  
 3 19-15-101; 20-4-109; 20-6-406; 20-8-111; 20-9-361;  
 4 20-26-1503; 22-3-811; 23-5-136; 23-5-306; 23-5-409;  
 5 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 27-12-206;  
 6 37-43-204; 37-51-501; 39-71-2504; 44-12-206; 44-13-102;  
 7 53-6-150; 53-24-206; 61-5-121; 67-3-205; 75-1-1101;  
 8 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808;  
 9 80-2-103; 80-11-310; 82-11-136; 82-11-161; 85-1-220;  
 10 90-3-301; 90-4-215; 90-6-331; 90-7-220; and 90-9-306.

11 (4) There is a statutory appropriation to pay the  
 12 principal, interest, premiums, and costs of issuing, paying,  
 13 and securing all bonds, notes, or other obligations, as due,  
 14 that have been authorized and issued pursuant to the laws of  
 15 Montana. Agencies that have entered into agreements  
 16 authorized by the laws of Montana to pay the state  
 17 treasurer, for deposit in accordance with 17-2-101 through  
 18 17-2-107, as determined by the state treasurer, an amount  
 19 sufficient to pay the principal and interest as due on the  
 20 bonds or notes have statutory appropriation authority for  
 21 the payments. (In subsection (3): pursuant to sec. 7, Ch.  
 22 567, L. 1991, the inclusion of 19-6-709 terminates upon  
 23 death of last recipient eligible for supplemental benefit;  
 24 and pursuant to sec. 18, Ch. 748, L. 1991, the inclusion of  
 25 22-3-811 terminates June 30, 1993.)"

1 NEW SECTION. **Section 5.** Codification instruction.  
 2 [Section 1] is intended to be codified as an integral part  
 3 of Title 10, chapter 2, part 4, and the provisions of Title  
 4 10, chapter 2, part 4, apply to [section 1].  
 5 NEW SECTION. **Section 6.** Effective date. [This act] is  
 6 effective on passage and approval.

-End-





DEPARTMENT OF VETERANS AFFAIRS  
Veterans Health Administration  
Washington DC 20420

FEB 9 1993

EXHIBIT 6

DATE 2-12-93

In Reply Refer To:

The Honorable Les Ollerman  
Mayor of the City of Glendive  
300 South Merrill  
Glendive, MT 59330

Dear Mayor Ollerman:

This letter is in response to your telephone inquiry to Mr. Brent Baker on my staff regarding the availability of Federal funding for the proposed State veterans home in Glendive, Montana.

The U. S. Department of Veterans Affairs (VA) has approved the design documents for bid purposes and anticipates awarding Federal funds of up to 65 percent of the estimated cost of construction prior to September 1993 (the end of our FY 1993).

You asked what would happen to the Glendive, Montana, application for Federal assistance in the event that the State matching funds remained available but construction were delayed. You also asked what would happen if the State withdraws its matching funds for the application.

There is a risk of losing Federal matching funds for the proposed Glendive, Montana, State veterans home if a grant is not awarded before September 1993. If the State maintains its State matching funds, the application will remain in priority group 1 on future priority lists, but Federal funds will be dependent upon our annual appropriations. If the State of Montana withdraws its matching funds, the application would be ranked in priority group 3 or 4 of the next August 15 priority list, diminishing its competitive edge for Federal dollars in the event of a small annual appropriation during Fiscal Year 1994.

VA cannot assure the State of Montana of Federal funds beyond September 1993. We do not know what our appropriations will be in the future, and we do not know how many States will be competing for the Federal funds.

We hope this information will be helpful to you in explaining what would happen to the application for Federal assistance in the event the State of Montana withdraws its State matching funds or delays construction beyond September 1993.

Sincerely yours,

for Thomas T. Yoshikawa, M.D.  
Assistant Chief Medical Director  
for Geriatrics and Extended Care

EXHIBIT 7DATE 2-12-93SB

## HOUSE OF REPRESENTATIVES

INSTITUTIONS/CULTURAL EDU. SUB-COMMITTEE

## ROLL CALL VOTE

DATE 2-12-93 BILL NO. \_\_\_\_\_ NUMBER \_\_\_\_\_MOTION: H23 16 pass as amendedCarried

NAME	AYE	NO
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		✓

EXHIBIT 8DATE 2-12-93SB

## HOUSE OF REPRESENTATIVES

INSTITUTIONS/CULTURAL EDU. SUB-COMMITTEE

## ROLL CALL VOTE

DATE 12-12-93 BILL NO. \_\_\_\_\_ NUMBER \_\_\_\_\_MOTION: Move to accept HB 46 asamendedcarried

NAME	AYE	NO
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		✓

## GALEN CAMPUS INFORMATION

Missoula Community Hospital has expressed some interest in establishing a satellite program which would provide rehabilitation services to people with traumatic brain injury. The Department has spoken to the Community Hospital Administrator and invited him to tour the campus. The Administrator indicated his agency's decision was in part dependent on whether the facility could be licensed and whether there would be funding for the potential program.

Horizon Healthcare Corporation operates several nursing homes in Montana and has indicated it may be interested in expanding the services they provide in the state. The Department has spoken to Horizon's District Manager and sent information about the Galen campus and patient occupied areas. Horizon will review the material and contact the Department concerning its potential interest.

RE/MAX Real Estate in Kalispell contacted the Department last year on behalf of an unidentified health care organization(s) regarding the possibility of purchasing at least the nursing facility at the Galen campus. RE/MAX was told that the Montana State Hospital Committee was studying the facility and no decision about closure had been made. The Department has re-established contact with RE/MAX, but to date have been unable to talk directly with the original agent. The Department will continue trying to determine what interest there might be.

The best approach may be to direct the Department to maintain the campus in good condition during the 94-95 biennium while the Department seeks potential users of the facilities. If a use can be found which will not have a negative general fund impact, the Department could be authorized to make the necessary transfer with the approval of the Interim Finance Committee.

03-Feb-93 04:35 PM		DCHS ONLY BIENNIUM EXPENDITURES		Revenue & Other Agcy Impact	Total General Fund Impact	Total General Fund Impact
At Subcommittee Request FTE Information added 02-03-93.	94 Staff	General Funds	Other Funds	94-95 Bien. General Fund	94-95 Bien. General Fund	96-97 Bien. General Fund
SUBCOMMITTEE REQUIRED PROPOSAL: LFA Current Level (Adopted by Subcommittee) HJR2 Cut Target DCHS Supplemental Request FY93 increase	1,998.70	164,701,766 (8,489,280) (1,701,664)	26,504,106			
Total FY94-95 Subcommittee General Fund Target:		\$158,530,822				
Program 10. Central Operations LFA Current Level		4,801,835	90,947		4,801,835	5,089,945
Program 20. Corrections Division LFA Current Level		55,534,038	9,585,322		55,534,038	58,866,080
LFA Current Level Reductions						
Eliminate SRFC LFA CL	(26.33)	(2,086,440)	0		(2,086,440)	(2,211,626)
Downsize SRFC to 40 ADP Boot Camp	18.00	1,488,800	0		1,488,800	1,578,128
Cap MSP Population @ 850. Variable Costs		(1,350,680)	0		(1,350,680)	(1,431,700)
Cap MSP Population @ 850. FTE Reductions	(43.00)	(1,892,000)	0		(1,892,000)	(2,005,520)
Cap WCC @ 50. Variable Costs (FY92=\$5.86)		(58,041)	0		(58,041)	(61,523)
Modifications	(51.33)	(3,898,341)	0	0	(3,898,341)	(4,132,241)
Continue Industries BAs	4.00	0	241,951		0	0
Add Prob & Parole and Community Alternatives	21.50	3,952,682	0		3,952,682	4,189,843
	25.50	3,952,682	241,951	0	3,952,682	4,189,843
Program 30. Mental Health LFA Current Level		69,355,524	3,073,650		69,355,524	73,516,855
LFA Current Level Reductions						
Eliminate NH/Acute Care on Galen Campus	(91.32)	(4,819,995)	0	1,762,579	(3,057,416)	(3,240,861)
Eliminate MH Services for non-seriously ill adults		(1,194,422)	0		(1,194,422)	(1,268,087)
Recover Add'l Support Staff Costs from CD program		(292,073)	292,073		(292,073)	(309,597)
Move CD off Galen Campus	(24.00)	(798,590)	0		(798,590)	(846,505)
Modifications	(115.32)	(7,105,080)	292,073	1,762,579	(5,342,501)	(5,663,051)
Galen NH Changes to CA	10.00	617,109	0		617,109	654,136
Community Increases		343,084	0		343,084	363,689
Registered Nurses	2.00	160,338	0		160,338	169,958
Crisis Intervention		290,000	0		290,000	307,400
	12.00	1,410,531	0	0	1,410,531	1,495,163
Program 40. Chemical Dependency LFA Current Level		522,093	9,271,653		522,093	553,419
LFA Current Level Reductions						
Fund old Lighthouse Program with Alc Tax		(522,093)	522,093		(522,093)	(553,419)
Modifications						
Galen Changes	5.00	0	266,648		0	0
Program 50. Developmental Disabilities LFA Current Level		32,451,612	105,718		32,451,612	34,398,709
LFA Current Level Reductions						
None		0	0		0	0
Modifications						
None		0	0		0	0
Program 60. Veterans Nursing LFA Current Level		2,036,664	4,376,816		2,036,664	2,158,864
LFA Current Level Reductions						
Eliminate EMVH building Cost; Trf to GF		0	0	(1,700,000)	(1,700,000)	0
Use 2 cent cigarette tax for MVH operating		(2,036,664)	2,036,664		(2,036,664)	(2,158,864)
Modifications	0.00	(2,036,664)	2,036,664	(1,700,000)	(3,736,664)	(2,158,864)
None		0	0		0	0
DCHS TOTALS LFA Current Level		164,701,766	26,504,106	0	164,701,766	174,583,872
LFA Current Level Reductions	(166.65)	(13,562,178)	2,850,830	62,579	(13,499,599)	(12,507,574)
LFA Current Level Modifications	42.50	5,363,213	508,599	0	5,363,213	5,685,006
TOTAL DCHS PLAN PER SUBCOMMITTEE REQUEST	(124.15)	156,502,801	29,863,535	62,579	156,565,380	167,761,303

EXHIBIT: 11  
DATE 2-12-93  
SB

HOUSE OF REPRESENTATIVES

INSTITUTIONS/CULTURAL EDU. SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-12-93 BILL NO. NUMBER

MOTION: to close the acute care  
& nursing home at Helen.

failed

NAME	AYE	NO
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	✓	

4. Modification Registered Nurses

FTE	2.00	2.00
General Fund	78,858	81,480
Other Funds	0	0

√ This will add two registered nurses to the staff at Warm Springs. These staff will allow for the 24 hour per day staffing on each unit which is required by the Ihler decision.

5. Modification Crisis Intervention

General Fund	145,000	145,000
Other Funds	0	0

√ These funds will assist counties in implementing the prohibition against jailing the mentally ill which becomes effective on July 1, 1993. These funds will be used to pay for a variety of activities which will assist in fulfilling the law: crisis intervention services, transportation to a hospital or crisis program in another community, hospital care, in home support, etc.

INSTITUTIONS & CULTURAL EDUCATION SUBCOMMITTEE  
DEPARTMENT OF CORRECTIONS & HUMAN SERVICES

Executive Action  
February 12, 1993

REMAINING MENTAL HEALTH ISSUES:

- |   |              |           |           |
|---|--------------|-----------|-----------|
| 1. Eliminate MH services for non-seriously mentally ill adults. | General Fund | (597,211) | (597,211) |
|   | Other Funds  | 0         | 0         |

✓ Funding for community mental health services for adults who do not have serious mental illness will be eliminated except that crisis intervention will be reimbursed regardless of client group. The Department has proposed legislation which will assure mental health centers can serve people in this client group who can pay for services or have insurance, Medicaid, etc.

- |                                |              |         |         |
|--------------------------------|--------------|---------|---------|
| 2. Modification Galen NH to CA | FTE          | 10.00   | 10.00   |
|                                | General Fund | 303,411 | 313,698 |
|                                | Other Funds  | 0       | 0       |

✓ Additional direct care FTE and operating budget will be provided so that additional patients can be served at the Center for the Aged. This will allow the transfer of some of the Galen nursing home patients to the Center. With this budget modification, the Center's capacity will be 150.

- |                                     |              |         |         |
|-------------------------------------|--------------|---------|---------|
| 3. Modification Community Increases | General Fund | 113,604 | 229,480 |
|                                     | Other Funds  | 0       | 0       |

✓ This increased funding will help ensure that the Department can maintain compliance with its plan of compliance to the Ihler court order. By the second year of the biennium, these funds will allow for the provision of "supported housing" for 52 adults with severe and disabling mental illness.



EXHIBIT 13  
DATE 2-12-93

HOUSE OF REPRESENTATIVES

INSTITUTIONS/CULTURAL EDU. SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-12-93 BILL NO. \_\_\_\_\_ NUMBER \_\_\_\_\_

MOTION: to eliminate MH services for  
non-seriously mentally ill adults

*failed*

NAME	AYE	NO
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	✓	

6401 30 00000

## CORRECTIONS &amp; HUMAN SERVICES

## Mental Health

## Program Summary

SB

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	785.01	790.70	657.92	741.44	(83.52)	657.92	741.44	(83.52)
Personal Services	21,651,495	23,601,204	22,533,435	25,048,562	(2,515,127)	23,389,155	25,817,296	(2,428,141)
Operating Expenses	5,444,827	4,819,044	3,509,601	3,295,507	214,094	3,593,082	3,323,082	270,000
Equipment	92,610	77,637	62,131	93,126	(30,995)	59,794	93,126	(33,332)
Grants	5,614,955	5,715,800	6,781,075	7,281,075	(500,000)	6,781,075	7,281,075	(500,000)
Transfers	0	0	0	77,096	(77,096)	0	115,819	(115,819)
Debt Service	1,704	0	1,705	1,705	0	1,705	1,705	0
Total Costs	\$32,805,593	\$34,213,685	\$32,887,947	\$35,797,071	(\$2,909,124)	\$33,824,811	\$36,632,103	(\$2,807,292)
<u>Fund Sources</u>								
General Fund	31,029,760	32,098,326	31,350,504	34,260,246	(2,909,742)	32,287,368	35,095,278	(2,807,910)
State Revenue Fund	478,935	791,637	175,267	174,649	618	175,267	174,649	618
Federal Revenue Fund	1,296,897	1,323,722	1,362,176	1,362,176	0	1,362,176	1,362,176	0
Total Funds	\$32,805,593	\$34,213,685	\$32,887,947	\$35,797,071	(\$2,909,124)	\$33,824,811	\$36,632,103	(\$2,807,292)

Page References

LFA Budget Analysis (Vol. 2), D45-D47

Stephen's Executive Budget D27-D28

Current Level Differences

PERSONAL SERVICES—The Executive is lower than the LFA current level because:

- 1) the Executive includes 91.32 fewer FTE and less in personal services because it planned to close the nursing home and hospital at Galen.
- 2) the Executive includes less for overtime, differential pay, and holidays worked, and more for benefits than the LFA current level (see "Miscellaneous Personal Services" on the Global Issues sheet). These differences are primarily related to the proposed closures at Galen.
- 3) the Executive includes includes 7.8 more FTE because it transfers those FTE from Chemical Dependency to Mental Health and charges rent for the Chemical Dependency support services (see "Rent" issue below).
- 4) the Executive includes vacancy savings at MSH to adjust for payment of rent and abatement of costs for Chemical Dependency support services at Galen (see "Rent" issue below).
- 5) the Executive includes adjustments for items such as holidays paid out and differential that are included in the calculation of regular salaries at MSH.
- 6) the Executive includes more for overtime, differential pay, and holidays worked and less for benefits than the LFA current level at the Center for the Aged (see "Miscellaneous Personal Services" on the Global Issues sheet).

## Total Personal Services

Exec. Over(Under) LFA  
Fiscal 1994 Fiscal 1995

(2,653,280) (2,733,525)

13,107 168,526

251,671 260,641

(319,101) (319,101)

197,489 204,760

(5,013) (9,442)

(2,515,127) (2,428,141)

OPERATING EXPENSES—The Executive is higher than the LFA current level because it includes:

- 1) less for training costs for Special Services. The LFA current level includes training costs paid through Mental Health in fiscal 1992 that the Executive has requested be transferred to Special Services administration in the Central Operations program.
- 2) more for site evaluation of community programs.
- 3) more for training costs for professional staff at MSH and the Center for the Aged.
- 4) more for variable costs. The LFA current level includes reduced variable costs for 68.25 ADP the department expects to transfer to community services in response to the Ihler district court ruling.
- 5) less for natural gas (see "Natural Gas Procurement" on Global Issues sheet).

(9,764) (9,764)

5,000 5,000

14,190 14,190

393,611 393,611

(35,262) (35,505)

6) more for utilities because the LFA reduced utilities at MSH and CFA by the amount of retrofit savings estimated by DNRC (see "Energy Retrofits" on Global Issues sheet).	42,053	94,053
7) less for perscription services (see "Perscription Services" on Global Issues sheet).	13,603	13,603
8) more for nursing home utilization fees (see "Nursing Home Utilization Fee" on Global Issues sheet).	(4,432)	(4,432)
9) less for operating expenses resulting from the proposed closure of the Galen nursing home and hospital.	(292,232)	(286,800)
10) more for miscellaneous expenditures at CFA, including \$25,000 for a physician contract.	73,842	73,842
11) miscellaneous base and inflation differences.	13,485	12,200
<b>Total Operations</b>	<b>214,094</b>	<b>270,000</b>
<b>EQUIPMENT</b> —The Executive includes less equipment than the LFA current level (see "Equipment" on the Global Issues sheet).	(30,995)	(33,300)
<b>GRANTS</b> —The Executive includes less for grants because it approved a \$500,000 budget modification for the pilot projects in Butte, Missoula, and Kalispell, while the LFA includes those projects in current level.	(500,000)	(500,000)
<b>TRANSFERS</b> —The Executive did not include transfers of energy savings to the energy account for payment of debt service for energy retrofits and transfers to the general fund.	(77,096)	(115,819)
<b>FUNDING</b> —The Executive includes more state special revenue than the LFA current level. In both MSH and CFA the LFA current level includes donations at the fiscal 1992 level. The Executive includes \$1,979 less in donations each year at MSH and \$2,597 more each year at CFA.	618	618

#### Budget Modifications—LFA Budget Analysis (Vol. 2), Page D-35

<b>GALEN CHANGES</b> —The Executive Budget includes a budget modification for general fund at CFA to care for additional residents who would be transferred from Galen because of the proposed closure. The department stated that these FTE are needed: 1) to care for an increased number of residents; and 2) to provide the additional care for an increasingly difficult population.	483,411	493,698
✓ <b>COMMUNITY MENTAL HEALTH INCREASE</b> —The Executive Budget includes a budget modification for general fund to assist mental health consumers in locating and maintaining suitable housing in the community.	113,604	229,480
<b>COMMUNITY MENTAL HEALTH PILOT PROGRAMS</b> —The Executive Budget includes a budget modification for general fund for pilot projects in Kalispell, Butte, and Missoula. These pilot projects are included in the LFA current level.	500,000	500,000
✓ <b>REGISTERED NURSES</b> —The Executive Budget includes a budget modification for general fund for 2.0 FTE nurses in the treatment unit at MSH to comply with the Ihler decision.	78,858	81,480
✓ <b>CRISIS INTERVENTION</b> —The Executive Budget includes a budget modification for general fund for short-time crisis services for adults who are being evaluated for serious mental illness or who have been detained on a misdemeanor charge. These services are intended to help implement House Bill 103, enacted by the 1991 Legislature, which prohibits the detention of mentally ill persons in jail pending a civil commitment hearing.	145,000	145,000

#### Language and Other Issues

**OPERATING EXPENSES**—The LFA current level does not provide for rent paid by Chemical Dependency to Mental Health as envisioned in the Executive Budget. However, to adjust for the costs of providing support services to the Chemical Dependency program at Galen, the LFA current level transferred utilities operating expenses from Mental Health to Chemical Dependency and kept all FTE in Chemical Dependency in lieu of rent (total rent is \$441,461). However, the utility transfer in the LFA current level is negated by the re-calculation of natural gas costs under the natural gas procurement agreement. The corrected natural gas costs provided by DNRC and OBPP include \$128,837 of operating transfers each year. Based on agency documentation, a total of \$189,790 in fiscal 1994 and \$180,820 in fiscal 1995 should be transferred from Mental Health to Chemical Dependency Operations. Therefore, the difference of \$60,953 in fiscal 1994 and \$51,983 in fiscal 1995 to complete the amount equal to the rent should be subtracted from the LFA current level operating costs.

CORRECTIONS & HUMAN SERVICES  
Program Summary

## Center for the Aged

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	0.00	0.00	107.37	107.37	0.00	107.37	107.37	0.00
Personal Services	2,593,118	0	3,169,671	3,174,702	(5,031)	3,262,724	3,272,166	(9,442)
Operating Expenses	708,524	0	885,018	767,411	117,607	908,704	789,313	119,391
Equipment	33,153	0	27,139	0	27,139	27,139	0	27,139
Transfers	0	0	0	5,000	(5,000)	0	5,000	(5,000)
Total Costs	\$3,334,796	\$0	\$4,081,828	\$3,947,113	\$134,715	\$4,198,567	\$4,066,479	\$132,088
<u>Fund Sources</u>								
General Fund	3,325,882	0	4,066,693	3,934,575	132,118	4,183,432	4,053,941	129,491
State Revenue Fund	8,913	0	15,135	12,538	2,597	15,135	12,538	2,597
Total Funds	\$3,334,796	\$0	\$4,081,828	\$3,947,113	\$134,715	\$4,198,567	\$4,066,479	\$132,088

Page ReferencesExec. Over(Under) LFA  
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## CORRECTIONS &amp; HUMAN SERVICES

Montana State Hospital

DATE

2-12-93

## Program Summary

SB

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	0.00	0.00	545.55	629.07	(83.52)	545.55	629.07	(83.52)
Personal Services	18,620,997	0	19,131,714	21,641,810	(2,510,096)	19,891,885	22,310,584	(2,418,699)
Operating Expenses	3,841,356	0	2,569,916	2,482,855	87,061	2,629,451	2,488,268	141,183
Equipment	59,411	0	30,925	0	30,925	28,588	0	28,588
Transfers	0	0	0	72,096	(72,096)	0	110,819	(110,819)
Total Costs	\$22,521,764	\$0	\$21,732,555	\$24,196,761	(\$2,464,206)	\$22,549,924	\$24,909,671	(\$2,359,747)
<u>Fund Sources</u>								
General Fund	22,050,707	0	21,571,388	24,033,615	(2,462,227)	22,388,757	24,746,525	(2,357,768)
State Revenue Fund	470,022	0	160,132	162,111	(1,979)	160,132	162,111	(1,979)
Federal Revenue Fund	1,034	0	1,035	1,035	0	1,035	1,035	0
Total Funds	\$22,521,764	\$0	\$21,732,555	\$24,196,761	(\$2,464,206)	\$22,549,924	\$24,909,671	(\$2,359,747)

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## CORRECTIONS &amp; HUMAN SERVICES

## Mental Health Community Services

## Program Summary

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	842,401	0	0	0	0	0	0	0
Grants	<u>5,614,955</u>	<u>0</u>	<u>6,781,075</u>	<u>7,281,075</u>	<u>(500,000)</u>	<u>6,781,075</u>	<u>7,281,075</u>	<u>(500,000)</u>
Total Costs	\$6,457,356	\$0	\$6,781,075	\$7,281,075	(\$500,000)	\$6,781,075	\$7,281,075	(\$500,000)
<u>Fund Sources</u>								
General Fund	5,161,493	0	5,419,934	5,919,934	(500,000)	5,419,934	5,919,934	(500,000)
Federal Revenue Fund	<u>1,295,863</u>	<u>0</u>	<u>1,361,141</u>	<u>1,361,141</u>	<u>0</u>	<u>1,361,141</u>	<u>1,361,141</u>	<u>0</u>
Total Funds	\$6,457,356	\$0	\$6,781,075	\$7,281,075	(\$500,000)	\$6,781,075	\$7,281,075	(\$500,000)

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6401 30 03100 CORRECTIONS & HUMAN SERVICES Program Summary			Mental Health Operations					
Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	0.00	0.00	5.00	5.00	0.00	5.00	5.00	0.00
Personal Services	437,379	0	232,050	232,050	0	234,546	234,546	0
Operating Expenses	52,545	0	54,667	45,241	9,426	54,927	45,501	9,426
Equipment	46	0	4,067	93,126	(89,059)	4,067	93,126	(89,059)
Debt Service	1,704	0	1,705	1,705	0	1,705	1,705	0
Total Costs	\$491,676	\$0	\$292,489	\$372,122	(\$79,633)	\$295,245	\$374,878	(\$79,633)
<u>Fund Sources</u>								
General Fund	491,676	0	292,489	372,122	(79,633)	295,245	374,878	(79,633)
Total Funds	\$491,676	\$0	\$292,489	\$372,122	(\$79,633)	\$295,245	\$374,878	(\$79,633)

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EXHIBIT 15DATE 2-12-93

SB

## HOUSE OF REPRESENTATIVES

INSTITUTIONS/CULTURAL EDU. SUB-COMMITTEE

## ROLL CALL VOTE

DATE 2-12-93 BILL NO. \_\_\_\_\_ NUMBER \_\_\_\_\_MOTION: to accept modifications3-4-5. 3 - community increases4 - registered nurses5 - Crisis Intervention

NAME	AYE	NO
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		✓

*failed*