

MINUTES

MONTANA SENATE 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By Senator Judy Jacobson, Chair, on March 24, 1993, at 8:00 a.m.

ROLL CALL

Members Present:

Sen. Judy Jacobson, Chair (D)
Sen. Eve Franklin, Vice Chair (D)
Sen. Tom Beck (R)
Sen. Don Bianchi (D)
Sen. Chris Christiaens (D)
Sen. Gerry Devlin (R)
Sen. Gary Forrester (D)
Sen. Harry Fritz (D)
Sen. Ethel Harding (R)
Sen. Bob Hockett (D)
Sen. Greg Jergeson (D)
Sen. Tom Keating (R)
Sen. J.D. Lynch (D)
Sen. Chuck Swysgood (R)
Sen. Daryl Toews (R)
Sen. Larry Tveit (R)
Sen. Eleanor Vaughn (D)
Sen. Mignon Waterman (D)
Sen. Cecil Weeding (D)

Members Excused: Senator Aklestad

Members Absent: None

Staff Present: Terry Cohea, Legislative Fiscal Analyst
Lynn Staley, Committee Secretary

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

Committee Business Summary:

Hearing: HB 19, HB 632
Executive Action: HB 19, HB 632, HB 401, HB 500

HEARING ON HOUSE BILL 632

Opening Statement by Sponsor:

Representative Brad Molnar, House District 85, said HB 632 is a

mental health bill that serves two functions. It would coordinate the efforts of the Departments of Office of Public Instruction (OPI), Corrections, Family Services (DFS), Health and Environmental Sciences, and Social and Rehabilitation Services (SRS) for out-of-state placement of youth with multi-agency needs. Currently there are 128 out-of-state children that cost \$5.2 million per year. 77 of those are funded from the general fund, 31 from DFS Medicaid and 21 private Medicaid. HB 632 also addresses the family of one. By bringing these children back to Montana, \$5.2 million will be spent locally rather than out of state.

Proponents' Testimony:

Hank Hudson, DFS Director, went through HB 632 and provided a detailed analysis. He stated this plan fits in well with other activities that are going on during this session concerning youth mental health services. He said we need to take a look at the children that are out of state and see what resources we have in state and where and how we need to add resources and spend the money, which could be as much as \$5.5 million of general fund.

Sally Johnson, Deputy Director of the Department of Corrections and Human Services, said the department supports HB 632 with the amendments that are currently in it. The bill would enable Montana to take a significant step forward in comprehensive planning and coordination of delivery of services through a managed care approach.

Robert Runkel, Director of Special Education at OPI, in stating his support, said the bill represents an effort for cost control and an effort to serve our children as close to home as possible.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

Senator Lynch asked Mr. Hudson why we have to pass a law to do what we should have been doing for years.

Mr. Hudson said it is important to have a law. There are some things that exceed what we would or could have done without this bill, one of which is the direction to spend money across the lines of agencies when possible which is being done in HB 2 as well as in legislation like this, which directs agencies to use their funds together when possible.

Senator Lynch said the Children's Unit at Warm Springs was closed and moved to Billings, and after they had problems, it went out of state. He asked if there were plans to initiate the use of the Children's Unit.

Mr. Hudson there were no plans from the department.

Senator Jacobson asked if there is still a problem with the courts placing children out of state and our ability to deal with that.

Mr. Hudson said he thinks the highest number of children we have out of state have gone through the court system, but it is not accurate to say the problem rests with the court. He said the problem lies in the lack of community based alternatives to serve the children.

Senator Jacobson asked if the courts would respond if the facilities were in place. Mr. Hudson said he thought they would.

Senator Jacobson asked about the severability clause at the end of HB 632.

Mr. Hudson said it is his understanding that this bill will be in its entirety, or nothing.

Senator Jacobson asked why there was no fiscal note.

Mr. Hudson said it is their feeling that these activities lie within the responsibilities of the current employees and they will not need additional staff. It may cost just as much money to serve these children in state.

Senator Jacobson asked if they would utilize the savings within the department to provide the services and if they would be able to start some of the committees prior to the effective date of October 1. Mr. Hudson said yes.

Senator Swysgood said it is frustrating to those that have concerns for the children to see facilities shut down saying it is going to save us money, and then find out it has cost money instead of saving money. He asked if the facilities that are in-state to serve these children were currently in place or are there going to be new ones.

Mr. Hudson said the RFP process will allow current providers or people who want to start new projects to respond to this. He said it would probably be a mix; some of the providers have programs that are appropriate, and it would be a matter of expanding what they are doing. Some providers may not have the same clients after this legislative session that they have right now. He said a lot of their experience is with the AWARE Program in Anaconda. They asked providers to come forward with an alternative and the people in Anaconda came forward with a proposal that involved 3 group homes and they served some of the kids that the most money was spent on. It gave DFS the confidence that even in the most difficult cases, Montana has the ability to put together services that are as good as any in the country.

Senator Keating said there are several bills that will establish review committees. He asked if there would be a chance of utilizing some of those committees in several services or will there be new committees.

Mr. Hudson said there is an overlap and what is needed is for consolidation of people who represent the children and the providers for planning in a number of areas. They may have meetings in which two or three of the needs of the planning group are met with one meeting.

Senator Keating asked if the language of the bills would allow the combining of the committees.

Mr. Hudson said he does not see anything in the language that would prohibit one meeting for more than one group.

Senator Weeding asked if the move is towards a public type of facility or a private sector.

Mr. Hudson said DFS is looking at the private sector. He said the reason a lot of the children are out of state is because current in state providers did not choose to serve this population. He thinks that is changing, and he is hearing they are interested in serving even that population which is the older adolescent who needs secure care and supervision. He said some of the kids out-of-state have such unique situations that there will never be a facility in Montana to handle them, therefore we can't say there will never be any children out of state.

Senator Hockett asked if there is an increased amount of children being served each year.

Mr. Hudson said it is increasing rapidly. There are about 158 out-of-state receiving medicaid and about 76 out-of-state who don't receive medicaid. The greatest increase has been children receiving residential treatment services under medicaid who are not in the custody of the department.

Senator Hockett asked what is being done to reduce the number of children coming into the program.

Mr. Hudson said when the budget for the DFS is presented before the committee, they will see the department has asked for the authority to replace general fund money with federal money and redirect almost all of that money they can recover, up to an amount of \$3 million, to begin prevention and family preservation programs. They operate the Children's Trust Fund, and they have started family-based services.

Closing by Sponsor:

Rep. Molnar closed. He said there was no fiscal impact so there

was no need for a fiscal note.

HEARING ON HOUSE BILL 19

Opening Statement by Sponsor:

Representative Royal Johnson, House District 88, said HB 19 is an attempt to keep in place a joint interim oversight committee on children and families that started after the last legislative session. He said he thinks they can do the job for the \$10,000 that is being appropriated. It is a program that should be considered to coordinate all the things that are done in this area.

Proponents' Testimony:

Gary Walsh, Department of Family Services, said there were a number of things the Department would be working on during the next biennium. They think the creation of a permanent oversight committee is the effective way to insure that all departments involved have an opportunity to share status reports, where they are in terms of initiatives. It would include the private sector in terms of that planning.

Paulette Kohman, Executive Director of Montana Council for Maternal and Child Health, said the interim committee is a good idea and will be even more important now because of actions in HB 2. The Legislature needs to have someone monitoring what is changing in family services through the year. They feel that for at least the next 10 years, the committee would be a vital link between the legislature, the communities and the department.

Harley Warner, representing Montana Association of Churches, in supporting HB 19, said they support the strengthening of families and the protection of children.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

Senator Devlin asked Rep. Johnson if this would be permanent standing committee.

Rep. Johnson said he does not think the work will ever be done but thinks it should be looked at every couple of years.

Senator Forrester said he thinks there are overlap agencies, and asked why the departments couldn't do this on their own without an oversight committee.

Rep. Johnson said that was right. He said the departments were extremely cooperative with the committee and they laid out the

programs they have and how the program is delivered. It is important that we do have the oversight so that this Legislature can see what is happening. The overlap was the reason for the creation of this committee.

Senator Vaughn asked if the committee that was set up for foster children and out-of-state placement could work in correlation with this committee.

Rep. Johnson said that is exactly the way the committee should function, and it should function also with the Department of Family Services, Social and Rehabilitation Services and the Department of Corrections. We need this type of coordination and cooperation with the providers and the departments.

Senator Waterman said this was an excellent study, but would suggest someone from the budget committees that oversee DFS and SRS should serve on the interim committee.

Rep. Johnson said he agreed and suggested she speak to the leadership of both Houses.

Closing by Sponsor:

Rep. Johnson closed on HB 19.

EXECUTIVE ACTION ON HOUSE BILL 19

Motion/Vote: Senator Beck moved House Bill 19 BE CONCURRED IN. The Motion CARRIED.

EXECUTIVE ACTION ON HOUSE BILL 632

Motion/Vote: Senator Keating Moved House Bill 632 BE CONCURRED IN. The Motion CARRIED.

EXECUTIVE ACTION ON HOUSE BILL 401

Motion/Vote: Senator Lynch moved the amendment. (Exhibit 1) The Motion CARRIED.

Motion/Vote: Senator Lynch moved HB 401 BE CONCURRED IN AS AMENDED. The Motion CARRIED.

EXECUTIVE ACTION ON HOUSE BILL 500

Motion/Vote: Senator Jergeson moved the amendment. (Exhibit 2) The Motion CARRIED.

Discussion: Senator Keating questioned page 2, line 15 regarding

the Office of Public Instruction being exempt from the expenditure reduction.

Senator Jacobson said she doesn't think the OPI is exempt, but the foundation program and the guaranteed tax base is exempt, which is still in statute. She said if OPI has overruns in other operations, they will be subject to the reductions, but not in their payments to schools through the foundation program.

Senator Waterman questioned the intent of the bill and if it will achieve the intended goal.

Senator Jergeson stated HB 500 states, "to the greatest extent possible".

Senator Jacobson said she firmly believes something has to be done to curb the supplemental process as it has gone through this session. She thinks Representative Mercer is making an honest effort in trying to get department heads to manage their departments in a responsible manner. It may not work, but at least it is better than doing nothing.

Dave Lewis, Budget Director, said he supported HB 500 in the House and said their intent is to hold down supplementals. It will not eliminate supplementals entirely, but will to the greatest extent possible.


Senator Weeding said it is telling agencies to do what they should be doing anyway. He thinks the Governor could make that kind of edict if it is desirable.

Senator Beck said there is nothing detrimental in this bill, and it may send a message to the departments to try to reduce supplementals.

Vote: Senator Beck moved HB 500 AS AMENDED BE CONCURRED IN. The motion CARRIED on a roll call vote.

ADJOURNMENT

Adjournment: The meeting adjourned at 9:15 a.m.


SENATOR JUDY JACOBSON, Chair


LYNN STALEY, Secretary

ROLL CALL

SENATE COMMITTEE FINANCE AND CLAIMS

DATE 3/24/93

NAME	PRESENT	ABSENT	EXCUSED
SENATOR JACOBSON	✓		
SENATOR FRANKLIN	✓		
SENATOR AKLESTAD			✓
SENATOR BECK	✓		
SENATOR BIANCHI	✓		
SENATOR CHRISTIAENS	✓		
SENATOR DEVLIN	✓		
SENATOR FORRESTER	✓		
SENATOR FRITZ	✓		
SENATOR HARDING	✓		
SENATOR HOCKETT	✓		
SENATOR JERGESON	✓		
SENATOR KEATING	✓		
SENATOR LYNCH	✓		
SENATOR TOEWS	✓		
SENATOR SWYSGOOD	✓		
SENATOR TVEIT	✓		
SENATOR VAUGHN	✓		
SENATOR WATERMAN	✓		
SENATOR WEEDING	✓		

FC8

Attach to each day's minutes

SENATE STANDING COMMITTEE REPORT

Page 1 of 2
March 24, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 500 (first reading copy -- blue), respectfully report that House Bill No. 500 be amended as follows and as so amended be concurred in.

Signed:

Judy H. Jacobson
Senator Judy H. Jacobson, Chair

That such amendments read:

1. Title, line 10.

Following: ";

Insert: "PROVIDING CERTAIN EXCEPTIONS;"

2. Page 2, line 14.

Following: "analyst."

Strike: "If the"

Insert: "(2) The plan for reducing expenditures required by subsection (1) is not required if the proposed supplemental appropriation is:

(a) due to an unforeseen and unanticipated"

3. Page 2, line 14.

Following: "emergency"

Strike: "is"

4. Page 2, line 15.

Following: "suppression"

Strike: "OR IF THE PROPOSED SUPPLEMENTAL APPROPRIATION IS"

Insert: " ; (b) "

5. Page 2, lines 20 and 21.

Following: "BIENNIUM"

Strike: ", the plan for reducing expenditures is not required."

Insert: " ; or (c) requested by the attorney general and: (i) is to pay the costs associated with litigation in which the department of justice must provide representation to the state of Montana; or (ii) in accordance with the provisions of 7-32-2242, is to pay costs for which the department of justice is responsible for confinement of an arrested person in a detention center. (3) "

Re-number: subsequent subsections

6. Page 3, line 1.

Following: "biennium."

Strike: "The"

Insert: "Except as provided in subsection (2), the"

HH
on

Amd. Coord.

Sec. of Senate

Senator Simpson
Senator Carrying Bill

661436SC.San

7. Page 3, line 18.

Following: "in"

Strike: "subsection (5)(b)"

Insert: "subsections (2) and (7)(b)"

-END-

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 24, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 401 (first reading copy -- white), respectfully report that House Bill No. 401 be amended as follows and as so amended be concurred in.

Signed:

Judy H. Jacobson
Senator Judy H. Jacobson, Chair

That such amendments read:

1. Page 5, line 20.

Following: Line 19

Insert: "NEW SECTION. Section 7. Legislative oversight. The speaker of the house and the president of the senate shall each appoint two members of their respective bodies, one from each party, to meet quarterly for briefings on the progress of the Montana-ARCO litigation and negotiations. The committee shall also consider plans for appropriate utilization of any money received by the state as a result of the litigation. Staff assistance for the committee must be provided by the department of health and environmental sciences. Committee expenses must be paid from the appropriation in [section 1]."

Renumber: subsequent section

-END-

[Signature]
Amd. Coord.
Sec. of Senate

Senator Beck
Senator Carrying Bill

661252SC.San

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 24, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 632 (first reading copy -- blue), respectfully report that House Bill No. 632 be concurred in.

Signed: Judy H. Jacobson
Senator Judy H. Jacobson, Chair

AM Amd. Coord.
m Sec. of Senate

Jacobson
Senator Carrying Bill

661248SC.San

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 24, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 19 (first reading copy -- blue), respectfully report that House Bill No. 19 be concurred in.

Signed: Judy H. Jacobson
Senator Judy H. Jacobson, Chair

AW Amd. Coord.
D Sec. of Senate

Senator Eck
Senator Carrying Bill

661246SC.San

ROLL CALL VOTE

SENATE COMMITTEE FINANCE AND CLAIMS

BILL NO. HB 500

DATE March 24, 1999 TIME _____ A.M. P.M.

NAME	YES	NO
SENATOR JACOBSON	✓	
SENATOR JERGESON		✓
SENATOR AKLESTAD	✓	
SENATOR BECK	✓	
SENATOR BIANCHI	✓	
SENATOR CHRISTIAENS		✓
SENATOR DEVLIN	✓	
SENATOR FORRESTER		✓
SENATOR FRANKLIN	✓	
SENATOR FRITZ	✓	
SENATOR HARDING	✓	
SENATOR HOCKETT	✓	
SENATOR KEATING	✓	
SENATOR LYNCH		✓
SENATOR TOEWS		✓
SENATOR SWYSGOOD	✓	
SENATOR TVEIT	✓	
SENATOR VAUGHN	✓	
SENATOR WATERMAN		✓
SENATOR WEEDING		✓

Lynn Stealey
SECRETARY

CHAIR

MOTION:

Senator Beck motion
HB 500 as amended be Concurred In.

Amendments to House Bill No. 401
Third Reading Copy

Requested by Senator Jacobson
For the Committee on Senate Finance and Claims

Prepared by Jim Haubein
March 23, 1993

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 1

DATE HB 401

BILL NO. HB 401

1. Page 5, line 20.

Following: Line 19

Insert: **"NEW SECTION. Section 7. Legislative oversight.** The speaker of the house and the president of the senate will each appoint two members of their respective bodies, one from each party, to meet quarterly for briefings on the progress of the litigation and/or negotiations. The committee will also consider plans for appropriate utilization of any money received by the state as a result of the Montana-Atlantic Richfield litigation. Staff assistance for the committee will be provided by the department of health and environmental sciences. Committee expenses will be paid from the appropriation in [section 1] of this bill."

{Office of Legislative Fiscal Analyst

444-2986}

Amendment No. 1
A.G.

3/23/93

Amendment to House Bill 500
Third Reading Copy (Blue)

Prepared by Department of Justice

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 2

DATE 3/24/93

BILL NO. HB 500

1. Page 2, line 14.

Following: "analyst."

Strike: "If the"

Insert: "(2) The plan for reducing expenditures required by subsection (1) is not required if the proposed supplemental appropriation is:

"(a) due to an unforeseen and unanticipated",

2. Page 2, line 14.

Following: "emergency"

Strike: "is"

3. Page 2, line 15.

Following: "suppression"

Insert: ";

4. Page 2, line 15.

Following: "OR"

Strike: "IF THE PROPOSED SUPPLEMENTAL APPROPRIATION IS"

Insert: "(b)"

5. Page 2, line 20.

Following: "BIENNIUM"

Strike: ", the plan for reducing expenditures is not required."

Insert: "; or (c) requested by the attorney general and: (i) is to pay the costs associated with litigation in which the department of justice must provide representation to the state of Montana; or (ii) in accordance with the provisions of 7-32-2242, is to pay costs for which the department of justice is responsible for confinement of an arrested person in a detention center. (3)"

Renumber remaining subsections accordingly.

6. Page 3, line 1.

Following: "biennium."

Strike: "The"

Insert: "Except as provided in subsection (2), the"

7. Page 3, line 18.

Following: "in"

Strike: "subsection"

Insert: "subsections (2) and"

(OVER)

Explanation of Department of Justice Amendment

As proposed by the Department of Justice, a new subsection (2) would be added to section 17-1-301 and would read as follows:

"(2) The plan for reducing expenditures required by subsection (1) is not required if the proposed supplemental appropriation is:

(a) due to an unforeseen and unanticipated emergency for fire suppression; or

(b) requested by the superintendent of public instruction, in accordance with the provisions of 20-9-351, and is to complete the state's funding of guaranteed tax base aid, transportation aid, or equalization aid to elementary and secondary schools for the current biennium; or

(c) requested by the attorney general and: (i) is to pay the costs associated with litigation in which the department of justice must provide representation to the state of Montana; or (ii) in accordance with the provisions of 7-32-2242, is to pay costs for which the department of justice is responsible for confinement of an arrested person in a detention center."

The language that follows would become a new subsection (3) and other subsections of the statute would be renumbered accordingly. Language also is inserted to exempt these proposed supplemental appropriations from the expenditure limits imposed by the bill.

DATE 3/24/93

SENATE COMMITTEE ON Finance & Claims

BILLS BEING HEARD TODAY: HB 19 HB 632
R. Johnson Molnar

Name	Representing	Bill No.	Check One	
			Support	Oppose
Robert Runkel	OPI	HB 632	X	
Hank Hudson	DFS	632	X	
Garry Johnson	DCHS	632	X	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE 3/24/93

SENATE COMMITTEE ON Finance & Claims

BILLS BEING HEARD TODAY: HB 19 HB 632
R. Johnson Molnar

Name	Representing	Bill No.	Check One	
			Support	Oppose
HARLEY WARNER	ASSOC. OF CHURCHES	HB 19	X	
Gary Welch	DES		X	
Pauline Koluman	MCMCH	HB 19	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY