

EXHIBIT 60
DATE 3-8-95
HB 2

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Barnhart
For the Committee on Appropriations

Prepared by Lois Steinbeck
March 2, 1995

1. Page B-8, following line 14.

Insert: "The department may add FTE instead of contracting for services if it certifies to the office of budget and program planning that FTE are more cost-effective than contracting."

LFA will amend the totals.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Purple Reference Copy

EXHIBIT 61
DATE 3-8-95
HB 2

Requested by Representative Barnhart
For the Committee on Appropriations

Prepared by Lois Steinbeck
March 2, 1995

1. Page B-8, following line 14.

Insert: "The department shall notify the parents, legal guardians, or caretakers of the children of male and female prisoners in the state of Montana of the state services available to children and families. Services provided by the departments of family services, social and rehabilitation services, health and environmental sciences, and corrections and human services must be listed and explained. Notification may be waived if the children of prisoners do not reside in Montana."

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Purple Reference Copy

EXHIBIT 62
DATE 3-8-95
HB 2

Requested by Representative Barnhart
For the Committee on Appropriations

Prepared by Lois Steinbeck
March 2, 1995

1. Page B-5, following line 20.

Insert: "Contingent on passage and approval of Senate Bill No. 209, the department shall notify the department of family services that children in a household are at risk when that household receives a sanction that includes reduction of the adult portion of the AFDC grant."

{Office of Legislative Fiscal Analyst

444-2986}

1. the dept shall develop and implement by July 1, 1996 a consolidated county contract for all revenue going to a county or region for helath grants.
2. The MCH rules shall be revised and updated to reflect the current Block Grant legislation with the 1989 amendments. There shall also be established a core set of MCH services that should be assured or provided by each county. The rules shall address Medicaid billing and reimbursement with a provision that all program income be spent on MCH services and that it not be used to supplant local funds.
3. Revised MCH rules should address the local match requirement.
4. All opportunities for maximizing medicaid revenues shall be explored including requiring local health units to bill medicaid for reimbursable services and using available state dollars as match to draw down medicaid funds for state level positions and activities. If necessary, SRS should be requested to assist in this area. No grants shall be given to counties or communities until an effective method of maximizing medicaid revenues has been established and implemented by the counties and communities.
5. The budgeting of Block Funds shall involve priority setting by the programs. The contracts and formula including the Miami program and other grants are to be revised to at least give the opportunity to help those counties, regions or communities with the least resources and inability to raise money as well as the worst problems.
6. local health departments shall assume more responsibilities of outreach and education for Passport clients.
7. that SRS and Dept. of health shall coordinate and help and implement an accounting process for claiming medicaid match for administrative activities related to health programs and related medicaid programs.
8. The majority of local health departments shall bill medicaid for immunizations and well child visits/epsdt.

EXHIBIT 64
DATE 3-8-95
HB 2

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Rep. Kadas
For the Committee on Appropriations

Prepared by Mark Lee
March 7, 1995

1. Page B-10, line 9.

Strike: "1,422,683" "1,337,120"

Insert: "1,460,183" "1,374,620"

LFA will amend totals.

This amendment adds federal funds of \$37,500 each year to perform inspections of food industries participating in interstate commerce. Under a federal contract, sanitary and food safety inspections would be performed by Food & Consumer Safety Bureau personnel. Funds would be supplied through the federal contract.

{Office of Legislative Fiscal Analyst

444-2986}

EXHIBIT 65
DATE 3-8-95
HB 2

Amendment to House Bill 2
Requested by Department of Justice

Prepared by
JanDee May, Department of Justice
March 6, 1995

Page D-2, Line 22

Strike: 1,800,654	1,738,333
Insert: 1,834,066	1,771,745
Recalculate totals.	

This amendment adds \$33,412 per year in state special funds for increased office rental expenses in the Gambling Control Division.

DEPARTMENT OF CORRECTIONS & HUMAN SERVICES Department Requests not Approved in Subcommittee

EXHIBIT 66

DATE 3-8-95

HB 2

		FY 96				FY 97			
DCHS Amd. No.	CENTRAL OPERATIONS PROGRAM	FTE	General Fund	Other Revenue	Total	FTE	General Fund	Other Revenue	Total
1	<p><u>System Programming Staff</u></p> <p>Adds four computer programmers to the Department's Information Services Bureau. Programmers write the instructions or software necessary to store, collect, and disseminate data. This request would allow the Department to eliminate the backlog of requests and to provide for better evaluation of treatment and corrections programs, communication with other agencies, respond to statistical requests, and automate manual processes.</p> <p>Impact of No Funding</p> <p>Will not be able to provide programming to link with the Criminal Justice Network to track arrests for more accurate recidivism calculations, evaluate program effectiveness like correctional chemical dependency, respond to changes in medicaid reimbursement, evaluate sentencing options and placement decisions, automate patient treatment which often is recorded on yellow pads, and respond to the numerous data analysis requests reflected in the recent LFA study of corrections.</p>	3.00	52,317	67,544	119,861	4.00	54,609	72,917	127,526

	CORRECTIONS PROGRAM	4.00	124,218	0	124,218	4.00	124,653	0	124,653
2	<p><u>Women's Correctional Center</u> Provides for funding for two filled positions. One position is the Unit Manager for Community Programs which leads development of women's pre-release community programs, conducts disciplinary hearings for the women's correctional system and monitors all women's pre-release contracts. The other position is Community Programs Case Manager which screens, reviews and manages the inmates cases recommending appropriate pre-release placements, and transition from pre-release to the community.</p> <p>Provides funding for two additional correctional officers at the Women's Prison to increase security staff particularly directed toward perimeter security and visiting supervision.</p> <p>Impact of No Funding</p> <ol style="list-style-type: none"> 1. Lay off of two current employees. 2. Elimination of discipline and hearings process. 3. No inmate case management and identification of pre-release placement. 4. Additional escapes and introduction of contraband into the prison. 	4.00	124,218	0	124,218	4.00	124,653	0	124,653

3	<p>Montana State Prison Security</p> <p>Adds 2 correctional technician positions to provide staff to monitor inmate telephone calls and urine analysis testing; 7 correctional officers for an interperimeter security team which would increase frequency of shakedown, recreational yard control and disturbance control; 1 correctional supervisor for the planned honor dorm expansion and 1 psychiatrist for mental health treatment of inmates.</p> <p>Impact of No Funding</p> <ol style="list-style-type: none"> 1. Increased risk of disturbance and drug smuggling. The increased population combined with staff reductions has resulted in a decreased ability to control contraband or find staff to control aggressive inmate behavior. 2. Inability to provide mental health treatment agreed to in recent lawsuit settlements resulting in further legal action and lack of treatment for mentally ill inmates further destabilizing the prison environment. 	11.00	456,588	0	456,588	11.00	457,705	0	457,705
4	<p>Swan River Expansion/Security</p> <p>Provides funding for 6 Correctional Officers, 4 Drill Instructors and 1 Administrative Support. In addition, it allows for a variety of security improvements that were addressed in a recent security audit.</p> <p>Impact of No Funding</p> <ol style="list-style-type: none"> 1. Continued staff shortages resulting in inability to retain staff. 2. No 24-hour security staffing. 3. Negative impact on prison population as trustees will not be placed resulting in a loss of 20 beds from current capacity. 4. Loss of a planned 21-bed expansion of SRCTC capacity. 5. Required to add 6 civilian positions to provide maintenance, supply and food service support or the camp will be closed resulting in 18 lay offs and 40-bed capacity reduction and negative impact on prison population. 	11.00	408,027	0	408,027	11.00	452,943	0	452,943

5	<p><u>Swan River Aftercare</u> The amendment provides for a follow-up program for offenders who have successfully completed the SRCTC Boot Camp program. The funds allow for expansion of the program.</p> <p>Impact of No Funding</p> <ol style="list-style-type: none"> 1. Negative impact on prison population due to the loss of 20 beds in planned correctional capacity. 2. Limit offenders participating in aftercare program. 2. Risk of higher offender recidivism. 3. Increased difficulties of offenders establishing solid release plans. 	0.00	270,840	0	270,840	0.00	270,100	0	270,100
6	<p><u>Community Services Expansion</u> Provide for an additional 11 Probation and Parole Officers that would reduce overloaded caseloads, provide supervision to sex offenders sentenced to DCHS for life, and allow for more services to community correctional facilities and regional prisons. In addition, the amendment provides funds for community sexual offender treatment, urinalysis testing and day reporting services for offenders in the community.</p> <p>Impact of No Funding</p> <ol style="list-style-type: none"> 1. Overloaded probation & parole caseloads. 2. Higher risk to community. 3. Higher recidivism rates due to a lack of appropriate treatment for offenders. 4. Higher risk at community correctional facilities due to an inability to test for illegal substances. 5. Negative impact on prison populations due to a loss of 40 slots for community correctional facilities' day reporting program. 	11.00	904,326	0	904,326	11.00	719,252	0	719,252

7	<p>MSP Reception Overflow</p> <p>Provide July 1, 1995 80-bed expansion of male prison capacity by opening the old forensic/ expansion unit on the Montana State Hospital Campus as an 80-bed reception overflow unit.</p> <p>Impact of No Funding</p> <ol style="list-style-type: none"> 1. Mandatory prison cap. 2. Additional release of inmates. 3. Threatens public safety and disruption of courts and criminal justice system. 	31.00	1,024,576	0	1,024,576	31.00	1,024,576	0	1,024,576
		68.00	3,188,575	0	3,188,575	68.00	3,049,229	0	3,049,229

8	<p>MENTAL HEALTH PROGRAM</p> <p>Administration/UR Operating</p> <p>This provides funding for two positions within the mental health division which are currently filled: Child & Adolescent Services system Manager is the person who administers and oversees the Managing Resources Montana Program as well as providing planning, policy development and program coordination for children's mental health services. The Utilization Review Specialist manages the Medicaid-required process of assuring that placements of youth in residential facilities are medically necessary and is the least restrictive setting. In addition, this position supervises inspections of care of residential facilities and manages the fair hearing and legal processes involved when a utilization review decision is appealed. This position has performed the same functions in SRS and DFS for a number of years. The only change which has occurred is that the functions and the position has been transferred to DCHS.</p> <p>Impact of No Funding:</p> <ol style="list-style-type: none"> 1. Lay-off two current employees 2. No staff to administer MRM Program. 3. No staff to administer utilization review. This is a federally mandated process. Therefore, Department would contract for the service using funds which would otherwise purchase direct services. 4. Mental Health Division would have no staff specializing in mental health services for children and adolescents. 	1.40	34,382	0	34,382	2.00	58,572	0	58,572
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9	<p>Residential Youth Treatment PL <u>Utilization Review</u> Funding for Medicaid-eligible youth in residential treatment facilities and contracted services funds for utilization review process which assures residential services are not used when they are unnecessary.</p> <p>Impact of No Funding</p> <ol style="list-style-type: none"> 1. Approximately \$2.8 million of general funds intended for community services will have to be directed to residential treatment in order to meet the need at the same level provided in FY 95. 2. Since utilization review is required, funds intended for services will have to be redirected to adequately fund utilization review functions. 	0.00 <u>0.00</u> 0.00	1,338,421 <u>65,266</u> 1,403,687	0 <u>0</u> 0	1,338,421 <u>65,266</u> 1,403,687	0.00 <u>0.00</u> 0.00	1,448,763 <u>65,200</u> 1,513,963	0 <u>0</u> 0	1,513,963 <u>65,200</u> 1,579,163
10	<p><u>MRM Community Present Law</u> Funding to annualize the rate of MRM expenditures which were experienced once the programs was fully functioning in FY 94.</p> <p>Impact of No Funding</p> <ol style="list-style-type: none"> 1. Increased use of higher cost residential treatment facilities leading to a supplemental for residential treatment. 2. Needs of youth and families will not be met. 3. Waiting lists. 4. Rationing of services to individual youth at levels which do not meet needs. 	0.00	461,940	0	461,940	0.00	461,940	0	461,940
10	<p><u>MRM Community Expansion</u> Funding based on regional plans developed at the grassroots level to identify unmet needs of seriously emotionally disturbed youth and their families.</p> <p>Impact of No Funding</p> <ol style="list-style-type: none"> 1. Needs of youth identified by communities will go unmet. 2. Rationing of services to individual youth. 3. Increase in higher cost residential services use likely. 4. Continued negative impact on schools. 	0.00 <u>0.00</u>	3,031,549 3,493,489	0 0	3,031,549 3,493,489	0.00 0.00	3,031,549 3,493,489	0 0	3,031,549 3,493,489

11	<p>Supported Housing Provides for funds to help a mentally ill adult get set up in housing and case management to support and supervise the person</p> <p>Impact of No Funding 1. Delays in some discharges for the State Hospital and increased State Hospital admissions. 2. Potential homelessness for the mentally ill.</p>	0.00	110,000	0	110,000	0.00	110,000	0	110,000
12	<p>Crisis Intervention Services Residential short term intervention for seriously mentally ill adults in crisis. Programs established in three communities.</p> <p>Impact of No Funding 1. Unnecessary psychiatric hospitalizations. 2. Prolonged and/or more severe crisis situations. 3. Lack of professional support or law enforcement. 4. Threat to safety of mentally ill and others.</p>	0.00	206,250	0	206,250	0.00	756,250	0	756,250
13	<p>Professional Staff Training Funding to provide training and professional development consultation to over 600 staff in the Mental Health Division located at Warm Springs, Lewistown and Helena.</p> <p>Impact of No Funding 1. Difficulty in maintaining state-of-the-art and medically accredited services. 2. Recruitment and retention problems with professional staff.</p>	0.00	21,000	0	21,000	0.00	21,000	0	21,000
		1.40	5,268,808	0	5,268,808	2.00	5,953,274	0	6,018,474

**Department of Corrections & Human Services
Dept. Requests Not Approved In Subcommittee**

DCHS Amd No.	Subject	FY96			FY97				
		FTE	General Fund	Other Revenue	Total	FTE	General Fund	Other Revenue	Total
1	Central Operations Program System Programming Staff	3.00	52,317	67,544	119,861	4.00	54,609	72,917	127,526
2	Corrections Program	4.00	124,218	0	124,218	4.00	124,653	0	124,653
3	Women's Correctional Center	11.00	456,588	0	456,588	11.00	457,705	0	457,705
4	Montana State Prison Security	11.00	408,027	0	408,027	11.00	452,943	0	452,943
5	Swan River Expansion/Security	0.00	270,840	0	270,840	0.00	270,100	0	270,100
6	Swan River Aftercare	11.00	904,326	0	904,326	11.00	719,252	0	719,252
7	Community Services Exp.	31.00	1,024,576	0	1,024,576	31.00	1,024,576	0	1,024,576
	MSP Temp Reception Overflow	68.00	3,188,575	0	3,188,575	68.00	3,049,229	0	3,049,229
8	Mental Health Program Administration/JUR Operating	1.40	34,382	0	34,382	2.00	58,572	0	58,572
9	Residential Youth Treatment PL	0.00	1,338,421	0	1,338,421	0.00	1,448,763	0	1,448,763
	Utilization Review	0.00	65,266	0	65,266	0.00	65,200	0	65,200
		0.00	1,403,687	0	1,403,687	0.00	1,513,963	0	1,513,963
10	MRM Community Pres Law	0.00	461,940	0	461,940	0.00	461,940	0	461,940
	MRM Community Expansion	0.00	3,031,549	0	3,031,549	0.00	3,031,549	0	3,031,549
		0.00	3,493,489	0	3,493,489	0.00	3,493,489	0	3,493,489
11	Supported Housing	0.00	110,000	0	110,000	0.00	110,000	0	110,000
12	Crisis Intervention Services	0.00	206,250	0	206,250	0.00	756,250	0	756,250
13	Professional Staff Training	0.00	21,000	0	21,000	0.00	21,000	0	21,000
		1.40	5,268,808	0	5,268,808	2.00	5,953,274	0	5,953,274
14	Special Services Program Eastern Montana Vet's Home	0.00	0	136,464	136,464	0.00	0	0	0
Totals		72.40	8,509,700	204,008	8,713,708	74.00	9,057,112	72,917	9,130,029

Other Issues

Building Program
 Montana State Hospital
 Swan River Security/Expand
 Regional Jails
 Supplemental FY95
 Swan River Security

\$21,000,000
 \$1,400,000
 \$5,000,000

(To be requested in HB3 from prior biennium Authority)

6.00 FTE

\$173,545
 (To be requested in HB3)

DCHS PROPOSED AMENDMENT NO. 1

Amendment to House Bill No. 2
Purple Reference Copy

For the House Appropriations Committee

Prepared by DCHS
March 3, 1995

1. Page D-7, line 9.

Strike:	"3,065,631	3,099,460"	[general fund]
Insert:	"3,117,948	3,154,069"	[general fund]
Strike:	"130,432	116,751"	[state special revenue]
Insert:	"164,205	153,210"	[state special revenue]
Strike:	"1,567"		[federal revenue FY96]
Insert:	"35,338"		
Insert:	.."36,458"		[federal revenue FY97]

LFA to adjust totals.

-End-

This amendment will add \$119,861 in FY96 and \$127,526 in FY97. The amendment adds 3.00 FTE in FY96 and an additional 1.00 FTE for a total of 4.00 FTE in FY97. These positions are for computer programmers to work on programming needs in the Adult Correctional Information System (ACIS), the Management Information System (MIS), Resident Account System (RAS), Supply and Inventory Management System (SIMS), mental health information system, and chemical dependency and special services data systems.

DCHS PROPOSED AMENDMENT NO. 2

Amendment to House Bill No. 2
Purple Reference Copy

For the House Appropriations Committee

Prepared by DCHS
March 3, 1995

1. Page D-7, line 13.

Strike: "35,007,736

35,921,026"

[general fund]

Insert: "35,131,954

36,045,679"

[general fund]

LFA to adjust totals.

-End-

This amendment will add \$124,218 in FY96 and \$124,653 in FY97 to the Department of Corrections & Human Services for 4.00 FTE contained in the Executive Budget for the Women's Correctional System. The recommendation is the result of security and program review recommendations completed at WCC after the move to the new Billings facility.

DCHS PROPOSED AMENDMENT NO. 3

Amendment to House Bill No. 2
Purple Reference Copy

For the House Appropriations Committee

Prepared by DCHS
March 3, 1995

1. Page D-7, line 13.

Strike:	"35,007,736	35,921,026"	[general fund]
Insert:	"35,464,324	36,378,731"	[general fund]

LFA to adjust totals.

-End-

This amendment will add \$456,588 in FY96 and \$457,705 in FY97 of general fund. The additions are the result of security and special services reviews performed at the Montana State Prison (MSP) in Deer Lodge. Additions are 2.00 FTE Correctional Technicians for the investigation unit to upgrade telephone monitoring and U/A testing; 7.00 FTE Correctional Officers for a security team; 1.00 FTE Correctional Supervisor for the Honor Dorm expansion; and 1.00 FTE Psychiatrist for mental health treatment of inmates. Operating costs are included..

DCHS PROPOSED AMENDMENT NO. 4

Amendment to House Bill No. 2
Purple Reference Copy

For the House Appropriations Committee

Prepared by DCHS
March 3, 1995

1. Page D-7, line 13.

Strike:	"35,007,736	35,921,026"	[general fund]
Insert:	"35,415,763	36,373,969"	[general fund]

LFA to adjust totals.

-End-

This amendment will add \$408,027 in FY96 and \$452,943 in FY97 for the Swan River Correctional Training Center (SRCTC) Expansion and Security Enhancement. Addition of 4.00 FTE Drill Instructors/Correctional Officers with associated operating costs and 1.00 FTE Administrative Support to allow expansion of the facility to operate at 55 trainees and 15 trustees. Addition of 6.00 FTE Correctional Officers, a contract with Lake County SO for \$18,021 in FY96 and \$18,287 in FY97, security improvements operating costs and equipment of \$13,000 per year. A supplemental request for FY95 will be proposed to implement the recommendations of the security review in House Bill 03.

DCHS PROPOSED AMENDMENT NO. 5

Amendment to House Bill No. 2
Purple Reference Copy

For the House Appropriations Committee

Prepared by DCHS
March 3, 1995

1. Page D-7, line 13.

Strike:	"35,007,736	35,921,026"	[general fund]
Insert:	"35,278,576	36,191,126"	[general fund]

LFA to adjust totals.

-End-

This amendment will add \$270,840 in FY96 and \$270,100 in FY97 general fund for purchase of 20 aftercare beds in pre-release for successful graduates of the SRCTC program at an estimated cost of \$37 per day.

DCHS PROPOSED AMENDMENT NO. 6

Amendment to House Bill No. 2
Purple Reference Copy

For the House Appropriations Committee

Prepared by DCHS
March 3, 1995

1. Page D-7, line 13.

Strike: "35,007,736

35,921,026"

[general fund]

Insert: "35,912,062

36,640,278"

[general fund]

LFA to adjust totals.

-End-

The amendment would add \$904,326 in FY96 and \$719,252 in FY97 general funds. The amendment will add 11.00 FTE Probation & Parole Officers and associated operating costs for caseload reduction and sexual offender supervision; funding of \$110,000 each fiscal year for Mental Health, Sex Offender treatment which will be allocated to the P&P regions and Pre-Releases; add \$72,000 each fiscal year for Urine Analysis testing in pre-release centers; and add 40 day reporting slots in pre-release centers.

DCHS PROPOSED AMENDMENT NO. 7

Amendment to House Bill No. 2
Purple Reference Copy

For the House Appropriations Committee

Prepared by DCHS
March 3, 1995

1. Page D-7, line 13.

Strike:	"35,007,736	35,921,026"	[general fund]
Insert:	"36,032,312	36,945,602"	[general fund]

LFA to adjust totals.

-End-

This amendment will add \$1,024,576 in FY96 and \$1,024,576 in FY97 for the Montana State Prison/Montana State Hospital Reception Overflow. Addition of 5.00 FTE Correction Supervisor II's and 26.00 FTE Correction Officers with associated operating costs to allow Montana State Prison to expand capacity by 80 beds and help temporarily relieve the current over crowding situation.

DCHS PROPOSED AMENDMENT NO. 8

Amendment to House Bill No. 2
Purple Reference Copy

For the House Appropriations Committee

Prepared by DCHS
March 3, 1995

1. Page D-7, line 15.

Strike:	"36,123,453	36,659,132"	[general fund]
Insert:	"36,157,835	36,717,704"	[general fund]

LFA to adjust totals.

-End-

This amendment will add \$34,382 in FY96 and \$58,572 in FY97 from general fund for administration of the Youth Residential Treatment Utilization Review and Managing Resources Montana program. Added are 1.40 FTE in FY96 and an additional 0.60 for a total of 2.00 FTE in FY97.

DCHS PROPOSED AMENDMENT NO. 9

Amendment to House Bill No. 2
Purple Reference Copy

For the House Appropriations Committee

Prepared by DCHS
March 3, 1995

1. Page D-7, line 15.

Strike:	"36,123,453	36,659,132"	[general fund]
Insert:	"37,527,140	38,173,095"	[general fund]

LFA to adjust totals.

-End-

This amendment would add \$1,403,687 in FY96 and \$1,513,963 in FY97 general fund. Residential Treatment Services and Utilization Review Functions: Add \$1,338,421 in FY96 and \$1,448,763 in FY97 for General Fund Match for Youth Residential Treatment Services under the Medicaid program. Add \$65,266 in FY96 and \$65,200 in FY97 general fund match of utilization review functions. This additional funding is necessary to provide residential treatment at the level being provided in FY95 and to carry out required utilization review activities.

DCHS PROPOSED AMENDMENT NO. 10

Amendment to House Bill No. 2
Purple Reference Copy

For the House Appropriations Committee

Prepared by DCHS
March 3, 1995

1. Page D-7, line 15.

Strike:	"36,123,453	36,659,132"	[general fund]
Insert:	"39,616,942	40,152,621"	[general fund]

LFA to adjust totals.

-End-

This amendment adds \$3,493,489 in general fund each fiscal year in the Mental Health program of the Department of Corrections and Human Services for community based services to severely emotionally disturbed youth. Managing Resources Montana (MRM) community based programs provide intervention prior to a youth requiring residential care, alternatives to residential care, and services for the youth who is returning to the community after discharge from a residential placement. The additional funding requested will allow this program to operate at the level it did at the end of FY 1994 plus provide the additional services identified in plans developed at the community level under the direction of regional teams.

DCHS PROPOSED AMENDMENT NO. 11

Amendment to House Bill No. 2
Purple Reference Copy

For the House Appropriations Committee

Prepared by DCHS
March 3, 1995

1. Page D-7, line 15.

Strike:	"36,123,453	36,659,132"	[general fund]
Insert:	"36,233,453	36,769,132"	[general fund]

LFA to adjust totals.

-End-

Supported Housing: This expansion would fund \$110,000 each fiscal year for housing assistance to adults with mental illness who are in the community programs.

DCHS PROPOSED AMENDMENT NO. 12

Amendment to House Bill No. 2
Purple Reference Copy

For the House Appropriations Committee

Prepared by DCHS
March 3, 1995

1. Page D-7, line 15.

Strike:	"36,123,453	36,659,132"	[general fund]
Insert:	"36,329,703	37,415,382"	[general fund]

LFA to adjust totals.

-End-

Crisis Intervention: Crisis intervention programs would be phased in through the biennium at a cost of \$206,250 in FY96 and \$756,250 in FY97. These funds would establish 3 community based residential programs for short-term crisis management for adults with serious mental illnesses.

DCHS PROPOSED AMENDMENT NO. 13

Amendment to House Bill No. 2
Purple Reference Copy

For the House Appropriations Committee

Prepared by DCHS
March 3, 1995

1. Page D-7, line 15.

Strike:	"36,123,453	36,659,132"	[general fund]
Insert:	"36,144,453	36,680,132"	[general fund]

LFA to adjust totals.

-End-

Staff Training: Funds to provide training to over 600 staff at Montana State Hospital, Montana Center for the Aged and the Helena Mental Health Division office. Particularly directed toward training needs of clinical treatment professionals.

FY96	General Fund	\$21,000
FY97	General Fund	\$21,000

DCHS PROPOSED AMENDMENT NO. 14

Amendment to House Bill No. 2
Purple Reference Copy

For the House Appropriations Committee

Prepared by DCHS
March 3, 1995

1. Page D-7, line 19.

Strike: "2,234,086" [State Special FY96]

Insert: "2,370,550" [State Special FY96]

LFA to adjust totals.

-End-

This amendment will add \$136,464 in FY96 for operation of the Eastern Montana Veteran's Home (EMVH). DCHS is requesting the additional appropriation of state special revenue (cigarette tax) funds for the Special Services Program in FY 1996 to ensure operation of the EMVH begins July 1, 1995. These funds are needed to pay the Glendive Medical Center (GMC) an additional start up subsidy to allow them to begin facility operations so patient admissions will occur on July 1, 1995. This would eliminate the current DCHS/GMC contract requirement that 37 eligible individuals requesting admission must be on a waiting list before GMC has to begin operating the facility.

EXHIBIT 67
DATE 3-8-95
HB 2

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Menahan
For the House Appropriations Committee

Prepared by Lisa Smith
March 7, 1995

1. Page D-7, line 13.

Strike: "35,007,736"	"35,921,026"	general fund FY96 and FY97
Insert: "35,912,062"	"36,640,278"	general fund FY96 and FY97

LFA will adjust totals

This amendment adds general fund of \$904,326 in fiscal 1996 and \$719,252 in fiscal 1997. This amendment provides funding for the following: 1) 11.0 FTE probation and parole officers and associated operating costs; 2) mental health and sex offender counselling; 3) urine analysis testing; and 4) 40 day reporting slots in pre-release centers.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Fisher
For the Committee on House Appropriations

Prepared by Terri Perrigo
March 8, 1995

1. Page D-7, line 13.

Strike: "35,007,736" "35,921,026"

Insert: "35,732,312" "36,945,602"

LFA will amend totals.

2. Page D-8.

Following: line 5

Insert: "Any funds remaining in the Montana state prison budget on June 30, 1995, may be carried forward into the 1997 biennium to deal with population growth at the prison."

This amendment: 1) adds general fund of \$724,576 in fiscal 1996 and \$1,024,576 in fiscal 1997 to the Department of Corrections and Human Services for the Montana State Prison/Montana State Hospital Reception Overflow. The funds in the amendment will support 31.0 FTE (5.0 Correction Supervisor II's and 26.0 Correction Officers) and associated operating costs to allow the prison to expand capacity by 80 beds and help temporarily relieve the current overcrowding situation; and 2) adds language allowing funds remaining from the prison's 1995 biennium budget to be carried forward into the 1997 biennium budget to deal with population growth at the prison.

In addition to this amendment, a \$300,000 addition to the supplemental bill for the current biennium (HB 3) will be requested for use in fiscal 1995 to allow the project to start as soon as possible.

{Office of Legislative Fiscal Analyst

444-2986}

EXHIBIT 69
DATE 3-8-95
HB 2

*Amendments to House Bill No. 2
Purple Reference Copy*

*Requested by Representative Fisher
For the House Appropriations Committee*

*Prepared by L. Smith
March 8, 1995*

1. Page D-7, line 13.

Strike: "35,007,736" "35,921,026" general fund FY96 & 97
Insert: "35,071,363" "35,984,877" general fund FY96 & 97

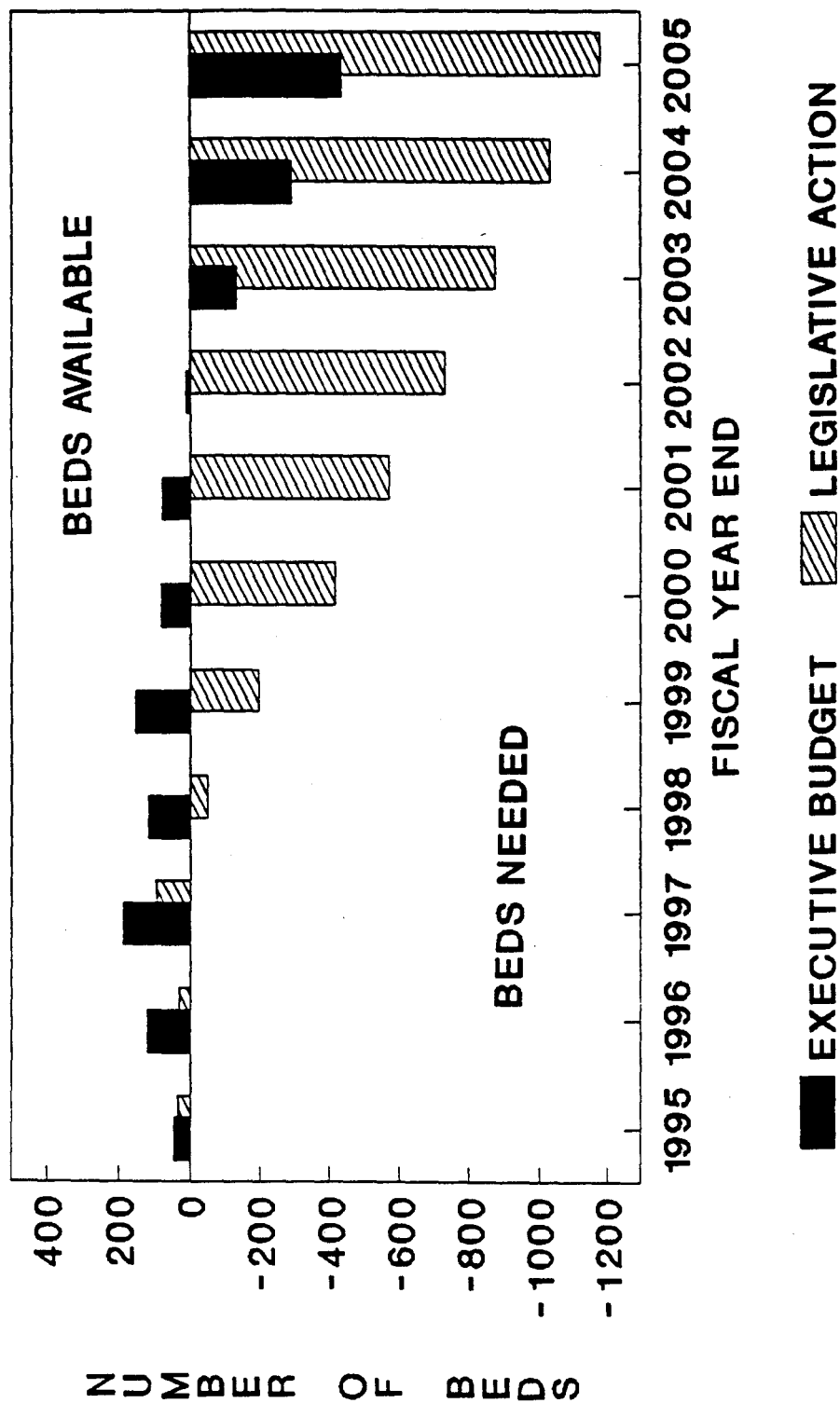
LFA will adjust totals

This amendment adds general fund of \$63,627 in FY96 and \$63,851 in FY97 to fund 2.0 FTE and the Women's Correctional Center.

{Office of Legislative Fiscal Analyst

444-2986}

AVAILABLE PRISON BEDS COMPARED TO DEMAND. FY1995-FY2005.



MARCH 6, 1995 LEGISLATIVE STATUS.

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Fisher
For the House Appropriations Committee

Prepared by L. Smith
March 4, 1995

1. Page D-8.

Following: line 5

Insert: "The department is directed to develop and purchase mental health services for children and adolescents that minimize the necessity of residential placements and that control the expenditures for residential care.

All services under the managing resources Montana (MRM) program, as well as the regional management of MRM, must be purchased based on an RFP process that provides for effective services at the lowest possible costs. The department shall develop measures of program effectiveness and require contractors selected under the RFP process to provide the information necessary to determine the effectiveness of services. The department may not contract with any services provider that has been found to have, through fraud or falsification of documents, attempted to receive public funds to which the provider was not entitled."

{Office of Legislative Fiscal Analyst

444-2986}

EXHIBIT 72
DATE 3-8-95
HB 2

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Fisher
For the House Appropriations Committee

Prepared by L. Smith
March 7, 1995

1. Page D-7, line 19.

Strike: "2,234,086" State Special FY96

Insert: "2,370,550" State Special FY97

LFA will adjust totals

This amendment adds \$136,464 state special revenue (cigarette tax) for operation of the Eastern Montana Veteran's Home (EMVH). These funds will provide a start up subsidy to the Glendive Medical Center (GMC) to allow them to begin facility operations so patient admissions will occur on July 1, 1995. Provision of this subsidy would eliminate the current DCHS/GMC contract requirement that 37 eligible individuals requesting admission must be on a waiting list before GMC has to begin operating the facility.

{Office of Legislative Fiscal Analyst

444-2986}

EXHIBIT 13
DATE 3-8-95
HB 2

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Vick
For the Committee on House Appropriations

Prepared by Terri Perrigo
March 2, 1995

1. Page D-9, line 5.
Following: "youth"
Insert: "or guardcare"

This amendment authorizes the department to seek a budget amendment for the GuardCare program in the 1997 biennium if federal funds are available.

GuardCare is a program where National Guard personnel continue their training through provision of health care services to residents of medically underserved communities.

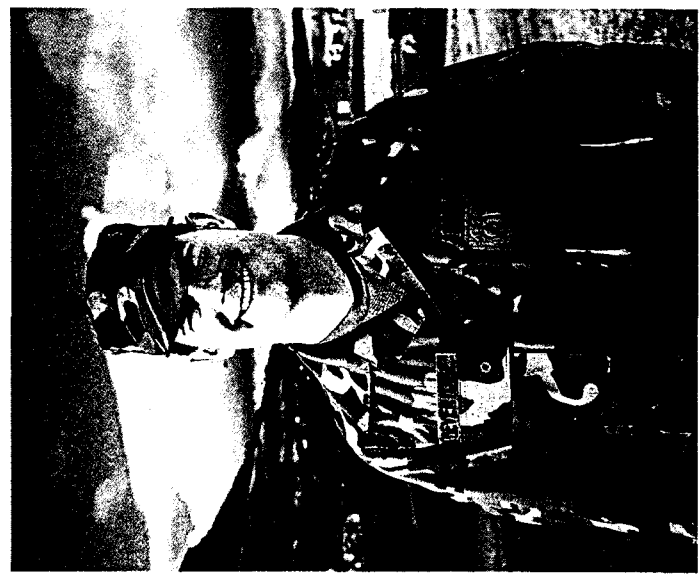
The department has requested an amendment to HB 4 (the budget amendment bill) adding \$50,000 of federal authority to operate the GuardCare program in fiscal 1995.

{Office of Legislative Fiscal Analyst

444-2986}

copy
preparing
multi phase
11/1/94

Friends like this are hard
to find



Combat Ready Soldiers
Are
“Fit To Win”

Montana Army National Guard
HQ STARC
PO Box 4789
Helena, MT 59604-4789

EXHIBIT 14
DATE 3-8-95
2

“Fit To Win”
Health Screening Program



Montana Army
National
Guard

The "Fit To Win" program includes

- ★ *Health Education*
- ★ *Dental Screening*
- ★ *Eyesight Screening*
- ★ *Cholesterol Test*
- ★ *Blood Pressure*
- ★ *Individual Health
Appraisal*

Wellness screening helps you know more about your own health and fitness level.

*For accurate screening
results you must not eat
or drink anything other
than water for 12 hours
before the tests.*

There is more to "Fit To Win" than just
physical fitness

To set up a Health
Screening Program call
406-444-0769

EXHIBIT 75
DATE 3-8-95
HB 2

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Vick
For the Committee on House Appropriations

Prepared by Terri Perrigo
March 2, 1995

1. Page D-8, line 22.

Insert: "10,000" (state special revenue 1996) "10,000"
(state special revenue 1997)

LFA will amend totals

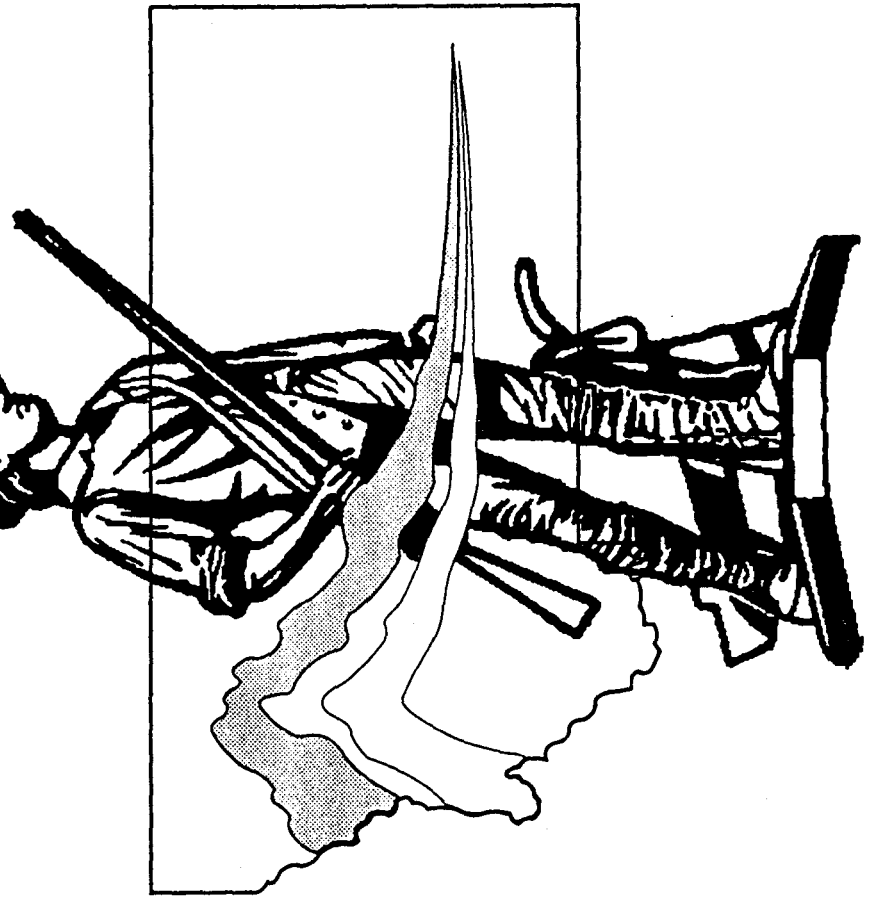
This amendment adds state special revenue spending authority to the Disaster Coordination Response Division for fees collected from persons attending its annual disaster preparedness conference and earthquake workshops.

{Office of Legislative Fiscal Analyst

444-2986}

EXHIBIT 76
DATE 3-8-95
HB 2

MONTANA



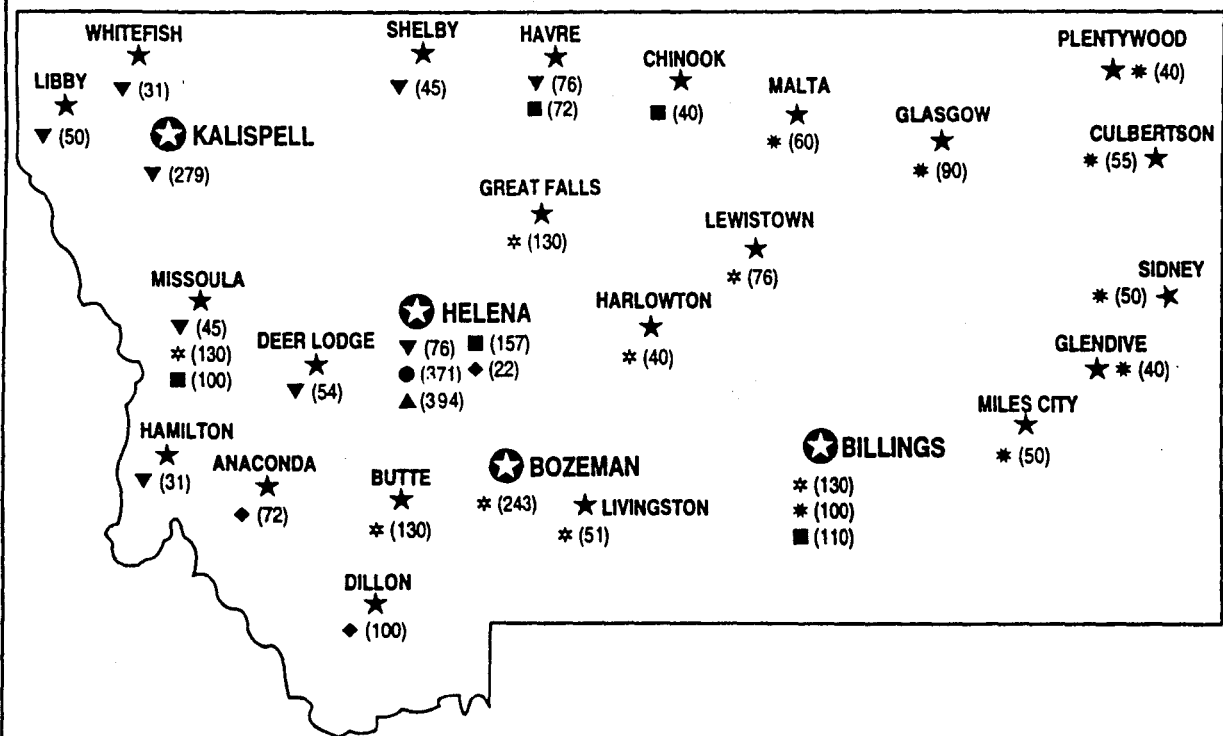
Citizen Soldiers
"... a proud heritage of serving country, state and community..."
Department of Military Affairs
FY 94 Summary

- Montana Army National Guard
- Montana Air National Guard
- Montana Disaster and Emergency Services
- Montana Veterans Affairs
- Operations Support

End
V. Norberg

We're Getting a New Look

The Montana Army National Guard is being affected by the national military drawdown. In the face of these changes, the Department of Military Affairs is doing everything possible to minimize impacts on citizen soldiers and Montana communities. This map represents the location, unit type, and authorized strength of the reorganized Montana Army National Guard.



- KEY**
- * = Artillery Unit
 - * = Infantry Unit
 - ▼ = Armor Unit
 - ◆ = Engineering Unit
 - ▲ = Aviation Unit
 - = Admin or Support Unit
 - = Maintenance Unit
 - ⊙ = Headquarters Location
- Note: Numbers in () indicate authorized personnel strength at particular location

...at a glance...

MISSION

FEDERAL — Our federal role, when called upon by the president, is to serve as the primary federal reserve force in support of national security objectives.

STATE — Our state role, when called upon by the governor, is to protect life and property, and to preserve peace, order and public safety.

Community — Our community role is to participate in local, state, and national programs that add value to America.

ORGANIZATION

The Montana Department of Military Affairs consists of the Montana Army National Guard, the Montana Air National Guard, the Division of Disaster and Emergency Services, the Montana Division of Veterans Affairs, and Operations Support. Army National Guard units are located in 26 Montana Communities. The Air National Guard unit is located in Great Falls, while Veterans Affairs offices are located in eight cities. Disaster and Emergency Services and Operations Support are headquartered in Helena.

ADMINISTRATION

The Department is directed by the Adjutant General of Montana who is responsible for peace-time administration and training of military forces. Upon activation, Army National Guard units become assets of the U.S. Sixth Army and the Air National Guard becomes an asset of the U.S. Air Combat Command. Units train two days each month and must perform an additional 15 days of annual training each year. Guard personnel must attain and maintain readiness levels equivalent to their active duty counterparts.

PERSONNEL ASSIGNED

	OFFICERS/NO	ENLISTED	STATE	TOTAL
Army NG	413	2587	18.5	3018.5
Air NG	107	931	35	1073
DES			20	20
Vet Aff			18.8	18.8
Ops Spt			6.1	6.1
TOTAL	520	3518	98.4	4136.4*

*NOTE: Includes 983.4 Full-time federal and state employees.

...a good buy for Montana!

FISCAL IMPACT

Data for FY ended 30 September 1994

	ArNG	AirNG	%Federal	%State
Full-Time Payroll	20,209,911	17,091,074	99.52	0.48
Traditional Guard Pay	14,941,787	7,034,363	100.00	
TOTAL	35,151,698	24,125,437		
Annual Expenditures	8,578,741	12,899,389	96.65	3.35
National Guard TOTAL	43,730,439	37,024,826		
TOTAL EXPENDITURES	80,755,265			
STATE CONTRIBUTION	896,745		98.89	1.11
Capital Assets (Guard)	526,211,014	522,849,375	100	
Disaster & Emerg Svs				
Total Expenditures	1,379,276	83.6		16.3
Veterans Affairs				
Total Expenditures	526,305 (Gen Fund)			100.00
Ops Spt				
Total Expenditures	319,315	4.23		95.77

DEPT. TOTAL EXPENDITURES	83,023,616	97.65	2.35
TOTAL STATE FUNDS EXPENDED	1,954,289		

+42,855 (Special Fund & Cemetery Donations)

AFFIRMATIVE ACTION

	FEMALE	%	MINORITY	%
Army NG	266	8.6	120	3.9
Air NG	154	15	28	3
DES/VA/OS	19	46.2		

COMMUNITY INVOLVEMENT HIGHLIGHTS

National guard personnel, facilities, and equipment represent a tremendous asset to the citizens of Montana. In addition to many, many volunteer activities in numerous communities, the guard engaged in several major projects. Army guard units organized and hosted the first Native American Youth Olympics with five tribal nations and 117 athletes. Guard people planned and conducted the Drug Education for Youth (DEFY) program for 40 Montana youngsters during an eight day camp. In addition guard members conducted medical readiness training on the Northern Cheyenne and Blackfoot Indian Reservations. As a state emergency resource, the national guard has expended more than 33,000 workdays in the past decade on such events as wildfires, floods, railway accidents and explosions, and institution strikes. Of significance in 1994 were more than 12,000 workdays spent fighting state-wide forest fires.

EXHIBIT 77
DATE 3-8-95
HB 2

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Menahan
For the House Appropriations Committee

Prepared by Lisa Smith
March 2, 1995

1. Page D-7, line 15.

Strike: "36,123,453

36,659,132"

general fund

Insert: "36,144,453

36,680,132"

general fund

LFA will adjust totals

This amendment provides \$21,000 general fund each year for staff training at Montana State Hospital, Montana Center for the Aged and the Helena Mental Health Division office. Training is directed toward training needs of clinical treatment professionals.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Johnson
For the House Appropriations Committee

Prepared by Skip Culver
March 3, 1995

1. Page E-1, line 4.
Strike: "517,021" "517,909"
Insert: "592,021" "592,909"

LFA will adjust totals.

EXPLANATION: This amendment adds \$75,000 per year of state special revenue to OPI from the state traffic education account for the general administration of driver education programs in Montana.

SB83 as amended by House Appropriations on Thursday, Mar 2, added the following language to the traffic education statute (20-7-506):

"Before the funds in the traffic education account are disbursed, the legislature shall appropriate to the superintendent of public instruction, funds to administer the statewide traffic education program for eligible young novice drivers...."

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Johnson
For the House Appropriations Committee

Prepared by Skip Culver
March 7, 1995

1. Page E-3

Following: line 9

Insert: "The office of public instruction may use up to 1% of the appropriation provided in item 2a to provide the matching funds necessary for medicaid reimbursements paid for medicaid-eligible services provided by public school districts.

The office of public instruction may transfer any unused balance in the appropriation in item 2b to the special education appropriation in item 2a."

Explanation:

This amendment inserts language that was in the introduced version of HB2, but was left out of the subcommittee actions. The first paragraph allow OPI to use 1 percent of the special education appropriation as a match for medicaid reimbursements

{Office of Legislative Fiscal Analyst

444-2986}

EXHIBIT 80
DATE 3-8-95
HB 2

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Johnson
For the House Appropriations Committee

Prepared by Skip Culver
March 7, 1995

1. Page E-3, line 2.

Following: "5."

Insert: "This appropriation may not exceed \$1 million per
year."

EXPLANATION: This amendment places a cap on the language
appropriation. According to Legislative legal staff, all
language appropriations in HB2 must set a fixed maximum
amount.

{Office of Legislative Fiscal Analyst

444-2986}

EXHIBIT 81
DATE 3-8-95
HB 2

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Johnson
For the House Appropriations Committee

Prepared by Skip Culver
March 8, 1995

1. Page E-2.

Following line 22.

Insert: "s. K-12 BASE Aid (Biennial/restricted)"
"245,006,000" (general fund)

EXPLANATION: This amendment appropriates general fund to the school equalization aid account in order to have sufficient revenue to fund the BASE Aid requirements for state support of K-12 school districts.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Purple Reference Copy

EXHIBIT 82
DATE 3-8-95
HB 2

Requested by Representative Menahan
For the Committee on House Appropriations

Prepared by Skip Culver
March 8, 1995

1. Page E-1, line 4.

Strike: "2,462,760"

"3,036,743"

Insert: "2,467,903"

"3,221,886"

LFA WILL ADJUST TOTALS.

This amendment increases the appropriation for Basic Education administrative costs by \$185,143 each year.

{Office of Legislative Fiscal Analyst

444-2986}

EXHIBIT 83
DATE 3-8-95
HB 2

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Royal Johnson
For the Committee on House Appropriations

Prepared by Skip Culver
March 8, 1995

1. Page E-1, line 4.
Strike: "~~2,482,760~~" "~~3,036,743~~"
Insert: "~~2,575,180~~" "~~3,149,742~~"

2. Page E-1.
Following: line 10, under the General Fund column
Insert: "d. Vocational Education (Restricted)
"112,420" "112,999"

LFA WILL ADJUST TOTALS.

This amendment creates a restricted fund to pay for any termination costs associated with vocational education.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Purple Reference Copy

EXHIBIT 84
DATE 3-8-95
HB 2

Requested by Representative Quilici
For the House Appropriations Committee

Prepared by Skip Culver
March 3, 1995

1. Page E-2.

Following: Line 22.

Insert: "s. McKinney Homeless (Biennial) 264,000"
(federal special revenue)

LFA will adjust totals

EXPLANATION: This amendment restores the federal McKinney Homeless grant to the budget of the Office of Public Instruction. This item was not approved by the Education subcommittee.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Royal Johnson
For the House Appropriations Committee

Prepared by Skip Culver
March 7, 1995

1. Page E-4, line 11.
Strike: "All revenue".
Insert: "Revenue".

2. Page E-4, line 11.
Following: "MSDB."
Insert: "This appropriation may not exceed \$10,000 per
year."

EXPLANATION: This amendment places a cap on the language
appropriation. According to Legislative legal staff all
language appropriations in HB2 must set a fixed maximum
amount.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Wiseman
For the House Appropriations Committee

Prepared by Skip Culver
March 8, 1995

1. Page E-3, line 24.

Strike: "208,752" "205,065"

Insert: "216,136" "212,481"

2. Page E-4, line 3.

Strike: "296,733" "291,889"

Insert: "301,045" "296,193"

3. Page E-4, line 5.

Strike: "841,476" "821,411"

Insert: "871,878" "851,894"

4. Page E-4, line 7.

Strike: "1,424,688" "387,364" "38,739" "1,410,981"

"387,231" "38,739"

Insert: "1,487,987" "393,708" 40,363 "1,474,279"

"393,574" "40,363"

LFA will amend totals.

EXPLANATION: This amendment removes the 4 percent vacancy savings reduction, adopted by the education subcommittee, from the MSDB budget.

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Wiseman
For the House Appropriations Committee

Prepared by Skip Culver
March 8, 1995

1. Page E-4, line 7.

Strike: "1,424,688"	"387,364"	"1,410,981"	"387,231"
Insert: "1,544,688"	"267,364"	"1,530,981"	"267,231"

LFA WILL AMEND TOTALS

EXPLANATION: This amendment restores the Outreach program to 100 percent general fund support, as was recommended in the the Executive Budget. The amendment adds \$120,000 general fund each year and reduces the state special appropriation by a like amount.

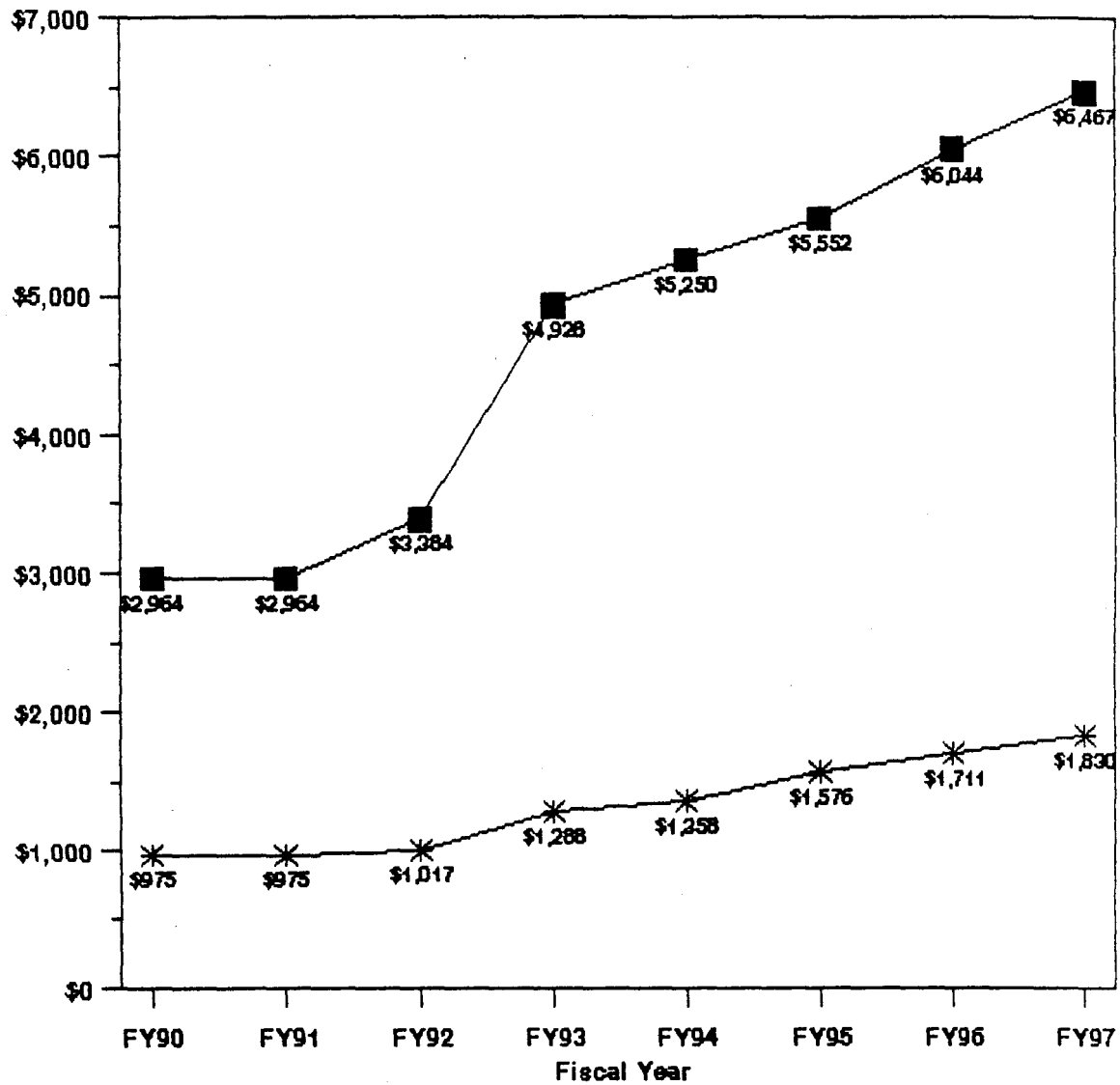
The education subcommittee proposed a budget for he outreach program of approximately \$210,000 per year, with \$90,000 of the budget being general fund. The \$120,000 balance of the budget is to be derived from revenue received from the billing of school districts for service provided.

{Office of Legislative Fiscal Analyst

444-2986}

Montana University System: MSU-Bozeman Resident and Non-Resident Tuition*

Annual Tuition

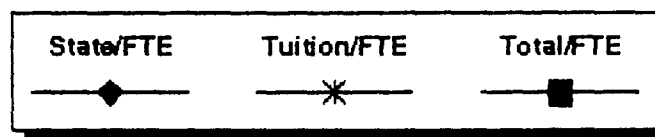
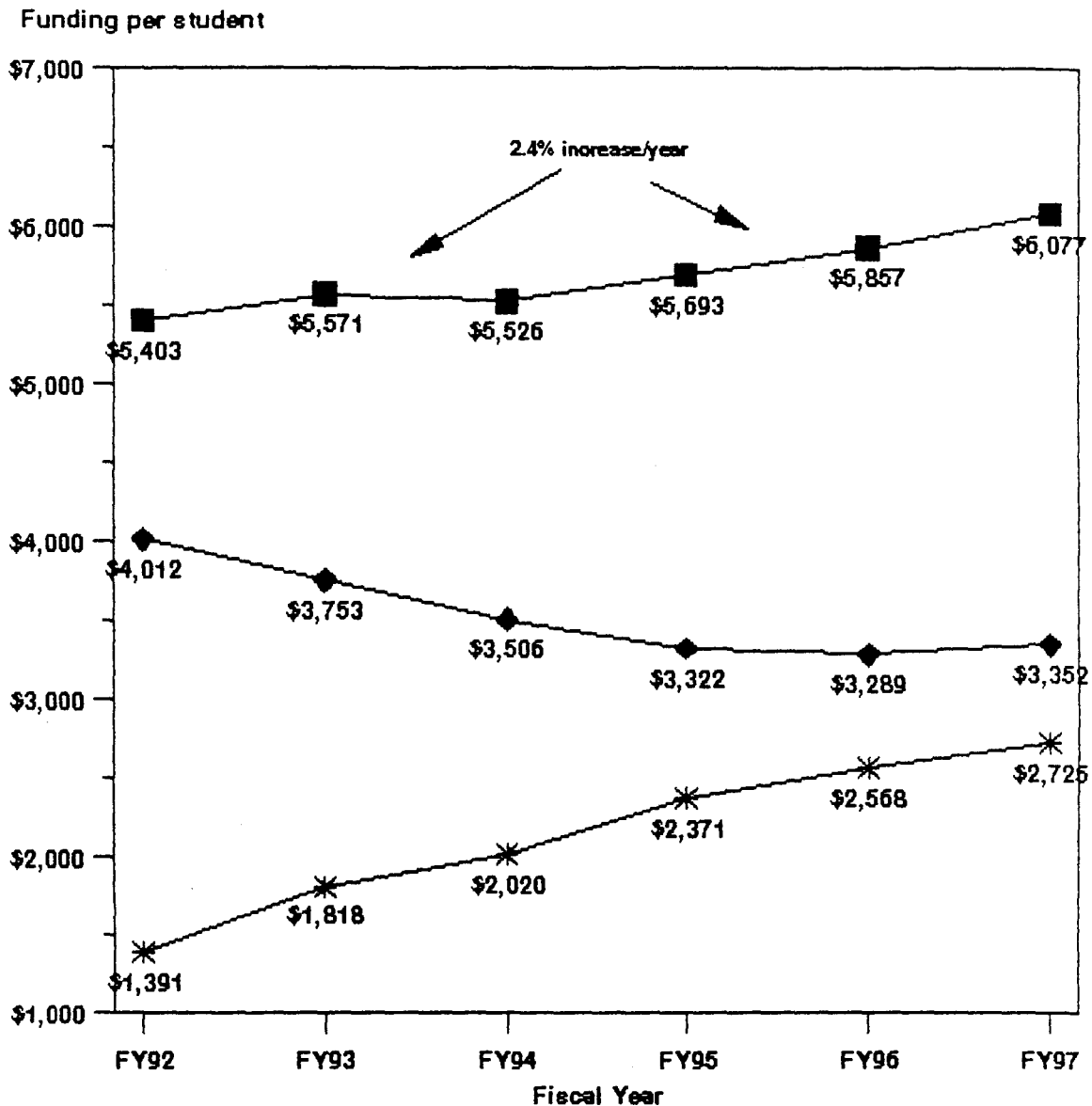


*Tuition reported for Montana State University-Bozeman.

Other units may vary slightly in non-resident and resident rates, particularly beginning in FY1996.

FY96 and FY97 rates proposed to regents and education sub-committee.

MONTANA UNIVERSITY SYSTEM FUNDING PER STUDENT (FTE)
CAMPUSES: SIX FOUR-YEAR AND FIVE COLLEGES OF TECHNOLOGY
Proposed Budgets for FY96 and FY97



Amendments to House Bill No. 2
Purple Reference Copy

For the Committee on Appropriations

Prepared by Sandy Whitney
March 6, 1995

1. Page E-6, line 5.

Following: line 4

Insert: "Total audit costs are estimated to be \$733,121 for the university system for the biennium. Each unit shall pay a percentage of these costs from funds other than those appropriated in item 1."

2. Page E-7, line 10.

Following: line 9

Insert: "Total audit costs are estimated to be \$64,000 for the community colleges for the biennium. The general fund appropriation for each community college provided 49% of the total audit cost. The remaining 51% of these costs must be paid from funds other than those appropriated in item 2. Audit costs for the biennium may not exceed \$20,000 each for Dawson and Miles community colleges and \$24,000 for Flathead Valley community college."

This language specifies the full amount of audit costs for the university system and the community colleges and requires that funds other than those appropriated in House Bill 2 be used for a portion of those costs.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Kadas
For the Committee on Appropriations

Prepared by Sandy Whitney
March 8, 1995

1. Page E-4, line 22.

Strike: "84,089,980" (State Special Revenue FY96)
"84,887,696" (State Special Revenue FY97)
83694797

Insert: "90,373,395" (State Special Revenue FY96)
"87,467,736" (State Special Revenue FY97)
91274837

2. Page E-6, line 5.

Following: line 4

Insert: "The board of regents may request budget amendments for tuition, contingent on availability of funds, of: (1) up to \$3,685,927 in fiscal year 1996 and \$4,702,178 in fiscal year 1997 to pay for collaboratively negotiated productivity and faculty salary increases at all units of the university system except the university of Montana-Missoula; and (2) up to \$2,687,124 in fiscal year 1997 at the university of Montana-Missoula for collaboratively negotiated productivity and faculty salary increases if negotiated productivity criteria are met."

3. Page E-6, lines 5 through 7.

Strike: lines 5 through 7 in their entirety

This amendment adds tuition of \$6,283,415 in fiscal 1996 and \$2,580,040 in fiscal 1997 to increase tuition to the executive modified budget level, less: 1) estimated tuition increases of \$3,685,927 in fiscal 1996 and \$4,702,178 in fiscal 1997 for salary and productivity negotiations at all campuses except UM-Missoula; and 2) fiscal year 1997 tuition increases of \$2,687,124 for salary and productivity negotiations at UM-Missoula. It then allows the university system to request budget amendments for tuition up to the total tuition level in the executive modified budget. In addition, this amendment strikes language that would allow the university system to seek a general fund supplemental appropriation if it did not collect tuition in excess of \$141.8 million.

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Kadas
For the Committee on Appropriations

Prepared by Sandy Whitney
March 8, 1995

1. Page E-4, line 22.

Strike: "83,179,688" "84,887,696" (General fund FY96 and FY97)

Insert: "90,784,950" "92,091,236" (General fund FY96 and FY97)

This amendment adds general fund of \$7,605,262 in fiscal 1996 and \$7,203,540 in fiscal 1997 to replace all general fund cut from the executive budget except the new proposal for System Needs (which totals \$1,394,738 in fiscal 1996 and \$1,796,460 in fiscal 1997).

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Purple Reference Copy

Requested by Representative Zook
For the House Appropriations Committee

Prepared by Skip Culver
March 8, 1995

1. Page E-1, line 4.

Strike: "2,462,760"	"4,450,108"	"3,036,743"	"4,914,719"
Insert: "2,292,760"	"4,280,108"	"2,866,743"	"4,744,719"

2. Page E-1.

Following line 10.

Insert: "d. Secondary Vocational Education (Restricted)"
"170,000" (gen fund FY96) "170,000" (federal FY96) "170,000"
(gen fund FY97) "170,000" (federal FY97)

LFA WILL AMEND TOTALS

EXPLANATION: This amendment appropriates the budget for administering secondary vocational education programs in Montana as a line item and restricted appropriation. The appropriation is for \$170,000 general fund and \$170,000 federal Carl Perkins each year of the biennium.

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 2
Purple Reference Copy

For the Committee on Appropriations

Prepared by Taryn Purdy
March 1, 1995

1. Page BP-1, following line 9.

Insert: "Section 1. Short title. [This act] may be cited as "The General Appropriations Act of 1995".

Section 2. First level expenditures. The agency and program appropriation tables in the legislative fiscal analyst narrative accompanying this bill, showing first level expenditures and funding for the 1997 biennium, are adopted as legislative intent.

Section 3. Severability. If any section, subsection, sentence, clause, or phrase of [this act] is for any reason held unconstitutional, the decision does not affect the validity of the remaining portions of [this act].

Section 4. Legislative audit costs. Amounts appropriated to pay audit costs may be transferred between fiscal years. Agencies shall reserve enough cash in each fund and shall, to the maximum extent allowable under federal regulations, charge audit costs to federal funds.

Section 5. Technical allocation costs. For agencies with internal cost allocation plans that are funded with proprietary revenue, the budget director shall adjust agency appropriations by amounts that are necessary to increase the budgets for indirect costs that are attributable to pay increases in an agency's indirect cost pool appropriated in the state pay plan bill. Funding for this appropriation consists of general fund money and other funds in an amount proportionate to the funding allocated for budgeting indirect cost assessments in [this act].

Section 6. Appropriation control. An appropriation item designated as "Biennial" may be spent in either year of the biennium. An appropriation item designated "Restricted" may be used during the biennium only for the purpose designated by its title and as presented to the legislature. An appropriation item designated "One Time Only" or "OTO" may not be included in the present law base for the 1999 biennium. The office of budget and program planning shall establish a separate appropriation on the statewide budgeting and accounting system for any item designated as "Biennial", "Restricted", "One Time Only", or "OTO". The office of budget and program planning shall establish at least one appropriation on the statewide budgeting and accounting system for any appropriation that appears as a separate line item in [this act].

Section 7. Program definition. As used in [this act], "program" has the same meaning as defined in 17-7-102, is consistent with the management and accountability structure established on the statewide budgeting and accounting system, and is identified as a major subdivision of an agency ordinarily numbered with an arabic numeral.

Section 8. Personal services funding -- 1999 biennium. (1) Except as provided in subsection (2), present law and new proposal funding budget requests for the 1999 biennium submitted under Title 17, chapter 7, part 1, by each executive, judicial, and legislative branch agency must include funding of first level personal services separate from funding of other expenditures. The funding of first level personal services by accounting entity for each fiscal year must be shown for each control variable in the budget request for the 1999 biennium submitted by October 30 to the legislative fiscal analyst by the office of budget and program planning.

(2) The provisions of subsection (1) do not apply to the Montana university system.

Section 9. Totals not appropriations. The total shown in [this act] are for informational purposes only and are not appropriations.

Section 10. Effective date. [This act] is effective July 1, 1995.

Section 11. Appropriations. The following money is appropriated for the respective fiscal years:"

{Office of Legislative Fiscal Analyst

444-2986}

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA

EXHIBIT 95
DATE 3-8-95
HB 2

MARC RACICOT
GOVERNOR



PO BOX 200802
HELENA, MONTANA 59620-0802

March 2, 1995

TO: Representative Bill Tash

FROM: Dan Gengler, Senior Executive Budget Analyst
Office of Budget and Program Planning *dyg*

RE: Performance-Based Budgeting

As we had discussed early in January, the attached reflects our recommended language for the general appropriations act as the second phase of a three-part plan to move towards performance-based budgeting.

Our approach has been to gradually involve state agencies and programs in the development of performance measures and performance-based budgeting--for three reasons: First, we believe that agencies will tend to react to an all-at-once mandate as just another "make work" exercise in which the quality of the product would suffer. A gradual approach allows budget staff to work more intensively with agencies in the development of meaningful performance measures. Second, a gradual approach allows us experiment with some different approaches to work out the bugs before we go to full-scale application. And third, we must recognize that while most of what state government does can be measured in terms of relevant outcomes, there are some areas which are simply not subject to meaningful, quantifiable measurement. It will take time for us to come to some consensus about what functions are measurable and which are not.

The current budget reflects phase one in which a pilot project of three, relatively small and noncontroversial programs participated in order to get our feet wet. We have learned a great deal from this pilot project and it has been very useful in helping to refine our thinking. Phase two involves selecting one program from a wider variety of agencies in order to build a greater base of knowledge and experience. We have tried to select functions of state government which have relatively narrow programmatic goals that are readily measurable. We have excluded some agencies which are likely to be severely impacted by reorganizations or other changes made by the 1995 legislature since the development of performance measures requires some commitment of management resources. We have also looked to those agencies and program managers who have expressed a willingness to make the required commitment.

For participating programs, performance-based budgeting will involve articulating key program goals and developing associated performance measures which would demonstrate the extent to which agencies are successful in accomplishing these goals. The budgets for participating programs will be presented in the context of what impact changes in budgetary resources will have on program effectiveness.

Representative Bill Tash

March 2, 1995

Page Two

Performance-based budgeting will not change the current mechanics of budget development, radically transform the budgeting process, nor make it any more pleasant to make hard decisions. By itself, it is not intended to result in either more or less spending by state government. However, we do believe that it will provide useful information to the legislature in the appropriations process. It balances the discussion of how much we spend with some understanding of what we are accomplishing. We occasionally consider the impact of incremental changes (i.e. "new proposals") on program effectiveness but rarely do we look at the overall impact of a program, and even when we do, we rarely look back to determine whether what was promised or predicted was, in fact, what actually happened. Performance targets represent a kind of contract between the legislature and state government agencies, holding managers accountable for their results.

We would like to thank you for your interest in performance-based budgeting and performance measurement. Please let me know if I can provide you with any further information.

c: Dave Lewis

SUGGESTED BOILERPLATE LANGUAGE FOR GENERAL APPROPRIATIONS ACT:

"The executive is encouraged to expand the current performance-based budgeting pilot project for the 1999 biennium. The legislature recommends the following state programs/functions be considered for participation:

<u>Agency</u>	<u>Program</u>
Governor's Office	Citizen's Advocate
Secretary of State	Business & Govt Services
Revenue	Corporate Tax
Transportation	Motor Pool
Social & Rehab Services	Child Support Enforcement
Labor and Industry	Job Service
Labor and Industry	Human Rights Commission
Commerce	Building Codes
Fish, Wildlife & Parks	Enforcement
State Lands	Forestry
Justice	Driver License Services
Corrections & Human Services	Chemical Dependency
Historical Society	Historic Preservation
Commissioner of Higher Ed	Student Assistance

Participating agencies shall include proposed performance measures, developed in accordance with OBPP guidance, with budget documents submitted under 17-7-112, MCA. Participation in the performance-based budgeting pilot project shall be deemed to satisfy the requirements of 17-7-111(d)(i), MCA."

01/15/99
Nora Bailey