

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON INSTITUTIONS & CULTURAL EDUCATION

Call to Order: By **CHAIRMAN MARJORIE I. FISHER**, on January 19, 1995, at 3:00 p.m.

ROLL CALL

Members Present:

Rep. Marjorie I. Fisher, Chairman (R)
Sen. Larry J. Tveit, Vice Chairman (R)
Sen. Gary C. Aklestad (R)
Rep. William T. "Red" Menahan (D)
Rep. Steve Vick (R)
Sen. Mignon Waterman (D)

Members Excused: None

Members Absent: None

Staff Present: Lisa Smith, Legislative Fiscal Analyst
Mary LaFond, Office of Budget & Program Planning
Brandee Decrevel, Committee Secretary

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

Committee Business Summary:

Hearing: Department of Corrections and Human Services - Chemical Dependency
Executive Action: Department of Corrections and Human Services - Chemical Dependency

{Tape: 1; Side: A}

HEARING ON DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES CHEMICAL DEPENDENCY PROGRAM

Darryl Bruno, Administrator, Alcohol and Drug Abuse Division, Department of Corrections and Human Services (DCHS), reported the Montana Chemical Dependency Center (MCDC) was successfully transferred to Butte with the closure of Galen during this biennium. The waiting list has been virtually eliminated, admissions have increased, the average length of stay has decreased, and the intensity of services has increased. In communities, patient placement criteria have been implemented which insure the quality and appropriateness of services. The Alcohol and Drug Abuse Division (ADA) is moving on target with

managed care. There are some problems in the system including unstable revenue compounded by increased restrictions, and constantly increased appropriation of earmarked cash revenue for state services. MCDC is funded almost entirely by earmarked revenue with no general fund. The de-tox funding included some general fund which was absorbed in the earmarked money when the legislature moved the program to Butte. Another problem has been the inappropriate utilization of MCDC by judges and prosecutors. There is currently a bill before the legislature which is supported by some judges and prosecutors to clarify guidelines for sentencing requirements as related to MCDC. ADA is seeing an increased demand for community services as more prisoners move into pre-release centers. The MCDC de-tox service is basically a regional program just because of the difficulty of traveling to Butte. Another priority after community programs is to support de-tox programs throughout the state.

REP. STEVE VICK asked if regular hospitals provide de-tox centers. **Mr. Bruno** answered most hospitals provide de-tox treatment and MCDC refers to hospital de-tox if the clients problem is severe. One of the reasons MCDC has been able to eliminate the waiting list is because it has reduced non-necessary admissions to MCDC. Proposed solutions to ADA's problem areas involve appropriate assessment and patient placement of referrals to MCDC and within the communities, elimination of de-tox only services at MCDC, elimination of earmarked funding for chemical dependency programs in correctional institutions and the Department of Justice lab, the appropriation of earmarked revenue for correctional populations in the communities and an aftercare coordinator at MCDC. It has been shown that CD clients who enter after care treatment have a lower recidivism rate.

SEN. MIGNON WATERMAN asked if ADA is proposing to both de-earmark and earmark some funds. **Mr. Bruno** responded that one of the new proposals was to appropriate the alcohol tax earmarked revenue at basically the same amount that was appropriated for the crime lab in the Department of Justice and put that money into communities instead. ADA is proposing in the statutory revenue bills that this revenue be used for rehabilitation and prevention of alcoholism services.

Lisa Smith, Legislative Fiscal Analyst, said the general fund would be at Department of Justice in the forensics general fund increase. **SEN. WATERMAN** commented that this would be increased money in this budget from the earmarked revenue. The general fund increase would show up in the forensics even though there wouldn't be any cost increases.

Mr. Bruno explained the after care coordinator new proposal. This position will facilitate the placement of individuals concluding treatment at MCDC and going back to the community. There has been a successful five-county pilot program with the after care coordinator which has demonstrated a 74% show-up rate

at community after care programs in comparison to the normal show-up rate of about 30%. This program is important to provide an appropriate continuum of care and reduce recidivism. With the full time position working out of MCDC, the showup rate should improve in programs throughout the state.

The chemical dependency community treatment proposal for the correctional population is funded out of earmarked funding. The end of crime control grants in June 1994 ended the money available in the communities at the pre-release centers and parole/probation. Both the pre-release centers and probation/parole have accepted placement from inmates who did not receive needed chemical dependency treatment in prison. This funding would be used to provide treatment and aftercare for the correctional population in the community. The key to reducing recidivism to prison is to provide quality chemical and alcohol dependency programs to the offenders. Approximately 80% of the prison population has alcohol/chemical dependency issues. The proposal for earmarked funding is through eliminating earmarked funding from the institutional correctional program and the Department of Justice (DOJ) lab. The purpose for alcohol tax earmarked revenue is for rehabilitation and the prevention of alcoholism. General funds should be used for programs in correctional facilities and the earmarked alcohol tax revenue should be used for treatment and prevention activities. The base funding for chemical dependency services in the community is constantly declining in the year. In 1992 there was \$1.2 million for community services, the most optimistic projection for 1995 is \$800,000.

Personal services reductions will come through eliminating the de-toxification only portion of MCDC services. This will reduce state expenditures from earmarked funding. The de-tox program for clients in the treatment center will continue. The de-tox only program has proven to be a revolving door for clients who do not use the full treatment program. This will reduce state expenditures from earmarked funding. It's critical to reduce expenditures at the state level so more funding can be distributed to community programs. There are now services in the communities in such areas as adolescent treatment and half-way houses for women. Basically the men's de-tox only program at MCDC is a regional program serving Silver Bow, Missoula and Lewis & Clark counties. There is a need for de-tox services in other areas of the state as well.

There has been an increase in federal block grants since the Executive budget was submitted. **EXHIBIT 1**

{Tape: 1; Side: B}

A minimum of 20% of this money is required to be used for prevention activities and DCHS would like to use some of the funding to increase services for women and their children, such as day care programs.

Ms. Smith spoke to the earmarked alcohol tax. **Pages D-146 and D-147 in Executive Budget Book.** The funding switch is not a significant funding increase, increases almost net against decreases, it is primarily a change in the way the money is spent.

SEN. WATERMAN asked if the alcohol revenue shortage of approximately \$240,000 could be taken from this additional block grant money rather than making a funding switch. **Mary LaFond, Office of Budget and Program Planning (OBPP),** responded that the funding switch is in large part because it is more appropriate to use the alcohol tax money for its intended purpose - community programs and prevention - than to leave it in the institutions and DOJ lab.

SEN. WATERMAN asked if the Executive has considered the use of the additional block grant monies and made a recommendation on how those should be used. **Ms. LaFond** explained this funding had only been granted a few days earlier and had not yet been considered. The concept of the Executive recommendation will not change - there is a need for more correctional chemical dependency programs.

Ms. Smith agreed that the use of general fund that was appropriated by the Executive has not changed. DCHS made every effort to charge as much of the chemical dependency programming to the federal grant as possible.

Rick Day, Director, DCHS, said the funding switch results in a slight increase in earmarked funds, although there's been a decline since 1992 in the collections of the alcohol tax. This is not an issue of the work down at the DOJ lab, it is a quality service that should be continued. It is a matter of being consistent with funding. In the last session all general fund for chemical dependency services were removed and only federal block grant and earmarked revenues are now available. DCHS is trying to take all earmarked revenue from the institutions and DOJ lab and put them back into community programs for offenders. The block grant program does provide an increase in federal dollars, some of which is restricted by the federal government. In addition the state is close to putting an unfunded mandate on communities when it is expected that community programs will be available but there is no additional state funding to support the programs. DCHS is asking that earmarked funding be directed towards treatment services and general funds be used for institutional programs and the DOJ lab.

SEN. WATERMAN asked if the Department of Justice was agreeable to the funding switch. **Ms. Smith** answered the Department of Justice does not care which funding source - general fund or earmarked fund - supports the lab provided there is no loss in support of the lab.

SEN. WATERMAN asked how clients will get de-tox only services if the MCDC program is eliminated. **Mr. Bruno** answered the clients will have to find other programs, most often through hospitals. DCHS would like to use some of the earmarked funds to develop programs that would combat the revolving door effect of de-tox only services.

Roland Mena, Director, MCDC, explained there are two different programs in MCDC. One is the de-tox program which is a sub-acute medical facility, the other is a 90-bed inpatient treatment component. MCDC is not an acute care facility but has received a lot of acute care patients which MCDC then becomes financially responsible for. Some patients who come for de-tox are not interested in complete treatment, they are only looking for a place to stay and a few good meals. These clients can be dangerous to the staff and other clients. A high percentage of these people then leave the facility against medical advice. The other de-tox clients are scheduled through other programs and generally have a good prior medical assessment. These clients generally are part of the full treatment program. MCDC attempts to put in some controls and if some one is not appropriate for MCDC they are referred back to a more appropriate treatment within the community.

{Tape: 2; Side: A}

Approximately 25% of scheduled admissions need de-tox services. De-tox beds stay at full capacity. This proposal is to eliminate de-tox only clients, not clients who need de-tox as part of the entire treatment program.

REP. RED MENAHAN commented that since the state is in the business of selling alcohol it should also be in the business of providing services for people who have problems with alcohol.

REP. VICK asked why alcohol tax revenues are decreasing. **Mr. Bruno** answered various factors include tougher laws in DUI that has effected consumption, drinking is becoming less socially acceptable and the drinking age was increased. Overall consumption has gone down while the population of Montana has remained relatively stable. About the only time alcohol tax revenue rises is when there are prices increases for alcohol.

Kathy McGowan, Chemical Dependency Programs of Montana, asked the subcommittee to re-examine state policy regarding the use of earmarked alcohol tax revenue. **EXHIBIT 2**

EXECUTIVE ACTION ON
DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES
CHEMICAL DEPENDENCY

BUDGET ITEM: Base Budget

Motion/Vote: SEN. LARRY TVEIT moved to accept the base budget for the chemical dependency division. Motion **CARRIED** unanimously.

PRESENT LAW ADJUSTMENTS

BUDGET ITEM: Personal services; Inflation/deflation; Fixed costs

SEN. GARY AKLESTAD asked why personal services costs are increasing when the presentation indicated they were being reduced. Ms. Smith answered there was the elimination of 1 FTE at approximately \$25,000 a year, in 1994 which won't be in the next biennium budget.

Motion: REP. MENAHAN moved to accept \$98,499 in FY96 and \$109,092 in FY97 for personal services; \$21,703 in FY96 and \$37,226 in FY97 for inflation/deflation; and (\$325) each year of the biennium for fixed costs.

Discussion:

REP. VICK commented while the alcohol consumption in the state is remaining constant and the population has remained fairly stable, DCHS is asking for nearly an 18% increase for programs that theoretically are working. That doesn't seem to be a consistent model. If alcohol consumption is constant DCHS should be able to deal with the same number of people with roughly the same budget. If the programs are working then, theoretically, there should be a reduction.

SEN. WATERMAN said alcohol consumption cannot be mixed with alcoholism. The rate of alcoholism appears to be rising rapidly.

Mr. Day said one other factor is the distribution of alcohol tax. A lot of services go to people with chemical dependency, but not necessarily alcohol, problems.

SEN. TVEIT asked which was increasing the most - alcohol or drug abuse. Mr. Bruno responded state-wide it is probably 25-26% with a primary drug-dependency rather than alcohol. What has changed most in the past few years is that almost everyone with a primary alcohol problem also has some other drug abuse problems. Mr. Mena said another change is that the age of onset of abuse is dropping, it is now on average 15. This brings a lot of social adjustment and maturity problems along with the chemical dependency problem.

REP. VICK said he recognizes some of these services are very important, but still questions the effectiveness of all the services.

Vote: Motion **CARRIED** 5-1 with **REP. VICK** voting no.

BUDGET ITEM: Other Services

Motion/Vote: **REP. MENAHAN** moved to accept \$169,689 in FY96 and \$171,337 in FY97 for other services. Motion **FAILED** 2-4 with **REP. MENAHAN** and **SEN. WATERMAN** voting yes.

Discussion:

SEN. AKLESTAD asked how long the data system will be funded through a federal grant. **Mr. Bruno** answered the contract should continue for several years. This system enhances the ability to collect data and provide the required data to the federal government. There is no use of earmarked money in this - it's strictly federal dollars.

{Tape: 2; Side: B}

REP. AKLESTAD expressed concern that eventually the state will have to fund some of the programs currently under federal funding. Eliminating the de-tox service at MCDC but moving it out to the communities isn't really reducing the state funding obligation. Anything that has any expansion or continuation of a system should be considered carefully.

SEN. WATERMAN asked what happens if these services aren't funded. **Mr. Bruno** reported approximately \$32,000 is for the data grant, approximately \$19,200 is the contract to evaluate programs and the remaining funds are for the contract with Horizon Health Care. This contract isn't really an increase, it is a continuation of the contract that was entered when MCDC was established in Butte. Because the start up period was slower than anticipated, only three months of food costs were used. The rent is about \$10,000 a year, the rest is food costs. There is a slight increase for inflation in the contract budget. **EXHIBIT 3**

Vote: Motion **FAILED** 2-4 with **REP. MENAHAN** and **SEN. WATERMAN** voting yes.

SEN. AKLESTAD asked if federal grant monies could be used to fund the "other services" items. **Mr. Bruno** answered that would not be possible since block grant monies are restricted to certain areas and substituting block grant money for existing services would not be allowed.

Motion: **SEN. WATERMAN** moved to accept funding the increase in the contract with Horizon Health Care to provide building space

and food service to MCDC which is approximately \$119,000 each year of the biennium.

Discussion:

SEN. AKLESTAD said he didn't understand why the federal grant couldn't be used for these items and would like clarification of the federal grant fund uses.

REP. VICK asked if the number of patients served would be reduced if this is not funded. **Mr. Mena** said that has already been done, only about 80% of the inpatient beds are utilized at the time. The full rent must be paid regardless of the bed occupancy, but the food costs decrease.

Ms. Smith said regarding where the funding will come from - federal grant or alcohol tax - DCHS has identified personal services and other costs for the \$117,000 from federal funds. **Mr. Bruno** commented that the federal block grant would allow the distribution of some of the \$117,000 to MCDC because most of that money is being reverted from central services budget. **EXHIBIT 4**

Vote: Motion **CARRIED** 5-1 with **REP. VICK** voting no.

BUDGET ITEM: Equipment

Motion/Vote: **SEN. WATERMAN** moved to accept (\$32,778) in FY96 and (\$22,678) in FY97 for equipment. Motion **CARRIED** 5-1 with **CHAIRMAN MARGE FISHER** voting no.

BUDGET ITEM: Grants

Ms. Smith said the subcommittee might prefer to consider the grants with the new grant DCHS just received which would increase the funding to approximately \$834,000 each year.

Motion/Vote: **SEN. WATERMAN** moved to accept the grant funds at the revised total of \$834,191 in FY96 and \$833,989 in FY97 with the understanding that the deficit alcohol tax funds will be made up out of this block grant funding. Motion **CARRIED** 5-1 with **SEN. VICK** voting no.

BUDGET ITEM: Other

Ms. Smith reported this is a net of various adjustments, such as travel and repair and maintenance.

Motion/Vote: **SEN. WATERMAN** moved to accept \$19,395 in FY96 and \$26,892 in FY97 for other. Motion **FAILED** 2-4 with **REP. MENAHAN** and **SEN. WATERMAN** voting yes.

EXECUTIVE NEW PROPOSALS

BUDGET ITEM: After care coordinator

Motion/Vote: REP. MENAHAN moved to accept 1 FTE and \$38,476 for FY96 and 1 FTE and \$38,594 for FY97 for the after care coordinator. EXHIBIT 5

Discussion: SEN. AKLESTAD said the state is having a hard time right now funding existing programs. It would seem that the new federal grant dollars that have just been accepted could be used to fund some of the new proposals on a priority basis.

Vote: Motion FAILED 2-4 with REP. MENAHAN and SEN. WATERMAN voting yes.

BUDGET ITEM: Program 40 vehicle lease

The subcommittee delayed action on this until all DCHS vehicle lease items can be considered together.

BUDGET ITEM: CD Community Treatment

Ms. Smith said the funding switch may need to be considered because that will have an impact on this proposal. EXHIBIT 6

SEN. AKLESTAD said the new grant money may cover this program.

SEN. WATERMAN commented there is a philosophical discussion that needs to take place regarding whether the legislature wants to tell communities which programs to provide or allow communities to spend their block grants without specific direction. Another question is if the state should fund community programs for the correctional population since they are often under judges orders to participate in a treatment program.

{Tape: 3; Side: A}

Ms. Smith reported DCHS is hoping to have approximately \$200,000 of alcohol tax that reverts from FY95 that can help meet next bienniums budget needs. The funding switch would fund the forensics with \$265,000 of general fund rather than alcohol tax.

REP. MENAHAN commented that the alcohol tax is a user fee, people who don't buy alcohol don't pay the tax, the state should make money available to help alcoholics. "We're in the business of selling addictive drugs, then we should help to cure the problem."

Ms. LaFond said there hasn't been much time to consider the possible uses of the new federal grant money.

Ms. Smith said if the funding switch isn't approved it will make the bottom line worse if all the new proposals are accepted. If the funding switch is accepted it will bring up \$265,000 of alcohol tax which could be considered available for new proposals.

The subcommittee did not make a motion on the funding switch.

SEN. AKLESTAD said community programs can be very effective and perhaps they should use some of the new block grant funding for these programs.

REP. MENAHAN asked what new programs and how many new clients will be served with the CD community treatment program. **Mr. Day** answered there is essentially no funding dedicated to the communities for the offender population. This program will provide money specifically for the offender population. It's hard to predict exactly how many new clients will be served. If this kind of program is not provided in the communities there will be a higher rate of recidivism in the prison. The offender population usually doesn't have the insurance and other resources to pay for other treatment programs.

The subcommittee delayed decisions on the CD Community treatment new proposal until there is further clarification about the use of federal block grant funding.

BUDGET ITEM: Personal Services Reduction

Motion/Vote: **SEN. AKLESTAD** moved to accept (3.50) FTE and (\$122,680) in FY96 and (3.50) FTE and (\$123,209) in FY97 for personal services. Motion **CARRIED**.

ADJOURNMENT

Adjournment: Approximately 5:30 p.m.

note Rec'd 6/95

mi. 97h

MARJORIE I. FISHER, Chairman

Paula Clawson

PAULA CLAWSON, Recording Secretary

Note: These minutes were proofread by Lisa Smith, LFA.

MIF/pc

INSTITUTIONS

Joint Appropriations Subcommittee

Meeting # 2

ROLL CALL

DATE January 19, 95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Marj Fisher, Chairman	✓		
Rep. Red Menahan	✓		
Rep. Steve Vick	✓		
Sen. Larry Tveit, Vice Chairman	✓		
Sen. Gary Aklestad	✓		
Sen. Mignon Waterman	✓		

Handwritten: 1-19-95

EXHIBIT

DATE

1/19/95

SB

Intended use of additional block grant

The Alcohol and Drug Abuse Division received notice, after the submission of the executive budget, Montana's Allotment of Substance Abuse Prevention and Treatment (SAPT) block grant funds for FFY 1995 would be considerably higher than FFY 1994 award. This amounts to **\$649,393** in Fy 96 and **\$649,482** more than originally was projected in the executive budget.

We propose to spend this additional funding in Fy 96 and Fy 97 in the following areas.

a. Funding switch in the budget of both operations in the Helena office and MCDC non direct care. This would require substituting SAPT block grant funds for earmarked alcohol tax revenue in personal and operations already included in the executive. It will not increase our operation budget or FTE level. It will allow us to pay costs in administration of these federal funds from the appropriate source and revert a like amount of earmarked revenue to the alcohol account. This will help alleviate the short fall problem in this account. **\$117,484** in Fy 96 and **\$117,775** in Fy 97 Will be used in this manner.

b. Increase the level of funding for treatment and prevention in communities. This will allow us to increase the level of alcohol and drug prevention and treatment activities in many communities in Montana. We propose to increase treatment and prevention services in the communities by **\$531,909** in Fy 96 and **\$531,707** in Fy 97.

above and beyond boxes

discussion on tape
between
Waterhouse
Mary
1997

EXHIBIT 2
DATE 1/19/95
SB _____

Testimony
Presented by Kathy McGowan
Representing Chemical Dependency Programs of Montana

Madam Chair, members of the committee, my name is Kathy McGowan. I am representing Chemical Dependency Programs of Montana. CDPM is an association of outpatient and inpatient chemical dependency programs providing services across the entire state of Montana.

Table 11 on page D-147, #3 under the Disbursements section, tells you a great deal about what you need to know about what has happened to community programs over the past few years. For your convenience, I have attached a copy of the table and highlighted the information I just referenced. Mr. Bruno pointed this out to you yesterday. The alcohol tax distributed to the counties has declined precipitously over the past several years. At the same time the demand for community services has increased.

What we ask of you today is simply this: Please seriously re-examine state policy in regard to the use of the Earmarked Alcohol Tax. Community providers and county government officials tell me that county dollars have been diluted and counties have lost much of their ability to prioritize the dollars they do receive. As you evaluate Executive Proposals, consider them in those terms.

If you will look again to Table 11, you can see a good example of the dilution of Earmarked Alcohol Tax dollars. A considerable amount of these dollars have been used by the Department of Justice for the Drug Testing program. To credit of the Executive, they have recognized this and have requested a funding switch. We wholeheartedly endorse this proposal.

A second Executive Proposal, which recommends using Earmarked Alcohol Tax dollars to fund treatment of offenders in the community, is one we cannot support. There is no one who doubts that treatment of this population is very important, and as community programs, we certainly endorse community treatment of these individuals. But we ask once again to evaluate this based upon good public policy. Should the state be setting priorities for counties? County officials answer a resounding "no." Should treatment for the offender population be funded out of already stretched and diminishing community resources? We think not. We believe it would be more appropriate to fund this population out of the Corrections budget.

Chemical Dependency Programs of Montana acknowledge that a great deal of excellent progress has been made by Mr. Bruno and the Chemical Dependency Division over the past couple of years. The changes made at MCDC have been good ones. Ongoing efforts and collaboration in the areas of certification have done much to improve the public chemical dependency system. Several pieces of legislation this session are the result of the work of many individuals who are interested in enhancing chemical dependency services and making better use of available funds. Senate Bill 40, which will require assessment in the community prior to admission to any public treatment facility is a good example.

Thank you for giving us the opportunity to present this information to you this morning. Please contact me or any of the members of CDPM if you have questions.

Table 11
Earmarked Alcohol Tax
Fiscal 1992 through Fiscal 1997

	Fiscal 1992	Fiscal 1993	Fiscal 1994	Fiscal 1995*	Fiscal 1996**	Fiscal 1997**
Beginning Balance	\$836,686	\$747,068	\$939,014	\$747,362	\$146,054	(\$42,023)
Revenues						
1. Beer Tax	\$806,827	\$758,421	\$748,966	\$766,475	\$772,745	\$772,745
2. Wine Tax	439,667	398,867	393,237	381,819	368,264	355,173
3. Cost Recovery	136,258	109,266	85,103	85,103	85,103	85,103
4. Liquor License	2,504,497	2,571,812	2,574,566	2,569,006	2,603,532	2,641,416
Total Revenue Available	\$3,887,249	\$3,838,366	\$3,801,872	\$3,802,403	\$3,829,644	\$3,854,437
Disbursements						
Present Law						
1. Audit & Chem. Dep. Operations	\$370,957	\$324,819	\$369,410	\$374,780	\$434,852	\$428,503
2. Total Chemical Dependency	1,885,841	1,801,747	2,283,052	2,617,292	2,486,155	2,530,088
3. Dist. to Counties	1,330,000	1,250,000	999,984	1,000,000	800,000	800,000
4. State Prison/Swan River/WCC	81,182	97,224	59,290	105,227		
5. Pine Hills	26,319	27,000	28,923	30,404	29,523	29,523
6. Justice - Drug Testing	250,469	237,182	265,295	276,008	265,295	265,295
Subtotal - Present Law					\$4,015,825	\$4,053,409
New Proposals						
1. ISB Programming Staff					\$12,818	\$18,230
2. Pgm 40 Vehicle Lease						(4,874)
3. CD Community Treatment					377,053	377,469
4. PS Reductions					(122,680)	(123,209)
5. Justice - Funding Switch					(265,295)	(265,295)
Subtotal - New Proposals					\$1,896	\$2,321
Total Disbursements	\$3,944,768	\$3,737,972	\$4,005,954	\$4,403,711	\$4,017,721	\$4,055,730
Adjustments	(32,099)	91,552	12,430			
Ending Balance With New Proposals	\$747,068	\$939,014	\$747,362	\$146,054	(\$42,023)	(\$243,316)
Ending Balance Present Law Only					(\$40,127)	(\$239,099)

*Fiscal 1995 appropriated or estimated

**Fiscal 1996 and fiscal 1997 show executive budget disbursements and ROC estimates

The executive states that the funding switches would result in higher grants to programs for chemical dependency treatment. However, if expenditures are to remain within available revenues, the legislature has two primary options: 1) replace a portion of the recommended disbursements with some other funding source; or 2) reduce funding to programs currently funded with alcohol tax. This option would require a reprioritization of the uses of the alcohol tax.

Federal funds consist of: 1) categorical grants of \$32,000 each year; and 2) chemical dependency/mental health block grants of \$2,696,433 in fiscal 1996 and \$2,699,069 in fiscal 1997.

EXHIBIT 3
DATE 1/19/95
SB _____

2. Other Services Present Law Adjustment LFA page D 149 (4)
Contract for program Evaluator

Funding Source: Earmarked Alcohol Tax Revenue

Fy 96
\$19,200

Fy 97
\$19,200

The contract evaluator position replaced an FTE in Fy 95 and services are provided at \$19,200 per year. This represents a savings to the Department and in the earmarked alcohol account. We are requesting to continue this service in the next biennium.

The evaluation unit is responsible for ensuring compliance with treatment standards by on-site evaluations in community based programs and issuing approval status based on the results of the evaluation.

The only alternative would be to provide evaluations every two to three years and eliminate technical assistance. This contracted service will ensure appropriateness, intensity and quality of services in community based programs. Additionally, it allows us to monitor the federally funded contracts the department has with community based programs for alcohol and drug services.

4. Funding Switch from additional block grant funds presented to committee 1/18/95.

Replacement of alcohol tax funds in the current program with federal block grant funds

	Fy 96	Fy 97
Alcohol Tax	(117,484)	(117,775)
Federal Funds	117,484	117,775

Funding switch in the budget of both operations in the Helena office and MCDC non direct care. This would require substituting SAPT block grant funds for earmarked alcohol tax revenue in personal and operations already included in the executive. It will **not increase our operation budget or FTE level**. It will allow us to pay associated costs of infectious disease control and administration of these federal funds from the appropriate source and revert a like amount of earmarked revenue to the alcohol account. This will help alleviate the short fall problem in this account and allow us to distribute more earmarked funding to community programs in all counties.

3. Aftercare coordinator: New Proposals LFA D-149(1)

Funding Source: Federal SAPT Block Grant Funds

Fy 96
\$38,476

Fy 97
\$38,594

The most critical aspect to preventing relapse is a patients ability to access and complete aftercare services. Less than 30% of those patients discharged from MCDC with a referral to state approved aftercare programs historically show up.

In response to this concern, a pilot aftercare project was established and contracted through a state approved program to provided a .50 FTE to manage aftercare referrals to 4 target community programs. The data collected for FY 94 revealed the **participant show up rates increased to 74%** with a 50% completion of aftercare services.

The project has demonstrated positive results. We request that MCDC be provided with funding and 1 FTE to continue and expand the service to the entire state patient population. Continuing this project full time will improve the success rate, reduce recidivism and ultimately reduce the cost of providing treatment. **We believe this position needs to be an MCDC staff member to ensure active participation in continued care reviews, have patient accessibility and provide services based on the programs needs and schedules. This proposal will leave Chemical Dependency with 3.50 less FTE's then the present biennium.**

EXHIBIT 6
DATE 1/19/95
SB _____

5. CD Community Treatment. Executive New Proposals D-150(3)

Funding Source: Alcohol Tax or Federal Block
Grant approved by Committee on 1/19/95

Fy 96
\$377,053

Fy 97
\$377,459

Funding would provide chemical dependency treatment to the correctional populations in the community.

Proposed funding for this project in the executive includes Justice funding switch (D-146). A viable alternative would be to use up to 80% (20% is required for prevention) of our increased block grant funds for this purpose. The department can use the block grant funds already approved by the committee on 1/19/95 (\$531,909 y 96 & \$531,707). If it is the committee wish, no further action is needed.

The department continues to request the justice funding switch with the DOJ earmarked revenue returning back to the community for services targeted towards community identified needs. It is imperative we continue to reduce earmarked funding from state government appropriations in order for community based outpatient programs to survive. This is especially true in rural areas because block grand requirements impede the use of much additional block grant funding. All legislative initiatives the executive has proposed in this session, including SB 40 and SB 84, target reducing state costs, improving efficiency in the chemical dependency system and reversing the trend of increased state appropriations and decreased county distribution.

BACK UP for # 5

Problem: At the present time approximately 5,000 individuals are under P&P supervision or in Pre-release centers. It is estimated that 600 or more inmates will be discharged each year from the correctional institutions. 80% will be chemically dependent or have problems relating to chemical dependency use. The pre-release centers have accepted inmates for pre-release placement who have not received needed chemical dependency treatment. In addition, 90 out of 132 of 1994 parole revocations were directly attributable to alcohol or drug related activities. In June 1994 funding from the board of crime control for chemical dependency treatment ended.

Solution: Ensure the availability of chemical dependency treatment to offenders. Funding would be contracted to state approved community based outpatient programs for assessment, treatment, prevention of relapse and aftercare. A criminal justice task force consisting of people from corrections, the Parole Board , state approved programs and the prison are reviewing strategies to better serve this population. It is vital that we prevent relapse with this population to reduce recidivism at MSP.

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