

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON INSTITUTIONS

Call to Order: By Rep. William Menahan, on January 10,
1989, at 8:00 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Taryn Purdy, Associate Fiscal Analyst

Announcements/Discussion: Work Sheet Forms - Budget
Department of Institutions, Director's Office

Taryn Purdy discussed Personal Services Issues and the Committee tabled action until Thursday when vacancy savings could be reviewed. Under Operating Expenses Issues Curt Chisholm, Director, Dept. of Institutions answered questions for committee members. In response to a question from Sen. Aklestad Curt stated the Medical Review Board has its merit and he related cases pertaining to the State Prison and how the Board prevents surgery, such as cosmetic surgery requests etc. Montana State Prison also does in house printing. Sen. Bengtson moved to accept the Executive Budget figures as presented by the Board. Motion passed unanimously.

Funding The Executive general fund amount of \$383,539 for 1990 and the Executive amount of \$384,711 for 1991 was discussed by the Committee and a motion by Sen. Bengtson to accept the general funding amount of \$383,539 for fiscal year 1990 and \$384,711 for fiscal year 1991 was approved. Senator Aklestad voted no.

Modified Budget Agency initiated - not included in Executive Budget. This modified budget would add 1.0 FTE safety officer to develop and evaluate programs to reduce the incidence of worker injury. Questions from the committee such as how the safety officer is qualified, how much work load and how he will be chosen were answered by Curt. Sen. Bengtson moved not to hire a safety officer. Motion passed with Reps. Menahan and Peterson voting no.

Rep. Bardanoue gave an observation and explained that the Governor has a hiring freeze. He's not sure how the Modified Budget will be received by the present administration. He emphasized this was a neutral observation.

Operating Expense Issues: Computer support services. Motion made by Sen. Bengtson to include the executive \$3,000 for computer support services not included in current level. All committee members voted in favor except Rep. Peterson who voted no.

Equipment: Sen. Bengtson moved to accept the recommendation of the executive and LFA current level to pay \$294,00 for replacement of secretarial chairs. Motion passed.

Funding: Sen. Bengtson moved to accept LFA Budget for fiscal 1990 and fiscal 1991. Discussion followed and the general fund was explained. Motion passed.

Chemical Dependency Bureau: Personal services issues - The committee deferred action on the above issue of personal services until they can make a decision on vacancy savings. Sen. Bengtson suggested waiting on this issue.

Operating Expenses Issues: The executive includes the following not included in LFA current level.

- | | | |
|-------------------|---------------------------------------|-----------------|
| 1990 | 1. Oral examination question revision | \$4,329 FY |
| and FY 1991 | 2. Caring for Kids coordinator | \$1,920 FY 1990 |
| | 3. Printing | 3,325 FY 1990 |
| and \$657 FY 1991 | | |
| | 4. Travel | 563 FY 1990 |
| and 573 FY 1991 | | |

Sen. Bengtson moved the LFA current level plus half of the difference between current level and the executive budget or \$6,000 for fiscal 1990 and \$2500 fiscal 1991. After discussion by the committee the motion carried. Rep. Peterson voted no. Rep. Peterson had made a substitute motion to fund printing and travel for each year. The motion failed.

Equipment: Rep. Peterson moved to accept the LFA current level and the executive to include funds to purchase

films budgeted at \$1,000 for each year. Motion passed.

Grants Issues: Grants are made to local drug and alcohol programs, and to counties for any anticipated shortfall of funding from the earmarked alcohol taxes. Taryn referred to page D-15, chemical dependency bureau, showing that \$215,000 in each year is general fund. Rep. Grady moved to accept the Grant Issues. Motion carried.

Funding: Sen. Bengtson made a motion to accept the LFA funding level for 1990 and 1991. After discussion by the committee during which and the general fund was explained, the motion carried unanimously.

MODIFIED BUDGET: Sen. Bengtson moved to fund the Bureau for the federal block grants which are granted to local and county drug and alcohol programs in the amount of \$319,512 in fiscal 1990 and fiscal 1991. All voted in favor.

Sen. Bengtson also made a motion to accept the modified budget for additional federal block grants, agency initiated - not in executive budget for \$170,147 fiscal 1990 and \$269,866 fiscal 1991. The total figure will be \$489,659 fiscal 1990 and \$589,378 fiscal 1991. All voted aye. Motion carried.

Handouts Table 4 Earmarked Alcohol tax Fiscal 1988 through Fiscal 1991 (Exhibit 1) and Institutions and Cultural Education Subcommittee Earmarked Alcohol Revenue, Table 1, Alcohol Revenue and Disbursements 1991 Biennium (Exhibit 2) Modified Budget work sheets and Additional Federal Block Grants, all attached.

ADJOURNMENT

Adjournment At: 10:00 a.m.


REP. WILLIAM MENAHAN, Chairman

Jan. 10, 1989

DEPARTMENT OF INSTITUTIONS
DIRECTOR'S OFFICE

<u>PERSONAL SERVICES</u>	<u>1990</u>	<u>1991</u>
Executive FTE	9.0	9.0
LFA Current Level FTE	9.0	9.0
Difference	0.0	0.0
Executive	\$337,078	\$337,979
LFA Current Level	<u>330,199</u>	<u>331,082</u>
Difference	\$ 6,879	\$ 6,897

----- Personal Services Issues -----

1. The difference between the executive and LFA current level is due to the executive including vacancy savings at 2 percent, while current level is 4 percent.

2. Committee Issues

Committee Action

OPERATING EXPENSES

	<u>1990</u>	<u>1991</u>
Executive	\$46,461	\$46,732
LFA Current Level	<u>45,721</u>	<u>46,002</u>
Difference	\$ 740	\$ 730

----- -Operating Expenses Issues - -----

1. The difference in operating expenses, which totals 1.6 percent, is due to offsetting differences in travel and consulting fees for the Medical Review Board, printing, travel, and communications.

2. Committee Issues

Committee Action

FUNDING

	1990	1991
	<u>Exec</u>	<u>Exec</u>
General Fund	\$383,539	\$384,711
	<u>LFA</u>	<u>LFA</u>
	\$375,920	\$377,084

approved by motion



----- Funding Issues -----

1.

2. Committee Issues

Committee Action

DEPARTMENT OF INSTITUTIONS
CHEMICAL DEPENDENCY BUREAU

<u>PERSONAL SERVICES</u>	<u>1990</u>	<u>1991</u>
Executive FTE	9.0	9.0
LFA Current Level FTE	<u>9.0</u>	<u>9.0</u>
Difference	0.0	0.0
Executive	\$254,319	\$255,012
LFA Current Level	<u>249,129</u>	<u>240,807</u>
Difference	\$ 5,190	\$ 5,205

----- Personal Services Issues -----

1. The difference between LFA current level and the executive is due to the executive inclusion of vacancy savings at 2 percent, while current level includes a rate of 4 percent.

2. Committee Issues

Committee Action

<u>OPERATING EXPENSES</u>	<u>1990</u>	<u>1991</u>
Executive	\$320,146	\$160,785
LFA Current Level	<u>317,391</u>	<u>158,030</u>
Difference	\$ 2,755	\$ 2,755

----- -Operating Expenses Issues -----

1. The executive includes \$3,000 to subscribe to the Information Services Division of the Department of Administration for computer support services not included in current level.

2. Committee Issues

Committee Action

<u>EQUIPMENT</u>	<u>1990</u>	<u>1991</u>
Executive	\$294	\$-0-
LFA Current Level	<u>294</u>	<u>-0-</u>
Difference	\$-0-	\$-0-

----- -Equipment Issues -----

1. LFA current level and the executive both include replacement secretarial chairs.

2. Committee Issues

Committee Action

<u>FUNDING</u>	1990		1991	
	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
General Fund\$	990,609	\$973,804	\$849,877	\$833,056
State Special	4,455	4,455	0	0
Federal Revenue	7,637	7,637	0	0
Other Revenue	<u>6,047</u>	<u>6,047</u>	<u>0</u>	<u>0</u>
Total	\$1,008,748	\$991,943	\$849,877	\$833,056

----- Funding Issues -----

1. All non-general fund in fiscal 1990 funds the biennial legislative audit.

2. Committee Issues

Committee Action

OPERATING EXPENSES

	<u>1990</u>	<u>1991</u>
Executive	\$107,807	\$85,639
LFA Current Level	<u>95,835</u>	<u>80,675</u>
Difference	\$ 11,972	\$ 4,964

-----Operating Expenses Issues-----

1. The executive includes the following not included in LFA current level.

	<u>FY 1990</u>	<u>FY 1991</u>
1. Oral examination question revision	\$4,329 ^{6,000}	\$ -0- ²⁵⁰⁰
2. Caring for Kids coordinator	1,920	1,920
3. Printing	3,325	657
4. Travel	<u>563</u>	<u>573</u>

The executive also includes additional funds for honorariums for advisory council members, education, and secretary of state filing fees over the current level.

2. Committee Issues

Committee Action
Budget → *P (1/2) 900* *Peter*
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EQUIPMENT

	<u>1990</u>	<u>1991</u>
Executive	\$1,000	\$1,000
LFA Current Level	<u>1,000</u>	<u>1,000</u>
Difference	\$ -0-	\$ -0-

-----Equipment Issues-----

1. LFA current and the executive both include funds to purchase films.

2. Committee Issues

Committee Action

Patricia → *1000* *2000* *3000*
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GRANTS

1990

1991

Executive	\$1,483,289	\$1,483,289
LFA Current Level	<u>1,483,289</u>	<u>1,483,289</u>
Difference	\$ -0-	\$ -0-

----- Grants Issues -----

1. Grants are made to local drug and alcohol programs, and to counties for any anticipated shortfall of funding from the earmarked alcohol taxes.

2. Committee Issues

pg. D-15 *215,000* *9000* *-6000*

Committee Action

2000 *1000* *2000* *3000* *4000* *5000* *6000* *7000* *8000* *9000*
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FUNDING

1990

1991

	<u>Exec</u>	<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
General Fund\$	215,200	\$ 215,200	\$ 215,200	\$ 215,200
Alcohol Taxes	340,404	323,464	318,929	308,982
SSI	22,500	22,500	22,500	22,500
Federal Block	<u>1,268,311</u>	<u>1,268,089</u>	<u>1,268,311</u>	<u>1,268,089</u>
Total	\$1,846,415	\$1,829,253	\$1,824,940	\$1,814,771

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----- Funding Issues -----

- General fund is granted to local drug programs.
 Alcohol taxes are state special revenue and fund the operating costs of the bureau. The difference between LFA current level and the executive is due to differences in total operating expenses.
 Federal SSI funds are a flat grant and are used to offset operating costs of the bureau.
 Federal block grants are granted to local and county drug and alcohol programs.

2. Committee Issues

Committee Action

Bengata - [signature]

DEPARTMENT OF INSTITUTIONS
MANAGEMENT SERVICES

<u>PERSONAL SERVICES</u>	<u>1990</u>	<u>1991</u>
Executive FTE	28.0	28.0
LFA Current Level FTE	<u>28.0</u>	<u>28.0</u>
Difference	0.0	0.0
Executive	\$688,308	\$689,092
LFA Current Level	<u>674,258</u>	<u>675,026</u>
Difference	\$ 14,050	\$ 14,066

----- Personal Services Issues -----

1. The difference between LFA current level and the executive budget is due to the executive including vacancy savings at 2 percent, while current level is 4 percent.

2. Committee Issues

Committee Action

MODIFIED BUDGET
Additional Federal Block Grants

This modified would add additional authority for federal block grants anticipated in the 1991 biennium. The funds would be used to supplement county alcohol revenue payments.

	<u>1990</u>	<u>1991</u>
Non-Operating Expenses	\$319,512	\$319,512

MODIFIED BUDGET
Additional Federal Block Grants
Agency Initiated - Not in Executive Budget

The Department of Institutions proposes that additional federal block grant funds be appropriated to supplement county alcohol revenue payments.

	<u>1990</u>	<u>1991</u>
Federal Revenue	\$170,147	\$269,866

MODIFIED BUDGET

Agency Initiated - Not Included in Executive Budget

This modified budget would add 1.0 FTE safety officer to develop and evaluate programs to reduce the incidence of worker injury.

	<u>1990</u>	<u>1991</u>
FTE	1.0	1.0
Personal Services	\$27,045	\$27,045
Supplies and Materials	\$ 450	\$ 450
Communications	590	590
Travel	1,450	1,450
Total Operating Expenses	\$2,490	\$2,490
Total Expenses	\$29,535	\$29,535
<u>Funding</u>		
General Fund	\$29,535	\$29,535

Issue

Does the subcommittee wish to fund the safety officer, and if so, should the officer be funded with general fund, or with anticipated savings in workers' compensation premium?

voted against -

Exhibit 1

Table 4
Earmarked Alcohol Tax
Fiscal 1988 Through Fiscal 1991

	Alcohol Fiscal 1988	Appropriated Fiscal 1989	Requested Fiscal 1990	Requested Fiscal 1991
Beginning Balance	\$ -0-	\$ 33,842	\$ -0-	\$ -0-
<u>Revenues</u>				
Beer Tax	\$ 696,980	\$ 682,000	\$ 682,000	\$ 689,000
Wine Tax	484,690	434,000	414,000	414,000
Liquor Tax	2,177,071	2,123,510	2,149,710	2,198,180
Galen Reimbursements	<u>107,445</u>	<u>190,000</u>	<u>146,810</u>	<u>- 150,438</u>
Total Funds Available	\$3,466,186	\$3,429,510	\$3,392,520	\$3,451,618
<u>Disbursements</u>				
Chemical Dependency Admin.	\$ 310,882	\$ 326,700	\$ 323,464	\$ 308,982
Prison	46,310	51,424	52,008	51,994
Pine Hills	29,662	29,760	29,582	29,607
Galen	1,595,600	1,595,609	1,595,601	1,595,601
Swan River	25,875	28,617	26,948	26,962
Forensics Lab	143,835	143,232	180,032	177,827
Audit	<u>--</u>	<u>4,061</u>	<u>3,978</u>	<u>-0-</u>
Total Disbursements	\$2,152,164	\$2,179,403	\$2,211,613	\$2,190,973
Funds Avail. for Counties	\$1,280,180*	\$1,283,949	\$1,180,907	\$1,260,645

*Actual distribution

Federal SSI funds support a portion of administration and total \$22,500 each year of the biennium. As stated earlier, federal block grant funds are granted to local drug and alcohol programs and supplement county alcohol tax revenues. Federal block grants total \$1,268,089 each year of the biennium.

A - 874

Exhibit 2

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

Earmarked Alcohol Revenue

Of the liquor, wine, and beer taxes statutorily allocated to the Department of Institutions, a portion is legislatively appropriated for various programs of state government, while the remainder is statutorily appropriated to the counties for chemical abuse programs. In recent years, the alcohol taxes have fallen due to falling consumption, while the amount legislatively appropriated for government programs has risen, resulting in a decrease in the total amount statutorily appropriated to the counties.

The Department of Institutions, in order to maintain funding for county programs at the fiscal 1986 level, has supplemented alcohol tax revenue with federal block grant funds. This supplement totaled \$226,504 in fiscal 1986 and \$519,845 in fiscal 1988.

The level of revenue assumed by the subcommittee will influence the level of federal block grants appropriated to supplement the alcohol tax revenue to the counties in the 1991 biennium, as shown in Table 1.

Table 1
Alcohol Revenue and Disbursements
1991 Biennium

	LFA Current Level		Executive	
	FY1990	FY1991	FY1990	FY1991
Revenues	\$3,392,520	\$3,451,618	\$3,170,934	\$3,044,000
Disbursements	<u>2,211,613</u>	<u>2,190,973</u>	<u>2,231,763</u>	<u>2,203,862</u>
Funds Available for Distribution to Counties	\$1,180,907	\$1,260,645	\$ 939,171	\$ 840,138
Current Level Supplement	\$ 371,697	\$ 371,697	\$ 371,697	\$ 371,697
Modified Level Supplement	<u>-0-</u>	<u>-0-</u>	<u>319,512</u>	<u>319,512</u>
Total	\$ 371,697	\$ 371,697	\$ 691,209	\$ 691,209
Total Available to Counties	<u>\$1,552,604</u>	<u>\$1,632,342</u>	<u>\$1,630,380</u>	<u>\$1,531,347</u>
Fiscal 1986 Payments	\$1,801,213	\$1,801,213	\$1,801,213	\$1,801,213
Difference	\$ 248,609	\$ 168,871	\$ 170,833	\$ 269,866

The department is proposing that an additional \$170,147 in fiscal 1990 and \$269,866 in fiscal 1991 of federal block grant funds over the executive level be appropriated.

ALTERNATE BUDGET "B"

	TOTAL REVENUE	APPROPRIATIONS	COUNTY DISTRIBUTIONS
FY84	3,636,376	1,997,703 54.94%	1,638,673 45.06%
FY85	3,574,912	2,091,562 58.51%	1,483,350 41.49%
FY86	3,717,461	2,142,753 57.64%	1,574,708 42.36%
FY87	3,691,708	2,119,037 57.40%	1,572,671 42.60%
FY88	3,466,115	2,152,164 62.09%	1,280,180 36.93%
FY89	3,310,000	2,179,403 65.84%	1,130,597 34.16%
FY90	3,170,934	2,231,763 70.38%	939,171 29.62%
FY91	3,044,000	2,203,662 72.40%	840,138 27.60%

TOTAL PUBLIC FUNDS DISTRIBUTED FOR ALCOHOL TREATMENT

	COUNTY	BLOCK GRANT SHORTFALL	COUNTY DISTRIBUTION	SHORTFALL	BLOCK GRANT DISCRETIONARY	TOTAL
FY84	1,638,673	199,250	1,837,931		438,183	2,276,114
FY85	1,483,350	284,564	1,767,914		419,678	2,187,592
FY86	1,574,708	226,505	1,801,213	0	392,126	2,193,339
FY87	1,572,671	173,403	1,746,074	0	392,770	2,138,844
FY88	1,280,180	519,884	1,800,064	0	489,783	2,289,847
FY89	1,130,597	682,447	1,813,044	0	490,727	2,303,771
FY90	939,171	691,895	1,631,066	170,147	490,041	2,291,254
FY91	840,138	691,209	1,531,347	269,866	490,727	2,291,940

TOTAL PUBLIC FUNDS DISTRIBUTED FOR DRUG TREATMENT

	GENERAL FUND	BLOCK GRANT	TOTAL	TOTAL BLOCK GRANT
FY84	213,210	405,892	619,102	
FY85	223,410	406,474	629,884	
FY86	215,200	367,719	582,919	
FY87	208,612	405,886	614,498	
FY88	215,190	405,860	621,050	
FY89	215,200	405,887	621,087	
FY90	215,200	405,887	621,087	
FY91	215,200	405,887	621,087	

TOTAL ALL PROGRAMS

	TOTAL ALL FUNDS	TOTAL BLOCK GRANT	EARMARKED	GEN FUND
FY84	2,895,216	1,043,333	1,638,673	213,210
FY85	2,817,476	1,110,716	1,483,350	223,410
FY86	2,776,258	986,350	1,574,708	215,200
FY87	2,753,342	972,059	1,572,671	208,612
FY88	2,910,897	1,415,527	1,280,180	215,190
FY89	2,924,858	1,579,061	1,130,597	215,200
FY90	2,912,341	1,757,970	939,171	215,200
FY91	2,913,027	1,857,689	840,138	215,200

LEGISLATIVE ACTION

AGENCY: DEPARTMENT OF INSTITUTIONS

PROGRAM: DIRECTOR'S OFFICE

BUDGET ITEM	FY 1988 Actual	Fiscal 1990		Fiscal 1991		FY 88-90 % Change
		Executive	Legislature	Executive	Legislature	
FTE	9.00	9.00	9.00	9.00	9.00	0.00%
Personal Services	\$317,284	\$337,078	\$330,199	\$337,979	\$331,082	4.07%
Operating Expenses	43,722	46,461	45,721	46,732	46,002	4.57%
Equipment	14,161	0	0	0	0	-100.00%
TOTAL EXPENSES	\$375,167	\$383,539	\$375,920	\$384,711	\$377,084	0.20%
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FUNDING						
General Fund	\$375,167	\$383,539	\$375,920	\$384,711	\$377,084	0.20%
TOTAL FUNDING	\$375,167	\$383,539	\$375,920	\$384,711	\$377,084	0.20%
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Issues:

Personal Services

1. The executive includes vacancy savings at 2 percent, while LFA current level assumes 4 percent.

Operating Expenses

1. The difference, which amounts to 1.6 percent, is due to offsetting differences in travel and consulting fees for the medical review board, print travel, and communications.

