

APPROPRIATIONS SUBCOMMITTEE ON INSTITUTIONS

January 12, 1979 - Room 108

The meeting of the Appropriations Subcommittee on Institutions was called to order at 8:00 a.m. by Chairman Yardley. Other members present were:

Representative Howard Ellis  
Senator Mark Etchart  
Representative Pat Gesek  
Representative Art Lund  
Senator Bill Thomas

Betty Waugh, Legislative Fiscal Analyst, and Doug Booker, of the Office of Budget and Program Planning, were present.

Robert G. Feenan and Jacqueline Armstrong were present representing the Veterans Home and the Department of Institutions was represented by Larry Zanto, Curt Chisholm, Jim Haubein, Peter Blouke, B. J. Rhay, and Sandra Harris. Mel Mohler and Gerald Underwood were in attendance from the Swan River Youth Forest Camp and Representative Bardanoue was also present.

VETERANS HOME

The hearing began with the presentation by Jim Haubein on the supplemental budget request of the Veterans Home. Mr. Haubein explained that the water softener broke down last fall along with two heat extractors and the agency is asking for \$11,183 to cover this unexpected expense. The other area of concern is in utilities. The utilities are running far in excess of what they had anticipated. They had received new readings and apparently the next bill will be in excess of \$5,800. This means they will probably have an overrun in utilities of \$10,000. Totaling these two items brings the supplemental budget request up to \$21,324.

Mr. Booker said his office had just learned about the additional utilities and they support the supplemental request. It was asked if it were possible to make a savings in another area and the answer was there is money available in two areas to offset this, but this is their bottom line figure. They are also projecting about \$2,200 over expenditures in supplies and materials and an additional \$1,000 for communications over what they had budgeted to the end of the year. Mr. Feenan said telephone costs have gone up and he doesn't see how they can cut down.

There was general discussion and questions by the committee on the supplemental request. It was suggested that possibly a list of savings in other areas could be made for the committee and Mr. Haubein said that this could be done. He stated that in 1978 the utilities ran almost \$37,000 and that they were able to absorb that. Betty Waugh said that the Veterans Home does operate very close to their budget and she couldn't see where they could make-up that kind of difference.

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The general budget request for the Veterans Home was then presented by Mr. Feenan. They had a few areas of concern in the budget proposal. Their first concern is in the area of personal services. They feel they would be able to live with the executive budget providing the vacancy savings would be realized. Last year they had an overrun in personal services in regular salaries and they spent almost \$40,000 under the budget. In the aggregate positions they had to spend \$36,000 more than they were budgeted and the vacancy savings they did realize was used in the aggregate salaries. Using the LFA's budget they feel the institution would not make it in personal services.

Supplies and Materials - The budget indicates from FY79 they are going to have a \$2,000 overrun. Their actual supplies and materials last year amounted to \$79,000 and they did ask for \$105,000. However, the executive budget is for \$95,000 and they feel they can make it with that amount. The LFA recommendation of \$86,000 would place the institution in a tight position and they did not feel they can make it for that. One reason for the difference between the executive budget and the LFA budget was the 10% reduction in meat. They are keeping their costs down in food which makes for the bulk of their supplies.

Utilities - Based on their most recent analysis they feel that utilities are going to be fairly substantial next year and they project it at \$51,000. The executive budget was for \$50,450 for FY80 and \$53,628 for FY81. The LFA had \$55,784 for FY80 and \$60,761 for FY81.

Mr. Booker asked the committee if Betty Waugh, the Department of Institutions and he could sit down and look at the private-federal situation and see what they could come up with to give the committee. More detail on personal services was requested. There was general discussion on patient care reimbursements.

It was explained the vacancy savings were because they did not have the part-time (aggregate positions) people in those positions.

It was noted that the executive budget for contracted services was higher than the agency request. Mr. Booker said one reason the executive budget was higher in this area is that they are budgeting to put payroll costs in the Department of Administration on a revolving fund and the agencies will pick up the costs. This is going to be done state-wide.

The LFA then addressed personal services. Each program was taken separately and the main difference is in benefits as they used a different rate. They did not use any vacancy savings. In care and custody they subtracted out \$9,406 which was a balance left in salaries in FY78. The percentage is adequate in benefits as

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they took actual benefit percentages for FY78 and added their increases. Personal services is in line with what the agency needs.

Supplies and materials was done program by program. In food they used 14.5% from 78-80 and 6.5% from 80-81. If the agency purchased closer to need 10% could come off meat, but they did not do that. Janitorial and housekeeping supplies were reduced because of inventory on hand. Gasoline for travel was reduced 10% from FY78 because they suggested less travel. Plumbing supplies were reduced 10% from FY78 expenditures because of inventory. The LFA made no reduction in food in the final analysis. On travel they did not include out-of-state travel unless it was client related. The agency can justify out-of-state travel to the committee and the LFA did reduce in-state travel.

The hearing was closed on the Veterans Home supplemental and general budget requests and there was a short recess.

#### SWAN RIVER YOUTH FOREST CAMP

At the resumption of the meeting Mr. Chisholm introduced Mr. Mohler who spoke briefly on the Swan River Youth Forest Camp and their budget requests.

Mr. Underwood was introduced and he gave the presentation on the budget requests with the supplemental request addressed first. The history of the supplemental was due to HB 145 which appropriated \$208,000 in federal funds to Swan River last biennium. Part of this was based on per diem payments to them by the Division of Vocational Rehabilitation. There was considerable discussion last session as to whether SRS would continue the payments to Swan River and Legislature authorized three CETA positions. Swan River did not fill those three positions. The guidelines for the supplemental budget were based on the historical income that they received in the previous fiscal years of \$74,000 each year. This left them short last fiscal year and they used this fiscal year's funds. They need \$105,659 for personal services; \$39,425 for operation and capital for a total of \$135,085 to complete this fiscal year, providing for the continuing basics they now have. A sheet showing the breakdown was given to the committee members and noted the breakdown is by program.

Insurance - There is no way they can escape this expense.

Travel and Administration - It was said this is below what it was in the past four years.

Repair and Maintenance - They have had frozen pipes and the estimated cost for repair is \$1,000.

Under capital equipment there was one item. They had a grant from the office of the Superintendent of Public Instruction for \$25,000 in FY77 and \$20,000 in FY78. They borrowed money from the general fund to fill the terms of the grant and the OSPI was to reimburse them. Mr. Underwood said they had done everything the grant called for; however, there was a mix-up and the OSPI did not pay the \$1,342 to repay the general fund.

The biggest area is the care and custody program and they have stayed below what the budget was based upon this biennium. They are \$3,000 below what the legislative intent was.

Mr. Chisholm stated that if they had received the anticipated federal payment, Swan River would not have had a supplemental budget request. It was clearly the intent of the committee during the last legislative session to allow Swan River that money, but due to the legality it resulted in a deficit position. \$208,000 was appropriated the last session and \$148,000 was to be from SRS and was not paid.

There was questions and discussion by the committee regarding the federal payments.

Betty Waugh spoke next on the supplemental budget request. It was recommended that Swan River could operate on their FY79 operational plan under personal services. This is a 6.6% increase over what they paid in FY78. Therefore, the LFA feels the \$424,000 is adequate coverage for FY79.

Contracted Services - The agency had a 15% increase over expenditures in FY78 which would appear to be adequate in contracted services.

Supplies and Materials - So far this year Swan River had purchased some items which they would not re-purchase or purchase more of, such as \$5,800 for athletic equipment.

They have about \$900 for housekeeping and janitorial items and they do have some inventory on hand. They have spent \$38,000 for supplies through December which would leave approximately \$3,000 per month for the rest of the year for supplies. Of that approximately \$13,000 is needed for food.

Utilities - Swan River has 18% over FY78 actual expenditures in the operation plan.

Communications - Swan River will be short \$1,700 based on FY78 expenditures. However, in FY78 expenditures they did have \$1,100 in radio repair and they probably wouldn't spend that amount every year for radio repair.

Swan River had expended only a small amount for equipment for this year.

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Other Expenses - This allows for allowances for the boys. For the first 5 months of this year they used \$11,641 which would mean they would need \$16,000 for the year.

They feel that Swan River could do without any additional expenditures under dues and subscriptions for the remainder of the year.

In summary, Betty Waugh said that would give the operation plan which was appropriated at \$601,000 and take off the \$74,000. If they operate on \$585,000 they would be short \$58,000.

Mr. Haubein said the \$585,000 had to be reduced by \$74,000 this year because they do not have the cash from federal funds.

Senator Etchart asked if the federal program was being left out of this coming appropriation or is it going to be carried on? The answer was this federal payment was used to reduce the general fund and this is a part of the Swan River program and is an ongoing program.

It was noted the recreation equipment money of \$5,800 was partly donated money.

Next to be heard was the general budget for Swan River Youth Forest Camp. Mr. Mohler presented Mr. Underwood who would speak on the proposed general budget. Mr. Underwood stated they can live within the budget request, but there were some questions about vacancy savings. They will be able to reduce the FY80 personal service needs by \$3,300 and by \$3,600 in FY81. It was noted that the reduction in the executive budget was very close to what Swan River had made in their budget.

Chairman Yardley inquired that when you say the budget is acceptable, are you talking about the executive budget? The answer to this question was yes. Mr. Underwood said they had not had the opportunity to go over the LFA's recommendations. The Chairman suggested they go through the budgets and note any differences.

Mr. Underwood said that there was no basic difference until you come to repair and maintenance. Swan River had asked for \$32,908 and a good share of that was to put tile in the pantry and kitchen area and on the floors and walls of the shower room for about \$20,000. The OBPP had proposed \$12,039 and if they are not going to do the work they will not need all of the \$12,039.

Mr. Booker said the executive budget recognized the fact that part of the tile is needed and they allowed \$4,000 with the work being done by the maintenance crew at Swan River.

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Mr. Mohler expressed concern that the \$4,000 would do the job and doubted that it would buy the tile or that the maintenance crew could do the work. Mr. Booker said they would stand by their recommendation. It was noted that the LFA's figure was below that figure and Betty Waugh said they had understood that the tiling was in the long range planning, and they would go along with the executive budget. Mr. Mohler explained the reasoning for the tiling in the kitchen and pantry was to remove a safety hazard. He also stated that besides the tiling in the bathroom, the request included partitions to provide privacy and stated that the \$4,000 may not cover it. Mr. Booker said this was not presented in the Swan River budget that way, and that they will have a meeting to see if this was considered.

Mr. Underwood wanted to make the committee aware of the current level of the cost of utilities. Fuel oil will cost approximately \$1,000 more than presented in the executive budget. It was noted that the LFA's budget was over the executive budget. Swan River had received information that the electric rates may increase 25% in 1980. They thought the LFA's proposal would cover this increase.

Chairman Yardley asked Betty Waugh to make comments on her office's proposals. She replied the way the budget request reads the tiling was for the walls which they did not recommend. Further, under general services, this was taken off the R37 and the difference is the rate applied for benefits. The bonds and insurance were left at the 1978 level until a decision is made by the Department of Administration subcommittee on increases. Also, the travel was left for in-state travel at the 1978 level until a new per diem rate is established, and then this will be added.

Chairman Yardley asked for any questions from the committee. He then said he would like a policy statement on the proposed use of the camp, by whom, and the number and type of boys they will have there.

Mr. Rhay stated that they have been advised they will be losing funding because of a peculiar mixture of juvenile and adults at Swan River. They are going to be faced with changing Swan River into a juvenile offender camp or losing funding. He also said the actual ages will be approximately 18-23 or 18-25. They feel as a juvenile offender camp they can keep the camp full and it will be a better camp. They can do this without a change in law and can be done by department policy.

Mr. Zanto said when the camp was first established, it was a juvenile institution that has gradually changed based on need over the past 10 years. Gradually there have become more youthful offenders and fewer juvenile offenders. Chairman Yardley asked what the program is that they have for under 18, and what

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the alternative would be. Mr. Zanto replied that if changed, the juveniles would be sent to Pine Hills because they are not so crowded.

Mr. Mohler stated that with the inception of the Youth Corps Act, youths were originally considered juveniles up to age 21. That has now been reduced to 18 and this has caused a different problem.

It was noted the budget request was based on an average daily population of 42. Senator Etchart noted the population had dropped from 45 to 29 and that the population today was 36. The population is dependent upon two institutions and is accordingly up or down. It was asked if they change the format of the Youth Camp would they still follow the policy they now have for boy pay. Mr. Underwood said six years ago the Legislature established a clothing account at the same time they increased the resident pay from about \$12 to \$30 per month with instructions that they sell clothing to the residents. This policy has proved successful and four years ago it was raised to \$60. The \$22,000 would not cover population of 42 at \$55 per month. A savings of \$5,000 to \$12,000 in clothing cost is realized under the present system. Mr. Underwood noted that in the revolving fund under the LFA's budget that \$16,000 had been budgeted and that should be \$18,000 which would give Swan River more authority to buy clothing inventory.

Mr. Chisholm said that the LFA's budget as it relates to boy pay may cause some legal problems.

In legal services Swan River is negotiating with the law school to expand legal services and just civil rights would be covered under the contract.

Chairman Yardley asked if there was any statute that would provide for the change in the type of youth camp they are proposing in the future. Mr. Zanto said no, and he didn't think statutory action necessary, but maybe this should be taken up as a separate discussion.

Senator Thomas noted that in 1978 the average daily population was 34.3 and asked what that would give as far as a daily average cost using those figures in 1978. The response was \$17,237 in the executive budget and \$15,000 in the LFA's budget.

Mr. Mohler made a few comments on the cut in boy pay. He felt it would be a serious mistake. They would like more money. He said it is \$2 per day now and they would like to increase it to \$3 due to cost of clothing. In comparing Swan River with Pine Hills and the Prison, the Swan River work program is different from any of the other places. There is also fire pay but in the past two years there hadn't been any fires and Mr. Mohler did not think fire pay can be considered as part of the issue.

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The average cost of the first issue of clothing is \$70 and after that it is \$30 per month. A boy could spend \$427 for clothing while at Swan River.

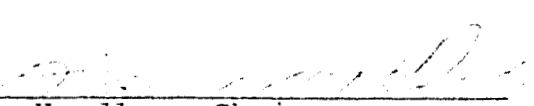
Representative Ellis asked what increase they would like to see and the answer was from \$2 to \$3 per day. The boys do not receive separation pay, but they can accumulate pay and take that with them.


Representative Ellis then asked if they can withhold pay if a boy misbehaves and the answer was they do have a policy on this. It was also stated that the boys can earn 25 cents helping the teachers, but they are contemplating discontinuing this policy.

Mr. Chisholm said he had two items he was concerned about. First, in personal services if vacancy savings were built in would like to have that changed. Second, drawing down on inventories had been expressed and he felt they were being penalized for quantity buying for benefit of discount.

Chairman Yardley closed the hearing and announced there would be an executive meeting on Monday, January 15, 1979, at 10:00 a.m.

The meeting adjourned at 10:55 a.m.

  
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Dan Yardley, Chairman

  
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Yvonne Borgmann, Secretary