

APPROPRIATIONS SUBCOMMITTEE ON INSTITUTIONS

January 17, 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 and Ted Clack, Office of Budget and Program Planning, were present.

Those attending from the Department of Institutions were: Larry Zanto, Peter Blouke, Ray Hoffman, Jim Haubein, Bobbie Dixon, and Sandra Harris. Leo Berry, Dave Woodgerd, and Wilbur Erbe were present representing Department of State Lands. Art McCurdy and Bill Gosnell representing State Personnel Division and Jim Currie and R. L. Heard representing Boulder River School and Hospital were in attendance.

Chairman Yardley said today's hearing would begin with the Children's Center supplemental request.

Mr. Berry was introduced and explained the supplemental request for an appraisal of the Children's Center. In 1975 the Legislature decided not to fund the Children's Center at Twin Bridges. At that time it was administratively transferred to the Department of State Lands to find other uses for it. During the last session a recommendation was made to dispose of the property. In order to do this a sales procedure was established and it was determined that an appraisal of the property should be made prior to the sale. They contacted eight MAI appraisers and received two bids. If the legislature does not act on any proposals for the facility this session it will be sold at the close of the session. There is a contract for the appraisal for a maximum of \$20,000.

Mr. Zanto said Mr. Gosnell would also speak on the supplemental request for the Children's Center.

Mr. Chisholm gave the opening remarks. When the Children's Center was closed they were appropriated a maintenance-security budget. At the beginning of last session they did not propose a budget to continue the maintenance-security because they did not know what was going to be done with the facility. At the last moment it was decided to defer a decision on the facility and to fund it for \$205,000 for maintenance-security and that amount was reduced to \$183,000. This amount was not sufficient and they are asking for a supplemental request of \$50,869 which includes the \$20,000 Mr. Berry spoke about.

Mr. Haubein made the presentation and the committee members received copies of a budget status report. The Children's

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Center was appropriated \$89,442 for FY78 and \$94,403 in FY79 for a total of \$183,885 and from what they can tell this was based on the FY76 and FY77 actual expenditures.

Personal Services - The \$16,111 is a combination of things. One, by going on a blue collar plan it cost \$1,774 in FY78 and \$4,089 in FY79. Two, the Children's Center did not receive any money from HB 834 and this deficit is \$3,903 in FY78 and \$4,910 in FY79. Third, there was a small amount of overtime, benefits, and longevity of \$1,086 in FY78 and \$350 in FY79.

Contracted Services - This is a deficit of \$20,286 and includes the \$20,000 appraisal.

Utilities - This comes to some \$8,000 in utilities this year and projected out comes to some \$25,670.

The above items were the only areas addressed at this time and the supplemental request is for \$50,869

Chairman Yardley spoke briefly on the blue collar employee.

Mr. Gosnell and Mr. McCurdy from the State Personnel Division were present to speak on this particular area. The additional labor contract costs were \$5,830 in personal services.

Mr. McCurdy said the history behind the problem was in 1975 when the institution was closed the people that were at the institution at that time did have a valid contract. In that contract there is a clause that says if no one, union or management, asked that the contract be reopened the contract was in effect even if the people had not been paying union dues at that time. This gave them the right to come back and negotiate for the blue collar plan. The union made a legitimate demand for bargaining and they had to respond. Because of the nature of the work at the Children's Center they could not refute their demand that they were stationary engineers. They do have to maintain the boilers even though at low pressure. This resulted in increased wages.

Representative Bardanouve came in.

Mr. Gosnell explained how the blue collar plan was negotiated.

A general discussion was held by the committee.

The hearing was closed on the Children's Center supplemental.

The Boulder River School and Hospital supplemental request was heard next.

R. L. Heard and Jim Currie were introduced and would make the presentation.

There are three factors that have a direct impact on the supple-

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mental request. First, the national trend of the overall concept of institutions. Second, in HB 145 they used language that appropriated funds to Boulder River School contingent upon an average daily census. In FY78 they estimated the population to be 273.5 and anticipated 212.5 in FY79. In FY78 if the census went above the 273.5 BRSR would receive \$14,508 per individual above the census, and in FY79 the funding was changed to if above 212.5 they would receive \$15,669 per individual or revert like amount if the population went under those figures. Third, how do you calculate the average daily census? Boulder River School then sat down with the office of Budget and Program Planning and developed a memorandum of understanding to define how the daily census would be determined.

A status sheet was handed out to the committee members on the Boulder River School and Hospital supplemental request - exhibit 1. Their request deals with only the general fund. The way HB 145 was worded they could legitimately come in for \$2,085,991 but they are asking for only \$1,661,387. This is \$737,176 in FY78 and \$924,211 for FY79 and of the total amount \$1,458,796 is for personal services. For operations the request is for \$202,591.

Mr. Heard spoke on what had occurred over the biennium and the impact on the daily census.

The average daily population in FY78 was 288.4 and year to date, December, 1978, they are experiencing 297.06 and will probably close out FY79 at 296. Through negotiations with the Department of Institutions and Office of Budget and Program Planning they were able to increase the FTE level of 549.4 for FY78 by 48.4 FTE to address the increased population. In FY79 they were authorized a FTE level of 524.4 and that was increased by 73.4 which was a net increase of 25 positions over the previous fiscal year. During the hiring freeze the FTE level of 597.8 was reduced by 9.2 positions and the current authorized FTE level is 588.6.

There were questions by the committee regarding staffing ratio and cottage populations. To a question number of patients admitted it was said 59 people were admitted in this biennium from Galen and Warm Springs. New admissions are at a very low level.

Mr. Currie said the Boulder River School is operating out of three separate funds. They operate mainly out of the general fund. The other funds are the private-federal revenue fund which accounts for \$261,000 and the revolving fund for \$12,000 to operate the canteen. The \$261,000 and \$12,000 does not represent actual cash but represents authority only. In dealing with projections they will be dealing with general funds only. They expect \$110,000 in Title I money.

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Personal Services - BRSB was allocated \$5,814,609 for FY78-79 and the year to date expenditures are \$3,318,249. They are projecting a deficit of \$1,458,976. This is based on a couple of factors. They are funding those modified positions authorized in HB 145 and the memorandum of understanding. They have used \$636,000 which was drawn from personal services budgeted for FY79 to use in FY78 and the remainder of the deficit is projected this year on modified positions.

Representative Ellis came in.

It was noted in FY78 that the \$737,000 was the amount of money they needed to pay all indebtedness and of that they borrowed \$636,000 from personal services.

Contracted Services - They had allocated \$85,973 for the fiscal year and their expenditures through November, 1978, were \$112,462. They are anticipating a deficit of \$95,292. From this program \$74,887 was borrowed for the FY78 supplemental and \$20,405 for unanticipated legal fees. The reason for the \$74,887 was that they could not fill the clinical director's position that was vacant and contracted with private physicians to fill that.

Legal fees and staff time for hearings was discussed by the committee. The cost of administering this law was asked for by the committee. The court order mandating the placement in the community of 54 patients was also discussed.

Supplies and Materials - They were allocated \$626,465 and the year to date expenditures were \$273,280. The anticipated deficit is \$19,121. There are deficits in drugs due to significant inflation factors. Also in carpentry supplies a deficit caused by remodeling cottages to meet new standard requirements and repairing damages to cottages. They are projecting shortages in medical supplies due to the fact they now have two staff physicians. Vehicle supplies are needed as they are unable to replace much of the equipment and this is to keep that equipment in repair. They are projecting a shortage in that area. In reenforcers there is projected a shortage. The \$19,000 figure would have been higher but they have gotten into the hot lunch program and the commodities program and that has caused a savings of \$46,000.

Communications - They are anticipating an excess of \$9,017 in this category as they have eliminated unnecessary telephone equipment.

Travel - They are anticipating an excess of \$6,550. Their total anticipated travel of \$14,270 is a 25% reduction over last fiscal year.

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Rent - They were allocated \$28,384 and the year to date expenditure was \$6,949 and the actual rental commitment is \$29,849. There was a projected deficit in rental of \$1,457. This is for rental of equipment.

Utilities - They are anticipating a \$102,788 deficit. A total of \$25,026 was withdrawn from FY79 for use in FY78 and the remainder is due to rate increases and adverse cold weather.

Repair and Maintenance - They were allocated \$73,094 and anticipated expenditures were \$52,000. The balance had been transferred to other areas to cover deficit. They transferred \$21,000 into supplies and materials.

Other - They were allocated \$4,677 of this they have spent \$1,064 and are anticipating spending the \$4,677. Freight is 50% of the expenditure and this also included licenses and permits, registration fees and dues.

There were questions and discussion by the committee. In FY78 the gross cost per patient was \$28,614 and some of that cost was reimbursements from various sources which reduced the per patient cost from the general fund to \$17,906. It was noted the population should stabilize at approximately 300.

Mr. Chisholm made a few closing comments. The institutions supplemental is for general fund dollars only, and they do have federal spending authority for \$260,000 of which they have received only \$111,000 in cash and that cannot be used because of grant restrictions. It can be used only for Title I programs.

A copy of the memorandum of understanding was to be made available to the committee by the Department of Institutions.

The hearing was closed on the Boulder River School and Hospital.

After a short recess, the supplemental request for Eastmont Training Center was heard.

Peter Blouke explained the supplemental budget for Eastmont Training Center in actual fact is related to the long-term facility that was constructed on Eastmont campus and it is presently vacant. There total request was for \$8,954 of which \$7,954 is for utilities for the new facility for which there were no funds allocated last biennium. Eastmont's budget has absorbed that cost. There is a request for \$1,000 for unanticipated increases in insurance. This is very similar to Twin Bridges in that they have to maintain the facility.

Mr. Zanto said they were asked by the last legislature to do an analysis of institutional placements generally and in particular to do a study of the consolidation of Warm Springs and Galen. It has gone somewhat beyond that. They have the report being typed and will be available by the first of the week. That report

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will discuss consolidation of Warm Springs and Galen and the various options that have been proposed for Eastmont facility.

The hearing closed on the Eastmont Training School supplemental request.

Chairman Yardley said tomorrow the committee will have a hearing on the Alcohol and Drug Division and Pine Hills School supplemental requests.

#### PINE HILLS SCHOOL

Ted Clack handed out a summary sheet to the committee members and said he would have more information tomorrow on what PHS was allocated. One item he looked into in detail was the \$33,000 figure for item 3, a supplemental request for utilities, and he feels \$24,916 would cover that. Item 5, care and custody, is a big item and they have had quite high medical expenses. The OBPP had arrived at a \$21,599 figure. Item 7, farm and ranch, they have recommended as the LFA does that it be closed. The total the agency proposed was for \$60,016. When the business manager was making out the request they ignored a substantial amount of money that was still in their budget and not expended that could have been applied to this supplemental request. The OBPP is recommending \$30,500.

Betty Waugh, Legislative Fiscal Analyst, said she would like to take a look at this request.

#### ALCOHOL AND DRUG DIVISION

Mr. Booker said they have a problem with this request. It seems what the Alcohol and Drug Division had done was to commit themselves to contracts based on revenue instead of appropriation. The ADD had signed contracts to take care of 65% of the appropriation through the year and now they want this additional money to pay for the additional 35% of the contracts. The OBPP recommended they stay within the appropriation and are recommending a budget based on FY79 figures and apply that to 1980 and 1981. The OBPP are not recommending the agency request for \$306,936.

Betty Waugh said they were not going to recommend it either.

Chairman Yardley asked what was appropriated last session in earmarked money and the answer was \$663,547 for FY79. Mr. Booker said it was a quick estimate when HB 627 was put together and his office was not involved in that.

Trips by the committee for Friday and Monday were discussed.

The meeting adjourned at 11:10 a.m.

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Dan Yardley, Chairman

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Yvonne Borgmann, Secretary