

APPROPRIATIONS SUBCOMMITTEE ON INSTITUTIONS

January 29, 1979 - Room 108

Chairman Yardley called the meeting to order at 8:00 a.m.
Committee members present were:

Representative Art Lund
Representative Howard Ellis
Representative Pat Gesek (excused at 9:45 a.m.)
Senator Mark Etchart (excused until 9:00 a.m.)
Senator Thomas

Others present were Betty Waugh, Legislative Fiscal Analyst, Ted Clack and Doug Booker, Office of Budget and Program Planning, Curt Chisholm and Ray Hoffman, Department of Institutions, and Luther Glenn, Department of Purchasing.

Department of Purchasing

Luther Glenn opened the meeting by explaining how the state departments decide when to purchase their requirements. They base their purchasing on scheduling depending on their inventory capacity, consideration of the buyers and sellers market and shipping time. The institutions can order their groceries quarterly, their clothing semi-annually and things like antifreeze and tires are bought on an annual basis. Representative Lund asked Mr. Glenn why the institutions have such large food inventories if they are allowed to order quarterly. Mr. Glenn told him that the institutions get what they order and the institution would be at fault for overpurchasing. Mr. Glenn added that it has been suggested that field inspectors go to the institutions and work with them to order just what they need. Representative Ellis asked Mr. Glenn if the Department of Purchasing had a list of the institutions' inventories and if one institution requested an item that another institution had an abundance of, then the institutions could transfer goods between themselves. Mr. Glenn told him they do not have that kind of a list but it would be a good idea. However, Mr. Glenn added that if an institution had an abundance of an item that they did not need, that institution should be listing that item with Surplus Property. Representative Lund brought up the subject of buying clothes whenever they are needed instead of having to order semiannually or annually. Mr. Glenn said when they tried that with Mountain View, the retail stores were not that helpful. The Department of Purchasing had to have a contract with the store for the discount to be given to the institution and many of the stores didn't like the extra bookwork. Mr. Glenn told the committee of a study done

concerning inventory control. Chairman Yardley asked Mr. Glenn if he thought the study would be of any value to the committee. Mr. Glenn said he thought it would and he will give the committee a copy of the study. Mr. Glenn left at 8:45 a.m.

Betty Waugh told the committee if there was a person responsible for each institution's ordering there would be no need for field inspectors. Doug Booker asked if that would work considering the high turnover in institutions. Betty Waugh told him if there were good records that would not be a problem for new people. Mr. Booker suggested the committee should express to Mr. Zanto their concerns of having up-to-date inventories from the institutions.

Swan River Youth Forest Camp

The committee received a new worksheet from the LFA and Executive. See exhibit A.

Chairman Yardley asked Betty Waugh and Doug Booker if they had worked out their differences in the personal services category. Betty told him she had taken actual expenditures from FY'78 and added increases for FY'80 and FY'81. Doug Booker said they had taken the actual rates for benefits applicable to FY'80 and FY'81. Chairman Yardley asked Betty Waugh and Doug Booker to provide the committee with their worksheets whenever there is a variation.

The other difference in the budget was whether to accept the LFA's figures for the revolving account, which included the boys' allowance at \$55 per month or the Executive's figures which put the boys' allowance at \$60 per month.

Representative Lund made a motion to accept Swan River's budget with the LFA's figures. Representative Ellis seconded that motion but amended it to include the Executive's recommendation on the revolving account. Representative Gesek seconded his amendment. The motion was voted on and carried unanimously.

Montana State Prison

Doug Booker introduced Ray Hoffman, Department of Institutions, to explain the changes in the prison supplemental budget request. (See exhibit B.)

Ray Hoffman had gone to the prison to go over their books and found they had not gotten the correct information for the first supplemental budget that was turned in. Mr. Hoffman explained a lot of the payroll had been charged against the general fund instead of being charged against different federal funds.

Contracted Services

The prison was using one-time items but charging them out over the year, thereby coming up with more money than they actually needed.

Supplies and Materials

Prison management went over the inventory and found there were a lot of things they didn't really need because they already had them on inventory.

Utilities

Mr. Hoffman compared past utility bills and said if the prison doesn't use the \$67,022 requested, then they should revert what they don't use back to the general fund.

Equipment

The prison had vehicles on order. Of those vehicles on order, Mr. Hoffman held \$55,000 worth of purchase orders that had not been released.

Chairman Yardley asked the LFA and Executive to go over the new information presented and the committee would discuss the supplemental at a later date. Betty Waugh said she would go along with the new supplemental presented but Doug Booker would like to take a day to go over the materials presented.

Boulder River School and Hospital

Boulder River School and Hospital came in with a new supplemental budget request of \$1,661,387.

Representative Lund made a motion to accept the agency's new figures for the supplemental budget. The motion was seconded by Senator Etchart. The motion was voted on and carried unanimously, with Representative Gesek being excused.

Alcohol and Drug Abuse Division

The committee decided to postpone their decision on the supplemental budget until they received the breakdown from Mike Murray.

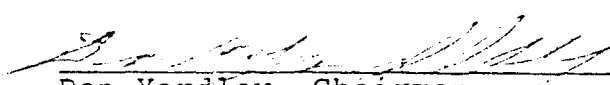
Pine Hills School

Chairman Yardley reminded the committee that the \$19,195 to keep


the farm running another year was left out of the LFA's, agency's and Executive's recommended budgets. Other than the farm, there was only \$4,798 difference between the agency's recommendation of \$25,265 and the LFA's recommendation of \$20,467.

Senator Etchart moved the committee accept the LFA's recommendation with the provision that the \$19,195 for the farm be added if the farm was kept running. Representative Lund seconded the motion. Doug Booker said he felt the \$25,265 was justified and would like to have the fiscal analyst for Pine Hills come and defend that figure to the committee. Senator Etchart withdrew his motion until the committee could hear the Pine Hills' fiscal analyst.

The meeting was adjourned at 11:30 a.m.



Dan Yardley, Chairman



Vicki Lofthouse, Secretary