

APPROPRIATIONS SUBCOMMITTEE ON INSTITUTIONS

January 30, 1979 - Room 108

The meeting was called to order at 8:00 a.m. by Chairman Dan Yardley. Committee members present were:

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

Also present were: Betty Waugh, Legislative Fiscal Analyst; Doug Booker and Ted Clack, Office of Budget and Program Planning; Representative Bardanouve; Bob Rhay, Peter Blouke, Ray Hoffman, and Jim Haubein, Department of Institutions; Jerry Hoover and Cindy Shanley, Eastmont; Donald Fougner, Hermon Gibson and Al Davis, Pine Hills School; and Mike McCarter, Attorney General's Office.

Pine Hills School

Bob Rhay, Administrator of the Corrections Division, Department of Institutions, told the committee about an evaluation done by a team of experts, in the juvenile field, from the American Correctional Association. The evaluation team set forth recommendations to improve the Pine Hills School. (The committee received copies of the booklets containing those 128 recommendations.) In addition to those recommendations, Mr. Al Davis, Superintendent of Pine Hills School, handed out a list of additional needs for the operation of Pine Hills School that correlated with the recommendations of the evaluation team. (See exhibit A.) Mr. Hermon Gibson, Business Manager for Pine Hills School, went through the general budget request. (See exhibit B.)

Personal Services

The \$1,733,476 was based on the farm not being in operation.

Contracted Services

Includes money needed for medical care, but if there is any major medical problems, that amount may not be enough.

Supplies

The request of \$176,162 includes approximately \$76,000 that would be used for food supplies if the farm is closed.

Communication

Reduced from FY'79 because more stringent controls will be placed on hotline and long distance calls.

Travel

The amount of \$5,862 is for the pickup and delivery of kids only. There will be little or no travel by administration.

Rent

Represents rent for copy machine. The amount is lower than FY'79 because they are not including the rent on the farm machinery.

Utilities

The amount of \$72,136 is based on proposed utility rates for the next biennium.

Repair and Maintenance

The school did not budget for a new car so they might have quite a few repairs on the car they now have.

Other

The amount of \$13,708 represents money needed for the Work for Wages Program where the kids work for 25 cents a day.

Equipment

The amount of \$13,956 will be used to purchase the equipment listed on exhibits C & D. The furniture would be purchased through the prison industry program.

Mr. Donald Fougner, representing the teachers at Pine Hills School, told the committee how concerned the teachers were about the salaries they are receiving. The average salary at Pine Hills is \$11,230 for teachers and the average salary in Montana for teachers is approximately \$12,500. He then passed out a handout and read it to the committee. (See exhibit E.) He also gave the committee a copy of "Learn With Us" by the PH Ed. Department. (See exhibit F.)

Chairman Yardley asked the Pine Hills School people if the committee was going to get additional data on the cost to keep the farm open.

Mr. Gibson gave a presentation on the data concerning the reduced farm operation. They feel they should get out of the farm because of the high cost of the crop production business but could maintain the dairy operations and a small beef herd. The school has 420 irrigated acres, 300 of which are used for crop production. They feel they could save the state a lot of money by leasing out the 300 acres and maintaining the remaining 120 acres for pasture. That would reduce the FTEs from 5 to 3. They could lease the 300 acres at approximately \$60 per acre which would generate an income of approximately \$18,000 yearly, which the school would use to offset the operating expenses of the dairy. The total operating budget for the farm, excluding the crop production would be \$101,933. (Operation expenses - \$49,526, salaries - \$45,207 and equipment - \$7,200 for a new cream separator.) They said they could sell most of the farm machinery and receive approximately \$50,000 which could be applied to the budget or turned back to the general fund. The school also owns 54 acres of unusable land, because it is in a residential district, which could be sold for about \$1,000 an acre which would generate another \$54,000. The major problem is the physical setup of the farm. If the farm were to continue, the school would have to have a lot more money to replace the barn roof, to build a sewage lagoon and a new slaughterhouse because their present one has never passed a health inspection. They will still have to replace the floor in the dairy parlor.

Senator Thomas left at 9:55 a.m.

Representative Lund asked the people from Pine Hills to provide the committee with a breakdown on the food costs and more information concerning the teachers' salaries. He would like a comparison of teacher's salaries between the institutions. Curt Chisholm said his department would provide the salary information.

The committee was given the information requested from Mike Murray, Alcohol and Drug Abuse Division. (See exhibit G.)

Eastmont Training Center

Mr. Jerry Hoover, Superintendent at Eastmont, went over the requested general budget with the committee. (See exhibit H.)

Personal Services

The difference between the agency and the Executive amounts is because the agency used a 17% increase in benefits and the Executive used the actual benefit cost for FY'80-'81.

Contracted Services

Amount is increased over FY'79 because of increases in insurance liabilities, cost of S.B.A.S. for their accounting system, and contracts for the optometrist, dentist and physical therapist.

Supplies

The LFA felt the agency had overpurchased in the food and housekeeping-janitorial categories. Mr. Hoover said they keep a quarterly supply of food on hand and they order their supplies on an annual basis.

Communications

Mr. Hoover said if there was a big increase in postage and phone costs, he would hope there would be a percentage allowable to offset any increases.

Travel

The reduction from FY'79 will hamper the parent-training program and staff education workshops.

Rent

Another \$160 will have to be added per year to cover the rent on the postage meter.

Utilities

The agency would like the FY'80 amount raised to \$16,016 to cover a 51% increase in utilities costs that wasn't anticipated.

Equipment

FY'80 - of the \$13,997 requested, \$11,997 is for a new utility tractor and the other \$2,000 is for new physical therapy equipment.

FY'81 - of the \$11,000 requested, \$10,000 is for a new van to replace an existing one that is worn out and the other \$1,000 is for new dishwashers, washing machines and dryers to replace old ones.

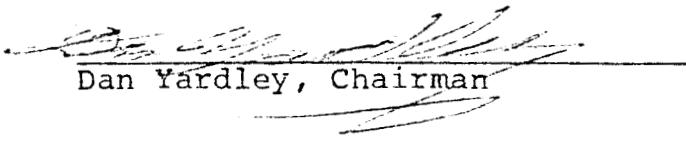
Chairman Yardley asked Representative Bardanouye to have the LFA get her figures in for the institutions' biennial budgets for comparison with the agencies and Executive's.

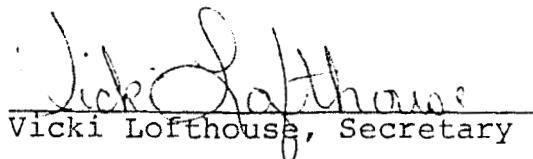
Senator Thomas moved that the committee accept the revised budget for Montana State Prison. He then modified his motion by saying he wanted \$67,022 boilerplated for utilities. He also said the supplemental budget should include \$25,000 in the revolving ranch fund and \$215,000 in the earmarked license

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plate factory. The total, therefore, would be \$355,834. Representative Ellis seconded the motion. The motion was voted on and carried unanimously.

The meeting was adjourned at 11:45 a.m.


Dan Yardley, Chairman


Vicki Lofthouse, Secretary