

APPROPRIATIONS SUBCOMMITTEE ON INSTITUTIONS

February 21, 1979

Chairman Yardley called the meeting to order at 8:10 a.m.
Committee members present were:

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

Others present were Betty Waugh and John LaFaver, Legislative
Fiscal Analysts Office, and Doug Booker, Office of Budget and
Program Planning.

Montana State Prison

John LaFaver told the committee they did a comparison of what
effect the closure of the prison ranch would have on the
institutions that purchase meat and dairy supplies from the ranch.
He said if the institutions had bought their meat on the market
instead of from the prison ranch, they could have saved \$40,701
last year. If they had bought their dairy products on the market
instead of from the prison dairy, they would have had to pay
\$15,162 more last year. Averaged out, the institutions could
have saved \$25,539.

There was more discussion as to keeping the prison ranch operating
or leasing it out. Doug Booker again said until the accounting
system has been implemented, we cannot know exactly what the
operating costs are. Representative Ellis suggested keeping the
ranch for two more years then sunset it if it isn't operating
at a profit.

Doug Booker went over his recommended budget for the prison ranch
with the committee members. He said the main increase in contracted
services from FY-78 to FY'80-81 is in veterinary costs. He also
told the committee that the Executive would not recommend the
custom combine at \$10,000 if the committee decided against the
irrigation system. The new figures for FY'80 and FY'81 for
contracted services would then be \$14,510 for each year.

Senator Thomas asked what were Doug Booker's reasons for keeping
the ranch. Mr. Booker said the warden wants to keep the ranch
to keep more men busy. Senator Thomas asked if those men couldn't
be kept busy in the industries program if the ranch was closed.
Doug Booker told him he couldn't answer that but to remember the
expansion of the industries program would not be complete for
another year or two.

February 21, 1979

Page 2

Senator Thomas asked for a breakdown of the number of prisoners assigned to each work area on the ranch. Doug Booker told him he would get that information.

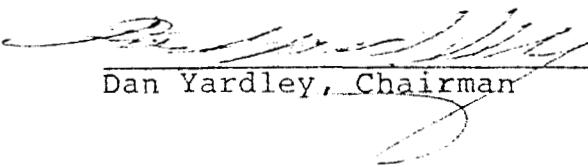
Senator Etchart referred to the warden's testimony at a previous meeting that the ranch did not use any general fund money. John LaFaver told the Senator the ranch used the oil and gas lease money and there is an Attorney General's opinion that says they can not do that. And, too, some of the ranch expenditures were charged against the general fund instead of the revolving fund. Doug Booker told the committee the only identifiable loss they could see was charging the inmates working at the ranch against the general fund instead of the revolving fund for the ranch.

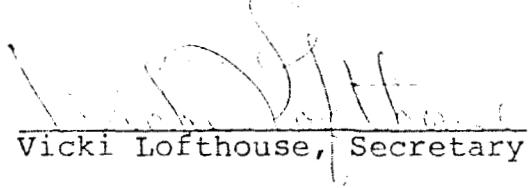
The LFA again went over their reasons for closing the ranch. They are convinced that keeping the ranch open is a drain on the general fund.

Chairman Yardley asked the committee for a consensus on how they feel about keeping the ranch for the next two years. The majority of the committee felt the ranch should be kept open for two years with certain stipulations. Chairman Yardley asked the LFA if they would draft such a resolution for the committee. They said they would have it ready the next day.

Doug Booker told the committee there were two more things to consider for the prison's budget. (1) The money for liability insurance will be paid out of the general fund so those moneys should be put back into the budgets, and (2) the prison has a budget amendment for two Adult Basic Education teachers that the Executive would like added to the recommended budget.

The meeting was adjourned at 9:45 a.m.


Dan Yardley, Chairman


Vicki Lofthouse, Secretary