

APPROPRIATIONS SUB-COMMITTEE ON
INSTITUTIONS--WORK SESSION
March 3, 1979, Room 108

The work session for the Sub-Committee on Institutions was called to order by the chairman, Representative Dan Yardley, at 7:00 p.m. on March 3, 1979, in Room 108. Committee members present were:

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

Also present were:

Betty Waugh, Fiscal Analyst
John LaFaver, Fiscal Analyst
Doug Booker, Office of Budget and Program Planning

The program discussed was the budget for Warm Springs State Hospital.

In Salaries category: The LFA's figures are:

\$7,324,148 1980
\$7,193,298 1981

The LFA submitted that these figures are consistent with 500 FTE's and the decisions made this morning. Discussion centered on the fact that the Warm Springs patients would not be moved to Galen until October of 1979. The Executive's figures are:

\$7,489,181 1980
\$7,342,643 1981

The Executive's figures are based on 500 FTE's and movement of patients to Galen after three months, a vacancy savings of 5% and includes \$80,000 for patients who work. The Executive would like to use a 3% vacancy savings instead.

Differences are in the vacancy savings percentage and the Executive left salaries in for four months at \$16,000 for those who work on other staffs whose jobs were transferred last spring (42 FTE's). There was some dispute whether the FTE figure should be 43.5, 50, 50.5, 43 or 42. Mr. Booker's final figure was \$7,473,243.

There was some discussion of the traditional legislative vacancy savings, with the statement made that it varies from institution to institution, but is an estimate based on historical expenses and takes into account such high turn-over rates as exist at Boulder and Warm Springs. Due to these factors, the LFA has

WORK SESSION, APPROPRIATIONS SUB-COMMITTEE ON INSTITUTIONS

Page 2

vacancy savings higher than in other areas, with the belief that the 5% is not an unreasonable figure. Last year's actual vacancy savings is undetermined due to the fact that appropriations were based on a much higher enrollment than really materialized, and the vacancy savings usually is tied into the legislative appropriation. Since it is impossible to do that on this budget, the LFA used the historical estimate of 5%. Pat Gesek suggested a compromise of a 4% vacancy rate instead. The Executive would like to use no vacancy savings; LFA would like to line item everything.

Mr. Booker stated that the Executive discussed the 500 FTE with the Department of Institutions and their thinking was that this will create complications with the union and employment problems of who is going to do the work. The Executive has difficulty seeing the rationale of the LFA staff recommendations and believes cuts are not possible in some areas and does not think Warm Springs should be penalized for doing a good job. The LFA's rationale is that a whole building is being closed; Mr. Booker stated this is not being done.

Chairman Yardley suggested that the Executive should come back on Warm Springs and present this problem to the whole committee since it is the feeling of the sub-committee that the staff did not adjust itself accordingly when the patient population went down. Mr. Booker stated that there is a certain amount of work that has to be done and a certain amount of staff which is necessary to do this work regardless of the population. He further stated they could work with 355 for direct care, but cuts in such areas as the chaplains would still be needed. The LFA included the chaplains in their FTE.

Chairman Yardley stated they would take the matter up later and that the Executive can present to the committee on this matter. John LaFaver objected since he believes that pressure on the committee is much greater than the pressure on the sub-committee. He stated he would also like to have an opportunity to present the LFA recommendations if the Executive does in fact present to the committee.

Several different figures for population and FTE's were noted, ie., a 320 population, a 390 population according to Mr. Fitzpatrick, the Executive recommendation of 540 FTE, the LFA's recommendation of 483, the sub-committee recommendation of 500 FTE's, and actual employment of 595 people.

Chairman Yardley requested the personal services figure on a 4% vacancy savings. Betty Waugh stated that with a 4% vacancy savings, with 500 FTE's, the figures would be:

\$7,398,896	1980
\$7,268,171	1981

WORK SESSION, APPROPRIATIONS SUB-COMMITTEE ON INSTITUTIONS

Page 3

Contracted Services has been agreed to be \$32,703.

Supplies and Materials has been adjusted upward by the LFA due to the population increase. Senator Etchart asked if everything has been figured for supplies and Chairman Yardley stated that it had been.

Differences in supplies and materials noted were that the LFA reduced the supplies from \$835,000 to \$788,025 with most of this amount in food, clothing and drugs, but John LaFaver stated that the inventory is the problem and the major difference. Chairman Yardley stated the committee did not look at the warehouse.

The committee decided to look at each item in the supplies and materials category and after attempting to compare the various differences found many items difficult to compare as line items often did not match.

It was determined, however, that a major difference of \$60,000 is to be found in the canteen revolving fund. This fund can be adjusted up or down and has no impact on the general fund. Other differences lie in the areas of patient clothing, medical supplies, and laundry supplies, including the soap and laundry transfers made by the LFA from the prison.

For plant supplies and maintenance, the Executive has \$16,000; the LFA used \$14,594 which was the expenditure for 1978.

There was some discussion of the inventory supply requirements and the necessity of cutting the inventory down. Betty Waugh stated that the drug inventory was \$65,000 with only \$57,000 purchased in 1978 indicating more on hand than was purchased. There is \$5,239.00 inventory which is not usable. The LFA recommends:

\$23,200	1980
\$30,000	1981

with the idea that these figures would help reduce the inventory which the committee would like to do. Upon Representative Ellis' request for an adjusted figure for 1980 and 1981, it was stated that the spread sheet shows a 325 population and a transfer of 50 patients with \$777,000 expenditures using the average daily population of 430.

Senator Etchart suggested that the budget be set at \$578,000 based on an algebraic equation computed from the 1978 expenditures which would bring down the inventory. Pat Gesek suggested using the Executive figure less the drug inventory and \$13,080 in supplies for a compromise figure of \$643,000. Chairman Yardley requested Doug Booker to call John Thomas and ask for a printout on the inventory account as of today, taking into consideration what may be used to July 1 and report back to the sub-committee on the account.

WORK SESSION, APPROPRIATIONS SUB-COMMITTEE ON INSTITUTIONS

Page 4

Senator Etchart moved that the sub-committee adopt the \$578,000 figure for fiscal year 1980. During discussion of this motion, Chairman Yardley requested information concerning what impact the drop in population and the increase in inflation would have on this figure. Discussion of this amount showed that it is \$28,000 over the LFA recommendations of \$550,346 based on 300 population for 1980, and \$110,000 under the Executive budget recommendations. With a five percent inflation factor per year added to the figure Senator Etchart proposed for an increase of \$57,800, the committee would arrive at a 1981 figure of \$635,000. Senator Etchart then moved that a figure of \$635,800 be used in 1980 and for 1981, the amount of \$677,127 which includes a 6.5% inflation factor. Senator Thomas seconded the motion. It was noted that the committee would still be \$100,000 under the budget recommendations. Motion carried.

In Communications category: The LFA and the Executive are \$15,000 apart with major differences appearing in advertising and postage. LFA reduced postage due to population and included nothing for advertising. Various items showed differences as follows:

<u>Executive</u>		<u>LFA</u>
\$10,078	Postage	\$ 8,000
\$29,000	Local Telephone	\$33,500
\$ 3,900	Long Distance	\$ 4,849
	One-time Charges	-0-
	State System	\$11,000

Senator Etchart commented that in cutting to 500 FTE's, there would not be so much communication; \$68,000 was spent in 1978 on communication with 600 FTE's.

Upon Chairman Yardley's suggestion, the committee decided to recommend \$64,833 for the 1980 year and \$68,824 for 1981.

In Travel category: The LFA and the Executive are \$9,448 apart. Some of the abuses, both possible and real, in travel by the staff personnel were discussed. Senator Thomas stated that in 1977 \$15,000 was expended, and in 1978 \$8,600 was used. There was some discussion of the differences included in the budgets and where money for the different line items was placed. Motion was then made by Senator Thomas that the committee recommend \$13,000 for each year. Pat Gesek seconded the motion. Motion carried.

In Rent category: The differences noted were in data processing equipment and film rental with the major difference in film rental. The Executive is requesting \$5,000; the LFA recommends \$1,000. Twenty-one thousand one hundred thirty-four dollars was expended for rent in 1978. Film rental expenditures in 1978 was \$5,500. Expenditures for data processing fees were \$20,000 in 1978.

WORK SESSION, APPROPRIATIONS SUB-COMMITTEE ON INSTITUTIONS

Page 5

Representative Ellis suggested the committee recommend the same figure in 1980 for data processing. The committee decided to increase the film rental, adjusted the data processing by \$1,300 and decided to recommend \$31,180 for rent for 1980 and \$31,395 for 1981.

In Utilities category: For utilities, which includes garbage, gas and electricity, the LFA reduced these items because of the recommendation to close the butcher shop with the coolers and the freezer and closing of Bolton. Comments were made that the institution needed heat control devices as it was too hot in the buildings. The committee decided to recommend \$428,098 for 1980 and \$438,978 for 1981, thinking that, especially in this category, a supplemental request will probably be necessary.

In Repairs and Maintenance category: One hundred sixteen thousand, eight hundred three dollars was expended in 1978. The Executive had \$10,000 for renovating the nursing home in this item and \$20,000 for the key system completion request, but the major differences all seem to be in the inventory. After discussion of the call system, the fire alarm system and the inventory base, Chairman Yardley suggested using the Executive budget of \$99,506 for 1980 and \$104,977 for 1981 for maintenance and repairs, with the understanding that it is the committee's intent that Warm Springs will only use the specified money for the fire alarm and call system for \$18,450 and \$16,000, for a total of \$34,000, and to not come back in 1981 looking for the same items. The committee concurred in this.

In Other Expenses category: The LFA took out dues, registration fees, recruiting, relocation and tuition which totals about \$9,000, and reduced for population, but they did include rewards, allowances, taxes and subscriptions for the library. After some of the specific differences were discussed, Chairman Yardley suggested that the differences be reconciled half-way, and that the committee recommend \$16,725 for 1980 and \$16,625 for 1981. The other committee members agreed on this suggestion.

In Equipment category: The Executive total is \$59,678 for 1980 and \$6,000 for 1981 which includes \$45,000 for a bus replacement of the 1960 bus. Chairman Yardley suggested that the committee decide item per item what to recommend. The bus is the #1 priority, and the committee decided to recommend the bus. After discussion of some of the specific items, Senator Etchart suggested that the committee recommend the first three items, and thereafter approve the LFA budget. Doug Booker stated that the additional equipment requested on the last part of the budget was requested with the idea in mind that these items be obtained only if funds were available, but those items can be deleted. Pat Gesek stated she thought the committee should recommend the Executive budget both years. Senator Etchart stated that if Mr. Booker's statement is

WORK SESSION, APPROPRIATIONS SUB-COMMITTEE ON INSTITUTIONS

Page 6

right, he would move that the committee recommend \$59,678 for 1980 and \$6,701 in 1981, with these figures including the school bus amount. Motion carried on the basis that the school bus cost is a part of the amounts recommended.

Funding: In further discussion of this category, it was agreed that the revolving fund should be cut down. Senator Etchart moved that the committee set the revolving fund at \$98,918 as recommended, fill in by adding or subtracting on supplies and materials, and offset the contracts that really revolve in the canteen money. There was some general discussion of grants, their uses, purposes and funding levels for programs with state money and federal grants, what grant requirements are and how they can be used. The expenditure authority was discussed and Chairman Yardley stated that in 1978, \$170,000 was expended and in 1979, \$328,000 was spent. Mr. Booker commented that the authority should be based on the expenditures which were gone through tonight.

Chairman Yardley requested the LFA to specify what their \$137,000 was based on. John LaFaver responded that it was based on what was received in 1978. Senator Etchart moved that the committee plug the \$137,110 in federal funds back in for both years--the amounts the LFA had recommended. Betty Waugh stated they did not collect as much as they thought they would collect, but in adolescent care they had authroity for \$100,000 and they collected \$121,000.

Chairman Yardley asked if the committee would like to vote on the total budget, and requested the members to note any disagreements. No disagreements were voiced.

Mark Etchart moved that the committee report out the whole budget. Motion carried.

Respectfully submitted,


Dan Yardley, Chairman

BY:


Iris Basta, Recording Secretary