

MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS SUBCOMMITTEE  
FOR INSTITUTIONS MANAGEMENT SERVICES  
February 9, 1981

JACK K. MOORE, Chairman called the meeting to order at 8:03 a.m., Room 108, Capitol Building. All Committee members were present.

Testimony was given by Jim Haubein, Director of Management Services; Curt Chisholm, Deputy Director of Institutions; Doug Booker, Office of Budget and Planning; Ray Hoffman, Fiscal Analyst.

MR. HAUBEIN explained Exhibit 90, Page 6, regarding Contracted Services. He noted there is no cost in FY 80 for the ABARS Billing System, and they would like to finalize the proposal on the billing system. This operating cost would run \$800 a month. He noted the legislative auditor cost for \$25,000 is for the whole department, and they will be funding this with a federal cost of \$6,804 and earmarked costs of \$2,051, see Page 2. In Supplies and Materials, Page 8, he stated that everything is projected off the 1980 base using the executive inflation factors, 55% of the Office Supplies are used in the reimbursement function. Communications Expenses, Page 9, have been built off a 1980 base, except for the Local Services cost of \$2,301 in FY 82 and FY 83 with \$396 built in for an additional line. He explained on Page 10, the Travel for the four regions. He stated they allow one trip per year for two people to attend the National Association of Reimbursement Officers. One of the members is the President, so in FY 83, an additional cost of \$626 will be needed to host the meeting in Helena, so the other members in the state may travel from other areas to attend the meetings. On Page 11, he noted this involves the travel for 7 people. Rent, Page 12, includes their portion of the building rent, the annual cost is around \$89,000 which includes janitorial. This runs around \$4.15 per square foot. It is also necessary to pay 75% of the taxes above the 1974 base. He stated one of the xerox machines is on a lease purchase agreement that runs out in 1984. The Utilities, Page 13, are based on the standard inflation rates. He noted they do pay 75% of the utilities in their building. In the Other Expenditures, Page 15, the tax assessment refers to the 75% of their portion of the 1974 base taxes on their building. He noted the Equipment request on Page 16 was based on the oldest machines that cannot be repaired again. On Personal Services, Page 4, he explained the personnel within the department. He stated there are two positions that will be eliminated in 1983, and in the Informational and Systems Bureau, there is a programmer coming on in 1982 and 1983. This is a result of the third phase of the billing functions. The programmer would be needed to maintain these programs. He stated the problems within the ABARS program is, they have 1974 fee schedules and would like to be able to pick up more current costs and build them into the program so that the reimbursements can be increased. He explained Page 3, regarding the 39.50 FTE which the .5 includes a CETA position which can no longer be maintained.

MR. HOFFMAN asked about the total dollar amount for reimbursements that were gained in 1981, 1982 and 1983.

MR. HAUBEIN answered the actual reimbursement in 1980 was \$8,624,697; 1981 - \$9,856,552; 1982 - \$10,348,277; and 1983 - \$10,849,268. These projections were done before the Galen - Warm Springs consolidation.

MR. HOFFMAN asked Mr. Haubein to explain to the committee the centralized billing and accounts receivable system.

SEN. JOHNSON asked why is this done in Helena, rather than at the individual institutions.

MR. HAUBEIN stated that 4 years ago, part of this was done manually. They found by centralizing this and using the ABAR system, they can maintain the expertise to insure maximum reimbursement. The people at the institution now are responsible for the individual accounting system at that particular institution. He noted the business assists in collecting information, most of the coordinating is done in the central office.

MR. CHISHOLM explained by centralizing the reimbursement function, this has made it more efficient than in the past. He noted part of the problem is a psychological one. All reimbursable costs collected by the Department of Institutions are deposited directly to the general fund and are not deposited back to each individual institution as revenue to operate on, so the incentive factor is not as great to maximize the reimbursable amount. He stated they are still working from a 1974 fee schedule. It has been suggested by the Budget Office and SRS, that they should invest \$20,000 of Contracted Services into the Management Services Budget and contract with a private CPA firm to design a cost accounting system, which would better maximize the reimbursement potential. This has not been put into the budget, because they do not know what they would be getting for this amount, and what would be involved with extra coding demands. They prefer to utilize existing FTE to more correctly do a cost allocation back to the functional service areas.

He stated he feels the ABAR system has increased the potential to reimburse against Medicaid and Medicare.

MR. HOFFMAN gave a brief overview of the problems of doing the cost reports manually while he was at Boulder. He felt the ABAR system really maximized the potential of reimbursement.

REP. CONROY asked about the travel necessary to bring the people into Helena for meetings.

MR. HAUBEIN stated this pertains to the field officers coming into this area.

MR. CHISHOLM stated these FTE's are in offices outside of the area,

and are not budgeted for travel to the Helena area. There is no duplication.

MR. HAUBEIN explained Page 2, regarding the Funding. He noted the indirect cost is negotiated with HEW in Denver, and this is applied to federal grants. This indirect cost money has been put back into the Management Service Division as alternative funding source to the general fund. Currently, they are on a 18.8%, and this rate is developed through the indirect cost area, covering cost of the Director's Program, Administration of the other Divisions, and costs to other agencies paid by the general fund. He stated this was being carried straight across in 1982 and 1983, however, there is some concern over the Alcohol and Drug money in the next few years. He stated there are two federal programs within the Mental Health Division which should generate this much money.

MR. HOFFMAN stated that if the indirect costs are over the \$64,328; this will reduce the general fund dollar to dollar.

There being no further discussion or comments on the Management Services budget, the Committee went into Executive Session.

SEN. ETCHART moved to accept the Equipment amount for \$3,367 for FY 82 and \$2,567 for FY 83.

THE MOTION PASSED.

REP. CONROY moved the Executive Budget on Other Expenses for \$1,740 for FY 82 and \$1,740 for FY 83 be approved.

THE MOTION PASSED.

SEN. THOMAS moved the LFA amount on Repair and Maintenance for \$1,214 for FY 82 and \$1,318 for FY 83 be approved.

THE MOTION PASSED.

SEN. THOMAS moved the LFA amount on Utilities for \$2,249 for FY 82 and \$2,519 for FY 83 be approved.

THE MOTION PASSED.

MR. HOFFMAN explained the variance in the Rent. He noted Mr. Haubein stated, they are anticipating an additional CRT that would cost \$468 in FY 82 and \$936 in FY 83.

SEN. JOHNSON moved the LFA amount for Rent for \$42,884 for FY 82 and \$43,797 for FY 83 be approved.

THE MOTION PASSED.

REP. CONROY moved the LFA amount for Travel of \$16,508 for FY 82 and \$17,828 for FY 83 be approved.

THE MOTION PASSED.

MR. HOFFMAN explained the difference in Communications due to the additional line placed into the Department of Institutions and is not included in the LFA figures.

REP. ERNST asked for justification on the additional line.

MR. HAUBEIN explained there were 3 lines for the accounting section, the budget personnel and the administration. These lines are constantly tied up, and the fourth line was necessary to carry on their business. MR. HOFFMAN asked if this was due to the upcoming session, or was this an ongoing need.

MR. HAUBEIN stated this has been a problem even before budget studies were necessary.

SEN. THOMAS moved that the Management Services be given the additional line.

THE MOTION PASSED.

THE CHAIRMAN noted the change to the LFA figures of \$27,505 for FY 82 with a \$960 variance and \$29,814 for FY 83 with a \$981 variance.

SEN. JOHNSON moved the LFA amount for Communications for \$27,505 for FY 82 and \$29,814 for FY 83 be approved.

THE MOTION PASSED.

REP. CONROY moved the Executive Budget in Supplies and Materials for \$8,920 for FY 82 and \$9,746 for FY 83 be approved.

THE MOTION PASSED.

REP. ERNST moved the Contracted Services amount for \$92,922 for FY 82 and \$126,996 for FY 83 be approved.

THE MOTION PASSED.

SEN. ETCHART moved the Personal Services amount for \$697,809 for FY 82 and \$686,221 for FY 83 be approved.

THE MOTION PASSED with 4 in favor and 2 opposed. Those opposed were Sen. Johnson and Rep. Conroy.

MR. CHISHOLM stated the retro-active pay for the Management Services Division was \$4,899.

SEN. THOMAS moved that we do not accept the retro-active pay for \$4,899 for Management Services.

THE MOTION PASSED.

MR. CHISHOLM stated the reason for the increase in the Rent area was for 2 CRT's needed to implement the billing process. He stated if the 2 CRT's are not allowed, then this will affect the FTE's in 1983.

REP. ERNST moved to re-consider the Rent amount.

THE MOTION PASSED.

MR. HOFFMAN stated the difference in the LFA figures for the addition of 2 CRT's would be \$43,820 for FY 82 and \$45,669 for FY 83.

SEN. JOHNSON moved the LFA amount for Rent to include the 2 CRT's in the amount of \$43,820 for FY 82 and \$45,669 for FY 83.

THE MOTION PASSED.

SEN. JOHNSON moved any federal funds exceeding the indirect costs of \$64,328 in FY 82 and FY 83 respectively would be a direct reduction of the general fund authority.

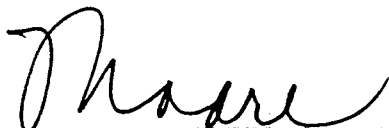
THE MOTION PASSED.

MR. HAUBEIN asked if it was the intent that the general fund be reduced by the additional, or can it be put into the general funds revenue.

MR. HOFFMAN stated for trackability purposes it would be a direct reduction of general fund, but it would still be trackable as a deposit to the general fund.

MR. CHISHOLM stated the indirect cost funding is going to cause a problem over the next biennium, because they anticipate losing a lot of the federal grant dollars. The Department hopes to come up with a solution for the next biennium.

There being no further discussion, the meeting was adjourned at 9:45 a.m.



JACK K. MOORE, Chairman



DEPARTMENT OF INSTITUTIONS  
MANAGEMENT SERVICES

1983 BUDGET

1982 BUDGET

EXPENDITURES

1980 Actual	1981 Estimated	Exec. Budget	Fiscal Analyst	Exec-LFA Variance	Exec. Budget	Fiscal Analyst	Exec-LFA Variance
39.50		39.00	39.00		38.00	38.00	
631,038		697,809	697,809	-0-	686,221	686,221	-0-
89,903		92,922	92,922	-0-	126,996	126,996	-0-
7,697		8,920	9,336	(416)	9,746	10,128	(382)
22,053		28,465	27,169	1,296	30,795	29,478	1,317
14,153		18,211	16,508	1,703	21,566	17,828	3,738
34,206		45,064	42,884	2,180	46,778	43,797	2,981
1,702		2,249	2,249	-0-	2,519	2,519	-0-
1,803		1,409	1,214	195	1,592	1,318	274
1,777		1,740	2,105	(365)	1,740	2,283	(543)
173,294		198,980	194,387	4,593	241,732	234,347	7,385
2,260		3,367	3,367	-0-	2,567	2,567	-0-
806,592		900,156	895,563	4,593	930,520	923,135	7,385

DE

Salaries

Benefits

Total Personal Services

Contracted Services

Supplies & Materials

Communications

Travel

Rent

Utilities

Repair & Maintenance

Other Expenses

Total Operating Expenses

Equipment

Total Program Costs

90

EXPENDITURES

1982 BUDGET

1983 BUDGET

FUNDING	1980		1981		1982 BUDGET		1983 BUDGET	
	Actual	Estimated	Exec. Budget	Fiscal Analyst	Exec-LFA Variance	Exec. Budget	Fiscal Analyst	Exec-LFA Variance
General Fund	742,263			835,828			857,337	
Other Funds**								
Indirect Costs	64,328			64,328			64,328	
Federal - Audit				-			6,804	
Earmarked - Audit				-			2,051	
TOTAL	806,591			900,156			930,520	

General Fund Rent  
for other program  
charged to Mgnt. Ser.  
Div. Appropriation

32,381

838,972



PERSONAL SERVICES SUMMARY

Institution Management Services Division

Page      of     

	FY 80 Actual	FY 01	FY 02	FY 83
<b>Total Personal Services</b>				
Salaries & Wages	528,939		587,673	578,048
Regular Overtime	414		481	481
Longevity	4,861		4,835	4,835
Differential				
Benefits 14.13% + 720/FTE	96,824		111,869	109,789
Less Vacancy Savings 1.8%			(7,049)	(6,932)
<b>TOTAL PERSONAL SERVICES</b>	<b>631,038</b>		<b>697,809</b>	<b>686,221</b>
<b>Total All Personal Services</b>				
FTE's	39.50		39.00	38.00
Direct Care				
Indirect Care				
Population				

Legend: C - Current Level  
M - Modified

FUNCTIONAL AREA

FUNCTIONAL MANPOWER REQUIREMENTS

83

81

82

I. Management Services Administration

- (1) Division Administrator
- (2) Budget Analyst II
- (3) Budget Analyst III
- (4) Budget Analyst II

SUB TOTAL

1.00 1.00 1.00 1.00 4.00

II. Personnel

- (1) Personnel Officer II
- (2) Administrative Assistant II

SUB TOTAL

1.00 1.00 2.00

III. Administrative Services Bureau

- (1) Chief, Administrative Services Bureau
- (2) Receptionist III

SUB TOTAL

1.00 1.00 2.00

Accounting Services

- (1) Accountant Supervisor I
- (2) Accountant II
- (3) Accounting Clerk III
- (4) Payroll Technician II
- (5) Purchasing & Supply Officer I

SUB TOTAL

1.00 1.00 1.00 1.00 1.00 5.00

Reimbursement Field Office Section

- (1) Supervisor, Reimbursement Field Section
- (2) Financial Investigator
- (3) Financial Investigator
- (4) Financial Investigator
- (5) Financial Investigator

SUB TOTAL

1.00 1.00 1.00 1.00 1.00 5.00

FUNCTIONAL MANPOWER REQUIREMENTS

83

82

81

80

FUNCTIONAL AREA

I.	Management Services Administration	(1) Division Administrator	1.00	1.00	1.00	1.00
		(2) Budget Analyst II	1.00	1.00	1.00	1.00
		(3) Budget Analyst II	1.00	1.00	1.00	1.00
		(4) Budget Analyst II	1.00	1.00	1.00	1.00
		SUB TOTAL	4.00	4.00	4.00	4.00
II.	Personnel	(1) Personnel Officer II	1.00	1.00	1.00	1.00
		(2) Administrative Assistant II	1.00	1.00	1.00	1.00
		SUB TOTAL	2.00	2.00	2.00	2.00
III.	Administrative Services Bureau	(1) Chief, Administrative Services Bureau	1.00	1.00	1.00	1.00
		(2) Receptionist III	1.00	1.00	1.00	1.00
		SUB TOTAL	2.00	2.00	2.00	2.00
	Accounting Services	(1) Accountant Supervisor I	1.00	1.00	1.00	1.00
		(2) Accountant II	1.00	1.00	1.00	1.00
		(3) Accounting Clerk III	1.00	1.00	1.00	1.00
		(4) Payroll Technician II	1.00	1.00	1.00	1.00
		(5) Purchasing & Supply Officer I	1.00	1.00	1.00	1.00
		SUB TOTAL	5.00	5.00	5.00	5.00
	Reimbursement Field Office Section	(1) Supervisor, Reimbursement Field Section	1.00	1.00	1.00	1.00
		(2) Financial Investigator	1.00	1.00	1.00	1.00
		(3) Financial Investigator	1.00	1.00	1.00	1.00
		(4) Financial Investigator	1.00	1.00	1.00	1.00
		(5) Financial Investigator	1.00	1.00	1.00	1.00
		SUB TOTAL	5.00	5.00	5.00	5.00

CONTRACTED SERVICES

Contractor	Purpose of Contract	Expenditure ID	Status	FY 80 Actual	FY 81	FY 82	FY 03
data Processing:							
ABARS - Cost System							
Operating		2103	C	36,888		40,293	43,557
Maintenance		2103	C	7,052		-	-
ABARS - Ledger							
Development		2102	C	9,165		-	-
Operating		2103	C	3,311		10,454	11,301
Maintenance		2103	C	-		-	-
ABARS - Billing							
Development		2102	C	-		3,000	-
Operating		2103				4,800	9,600
Maintenance		2103					
OBSCIS							
Operating		2103	C	24,453		27,552	29,783
Maintenance		2103	C	2,013		-	-
Personnel		2103	C	150		178	192
SIMS							
Special Request		2103	C	973		1,154	1,247
Travel		2103	C	739		876	947
Telephone Mails		2102	C	211			
Insurance & Bonds		2104	C	391		1,005	1,007
Printing		2110	C	520		618	1,127
Reimbursement <u>80</u>							
454							
(87%)							

CONTRACTED SERVICES

Contractor	Purpose of Contract	Expenditure ID	Status	FY 80 Actual	FY 81	FY 82	FY 03
Photographic - Duplicating		2115	C	2,747		2,992	3,235
Reimbursement 80 622 (24%)							
Stenographers		2134	C	5		-	-
Private Legal Counsel		2157	C	1,285		-	-
Legislative Auditor	Audit	2122		-		-	25,000
TOTAL:				89,903		92,922	126,996

7

SUPPLIES & MATERIALS

titution Management Services Division

Page of

Item	Justification	Expenditure ID	Status	FY 00 Actual	FY 01	FY 02	FY 03
Minor Tools & Equip.		2210		83			
Office Supplies Reimbursement	80 2618 (55%)	2211		4,746		5,789	6,357
Photo & Reproduction Reimbursement	80 1809 (71%)	2212		2,560		2,788	3,014
Gasoline		2216		14		23	28
Books		2225/2224		117		127	138
Photographic		2231		33		36	39
Data Processing		2245		144		157	170
TOTAL				7,697		8,920	9,746

8

COMMUNICATIONS

Institution Management Services Division

Page      of     

DESCRIPTION	Expenditure ID	Status	FY 80 Actual	FY 81	FY 82	FY 83
Telephone	2301		6,160		8,230	9,136
Local	2302		486		615	683
Long Distance	2314		8,975		11,359	12,608
STS Usage						
Postage & Mailing	2304		5,212		6,932	6,932
Messenger Services	2307		321		350	378
Advertising	2309		744		810	876
Leased Line Services	2313		155		169	182
TOTAL COMMUNICATIONS			22,053		28,465	30,795

9

Type/Purpose	Expenditure ID	Status	FY 80 Actual	FY 01	FY 02	FY 03
Reimbursement Field	2401	C	3109		4112	4728
In-State Personal Car	2402	C	285		377	433
In-State Commercial Transportation	2403	C	292		386	444
In-State Aircraft	2404	C	428		566	651
In-State Motor Pool	2405	C	61		81	93
In-State Other	2407	C	1837		2429	2794
In-State Meals	2408	C	1826		2415	2777
In-State Lodging						
SUB TOTAL			7838		10,366	11,920
Reimbursement Trust Section						
In-State Per Diem	2401	C	753		996	626
In-State Personal Car	2402	C	0		0	1145
In-State Commercial Transportation	2403	C	146		193	222
In-State Aircraft	2404	C	157		208	239
In-State Motor Pool	2405	C	3		4	5
In-State Other	2407	C	331		438	503
In-State Meals	2408	C	246		325	374
In-State Lodging	2412	C	512		678	778
Out-of-State Commercial Transportation			3		4	5
Out-of-State Other	2417	C	208		275	316
Out-of-State Meals	2418	C	254		336	386
Out-of-State Lodging						
SUB TOTAL			2613		3457	4599

12



Type/Purpose	Expenditure ID	Status	FY 00 Actual	FY 01	FY 02	FY 03
Administration and Budget Analyst Travel	2401	C	109		144	166
In-State Personal Car	2402	C	520		688	791
In-State Commercial Transportation	2403	C	484		640	736
In-State Aircraft	2404	C	1,165		1,541	1,772
In-State Motor Pool	2405	C	4		5	6
In-State Other	2507	C	518		685	788
In-State Meals	2408	C	518		685	788
In-State Lodging	2412	C	384		0	0
Out-of-State Commercial Transportation	2415	C	0		0	0
Out-of-State Other	2417	C	0		0	0
Out-of-State Meals	2418	C	0		0	0
Out-of-State Lodging						
SUB TOTAL			3,702		4,388	5,047
TOTAL			14,153		18,211	21,566

RENT

Division Management Services Division

Page of

Purpose	Expenditure ID	Status	FY 00 Actual	FY 01	FY 02	FY 03
<u>Building Rent</u> Central Office Rent Reimbursement Offices Great Falls - 85.00 X 12 = 1020 Billings - 53.50 X 12 = 642 1662	2502	C	26,076		31,484	31,484
<u>Data Processing Equipment</u> 1 CRT Control Unit 2 CRT @ 78/mo (1/4 FT82 - Full FY83) 3 CRT and 1 Printer (one unit based on BRSH)	2503		7,184		10,518	11,982
Xerox Machine - Lease Purchase Lease	2504	C	889		532 389	532 420
Storage	2512	C	57		62	67
TOTAL			34,206		45,064	46,778

12

Plus: C - Current Level

M - Modified

UTILITIES

stitution Management Services Division

Type	Usage	Rate	Expenditure ID	Status	FY 80 Actual	FY 81	FY 82	FY 83
Natural Gas			2603		1,000		1,322	1,480
Electricity			2601		702		927	1,039
	TOTAL				1,702		2,249	2,519

13

Status: C - Current Level  
M - Modified

REPAIRS & MAINTENANCE

Management Services Division

Page \_\_\_\_\_ of \_\_\_\_\_

DESCRIPTION	FY79	Expenditure ID	Status	FY 00 Actual	FY 01	FY 02	FY 03
Office Equipment		2704		1803		1,409	1,592
TOTAL				1803		1,409	1,592

14

OTHER EXPENDITURES

Institution Management Services Division

Page      of     

Description/Purpose	Expenditure ID	Status	FY 80 Actual	FY 81	FY 82	FY 83
Dues	2801					
Subscriptions	2802		703		703	703
Taxes, Assessments, etc.	2804		397		397	397
Registration Fees for Trng. Conf.	2809		523		523	523
Relocation	2810		37		—	—
Allowance	2812					
Freight & Express	2822		117		117	117
<b>TOTAL</b>			<b>1,777</b>		<b>1,740</b>	<b>1,740</b>

15

ITEM	FY82	FY83
5 Typewriters @ 800	2,400	1,600
6 Calculators @ 189	567	567
4 File Cabinets @ 200	400	400
TOTAL	3,367	2,567

16