

MINUTES OF THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION  
February 19, 1983

The House Appropriations Subcommittee on Education met at 8:00 a.m. on Saturday, February 19, 1983 in Room 104 of the State Capitol. With Chairman Rep. Esther G. Bengtson presiding, all members were present. Several items of unfinished business were addressed by the Committee: (1) vacancy savings recommendations; (2) Historical Society security guards modified request; (3) Special Education and the out-of-State court placements; and (4) rent adjustments.

The out-of-State court placements in Special Education were discussed first. Ms. Pam Joehler, LFA, explained that the Dept. of Institutions was opening up a new treatment center in Billings: the Montana Youth Treatment Center. It will have 60 beds, for the treatment of emotionally disturbed children. It is possible that some of the children currently placed out-of-State can be placed in the new center; this would result in a \$59,500 cost savings in FY 1985 to the State. She recommended putting a reversion clause in the Special Education budget in case these children were moved to Billings.

Rep. Nancy Keenan, Deer Lodge County, then spoke. She pointed out that the Center in Billings hadn't been built yet, and they had come in over bid and the Legislature had been asked to fund the additional money. Also, there is no certainty that the judges will agree to move the out-of-State placements to Billings. If the money is taken out of the budget, it would mean that Special Education will no longer pay for out-of-State placements. The local school districts would have to pay. She added that if the out-of-State placements, which were typically in their mid-teens, were put in the Billings Center, it would be eliminating the availability for that unit to treat young children, and the original intent of the Center's being built was to provide the services to younger children.

Rep. Peck moved that a reversion clause be included in the budget.

Judy Johnson, OPI Assistant Superintendent, said that \$50,000 for out-of-State placements wasn't earmarked; it was just a part of the Special Education budget. Most of the placements come out of the contingency. There is no place for the under-12 age group in Montana, and she assumed that they would have to be moved from Warm Springs out of State. She submitted that any reversions would have to be on the local district level.

Rep. Peck withdrew his motion. He wanted to know if OPI would ask the district to return their money if a student was brought back in the State or placed within the State. Ms. Johnson replied that OPI didn't have that kind of budget authority. The only restriction

they impose is that the money has to be spent on Special Education. She said that if any money was left over at the end of the year, it would revert to the general fund. Rep. Peck submitted that there should be a way to require that money be reverted if the out-of-State placement lapsed. Ms. Johnson pointed out that if the student did return, the district would have to provide services locally.

Rep. Bengtson said it would be interesting to talk to Judge Bennett regarding out-of-State placements. She suggested that this could possibly be arranged after the bill transmittal deadline.

Discussion took place regarding the contingency fund appropriation level. Dal Curry, OPI, said that with just a blanket 4% increase in two years, the actual increase is more like 2%, after the \$500,000 is built back into the district budgets. He stressed that the contingency was not a one-time cost; it was built into the budget each year and continues in subsequent years. He submitted that at least \$400,000 was built into the budget each year from the contingency.

The Historical Society Security Guard modified request was then taken up. Rep. Bengtson said that the Dept. of Administration had said the Historical Society could take care of its own security guards, and they have been written out of the Dept. of Administration budget.

Francis Olson, OBPP, said that the Dept. of Administration allowed only two FTE for guards, and the Historical Society was requesting 4.5. There had been an amount in the Dept. of Administration budget providing for 3.5 FTE in this area, but the Dept. felt they could only release two positions.

Rep. Donaldson moved that the proposal be accepted. In response to Ms. Joehler, Mr. Bob Archibald, Director of the Historical Society, said \$800-\$900 per year would be needed for clothing, and this would be an ongoing cost. Rep. Donaldson said he hoped that in two years, some better security answers could be arrived at; this change would provide a short-term solution. Mr. Archibald remarked that in two years they would have no problems in discussing a unified type of approach to the security problems of the Capitol complex. He added that they had no necessary reason to absolutely have to have their own security force. In response to Sen. Hammond, he said there had been a problem with security for ten to twelve years at least. There had been four thefts in the past five years, and two attempts at arson. In response to Rep. Ernst, he said that the guarding of the Capitol paintings would remain the responsibility of the capitol security guards. In addition, the Society had no intention of providing a separate security force for the original Governor's mansion.

The question was called for on Rep. Donaldson's motion; motion carried unanimously.

The Committee then took up rent adjustments. Ms. Joehler distributed a memo from herself and Mr. Olson regarding rent adjustments; see Exhibit "A." Rep. Donaldson wanted to know if the Historical Society rent figures could be adjusted downward, since security would no longer be part of the Dept. of Administration's rent charge. Ms. Joehler said she didn't know. Mr. Crosser said that when the General Services budget had been established, the total cost used in the calculations for rent reflected the reduction in FTE. Ms. Joehler said that therefore, the rent would still include the charge for security, although the reduction in two FTE would be reflected overall in all rents charged by the Department.

Sen. Haffey moved approval of the adjustments to the rent estimates for the Historical Society, OPI, and State Library, as listed in Exhibit "A." Motion carried unanimously.

Discussion took place regarding the Montana Art Council's proposed move to Helena. The Council had suggested that the move could be financed with the vacancy savings which would result from part of the staff not making the move; the additional \$10,000 for job description writing wouldn't be necessary, either. It was brought out that this wouldn't be a good solution if the entire staff decided to make the move, however. No motion was made to reconsider the Committee's previous action regarding the move to Helena.

Subcommittee vacancy savings recommendations were then addressed. See Exhibit "B." Ms. Joehler explained that the recommendations were based on what had actually occurred in 1982, rather than being the same percentage for all agencies. Mr. Archibald pointed out that such an approach could lock an agency into forced vacancy savings, and make it impossible for them to achieve full staffing at the approved FTE level. Rep. Peck pointed out that, on the other hand, a position could be left open purposefully, to fund other areas of an agency's budget.

In response to Sen. Haffey, Mr. Archibald said they could come up with the exact number of employees that had terminated, but he pointed out that they had to be paid termination pay. Leaving a position open for two weeks often didn't cover termination pay. He said that the Historical Society usually experienced two to three terminations per year, and on the average the positions are left open three weeks to one month. This amounts to about 1/4 FTE per year that goes into vacancy savings, minus the termination pay. He pointed out that in the past biennium, archival storage box money had to be used to cover vacancy savings.

Discussion took place regarding vacancy savings as it applied to large agencies vs. how it worked in smaller agencies. Mr. Tom Crosser, OBPP, submitted that a 3% vacancy savings rate would be too high for the Library Commission. He said that for the smaller agencies, a standard vacancy savings rate based on one year could be misleading.

In response to Rep. Donaldson, Mr. Crosser said he felt the smaller agencies would have a difficult time meeting a 4.5% pay plan increase; if they had to do it by way of vacancy savings, there would have to be layoffs.

Discussion took place regarding forced vacancy savings and vacancy savings that resulted from a position not being able to be filled. The Committee also discussed pay plan proposals as they related to the vacancy savings issue.

The Chairman entertained a motion regarding vacancy savings. Further discussion took place, regarding applying vacancy savings Statewide vs. agency by agency. Rep. Peck suggested that all State agencies could contribute what their actual vacancy savings were to a pool, to fund vacancy savings for the entire State.

Rep. Donaldson moved acceptance of a 2% vacancy savings rate for the State Library Commission, the Montana School for the Deaf and Blind, and the Historical Society. Regarding OPI, Ms. Joehler pointed out that the Committee had removed 7 FTE from their budget. Mr. Crosser said that the problem OPI had was due to pending classification appeals, which, if successful, would have to be accommodated by vacancy savings. Discussion took place regarding providing for 0% vacancy savings for all the agencies on Exhibit "B." It was brought out that termination pay was not budgeted for. Rep. Ernst suggested that in the future, vacancy savings be treated as line-items in the budgets of the agencies.

The question was called for on Rep. Donaldson's motion. Motion carried with Sen. Haffey opposed.

Rep. Ernst then moved to apply 0% vacancy savings to the budgets of the Montana Arts Council, Board of Public Education, Vocational Education Advisory Council, OPI, and the Vo-Techs. Motion carried unanimously.

The Chairman distributed comparison figures regarding the funding of the Community Colleges, which had been prepared by Bill Sykes, LFA; see Exhibit "C." Rep. Donaldson rose in support of using the LFA's 53% State support level. Sen. Haffey submitted that

to be fair to the Committee and to the Community Colleges, if 90% or 95%, etc. of the cost factor were used, justifiable logic needed to be provided for such a move.

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

*Esther G. Bengtson* *Chm.*

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Rep. Esther G. Bengtson - Chairman

Educ. Subcommittee  
2/19/83  
EXHIBIT "A"

February 18, 1983

TO: Education Subcommittee  
FROM: Pam Joehler, LFA *PJ*  
Francis Olson, OBPP *FO*  
SUBJECT: Rent Adjustments

The joint Legislative, Judicial, and Administrative Subcommittee has finalized the budget for the General Services Division of the Department of Administration. The rent fee for each state agency in the capitol complex is determined by a fixed rate per square foot. During the budget hearings, the Office of Budget and Program Planning used the rate of \$3.28 per sq. foot in fiscal 1984 and \$3.63 per sq. foot in fiscal 1985 in each agency's budget based on the Department of Administration's budget request. The Legislative, Judicial, and Administrative subcommittee has since revised the rate to \$3.17 per sq. foot in fiscal 1984 and \$3.47 per sq. foot in fiscal 1985.

This subcommittee has taken action on three budgets that are affected by the change in rent. The adjustments are presented to you for your information and consideration.

Rent Adjustments

	<u>Education Subcommittee</u>	<u>LJA Subcommittee</u>	<u>Difference</u>
1. Historical Society *			
Fiscal 1984	\$ 58,344	\$ 60,991	\$ 2,647
Fiscal 1985	64,311	66,763	2,452
2. Office of Public Instruction			
Fiscal 1984	133,335	108,978	(24,357)
Fiscal 1985	141,334	119,292	(22,042)
3. State Library			
Fiscal 1984	124,256	120,089	( 4,167)
Fiscal 1985	146,986	131,454	(15,532)

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\*The rent increased for the Historical Society because the original rent estimate was based on 17,846 sq. feet; the current rent estimate is based on 19,240 sq. feet.

Ed. Subcomm.  
2/19/83  
EXHIBIT "B"

Unfinished Business - "Other Education" - as of 2/18/83

1. Subcommittee vacancy savings recommendation

The subcommittee needs to make a vacancy savings recommendation for each agency in the event the decision is made to apply vacancy savings to agency budgets. Below is a list of "other education" agencies with the Legislative Fiscal Analyst's recommended vacancy savings rates for subcommittee consideration.

<u>Agency</u>	<u>Rate (%)</u>	<u>Agency</u>	<u>Rate</u>
Arts Council	0.0	OPI	0.0
Board of Public Education	0.0	Library	3.0
Fire Services Training	0.0	SDB	2.0
Vo Ed Advisory Council	0.0	Historical Society	3.5
		Vo-Techs	0.0

2. Historical Society - Security Guards Modified Requests

- a. 4.5 FTE - Total Cost \$79,557 in fiscal 1984  
\$78,085 in fiscal 1985
- b. Expanded service level
- c. General fund supported

3. OPI - Special Education

Because the Montana Youth Treatment Center (Department of Institutions) will be opening in fiscal 1985, six emotionally disturbed students who were sent out of state in fiscal 1982 would have the potential to be transferred to the center. The six students represent a cost of \$49,990 to the special education budget in fiscal 1982. If the students were transferred to the Montana Youth Treatment Center in fiscal 1985, a cost savings of \$59,500 would result.

4. Rent Adjustment

See attached memo.



Exec Subcomm  
2/19/83

Table 1  
Percent General Fund Increase from 1983 Biennium  
Comparison of Executive, LFA, 95% of Cost Factor Option,  
and 90% of Cost Factor Option

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-----1985 Biennium -----

<u>Colleges</u>	<u>OBPP*</u>	<u>LFA</u>	<u>95% of Cost Factor</u>	<u>90% of Cost Factor</u>
Dawson	12.3%	19.0%	13.1%	7.1%
Flathead	23.7	31.1	24.6	18.0
Miles	<u>28.2</u>	<u>35.9</u>	<u>29.1</u>	<u>22.3</u>
Total	22.4% ====	29.7% ====	23.2% ====	16.7% ====

\*Executive budget used 50% state support. The LFA budget and the 95% and 90% options maintain state support at 53%.

Table 2  
Cost Factors as Proposed in  
Executive, LFA, 95% and 90% Budgets

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<u>Budget</u>	<u>Fiscal 1984</u>	<u>Fiscal 1985</u>
Executive	\$3,500	\$3,566
LFA	3,500	3,566
95% of Cost Factor	3,325	3,388
90% of Cost Factor	3,150	3,209

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