

JOINT INSTITUTIONS SUBCOMMITTEE

BILL NO. _____

DATE January 16, 1985

SPONSOR _____

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

MINUTES OF THE MEETING
INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE
49TH LEGISLATIVE SESSION
January 16, 1985

Tape 9, Side B

The meeting of the Institutions and Cultural Education Subcommittee was called to order by Chairman Steve Waldron on January 15, 1985, at 8:00 a.m. in Room 129 of the Capitol.

ROLL CALL: All members were present except Sen. Esther Bengtson who was absent. Also present were Keith Wolcott of the Legislative Fiscal Analyst's Office (LFA), George Harris of the Governor's Office of Budget and Program Planning (OBPP), Carroll South, Director of the Department of Institutions, Al Davis, Superintendent of Pine Hills School, and Michael Derich, Business Manager of Pine Hills School.

PINE HILLS SCHOOL

(017) Mr. South gave an overview of this institution. Pine Hills has been an all boys facility since 1907. Mr. South introduced the superintendent and the business manager. Chairman Waldron noted to the committee that Mr. Davis has done an excellent job at Pine Hills and has made major improvements there.

The committee discussed the ages of the youths in Pine Hills. The youngest boy is 13 years old and there are 12 boys between the ages of 18 and 20. The boys are released on their 21st birthday so there aren't any boys over 20 years of age. Rep. Menahan had a problem with keeping "adults" over 18 in the same facility as boys under 18. This issue came up during the hearing for Mountain View. The law states that juveniles cannot be housed in the same facility with adults.

Mr. South responded to Rep. Menahan's concerns. He told the committee that the boys are segregated into different cottages so there are not very young boys with older youths. Secondly, all of the boys at Pine Hills were placed there under the Youth Court Act which means that they are legally juveniles while they are at the institution, even if they are over 18 years of age.

(200) Mr. Wolcott gave the LFA's presentation of the current level budget (Exhibit 1). There are no major differences between the LFA's budget and the OBPP's request. The OBPP deleted a .5 FTE custodial worker which the department said was no longer needed.

The operating costs for this institution have increased due to an increase in audit fees and the Department of Administration insurance fees. It was noted that the insurance charges increased some 230%. Chairman Waldron said the LFA was researching this problem and it will be addressed in executive session. The trash removal contract was also increased \$100 per month which was partially caused by the addition of more dumpsters.

(251) Mr. Wolcott outlined the different funding sources for Pine Hills. The alcohol counselor is funded from ADAD funds. There also is land grant income and income from Federal boarders. There is federal money from ECIA Chapters I and II for teachers at the school. Mr. Wolcott noted that the figures for total federal boarder revenue in Exhibit 1 were incorrect (page 583, line 17). Instead of \$66,890 and \$69,496, the figures should read \$64,284 and \$64,284.

(313) Mr. Harris outlined the OBPP's budget request for this agency (Exhibit 2). He noted that the executive budget treated the additional 3.72 FTE Title I teachers as a modified. When authorization for the expenditure of these funds passed through the last session, it was not known how much, if any, of these funds would be available. Consequently, these positions were authorized through budget amendments and will be treated as modifieds. A vacancy savings rate of 4% was applied to the modified.

The federal boarder reimbursement in the OBPP's request was estimated to be \$50,000 in both fiscal years. Consequently, there will be a difference of approximately \$14,000 between the LFA and the OBPP.

Mr. Harris outlined the equipment requests.

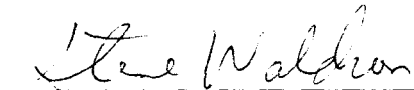
(447) There was some discussion regarding the ratio of employees to boys at the school. Rep. Menahan related that the Montana State Prison does not have such a generous ratio. Chairman Waldron responded that the Prison has a fence topped by razor wire which Pine Hills doesn't. Also, the teachers are funded with federal money. Sen. Aklestad asked that the department have a prepared breakdown of the employees at Pine Hills and their duties. Chairman Waldron noted that the cost per resident at Pine Hills is lower than that at Mountain View.

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Sen. Hims1 asked if the facility is not going back to the old way of simply incarcerating boys since there is no longer a ranch. Mr. Davis assured the committee that there are vocational activities such as welding, diesel mechanics, auto mechanics, drafting, carpentry, etc., and the boys are in fact being rehabilitated, not just incarcerated.

Being no further business to come before the committee, the meeting was adjourned at 8:50 a.m.

Respectfully Submitted:

A handwritten signature in cursive script, reading "Steve Waldron", is written over a horizontal line.

Steve Waldron, Chairman

SW/lt

PINE HILLS

	FTE FY '87	-----1987 Biennium-----	
		<u>General Fund</u>	<u>Total Funds</u>
Executive Budget	116.97	\$5,400,710	\$6,364,591
LFA Current Level	117.47	<u>5,420,841</u>	<u>6,457,992</u>
Executive Over (Under) LFA	<u>====-.50</u>	<u>\$ (20,131)</u>	<u>\$ (93,401)</u>

The executive budget is \$93,401 under the LFA current level. The differences in total funding are due primarily to the deletion of .5 FTE by the executive, higher inflationary rates of the LFA, and equipment. The following issues reflect the major differences between the executive budget and current level.

Issue 1: .50 Custodial Worker Position

The executive has deleted a .5 custodial worker position that was retained in the current level analysis costing \$14,939.

Issue 2: Inflation

The executive budget uses lower rates of inflation than the LFA current level analysis accounting for approximately \$89,000 difference between the executive budget and current level.

Issue 3: Equipment

The executive budget included \$6,061 more equipment than the current level analysis.

Issue 4: School Lunch Funding

The executive included \$22,817 less of school lunch reimbursement than the current level analysis. The LFA based the school lunch on reduced population, but an increase in the rates. The executive used the agency request which is a reduction from the fiscal 1984 level.

Issue 5: Federal Boarder Funding

The executive budget includes \$36,386 less in federal boarder reimbursement than the LFA current level analysis. The difference is due primarily to the LFA using current level population and rates which increase with inflation, compared with the executive projecting a decline from the fiscal 1984 level.

PINE HILLS SCHOOL

Budget Item	Actual	Appropriated	---Current Level---		% Change 1985-87 Biennium
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	
F.T.E	117.42	113.75	117.47 <i>4, 24</i>	117.47	3.2
Personal Service	\$2,417,154	\$2,385,666	\$2,562,035	\$2,569,324	6.8
Operating Expense	583,938	662,711	593,779	581,250	(5.7)
Equipment	33,218	3,834	3,351	5,168	(77.0)
Inflation	-0-	-0-	54,589	88,496	--
Total Expenditures	<u>\$3,034,310</u>	<u>\$3,052,211</u>	<u>\$3,213,754</u>	<u>\$3,244,238</u>	<u>6.1</u>
Fund Sources					
General Fund	\$2,510,098	\$2,677,685	\$2,696,837	\$2,724,004	4.4
State Special	24,962	24,962	27,455	27,467	10.0
Federal Revenue	<u>499,250</u>	<u>349,564</u>	<u>489,462</u>	<u>492,767</u>	<u>15.7</u>
Total Funds	<u>\$3,034,310</u>	<u>\$3,052,211</u>	<u>\$3,213,754</u>	<u>\$3,244,238</u>	<u>6.1</u>

ISSUE: Cost (Savings)	-----Fiscal 1986-----		-----Fiscal 1987-----	
	General Fund	Other Funds	General Fund	Other Funds
1. Transfer Medical Costs	\$(27,952)	-0-	\$(29,769)	-0-

Pine Hills School is responsible for the care and custody of juvenile boys aged 10 to 21, who have been sentenced to the institution by the courts. Title 53-30-202 establishes Pine Hills as a correctional facility to diagnose, care for, train, educate, and rehabilitate children in need of these services. Pine Hills has a capacity of 115 students in five cottages. In fiscal 1984, the average daily population was 88 students whose average length-of-stay was 6.5 months.

Fiscal 1984: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1984 actual expenditures and funding to allocations as anticipated by the 1983 legislature. Personal services savings of \$38,828 were generated from staff turnover or vacancies equivalent to 4.42 FTE. The school left a stock clerk position and a half-time custodial position vacant in fiscal 1984. A maintenance worker position was vacant for ten months. Savings in the operating budget were achieved in contracted services of \$4,796, supplies of \$28,951, utilities of \$27,597, and rent of \$6,262. Expenditures exceeded the budget in communications and repairs by \$2,832 and \$9,270 respectively. Savings in other categories amounted to less than 1 percent.

PINE HILLS SCHOOL

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<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
F.T.E.	113.75	113.75	0.00
Personal Services	\$2,385,497	\$2,346,669	\$38,828
Operating Expenses	630,514	573,303	57,211
Equipment	11,352	14,426	(3,074)
Total Expenditures	<u>\$3,027,363</u>	<u>\$2,934,398</u>	<u>\$92,965</u>
<u>Funding</u>			
General Fund	\$2,652,837	\$2,510,098	\$142,739
State Special	24,962	24,962	-0-
Federal Revenue	349,564	399,338	(49,774)
Total Funds	<u>\$3,027,363</u>	<u>\$2,934,398</u>	<u>\$ 92,965</u>
<u>Additions:</u>			
Budget Amendments	-0-	\$ 99,912	\$(99,912)

The table above shows that more federal revenue was spent than authorized by the legislature. This is in compliance with Section 3 of HB 447 which requires the general fund appropriation to be reduced for the amount of money received from other sources in excess of the appropriation provided, unless the funds are significantly different from those for which the agency received their general fund appropriation. More federal boarder funds were received than anticipated.

Pine Hills School submitted budget amendments of \$105,748 which includes ECIA Chapter I and II funds, Title II vocational education funds, and a contract improvement grant from the U.S. Bureau of Prisons. The school spent \$99,912 of these funds during fiscal 1984.

Current Level Adjustments

Personal services were increased \$71,050 in fiscal 1986 and \$71,228 in fiscal 1987 to add 2.72 teacher aides and one social worker funded by ECIA Chapter I funds.

Operating expenses increased \$20,476 in fiscal 1986 and \$7,947 in fiscal 1987. Insurance fees charged by the Department of Administration have increased 230 percent since fiscal 1982 and 87 percent since fiscal 1984. Pine Hills paid \$6,322 in fiscal 1982, \$11,135 in fiscal 1984 and is requesting \$20,443 in fiscal 1986 and \$20,900 in fiscal 1987.

The legislative audit costs in fiscal 1984 were \$4,323 while \$13,000 is included in fiscal 1986 as requested by the auditor.

Supplies were increased \$1,286 in fiscal 1986 and \$1,305 in fiscal 1987 for educational supplies associated with ECIA Chapter I and II funding.

Utilities were increased \$1,200 for garbage removal. The fiscal 1984 contract for garbage removal cost \$214 per month; however, the fiscal 1985 contract was increased to \$314 per month. The removal service is providing more dumpsters and more frequent pickup.

The equipment budget includes a pallet truck in fiscal 1986 and a hot food cart in fiscal 1987. Also included for each year of the biennium are, a washer, a dryer, and dorm furniture manufactured by prison industries. The equipment totals \$3,351 in fiscal 1986 and \$5,168 in fiscal 1987.

Funding includes earmarked alcohol revenue to fund a substance abuse counselor costing \$27,455 in fiscal 1986 and \$27,467 in fiscal 1987. The school has land grant income estimated at \$275,000 each year of the biennium and school food of \$66,248 in fiscal 1986 and \$66,569 in 1987. Federal boarder revenue is estimated at the current level average daily boarder population of 2.38 with the daily rate inflated from \$74 in fiscal 1984 to \$77 per day in fiscal 1986 and \$80 per day in fiscal 1987. Total federal boarder revenue is \$66,890 and \$69,496 in fiscal 1986 and 1987 respectively. ECIA Chapter I and II is \$81,324 in fiscal 1986 and \$81,702 in fiscal 1987.

Issue 1: Transfer Medical Costs to the Corrections Medical Program

The 1983 legislature authorized the consolidation of medical costs for the Prison, Swan River Youth Camp, Pre-release Centers, and Women's Correctional Program, the After Care Program, and parole violators being held for revocation hearings. The intent was to pool appropriations within the Corrections Division to provide flexibility among the programs and avoid unforeseen burdens on any one program budget due to medical costs. Pine Hills school has averaged \$23,080 of medical service costs over the last three fiscal years. Although the school has not suffered any catastrophic or excessive medical costs, its inclusion in the Correction Medical Program would mitigate any sharp fluctuations in student's medical costs.

Option a: Transfer the schools medical service costs to the Corrections Medical Program. The current level amount with inflation is \$27,952 in fiscal 1986 and \$29,769 in fiscal 1987.

Option b: Maintain medical services costs in the Pine Hills budget.

PINE HILLS SCHOOL

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986 FY 1987	
Full Time Equivalent Employees	117.42	113.75	116.97	116.97
Personal Services	2,417,152.34	2,385,666	2,556,862	2,563,886
Operating Expenses	583,933.46	662,711	619,585	609,408
Equipment	33,217.42	3,834	13,450	1,400
Total Agency Costs	\$3,034,303.22	\$3,052,211	\$3,189,897	\$3,174,694
General Fund	2,510,091.13	2,677,685	2,708,047	2,692,663
State Special Revenue Fund	24,962.00	24,962	27,466	27,466
Federal & Other Spec Rev Fund	499,250.09	349,564	454,384	454,565
Total Funding Costs	\$3,034,303.22	\$3,052,211	\$3,189,897	\$3,174,694
Current Level Services	2,934,391.56	3,052,211	3,111,353	3,095,969
Modified Level Services	99,911.66	0	78,544	78,725
Total Service Costs	\$3,034,303.22	\$3,052,211	\$3,189,897	\$3,174,694

Agency Description

The staff at Pine Hills School provides residential services for male youth between the ages of 10 and 21 years who have demonstrated a need for intensive correctional attention. The institution's programs address statutory demands to properly diagnose, care for, train, educate, and rehabilitate children in need of these services. The staff also provides 45-day evaluation for boys referred by the youth courts. The primary mission of the school is to address these needs in the most effective and expeditious manner in an effort to return the student to a non-institutional environment. The facility is provided for in 53-30-202 MCA.

Budget Issues

Position Reduction. A .50 FTE Custodial Worker position was left vacant throughout most of FY 84. The agency reduced this position from their budget request.

Funding Change

Past revenue receipts of federal boarder reimbursements indicates that more than \$25,000 of federal service reimbursements have been realized. The Service Reimbursements have been revised to reflect receipt of \$50,000 in both FY 86 and FY 87. The general fund was reduced by \$25,000 each year to offset the anticipated federal revenues.

Modification Requests

Expanded Services

Title I Education grant. This grant is designed to identify residents who are academically deprived and to supplement the established general education program to meet these special needs. These federal funds were available in the 1985 biennium and authority is requested to receive these funds as they become available in the 1987 biennium. These funds are subgranted by the Office of Public Instruction to

PINE HILLS SCHOOL

<div style="display: flex; align-items: center;"> <div style="font-size: 2em; margin-right: 5px;">2</div> <div> AGENCY SUMMARY BUDGET DETAIL SUMMARY </div> </div>	Actual FY 1984	Budgeted FY 1985	Recommendation	
			FY 1986	FY 1987

Full Time Equivalent Employees	117.42	113.75	116.97	116.97
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Pine Hills School.

Cost: FY 1986 - \$ 73,448 FY 1987 - \$ 73,629

FTE: FY 1986 - 3.72 FY 1987 - 3.72

Title II Education grant. These federal funds are used to supplement the existing education program by acquiring books, audio visual and diagnostic materials. These funds are subgranted to Pine Hills School by the Office of Public Instruction as part of the Education Consolidation Improvement Act of 1981.

Cost: FY 1986 - \$ 936 FY 1987 - \$ 936

New Service

The Rural Fire Association recently lost its class rating which jeopardized its future existence. The City Fire Department became the sole provider of fire protection as the Rural Fire Association was discontinued. The city has stated it will require an increase of \$4,000 per year for this protection over and above the \$1,000 per year they are now receiving from Pine Hills School.

Cost: FY 1986 - \$ 4,160 FY 1987 - \$ 4,160