

Date January 17, 1985

INSTITUTIONS AND CULTURAL EDUCATION, SUBCOMMITTEE

DATE January 17, 1985

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

ROLL CALL VOTE

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

DATE January 17, 1985 BILL NO. TIME 1

[illegible]

Secretary John J. May

Walden
Chairman

Motion: Rep. MENAHAN moved to accept the LFA recommendation for
the purchase of 9 sets of furniture in both fiscal years.

MINUTES OF THE MEETING
INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE
49TH LEGISLATIVE SESSION
January 17, 1985

Tape 10, Side A

The meeting of the Institutions and Cultural Education Subcommittee was called to order by Chairman Steve Waldron on January 17, 1985, at 8:10 a.m. in Room 129 of the Capitol.

ROLL CALL: All members were present. 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 for Pine Hills.

GENERAL: Chairman Waldron spoke with the committee about the recommendations which came about because of HB 909 last session. These recommendations would make significant changes in both the Boulder River School and Hospital, Eastmont Training Center, and the Department of Social and Rehabilitation Services. The recommendation from the fiscal leadership was for the executive to introduce a resolution that says it is the sense of the Legislature to implement HB 909. If the resolution passes, all three subcommittee chairmen have agreed to put those figures in the budget.

PINE HILLS SCHOOL

(047) Steve Weber of the Department of Administration explained to the committee why insurance rates increased 230% for Pine Hills. The comprehensive general rate increased from \$8,700 to over \$13,000 per year. The fire insurance increased from \$0 to \$3,700 and \$3,900 respectively for FY 86 and FY 87. Auto insurance showed a minor increase.

The Department of Administration's billing for comprehensive general liability, the insurance coverage, is self insured. This billing is based on five separate factors: 1) appropriation, 2) FTE, 3) incidence, 4) prior billing, and 5) reserves and paid claims. Paid claims and reserves are weighted 50%. The reason Pine Hills' insurance budget went up so dramatically was due to a law suit of \$35,000 paid against Pine Hills. (This suit was filed in 1977 and took 6 years to settle.)

The department bills on a break-even basis (revolving or proprietary account). Also, previously Pine Hills did not pay anything for fire insurance. The Department of Administration's appropriation for these costs were decreased last legislative session so they had to start billing the receiving agencies.

Part of the reasoning behind billing the agencies is to get the federally funded agencies to pick up some of the costs with federal money. That decreased the general fund money necessary for this purpose.

(210) Mr. Wolcott handed out a breakdown of the differing budgets (Exhibit 1). Both budgets (LFA and OBPP) include inflation although inflation was figured differently.

PERSONAL SERVICES: (230)

The only difference in Personal Services was the .5 FTE custodial worker position which was vacant all year and the Department does not feel is necessary.

There was a considerable difference in the ECIA funds. There are 3.72 positions and much of this difference is the vacancy savings rate on these positions.

OPERATING EXPENSES: (330)

Most of the difference in operating expenses is due to the LFA's inflation rate but it also includes the ECIA indirect costs of \$6,419 in FY 86 and \$6,598 in FY 87. Another issue that has to be dealt with is the transfer of the medical expenses from Pine Hills to the centralized Corrections Medical Budget in the Corrections Division. Also, the OBPP included a modified request for fire protection from the city of Miles City.

Mr. Davis explained that the volunteer fire department which the institution currently contracts with is going out of business because they cannot meet certain standards. This modified would bring the contracted funds up to the amount Miles City would charge to offer fire protection to Pine Hills.

There was a difference in School Lunch funding and Federal Boarder funding but the OBPP agreed with the LFA's figures. Indirect costs are not included in the OBPP figure for ECIA funds.

EXECUTIVE SESSION: (400)

Sen. BENGTON moved to accept the OBPP recommendation of 116.97 FTEs for both fiscal years.

The motion PASSED unanimously.

The committee discussed the operating expenses issues. There was agreement that the fire protection funds should be included. There was a lot of confusion regarding which figure included which issue. For clarification of the record, the committee wanted to accept the LFA figure for operating expenses deleting \$27,952 in FY 86 and \$29,769 in FY 87 for the transfer of medical expenses to the Corrections Division and including \$4,160 in each fiscal year for fire protection. The \$6,419 in FY 86 and \$6,598 in FY 87 for ECIA indirect costs are already included in the LFA figure.

Sen. BENGTON moved to accept the LFA current level figure for operating expenses with the above changes for a total of \$630,995 in FY 86 and \$650,735 in FY 87.

The motion PASSED unanimously.

EQUIPMENT: Side B

The committee discussed the equipment requests which were listed in priority order according to Mr. Davis. There was a good deal of discussion regarding the vehicle. Mr. Davis noted that they purchased many of their vehicles from the now defunct state motor pool and those vehicles had a log of mileage on them. He noted that he has three vehicles that he feels safe sending out on the road. The vehicle in this request is part of a replacement schedule.

Sen. HIMSL moved to appropriate \$12,000 for the purchase of a vehicle.

The motion PASSED unanimously.

Rep. MILLER moved to appropriate \$380 for the purchase of a washer and \$298 for the purchase of a dryer.

The motion PASSED unanimously.

The furniture requested is constructed at the Prison and consists of a bedstand, headboard, desk, and chair.

Rep. MENAHAN moved to accept the LFA recommendation for the purchase of 9 sets of furniture in each fiscal year.

Vice Chairman Bengtson requested a roll call vote. Reps. MENAHAN and MILLER approved the motion. All other members opposed the motion. The motion FAILED.

Sen. AKLESTAD moved to authorize the purchase of two sets of furniture in each fiscal year.

Sen. HIMSL made a substitute motion to authorize the purchase of nine sets of furniture in one fiscal year.

The substitute motion PASSED unanimously.

There was some discussion regarding the Ken Cook Viewer. Mr. Davis noted that these have been used for seven or eight years and the hardware is beginning to wear out. This would be the first in the replacement schedule. No motion was made.

There was some discussion regarding the pallet truck. Sen. Aklestad suggested the welding shop make a pallet truck. No motion was made.

The food cart is also part of a replacement schedule. Mr. Davis said they have enough carts right now and they currently all work but they are getting old and he felt they should have a backup.

Rep. MENAHAN moved to accept the LFA's recommendation for a hot food cart.

The motion FAILED.

FUNDING: (360)

Sen. AKLESTAD moved to accept the OBPP figures on funding.

Vice Chairman Bengtson noted that this motion would not be correct since the committee has already accepted the LFA's figure on operating expenses and that figure includes ECIA indirect costs.

Sen. HIMSL made a substitute motion to accept the LFA figures on funding.

The motion PASSED unanimously.

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Mr. Wolcott noted that a 4% vacancy savings has already been set for Pine Hills so no motion is necessary.

CENTER FOR THE AGED

(416) The actual vacancy savings for this agency was around 3.4% but the Chairman and Mr. Wolcott suggested a straight 4%.

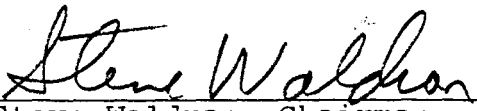
Sen. AKLESTAD moved to set a 4% vacancy savings at the Center for the Aged.

Rep. MENAHAN opposed the motion. All other members approved the motion. The motion PASSED.

Rep. Menahan wanted the record to note that he opposed the motion because he does not believe in vacancy savings.

Being no further business to come before this committee, the meeting was adjourned at 9:30 a.m.

Respectfully Submitted:


Steve Waldron, Chairman

SW/lt

PINE HILLS SCHOOL

<u>PERSONAL SERVICES</u>	<u>1986</u>	<u>1987</u>
Executive FTE	116.97	116.97
LFA Current Level FTE	<u>117.47</u>	<u>117.47</u>
Difference	<u>==(.50)</u>	<u>==(.50)</u>
Executive	\$2,556,862	\$2,563,886
LFA Current Level	<u>2,564,604</u>	<u>2,571,895</u>
Difference	<u>\$(7,742)</u>	<u>\$(8,009)</u>

- - - - - Personal Services Issues - - - - -

1. Custodial Worker .50 FTE \$7,169 \$7,172
2. Comments
The executive deleted the .5 custodial worker as needed.

<u>OPERATING EXPENSES</u>	<u>1986</u>	<u>1987</u>
Executive	\$619,585	\$609,408
LFA Current Level	<u>654,787</u>	<u>676,344</u>
Difference	<u>\$(35,202)</u>	<u>\$(66,936)</u>

- - - - - Operating Expenses Issues - - - - -

1. ECIA Charter I Indirect Costs \$(6,419) \$(6,598)
2. Transfer Medical Costs \$27,952 \$29,769
3. Fire Protection 4,160 4,160
4. Comments

The LFA current level base includes ECIA indirect costs above the executive of \$6,419 in fiscal 1986 and \$6,598 in fiscal 1987.

EQUIPMENT

Executive	\$13,450	\$ 1,400
LFA Current Level	<u>3,351</u>	<u>5,168</u>
Difference	<u>\$10,099</u>	<u>\$(3,768)</u>

- - - - - Equipment Issues - - - - -

1. Comments
Please see attached sheet.

FUNDING

1986

1987

School Food

Executive	\$55,000	\$55,000
LFA Current Level	<u>66,248</u>	<u>66,569</u>
Difference	<u>\$11,248</u>	<u>\$11,569</u>

Federal Boarders

Executive	\$50,000	\$50,000
LFA Current Level	<u>64,284</u>	<u>64,284</u>
Difference	<u>\$14,284</u>	<u>\$14,284</u>

ECIA Charter I & II

Executive	\$74,384	\$74,565
LFA Current Level	<u>81,324</u>	<u>81,702</u>
Difference	<u>\$ 6,940</u>	<u>\$ 7,137</u>

- - - - - Funding Issues - - - - -

1. Comments
The executive and the agency accept the LFA funding for school food and Federal Boarders. The main difference in ECIA funding is indirect costs.

Table 1

Equipment	FISCAL 1986			FISCAL 1987		
	OBPP	LFA		OBPP	LFA	
1. Vehicle	1 ea \$12,000					
2. Washer (Heavy Duty)	1 ea 500	1 ea 380		1 ea	403	
3. Dryer (Heavy Duty)	1 ea 450	1 ea 298		1 ea	315	
4. Furniture (Dormitory)	2 sts 500	9 sts 2,250	2 sts	500	9 sts 2,250	
5. Ken Cook Viewer Education			1 ea	900		
6. Pallet Truck		1 ea 423				
7. Hot Food Cart				1 ea	2,200	
Total	<u>\$13,450</u>	<u>\$2,351</u>		<u>\$1,400</u>	<u>\$5,168</u>	