

Date March 5, 1985

[illegible]

BILL NO. _____ DATE March 5, 1985

SPONSOR _____

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

[illegible]

German Journey
Secretary

Walsh
Chairman

Motion: Sen. Bengtson moved to appropriate a lump sum for each
division in the Department of Institutions and allow the director
to make program transfers within the divisions if necessary.

MINUTES OF THE MEETING
INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE
49TH LEGISLATIVE SESSION
March 5, 1985

Tape 43, Side A

The hearing of the Institutions and Cultural Education Subcommittee was called to order by Chairman Steve Waldron on March 5, 1985, at 9:15 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 Office of Budget and Program Planning, Carroll South, Director of the Department of Institutions, Dave Nelson, Executive Director of the Montana Arts Council, Sara Parker, State Librarian, and Bob Archibald, Executive Director of the Montana Historical Society.

GENERAL: Chairman Waldron told the committee that the fiscal leadership says the subcommittees are about \$40 million over current revenues. This figure assumes a 4%/4% Foundation Program funding which the LFA says is current level, the passage of the Legislative Feed Bill which will probably pass, and the Pay Plan passage.

This figure does not include any modifieds. That figure is approximately \$20 million. Also not included are any "cats and dogs" bills (miscellaneous appropriations bills) which amount to over \$100 million. Chairman Waldron said the ending fund balance should be included and that figure is \$15 million. Disregarding the modifieds and the cats and dogs, we are about \$55 million over our revenue assuming no revenue enhancements or revenue shifts.

Chairman Francis Bardanoue of the Appropriations Committee has asked that this subcommittee attempt to deduct about \$500,000 out of the Department of Institutions portion of the budget. Chairman Waldron said this is the only subcommittee that is under current level. At this point, we are about \$156,000 under the LFA's current level figure.

(057) Mr. Wolcott handed out a summary which shows where each subcommittee stands in relation to current level (Exhibit 1). He said the figure for the prison expansion of \$571,474 is in error. The LFA left out overtime and holiday overtime for the 75.5 FTE addition. That totals \$190,787 so the new figure should be \$380,689 for the prison expansion under current level. Mr. Wolcott also handed out a list of "soft spots" or places in the budget where the subcommittee left in portions of the budget which were suggested to be taken out either by the LFA or the OBPP (Exhibit 2).

Chairman Waldron said the way they figured we could take out \$500,000 was by adding up all of the soft spots for the Department of Institutions. Chairman Waldron said this portion of the budget is very tight and he could not see where we could take this additional money out. In particular, Chairman Waldron said Issue #3 on Exhibit 2 cannot be removed because security positions have to be filled at all times and they cannot realize a vacancy savings.

Regarding Issue #1, Chairman Waldron said we could trim that to one out-of-state placement for women inmates. Regarding Issue #2, Chairman Waldron said we could probably cut some of those positions but the relief operator for Warm Springs and the receptionist positions at Galen are really needed. He noted the State Hospital has been doing without the other position so, if necessary, they could do without these positions for two more years.

The last soft spot area in this subcommittee's budget is in the State Library, the LSCA funds. The subcommittee action sent LSCA funds out to the local libraries and used general fund for operations. We can replace that general fund with LSCA funds for some savings.

The other issue we should deal with is the request by Mr. South to put language in the bill to allow him to make transfers within the Corrections Division and within the Mental Health Division. This flexibility is used by all other state departments but, because each individual institution is treated as a state agency, this department does not have this flexibility. To accomplish this, the subcommittee would have to authorize a bottom line figure for each division. This allows the director to budget amend to transfer funds from one of the institutions to another, if necessary.

Mr. South said he wants this flexibility so, if an emergency arises in one institution which would cost more money than they are budgeted, he can look to the other institutions and, if one has some surplus funds, he can transfer those funds to the needy institution. Mr. South said this would only allow him to do as any other state director already has the power to do.

(168) Mr. South said he would set up an administrative appropriation based on action taken by this committee. That would allow them to budget amend subject to the budget amendment law. It would still have to go before

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the Senate Finance and Claims Committee and the OBPP to authorize such transfers. This is the only way under current law Mr. South could have the capability to transfer money between institutions.

Sen. Bengtson was afraid this would take away any control the legislature might have over the expenditures of state government. Chairman Waldron said we would still have legislative intent and the actions could still be tracked through SBAS and the LFA. The department would have to do a program transfer which could be tracked. Chairman Waldron said this flexibility is available for the Department of Social and Rehabilitation Services and the Department of Revenue and it has worked well.

DEPARTMENT OF INSTITUTIONS

Executive Action

Sen. BENGTON moved to include language to allow the flexibility for each division in the Department of Institutions to allow the director to make program transfers between programs within divisions if necessary.

There was some discussion regarding this issue. Chairman Bardanoue of the Appropriations Committee said he supports the transfer of funds within divisions.

Chairman Waldron requested a roll call vote be taken. Reps. MENAHAN and MILLER opposed the motion. All other members approved the motion. The motion PASSED.

(378) Sen. Aklestad said the department heads for the four department/agencies should have the opportunity to come up with what they feel are their soft spot areas and present this list to the committee. The committee could then make a more responsible decision on where the funds could be cut.

Mr. Wolcott noted that the Prison had almost 7% vacancy savings in FY 84. The committee action took about 1.54% vacancy savings for the entire Prison. This might be a possible area to trim the budget.

Sen. Bengtson said we should reexamine the vacancy savings and try to find the \$500,000 there.

Chairman Waldron said this subcommittee is already under current level and the other subcommittees are all over

current level. He did not care if he had to go back to the full Appropriations Committee and say, "My subcommittee doesn't have to go back (into the budgets) because we were tough to begin with."

Sen. Bengtson asked why the Youth Evaluation Program was not included as a soft spot. Chairman Waldron replied that it is included in the modifieds and we will not deal with modifieds here.

Current level maintains service and policies at last fiscal year's level by adding inflation of 4% between 84-85, 4.5% between 85-85, and 5% between 86-87.

Chairman Waldron said we could decrease inflation fairly easily but he does not want to do that here in case the full Appropriations Committee decides to do the same thing. Then the agencies covered by this subcommittee would be hit twice.

(476) Sen. Bengtson did not feel we should do anything on the soft spots right now. She would like to analyze the vacancy savings and inflation areas first. Sen. Aklestad wanted the department heads to bring in a list of what they feel are "fat" before making any more decisions. He felt they (the department heads) would be the best judges of where cuts could be made and where they can't.

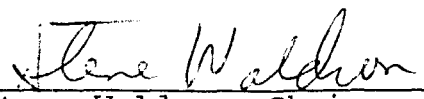
Sen. AKLESTAD moved to request the department heads for the four department/agencies covered by this subcommittee to make a list outlining their proposed soft spots for this subcommittee's review.

The motion PASSED unanimously.

The committee will reconvene tomorrow and look at this list.

Being no further business to come before this committee, the hearing was adjourned at 9:50 a.m.

Respectfully Submitted:


Steve Waldron, Chairman

SW/lt

Table 1
Subcommittee Summary
General Fund Status Report
As of February 26, 1985

Subcommittee	Fiscal 1986				Fiscal 1987				1987 Biennium Difference
	Executive Budget	LFA Current Level	Subcommittee Current Level	Subcommittees (Over)Under LFA Current Level	Executive Budget	LFA Current Level	Subcommittee Current Level	Subcommittees (Over)Under LFA Current Level	
General Government and Highways	\$ 61,166,309	\$ 44,812,080	\$ 47,487,502	\$ (2,675,422)	\$ 59,981,434	\$ 45,133,186	\$ 46,969,623	\$ (1,836,437)	\$ (4,511,859)
Human Services	88,147,487	81,282,445	86,418,139	(5,135,694)	96,068,265	85,087,357	89,013,342	(3,975,985)	(9,111,679)
Natural Resources	25,490,206	22,377,447	24,597,689	(2,220,242)	24,987,822	22,387,461	24,249,720	(1,862,259)	(4,082,501)
Institutions	64,134,734	64,283,578	64,307,100	(23,522)	63,570,719	64,862,191	64,681,893	180,298	156,776
Prison Expansion	962,864	1,166,581	810,086	356,495	1,902,874	1,823,700	1,608,721	214,979	571,474
Education	155,450,721	161,321,417	136,642,391	(650,574)	151,445,731	166,038,080	138,044,921	(1,306,841)	(1,957,415)
Subcommittee Total	\$395,352,321	\$375,243,548	\$360,262,907	\$ (10,348,959)	\$397,956,845	\$385,331,975	\$364,568,220	\$ (8,586,245)	\$ (18,935,204)
Subcommittee Modifieds									
1. General Government & Highways				\$ 5,983,734				\$4,314,777	
2. Human Services				748,271				2,384,028	
3. Natural Resources				9,588				7,100	
4. Institutions				413,328				428,801	
5. Education				5,020,254				2,654,767	
Modified Total				\$12,175,175				\$9,789,473	

EXHIBIT 1
March 5, 1985

Soft Spots
Institutions and Cultural Education Subcommittee

		- - - - Fiscal 1986 - - - -		- - - - Fiscal 1987 - - - -	
		<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
1.	<p><u>Women's Corrections--Out-of-state Placement -</u> The women's corrections facility at Warm Springs is a minimum to medium security facility. Therefore, maximum security women inmates must be incarcerated out-of-state in a maximum security facility. The 1987 biennium budget includes funding for two out-of-state placements at \$17,155 each. Currently there are no out-of-state placements.</p>	\$17,155	\$ -0-	\$17,155	\$ -0-
2.	<p><u>Montana State Hospital--Mechanic and Groundskeeper Positions -</u> These positions were converted from unneeded switchboard operator positions by the subcommittee. With the installation of a new phone system at the hospital, the switchboard at Galen, with its five operators, was no longer needed. The subcommittee approved the conversion of the operators to:</p> <p>1) 1.0 FTE relief operator at the Warm Springs switchboard, costing \$13,553 per year, 2) 1.5 FTE receptionists at the Galen main entrance, costing \$20,330 per year, 3) 1.0 FTE mechanic, costing \$19,946 per year, 4) 1.0 FTE groundskeeper, costing \$14,501 per year and 5) .5 FTE deleted, saving \$6,777 per year.</p>	\$34,327	\$ -0-	\$34,352	\$ -0-
3.	<p><u>Montana State Prison--Security Positions Vacancy Savings</u> The subcommittee took no vacancy savings on security positions at the prison, but approved \$207,925 in overtime each year to cover shifts when a post is vacant. With the overtime provided to cover shifts vacancies, vacancy savings can be applied to security positions."</p>	\$181,755	\$ -0-	\$203,510	\$ -0-

Soft Spots
Institutions and Cultural Education Subcommittee
Continued

	Fiscal 1986		Fiscal 1987	
	General Fund	Other Funds	General Fund	Other Funds
4. State Library--Federal Library Services and Construction Act (LSCA) funds can be used to support operations of the state library expenses related to service to local libraries. This option would use more federal LSCA funds to support library operations and reduce the general fund by a like amount. Grants to local libraries funded from LSCA funds would be reduced by \$21,518 in fiscal 1986 and \$36,885 in fiscal 1987.	\$ 21,518	\$ -0-	\$ 36,885	\$ -0-