

MINUTES OF THE MEETING
INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

January 30, 1987

The eighteenth meeting of the Institutions and Cultural Education Subcommittee was called to order in room 202-A of the state capitol by Chairman Miller on January 30, 1987 at 8:08 a.m.

ROLL CALL: All members were present as were Keith Wolcott, Senior Analyst for the Legislative Fiscal Analyst (LFA); Alice Omang, secretary; George Harris of the Office of Budget and Program Planning (OBPP); Carroll South, Director of the Department of Institutions; and various other visitors and representaives of the Department.

DEPARTMENT OF INSTITUTIONS:

Pine Hills School: Tape: 18-1-A:016

Mr. South introduced Allan Davis, Superintendent of the Pine Hills School, and Mike Devich, Business Manager. He stated that he was concerned about (1) modification for the population of 130, there being 131 at the school yesterday, and (2) the level of interest income that will be appropriated.

Mr. Harris outlined the OBPP's budget as per exhibit 1. He advised that interest income is another source of income that is not general fund, which comes from land titles, oil leases, etc., and the executive budget has the income at \$350,000 and the LFA has it at \$310,000.

Mr. Wolcott advised that there are several sources of income, i.e., cabin site leases, grazing fees, timber sales, oil and gas leases, etc. He indicated that this income seems to be dropping and they should probably wait until they have a more up-to-date projection, as there is no mechanism to make up a difference if they come in short.

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(140) Mr. Wolcott gave an overview of the LFA budget as per exhibit 2. He said that in going over this yesterday, they found that it was necessary to make some adjustments and he reviewed this with the committee as per exhibits 3 and 4. He explained that there is a 1.8 FTE (full-time equivalent employee) difference, which results from the executive deleting 3 FTEs and then adding for the population mod three cottage life attendants posts for the new cottage, which converts to 4.8 FTE, so a net increase of 1.8 FTE. The LFA requested current level.

There was some discussion of the proposal to place all youth programs under the Family Services Division and Mr. Davis said that he felt that all kids in the state of Montana tend to benefit, but he sees the probation officers being an important ingredient in the overall proposal.

There was further discussion on the goals of the Family Services Division, one of which would be to decrease the flow of youth to the Pine Hills facility, and there were some questions on the population increase at Pine Hills.

(490) Gene Huntington, Commissioner of the Department of Labor and Industry, informed the committee that at the county level, it becomes very difficult to untangle the funding for different programs, but in an effort to untangle it, the proposal is that the counties pay for the probation and the bill calls for the state to assume that program, the counties would give the money they are collecting to the state, but it would be frozen at the FY 87 level and any growth would be at state expense. He concluded though the Montana Association of Counties endorsed it, there were hundreds of calls from county commissioners who did not want to lose control over the county probation officers.

There was discussion and some controversy over the probation officers becoming state employees.

Tape: 18-1-B

Mr. Huntington commented that there are probation officers that are really concerned and he felt that at some time, there would be some way to integrate them into the system.

(60) There was consideration given to Representative Menahan's proposal that the older residents of Pine Hills (those 18 years or older) be transferred out and placed in the prison or some place else.

Mr. South contended that there are individuals that are not appropriate for a prison and they have to go somewhere and that is one of the reasons they are full at Pine Hills right now is that there is no place for them to go.

Dan Russell, Administrator of the Corrections Division, advised that in some other states, they have youthful offender acts and they address the youth from age 16 or 17 to 25, and he felt that this might be something that should be looked at in future sessions.

(290) Mr. Wolcott reviewed issues 2, 3, and 4 of exhibit 3 in operating expenses and issue 1 under funding.

Al Christianson, Fiscal Bureau Chief of Centralized Services Division of the Department of State Lands, advised that there were four sources of income at Pine Hills, which are grazing leases, agriculture leases, oil and gas leases, and investment earnings. He indicated that they have projected \$150,000 in investment earnings, approximately \$50,000 in grazing and agriculture leases in each year of the biennium, and the one unknown they have is the oil and gas leases. He continued that in FY 83 and FY 84, it was approximately \$110,000 each year and in FY 85 and FY 86, it was approximately \$140,000, but they see that as going down and down. When these leases come up for renewal every year, if the company decides they do not want it, they can just cancel it and there has been a dramatic downturn in that area, he said. He indicated they would guess it at approximately \$110,000.

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VACANCY SAVINGS: (411)

Mr. Wolcott informed the committee that they have been working on a method of applying vacancy savings to direct care positions and by next week, they should be able to calculate this.

There were explanations of how vacancy savings had been applied in the past and some consideration given as to what a definition of direct care would be and what would be considered direct care and comparable essentiality.

ADJOURNMENT: (645) There being no further business, the meeting adjourned at 9:30 a.m.



REPRESENTATIVE MILLER, Chairman



Alice Omang, Secretary

DAILY ROLL CALL

INSTITUTIONS AND CULTURAL EDUCATION SUB COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date January 30, 1987

NAME	PRESENT	ABSENT	EXCUSED
Rep. Miller, Chairman	✓		
Sen. Bengtson, Vice Chairman	✓		
Sen. Haffey	✓		
Sen. Tveit	✓		
Rep. Menahan	✓		
Rep. Menke	✓		

PINE HILLS SCHOOL

Exhibit 1
1/30/89
George Hannis
Pine Hills

S-201

Agency Summary Budget Detail Summary	Actual FY 1986	Budgeted FY 1987	Recommendation FY 1988 FY 1989	
Full Time Equivalent Employees	116.97	116.97	.00	.00
Personal Services	2,568,573.08	2,599,678	0	0
Operating Expenses	596,598.53	638,744	0	0
Equipment	14,517.06	0	0	0
Total Agency Costs	\$3,179,688.67	\$3,238,422	\$0	\$0
General Fund	2,594,333.63	2,707,216	0	0
State Special Revenue Fund	45,569.12	42,015	0	0
Federal & Other Spec Rev Fund	539,785.92	489,191	0	0
Total Funding Costs	\$3,179,688.67	\$3,238,422	\$0	\$0
Current Level Services	3,173,914.24	3,238,422	0	0
Modified Level Services	5,774.43	0	0	0
Total Service Costs	\$3,179,688.67	\$3,238,422	\$0	\$0

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.

Policy Issues

The Executive Budget recommends the establishment of a new Department of Family Services. Pine Hills School is a recommended part of the new department.

This budget section provides information on the current biennium's budget. For the proposed FY88 and FY89 budgets, please refer to the section dealing with the new Department of Family Services.

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Agency Summary Budget Detail Summary	Actual FY 1986	Budgeted FY 1987	Recommendation FY 1988 FY 1989	
Full Time Equivalent Employees	365.28	404.53	406.06	406.06
Personal Services	8,460,551.15	9,584,310	10,515,359	10,626,161
Operating Expenses	4,710,296.07	4,751,331	5,256,542	5,534,923
Equipment	63,802.77	713,850	105,850	121,854
Total Agency Costs	\$13,234,649.99	\$15,049,491	\$15,877,751	\$16,282,938
General Fund	10,410,158.62	11,792,935	12,756,670	12,963,206
State Special Revenue Fund	786,089.62	780,201	1,035,720	1,124,809
Federal & Other Spec Rev Fund	125,541.38	91,292	119,851	120,047
Proprietary Fund	1,912,860.37	2,385,063	1,965,510	2,074,876
Total Funding Costs	\$13,234,649.99	\$15,049,491	\$15,877,751	\$16,282,938
Current Level Services	13,135,399.94	15,049,491	15,827,593	16,232,388
Modified Level Services	99,250.05	0	50,158	50,550
Total Service Costs	\$13,234,649.99	\$15,049,491	\$15,877,751	\$16,282,938

Agency Description

The mission of the Montana State Prison is to provide facilities for the custody, treatment, training and rehabilitation of adult criminal offenders. The Prison staff provides treatment programs to aid rehabilitation including: a program of vocational education, on-the-job training, work experience, sports and hobby programs, music programs, self-help groups and alcohol and drug abuse programs. The Prison

Ranch and Dairy provides produce and dairy products to state institutions and other state agencies. The Prison also operates a plant that produces Montana's license plates. In addition, the Prison Industries Program staff provides vocational training for inmates. An expanded industries training program provides additional training opportunities for inmates. The location and function of the prison is provided for in 53-30-101 MCA.

CARE & CUSTODY Budget Detail Summary	Actual FY 1986	Budgeted FY 1987	Recommendation FY 1988 FY 1989	
Full Time Equivalent Employees	340.53	379.78	382.31	382.31
Personal Services	7,736,005.98	8,911,672	9,661,740	9,765,265
Operating Expenses	2,663,674.37	2,878,725	3,039,799	3,158,072
Equipment	32,263.27	0	25,000	25,000
Total Program Costs	\$10,431,943.62	\$11,790,397	\$12,726,539	\$12,948,337
General Fund	10,262,152.33	11,647,467	12,580,343	12,802,141
State Special Revenue Fund	51,424.18	51,638	51,424	51,424
Federal & Other Spec Rev Fund	118,367.11	91,292	94,772	94,772
Total Funding Costs	\$10,431,943.62	\$11,790,397	\$12,726,539	\$12,948,337
Current Level Services	10,431,943.62	11,790,397	12,726,539	12,948,337
Total Service Costs	\$10,431,943.62	\$11,790,397	\$12,726,539	\$12,948,337

Program Description

The Care and Custody Program staff use the personnel, procedures, and material available to provide maximum control, retainment, and protection of prisoners. The prison's administrative, treatment and educational services are budgeted in this program.

Budget Issues

In FY86 the Montana State Prison was budgeted for 340.53 FTE. With the new expansion complete, FY87 was budgeted for 379.78 FTE. This budget recommendation is for 382.31 FTE in FY88 and FY89. The difference is accounted for by two actions. First, 3.87 FTE are recommended to be deleted in an effort to meet the budget reductions applied by the June 1986 Special Session. This results in a savings of over \$82,000 each year of the 1989 biennium. Secondly, because of an increase in the average daily population (ADP), an

increase of 6.40 FTE is recommended to handle the increased workload. These additional positions cost roughly \$126,000 each year of the biennium.

The staffing of prison security positions is based upon covering specified posts regardless of any vacancy savings. Also, the ever rising prison population mandates adequate security personnel at all times. The department conducted an analysis of all security personal services at the prison and determined that the FY86 actual rate of vacancy savings was 1.68%. Consequently, a 1.68% vacancy savings is recommended for the security personnel in this program. The remaining personnel in the care and custody program received a 4% vacancy savings factor.

During FY86 the ADP at the Montana State Prison was 907.18. By August of 1986 the ADP had risen to 925. The prison was budgeted for an ADP of 800 for FY86 and

Special Session. The resulting cost savings exceeded \$102,000.

Population increases at the school have necessitated adding 4.80 FTE to cover another post and opening another cottage at the facility. The personal services costs for these FTE are over \$86,000 each year. The population has increased from a budgeted level of 45 average daily population (ADP) to an anticipated population of 70 each year of the 1989 biennium.

Mountain View was budgeted for 64.49 FTE each year of the 1987 biennium. HB667 added 5.16 FTE for the detention center, increasing the total to 69.65 FTE. The reduction of the 1.8 FTE for budget base adjustments, the deletion of the 5.16 FTE for the detention center and the increase of 4.8 FTE for the population increase nets to our recommendation of 67.49 FTE for each year of the 1989 biennium.

A 4% vacancy savings factor is recommended for Mountain View School.

The actual FY86 population (ADP) at Mountain View was 56. The September 1986 population report shows an ADP of 61.3 residents in early FY87. The anticipated population of 70 young women at the school dictates the opening of a vacant cottage (Aspen). This cottage can house 14 residents. Management has determined that if they carefully screen the residents, they can single staff the coverage at the Aspen cot-

tage. This action will allow the school to accommodate the 70 residents and leave an additional three beds vacant. The capacity of each cottage can be summarized as follows:

Cottage	Capacity
Spruce	25
Maple	25
Cottonwood	9
Aspen	14
Total	73

The operational budgets have been increased approximately \$28,000 each year in variable costs for the increased population.

The combined increase of personal services and operational adjustments is \$111,179 in FY88 and \$112,273 in FY89.

Other operational increases are attributable to additional audit fees, inflationary adjustments, and food. This budget recommendation does not include the agency's request for increased janitorial service contracts or increases to offset inventory depletion. The operational costs associated with the youth detention center have been removed from this budget.

Funding: The funding for federal boarder reimbursements reflects a three year average. The school lunch funds were also adjusted to reflect a three year average.

PINE HILLS Budget Detail Summary

	Actual FY 1986	Budgeted FY 1987	Recommendation FY 1988	FY 1989
Full Time Equivalent Employees	.00	.00	118.77	118.77
Personal Services	0.00	0	2,765,373	2,779,705
Operating Expenses	0.00	0	678,612	678,737
Equipment	0.00	0	605	450
Total Program Costs	\$0.00	\$0	\$3,444,590	\$3,458,892
General Fund	0.00	0	2,809,366	2,823,577
State Special Revenue Fund	0.00	0	59,169	59,260
Federal & Other Spec Rev Fund	0.00	0	576,055	576,055
Total Funding Costs	\$0.00	\$0	\$3,444,590	\$3,458,892
Current Level Services	0.00	0	3,444,590	3,458,892
Total Service Costs	\$0.00	\$0	\$3,444,590	\$3,458,892

Program 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.

Reorganization

The total budget for Pine Hills was moved to the new Department of Family Services. Added to the current level budget were related medical costs of \$41,924 per year for FY88 and FY89. These medical costs came from the medical program within the Corrections Division.

Under the new department, Pine Hills will have "program" status rather than "agency" status as is currently the case.

Budget Issues

Pine Hills was budgeted for 116.97 FTE each year of the 1987 biennium. This budget recommendation makes two adjustments to this level of personal services. First, 3.00 FTE were deleted as base adjustments in order to meet the budget reductions of the June 1986 Special Session of the legislature. This reduction saves over \$58,000 in FY88 and FY89. Secondly, a serious population increase has necessitated an increase of 4.80 FTE to provide services for 32 more youth offenders in FY88 and 42 more offenders in FY89. The personal services and operating costs for these additional 4.80 FTE is approximately \$100,000 each year. The total FTE requested is 118.77 in FY88 and FY89.

A 4% vacancy savings factor has been applied to all personal services within this budget.

Population Increase: During the 1987 biennium, Pine Hills was budgeted for an average daily population (ADP) of 88 residents whose average length of stay based upon FY 84 data was 6.5 months. During FY85, the ADP rose to 98.53

residents. In FY86, the ADP rose to 119.9 residents whose average length of stay rose to 9.0 months.

Until February 1986, the agency housed the residents in five lodges with a combined capacity of 115 youth offenders. Because of the increased population, the Crazy Horse lodge was refurbished and opened in February of 1986. The cost of this renovation was absorbed within the agency's current level budget.

This lodge will house an additional 16 residents, requiring single staff coverage of 4.8 FTE. The anticipated ADP for FY88 is 130 and 130 for FY89.

The majority of the increased operational costs are attributable to audit fees, inflationary adjustments and the increased population.

The interest and income funding at Pine Hills has generated a three year average of \$350,000 per year. These funds appear to be stable as a major portion of them are derived from trust and legacy interest earnings.

The federal boarder reimbursement funding is also recommended based upon a three year average of actual receipts.

AFTER CARE SERVICES Budget Detail Summary	Actual	Budgeted	Recommendation	
	FY 1986	FY 1987	FY 1988	FY 1989
Full Time Equivalent Employees	.00	.00	6.00	6.00
Personal Services	0.00	0	158,062	158,116
Operating Expenses	0.00	0	240,986	240,986
Equipment	0.00	0	36,071	29,138
Total Program Costs	\$0.00	\$0	\$435,119	\$428,240
General Fund	0.00	0	432,319	425,440
Federal & Other Spec Rev Fund	0.00	0	2,800	2,800
Total Funding Costs	\$0.00	\$0	\$435,119	\$428,240
Current Level Services	0.00	0	435,119	428,240
Total Service Costs	\$0.00	\$0	\$435,119	\$428,240

Program Description

The Aftercare program provides community supervision for youths who are released from correctional facilities or committed by the courts. The mission of aftercare is to assist youths adjudicated as juvenile delinquents or youth in need of supervision to become well-adjusted, productive members of society. Four aftercare group homes are operated to pro-

vide less restrictive alternatives to institutional placement of youthful offenders.

Reorganization

Several aftercare functions are transferred from the Corrections Division within the Department of Institutions to the new Department of Family Services.

FUNCTION	FTE	FY88	FY89
Aftercare Counselors	6.00	\$174,319	\$174,373
Aftercare Group Homes	0.00	246,797	239,864
Individual Living	0.00	5,530	5,530
Interstate Compact	0.00	915	915
Aftercare Hearings	0.00	1,631	1,631
Educational Programs	0.00	5,927	5,927
TOTAL	6.00	\$435,119	\$428,240

There were no major changes made to these budgets which reflect current level.

YOUTH EVALUATION Budget Detail Summary	Actual	Budgeted	Recommendation	
	FY 1986	FY 1987	FY 1988	FY 1989
Full Time Equivalent Employees	.00	.00	6.00	6.00
Personal Services	0.00	0	120,122	120,003
Operating Expenses	0.00	0	25,595	25,595
Equipment	0.00	0	2,156	856
Total Program Costs	\$0.00	\$0	\$147,873	\$146,454
General Fund	0.00	0	147,873	146,454
Total Funding Costs	\$0.00	\$0	\$147,873	\$146,454
Current Level Services	0.00	0	147,873	146,454
Total Service Costs	\$0.00	\$0	\$147,873	\$146,454

Program Description

The Youth Evaluation Program provides 45-day evaluation of youths aged 10-17 who have been referred by the youth

court system. These services are provided in a less restrictive environment than that of Montana's youth correctional institutions. Program clientele are typically younger minor

EXH. 011
1/30/87
K. Wolcott

PINE HILLS SCHOOL

	FTE FY '89	----- Biennium ----- General Fund	----- Total Funds
Executive Budget	118.77	\$5,632,943	\$6,903,482
LFA Current Level	116.97	5,489,828	6,588,701
Executive Over (Under) LFA	<u>==1.80</u>	<u>\$ 143,115</u>	<u>\$ 314,781</u>

The executive budget is \$314,781 over the LFA current level. The differences in total funding are due primarily to the addition of staff and operating costs for an average daily population of 130 compared to the current level of 120, and the addition by the executive of medical costs of \$41,924 each year as part of the Pine Hills School budget in the proposed Department of Family Services. The following issues reflect the major differences between the executive budget and current level.

ISSUE 1: 3.0 FTE DELETED

The executive deleted a 1.0 FTE maintenance worker, a 1.0 FTE food service worker, and a 1.0 FTE stock clerk that were retained in the current level analysis costing \$117,289 over the biennium.

ISSUE 2: 4.8 FTE ADDED

The executive added 4.8 cottage life attendants for an estimated average daily population of 130 compared with the current level analysis of 120 average daily population. The additional staff cost \$171,155 over the biennium.

ISSUE 3: HIGHER EMPLOYEE BENEFITS

The executive has increased employee benefits \$40,660 in addition to the increased staff. The staffing difference between the executive and the LFA current level amounts to \$9,964 over the biennium. The total benefits difference amounts to \$50,624 for the biennium.

ISSUE 4: HIGHER EMPLOYEE HEALTH INSURANCE

The executive recommends 1.8 FTE more than LFA current level, which would add \$2,760 of insurance benefits each year. However, the executive insurance amounts to \$27,600 more than the LFA current level or the equivalent of insurance benefits for 10 more FTE per year.

ISSUE 5: HIGHER OPERATING COSTS DUE TO POPULATION INCREASE

Operating costs are \$16,939 per year higher in the executive budget for an additional average daily population of 10 youth. Other minor differences amount to \$3,300 where the executive is over the LFA current level.

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PINE HILLS SCHOOL

Budget Item	Actual	Appropriated	- - Current Level - -		% Change
	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989	1987-89 Biennium
F.T.E.	116.97	116.97	116.97	116.97	0.00
Personal Service	\$2,568,577	\$2,599,678	\$2,704,355	\$2,717,207	4.9
Operating Expense	596,603	650,266	616,572	636,607	0.5
Equipment	14,517	-0-	2,255	2,705	(65.8)
Total Expenditures	\$3,179,697	\$3,249,944	\$3,323,182	\$3,356,519	3.9
Fund Sources					
General Fund	\$2,594,337	\$2,718,738	\$2,728,291	\$2,761,537	3.3
State Special	45,571	42,015	59,169	59,260	35.2
Federal Revenue	539,789	489,191	535,722	535,722	4.1
Total Funds	\$3,179,697	\$3,249,944	\$3,323,182	\$3,356,519	3.9

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, MCA, 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. However, due to the sharp increase in the institution's population, during fiscal 1986, the institution opened an old cottage to house the additional population, which reached a high of 135 students in May 1986. The average daily population at the facility was 120 with an average length of stay of 9 months. The fiscal 1986 current level budget was for an average daily population of 88 with an average length of stay of 6.5 months. The 1989 biennium current level is based on an average daily population of 120 students.

The school budget increases 4.1 percent over the 1987 biennium primarily due to the personal services increase of 4.9 percent. The personal services increase is due to vacancy savings achieved in fiscal 1986 and to increases in the workers' compensation rates, which increase 12.4 percent in the 1989 biennium. Operating costs increase 0.5 percent due mostly to inflation.

State special revenue increases 35.2 percent to allow sufficient authority in the school's canteen.

Fiscal 1986: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1986 actual expenditures and funding to allocations as anticipated by the 1985 legislature.

Table 1
Comparison of Actual Expenses to Appropriated Expenses

<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
F.T.E	116.97	116.97	0.00
Personal Service	\$2,570,433	\$2,562,851	\$ 7,582
Operating Expense	624,729	596,553	28,176
Equipment	<u>14,629</u>	<u>14,517</u>	<u>112</u>
Total Expenditures	<u>\$3,209,791</u>	<u>\$3,173,921</u>	<u>\$ 35,870</u>
<u>Funding</u>			
General Fund	\$2,679,246	\$2,594,337	\$ 84,909
State Special	42,053	45,571	(3,518)
Federal and Other	<u>488,492</u>	<u>534,013</u>	<u>(45,521)</u>
Total Funds	<u>\$3,209,791</u>	<u>\$3,173,921</u>	<u>\$ 35,870</u>
<u>Additions</u>			
EICA Title I	<u>\$ 8,790</u>	<u>\$ 5,776</u>	<u>\$ 3,014</u>

The school had personal service savings of \$7,582 in addition to the Governor's cuts of \$43,433 and budgeted vacancy savings of \$104,078. These savings were generated by vacant stock clerk positions, a warehouse foreman position that was vacant more than half of the year, turnover and vacancies of cottage life attendants, savings in teachers' salaries, and vocational instruction personnel turnover. Operating costs were \$28,176 less than anticipated after the Governor's cuts of \$10,946. The bulk of these savings, totaling \$30,617, was generated in utilities due to lower natural gas rates. Supplies and materials were overspent \$9,848 primarily in the food categories, and were offset by savings in repair and maintenance of \$9,464. Merchandise for resale in the school's canteen was \$3,758 more than authorized while other expenses were \$2,497 less than authorized.

The general fund had savings of \$84,909 plus the Governor's cuts of \$54,678 for a total of \$139,587. State special revenue funds were overexpended \$3,518, which required a supplemental request for the canteen. Federal and other revenue were \$45,521 more than the authorized. This reduction in general fund is in compliance with Section 3 of House Bill 500, 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. The agency has submitted the required accounting documents reducing the general fund \$59,298 and increasing interest and income funds \$35,198 and school lunch funds \$24,100.

The school received a budget amendment for ECIA Title I funds of \$8,790, increasing the total Title I authority to \$90,850. The school spent \$5,776 of the budget amended funds in addition to \$75,380 of the Title I appropriation.

Current Level Adjustments

Consultant and professional services were reduced \$9,271 based on the agency's request. Audit costs of \$1,478 were reduced from the base as the audit costs have been transferred to the central office of the Department of Institutions for the 1989 biennium. Clothing and personal supplies were reduced \$4,000 to the level spent in previous years plus adjustments for a 36 percent increase in population. Chemicals costing \$1,000 for the boilers were added in fiscal 1989 only. Natural gas was increased \$4,379 to accommodate the reopening of a cottage due to the expanded population. The self-supporting canteen was increased \$10,942 to allow sufficient authority to meet the anticipated demand. Other minor adjustments amount to less than one percent. Equipment of \$2,255 in fiscal 1988 and \$2,705 in fiscal 1989 include a replacement television set each year, a replacement clothes dryer each year and a heavy duty washer in fiscal 1989, and a mobile radio unit each year of the biennium.

Funding

The general fund increases 3.3 percent into the 1989 biennium primarily due to the increases in personal services. Alcohol funds of \$29,669 in fiscal 1988 and \$29,760 in fiscal 1989 are included to fund an alcohol counselor. Donations were increased from \$4,000 each year of the 1987 biennium to \$4,500 each year of the 1989 biennium. The canteen funds are included at \$25,000 each year. Federal school food reimbursement is included at \$90,000 each year based on 111 breakfast meals per day at 85 cents and 111 lunches per day at \$1.375. Federal boarder reimbursement is included at \$54,020 each year based on two federal boarders at \$74 per day. ECIA Chapter I funds are included at \$80,802 each year and the ECIA Chapter II funds are \$900 each year of the biennium. The school's land grant income is included at \$310,000 each year of the biennium.

MONTANA STATE PRISON
COMPARISON OF EXECUTIVE BUDGET AND LFA CURRENT LEVEL

	FTE FY '89	Biennium	
		General Fund	Total Funds
Executive Budget	406.06	\$25,719,876	\$32,160,689
LFA Current Level	401.53	24,764,616	31,483,428
Executive Over (Under) LFA	<u>4.53</u>	<u>\$ 955,260</u>	<u>\$ 677,261</u>

The executive budget includes \$955,260 more general fund than LFA current level. Total funds are \$677,261 over the LFA current level. The executive recommends 4.53 FTE over the LFA current level. The major differences between the executive budget and LFA current level are discussed in the following issues.

CARE AND CUSTODY

ISSUE 1: ADDITIONAL STAFFING

The executive budget adds 6.4 FTE for an estimated increase in the prison population to 968 inmates in fiscal 1988 and 990 in fiscal 1989. These FTE cost approximately \$316,890 more than the LFA current level.

ISSUE 2: DELETED FTE

The executive deletes 3.87 FTE to account for not funding the 1987 program. These FTE remain in the LFA current level and cost approximately \$206,230 over the 1989 biennium.

ISSUE 3: VACANCY SAVINGS

The executive budget applies 1.68 percent vacancy savings to prison security staff and 4 percent to other staff compared with the LFA current level vacancy savings rate of 4 percent for all staff. The overall savings difference amounts to \$212,056 more in the LFA current level.

ISSUE 4: OPERATING COSTS

The executive budget adds \$488,000 for the 1989 biennium for costs associated with increasing the average daily inmate population to 990 by fiscal 1989.

ISSUE 5: EQUIPMENT PURCHASES

The executive budgets \$25,000 for equipment each year. There is no equipment in the LFA current level which makes the executive budget \$50,000 over LFA current level for the 1989 biennium.

Exhibits 3
1/30/87
K. Wolcott
Pine Hills

AGENCY: DEPARTMENT OF FAMILY SERVIC LEGISLATIVE ACTION PROGRAM: PINE HILLS SCHOOL

BUDGET ITEM	FY 1986 Actual	Fiscal 1988		Fiscal 1989		FY 86-88 % Change
		Executive Current Level	Difference	Executive Current Level	Difference	
FTE	116.97	118.77	1.80	116.97	1.80	0.00
Personal Services	\$2,568,577	\$2,765,373	\$61,018	\$2,779,705	\$62,498	0.05
Operating Expenses	\$596,603	\$678,612	\$62,040	\$636,607	\$42,130	0.03
Equipment	\$14,517	\$605	(\$1,650)	\$450	(\$2,255)	-0.84
TOTAL EXPENSES	\$3,179,697	\$3,444,590	\$121,408	\$3,356,519	\$102,373	0.05
=====						
FUNDING						
General Fund	\$2,594,337	\$2,809,366	\$81,075	\$2,823,577	\$62,040	0.05
State Special Rev	\$45,571	\$59,169	\$0	\$59,260	\$0	0.30
Federal Revenue	\$539,789	\$576,055	\$40,333	\$535,722	\$40,333	-0.01
TOTAL FUNDING	\$3,179,697	\$3,444,590	\$121,408	\$3,356,519	\$102,373	0.05
=====						

Personal Services

- The executive deleted a 1.0 FTE stock clerk, a 1.0 FTE maintenance worker, and a 1.0 FTE cook that remain in the LFA current level costing \$58,516 in fiscal 1988 and \$58,773 in fiscal 1989.
- The executive added three cottage life attendant posts or 4.8 FTE costing \$82,035 in fiscal 1988 and \$82,279 in fiscal 1989.

Operating Expenses

- The executive includes \$12,096 for audit fees that have been appropriated in the central office in previous subcommittee action.
- The executive includes current level medical costs of \$41,923 and \$3,064 medical costs associated with the population modification each year that are not included in the LFA current level.
- The executive includes \$17,427 in fiscal 1988 and \$17,845 in fiscal 1989 for the population modification increasing the average daily population to 130.
- The executive reduced repair and maintenance \$2,813 each year for one-time expenditures in the base which remain in the LFA current level.

Funding

1. The executive includes \$40,000 more each year for interest and income being that the LFA current level

RT EBSR106
 : 01/03/87
 : 17/01/55

ICY : 6408 PINE HILLS SCHOOL
 RAM : 04 CARE & CUSTODY DEPARTMENT
 ROL : 00000

OFFICE OF BUDGET & PROGRAM PLANNING
 EXECUTIVE BUDGET SYSTEM
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

Exhibit 4
 1/30/87
 K Wolecott
 Pine Hills

LINE	DESCRIPTION	CURRENT LEVEL SERVICES ONLY			
		OBPP FY 88	LFA FY 88	DIFF FY 88	SUB-CMT FY 88
0	FULL TIME EQUIVALENT (FTE)	116.77	116.97	1.80	---
0	SALARIES	2,248,951	2,225,817	23,134	---
0	EMPLOYEE BENEFITS	449,612	413,963	35,649	---
0	HEALTH INSURANCE	169,740 169,740	166,980	2,760	---
0	VACANCY SAVINGS	-113,970	-109,994	(3,976)	---
0	TOTAL SECOND LEVEL	2,754,333	2,708,415	45,918	---
0	SUPPLIES & MATERIALS-INFLATION	8,133	7,292	841	---
23	COMMUNICATIONS-INFLATION	69	69	0	---
26	UTILITIES-INFLATION	12,902	12,902	(12,902)	---
00	CONTRACTED SERVICES	99,591	42,207	57,384	---
00	SUPPLIES & MATERIALS	246,273	228,227	18,046	---
00	COMMUNICATIONS	36,670	36,543	127	---
00	TRAVEL	6,738	6,781	(43)	---
00	RENT	2,646	2,646	0	---
00	UTILITIES	199,859	199,450	409	---
700	REPAIR & MAINTENANCE	31,698	34,511	(2,813)	---
800	OTHER EXPENSES	21,935	20,944	991	---
900	GOODS PURCHASED FOR RESALE	25,000	25,000	0	---
	TOTAL SECOND LEVEL	678,612	616,572	62,040	---
100	EQUIPMENT	605	2,255	(1,650)	---
	TOTAL PROGRAM	3,444,590	3,323,182	121,408	---
1100	GENERAL FUNDS	1,809,366	2,728,291	918,925	---

2,779,705
 2,760,665
 13,466

118.77
 2,244,927
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 169,740
 -114,502

7,509
 11,729
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 26,592
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1.80
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 (26,592)
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 62,040

#18

VISITOR'S REGISTER

INSTITUTIONS

SUBCOMMITTEE

AGENCY(S) Dept. of Institutions

DATE January 30, 1987

DEPARTMENT Pine Hills

NAME	REPRESENTING	SUP- PORT	OP- POSE
<i>Dave Depon</i>	<i>DWER</i>		

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IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.