EXHIBIT 6
DATE 4-6-05
SB 477

MISSOULA COUNTY
PROJECTED PER DIEM RATES USING CURRENT AGREED UPON FORMULA

	2003*	2004**	2005**
Current Per Diem Rate	$ 43.88	$ 43.88	$ 43.88
Per Diem Rate - Formula Based	$ 43.88	$ 48.05	$ 50.64
Budgeted ADP ***	138	138	138
Operating Days	365	365	365
Total Revenue	$ 2,210,236	$ 2,420,279	$ 2,550,737
Deficit in State Contract	**n/a**	**$ 210,043**	**$ 340,501**
Depreciation included above ****	62,457	62,466	53,054
Per Diem rate related to depreciation	$ 1.24	$ 1.24	$ 1.05

increase due to personal salaries + fringe

* - the 2003 per diem rate is based on a formula agreed upon by the Department of Corrections. The formula is based on budgeted costs and is similar to what we would want written into the administrative rules under SB477.

** - the 2004 and 2005 per diem rates are calculated using the same formula as 2003, updated for budgeted costs of each fiscal year. This results in a deficit of $210,043 for fiscal year 2004 and $340,501 for fiscal year 2005.

*** - ADP (average daily population) is held at the FY2003 budgeted costs. Actual ADP in 2004 and 2005 were less than 138, which would also increase the deficit, but those costs are ignored in this analysis.

**** - The 2003 per diem formula includes depreciation on start-up equipment that DOC did not contribute to during the initial construction.

SB477 - Per diem rate for persons in staste portion of regional correctional facility

Fiscal Note Comments

Assumption 3. If rules were written that included additional capital costs:

DOC Depreciation Allocation

Total Building Basis	$	22,165,133
Less Construction Contribution		(5,423,396)
Depreciable Basis		16,741,737
Useful life		39 years
Annual Depreciation	$	429,275
Total Common Areas Net Square Footage		32,929
Total Facility Net Square Footage		117,967
Common Areas as Percentage of Total Square Footage		27.913739%
Depreciation Attributable to Common Areas	$	119,827
Common Areas Allocated to DOC		12,336
Total Common Areas Square Footage		32,929
		37.462419%
Common Area Depreciation allocated to State	**$**	**44,890**
Effect on Per Diem	**$**	**0.89**

For the Missoula facility, additional capital costs that could be interpreted to be required to be included in the rulemaking process totals $44,890 annually versus a current contract value of $2,210,236.

Assumption 4. Discrepancy between current per diem and regional prison request

Missoula County Regional Prison

Current per diem rate	$	43.88
Per diem rate calculated with the 2003 formula for FY05	$	50.64
Variance in per diem rates	**$**	**6.76**
Deficit in state contract	**$**	**340,501**

DEPARTMENT OF CORRECTIONS
MONTANA STATE PRISON

JUDY MARTZ, GOVERNOR

CONLEY LAKE ROAD

STATE OF MONTANA

(406) 846-1320
FAX (406)846-2950

DEER LODGE, MONTANA 59722

RECEIVED
JUL 03 2002
Board of
County Commissioners

July 1, 2002

Board of County Commissioners
200 W Broadway St
Missoula Mt. 59802-4292

To Board of County Commissioners:

Due to budget cuts the Governor has ordered, the Department of Corrections will reduce per diem rates effective 7-1-02. The Governor has ordered that we implement reductions now. She has called a Special Session to begin August 5th to address additional shortfalls. Due to this the per diem effective July 1st, 2002 will be reduced by $2.63/day/inmate.

Sincerely,

Patrick Smith - Contract Placement Bureau Chief
Department of Corrections

cc: Susan Hintz, Detention Center
Mike McMeekin, Sheriff
Mike Mahoney , MDOC
Joe Williams, MDOC

DEPARTMENT OF CORRECTIONS
MISSOULA ASSESSMENT
AND
SANCTION CENTER

Judy Martz, Governor

2340 Mullan Road

STATE OF MONTANA

Dan Maloughney
MASC Administrator
(406) 258-4021
FAX (406) 258-4079

Missoula, MT 59808

TO: Sheriff Mike McMeekin

DATE: May 11, 2004

RE: FY 2005 Per- Diem Rate

Sir,

On behalf of Mike Ferriter, Community Corrections Division Administrator and Pat Smith Contract Placement Bureau Chief, I have been asked to notify you that the DOC Management Team discussed the per-diem rates at their May 5, 2004 meeting and the Team determined that the rate would remain the same for FY 2005.

Mr. Ferriter is currently out of state and will not be back until May 17, 2004. If you would like to discuss this matter, please contact Mr. Ferriter after that date.

Sincerely

Dan Maloughney
MASC Administrator

c. Captain Hintz
Jan Dietz
Mike Ferriter
Pat Smith
Director Bill Slaughter
Joe Williams