

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
59th LEGISLATURE - REGULAR SESSION**

**JOINT APPROPRIATIONS SUBCOMMITTEE ON CORRECTIONS AND PUBLIC
SAFETY**

Call to Order: By **CHAIRMAN TIM CALLAHAN**, on February 4, 2005 at
8:00 A.M., in Room 317-A Capitol.

ROLL CALL

Members Present:

Rep. Tim Callahan, Chairman (D)
Sen. Trudi Schmidt, Vice Chairman (D)
Sen. Steven Gallus (D)
Rep. Ray Hawk (R)
Rep. Cynthia Hiner (D)
Rep. John E. Witt (R)

Members Excused: Sen. Keith Bales (R)

Members Absent: None.

Staff Present: Brent Doig, OBPP
Harry Freebourn, Legislative Branch
Shannon Scow, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion
are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 2; Department of Corrections,
Continued Discussion of Contract
Bed Expansion
Executive Action: None

Department of Corrections: Contract Beds Expansion Options

**{Tape: 1; Side: A; Approx. Time Counter: 0 - 15.6; Comments;
Opening Questions}**

Mr. Freebourn stated that today the committee will hear more from the Department of Corrections (DOC) concerning secure care expansion options. The committee also needs to clarify rate increases for pre-release centers and the regional prisons that were approved during the DOC executive action. What was approved was a 2% increase the first year, which would then stay flat for the second fiscal year. However, there was confusion whether the committee preferred a 2% increase the first year and another 2% increase the second year. The approved motion was for a 2% increase the first fiscal year (FY) and a flat rate the second. The second option is shown on Exhibit 1.

EXHIBIT (jch28a01)

SEN. GALLUS commented that the motion he had presented, which was approved by the committee, was a 2% increase the first year and a 2% increase the second year as shown in Exhibit 1. This would be a 4% overall increase. **Mr. Freebourn** stated that if this was the intent of the committee, then a new motion will be needed to correct these rates at the executive action.

SEN. SCHMIDT addressed the committee about how other states are looking at performance standards and measures. She stated that other states follow-up on the status of an offender two years after their period of supervision was imposed. This gives a clear indication of how people are progressing in stages of their corrections. She feels a similar measure could be performed by the DOC during the interim. An example of performance standards and measures is in Exhibit 2.

EXHIBIT (jch28a02)

Joe Williams, Department of Corrections, replied that he does put performance measures into their annual report. He indicated that he will work with the DOC advisory council and administration to put a measurement together for the legislature to help them with their decision.

REP. WITT inquired if the committee could discuss a per diem increase at the Corrections Corporation of America (CCA) facility in Shelby when the pre-release and regional prison per diem are revisited.

CHAIRMAN CALLAHAN opened the floor to public comment.

Public Testimony

{Tape: 1; Side: A; Approx. Time Counter: 8.6 - 14.5}

Jim MacDonald, Warden at Crossroads Correctional Facility managed by CCA, informed the committee of the CCA per diem issue in response to the question by REP. WITT. He stated the issue is that CCA has taken a dip in their revenues since 2002 because of \$2.63 per diem which was taken away from contract beds. This is due to the budgetary shortfall experienced by the State of Montana. The State also took away nearly half of the CCA prison population. The per diem was reinstated to its original level in 2003, without an increase to compensate for inflation. CCA has seen no further raise, despite a 3% increase that is built into their contract. CCA strives to reach the Consumer Price Index (CPI) per diem, but the Montana per diem is 4% from the CPI number (Exhibit 3). In addition, CCA has been hurt because they give salary increases each year to their employees no matter what the case. They have also increased the starting wage to stay competitive in the hiring market. His request to the committee is to keep to the contracted 3% annual increase.

EXHIBIT (jch28a03)

SEN. SCHMIDT asked, "When did CCA increase the starting wage by 19%?" **Mr. MacDonald** replied that the wage was increased in July 2004. It is now the same starting wage that is paid at Montana State Prison (MSP).

Additional Options for Secure Bed Expansion

Bill Slaughter, Director of Department of Corrections, informed the committee that three more expansion options have been prepared. Many were involved in creating these options: DOC staff, CCA, prisons in other states, the budget committee, and the Governor's Office. He hoped that the committee will feel confident in the chosen option.

{Tape: 1; Side: A; Approx. Time Counter: 19 - 22.2; Comments: Option 5A}

Mr. Williams explained that the three new options are variations from Option 5, described in the January 31 meeting. Option 5 included the eviction of the U.S. Marshal beds, expanding pre-release bed count by 287, creating an additional 152 beds in Cascade County Regional Prison, and creating a revocation center

for probation violators at the old reception center at MSP. The variation of Option 5A, shown in Exhibit 4, is an additional free-standing regional prison anywhere in the state. The cost would be the same for the biennium, but the construction costs would rise from \$10 million to \$20 million.

EXHIBIT(jch28a04)

{Tape: 1; Side: A; Approx. Time Counter: 22.2 - 25; Comments; Option 5B}

Option 5B, shown in Exhibit 5, allows for a 256-bed facility to be built across the street from the correctional facility in Galen, Montana. The construction cost would be \$26,430,019. The per diem would be \$69.36 and would cater to special-needs inmates of all security levels. Part of this daily fee would be debt service. After 20 years the land and the building would be signed over to the State.

EXHIBIT(jch28a05)

{Tape: 1; Side: A; Approx. Time Counter: 25 - 27.3; Comments; Option 5C}

Option 5C, shown in Exhibit 6, allows the U.S. Marshal to remain at Crossroads Correctional Facility. This allows the construction of the Galen campus as described above. He noted that the bond of this building would be a 7% interest rate over 20 years, which he hopes will be reduced. Exhibit 7 shows all the Options to date presented to the committee.

EXHIBIT(jch28a06)

EXHIBIT(jch28a07)

**Community Counseling and Corrections, Inc. Special Needs
Facility Proposal**

{Tape: 1; Side: B; Approx. Time Counter: 0 - 30}{Tape: 2; Side: A; Approx. Time Counter: 0 - 10}

Mike Thatcher, Administrator of Community Counseling and Correctional Services, Inc. (CCCS), explained to the committee the options involving an addition to the campus in Galen, Montana. He commented that this is the most far-sighted option provided to the committee. He pointed to the CCCS mission statement on Exhibit 8, Page 2; this emphasizes addressing the needs and safety of the community and the inmates. He explained that one way this safety is ensured is by maintaining

accreditation. The Butte Pre-Release Center, the Women's Transitional Center and Pine Hills, all CCCS facilities explained in Exhibit 8, Pages 4-11, are all accredited. He assured the committee that this new facility would be accredited within 18 to 20 months. The Reintegrating Youth Offenders (RYO) Correctional Facility in Galen (Exhibit 8, Page 10) serves youth offenders who have committed serious, violent crimes. The facility has been open since December 2002. They have their own medical and educational system, as well less than a 2% construction contingency. This facility proves that CCCS is capable of designing, financing, and completing a building in a timely manner.

EXHIBIT (jch28a08)

He then discussed further strengths of CCCS, found on Exhibit 8, Pages 12 through 14. He emphasized, once again, the timeliness of this company, as well as their specialized services. Also, CCCS has also done transportation of their inmates for 20 years without incident. CCCS is a non-profit organization, so any revenue made from the building goes to services. They also have a project team in place for the supervision and construction of additional facilities.

The proposed facility would house 128 secure and 128 soft-cell beds for a special needs community as described on Exhibit 8, Page 19. He added that the facility would be close to Deer Lodge, so transportation would occur easily. Sick inmates would have full medical capabilities at hand. CCCS already has the land and infrastructure in place. There is also the possibility of cooperative training with MSP. The physical plant would have a secure fence, full medical area, its own transportation, a secure state-of-the-art facility, and be designed for expansion options. In addition, CCCS provides all the up-front capital for the construction of the facility.

The special needs community that would be housed in the Galen facility is a difficult community for which to find staff. Ninety staff positions will be offered. **Mr. Thatcher** believes they will have no trouble with hiring; they had over 1,700 applicants for the last two facilities built. Butte, Montana is a good applicant pool, and there is a low turn-over rate because employees are paid and treated appropriately. Also, he proposed that inmates be assigned jobs, whether it be within maintenance or the food service.

The capital costs of this facility are on Exhibit 8, Page 24. The proposal is for a 80,000 square foot facility for around \$14 million. He stated that these numbers are similar to those of

the juvenile facility, but he hit the high-end estimate for the proposal. Operating costs (Exhibit 8, Page 26) will be approximately \$54 a day. He reminded the committee that this number may change depending on medication costs; however, this per diem is not for the average offender. It is for an offender with high levels of medical, psychological and treatment needs. The bottom-line per diem would be \$69.36. Operating cost per diem is \$54.47 and debt service is \$14.89. As stated earlier by Mr. Williams, at the end of 20 years the land and infrastructure would be turned over to the State.

He concluded his presentation by reiterating the benefits of this proposed facility, as discussed earlier. The next steps towards the creation of this facility are on Exhibit 8, Page 31. He stated that a Galen facility would provide an "intermediate piece to the correctional system with the full range of service."

Discussion:

{Tape: 2; Side: A; Approx. Time Counter: 10.5 - 16}

REP. HINER inquired if the facility would have a small infirmary or if it would have inpatient capability. **Mr. Thatcher** replied that there would be capability for six inpatient beds, with a registered nurse (RN) around the clock. He added that CCCS already has an applicant pool of nurses.

REP. HINER indicated the staffing grid on Exhibit 8, Page 22, stating that this chart only shows three RN's from 8 A.M. to 5 P.M. **Mr. Thatcher** responded that shifts will be scheduled most likely with two RN's during the day and one RN during night shifts. He emphasized that RN's will be hired around the clock and not Licensed Nurse Practitioners (LPN).

REP. HINER commented that special-needs patients need assisted daily living. She illuminated that although the proposal is for a nursing home-type facility, there are no nurse assistants or nursing aides in the proposed staffing grid. **Mr. Thatcher** stated that there is a possibility for two staff on duty in every pod; the minimum of one correctional officer and one Certified Nurse Assistant (CNA).

Corrections Corporation of America Option Proposal

{Tape: 2; Side: A; Approx. Time Counter: 16 - 19}

Kelly Durham, Senior Director of Customer Relations for Corrections Corporation of America (CCA), clarified that CCA is

not limited to a 500-bed expansion. She wanted the committee to understand all options available with CCA. She stated that CCA is willing to expand in any way the DOC would wish. They would prefer a 280-bed expansion, in which the DOC would expand secure care, while allowing the U.S. Marshal service to stay. The bottom-line cost of this expansion would be a \$54.98 per diem for operating costs and \$9.91 prisoner per diem toward debt service, with a total of \$64.89 per day.

Discussion:

REP. WITT asked if this option would create a 15-year or 25-year purchase option under the contract. **Ms. Durham** replied that it would be a similar contract with a 15-year purchase option, or 25 years with or without purchase. A 25-year contract would bring down debt service cost to \$5.95, for a total of \$60.93.

Public Comment

{Tape: 2; Side: A; Approx. Time Counter: 20 - 30}

Larry Bowderud, Mayor of Shelby, informed the committee that he has a long-term involvement with the corrections industry and has a good working knowledge of the contracts. He noted that he is supportive of Mr. Thatcher's presentation and his company.

Mr. Bowderud has been tracking the correctional facilities because the problem of overcrowded prisons was anticipated ten years ago. He commented that while working on a solution, the committee should consider that pre-release centers, the CCCS proposal and the CCA proposal all involve private correctional facilities. He stated that other states do have a much higher private prison population than Montana, and that the cost per day is much lower in private prisons.

If the State were to accept the Galen facility proposals, it would bring necessary flexibility to the DOC. At Galen the State would only pay per patient rather than full beds, similar to CCA. The State would take away prisoners in a budget crunch, as in CCA when half the prisoners were relocated. In the CCA contract there was a stipulation which fined CCA \$5,000 for every day over the estimated construction completion date. This gives private facilities the motivation to stick to construction deadlines. He also noted that no regional prison is accredited. He emphasized that private facilities bring many options to the DOC, and that he also supports an expansion at CCA.

{Tape: 2; Side: A; Approx. Time Counter: 30 - 31}{Tape: 2; Side: B; Approx. Time Counter: 0 - 3.2}

Alan Underdahl, Toole County Commissioner, commented that when CCA was first approved it was under a trial period, which CCA passed with "flying colors." At the end of 15 years or whatever option is chosen, the State would own the facility and if it's been full the whole time, it would be paid for at that time.

He provided the committee with a bed cost for each proposed option by dividing the total cost by the number of beds. The numbers are as follows:

- *\$54,000 per bed at CCA
- *\$64,000 per bed at the regional prison
- *\$103,000 per bed at the CCCS facility
- *\$114,000 per bed at Deer Lodge.

He summarized that taxpayers will want the lowest dollar amount as long as the service and safety established at CCA is provided.

Discussion:

{Tape: 2; Side: B; Approx. Time Counter: 3.2 - 30.0; Comments; Discussion}

REP. WITT directed a question to Director Slaughter. He inquired whether the DOC anticipates filling the proposed facilities to the maximum capacity for the different options. **Director Slaughter** first responded to public testimony. He stated that CCA is accustomed to relieving the correctional system when needed. He added that the DOC is talking about serving people. It is not fair to talk about bed cost per year because the DOC also needs to look at the populations that are served.

In response to the question posed by **REP. WITT**, the proposed Galen facility would be used to relieve pressure of a difficult population. He noted that the Montana State Prison (MSP) numbers are higher because hard offenders have been concentrated into this prison. This facility will always be close to full. He stated that there needs to be continued ways to let pressure off of the system. Community Corrections will relieve the pressure created by non-dangerous drug offenders. When prisoners relapse, there needs to be an option besides an expensive prison cell.

REP. WITT asked **Mr. Thatcher** how long he anticipates CCCS could operate if MSP provides the facility with 50% bed capacity. **Mr. Thatcher** replied that CCCS is a \$60 million-per-year company and

therefore cannot afford to lose much money. He emphasized that they are a not-for-profit company. For that reason, CCCS asks for a 90% capacity guarantee in their contract in order to get support from a bank lender. If the proposed facility would run consistently at 50%, he predicts it would run for approximately eight weeks. However, all programs CCCS runs today were entered upon with the same risk as the proposed facility. He worked closely with judges in providing them information on sentencing options; the facilities are now running excess revenue, which goes right back to the community. If worst came to worst, the facility could be supplemented with revenues from other CCCS facilities. He stated that the risk would be equal for any entity entering into expansion. However, his company is ready to take the risk to serve a special needs group that needs attention. "What the State will save in medical costs is huge," he asserted.

REP. WITT asked if CCCS pays property tax to the county. **Mr. Thatcher** replied that non-profit facilities are tax-exempt. The Galen campus pays service taxes for any type of services; they currently own their own waste-water system. However, the benefits to the community are huge in jobs created. A benefit to the DOC is that the center comes with the flexibility of using it for a graduated sanction center or a relapse center.

SEN. GALLUS commented that he has had a special-needs facility in mind since attending a Truth and Justice Conference in which this type of facility was presented. He stated that he sees a need for the facility to relieve the pressure of this community. He asked Mr. Mahoney if he predicts a significant decrease in the special-needs population in the next ten years. **Mike Mahoney, Warden at Montana State Prison**, replied that the State has previously discussed creating a facility for geriatric inmates, but the State does not currently have money for that facility. He stated that the original proposal of 500 beds at Shelby was to create a fix for potential growth. However, there needs to be an interim committee to do a full study on the correctional facility population growth rates; the problems will not be solved this biennium. The options provided to the committee present a paradigm shift for treatment, but they do not solve the issue of overcrowding. He added that the Thatcher expansion is costly and nobody can provide the full services that are provided at MSP. In response to the question posed by SEN. GALLUS, special services are needed for this population that will not decrease in size.

SEN. SCHMIDT inquired if CCA would be impacted if the CCCS proposal is accepted. **Warden Mahoney** replied that all options

have strengths and weaknesses and will create movement within the system. He added that his answer would vary depending on the option; however, all of the options were created to provide a stop-gap measure for filling all beds within the secure care system.

SEN. SCHMIDT asked if the number of inmates utilizing treatment and movement to pre-release centers would be affected with the creation of a geriatric unit. **Director Slaughter** replied that the creation of a geriatric unit would keep the Community Corrections proposal on track. A large population of non-violent offenders still need to move through Community Corrections. Meanwhile, secure care is still needed.

SEN. SCHMIDT asked if Community Corrections will relieve the current facilities of secure beds. **Director Slaughter** replied that secure care facilities would be back-filled with tougher beds.

SEN. SCHMIDT inquired about how many beds could be put into the proposed revocation center in the old reception center. **Director Slaughter** responded that this proposal is still alive in Options 5A, 5B and 5C, and would create 85 beds.

CHAIRMAN CALLAHAN commented that if a new option is provided, there will be increased sentences from judges to that option. Consequently, there may not be a gain of secure-care beds because all options will be utilized by probation and parole officers who currently have no options. **Director Slaughter** agreed with this comment. He added that county jails used to be utilized for the weekend if a probation offender did not report. This practice can no longer be utilized because county jails are full. If sanction centers are created, probation officers will use this option and it will not directly relate to an open bed in secure care.

{Tape: 3; Side: A; Approx. Time Counter: 0 - 30; Comments: Discussion continued}

REP. WITT requested from the department a summary of all options, to include the number of beds created, the capital and operational costs, and the 20-year financing plan. He stated that the committee needs to be aware of all the options to make an informed decision so as to benefit the best interests of Montana citizens.

Mr. Williams clarified that Option 5 and its variations is still favored by DOC administration because it allows for creating more

short-term, intermediate and full secure-care beds. In the interim, the DOC can then reevaluate and create a long-term care strategy. He added that the DOC will need 500 beds by FY09, but the type of bed needs to be determined. CCA does deserve a response on this matter because, although there was no guarantee in their contract, they did lose many prisoners when the effects of September 11, 2001 hit the economy.

REP. WITT is concerned that when the State and DOC enter into a contract there needs to be firmer footing for the company involved. He also stated that studies often do not go anywhere. The committee needs to really go somewhere in their pending decision.

REP. HINER inquired about how many prisoners regional and state prisons are able to take from the special needs inmates, and the impact of these populations on the prison. **Mr. Mahoney** replied that MSP is the only secure care, full-service prison, with a special block of high-emotional-needs patients. Regarding the medical aspect of this population, when an inmate needs attention, it needs to be immediate. When an inmate is moved from MSP to a regional prison that has been identified as special needs, the full level of services is not provided to that population. Ultimately, with the onset of budget cuts in other facilities, MSP will soon be the only facility that handles all secure bed special needs prisoners.

REP. HINER asked, "With the more expensive type of inmate, how does this affect the every day running of the prison?" **Mr. Mahoney** responded that this population absolutely impacts the every day functions of the prison, and leaves less and less inmates available for the industry programs and other rehabilitation programs.

CHAIRMAN CALLAHAN asked for a clarification in the difference between prisons and jails. **Mr. Mahoney** replied that jails are meant for short-term, pre-trial detainees. Once these prisoners are adjudicated, they are sent to prisons where longer-term sentences and programs can be provided. He cautioned the committee against setting up any facility to fail by giving them higher needs offenders than they can handle.

CHAIRMAN CALLAHAN inquired how the inability for regional prisons to manage programming affects inmate length of stay. **Mr. Mahoney** replied that inmate needs are assessed daily. There is standardized treatment between facilities; therefore, if an inmate is transferred the prisoner does not need to start over with his/her programming. This typically meets the needs of

prisoners for basic programming. However, there is currently more demand than resources for sex-offender programming and treatment.

CHAIRMAN CALLAHAN asked for the solution of the specialized populations making it less difficult to fill some of those jobs and participate in programming at the prison. **Mr. Mahoney** responded that until further expansion options were discussed, he had not seen a proposal to serve the geriatric population. He noted that this option is very interesting to the wardens who deal with that population.

CHAIRMAN CALLAHAN stated that ultimately the DOC is responsible for serving the needs of their inmates. Therefore, the DOC must retain staff for the inmates who are not able to move to the alternative. He inquired, "When does it become cost-effective to duplicate staff for the special needs population?" **Mr. Mahoney** emphasized the no matter where the prison is expanded, the DOC needs 500 beds and they need additional care staff because MSP is maxed out in terms of services.

SEN. SCHMIDT inquired why the proposed revocation center cannot be used as a geriatric unit. **Mr. Mahoney** replied that this option was not proposed because of the money involved in the required infrastructure. The cost in this biennium is too much for an 85-bed geriatric expansion.

SEN. SCHMIDT hypothesized that the DOC would not need much remodeling to turn the reception center to a revocation center. **Mr. Mahoney** responded that the center does not need remodeling if short-term-care inmates are living in the facility.

REP. HINER asked Warden MacDonald if the CCA facility has the capabilities for serving the special needs population. **Mr. MacDonald** responded that the proposed expansion would be multi-custody as currently exists at CCA. The Shelby facility can keep special needs inmates up to a certain level; they are then transferred to MSP. CCA does have programming and seven in-patient beds, but they have not discussed expanding the level of care provided.

CHAIRMAN CALLAHAN stated that there are some length-of-stay issues in terms of what is available on the regional and State prison level. He asked Mr. Williams if he has a sense of which part of the secure-care population can be served effectively in a lower level of service as opposed to a high-needs bed. **Mr. Williams** commented that regional prisons are used for long-term inmates who have completed treatment but will not be allowed out

of the prison system for some time; an example would be a sex offender with a 240-month sentence.

CHAIRMAN CALLAHAN inquired if these prisoners are not allowed to leave the prison system and if there is no place for these prisoners to go. **Mr. Williams** responded that screening committees are reluctant to accept sex offenders into pre-release centers. He added that currently 22.5% of the prison population are currently sex offenders, who are usually incarcerated until discharge. It is not optimal to place these prisoners into regional prisons, but it gives the DOC time to create a plan for their release.

SEN. SCHMIDT voiced concern over staffing problems at MSP. **Mr. Mahoney** replied that MSP is looking to resolve the following issues: a staffing problem due to the staff pay level, transportation, low-income housing, and the lack of daycare available. Also, many correctional officers have a background of military service, and are currently serving in the armed services.

{Tape: 3; Side: B; Approx. Time Counter: 4.3 - 9.5; Comments: Current Special Needs Prison Population}

SEN. SCHMIDT asked, "How many inmates would qualify for geriatric or special-needs care?" **Mr. Mahoney** predicted that nationwide the prison population needing special care is approximately 30% because of their lifestyles of substance abuse. **SEN. SCHMIDT** asked for specific numbers, because she is interested in what size of Montana's prison population would qualify for Thatcher's facility. **Mr. Mahoney** quoted the following demographic figures for the ages of the current prison population: 20% are under 25, 43% are 25 to 39, 25% are 40 to 49, 9% are 50 to 59 and 3% of the population is 60 and older.

REP. HINER expounded on these figures, stating that prior to leaving MSP one and one-half months ago, there were 450-500 inmates in need of chronic-care. One-third of these inmates had one chronic-care issue. Two-thirds had two or more chronic-care conditions.

Mr. Mahoney added that MSP is under review to make sure their medical facilities are sufficient for insurance reviews. With their current hard-working staff, MSP is able to meet the threshold of care needed. If there is expansion at the facility, additional care staff will be needed to maintain the standard.

{Tape: 3; Side: B; Approx. Time Counter: 9.5 - 21.7; Comments: Pre-Release Center expansion and Screening Committees}

SEN. SCHMIDT inquired in regard to pre-release expansion. She stated that with the proposed option, an additional 58 beds would be needed at each existing facility. She asked if the DOC knew that these five centers were ready to accommodate approximately 58 extra beds. **Mr. Williams** replied that the Helena Center can expand by 40, EastMont by 40, and Billings can move from 19 to 100 extra womens' beds by FY07. Great Falls is also ready to expand. However, the wild card in pre-release expansion is screening committees. The DOC will need to provide a harder line to committees as to who will be accepted.

SEN. SCHMIDT asked the owner of the Helena Pre-Release Center, Mike Ruppert, if all pre-release center directors are in on decisions of inmate placement. **Mike Ruppert, CEO of Boyd Andrews Community Services, owner and operator of Helena Pre-Release Center,** responded that there is a different screening committee for each pre-release center. The members of the screening committee live within a one-mile radius of the center. Once an inmate passes the local screening committee they must pass the director's screening committee. Currently, pre-release centers rarely take sex offenders, violent offenders, or possible escapees. With the expansion of pre-release centers, screening committees will need to take people who were previously rejected.

Mr. Thatcher added that the Butte Pre-Release Center has made a commitment to the community that they will be kept safe, which is why violent offenders are not often accepted. He emphasized that the Galen facility would provide an intermediate bed for those offenders who are not accepted. He stated that it is a sad and dangerous reality when sex offenders are released without treatment.

Director Slaughter noted that the problem of screening committees is often raised. Nevertheless, these committees are the "heart and soul of the community." The law enforcement officer on the committee is often the leader in making decisions on inmates. The selection process would improve by educating the officer on the checks and balances of the system. He concluded by stating that decisions for pre-release screening committees will be harder, so the DOC will have to work with these committees on the transition process.

Director Slaughter noted that it is important to know how the system will react to expansion and policy shifts. A request for proposal (RFP) will be issued in certain expansion options to see

if there is interest from other parties in the construction of the unit. If a special-needs facility is approved, CCCS will not necessarily be the designated party involved; they would apply for the project under the RFP.

CHAIRMAN CALLAHAN asked if this is the only option in which an RFP is required. **Director Slaughter** stated that no other option requires an RFP unless a new facility is built, such as a pre-release center or regional prison. An RFP is not needed to expand a current facility.

CHAIRMAN CALLAHAN inquired, "How will the DOC choose which regional prison to expand?" **Director Slaughter** replied that the DOC would decide between the interested facilities.

SEN. SCHMIDT asked if Bozeman is interested in a regional prison. **Director Slaughter** responded that Bozeman is not interested in secure care.

Mr. Thatcher commented that he understands a competitive process will need to take place for the special-needs facility construction. He understood that he put himself at a disadvantage by stating publicly the specifics of his facility. However, he believes his facility can stay competitive through the RFP process.

REP. HINER voiced concern over the need for medical staff on the new proposal. **Mr. Thatcher** replied that the Galen facility already has a doctor and dentist on board. The starting wage is competitive, and with a great administrator, good psychologists will be hired. He reiterated that today CCCS already has 90 applicants for positions and they do have a good retention rate.

REP. HINER asked if the current physician and dentist are full-time positions or if there is a possibility for turning the current medical staff into full-time positions. **Mr. Thatcher** responded that the current medical staff are hired on a contractual basis. The dentist currently comes every other Friday and is ready to commit more time if it is needed. The physician is on call 24 hours, seven days a week.

REP. HAWK inquired, "What happens if CCCS does not get a 2.5% per diem increase every year?" **Mr. Thatcher** stated that as spoken by CCA, the pay levels need to stay competitive based on the Consumer Price Index. There would be explication in the contract that there would be some increases in line with the Consumer Price Index.

Questions on Executive Action

*{Tape: 4; Side: A; Approx. Time Counter: 5.3 - 18.8; Comments:
Information on Executive Action}*

Mr. Freebourn distributed Exhibit 9 to explain the issue of the per diem increase that was granted to pre-release centers and regional prisons during the DOC executive action. Section C explains the motion that was recorded from the last executive action, which allows for a total 2% increase. Section A shows a total 6% increase over the biennium. Section B shows a total 4% increase over the biennium. This decision can be revisited in Friday's executive action.

EXHIBIT (jch28a09)

SEN. GALLUS voiced concern that the motion that was recorded for the last executive action was indeed a 4% total biennium increase. **CHAIRMAN CALLAHAN** stated that this issue will be clarified on Friday. **Mr. Freebourn** added that the DOC will need to provide figures to be included in the motions on this matter for Friday.

Mr. Freebourn stated that on Friday the committee will also need to take action on the secure care expansion, currently Decision Package (DP) 13. If the committee chooses an option with increased Community Corrections beds, the increased per diem will have to be amended.

SEN. GALLUS commented that he would also like to discuss a per diem increase at Shelby during Friday's executive action. He added that the DOC should have the lump sum amounts for 2%, 3% or 4% increases over the current per diem. **Mr. Williams** will provide these figures.

Mr. Freebourn informed the committee that if an option is chosen with capital requirement, a bill will need to be drafted with the debt information. **SEN. GALLUS** inquired if this bill would need two-thirds approval. **Mr. Freebourn** confirmed this statement.

Mr. Williams requested that the committee also give the DOC direction in the purchase option at Shelby. Also, the future of prisoner transportation in Montana needs to be discussed.

CHAIRMAN CALLAHAN asked Mr. Williams to also have figures on the transfer of money involved in the Juvenile Delinquency Intervention Program (JDIP).

Mr. Freebourn distributed a tour schedule for Monday, February 7th (Exhibit 10) and information due to the committee from the Department of Justice (Exhibit 11).

[EXHIBIT\(jch28a10\)](#)

[EXHIBIT\(jch28a11\)](#)

ADJOURNMENT

Adjournment: 11:30 A.M.

REP. TIM CALLAHAN, Chairman

SHANNON SCOW, Secretary

TC/ss

Additional Exhibits:

EXHIBIT ([jch28aad0.PDF](#))