

**Montana Correctional Enterprises Rate Increases
Affect on Other Agencies
2015 Biennium**

Rate Increases by Agency

Agency or Program	Rate Increases by Agency			Total For Agency/Program
	Food Factory	Laundry	Motor Vehicle Maintenance	
Montana State Prison	\$ 1,419,542	\$ 65,245	\$ 6,046	\$ 1,490,834
Treasure State Correctional Training Center	\$ 71,020	\$ 2,423	\$ -	\$ 73,443
Watch	\$ 204,260	\$ -	\$ -	\$ 204,260
Total DOC 6401	\$ 1,694,822	\$ 67,668	\$ 6,046	\$ 1,768,536
Montana State Hospital	\$ 66,640	\$ 26,415	\$ -	\$ 93,056
Montana Chemical Dependency Center		\$ 1,007	\$ -	\$ 1,007
Total DPHHS 6911	\$ 66,640	\$ 27,422	\$ -	\$ 94,063

Fiscal Year 2012 Budgeted	Fiscal Year 2013 Budgeted	Fiscal Year 2014 Budgeted	Fiscal Year 2015 Budgeted
---------------------------	---------------------------	---------------------------	---------------------------

Food Factory - 06573, Page D-157 and Page P-167

Tray Meal Prices to all customers

Base Tray-Hot/Cold	\$ 1.73	\$ 1.73	\$ 2.14	\$ 2.32
Base Tray-Hot	\$ 0.87	\$ 0.87	\$ 1.08	\$ 1.18
Detention Center Trays	\$ 2.45	\$ 2.45	\$ 2.72	\$ 2.92
Accessory Package	\$ 0.10	\$ 0.10	\$ 0.16	\$ 0.16

Delivery Charge Per Trayed Meal

Delivery charge - per mile	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Deliver charge - per hour	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00

Bulk Food is sold at cost----->

A spoilage percentage and operational overhead is added to food cost. Overhead charge is based on historical costs and volume of sales to the customer, as a percentage of overall food costs. Delivery is based on actual delivery costs.

<u>Spoilage percentage to all customers</u>	5%	5%	5%	5%
--	----	----	----	----

Overhead Charge

Montana State Hospital	11%	11%	11%	11%
Montana State Prison	77%	77%	76%	76%
Treasure State Correctional Training	12%	12%	13%	13%

Laundry - 06034, Page P-165

Cost Per Pound for Laundry Services, including delivery

Base Laundry Price for Customer	\$ 0.48	\$ 0.48	\$ 0.51	\$ 0.52
---------------------------------	---------	---------	---------	---------

Delivery Charge per Pound

Montana Developmental Center	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05
Riverside Youth Correctional Facility	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05
Montana Law Enforcement Academy	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15
Montana Chemical Dependency Corp.	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
START Program	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
Montana State Hospital	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
University of Montana	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20

Motor Vehicle Maintenance - 06545, Page D-158 and Page P-169

Labor Charge for Motor Vehicle Maintenance	\$ 26.50	\$ 26.50	\$ 27.45	\$ 28.45
--	----------	----------	----------	----------

Supply fee as a percentage of actual cost of parts	5%	5%	5%	5%
--	----	----	----	----

Parts are sold at actual cost----->

License Plate Factory, 06572, Page P-168 (not associated with any agency increase requests)

Cost Per Set of Plates for MCE License Plates	\$ 6.20	\$ 6.20	\$ 6.20	\$ 6.20
---	---------	---------	---------	---------

Montana Correctional Enterprises

2015 Biennium Report on Internal Service and Enterprise Funds 2015

Fund 6033	Fund Name Prison Ranch	Agency 64010	Agency Name Dept. of Corrections	Program Name Mont Correctional Enterprises
--------------	---------------------------	-----------------	-------------------------------------	---

	Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
Operating Revenues:						
Fee revenue						
Sales of Products	3,915,822	4,005,816	4,751,321	4,500,000	4,600,000	4,700,000
MFBN Cannery Service Revenues	-	-	-	-	-	-
Net Fee Revenue	3,915,822	4,005,816	4,751,321	4,500,000	4,600,000	4,700,000
Investment Earnings	-	-	-	-	-	-
Securities Lending Income	-	-	-	-	-	-
Premiums	-	-	-	-	-	-
Other Operating Revenues	-	-	-	-	-	-
Total Operating Revenue	3,915,822	4,005,816	4,751,321	4,500,000	4,600,000	4,700,000
Operating Expenses:						
Personal Services	1,437,799	1,387,871	1,393,101	1,422,909	1,482,299	1,544,658
Other Operating Expenses	2,544,843	2,540,013	2,587,111	2,608,013	2,634,093	2,660,434
Total Operating Expenses	3,982,642	3,927,884	3,980,212	4,030,922	4,116,392	4,205,092
Operating Income (Loss)	(66,820)	77,932	771,109	469,078	483,608	494,908
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets	(77,989)	25,941	139,268	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	(62,099)	-	-	-
Net Nonoperating Revenues (Expenses)	(77,989)	25,941	77,169	-	-	-
Income (Loss) Before Operating Transfers	(144,809)	103,873	848,278	469,078	483,608	494,908
Contributed Capital	-	-	-	-	-	-
Operating Transfers In (Note 13)	-	-	61,000	-	-	-
Operating Transfers Out (Note 13)	-	-	(61,000)	-	-	-
Change in net assets	(144,809)	103,873	848,278	469,078	483,608	494,908
Total Net Assets- July 1 - As Restated	9,668,481	9,523,672	9,627,545	10,475,823	10,046,375	10,046,375
Prior Period Adjustments	-	-	-	-	-	-
Cumulative effect of account change	-	-	-	-	-	-
Total Net Assets - July 1 - As Restated	9,668,481	9,523,672	9,627,545	10,475,823	10,046,375	10,046,375
Net Assets- June 30	9,523,672	9,627,545	10,475,823	10,944,901	10,529,983	10,541,283
60 days of expenses (Total Operating Expenses divided by 6)	663,774	654,647	663,369	671,820	686,065	700,849

Appendix

Montana Correctional Enterprises

2015 Biennium Report on Internal Service and Enterprise Funds 2015

Fund 6034	Fund Name MSP Institutional Industries	Agency # 64010	Agency Name Dept. of Corrections	Program Name Mont Correctional Enterprises
--------------	---	-------------------	-------------------------------------	---

	Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
Operating Revenues:						
Fee revenue						
Sale of Industries Products	2,387,949	2,274,090	2,528,434	2,500,000	2,539,178	2,552,237
Revenue from Fee B	-	-	-	-	-	-
Revenue from Fee C	-	-	-	-	-	-
Revenue from Fee D	-	-	-	-	-	-
Revenue from Fee E	-	-	-	-	-	-
Revenue from Fee F	-	-	-	-	-	-
Net Fee Revenue	2,387,949	2,274,090	2,528,434	2,500,000	2,539,178	2,552,237
Investment Earnings	-	-	-	-	-	-
Securities Lending Income	-	-	-	-	-	-
Premiums	-	-	-	-	-	-
Other Operating Revenues	-	-	-	-	-	-
Total Operating Revenue	2,387,949	2,274,090	2,528,434	2,500,000	2,539,178	2,552,237
Operating Expenses:						
Personal Services	1,192,206	1,030,032	936,909	1,010,926	1,079,662	1,127,297
Other Operating Expenses	1,209,710	1,219,752	1,366,317	1,252,791	1,294,981	1,301,641
Total Operating Expenses	2,401,916	2,249,784	2,303,226	2,263,717	2,374,643	2,428,938
Operating Income (Loss)	(13,967)	24,306	225,208	236,283	164,535	123,299
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Income (Loss) Before Operating Transfers	(13,967)	24,306	225,208	236,283	164,535	123,299
Contributed Capital	-	-	-	-	-	-
Operating Transfers In (Note 13)	-	-	-	-	-	-
Operating Transfers Out (Note 13)	-	-	(265)	-	-	-
Change in net assets	(13,967)	24,306	224,943	236,283	164,535	123,299
Total Net Assets- July 1 - As Restated	1,852,044	1,838,077	1,862,383	2,087,326	2,323,609	2,488,144
Prior Period Adjustments	-	-	-	-	-	-
Cumulative effect of account change	-	-	-	-	-	-
Total Net Assets - July 1 - As Restated	1,852,044	1,838,077	1,862,383	2,087,326	2,323,609	2,488,144
Net Assets- June 30	1,838,077	1,862,383	2,087,326	2,323,609	2,488,144	2,611,442
60 days of expenses (Total Operating Expenses divided by 6)	400,319	374,964	383,871	377,286	395,774	404,823

Requested Rates for Enterprise Funds

Fee/Rate Information

	Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
Cost Per Pound for Laundry Services, including delivery						
Base Laundry Price for Customer	0.43	0.43	0.48	0.48	0.51	0.52
Delivery Charge per Pound						
Montana Developmental Center	0.05	0.05	0.05	0.05	0.05	0.05
Riverside Youth Correctional Facility	0.05	0.05	0.05	0.05	0.05	0.05
Montana Law Enforcement Academy	0.15	0.15	0.15	0.15	0.15	0.15
Montana Chemical Dependency Corp.	0.04	0.04	0.04	0.04	0.04	0.04
START Program	0.01	0.01	0.01	0.01	0.01	0.01
Montana State Hospital	0.01	0.01	0.01	0.01	0.01	0.01
University of Montana		0.20	0.20	0.20	0.20	0.20

Appendix

Montana Correctional Enterprises

2015 Biennium Report on Internal Service and Enterprise Funds

Fund 6545	Fund Name Vocational Education	Agency # 64010	Agency Name Dept. of Corrections	Program Name Mont Correctional Enterprises
--------------	-----------------------------------	-------------------	-------------------------------------	---

	Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
Operating Revenues:						
Fee revenue						
Revenue from Motor Vehicle Maintenance Service	560,212	556,858	585,665	595,000	621,000	638,000
Net Fee Revenue	560,212	556,858	585,665	595,000	621,000	638,000
Investment Earnings	-	-	-	-	-	-
Securities Lending Income	-	-	-	-	-	-
Premiums	-	-	-	-	-	-
Other Operating Revenues	-	-	-	-	-	-
Total Operating Revenue	560,212	556,858	585,665	595,000	621,000	638,000
Operating Expenses:						
Personal Services	227,615	145,775	145,423	153,854	160,197	167,848
Other Operating Expenses	312,331	392,176	388,334	440,487	460,000	470,000
Total Operating Expenses	539,946	537,951	533,757	594,341	620,197	637,848
Operating Income (Loss)	20,266	18,907	51,908	659	803	152
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Income (Loss) Before Operating Transfers	20,266	18,907	51,908	659	803	152
Contributed Capital	-	-	-	-	-	-
Operating Transfers In (Note 13)	-	-	-	-	-	-
Operating Transfers Out (Note 13)	-	-	-	-	-	-
Change in net assets	20,266	18,907	51,908	659	803	152
Total Net Assets- July 1 - As Restated	17,667	37,931	56,838	108,746	109,405	110,208
Prior Period Adjustments	(2)	-	-	-	-	-
Cumulative effect of account change	-	-	-	-	-	-
Total Net Assets - July 1 - As Restated	17,665	37,931	56,838	108,746	109,405	110,208
Net Assets- June 30	37,931	56,838	108,746	109,405	110,208	110,360
60 days of expenses (Total Operating Expenses divided by 6)	89,991	89,659	88,960	99,057	103,366	106,308
Requested Rates for Internal Service Funds						
Fee/Rate Information for Legislative Action						
	Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
Fee Group A -						
Rate 1 per hour Labor Charge for Motor Vehicle Maint	\$ 26.50	\$ 26.50	\$ 26.50	\$ 26.50	\$ 27.45	\$ 28.45
Rate 2 (per unit) Supply fee as a percentage of actual cost of parts	3%	3%	5%	5%	5%	5%
Rate 3 Parts are sold at actual cost	→					
Appendix						

Montana Correctional Enterprises

2015 Biennium Report on Internal Service and Enterprise Funds 2015

Fund	Fund Name	Agency	Agency Name	Program Name
6572	MCE License Plate	6401	Dept. of Corrections	Mont Correctional Enterprises

	Actual FY10	Actuals FY11	Actuals FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
Operating Revenues:						
Fee revenue						
Sale of License Plate Products	1,106,138	1,956,924	847,418	1,361,500	1,450,000	1,450,000
Net Fee Revenue	1,106,138	1,956,924	847,418	1,361,500	1,450,000	1,450,000
Investment Earnings	-	-	-	-	-	-
Securities Lending Income	-	-	-	-	-	-
Premiums	-	-	-	-	-	-
Other Operating Revenues	-	-	-	-	-	-
Total Operating Revenue	1,106,138	1,956,924	847,418	1,361,500	1,450,000	1,450,000
Operating Expenses:						
Personal Services	-	142,065	153,904	190,410	177,130	186,224
Other Operating Expenses	-	1,049,261	980,418	1,095,500	1,175,500	1,196,000
Total Operating Expenses	-	1,191,326	1,134,322	1,285,910	1,352,630	1,382,224
Operating Income (Loss)	1,106,138	765,598	(286,904)	75,590	97,370	67,776
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Income (Loss) Before Operating Transfers	1,106,138	765,598	(286,904)	75,590	97,370	67,776
Contributed Capital		24,109	-	-		
Operating Transfers In (Note 13)		1,425,265	-	-		
Operating Transfers Out (Note 13)		-	(1,222,061)	-		
Change in net assets	1,106,138	2,214,972	(1,508,965)	75,590	97,370	67,776
Total Net Assets- July 1 - As Restated	-	1,106,138	3,321,110	1,812,145	1,887,735	1,985,105
Prior Period Adjustments	-	-	-	-	-	-
Cumulative effect of account change	-	-	-	-	-	-
Total Net Assets - July 1 - As Restated	-	1,106,138	3,321,110	1,812,145	1,887,735	1,985,105
Net Assets- June 30	1,106,138	3,321,110	1,812,145	1,887,735	1,985,105	2,052,881
60 days of expenses (Total Operating Expenses divided by 6)	-	198,554	189,054	214,318	225,438	230,371

Requested Rates for Enterprise Funds

Fee/Rate Information

	Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
Cost Per Set of Plates for MCE License Plates cost per set	6.20	6.20	6.20	6.20	6.20	6.20

Appendix

Montana Correctional Enterprises

2015 Biennium Report on Internal Service and Enterprise Funds

Fund	Fund Name	Agency #	Agency Name	Program Name
6573	MCE Food Factory	64010	Dept. of Corrections	Secure Custody Facilities

	Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
Operating Revenues:						
Fee revenue						
Food Product Sales	3,544,935	3,840,626	3,918,933	3,918,933	4,605,772	5,166,900
Net Fee Revenue	3,544,935	3,840,626	3,918,933	3,918,933	4,605,772	5,166,900
Investment Earnings	-	-	-	-	-	-
Other Operating Revenues	-	-	-	-	-	-
Total Operating Revenue	3,544,935	3,840,626	3,918,933	3,918,933	4,605,772	5,166,900
Operating Expenses:						
Personal Services	987,849	937,547	973,675	958,615	994,473	1,041,204
Other Operating Expenses	2,831,739	3,093,112	3,138,905	3,217,341	3,574,884	3,893,264
Total Operating Expenses	3,819,588	4,030,659	4,112,580	4,175,956	4,569,357	4,934,468
Operating Income (Loss)	(274,653)	(190,033)	(193,647)	(257,023)	36,415	232,432
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Income (Loss) Before Operating Transfers	(274,653)	(190,033)	(193,647)	(257,023)	36,415	232,432
Operating Transfers In (Note 13)	-	-	-	-	-	-
Operating Transfers Out (Note 13)	-	-	(170,000)	-	-	-
Change in net assets	(274,653)	(190,033)	(363,647)	(257,023)	36,415	232,432
Total Net Assets- July 1 - As Restated	3,133,060	2,858,407	2,668,374	2,304,727	2,047,704	2,084,119
Prior Period Adjustments	-	-	-	-	-	-
Cumulative effect of account change	-	-	-	-	-	-
Total Net Assets - July 1 - As Restated	3,133,060	2,858,407	2,668,374	2,304,727	2,047,704	2,084,119
Net Assets- June 30	2,858,407	2,668,374	2,304,727	2,047,704	2,084,119	2,316,551
60 days of expenses (Total Operating Expenses divided by 6)	636,598	671,777	685,430	695,993	761,559	822,411

Requested Rates for Internal Service Funds Fee/Rate Information for Legislative Action

	Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
Tray Meal Prices to all customers						
Base Tray-Hot/Cold	\$ 1.69	\$ 1.69	\$ 1.73	\$ 1.73	\$ 2.14	\$ 2.32
Base Tray-Hot			\$ 0.87	\$ 0.87	\$ 1.08	\$ 1.18
Detention Center Trays			\$ 2.45	\$ 2.45	\$ 2.72	\$ 2.92
Accessory Package			\$ 0.10	\$ 0.10	\$ 0.16	\$ 0.16
Delivery Charge Per Trayed Meal						
Delivery charge - per mile	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Deliver charge - per hour	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00
Bulk Food is sold at cost, with a spoilage percentage added on and an overhead charge to cover operating expenses. Overhead charge is based on historical costs and volume of sales to the customer, as a percentage of overall food costs. Delivery is based on actual delivery costs.						
Spoilage percentage to all customers						
(Overhead Chrg)	4%	4%	5%	5%	5%	5%
Montana State Hospital			11%	11%	11%	11%
MSH - supplies only	12%	12%				
MSH - all overhead except supplies	6%	6%				
Montana State Prison			77%	77%	76%	76%
MSP - supplies only	77%	77%				
MSP - all overhead except supplies	41%	41%				
Treasure State Correctional Training			12%	12%	13%	13%
TSCTC - supplies only	11%	11%				
TSCTS - all overhead except supplies	6%	6%				

Appendix