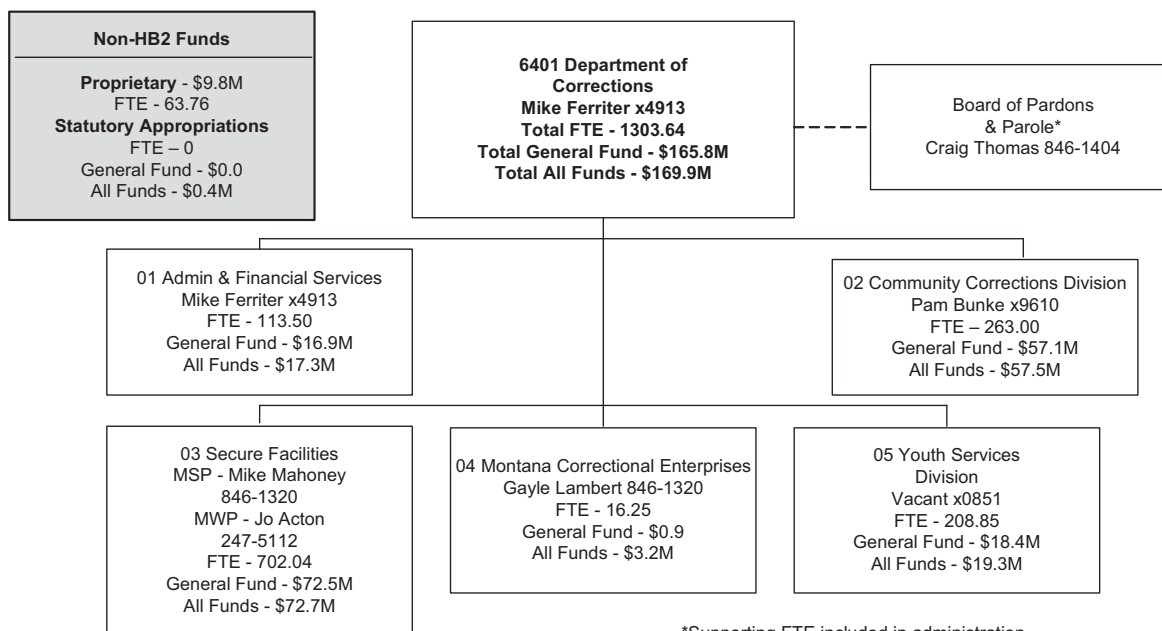


### Agency Budget Comparison

The following table summarizes the total executive budget for the agency by year, type of expenditure, and source of funding.

Agency Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	1,303.64	1,303.64	1,289.14	1,289.14	1,303.64	1,289.14	(14.50)	(1.11%)
Personal Services	69,610,880	72,382,475	71,275,144	71,298,642	141,993,355	142,573,786	580,431	0.41%
Operating Expenses	93,944,707	95,303,055	101,832,252	107,276,335	189,247,762	209,108,587	19,860,825	10.49%
Equipment & Intangible Assets	201,078	207,507	687,078	245,078	408,585	932,156	523,571	128.14%
Benefits & Claims	3,343,082	4,055,855	3,343,082	3,343,082	7,398,937	6,686,164	(712,773)	(9.63%)
Transfers	2,848,950	2,124,917	2,848,950	2,848,950	4,973,867	5,697,900	724,033	14.56%
<b>Total Costs</b>	<b>\$169,948,697</b>	<b>\$174,073,809</b>	<b>\$179,986,506</b>	<b>\$185,012,087</b>	<b>\$344,022,506</b>	<b>\$364,998,593</b>	<b>\$20,976,087</b>	<b>6.10%</b>
General Fund	165,758,162	169,198,753	175,317,022	180,351,473	334,956,915	355,668,495	20,711,580	6.18%
State Special	3,561,540	4,086,930	3,959,153	3,950,588	7,648,470	7,909,741	261,271	3.42%
Federal Special	20,872	134,068	20,872	20,872	154,940	41,744	(113,196)	(73.06%)
Other	608,123	654,058	689,459	689,154	1,262,181	1,378,613	116,432	9.22%
<b>Total Funds</b>	<b>\$169,948,697</b>	<b>\$174,073,809</b>	<b>\$179,986,506</b>	<b>\$185,012,087</b>	<b>\$344,022,506</b>	<b>\$364,998,593</b>	<b>\$20,976,087</b>	<b>6.10%</b>

The following is the agency organizational chart, with contact information. The chart has been modified by the LFD to include the FY 2010 base budget FTE, general fund, and total funds for each program. As applicable, total agency proprietary funds and statutory appropriations, along with associated FTE, are also shown.



### Agency Description

**Mission** - The Montana Department of Corrections enhances public safety, promotes positive change in offender behavior, reintegrates offenders into the community, and supports victims of crime.

The Department of Corrections (DOC), authorized in section 2-15-2301, MCA, is directed in section 53-1-201, MCA, to "utilize at maximum efficiency the resources of state government in a coordinated effort to: 1) develop and maintain comprehensive services and programs in the field of adult and youth corrections; and 2) provide for the care, protection, and mental and physical development of youth alleged to be youth in need of supervision, or delinquent youth who are referred or committed to the department." The department's five programs are:

- o Administration and support services including the Director's Office, Health Services, Information Technology Services, Human Resources Division, Administrative and Financial Services Division, and the administratively attached Board of Pardons and Parole
- o Community Corrections Division including division administration; Treasure State Correctional Treatment Center (TSCTC); contracted pre-release centers, probation and parole; DUI Unit (Warm Springs Addictions Treatment and Change Program (WATCH)); Elkhorn and Nexus methamphetamine treatment centers, Missoula Assessment and Sanction Center (MASC); and the Sanction, Treatment, Assessment, Revocation, and Transition Center (START)
- o Secure Custody including Montana State Prison (MSP), Montana Women's Prison (MWP), contract beds including regional prisons in Great Falls and Glendive, and a privately operated prison (Crossroads Correctional Center) in Shelby
- o Montana Correctional Enterprises (MCE) including agriculture, ranching, industries, vocational education, food factory, license plate factory, fire crew, lumber processing, and inmate canteen
- o Youth Services Division including statewide juvenile community corrections functions, Riverside Youth Correctional Facility, the Transition Center, and Pine Hills Youth Correctional Facility

### Agency Highlights

<b>Department of Corrections</b> <b>Major Budget Highlights</b>	
<ul style="list-style-type: none"> <li>◆ Total funding for the department increases 6.1% or \$21 million <ul style="list-style-type: none"> <li>• General fund support increases 6.2% or \$20.7 million primarily due to present law adjustment related to population increases, including \$10.1 million for additional community corrections beds mostly in prerelease settings and \$12.3 million for 164 additional prison beds and operating increases at state institutions</li> <li>• 6.00 FTE would be added for correctional officers at MWP (2.00 FTE funded by a reduction in overtime), mental health technicians at MSP (3.00 FTE), and the inmate canteen (1.00 FTE)</li> <li>• New proposal requests for equipment are offset by a 4% reduction in personal services that would eliminate 20.50 FTE positions</li> </ul> </li> <li>◆ The department estimates that the Average Daily Population (ADP) of offenders will increase: <ul style="list-style-type: none"> <li>• 3.1% per year in male prison beds</li> <li>• 4.9% per year in alternatives to prison</li> <li>• 3.1% per year in prerelease</li> <li>• 1.9% per year in total</li> </ul> </li> </ul>	
<b>Legislative Action Issues</b>	
<ul style="list-style-type: none"> <li>◆ Major LFD Issues <ul style="list-style-type: none"> <li>• The executive budget does not fund sufficient bed increases to house the projected increase in ADP</li> <li>• The departments population estimate maintains the 80/20 ratio of offenders supervised in community options verses prison</li> <li>• The positions included in the 4% personal services reduction have</li> </ul> </li> </ul>	

	not been specified making it difficult to determine the potential impact of these reductions
	<ul style="list-style-type: none"> <li>The executive budget may not provide an adequate level of system capacity to facilitate maintenance of the offender classification system and movement of offenders</li> </ul>
◆	Interim Committee Recommendations
	<ul style="list-style-type: none"> <li>The Legislative Finance Committee recommends that the starting point for budget deliberations be the adjusted base less the agency 5% reduction plan</li> </ul>

## Agency Discussion

### *Goals and Objectives:*

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the legislature may wish to review the following:

- o Goals, objectives and year-to-date outcomes from the 2011 biennium.
- o Critical agency goals, objectives, and anticipated outcomes and their correlation to the executive's budget request for the 2013 biennium.

### 2011 Biennium Goals

The following provides an update of the goals monitored by the LFC during the 2011 biennium.

Goal 1 – Monitor average daily population (ADP), department action to accommodate ADP growth, and use of carry forward funding

- o Successes
  - Overall population levels were lower than predicted primarily due to a reduction in the probation and parole caseload
  - Rather than using carry forward funds in FY 2010 the department used the biennial appropriation for secure care
  - The department expanded male community alternative beds by 27 in FY 2010
- o Challenges
  - While population growth was lower than projected by the department, male secure care (the high end of the system for security and costs) increased about 2%
  - Probation and parole caseloads have been decreasing
  - Increases in administrative segregation beds have been occurring
  - Maintenance of the 80/20 balance between community verses secure care placements has slipped

Goal 2 – Monitor the impact of applied vacancy savings, including vacancy rates, staff turnover rates, staffing patterns and caseloads, and amount/cost of mandatory overtime

- o Successes
  - Institutions operated by the department were able to achieve the budgeted vacancy savings rate
  - Funds available due to the American Recovery and Reinvestment Act (ARRA) reduced the applied vacancy savings rate for direct care workers at institutions
- o Challenges
  - Budgeted vacancy savings was not achieved in administrative areas, adult probation and parole, or juvenile parole segments of the department
  - Correctional officer turnover rates increased to 18%

Goal 3 – Establish prerelease center in northwestern Montana

- o Challenges

- Funding for this item (40 beds) was included in the spending reductions ordered by the Governor under 17-7-140, MCA

Goal 4 – Monitor the addition of 12.00 FTE funded by a reduction in overtime and overtime costs

- o Successes
  - In May, 2010 the department estimated there would be a net savings of \$109,000 as a result of the addition of FTE that increased personal services costs while decreasing overtime costs

### Agency Personal Services Narrative

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Labor Market Experience** - Overall, applicant pools are up, particularly for correctional officer positions where applicant pools have allowed the department to come close to full staffing. The most problematic positions are chemical dependency counselors, nurses, drill instructors, and teachers where recruitment pools are still frequently inadequate and/or applicants are not well qualified. Turnover agency wide is running higher this biennium than in previous biennia. Correctional officer turnover is about 18% while overall agency turnover in FY 2010 was 15%, up 2% over the previous biennium. This is partially a result of “boomer” retirements, but also may be attributable to new employees who are applying for and accepting jobs in desperation and moving on at the first opportunity to take a more “preferred” type of work. The frequency of multiple recruitments to fill positions is on par with previous years and is generally a problem with professional level positions. Rejection of employment is a relatively infrequent occurrence, but when it happens it is generally due to money, another job, or because applicants didn’t fully understand or anticipate the nature of the work.
- o **Pay Philosophy** - Per the agency pay plan, new hires are normally hired at 80% of market for their job title. There is some latitude for adjusting that figure up to market with justification where not constrained by a labor contract or internal equity issues. The agency is currently continuing to use 2006 market data, which in most cases translates to less than the level identified by the 2010 market study. This may result in more use of the flexibility in assigning entry rates. The agency currently has no pay component in support of succession planning. Staff is in the process of designing/adopting a succession planning program and pay components could potentially be an attribute of such a program (though none are currently anticipated). The agency currently has a five year increment adjustment plan to move those hired below market to the market rate (2006 data) by the end of their fifth year of employment. Employees who are in bargaining units have had that movement sustained through this biennium as a result of their labor agreements, while non-union employees have been frozen. Unless the pay increments are bargained out of the existing labor contracts the increments towards the five year market will continue for union staff through the next biennium. The agency’s preferred philosophy if adequate funding was available would be to restore movement between entry and market to all staff. Ideally pay ranges would be adjusted to reflect the 2010 market data as well.
- o **Obstacles** - The inability to maintain equity between union and non-union staff will have a serious impact on the department’s ability to retain qualified professional positions and supervisors/managers over the coming biennium. Further, the entry salaries of the core occupations (correctional officers, drill instructors, and probation and parole officers) were built up over several biennia preceding the current one. Those entry rates have been significantly eroded by market changes that have not translated into adjustments in entry rates of pay in four years. If that process is repeated in the coming biennium the department could anticipate a major impact on the size and quality of applicant pools. As the unemployment bulge begins to lessen, a return to smaller applicant pools may be experienced. In addition, human resources staff is stretched thin as field offices at Pine Hills Youth Correctional Facility and Montana Women’s Prison are staffed each with a half-time specialist. Those facilities need full time staff to operate effectively. The agency has negotiated rates for correctional officers and probation and parole officers which are not precisely in line with the 2006 market rates that serve as the agency standard. In order to assure equity and recruitment success, a custom pay plan for the positions above them in the chains of command has been designed. The pay range for chemical dependency counselors and nursing staff are also custom designed, independent of market data. For medical, dental, and psychologist staff the agency tends to pay what it takes to fill the position.

*Agency Overview*

The Department of Corrections (DOC) is charged with efficiently utilizing state resources to develop and maintain comprehensive adult and youth corrections services. The primary responsibility of DOC is to house and/or provide services to adults and youth who are sentenced to DOC or one of the facilities it operates. DOC is also responsible for juvenile parole and adult probation and parole functions. However, juvenile probation services are part of the District Court Operations Program within the Judicial Branch.

The Department of Corrections provides services through the operation of state institutions, with state employees (such as probation and parole) and the purchase of incarceration and other services (such as community based residential programs) via contracts with local governments and private not-for-profit and for-profit businesses throughout the state.

Staffing Changes

The 2013 biennium budget request proposes a net reduction of 14.50 FTE (summarized in the figure) from 1,303.64 to 1,289.64. The executive proposes reducing general fund supported personal services costs by 4%, which equates to 20.50 FTE (\$2.4 million) for this agency. While the department has identified the number of FTE and dollar amount of the reduction it has not identified the specific positions or category of positions that will be eliminated.

Summary of FTE Changes			
DP No.	Title	FY 2012	FY 2013
303	MWP Correctional Officers	2.00	2.00
317	Mental Health Technicians	3.00	3.00
402	Inmate Canteen	<u>1.00</u>	<u>1.00</u>
	Subtotal	6.00	6.00
<u>4% Personal Service Reductions</u>			
55400	Admin and Support Services	(5.00)	(5.00)
55400	Adult Comm Corrections	(4.00)	(4.00)
55400	Montana Women's Prison	(1.00)	(1.00)
55400	Montana Correctional Enterp	(0.50)	(0.50)
55400	Youth Services	(3.00)	(3.00)
55401	Montana State Prison	<u>(7.00)</u>	<u>(7.00)</u>
	Subtotal	<u>(20.50)</u>	<u>(20.50)</u>
	Total	<u>(14.50)</u>	<u>(14.50)</u>

**LFD  
ISSUE**Positions Not Specified – Impact on Operations and Risk not Clear

The department has identified that the 4% personal services reduction would equate to 20.50 FTE and has allocated those FTE among department programs. However, the specific position or type of position (such as correctional officer, probation and parole officer, accounting clerk, or administrative support) has not been identified. Without identification of the types of positions that would be eliminated it is difficult to evaluate the impact of these FTE reductions on department operations and management of populations.

Generally, FTE reductions may:

- Increase workload for existing staff
- Result in increased overtime
- Delay completion of some work products

Without identification of the types of positions it is difficult to assess potential impacts on or risks to items such as:

- Institutional security
- Supervision of inmates
- Offender recidivism

The legislature may wish to discuss with the department the specific actions it would take to meet the FTE reductions, and the impact on operations of the department and management of the populations.

Budget Comparison

When compared to the 2011 biennium, the 2013 biennium budget is 6.1% (\$21 million) total funds greater. General fund increases 6.2% (\$20.7 million) during the same time period. This budget increase is driven by requests for increased

funding for the number of beds, both community based and secure prison, within the system. The figure on page D-130 illustrates that the executive budget includes requests totaling \$22.3 million general fund to support 202 and 386 additional beds in FY 2012 and 2013, respectively, above the average daily population supported in FY 2010. The executive proposes increasing the number of community corrections beds by 117 and secure custody beds (including unused capacity at state institutions) by 269 by the end of the biennium.

The executive budget proposes increasing the bed capacity of the system by:

- o Fully funding all available beds at existing facilities (treatment, prerelease, male assessment and sanction, and prison)
- o The addition of a 40 bed prerelease center in the northwestern portion of the state in FY 2013
- o The addition of 34 community based alternative beds - the exact type and location are not specified
- o The addition of 20 secure assisted living type beds
- o The addition of 144 prison beds through relocation of the current male assessment and sanction center and returning the Missoula County facility to use as a prison

The estimated population increase over the base budget is 271 and 426 offenders in FY 2012 and 2013, respectively. The budget request supports fewer offenders than the ADP is projected to increase:

- o If population grows as estimated, there is not funding or the existence of an adequate number of Community Corrections or male prison beds within the current system
- o The department will be challenged to create programs that divert offender population growth from male prisons and the community. This may result in more serious or higher risk offenders being supervised in community settings
- o Shifting more serious offenders to community settings may have a negative impact on offender recidivism rates, which in turn may increase system stress and demand for prison beds. The department will be challenged to implement programs that are proven to be effective and result in offenders succeeding in the community
- o Operating prisons at operation capacities may stress the maintenance of the inmate classification system

Summary of Decision Packages and Bed Increases Over FY 2010 Base										
DP No.	Title	Amount		Actual ADP FY 2010	Number of Beds				Population Estimate	
		FY 2012	FY 2013		Requested Funding	Supports Bed	Incr. Over FY 2010	Incr over Base		
					FY 2012	FY 2013	FY 2012	FY 2013	FY 2012	FY 2013
206 & 210	Treasure State Correctional Trng Ctr.	\$44,786	\$44,786	54	60	60	6	6		
201	Annualize Treatment Beds	677,431	677,431	460	472	472	12	12		
202	Annualize Prerelease Beds	2,537,126	2,537,126	937	958	958	21	21		
203	NW Prerelease Center	0	1,226,984	0	0	40	0	40		
204	Masc Annualizaton	128,737	128,737	137	141	141	4	4		
207	Population Bed Expansion (Comm)	<u>1,054,850</u>	<u>1,054,850</u>	<u>0</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>		
	Subtotal Community Corrections	\$4,442,930	\$5,669,914	1,588	1,665	1,705	77	117	95	170
305, 307, 308, 313, 317, 55401, 311	Montana State Prison	1,612,263	1,486,960	1,455	1,485	1,485	30	30		
301, 302, 304, 55400	Montana Women's Prison	660,370	335,370	164	194	194	30	30		
315	Annualized Contract Prison Beds	1,227,570	1,227,570	976	1,021	1,021	45	45		
316	Population Growth - Secure	<u>620,500</u>	<u>5,088,100</u>	<u>0</u>	<u>20</u>	<u>164</u>	<u>20</u>	<u>164</u>		
	Subtotal Secure Care (Prison)	\$4,120,703	\$8,138,000	2,595	2,720	2,864	125	269	176	256
	Total Bed Growth Above FY 2010	<u>\$8,563,633</u>	<u>\$13,807,914</u>	<u>4,183</u>	<u>4,385</u>	<u>4,569</u>	<u>202</u>	<u>386</u>	<u>271</u>	<u>426</u>
	Biennial Total		<u>\$22,371,547</u>		Requested Increase as % of Population Increase -->				74.5%	90.6%
					Requested Beds Less Estimated ADP Increase -->				(69)	(40)
DP 207 Community Corrections includes 34 community alternative beds but exact type and location is not specified.										
DP 316 Secure Care includes 20 assisted living beds becoming operational in FY 2012 and an additional 144 prison beds in FY 2013.										
Annualize Contract Prison Beds includes county jail hold beds for both secure and community corrections programs.										



**LFD  
ISSUE**System Capacity and Offender Management and Movement

The executive proposes a secure custody budget that fully utilizes current male prison system capacity. However, some excess capacity within the system is necessary to allow for maintenance of the proper segregation of inmates by classification level and movement of inmates among housing units. Some excess capacity can also mean increased efficiency in timely placement of populations in the most appropriate settings for their potential future success in exiting and staying out of the system.

Corrections experts recommend a higher excess capacity than is included in the executive budget. For instance, the consulting firm (Carter Goble Lee) that completed the State of Montana Department of Corrections Master Plan (referred to as the master plan) dated December 2008, recommends that the ADP of offenders not exceed 85% - 90% of the system operating capacity. The executive budget does not provide for more beds than ADP.

Because the ability to properly segregate and house offenders by classification level can impact the safety and security of offenders and staff within the facilities, offender access to programs required prior to consideration for parole, and litigation (for example, for failure to comply with American's With Disabilities Act (ADA) requirements) department articulation and adherence to policies and goals on the classification and management of offenders are significant. The department does not have a specific policy or goal statement about desired system capacity verses ADP. However, among the goals of the secure care units within the agency are goals related to the classification system and population management such as:

- o "Manage the inmate populations risk and needs based on application of the inmate objective classification system through completion of inmate classification reports as required per policy. Classification reports and statistics will be reviewed on a monthly basis for fiscal year 2011 through 2013 with an overall facility accuracy and timeliness rating of 90% or higher.
- o Maintain zero escapes and less than 5 major facility incidents that result in a lockdown or other action for fiscal year 2011 through 2013. In addition we will track, review and take the appropriate disciplinary action for inmate on inmate and inmate on staff assaults for fiscal year 2011 through 2013.
- o Monitor inmate major disciplinary rule violations and inmate grievances on a monthly basis during fiscal year 2011 through 2013 to determine problem inmates, problem areas or issues that involve MSP staff intervention. Disciplinary infractions and types of inmate grievances will be tracked and compared to previous fiscal years to review trends or changes in inmate activities or issues.
- o Conduct and take minutes of monthly labor management meetings during fiscal year 2011 through 2013 to ensure we maintain a safe work environment of all staff as well as a safe environment for the inmate population. Issues discussed that will have followed up action will be addressed and completed within a reasonable timeframe from discussion or resolution of the issue."

During the 2011 biennium MSP modified usage of a unit to provide additional administrative segregation beds. Administrative segregation is a management tool used to house offenders that may not be housed in the general population for a variety of reasons (offender behavior, risk of harm from others, etc.). This modification reduced the capacity within the unit and of the institution. If MSP finds it necessary to continue this modification for an extended period of time the operating capacity of the facility will be reduced. Reduction in the operating capacity at MSP will increase the need for prison beds and funding since reduced capacity at the state operated institution does not equate to reduced costs. Rather, inability to house inmates in a manner that accommodates their completion of programming prior to parole eligibility (creating a backlog) could increase the pressure for more prison beds.



**LFD  
ISSUE CONT.**

Given the potential impact on management and future growth of correctional populations due to lack of excess capacity as included in the executive budget for the 2013 biennium, the legislature may wish to discuss with the agency:

- The risk and challenges associated with maintenance of the inmate classification system if ADP grows as estimated
- The impact of the proposed budget on the agency's ability to control current and future populations, while maintaining goals of staff, inmate, and facility security

Population Estimate

For the 2013 biennium the department projects that the overall rate of population growth will be 1.9% per year. Probation and parole caseloads are estimated to grow slightly more than 1% per year, alternatives to prison about 5% per year, and male secure care 3.1% per year. The projected overall rate of growth, if realized, would be the lowest annual rate of growth experienced but higher than the overall rate of growth for the past two years, which has been 1% and 0% for FY 2009 and FY 2010, respectively. One driver of correctional system cost is the portion of the system that is experiencing growth. According to the department, the cost per day for adult services or incarceration varies from a low of \$5.12 per day for probation and parole to \$192.70 for female methamphetamine treatment. Prerelease services costs between \$60 and \$70 per day while prison costs range from \$73 to \$116 per day. Population increases in alternatives to prison and prison segments of the system are more costly than an increase in the probation and parole caseload.

Challenges

While the projected population growth is one of the lowest in recent years, it brings with it several challenges, including:

- Current financial conditions are stressing state financial resources and the ability to fund ongoing services without including population increases
- Higher cost segments of the correctional system (prison and community alternatives) are anticipated to grow while growth rates in lower cost options are more stagnant
- Current secure prison facilities (state, regional, and private) are at or near operational capacity, which is likely to lead to increased use of local jails if space is available
- Current financial conditions may make it more difficult for offenders to gain employment, which is generally a requirement before being released to probation or parole

Additional information about budget requests related to population growth including challenges and risks is included in the narrative for Adult Community Corrections and Secure Custody facilities.

*17-7-140, MCA Reductions*

During the interim the Governor ordered executive branch agencies to reduce expenditures as required under section 17-7-140, MCA. The following figure summarizes the reductions made by the Governor.

General Fund Spending Reductions 17-7-140, MCA			
Item	FY 2010	FY 2011	Ongoing
Norhtwest Prerelease Center	\$1,226,984	\$1,226,984	yes - requested for FY 2013
Personal Services Offset with Supervision Fees	500,000	500,000	no
Personal Services Offset Parental Contributions	350,000	250,000	no
Decrease MSP Operating Budget	165,000	165,000	yes
Outside Medical Reduction	100,000	100,000	no - budget shortfall
Personal Services Offset Collections	100,000	100,000	no
License Plate OTO Appropriation Reduction	100,000	0	yes
P&P Leased Vehicle Return	70,000	160,000	yes
HR/Training Leadership Training Reduction	15,000	15,000	yes
Advisory Councils Reduction	8,348	10,190	yes
Board of Pardons and Parole Contract Reduction	5,000	7,500	yes
Training Budget Reduction	0	7,447	no
IT Replacements Reduction	0	200,000	no
Fixed Costs Budget Reduction	0	23,238	no
PRC Per Diem 1%/Year	0	187,147	no
Reduce Elkhorn Meth Treatment 20%	0	365,000	no
Treatment Per Diem 1% FY 2011	0	140,036	no
Hold MASC Per Diem at FY 2010 Level	0	65,441	no
CCA Per Diem Rate Reduction	0	215,348	no
Hold Per Diem Rate for Regional Prisons at FY 2010	0	199,219	no
Juvenile Delinquency Incentive Programs Reduction	0	300,000	no
Total	<u>\$2,640,332</u>	<u>\$4,237,550</u>	
Biennial Total		<u>\$6,877,882</u>	
Amount Ongoing	<u>\$1,590,332</u>	<u>\$0</u>	

Of the \$6.9 million of 2011 biennium spending reductions, \$2.6 million were FY 2010 or base budget year reductions and the balance of the reductions occur in FY 2011. Generally, reductions in the FY 2010 operating expenditures become ongoing reductions when developing the next biennium's budget. Of the \$2.6 million of spending reductions for FY 2010, \$1.6 million are potentially ongoing in nature.

#### *Carry forward Appropriation*

The 2009 Legislature approved an across the board reduction of 2% for most agencies for the 2011 biennium. For the Department of Corrections, the legislature restored a portion (\$1.5 million) of this reduction in FY 2011 and also recognized that the department was projected to have a significant amount of funds (a projected \$4.5 million) available to it due to carry forward provisions of 17-7-340, MCA that allow a portion of unexpended FY 2009 funds to be used in the 2011 biennium. 2009 biennium population estimates did not reach budgeted levels, resulting in a reversion of general fund by the department and subsequently making carry forward funds available for expenditure in the 2011 biennium. The carry forward funding available to the department for the 2011 biennium is \$6.5 million or \$2.0 million more than projected during the 2009 session.

#### *Budget Reductions*

The figure summarizes the impact of the 2% across the board reduction and carry forward funds on the department's budget. For the 2011 biennium the \$6.5 million in carry forward funds available to the department exceeded the 2% reduction by \$1.1 million

2011 Biennium Summary of Selected Actions With General Fund Impact			
Item	FY 2010	FY 2011	Biennial
2% Unspecified Reduction	(\$3,440,653)	(\$3,440,653)	(\$6,881,306)
Restore Portion of Unspecified Reduction	0	<u>1,500,000</u>	<u>1,500,000</u>
Net 2% Reduction - Allocated Among Program	(3,440,653)	(1,940,653)	(5,381,306)
17-7-340, MCA, Carry Forward Appropriation	<u>48,692</u>	<u>6,458,699</u>	<u>6,507,391</u>
Total	<u>(\$3,391,961)</u>	<u>\$4,518,046</u>	<u>\$1,126,085</u>

*Allocation among Programs and Use of Biennial Appropriation*

Allocation Among Programs and Use of Biennial Appropriation													
17-7-140, MCA													
	2% ATB		FY 2009 Carryforward		Reductions		Biennial Appropriation		Program Transfers		Net Impact		
	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010	FY 2011	Biennial
Admin and Support Services	(\$261,663)	(\$145,108)	\$11,692	\$308	(\$228,348)	(\$463,375)	\$0	\$0	\$1,010,000	\$198,845	\$531,681	(\$409,330)	122,351
Board of Pardons	(14,692)	(8,211)	0	0	0	0	0	0	62,000		47,308	(8,211)	39,097
Adult Community	(1,192,575)	(699,339)	0	0	(1,796,984)	(2,644,608)	0	0	1,832,000		(1,157,559)	(3,343,947)	(4,501,506)
Secure Facilities	(1,491,445)	(842,480)	0	6,457,391	(165,000)	(579,567)	3,500,000	(3,500,000)	(2,719,000)	(298,845)	(875,445)	1,236,499	361,054
MCE	(77,781)	(23,608)	0	0	(100,000)	0	0	0	15,000	100,000	(162,781)	76,392	(86,389)
Youth Services	(402,497)	(221,907)	38,000	0	(350,000)	(550,000)	0	0	(200,000)	0	(914,497)	(771,907)	(1,686,404)
	(\$3,440,653)	(\$1,940,653)	\$49,692	\$6,457,699	(\$2,640,332)	(\$4,237,550)	\$3,500,000	(\$3,500,000)	\$0	\$0	(\$2,531,293)	(\$3,220,504)	(\$5,751,797)

The figure summarizes the allocation of reductions among programs within the department and the impact of selected budgetary management decisions made by the department. In managing the 2011 biennium budget the department chose to move \$3.5 million included in a biennial appropriation for secure housing from FY 2011 to FY 2010. \$2.7 million of these funds were then moved to other programs within the agency. The department chose this action rather than the use of the carry forward funds that were also available. This decision is significant because expenditures of the biennial appropriation are included in the base budget used to develop the 2013 biennium budget. Carry forward funds are considered one time only funding that is removed from the expenditure level used to develop the base budget used to develop the 2013 biennium budget. Had the department used the carry forward appropriation rather than the biennial appropriation during FY 2010 the \$3.5 million would have needed to be included in a decision package for legislative consideration in order to become part of the 2013 biennium budget.

This action illustrates how agency management actions and the legislative provision of the flexibility of a biennial appropriation can impact future budgeting cycles. Had the legislature not provided biennial appropriations for certain programs within the department, the only option available to the department would have been use of the carry forward (one time only) appropriations. While the legislature anticipated the agency's use of carry forward funds to offset the 2% reduction in funding, it anticipated this use in the context of one time only funding that would be removed from the base budget.

**5% Reduction Plan**

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following table summarizes the plan submitted for the agency.

Total 5% Reduction Plan Identified by Agencies, By Division Included and Not Included in Executive Budget 2013 Biennium					
Program/DP Number/Description	FTE	General Fund	% Of Total	State Special Revenue	% Of Total
<u>Administrative and Financial Services</u>					
<i>Included in Executive Budget</i>					
55400 4% FTE Reduction - AFSD	5.00	\$55,808	0.7%		0.0%
55401 4% FTE Reduction - SSD		143,887			
55402 4% FTE Reduction - HPISD		<u>106,874</u>	<u>1.3%</u>		<u>0.0%</u>
Subtotal Included in Executive Budget		<u>\$306,569</u>	<u>3.7%</u>	<u>\$0</u>	<u>0.0%</u>
<i>Not Included in Executive Budget</i>					
HPIS Administrator	1.00	\$104,904	1.3%	\$0	0.0%
Fixed Cost Reductions		97,000			
AFSD Reductions		45,000			
Director's Office Reductions		14,000			
Outside Medical		125,000			
Health Services		4,000			
IT Reductions		76,000			
Staff Services		30,000			
Training Manual				163	
Collections Unit				17,128	
Supervisory Fees			<u>0.0%</u>	<u>22,934</u>	<u>12.9%</u>
Subtotal Not Included in Executive Budget		<u>495,904</u>	<u>6.0%</u>	<u>\$40,225</u>	<u>22.6%</u>
Total Administrative and Financial Services		<u>\$802,473</u>	<u>9.7%</u>	<u>\$40,225</u>	<u>22.6%</u>
<u>Adult Community Corrections</u>					
<i>Included in Executive Budget</i>					
55400 4% FTE Reduction	4.00	<u>\$189,181</u>	<u>2.3%</u>	<u>\$0</u>	<u>0.0%</u>
Subtotal Included in Executive Budget		<u>\$189,181</u>	<u>2.3%</u>	<u>\$0</u>	<u>0.0%</u>
<i>Not Included in Executive Budget</i>					
Adult Community Corrections		<u>2,670,725</u>	<u>32.4%</u>	<u>\$0</u>	<u>0.0%</u>
Subtotal Not Included in Executive Budget		<u>\$2,670,725</u>	<u>32.4%</u>	<u>\$0</u>	<u>0.0%</u>
Total Adult Community Corrections		<u>\$2,859,906</u>	<u>34.7%</u>	<u>\$0</u>	<u>0.0%</u>
<u>Secure Care</u>					
<i>Included in Executive Budget</i>					
55400 4% FTE Reduction - MWP	1.00	\$36,333	0.4%		0.0%
55401 4% FTE Reduction - Contract Beds	7.00	<u>461,857</u>	<u>5.6%</u>	<u>0</u>	<u>0.0%</u>
Subtotal Included in Executive Budget		<u>\$498,190</u>	<u>6.0%</u>	<u>\$0</u>	<u>0.0%</u>
<i>Not Included in Executive Budget</i>					
Montana State Prison	14.00	\$1,686,194	20.4%	\$0	0.0%
Contract Beds		1,166,913			
Montana Women's Prison		267,129			
Inmate Pay				\$6,347	
MSP Staff Transportation		<u>0</u>		<u>\$145</u>	
Subtotal Not Included in Executive Budget		<u>\$3,120,236</u>	<u>37.8%</u>	<u>\$6,492</u>	<u>3.6%</u>
Total Secure Care		<u>\$3,618,426</u>	<u>43.9%</u>	<u>\$6,492</u>	<u>3.6%</u>
<u>Montana Correction Enterprises</u>					
<i>Included in Executive Budget</i>					
55400 4% FTE Reduction	0.50	\$23,187	0.3%		0.0%
Subtotal Included in Executive Budget		<u>\$23,187</u>	<u>0.3%</u>	<u>\$0</u>	<u>0.0%</u>
<i>Not Included in Executive Budget</i>					
MCE Reductions		\$21,459	0.3%	\$0	0.0%
Canteen				\$89,100	
SS Reduction				<u>\$1,276</u>	
Subtotal Not Included in Executive Budget		<u>\$21,459</u>	<u>0.3%</u>	<u>\$90,376</u>	<u>50.8%</u>
Total Montana Correctional Enterprises		<u>\$44,646</u>	<u>0.5%</u>	<u>\$90,376</u>	<u>50.8%</u>
<u>Youth Services Division</u>					
<i>Included in Executive Budget</i>					
55400 4% FTE Reduction	3.00	<u>\$186,702</u>	<u>2.3%</u>		0.0%
Subtotal Included in Executive Budget		<u>\$186,702</u>	<u>2.3%</u>	<u>\$0</u>	<u>0.0%</u>
<i>Not Included in Executive Budget</i>					
Youth Services Reductions		\$733,558	8.9%	\$0	0.0%
PHYCF Canteen				\$173	
Interest and Income				\$20,506	
Parental Contributions		<u>0</u>		<u>\$20,305</u>	
Subtotal Not Included in Executive Budget		<u>\$733,558</u>	<u>8.9%</u>	<u>\$40,984</u>	<u>23.0%</u>
Total Youth Services Division		<u>\$920,260</u>	<u>11.2%</u>	<u>\$40,984</u>	<u>23.0%</u>
<i>Included in Executive Budget</i>					
		\$1,203,829	14.6%	\$0	0.0%
<i>Not Included in Executive Budget</i>					
		<u>7,041,882</u>	<u>85.4%</u>	<u>178,077</u>	<u>100.0%</u>
Total Agency Reduction Plan	<u>35.50</u>	<u>\$8,245,711</u>	<u>100.0%</u>	<u>\$178,077</u>	<u>100.0%</u>

The 5% reduction plan for the Department of Corrections includes general fund reductions totaling \$8.2 million. Of this amount \$1.2 million associated with a 4% reduction in personal service costs is included in the executive budget. Reductions not included in the executive budget total \$7.0 million and include 18.00 FTE. Among the largest reductions in the plan are:

- o \$2.7 million in Adult Community Corrections, including a reduction in the number of treatment beds available
- o \$1.7 million at Montana State Prison, including the elimination of 14.00 FTE and the education and chemical dependency treatment programs within the facility
- o \$1.2 million in contract prison beds through a reduction in the usage of beds at contract facilities

Some of the reductions would decrease the number of community based beds and prison beds. In order to realize the savings of decreasing beds, the net number of offenders cannot increase. Offenders leaving these facilities cannot be replaced by another offender. Potential impacts of decreasing the number available beds may include:

- o Pressure to lower the prison population so that it does not exceed the available capacity of institutions within the state
- o Increased difficulty in the successful transition of offenders to the community
- o More offenders with higher risk behaviors may be placed in the community
- o Longer lengths of stay in prison if an offenders must wait for an opening in order to complete court ordered programming

The reduction plan includes some items (such as elimination of a vacant FTE or use of state special revenue to offset general fund costs) that may be easily implemented without significant difficulty. Other items included in the plan such as elimination of programming at Montana State Prison may have significant undesirable impacts. The largest reductions are discussed in the applicable program narratives that follow the agency summary portion of this document.

### Funding

The following table summarizes funding for the agency, by program and source, as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2013 Biennium Budget						
Agency Program	General Fund	State Spec.	Fed Spec.	Proprietary	Grand Total	Total %
01 Admin And Support Services	\$ 35,669,130	\$ 873,916	\$ -	\$ 194,818	\$ 36,737,864	10.07%
02 Adult Community Corrections	124,924,499	919,122	-	-	125,843,621	34.48%
03 Secure Custody Facilities	155,331,680	259,664	18,346	-	155,609,690	42.63%
04 Mont Correctional Enterprises	1,795,695	4,167,549	-	1,183,795	7,147,039	1.96%
05 Youth Services	37,947,491	1,689,490	23,398	-	39,660,379	10.87%
Grand Total	<u>\$ 355,668,495</u>	<u>\$ 7,909,741</u>	<u>\$ 41,744</u>	<u>\$ 1,378,613</u>	<u>\$ 364,998,593</u>	<u>100.00%</u>

The department receives about 97% of its funding from the general fund. About 2% of the department's funding comes from state special revenue. The four largest state special revenues are:

- o The canteen revolving fund, which receives revenue from the sale of items (such as personal hygiene items) to inmates
- o Probation and parole supervision fees are collected from offenders under the supervision of the department
- o Pine Hills donations, interest, and income funds come mostly from the collection of interest and income on school trust lands
- o Juvenile placement costs of care comes from payments made by parents and other responsible parties toward the costs of care of juveniles under the supervision of juvenile parole (Corrections) or juvenile probation (Judicial Branch)

The remaining 1% of the department's funding comes from proprietary funds such as license plate manufacturing and prison ranch operations.

### Statutory Appropriations

The following figure shows the total statutory appropriations associated with this agency. Because statutory appropriations do not require reauthorization each biennium, they do not appear in HB 2 and are not routinely examined by the legislature. The table is provided so that the legislature can get a more complete picture of agency operations and associated policy.

Statutory Appropriations Department of Corrections					
Purpose	MCA #	Fund Source	Fiscal 2010	Fiscal 2012	Fiscal 2013
<u>Direct Bearing on Agency Operations</u>					
Inmate Welfare Fund	53-1-109	SSR	\$429,611	\$392,049	\$393,554

As appropriate, LFD staff has segregated the statutory appropriations into two general categories: 1) those where the agency primarily acts in an administrative capacity and the appropriations consequently do not relate directly to agency operations; and 2) those that have a more direct bearing on the mission and operations of the agency.

### Supplemental Appropriations

The executive budget indicates that the agency will seek a \$900,000 supplemental appropriation. However, as of this writing the department has taken action to mitigate the projected cost overrun. Information provided to legislative staff indicated that this amount would be removed from the supplemental appropriations bill. Additional information on the agency mitigation efforts will be provided to the appropriations subcommittee.

### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	165,758,162	165,758,162	331,516,324	93.21%	169,948,697	169,948,697	339,897,394	93.12%
Statewide PL Adjustments	91,277	100,126	191,403	0.05%	(21,154)	(21,175)	(42,329)	(0.01%)
Other PL Adjustments	10,099,795	15,672,542	25,772,337	7.25%	10,691,175	16,263,922	26,955,097	7.38%
New Proposals	(632,212)	(1,179,357)	(1,811,569)	(0.51%)	(632,212)	(1,179,357)	(1,811,569)	(0.50%)
<b>Total Budget</b>	<b>\$175,317,022</b>	<b>\$180,351,473</b>	<b>\$355,668,495</b>		<b>\$179,986,506</b>	<b>\$185,012,087</b>	<b>\$364,998,593</b>	



### Program Budget Comparison

The following table summarizes the total executive budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	113.50	113.50	108.50	108.50	113.50	108.50	(5.00)	(4.41%)
Personal Services	6,838,385	6,938,224	6,863,392	6,866,189	13,776,609	13,729,581	(47,028)	(0.34%)
Operating Expenses	10,478,739	9,808,205	11,555,934	11,452,349	20,286,944	23,008,283	2,721,339	13.41%
<b>Total Costs</b>	<b>\$17,317,124</b>	<b>\$16,746,429</b>	<b>\$18,419,326</b>	<b>\$18,318,538</b>	<b>\$34,063,553</b>	<b>\$36,737,864</b>	<b>\$2,674,311</b>	<b>7.85%</b>
General Fund	16,879,299	16,189,561	17,881,168	17,787,962	33,068,860	35,669,130	2,600,270	7.86%
State Special	350,838	473,165	440,136	433,780	824,003	873,916	49,913	6.06%
Federal Special	0	0	0	0	0	0	0	n/a
Other	86,987	83,703	98,022	96,796	170,690	194,818	24,128	14.14%
<b>Total Funds</b>	<b>\$17,317,124</b>	<b>\$16,746,429</b>	<b>\$18,419,326</b>	<b>\$18,318,538</b>	<b>\$34,063,553</b>	<b>\$36,737,864</b>	<b>\$2,674,311</b>	<b>7.85%</b>

### Program Description

The Administration and Support Services Program includes the Director's Office, Health Services, Information Services Division, Staff Services Division, Administrative and Financial Services Division, and the administratively attached Board of Pardons and Parole. This program provides services to the department, governmental entities, and the public in the areas of public and victim information, human resource management, staff development & training, American Indian liaison services, policy management, information technology, legal information, technical correctional services, research and statistics, medical services management, project management, payroll, budgeting and program planning, contract development, federal grants management, victim restitution, supervision fee collection, accounting, and various administrative and management support functions.

### Program Highlights

Administrative and Financial Services	
Major Budget Highlights	
◆	Funding for this program increases 7.9% or \$2.7 million primarily in general fund <ul style="list-style-type: none"> <li>Increases in statewide present law adjustments and funding for outside medical costs are partially offset by a 4% reduction in personal services</li> </ul>
Major LFD Issues	
◆	The request for increased funding for outside medical costs may be overstated
◆	Specific positions included in the FTE reduction are not identified, making impacts unknown

### Program Narrative

#### 5% Reduction Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

The 5% plan for this division includes a number of personal services and operating cost reductions totaling \$802,473 general fund and \$17,291 state special revenue. The largest general fund reduction and only reduction that is included in the executive budget is a 4% reduction in personal services equating to \$306,569 and 5.00 FTE. The next largest reductions, and the only reductions equating to more than \$100,000 in savings, include a 2.2% reduction in outside medical costs (\$125,000 supporting contracted personnel) and elimination of the Health Planning Information Services Division administrator position that is currently vacant (\$104,904).

The impacts of the 5.00 FTE reductions are difficult to estimate because the agency has not identified the positions that would be eliminated, other than that they would consider vacant positions first. The department has requested an increase in outside medical costs of over \$0.8 million in a present law adjustment. Therefore, this reduction would only reduce the requested increase. The department indicated potential reductions include reducing the contract for the medical director by 50% and elimination of the contract for the behavioral health facilitator. Potential impacts of these reductions might include:

- o Increased legal challenges regarding the adequacy of medical care provided to inmates
- o Delayed identification of offenders and programmatic solutions for those with mental health and behavioral health needs

5% Reduction Plan by Division Administrative and Financial Services			
Item	FTE	Gen Fund	State Spec Revenue
4% FTE Reduction	5.00	\$306,569	
HPISD Administrator	1.00	104,904	
Messenger Services		3,000	
Insurance		86,482	
Grounds Maintenance		7,518	
Funding Shift Personal Services		38,000	
Printing		2,500	
Travel and Training		4,500	
Contracted Temp Services		10,800	
Non Employee Travel		2,000	
Subscriptions		1,200	
Reduce Outside Medical 2.2%		125,000	
Health Services Training/Travel		4,000	
FileNet Replacement		23,000	
ITX Mugshot System Maintenance		9,700	
Citrix Reduction		1,600	
Elimination of MRM		2,400	
Elimination of SunGard		8,700	
PC Replacement		30,600	
Staff Svcs - Leased Vehicle		11,500	
Contracted Legal Services		18,500	
Training Manuals			\$163
Collections Unit			17,128
Total	6.00	\$802,473	\$17,291

The department has reorganized and does not intend to fill the division administrator position.

### Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table Admin And Support Services							
Program Funding		Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000	Total General Fund	\$ 16,879,299	97.5%	\$ 17,881,168	97.1%	\$ 17,787,962	97.1%
	01100 General Fund	16,879,299	97.5%	17,881,168	97.1%	17,787,962	97.1%
02000	Total State Special Funds	350,838	2.0%	440,136	2.4%	433,780	2.4%
	02355 Miscellaneous Fines And Fees	3,256	0.0%	34,256	0.2%	34,256	0.2%
	02689 Offender Restitution	342,557	2.0%	400,531	2.2%	394,267	2.2%
	02917 Msp Canteen Revolving Acct	5,025	0.0%	5,349	0.0%	5,257	0.0%
06000	Total Proprietary Funds	86,987	0.5%	98,022	0.5%	96,796	0.5%
	06033 Prison Ranch	24,394	0.1%	25,967	0.1%	25,521	0.1%
	06034 Msp Institutional Industries	24,011	0.1%	25,560	0.1%	25,121	0.1%
	06545 Prison Indust. Training Prog	13,507	0.1%	14,378	0.1%	14,131	0.1%
	06572 Mce License Plate Production	-	-	5,425	0.0%	5,789	0.0%
	06573 Msp - Cook Chill	25,075	0.1%	26,692	0.1%	26,234	0.1%
Grand Total		\$ 17,317,124	100.0%	\$ 18,419,326	100.0%	\$ 18,318,538	100.0%

More than 97% of the funding for this program comes from the general fund. About 2% of the program's funding comes from state special revenue, primarily from fees charged for the collection of restitution from offenders. The remainder of the program's funding comes from proprietary funds such as the prison ranch, industries program, and cook chill operation.

### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	16,879,299	16,879,299	33,758,598	94.64%	17,317,124	17,317,124	34,634,248	94.27%
Statewide PL Adjustments	393,795	313,868	707,663	1.98%	427,248	339,739	766,987	2.09%
Other PL Adjustments	879,853	883,413	1,763,266	4.94%	946,733	950,293	1,897,026	5.16%
New Proposals	(271,779)	(288,618)	(560,397)	(1.57%)	(271,779)	(288,618)	(560,397)	(1.53%)
<b>Total Budget</b>	<b>\$17,881,168</b>	<b>\$17,787,962</b>	<b>\$35,669,130</b>		<b>\$18,419,326</b>	<b>\$18,318,538</b>	<b>\$36,737,864</b>	

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					614,904					619,730
Vacancy Savings					(296,770)					(296,960)
Inflation/Deflation					(16,678)					(16,084)
Fixed Costs					125,792					33,053
<b>Total Statewide Present Law Adjustments</b>		<b>\$393,795</b>	<b>\$22,418</b>	<b>\$0</b>	<b>\$427,248*</b>		<b>\$313,868</b>	<b>\$16,062</b>	<b>\$0</b>	<b>\$339,739*</b>
DP 101 - Software maintenance collection management system	0.00	0	35,880	0	35,880	0.00	0	35,880	0	35,880
DP 103 - New Building Rent	0.00	27,314	0	0	27,314	0.00	27,572	0	0	27,572
DP 601 - Legal Prosecution Services	0.00	10,000	0	0	10,000	0.00	10,000	0	0	10,000
DP 602 - Investigator Overtime	0.00	6,742	0	0	6,742	0.00	6,742	0	0	6,742
DP 701 - Outside Medical	0.00	829,097	0	0	829,097	0.00	832,399	0	0	832,399
DP 801 - Increase Spending Authority for training manuals	0.00	0	31,000	0	31,000	0.00	0	31,000	0	31,000
DP 901 - Board member per diem	0.00	6,700	0	0	6,700	0.00	6,700	0	0	6,700
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$879,853</b>	<b>\$66,880</b>	<b>\$0</b>	<b>\$946,733</b>	<b>0.00</b>	<b>\$883,413</b>	<b>\$66,880</b>	<b>\$0</b>	<b>\$950,293</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,273,648</b>	<b>\$89,298</b>	<b>\$0</b>	<b>\$1,373,981*</b>	<b>0.00</b>	<b>\$1,197,281</b>	<b>\$82,942</b>	<b>\$0</b>	<b>\$1,290,032*</b>

\* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

### Program Personal Services Narrative

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** – The agency pay plan rules do not extend the opportunity for "exceptions" per se. There is some latitude which will be stretched by the challenges of the coming biennium.
- o **Program Specific Obstacles** - Information technology (IT) continues to have difficulty in recruiting qualified applicants. The department frequently post positions twice to recruit qualified applicants for IT positions. The managed care nurse position is challenging to recruit and retain. These specialty positions will continue to be problematic unless the supply of qualified job seeking candidates changes drastically. The work units within this

program are virtually all non-union and have now gone two years without any movement toward market. Similar jobs within collective bargaining units have moved forward each year of the current biennium. The combination of a more competitive market for these specialty type positions such as IT, fiscal, and medical with the diversity in approach to pay within state government (agencies paying based upon different market data) has placed the department in jeopardy of becoming an easy training ground/recruitment source for other agencies. Inequities have been established due to union/non-union differences in pay.

- o **Vacancy** - The program has low turnover and vacancy rates. Pay plan adjustments have been used in some cases with limited success. Fiscal constraints have made other sorts of benefits (e.g. transportation assistance) unlikely. Most work units within this program offer alternative work days/hours etc. to staff who prefer those options. Positions left open to create vacancy savings include: a human resources specialist position at Pine Hills Youth Correctional Facility (six months), a payroll technician position (one month – filled as 0.50 FTE instead of 1.00 FTE), an accounting clerk position (vacant since July 2010), compliance specialist (vacant for one year), an attorney position (open since Oct. 2009), para-legal position (open since April of 2010), emergency management specialist position (open since June of 2010), a training development specialist (vacant since July 2010), and the Health, Planning, IT Division Administrator (vacant since August of 2010).
- o **Legislatively Applied Vacancy Savings** - The program was not able to meet the vacancy savings rate and was approximately \$125,000 over budget in personal services. This was due to low or no turnover, higher than anticipated entry salaries, and reclassification. The program was not able to move funding from the operating budget to the personal services due to Department of Administration Information Technology Services Division (ITSD) fixed costs. ITSD used one time only funding from the 2009 biennium in the calculation of the fixed costs rates for the 2011 biennium. For this reason, the program had a shortage in the operating budget. The department moved funds from other programs to cover the shortage.
- o **Pay/Position Changes** - The department has a pay plan that has been in effect for several biennia that moves staff from entry to market (based upon the 2006 market survey) over five years. That pay plan remained in effect through July 1, 2009. After July 1, 2009 such adjustments were frozen for all non-union staff, with the only exceptions being employees who received an increase due to a miscalculation in the prior year adjustment. Union staff continued to receive entry to market adjustments, if eligible, in keeping with the negotiated labor agreement. There was one reclassification of an information technology position and two adjustments for training assignments. There were four competency adjustments and two performance adjustments processed through the agency pay adjustment request system with the director's approval. All adjustments were covered with budget transfers from other programs.
- o **Retirements** - It's difficult to project who will retire based on the variety of age, service criteria, and potential service purchase options. Based upon lists from the retirement systems, during the biennium there will be 30 employees eligible for retirement. The projected liability is \$479,015. The Board of Pardons and Parole's executive director will be retiring in May of 2011. In addition, two key managers may retire toward the end of the biennium. The Human Resources Division is taking the lead in career and leadership development programs to provide for recruitment replacement needs.

Statewide present law adjustments increase due to: fully funding vacant positions, increases in health insurance costs, and replacement of funding for personal services that was removed from the base budget because it was not ongoing. Each decision package is discussed in the subprograms that follow.

**New Proposals**

The “New Proposals” table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
-----Fiscal 2012-----						-----Fiscal 2013-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 602 - Victim information and notification										
01	0.00	34,790	0	0	34,790	0.00	19,790	0	0	19,790
DP 55400 - Admin and Support Services FTE Reduction										
01	(5.00)	(306,569)	0	0	(306,569)	(5.00)	(308,408)	0	0	(308,408)
<b>Total</b>	<b>(5.00)</b>	<b>(\$271,779)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$271,779)</b>	<b>(5.00)</b>	<b>(\$288,618)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$288,618)</b>

**Sub-Program Details****BOARD OF PARDONS 01****Sub-Program Proposed Budget**

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	10.00	0.00	0.00	10.00	0.00	0.00	10.00	10.00
Personal Services	612,077	(4,840)	0	607,237	(4,275)	0	607,802	1,215,039
Operating Expenses	164,778	(6,548)	0	158,230	(6,405)	0	158,373	316,603
<b>Total Costs</b>	<b>\$776,855</b>	<b>(\$11,388)</b>	<b>\$0</b>	<b>\$765,467</b>	<b>(\$10,680)</b>	<b>\$0</b>	<b>\$766,175</b>	<b>\$1,531,642</b>
General Fund	776,855	(11,388)	0	765,467	(10,680)	0	766,175	1,531,642
<b>Total Funds</b>	<b>\$776,855</b>	<b>(\$11,388)</b>	<b>\$0</b>	<b>\$765,467</b>	<b>(\$10,680)</b>	<b>\$0</b>	<b>\$766,175</b>	<b>\$1,531,642</b>

**Sub-Program Description**

This subprogram includes the Board of Pardons and Parole, which is administratively attached to the department. The Board of Pardons and Parole is established in 2-15-2301, MCA as a quasi judicial board.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	776,855	776,855	1,553,710	101.44%	776,855	776,855	1,553,710	101.44%
Statewide PL Adjustments	(18,088)	(17,380)	(35,468)	(2.32%)	(18,088)	(17,380)	(35,468)	(2.32%)
Other PL Adjustments	6,700	6,700	13,400	0.87%	6,700	6,700	13,400	0.87%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$765,467</b>	<b>\$766,175</b>	<b>\$1,531,642</b>		<b>\$765,467</b>	<b>\$766,175</b>	<b>\$1,531,642</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.



Present Law Adjustments									
-----Fiscal 2012-----					-----Fiscal 2013-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				12,079					12,665
Vacancy Savings				(23,619)					(23,640)
Inflation/Deflation				(6,548)					(6,405)
<b>Total Statewide Present Law Adjustments</b>	<b>(\$18,088)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$18,088)</b>		<b>(\$17,380)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$17,380)</b>
DP 901 - Board member per diem									
0.00	6,700	0	0	6,700	0.00	6,700	0	0	6,700
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$6,700</b>	<b>\$0</b>	<b>\$6,700</b>	<b>0.00</b>	<b>\$6,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,700</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$11,388)</b>	<b>\$0</b>	<b>(\$11,388)</b>	<b>0.00</b>	<b>(\$10,680)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$10,680)</b>

DP 901 - Board member per diem - This decision package requests funding for Board of Pardons and Parole members compensation as outlined in 2-25-124 (7), MCA. 2013 biennium costs are projected to be greater than the base budget. Funding is requested to support 77 days per year.

## Sub-Program Details

### DIRECTOR'S OFFICE 02

#### Sub-Program Proposed Budget

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	7.00	0.00	0.00	7.00	0.00	0.00	7.00	7.00
Personal Services	333,485	239,461	0	572,946	239,423	0	572,908	1,145,854
Operating Expenses	84,894	(136)	34,790	119,548	(78)	19,790	104,606	224,154
<b>Total Costs</b>	<b>\$418,379</b>	<b>\$239,325</b>	<b>\$34,790</b>	<b>\$692,494</b>	<b>\$239,345</b>	<b>\$19,790</b>	<b>\$677,514</b>	<b>\$1,370,008</b>
General Fund	418,379	239,325	34,790	692,494	239,345	19,790	677,514	1,370,008
<b>Total Funds</b>	<b>\$418,379</b>	<b>\$239,325</b>	<b>\$34,790</b>	<b>\$692,494</b>	<b>\$239,345</b>	<b>\$19,790</b>	<b>\$677,514</b>	<b>\$1,370,008</b>

#### Sub-Program Description

This subprogram includes the director, his office staff, the communications director, the victim's assistance office, and chief legal staff for the department.

#### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	418,379	418,379	836,758	61.08%	418,379	418,379	836,758	61.08%
Statewide PL Adjustments	239,325	239,345	478,670	34.94%	239,325	239,345	478,670	34.94%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	34,790	19,790	54,580	3.98%	34,790	19,790	54,580	3.98%
<b>Total Budget</b>	<b>\$692,494</b>	<b>\$677,514</b>	<b>\$1,370,008</b>		<b>\$692,494</b>	<b>\$677,514</b>	<b>\$1,370,008</b>	

#### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
FTE	-----Fiscal 2012-----				-----Fiscal 2013-----				Total Funds
	General Fund	State Special	Federal Special	Total Funds	General Fund	State Special	Federal Special	Total Funds	
Personal Services				263,314					263,274
Vacancy Savings				(23,853)					(23,851)
Inflation/Deflation				(136)					(78)
<b>Total Statewide Present Law Adjustments</b>	<b>\$239,325</b>	<b>\$0</b>	<b>\$0</b>	<b>\$239,325</b>	<b>\$239,345</b>	<b>\$0</b>	<b>\$0</b>	<b>\$239,345</b>	
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$239,325</b>	<b>0.00</b>	<b>\$239,345</b>	<b>\$0</b>	<b>\$0</b>	<b>\$239,345</b>

**New Proposals**

The “New Proposals” table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
Sub Program	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 602 - Victim information and notification										
02	0.00	34,790	0	0	34,790	0.00	19,790	0	0	19,790
<b>Total</b>	<b>0.00</b>	<b>\$34,790</b>	<b>\$0</b>	<b>\$0</b>	<b>\$34,790</b>	<b>0.00</b>	<b>\$19,790</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,790</b>

DP 602 - Victim information and notification - This decision package request one time only funding to maintain the existing victim notification system and to expand notification to registered victims when an offender, not in prison, has a custody status change. 46-24-212, MCA provides the statutory framework for victim notification.

## Sub-Program Details

### ADMINISTRATIVE SERVICES 03

#### Sub-Program Proposed Budget

The following table summarizes the total legislative budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	34.00	0.00	(5.00)	29.00	0.00	(5.00)	29.00	29.00
Personal Services	1,576,315	201,040	(306,569)	1,470,786	203,653	(308,408)	1,471,560	2,942,346
Operating Expenses	3,350,192	151,006	0	3,501,198	58,576	0	3,408,768	6,909,966
<b>Total Costs</b>	<b>\$4,926,507</b>	<b>\$352,046</b>	<b>(\$306,569)</b>	<b>\$4,971,984</b>	<b>\$262,229</b>	<b>(\$308,408)</b>	<b>\$4,880,328</b>	<b>\$9,852,312</b>
General Fund	4,491,938	318,593	(306,569)	4,503,962	236,358	(308,408)	4,419,888	8,923,850
State/Other Special	347,582	22,418	0	370,000	16,062	0	363,644	733,644
Proprietary	86,987	11,035	0	98,022	9,809	0	96,796	194,818
<b>Total Funds</b>	<b>\$4,926,507</b>	<b>\$352,046</b>	<b>(\$306,569)</b>	<b>\$4,971,984</b>	<b>\$262,229</b>	<b>(\$308,408)</b>	<b>\$4,880,328</b>	<b>\$9,852,312</b>

#### Sub-Program Description

This subprogram includes administrative and financial services such as: accounting, budgeting, and contract management.

#### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	4,491,938	4,491,938	8,983,876	100.67%	4,926,507	4,926,507	9,853,014	100.01%
Statewide PL Adjustments	291,279	208,786	500,065	5.60%	324,732	234,657	559,389	5.68%
Other PL Adjustments	27,314	27,572	54,886	0.62%	27,314	27,572	54,886	0.56%
New Proposals	(306,569)	(308,408)	(614,977)	(6.89%)	(306,569)	(308,408)	(614,977)	(6.24%)
<b>Total Budget</b>	<b>\$4,503,962</b>	<b>\$4,419,888</b>	<b>\$8,923,850</b>		<b>\$4,971,984</b>	<b>\$4,880,328</b>	<b>\$9,852,312</b>	

#### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2012-----						-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					275,097					277,818
Vacancy Savings					(74,057)					(74,165)
Inflation/Deflation					(2,100)					(2,049)
Fixed Costs					125,792					33,053
<b>Total Statewide Present Law Adjustments</b>		<b>\$291,279</b>	<b>\$22,418</b>	<b>\$0</b>	<b>\$324,732*</b>		<b>\$208,786</b>	<b>\$16,062</b>	<b>\$0</b>	<b>\$234,657*</b>
DP 103 - New Building Rent	0.00	27,314	0	0	27,314	0.00	27,572	0	0	27,572
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$27,314</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,314</b>	<b>0.00</b>	<b>\$27,572</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,572</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$318,593</b>	<b>\$22,418</b>	<b>\$0</b>	<b>\$352,046*</b>	<b>0.00</b>	<b>\$236,358</b>	<b>\$16,062</b>	<b>\$0</b>	<b>\$262,229*</b>

\* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 103 - New Building Rent - This decision package requests funding for cost differences due to movement of the central office from one state owned building to another.

### New Proposals

The "New Proposals" table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
-----Fiscal 2012-----						-----Fiscal 2013-----				
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55400 - Admin and Support Services FTE Reduction 03	(5.00)	(306,569)	0	0	(306,569)	(5.00)	(308,408)	0	0	(308,408)
<b>Total</b>	<b>(5.00)</b>	<b>(\$306,569)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$306,569)</b>	<b>(5.00)</b>	<b>(\$308,408)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$308,408)</b>

DP 55400 - Admin and Support Services FTE Reduction - The executive recommends a 4% reduction of personal services funded with general fund.

<b>LFD ISSUE</b>	<u>Specific Positions Not Identified</u>
	The agency was not able to identify the specific positions or types of positions that would be included in this reduction. Therefore, the impact of the reduction on agency operations cannot be determined.

**Sub-Program Details****HEALTH SERVICES 04****Sub-Program Proposed Budget**

The following table summarizes the total legislative budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	3.00	0.00	0.00	3.00	0.00	0.00	3.00	3.00
Personal Services	197,976	7,791	0	205,767	8,172	0	206,148	411,915
Operating Expenses	5,674,112	829,038	0	6,503,150	832,340	0	6,506,452	13,009,602
<b>Total Costs</b>	<b>\$5,872,088</b>	<b>\$836,829</b>	<b>\$0</b>	<b>\$6,708,917</b>	<b>\$840,512</b>	<b>\$0</b>	<b>\$6,712,600</b>	<b>\$13,421,517</b>
General Fund	5,872,088	836,829	0	6,708,917	840,512	0	6,712,600	13,421,517
<b>Total Funds</b>	<b>\$5,872,088</b>	<b>\$836,829</b>	<b>\$0</b>	<b>\$6,708,917</b>	<b>\$840,512</b>	<b>\$0</b>	<b>\$6,712,600</b>	<b>\$13,421,517</b>

**Sub-Program Description**

This subprogram includes the costs of purchasing medical services for offenders from sources outside of the prison and the costs of the medical director and behavioral health facilitator.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	5,872,088	5,872,088	11,744,176	87.50%	5,872,088	5,872,088	11,744,176	87.50%
Statewide PL Adjustments	7,732	8,113	15,845	0.12%	7,732	8,113	15,845	0.12%
Other PL Adjustments	829,097	832,399	1,661,496	12.38%	829,097	832,399	1,661,496	12.38%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$6,708,917</b>	<b>\$6,712,600</b>	<b>\$13,421,517</b>		<b>\$6,708,917</b>	<b>\$6,712,600</b>	<b>\$13,421,517</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.



Present Law Adjustments										
-----Fiscal 2012-----						-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					16,364					16,762
Vacancy Savings					(8,573)					(8,590)
Inflation/Deflation					(59)					(59)
Total Statewide Present Law Adjustments										
		\$7,732	\$0	\$0	\$7,732		\$8,113	\$0	\$0	\$8,113
DP 701 - Outside Medical										
	0.00	829,097	0	0	829,097	0.00	832,399	0	0	832,399
Total Other Present Law Adjustments										
	0.00	\$829,097	\$0	\$0	\$829,097	0.00	\$832,399	\$0	\$0	\$832,399
Grand Total All Present Law Adjustments										
	0.00	\$836,829	\$0	\$0	\$836,829	0.00	\$840,512	\$0	\$0	\$840,512

DP 701 - Outside Medical - This decision package requests increased funding for the costs of outside medical care for inmates.

### LFD ISSUE

#### Request May be Overstated

The figure illustrates historical expenditures for outside medical costs, the number of inmates covered by the department for these costs, and the estimated cost per inmate. FY 2012 and 2013 costs are estimated using the department's population projection estimate and a three year average cost per inmate (with an adjustment to FY 2010 for an outlier case) inflated by the CPI for medical cost inflation.

Legislative Fiscal Division Estimate of Outside Medical Cost Department of Corrections									
Summary of Projected Increase									
Year	LFD	Agency	Difference						
FY 2012	(\$130,585)	\$829,097	\$959,682						
FY 2013	<u>447,149</u>	<u>832,399</u>	<u>385,250</u>						
Total	<u>\$316,564</u>	<u>\$1,661,496</u>	<u>\$1,344,932</u>						
Historical and Projected Inmates Covered, Cost, and Average Cost Per Inmate									
				% Increase from Previous Year			Ave. Annual Change		
	Inmates		Ave. Cost	Inmates		Ave. Cost	Inmates		Ave. Cost
Year	Covered	Total Cost	Per Inmate	Covered	Total Cost	Per Inmate	Covered	Total Cost	Per Inmate
2004	2,537	2,433,820	959						
2005	2,753	3,397,646	1,234	8.5%	39.6%	28.6%	8.5%	39.6%	28.6%
2006	2,904	3,404,498	1,172	5.5%	0.2%	-5.0%	7.0%	18.3%	10.5%
2007	2,912	3,853,124	1,323	0.3%	13.2%	12.9%	4.7%	16.5%	11.3%
2008	2,912	4,561,463	1,566	0.0%	18.4%	18.4%	3.5%	17.0%	13.0%
2009	3,019	4,594,905	1,522	3.7%	0.7%	-2.8%	3.5%	13.6%	9.7%
2010	3,063	5,569,867	1,655	1.5%	21.2%	8.8%	3.2%	14.8%	9.5%
2011	3,109	4,915,981	1,581	1.5%	-11.7%	-4.5%	2.9%	10.6%	7.4%
2012	3,230	5,439,282	1,684	3.9%	10.6%	6.5%	3.1%	10.6%	7.3%
2013	3,355	6,017,016	1,793	3.9%	10.6%	6.5%	3.2%	10.6%	7.2%

Using this methodology and comparing the result to department's request indicates that requested funding may overstate the funding needed for outside medical costs in the 2013 biennium by about \$1.3 million. The legislature may wish to:

- Modify the amount included in this decision package to the amounts estimated in the table
- If the decision package is approved as requested, restrict the appropriation for outside medical so that the funding could not be used for another purpose and funds not expended would revert to the general fund

**Sub-Program Details****STAFF SERVICES DIVISION 05****Sub-Program Proposed Budget**

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	33.50	0.00	0.00	33.50	0.00	0.00	33.50	33.50
Personal Services	1,921,149	188,824	0	2,109,973	187,710	0	2,108,859	4,218,832
Operating Expenses	517,660	35,374	0	553,034	35,664	0	553,324	1,106,358
<b>Total Costs</b>	<b>\$2,438,809</b>	<b>\$224,198</b>	<b>\$0</b>	<b>\$2,663,007</b>	<b>\$223,374</b>	<b>\$0</b>	<b>\$2,662,183</b>	<b>\$5,325,190</b>
General Fund	2,435,553	193,198	0	2,628,751	192,374	0	2,627,927	5,256,678
State/Other Special	3,256	31,000	0	34,256	31,000	0	34,256	68,512
<b>Total Funds</b>	<b>\$2,438,809</b>	<b>\$224,198</b>	<b>\$0</b>	<b>\$2,663,007</b>	<b>\$223,374</b>	<b>\$0</b>	<b>\$2,662,183</b>	<b>\$5,325,190</b>

**Sub-Program Description**

This subprogram includes services such as: human resources, training, legal, and investigations.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	2,435,553	2,435,553	4,871,106	92.67%	2,438,809	2,438,809	4,877,618	91.60%
Statewide PL Adjustments	176,456	175,632	352,088	6.70%	176,456	175,632	352,088	6.61%
Other PL Adjustments	16,742	16,742	33,484	0.64%	47,742	47,742	95,484	1.79%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$2,628,751</b>	<b>\$2,627,927</b>	<b>\$5,256,678</b>		<b>\$2,663,007</b>	<b>\$2,662,183</b>	<b>\$5,325,190</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2012-----					-----Fiscal 2013-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				269,719					268,560	
Vacancy Savings				(87,637)					(87,592)	
Inflation/Deflation				(5,626)					(5,336)	
<b>Total Statewide Present Law Adjustments</b>	<b>\$176,456</b>	<b>\$0</b>	<b>\$0</b>	<b>\$176,456</b>		<b>\$175,632</b>	<b>\$0</b>	<b>\$0</b>	<b>\$175,632</b>	
DP 601 - Legal Prosecution Services										
0.00	10,000	0	0	10,000	0.00	10,000	0	0	10,000	
DP 602 - Investigator Overtime										
0.00	6,742	0	0	6,742	0.00	6,742	0	0	6,742	
DP 801 - Increase Spending Authority for training manuals										
0.00	0	31,000	0	31,000	0.00	0	31,000	0	31,000	
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$16,742</b>	<b>\$31,000</b>	<b>\$0</b>	<b>\$47,742</b>	<b>0.00</b>	<b>\$16,742</b>	<b>\$31,000</b>	<b>\$0</b>	<b>\$47,742</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$193,198</b>	<b>\$31,000</b>	<b>\$0</b>	<b>\$224,198</b>	<b>0.00</b>	<b>\$192,374</b>	<b>\$31,000</b>	<b>\$0</b>	<b>\$223,374</b>

DP 601 - Legal Prosecution Services - This decision package requests increased funding to contract with the Powell County Attorney, who is responsible for prosecuting offenders for escapes and absconding from department facilities. This increase would maintain the continuity of prosecutions not only in Powell County but in Yellowstone and Lewis and Clark where county attorneys have accepted assistance from Powell County with local cases that have occurred when offenders have made venue changes through the court system.

**LFD  
COMMENT**

The current (2011 biennium) value of the contract between the department and the Powell County Attorney is \$40,000 per year.

DP 602 - Investigator Overtime - This decision package requests funding for overtime costs for investigators. These individuals conduct investigations (criminal, administrative, and civil) at department facilities throughout the state. They incur overtime related to travel institutional locations, on call, and calls that require immediate response.

DP 801 - Increase Spending Authority for training manuals - This decision package requests an increase in state special revenue so that the Professional Development Bureau can provide training manuals to participants from outside the department and bill those agencies for the materials.

## Sub-Program Details

### INFORMATION TECHNOLOGY DIVISION 06

#### Sub-Program Proposed Budget

The following table summarizes the total legislative budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	26.00	0.00	0.00	26.00	0.00	0.00	26.00	26.00
Personal Services	2,197,383	(300,700)	0	1,896,683	(298,471)	0	1,898,912	3,795,595
Operating Expenses	687,103	33,671	0	720,774	33,723	0	720,826	1,441,600
<b>Total Costs</b>	<b>\$2,884,486</b>	<b>(\$267,029)</b>	<b>\$0</b>	<b>\$2,617,457</b>	<b>(\$264,748)</b>	<b>\$0</b>	<b>\$2,619,738</b>	<b>\$5,237,195</b>
General Fund	2,884,486	(302,909)	0	2,581,577	(300,628)	0	2,583,858	5,165,435
State/Other Special	0	35,880	0	35,880	35,880	0	35,880	71,760
<b>Total Funds</b>	<b>\$2,884,486</b>	<b>(\$267,029)</b>	<b>\$0</b>	<b>\$2,617,457</b>	<b>(\$264,748)</b>	<b>\$0</b>	<b>\$2,619,738</b>	<b>\$5,237,195</b>

#### Sub-Program Description

This subprogram includes functions such as information technology and statistical analysis.

#### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	2,884,486	2,884,486	5,768,972	111.68%	2,884,486	2,884,486	5,768,972	110.15%
Statewide PL Adjustments	(302,909)	(300,628)	(603,537)	(11.68%)	(302,909)	(300,628)	(603,537)	(11.52%)
Other PL Adjustments	0	0	0	0.00%	35,880	35,880	71,760	1.37%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$2,581,577</b>	<b>\$2,583,858</b>	<b>\$5,165,435</b>		<b>\$2,617,457</b>	<b>\$2,619,738</b>	<b>\$5,237,195</b>	

#### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2012-----					-----Fiscal 2013-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				(221,669)						(219,349)
Vacancy Savings				(79,031)						(79,122)
Inflation/Deflation				(2,209)						(2,157)
<b>Total Statewide Present Law Adjustments</b>	<b>(\$302,909)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$302,909)</b>		<b>(\$300,628)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$300,628)</b>	
DP 101 - Software maintenance collection management system										
0.00	0	35,880	0	35,880	0.00	0	35,880	0	35,880	
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$35,880</b>	<b>\$0</b>	<b>\$35,880</b>	<b>0.00</b>	<b>\$0</b>	<b>\$35,880</b>	<b>\$0</b>	<b>\$35,880</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$302,909)</b>	<b>\$35,880</b>	<b>\$0</b>	<b>(\$267,029)</b>	<b>0.00</b>	<b>(\$300,628)</b>	<b>\$35,880</b>	<b>\$0</b>	<b>(\$264,748)</b>

DP 101 - Software Maintenance Collection Management System – This decision package requests funding for software support for the collections management system. Funding would be from the offender restitution state special revenue account.

### Program Budget Comparison

The following table summarizes the total executive budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	263.00	263.00	259.00	259.00	263.00	259.00	(4.00)	(1.52%)
Personal Services	14,502,612	14,760,954	14,847,809	14,850,880	29,263,566	29,698,689	435,123	1.49%
Operating Expenses	43,020,504	47,481,318	47,456,007	48,688,925	90,501,822	96,144,932	5,643,110	6.24%
<b>Total Costs</b>	<b>\$57,523,116</b>	<b>\$62,242,272</b>	<b>\$62,303,816</b>	<b>\$63,539,805</b>	<b>\$119,765,388</b>	<b>\$125,843,621</b>	<b>\$6,078,233</b>	<b>5.08%</b>
General Fund	57,064,428	61,526,242	61,842,861	63,081,638	118,590,670	124,924,499	6,333,829	5.34%
State Special	458,688	716,030	460,955	458,167	1,174,718	919,122	(255,596)	(21.76%)
Federal Special	0	0	0	0	0	0	0	n/a
<b>Total Funds</b>	<b>\$57,523,116</b>	<b>\$62,242,272</b>	<b>\$62,303,816</b>	<b>\$63,539,805</b>	<b>\$119,765,388</b>	<b>\$125,843,621</b>	<b>\$6,078,233</b>	<b>5.08%</b>

### Program Description

The Adult Community Corrections Division consists of adult probation and parole, intensive and enhanced supervision programs, and male and female community corrections programs including: the boot camp training center (Treasure State Correctional Training Center or TSCTC); chemical dependency treatment programs; driving under the influence (DUI) treatment facilities; methamphetamine treatment facilities; assessment, sanction, and revocation centers; and various other programs for diversion of offenders from prison. The department contracts with nonprofit corporations throughout the state for services. The subprogram descriptions provide additional information about the location of various facilities.

### Program Highlights

Adult Community Corrections Major Budget Highlights	
<ul style="list-style-type: none"> <li>◆ General fund support for the division increases 5.3% (\$6.3 million), primarily due to present law adjustments annualizing funding for existing facilities and projected increases in offender population due to: <ul style="list-style-type: none"> <li>• Annualization of current contracts, primarily an increase in the number of prerelease beds</li> <li>• Funding for 34 new community alternative beds, but the type of beds is not specified</li> </ul> </li> </ul>	
Major LFD Issues	
<ul style="list-style-type: none"> <li>◆ The increase in beds supported by the executive budget is less than the estimated increase in average daily population (ADP)</li> <li>◆ The legislature may wish to review and utilize funds available in the state special revenue fund from collection of supervision fees</li> <li>◆ Specific positions or types of positions included in the personal services reduction have not been identified</li> </ul>	

### Program Narrative

The Adult Community Corrections Division supervises offenders in settings other than prison. The types of services vary in intensity from community supervision to supervised residential settings such as prerelease centers and treatment



facilities. The division provides services through the use of state employees (probation and parole officers) and contracts with nonprofit organization that operate various types of community based residential programs.

The executive request increases funding for the division by 5% or about \$6.1 million when the two biennia are compared. The majority of this increase is included in present law decision packages that annualize the costs of existing contract facilities or request funding for new community correctional facilities and services. Increases in funding are partially offset by a 4% reduction in personal services. Please refer to the section on the 5% plan for more information about personal services funding reductions.

The primary drivers of community correctional costs are increases in the number of offenders to be supervised or housed and the type of placement or service that is needed to supervise the offenders. Community residential treatment programs such as the methamphetamine treatment centers tend to have per day costs at the upper end of the spectrum while services such as probation and parole supervision tend to have the lowest per day costs. While fewer offenders receive residential services than supervision services, the cost per day can be almost twenty times greater.

The figure below shows actual and estimated average daily population (ADP) for FY 2010 through FY 2013 by category of service. The department estimates that residential services such as prison alternatives and prerelease will increase by the greatest percentage level with alternatives projected to increase 4.9% per year and prerelease 3.1% per year. Probation and parole, which oversees the greatest number of offenders, is projected to grow at a rate of about 1.2% per year. This contrasts with actual experience in FY 2009 and FY 2010 when probation and parole caseloads decreased. However, between FY 2006 and FY 2008 probation and parole caseload increases ranged from 7% to 3% per year.

Summary of Adult Community Corrections Population Average Daily Population (ADP)				
Segment	Actual	Department Projection		
	FY 2010	FY 2011	FY 2012	FY 2013
Alternatives to Prison	831	872	915	960
% Increase		4.9%	4.9%	4.9%
Prerelease/Transitional Living	900	928	957	987
% Increase		3.1%	3.1%	3.1%
Intensive Supervision & Day Reporting	349	354	358	362
% Increase		1.4%	1.1%	1.1%
Probation, Parole, Enhanced Supervision	8,393	8,489	8,587	8,686
% Increase		1.1%	1.2%	1.2%

The executive budget requests funding for 77 and 117, additional beds in FY 2012 and FY 2013, respectively. This requested increase is less than the projected increase in community corrections ADP, which is 95 and 170 for FY 2012 and FY 2013, respectively. The request for fewer community based beds than projected ADP is consistent with secure beds where the request to fund additional beds is also lower than the projected growth in ADP. Please refer to the agency summary for more information on this topic.

Bed increases supported by the executive budget are primarily in the prerelease setting including annualization of current prerelease contracts and establishment of a new 40 bed prerelease in northwestern Montana. The agency has been working on the northwestern prerelease center for a number of years and has experienced some difficulties locating an acceptable site. Per the department, northwestern Montana is the only geographic area of the state that does not have a prerelease center to assist in transitioning offenders back to the community. Additionally, funding for this prerelease center was provided for the 2011 biennium but included in the spending reduction ordered by the Governor in accordance with 17-7-140, MCA.

Risk areas associated with this division's budget include:

- o Given that the executive budget does not request funding for beds at the level of projected population the department may be challenged to develop alternatives for more serious offenders
- o Achievement of citing and having operational 40 prerelease beds in northwestern Montana has been and will likely remain challenging. If this facility does not become a reality by FY 2013 and the ADP grows as predicted the department will be challenged to accommodate these offenders
- o Continued decline or low rates of growth in probation and parole may stress the division and its financial resources because the cost of other types of housing is more expensive. Additionally, this may create pressure for the department to supervise offenders with higher risk in the community
- o A 34 bed increase is proposed to accommodate population expansion, but the department has not specified the type of facility or program that will be developed. The department will be challenged to identify the type of

service desired and enter into a contract resulting in beds being operational by July 1, 2011 consistent with the funding requested. Given the short time frame between adjournment of the legislature and the beginning of the new fiscal year, this will be difficult to accomplish

### 5% Reduction Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

The 5% plan for this division includes general fund reductions (or funding switches) totaling almost \$2.7 million. Of the proposed reductions only the 4% reduction in personal services (4.00 FTE and \$189,181) is included in the executive budget.

The two largest reductions are:

- A reduction in the number of Warm Springs Addiction, Treatment, and Change (WATCH) and Corrections Connection facility beds providing drug and alcohol treatment (\$766,486)
- Use of the state special revenue account from the collection of supervision fees to offset general fund costs (\$623,176)

5% Reduction Plan by Division Adult Community Corrections			
Item	FTE	Gen Fund	State Spec Revenue
4% FTE Reduction	4.00	\$189,181	
Contract Meth Outcomes Rpt		4,800	
Reduce ESP Expansion by 15 slots		213,525	
Hold Prerelease to Contracted ESP slots		88,914	
Reduce Probation & Parole Vehicles		204,750	
Use Supervision Fee SSR as Offset		623,176	
Discontinue P & P Communting		35,000	
Maintenance FTE Reduction Watch West		262,918	
Reduce Watch/CCP Expansion		766,486	
Reduce ACCD Beds		293,952	
MASC Rate Negotiation		177,204	
Training and Safety Supplies			\$22,934
	4.00	\$2,859,906	\$22,934

The plan also includes: decreasing Adult Community Corrections Division beds (\$293,952), maintenance FTE reductions at WATCH West (\$262,918), decreasing enhanced supervision slots (\$213,525), decreasing the number of vehicles available for probation and parole officers (\$204,750), and other smaller reductions.

Potential impacts of these reductions are:

- Increased waiting list for community treatment services
- Longer stays in secure care for offenders waiting for community treatment services
- Increased logistical challenges associated with availability of specially equipped vehicles for probation and parole officers when needed
- Increased challenges for the department in maintaining the 80/20 split between offenders in community alternatives and secure care

### Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table Adult Community Corrections						
Program Funding		Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013
01000	Total General Fund	\$ 57,064,428	99.2%	\$ 61,842,861	99.3%	\$ 63,081,638
	01100 General Fund	57,064,428	99.2%	61,842,861	99.3%	63,081,638
02000	Total State Special Funds	458,688	0.8%	460,955	0.7%	458,167
	02261 P & P Supervisory Fee	458,688	0.8%	460,955	0.7%	458,167
Grand	Total	\$ 57,523,116	100.0%	\$ 62,303,816	100.0%	\$ 63,539,805

More than 99% of the division's funding comes from the general fund. Less than 1% of the division's funding comes from state special revenue collected from offenders who must pay a probation and parole supervision fee.

**LFD  
ISSUE****Supervision Fee Fund has High Balance – Offset to General Fund**

Statute (46-23-1031, MCA) provides for the department to charge and collect fees from offenders under department supervision. The supervisory fee is established in this statute to be an amount between \$120 and \$360 per year that may be prorated at not less than \$10 per month. There are also fees for continuous electronic monitoring and transfer of supervision to another state. Additionally, the fee may be reduced or waived by the department, court, or parole board if it is determined that the payment would cause a significant financial hardship. The statute does not specify how funds in this account are to be utilized. However, the department has established policies and procedures for the expenditure of these funds. Department policy gives priority for spending to officer education, staff training, safety equipment and services, and training equipment and supplies. All other probation and parole costs are supported by the general fund.

Probation and Parole Supervision Fee Fund 02261				
	Actual FY 2010	Projected FY 2011	Projected FY 2012	Projected FY 2013
Beginning Balance	\$1,135,234	\$1,051,679	\$793,679	\$1,035,679
Expenditures				
Corrections - Probation and Parole	958,689	1,024,000	524,000	524,000
Revenues				
Supervision Fees	880,520	766,000	766,000	766,000
Adjustments	(5,386)	0	0	0
Net Revenue Less Expenditures	(78,169)	(258,000)	242,000	242,000
Ending Balance	\$1,051,679	\$793,679	\$1,035,679	\$1,277,679

The figure above illustrates FY 2010 through 2013 actual and projected revenues, expenditures, and fund balance for this account. The FY 2010 fund balance was slightly more than \$1 million after the use of \$500,000 to offset FY 2010 general fund expenditures as part of the spending reductions ordered by the Governor in accordance with the provisions of 17-7-140, MCA. The department plans to offset \$500,000 of general fund expenditures in FY 2011 and has included use of this fund to offset general fund expenditures (\$623,176) in the agency's 5% reduction plan.

For the 2013 biennium revenues to this fund are anticipated to be about \$766,000 per year and expenditures about \$524,000 per year. Thus, revenues are anticipated to exceed expenses by about \$242,000 per year. If no action is taken to modify the historic expenditure pattern, the estimated fund balance in this account at the end of the 2013 biennium is projected to grow to almost \$1.3 million.

Given that this account currently has a fund balance of more than \$1 million and statute does not provide guidance on the use of this account, the legislature may wish to:

- o Offset general fund support for probation and parole by use of the available balance in this account
- o Amend statute and provide for a one time transfer of the available fund balance to the general fund
- o Change statute to specify how funds in this account are to be used and require that any excess fund balance be transferred to the general fund at the end of each fiscal year
- o Change statute to eliminate the fund and require that any fees collected under the provisions of 46-23-1031, MCA be deposited to the general fund

### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	57,064,428	57,064,428	114,128,856	91.36%	57,523,116	57,523,116	115,046,232	91.42%
Statewide PL Adjustments	300,846	312,639	613,485	0.49%	303,113	312,118	615,231	0.49%
Other PL Adjustments	4,666,768	5,893,752	10,560,520	8.45%	4,666,768	5,893,752	10,560,520	8.39%
New Proposals	(189,181)	(189,181)	(378,362)	(0.30%)	(189,181)	(189,181)	(378,362)	(0.30%)
<b>Total Budget</b>	<b>\$61,842,861</b>	<b>\$63,081,638</b>	<b>\$124,924,499</b>		<b>\$62,303,816</b>	<b>\$63,539,805</b>	<b>\$125,843,621</b>	

### Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2012-----						-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,122,064					1,125,258
Vacancy Savings					(624,990)					(625,113)
Inflation/Deflation					(193,961)					(188,027)
Total Statewide Present Law Adjustments		\$300,846	\$2,267	\$0	\$303,113		\$312,639	(\$521)	\$0	\$312,118
DP 201 - Annualize Treatment Beds	0.00	677,431	0	0	677,431	0.00	677,431	0	0	677,431
DP 202 - Annualize Prerelease Beds	0.00	2,537,126	0	0	2,537,126	0.00	2,537,126	0	0	2,537,126
DP 203 - Requesting NW Prerelease Beds	0.00	0	0	0	0	0.00	1,226,984	0	0	1,226,984
DP 204 - Annualize MASC Beds	0.00	128,737	0	0	128,737	0.00	128,737	0	0	128,737
DP 206 - TSCTC Overtime	0.00	37,304	0	0	37,304	0.00	37,304	0	0	37,304
DP 207 - Population Bed Expansion	0.00	1,054,850	0	0	1,054,850	0.00	1,054,850	0	0	1,054,850
DP 208 - Increase in Special Needs Funding	0.00	100,000	0	0	100,000	0.00	100,000	0	0	100,000
DP 209 - Increase SCRAM Units by 20	0.00	109,500	0	0	109,500	0.00	109,500	0	0	109,500
DP 210 - ACCD MCE Rate Increases	0.00	21,820	0	0	21,820	0.00	21,820	0	0	21,820
Total Other Present Law Adjustments		0.00	\$4,666,768	\$0	\$0	\$4,666,768	0.00	\$5,893,752	\$0	\$0
Grand Total All Present Law Adjustments		0.00	\$4,967,614	\$2,267	\$0	\$4,969,881	0.00	\$6,206,391	(\$521)	\$0

### Program Personal Services Narrative

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - The agency pay plan rules do not extend the opportunity for “exceptions” per se. There is some latitude which will likely be stretched by the challenges of the coming biennium.
- o **Program Specific Obstacles** - The division will face increasing challenges competing for entry level professional job seekers due to the erosion of their pay range in comparison to recent market data. If the

economy expands, competition for the core occupations (probation and parole officer) will become a challenge. College grads will be in greater demand for entry level work. The program goal of recruiting and retaining high quality professional officers will be increasingly difficult due to pay plan rules and collective bargaining agreements.

- o **Vacancy** - This program's core occupation, probation and parole officer, has some occupational challenges related to non-traditional hours of work, clientele, and offices in communities across the state including high cost areas. Collective bargaining agreements make any kind of individualized pay adjustments virtually impossible. Some benefits that had accrued from the provision of vehicles to many officers has been cut back substantially and will be reduced further in the coming biennium.
- o **Legislatively Applied Vacancy Savings** - The need to capture vacancy savings led to a delay in hiring new positions related to a grant for Native American and chemical dependency specialty officers. These positions were important to the agency and division mission and goals, particularly the cost effectiveness of moving offenders to lower cost supervision modalities and keeping them successfully there and reintegrating them into society without relapse/recidivism. Holding open vacancies forces up the caseload of officers and allows less time per offender. Treasure State Correctional Training Center (TSCTC) was exempted from the 7% vacancy savings. However, the rest of the program was subject to the 7% rate. Some segments of the division were not able to meet the vacancy savings rate. The department was able to move funding from the operating budget to the personal services budget to supplement the shortfall.
- o **Pay/Position Changes** - The division has a high percentage of unionized positions (probation and parole officers and secretaries in the regional offices). These staff continued to receive career ladder adjustments throughout the past and current biennia. All adjustments were covered with budget transfers from other programs.
- o **Retirements** - It's difficult to project who will retire based on the variety of age and service criteria and potential service purchase options. Using lists provided by the retirement systems the department estimates about 63 employees are eligible for retirement. This division has a projected liability of \$720,962. Community Corrections has already experienced a considerable turnover in its middle management staff and has successfully installed a new generation in a high percentage of those positions.

The statewide adjustment for personal services increases is due to replacement of a one-time-only funding shift using state special revenue from supervision fees (\$500,000), increases in health insurance costs (\$365,000), and progression to market pay increases as provided in collective bargaining agreements (\$138,500).

### New Proposals

The "New Proposals" table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
Program	Fiscal 2012					Fiscal 2013				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55400 - ACCD FTE Reductions										
02	(4.00)	(189,181)	0	0	(189,181)	(4.00)	(189,181)	0	0	(189,181)
<b>Total</b>	<b>(4.00)</b>	<b>(\$189,181)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$189,181)</b>	<b>(4.00)</b>	<b>(\$189,181)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$189,181)</b>

## Sub-Program Details

### COMMUNITY CORRECTION ADMIN 01

#### Sub-Program Proposed Budget

The following table summarizes the total executive for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	14.50	0.00	0.00	14.50	0.00	0.00	14.50	14.50
Personal Services	841,241	(19)	0	841,222	(1,552)	0	839,689	1,680,911
Operating Expenses	84,789	(3,729)	0	81,060	(3,664)	0	81,125	162,185
<b>Total Costs</b>	<b>\$926,030</b>	<b>(\$3,748)</b>	<b>\$0</b>	<b>\$922,282</b>	<b>(\$5,216)</b>	<b>\$0</b>	<b>\$920,814</b>	<b>\$1,843,096</b>
General Fund	905,401	(3,748)	0	901,653	(5,216)	0	900,185	1,801,838
State/Other Special	20,629	0	0	20,629	0	0	20,629	41,258
<b>Total Funds</b>	<b>\$926,030</b>	<b>(\$3,748)</b>	<b>\$0</b>	<b>\$922,282</b>	<b>(\$5,216)</b>	<b>\$0</b>	<b>\$920,814</b>	<b>\$1,843,096</b>

#### Sub-Program Description

This subprogram includes the centralized management functions of the Community Corrections Division.

#### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	905,401	905,401	1,810,802	100.50%	926,030	926,030	1,852,060	100.49%
Statewide PL Adjustments	(3,748)	(5,216)	(8,964)	(0.50%)	(3,748)	(5,216)	(8,964)	(0.49%)
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$901,653</b>	<b>\$900,185</b>	<b>\$1,801,838</b>		<b>\$922,282</b>	<b>\$920,814</b>	<b>\$1,843,096</b>	

#### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					35,033					33,436
Vacancy Savings					(35,052)					(34,988)
Inflation/Deflation					(3,729)					(3,664)
<b>Total Statewide Present Law Adjustments</b>										
		(\$3,748)	\$0	\$0	(\$3,748)		(\$5,216)	\$0	\$0	(\$5,216)
<b>Grand Total All Present Law Adjustments</b>										
	0.00	(\$3,748)	\$0	\$0	(\$3,748)	0.00	(\$5,216)	\$0	\$0	(\$5,216)



**Sub-Program Details****TREASURE STATE CORRECTIONAL TRAINI 02****Sub-Program Proposed Budget**

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	27.00	0.00	0.00	27.00	0.00	0.00	27.00	27.00
Personal Services	1,323,420	73,531	0	1,396,951	73,079	0	1,396,499	2,793,450
Operating Expenses	436,878	7,351	0	444,229	9,889	0	446,767	890,996
<b>Total Costs</b>	<b>\$1,760,298</b>	<b>\$80,882</b>	<b>\$0</b>	<b>\$1,841,180</b>	<b>\$82,968</b>	<b>\$0</b>	<b>\$1,843,266</b>	<b>\$3,684,446</b>
General Fund	1,760,298	80,882	0	1,841,180	82,968	0	1,843,266	3,684,446
<b>Total Funds</b>	<b>\$1,760,298</b>	<b>\$80,882</b>	<b>\$0</b>	<b>\$1,841,180</b>	<b>\$82,968</b>	<b>\$0</b>	<b>\$1,843,266</b>	<b>\$3,684,446</b>

**Sub-Program Description**

This subprogram includes the operation of the Treasure State Correctional Training Center (TSCTC), also known as the boot camp, located in Deer Lodge.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	1,760,298	1,760,298	3,520,596	95.55%	1,760,298	1,760,298	3,520,596	95.55%
Statewide PL Adjustments	36,096	38,182	74,278	2.02%	36,096	38,182	74,278	2.02%
Other PL Adjustments	44,786	44,786	89,572	2.43%	44,786	44,786	89,572	2.43%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$1,841,180</b>	<b>\$1,843,266</b>	<b>\$3,684,446</b>		<b>\$1,841,180</b>	<b>\$1,843,266</b>	<b>\$3,684,446</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.



Present Law Adjustments									
-----Fiscal 2012-----					-----Fiscal 2013-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				92,877					92,408
Vacancy Savings				(56,650)					(56,633)
Inflation/Deflation				(131)					2,407
<b>Total Statewide Present Law Adjustments</b>	<b>\$36,096</b>	<b>\$0</b>	<b>\$0</b>	<b>\$36,096</b>		<b>\$38,182</b>	<b>\$0</b>	<b>\$0</b>	<b>\$38,182</b>
DP 206 - TSCTC Overtime	0.00	37,304	0	37,304	0.00	37,304	0	0	37,304
DP 210 - ACCD MCE Rate Increases	0.00	7,482	0	7,482	0.00	7,482	0	0	7,482
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$44,786</b>	<b>\$0</b>	<b>\$44,786</b>	<b>0.00</b>	<b>\$44,786</b>	<b>\$0</b>	<b>\$0</b>	<b>\$44,786</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$80,882</b>	<b>\$0</b>	<b>\$80,882</b>	<b>0.00</b>	<b>\$82,968</b>	<b>\$0</b>	<b>\$0</b>	<b>\$82,968</b>

DP 206 - TSCTC Overtime - This decision package requests funding for overtime and holiday worked at the Treasure State Correctional Training Center.

DP 210 - ACCD MCE Rate Increases - This decision package requests funding for Montana Correction Enterprises (MCE) requested rate increases for food and laundry services.

**LFD  
ISSUE**
Request Related to Proprietary Rate Increase

This decision package requests funding to support increased costs expected because the proprietary fund operated by Montana Correctional Enterprises has requested a rate increase. The legislature may wish to take action on the MCE rate prior to acting on this decision package.

**Sub-Program Details****PRE-RELEASE 03****Sub-Program Proposed Budget**

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
Operating Expenses	20,189,198	2,637,126	0	22,826,324	3,864,110	0	24,053,308	46,879,632
<b>Total Costs</b>	<b>\$20,189,198</b>	<b>\$2,637,126</b>	<b>\$0</b>	<b>\$22,826,324</b>	<b>\$3,864,110</b>	<b>\$0</b>	<b>\$24,053,308</b>	<b>\$46,879,632</b>
General Fund	20,189,198	2,637,126	0	22,826,324	3,864,110	0	24,053,308	46,879,632
<b>Total Funds</b>	<b>\$20,189,198</b>	<b>\$2,637,126</b>	<b>\$0</b>	<b>\$22,826,324</b>	<b>\$3,864,110</b>	<b>\$0</b>	<b>\$24,053,308</b>	<b>\$46,879,632</b>

**Sub-Program Description**

This subprogram includes community based prerelease centers that are used to transition offenders from prison to the community or as a diversion alternative to prison. The department contracts with nonprofit corporations in Great Falls, Missoula, Billings, Bozeman, Butte, and Helena for prerelease services.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	20,189,198	20,189,198	40,378,396	86.13%	20,189,198	20,189,198	40,378,396	86.13%
Statewide PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
Other PL Adjustments	2,637,126	3,864,110	6,501,236	13.87%	2,637,126	3,864,110	6,501,236	13.87%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$22,826,324</b>	<b>\$24,053,308</b>	<b>\$46,879,632</b>		<b>\$22,826,324</b>	<b>\$24,053,308</b>	<b>\$46,879,632</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2012-----					-----Fiscal 2013-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 202 - Annualize Prerelease Beds									
0.00	2,537,126	0	0	2,537,126	0.00	2,537,126	0	0	2,537,126
DP 203 - Requesting NW Prerelease Beds									
0.00	0	0	0	0	0.00	1,226,984	0	0	1,226,984
DP 208 - Increase in Special Needs Funding									
0.00	100,000	0	0	100,000	0.00	100,000	0	0	100,000
<b>Total Other Present Law Adjustments</b>									
<b>0.00</b>	<b>\$2,637,126</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,637,126</b>	<b>0.00</b>	<b>\$3,864,110</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,864,110</b>
<b>Grand Total All Present Law Adjustments</b>									
<b>0.00</b>	<b>\$2,637,126</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,637,126</b>	<b>0.00</b>	<b>\$3,864,110</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,864,110</b>

DP 202 - Annualize Prerelease Beds - This decision package requests funding to annualize the costs of community prerelease facility beds to include funding for 100% utilization of all contracted prerelease beds. This includes beds that will become operational in FY 2011.

#### LFD COMMENT

Funding in this decision package supports an increase of 21 prerelease beds. Please refer to the program summary for additional information about anticipated population increases and related budget requests.

DP 203 - Requesting NW Prerelease Beds - This decision package requests funding to support 40 prerelease beds at a location in northwestern Montana.

#### LFD COMMENT

Funding for a prerelease center in NW Montana has been provided to the department for the past two biennia. Funding for these beds was one of the spending reductions ordered by the Governor in accordance with 17-7-140, MCA. The department housed offenders that might have gone to this facility within the system of existing programs and services.

Please refer to the program summary for additional information about anticipated population increases and related budget requests.

DP 208 - Increase in Special Needs Funding - This decision package requests additional funding for special needs, which is utilized by the centers to assist offenders who are unable to work due to medical issues, mental health diagnoses, or physical restrictions, or are working but unable to pay the high cost of medication, treatment, or therapy. Currently, special needs funding for the six prerelease centers is capped by the department at \$50,000. The prerelease centers serve approximately 1,600 offenders each year. A portion of the requested funds (\$20,000) would replace general fund that was transferred to the Department of Public Health and Human Services to support placement of an offender in a community based living program.

## Sub-Program Details

### PROBATION AND PAROLE 04

#### Sub-Program Proposed Budget

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	219.00	0.00	(4.00)	215.00	0.00	(4.00)	215.00	215.00
Personal Services	12,150,350	480,710	(189,181)	12,441,879	485,405	(189,181)	12,446,574	24,888,453
Operating Expenses	3,755,737	(79,587)	0	3,676,150	(76,505)	0	3,679,232	7,355,382
<b>Total Costs</b>	<b>\$15,906,087</b>	<b>\$401,123</b>	<b>(\$189,181)</b>	<b>\$16,118,029</b>	<b>\$408,900</b>	<b>(\$189,181)</b>	<b>\$16,125,806</b>	<b>\$32,243,835</b>
General Fund	15,468,028	398,856	(189,181)	15,677,703	409,421	(189,181)	15,688,268	31,365,971
State/Other Special	438,059	2,267	0	440,326	(521)	0	437,538	877,864
<b>Total Funds</b>	<b>\$15,906,087</b>	<b>\$401,123</b>	<b>(\$189,181)</b>	<b>\$16,118,029</b>	<b>\$408,900</b>	<b>(\$189,181)</b>	<b>\$16,125,806</b>	<b>\$32,243,835</b>

#### Sub-Program Description

This subprogram includes adult probation and parole, day reporting, and intensive supervision officers who supervise offenders who are in the community.

#### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	15,468,028	15,468,028	30,936,056	98.63%	15,906,087	15,906,087	31,812,174	98.66%
Statewide PL Adjustments	289,356	299,921	589,277	1.88%	291,623	299,400	591,023	1.83%
Other PL Adjustments	109,500	109,500	219,000	0.70%	109,500	109,500	219,000	0.68%
New Proposals	(189,181)	(189,181)	(378,362)	(1.21%)	(189,181)	(189,181)	(378,362)	(1.17%)
<b>Total Budget</b>	<b>\$15,677,703</b>	<b>\$15,688,268</b>	<b>\$31,365,971</b>		<b>\$16,118,029</b>	<b>\$16,125,806</b>	<b>\$32,243,835</b>	

#### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2012-----					-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,007,008					1,011,893
Vacancy Savings					(526,298)					(526,488)
Inflation/Deflation					(189,087)					(186,005)
<b>Total Statewide Present Law Adjustments</b>		<b>\$289,356</b>	<b>\$2,267</b>	<b>\$0</b>	<b>\$291,623</b>		<b>\$299,921</b>	<b>(\$521)</b>	<b>\$0</b>	<b>\$299,400</b>
DP 209 - Increase SCRAM Units by 20										
	0.00	109,500	0	0	109,500	0.00	109,500	0	0	109,500
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$109,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$109,500</b>	<b>0.00</b>	<b>\$109,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$109,500</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$398,856</b>	<b>\$2,267</b>	<b>\$0</b>	<b>\$401,123</b>	<b>0.00</b>	<b>\$409,421</b>	<b>(\$521)</b>	<b>\$0</b>	<b>\$408,900</b>

DP 209 - Increase SCRAM Units by 20 - This decision package requests funding for Secure Continuous Remote Alcohol Monitor (SCRAM) units that provide 24 hour a day, 7 day per week, electronic monitoring of a driving under the influence (DUI) offender's blood alcohol levels. The units would be used for offenders who are in the community under probation and parole supervision.

### New Proposals

The "New Proposals" table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
-----Fiscal 2012-----					-----Fiscal 2013-----					
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55400 - ACCD FTE Reductions										
04	(4.00)	(189,181)	0	0	(189,181)	(4.00)	(189,181)	0	0	(189,181)
<b>Total</b>	<b>(4.00)</b>	<b>(\$189,181)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$189,181)</b>	<b>(4.00)</b>	<b>(\$189,181)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$189,181)</b>

DP 55400 - ACCD FTE Reductions - The executive recommends a 4% reduction of personal services funded with general fund.

<b>LFD ISSUE</b>	<u>Positions Not Specified</u>
	<p>The agency has not specified which positions or types of positions would be included in this reduction. The agency did indicate that FTE reductions would begin with review of vacant positions. Without identification of specific positions or types of positions to be eliminated, it is not possible to determine the potential impact of these reductions.</p> <p>The FTE in this division are primarily probation and parole staff (officers and support staff). A reduction in officers would increase the caseload for existing officers and may impact the officer's ability to complete supervision checks and other activities as frequently as desirable. The impact of a reduction in officers would be affected by the size of the caseload and the risk posed by offenders being supervised. Higher risk offenders may require that officers have a lower caseload.</p>

**Sub-Program Details****TREATMENT UNIT 05****Sub-Program Proposed Budget**

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
Operating Expenses	15,009,823	1,746,671	0	16,756,494	1,746,904	0	16,756,727	33,513,221
<b>Total Costs</b>	<b>\$15,009,823</b>	<b>\$1,746,671</b>	<b>\$0</b>	<b>\$16,756,494</b>	<b>\$1,746,904</b>	<b>\$0</b>	<b>\$16,756,727</b>	<b>\$33,513,221</b>
General Fund	15,009,823	1,746,671	0	16,756,494	1,746,904	0	16,756,727	33,513,221
<b>Total Funds</b>	<b>\$15,009,823</b>	<b>\$1,746,671</b>	<b>\$0</b>	<b>\$16,756,494</b>	<b>\$1,746,904</b>	<b>\$0</b>	<b>\$16,756,727</b>	<b>\$33,513,221</b>

**Sub-Program Description**

This subprogram includes the costs of contracted services that provide treatment to offenders including chemical dependency (alcohol and drug) treatment beds in Butte and Billings, methamphetamine treatment beds in Boulder and Lewistown, and driving under the influence (DUI) treatment beds in Warm Springs and Glendive.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	15,009,823	15,009,823	30,019,646	89.58%	15,009,823	15,009,823	30,019,646	89.58%
Statewide PL Adjustments	52	285	337	0.00%	52	285	337	0.00%
Other PL Adjustments	1,746,619	1,746,619	3,493,238	10.42%	1,746,619	1,746,619	3,493,238	10.42%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$16,756,494</b>	<b>\$16,756,727</b>	<b>\$33,513,221</b>		<b>\$16,756,494</b>	<b>\$16,756,727</b>	<b>\$33,513,221</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2012-----						-----Fiscal 2013-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Inflation/Deflation					52	285				
Total Statewide Present Law Adjustments										
	\$52	\$0	\$0	\$52		\$285	\$0	\$0	\$285	
DP 201 - Annualize Treatment Beds										
0.00	677,431	0	0	677,431	0.00	677,431	0	0	677,431	
DP 207 - Population Bed Expansion										
0.00	1,054,850	0	0	1,054,850	0.00	1,054,850	0	0	1,054,850	
DP 210 - ACCD MCE Rate Increases										
0.00	14,338	0	0	14,338	0.00	14,338	0	0	14,338	
Total Other Present Law Adjustments										
0.00	\$1,746,619	\$0	\$0	\$1,746,619	0.00	\$1,746,619	\$0	\$0	\$1,746,619	
Grand Total All Present Law Adjustments										
0.00	\$1,746,671	\$0	\$0	\$1,746,671	0.00	\$1,746,904	\$0	\$0	\$1,746,904	

DP 201 - Annualize Treatment Beds - This decision package requests funding to annualize the costs of community treatment facility beds to include funding for 100% utilization of all contracted treatment beds. This includes beds that will become operational in FY 2011.

#### LFD COMMENT

Please refer to the program summary for additional information about anticipated population increases and related budget requests.

DP 207 - Population Bed Expansion - This decision package requests funding to increase the number of community facility beds available.

#### LFD ISSUE

##### Type of Bed not Specified

This decision package requests funding for 34 additional community correctional beds but does not specify what type of facility or bed is proposed. Additionally, these beds are funded for the entirety of FY 2012. Given that the requested increase is not specific, the department may not be able to define program specifics, enter a contract, and have a facility operational by July 1, 2011. This will be particularly difficult because the department will not know if this request is funded until the legislature adjourns in late April 2011.

The legislature may wish to:

- Request that the department provide more specific information about this increase prior to taking action on the decision package
- Delay funding for these beds to reflect an operational date later than July 1, 2011

DP 210 - ACCD MCE Rate Increases - This decision package requests funding for Montana Correction Enterprises (MCE) requested rate increases for food and laundry services.

#### LFD ISSUE

##### Request Related to Proprietary Rate Increase

This decision package requests funding to support increased costs expected because the proprietary fund operated by Montana Correctional Enterprises has requested a rate increase. The legislature may wish to take action on the MCE rate prior to acting on this decision package.



**Sub-Program Details****MASC PROGRAM 06****Sub-Program Proposed Budget**

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	2.50	0.00	0.00	2.50	0.00	0.00	2.50	2.50
Personal Services	187,601	(19,844)	0	167,757	(19,483)	0	168,118	335,875
Operating Expenses	3,544,079	127,671	0	3,671,750	127,687	0	3,671,766	7,343,516
<b>Total Costs</b>	<b>\$3,731,680</b>	<b>\$107,827</b>	<b>\$0</b>	<b>\$3,839,507</b>	<b>\$108,204</b>	<b>\$0</b>	<b>\$3,839,884</b>	<b>\$7,679,391</b>
General Fund	3,731,680	107,827	0	3,839,507	108,204	0	3,839,884	7,679,391
<b>Total Funds</b>	<b>\$3,731,680</b>	<b>\$107,827</b>	<b>\$0</b>	<b>\$3,839,507</b>	<b>\$108,204</b>	<b>\$0</b>	<b>\$3,839,884</b>	<b>\$7,679,391</b>

**Sub-Program Description**

This subprogram includes male assessment and sanction services provided at the Missoula Assessment and Sanction Center located in the facility built as a regional prison.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	3,731,680	3,731,680	7,463,360	97.19%	3,731,680	3,731,680	7,463,360	97.19%
Statewide PL Adjustments	(20,910)	(20,533)	(41,443)	(0.54%)	(20,910)	(20,533)	(41,443)	(0.54%)
Other PL Adjustments	128,737	128,737	257,474	3.35%	128,737	128,737	257,474	3.35%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$3,839,507</b>	<b>\$3,839,884</b>	<b>\$7,679,391</b>		<b>\$3,839,507</b>	<b>\$3,839,884</b>	<b>\$7,679,391</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2012-----					-----Fiscal 2013-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				(12,854)					(12,479)	
Vacancy Savings				(6,990)					(7,004)	
Inflation/Deflation				(1,066)					(1,050)	
<b>Total Statewide Present Law Adjustments</b>	<b>(\$20,910)</b>	<b>\$0</b>	<b>\$0</b>			<b>(\$20,533)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$20,533)</b>	
DP 204 - Annualize MASC Beds										
0.00	128,737	0	0	128,737	0.00	128,737	0	0	128,737	
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$128,737</b>	<b>\$0</b>	<b>\$0</b>	<b>\$128,737</b>	<b>0.00</b>	<b>\$128,737</b>	<b>\$0</b>	<b>\$0</b>	<b>\$128,737</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$107,827</b>	<b>\$0</b>	<b>\$0</b>	<b>\$107,827</b>	<b>0.00</b>	<b>\$108,204</b>	<b>\$0</b>	<b>\$0</b>	<b>\$108,204</b>

DP 204 - Annualize MASC Beds - This decision package requests funding to annualize the costs of the Missoula Assessment and Treatment facility beds to include funding for 100% utilization of all contracted beds.

**LFD  
COMMENT**

Please refer to the program summary for additional information about anticipated population increases and related budget requests.

### Program Budget Comparison

The following table summarizes the total executive budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	702.04	702.04	699.04	699.04	702.04	699.04	(3.00)	(0.43%)
Personal Services	36,734,843	38,167,411	37,522,469	37,534,145	74,902,254	75,056,614	154,360	0.21%
Operating Expenses	35,718,683	32,740,510	37,554,960	42,064,522	68,459,193	79,619,482	11,160,289	16.30%
Equipment & Intangible Assets	201,078	207,507	687,078	245,078	408,585	932,156	523,571	128.14%
Transfers	719	0	719	719	719	1,438	719	100.00%
<b>Total Costs</b>	<b>\$72,655,323</b>	<b>\$71,115,428</b>	<b>\$75,765,226</b>	<b>\$79,844,464</b>	<b>\$143,770,751</b>	<b>\$155,609,690</b>	<b>\$11,838,939</b>	<b>8.23%</b>
General Fund	72,516,318	70,919,077	75,626,221	79,705,459	143,435,395	155,331,680	11,896,285	8.29%
State Special	129,832	157,543	129,832	129,832	287,375	259,664	(27,711)	(9.64%)
Federal Special	9,173	38,808	9,173	9,173	47,981	18,346	(29,635)	(61.76%)
<b>Total Funds</b>	<b>\$72,655,323</b>	<b>\$71,115,428</b>	<b>\$75,765,226</b>	<b>\$79,844,464</b>	<b>\$143,770,751</b>	<b>\$155,609,690</b>	<b>\$11,838,939</b>	<b>8.23%</b>

### Program Description

The Secure Facilities Program includes the Montana State Prison (Deer Lodge), Montana Women's Prison (Billings), and contract bed facilities including: Dawson County Correctional Facility (Glendive), Cascade County Regional Prison (Great Falls), and Crossroads Correctional Center (Shelby). Approximately 2,300 male and 200 female inmates are incarcerated in these facilities.

### Program Highlights

Secure Custody Facilities Major Budget Highlights	
<ul style="list-style-type: none"> <li>◆ Funding for the program increases 8.2% or (\$11.8 million) primarily due to present law requests for increased general fund support for anticipated offender population increases including: <ul style="list-style-type: none"> <li>• Annualization of current contracts for prison and county jail beds</li> <li>• Addition of 20 assisted living beds for the biennium</li> <li>• Addition of 144 beds in FY 2013 by relocating the male assessment and sanction center and returning the Missoula regional facility to prison use</li> </ul> </li> </ul>	
Major LFD Issues	
<ul style="list-style-type: none"> <li>◆ The increase in beds supported by the executive budget is less than the estimated increase in average daily population (ADP)</li> <li>◆ Specific positions or types of positions included in the personal services reduction have not been identified</li> <li>◆ Additional funding is requested for services purchased from Montana Correctional Enterprises</li> </ul>	

### Program Narrative

The secure care program includes housing of offenders in prison including Montana State Prison, Montana Women's Prison, and contracted prison facilities. Montana State Prison (MSP) for male offenders is the largest facility with an operational capacity of 1,485 inmates while regional prison facilities in Glendive and Great Falls that house about 145

inmates are the smallest facilities. Montana Women's Prison (MWP), the only female prison in the state, has an operational capacity of 194. The cost of contracted prison beds also includes the cost of housing offenders in county jails. The department is responsible for the cost of housing offenders after conviction.

Funding for the division increases 8.2% or \$11.8 million between the two biennia due primarily to present law adjustments for an increase in prison beds related to population growth, overtime and inmate pay which are zero based for budgeting purposes, and other cost increases at the two state institutions. The primary cost drivers for this program include the average daily population (ADP) of offenders to be housed, operating cost increases at state facilities, and per diem rates negotiated with regional prisons, county jails, and other contractors.

The figure shows the projected increase in the average daily population (ADP) of offenders for male and female prisons. The department projects that the ADP of male offenders will increase by 3.1% per year and female offenders 1.7% per year. At this time the MWP has available operating capacity to accommodate this increase. However, the department estimates indicate that the male prison capacity is 2,396 and that the projected ADP for male prisons will exceed the system capacity currently available.

Summary of Secure Custody Facilities Average Daily Population (ADP)				
Segment	Actual FY 2010	Department Projection		
		FY 2011	FY 2012	FY 2013
Male Prison	2,342	2,415	2,490	2,567
% Increase		3.1%	3.1%	3.1%
Female Prison	171	174	177	180
% Increase		1.8%	1.7%	1.7%
Female prison ADP includes in FY 2010 the Intensive Challenge Program that was moved to a different facility and county jail holds.				

The executive budget proposes the addition of 20 secure assisted living beds at an undetermined location in FY 2012 and 144 prison beds in FY 2013 for a total of 164 additional beds. The prison beds would be created by contracting with a provider to operate the male assessment and sanction program (currently, the Missoula Assessment and Sanction Center) at a facility other than the regional prison in Missoula. The facility in Missoula would be returned to use as a male prison, which is consistent with the original purpose of the structure as a regional prison. The executive budget does not include adequate funding to support the level of male prison population that is projected.

There are several risks associated with the executive budget including:

- o If population grows as estimated, there is not funding or the existence of an adequate number of male prison beds within the current system
- o The department will be challenged to create programs that divert offenders growth from male prisons. This may result in more serious or higher risk offenders being supervised in community settings
- o Diverting more serious offenders may have a negative impact on offender recidivism rates, which in turn may increase system stress and demand for prison beds

### 5% Reduction Plan Executive

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

The 5% reduction plan for this program includes general fund reductions totaling \$3.6 million. One of the items, a 4% reduction in personal services equating to \$498,190 or 8.00 FTE, is included in the executive budget. The largest items in the plan include:

- o Reducing by 50 the number of beds used at the private prison in Shelby, \$1.2 million
- o Elimination of the education program at MSP, about \$0.5 million and 9.00 FTE
- o Elimination of the chemical dependency treatment program at MSP, about \$0.4 million and 6.00 FTE
- o Reduction in supplies, \$0.3 million

5% Reduction Plan by Division Secure Care			
Item	FTE	Gen Fund	State Spec Revenue
4% FTE Reduction	8.00	\$498,190	
Montana State Prison:			
Convert Dental Contract to FTE		65,186	
Terminate Staff Transportation Program		140,000	
Terminate Pacific Institute Contract		100,000	
Utility Savings Program		100,000	
Supplies		300,000	
Eliminate Education Program	9.00	512,313	
Eliminate Chemical Depend Treatment	6.00	368,695	
Reduce Contracted Services		100,000	
Reduce 50 beds at Crossroads Correctional		1,166,913	
MWP - Close Phase I Unit		267,129	
Inmate Pay			6,347
Staff Transportation			\$145
	23.00	\$3,618,426	\$6,492

- Closing a unit and reducing by 20 the number of beds at MWP, about \$0.3 million and 5.00 FTE

In order to realize the savings associated with some items in the 5% reduction plan, the number of offenders housed in the secure facilities must decrease and not result in an increase in the number of offenders housed in other segments of the system. Potential impacts of these reductions may include:

- Increased numbers and higher risk offenders may be supervised on probation and parole
- Offenders would not be able to complete a general educational development (GED) program while in prison, increasing the difficulty in successfully locating work and transitioning to life outside the institution
- Offenders with court ordered chemical dependency needs would be required to wait until placement in a community based treatment program was available, resulting in delayed programming and longer incarceration

## Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table							
Secure Custody Facilities							
Program Funding		Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000	Total General Fund	\$ 72,516,318	99.8%	\$ 75,626,221	99.8%	\$ 79,705,459	99.8%
	01100 General Fund	72,516,318	99.8%	75,626,221	99.8%	79,705,459	99.8%
02000	Total State Special Funds	129,832	0.2%	129,832	0.2%	129,832	0.2%
	02339 Inmate Welfare/Inmate Pay	126,933	0.2%	126,933	0.2%	126,933	0.2%
	02355 Miscellaneous Fines And Fees	2,899	0.0%	2,899	0.0%	2,899	0.0%
03000	Total Federal Special Funds	9,173	0.0%	9,173	0.0%	9,173	0.0%
	03315 Misc Federal Grants	9,173	0.0%	9,173	0.0%	9,173	0.0%
Grand	Total	\$ 72,655,323	100.0%	\$ 75,765,226	100.0%	\$ 79,844,464	100.0%

This division is funded almost entirely by the general fund (99.8%). State special funds are from the sale of canteen items to inmates and support the cost of purchasing canteen items. Federal funds were received for the purchase of bullet proof vests.

## Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	72,516,318	72,516,318	145,032,636	93.37%	72,655,323	72,655,323	145,310,646	93.38%
Statewide PL Adjustments	(910,800)	(848,859)	(1,759,659)	(1.13%)	(1,010,800)	(948,859)	(1,959,659)	(1.26%)
Other PL Adjustments	4,193,893	8,536,190	12,730,083	8.20%	4,293,893	8,636,190	12,930,083	8.31%
New Proposals	(173,190)	(498,190)	(671,380)	(0.43%)	(173,190)	(498,190)	(671,380)	(0.43%)
<b>Total Budget</b>	<b>\$75,626,221</b>	<b>\$79,705,459</b>	<b>\$155,331,680</b>		<b>\$75,765,226</b>	<b>\$79,844,464</b>	<b>\$155,609,690</b>	

## Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2012-----						-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					687,189					699,630
Vacancy Savings					(1,496,917)					(1,497,379)
Inflation/Deflation					(201,072)					(151,110)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$910,800)</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>(\$1,010,800)</b>		<b>(\$848,859)</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>(\$948,859)</b>
DP 301 - MWP Overtime	0.00	315,320	0	0	315,320	0.00	315,320	0	0	315,320
DP 302 - MWP Inmate Pay	0.00	36,383	0	0	36,383	0.00	36,383	0	0	36,383
DP 303 - MWP Correctional Officers with overtime offset	2.00	0	0	0	0	2.00	0	0	0	0
DP 304 - Increased contract services	0.00	20,000	0	0	20,000	0.00	20,000	0	0	20,000
DP 305 - MSP MCE Rate Increase	0.00	151,279	0	0	151,279	0.00	151,279	0	0	151,279
DP 307 - MSP Overtime	0.00	1,297,717	0	0	1,297,717	0.00	1,297,717	0	0	1,297,717
DP 308 - MSP Inmate Pay	0.00	194,434	100,000	0	294,434	0.00	194,434	100,000	0	294,434
DP 311 - Equipment - Security - OTO -	0.00	161,000	0	0	161,000	0.00	44,000	0	0	44,000
DP 313 - NCCHC Accreditation	0.00	18,000	0	0	18,000	0.00	10,000	0	0	10,000
DP 315 - Annualizing Beds for Contract Beds	0.00	1,227,570	0	0	1,227,570	0.00	1,227,570	0	0	1,227,570
DP 316 - Population Growth	0.00	620,500	0	0	620,500	0.00	5,088,100	0	0	5,088,100
DP 317 - Mental Health Technicians	3.00	151,690	0	0	151,690	3.00	151,387	0	0	151,387
<b>Total Other Present Law Adjustments</b>	<b>5.00</b>	<b>\$4,193,893</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$4,293,893</b>	<b>5.00</b>	<b>\$8,536,190</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$8,636,190</b>
<b>Grand Total All Present Law Adjustments</b>	<b>5.00</b>	<b>\$3,283,093</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,283,093</b>	<b>5.00</b>	<b>\$7,687,331</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,687,331</b>

### Program Personal Services Narrative

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - The agency pay plan rules do not extend the opportunity for “exceptions” per se. There is some latitude which will likely be stretched by the challenges of the coming biennium.
- o **Program Specific Obstacles** - Montana State Prison (MSP) includes some of the most challenging to recruit and retain occupations including doctors, nurses, dental, and mental health workers. Those occupations will continue to be problematic unless there is supply of qualified and job seeking candidates willing to work in the prison environment. MSP also has difficulty attracting and retaining professional counselor staff including chemical dependency and sex offender therapists because of the shortage of qualified individuals in these occupations regionally and the highly competitive recruiting environment for such positions. A stagnant base rate of pay will jeopardize the progress made in recruiting new correctional officers in small labor market areas and potentially lead to a backlog of vacancies to fill. Vacancies drive up overtime costs in a 24 hour per day, 7 day per week facility.
- o **Vacancy** – Correctional officer compensation is below market compared to surrounding states. These positions require shift work with difficult offenders and exposure to risks. At 18%, it is the highest turnover occupation in the agency. Under normal economic conditions Deer Lodge has been a difficult recruiting environment due to the lack of housing combined with the need to commute up to 50 miles. Additionally, medical positions have traditionally proven difficult for recruitment purposes with similar concerns as correctional officers. Collective bargaining agreements with correctional officers and most other line occupations make any kind of

individualized pay adjustments virtually impossible. Some assistance with transportation had been innovated in a previous biennium. There presently are not alternative shift options for positions other than nurses. Pay exceptions for organized nursing staff have been negotiated in a previous biennium. Any vacancy in correctional officer ranks has a tendency to drive up overtime costs. Turnover impacts facility effectiveness, safety, and costs due to recruitment of inexperienced staff, the need for substantive and expensive training, and added safety and security hazards while new staff gain experience in the correctional setting.

- o **Legislatively Applied Vacancy Savings** - Montana State Prison and Montana Women's Prison direct care positions were exempt from the 7% vacancy savings applied to the 2011 biennium budget but were subject to a 4% vacancy savings rate on non direct care positions. The program was able to achieve the budgeted vacancy savings rate.
- o **Pay/Position Changes** - MSP is dominated by unionized correctional officer positions that continued to receive career ladder adjustments through both biennia. Routine reclassification affected one nurse and the librarian at MSP.
- o **Retirements** - It's difficult to project who will retire based on the variety of age and service criteria and potential service purchase options. Based upon lists from the retirement systems, there are 147 employees eligible for retirement. This program has a projected liability of about \$1.4 million. The department predicted three key upper management retirements last biennium, none of which occurred. Those positions remain the most critical and likely to retire. The Human Resources Division is taking the lead in development of career and leadership development programs to provide for the need to recruit replacements.

**LFD  
COMMENT**

Key managers eligible for retirement include the warden and deputy wardens at Montana State Prison.

Increases in the statewide present law adjustment include fully funding vacant positions, pay changes, and health insurance cost increases that are offset by the removal from the base budget of the costs of items that are zero based for budgeting purposes such as overtime, holidays worked, and inmate pay.

**New Proposals**

The "New Proposals" table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
Program	FTE	Fiscal 2012				Fiscal 2013				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 302 - Security Control System OTO/Bien										
03	0.00	325,000	0	0	325,000	0.00	0	0	0	0
DP 55400 - MWP FTE Reductions										
03	(1.00)	(36,333)	0	0	(36,333)	(1.00)	(36,333)	0	0	(36,333)
DP 55401 - FTE Reductions MSP - Contract Beds										
03	(7.00)	(461,857)	0	0	(461,857)	(7.00)	(461,857)	0	0	(461,857)
<b>Total</b>	<b>(8.00)</b>	<b>(\$173,190)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$173,190)</b>	<b>(8.00)</b>	<b>(\$498,190)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$498,190)</b>



## Sub-Program Details

### MONTANA STATE PRISON 01

#### Sub-Program Proposed Budget

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	625.77	3.00	(7.00)	621.77	3.00	(7.00)	621.77	621.77
Personal Services	32,354,295	1,323,912	(461,857)	33,216,350	1,332,396	(461,857)	33,224,834	66,441,184
Operating Expenses	10,750,052	(15,156)	0	10,734,896	19,455	0	10,769,507	21,504,403
Equipment & Intangible Assets	201,078	161,000	0	362,078	44,000	0	245,078	607,156
Transfers	719	0	0	719	0	0	719	1,438
<b>Total Costs</b>	<b>\$43,306,144</b>	<b>\$1,469,756</b>	<b>(\$461,857)</b>	<b>\$44,314,043</b>	<b>\$1,395,851</b>	<b>(\$461,857)</b>	<b>\$44,240,138</b>	<b>\$88,554,181</b>
General Fund	43,167,139	1,469,756	(461,857)	44,175,038	1,395,851	(461,857)	44,101,133	88,276,171
State/Other Special	129,832	0	0	129,832	0	0	129,832	259,664
Federal Special	9,173	0	0	9,173	0	0	9,173	18,346
<b>Total Funds</b>	<b>\$43,306,144</b>	<b>\$1,469,756</b>	<b>(\$461,857)</b>	<b>\$44,314,043</b>	<b>\$1,395,851</b>	<b>(\$461,857)</b>	<b>\$44,240,138</b>	<b>\$88,554,181</b>

#### Sub-Program Description

This subprogram consists of the state owned and operated male prison (Montana State Prison) in Deer Lodge.

#### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	43,167,139	43,167,139	86,334,278	97.80%	43,306,144	43,306,144	86,612,288	97.81%
Statewide PL Adjustments	(504,364)	(452,966)	(957,330)	(1.08%)	(604,364)	(552,966)	(1,157,330)	(1.31%)
Other PL Adjustments	1,974,120	1,848,817	3,822,937	4.33%	2,074,120	1,948,817	4,022,937	4.54%
New Proposals	(461,857)	(461,857)	(923,714)	(1.05%)	(461,857)	(461,857)	(923,714)	(1.04%)
<b>Total Budget</b>	<b>\$44,175,038</b>	<b>\$44,101,133</b>	<b>\$88,276,171</b>		<b>\$44,314,043</b>	<b>\$44,240,138</b>	<b>\$88,554,181</b>	

#### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2012-----					-----Fiscal 2013-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				910,704					919,820	
Vacancy Savings				(1,330,633)					(1,330,962)	
Inflation/Deflation				(184,435)					(141,824)	
<b>Total Statewide Present Law Adjustments</b>										
	<b>(\$504,364)</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>(\$604,364)</b>		<b>(\$452,966)</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>(\$552,966)</b>	
DP 305 - MSP MCE Rate Increase	0.00	151,279	0	0	151,279	0.00	151,279	0	0	151,279
DP 307 - MSP Overtime	0.00	1,297,717	0	0	1,297,717	0.00	1,297,717	0	0	1,297,717
DP 308 - MSP Inmate Pay	0.00	194,434	100,000	0	294,434	0.00	194,434	100,000	0	294,434
DP 311 - Equipment - Security - OTO -	0.00	161,000	0	0	161,000	0.00	44,000	0	0	44,000
DP 313 - NCHC Accreditation	0.00	18,000	0	0	18,000	0.00	10,000	0	0	10,000
DP 317 - Mental Health Technicians	3.00	151,690	0	0	151,690	3.00	151,387	0	0	151,387
<b>Total Other Present Law Adjustments</b>										
	<b>3.00</b>	<b>\$1,974,120</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$2,074,120</b>	<b>3.00</b>	<b>\$1,848,817</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$1,948,817</b>
<b>Grand Total All Present Law Adjustments</b>										
	<b>3.00</b>	<b>\$1,469,756</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,469,756</b>	<b>3.00</b>	<b>\$1,395,851</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,395,851</b>

DP 305 - MSP MCE Rate Increase - This decision package requests increased funding to support anticipated Montana Correctional Enterprise rate increases for laundry and cook/chill services.

#### LFD ISSUE

#### Request Related to Proprietary Rate Increase

This decision package request funding to support increased costs expected because the proprietary fund operated by Montana Correctional Enterprises (MCE) has requested a rate increase for the food factory and industries laundry and because the prison plans to have MCE begin doing inmate personal laundry.

The legislature may wish to take action on the requested rate increase in MCE prior to acting on this decision package. Additional information on the proposed rate increases is included in the narrative for the each of the proprietary funds.

DP 307 - MSP Overtime - This decision package requests funding for overtime and holidays worked, which are zero based budget items.

#### LFD COMMENT

This decision package requests funding for overtime that is 5% or \$61,253 greater than was expended in FY 2010.

DP 308 - MSP Inmate Pay - This decision package requests funding for inmate pay, which is a zero based budget item.

DP 311 - Equipment - Security - OTO - - This decision package requests one time only funding to purchase equipment. The department plans to purchase the following equipment:

- o \$40,000 for food service back-up generators for the high side, low side, and industries diner
- o \$15,000 to replace a dish machine in the industries diner
- o \$12,000 to replace the metal detector used to clear visitors
- o \$50,000 to replace a recreation yard associated with one of the locked housing units
- o \$44,000 in each year of the biennium to replace three vehicles used for inmate transportation and perimeter security

**DP 313 - NCCHC Accreditation** - This decision package requests funding for the infirmary at Montana State Prison to receive National Commission on Correctional Health Care (NCCHC) accreditation. This funding would cover the travel and per diem costs of two site visits by a three person accreditation team, training at an education convention for two or three staff, and the annual accreditation fee. Achieving NCCHC accreditation is a component of a litigation settlement agreement (Langford v Racicot) that the department has been working toward for a number of years.

**DP 317 - Mental Health Technicians** - This decision package requests funding for 3.00 FTE mental health technicians for the Montana State Prison. The department is requesting continued funding of positions that were added as modified FTE during the 2011 biennium. MSP would:

- o Increase the number of Mental Health Technicians from 5.00 FTE to 8.00 FTE
- o Extend the number of hours a mental health technician is available from 14 hours per day Monday through Friday and 10 hours per day on weekends to 24 hours per day by adding coverage from 8 p.m. to 6 a.m
- o Assign one of the technicians to be a lead worker who would assist the psychiatric nurse supervisor with training and monitoring the mental health technicians which would allow the psychiatric nurse supervisor to focus on policy and procedure reviews and assist with obtaining National Commission on Correctional Health Care (NCCHC) accreditation
- o Establish a program for selected correctional officer training and specialization in the application of security principles to the needs of the psychiatric inmate population. Goals of the training would include to increase awareness of the special needs of psychiatrically troubled inmates and increase supportive listening and assessment skills (without compromising the security needs of the institution)

### New Proposals

The "New Proposals" table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
Sub Program	Fiscal 2012					Fiscal 2013				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55401 - FTE Reductions MSP - Contract Beds										
01	(7.00)	(461,857)	0	0	(461,857)	(7.00)	(461,857)	0	0	(461,857)
<b>Total</b>	<b>(7.00)</b>	<b>(\$461,857)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$461,857)</b>	<b>(7.00)</b>	<b>(\$461,857)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$461,857)</b>

**DP 55401 - FTE Reductions MSP - Contract Beds** - The executive recommends a 4% reduction of personal services funded with general fund.

<b>LFD ISSUE</b>	<b>Positions Not Specified</b>
	The agency has not specified which positions or types of positions would be included in this reduction. The agency did indicate that FTE reductions would begin with review of vacant positions. Without identification of specific positions or types of positions to be eliminated, it is not possible to determine the potential impact of these reductions.

**Sub-Program Details****MONTANA WOMENS PRISON 02****Sub-Program Proposed Budget**

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	69.27	2.00	(1.00)	70.27	2.00	(1.00)	70.27	70.27
Personal Services	3,925,062	(16,840)	(36,333)	3,871,889	(14,130)	(36,333)	3,874,599	7,746,488
Operating Expenses	2,087,993	3,073	0	2,091,066	10,333	0	2,098,326	4,189,392
Equipment & Intangible Assets	0	0	325,000	325,000	0	0	0	325,000
<b>Total Costs</b>	<b>\$6,013,055</b>	<b>(\$13,767)</b>	<b>\$288,667</b>	<b>\$6,287,955</b>	<b>(\$3,797)</b>	<b>(\$36,333)</b>	<b>\$5,972,925</b>	<b>\$12,260,880</b>
General Fund	6,013,055	(13,767)	288,667	6,287,955	(3,797)	(36,333)	5,972,925	12,260,880
<b>Total Funds</b>	<b>\$6,013,055</b>	<b>(\$13,767)</b>	<b>\$288,667</b>	<b>\$6,287,955</b>	<b>(\$3,797)</b>	<b>(\$36,333)</b>	<b>\$5,972,925</b>	<b>\$12,260,880</b>

**Sub-Program Description**

This subprogram consists of the state owned and operated female prison (Montana Women's Prison) in Billings.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	6,013,055	6,013,055	12,026,110	98.09%	6,013,055	6,013,055	12,026,110	98.09%
Statewide PL Adjustments	(385,470)	(375,500)	(760,970)	(6.21%)	(385,470)	(375,500)	(760,970)	(6.21%)
Other PL Adjustments	371,703	371,703	743,406	6.06%	371,703	371,703	743,406	6.06%
New Proposals	288,667	(36,333)	252,334	2.06%	288,667	(36,333)	252,334	2.06%
<b>Total Budget</b>	<b>\$6,287,955</b>	<b>\$5,972,925</b>	<b>\$12,260,880</b>		<b>\$6,287,955</b>	<b>\$5,972,925</b>	<b>\$12,260,880</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2012-----						-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(220,351)					(217,529)
Vacancy Savings					(148,192)					(148,304)
Inflation/Deflation					(16,927)					(9,667)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$385,470)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$385,470)</b>		<b>(\$375,500)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$375,500)</b>
DP 301 - MWP Overtime	0.00	315,320	0	0	315,320	0.00	315,320	0	0	315,320
DP 302 - MWP Inmate Pay	0.00	36,383	0	0	36,383	0.00	36,383	0	0	36,383
DP 303 - MWP Correctional Officers with overtime offset	2.00	0	0	0	0	2.00	0	0	0	0
DP 304 - Increased contract services	0.00	20,000	0	0	20,000	0.00	20,000	0	0	20,000
<b>Total Other Present Law Adjustments</b>	<b>2.00</b>	<b>\$371,703</b>	<b>\$0</b>	<b>\$0</b>	<b>\$371,703</b>	<b>2.00</b>	<b>\$371,703</b>	<b>\$0</b>	<b>\$0</b>	<b>\$371,703</b>
<b>Grand Total All Present Law Adjustments</b>	<b>2.00</b>	<b>(\$13,767)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$13,767)</b>	<b>2.00</b>	<b>(\$3,797)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$3,797)</b>

DP 301 - MWP Overtime - This decision package requests funding for overtime and holidays worked, which are zero based budget items.

#### LFD COMMENT

This decision package requests funding for overtime that is 4.1% or \$12,406 greater than was expended in FY 2010.

DP 302 - MWP Inmate Pay - This decision package requests funding for inmate pay, which is a zero based budget item.

DP 303 - MWP Correctional Officers with overtime offset - This decision package request 2.00 FTE correctional officers and funding would come from a reduction in overtime.

DP 304 - Increased contract services - This decision package requests funding for increases in two existing contracts, the religious services coordinator (\$5,000) and the school district for summer educational services (\$15,000). The increased funding would provide additional services to the facility.

#### New Proposals

The "New Proposals" table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
-----Fiscal 2012-----						-----Fiscal 2013-----				
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 302 - Security Control System OTO/Bien										
02	0.00	325,000	0	0	325,000	0.00	0	0	0	0
DP 55400 - MWP FTE Reductions										
02	(1.00)	(36,333)	0	0	(36,333)	(1.00)	(36,333)	0	0	(36,333)
<b>Total</b>	<b>(1.00)</b>	<b>\$288,667</b>	<b>\$0</b>	<b>\$0</b>	<b>\$288,667</b>	<b>(1.00)</b>	<b>(\$36,333)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$36,333)</b>

DP 302 - Security Control System OTO/Bien - This decision package requests funding to replace the security system at Montana Women's Prison (MWP). The agency indicates that the current one has failed.

**LFD  
COMMENT**

According to department staff, the security system at MWP has had multiple breakdowns, repairs, and software issues. These breakdowns result in the system being operated with emergency keys for a prolonged length of time, which decreases staff efficiency. Also, the call boxes in each cell are incorporated into the system and when the system fails inmates cannot contact control. This situation means that staff must make additional rounds and makes it more difficult for staff to respond to incidents within the facility efficiently. The department is preparing a statement of work and plans to have a consultant review the system and provide recommendations for a replacement system that would be funded by this decision package.

DP 55400 - MWP FTE Reductions - The executive recommends a 4% reduction of personal services funded with general fund.

**LFD  
ISSUE**Positions Not Specified

The agency has not specified which positions or types of positions would be included in this reduction. The agency did indicate that FTE reductions would begin with review of vacant positions. Without identification of specific positions or types of positions to be eliminated, it is not possible to determine the potential impact of these reductions.

**Sub-Program Details****CONTRACTED BEDS 04****Sub-Program Proposed Budget**

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	7.00	0.00	0.00	7.00	0.00	0.00	7.00	7.00
Personal Services	455,486	(21,256)	0	434,230	(20,774)	0	434,712	868,942
Operating Expenses	22,880,638	1,848,360	0	24,728,998	6,316,051	0	29,196,689	53,925,687
<b>Total Costs</b>	<b>\$23,336,124</b>	<b>\$1,827,104</b>	<b>\$0</b>	<b>\$25,163,228</b>	<b>\$6,295,277</b>	<b>\$0</b>	<b>\$29,631,401</b>	<b>\$54,794,629</b>
General Fund	23,336,124	1,827,104	0	25,163,228	6,295,277	0	29,631,401	54,794,629
<b>Total Funds</b>	<b>\$23,336,124</b>	<b>\$1,827,104</b>	<b>\$0</b>	<b>\$25,163,228</b>	<b>\$6,295,277</b>	<b>\$0</b>	<b>\$29,631,401</b>	<b>\$54,794,629</b>

**Sub-Program Description**

This subprogram includes the costs of secure care beds purchased from contractors including regional prisons in Glendive and Great Falls and a privately owned facility in Shelby.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	23,336,124	23,336,124	46,672,248	85.18%	23,336,124	23,336,124	46,672,248	85.18%
Statewide PL Adjustments	(20,966)	(20,393)	(41,359)	(0.08%)	(20,966)	(20,393)	(41,359)	(0.08%)
Other PL Adjustments	1,848,070	6,315,670	8,163,740	14.90%	1,848,070	6,315,670	8,163,740	14.90%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$25,163,228</b>	<b>\$29,631,401</b>	<b>\$54,794,629</b>		<b>\$25,163,228</b>	<b>\$29,631,401</b>	<b>\$54,794,629</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2012-----					-----Fiscal 2013-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				(3,164)					(2,661)	
Vacancy Savings				(18,092)					(18,113)	
Inflation/Deflation				290					381	
<b>Total Statewide Present Law Adjustments</b>										
	<b>(\$20,966)</b>	<b>\$0</b>	<b>\$0</b>			<b>(\$20,393)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$20,393)</b>	
DP 315 - Annualizing Beds for Contract Beds										
0.00	1,227,570	0	0	1,227,570	0.00	1,227,570	0	0	1,227,570	
DP 316 - Population Growth										
0.00	620,500	0	0	620,500	0.00	5,088,100	0	0	5,088,100	
<b>Total Other Present Law Adjustments</b>										
0.00	<b>\$1,848,070</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,848,070</b>	0.00	<b>\$6,315,670</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,315,670</b>	
<b>Grand Total All Present Law Adjustments</b>										
0.00	<b>\$1,827,104</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,827,104</b>	0.00	<b>\$6,295,277</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,295,277</b>	

**DP 315 - Annualizing Beds for Contract Beds** - This decision package requests funding to annualize the costs of contract prison beds to include funding for 100% utilization of all contracted beds.

**LFD  
COMMENT**

Please refer to the program summary for a discussion of projected population increases and related funding requests.

**DP 316 - Population Growth** - This decision package requests funding for 20 assisted living beds in both fiscal years and 144 male prison beds in the second year of the biennium. The prison beds would become available by moving the existing Missoula Assessment and Sanction Center from the current facility that was built as a regional prison to a new contractor facility that would be selected via a bid process.

**LFD  
COMMENT**

Please refer to the program summary for a discussion of projected population increases and related funding requests.



### Program Budget Comparison

The following table summarizes the total executive budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	16.25	16.25	16.75	16.75	16.25	16.75	0.50	3.08%
Personal Services	964,541	1,005,869	939,582	939,083	1,970,410	1,878,665	(91,745)	(4.66%)
Operating Expenses	2,226,501	2,500,208	2,633,918	2,634,456	4,726,709	5,268,374	541,665	11.46%
Equipment & Intangible Assets	0	0	0	0	0	0	0	n/a
<b>Total Costs</b>	<b>\$3,191,042</b>	<b>\$3,506,077</b>	<b>\$3,573,500</b>	<b>\$3,573,539</b>	<b>\$6,697,119</b>	<b>\$7,147,039</b>	<b>\$449,920</b>	<b>6.72%</b>
General Fund	892,921	953,590	898,185	897,510	1,846,511	1,795,695	(50,816)	(2.75%)
State Special	1,776,985	1,893,827	2,083,878	2,083,671	3,670,812	4,167,549	496,737	13.53%
Federal Special	0	88,305	0	0	88,305	0	(88,305)	(100.00%)
Other	521,136	570,355	591,437	592,358	1,091,491	1,183,795	92,304	8.46%
<b>Total Funds</b>	<b>\$3,191,042</b>	<b>\$3,506,077</b>	<b>\$3,573,500</b>	<b>\$3,573,539</b>	<b>\$6,697,119</b>	<b>\$7,147,039</b>	<b>\$449,920</b>	<b>6.72%</b>

### Program Description

The Montana Correctional Enterprises (MCE) Division provides vocational education and on the job training to over 400 offenders. MCE programs allow offenders to gain valuable knowledge, life skills, and work experience, helping them to transition back into society.

### Program Highlights

Montana Correctional Enterprises Major Budget Highlights	
◆	Funding for the division increases 6.7% (\$450,000) due to increases in state special revenue for increased canteen spending
◆	General fund support for the division decreases 2.8% (\$51,000) primarily due to statewide present law adjustments and 4% reduction in personal services
Major LFD Issues	
◆	A requested rate increase for the food factory (and laundry) result in a request for increased general fund support in other units of the agency

### Program Narrative

#### 5% Reduction Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

The division would reduce general fund spending by \$21,459 by not updating inmate curriculums. Curriculums are normally updated each year so that materials taught are current with changing technologies. Not updating curriculums may impact inmate skill development and future employment.

## Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table Mont Correctional Enterprises						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 892,921	28.0%	\$ 898,185	25.1%	\$ 897,510	25.1%
01100 General Fund	892,921	28.0%	898,185	25.1%	897,510	25.1%
02000 Total State Special Funds	1,776,985	55.7%	2,083,878	58.3%	2,083,671	58.3%
02917 Msp Canteen Revolving Acct	1,776,985	55.7%	2,083,878	58.3%	2,083,671	58.3%
06000 Total Proprietary Funds	521,136	16.3%	591,437	16.6%	592,358	16.6%
06545 Prison Indust. Training Prog	521,136	16.3%	591,437	16.6%	592,358	16.6%
Grand Total	<u>\$ 3,191,042</u>	<u>100.0%</u>	<u>\$ 3,573,500</u>	<u>100.0%</u>	<u>\$ 3,573,539</u>	<u>100.0%</u>

This program is funded by a combination of general fund, state special revenue, and proprietary funds. General fund supports the industries program and personal services costs for the inmate canteen. State special revenue from the inmate canteen fund supports the purchase of merchandise that is distributed and sold to inmates through the canteen. Proprietary funds support a portion of the industries program and the manufacture of license plates. The license plate manufacturing function was moved to a proprietary fund beginning in FY 2011 as provided by the 2009 Legislature.

## Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	892,921	892,921	1,785,842	99.45%	3,191,042	3,191,042	6,382,084	89.30%
Statewide PL Adjustments	(70,955)	(71,536)	(142,491)	(7.94%)	(118,261)	(118,128)	(236,389)	(3.31%)
Other PL Adjustments	91,906	91,812	183,718	10.23%	516,406	516,312	1,032,718	14.45%
New Proposals	(15,687)	(15,687)	(31,374)	(1.75%)	(15,687)	(15,687)	(31,374)	(0.44%)
<b>Total Budget</b>	<b>\$898,185</b>	<b>\$897,510</b>	<b>\$1,795,695</b>		<b>\$3,573,500</b>	<b>\$3,573,539</b>	<b>\$7,147,039</b>	

## Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2012-----						-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(82,914)					(83,334)
Vacancy Savings					(35,264)					(35,249)
Inflation/Deflation					(83)					455
Total Statewide Present Law Adjustments										
		(\$70,955)	(\$17,607)	\$0	(\$118,261)*		(\$71,536)	(\$17,814)	\$0	(\$118,128)*
DP 401 - HB2 Overtime and Inmate Payroll										
	0.00	47,400	24,500	0	71,900	0.00	47,400	24,500	0	71,900
DP 402 - HB2 Additional Inmate Canteen FTE										
	1.00	44,506	0	0	44,506	1.00	44,412	0	0	44,412
DP 405 - HB2 Increased Spending Authority for Canteen										
	0.00	0	300,000	0	300,000	0.00	0	300,000	0	300,000
DP 409 - HB2 Increase Spending Authority for MVM										
	0.00	0	0	0	100,000*	0.00	0	0	0	100,000*
Total Other Present Law Adjustments										
	1.00	\$91,906	\$324,500	\$0	\$516,406*	1.00	\$91,812	\$324,500	\$0	\$516,312*
Grand Total All Present Law Adjustments										
	1.00	\$20,951	\$306,893	\$0	\$398,145*	1.00	\$20,276	\$306,686	\$0	\$398,184*

\* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

### Program Personal Services Narrative

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - The agency pay plan rules do not extend the opportunity for "exceptions" per se. There is some latitude which will likely be stretched by the challenges of the coming biennium.
- o **Program Specific Obstacles** - This program competes with local school districts for teachers and will suffer by comparison as most districts did not have a pay freeze during the current biennium. Food factory workers are difficult to recruit and retain due to increased pay of other union positions and the difficulty in maintaining a pay rate equivalent to correctional officer staff. MCE is primarily a proprietary operation that competes more directly with the public sector for industries staff. The pay plan rules that strive for internal agency equity work to the disadvantage of MCE in recruitment and retention of skilled staff because flexibility to compete with the private market for specialized positions is restricted. Further, operations are more immediately and directly impacted by the weak economy. In the current biennium, MCE laid off staff. Recruitment for these positions may be necessary if business returns to normal.
- o **Vacancy** - MCE is based on the Montana State Prison compound and faces the same work environment and geographic locale challenges as the prison. MCE has utilized pay adjustments where possible (outside the bargaining unit) and provides onsite rental housing for a limited number of managers. Vehicles are accorded some staff (subject to agency and state rules strictly limiting their use). Successful operations depend upon experienced staff and total attention to customer service. Vacancies inevitably impact the ability to deliver the kind of customer service that is especially crucial in times of fiscal austerity when more businesses are competing for fewer customers.
- o **Legislatively Applied Vacancy Savings** - Only 17.5% of MCE budget is general fund. The program was able to keep positions open and transfer the operating budget to fund the vacancy savings requirements.
- o **Pay/Position Changes** - MCE was subject to union contract considerations for union positions. In addition, the program implemented a unique "competency pay" component for its food factory staff (food processor technicians) who are among the lowest paid in the agency. Staff was rewarded for successful completion of some specialized training and subsequent certification in food preparation. MCE applied for and received several other pay adjustments through the agency's pay adjustment request process.
- o **Retirements** - It's difficult to project who will retire based on the variety of age and service criteria and potential service purchase options. The department estimates there are 24 employees eligible for retirement. The program

has a projected liability of \$253,139. The program must plan for at least one key ranch manager retirement.

DP 401 - HB2 Overtime and Inmate Payroll - This decision package requests funding for overtime and inmate payroll, which are zero based for budgeting purposes.

DP 402 - HB2 Additional Inmate Canteen FTE - This decision package requests an additional 1.00 FTE for the inmate canteen which now serves the entire population of Montana inmates, including inmates in both state owned and contracted facilities.

DP 405 - HB2 Increased Spending Authority for Canteen - This decision package requests additional funding for the canteen and Motor Vehicle Maintenance (MVM) programs. This would allow for the increased purchases of merchandise and supplies. The cost of these items is passed through to those purchasing goods and services from these two operations.

DP 409 - HB2 Increase Spending Authority for MVM - This decision package requests to increase authority internal service fund for the Motor Vehicle Maintenance (MVM) program. MVM is looking for additional customers. If additional customers are found, supplies will need to be purchased to accommodate. This request is for \$100,000 proprietary funding each year of the biennium.

### New Proposals

The "New Proposals" table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
Program	FTE	Fiscal 2012				Fiscal 2013				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 403 - Voc Ed Video Conferencing Maintenance Costs										
04	0.00	7,500	0	0	7,500	0.00	7,500	0	0	7,500
DP 55400 - MCE FTE Reduction										
04	(0.50)	(23,187)	0	0	(23,187)	(0.50)	(23,187)	0	0	(23,187)
<b>Total</b>	<b>(0.50)</b>	<b>(\$15,687)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$15,687)</b>	<b>(0.50)</b>	<b>(\$15,687)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$15,687)</b>

DP 403 - Voc Ed Video Conferencing Maintenance Costs - This decision package requests funding to support equipment maintenance fees for two video conferencing systems that were purchased with grant funds. The equipment would assist Montana State Prison and Montana Correctional Enterprises in the provision of training at reduced costs.

DP 55400 - MCE FTE Reduction - The executive recommends a 4% reduction of personal services funded with general fund.

<b>LFD ISSUE</b>	<u>Specific Positions Not Identified</u>
	The agency was not able to identify the specific positions or types of positions that would be included in this reduction. Therefore, the impact of the reduction on agency operations cannot be determined.
	Only two functions within this division, vocational education and inmate canteen, are supported by the general fund. Reduction in vocational education would reduce training and job assignment opportunities for inmates. Reduction in the inmate canteen staff would increase the workload for existing staff and would partially offset the executive request to add 1.00 FTE for this function.

## Proprietary Rates

### Proprietary Program Description

Montana Correctional Enterprises (MCE) includes several functions funded with internal service funds or proprietary funds. These programs are described separately along with a discussion of the program expenses, revenues, and rates being requested to finance the program. The legislature must approve the rates to be charged by proprietary funds. Internal service and enterprise funds included in MCE are:

- The Industry Program includes furniture, upholstery, print, sign, and laundry operations at the Montana State Prison facility
- The MCE Ranch and Dairy operation includes range cattle, crops, feedlot, land management, dairy milking parlor, dairy processing, heifer reproduction, lumber processing, and the Montana Food Bank Cannery, which are all located at the Montana State Prison facility
- The MCE Vocational Education program operates a motor vehicle maintenance shop and Toyota cutaway operation

At the current time there are not any programs operating at the Montana Women's Prison or regional and private facilities.

### Prison Ranch – Fund 06033

#### *Proprietary Proposed Budget*

The 2013 biennium report on enterprise funds for the Prison Ranch shows the financial information for the fund from FY 2010 through FY 2013. The report is provided as submitted by the executive but the LFD has edited and reconfigured the figure for clarity.

2013 Biennium Report on Internal Service and Enterprise Funds 2013				
Fund	Fund Name	Agency #	Program Name	
6033	Prison Ranch	64010	Mont Correctional Enterprises	
	Actual FY10	Budgeted FY11	Budgeted FY12	Budgeted FY13
<b>Operating Revenues:</b>				
Fee revenue				
Sales of Products	3,915,822	4,552,567	4,552,567	4,552,567
MFBN Cannery Service Revenues	-	-	-	-
Net Fee Revenue	3,915,822	4,552,567	4,552,567	4,552,567
Investment Earnings	-	-	-	-
Securities Lending Income	-	-	-	-
Premiums	-	-	-	-
Other Operating Revenues	-	-	-	-
Total Operating Revenue	3,915,822	4,552,567	4,552,567	4,552,567
<b>Operating Expenses:</b>				
Personal Services	1,437,799	1,548,592	1,507,807	1,507,164
Other Operating Expenses	2,544,843	3,055,175	2,711,207	2,721,548
Total Operating Expenses	3,982,642	4,603,767	4,219,014	4,228,712
Operating Income (Loss)	(66,820)	(51,200)	333,553	323,855
<b>Nonoperating Revenues (Expenses):</b>				
Gain (Loss) Sale of Fixed Assets	(77,989)	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	-	-
Net Nonoperating Revenues (Expenses)	(77,989)	-	-	-
Income (Loss) Before Operating Transfers	(144,809)	(51,200)	333,553	323,855
Contributed Capital	-	-	-	-
Operating Transfers In (Note 13)	-	-	-	-
Operating Transfers Out (Note 13)	-	-	-	-
Change in net assets	(144,809)	(51,200)	333,553	323,855
Total Net Assets- July 1 - As Restated	9,668,481	9,523,672	9,472,472	9,806,025
Prior Period Adjustments	-	-	-	-
Cumulative effect of account change	-	-	-	-
Total Net Assets - July 1 - As Restated	9,668,481	9,523,672	9,472,472	9,806,025
Net Assets- June 30	9,523,672	9,472,472	9,806,025	10,129,880
60 days of expenses (Total Operating Expenses divided by 6)	663,774	767,295	703,169	704,785

### *Proprietary Program Description*

The proprietary program consists of the ranch operation located near the Montana State Prison in Deer Lodge and includes cattle, crops, feedlot, land management, dairy milking parlor, dairy processing, heifer reproduction, and lumber processing activities.

### *Proprietary Program Narrative*

#### Expenses

The largest operating expenses for the program include items such as feed, grain, gasoline, diesel fuel, and veterinary supplies. The cost of these supplies varies with general economic conditions.

#### Revenues

Revenues for this program are derived primarily from the sale of raw milk and livestock. Additionally, a small amount of revenue is generated through logging. Revenues vary depending upon general economic conditions that impact commodity prices.

#### Funding Sources

Prison ranch products are sold in the private sector.

*Proprietary Present Law Adjustments*

Present law adjustments for this program include \$590,000 for the biennium to fund overtime, holidays worked, and inmate pay, which are zero based for budgeting purposes.

*Proprietary New Proposals*

New proposals for this program include \$300,000 and \$150,000 for the biennium for increased operating costs and equipment purchases, respectively. The budget request does not identify the equipment that may be purchased.

*Proprietary Rates*

This program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the fund.

**MSP Institutional Industries – Fund 06034***Proprietary Proposed Budget*

The 2013 biennium report on enterprise funds for MSP Institutional Industries shows the financial information for the fund from FY 2010 through FY 2013. The report is provided as submitted by the executive but the LFD has edited and reconfigured the figure for clarity.

2013 Biennium Report on Internal Service and Enterprise Funds 2013					
<div>Fund</div> 6034		<div>Fund Name</div> MSP Institutional Industries	<div>Agency #</div> 64010	<div>Program Name</div> Mont Correctional Enterprises	
	Actual FY10	Budgeted FY11	Budgeted FY12	Budgeted FY13	
Operating Revenues:					
Fee revenue					
Sale of Industries Products	2,387,949	2,670,000	2,670,000	2,670,000	
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	2,670,000	2,670,000	2,670,000	
Investment Earnings	-	-	-	-	
Securities Lending Income	-	-	-	-	
Premiums	-	-	-	-	
Other Operating Revenues	-	-	-	-	
Total Operating Revenue	2,387,949	2,670,000	2,670,000	2,670,000	
Operating Expenses:					
Personal Services	1,192,206	1,240,058	1,288,659	1,287,068	
Other Operating Expenses	1,209,710	1,499,730	1,376,079	1,377,272	
Total Operating Expenses	2,401,916	2,739,788	2,664,738	2,664,340	
Operating Income (Loss)	(13,967)	(69,788)	5,262	5,660	
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)	(69,788)	5,262	5,660	
Contributed Capital		-	-	-	
Operating Transfers In (Note 13)		-	-	-	
Operating Transfers Out (Note 13)		-	-	-	
Change in net assets	(13,967)	(69,788)	5,262	5,660	
Total Net Assets- July 1 - As Restated	1,852,044	1,838,077	1,768,289	1,773,551	
Prior Period Adjustments	-	-	-	-	
Cumulative effect of account change					
Total Net Assets - July 1 - As Restated	1,852,044	1,838,077	1,768,289	1,773,551	
Net Assets- June 30	1,838,077	1,768,289	1,773,551	1,779,211	
60 days of expenses					
(Total Operating Expenses divided by 6)	400,319	456,631	444,123	444,057	
Requested Rates for Enterprise Funds					
Fee/Rate Information					
	Actual FY10	Budgeted FY11	Budgeted FY12	Budgeted FY13	
Cost Per Pound for Laundry Services					
Base Laundry Price for Customer	0.43	0.43	0.48	0.48	
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	



*Proprietary Program Description*

This proprietary program consists of the furniture, upholstery, print, sign, and laundry operations at the Montana State Prison facility.

*Proprietary Program Narrative*Expenses

The expenses are split almost equally between personal services (21.00 FTE) and operating expenses. The largest categories of operating expenses for the program include items related to furniture manufacturing and shop supplies. The program implemented a reduction in force to reduce staff but the 2013 biennium budget includes the cost of these two vacant positions. Additionally, the expenditures for the program include \$150,000 per year to be expended for equipment purchases if needed.

Revenues

Revenues are derived primarily from the sale merchandise (furniture and signs) and charges for laundry services. In FY 2010 about \$500,000 of revenue was derived from furniture sales to state agencies and a similar amount was derived from the provision of laundry services to Montana State Prison (MSP) and Montana State Hospital (MSH). Because state agencies funded with general fund (MSP and MSH) are among the largest customers for this program increases in rates are likely to increase general fund expenditures made by other agencies.

Funding Sources

Because a large portion of revenues are the result of business done with state agencies, a portion of the revenue from this program comes indirectly from the general fund.

*Proprietary Present Law Adjustments*

Present law adjustments include \$420,000 for the biennium to fund overtime, holidays worked, and inmate pay, which are zero based for budgeting purposes.

*Proprietary New Proposals*

New proposals include \$200,000 and \$100,000 for the biennium for increased operating costs and equipment purchases, respectively. The budget request does not identify the specific costs or equipment that may be purchased.

*Proprietary Rates*

This program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the fund.

**LFD  
ISSUE**Funding Request of Other Programs

The executive budget for two units (MSP and Adult Community Corrections) within the agency include requests for increased general fund of a total \$173,099 per year due to proposed rates increases for laundry and cook chill costs. These increases are due to a combination of increased usage and increased costs.

While the legislature does not approve the rates charged by this fund, it may wish to:

- Provide comments to the agency about the proposed rate increase and its impact on costs to other state agencies
- Request that the proposed rates be recalculated removing the costs of vacant FTE and funding for equipment purchase (\$150,000 per year)

**Vocational Education – Fund 06545***Proprietary Proposed Budget*

The 2013 biennium report on internal service funds for MSP Vocational Education shows the financial information for the fund from FY 2010 through FY 2013. The report is provided as submitted by the executive but the LFD has edited and reconfigured the figure for clarity.

2013 Biennium Report on Internal Service and Enterprise Funds																				
<table><tr><th>Fund</th><th>Fund Name</th><th>Agency #</th><th colspan="4">Program Name</th></tr><tr><td>6545</td><td>Vocational Education</td><td>64010</td><td colspan="4">Mont Correctional Enterprises</td></tr></table>							Fund	Fund Name	Agency #	Program Name				6545	Vocational Education	64010	Mont Correctional Enterprises			
Fund	Fund Name	Agency #	Program Name																	
6545	Vocational Education	64010	Mont Correctional Enterprises																	
			Actual FY 10	Budgeted FY 11	Budgeted FY 12	Budgeted FY 13														
<b>Operating Revenues:</b>																				
Fee revenue																				
Revenue from Motor Vehicle Maintenance Service			560,212	597,000	597,000	597,000														
Net Fee Revenue			560,212	597,000	597,000	597,000														
Investment Earnings			-	-	-	-														
Securities Lending Income			-	-	-	-														
Premiums			-	-	-	-														
Other Operating Revenues			-	-	-	-														
Total Operating Revenue			560,212	597,000	597,000	597,000														
<b>Operating Expenses:</b>																				
Personal Services			227,615	263,652	200,963	201,871														
Other Operating Expenses			312,331	319,665	404,852	404,618														
Total Operating Expenses			539,946	583,317	605,815	606,489														
Operating Income (Loss)			20,266	13,683	(8,815)	(9,489)														
<b>Nonoperating Revenues (Expenses):</b>																				
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	13,683	(8,815)	(9,489)														
Contributed Capital			-	-	-	-														
Operating Transfers In (Note 13)			-	-	-	-														
Operating Transfers Out (Note 13)			-	-	-	-														
Change in net assets			20,266	13,683	(8,815)	(9,489)														
Total Net Assets- July 1 - As Restated			17,667	37,933	51,616	42,801														
Prior Period Adjustments				-	-	-														
Cumulative effect of account change			-	-	-	-														
Total Net Assets - July 1 - As Restated			17,667	37,933	51,616	42,801														
Net Assets- June 30			37,933	51,616	42,801	33,312														
60 days of expenses																				
(Total Operating Expenses divided by 6)			89,991	97,220	100,969	101,082														
<b>Requested Rates for Internal Service Funds</b>																				
<b>Fee/Rate Information for Legislative Action</b>																				
			Actual FY 10	Budgeted FY 11	Budgeted FY 12	Budgeted FY 13														
Fee Group A -																				
Rate 1	per hour	Labor Charge for Motor Vehicle Maint	\$ 26.50	\$ 26.50	\$ 26.50	\$ 26.50														
Rate 2	(per unit)	Supply fee as a percentage of actual cost	3%	3%	5%	5%														
Rate 3		Parts are sold at actual cost																		

*Proprietary Program Description*

This proprietary program consists of the motor vehicle maintenance shop and Toyota cutaway operation.

*Proprietary Program Narrative*Expenses

The expenses are split between personal services (4.00 FTE) and operating expenses, with about one third of the budget supporting personal services and the remaining two thirds supporting operating costs. The largest category of operating expense for the program is merchandise.

Revenues

Revenues are derived primarily from motor vehicle maintenance completed for MSP and the prison ranch.

Funding Sources

Because a largest portion of the revenues are the result of business done with MSP and the prison ranch, the primary funding sources supporting payment for services are the ranch proprietary fund and the general fund, which supports MSP.

*Proprietary Present Law Adjustments*

Present law adjustments include \$200,000 for the biennium to support the purchase of merchandise. The program is working to identify additional sources of revenue and if located will experience an increase in the purchase of merchandise.

*Proprietary Rates*

The program proposes maintenance of the per hour labor charge for vehicle maintenance at the 2011 biennium level of \$26.50 per hour and parts at actual costs while increasing the supply fee from 3% of costs to 5% of costs.

The rates approved by the legislature are the maximum the program may charge during the biennium, they are not the rates the program must charge.

**MCE License Plate – Fund 06572***Proprietary Proposed Budget*

The 2013 biennium report on internal service funds for MCE License Plate shows the financial information for the fund from FY 2010 through FY 2013. The report is provided as submitted by the executive but the LFD has edited and reconfigured the figure for clarity.

2013 Biennium Report on Internal Service and Enterprise Funds 2013						
Fund	Fund Name	Agency #	Program Name			
6572	MCE License Plate	64010	Mont Correctional Enterprises			
			Actual FY10	Budgeted FY11	Budgeted FY12	Budgeted FY13
<b>Operating Revenues:</b>						
Fee revenue						
Sale of License Plate Products			1,106,138	1,100,000	1,341,500	1,341,500
Net Fee Revenue			1,106,138	1,100,000	1,341,500	1,341,500
Investment Earnings			-	-	-	-
Securities Lending Income			-	-	-	-
Premiums			-	-	-	-
Other Operating Revenues			-	-	-	-
Total Operating Revenue			1,106,138	1,100,000	1,341,500	1,341,500
<b>Operating Expenses:</b>						
Personal Services			-	173,045	162,818	162,499
Other Operating Expenses			-	2,354,143	1,183,050	1,184,790
Total Operating Expenses			-	2,527,188	1,345,868	1,347,289
Operating Income (Loss)			1,106,138	(1,427,188)	(4,368)	(5,789)
<b>Nonoperating Revenues (Expenses):</b>						
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	(1,427,188)	(4,368)	(5,789)
Contributed Capital				-	-	-
Operating Transfers In (Note 13)				-	-	-
Operating Transfers Out (Note 13)				-	-	-
Change in net assets			1,106,138	(1,427,188)	(4,368)	(5,789)
Total Net Assets- July 1 - As Restated			-	1,106,138	(321,050)	(325,418)
Prior Period Adjustments			-	-	-	-
Cumulative effect of account change				-	-	-
Total Net Assets - July 1 - As Restated			-	1,106,138	(321,050)	(325,418)
Net Assets- June 30			1,106,138	(321,050)	(325,418)	(331,207)
60 days of expenses						
(Total Operating Expenses divided by 6)			-	421,198	224,311	224,548
<b>Requested Rates for Enterprise Funds</b>						
<b>Fee/Rate Information</b>						
			Actual FY10	Budgeted FY11	Budgeted FY12	Budgeted FY13
Cost Per Set of Plates for MCE License Plates						
cost per plate						
			6.20	6.20	6.20	6.20

*Proprietary Program Description*

This proprietary program consists of license plate manufacturing. This function was moved to a proprietary fund from the general fund beginning in FY 2011 in accordance with actions taken by the 2009 Legislature.

*Proprietary Program Narrative*Expenses

The expenses for this program include personal services (2.50 FTE) and operating expenses, with the bulk of the funding supporting operating costs.

Revenues

Revenues are derived from the sale of license plates to the Department of Justice. The Department of Justice pays for the license plates with fee revenue collected from license plate sales.

Funding Sources

Revenues supporting license plate manufacturing come from members of the public who purchase license plates.

*Proprietary Present Law Adjustments*

The entire budget for this fund is established in a present law adjustment because this function was not moved to a proprietary fund until the second year of the 2011 biennium.

*Proprietary Rates*

The program proposes maintaining the rate charged to the Department of Justice at the 2011 biennium level of \$6.20 per set of plates.

The rates approved by the legislature are the maximum the program may charge during the biennium, they are not the rates the program must charge.

**MCE Food Factory – Fund 06573***Proprietary Proposed Budget*

The 2013 biennium report on internal service funds for MCE Food Factory shows the financial information for the fund from FY 2010 through FY 2013. The report is provided as submitted by the executive but the LFD has edited and reconfigured the figure for clarity.

2013 Biennium Report on Internal Service and Enterprise Funds						
Fund	Fund Name	Agency #	Program Name			
6573	MCE Food Factory	64010	Secure Custody Facilities			
			Actual FY10	Budgeted FY 11	Budgeted FY 12	Budgeted FY 13
<b>Operating Revenues:</b>						
Fee revenue						
Food Product Sales			3,544,935	3,900,000	3,900,000	3,900,000
Net Fee Revenue			3,544,935	3,900,000	3,900,000	3,900,000
Investment Earnings			-	-	-	-
Securities Lending Income			-	-	-	-
Premiums			-	-	-	-
Other Operating Revenues			-	-	-	-
Total Operating Revenue			3,544,935	3,900,000	3,900,000	3,900,000
<b>Operating Expenses:</b>						
Personal Services			987,849	995,774	958,371	959,507
Other Operating Expenses			2,831,739	2,989,008	3,052,117	3,052,967
Total Operating Expenses			3,819,588	3,984,782	4,010,488	4,012,474
Operating Income (Loss)			(274,653)	(84,782)	(110,488)	(112,474)
<b>Nonoperating Revenues (Expenses):</b>						
Gain (Loss) Sale of Fixed Assets			-	-	-	-
Federal Indirect Cost Recoveries			-	-	-	-
Other Nonoperating Revenues (Expenses)			-	-	-	-
Net Nonoperating Revenues (Expenses)			-	-	-	-
Income (Loss) Before Operating Transfers			(274,653)	(84,782)	(110,488)	(112,474)
Contributed Capital			-	-	-	-
Operating Transfers In (Note 13)			-	-	-	-
Operating Transfers Out (Note 13)			-	-	-	-
Change in net assets			(274,653)	(84,782)	(110,488)	(112,474)
Total Net Assets- July 1 - As Restated			3,133,060	2,858,407	2,773,625	2,663,137
Prior Period Adjustments			-	-	-	-
Cumulative effect of account change			-	-	-	-
Total Net Assets - July 1 - As Restated			3,133,060	2,858,407	2,773,625	2,663,137
Net Assets- June 30			2,858,407	2,773,625	2,663,137	2,550,663
60 days of expenses						
(Total Operating Expenses divided by 6)			636,598	664,130	668,415	668,746
<b>Requested Rates for Internal Service Funds</b>						
<b>Fee/Rate Information for Legislative Action</b>						
			Actual FY10	Budgeted FY 11	Budgeted FY 12	Budgeted FY 13
<b>Tray Meal Prices to all customers</b>						
	Base Tray-Hot/Cold	\$	1.69	\$ 1.69	\$ 1.73	\$ 1.73
	Base Tray-Hot				\$ 0.87	\$ 0.87
	Detention Center Trays				\$ 2.45	\$ 2.45
	Accessory Package				\$ 0.10	\$ 0.10
<b>Delivery Charge Per Trayed Meal</b>						
	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, with a spoilage percentage added on and an overhead charge to cover operating expenses and delivery. Overhead charge is based on historical costs and volume of sales to the customer, as a percentage of overall						
	Spoilage percentage to all customers		4%	4%	5%	5%
<b>(Overhead Chrg)</b>						
	Montana State Hospital				11%	11%
	MSH - supplies only		12%	12%		
	MSH - all overhead except supplies		6%	6%		
	Montana State Prison				77%	77%
	MSP - supplies only		77%	77%		
	MSP - all overhead except supplies		41%	41%		
	Treasure State Correctional Training				12%	12%
	TSCTC - supplies only		11%	11%		
	TSCTS - all overhead except supplies:		6%	6%		

*Proprietary Program Description*

This proprietary program consists of food processing and creation of trayed meals and products that are sold to other facilities.

*Proprietary Program Narrative*Expenses

The expenses include personal services (21.00 FTE) and operating expenses, with the bulk of the funding supporting operating costs. The largest category of operating cost is raw materials, which includes the various grocery type items needed to prepare meals. The projected expenses for the 2013 biennium include \$500,000 per year to be expended for equipment purchases if necessary. Additionally, the program is working on a proposal to reduce civilian staff by 4.00 FTE, whose responsibilities include dishing up trays, and utilize inmate workers instead. If the proposal moves forward the program anticipates that the change would be implemented through staff attrition rather than a reduction in force or similar action.

Revenues

Revenues are derived from the sale of meals to facilities. The largest customer is MSP.

Funding Sources

Revenues supporting MSP, the food factory's largest customer, come from the general fund.

*Proprietary Present Law Adjustments*

Present law adjustments for the biennium include \$92,000 for inmate pay, which is zero based for budgeting purposes, \$700,000 for raw materials, and \$300,000 for equipment. The type of materials, anticipated inflationary rate, and equipment to be purchased have not been identified.

*Proprietary Rates*

The program proposes increasing the base rate per trayed hot/cold meal from \$1.69 to \$1.73 per meal and establishing rates for hot trayed meals, detention center trays, accessory packages, and overhead charges. Please refer to the table on the previous page for information about the various rates proposed for the food factory.

**LFD  
ISSUE**Funding Request of Other Programs

The executive budget for two units (MSP and Adult Community Corrections) within the agency include requests for increased combined general fund of \$173,099 per year due to proposed rates increases for laundry and cook chill costs. These increases are due to a combination of increased usage and increased costs.

Since the program has not identified specific equipment to be purchased the legislature may wish to request that the proposed rates be recalculated removing the proposed funding for equipment. Additionally, removal of this cost from the expenses included in the table above would impact the fund balance.

The rates approved by the legislature are the maximum the program may charge during the biennium, they are not the rates the program must charge.

### Program Budget Comparison

The following table summarizes the total executive budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	208.85	208.85	205.85	205.85	208.85	205.85	(3.00)	(1.44%)
Personal Services	10,570,499	11,510,017	11,101,892	11,108,345	22,080,516	22,210,237	129,721	0.59%
Operating Expenses	2,500,280	2,772,814	2,631,433	2,436,083	5,273,094	5,067,516	(205,578)	(3.90%)
Benefits & Claims	3,343,082	4,055,855	3,343,082	3,343,082	7,398,937	6,686,164	(712,773)	(9.63%)
Transfers	2,848,231	2,124,917	2,848,231	2,848,231	4,973,148	5,696,462	723,314	14.54%
<b>Total Costs</b>	<b>\$19,262,092</b>	<b>\$20,463,603</b>	<b>\$19,924,638</b>	<b>\$19,735,741</b>	<b>\$39,725,695</b>	<b>\$39,660,379</b>	<b>(\$65,316)</b>	<b>(0.16%)</b>
General Fund	18,405,196	19,610,283	19,068,587	18,878,904	38,015,479	37,947,491	(67,988)	(0.18%)
State Special	845,197	846,365	844,352	845,138	1,691,562	1,689,490	(2,072)	(0.12%)
Federal Special	11,699	6,955	11,699	11,699	18,654	23,398	4,744	25.43%
<b>Total Funds</b>	<b>\$19,262,092</b>	<b>\$20,463,603</b>	<b>\$19,924,638</b>	<b>\$19,735,741</b>	<b>\$39,725,695</b>	<b>\$39,660,379</b>	<b>(\$65,316)</b>	<b>(0.16%)</b>

### Program Description

The Youth Services Division is responsible for all state operated youth programs including Pine Hills Youth Correctional Facility for males located in Miles City, Riverside Youth Correctional Facility for females in Boulder, Youth Community Corrections including Juvenile Parole, interstate compact services for probation and parole, reentry services, transition centers, detention licensing, and transportation. Additional responsibilities include research, training, and administrative support services.

### Program Highlights

Youth Services Division Major Budget Highlights	
<ul style="list-style-type: none"> <li>◆ Funding for this division decreases \$65,316 (0.2%) between the two biennia primarily due to a reduction in general fund support including: <ul style="list-style-type: none"> <li>• A 4% reduction in personal services (3.00 FTE and \$374,000 for the biennium)</li> <li>• Annualization of the 2% across the board reduction made by the 2009 Legislature</li> </ul> </li> </ul>	
Major LFD Issues	
<ul style="list-style-type: none"> <li>◆ The 5% plan reduction in funding for the Juvenile Delinquency Intervention Program impacts the Judicial Branch</li> </ul>	

### Program Narrative

Youth Services Division is responsible for management of juvenile corrections programs, including youth correctional facilities, transitional centers, juvenile parole, and community services. Funding for the juvenile placements and the Juvenile Delinquency Intervention Program (JDIP) is appropriated and managed by the division. Although Juvenile Parole Officers are included in this division, Juvenile Probation Officers are part of the District Court Operations Program in the Judicial Branch. The division provides services primarily through state employees located at the correctional facilities and in communities.



Funding for the division remains constant between the 2011 and 2013 biennium. Increases in present law adjustments are partially offset by a decrease due to a 4% reduction in personal services (3.00 FTE). The executive budget requests funding for items such as overtime, which is zero based for budgeting purposes, and one time only funding for security cameras and equipment at Riverside Youth Correctional Facility for females.

### 5% Reduction Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

The 5% reduction plan for this division includes general fund reductions totaling \$733,558 and a state special revenue reduction totaling \$42,260. Of these reductions \$141,728 general fund supporting 3.00 FTE is included in the executive budget. The 3.00 FTE reductions include 1.00 FTE for a social worker at Pine Hills Youth Correctional Facility, 1.00 FTE for a correctional officer at Riverside Youth Correctional Facility, and 1.00 FTE for a correctional officer at the Youth Transition Center.

5% Reduction Plan by Division Youth Services Division			
Item	FTE	Gen Fund	State Spec Revenue
4% FTE Reduction			
Pine Hills Social Worker	1.00	47,243	
Riverside Correctional Officer	1.00	47,243	
Youth Trans Ctr Correctional Officer	1.00	47,243	
Contract Reductions		60,700	
Leased Vehicles		21,279	
Operating Costs		75,429	
Placement Costs		48,492	
Juvenile Delinquency Intervention Program		385,930	
Alcohol Tax Reduction			\$1,276
Parental Contributions			20,305
Pine Hills Canteen			173
Pine Hills Interest and Income			20,506
	<u>3.00</u>	<u>\$733,558</u>	<u>\$42,260</u>

In addition to operating costs reductions (such as contracts, travel, and leased vehicles) the 5% plan proposes a reduction of \$48,492 in juvenile placement costs and \$385,930 in the Juvenile Delinquency Intervention Program. Juvenile placement funds that are unexpended at the end of the fiscal year are transferred to the Judicial Branch and deposited in the Juvenile Delinquency Intervention Program state special revenue account. Funds in this account are statutorily appropriated to the Judicial Branch for expenditure during the two years following the year of transfer.

Risks and impacts that may be created by these reductions include:

- o Increased caseloads and workloads for staff resulting in increased overtime costs
- o Decreased vehicles leases may increase the logistical difficulties for transporting youth and result in the Youth Transition Center transporting male and female offenders together
- o Reductions in placement costs and Youth Delinquency Intervention Program funding may result in fewer community options and less intervention and prevention programming for youth
- o With fewer community and intervention options there is risk that more youth will be placed at state operated correctional facilities

### LFD ISSUE

#### Judicial Branch Impact

The agency's 5% plan proposes reducing funding for juvenile placements by \$48,492 and JDIP by \$385,930. The reduction to JDIP funds impacts the Judicial Branch funding available via a statutory appropriation for youth prevention and intervention programs. Please refer to the statutory appropriation section of the narrative of the Judicial Branch for more information on this account.

#### *Juvenile Placement and Juvenile Delinquency Intervention Program (JDIP) Funding*

The legislature provided about \$6 million per year for juvenile placements for the 2011 biennium. Of this amount, 11% is allocated to the department for juvenile parole placements. 2011 biennium funding for juvenile placements was reduced by \$120,000 to implement the 2% across the board reduction approved by the legislature and by \$300,000 for FY 2011 as part of the spending reductions ordered by the Governor in accordance with 17-7-140, MCA. Because this reduction occurs in the second year of the biennium it is not ongoing.

Overtime and Inmate Pay

All of the facilities included in this program request funding for overtime and inmate pay which are zero based for budgeting purposes. The figure below illustrates the FY 2010 base expenditures for overtime, holidays worked, and inmate pay for the three youth residential facilities under the supervision of the department. Compared to the FY 2010 base year expenditures, the 2013 biennium budget request is:

- \$12,241 (6%) greater for overtime and holidays worked
- \$801 (2%) less for inmate pay
- \$11,440 (4%) greater for the three items combined

Youth Services Division Summary of Overtime, Holidays Worked, and Inmate Pay						
Item/Facility	FY 2010 Actual			FY 2012 Request	FY 2013 Request	Over (Und) FY 2010
<u>Overtime and Holiday Worked</u>	Overtime	Holiday Wkd	Total			Per Year
Riverside Youth Correction Fac.	\$7,101	\$17,754	\$24,855	\$26,468	\$26,468	\$1,613
Youth Transition Center	17,675	14,627	32,302	34,447	34,447	2,145
Pine Hills Youth Corr Fac.	79,181	85,296	164,477	172,960	172,960	8,483
Total Overtime/Holiday Worked	103,957	117,677	221,634	233,875	233,875	12,241
						0
<u>Inmate Pay</u>	Inmate Pay					
Riverside Youth Correction Fac.	751		751	1,000	1,000	249
Pine Hills Youth Corr Fac.	33,550		33,550	32,500	32,500	(1,050)
Total Inmate Pay	34,301		34,301	33,500	33,500	(801)
						(0)
Combined	\$138,258	\$117,677	\$255,935	\$267,375	\$267,375	\$11,440

**Funding**

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Youth Services							
Program Funding		Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000	Total General Fund	\$ 18,405,196	95.6%	\$ 19,068,587	95.7%	\$ 18,878,904	95.7%
	01100 General Fund	18,405,196	95.6%	19,068,587	95.7%	18,878,904	95.7%
02000	Total State Special Funds	845,197	4.4%	844,352	4.2%	845,138	4.3%
	02034 Earmarked Alcohol Funds	25,523	0.1%	25,523	0.1%	25,523	0.1%
	02844 Highway Traffic Safety Funds	-	-	-	-	-	-
	02916 Phs-Canteen	3,457	0.0%	3,457	0.0%	3,457	0.0%
	02927 Phs Donations/I & I	410,116	2.1%	409,984	2.1%	410,100	2.1%
	02970 Juvenile Plcmnt Cost Of Care	406,101	2.1%	405,388	2.0%	406,058	2.1%
03000	Total Federal Special Funds	11,699	0.1%	11,699	0.1%	11,699	0.1%
	03530 6901-Foster Care 93.658	11,699	0.1%	11,699	0.1%	11,699	0.1%
Grand	Total	\$ 19,262,092	100.0%	\$ 19,924,638	100.0%	\$ 19,735,741	100.0%

This division receives about 96% of its support from the general fund. State special revenue, primarily from parental contributions toward the costs of care and interest and income related to Pine Hills school lands, provides about 4% of the division's funding. The division also receives a small amount of federal funds from the Title IV-E Foster Care and Adoption Program.

### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	18,405,196	18,405,196	36,810,392	97.00%	19,262,092	19,262,092	38,524,184	97.14%
Statewide PL Adjustments	378,391	394,014	772,405	2.04%	377,546	393,955	771,501	1.95%
Other PL Adjustments	267,375	267,375	534,750	1.41%	267,375	267,375	534,750	1.35%
New Proposals	17,625	(187,681)	(170,056)	(0.45%)	17,625	(187,681)	(170,056)	(0.43%)
<b>Total Budget</b>	<b>\$19,068,587</b>	<b>\$18,878,904</b>	<b>\$37,947,491</b>		<b>\$19,924,638</b>	<b>\$19,735,741</b>	<b>\$39,660,379</b>	

### Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					909,953					917,672
Vacancy Savings					(459,233)					(459,520)
Inflation/Deflation					(73,174)					(64,197)
<b>Total Statewide Present Law Adjustments</b>		<b>\$378,391</b>	<b>(\$845)</b>	<b>\$0</b>	<b>\$377,546</b>		<b>\$394,014</b>	<b>(\$59)</b>	<b>\$0</b>	<b>\$393,955</b>
DP 502 - PHYCF Overtime	0.00	172,960	0	0	172,960	0.00	172,960	0	0	172,960
DP 503 - RYCF Overtime	0.00	26,468	0	0	26,468	0.00	26,468	0	0	26,468
DP 504 - YTC Overtime	0.00	34,447	0	0	34,447	0.00	34,447	0	0	34,447
DP 505 - PHYCF Inmate Pay	0.00	32,500	0	0	32,500	0.00	32,500	0	0	32,500
DP 506 - RYCF Inmate Pay	0.00	1,000	0	0	1,000	0.00	1,000	0	0	1,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$267,375</b>	<b>\$0</b>	<b>\$0</b>	<b>\$267,375</b>	<b>0.00</b>	<b>\$267,375</b>	<b>\$0</b>	<b>\$0</b>	<b>\$267,375</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$645,766</b>	<b>(\$845)</b>	<b>\$0</b>	<b>\$644,921</b>	<b>0.00</b>	<b>\$661,389</b>	<b>(\$59)</b>	<b>\$0</b>	<b>\$661,330</b>

### Program Personal Services Narrative

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - The agency pay plan rules do not extend the opportunity for “exceptions” per se. There is some latitude which will likely be stretched by the challenges of the coming biennium.
- o **Program Specific Obstacles** - Youth correctional facilities employ nursing staff and teachers, which are traditionally difficult to recruit. There are also challenges related to bargained wages for the union staff vs. pay ranges for the entry level supervisors of those positions. Stagnant base rates jeopardize the progress made in recruiting new correctional officers in small labor market areas and potentially lead to a large backlog of vacancies to fill. Increased vacancies drive up overtime costs in 24 hour per day 7 day a week facilities.
- o **Vacancy** - Correctional officer’s compensation is below market compared to surrounding states. These jobs are 24 hour per day, 7 day a week shift work, with volatile adolescent offenders and exposure to risks, and are in small communities. This program also employs parole officers who have some occupational challenges related

to hours of work (non-traditional), clientele, and serving in offices in communities across the state including high cost areas. The collective bargaining agreement with correctional officers and other line occupations makes individualized pay adjustments virtually impossible. Turnover impacts facility effectiveness, safety, and costs by the recruitment of inexperienced staff, substantive and expensive training, and increased safety and security hazards while new staff gain experience in the unique correctional setting.

- o **Legislatively Applied Vacancy Savings** - Riverside Youth Correctional Facility, Youth Transition Center, and Pine Hills Youth Correctional Facility direct care positions were subject to 4% vacancy savings rather than the 7% rate that was applied to most state agencies. The division was under budget in personal services.
- o **Pay/Position Changes** – This program is primarily staffed by correctional and parole officers who are unionized workgroups that have continued to receive career ladder adjustments. There have been no other pay adjustments.
- o **Retirements** - It's difficult to project who will retire based on the variety of age and service criteria and potential service purchase options. Based upon information from the retirement systems the division estimates 45 individuals are potentially eligible for retirement. How many will chose to retire is unknown. The projected liability for this program is \$426,883. There is indication that top managers will retire by year's end. The Human Resources Division is taking the lead in career and leadership development programs to provide for the need to recruit replacements.

### New Proposals

The "New Proposals" table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
Program	FTE	-----Fiscal 2012-----				-----Fiscal 2013-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 502 - RYCF Security Cameras Bien/OTO										
05	0.00	204,327	0	0	204,327	0.00	0	0	0	0
DP 55400 - YSD FTE Reductions										
05	(3.00)	(186,702)	0	0	(186,702)	(3.00)	(187,681)	0	0	(187,681)
<b>Total</b>	<b>(3.00)</b>	<b>\$17,625</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,625</b>	<b>(3.00)</b>	<b>(\$187,681)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$187,681)</b>

## Sub-Program Details

## JUVENILE CORRECTIONS ADMIN 01

## Sub-Program Proposed Budget

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00	5.00
Personal Services	301,971	5,146	0	307,117	4,818	0	306,789	613,906
Operating Expenses	45,598	(1,411)	0	44,187	(1,378)	0	44,220	88,407
<b>Total Costs</b>	<b>\$347,569</b>	<b>\$3,735</b>	<b>\$0</b>	<b>\$351,304</b>	<b>\$3,440</b>	<b>\$0</b>	<b>\$351,009</b>	<b>\$702,313</b>
General Fund	347,569	3,735	0	351,304	3,440	0	351,009	702,313
<b>Total Funds</b>	<b>\$347,569</b>	<b>\$3,735</b>	<b>\$0</b>	<b>\$351,304</b>	<b>\$3,440</b>	<b>\$0</b>	<b>\$351,009</b>	<b>\$702,313</b>

## Sub-Program Description

This subprogram includes the division administrator and statewide management functions for the division.

## Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	347,569	347,569	695,138	98.98%	347,569	347,569	695,138	98.98%
Statewide PL Adjustments	3,735	3,440	7,175	1.02%	3,735	3,440	7,175	1.02%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$351,304</b>	<b>\$351,009</b>	<b>\$702,313</b>		<b>\$351,304</b>	<b>\$351,009</b>	<b>\$702,313</b>	

## Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					17,943					17,601
Vacancy Savings					(12,797)					(12,783)
Inflation/Deflation					(1,411)					(1,378)
<b>Total Statewide Present Law Adjustments</b>		<b>\$3,735</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,735</b>		<b>\$3,440</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,440</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$3,735</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,735</b>	<b>0.00</b>	<b>\$3,440</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,440</b>

## Sub-Program Details

### JUVENILE CORRECTIONS BUREAU 02

#### Sub-Program Proposed Budget

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	22.50	0.00	0.00	22.50	0.00	0.00	22.50	22.50
Personal Services	1,428,671	7,319	0	1,435,990	10,506	0	1,439,177	2,875,167
Operating Expenses	891,515	(24,457)	0	867,058	(24,107)	0	867,408	1,734,466
<b>Total Costs</b>	<b>\$2,320,186</b>	<b>(\$17,138)</b>	<b>\$0</b>	<b>\$2,303,048</b>	<b>(\$13,601)</b>	<b>\$0</b>	<b>\$2,306,585</b>	<b>\$4,609,633</b>
General Fund	2,320,186	(17,138)	0	2,303,048	(13,601)	0	2,306,585	4,609,633
<b>Total Funds</b>	<b>\$2,320,186</b>	<b>(\$17,138)</b>	<b>\$0</b>	<b>\$2,303,048</b>	<b>(\$13,601)</b>	<b>\$0</b>	<b>\$2,306,585</b>	<b>\$4,609,633</b>

#### Sub-Program Description

This subprogram includes juvenile community corrections and functions such as parole officers and the Juvenile Reentry Program.

#### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	2,320,186	2,320,186	4,640,372	100.67%	2,320,186	2,320,186	4,640,372	100.67%
Statewide PL Adjustments	(17,138)	(13,601)	(30,739)	(0.67%)	(17,138)	(13,601)	(30,739)	(0.67%)
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$2,303,048</b>	<b>\$2,306,585</b>	<b>\$4,609,633</b>		<b>\$2,303,048</b>	<b>\$2,306,585</b>	<b>\$4,609,633</b>	

#### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					67,153					70,470
Vacancy Savings					(59,834)					(59,964)
Inflation/Deflation					(24,457)					(24,107)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$17,138)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$17,138)</b>		<b>(\$13,601)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$13,601)</b>
<b>Grand Total All Present Law Adjustments</b>										
	<b>0.00</b>	<b>(\$17,138)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$17,138)</b>	<b>0.00</b>	<b>(\$13,601)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$13,601)</b>

## Sub-Program Details

### RIVERSIDE YOUTH CORRECTIONAL FACIL 03

#### Sub-Program Proposed Budget

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	33.50	0.00	0.00	33.50	0.00	0.00	33.50	33.50
Personal Services	1,634,748	164,954	0	1,799,702	167,661	0	1,802,409	3,602,111
Operating Expenses	322,825	(13,117)	204,327	514,035	(11,816)	0	311,009	825,044
<b>Total Costs</b>	<b>\$1,957,573</b>	<b>\$151,837</b>	<b>\$204,327</b>	<b>\$2,313,737</b>	<b>\$155,845</b>	<b>\$0</b>	<b>\$2,113,418</b>	<b>\$4,427,155</b>
General Fund	1,935,528	152,190	204,327	2,292,045	155,845	0	2,091,373	4,383,418
State/Other Special	22,045	(353)	0	21,692	0	0	22,045	43,737
<b>Total Funds</b>	<b>\$1,957,573</b>	<b>\$151,837</b>	<b>\$204,327</b>	<b>\$2,313,737</b>	<b>\$155,845</b>	<b>\$0</b>	<b>\$2,113,418</b>	<b>\$4,427,155</b>

#### Sub-Program Description

This subprogram consists of Riverside Youth Correctional Facility, which is the state operated juvenile correctional institution for females located in Boulder.

#### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	1,935,528	1,935,528	3,871,056	88.31%	1,957,573	1,957,573	3,915,146	88.43%
Statewide PL Adjustments	124,722	128,377	253,099	5.77%	124,369	128,377	252,746	5.71%
Other PL Adjustments	27,468	27,468	54,936	1.25%	27,468	27,468	54,936	1.24%
New Proposals	204,327	0	204,327	4.66%	204,327	0	204,327	4.62%
<b>Total Budget</b>	<b>\$2,292,045</b>	<b>\$2,091,373</b>	<b>\$4,383,418</b>		<b>\$2,313,737</b>	<b>\$2,113,418</b>	<b>\$4,427,155</b>	

#### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.



Present Law Adjustments										
-----Fiscal 2012-----					-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					211,328					214,151
Vacancy Savings					(73,842)					(73,958)
Inflation/Deflation					(13,117)					(11,816)
<b>Total Statewide Present Law Adjustments</b>		<b>\$124,722</b>	<b>(\$353)</b>	<b>\$0</b>	<b>\$124,369</b>		<b>\$128,377</b>	<b>\$0</b>	<b>\$0</b>	<b>\$128,377</b>
DP 503 - RYCF Overtime	0.00	26,468	0	0	26,468	0.00	26,468	0	0	26,468
DP 506 - RYCF Inmate Pay	0.00	1,000	0	0	1,000	0.00	1,000	0	0	1,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$27,468</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,468</b>	<b>0.00</b>	<b>\$27,468</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,468</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$152,190</b>	<b>(\$353)</b>	<b>\$0</b>	<b>\$151,837</b>	<b>0.00</b>	<b>\$155,845</b>	<b>\$0</b>	<b>\$0</b>	<b>\$155,845</b>

DP 503 - RYCF Overtime - This decision package requests funding for overtime and holidays worked, which are zero based budget items.

**LFD  
COMMENT**

Please refer to the program summary for more information.

DP 506 - RYCF Inmate Pay - This decision package requests funding for inmate pay which is a zero based budget items.

**LFD  
COMMENT**

Please refer to the program summary for more information.

### New Proposals

The "New Proposals" table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
-----Fiscal 2012-----					-----Fiscal 2013-----					
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 502 - RYCF Security Cameras Bien/OTO										
03	0.00	204,327	0	0	204,327	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>\$204,327</b>	<b>\$0</b>	<b>\$0</b>	<b>\$204,327</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

DP 502 - RYCF Security Cameras Bien/OTO - This decision package requests one time only funding for a video surveillance system at Riverside Youth Correctional Facility in Boulder. The request is based upon a provider quote that includes 5 - 16 channel DVR's, 42 inside standard resolution dome cameras, 4 extreme CCTV 90 degree cameras, 10 outdoor high resolution fixed cameras, power supplies, cable, installation of all parts, and installation of cable. Equipment costs are estimated at \$147,302 and labor costs at \$57,025. Currently the facility has two surveillance cameras located in the front entrance and south sally port.



## Sub-Program Details

### TRANSITION CENTERS 04

#### Sub-Program Proposed Budget

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	17.00	0.00	0.00	17.00	0.00	0.00	17.00	17.00
Personal Services	767,193	51,781	0	818,974	51,347	0	818,540	1,637,514
Operating Expenses	150,828	(1,012)	0	149,816	154	0	150,982	300,798
<b>Total Costs</b>	<b>\$918,021</b>	<b>\$50,769</b>	<b>\$0</b>	<b>\$968,790</b>	<b>\$51,501</b>	<b>\$0</b>	<b>\$969,522</b>	<b>\$1,938,312</b>
General Fund	897,836	50,769	0	948,605	51,501	0	949,337	1,897,942
State/Other Special	20,185	0	0	20,185	0	0	20,185	40,370
<b>Total Funds</b>	<b>\$918,021</b>	<b>\$50,769</b>	<b>\$0</b>	<b>\$968,790</b>	<b>\$51,501</b>	<b>\$0</b>	<b>\$969,522</b>	<b>\$1,938,312</b>

#### Sub-Program Description

This subprogram includes the youth transition center, a group home for youth returning to the community that is located in Great Falls. Construction of a new building was delayed as part of the spending reductions ordered by the Governor in accordance with 17-7-140, MCA.

#### Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	897,836	897,836	1,795,672	94.61%	918,021	918,021	1,836,042	94.72%
Statewide PL Adjustments	16,322	17,054	33,376	1.76%	16,322	17,054	33,376	1.72%
Other PL Adjustments	34,447	34,447	68,894	3.63%	34,447	34,447	68,894	3.55%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$948,605</b>	<b>\$949,337</b>	<b>\$1,897,942</b>		<b>\$968,790</b>	<b>\$969,522</b>	<b>\$1,938,312</b>	

#### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2012-----					-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					50,024					49,571
Vacancy Savings					(32,690)					(32,671)
Inflation/Deflation					(1,012)					154
<b>Total Statewide Present Law Adjustments</b>		<b>\$16,322</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,322</b>		<b>\$17,054</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,054</b>
DP 504 - YTC Overtime	0.00	34,447	0	0	34,447	0.00	34,447	0	0	34,447
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$34,447</b>	<b>\$0</b>	<b>\$0</b>	<b>\$34,447</b>	<b>0.00</b>	<b>\$34,447</b>	<b>\$0</b>	<b>\$0</b>	<b>\$34,447</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$50,769</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,769</b>	<b>0.00</b>	<b>\$51,501</b>	<b>\$0</b>	<b>\$0</b>	<b>\$51,501</b>

DP 504 - YTC Overtime - This decision package requests funding for overtime and holidays worked, which are zero based budget items.

**LFD  
COMMENT**

Please refer to the program summary for more information.

**Sub-Program Details****PINE HILLS YOUTH CORRECTIONAL FACI 05****Sub-Program Proposed Budget**

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	130.85	0.00	(3.00)	127.85	0.00	(3.00)	127.85	127.85
Personal Services	6,437,916	488,895	(186,702)	6,740,109	491,195	(187,681)	6,741,430	13,481,539
Operating Expenses	1,087,878	(33,177)	0	1,054,701	(27,050)	0	1,060,828	2,115,529
Benefits & Claims	48,492	0	0	48,492	0	0	48,492	96,984
<b>Total Costs</b>	<b>\$7,574,286</b>	<b>\$455,718</b>	<b>(\$186,702)</b>	<b>\$7,843,302</b>	<b>\$464,145</b>	<b>(\$187,681)</b>	<b>\$7,850,750</b>	<b>\$15,694,052</b>
General Fund	6,985,420	456,210	(186,702)	7,254,928	464,204	(187,681)	7,261,943	14,516,871
State/Other Special	588,866	(492)	0	588,374	(59)	0	588,807	1,177,181
<b>Total Funds</b>	<b>\$7,574,286</b>	<b>\$455,718</b>	<b>(\$186,702)</b>	<b>\$7,843,302</b>	<b>\$464,145</b>	<b>(\$187,681)</b>	<b>\$7,850,750</b>	<b>\$15,694,052</b>

**Sub-Program Description**

This subprogram includes Pine Hills Youth Correctional Facility, the state operated institution for males, located in Miles City.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	6,985,420	6,985,420	13,970,840	96.24%	7,574,286	7,574,286	15,148,572	96.52%
Statewide PL Adjustments	250,750	258,744	509,494	3.51%	250,258	258,685	508,943	3.24%
Other PL Adjustments	205,460	205,460	410,920	2.83%	205,460	205,460	410,920	2.62%
New Proposals	(186,702)	(187,681)	(374,383)	(2.58%)	(186,702)	(187,681)	(374,383)	(2.39%)
<b>Total Budget</b>	<b>\$7,254,928</b>	<b>\$7,261,943</b>	<b>\$14,516,871</b>		<b>\$7,843,302</b>	<b>\$7,850,750</b>	<b>\$15,694,052</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2012-----					-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					563,505					565,879
Vacancy Savings					(280,070)					(280,144)
Inflation/Deflation					(33,177)					(27,050)
<b>Total Statewide Present Law Adjustments</b>		<b>\$250,750</b>	<b>(\$492)</b>	<b>\$0</b>	<b>\$250,258</b>		<b>\$258,744</b>	<b>(\$59)</b>	<b>\$0</b>	<b>\$258,685</b>
DP 502 - PHYCF Overtime	0.00	172,960	0	0	172,960	0.00	172,960	0	0	172,960
DP 505 - PHYCF Inmate Pay	0.00	32,500	0	0	32,500	0.00	32,500	0	0	32,500
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$205,460</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,460</b>	<b>0.00</b>	<b>\$205,460</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,460</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$456,210</b>	<b>(\$492)</b>	<b>\$0</b>	<b>\$455,718</b>	<b>0.00</b>	<b>\$464,204</b>	<b>(\$59)</b>	<b>\$0</b>	<b>\$464,145</b>

DP 502 - PHYCF Overtime - This decision package requests funding for overtime and holidays worked, which are zero based budget items.

**LFD  
COMMENT**

Please refer to the program summary for more information.

DP 505 - PHYCF Inmate Pay - This decision package requests funding for inmate pay, which is a zero based budget item.

**LFD  
COMMENT**

Please refer to the program summary for more information.

### New Proposals

The "New Proposals" table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
-----Fiscal 2012-----					-----Fiscal 2013-----					
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55400 - YSD FTE Reductions										
05	(3.00)	(186,702)	0	0	(186,702)	(3.00)	(187,681)	0	0	(187,681)
<b>Total</b>	<b>(3.00)</b>	<b>(\$186,702)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$186,702)</b>	<b>(3.00)</b>	<b>(\$187,681)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$187,681)</b>

DP 55400 - YSD FTE Reductions - The executive recommends a 4% reduction of personal services funded with general fund. The reduction includes the permanent reduction of FTE.

**LFD  
COMMENT**

Please refer to the discussion of the 5% plan above for additional information about the FTE reductions.

## Sub-Program Details

## JUVENILE PLACEMENT FUNDS 06

## Sub-Program Proposed Budget

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
Operating Expenses	1,636	0	0	1,636	0	0	1,636	3,272
Benefits & Claims	3,294,590	0	0	3,294,590	0	0	3,294,590	6,589,180
Transfers	2,848,231	0	0	2,848,231	0	0	2,848,231	5,696,462
<b>Total Costs</b>	<b>\$6,144,457</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,144,457</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,144,457</b>	<b>\$12,288,914</b>
General Fund	5,918,657	0	0	5,918,657	0	0	5,918,657	11,837,314
State/Other Special	214,101	0	0	214,101	0	0	214,101	428,202
Federal Special	11,699	0	0	11,699	0	0	11,699	23,398
<b>Total Funds</b>	<b>\$6,144,457</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,144,457</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,144,457</b>	<b>\$12,288,914</b>

## Sub-Program Description

This subprogram includes funding that is utilized by parole officers to place youth in community residential placements. These funds are also utilized by Juvenile Probation Officers and Youth Courts within the Judicial Branch for the placement of youth on probation.

## Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	5,918,657	5,918,657	11,837,314	100.00%	6,144,457	6,144,457	12,288,914	100.00%
Statewide PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$5,918,657</b>	<b>\$5,918,657</b>	<b>\$11,837,314</b>		<b>\$6,144,457</b>	<b>\$6,144,457</b>	<b>\$12,288,914</b>	