

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	107.00	107.00	105.48	105.48	107.00	105.48	(1.52)	(1.42)%
Personal Services	6,770,033	7,319,543	8,205,926	8,208,847	14,089,576	16,414,773	2,325,197	16.50 %
Operating Expenses	4,752,592	4,774,523	5,601,479	5,507,613	9,527,115	11,109,092	1,581,977	16.60 %
Equipment & Intangible Assets	0	0	21,800	35,800	0	57,600	57,600	0.00 %
<b>Total Costs</b>	<b>\$11,522,625</b>	<b>\$12,094,066</b>	<b>\$13,829,205</b>	<b>\$13,752,260</b>	<b>\$23,616,691</b>	<b>\$27,581,465</b>	<b>\$3,964,774</b>	<b>16.79 %</b>
General Fund	10,977,647	11,273,139	13,270,386	13,195,412	22,250,786	26,465,798	4,215,012	18.94 %
State/Other Special Rev. Funds	478,811	757,916	450,957	450,751	1,236,727	901,708	(335,019)	(27.09)%
Federal Spec. Rev. Funds	0	0	0	0	0	0	0	0.00 %
Proprietary Funds	66,167	63,011	107,862	106,097	129,178	213,959	84,781	65.63 %
<b>Total Funds</b>	<b>\$11,522,625</b>	<b>\$12,094,066</b>	<b>\$13,829,205</b>	<b>\$13,752,260</b>	<b>\$23,616,691</b>	<b>\$27,581,465</b>	<b>\$3,964,774</b>	<b>16.79 %</b>

**Program Description**

The Director's Office, formerly called the Administration and Support Services Program, includes the Director's Office, Information Technology 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 and training, American Indian liaison services, policy management, information technology, legal information, technical correctional services, research and statistics, 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**

<b>Director's Office Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• Compared to the 2015 legislative funding budget changes are for:                             <ul style="list-style-type: none"> <li>◦ Funding reductions as the result of an agency reorganization during the 2015 biennium</li> <li>◦ Funding for various present law adjustments such as fixed costs to pay for services provided by other agencies</li> </ul> </li> </ul>

**Program Discussion -**

FY 2016 and FY 2017 contain any reductions in FTE made by the executive to implement the boilerplate language in HB 2. Though intended by the legislature, the FY 2014 and FY 2015 FTE levels do not reflect this language.

*Personal Services*

In the FY 2015 legislative budget, personal services comprised 34.4% of the program budget. The Governor proposes 59.3% in FY 2016 and 59.7% in FY 2017. The increases in costs are due to:

- Funding to annualize legislative pay plan increases
- Funding to annualize pay increases provided at the agency’s discretion

For this program, 56 pay adjustments were funded by the agency’s budget during FY 2014 in addition to the increases funded in the legislative pay plan, HB 13. These increases included 29 market adjustments averaging 9.7%, 17 career ladder increases averaging 4.8%, 2 competitive adjustments averaging 8.4%, and 2 strategic adjustments averaging 15%. Combined, these adjustments would increase subsequent year funding requirements by an estimated \$203,000.

**Funding**

The following table shows proposed program funding by source from all sources of authority.

Department of Corrections, 01-Director's Office Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	26,465,798	0	0	26,465,798	95.96 %	
02249 Governor's Office Operations Fund	0	0	0	0	0.00 %	
02251 Corrections Operations Account	0	0	0	0	0.00 %	
02261 P & P Supervisory Fee	0	0	0	0	0.00 %	
02355 Miscellaneous Fines and Fees	9,660	0	0	9,660	1.07 %	
02689 Offender Restitution	881,870	0	0	881,870	97.80 %	
02917 MSP Canteen Revolving Acct	10,178	0	0	10,178	1.13 %	
<b>State Special Total</b>	<b>\$901,708</b>	<b>\$0</b>	<b>\$0</b>	<b>\$901,708</b>	<b>3.27 %</b>	
03315 Misc Federal Grants	0	0	0	0	0.00 %	
03316 MBCC Grants	0	0	0	0	0.00 %	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
06033 Prison Ranch	71,425	0	0	71,425	33.38 %	
06034 MSP Institutional Industries	55,104	0	0	55,104	25.75 %	
06545 Prison Indust. Training Prog	15,090	0	0	15,090	7.05 %	
06572 MCE License Plate Production	7,946	0	0	7,946	3.71 %	
06573 MSP - Cook Chill	64,394	0	0	64,394	30.10 %	
<b>Proprietary Total</b>	<b>\$213,959</b>	<b>\$0</b>	<b>\$0</b>	<b>\$213,959</b>	<b>0.78 %</b>	
<b>Total All Funds</b>	<b>\$27,581,465</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,581,465</b>		

The bulk of the funding for this program comes from the general fund. A small amount 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 utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	20,406,308	20,406,308	40,812,616	154.21 %	21,227,235	21,227,235	42,454,470	153.92 %
PL Adjustments	(7,135,922)	(7,210,896)	(14,346,818)	(54.21)%	(7,398,030)	(7,474,975)	(14,873,005)	(53.92)%
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$13,270,386</b>	<b>\$13,195,412</b>	<b>\$26,465,798</b>		<b>\$13,829,205</b>	<b>\$13,752,260</b>	<b>\$27,581,465</b>	

**Program Reorganization -**

In the 2015 biennium, the executive reorganized the agency. The reorganization was done to consolidate all medical costs and services into a new program called Clinical Services. The reorganization impacted this program by moving a net 0.50 FTE to other programs along with personal services and operating cost budgets. For FY 2015, \$9.2 million of HB 2 budget authority was reduced, including funding for outside medical costs.

**Present Law Adjustments -**

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed by the executive. PSPL adjusts all personal services. LGPL provides for adjustments to other expenditures such as operating expenses. Each is discussed in the narrative that follows. Total funds in the Present Law Adjustments table do not include proprietary funds budgeted in House Bill 2.

Present Law Adjustments	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 98 - LEG. Personal Services Present Law	0.00	1,301,469	(413,634)	0	887,835	0.00	1,302,420	(411,664)	0	890,756
DP 99 - LEG. Present Law	0.00	(8,437,391)	106,675	0	(8,330,716)	0.00	(8,513,316)	104,499	0	(8,408,817)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$7,135,922)</b>	<b>(\$306,959)</b>	<b>\$0</b>	<b>(\$7,442,881)</b>	<b>0.00</b>	<b>(\$7,210,896)</b>	<b>(\$307,165)</b>	<b>\$0</b>	<b>(\$7,518,061)</b>

DP 98 - LEG. Personal Services Present Law -

The following table outlines various components of the changes included in the PS PL adjustments.

Personal Services Present Law Adjustments					
	FY 2016				
	FTE	General Fund	State Special	Federal Special	Total Funds
CP 98 PSPL Item					
State Share Health Insurance	105.98	\$51,263	\$0	\$0	\$51,263
Executive Implementation of 2015 Pay Increase		140,939	-	-	140,939
Fully Fund 2015 Legislatively Authorized FTE		144,605	-	-	144,605
Other	(0.50)	964,661	(413,634)	-	551,027
<b>Personal Services Present Law Adjustments</b>	<b>105.48</b>	<b>\$1,301,469</b>	<b>(\$413,634)</b>	<b>\$0</b>	<b>\$887,835</b>
FY 2017					
	FTE	General Fund	State Special	Federal Special	Total Funds
CP 98 PSPL Item					
State Share Health Insurance	105.98	\$51,263	\$0	\$0	\$51,263
Executive Implementation of 2015 Pay Increase		140,939	-	-	140,939
Fully Fund 2015 Legislatively Authorized FTE		144,605	-	-	144,605
Other	(0.50)	965,612	(411,664)	-	553,948
<b>Personal Services Present Law Adjustments</b>	<b>105.48</b>	<b>\$1,302,420</b>	<b>(\$411,664)</b>	<b>\$0</b>	<b>\$890,756</b>

The executive has proposed to increase general fund to support personal services by 4.7% in FY 2016 and by 4.8% in FY 2017 compared to the FY 2015 legislative budget.

*Other* - Changes that make up the other adjustments include the following, while individually listed adjustments in the other category are described separately:

- Agency reorganization
- Board of Pardons and Parole per diem
- Pay changes made in FY 2014 at the agency's discretion that are over and above the legislative pay plan

The executive reorganized the agency in FY 2014. The reorganization moved 0.50 FTE from this program to a new Clinical Services Program. Refer to the Agency Summary section for this agency for further discussion of the reorganization.

Funding is requested for Board of Pardons and Parole per diem. The executive request is for \$7,539 general fund each year over the FY 2015 legislative budget.

#### DP 99 - LEG. Present Law -

The following table outlines various components of the changes included in the LGPL adjustments.

Legislative Present Law Adjustments				
	FY 2016			
	General Fund	State Special	Federal Special	Total Funds
CP 99 Item				
Miscellaneous Present Law Adjustment	\$84,870	\$0	\$0	\$84,870
Board of Pardons and Parole Rent and Certification Fee	35,298	-	-	35,298
Reorganization	(9,154,621)	-	-	(9,154,621)
Other	597,062	106,675	-	703,737
<b>Legislative Present Law Adjustments</b>	<b>(\$8,437,391)</b>	<b>\$106,675</b>	<b>\$0</b>	<b>(\$8,330,716)</b>
	FY 2017			
	General Fund	State Special	Federal Special	Total Funds
CP 99 Item				
Miscellaneous Present Law Adjustment	\$98,870	\$0	\$0	\$98,870
Board of Pardons and Parole Rent and Certification Fee	25,220	-	-	25,220
Reorganization	(9,154,621)	-	-	(9,154,621)
Other	517,215	104,499	-	621,714
<b>Legislative Present Law Adjustments</b>	<b>(\$8,513,316)</b>	<b>\$104,499</b>	<b>\$0</b>	<b>(\$8,408,817)</b>

The executive has proposed to reduce general fund support for all other expenditure categories excluding personal services by 73.3% in FY 2016 and by 75.1% in FY 2017 compared to the FY 2015 legislative budget. Changes that make up the other category include the following, while individually listed adjustments are described separately:

- Increases in costs for services purchased from other state agencies such as insurance, office rent, and information technology services purchased from the Department of Administration
- For FY 2016 \$111,000 is attributed to legislative audit fees that were budgeted only in FY 2014 for the 2015 biennium

The executive proposes higher costs for various services provided by one agency to other agencies. Increases are associated with higher costs for services purchased from the Department of Administration for rent, insurance, and information technology services.

*Miscellaneous Present Law Adjustment* - The executive requests funding for computer replacement equipment, radio equipment replacement, enterprise business intelligence software, and training. The executive recommends designating \$21,800 in FY 2016 and \$35,800 in FY 2017 as one-time-only.

*Board of Pardons and Parole Rent and Certification Fee* - The executive requests funding for Board of Pardons and Parole office lease increases per lease contract provisions. Additionally, funding is requested for a certification fee with the

American Corrections Association. The executive recommends designating \$10,100 of the FY 2016 funding as one-time-only.

*Reorganization* - The executive reorganized this agency to establish a new program to administer the clinical services of the entire agency. In this reorganization the funding for outside medical services was moved from this program to the new Clinical Services program.