

Agency Budget Comparison

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	1,279.89	1,279.89	1,281.89	1,281.89	1,279.89	1,281.89	2.00	0.16%
Personal Services	69,859,396	70,643,147	71,478,400	71,543,752	140,502,543	143,022,152	2,519,609	1.79%
Operating Expenses	99,536,893	98,970,190	107,700,976	109,196,488	198,507,083	216,897,464	18,390,381	9.26%
Equipment & Intangible Assets	100,851	81,681	303,851	141,551	182,532	445,402	262,870	144.01%
Benefits & Claims	2,330,087	2,940,542	2,080,087	2,080,087	5,270,629	4,160,174	(1,110,455)	(21.07%)
Transfers	3,526,709	2,916,469	3,519,259	3,515,659	6,443,178	7,034,918	591,740	9.18%
Debt Service	86,479	86,651	262,329	262,329	173,130	524,658	351,528	203.04%
Total Costs	\$175,440,415	\$175,638,680	\$185,344,902	\$186,739,866	\$351,079,095	\$372,084,768	\$21,005,673	5.98%
General Fund	170,077,589	170,089,157	179,367,912	180,767,375	340,166,746	360,135,287	19,968,541	5.87%
State Special	4,714,007	4,788,037	5,894,818	5,893,475	9,502,044	11,788,293	2,286,249	24.06%
Federal Special	16,005	25,739	16,005	16,005	41,744	32,010	(9,734)	(23.32%)
Other	632,814	735,747	66,167	63,011	1,368,561	129,178	(1,239,383)	(90.56%)
Total Funds	\$175,440,415	\$175,638,680	\$185,344,902	\$186,739,866	\$351,079,095	\$372,084,768	\$21,005,673	5.98%

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Legislative Budget Analysis, D-94

Executive Budget Comparison

The following table compares the legislative budget in the 2015 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2012	Executive Budget Fiscal 2014	Legislative Budget Fiscal 2014	Leg - Exec. Difference Fiscal 2014	Executive Budget Fiscal 2015	Legislative Budget Fiscal 2015	Leg - Exec. Difference Fiscal 2015	Biennium Difference Fiscal 14-15
FTE	1,279.89	1,309.89	1,281.89	(28.00)	1,309.89	1,281.89	(28.00)	
Personal Services	69,859,396	73,437,426	71,478,400	(1,959,026)	74,294,282	71,543,752	(2,750,530)	(4,709,556)
Operating Expenses	99,536,893	109,379,576	107,700,976	(1,678,600)	111,748,553	109,196,488	(2,552,065)	(4,230,665)
Equipment & Intangible Assets	100,851	376,851	303,851	(73,000)	141,551	141,551	0	(73,000)
Benefits & Claims	2,330,087	2,330,087	2,080,087	(250,000)	2,330,087	2,080,087	(250,000)	(500,000)
Transfers	3,526,709	3,519,259	3,519,259	0	3,515,659	3,515,659	0	0
Debt Service	86,479	262,329	262,329	0	262,329	262,329	0	0
Total Costs	\$175,440,415	\$189,305,528	\$185,344,902	(\$3,960,626)	\$192,292,461	\$186,739,866	(\$5,552,595)	(\$9,513,221)
General Fund	170,077,589	183,035,457	179,367,912	(3,667,545)	186,022,149	180,767,375	(5,254,774)	(8,922,319)
State/Other Special	4,714,007	5,452,076	5,894,818	442,742	5,452,165	5,893,475	441,310	884,052
Federal Special	16,005	16,005	16,005	0	16,005	16,005	0	0
Proprietary	632,814	801,990	66,167	(735,823)	802,142	63,011	(739,131)	(1,474,954)
Total Funds	\$175,440,415	\$189,305,528	\$185,344,902	(\$3,960,626)	\$192,292,461	\$186,739,866	(\$5,552,595)	(\$9,513,221)

The legislature approved general fund that is \$8.9 million lower and \$9.5 million lower in total funds than the executive through a combination of offsetting reductions and increases. The legislature:

- Reduced funding for outside medical by \$1.9 million
- Reduced funding for a contract between the department and the Department of Public Health and Human services for care of 20 inmates at the Montana Mental Health Nursing Care Center in Lewistown for additional FTE to provide security at the facility
- Did not fund the request for a career ladder for correctional officers

- Funded no FTE for the agency's re-entry initiative when 8.00 FTE were requested, but approved funding for coordination of re-entry efforts
- Funded the addition of 5 pre-release transitional living beds and 5 women's pre-release beds when 10 transitional living and 15 women's pre-release beds were requested
- Funded 12 fewer male pre-release beds than are currently funded

The legislature also reduced budgeted proprietary funds that were duplicated with funding authorized through proprietary rates approved for a portion of Montana Correctional Enterprises program operations. This action reduced total funds by nearly \$1.5 million.

Additionally, the legislature funded a number of requests with state special revenue from probation and parole supervision fees and interest and income generated from leasing land at Pine Hills when general fund was requested by the Governor. While this action had no impact on total funds, it resulted in a reduction of general fund.

Agency Highlights

Department of Corrections Major Budget Highlights
<ul style="list-style-type: none"> ◆ The legislative budget is \$21.0 million higher than the current biennium ◆ Funding increases are primarily due to: <ul style="list-style-type: none"> ● Annualizing cost for existing contracts to house offenders in secure care and community placements ● Addressing inflationary pressures for medical costs received outside state facilities ● Funding for a contract to house inmates at the Montana Mental Health Nursing Care Center in Lewistown ● Providing a rate increase to service providers of secure, community, and treatment placement beds ◆ Budgeted proprietary funds were reduced to eliminate duplicating authority available via approval of proprietary rates ◆ The legislature added funding for a net of 2.00 FTE <ul style="list-style-type: none"> ● 4.00 FTE were removed when budgeted proprietary funding was removed for a portion of the Montana Correctional Enterprises program ● 1.00 FTE correctional officer was added for the relief factor in the Montana Woman's Prison ● 6.00 FTE were added at the Montana Woman's Prison to provide medical services when a contractor could not be obtained ● 1.00 FTE correctional officer position was removed due to long-term vacancy

Agency Discussion

Total funding for the department increases \$21.0 million or 6.0% and general fund support increases \$20.0 million or 5.9% over the current biennium.

State special revenue support for the agency increases due to legislative action that shifted funding for expenditures from the general fund to state special revenue funds, including supervision fees, restitution administrative fees, and parental cost of care payments for juveniles.

The legislative budget provides funding to increase provider rates by 2% in FY 2014 and an additional 2% in FY 2015

for all but a few selected providers. Provider rate increases were approved for both not-for-profit providers and for-profit providers. Funding for medical costs that occur when an inmate is treated outside a state facility are funded nearly 20% higher than the base year costs.

Population and Bed Increases

The legislative budget, like the executive request, generally funds beds for fewer offenders than the department estimates will enter the system during the 2015 biennium. Overall offender populations are anticipated to grow by roughly 1% per year. Growth is influenced by female secure custody and programs functioning as an alternative to prison with female secure custody expected to grow by about 4.4% per year and alternatives to prison to grow by 3.4% per year.

Funding

The following table shows agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Department Of Corrections Funding by Source of Authority 2015 Biennium Budget					
Funds	HB 2	Non- Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	\$360,135,287	\$0	\$0	\$360,135,287	90.6%
State Special Total	11,788,293	-	706,163	12,494,456	3.1%
Federal Special Total	32,010	-	-	32,010	0.0%
Proprietary Total	129,178	24,805,976	-	24,935,154	6.3%
Current Unrestricted	-	-	-	-	0.0%
Other Total	-	-	-	-	0.0%
Total All Funds	\$372,084,768	\$24,805,976	\$706,163	\$397,596,907	
Percent - Total All Sources	93.6%	6.2%	0.2%		

The department receives most of its funding from the general fund, with a small amount coming from state special revenue. The four largest state special revenue funds are:

- The canteen revolving fund, which receives revenue from the sale of items (such as personal hygiene items) to inmates
- Probation and parole supervision fees collected from offenders under the supervision of the department
- Pine Hills donations, interest, and income funds that come mostly from the collection of interest and income on school trust lands
- Juvenile placement costs of care that 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 department receives a small amount of federal funds for the Youth Services program from the Title IV-E Foster Care and Adoption Program.

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

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 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	170,077,589	170,077,589	340,155,178	94.45%	175,440,415	175,440,415	350,880,830	94.30%
Statewide PL Adjustments	(903,265)	(857,204)	(1,760,469)	(0.49%)	(803,886)	(757,584)	(1,561,470)	(0.42%)
Other PL Adjustments	7,959,199	8,210,274	16,169,473	4.49%	9,125,066	9,371,114	18,496,180	4.97%
New Proposals	2,234,389	3,336,716	5,571,105	1.55%	1,583,307	2,685,921	4,269,228	1.15%
Total Budget	\$179,367,912	\$180,767,375	\$360,135,287		\$185,344,902	\$186,739,866	\$372,084,768	

Language and Statutory Authority

The legislature approved the following language in HB2:

"Administration and Support Services includes appropriations of \$8,050,772 in general fund in each year for outside medical costs that are biennial.

All appropriations for Adult Community Corrections and Secure Custody Facilities are biennial."

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	106.50	106.50	106.50	106.50	106.50	106.50	0.00	0.00%
Personal Services	6,355,494	6,637,121	6,217,885	6,218,108	12,992,615	12,435,993	(556,622)	(4.28%)
Operating Expenses	12,530,975	9,371,896	14,301,642	13,929,144	21,902,871	28,230,786	6,327,915	28.89%
Total Costs	\$18,886,469	\$16,009,017	\$20,519,527	\$20,147,252	\$34,895,486	\$40,666,779	\$5,771,293	16.54%
General Fund	18,302,311	15,401,225	19,760,821	19,393,075	33,703,536	39,153,896	5,450,360	16.17%
State Special	486,136	510,996	692,539	691,166	997,132	1,383,705	386,573	38.77%
Federal Special	0	0	0	0	0	0	0	n/a
Other	98,022	96,796	66,167	63,011	194,818	129,178	(65,640)	(33.69%)
Total Funds	\$18,886,469	\$16,009,017	\$20,519,527	\$20,147,252	\$34,895,486	\$40,666,779	\$5,771,293	16.54%

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Legislative Budget Analysis, D-102

Funding

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 by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	18,302,311	18,302,311	36,604,622	93.49%	18,886,469	18,886,469	37,772,938	92.88%
Statewide PL Adjustments	550,828	450,735	1,001,563	2.56%	708,147	608,543	1,316,690	3.24%
Other PL Adjustments	1,532,922	1,279,729	2,812,651	7.18%	1,510,151	1,251,940	2,762,091	6.79%
New Proposals	(625,240)	(639,700)	(1,264,940)	(3.23%)	(585,240)	(599,700)	(1,184,940)	(2.91%)
Total Budget	\$19,760,821	\$19,393,075	\$39,153,896		\$20,519,527	\$20,147,252	\$40,666,779	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					740,141					745,227
Vacancy Savings					(282,495)					(282,699)
Inflation/Deflation					(2,798)					(1,174)
Fixed Costs					253,299					147,189
Total Statewide Present Law Adjustments		\$550,828	\$183,985	\$0	\$708,147*		\$450,735	\$184,037	\$0	\$608,543*
DP 50 - Initial Motion to FY 2012 Base	0.00	(550,828)	(183,985)	0	(708,147)*	0.00	(450,735)	(184,037)	0	(608,543)*
DP 51 - Adjustment for Statewide Personal Services	0.00	391,394	136,877	0	528,271	0.00	396,387	136,817	0	533,204
DP 52 - Adjustment for Statewide Operations	0.00	345,180	(13,530)	0	299,795*	0.00	245,151	(14,843)	0	195,297*
DP 101 - Outside Medical Inflationary Increase (BIEN/RESTR)	0.00	1,027,622	0	0	1,027,622	0.00	1,027,622	0	0	1,027,622
DP 601 - Victim Services	0.00	37,194	0	0	37,194	0.00	37,194	0	0	37,194
DP 701 - MSP Door Control System (OTO/BIEN)	0.00	48,632	0	0	48,632	0.00	0	0	0	0
DP 702 - Agile Assets/RevQ Licenses	0.00	10,000	43,056	0	53,056	0.00	10,000	43,056	0	53,056
DP 703 - MSP Water Telemetry System (OTO/BIEN)	0.00	50,000	0	0	50,000	0.00	0	0	0	0
DP 704 - Vocational Training OTO/Bien	0.00	159,618	0	0	159,618	0.00	0	0	0	0
DP 804 - Investigator Overtime	0.00	7,010	0	0	7,010	0.00	7,010	0	0	7,010
DP 901 - Parole Board Member Compensation	0.00	7,100	0	0	7,100	0.00	7,100	0	0	7,100
Total Other Present Law Adjustments	0.00	\$1,532,922	(\$17,582)	\$0	\$1,510,151*	0.00	\$1,279,729	(\$19,007)	\$0	\$1,251,940*
Grand Total All Present Law Adjustments	0.00	\$2,083,750	\$166,403	\$0	\$2,218,298*	0.00	\$1,730,464	\$165,030	\$0	\$1,860,483*

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

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings at 3% for all positions.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 101 - Outside Medical Inflationary Increase (BIEN/RESTR) - The legislature approved funding to address inflationary increases associated with medical care obtained outside of a correctional facility or program.

DP 601 - Victim Services - The legislature approved funding for two victim programs: 1) victim impact panels; and 2) victim-offender dialogues. The funding will reimburse volunteers who participate on 10 new victim impact panels during the biennium and reimburse volunteer facilitators who assist with 15 victim-offender dialogue cases during the biennium. In addition, this funding will fund the Victim Information Notification Everyday (VINE) system, which provides notifications required in 46-24-212, MCA, to victims when an offender not in prison has a custody status change.

DP 701 - MSP Door Control System (OTO/BIEN) - The legislature approved funding to complete security door control system upgrades for the Martz Diagnostic Intake Unit at the Montana State Prison. The funding will replace the server, computer, and the software that controls the system from a system that is currently operating on Windows 98. The funding was designated as one-time-only, restricted, and biennial.

DP 702 - Agile Assets/RevQ Licenses - The legislature approved funding for software system maintenance agreements for: 1) the Agile Assets system used to track vehicle usage information and maintenance costs; and 2) an automated internet based system used for the collection and disbursement of victim's restitution payments, and supervision and pre-sentence investigation (PSI) fees.

DP 703 - MSP Water Telemetry System (OTO/BIEN) - The legislature approved funding to replace the Montana State Prison (MSP) water telemetry system. The telemetry system monitors a number of wells to maintain prison water system pressures. The funding was designated as one-time-only, restricted, and biennial.

DP 704 - Vocational Training OTO/Bien - The legislature approved funding to purchase computers and software for General Educational Development (GED) testing and digital literacy testing skills for inmates/offenders. The funding will be used to purchase computers and software for a computer laboratory at Montana State Prison. The industry that provides GED testing services has moved from a paper-based system to requiring online access. The funding was designated as one-time-only, restricted, and biennial.

DP 804 - Investigator Overtime - The legislature approved funding for overtime for institutional investigators for such matters as from crimes of violence inside secure facilities to employee misconduct. The bureau often maintains 24-hour support to preserve evidence at crime scenes and conclude the investigations.

DP 901 - Parole Board Member Compensation - The legislature approved funding to increase Board of Pardons and Parole members' compensation as outlined in 2-15-124 (7), MCA for more meetings of the board. Board members are entitled to be paid \$50 per diem for every day in which the member is engaged in the performance of board duties.

New Proposals

Program	FTE	Fiscal 2014				Fiscal 2015				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 54 - Additional Vacancy Savings										
01	0.00	(685,990)	0	0	(685,990)	0.00	(684,700)	0	0	(684,700)
DP 620 - Victim Impact Panel Volunteer Costs										
01	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
DP 702 - Inmate Adult Educational Assessment Software										
01	0.00	20,000	0	0	20,000	0.00	20,000	0	0	20,000
DP 704 - MSP Employee Training Lab (OTO/BIEN)										
01	0.00	15,750	0	0	15,750	0.00	0	0	0	0
DP 805 - Radio Systems										
01	0.00	25,000	0	0	25,000	0.00	25,000	0	0	25,000
Total	0.00	(\$625,240)	\$40,000	\$0	(\$585,240)	0.00	(\$639,700)	\$40,000	\$0	(\$599,700)

DP 54 - Additional Vacancy Savings - The legislature applied an additional 2% vacancy savings to all positions except those exempt in statute or that must be filled 24/7. Language was included in HB 2 that allows the agency to allocate the reduction among programs.

DP 620 - Victim Impact Panel Volunteer Costs - The legislature approved funding for volunteer costs associated with participation on victim impact panels, including meals and travel costs.

DP 702 - Inmate Adult Educational Assessment Software - The legislature approved funding to contract for access to education assessment software for adult education at Montana State Prison. The software would enable an inmate to take

a test, the results from which would identify the curriculum level appropriate for the inmate to prepare for a GED test. Funding was designated as one-time-only and restricted.

DP 704 - MSP Employee Training Lab (OTO/BIEN) - The legislature approved funding for the replacement of 15 computers at Montana State Prison training lab that are at the end of their lifespan. The funding was designated as one-time-only, restricted, and biennial.

DP 805 - Radio Systems - The legislature approved funding to contract with technical vendors to upgrade radio programming for agency radios.

Language and Statutory Authority

The legislature included the following language in HB 2:

"Administration and Support Services includes a reduction in general fund of \$685,990 in fiscal year 2014 and \$684,700 in fiscal year 2015. The reduction is the equivalent of an additional 2% vacancy savings. The agency may allocate this reduction in funding among programs when developing 2015 biennium operating plans."

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	257.50	257.50	257.50	257.50	257.50	257.50	0.00	0.00%
Personal Services	14,615,426	14,700,076	15,086,945	15,101,605	29,315,502	30,188,550	873,048	2.98%
Operating Expenses	45,204,759	46,744,592	48,086,278	49,022,125	91,949,351	97,108,403	5,159,052	5.61%
Equipment & Intangible Assets	15,500	4,300	15,500	15,500	19,800	31,000	11,200	56.57%
Transfers	12,500	12,500	6,250	6,250	25,000	12,500	(12,500)	(50.00%)
Debt Service	28,742	28,858	69,311	69,311	57,600	138,622	81,022	140.66%
Total Costs	\$59,876,927	\$61,490,326	\$63,264,284	\$64,214,791	\$121,367,253	\$127,479,075	\$6,111,822	5.04%
General Fund	58,610,791	60,224,206	61,764,073	62,714,580	118,834,997	124,478,653	5,643,656	4.75%
State Special	1,266,136	1,266,120	1,500,211	1,500,211	2,532,256	3,000,422	468,166	18.49%
Federal Special	0	0	0	0	0	0	0	n/a
Total Funds	\$59,876,927	\$61,490,326	\$63,264,284	\$64,214,791	\$121,367,253	\$127,479,075	\$6,111,822	5.04%

Page Reference

Legislative Budget Analysis, D-118

Funding

Nearly 98% of the division's funding comes from the general fund. About 2% of the division's funding comes from state special revenue collected from offenders who must pay a probation and parole supervision fee.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	58,610,791	58,610,791	117,221,582	94.17%	59,876,927	59,876,927	119,753,854	93.94%
Statewide PL Adjustments	204,165	227,950	432,115	0.35%	204,165	227,950	432,115	0.34%
Other PL Adjustments	2,193,551	2,254,005	4,447,556	3.57%	2,402,626	2,463,080	4,865,706	3.82%
New Proposals	755,566	1,621,834	2,377,400	1.91%	780,566	1,646,834	2,427,400	1.90%
Total Budget	\$61,764,073	\$62,714,580	\$124,478,653		\$63,264,284	\$64,214,791	\$127,479,075	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature. "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 2014				Fiscal 2015					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					846,013					861,132
Vacancy Savings					(618,450)					(619,061)
Inflation/Deflation					(17,717)					(8,440)
Fixed Costs					(5,681)					(5,681)
Total Statewide Present Law Adjustments		\$204,165	\$0	\$0	\$204,165		\$227,950	\$0	\$0	\$227,950
DP 50 - Initial Motion to FY 2012 Base	0.00	(204,165)	0	0	(204,165)	0.00	(227,950)	0	0	(227,950)
DP 51 - Adjustment for Statewide Personal Services	0.00	404,742	0	0	404,742	0.00	419,402	0	0	419,402
DP 52 - Adjustment for Statewide Operations	0.00	(23,398)	0	0	(23,398)	0.00	(14,121)	0	0	(14,121)
DP 201 - Annualize Treatment Beds	0.00	298,860	0	0	298,860	0.00	298,860	0	0	298,860
DP 202 - Annualize Prerelease Beds	0.00	1,358,641	0	0	1,358,641	0.00	1,358,641	0	0	1,358,641
DP 203 - Annualize MASC Beds	0.00	141,394	0	0	141,394	0.00	141,394	0	0	141,394
DP 204 - TSCTC Overtime/Holiday Worked	0.00	33,142	0	0	33,142	0.00	33,142	0	0	33,142
DP 205 - Probation and Parole Overtime/Holiday Worked	0.00	33,635	0	0	33,635	0.00	33,635	0	0	33,635
DP 206 - SCRAM GPS Units	0.00	0	115,750	0	115,750	0.00	0	115,750	0	115,750
DP 207 - Probation and Parole Mental Health Contract	0.00	42,000	0	0	42,000	0.00	42,000	0	0	42,000
DP 209 - Prerelease Transitional Living	0.00	0	38,325	0	38,325	0.00	0	38,325	0	38,325
DP 210 - Passages Mental Health Contract	0.00	0	55,000	0	55,000	0.00	0	55,000	0	55,000
DP 213 - MCE Rate Increase	0.00	108,700	0	0	108,700	0.00	169,002	0	0	169,002
Total Other Present Law Adjustments	0.00	\$2,193,551	\$209,075	\$0	\$2,402,626	0.00	\$2,254,005	\$209,075	\$0	\$2,463,080
Grand Total All Present Law Adjustments	0.00	\$2,397,716	\$209,075	\$0	\$2,606,791	0.00	\$2,481,955	\$209,075	\$0	\$2,691,030

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings at 3% for all positions.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 201 - Annualize Treatment Beds - The legislature approved funding to annualize the funding for community pre-release beds to include funding for 100% utilization of all existing contracted treatment beds.

DP 202 - Annualize Prerelease Beds - The legislature approved funding to annualize the funding for community pre-release beds to include funding for all but 12 male beds at existing contracted pre-release centers. The legislature specified that the reduction of the 12 beds may not impact pre-release centers in Great Falls and Missoula.

DP 203 - Annualize MASC Beds - The legislature approved funding to annualize per diem rate funding at the Missoula Assessment and Sanction Center (MASC) to include funding for 100% utilization.

DP 204 - TSCTC Overtime/Holiday Worked - The legislature approved funding for overtime and holidays worked at the same level as the base.

DP 205 - Probation and Parole Overtime/Holiday Worked - The legislature approved funding for overtime and holidays worked for probation and parole to respond to after-hour incidents involving supervised offenders.

DP 206 - SCRAM GPS Units - The legislature approved funding to add 5 secure continuous remote alcohol monitor (SCRAM) units and global positioning system (GPS) units to monitor sexual and high-risk offenders under community probation and parole supervision. These units provide 24 hour a day, 7 days per week electronic monitoring.

DP 207 - Probation and Parole Mental Health Contract - The legislature approved funding for additional mental health services in the Kalispell probation and parole region.

DP 209 - Prerelease Transitional Living - The legislature approved funding to add 5 transitional living program (TLP) slots as a means of enhancing re-entry efforts.

DP 210 - Passages Mental Health Contract - The legislature approved funding to expand female mental health services at the Passages program in Billings. This funding will provide the same assessment, stabilization, and support services to female offenders with mental health needs that are provided at the revocation program for male offenders.

DP 213 - MCE Rate Increase - The legislature approved funding for rate changes approved for the Montana Correctional Enterprises (MCE) for production services of food, laundry, and motor vehicle maintenance.

New Proposals

Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 201 - Re-entry Coordination										
02	0.00	0	25,000	0	25,000	0.00	0	25,000	0	25,000
DP 203 - Per Diem Adult Community Corrections										
02	0.00	685,168	0	0	685,168	0.00	1,481,037	0	0	1,481,037
DP 212 - Additional community corrections beds for women										
02	0.00	70,398	0	0	70,398	0.00	140,797	0	0	140,797
Total	0.00	\$755,566	\$25,000	\$0	\$780,566	0.00	\$1,621,834	\$25,000	\$0	\$1,646,834

DP 201 - Re-entry Coordination - The legislature approved funding for re-entry coordination activities and restricted the funding for this purpose.

DP 203 - Per Diem Adult Community Corrections - The legislature approved funding to provide a 2% provider rate increase in FY 2014 and an additional 2% (4% total) rate increase for FY 2015 for all pre-release bed providers and treatment bed providers, except the FY 2014 rate for the providers at the Elkhorn and Nexus treatment facilities was increased by 1% and the funding for treatment center increases was designated as restricted to the purpose stated.

DP 212 - Additional community corrections beds for women - The legislature approved funding to add 5 pre-release beds for women beginning January 1, 2014 to address anticipated female pre-release growth.

Language and Statutory Authority

The legislature included the following language in HB 2 for this program:

"Adult Community Corrections includes reductions in general fund of \$228,798 in each year to remove funding for 12 male prerelease beds. Reductions at prerelease centers in Great Falls and Missoula may not be made to implement the reductions."

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	697.54	697.54	704.54	704.54	697.54	704.54	7.00	1.00%
Personal Services	37,414,105	37,471,761	38,531,715	38,568,796	74,885,866	77,100,511	2,214,645	2.96%
Operating Expenses	36,915,766	38,117,853	40,212,616	41,226,693	75,033,619	81,439,309	6,405,690	8.54%
Equipment & Intangible Assets	85,351	77,381	288,351	126,051	162,732	414,402	251,670	154.65%
Transfers	54,300	55,738	53,100	49,500	110,038	102,600	(7,438)	(6.76%)
Debt Service	36,860	36,860	172,141	172,141	73,720	344,282	270,562	367.01%
Total Costs	\$74,506,382	\$75,759,593	\$79,257,923	\$80,143,181	\$150,265,975	\$159,401,104	\$9,135,129	6.08%
General Fund	74,401,566	75,595,727	79,153,107	80,038,365	149,997,293	159,191,472	9,194,179	6.13%
State Special	104,816	153,520	104,816	104,816	258,336	209,632	(48,704)	(18.85%)
Federal Special	0	10,346	0	0	10,346	0	(10,346)	(100.00%)
Total Funds	\$74,506,382	\$75,759,593	\$79,257,923	\$80,143,181	\$150,265,975	\$159,401,104	\$9,135,129	6.08%

Page Reference

Legislative Budget Analysis, D-132

Funding

This division is funded almost entirely by the general fund. State special funds are from the sale of canteen items to inmates and support the cost of purchasing canteen items.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	74,401,566	74,401,566	148,803,132	93.47%	74,506,382	74,506,382	149,012,764	93.48%
Statewide PL Adjustments	(1,581,066)	(1,484,249)	(3,065,315)	(1.93%)	(1,681,066)	(1,584,249)	(3,265,315)	(2.05%)
Other PL Adjustments	4,193,424	4,737,093	8,930,517	5.61%	4,293,424	4,837,093	9,130,517	5.73%
New Proposals	2,139,183	2,383,955	4,523,138	2.84%	2,139,183	2,383,955	4,523,138	2.84%
Total Budget	\$79,153,107	\$80,038,365	\$159,191,472		\$79,257,923	\$80,143,181	\$159,401,104	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature. "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 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(135,660)					(96,846)
Vacancy Savings					(1,491,127)					(1,492,692)
Inflation/Deflation					(84,980)					(24,765)
Fixed Costs					30,701					30,054
Total Statewide Present Law Adjustments		(\$1,581,066)	(\$100,000)	\$0	(\$1,681,066)		(\$1,484,249)	(\$100,000)	\$0	(\$1,584,249)
DP 50 - Initial Motion to FY 2012 Base	0.00	1,581,066	100,000	0	1,681,066	0.00	1,484,249	100,000	0	1,584,249
DP 51 - Adjustment for Statewide Personal Services	0.00	(1,142,721)	(100,000)	0	(1,242,721)	0.00	(1,105,082)	(100,000)	0	(1,205,082)
DP 52 - Adjustment for Statewide Operations	0.00	(54,279)	0	0	(54,279)	0.00	5,289	0	0	5,289
DP 301 - MWP Correctional Officer	1.00	38,912	0	0	38,912	1.00	38,862	0	0	38,862
DP 303 - Montana Womens Prison Contracts	0.00	31,250	0	0	31,250	0.00	31,250	0	0	31,250
DP 304 - MWP Supplies (OTO/BIEN/RESTR)	0.00	25,000	0	0	25,000	0.00	35,000	0	0	35,000
DP 305 - MSP Inmate programming	0.00	30,000	0	0	30,000	0.00	30,000	0	0	30,000
DP 307 - MWP Overtime/Holiday Worked	0.00	221,594	0	0	221,594	0.00	221,594	0	0	221,594
DP 308 - MWP Inmate Pay	0.00	19,235	0	0	19,235	0.00	19,235	0	0	19,235
DP 314 - MSP Supplies and Equipment (OTO/BIEN/RESTR)	0.00	110,000	0	0	110,000	0.00	30,000	0	0	30,000
DP 316 - MSP Overtime/Holiday worked	0.00	1,476,927	0	0	1,476,927	0.00	1,476,927	0	0	1,476,927
DP 317 - MSP Inmate Pay	0.00	150,405	100,000	0	250,405	0.00	150,405	100,000	0	250,405
DP 319 - Secure Care Contract Bed Annualization	0.00	1,075,093	0	0	1,075,093	0.00	1,349,473	0	0	1,349,473
DP 321 - MCE Rate Increase	0.00	520,942	0	0	520,942	0.00	969,891	0	0	969,891
DP 324 - MSP Van Replacement (OTO/BIEN)	0.00	110,000	0	0	110,000	0.00	0	0	0	0
Total Other Present Law Adjustments	1.00	\$4,193,424	\$100,000	\$0	\$4,293,424	1.00	\$4,737,093	\$100,000	\$0	\$4,837,093
Grand Total All Present Law Adjustments	1.00	\$2,612,358	\$0	\$0	\$2,612,358	1.00	\$3,252,844	\$0	\$0	\$3,252,844

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings at 3% for all positions.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 301 - MWP Correctional Officer - The legislature approved funding to add 1.00 FTE for the correctional officer relief factor, which provides coverage for staff vacancies of other officers associated with sick leave, vacation, and regular days off.

DP 303 - Montana Women's Prison Contracts - The legislature approved funding to: 1) increase hours for religious activities; 2) fund all 187 regular and 54 summer school days under the contract with the Billings public school system

contract for adult basic education and literacy education services to inmates at the Montana Women's Prison; and 3) address contract increases for the chemical dependency contract.

DP 304 - MWP Supplies (OTO/BIEN/RESTR) - The legislature approved funding to purchase supplies and equipment ranging from key locks, fencing, washers, dryers, facility security equipment for staff, mattresses, chairs, and dresser supplies to flooring repairs needed for facility security and maintenance at the Montana Women's Prison. The legislature designated funding as one-time-only, biennial, and restricted.

DP 305 - MSP Inmate programming - The legislature approved funding to purchase training materials to expand the Steps to Economic and Personal Success (STEPS) and New Directions programs for inmates, which teaches offenders how to change their way of thinking about themselves, their lives, and their criminal background.

DP 307 - MWP Overtime/Holiday Worked - The legislature approved general fund to fund overtime and holidays worked at the base level. These costs are zero-based and must be requested in full each biennium.

DP 308 - MWP Inmate Pay - The legislature approved general fund to fund inmate pay for inmate work and educational assignments. These expenses are zero-based and must be requested in full each biennium.

DP 314 - MSP Supplies and Equipment (OTO/BIEN/RESTR) - The legislature approved general fund to purchase supplies and equipment ranging from medical equipment, kitchen supplies, yard replacement, and fencing and utility vehicles needed for facility security and maintenance at Montana State Prison. The legislature designated funding as one-time-only, biennial, and restricted.

DP 316 - MSP Overtime/Holiday worked - The legislature approved funding for overtime and holidays worked.

DP 317 - MSP Inmate Pay - The legislature approved funding for inmate pay for inmate work and educational assignments. The state special funding is from the inmate welfare and inmate pay fund.

DP 319 - Secure Care Contract Bed Annualization - The legislature approved funding to annualize the costs of contract prison beds to include funding for 100% utilization of all existing contracted beds at the projected per diem rates at the Cascade County and Dawson County regional prisons and county jails.

DP 321 - MCE Rate Increase - The legislature approved funding for rate changes approved for the Montana Correctional Enterprises (MCE) for production services of food, laundry, and motor vehicle maintenance.

DP 324 - MSP Van Replacement (OTO/BIEN) - The legislature approved funding to purchase an inmate transportation van. The funding was designated as one-time-only, restricted, and biennial.

New Proposals

Program	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 301 - Montana Womens Prison Medical Services										
03	6.00	11,258	0	0	11,258	6.00	10,750	0	0	10,750
DP 320 - Lewistown Infirmary Beds										
03	0.00	1,328,721	0	0	1,328,721	0.00	1,328,721	0	0	1,328,721
DP 323 - Contract Beds Private Prison Per Diem										
03	0.00	560,056	0	0	560,056	0.00	560,056	0	0	560,056
DP 325 - Provider Rate Increase Private For-Profit Prison										
03	0.00	239,148	0	0	239,148	0.00	484,428	0	0	484,428
Total	6.00	\$2,139,183	\$0	\$0	\$2,139,183	6.00	\$2,383,955	\$0	\$0	\$2,383,955

DP 301 - Montana Women's Prison Medical Services - The legislature approved funding for operating costs and
HB2 Narrative

personal services to add 6.00 FTE to fund health services at the Montana Women's Prison. Positions that will be added are: 1) two licensed practical nurses; 2) three registered nurses; and 3) one medical assistant.

DP 320 - Lewistown Infirmary Beds - The legislature approved funding for a contract (memorandum of understanding) with the Department of Public Health and Human Services for 25 beds at the Lewistown Infirmary. The facility serves an agency-identified population of older offenders with chronic medical conditions that require a specialized level of care, which has become increasingly challenging to provide in a traditional prison environment. The inmates designated for this facility are low-security offenders with an array of serious physical issues.

DP 323 - Contract Beds Private Prison Per Diem - The legislature approved funding to pay for a prevailing wage adjustment under the contract for per diem payments to the Crossroads Corrections Center, the private prison in Shelby.

DP 325 - Provider Rate Increase Private For-Profit Prison - The legislature approved funding to provide provider rate increases for contracted beds operated by private for-profit providers of 2% in FY 2014 and an additional 2% in FY 2015.

Language and Statutory Authority

The legislature included the following language in HB 2:

“Secure Custody Facilities includes \$239,148 in general fund money in fiscal year 2014 and \$484,428 in general fund money in fiscal year 2015 that may be used only for provider rate increases for contracted beds operated by private for-profit providers. In addition, Secure Custody Facilities includes \$560,056 in general fund money in fiscal year 2014 and \$560,056 in general fund money in fiscal year 2015 that may be used only for reimbursement to private for-profit providers for prevailing wages as obligated under contract.”

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	16.00	16.00	12.00	12.00	16.00	12.00	(4.00)	(25.00%)
Personal Services	810,031	943,083	718,910	720,631	1,753,114	1,439,541	(313,573)	(17.89%)
Operating Expenses	2,511,876	2,490,111	2,621,054	2,621,560	5,001,987	5,242,614	240,627	4.81%
Equipment & Intangible Assets	0	0	0	0	0	0	0	n/a
Total Costs	\$3,321,907	\$3,433,194	\$3,339,964	\$3,342,191	\$6,755,101	\$6,682,155	(\$72,946)	(1.08%)
General Fund	801,606	790,402	824,496	826,693	1,592,008	1,651,189	59,181	3.72%
State Special	1,985,509	2,003,841	2,515,468	2,515,498	3,989,350	5,030,966	1,041,616	26.11%
Other	534,792	638,951	0	0	1,173,743	0	(1,173,743)	(100.00%)
Total Funds	\$3,321,907	\$3,433,194	\$3,339,964	\$3,342,191	\$6,755,101	\$6,682,155	(\$72,946)	(1.08%)

Page Reference

Legislative Budget Analysis, D-147

Funding

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. The prison ranch, a portion of the industries program, food factory, and license plate operations are funded with non-budgeted proprietary funds and are discussed separately in the Proprietary Rates section.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	801,606	801,606	1,603,212	97.09%	3,321,907	3,321,907	6,643,814	99.43%
Statewide PL Adjustments	(16,858)	(14,686)	(31,544)	(1.91%)	25,202	27,126	52,328	0.78%
Other PL Adjustments	39,748	39,773	79,521	4.82%	725,341	725,357	1,450,698	21.71%
New Proposals	0	0	0	0.00%	(732,486)	(732,199)	(1,464,685)	(21.92%)
Total Budget	\$824,496	\$826,693	\$1,651,189		\$3,339,964	\$3,342,191	\$6,682,155	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature. "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 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					60,364					61,845
Vacancy Savings					(34,814)					(34,877)
Inflation/Deflation					(348)					158
Total Statewide Present Law Adjustments		(\$16,858)	(\$19,353)	\$0	\$25,202*		(\$14,686)	(\$19,316)	\$0	\$27,126*
DP 50 - Initial Motion to FY 2012 Base	0.00	16,858	19,353	0	(25,202)*	0.00	14,686	19,316	0	(27,126)*
DP 51 - Adjustment for Statewide Personal Services	0.00	(29,303)	0	0	36,391*	0.00	(27,582)	0	0	37,825*
DP 52 - Adjustment for Statewide Operations	0.00	(307)	(41)	0	(348)	0.00	169	(11)	0	158
DP 402 - MCE Overtime and Inmate Pay	0.00	52,500	30,000	0	114,500*	0.00	52,500	30,000	0	114,500*
DP 403 - MCE Additional Spending Authority	0.00	0	500,000	0	600,000*	0.00	0	500,000	0	600,000*
Total Other Present Law Adjustments	0.00	\$39,748	\$549,312	\$0	\$725,341*	0.00	\$39,773	\$549,305	\$0	\$725,357*
Grand Total All Present Law Adjustments	0.00	\$22,890	\$529,959	\$0	\$750,543*	0.00	\$25,087	\$529,989	\$0	\$752,483*

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

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings at 3% for all positions.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 402 - MCE Overtime and Inmate Pay - The legislature approved funding for staff overtime and inmate pay.

DP 403 - MCE Additional Spending Authority - The legislature approved state special revenue to purchase additional merchandise for the canteen.

New Proposals

New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 420 - Move Funding to Proprietary Rates	04	(4.00)	0	0	0	(732,486)*	(4.00)	0	0	0	(732,199)*
Total		(4.00)	\$0	\$0	\$0	(\$732,486)*	(4.00)	\$0	\$0	\$0	(\$732,199)*

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

DP 420 - Move Funding to Proprietary Rates - The legislature reduced all funding from the Vocational Education - Proprietary sub-program as the proprietary rates provide authority for the same purpose.

Proprietary Rates

The Montana Correctional Enterprises Program provides the following functions funded with proprietary funds. These programs are described below along with a discussion of the program revenues, expenses, and rates being requested to finance the programs:

- Prison Ranch
- Industries
- Food Factory
- Vocational Education
- License Plate Operations

Prison Ranch – Fund 06033*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.

Expenses

Personal services funds 21.50 FTE. 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.

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.

MSP Institutional Industries – Fund 06034*Proprietary Program Description*

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

Expenses

The expenses are split almost equally between personal services for 21.00 FTE and operating expenses. The largest categories of operating expenses for the program include items related to furniture manufacturing and shop supplies.

Revenues

Revenues are derived primarily from the sale of merchandise (furniture and signs) and charges for laundry services. In FY 2012 about \$935,000 of revenue was derived from furniture sales and upholstery work to state agencies and the private sector and \$433,000 was derived from the provision of laundry services to Montana State Prison (MSP) and Montana State Hospital (MSH).

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.

MCE Food Factory – Fund 06573*Proprietary Program Description*

This proprietary program consists of food processing and creation of trayed meals and products that are sold to other facilities of the agency and the Montana State Hospital at Warm Springs.

Expenses

The expenses include personal services for 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.

Revenues

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

Proprietary Rates

This program is funded with an internal service type proprietary fund. As such, the legislature approves the maximum rates the program may charge for its services. The rates approved for this program are listed in Section R of HB 2.

Vocational Education – Fund 06545*Proprietary Program Description*

This proprietary program consists of the motor vehicle maintenance shop.

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.

Proprietary Rates

This program is funded with an internal service type proprietary fund. As such, the legislature approves the maximum rates the program may charge for its services. The rates approved for this program are listed in Section R of HB 2.

MCE License Plate – Fund 06572*Proprietary Program Description*

This proprietary program consists of license plate manufacturing.

Expenses

The expenses for this program include personal services for 2.50 FTE and operating expenses, with the bulk of the funding supporting operating costs for materials used in the production of license plates.

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.

Proprietary Rates

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. The rates approved for this program are listed in Section R of HB 2.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	202.35	202.35	201.35	201.35	202.35	201.35	(1.00)	(0.49%)
Personal Services	10,664,340	10,891,106	10,945,513	10,957,178	21,555,446	21,902,691	347,245	1.61%
Operating Expenses	2,373,517	2,245,738	2,479,386	2,396,966	4,619,255	4,876,352	257,097	5.57%
Equipment & Intangible Assets	0	0	0	0	0	0	0	n/a
Benefits & Claims	2,330,087	2,940,542	2,080,087	2,080,087	5,270,629	4,160,174	(1,110,455)	(21.07%)
Transfers	3,459,909	2,848,231	3,459,909	3,459,909	6,308,140	6,919,818	611,678	9.70%
Debt Service	20,877	20,933	20,877	20,877	41,810	41,754	(56)	(0.13%)
Total Costs	\$18,848,730	\$18,946,550	\$18,985,772	\$18,915,017	\$37,795,280	\$37,900,789	\$105,509	0.28%
General Fund	17,961,315	18,077,597	17,887,983	17,817,228	36,038,912	35,705,211	(333,701)	(0.93%)
State Special	871,410	853,560	1,081,784	1,081,784	1,724,970	2,163,568	438,598	25.43%
Federal Special	16,005	15,393	16,005	16,005	31,398	32,010	612	1.95%
Total Funds	\$18,848,730	\$18,946,550	\$18,985,772	\$18,915,017	\$37,795,280	\$37,900,789	\$105,509	0.28%

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Funding

This division receives about 95% 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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	17,961,315	17,961,315	35,922,630	100.61%	18,848,730	18,848,730	37,697,460	99.46%
Statewide PL Adjustments	(60,334)	(36,954)	(97,288)	(0.27%)	(60,334)	(36,954)	(97,288)	(0.26%)
Other PL Adjustments	22,122	(77,760)	(55,638)	(0.16%)	216,092	116,210	332,302	0.88%
New Proposals	(35,120)	(29,373)	(64,493)	(0.18%)	(18,716)	(12,969)	(31,685)	(0.08%)
Total Budget	\$17,887,983	\$17,817,228	\$35,705,211		\$18,985,772	\$18,915,017	\$37,900,789	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature. "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 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					398,405					410,372
Vacancy Savings					(442,512)					(442,984)
Inflation/Deflation					(16,227)					(4,342)
Total Statewide Present Law Adjustments		(\$60,334)	\$0	\$0	(\$60,334)		(\$36,954)	\$0	\$0	(\$36,954)
DP 50 - Initial Motion to FY 2012 Base	0.00	60,334	0	0	60,334	0.00	36,954	0	0	36,954
DP 51 - Adjustment for Statewide Personal Services	0.00	66,521	0	0	66,521	0.00	78,134	0	0	78,134
DP 52 - Adjustment for Statewide Operations	0.00	(16,227)	0	0	(16,227)	0.00	(4,342)	0	0	(4,342)
DP 501 - PHYCF Overtime/Holiday Worked	0.00	0	164,120	0	164,120	0.00	0	164,120	0	164,120
DP 502 - RYCF Overtime/Holiday Worked	0.00	37,567	0	0	37,567	0.00	37,567	0	0	37,567
DP 503 - YTC Overtime/Holiday Worked	0.00	22,927	0	0	22,927	0.00	22,927	0	0	22,927
DP 504 - PHYCF Inmate Pay	0.00	0	29,850	0	29,850	0.00	0	29,850	0	29,850
DP 505 - RYCF Inmate Pay	0.00	1,000	0	0	1,000	0.00	1,000	0	0	1,000
DP 507 - RYCF Safety and Security OTO/BIEN	0.00	100,000	0	0	100,000	0.00	0	0	0	0
DP 511 - Youth Placement Funding Reduction	0.00	(250,000)	0	0	(250,000)	0.00	(250,000)	0	0	(250,000)
Total Other Present Law Adjustments	0.00	\$22,122	\$193,970	\$0	\$216,092	0.00	(\$77,760)	\$193,970	\$0	\$116,210
Grand Total All Present Law Adjustments	0.00	(\$38,212)	\$193,970	\$0	\$155,758	0.00	(\$114,714)	\$193,970	\$0	\$79,256

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings at 3% for all positions.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 501 - PHYCF Overtime/Holiday Worked - The legislature approved funding for overtime and holidays worked at the base level for the Pine Hills Youth Correctional Facility (PHYCF).

DP 502 - RYCF Overtime/Holiday Worked - The legislature approved funding for overtime and holidays worked at the base level for the Riverside Youth Correctional Facility (RYCF).

DP 503 - YTC Overtime/Holiday Worked - The legislature approved funding for overtime and holidays worked at the base level at the youth transitional center (YTC).

DP 504 - PHYCF Inmate Pay - The legislature approved funding for inmate pay at Pine Hills Youth Correctional Facility. Youth pay restitution to their victims through their work.

DP 505 - RYCF Inmate Pay - The legislature approved funding for inmate pay at the Riverside Youth Correctional Facility. Youth pay restitution to their victims through their work.

DP 507 - RYCF Safety and Security OTO/BIEN - The legislature approved funding for a project to replace doors throughout the Riverside Youth Correctional Facility. The funding was designated as one-time-only, restricted, and biennial.

DP 511 - Youth Placement Funding Reduction - The legislature reduced funding for juvenile placements.

New Proposals

New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 509 - PHYCF Vocational Program											
05	0.00	0	16,404		0	16,404	0.00	0	16,404	0	16,404
DP 510 - Juvenile Re-entry Provider Rate Increase											
05	0.00	5,692	0		0	5,692	0.00	11,387	0	0	11,387
DP 512 - Remove Funding for Long-term Vacant Position											
05	(1.00)	(40,812)	0		0	(40,812)	(1.00)	(40,760)	0	0	(40,760)
Total	(1.00)	(\$35,120)	\$16,404		\$0	(\$18,716)	(1.00)	(\$29,373)	\$16,404	\$0	(\$12,969)

DP 509 - PHYCF Vocational Program - The legislature approved state special revenue for the Pine Hill Youth Correctional Facility vocational program.

DP 510 - Juvenile Re-entry Provider Rate Increase - The legislature approved funding for provider rate increases for non-profit providers of juvenile re-entry services of 1% in FY 2014 and an additional 1% in FY 2015.

DP 512 - Remove Funding for Long-term Vacant Position - The legislature removed funding for a correctional officer position at Pine Hills Youth Correctional Facility that had been vacant for an extended period of time.