

**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 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	721.54	721.54	697.54	721.54	24.00	3.44%
Personal Services	37,414,105	37,471,761	39,206,915	39,769,401	74,885,866	78,976,316	4,090,450	5.46%
Operating Expenses	36,915,766	38,117,853	40,365,329	41,151,736	75,033,619	81,517,065	6,483,446	8.64%
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%
<b>Total Costs</b>	<b>\$74,506,382</b>	<b>\$75,759,593</b>	<b>\$80,085,836</b>	<b>\$81,268,829</b>	<b>\$150,265,975</b>	<b>\$161,354,665</b>	<b>\$11,088,690</b>	<b>7.38%</b>
General Fund	74,401,566	75,595,727	79,981,020	81,164,013	149,997,293	161,145,033	11,147,740	7.43%
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%)
<b>Total Funds</b>	<b>\$74,506,382</b>	<b>\$75,759,593</b>	<b>\$80,085,836</b>	<b>\$81,268,829</b>	<b>\$150,265,975</b>	<b>\$161,354,665</b>	<b>\$11,088,690</b>	<b>7.38%</b>

**Program Description**

The Secure Custody Facilities Program includes the Montana State Prison, Montana Women's Prison, and contract bed facilities which include: Dawson County Correctional Facility, Cascade County Regional Prison, and Crossroads Correctional Center. Approximately 2,300 male and 200 female inmates are incarcerated in these facilities.

**Program Highlights**

<b>Secure Custody Facilities Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ Populations in secure custody facilities are projected to increase on average by 1.2% per year for males and by 4.4% for females. The budget would address these increases by:                             <ul style="list-style-type: none"> <li>• Contracting with the Department of Public Health and Human Services to house inmates needing assistance with their daily care, thus freeing up 35 beds at the Montana State Prison, \$3.7 million</li> <li>• Maintaining contract beds at the full contract level through the entire biennium, \$3.5 million</li> <li>• Funding re-entry initiatives that are intended to slow population growth through reduced recidivism, \$0.3 million and 3.00 FTE</li> </ul> </li> <li>◆ The executive proposes to fund:                             <ul style="list-style-type: none"> <li>• A prevailing wage adjustment in the contract for the private prison in Shelby, \$1.1 million</li> <li>• A career ladder for correctional officers, \$1.6 million</li> <li>• The addition of FTE at both the men’s and women’s prisons to provide a relief factor</li> </ul> </li> <li>◆ The executive proposes the addition of 24.00 FTE:                             <ul style="list-style-type: none"> <li>• For correctional relief factors at Montana State Prison and Montana Women’s Prison, 9.00 FTE</li> <li>• To replace the previously contracted health services function for the Montana Women’s Prison, 7.00 FTE</li> <li>• To provide security for inmates being moved to the Montana Mental Health Nursing Care Center in Lewistown under a contract with the Department of Public Health and Human Services, 5.00 FTE</li> <li>• To support the department’s re-entry initiative at Montana State Prison, 3.00 FTE</li> </ul> </li> </ul>
<b>Major LFD Issues</b>
<ul style="list-style-type: none"> <li>◆ The department entered into a contract with the Department of Public Health and Human Services to receive services at the Montana Mental Health Nursing Care Center in Lewistown. The legislature has options for addressing the population of inmates needing assistance with daily personal needs</li> </ul>

**Program Discussion**

The Secure Custody Facilities Program houses offenders in the Montana State Prison, Montana Women’s Prison, and various contracted prison and detention 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 a combined 293 inmates are the smallest facilities. Montana Women’s Prison (MWP), the only female prison in the state, has an operational capacity of 194. Both male and female secure inmates are also held in county jails. The cost of contracted prison beds includes the cost to house 550 inmates in the Crossroads Correctional Center in Shelby as well as cost of housing offenders in county jails. Beginning halfway through FY 2013, 25 inmates are housed at the Montana Mental Health Nursing Care Center in Lewistown. The Department is responsible for the cost of housing offenders after conviction.

The primary cost drivers for this program include the average daily population (ADP) of offenders to be housed, operating costs at state facilities including staffing costs, and per diem rates negotiated with the private prison, regional prisons, county jails, and other contractors.

The figure shows the projected change in the average daily population (ADP) of offenders for male and female prisons including the growth rate from the previous year and a comparison to current capacities. For the 2015 biennium, the department projects that the ADP of male offenders will increase by an average annual rate of 1.2% or less per year and female offenders around 4.4% on average per year.

The 2011 Legislature appropriated funding to contract for 120 additional beds beginning in FY 2013, with 20 designated to serving inmates needing living assistance. Instead, the executive contracted for 25 secure assisted living beds. A request is included to fund the contract for these 25 assisted living beds. However, this action effectively expanded the capacity of the MSP by 35 beds by making some cells available for multiple occupancy, where this wasn't an option when occupied by those being moved to the assisted living contracted beds. For a further discussion of the assisted living beds, see the summary section of this agency's narrative and DP 320 in new proposals for subprogram 4 of this division.

Summary of Secure Custody Facilities Average Daily Populations (ADP)				
Segment	Actual	Department Projections		
	FY 2012	FY 2013	FY 2014	FY 2015
<u>Male Prison</u>				
Population	2343	2336	2372	2392
% Increase		-0.3%	1.5%	0.8%
Capacity	2396	2379	2383	2383
Over Capacity	-53	-43	-11	9
<u>Female Prison</u>				
Population	203	200	209	218
% Increase		-1.5%	4.5%	4.3%
Capacity	200	200	205	205
Over Capacity	3	0	4	13

#### *Projections in Relation to Capacity*

At this time the MWP is at operating capacity, but is projected to exceed capacity beginning in FY 2014. The department estimates the MSP will have excess capacity through FY 2014, but it would exceed capacity starting in FY 2015. The department uses county jail holds as a way to address short-term capacity issues in state and contracted facilities. Space in county jails is assumed available to address over-capacity situations through the 2015 biennium.

At the current capacity levels the department is at risk if the population grows significantly above its projections. This would leave the department without adequate funding or the existence of an adequate number of male and female prison beds within the current system. The department would be force to rely on the availability of beds in county jails to address its population growth pressures. It may also risk having the available inmate programming capacity to adequately address inmate criminality issues prior to the end of inmate sentences, which may adversely impact recidivism rates.

#### **Funding**

The following table shows program funding, by source for the 2015 biennium as recommended by the Governor.

Total Department Of Corrections Funding by Source of Authority 2015 Biennium Budget - Secure Custody Facilities							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$161,145,033	\$0	\$0	\$161,145,033	99.4%		
State Special Total	\$209,632	\$0	\$706,163	\$915,795	0.6%		
02339 Inmate Welfare/inmate Pay	\$200,000	\$0	\$0	\$200,000	0.1%		
02345 Inmate Welfare Fund	\$0	\$0	\$706,163	\$706,163	0.4%	53-1-109	Direct
02355 Miscellaneous Fines And Fees	\$9,632	\$0	\$0	\$9,632	0.0%		
Total All Funds	\$161,354,665	\$0	\$706,163	\$162,060,828	100.0%		
<b>Percent - Total All Sources</b>	<b>99.6%</b>	<b>0.0%</b>	<b>0.4%</b>				

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	92.34%	74,506,382	74,506,382	149,012,764	92.35%
Statewide PL Adjustments	(1,581,066)	(1,484,249)	(3,065,315)	(1.90%)	(1,681,066)	(1,584,249)	(3,265,315)	(2.02%)
Other PL Adjustments	4,506,884	5,605,659	10,112,543	6.28%	4,606,884	5,705,659	10,312,543	6.39%
New Proposals	2,653,636	2,641,037	5,294,673	3.29%	2,653,636	2,641,037	5,294,673	3.28%
<b>Total Budget</b>	<b>\$79,981,020</b>	<b>\$81,164,013</b>	<b>\$161,145,033</b>		<b>\$80,085,836</b>	<b>\$81,268,829</b>	<b>\$161,354,665</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 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
<b>Total Statewide Present Law Adjustments</b>		<b>(\$1,581,066)</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>(\$1,681,066)</b>		<b>(\$1,484,249)</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>(\$1,584,249)</b>
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)	0.00	25,000	0	0	25,000	0.00	35,000	0	0	35,000
DP 305 - MSP Inmate programming	0.00	60,000	0	0	60,000	0.00	60,000	0	0	60,000
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 310 - MSP Correctional Officer	8.00	0	0	0	0	8.00	0	0	0	0
DP 314 - MSP Supplies and Equipment (OTO/BIEN)	0.00	110,000	0	0	110,000	0.00	30,000	0	0	30,000
DP 316 - MSP Overtime/Holiday worked	0.00	1,576,927	0	0	1,576,927	0.00	1,576,927	0	0	1,576,927
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 - MSP - Montana Correctional Enterprises Rate	0.00	562,083	0	0	562,083	0.00	1,040,142	0	0	1,040,142
DP 324 - MSP Van Replacement (OTO/BIEN)	0.00	110,000	0	0	110,000	0.00	0	0	0	0
DP 999 - Fund Career Ladder for Correctional Officers	0.00	526,385	0	0	526,385	0.00	1,052,771	0	0	1,052,771
<b>Total Other Present Law Adjustments</b>	<b>9.00</b>	<b>\$4,506,884</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$4,606,884</b>	<b>9.00</b>	<b>\$5,605,659</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$5,705,659</b>
<b>Grand Total All Present Law Adjustments</b>	<b>9.00</b>	<b>\$2,925,818</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,925,818</b>	<b>9.00</b>	<b>\$4,121,410</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,121,410</b>

**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 301 - Montana Womens Prison Medical Services	03	7.00	94,897	0	0	94,897	7.00	94,262	0	0	94,262
DP 303 - Montana State Prison Re-entry Team	03	3.00	166,184	0	0	166,184	3.00	154,488	0	0	154,488
DP 320 - Lewistown Infirmary Beds	03	5.00	1,832,499	0	0	1,832,499	5.00	1,832,231	0	0	1,832,231
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
<b>Total</b>	<b>15.00</b>	<b>\$2,653,636</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,653,636</b>	<b>15.00</b>	<b>\$2,641,037</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,641,037</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 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	620.27	8.00	3.00	631.27	8.00	3.00	631.27	631.27
Personal Services	33,075,716	1,020,073	145,464	34,241,253	1,519,422	145,268	34,740,406	68,981,659
Operating Expenses	10,463,156	450,364	20,720	10,934,240	964,809	9,220	11,437,185	22,371,425
Equipment & Intangible Assets	85,351	203,000	0	288,351	30,000	0	115,351	403,702
Transfers	29,800	(1,200)	0	28,600	(4,800)	0	25,000	53,600
Debt Service	36,860	135,281	0	172,141	135,281	0	172,141	344,282
<b>Total Costs</b>	<b>\$43,690,883</b>	<b>\$1,807,518</b>	<b>\$166,184</b>	<b>\$45,664,585</b>	<b>\$2,644,712</b>	<b>\$154,488</b>	<b>\$46,490,083</b>	<b>\$92,154,668</b>
General Fund	43,586,067	1,807,518	166,184	45,559,769	2,644,712	154,488	46,385,267	91,945,036
State/Other Special	104,816	0	0	104,816	0	0	104,816	209,632
<b>Total Funds</b>	<b>\$43,690,883</b>	<b>\$1,807,518</b>	<b>\$166,184</b>	<b>\$45,664,585</b>	<b>\$2,644,712</b>	<b>\$154,488</b>	<b>\$46,490,083</b>	<b>\$92,154,668</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 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	43,586,067	43,586,067	87,172,134	94.81%	43,690,883	43,690,883	87,381,766	94.82%
Statewide PL Adjustments	(1,231,551)	(1,152,070)	(2,383,621)	(2.59%)	(1,331,551)	(1,252,070)	(2,583,621)	(2.80%)
Other PL Adjustments	3,039,069	3,796,782	6,835,851	7.43%	3,139,069	3,896,782	7,035,851	7.63%
New Proposals	166,184	154,488	320,672	0.35%	166,184	154,488	320,672	0.35%
<b>Total Budget</b>	<b>\$45,559,769</b>	<b>\$46,385,267</b>	<b>\$91,945,036</b>		<b>\$45,664,585</b>	<b>\$46,490,083</b>	<b>\$92,154,668</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 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					48,030					78,965
Vacancy Savings					(1,324,943)					(1,326,183)
Inflation/Deflation					(85,339)					(34,906)
Fixed Costs					30,701					30,054
<b>Total Statewide Present Law Adjustments</b>		<b>(\$1,231,551)</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>(\$1,331,551)</b>		<b>(\$1,152,070)</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>(\$1,252,070)</b>
DP 305 - MSP Inmate programming	0.00	60,000	0	0	60,000	0.00	60,000	0	0	60,000
DP 310 - MSP Correctional Officer	8.00	0	0	0	0	8.00	0	0	0	0
DP 314 - MSP Supplies and Equipment (OTO/BIEN)	0.00	110,000	0	0	110,000	0.00	30,000	0	0	30,000
DP 316 - MSP Overtime/Holiday worked	0.00	1,576,927	0	0	1,576,927	0.00	1,576,927	0	0	1,576,927
DP 317 - MSP Inmate Pay	0.00	150,405	100,000	0	250,405	0.00	150,405	100,000	0	250,405
DP 321 - MSP - Montana Correctional Enterprises Rate	0.00	562,083	0	0	562,083	0.00	1,040,142	0	0	1,040,142
DP 324 - MSP Van Replacement (OTO/BIEN)	0.00	110,000	0	0	110,000	0.00	0	0	0	0
DP 999 - Fund Career Ladder for Correctional Officers	0.00	469,654	0	0	469,654	0.00	939,308	0	0	939,308
<b>Total Other Present Law Adjustments</b>	<b>8.00</b>	<b>\$3,039,069</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$3,139,069</b>	<b>8.00</b>	<b>\$3,796,782</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$3,896,782</b>
<b>Grand Total All Present Law Adjustments</b>	<b>8.00</b>	<b>\$1,807,518</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,807,518</b>	<b>8.00</b>	<b>\$2,644,712</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,644,712</b>

DP 305 - MSP Inmate programming – The executive requests general fund 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 310 - MSP Correctional Officer - The executive requests general fund to fund operating costs and personal services to add 8.00 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. The funding for the positions would come from a reduction of the overall MSP overtime budget.

<b>LFD COMMENT</b>	DP 316 requests funding for overtime and holidays worked at the base level. This request would reduce overtime by \$622,185 over the biennium to fund the FTE. If this request is approved and DP 316 is not approved the result would effectively be an additional 1% vacancy savings for this subprogram.
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<b>LFD ISSUE</b>	<p><u>Funding for Relief Factor FTE</u></p> <p>The executive is requesting additional FTE, but is not funding them. Rather, they ask for additional overtime they state they will not need. In order to associate the funding with the actual FTE that would be hired, this DP should be funded and a reduced level of overtime requested in DP 316. The funding associated with this action is \$311,294 in FY 2014 and \$310,891 in FY 2015.</p>
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DP 314 - MSP Supplies and Equipment (OTO/BIEN) – The executive requests 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 executive recommends funding be designated as one-time-only and biennial.

DP 316 - MSP Overtime/Holiday worked – The executive requests general fund for overtime and holidays worked at the base level. These expenses are zero-based and must be requested in full each biennium.

<b>LFD ISSUE</b>	<p><u>Reduction in Overtime</u></p> <p>The executive is requesting funding for overtime they state they will not need if DP 310 is approved and not funding the FTE added in that DP. For a further discussion see the issue above.</p>
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DP 317 - MSP Inmate Pay – The executive requests general fund and state special revenue from the inmate welfare and inmate pay to fund inmate pay for inmate work and educational assignments. These expenses are zero-based and must be requested in full each biennium.

DP 321 - MSP - Montana Correctional Enterprises Rate – The executive requests general fund for proposed rate changes of the Montana Correctional Enterprises (MCE) for production services of food, laundry, and motor vehicle maintenance.

<b>LFD ISSUE</b>	<p><u>Related to Proprietary Rates on Montana Correctional Enterprises</u></p> <p>This request would fund payments in exchange for services received from the food factory, laundry, and motor vehicles vocational education programs of MCE that would rise under proposed rate increases. The legislative authority associated directly with fiscal matters of programs funded with proprietary funds is limited in two ways: 1) appropriating funds to pay for services received; and 2) setting the upper limit on rates for internal service type proprietary programs and commenting on concerns with financial operations of enterprise type proprietary programs.</p> <p>The appropriation to pay for services included in this request is impacted by the rates per item the service providing program may charge. As such, the legislature may wish to delay acting on this request until after it has determined the upper limit on rates or addressed concerns with the financial operations of the associated proprietary programs. These proprietary programs are addressed in the Montana Correctional Enterprise Program section. LFD issues are raised for all proprietary programs associated with this request.</p>
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DP 324 - MSP Van Replacement (OTO/BIEN) – The executive requests general fund to purchase an inmate transportation van. The executive recommends designating funding as one-time-only and biennial.

<b>LFD COMMENT</b>	<p>According to statistics provided by the agency, the Montana State Prison transports about 4,500 offenders a year, logging 430,000 miles, and averaging over 1,700 trips annually. The van the agency intends to purchase with these funds would meet recommendations set forth by the Risk Management and Tort Defense Division of the Department of Administration for the safety of both officers and inmates being transported.</p>
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DP 999 - Fund Career Ladder for Correctional Officers - The executive requests general fund to fund adjustments to the career ladder for correctional officers. The career ladder provides incremental competency pay adjustments under a negotiated pay schedule for employees as they achieve certain educational and experiential milestones.

**LFD COMMENT** This request is related to a decision made by the Board of Personnel Appeals. For further information on this decision package refer to the agency discussion under agency wide decision packages.

**New Proposals**

Sub Program	FTE	Fiscal 2014				Fiscal 2015				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 303 - Montana State Prison Re-entry Team										
01	3.00	166,184	0	0	166,184	3.00	154,488	0	0	154,488
<b>Total</b>	<b>3.00</b>	<b>\$166,184</b>	<b>\$0</b>	<b>\$0</b>	<b>\$166,184</b>	<b>3.00</b>	<b>\$154,488</b>	<b>\$0</b>	<b>\$0</b>	<b>\$154,488</b>

DP 303 - Montana State Prison Re-entry Team – The executive requests general fund to fund operating costs and personal services for the addition of 3.00 FTE to assist with adult inmate/offender re-entry into the community. Funding would be used to add three case managers to assist in administering risk assessment tools and work with inmates on re-entry planning.

**LFD COMMENT** For further discussion of the agency’s re-entry initiative please refer to the discussion in the agency narrative section.

**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	Base Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	Total Exec. Budget
Budget Item	Fiscal 2012	Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015	Fiscal 14-15
FTE	70.27	1.00	7.00	78.27	1.00	7.00	78.27	78.27
Personal Services	3,878,017	35,225	436,897	4,350,139	97,291	436,262	4,411,570	8,761,709
Operating Expenses	2,368,626	57,032	(342,000)	2,083,658	65,974	(342,000)	2,092,600	4,176,258
Equipment & Intangible Assets	0	0	0	0	10,700	0	10,700	10,700
Transfers	24,500	0	0	24,500	0	0	24,500	49,000
<b>Total Costs</b>	<b>\$6,271,143</b>	<b>\$92,257</b>	<b>\$94,897</b>	<b>\$6,458,297</b>	<b>\$173,965</b>	<b>\$94,262</b>	<b>\$6,539,370</b>	<b>\$12,997,667</b>
General Fund	6,271,143	92,257	94,897	6,458,297	173,965	94,262	6,539,370	12,997,667
<b>Total Funds</b>	<b>\$6,271,143</b>	<b>\$92,257</b>	<b>\$94,897</b>	<b>\$6,458,297</b>	<b>\$173,965</b>	<b>\$94,262</b>	<b>\$6,539,370</b>	<b>\$12,997,667</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 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	6,271,143	6,271,143	12,542,286	96.50%	6,271,143	6,271,143	12,542,286	96.50%
Statewide PL Adjustments	(300,465)	(285,439)	(585,904)	(4.51%)	(300,465)	(285,439)	(585,904)	(4.51%)
Other PL Adjustments	392,722	459,404	852,126	6.56%	392,722	459,404	852,126	6.56%
New Proposals	94,897	94,262	189,159	1.46%	94,897	94,262	189,159	1.46%
<b>Total Budget</b>	<b>\$6,458,297</b>	<b>\$6,539,370</b>	<b>\$12,997,667</b>		<b>\$6,458,297</b>	<b>\$6,539,370</b>	<b>\$12,997,667</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.

	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(152,218)					(146,601)
Vacancy Savings					(149,029)					(149,262)
Inflation/Deflation					782					10,424
<b>Total Statewide Present Law Adjustments</b>		<b>(\$300,465)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$300,465)</b>		<b>(\$285,439)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$285,439)</b>
DP 301 - MWP Correctional Officer	1.00	38,912	0	0	38,912	1.00	38,862	0	0	38,862
DP 303 - Montana Women’s Prison Contracts	0.00	31,250	0	0	31,250	0.00	31,250	0	0	31,250
DP 304 - MWP Supplies (OTO/BIEN)	0.00	25,000	0	0	25,000	0.00	35,000	0	0	35,000
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 999 - Fund Career Ladder for Correctional Officers	0.00	56,731	0	0	56,731	0.00	113,463	0	0	113,463
<b>Total Other Present Law Adjustments</b>	<b>1.00</b>	<b>\$392,722</b>	<b>\$0</b>	<b>\$0</b>	<b>\$392,722</b>	<b>1.00</b>	<b>\$459,404</b>	<b>\$0</b>	<b>\$0</b>	<b>\$459,404</b>
<b>Grand Total All Present Law Adjustments</b>	<b>1.00</b>	<b>\$92,257</b>	<b>\$0</b>	<b>\$0</b>	<b>\$92,257</b>	<b>1.00</b>	<b>\$173,965</b>	<b>\$0</b>	<b>\$0</b>	<b>\$173,965</b>

DP 301 - MWP Correctional Officer – The executive requests general fund to fund the addition of 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 executive requests general fund to: 1) increase hours for religious activities, \$10,750; 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, \$16,770; and 3) address contract increases for the chemical dependency contract, \$3,730.

DP 304 - MWP Supplies (OTO/BIEN) – The executive requests general fund 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 executive recommends designating funding as one-time-only and biennial.

DP 307 - MWP Overtime/Holiday Worked – The executive requests 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 executive requests 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 999 - Fund Career Ladder for Correctional Officers - The executive requests general fund to fund adjustments to the career ladder for correctional officers. The career ladder provides incremental competency pay adjustments under a negotiated pay schedule for employees as they achieve certain educational and experiential milestones.

<b>LFD COMMENT</b>	This request is related to a decision made by the Board of Personnel Appeals. For further information on this decision package refer to the agency discussion under agency wide decision packages.
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**New Proposals**

Sub Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 301 - Montana Women’s Prison Medical Services										
02	7.00	94,897	0	0	94,897	7.00	94,262	0	0	94,262
<b>Total</b>	<b>7.00</b>	<b>\$94,897</b>	<b>\$0</b>	<b>\$0</b>	<b>\$94,897</b>	<b>7.00</b>	<b>\$94,262</b>	<b>\$0</b>	<b>\$0</b>	<b>\$94,262</b>

DP 301 - Montana Women’s Prison Medical Services - The executive requests general fund to fund operating costs and personal services for the addition of 7.00 FTE to fund health services at the Montana Women’s Prison. Positions that would be added are: 1) a nursing services manager; 2) two licensed practical nurses; 3) three registered nurses; and 4) one medical assistant.

<b>LFD COMMENT</b>	The contractor providing health services to the Montana Woman’s Prison cancelled the contract in March 2012. Since the contract was cancelled, the agency has been providing the services with modified FTE. This request is partially funded with a reduction of operating costs associated with base year payments under the health services contract.
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**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 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	7.00	0.00	5.00	12.00	0.00	5.00	12.00	12.00
Personal Services	460,372	(48,627)	203,778	615,523	(46,457)	203,510	617,425	1,232,948
Operating Expenses	24,083,984	1,074,670	2,188,777	27,347,431	1,349,190	2,188,777	27,621,951	54,969,382
<b>Total Costs</b>	<b>\$24,544,356</b>	<b>\$1,026,043</b>	<b>\$2,392,555</b>	<b>\$27,962,954</b>	<b>\$1,302,733</b>	<b>\$2,392,287</b>	<b>\$28,239,376</b>	<b>\$56,202,330</b>
General Fund	24,544,356	1,026,043	2,392,555	27,962,954	1,302,733	2,392,287	28,239,376	56,202,330
<b>Total Funds</b>	<b>\$24,544,356</b>	<b>\$1,026,043</b>	<b>\$2,392,555</b>	<b>\$27,962,954</b>	<b>\$1,302,733</b>	<b>\$2,392,287</b>	<b>\$28,239,376</b>	<b>\$56,202,330</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 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	24,544,356	24,544,356	49,088,712	87.34%	24,544,356	24,544,356	49,088,712	87.34%
Statewide PL Adjustments	(49,050)	(46,740)	(95,790)	(0.17%)	(49,050)	(46,740)	(95,790)	(0.17%)
Other PL Adjustments	1,075,093	1,349,473	2,424,566	4.31%	1,075,093	1,349,473	2,424,566	4.31%
New Proposals	2,392,555	2,392,287	4,784,842	8.51%	2,392,555	2,392,287	4,784,842	8.51%
<b>Total Budget</b>	<b>\$27,962,954</b>	<b>\$28,239,376</b>	<b>\$56,202,330</b>		<b>\$27,962,954</b>	<b>\$28,239,376</b>	<b>\$56,202,330</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 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(31,472)					(29,210)
Vacancy Savings					(17,155)					(17,247)
Inflation/Deflation					(423)					(283)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$49,050)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$49,050)</b>		<b>(\$46,740)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$46,740)</b>
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
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,075,093</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,075,093</b>	<b>0.00</b>	<b>\$1,349,473</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,349,473</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,026,043</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,026,043</b>	<b>0.00</b>	<b>\$1,302,733</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,302,733</b>

DP 319 - Secure Care Contract Bed Annualization - The executive requests general fund 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.

**LFD COMMENT** The following figure shows the per diem rates charged in FY 2012 at each of the regional prisons and county jails, the projected rates, the beds used in FY 2012, and the number of contracted beds assumed in this request.

Projected Per Diem Rates - Regional Prisons and County Jail Holds (DP 319)								
Facility	FY 2012		FY 2014			FY 2015		
	Per Diem	Utilized	Change From FY 2012		Contracted	Change From FY 2012		Contracted
	Actual	Beds	Amount	Percentage		Amount	Percentage	
Cascade County	\$62.279	151	\$65.713	5.5%	152	\$67.501	8.4%	152
Dawson County	67.967	142	74.335	9.4%	141	77.739	14.4%	141
County Jail Holds	59.540	129	60.000	0.8%	183	60.000	0.8%	183

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

**New Proposals**

New Proposals										
Sub Program	FTE	Fiscal 2014				Fiscal 2015				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 320 - Lewistown Infirmiry Beds										
04	5.00	1,832,499	0	0	1,832,499	5.00	1,832,231	0	0	1,832,231
DP 323 - Contract Beds Private Prison Per Diem										
04	0.00	560,056	0	0	560,056	0.00	560,056	0	0	560,056
<b>Total</b>	<b>5.00</b>	<b>\$2,392,555</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,392,555</b>	<b>5.00</b>	<b>\$2,392,287</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,392,287</b>

DP 320 - Lewistown Infirmiry Beds – The executive requests general fund to fund: 1) a contract (memorandum of understanding) with the Department of Public Health and Human Services for 25 beds at the Lewistown Infirmiry, \$1.6 million per year; and 2) funding to add 5.00 FTE correctional officers (4 correctional officers and 1 correctional officer supervisor/manager) for security at the facility, \$0.2 million per year. 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.

**LFD ISSUE** Intent of 2013 Biennium Funding  
There are a number of issues associated with this request:

- o Legislative intent when the funds were initially appropriated by the 2011 Legislature
- o The required retrofit of the building and the source of the funding and authority
- o The cost per day of the services provided compared to the level anticipated by the 2011 Legislature

*Legislative Intent and the Lewistown Infirmiry*

2011 Legislature appropriated nearly \$3.0 million for FY 2013 to address population growth. The funding was restricted to providing contracted custody for 20 secure assisted living beds and 100 other male prison beds. The intent of the legislative action in adding the 20 secure assisted living beds was to provide a facility for the custody of the designated inmate populations through a contract so that the Department of Corrections would no longer be responsible for the direct care and supervision of these inmates. It is unclear if the intent was to restrict the funding to a contract with the private sector.

**LFD  
ISSUE CONT.**

The agency initially requested bids for a contract to provide these assisted living beds, but later cancelled the request. Instead, the department entered into a memorandum of understanding (MOU) with the Department of Public Health and Human Services (DPHHS) to provide infirmary care for 25 low-security male inmates at the Montana Mental Health Nursing Care Center (MMHNCC) in Lewistown. No contracts have been sought for the 100 additional other beds funded by the legislature, as the department's projected population growth was lower than anticipated.

Under the agreement, inmates who will be considered for housing in the facility are those who, because of illness, injury, or a medical/psychiatric condition, require nursing care and assistance with everyday tasks such as bathing, personal hygiene, and taking medications. The Department of Corrections retains responsibility for medical costs of the inmate when the service is not available as a health care service through the infirmary and for transportation to and from the facility or to services outside the facility.

The actions of the executive to establish an MOU with DPHHS have caused the following impacts that were not anticipated by the legislature:

- An unused wing of the MMHNCC was retrofit to accommodate the program at a cost of \$920,000. The use of these funds was not approved by the legislature as required in law for construction of a building when construction costs exceed \$150,000
- Addition of 20.25 FTE for DPHHS (currently being implemented through the use of modified FTE), \$1.3 million per year funded with the contract with DOC
- This request to add 5.00 FTE for security at the facility, \$204,000 per year

The beds are set to be occupied in January 2013. As such the funding for this contract is not in the base budget for the Department of Corrections and must be requested as it is in this request.

*Required Retrofit and Legislative Finance Committee Monitoring*

During the interim, the Legislative Finance Committee (LFC) monitored how the agency was using the funds appropriated to address secure assisted living beds. The LFC requested a legislative legal opinion on the legality of the funding used to renovate the MMHNCC to accommodate the secure assisted living inmates. In essence the LFC heard that, according to legislative legal staff's interpretation of the relevant laws, without legislative approval the executive didn't have authority to spend funds to renovate the building when costs exceeded \$150,000. However, the LFC did not have standing to bring legal action against the executive for proceeding with the renovations. The LFC directed staff to review the Long-range Building Program statutes and identify areas where it might be prudent to clarify the law. Upon review, legal staff found the statutes to be clear and not in need of revision. For further information and to view the report presented to the committee see the June and September 2012 committee meeting reports at: <http://leg.mt.gov/css/fiscal/reports/2011-2012-interim-reports.asp>.

*More Than Twice the Per Bed Cost the 2011 Legislature Anticipated*

When the 2011 Legislature appropriated the FY 2013 funding for the combined 120 male contracted beds, it was anticipated that the portion of the funding associated with the 20 secure assisted living beds would cost \$620,500 per year, or \$31,025 per bed. Under the current request, the annual cost is more than double that amount at \$74,530 per bed with an additional 5 beds. Staff requested information from the department on why the costs were higher but did not receive a reply.

**LFD  
ISSUE CONT.***Prison Bed Offset*

Regardless of the approach, the act of moving one assisted living bed from the Montana State Prison to another facility will free up more than one bed at Montana State Prison. The department estimates that 35 beds will be made available by moving the 25 inmates to MMHNCC. Currently the population of inmates designated to be moved to the assisted living facility individually occupy a cell where two inmates could be housed in most cells. Other prison services will be impacted but no direct fiscal offsets are available as a result of the movement of inmates because these costs are fixed and not directly related to the inmate population of this request. Whether these inmates are at the prison or the contracted facility, guards, nursing staff, and facility operational costs will still exist at Montana State Prison and will not measurably change due to the movement of these inmates.

*The Issue*

The issue with this request is that the funding now being requested is more than double the amount anticipated by the 2011 Legislature. Furthermore, 25.25 FTE are associated with the program when none were anticipated.

*Legislative Options*

The legislature may want to discuss with the agency why the costs are higher now than during the 2011 Legislative Session. Further, the legislature may want to discuss alternatives the agency considered and reasons why the alternatives were not implemented.

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