

Agency Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	1,024.45	66.35	6.50	1,097.30	90.35	6.50	1,121.30	1,121.30
Personal Services	38,659,466	6,424,116	377,181	45,460,763	6,835,874	378,702	45,874,042	91,334,805
Operating Expenses	43,407,446	8,803,242	(292,860)	51,917,828	14,402,202	(342,319)	57,467,329	109,385,157
Equipment	489,919	(161,478)	0	328,441	(177,036)	0	312,883	641,324
Grants	30,218	0	0	30,218	0	0	30,218	60,436
Benefits & Claims	8,829,960	(692,259)	0	8,137,701	(803,000)	0	8,026,960	16,164,661
Transfers	0	0	0	0	0	0	0	0
Debt Service	83,088	0	0	83,088	0	0	83,088	166,176
Total Costs	\$91,500,097	\$14,373,621	\$84,321	\$105,958,039	\$20,258,040	\$36,383	\$111,794,520	\$217,752,559
General Fund	89,104,188	13,490,943	84,321	102,679,452	19,354,862	36,383	108,495,433	211,174,885
State/Other Special	1,601,137	129,353	0	1,730,490	126,706	0	1,727,843	3,458,333
Federal Special	457,885	504,464	0	962,349	528,070	0	985,955	1,948,304
Proprietary	336,887	248,861	0	585,748	248,402	0	585,289	1,171,037
Total Funds	\$91,500,097	\$14,373,621	\$84,321	\$105,958,039	\$20,258,040	\$36,383	\$111,794,520	\$217,752,559

Agency Description

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

The department's four programs are: 1) Administration and Support Services, which consists of department administration, accounting and budgeting, legal services, medical services and the administratively attached Board of Pardons; 2) Community Corrections, which includes probation and parole, adult pre-release programs, adult boot camp, and out-of-home placements for juvenile youth; 3) Secure Facilities, which includes the Montana State Prison (MSP) in Deer Lodge, the Montana Women's Prison (MWP) in Billings, Pine Hills Youth Correctional Facility (PHYCF) in Miles City, and contract beds; and 4) Correctional Enterprises, which includes the ranch and prison industries programs.

Supplemental Appropriation Description

At the time of this publication, the executive has not recommended a supplemental for the Department of Corrections. However, the department anticipates that as much as \$4.5 million may be requested for fiscal 2001.

The department made several decisions in the 2001 biennium that may contribute to the need for a supplemental. In the fall of 1999, the department added 59.0 modified FTE. The department projected the cost of the modified FTE to be \$3.9 million for the 2001 biennium and stated it would be able to absorb the costs in the 2001 biennium. Costs were less than anticipated in fiscal 2000, due to a delay in filling a majority of the correctional officer positions. However, costs in fiscal 2001 may be higher than anticipated due to the pay exception granted. (For a further discussion, see the "Agency Issues" narrative.) The department obtained a pay exception for all correctional officers amounting to a \$1.00 per hour increase in fiscal 2001 and another \$1.00 per hour increase in fiscal 2002 because of recruitment and retention problems. The first \$1.00 was given at the end of fiscal 2000 and therefore did not have much of an impact on fiscal 2000 costs. However, in fiscal 2001 the total cost will be approximately \$1.5 million.

Other contributing factors include increased utility costs and the distribution of male inmates. In fiscal 2000, there were 33 more male offenders in secure facilities than what the 1999 legislature projected. More importantly, there were 109 more male offenders in contract beds than projected, 62 less at MSP, and 40 less in intensive supervision. The Intensive Supervision Program (ISP) has one of the lowest costs per inmate day (approximately \$12 per day in fiscal 2000) and the cost of contract beds is higher than MSP.

In fiscal 2001, December 2000 population numbers indicate that approximately 70 more male offenders are being housed in contract beds than was projected for the fiscal 2001 year-end-population. In addition, the number of offenders in ISP has decreased from 237 at the end of fiscal 2000 to approximately 206 in December 2000. Fiscal-year-end projections for 2001 are 236 male and female offenders in ISP.

The 1999 legislature provided a restricted/biennial appropriation of \$30.0 million for contract beds in the 2001 biennium. In fiscal 2000, \$15.7 million was spent on 887 adult male and female beds, leaving \$14.3 million for fiscal 2001. With a fiscal 2001 year-end population projected at 954 male and female offenders, or 67 more offenders than in fiscal 2000, the cost of contract beds would exceed the remaining appropriation by approximately \$2.3 million.

Agency Discussion

The Department of Corrections was appropriated total funding of \$158.9 million for the 1999 biennium. In the 2003 biennium, the department is requesting \$217.8 million, a growth rate of approximately 17.0 percent each biennium. The institutional population is projected to grow by approximately 13.1 percent between the 1999 and 2001 biennia and another 11.5 percent in the 2003 biennium. The department is addressing this growth by increasing the number of contract beds and pre-release center beds.

2001 Biennium Review

The 1999 legislature approved a general fund budget of \$179.9 million for the 2001 biennium. The major increases granted for the 2001 biennium budget included: 1) \$9.8 million for additional contract beds; 2) approximately \$6.7 million for additional pre-release beds, including a new pre-release center; 3) \$6.5 million for Administration and Support Services, including 4.0 new FTE, outside medical costs, and personal service adjustments; 4) \$2.5 million, including 15.0 new FTE, for Probation and Parole; and 5) \$2.0 million for Pine Hills Youth Correctional Facility, including 13.0 new FTE and an increase in the number of beds.

What Has Changed

Forensics (Xanthopolous) Building Proposal

The Xanthopolous building (X-building) was constructed in 1988 as a new forensics building on the campus of the Montana State Hospital. With downsizing the number of patients at the state hospital, the legislature approved the construction of a new hospital building, which was scheduled for completion in fiscal 2000. At the time, it was proposed that when patients were moved from the forensics building into the completed new hospital, the Department of Corrections would take custody of the X-building for use as a secure custody facility. The DOC was proposing to use the facility for the following purposes, totaling 148 beds: 1) intensive mental health treatment - 24 beds; 2) sexual offender treatment - 48 beds; 3) chemical dependency treatment - 52 beds; and 4) geriatrics/special needs - 24 beds.

At a later date, the Department of Corrections determined that the facility would be too expensive to operate and too removed from the main prison campus to be feasible as a special needs prison. In November 2000, the Land Board discussed a proposed agreement between the Department of Public Health and Human Services, the consolidated city-county of Anaconda-Deer Lodge, and Southwest Montana Rehabilitation Center, Inc. (SMRC). The current proposal entails transferring the building to Anaconda-Deer Lodge. Anaconda-Deer Lodge would lease the building to Southwest Montana Rehabilitation Center for use as a detention/correctional facility and the Department of Corrections would contract bed space from SMRC. The Land Board did not make a decision on the proposal because it was decided that legislative review was needed.

FTE

In the fall of 1999, the Governor concurred with the Department of Correction's request to add 59.0 modified FTE (28.0 in Probation & Parole and 31.0 at MSP) and a probation and parole treatment plan in the 2001 biennium. See the "Agency Issues" narrative for further information.

Populations

When the executive presented its budget to the 1999 legislature, the executive projected that at the end of the 2001 biennium there would be 2,884 male inmates in secure custody, and by the end of the 2003 biennium the male secure population would grow to 3,732. The department is now projecting that the final numbers for fiscal 2001 will be 2,907 or 23 more males than were funded by the 1999 legislature, and that the 2003 fiscal-year-end male inmate population will be 3,239, or 493 less than the projections presented to the legislature two years ago. Table 1 shows the distribution of adult offenders as presented and approved by the 1999 legislature in comparison to fiscal 2000 actual numbers. In addition, the table compares the numbers used by the 1999 legislature for fiscal 2001 and the department's revised projections for fiscal 2001. As alluded to earlier in the supplemental discussion, the distribution of inmates is important as some programs operate at a much lower cost than others (see cost per day tables). Columns marked (1) show the projections on which the 1999 legislature based their appropriations. The column marked (2) compares the actual fiscal 2000 year-end population to the projection. The column marked (3) shows the department's revised projection for fiscal 2001. As shown, the actual population in fiscal 2000 was 33 more inmates than projected by the executive and 378 male inmates had been moved to Crossroads (the private facility at Shelby) by fiscal-year-end 2000, which exceeded the projection by 109 inmates.

The female fiscal-year-end population was four less than was projected for fiscal 2000 and the department lowered projections for fiscal 2001. The department projects that the secure female population will be 351 by fiscal 2003.

Program	(1) 1999 Legislative Projection for FY 00	(2) Actual FY 00	Change FY 00	(1) 1999 Legislative Projection for FY 01	(3) Updated DOC Projection for FY 01	Change for FY 01
Male						
Montana State Prison	1,330	1,268	(62)	1,330	1,300	(30)
DOC Commits	0	33	33	0	27	27
Contract Beds/Crossroads	269	378	109	380	420	40
Cascade Regional	152	136	(16)	152	146	(6)
Dawson Regional	144	137	(7)	144	138	(6)
Missoula Regional	144	133	(11)	144	138	(6)
Southwest MT Regional	0	0	0	0	0	0
Boot Camp	50	49	(1)	50	50	0
Subtotal	2,089	2,134	45	2,200	2,219	19
Community Programs						
Pre Release	399	427	28	439	468	29
ISP	<u>245</u>	<u>205</u>	(40)	<u>245</u>	<u>220</u>	(25)
Subtotal	644	632	(12)	684	688	4
Total	<u>2,733</u>	<u>2,766</u>	<u>33</u>	<u>2,884</u>	<u>2,907</u>	<u>23</u>
Female						
Montana Women's Prison	70	70	0	70	70	0
DOC Commits	0	22	22	0	13	13
Contract Beds/Crossroads	55	48	(7)	89	72	(17)
Boot Camp	0	5	5	0	5	5
Subtotal	125	145	20	159	160	1
Community Programs						
Pre Release	124	108	(16)	124	108	(16)
ISP	40	32	(8)	40	36	(4)
Subtotal	164	140	(24)	164	144	(20)
Total	<u>289</u>	<u>285</u>	(4)	<u>323</u>	<u>304</u>	(19)

As stated in the supplemental narrative, the 1999 legislature provided a restricted/biennial appropriation of \$30.0 million for contract beds in the 2001 biennium. In fiscal 2000, \$15.7 million was spent on 887 adult male and female beds, leaving \$14.3 million for fiscal 2001. With a fiscal-year-end population projected at 954 male and female offenders, or 67 more offenders than in fiscal 2000, the department will need to supplement the funding for contract beds from other sources within the department or seek additional funds from the legislature. Using the department's projection for fiscal 2001, the cost of contract beds would exceed the remaining appropriation by approximately \$2.3 million.

2003 Biennium Request

In the 2001 biennium, the department began to update its projection methodology. The update is not complete and it is too early to ascertain whether the methodology will prove accurate or more accurate than the previous methodology. The Office of Budget and Program Planning (OBPP) accepted the department's population projections in developing this budget, which for males is a 5.7 percent increase in fiscal 2002 and a 5.4 percent increase in fiscal 2003. Females are projected to increase 7.6 percent in fiscal 2002 and 7.3 percent in fiscal 2003. The 2003 biennium budget for the Department of Corrections continues to be driven by the adult male inmate population. Adult males inmates are projected to increase by 947 from the actual fiscal 2000 year-end inmate population of 7,024 adult males to 7,971 in fiscal 2003, as shown in Table 2. (Tables 2 and 3 refer to "ADP" and "FYE". The average daily population, or ADP, is calculated by adding the daily number of offenders in a program/facility for the year and dividing that number by the number of days in the year. Fiscal-year-end, or FYE, is the number of offenders at a facility on the last day of the fiscal year.)

		Fiscal 98	Fiscal 99	Fiscal 00	Fiscal 01	Fiscal 02	Fiscal 03
Montana State Prison	FYE	1,269	1,356	1,268	1,300	1,300	1,300
	ADP	1,315	1,288	1,261	1,261	1,261	1,261
Regional Prisons	FYE	148	278	406	422	536	560
	ADP	64	201	336	436	479	560
Private Contracts	FYE	375	266	378	420	420	492
	ADP	351	341	308	396	420	492
DOC Commits	FYE	108	88	33	27	27	18
	ADP	172	108	105	50	27	18
Pre Release (incl. Trans. Living)	FYE	349	373	427	468	504	584
	ADP	294	358	413	435	515	595
Intensive Supervision	FYE	141	160	205	220	235	235
	ADP	139	151	164	176	195	195
Boot Camp	FYE	41	25	49	50	50	50
	ADP	20	31	34	42	45	48
Probation & Parole*	FYE	3,877	4,132	4,258	4,451	4,592	4,732
	ADP	3,877	4,132	4,258	4,451	4,592	4,732
Total	FYE	6,308	6,678	7,024	7,358	7,664	7,971
	ADP	6,232	6,610	6,879	7,247	7,534	7,901

*Based on DOC numbers.

The adult female inmate population is projected to grow from an actual fiscal 2000 year-end total of 1,990 to 2,247 at the end of fiscal 2003, an increase of 257, as shown in Table 3.

		Fiscal 98	Fiscal 99	Fiscal 00	Fiscal 01	Fiscal 02	Fiscal 03
Montana Womens Prison	FYE	70	70	70	70	70	165
	ADP	71	69	70	70	70	110
Private Contracts	FYE	29	48	48	72	72	0
	ADP	4	40	50	68	72	60
County Jails	FYE	9	19	22	13	26	0
	ADP	18	16	12	16	26	0
Pre Release (incl. Trans. Living)	FYE	95	87	108	108	115	135
	ADP	85	87	95	115	114	134
Intensive Supervision	FYE	35	27	32	36	39	39
	ADP	18	31	30	27	30	30
Boot Camp	FYE	0	2	5	5	5	12
	ADP	0	1	3	4	5	12
Probation & Parole*	FYE	1,554	1,655	1,705	1,783	1,839	1,896
	ADP	1,554	1,655	1,705	1,783	1,839	1,896
Total	FYE	1,792	1,908	1,990	2,087	2,166	2,247
	ADP	1,749	1,899	1,965	2,083	2,156	2,242

*Based on DOC numbers.

Table 4 shows how the executive proposes to allocate the increases in population.

	Fiscal 2000 Actual	Percent of Total	Projected Fiscal 2003	Percent of Total
Montana State Prison	1,268	14.07%	1,300	12.39%
Montana Women's Prison	70	0.78%	165	1.57%
Boot Camp	54	0.60%	62	0.59%
Contract Beds				
Regional Prisons	406	4.50%	560	5.34%
Private Contracts	426	4.73%	492	4.69%
County Jails	<u>55</u>	<u>0.61%</u>	<u>18</u>	<u>0.17%</u>
Subtotal	887	9.84%	1,070	10.20%
Community Corrections				
Pre-Release	535	5.94%	719	6.85%
ISP	237	2.63%	274	2.61%
Probation & Parole	5,963	66.15%	6,903	65.79%
Subtotal	6,735	74.72%	7,896	75.25%
Total	<u>9,014</u>	<u>100.00%</u>	<u>10,493</u>	<u>100.00%</u>

For the 2003 biennium, the agency is requesting a general fund budget of \$102.7 million in fiscal 2002 and \$108.5 million in fiscal 2003. Requested general fund increases over the base year total \$13.6 million for fiscal 2002 and \$19.4 million for fiscal 2003. (See Table 5 below.) In addition, the executive is requesting \$8.5 million in the Long Range Building Program to construct a central reception unit at MSP and \$85,000 for a new female dormitory at the Treasure State Correctional Training Center.

As shown in Table 5, the department proposes to address the population projection primarily by increasing expenditures in community corrections and contract beds. The following provides a brief summary of each major increase. For a complete discussion of individual adjustments requested within each broad category, see the individual program narratives.

	FY 2000 Base Expenditures	FY 2002	FY 2003	Biennium	Percent
Male Secure Custody					
Montana State Prison	\$21,022,437	\$2,018,208	\$2,091,328	\$4,109,536	12.47%
Boot Camp	1,272,089	23,988	99,209	123,197	0.37%
Contract Beds	<u>14,245,028</u>	<u>3,289,876</u>	<u>6,398,909</u>	<u>9,688,785</u>	<u>29.39%</u>
Subtotal	\$36,539,554	\$5,332,072	\$8,589,446	\$13,921,518	42.23%
Female Secure Custody					
Montana Womens Prison	\$2,283,218	\$225,665	\$1,158,165	\$1,383,830	4.20%
Contract Beds	<u>1,393,760</u>	<u>790,473</u>	<u>84,122</u>	<u>874,595</u>	<u>2.65%</u>
Subtotal	\$3,676,978	\$1,016,138	\$1,242,287	\$2,258,425	6.85%
Juvenile					
Pine Hills School	\$4,737,868	\$1,101,752	\$1,350,099	\$2,451,851	7.44%
Riverside Facility	1,238,981	(41,551)	(19,632)	(61,183)	-0.19%
Juvenile Placement	10,426,103	(756,110)	(866,851)	(1,622,961)	-4.92%
Transition Centers	<u>828,888</u>	<u>49,260</u>	<u>54,975</u>	<u>104,235</u>	<u>0.32%</u>
Subtotal	\$17,231,840	\$353,351	\$518,591	\$871,942	2.64%
Community Corrections					
Pre-Release	\$8,036,424	\$2,280,742	\$4,610,006	\$6,890,748	20.90%
Probation & Parole	<u>8,459,744</u>	<u>1,225,856</u>	<u>1,328,184</u>	<u>2,554,040</u>	<u>7.75%</u>
Subtotal	\$16,496,168	\$3,506,598	\$5,938,190	\$9,444,788	28.65%
Outside Medical	\$1,815,002	\$367,914	\$589,853	\$957,767	2.91%
Administration	\$12,310,815	\$3,012,777	\$2,523,998	\$5,536,775	16.80%
Prison Enterprises	\$1,033,831	(\$13,586)	(\$11,120)	(\$24,706)	-0.07%
Total	<u>\$89,104,188</u>	<u>\$13,575,264</u>	<u>\$19,391,245</u>	<u>\$32,966,509</u>	<u>100.00%</u>

Contract Beds

Table 5 shows that the largest requested increase in general fund is contract beds. The 1999 legislature provided funding for 764 contract beds in fiscal 2000 and 909 contract beds in fiscal 2001, at a cost of \$30.0 million over the 2001 biennium. The executive is requesting a total of \$41.8 million to house inmates in contract beds in the 2003 biennium. With the construction of the Southwest Montana Regional Prison, regional prison beds will increase from 406 in fiscal 2000 to 536 in fiscal 2002 and 560 in fiscal 2003. The department proposes to place enough inmates in the current regional prisons to meet or exceed the minimum number specified in the respective contracts. The population at the private prison in Shelby will be increased from 426 in fiscal 2000 to 492 in fiscal years 2002 and 2003. At the end of the 2003 biennium, the executive budget projects that 44.0 percent of the adult male secure custody population will be housed in non-state operated prison facilities, up from 38 percent in fiscal 2000. The executive projects that none of the

adult female secure custody population will be housed in non-state operated prison facilities at the end of the 2003 biennium, as the MWP expansion is expected to be complete in December of 2002, with females from contract beds being moved to MWP before fiscal-year-end.

Community Corrections

A total of \$6.9 million general fund is requested for pre-release in the 2003 biennium. The executive is proposing to add 30 additional male beds in pre-existing facilities in fiscal 2002 and 40 new male beds, 40 new chemical dependency male beds, and 20 new chemical dependency female beds in fiscal 2003. In addition, the executive added a 2.0 percent increase for inflation in fiscal 2002 and 4.0 percent in fiscal 2003. In fiscal 2000, approximately 75.0 percent of the adult population was in community programs (ISP, pre-release and probation and parole). Even with these additional beds, the number of inmates in community based programs will remain at approximately 75.0 percent of total inmates.

Although the community corrections inmate population would remain about the same percentage of the entire inmate population in fiscal 2003, its share of the requested increase is larger. This change is due in part because the department added 28.0 modified FTE in fiscal 2000 and is requesting that the legislature permanently fund these positions.

Administration

The increase requested for Administration and Support Services is largely due to a pay exception for correctional officers. At the end of fiscal 2000, correctional officers were given a \$1.00 per hour pay increase. The department plans to give correctional officers another \$1.00 per hour increase at the end of fiscal 2001. A \$3.4 million general fund increase is requested in the 2003 biennium to fund these pay increases. To enable the legislature to see the true increase in programs, this proposal should have been requested in the individual subprogram budgets.

Other Increases

Montana State Prison is requesting \$4.1 million over the 2003 biennium. Approximately \$1.7 million in general fund is needed to cover the increased personal services cost of the 31.0 modified FTE added in fiscal 2000.

Pine Hills Youth Correctional Facility is requesting \$2.5 million general fund in the 2003 biennium, largely to cover increased operating costs due to increased populations. The 1997 legislature approved a campus expansion at Pine Hills, which increased the capacity to 120 beds in fiscal 2000 and will increase the number of beds to 144 in fiscal 2001.

The Montana Women's Prison is requesting \$1.4 million in general fund for the biennium for 21.0 new FTE to staff the expansion at the prison.

Inmate Cost Per Day

"Cost per day" is the general term used to describe the average costs for incarcerating an inmate for one day. The inmate cost per day rate is typically calculated by dividing the costs relating to the care and custody of inmates by the total number of inmate days provided during the period from which the costs were incurred. Included in the methodology are calculations for administration, outside medical, industry training, and debt service costs associated with the long-range building appropriations for the various facilities.

If the legislature changes the projections for the number of offenders in the system from the executive projections, these costs per inmate day can be used to estimate the necessary budget adjustments.

In order to make a comparison of cost per day rates between state correctional institutions or between state-operated and private prison facilities, it would be necessary to consider a number of operating variables, and construction and financing costs. Montana State Prison and Montana Women's Prison are multiple classification facilities with inmates ranging from maximum-security to low-security classification. The costs associated with a facility having multiple level

classifications cannot be readily compared to facilities that do not have similar classifications. The same comparison precautions are true with regard to inmate programming. The type and amount of programming available has a direct effect on inmate per day costs, as well as comparison validity.

Tables 6, 7, and 8 present the direct average daily population costs associated with the adult male and female inmate correctional programs. These costs do not include administration, outside medical, industry training, or debt service. However, they are useful as a budget tool for comparing costs among the various incarceration alternatives. They are calculated simply by dividing the annual general fund program cost by the average daily population and then again by 365 days. These tables were prepared by the Department of Corrections. In the following program narratives, LFD staff differs on some of the average daily populations used by the department.

Table 6 Adult Male Inmates Direct General Fund Cost Per Day: Average Daily Populations				
	Fiscal 2000 ADP	Fiscal 2001 ADP	Fiscal 2002 ADP	Fiscal 2003 ADP
Average Daily Population	Actual	Projected	Requested	Requested
Montana State Prison	1,261	1,261	1,261	1,261
Regional Prisons	336	436	479	560
Private Contracts	308	396	420	492
County Jails	105	50	27	18
Pre-Release	413	435	515	595
Boot Camp	34	42	45	48
Total	2,457	2,620	2,747	2,974
Annual General Fund Budget	Actual	Projected	Requested	Requested
Montana State Prison	\$21,022,420	\$22,696,535	\$23,040,645	\$23,113,765
Regional Prisons	6,466,803	7,758,024	8,387,255	10,142,219
Private Contracts	5,747,379	7,518,533	7,908,747	9,471,049
County Jails	2,057,048	1,164,115	512,460	349,130
Pre Release	6,333,278	6,706,250	8,126,148	9,887,324
Boot Camp	1,157,598	1,295,414	1,166,469	1,105,952
Total	<u>\$42,784,525</u>	<u>\$47,138,871</u>	<u>\$49,141,724</u>	<u>\$54,069,439</u>
General Fund Cost Per Inmate Day	Actual	Projected	Requested	Requested
Montana State Prison	\$45.56	\$49.31	\$50.06	\$50.22
Regional Prisons	52.57	48.71	47.97	49.62
Private Contracts	51.06	51.96	51.59	52.74
County Jails	53.35	63.79	52.00	53.14
Pre Release	41.86	42.28	43.23	45.53
Boot Camp	<u>92.24</u>	<u>84.50</u>	<u>71.02</u>	<u>63.13</u>
Total	<u>\$47.57</u>	<u>\$49.29</u>	<u>\$49.01</u>	<u>\$49.81</u>
Prepared by Department of Corrections				

Table 7
Adult Female Inmates Direct General Fund Cost Per Day: Average Daily Population

	Fiscal 2000 ADP	Fiscal 2001 ADP	Fiscal 2002 ADP	Fiscal 2003 ADP
Average Daily Population	Actual	Projected	Requested	Requested
Montana Women's Prison	70	70	70	100
Private Contracts	50	68	72	60
County Jails	12	16	26	0
Pre-Release	95	115	114	134
Boot Camp	3	4	5	12
Total	<u>230</u>	<u>273</u>	<u>287</u>	<u>306</u>
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Annual General Fund Budget	Actual	Projected	Requested	Requested
Montana Women's Prison	\$2,283,210	\$2,359,349	\$2,508,883	\$3,441,383
Private Contracts	1,250,333	1,609,000	1,681,920	1,432,435
County Jails	117,226	367,615	493,480	0
Pre-Release	1,751,884	2,170,464	2,264,694	2,803,149
Boot Camp	114,488	128,118	129,608	265,346
Total	<u>\$5,517,141</u>	<u>\$6,634,545</u>	<u>\$7,078,584</u>	<u>\$7,942,313</u>
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General Fund Cost Per Inmate Day	Actual	Projected	Requested	Requested
Montana Women's Prison	\$89.58	\$92.34	\$98.20	\$94.28
Private Contracts	67.92	64.85	64.00	65.41
County Jails	26.80	62.95	52.00	0.00
Pre-Release	50.43	51.65	54.43	57.31
Boot Camp	90.41	87.75	71.02	60.58
Total	<u>\$65.46</u>	<u>\$66.55</u>	<u>\$67.57</u>	<u>\$71.11</u>

Prepared by Department of Corrections

Table 8
Probation & Parole/ISP Direct Cost Per Day: Average Daily Population

	Fiscal 2000 ADP	Fiscal 2001 ADP	Fiscal 2002 ADP	Fiscal 2003 ADP
Average Daily Population	Actual	Projected	Requested	Requested
Probation & Parole	5,963	6,234	6,431	6,628
Intensive Supervision	194	203	225	225
Total	<u>6,157</u>	<u>6,437</u>	<u>6,656</u>	<u>6,853</u>
<hr/>				
Annual General Fund Budget	Actual	Projected	Requested	Requested
Probation & Parole	\$7,537,033	\$8,408,908	\$8,717,040	\$8,809,135
Intensive Supervision	922,580	962,494	968,560	978,793
Total	<u>\$8,459,613</u>	<u>\$9,371,402</u>	<u>\$9,685,600</u>	<u>\$9,787,928</u>
<hr/>				
Cost Per Inmate Day	Actual	Projected	Requested	Requested
Probation & Parole	\$3.45	\$3.70	\$3.71	\$3.64
Intensive Supervision	12.99	12.99	11.81	11.94
Total	<u>\$3.75</u>	<u>\$3.99</u>	<u>\$3.99</u>	<u>\$3.91</u>

Prepared by the Department of Corrections

It should be noted that only the cost of contract beds increase or decrease in direct proportion to population changes. Operating costs of the correctional institutions have a large fixed cost component, and unless radical population changes occur within the institution, average daily population costs will increase if the population decreases, and decrease if the population increases. (For example, if the population of the prison increases by ten, it is unlikely that the prison would be required to hire additional staff. Therefore, the cost per day would go down because the same staffing level is supervising more inmates.)

Biennium Budget Comparison								
Budget Item	Present Law Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	Present Law Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Biennium Fiscal 00-01	Total Exec. Budget Fiscal 02-03
FTE	1,090.80	6.50	1,097.30	1,114.80	6.50	1,121.30	0.00	1,121.30
Personal Services	45,083,582	377,181	45,460,763	45,495,340	378,702	45,874,042	77,953,992	91,334,805
Operating Expenses	52,210,688	(292,860)	51,917,828	57,809,648	(342,319)	57,467,329	88,937,749	109,385,157
Equipment	328,441	0	328,441	312,883	0	312,883	1,051,012	641,324
Grants	30,218	0	30,218	30,218	0	30,218	50,619	60,436
Benefits & Claims	8,137,701	0	8,137,701	8,026,960	0	8,026,960	16,219,223	16,164,661
Transfers	0	0	0	0	0	0	49,416	0
Debt Service	83,088	0	83,088	83,088	0	83,088	425,299	166,176
Total Costs	\$105,873,718	\$84,321	\$105,958,039	\$111,758,137	\$36,383	\$111,794,520	\$184,687,310	\$217,752,559
General Fund	102,595,131	84,321	102,679,452	108,459,050	36,383	108,495,433	179,593,417	211,174,885
State/Other Special	1,730,490	0	1,730,490	1,727,843	0	1,727,843	3,300,750	3,458,333
Federal Special	962,349	0	962,349	985,955	0	985,955	1,039,989	1,948,304
Proprietary	585,748	0	585,748	585,289	0	585,289	753,154	1,171,037
Total Funds	\$105,873,718	\$84,321	\$105,958,039	\$111,758,137	\$36,383	\$111,794,520	\$184,687,310	\$217,752,559

New Proposals

The table below summarizes all new proposals requested by the executive. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

Prgm	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 105 - Treatment of Hepatitis C										
01	0.00	103,510	0	0	103,510	0.00	54,051	0	0	54,051
DP 106 - PA's From Contracted Services to FTE										
01	5.50	(19,189)	0	0	(19,189)	5.50	(17,668)	0	0	(17,668)
DP 109 - Victims Officer FTE										
01	1.00	0	0	0	0	1.00	0	0	0	0
DP 408 - MCE Ranch and Ind. New Equip & Cons										
04	0.00	0	0	0	0	0.00	0	0	0	0
Total	6.50	\$84,321	\$0	\$0	\$84,321	6.50	\$36,383	\$0	\$0	\$36,383

Agency Issues

In the fall of 1999, the department stated they were understaffed and would add FTE to ensure public safety. Subsequently, it added 28.0 modified FTE in the Probation and Parole Bureau and 31.0 modified FTE at MSP. At that time, the executive stated the projected cost of \$3.9 million would be borne by the budget appropriated by the 1999 legislature.

Background

Inmate populations began to climb dramatically in fiscal 1995 at Montana State Prison. In response to this growing population, the 1995 legislature added 80.0 FTE at MSP. Included in the new positions were 31.0 FTE and related operating costs to reopen the old forensics unit on the campus of Montana State Hospital at Warm Springs for the 1997 biennium.

The 1997 legislature approved an additional 68.0 new FTE for the main MSP campus. The department did not propose closing the old forensics unit at Warm Springs; therefore, the 31.0 FTE associated with the unit were maintained in the 1999 biennium budget. However, in June of 1998, the department closed the old forensics unit and moved the 31.0 FTE back to the main prison campus at Deer Lodge.

The 1999 legislature, when reviewing the budget requests of the department for the 2001 biennium, determined that since the department had changed its plans and decided not to use the old forensics unit, the 31.0 FTE authorized by the 1995 legislature to operate the old forensics unit were no longer required. The FTE were removed from the budget of Montana State Prison.

In the Community Corrections Program, the legislature approved 11.0 new FTE for the 1997 biennium, and 13.0 for the 1999 biennium. In the 2001 biennium, the Probation and Parole Bureau requested funding for 43.0 new FTE in a new proposal to the 1999 legislature. The 1999 legislature provided funding for 28.0 FTE less than requested.

Funding

Projected costs in fiscal 2000 were \$1.5 million. Because of a delay in hiring a majority of the 31.0 new correctional officers and some of the probation and parole officers, fiscal 2000 costs were not as high as anticipated. The department covered the costs of the modified probation and parole officers in fiscal 2000 within the existing budgets and by transferring \$450,000 in savings from other divisions.

Projected costs in fiscal 2001 were \$2.4 million when the department added the modified positions. Since that time, correctional officers received a \$1.00 per hour pay increase at the end of fiscal 2000 and will receive another \$1.00 per hour increase at the end of fiscal 2001. This results in additional costs of approximately \$82,000 in fiscal 2001 and \$165,000 for each year of the 2003 biennium.

As long as the executive branch acts within statutory authority, the legislature cannot prevent changes in budgetary policy by the executive branch. However, if budget decisions of the executive later require a general fund supplemental, this can only be approved by the legislature. The department anticipates that a supplemental potentially as high as \$4.5 million will be needed for fiscal 2001 due to a number of factors. At the time of this publication, the exact amount of the potential supplemental has not been determined and the executive has not included it in the supplemental bill. For a further discussion, see the "Supplemental Appropriation" narrative.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	151.65	0.00	6.50	158.15	0.00	6.50	158.15	158.15
Personal Services	6,403,877	2,223,715	377,181	9,004,773	1,788,975	378,702	8,571,554	17,576,327
Operating Expenses	6,893,142	1,090,646	(292,860)	7,690,928	1,298,554	(342,319)	7,849,377	15,540,305
Equipment	33,709	0	0	33,709	0	0	33,709	67,418
Transfers	0	0	0	0	0	0	0	0
Debt Service	8,205	0	0	8,205	0	0	8,205	16,410
Total Costs	\$13,338,933	\$3,314,361	\$84,321	\$16,737,615	\$3,087,529	\$36,383	\$16,462,845	\$33,200,460
General Fund	13,283,400	3,298,516	84,321	16,666,237	3,076,523	36,383	16,396,306	33,062,543
State/Other Special	2,695	1,626	0	4,321	(1,337)	0	1,358	5,679
Federal Special	0	0	0	0	0	0	0	0
Proprietary	52,838	14,219	0	67,057	12,343	0	65,181	132,238
Total Funds	\$13,338,933	\$3,314,361	\$84,321	\$16,737,615	\$3,087,529	\$36,383	\$16,462,845	\$33,200,460

Program Description

The Administration and Support Services Program includes the Director's Office, Administrative Services Division, Professional Services Division and the administratively-attached Board of Pardons. This program provides: 1) administrative and management support, human resources, budget, fiscal, and legal information; 2) technical correctional services; 3) policy and staff development; 4) research; 5) facility management; and 6) access to health care services.

Program Narrative

LFD ISSUE As shown in Table 9, training-related travel increased in this division from \$6,455 in the 1997 biennium to over \$60,900 spent in fiscal 2000, and is projected to total \$121,876 for the 2001 biennium. The executive requests \$121,876 for the 2003 biennium. Education and training costs also increased from \$16,910 in the 1997 biennium to \$69,571 in fiscal 2000 alone. The executive requests \$139,142 in the 2003 biennium. The increases between the 1997 biennium and the 2001 biennium are largely related to the division developing a new database - PRO-Files (Programmed Reporting of Offender's Files). Because only programming needs remain in developing this system, the legislature may wish to reduce the amount for training-related travel and education/training costs to the 1999 biennium amounts.

LFD ISSUE CONTINUED

In addition, Table 9 illustrates the significant increases in recruitment expenses. Average annual expenditures in this category were \$19,206 between 1996 and 1999. In fiscal 2000, expenditures increased to \$71,837. A large portion of this cost is most likely due to the department adding 31.0 modified FTE and problems with recruitment and retention of correctional officers. The executive requests \$143,674 in the 2003 biennium. Because the majority of the modified FTE have been hired and the department implemented a pay exception for correctional officers to aid in recruitment and retention, the legislature may wish to reduce this amount to the amounts spent in 1999. If the legislature adopts the LFD staff recommended amounts for these three categories, the executive budget request can be reduced \$121,689 each year

Table 9
Administration and Support Services
Comparison of Selected Costs

Object of Expenditures	1997 Biennium Expenditures	1999 Biennium Expenditures	Projected 2001 Biennium Expenditures	2003 Biennium Request	LFD Recommended 2003 Biennium Amount	Difference Between Executive and LFD
2431-2451 Training Related Travel Costs	\$6,455	\$49,455	\$121,876	\$121,876	\$49,455	(\$72,421)
2809 Education/Training Costs	16,910	60,961	139,142	139,142	60,961	(78,181)
2815 Recruitment	<u>25,925</u>	<u>50,898</u>	<u>143,674</u>	<u>143,674</u>	<u>50,898</u>	<u>(92,776)</u>
Total	<u>\$49,290</u>	<u>\$161,314</u>	<u>\$404,692</u>	<u>\$404,692</u>	<u>\$161,314</u>	<u>(\$243,378)</u>
Percent Increase		227%	151%	0%		

Funding

General fund provides over 99 percent of the funding for the Administration and Support Services Program. State special revenue funds and proprietary funds are allocated for a proportionate share of audit costs and other fixed costs.

	Fiscal 2002					Fiscal 2003				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					137,594					179,068
Vacancy Savings					(179,782)					(181,026)
Inflation/Deflation					(9,925)					(10,346)
Fixed Costs					760,405					724,677
Total Statewide Present Law Adjustments					\$708,292					\$712,373
DP 101 - Correctional Officer Pay	0.00	1,949,939	0	0	1,949,939	0.00	1,474,969	0	0	1,474,969
DP 103 - Outside Medical and Dental	0.00	367,914	0	0	367,914	0.00	589,853	0	0	589,853
DP 107 - Program 01 Personal Services Not Included	0.00	300,964	0	0	300,964	0.00	300,964	0	0	300,964
DP 108 - Board of Pardons Present Law	0.00	15,000	0	0	15,000	0.00	15,000	0	0	15,000
DP 110 - Reduce BOP One-Time-Only Equipment	0.00	(9,648)	0	0	(9,648)	0.00	(5,630)	0	0	(5,630)
DP 111 - Reduce One-Time-Only Equipment	0.00	(18,100)	0	0	(18,100)	0.00	0	0	0	0
Total Other Present Law Adjustments	0.00	\$2,606,069	\$0	\$0	\$2,606,069	0.00	\$2,375,156	\$0	\$0	\$2,375,156
Grand Total All Present Law Adjustments					\$3,314,361					\$3,087,529

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies.

Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 101 - Correctional Officer Pay - The executive requests \$1,949,949 in fiscal 2002 and \$1,474,969 in fiscal 2003 to fund the pay exception granted correctional officers. In fiscal 2000, correctional officers were given a \$1.00 per hour increase and will be given another \$1.00 per hour in fiscal 2001. The pay exception is to address problems the department has been experiencing in recruitment and retention.

**LFD
ISSUE**

The first \$1.00 increase was granted to correctional officers on June 17, 2000. The Office of Budget and Program Planning took the "snapshot" for the 2003 biennium personal services funding on July 11, 2000 using the pay period ending date of June 30, 2000. Because the snapshot captured salaries with the first \$1.00 increase, only \$1,382,784 is needed each year for salaries and benefits. The legislature may wish to reduce this decision package by \$567,155 in fiscal 2002 and by \$92,185 in fiscal 2003. In addition, the legislature may want to request that the department provide documentation to the 58th Legislature on whether this pay increase has had an impact on recruitment and retention.

This decision package requests a personal services increase for correctional officers in the various secure custody programs and should be included with the Secure Facilities Program to allow for a true comparison of personal services costs.

DP 103 - Outside Medical and Dental - The executive requests an increase in outside medical funds to support: 1) a projected increase in the inmate population; and 2) anticipated medical cost inflation of 3.5 percent each year of the biennium. The average daily population (ADP) in fiscal 2000 was 2,703 inmates. In this decision package, the department uses an inmate ADP of 3,035 in fiscal 2002 and 3,231 in fiscal 2003.

**LFD
ISSUE**

In its calculations, the department determined the average cost of all outside medical costs and projected those costs forward. Because outside medical costs vary significantly between male, female, and youth, LFD staff broke down costs based on actual fiscal 2000 costs by facility. Also, because Corrections Corporation of America (CCA) is responsible for the first \$1,000 per inmate in all off-site health related services per year (leaving the department responsible for only those costs in excess of \$1,000), it seemed reasonable to break down costs by facility. The LFD used the department's projections for average daily population and a 3.5 percent inflation rate each year in medical costs and projected forward from fiscal 2000 costs. Using those assumptions, LFD staff calculations project a present law adjustment of \$181,520 in fiscal 2002 and \$664,641 in fiscal 2003. For the biennium, this results in \$111,606 less than the Executive Budget request.

DP 107 - Program 01 Personal Services Not Included - Program Personal Services Not Included - The costs for overtime, differential pay, holiday worked, comp time payout, holiday payout and inmate pay costs are zero based and are requested at fiscal 2000 base levels. These costs include:

- 1) \$157,812 each year for overtime;
- 2) \$16,636 each year for holidays worked;
- 3) \$34,664 each year for FLSA comp time payout;
- 4) \$17,977 each year for holiday payout;
- 5) \$25,504 each year for inmate pay; and
- 6) \$48,371 each year for benefits.

**LFD
ISSUE**

Benefits were calculated at approximately 19.2 percent of the above costs, whereas 15.0 percent would be a more accurate representation of the benefit costs of this group of employees. Benefits calculated at 15.0 percent would be approximately \$34,063 per year, or \$14,308 less each year than the amount requested by the executive.

DP 108 - Board of Pardons Present Law - Board members are paid \$50 per diem each day they are performing board business. It is anticipated the board members will each spend 75 days on board-related issues in fiscal years 2002 and 2003. In fiscal 2000, \$13,150 was expended on board per diem.

DP 110 - Reduce BOP One-Time-Only Equipment - The Board of Pardons fiscal 2000 base budget contains one-time-only equipment purchases of computers, carpet, and a security system. This results in a reduction of \$9,648 in fiscal 2002 and \$5,630 in fiscal 2003.

LFD ISSUE The executive proposes to reduce office supplies/minor equipment from a non-state provider in this decision package. The Administration and Support Services Division's base budget for this category is \$190,137. After the above reduction, \$180,489 remains in this object of expenditure in fiscal 2002 and \$184,507 in fiscal 2003. This is over a 200.0 percent increase from 1999 expenditures of \$58,303. The department states that its accounting staff is looking at the increases to determine if any of the costs were one-time-only. The average amount expended for these items between 1996 and 1999 was \$45,474. The legislature may want to increase the amount of the reduction of this decision package so the funding for office supplies and minor equipment from a non-state provider reflects an amount closer to the 1999 expenditures. This would result in a savings of \$248,390 over the executive budget for this category.

DP 111 - Reduce One-Time-Only Equipment - The Administration and Support Services fiscal 2000 base budget contains one-time-only purchases for exam room equipment. This results in a reduction of \$18,100 in fiscal 2002.

New Proposals	-----Fiscal 2002-----					-----Fiscal 2003-----					
	Prgm	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 105 - Treatment of Hepatitis C											
01	0.00	103,510	0	0	103,510	0.00	54,051	0	0	54,051	
DP 106 - PA's From Contracted Services to FTE											
01	5.50	(19,189)	0	0	(19,189)	5.50	(17,668)	0	0	(17,668)	
DP 109 - Victims Officer FTE											
01	1.00	0	0	0	0	1.00	0	0	0	0	
Total	6.50	\$84,321	\$0	\$0	\$84,321	6.50	\$36,383	\$0	\$0	\$36,383	

New Proposals

DP 105 - Treatment of Hepatitis C - The Montana Department of Corrections and the Department of Public Health and Human Services are testing to determine the prevalence of Hepatitis C in Montana inmates. Because many inmates have a history of drug use, the department projects that 35.0 percent may be infected with Hepatitis C. This request would provide lab testing and immunization for the infected population.

LFD COMMENT Three states test for Hepatitis C at intake (Michigan, Colorado, and Wyoming). Most other states test at inmate or physician request. Colorado estimates that 20.0 to 25.0 percent of its inmate population may be infected. Wyoming estimates 3.0 percent of its inmate population may be infected.

DP 106 - PA's From Contracted Services to FTE - This request is to fund 5.5 FTE and reduce contracted services. The department contracted with the Powell County Memorial Hospital in fiscal 2000 for the services of two physician's assistants. However, the Powell County Memorial Hospital no longer provides these contract services to Montana State Prison. In addition, this request would fund 3.5 FTE - one dentist, two dental assistants, and a half-time dental hygienist. Funds would be moved from contracted services for these FTE and would result in a savings of approximately \$19,189 in fiscal 2002 and \$17,668 in fiscal 2003.

**LFD
COMMENT**

Approximate salaries (not including benefits) and grades for the 5.5 FTE in fiscal 2002 are as follows: 1) dentist - grade 32 at \$132,000; 2) dental hygienist - grade 14 at \$13,000 (0.5 FTE); 3) dental assistant - grade 10 at \$22,800; 4) dental assistant - grade 11 at \$20,800; and 5) two physician assistants - grade 18 at \$60,000 each. The department stated that due to recruitment issues the two physician assistants received pay exceptions.

DP 109 - Victims Officer FTE - The department is not requesting funding for this FTE. The 1999 legislature approved this FTE as one-time only for the 2001 biennium, when the department received funds from the Victims of Crime Act through the Board of Crime Control.

**LFD
ISSUE**

The legislature appropriated federal funds of \$31,890 in fiscal 2000 and \$31,673 in fiscal 2001. The department never received the grant; therefore, there were no expenditures from this appropriation in fiscal 2000. This FTE is currently an Administrative Officer in the Director's Office whose costs in fiscal 2000 were absorbed by the division. Because the position was one-time-only, no funds are budgeted for this position in the 2003 biennium and the department will have to absorb all related costs if the legislature approves this decision package.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	238.50	28.00	0.00	266.50	31.00	0.00	269.50	269.50
Personal Services	9,691,238	778,524	0	10,469,762	926,216	0	10,617,454	21,087,216
Operating Expenses	13,538,810	2,962,184	0	16,500,994	5,348,740	0	18,887,550	35,388,544
Equipment	68,996	(23,290)	0	45,706	(20,000)	0	48,996	94,702
Benefits & Claims	8,520,550	(692,259)	0	7,828,291	(803,000)	0	7,717,550	15,545,841
Debt Service	42,808	0	0	42,808	0	0	42,808	85,616
Total Costs	\$31,862,402	\$3,025,159	\$0	\$34,887,561	\$5,451,956	\$0	\$37,314,358	\$72,201,919
General Fund	31,104,645	2,780,039	0	33,884,684	5,206,836	0	36,311,481	70,196,165
State/Other Special	517,239	56,651	0	573,890	56,651	0	573,890	1,147,780
Federal Special	240,518	188,469	0	428,987	188,469	0	428,987	857,974
Total Funds	\$31,862,402	\$3,025,159	\$0	\$34,887,561	\$5,451,956	\$0	\$37,314,358	\$72,201,919

Program Description

The Community Corrections Program includes adult probation and parole, juvenile parole, male and female community corrections programs, the boot camp, juvenile transition centers and juvenile out-of-home placements. The department contracts with non-profit corporations in Great Falls, Butte, Missoula, and Billings for pre-release services.

Funding

Funding for the Community Corrections Program is 97.4 percent general fund. State special revenue funds are from probation and parole fees collected from parolees to help defray the cost of parole supervision and reimbursements for juvenile placement cost of care. In addition, various federal grants total approximately \$858,000 for the 2003 biennium.

Present Law Adjustments										
-----Fiscal 2002-----					-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					(42,801)					15,014
Vacancy Savings					(262,797)					(264,530)
Inflation/Deflation					1,360					1,094
Fixed Costs					184,044					236,652
Total Statewide Present Law Adjustments					(\$120,194)					(\$11,770)
DP 2 - Probation and Parole 28.00 FTE	28.00	1,272,244	0	188,469	1,460,713	28.00	1,275,879	0	188,469	1,464,348
DP 202 - Pre-release adjustment / inflation	0.00	2,280,742	0	0	2,280,742	0.00	4,610,006	0	0	4,610,006
DP 203 - Program 02 personal services not in	0.00	130,767	0	0	130,767	0.00	130,767	0	0	130,767
DP 204 - TSCTC Direct Care Staff	0.00	0	0	0	0	3.00	89,175	0	0	89,175
DP 206 - Reduce one time only equipment	0.00	(34,610)	0	0	(34,610)	0.00	(27,570)	0	0	(27,570)
DP 208 - Juvenile Out of State Placement Savings	0.00	(692,259)	0	0	(692,259)	0.00	(803,000)	0	0	(803,000)
Total Other Present Law Adjustments	28.00	\$2,956,884	\$0	\$188,469	\$3,145,353	31.00	\$5,275,257	\$0	\$188,469	\$5,463,726
Grand Total All Present Law Adjustments					\$3,025,159					\$5,451,956

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

Sub-Program Details

COMMUNITY CORRECTION ADMIN 01

Community Corrections Administration includes supervisory staff.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	14.00	0.00	0.00	14.00	0.00	0.00	14.00	14.00
Personal Services	625,422	(4,382)	0	621,040	(1,705)	0	623,717	1,244,757
Operating Expenses	254,008	(4,964)	0	249,044	(4,550)	0	249,458	498,502
Debt Service	2,735	0	0	2,735	0	0	2,735	5,470
Total Costs	\$882,165	(\$9,346)	\$0	\$872,819	(\$6,255)	\$0	\$875,910	\$1,748,729
General Fund	842,416	(2,146)	0	840,270	945	0	843,361	1,683,631
State/Other Special	7,200	(7,200)	0	0	(7,200)	0	0	0
Federal Special	32,549	0	0	32,549	0	0	32,549	65,098
Total Funds	\$882,165	(\$9,346)	\$0	\$872,819	(\$6,255)	\$0	\$875,910	\$1,748,729

Present Law Adjustments										
	-----Fiscal 2002-----				-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					13,074					15,833
Vacancy Savings					(17,456)					(17,538)
Inflation/Deflation					(679)					(679)
Fixed Costs					(4,285)					(3,871)
Total Statewide Present Law Adjustments					(\$9,346)					(\$6,255)
Total Other Present Law Adjustments	0.00	\$0	\$0	\$0	\$0	0.00	\$0	\$0	\$0	\$0
Grand Total All Present Law Adjustments					(\$9,346)					(\$6,255)

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

Sub-Program Details

TREASURE STATE CORRECTIONAL TRAINING 02

Treasure State Correctional Training Center (TSCTC), referred to as the boot camp, is located on the campus of Montana State Prison. Every year, four classes of approximately 60 inmates complete training at the center. The boot camp program is voluntary. By volunteering, offenders may have their sentence reduced.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	25.50	0.00	0.00	25.50	3.00	0.00	28.50	28.50
Personal Services	986,660	21,512	0	1,008,172	114,399	0	1,101,059	2,109,231
Operating Expenses	278,634	2,476	0	281,110	4,810	0	283,444	564,554
Equipment	6,764	0	0	6,764	(20,000)	0	(13,236)	(6,472)
Debt Service	4,102	0	0	4,102	0	0	4,102	8,204
Total Costs	\$1,276,160	\$23,988	\$0	\$1,300,148	\$99,209	\$0	\$1,375,369	\$2,675,517
General Fund	1,272,089	23,988	0	1,296,077	99,209	0	1,371,298	2,667,375
Federal Special	4,071	0	0	4,071	0	0	4,071	8,142
Total Funds	\$1,276,160	\$23,988	\$0	\$1,300,148	\$99,209	\$0	\$1,375,369	\$2,675,517

Present Law Adjustments										
	-----Fiscal 2002-----				-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					(15,699)					(10,636)
Vacancy Savings					(26,262)					(26,413)
Inflation/Deflation					493					678
Fixed Costs					1,983					2,932
Total Statewide Present Law Adjustments					(\$39,485)					(\$33,439)
DP 203 - Program 02 personal services not in	0.00	63,473	0	0	63,473	0.00	63,473	0	0	63,473
DP 204 - TSCTC Direct Care Staff	0.00	0	0	0	0	3.00	89,175	0	0	89,175
DP 206 - Reduce one time only equipment	0.00	0	0	0	0	0.00	(20,000)	0	0	(20,000)
Total Other Present Law Adjustments	0.00	\$63,473	\$0	\$0	\$63,473	3.00	\$132,648	\$0	\$0	\$132,648
Grand Total All Present Law Adjustments					\$23,988					\$99,209

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 203 - Program 02 Personal Services Not Included - Because costs of overtime, differential pay, holidays worked, comp time payout, and holiday pay are zero based, the executive requests the following increases each year of the biennium: 1) \$18,338 for overtime costs; 2) \$1,844 for differential pay; 3) \$18,239 for holiday time worked; 4) \$5,703 for Fair Labor Standards Act comp time payouts; 5) \$8,245 for holiday payout; and 6) related benefits of \$11,104.

DP 204 - TSCTC Direct Care Staff - The executive requests funding for 3.0 FTE and operating costs to increase supervision, security, and transportation due to the acceptance of female trainees at the center. The FTE requested are grade 12 drill instructors to provide closer supervision and security of the co-ed program.

LFD COMMENT	The department projects that there will be 12 female inmates in fiscal 2003 at TSCTC. The Executive Budget includes \$85,000 for a new female dormitory wing at TSCTC in its Long-Range Building Program recommendations. Even though staff is being added in fiscal 2003, the cost per day is projected to drop from approximately \$94.20 in fiscal 2000 to approximately \$63.00 in fiscal 2003 due to economies of scale.
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DP 206 – Reduce one-Time-Only Equipment – A reduction of \$20,000 in fiscal 2003 is requested for one-time-only equipment.

Sub-Program Details

PRE-RELEASE 03

The department currently contracts with pre-release centers located in Butte, Billings, Great Falls and Missoula. Pre-release centers provide supervised educational, treatment, and work opportunities for offenders. Offenders are required to reside in these centers during their placements. Currently there are 524 beds for males and females, with 40 additional beds expected by the end of fiscal 2001 when the pre-release center in Helena opens.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	0	0	0	0	0	0	0	0
Operating Expenses	8,036,424	2,280,742	0	10,317,166	4,610,006	0	12,646,430	22,963,596
Total Costs	\$8,036,424	\$2,280,742	\$0	\$10,317,166	\$4,610,006	\$0	\$12,646,430	\$22,963,596
General Fund	8,036,424	2,280,742	0	10,317,166	4,610,006	0	12,646,430	22,963,596
Total Funds	\$8,036,424	\$2,280,742	\$0	\$10,317,166	\$4,610,006	\$0	\$12,646,430	\$22,963,596

	-----Fiscal 2002-----				-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					0					0
Vacancy Savings					0					0
Total Statewide Present Law Adjustments					\$0					\$0
DP 202 - Pre-release adjustment / inflation	0.00	2,280,742	0	0	2,280,742	0.00	4,610,006	0	0	4,610,006
Total Other Present Law Adjustments	0.00	\$2,280,742	\$0	\$0	\$2,280,742	0.00	\$4,610,006	\$0	\$0	\$4,610,006
Grand Total All Present Law Adjustments					\$2,280,742					\$4,610,006

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 202 - Pre-release Adjustment/Inflation - This proposal requests funding for: 1) 30 additional male beds in pre-existing facilities in fiscal 2002; and 40 new male beds, 40 new chemical dependency male beds, and 20 new chemical dependency female beds in fiscal 2003; and 2) an inflation adjustment.

LFD ISSUE In its calculations of pre-release costs, the department uses an ADP of 480 for males in fiscal 2002 and 560 for fiscal 2003. These numbers are the same as the department's fiscal-year-end projections. Normally, all beds are not filled for the entire year. The department uses an ADP for females of 114 in fiscal 2002 and 134 in fiscal 2003. The LFD staff calculates an ADP of 465 in fiscal 2002 and 520 in fiscal 2003 for males and a female ADP of 107 in fiscal 2002 and 117 in fiscal 2003. In addition, the Executive Budget includes an inflation adjustment of 2.0 percent of total pre-release costs (personal services and operating costs) in fiscal 2002 and a 4.0 percent inflation adjustment for fiscal 2003. Because of the differences in ADP, the LFD calculation reflects \$1,877,374 less than the executive for the 2003 biennium.

In addition, the legislature may want to question the need for 40 new chemical dependency beds, which would double the number of beds available for chemical dependency. The department states that 80.0 percent of offenders have chemical dependency issues and based the request for 40 new chemical dependency beds on that need. The capacity of the Butte Connections Pre-Release Center is 30 and often has 32 offenders. However, the Montana Chemical Dependency Center has a contract capacity of 9, yet the number of offenders in this program is usually 1 or 2.

If the legislature wishes to make adjustments to reflect the LFD calculations shown in Table 10, the executive request would be reduced by \$596,133 in fiscal 2002 and by \$1,291,241 in fiscal 2003. If the legislature wishes to reduce the number of chemical dependency beds made available in fiscal 2003, an additional

\$24,594 could be reduced for every bed reduced from the average daily population.

	Fiscal 2000 Base	Fiscal 2002 Present Law Adjustment	Fiscal 2003 Present Law Adjustment
Executive Request			
Increased Male/Female Beds		\$2,078,529	\$4,123,770
Inflation (2% in FY2002, 4% in FY2003)		\$202,213	\$486,236
Total Executive		\$2,280,742	\$4,610,006
LFD Staff Projected Cost			
Male	\$6,158,499	\$1,287,874	\$2,435,618
Female	1,877,924	206,126	446,409
Subtotal	\$8,036,423	\$1,494,000	\$2,882,027
Inflation (2% in FY2002, 4% in FY2003)		<u>\$190,608</u>	<u>\$436,738</u>
Total LFD	<u>\$8,036,423</u>	<u>\$1,684,609</u>	<u>\$3,318,765</u>
Difference Between LFD and Executive		(\$596,133)	(\$1,291,241)

Sub-Program Details

PROBATION AND PAROLE 04

Probation and Parole supervises over 6,000 inmates.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	150.50	28.00	0.00	178.50	28.00	0.00	178.50	178.50
Personal Services	6,439,877	731,519	0	7,171,396	775,565	0	7,215,442	14,386,838
Operating Expenses	2,252,711	693,096	0	2,945,807	741,088	0	2,993,799	5,939,606
Equipment	46,354	(10,290)	0	36,064	0	0	46,354	82,418
Debt Service	35,971	0	0	35,971	0	0	35,971	71,942
Total Costs	\$8,774,913	\$1,414,325	\$0	\$10,189,238	\$1,516,653	\$0	\$10,291,566	\$20,480,804
General Fund	8,459,744	1,225,856	0	9,685,600	1,328,184	0	9,787,928	19,473,528
State/Other Special	315,169	0	0	315,169	0	0	315,169	630,338
Federal Special	0	188,469	0	188,469	188,469	0	188,469	376,938
Total Funds	\$8,774,913	\$1,414,325	\$0	\$10,189,238	\$1,516,653	\$0	\$10,291,566	\$20,480,804

Present Law Adjustments										
-----Fiscal 2002-----					-----Fiscal 2003-----					
FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds	
Personal Services				(46,934)					(5,273)	
Vacancy Savings				(174,902)					(176,152)	
Inflation/Deflation				(3,358)					(3,340)	
Fixed Costs				189,096					237,070	
Total Statewide Present Law Adjustments				(\$36,098)					\$52,305	
DP 2 - Probation and Parole 28.00 FTE	28.00	1,272,244	0	188,469	1,460,713	28.00	1,275,879	0	188,469	1,464,348
DP 206 - Reduce one time only equipment	0.00	(10,290)	0	0	(10,290)	0.00	0	0	0	0
Total Other Present Law Adjustments	28.00	\$1,261,954	\$0	\$188,469	\$1,450,423	28.00	\$1,275,879	\$0	\$188,469	\$1,464,348
Grand Total All Present Law Adjustments				\$1,414,325					\$1,516,653	

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 2 - Probation & Parole - Add 28 FTE - The executive requests funding for the 28.0 modified FTE for Probation and Parole staff added during fiscal 2000 and for contracted services. The increases requested include:

- 1) an increase of \$953,355 in fiscal 2002 and \$956,990 in fiscal 2003 for 22.0 grade 16 probation and parole officers, and 6.0 grade 9 administrative support positions;
- 2) an increase of \$507,358 each year for contracted services for chemical dependency services, employment services, and intensive family intervention services in Kalispell;

**LFD
COMMENT**

Fiscal 2000 expenditures for contracted services were \$240,786. This request would equal a 210.7 percent increase in this category.

**LFD
COMMENT**

The request for funding the modified FTE should have been presented as a new proposal as the caseload did not change significantly from the figures the 1999 legislature used when it made its decisions.

The legislature may want to request that the department report to the 58th Legislature on:

- 1) whether the increase in probation and parole officers has reduced the offender commitments to adult prison and juvenile correctional facilities and if so, by what percent;
- 2) whether the enhanced employment services for juvenile and adult offenders has resulted in more restitution collections and if so, by what percent;
- 3) whether adding 4.0 additional sex offender specialists has reduced the occurrence of sex offenders re-offending, and if so by what percent;
- 4) what impact the intensive family intervention therapy has had on re-arrest and out-of-home placements?

For a further discussion, see "Agency Issues" for the Department of Corrections.

DP 206 - Reduction of One-Time-Only Equipment - A reduction of \$10,290 in fiscal 2002 is requested for one-time-only equipment.

Sub-Program Details

RIVERSIDE YOUTH CORRECTIONAL FACILITY 05

The Riverside Institution located in Boulder is a detention facility for juvenile female offenders. The program places an emphasis on offenders accepting responsibility for their actions and gaining individual competencies that will help them avoid re-offending. The treatment programs include education, counseling, personal growth activities, and parental involvement. This facility has a capacity for an average daily population of 18. Assuming an average daily population of 16, the cost per day at this facility in fiscal 2000 was \$212.15 per day.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	24.50	0.00	0.00	24.50	0.00	0.00	24.50	24.50
Personal Services	986,079	(22,603)	0	963,476	(17,413)	0	968,666	1,932,142
Operating Expenses	264,852	(5,948)	0	258,904	(2,219)	0	262,633	521,537
Equipment	15,878	(13,000)	0	2,878	0	0	15,878	18,756
Debt Service	0	0	0	0	0	0	0	0
Total Costs	\$1,266,809	(\$41,551)	\$0	\$1,225,258	(\$19,632)	\$0	\$1,247,177	\$2,472,435
General Fund	1,238,981	(41,551)	0	1,197,430	(19,632)	0	1,219,349	2,416,779
Federal Special	27,828	0	0	27,828	0	0	27,828	55,656
Total Funds	\$1,266,809	(\$41,551)	\$0	\$1,225,258	(\$19,632)	\$0	\$1,247,177	\$2,472,435

Present Law Adjustments										
-----Fiscal 2002-----					-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					(41,472)					(36,122)
Vacancy Savings					(25,683)					(25,843)
Inflation/Deflation					4,223					3,788
Fixed Costs					1,149					1,563
Total Statewide Present Law Adjustments					(\$61,783)					(\$56,614)
DP 203 - Program 02 personal services not in	0.00	44,552	0	0	44,552	0.00	44,552	0	0	44,552
DP 206 - Reduce one time only equipment	0.00	(24,320)	0	0	(24,320)	0.00	(7,570)	0	0	(7,570)
Total Other Present Law Adjustments	0.00	\$20,232	\$0	\$0	\$20,232	0.00	\$36,982	\$0	\$0	\$36,982
Grand Total All Present Law Adjustments					(\$41,551)					(\$19,632)

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 203 - Program 02 Personal Services Not Included - Because costs of overtime, differential pay, holiday worked, comp time payout, and holiday pay are zero based, the executive requests the following increases each year of the biennium: 1) \$19,829 for overtime costs; 2) \$1,988 for differential pay; 3) \$12,802 for holiday time worked; 4) \$1,254 for Fair Labor Standards Act comp time payouts; 5) \$885 for holiday payout; and 6) related benefits of \$7,794.

DP 206 - Reduce One-Time-Only Equipment - A reduction in office supplies of \$11,320 in fiscal 2002 and \$7,570 in fiscal 2003 and a \$13,000 reduction in autos and trucks in fiscal 2002 is requested.

Sub-Program Details

TRANSITION CENTERS 07

Youth transition centers serve as placements for youth prior to their return into the community. Program components include counseling, community service, education, and employment. The centers have the capacity to serve a population of 24 males and 5 females. An average of 17 beds were full in fiscal 2000.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	24.00	0.00	0.00	24.00	0.00	0.00	24.00	24.00
Personal Services	653,200	52,478	0	705,678	55,370	0	708,570	1,414,248
Operating Expenses	184,409	(3,218)	0	181,191	(395)	0	184,014	365,205
Total Costs	\$837,609	\$49,260	\$0	\$886,869	\$54,975	\$0	\$892,584	\$1,779,453
General Fund	828,888	49,260	0	878,148	54,975	0	883,863	1,762,011
State/Other Special	8,721	0	0	8,721	0	0	8,721	17,442
Total Funds	\$837,609	\$49,260	\$0	\$886,869	\$54,975	\$0	\$892,584	\$1,779,453

Present Law Adjustments										
-----Fiscal 2002-----					-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					48,230					51,212
Vacancy Savings					(18,494)					(18,584)
Inflation/Deflation					681					647
Fixed Costs					(3,899)					(1,042)
Total Statewide Present Law Adjustments					\$26,518					\$32,233
DP 203 - Program 02 personal services not in	0.00	22,742	0	0	22,742	0.00	22,742	0	0	22,742
Total Other Present Law Adjustments	0.00	\$22,742	\$0	\$0	\$22,742	0.00	\$22,742	\$0	\$0	\$22,742
Grand Total All Present Law Adjustments					\$49,260					\$54,975

Executive Present Law Adjustments

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DP 203 - Program 02 Personal Services Not Included - Because costs of overtime, differential pay, holidays worked, comp time payout, and holiday pay are zero based, the executive requests the following increases each year of the biennium: 1) \$4,115 for overtime costs; 2) \$11,857 for holidays worked; 3) \$1,498 for Fair Labor Standards Act comp time payouts; 4) \$1,294 for holiday payout; and 5) related benefits of \$3,978.

Sub-Program Details

JUVENILE PLACEMENT FUNDS 08

Juvenile Placement funds are used to place youth under the supervision of the Department of Corrections into private treatment facilities. Over 310 youth, including 57 in out-of-state residential facilities, were in placement at the end of fiscal 2000. Each judicial district has a Youth Placement Committee which functions as a screening committee for all juvenile offenders referred to "out-of-home" placements, and makes recommendations to the Youth Court as to the most appropriate and cost-effective placement. The department has implemented a pilot program where funding is allocated directly to the judicial districts participating in the pilot. The Youth Placement Committees function as before, but the districts are responsible for managing the funds allocated to it. The University of Great Falls is evaluating the effectiveness of the pilot project.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	2,267,772	0	0	2,267,772	0	0	2,267,772	4,535,544
Benefits & Claims	8,520,550	(692,259)	0	7,828,291	(803,000)	0	7,717,550	15,545,841
Total Costs	\$10,788,322	(\$692,259)	\$0	\$10,096,063	(\$803,000)	\$0	\$9,985,322	\$20,081,385
General Fund	10,426,103	(756,110)	0	9,669,993	(866,851)	0	9,559,252	19,229,245
State/Other Special	186,149	63,851	0	250,000	63,851	0	250,000	500,000
Federal Special	176,070	0	0	176,070	0	0	176,070	352,140
Total Funds	\$10,788,322	(\$692,259)	\$0	\$10,096,063	(\$803,000)	\$0	\$9,985,322	\$20,081,385

Present Law Adjustments										
-----Fiscal 2002-----					-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 208 - Juvenile Out of State Placement Savings	0.00	(692,259)	0	0	(692,259)	0.00	(803,000)	0	0	(803,000)
Total Other Present Law Adjustments	0.00	(\$692,259)	\$0	\$0	(\$692,259)	0.00	(\$803,000)	\$0	\$0	(\$803,000)
Grand Total All Present Law Adjustments					(\$692,259)					(\$803,000)

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 208 - Juvenile Out-of-State Placement Savings - The executive requests a reduction of approximately \$1.5 million in out-of-state placement due to the Pine Hills Youth Correctional Facility expansion.

**LFD
COMMENT**

The executive is requesting a present law adjustment of \$1.1 million for the Pine Hills Youth Correctional Facility due to the projected increase in caseload. Based on the executive's proposed budget for Pine Hills and the department's estimated average daily population, the cost per day per youth at Pine Hills would be \$153.14 in fiscal 2002 and \$139.38 in fiscal 2003. Rates for residential treatment in private facilities can range from \$75.00 per day to over \$300.00 per day. A cost per day comparison is difficult because some facilities establish a base cost for treatment and charge separately for food and lodging, or specialized services may be added to a base rate.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	619.80	36.35	0.00	656.15	57.35	0.00	677.15	677.15
Personal Services	21,979,838	3,265,118	0	25,244,956	3,959,585	0	25,939,423	51,184,379
Operating Expenses	22,242,127	4,670,915	0	26,913,042	7,676,067	0	29,918,194	56,831,236
Equipment	387,214	(122,988)	0	264,226	(142,036)	0	245,178	509,404
Grants	30,218	0	0	30,218	0	0	30,218	60,436
Benefits & Claims	309,410	0	0	309,410	0	0	309,410	618,820
Debt Service	32,075	0	0	32,075	0	0	32,075	64,150
Total Costs	\$44,980,882	\$7,813,045	\$0	\$52,793,927	\$11,493,616	\$0	\$56,474,498	\$109,268,425
General Fund	43,682,312	7,425,974	0	51,108,286	11,082,623	0	54,764,935	105,873,221
State/Other Special	1,081,203	71,076	0	1,152,279	71,392	0	1,152,595	2,304,874
Federal Special	217,367	315,995	0	533,362	339,601	0	556,968	1,090,330
Total Funds	\$44,980,882	\$7,813,045	\$0	\$52,793,927	\$11,493,616	\$0	\$56,474,498	\$109,268,425

Program Description

The Secure Facilities Program includes the Montana State Prison, Montana Women's Prison, and the Pine Hills Youth Correctional Facility.

Funding

Funding for the Secure Facilities Program is approximately 97.0 percent general fund. State special revenue funds of approximately \$1.1 million per year include revenue from the alcohol tax to support alcohol treatment programs, interest and income from state lands dedicated to the support of Pine Hills School, and revenues from inmates and the prison canteen fund. Miscellaneous federal grants total approximately \$1.1 million for the 2003 biennium.

Present Law Adjustments										
	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					938,389					1,087,373
Vacancy Savings					(620,854)					(625,323)
Inflation/Deflation					78,313					65,825
Fixed Costs					4,390					7,825
Total Statewide Present Law Adjustments					\$400,238					\$535,700
DP 301 - MSP Staffing	31.00	838,727	0	0	838,727	31.00	841,493	0	0	841,493
DP 302 - Pine Hills Operating Adjustment	0.00	456,810	5,638	0	462,448	0.00	681,281	5,954	0	687,235
DP 303 - MWP Expansion	0.00	63,917	0	0	63,917	21.00	996,375	0	0	996,375
DP 304 - Male & Female Contract Bed Present	5.35	4,282,804	0	0	4,282,804	5.35	6,683,967	0	0	6,683,967
DP 306 - Personal Services not in base	0.00	1,899,399	0	0	1,899,399	0.00	1,899,399	0	0	1,899,399
DP 310 - Reduce one time only equipment	0.00	(134,488)	0	0	(134,488)	0.00	(150,553)	0	0	(150,553)
DP 330 - Federal grant replaces general fund	0.00	(249,970)	0	249,970	0	0.00	(252,727)	0	252,727	0
Total Other Present Law Adjustments	36.35	\$7,157,199	\$5,638	\$249,970	\$7,412,807	57.35	\$10,699,235	\$5,954	\$252,727	\$10,957,916
Grand Total All Present Law Adjustments					\$7,813,045					\$11,493,616

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

Sub-Program Details

MONTANA STATE PRISON 01

The Montana State Prison (MSP), located in Deer Lodge, had an average daily population of 1,261 in fiscal 2000.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	438.68	31.00	0.00	469.68	31.00	0.00	469.68	469.68
Personal Services	16,092,749	2,100,786	0	18,193,535	2,213,006	0	18,305,755	36,499,290
Operating Expenses	5,387,351	58,106	0	5,445,457	49,111	0	5,436,462	10,881,919
Equipment	367,731	(98,948)	0	268,783	(129,053)	0	238,678	507,461
Grants	30,218	0	0	30,218	0	0	30,218	60,436
Debt Service	32,075	0	0	32,075	0	0	32,075	64,150
Total Costs	\$21,910,124	\$2,059,944	\$0	\$23,970,068	\$2,133,064	\$0	\$24,043,188	\$48,013,256
General Fund	21,022,437	2,018,208	0	23,040,645	2,091,328	0	23,113,765	46,154,410
State/Other Special	794,514	41,736	0	836,250	41,736	0	836,250	1,672,500
Federal Special	93,173	0	0	93,173	0	0	93,173	186,346
Total Funds	\$21,910,124	\$2,059,944	\$0	\$23,970,068	\$2,133,064	\$0	\$24,043,188	\$48,013,256

Present Law Adjustments										
-----Fiscal 2002-----					-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					256,603					369,442
Vacancy Savings					(443,222)					(446,607)
Inflation/Deflation					58,613					49,618
Fixed Costs					(507)					(507)
Total Statewide Present Law Adjustments					(\$128,513)					(\$28,054)
DP 301 - MSP Staffing	31.00	838,727	0	0	838,727	31.00	841,493	0	0	841,493
DP 306 - Personal Services not in base	0.00	1,448,678	0	0	1,448,678	0.00	1,448,678	0	0	1,448,678
DP 310 - Reduce one time only equipment	0.00	(98,948)	0	0	(98,948)	0.00	(129,053)	0	0	(129,053)
Total Other Present Law Adjustments	31.00	\$2,188,457	\$0	\$0	\$2,188,457	31.00	\$2,161,118	\$0	\$0	\$2,161,118
Grand Total All Present Law Adjustments					\$2,059,944					\$2,133,064

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 301 - MSP Staffing - The department requests funding for the 31.0 modified FTE added by the executive during fiscal 2000 for MSP staffing.

**LFD
COMMENT**

The cost for the modified FTE has increased approximately 11.2 percent above the original fiscal 2001 projections given when the executive approved adding the FTE in the fall of 1999. The increase is due to the pay exception of a \$1.00 per hour increase in fiscal 2000 and an additional \$1.00 per hour increase in fiscal 2001.

This decision package should have been presented as a new proposal, as the caseload did not change significantly from the figures the 1999 legislature used when it made its decisions. For a further discussion, see "Agency Issues" for the Department of Corrections.

DP 306 - Personal Services Not In Base - Because costs of overtime, differential pay, holidays worked, comp time payout, and holiday pay are zero based, the department requests the following increases each year of the biennium: 1) \$608,832 for overtime costs; 2) \$5,294 for differential pay; 3) \$247,869 for holiday time worked; 4) \$8,664 for Fair Labor Standards Act comp time payouts; 5) \$82,025 for holiday payout; 6) \$293,985 for inmate pay; and 7) related benefits of \$202,009.

**LFD
COMMENT**

The department reduced the amount requested for overtime costs by 15.9 percent, or approximately \$115,025, from 2000 actual expenditures due to the 31 modified FTE added. The department based the amount needed for overtime on fiscal 1999 expenditures adjusted for pay increases.

DP 310 - Reduce One-Time-Only Equipment - Reductions from base-year expenditures of \$367,731 are requested in equipment due to the purchase of one-time-only items.

Sub-Program Details

MONTANA WOMENS PRISON 02

The Montana Women’s Prison (MWP), located in Billings, Montana, currently has a capacity of 70 inmates. The 1999 legislature approved an expansion of the prison to 205 beds. The expansion is projected to be complete in the fall of 2002.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	40.27	0.00	0.00	40.27	21.00	0.00	61.27	61.27
Personal Services	1,422,732	165,165	0	1,587,897	716,871	0	2,139,603	3,727,500
Operating Expenses	860,486	60,500	0	920,986	441,294	0	1,301,780	2,222,766
Total Costs	\$2,283,218	\$225,665	\$0	\$2,508,883	\$1,158,165	\$0	\$3,441,383	\$5,950,266
General Fund	2,283,218	225,665	0	2,508,883	1,158,165	0	3,441,383	5,950,266
Federal Special	0	0	0	0	0	0	0	0
Total Funds	\$2,283,218	\$225,665	\$0	\$2,508,883	\$1,158,165	\$0	\$3,441,383	\$5,950,266

Present Law Adjustments										
-----Fiscal 2002-----					-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					5,187					12,312
Vacancy Savings					(38,590)					(38,803)
Inflation/Deflation					5,930					5,783
Fixed Costs					2,153					3,930
Total Statewide Present Law Adjustments					(\$25,320)					(\$16,778)
DP 303 - MWP Expansion	0.00	63,917	0	0	63,917	21.00	996,375	0	0	996,375
DP 306 - Personal Services not in base	0.00	198,568	0	0	198,568	0.00	198,568	0	0	198,568
DP 310 - Reduce one time only equipment	0.00	(11,500)	0	0	(11,500)	0.00	(20,000)	0	0	(20,000)
Total Other Present Law Adjustments	0.00	\$250,985	\$0	\$0	\$250,985	21.00	\$1,174,943	\$0	\$0	\$1,174,943
Grand Total All Present Law Adjustments					\$225,665					\$1,158,165

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 303 - MWP Expansion - Due to the expansion of the Montana Women's Prison, the executive is requesting additional staff and equipment and an increase in operating costs, utilities, and contracted services. The department projects that the population of the prison will increase from 70 inmates in fiscal 2000 to 165 by fiscal-year-end 2003. The department requests:

- 1) \$544,794 for 21.0 FTE in fiscal 2003, which will annualize to 28.0 FTE in fiscal 2004. The positions funded would include: 16.5 FTE grade 9, 0.75 FTE grade 15, 1.5 FTE grade 12, 1.5 FTE grade 14, and 0.75 FTE grade 10;

- 2) operating costs of \$63,917 in fiscal 2002 and \$451,581 in fiscal 2003. Operating cost increases were based on the addition of inmates beginning December 2002 at an average of 20 inmates moved in per month. This includes all expenses associated with housing an inmate.

**LFD
COMMENT**

The 1999 legislature approved \$6,475,000 of federal funds and \$2,900,000 in general obligation bonds to fund the expansion at MWP. At the time, 52 female inmates were housed in New Mexico. Testimony to the 1999 legislature stated the cost to house female inmates in New Mexico was \$68 per day and that the cost per day at MWP was approximately \$81 per day. This cost would drop to about \$55 per day once the new beds were full due to economies of scale. The 1999 legislature appropriated amounts equal to \$88.87 per day in fiscal 2000 and \$89.19 in fiscal 2001 based on 70 inmates. If the Executive Budget requests for the 2003 biennium are approved and the department's projected population counts are used, the cost per day would be \$98.20 in fiscal 2002 and \$85.39 in fiscal 2003. The cost per day will drop to approximately \$55 per day in fiscal 2004, if the cost of MWP in fiscal 2004 only increases 3.0 percent above the fiscal 2003 executive request, and the department's population projection of 188 is accurate for 2004.

DP 306 - Personal Services Not in Base - Because costs of overtime, differential pay, holidays worked, comp time payout, and holiday pay are zero based, the department requests the following increases each year of the biennium: 1) \$117,829 for overtime costs; 2) \$1,625 for differential pay; 3) \$26,363 for holiday time worked; 4) \$6,026 for Fair Labor Standards Act comp time payouts; 5) \$5,134 for holiday payout; 6) related benefits of \$33,286; and 7) \$8,305 for inmate pay.

DP 310 - Reduce One-Time-Only Equipment - The executive requests a reduction in office supplies of \$11,500 in fiscal 2002 and \$20,000 in fiscal 2003.

Sub-Program Details

PINE HILLS YOUTH CORRECTIONAL FACILITY 03

Pine Hills Youth Correctional Facility, located in Miles City, Montana, houses male juvenile offenders and provides rehabilitative services. In fiscal 2000, the capacity increased from 85 to 120 beds. With the completion of the campus upgrade, the population is projected to grow to 135 by fiscal 2003. The expansion has allowed the facility to provide residential sex offender and chemical dependency programs.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	136.85	0.00	0.00	136.85	0.00	0.00	136.85	136.85
Personal Services	4,105,401	1,003,302	0	5,108,703	1,031,632	0	5,137,033	10,245,736
Operating Expenses	714,457	467,825	0	1,182,282	700,707	0	1,415,164	2,597,446
Equipment	19,483	(24,040)	0	(4,557)	(12,983)	0	6,500	1,943
Benefits & Claims	309,410	0	0	309,410	0	0	309,410	618,820
Total Costs	\$5,148,751	\$1,447,087	\$0	\$6,595,838	\$1,719,356	\$0	\$6,868,107	\$13,463,945
General Fund	4,737,868	1,101,752	0	5,839,620	1,350,099	0	6,087,967	11,927,587
State/Other Special	286,689	29,340	0	316,029	29,656	0	316,345	632,374
Federal Special	124,194	315,995	0	440,189	339,601	0	463,795	903,984
Total Funds	\$5,148,751	\$1,447,087	\$0	\$6,595,838	\$1,719,356	\$0	\$6,868,107	\$13,463,945

Present Law Adjustments										
-----Fiscal 2002-----					-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					873,966					901,420
Vacancy Savings					(134,619)					(135,443)
Inflation/Deflation					13,848					10,502
Fixed Costs					3,331					4,989
Total Statewide Present Law Adjustments					\$756,526					\$781,468
DP 302 - Pine Hills Operating Adjustment	0.00	456,810	5,638	0	462,448	0.00	681,281	5,954	0	687,235
DP 306 - Personal Services not in base	0.00	252,153	0	0	252,153	0.00	252,153	0	0	252,153
DP 310 - Reduce one time only equipment	0.00	(24,040)	0	0	(24,040)	0.00	(1,500)	0	0	(1,500)
DP 330 - Federal grant replaces general fund	0.00	(249,970)	0	249,970	0	0.00	(252,727)	0	252,727	0
Total Other Present Law Adjustments	0.00	\$434,953	\$5,638	\$249,970	\$690,561	0.00	\$679,207	\$5,954	\$252,727	\$937,888
Grand Total All Present Law Adjustments					\$1,447,087					\$1,719,356

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

**LFD
ISSUE**

Specific issues are addressed in the following narrative, but in total, the present law adjustment in DP 302 represents an operating costs increase over the base budget of 65.5 percent in fiscal 2002 and 98.1 percent in fiscal 2003. When the 1999 legislature appropriated funds for the 2001 biennium, the appropriation was based on the department's projections that the ADP would be 135 at the end of fiscal 2001. (The fiscal 2000 ADP was 65.) The department projects the ADP to reach 135 by the end of the 2003 biennium, yet the executive request is for \$789,788 more than what the 1999 legislature appropriated for fiscal 2001 for the same ADP.

DP 302 - Pine Hills Operating Adjustment -In fiscal 2000 the new construction project was completed, which increased capacity from 85 to 120 beds. By the end of fiscal 2002, the expansion project to add another 24 beds will be completed. The 1999 legislature approved an increase in staff from 114.3 FTE to 135.8 FTE to facilitate the increased capacity. The base year (fiscal 2000) reflects only a partial year for the costs of the increased FTE and ADP was lower than anticipated due to construction delays. Therefore, present law adjustments are requested to reflect the additional costs for operating at capacity. The ADP is projected at 118 for fiscal 2002 and 135 for fiscal 2003.

Increases requested include:

- 1) \$11,802 in fiscal 2002 and \$13,502 in fiscal 2003 for inmate pay;
- 2) \$101,330 in fiscal 2002 and \$136,915 in fiscal 2003 in contracted services for medical, psychiatric, pharmaceutical, testing/evaluation services, garbage, laundry, and janitorial services;

**LFD
ISSUE**

Base year expenditures for these categories were \$94,285. The increase requested represents a 107.5 percent increase in fiscal 2002 and 145.2 percent increase in fiscal 2003. The population is expected to grow 81.5 percent between the base year and fiscal 2002 and 107.7 percent between the base year and fiscal 2003. Therefore, because the majority of these services are based on the population, the growth in population each year would represent an increase of \$61,956 in fiscal 2002 for these services and \$81,874 in fiscal 2003. The legislature may want to decrease this adjustment by \$39,374 in fiscal 2002 and \$55,041 in fiscal 2003.

- 3) \$202,510 in fiscal 2002 and \$333,043 in fiscal 2003 for supplies

**LFD
COMMENT**

Base year expenditures for supplies were \$291,649; this adjustment would provide \$494,159 for supplies in fiscal 2002 and \$624,692 in fiscal 2003.

- 4) \$20,431 in fiscal 2002 and \$32,843 in fiscal 2003 for communications

**LFD
ISSUE**

Base expenditures in fiscal 2002 were \$27,410. This increase represents a 74.5 percent increase in fiscal 2002 and 119.8 percent increase in fiscal 2003. The number of staff primarily drives this category. The 1999 legislature appropriated \$32,871 for communications in fiscal 2001. The budget for fiscal 2001 was based on current staffing; therefore, if the legislature chooses to fund this category at the same level, an increase of \$5,461 each year is needed, a decrease of \$42,352 from the executive request for the biennium.

- 5) \$54,518 in fiscal 2002 and \$75,964 in fiscal 2003 for travel due to an increase in the ADP and number of staff

**LFD
ISSUE**

Base expenditures for travel were \$23,436. This request represents a 232.6 percent increase in travel in fiscal 2002 and 324.1 percent increase in fiscal 2003. If the legislature factors in an increase based on the percent increase in offenders and an increase in staff from the base year, the present law increase in fiscal 2002 would be \$10,879 and \$14,097 in fiscal 2003, or a savings of \$105,506 over the 2003 biennium from the department request.

LFD COMMENT

Base expenditures were \$14,740. This represents an increase of 69.0 percent in fiscal 2002 and 110.9 percent in fiscal 2003.

- 6) \$8,115 in fiscal 2002 and \$11,213 in fiscal 2003 for rent of equipment. Base expenditures were \$29,509;
- 7) \$64,954 in fiscal 2002 and \$85,787 in fiscal 2003 for utility increases due to the ADP increase;
- 8) \$10,172 in fiscal 2002 and \$16,352 in fiscal 2003 for education/training costs and increases in the reward/allowance program due to the increased population;
- 9) \$5,638 in fiscal 2002 and \$5,954 in fiscal 2003 for goods purchased for resale

The department requests decreases of \$17,022 in fiscal 2002 and \$12,855 for buildings and grounds, and \$11,483 in educational and recreation equipment in fiscal 2003.

LFD COMMENT

Table 11 summarizes the LFD issue reductions stated above for a total reduction of \$242,273 over the 2003 biennium.

DP 302 - Pine Hills Operating Adjustment	Fiscal 2000 Base Expenditures	2003 Biennium Executive Present Law Increase	2003 Biennium LFD Calculated Increase	Difference
Contracted Services	\$94,285	\$238,245	\$143,830	(\$94,415)
Communications	27,410	53,274	10,922	(42,352)
Travel	<u>23,436</u>	<u>130,482</u>	<u>24,976</u>	<u>(105,506)</u>
Total	<u>\$145,131</u>	<u>\$422,001</u>	<u>\$179,728</u>	<u>(\$242,273)</u>

DP 306 - Personal Services Not in Base - Because costs of overtime, differential pay, holidays worked, comp time payout, and holiday pay are zero based, the department requests the following increases each year of the biennium: 1) \$122,344 for overtime costs; 2) \$9,387 for differential pay; 3) \$54,911 for holiday time worked; 4) \$7,471 for Fair Labor Standards Act comp time payouts; 5) \$8,604 for holiday payout; 6) inmate pay of \$6,451; and 7) related benefits of \$42,985.

LFD COMMENT

Overtime increased 58.9 percent (an increase of over \$45,000) between fiscal years 1998 and 2000, even though ADP dropped from 86 to 65 and the 1999 legislature appropriated funds for an additional 11.2 employees. The department states that the increase in overtime is due to staffing pattern changes necessary for accreditation by the American Correctional Association.

DP 310 - Reduce One-Time-Only Equipment - The executive requests a reduction in equipment of \$24,040 in fiscal 2002 and \$1,500 in fiscal 2003.

DP 330 - Federal Grant Replaces General Fund - This request replaces general fund with a federal grant for residential substance abuse treatment.

Sub-Program Details

CONTRACTED BEDS 04

Contracted Beds budget represents those expenditures directly related to housing of Montana inmates outside of the state-operated correctional institutions. These currently include the regional prisons, county jails, and Crossroads (private prison in Shelby).

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	4.00	5.35	0.00	9.35	5.35	0.00	9.35	9.35
Personal Services	358,956	(4,135)	0	354,821	(1,924)	0	357,032	711,853
Operating Expenses	15,279,833	4,084,484	0	19,364,317	6,484,955	0	21,764,788	41,129,105
Total Costs	\$15,638,789	\$4,080,349	\$0	\$19,719,138	\$6,483,031	\$0	\$22,121,820	\$41,840,958
General Fund	15,638,789	4,080,349	0	19,719,138	6,483,031	0	22,121,820	41,840,958
Total Funds	\$15,638,789	\$4,080,349	\$0	\$19,719,138	\$6,483,031	\$0	\$22,121,820	\$41,840,958

Present Law Adjustments										
	Fiscal 2002				Fiscal 2003					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					(197,367)					(195,801)
Vacancy Savings					(4,423)					(4,470)
Inflation/Deflation					(78)					(78)
Fixed Costs					(587)					(587)
Total Statewide Present Law Adjustments					(\$202,455)					(\$200,936)
DP 304 - Male & Female Contract Bed Present	5.35	4,282,804	0	0	4,282,804	5.35	6,683,967	0	0	6,683,967
Total Other Present Law Adjustments	5.35	\$4,282,804	\$0	\$0	\$4,282,804	5.35	\$6,683,967	\$0	\$0	\$6,683,967
Grand Total All Present Law Adjustments					\$4,080,349					\$6,483,031

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 304 - Male & Female Contract Bed Present - The department requests funding for 5.35 additional FTE at \$197,655 in fiscal 2002 and \$198,347 in fiscal 2003. The FTE would include 3.35 grade 15 contract monitors, 1.0 grade 14 classification officer, and 1.0 grade 16 case manager. Operating expenses of \$15,750 in fiscal 2002 and \$5,250 in fiscal 2003 are requested for the new FTE. In addition, based on the department's population management plan, \$4,069,399 in fiscal 2002 and \$6,480,370 in fiscal 2003 are requested for additional contract beds.

The department projects 983 adult male and 72 adult female offenders will be placed in contract prison beds by fiscal 2002. This number increases to 1,070 males by fiscal 2003. The department projects the Montana Women's Prison expansion project to be complete by December 2002. Therefore, the female contracted population will be down to zero by the end of fiscal 2003. The request for contract dollars for females is based on an ADP of 60 for fiscal 2003.

**LFD
ISSUE**

Using the department's population projections for fiscal years 2002 and 2003, Table 12 shows the cost of contract beds as projected by the LFD. The LFD amount is lower than the department request because of the following:

- 1) In fiscal 2003, the department used an ADP of 60 for females and 492 for males at Crossroads, for a total of 552 beds. The capacity at Crossroads is 500. Based on projections the department used for moving female inmates into the new Montana Women's Prison expansion, a more accurate female ADP is 38.
- 2) The department used the fiscal-year-end male population of 492 at Crossroads for fiscal 2003 in calculating the increase needed for contract beds rather than using the customary ADP. The LFD projected average daily population for males at Crossroads in fiscal 2003 is 456.
- 3) The department used the fiscal-year-end male population of 138 at the Southwest Regional Prison (shown as Other in Table 12) for fiscal 2003 in calculating the increase needed for contract beds rather than using the ADP. The LFD projected ADP for the facility is 126.

Based on these adjustment, the department request could be reduced by \$124,120 in fiscal 2002 and by \$1,112,274 in fiscal 2003.

Table 12
LFD Contract Bed Costs

	2000 Base	2002 ADP	2002 Cost/Day	2002 Present		2003 ADP	2003 Cost/Day	2003 Present	
				Law Cost				Law Cost	
Male									
Jail	\$2,052,775	27.0	\$52.00	(\$1,540,315)		22.5	\$53.14	(\$1,616,363)	
Cascade	2,493,675	146.0	47.00	\$10,955		146.0	48.03	\$65,844	
Dawson	1,968,935	138.0	47.00	\$398,455		138.0	48.03	\$450,336	
Missoula	1,572,384	138.0	48.31	\$860,991		138.0	49.37	\$914,383	
Other	1,584,126	57.0	52.00	(\$502,266)		126.0	53.14	\$859,783	
Crossroads	3,897,612	420.0	51.59	\$4,011,135		456.0	52.74	\$4,880,434	
Subtotal	\$13,569,507	926.0		\$3,238,955		1026.5		\$5,554,416	
Female									
Crossroads	1,228,480	72.0	\$64.00	\$453,440		38.0	\$65.41	(\$321,243)	
Jail	117,226	19.5	52.00	\$252,884		13.0	53.14	\$134,923	
Subtotal	\$1,345,706	91.5		\$706,324		51.0		(\$186,320)	
Total	<u>\$14,915,213</u>	<u>1017.5</u>		<u>\$3,945,279</u>		<u>1077.5</u>		<u>\$5,368,096</u>	

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	14.50	2.00	0.00	16.50	2.00	0.00	16.50	16.50
Personal Services	584,513	156,759	0	741,272	161,098	0	745,611	1,486,883
Operating Expenses	733,367	79,497	0	812,864	78,841	0	812,208	1,625,072
Equipment	0	(15,200)	0	(15,200)	(15,000)	0	(15,000)	(30,200)
Total Costs	\$1,317,880	\$221,056	\$0	\$1,538,936	\$224,939	\$0	\$1,542,819	\$3,081,755
General Fund	1,033,831	(13,586)	0	1,020,245	(11,120)	0	1,022,711	2,042,956
Federal Special	0	0	0	0	0	0	0	0
Proprietary	284,049	234,642	0	518,691	236,059	0	520,108	1,038,799
Total Funds	\$1,317,880	\$221,056	\$0	\$1,538,936	\$224,939	\$0	\$1,542,819	\$3,081,755

Program Description

The Montana Correctional Enterprises (MCE) Program includes the ranch, industries, dairy, license plate, and vocational education programs at the Montana State Prison facility. MCE also has industry programs located at the Montana Women's Prison, Cascade County Regional Detention Facility, Crossroads Correctional Facility, and the Missoula Regional Prison. MCE programs provide employment and vocational-educational training opportunities to offenders. Approximately three hundred fifty (350) offenders are involved in education, training, and employment with MCE programs.

Funding

Funding for the Montana Correctional Enterprises Program is over 75 percent from the general fund. General fund supports the license plate factory and a portion of the vocational training/education programs. The funding for the remaining portion of vocational training is enterprise funds. The ranch and industries programs are funded through enterprise funds and are not included in HB 2.

Present Law Adjustments	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					15,857					20,103
Vacancy Savings					(16,525)					(16,651)
Inflation/Deflation					2,547					1,891
Fixed Costs					0					0
Total Statewide Present Law Adjustments					\$1,879					\$5,343
DP 402 - MCE Voc Ed and Lic. Plate Inmate Payroll	0.00	40,040	0	0	73,320*	0.00	40,040	0	0	73,320 *
DP 404 - Continue MCE Food Bank Program	2.00	0	0	0	153,304*	2.00	0	0	0	153,523 *
DP 409 - MCE Lic. Plates & Voc. Ed. Overtime	0.00	5,727	0	0	7,753*	0.00	5,727	0	0	7,753 *
DP 411 - Reduce one-time-only equipment	0.00	(15,200)	0	0	(15,200)	0.00	(15,000)	0	0	(15,000)
*Total Funds amount may include dollars from funds other than general fund, state special fund, and federal special funds (i.e. proprietary).										
Total Other Present Law Adjustments	2.00	\$30,567	\$0	\$0	\$219,177	2.00	\$30,767	\$0	\$0	\$219,596
Grand Total All Present Law Adjustments					\$221,056					\$224,939

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 402 - MCE Voc. Ed. and License Plate Inmate Payroll - The Executive Budget requests an increase for inmate pay of \$73,320 each year.

DP 404 - Continue MCE Food Bank Program - This request will provide authority from proprietary funds for 2.0 FTE (1.0 grade 13 and 1.0 grade 11) and associated operating supplies for MCE to operate the food bank program. The Department of Public Health and Human Services and the Montana Food Bank will reimburse all costs incurred to MCE.

DP 409 – MCE Voc. Ed. And License Plate Inmate Payroll – The Executive Budget requests an increase for inmate pay of \$73,320 each year.

DP 411 – Reduce One-Time-Only Equipment – The executive requests a reduction for one-time-only equipment each year of the biennium.

Proprietary Rates

Program Description

The Montana Correctional Enterprises (MCE) Industry program includes furniture, upholstery, print, sign, and laundry operations at the Montana State Prison facility. In addition, telemarketing programs are operated at the regional and private prison locations around Montana.

The MCE Ranch and Dairy includes range cattle, dairy, crops, feedlot, and composting operations, which are all located at the Montana State Prison facility.

The MCE Vocational Education program operates a motor vehicle maintenance shop, the Toyota operation, and the Montana Food Bank cannery at the Montana State Prison facility.

Revenues and Expenses

Montana Correctional Enterprises Industry revenues are derived from product sales to state and private customers. Operational needs, cash flow, economic return, customer orders, and product inventory levels determine the expenses. Overall revenue levels are dependent on marketing efforts, legislative restrictions, state agency purchases, retail outlet dealer sales, expansion and adjustment of the product line, continuation of the Certified Industry Program, private sector complaints, private customer contracts, and the success of the programs at the Montana Women's Prison, regional, and private prisons.

MCE Ranch and Dairy revenues are based on the market value of products sold. Expenditures are dependant on the operational needs, cash flow, economic return, weather conditions, product market prices, and discussions with the Ranch Advisory Committee.

MCE Vocational Education Motor Vehicle Maintenance (MVM) revenues are based on customer vehicle and equipment repair and maintenance needs. Toyota program revenues are based on contracts with the Toyota Company for producing motor vehicle cut-aways and trainers. Revenues and the need for parts and supplies for the repairs and contract projects determine the expenditure levels. The MCE Vocational Education Food Bank revenues will be a reimbursement of actual costs incurred.

Rate Explanation

The MCE Industries rates for furniture, upholstery, print, and sign shops are based on competitive product pricing. The MCE Industries laundry rates have basically been at the same level since the inception of the laundry program in 1996. MCE is proposing a \$.02 rate increase for the 2003 biennium. The current and proposed laundry rates are as follows:

	<u>Current</u>	<u>Proposed FY02 and FY03</u>
Montana State Prison	\$.37 per pound	\$.39 per pound
Montana State Hospital	\$.36 per pound	\$.38 per pound
Montana Developmental Center	\$.44 per pound	\$.46 per pound

The projected break-even cost for laundry operations in the 2003 biennium is approximately \$.35 per pound without delivery costs. The difference for Montana Developmental Center is delivery. Any profit is maintained within the Industries account to be used for future laundry equipment replacement, as well as the overall Industries enterprise operation.

The Industries telemarketing rates are based on contracts with private companies. MCE Ranch and Dairy rates are based on the current market prices of cattle, crops, and dairy products. MCE Vocational Education Motor Vehicle Maintenance (MVM) and Toyota program pricing are based on the cost of parts and an hourly labor charge of \$23.50. The labor charge covers the cost of the 4.0 FTE associated with the MVM and Toyota programs.

Report on Internal Service & Enterprise Funds, 2003 Biennium

Fun Number	Fund Name	Agency Number	Agency Name	Program Name
06033	Prison Ranch	6401	Department of Corrections	MCE Ranch and Dairy

Fund Balance Information

	FY96	FY97	FY98	FY99	FY00	Estimated FY01	Estimated FY02	Estimated FY03
Beginning Retained Earnings	6,915,598	6,493,500	7,091,008	7,346,677	7,651,803	7,826,591	7,536,102	7,161,010
Increases								
Fee Revenue	1,890,486	2,203,886	2,793,870	2,723,288	3,320,635	2,377,025	2,206,768	2,235,806
Investment Earnings	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Miscellaneous, operating	9,070	2,792	1,792	1,792	-	-	-	-
Miscellaneous, other	-	521,181	-	-	-	-	-	-
Total Increases	1,899,556	2,727,859	2,795,662	2,725,080	3,320,635	2,377,025	2,206,768	2,235,806
(Decreases)								
Personal Services	694,038	827,187	919,633	951,490	855,189	898,032	839,991	842,923
Operations	1,239,430	1,303,164	1,345,958	1,370,815	2,289,860	1,519,482	1,491,869	1,491,103
Transfers Out	-	-	-	42,852	17,506	-	-	-
Miscellaneous, operating	-	-	-	-	-	-	-	-
Miscellaneous, other	388,186	-	201,489	38,147	-	250,000	250,000	250,000
Total Decreases	2,321,654	2,130,351	2,467,080	2,403,304	3,162,555	2,667,514	2,581,860	2,584,026
Adjustments to Beginning Retained Earnings	-	-	(72,913)	(16,650)	16,708	-	-	-
Ending Retained Earnings	6,493,500	7,091,008	7,346,677	7,651,803	7,826,591	7,536,102	7,161,010	6,812,790
Total Contributed Capital	-	20,955	20,955	20,955	20,955	20,955	20,955	20,955
Total Fund Equity	6,493,500	7,111,963	7,367,632	7,672,758	7,847,546	7,557,057	7,181,965	6,833,745
Unreserved Fund Balance								
60 Days of Expenses (i.e. total of personnel services, operations, and miscellaneous operating divided by 6)	322,245	355,059	377,599	387,051	524,175	402,919	388,643	389,004

Agency Notes

Fee Revenue figures for FY-01, FY-02 and FY-03 are lower than the original revenue estimate due to fact that it is not anticipated that MCE will restart our logging and firewood operation in the next three fiscal years. MCE is currently looking at additional options for fee revenue.

Personal Services includes the original authority of \$648,032, in addition to the projected amount needed through budget amendments. The budget amendments, similar to those submitted in FY-00 would cover the cost of inmate payroll, supervisor overtime and two FTE for the Food Bank.

Operations includes the original authority of \$1,299,697, in addition to a projected amount of \$219,785, which will be requested in budget amendments for the maintenance of the Food Bank, payment to Powell County in lieu of taxes and miscellaneous expenses not covered by the original authority.

Miscellaneous other for FY-01, FY-02 and FY-03 includes nonbudgeted amounts for depreciation, inventory change and amortization. This is estimated at \$250,000 per year.

Overall Cash account, revenue received and actual needs will help determine the actual expenditure level and the ultimate effect on fund balance.

MCE Ranch and Dairy revenue is derived from the sale of range cattle, dairy cattle, raw milk, finished milk products, miscellaneous crop sales, as well as other miscellaneous ranch and dairy sales.
53-30-132,133 MCA

Report on Internal Service & Enterprise Funds, 2003 Biennium

Fund Number	Fund Name	Agency Number	Agency Name	Program Name
06034 / 06545	MSP Institutional Industries / Prison Industries Training	6401	Department of Corrections	

Fund Balance Information

	FY96	FY97	FY98	FY99	FY00	Estimated FY01	Estimated FY02	Estimated FY03
Beginning Retained Earnings	1,452,330	1,602,253	1,604,074	1,538,733	1,544,262	1,315,882	1,454,768	1,484,145
Increases								
Fee Revenue	3,165,090	2,370,123	2,453,091	2,242,203	2,659,773	3,730,000	3,730,000	3,780,000
Investment Earnings	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Miscellaneous, operating	-	-	-	-	-	-	-	-
Miscellaneous, other	-	-	-	-	-	-	-	-
Total Increases	3,165,090	2,370,123	2,453,091	2,242,203	2,659,773	3,730,000	3,730,000	3,780,000
(Decreases)								
Personal Services	1,050,167	1,005,864	892,731	943,766	1,302,543	1,903,572	2,111,686	2,117,034
Operations	1,965,000	1,330,271	1,547,703	1,295,046	1,558,888	1,517,542	1,418,937	1,416,737
Transfers Out	-	-	-	10,317	26,800	-	-	-
Miscellaneous, operating	-	-	-	-	-	-	-	-
Miscellaneous, other	-	32,167	-	-	-	170,000	170,000	170,000
Total Decreases	3,015,167	2,368,302	2,440,434	2,249,129	2,888,231	3,591,114	3,700,623	3,703,771
Adjustments to Beginning Retained Earnings	-	-	(77,998)	12,455	79	-	-	-
Ending Retained Earnings	1,602,253	1,604,074	1,538,733	1,544,262	1,315,882	1,454,768	1,484,145	1,560,374
Total Contributed Capital	255,192	255,192	255,192	255,192	255,192	255,192	255,192	255,192
Total Fund Equity	1,857,445	1,859,266	1,793,925	1,799,454	1,571,074	1,709,960	1,739,337	1,815,566
Unreserved Fund Balance								
60 Days of Expenses (i.e. total of personnel services, operations, and miscellaneous operating divided by 6)	502,528	389,356	406,739	373,135	476,905	570,186	588,437	588,962

Agency Notes

Fee Revenue is increased in FY-01, FY-02 and FY-03 for Industries due to the addition of another certified program at the Montana State Prison Facility. The certified programs located at the regional and private facilities will also be in operation for the full twelve months of each of the fiscal years. Fee revenue for Industries also includes a \$.02 rate increase for the laundry operation. The laundry has not had a rate increase since its inception in fiscal year 1996. Since its inception, laundry personal services has increased by the 3% cost of living increase and longevities (all laundry employees have longevities) and in FY-01, there is at 42.74% increase to the natural gas rate, which will drastically affect the laundry. Fee Revenue for Vocational Education (06545) is increased due to the Food Bank Program.

Personal Services in FY-01 includes the original authority of \$674,170 for Industries (06034) and \$151,463 for Voc. Ed (06545), along with the addition of \$1,555,096 for Industries (06034) and \$22,343 for Voc Ed. (06545) which will be requested in budget amendments similar to those in FY-00. The budget amendments will cover supervisor overtime, regular inmate payroll, the additional supervisors salaries needed for the expanded industry programs in the regional and private facilities, as well as the inmate payroll for these operations.

Operations include the original authority of \$1,132,024 for Industries (06034) and \$259,061 for Voc Ed (06545), in addition to \$104,500 for Industries (06034) and \$21,957 for Voc Ed (06545) which will be requested in budget amendments. The budget amendments will be used to cover additional operating costs associated with the new operations located at the regional and private facilities.

Miscellaneous Other in FY-01, FY-02 and FY-03 includes nonbudgeted amounts for depreciation, inventory change and amortization. This is estimated at \$170,900 for the next three fiscal years.

Overall Cash account, revenue received and actual needs will help determine the actual expenditure levels and the ultimate effect on fund balance.

Fee/Rate Information for Legislative Action:

Requested Rates for Internal Service

Funds	xxxx	xxxx
MCE Industries (06034)		53-30-132, 133, MCA
MCE Vocational Education (06545)		53-30-132, 133, MCA

Industries (06034) has only established rates for the laundry operation. All other rates are based on competitive pricing in the private sector.

	FY-96 to FY-01	Proposed FY-03 & FY-03
Laundry Rate to DOC/MSP	\$0.37	\$0.39
Laundry Rate to MT Devel Center	\$0.44	\$0.46
Laundry Rate to MT State Hospital	\$0.36	\$0.38

The breakeven costs for laundry for FY-96 through FY-99 is approximately \$.33. In FY-00 the breakeven costs increased to \$.34. The projected breakeven costs for FY-01 through FY-03 is approximately \$.35. Breakeven costs do not including delivery. The rate difference for MDC is delivery.

Vocational Education MVM Rates (06545) are based on the work order parts cost plus an hourly rate charge of \$23.50.

Important Note This rollout includes Industries (06034) and Vocational Education (06545), which involves two separate programs within MCE as well as two separate types of proprietary funds.

Significant Present Law

DP 405 - MCE Industries Program Expansion FTE - The department requests proprietary funds of \$157,919 in fiscal 2002 and \$158,459 in fiscal 2003 to add 5.0 grade 13 FTE to provide 200 inmates with work and training at regional and private facilities.

DP 406 - MCE Industries and Ranch Inmate Pay - This request would provide \$1,048,895 each year in proprietary funds for inmate pay to cover industry workers associated with programs at the regional jail, private prison, MWP, laundry, warehouse, and the various shops.

Inmates involved in the certified programs receive 20 percent of their gross wages and pay federal and state income tax, room and board, family support, and crime victim's compensation.

**LFD
COMMENT**

Fiscal 2000 expenditures for inmate pay were \$386,764. The request for each year of the 2003 biennium is approximately 41.0 percent more than the amount spent in fiscal 2000.

DP 407 - MCE Ranch and Industries Replacement Equipment - The department requests proprietary funds of \$200,000 in fiscal 2002 and \$220,000 in fiscal 2003 for replacement equipment for the MCE Ranch and Industries programs. Table 13 below DP 408 shows what replacement equipment is being requested.

DP 410 - MCE Ranch & Industries Overtime Request - Ranch (06033) - The department requests \$121,573 for overtime costs and \$30,394 for benefits in fiscal years 2002 and 2003.

New Proposals

DP 408 - MCE Ranch and Industries New Equipment & Construction - The department requests proprietary funds of \$63,000 in fiscal 2002 and \$78,000 in fiscal 2003 for new equipment. This request involves equipment for the new Industries program start-up at the regional jails and private prisons, and construction materials for ranch and dairy minor projects. Table 13 shows the new equipment being requested.

**LFD
COMMENT**

Fiscal 2000 base expenditures for equipment were \$125,913. This request would increase funds for equipment by over 178.0 percent each year.

	Fiscal 2002	Fiscal 2003
New Equipment		
Equipment for Regional and Private Prisons	\$25,000	\$30,000
Two Loafing Barns	\$26,000	\$26,000
Commodity Barn	\$12,000	\$0
Farm Equipment Shed		\$12,000
Calving Facility		<u>\$10,000</u>
Subtotal	<u>\$63,000</u>	<u>\$78,000</u>
<u>Replacement Equipment</u>		
Furniture Shop Delivery Truck	\$60,000	\$0
Sewing Equipment	20,000	43,000
Hay Swather	60,000	60,000
Marketing Van	0	20,000
Miscellaneous Production Equipment	30,000	30,000
Skid Steer Loader	0	30,000
Spray Booth Upgrade	0	25,000
Homogonizer	9,000	0
Boiler	15,000	0
Freon System, Dairy	6,000	0
Printing Equipment	0	12,000
Subtotal	\$200,000	\$220,000
Total	<u>\$263,000</u>	<u>\$298,000</u>