Agency Legislative Budget Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Leg. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Leg. Budget Fiscal 2003	Total Leg. Budget Fiscal 02-03
FTE	1,024.45	51.00	(9.15)	1,066.30	72.00	(9.15)	1,087.30	1,087.30
Personal Services	38,659,466	4,523,770	(471,943)	42,711,293	5,314,149	(474,603)	43,499,012	86,210,305
Operating Expenses	43,407,446	5,805,284	698,857	49,911,587	8,430,348	(1,849,391)	49,988,403	99,899,990
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	(1,854,382)	0	6,975,578	(2,025,973)	0	6,803,987	13,779,565
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**	**$8,313,194**	**$226,914**	**$100,040,205**	**$11,541,488**	**($2,323,994)**	**$100,717,591**	**$200,757,796**
General Fund	89,104,188	7,432,376	226,914	96,763,478	10,640,177	(2,323,994)	97,420,371	194,183,849
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	247,001	0	583,888	246,535	0	583,422	1,167,310
Total Funds	**$91,500,097**	**$8,313,194**	**$226,914**	**$100,040,205**	**$11,541,488**	**($2,323,994)**	**$100,717,591**	**$200,757,796**

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.

Summary of Legislative Action

The legislature added 62.85 FTE and $17.8 million in total funds ($16.0 million general fund) in the 2003 biennium to the department's base budget. In comparing the 2001 biennium to the 2003 biennium, general fund increases 9 percent in the two-year period and total funds increase 9.7 percent.

Major general fund increases for the biennium include:

1. $4.8 million increase for pre-release beds;
2. $3.8 million present law adjustment for personal services zero-based items;
3. $2.9 million for a pay exception granted to correctional officers in the 2001 biennium;
4. $2.8 million for a driving while intoxicated (DUI) unit at the forensic unit in Warm Springs;
5. $2.6 million increase for contract beds (this includes a reduction of $5.8 million as a result of SB 489, the fourth DUI bill);
6. $2.4 million for funding 26.0 modified probation and parole officers added in fiscal 2000 (a reduction of 2.0 FTE from the executive request), including $0.6 million for contracted services for chemical dependency services, employment services, and intensive family intervention services in Kalispell;
7. $1.2 million for funding 23.0 modified correctional officers added in fiscal 2000 (reduced by 8.0 FTE from the executive request);
8. $0.9 million increase for Pine Hills operating adjustment; and
9. $0.8 million for expansion of the Montana Women's Prison.

Major general fund reductions taken by the legislature for the 2003 biennium include:
1. $3.9 million reduction in juvenile placement funding;
2. $0.8 million general fund as a result of the reduction in funds equal to 1 percent of FTE with the other funds restored;
3. $0.4 million reduction in pre-release and pre-release chemical dependency beds as a result of SB 489; and
4. $0.2 million general fund for the biennium for travel in the fiscal 2000 budget base.

The changes in FTE from the base budget include (see Table 1):
1. 26.0 FTE probation and parole officers (reduced from 28.0 FTE requested);
2. 23.0 FTE correctional officers (reduced from 31.0 FTE requested);
3. 21.0 FTE to staff the expanded Montana Women's Prison in fiscal 2003;
4. 5.5 FTE to replace contracted services. Positions include two physician assistants, one dentist, two dental assistants, and one half-time dental hygienist;
5. 2.0 FTE correctional officers for the cannery at MSP (proprietary funds);
6. 1.0 FTE victims officer position (no funds were budgeted);
7. (15.0) FTE moved from HB 2 to non-budgeted proprietary as a result of the cook/chill operation being approved as a proprietary function. This change does not result in a reduction in the number of state employees; and
8. (0.65) FTE reduced as a result of positions vacant longer than seven month being removed with the funding remaining in the 2003 biennium. In the 2005 biennium, these FTE will not be funded in the present law budget.

Table 1
Department of Corrections
Summary of FTE by Program

	Administration and Support Services	Community Corrections	Secure Facilities	Montana Correctional Enterprises	Total
HB 2 - Fiscal 2000 Base Budget	151.65	238.50	619.80	14.50	1,024.45
2003 Legislative Action					
Director's Office - Victim's Officer	1.00	0.00	0.00	0.00	1.00
Professional Services - reduce Contracted Services/hire staff	5.50	0.00	0.00	0.00	5.50
Professional Services - position vacant over 7 months	(0.15)	0.00	0.00	0.00	(0.15)
Probation and Parole - modified FTE	0.00	28.00	0.00	0.00	28.00
Transition Centers - probation & parole FTE	0.00	(2.00)	0.00	0.00	(2.00)
Probation and Parole - position vacant over 7 months	0.00	(0.50)	0.00	0.00	(0.50)
Montana State Prison - modified FTE	0.00	0.00	23.00	0.00	23.00
MSP cook/chill staff moved to proprietary	0.00	0.00	(15.00)	0.00	(15.00)
Montana Women's Prison expansion	0.00	0.00	21.00	0.00	21.00
MCE - cannery guards	0.00	0.00	0.00	2.00	2.00
Total FTE	158.00	264.00	648.80	16.50	1,087.30

Agency Discussion

The department projected an adult male institutional population of 3,239 by the end of fiscal 2003 and a female population of 351. Tables 2 and 3 show the populations based on the amounts appropriated by the legislature. Based on the amounts appropriated by the 2001 legislature, the male institutional population is projected to be 2,970 by the end of fiscal 2003 and the female institutional population is projected to be 319 by the end of fiscal 2003. The major changes made by the legislature include: 1) not funding the projected increase of 100 new pre-release beds in fiscal 2003; 2) reducing the number of pre-release and pre-release chemical dependency beds by 10 each year; and 3) reducing contract beds based on projected savings due to SB 489 (fourth DUI bill). (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.)

Table 2
Secure Custody Male Populations
Fiscal Year End Populations/Average Daily Population
Based on Legislative Action

		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	452	452
	ADP	64	201	336	436	437	452
Private Contracts							
	FYE	375	266	378	420	356	281
	ADP	351	341	308	396	356	281
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	494	494
	ADP	294	358	413	435	494	494
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
Residential Alcohol Treatment							
	FYE					138	140
	ADP					80	120
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	7,644	7,702
	ADP	6,232	6,610	6,879	7,247	7,487	7,601

Table 3
Secure Custody Female Populations
Fiscal Year End Populations/Average Daily Population
Based on Legislative Action

		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	115
	ADP	85	87	95	115	114	115
Intensive Supervision							
	FYE	35	27	32	36	39	39
	ADP	18	31	30	27	30	30
Boot Camp**							
	FYE	0	2	5	5	0	0
	ADP	0	1	3	4	0	0
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	2,161	2,215
	ADP	1,749	1,899	1,965	2,083	2,151	2,211

*MWP will begin operating a sentence reduction program (Intensive Challenge) for females in fiscal 2002.
The numbers for MWP include the Intensive Challenge program.
** Females will no longer be placed in boot camp effective 7-1-2001

Table 4 shows the general fund appropriation by function for the 2003 biennium and also shows what percent of the total general fund is appropriated for a facility or function and what percent of the general fund increase is appropriated for a facility or function. Adult secure facilities accounts for over 44 percent of the total general fund appropriation, but community corrections received the largest increase of general fund in the 2003 biennium. 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.

Table 4
Department of Corrections
General Fund Appropriations
by Function

	FY 2000 Base Expenditures	FY 2002 Present Law/New Proposal Appropriation	FY 2003 Present Law/New Proposal Appropriation	Total 2003 Biennium	Percent of Total General Fund Appropriated	Percent of General Fund Increase
Adult Secure Custody						
Montana State Prison	$21,022,437	$1,336,912	$1,408,193	$44,789,979	23.07%	17.18%
Montana Womens Prison	$2,283,218	$94,756	$922,065	$5,583,257	2.88%	6.36%
Boot Camp	1,272,089	11,380	(3,847)	$2,551,711	1.31%	0.05%
Contract Beds	15,638,789	2,077,803	59,899	$33,415,280	17.21%	13.38%
Subtotal	$40,216,533	$3,520,851	$2,386,310	$86,340,227	44.46%	36.98%
Juvenile						
Pine Hills School	$4,737,868	$942,691	$1,011,185	$11,429,612	5.89%	12.23%
Riverside Facility	1,238,981	(56,620)	(34,754)	$2,386,588	1.23%	-0.57%
Juvenile Placement	10,426,103	(1,919,033)	(2,090,624)	$16,842,549	8.67%	-25.10%
Transition Centers	828,888	(21,616)	(16,136)	$1,620,024	0.83%	-0.24%
Subtotal	$17,231,840	($1,054,578)	($1,130,329)	$32,278,773	16.62%	-13.68%
Community Corrections						
Residential Alcohol Treatment	0	667,156	2,165,633	$2,832,789	1.46%	17.73%
Pre-Release	$8,036,424	$1,874,889	$2,155,096	$20,102,833	10.35%	25.23%
Probation & Parole	8,459,744	970,643	1,072,480	$18,962,611	9.77%	12.79%
Subtotal	$16,496,168	$3,512,688	$5,393,209	$41,898,233	20.12%	55.75%
Outside Medical	$1,815,002	$0	$0	$3,630,004	1.87%	0.00%
Administration	$12,310,815	$1,699,755	$1,683,990	$28,005,375	14.42%	21.18%
Prison Enterprises	$1,033,831	($19,428)	($16,997)	$2,031,237	1.05%	-0.23%
Total	$89,104,189	$7,659,288	$8,316,183	$194,183,849	100.00%	100.00%

Adult Secure Custody

The Montana State Prison received $2.7 million in additional general fund, which will: 1) fund 23.0 correctional officers added as modified FTE during the interim; and 2) provide funding for overtime, differential pay, and other personal services that are not captured in the base budget. The legislature also approved moving the cook/chill operation at MSP to a proprietary function. This resulted in 15.0 FTE being moved from HB 2 to non-budgeted proprietary. The personal service funds for the 15.0 FTE were moved to contracted services to allow MSP to pay for cook/chill meals. The cook/chill operation plans to expand services to the Helena Pre-Release Center and the residential alcohol treatment center. The rates approved by the legislature will allow the addition of 1.75 FTE in fiscal 2002 and 3.0 FTE in fiscal 2003 and a new refrigerated truck.

Contracted beds include the private prison at Shelby; regional prisons in Missoula, Cascade, and Dawson counties; and county jails. The legislature approved an increase of $2.1 million for increased costs in contracted beds. The legislature reduced the executive request for contracted beds by $5.8 million based on the assumption that SB 489 will reduce the demand for contract beds, as appropriate fourth DUI offenders will be placed in a residential alcohol treatment program.

The legislature appropriated approximately $1.0 million in additional general fund to the Montana Women's Prison primarily for increased staff and operating costs that will be needed when the expansion is complete.

Juvenile
The legislature appropriated approximately $2.0 million in additional general fund to the Pine Hills Youth Correctional Facility. This represents a 20.6 percent increase over the 2000 base budget. The 1999 legislature approved an expansion at Pine Hills to 144 beds, which allows the facility to provide residential sex offender and chemical dependency programs. With the additional services and beds at Pine Hills, the legislature anticipates fewer juveniles will need to be served out-of-state and reduced the juvenile placement budget by approximately $2.2 million. The juvenile placement budget was further reduced by $1.6 million in a decision to fund the transition centers out of the juvenile placement budget.

The 2001 legislature passed SB 386, which makes permanent the intervention in delinquency pilot program. Under this program, juvenile placement funds are allocated directly to the judicial districts and the judicial districts are responsible for managing the funds allocated to it.

Community Corrections
An increase of $8.9 million general fund, or 55.8 percent of the total general fund increase, was approved for community corrections for the 2003 biennium. The increases in the community corrections budget are a result of the legislature: 1) appropriating over $4.0 million for the biennium for additional 30 male, pre-release beds in existing facilities and inflation adjustments of 2.0 percent in fiscal 2002 and 4.0 percent in fiscal 2003; 2) appropriating over $2.8 million for a residential alcohol treatment center at the Warm Springs Forensic Unit, as a result of SB 489; and 3) funding 26 probation and parole positions that were modified FTE, but were made permanent as a result of legislative action.

Although the legislature approved a $4.0 million general fund increase for pre-release, which represents a 25 percent increase over the 2001 biennium, the legislature made the following reductions in the executive request for pre-release:
1. disapproved funding the addition of 80 new pre-release beds for males and 20 new pre-release beds for females - $2.0 million;
2. reduced 10 pre-release and pre-release chemical dependency beds - $0.4 million; and
3. reduced the per diem rate at pre-release centers by $1 per day and increased the offender reimbursement by this amount - $0.4 million.

Administration
The increase approved 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 $2.9 million general fund increase was approved in the 2003 biennium to fund these pay increases.

Inmate Cost Per Day
Tables 5, 6, and 7 present the direct average daily population costs associated with the adult male and female inmate correctional programs. The populations in the tables represent the number of offenders based on legislative action and do not represent the department's management plan. These costs do not include administration, outside medical, industry training, or debt service. (Note: Fiscal years 2002 and 2003 do not include amounts for HB 13, the pay plan bill, where earlier years do.) However, they are useful as a budget tool for comparing costs among the various incarceration alternatives. They are calculated by dividing the annual general fund program appropriation by the average daily population and then again by 365 days. The legislature made several decisions that impacted the populations referred to in the tables. The major changes include:
1. passage of SB 489, which creates a residential alcohol treatment program and is projected to reduce the number of offenders in contract beds;
2. not funding the construction of a new wing at the boot camp for females and therefore the MWP will add an Intensive Challenge program for female offenders; and
3. not funding additional pre-release beds in fiscal 2003.

Table 5
Adult Male Inmates Direct General Fund Cost Per Day: Average Daily Populations
Based on Legislative Action

Average Daily Population	Fiscal 2000 ADP Actual	Fiscal 2001 ADP Projected	Fiscal 2002 ADP Appropriated	Fiscal 2003 ADP Appropriated
Montana State Prison	1,261	1,261	1,261	1,261
Regional Prisons	336	436	437	452
Private Contracts	308	396	356	281
County Jails	105	50	27	18
Residential Alcohol Treatment			80	120
Pre-Release	413	435	494	494
Boot Camp	34	42	45	48
Total	2,457	2,620	2,700	2,674

Annual General Fund Budget	Actual	Projected	Appropriated	Appropriated
Montana State Prison	$21,022,420	$22,696,535	$22,359,349	$22,430,630
Regional Prisons	6,466,803	7,758,024	7,834,389	8,006,158
Private Contracts	5,747,379	7,518,533	6,701,540	5,416,659
County Jails	2,057,048	1,164,115	512,460	349,130
Residential Alcohol Treatment			667,156	2,165,633
Pre Release	6,333,278	6,706,250	7,730,824	7,949,386
Boot Camp	1,157,598	1,295,414	1,283,469	1,268,242
Total	$42,784,525	$47,138,871	$47,089,187	$47,585,838

General Fund Cost Per Inmate Day	Actual	Projected	Appropriated	Appropriated
Montana State Prison	$45.56	$49.31	$48.58	$48.73
Regional Prisons	52.57	48.71	49.12	48.53
Private Contracts	51.06	51.96	51.59	52.74
County Jails	53.35	63.79	52.00	53.14
Residential Alcohol Treatment			45.70	49.44
Pre Release	41.86	42.28	42.88	44.09
Boot Camp	92.24	84.50	78.14	72.39
Average Cost Per Inmate Day	$47.57	$49.29	$47.78	$48.75

Table 6
Adult Female Inmates Direct General Fund Cost Per Day: Average Daily Population
Based on Legislative Action

Average Daily Population	Fiscal 2000 ADP Actual	Fiscal 2001 ADP Projected	Fiscal 2002 ADP Appropriated	Fiscal 2003 ADP Appropriated
Montana Women's Prison	70	70	70	110
Private Contracts	50	68	72	60
County Jails	12	16	26	0
Pre-Release	95	115	114	115
Boot Camp	3	4	0	0
Total	230	273	282	285

Annual General Fund Budget	Actual	Projected	Appropriated	Appropriated
Montana Women's Prison	$2,283,210	$2,359,349	$2,377,974	$3,205,283
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	2,180,489	2,242,134
Boot Camp	114,488	128,118	0	0
Total	$5,517,141	$6,634,545	$6,733,863	$6,879,852

General Fund Cost Per Inmate Day	Actual	Projected	Appropriated	Appropriated
Montana Women's Prison	$89.58	$92.34	$93.07	$79.83
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	52.40	53.42
Boot Camp	90.41	87.75	0.00	0.00
Average Cost Per Inmate Day	$65.46	$66.55	$65.42	$66.14

Table 7
Probation & Parole/ISP General Fund Direct Cost Per Day: Average Daily Population
Based on Legislative Action

Average Daily Population	Fiscal 2000 ADP Actual	Fiscal 2001 ADP Projected	Fiscal 2002 ADP Appropriated	Fiscal 2003 ADP Appropriated
Probation & Parole	5,963	6,234	6,431	6,628
Intensive Supervision	194	203	225	225
Total	6,157	6,437	6,656	6,853
Annual General Fund Budget	**Actual**	**Projected**	**Appropriated**	**Appropriated**
Probation & Parole	$7,537,033	$8,408,908	$8,487,348	$8,579,002
Intensive Supervision	922,580	962,494	943,039	953,222
Total	$8,459,613	$9,371,402	$9,430,387	$9,532,224
Cost Per Offender Day	**Actual**	**Projected**	**Appropriated**	**Appropriated**
Probation & Parole	$3.45	$3.70	$3.62	$3.55
Intensive Supervision	12.99	12.99	11.50	11.62
Average Cost Per Offender Day	$3.75	$3.99	$3.88	$3.81

Long Range Building

HB 5 and HB 14 contain appropriations for the department. Funds for a central reception unit at MSP were appropriated - $1.0 million in federal funds in HB 5 and $5.0 million in general obligation bonds authorized in HB 14. In addition, the 1999 legislature appropriated funds in HB 5 and HB 14 for two projects that have spanned both biennia - the central reception unit at MSP and the Montana Women's Prison expansion. The funds appropriated by the 1999 legislature for these two projects include: 1) $5.5 million in federal funds for the central reception unit at MSP and $6.5 million in federal funds for the Montana Women's Prison expansion; and 2) $2.9 million in general obligation bonds for the Montana Women's Prison expansion.

Supplemental Appropriation

The legislature approved a $4.0 million general fund supplemental appropriation for cost overruns in contract beds and personal services costs at Montana State Prison. The 1999 legislature provided a restricted/biennial appropriation of $30.0 million for contract beds in the 2001 biennium. Approximately $15.6 million was spent in fiscal 2000, or $2.1 million more than projected. This overrun was largely a result of county jail costs due to a sit-down strike in July 1999 at Montana State Prison. Because of the number of inmates involved in the sit down, many of the prison's beds were used for administrative segregation, which required single occupancy cells. This caused a delay in transporting offenders from county jails to MSP.

Projections for the average daily population of contract beds in fiscal year 2001 are projected to exceed the average daily population used by the 1999 legislature in determining the appropriation for fiscal 2001 by 57 beds. The increase needed for additional beds in fiscal 2001 plus the overrun in fiscal 2000 amounts to a shortfall of approximately $3.6 million for the 2001 biennium.

In addition, the department projects a shortfall in personal services costs of approximately $0.4 million at MSP. In the fall of 1999, the department added 59.0 modified FTE (31.0 correctional officers and 28.0 probation and parole officers). 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 are projected to be higher than anticipated due to the pay exception granted. 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 Legislation

House Bill 5 - HB 5 is the capital projects bill for the 2003 biennium. Included in this legislation is $1.0 million in federal special revenue for a central reception unit at Montana State Prison. This appropriation is in addition to the appropriation made by the 1999 legislature of $5.5 million in federal funds and $170,000 in general fund to construct a new inmate reception unit at MSP.

House Bill 14 - HB 14 authorizes $5.0 million in capital project funds for the construction of the central reception unit at Montana State Prison. Language added to HB 14 states "[it] is the intent of the 57th legislature that the Department of Corrections reduce its general fund present law base by $300,000 a year because of the savings from paying local governments to hold offenders as a result of building the new reception center. This reduction is to occur when the new reception center starts receiving offenders. The reduction for the first year is to be on a pro rata basis for the portion of the first fiscal year that the new reception center is receiving offenders. The reduction in the following years is to be $300,000."

House Bill 146 – HB 146 revises the Youth Court Act and the laws relating to the detention and placement of youth. The bill has no fiscal impact to the Department of Corrections.

Senate Bill 191 - SB 191 appropriates general fund of $120,000 to the department to be used for the manufacture of generic specialty license plates by the prison industries program. The cost is offset by additional fees that will be deposited to the general fund.

Senate Bill 207 - SB 207 removes the requirement that the former forensic unit at Warm Springs be a state correctional facility and states that the building may be used only for treatment of inmates with chemical dependency or other mental or physical health-related problems.

Senate Bill 386 - SB 386 makes the intervention in delinquency pilot project permanent and makes participation by judicial districts discretionary. The juvenile placement funds will be allocated to judicial districts based on data gathered during the administration of the program to determine the amount of funding to be placed in each account. In addition, the department is to establish a cost containment fund of not less than $1.0 million each year from the existing appropriation for juvenile placement. A cost containment review panel shall determine the distribution of those funds.

Senate Bill 393 - The Lewis and Clark Bicentennial Plate Act appropriated $480,000 from the general fund to the Department of Corrections as a biennial appropriation to be used for the manufacture of Lewis and Clark bicentennial license plates. The cost is offset by additional fees that will be deposited to the general fund.

Senate Bill 489 - SB 489 revises the penalties for fourth or subsequent offenses of driving under the influence of alcohol or drugs. The act allows those persons convicted of a fourth or subsequent offense to be sentenced to the Department of Corrections for appropriate placement in a correctional facility or residential alcohol treatment program. The bill also allows the department to operate a residential alcohol treatment program at the forensic unit at Warm Springs. An appropriation of $2.8 million general fund for the 2003 biennium for the DUI unit is contained in HB 2 in Community Corrections. The department projects that with the passage of SB 489, there will be savings in contract beds and chemical dependency pre-release beds. Therefore, the legislature approved biennial reductions of: 1) approximately $5.8 million general fund for contract beds; and 2) $384,902 general fund for chemical dependency pre-release beds, for an overall savings of $3.4 million.

Agency Budget Comparison Budget Item	Base Budget Fiscal 2000	Executive Budget Fiscal 2002	Legislative Budget Fiscal 2002	Leg – Exec. Difference Fiscal 2002	Executive Budget Fiscal 2003	Legislative Budget Fiscal 2003	Leg – Exec. Difference Fiscal 2003	Biennium Difference Fiscal 02-03
FTE	1,024.45	1,091.95	1,066.30	(25.65)	1,112.95	1,087.30	(25.65)	
Personal Services	38,659,466	43,837,580	42,711,293	(1,126,287)	44,630,397	43,499,012	(1,131,385)	(2,257,672)
Operating Expenses	43,407,446	50,443,886	49,911,587	(532,299)	55,108,245	49,988,403	(5,119,842)	(5,652,141)
Equipment	489,919	328,441	328,441	0	312,883	312,883	0	0
Grants	30,218	30,218	30,218	0	30,218	30,218	0	0
Benefits & Claims	8,829,960	7,791,571	6,975,578	(815,993)	7,625,460	6,803,987	(821,473)	(1,637,466)
Transfers	0	0	0	0	0	0	0	0
Debt Service	83,088	83,088	83,088	0	83,088	83,088	0	0
Total Costs	**$91,500,097**	**$102,514,784**	**$100,040,205**	**($2,474,579)**	**$107,790,291**	**$100,717,591**	**($7,072,700)**	**($9,547,279)**
General Fund	89,104,188	99,238,057	96,763,478	(2,474,579)	104,493,071	97,420,371	(7,072,700)	(9,547,279)
State/Other Special	1,601,137	1,730,490	1,730,490	0	1,727,843	1,727,843	0	0
Federal Special	457,885	962,349	962,349	0	985,955	985,955	0	0
Proprietary	336,887	583,888	583,888	0	583,422	583,422	0	0
Total Funds	**$91,500,097**	**$102,514,784**	**$100,040,205**	**($2,474,579)**	**$107,790,291**	**$100,717,591**	**($7,072,700)**	**($9,547,279)**

Executive Budget Comparison

The Martz Executive Budget requested $210.3 million for the Department of Corrections for the 2003 biennium. The legislature reduced the executive's request for FTE by 25.65 and approved a budget that was approximately $9.5 million lower than requested for the biennium, or $200.8 million.

The legislature made the following major reductions from the Executive Budget:

1. $214,114 general fund for the biennium, the equivalent of 24 percent of all general fund expenditures for travel in the fiscal 2000 budget base;
2. approximately $804,000 general fund for the biennium as a result of the 1 percent FTE reduction after other funds and FTE were restored;
3. $243,378 general fund in the Administrative and Support Services Division. The legislature reduced $121,689 from the base budget for each year of the 2003 biennium in training and travel related to PRO-Files (Programmed Reporting of Offender's Files). The fiscal 2000 base contained increased amounts in training and travel due to the development of the new database. Because only programming needs remain in developing this system, the legislature reduced the amount for training-related travel and education/training costs to the 1999 biennium amounts. This amount also includes a reduction to the base recruitment expenditures;
4. $2.1 million reduction in the Community Corrections Division. The major changes in this division include:
    a. $2.8 million appropriated for a DUI treatment unit. For more information, see the narrative on SB 489 in "Other Legislation";
    b. $2.9 million in total reductions to the pre-release budget. The executive requested a $23.0 million budget for pre-release for the biennium, an increase of $6.9 million over the fiscal 2000 base budget. The $2.9 million reduction leaves $20.1 million for the biennium, or an increase of 25.0 percent over the fiscal 2000 base budget. The major reductions are a result of: 1) eliminating funding for 100 new beds in fiscal 2003; 2) reducing the per diem rate that the state pays pre-release centers by $1 per day and increasing the amount the offender must reimburse the center by the $1 per day; and 3) reducing pre-release and pre-release chemical dependency beds by 10;
    c. $1.6 million reduction in juvenile placement funds. The legislature approved replacing the transition center funds with juvenile placement funds, thereby reducing the amount available for juvenile placement by $1.6 million for the biennium. The juvenile placement budget has been reduced 18.0 percent from the fiscal 2000 base budget by reductions in the Executive Budget and by the legislature;
    d. $0.1 million reduction in the transition center budget due to reducing 2.0 FTE at the Billings Transition Center; and

5. $6.2 million reduction in Secure Facilities. The legislature reduced 8.0 FTE correctional officers associated with the Earned Incentive Program for a savings of $0.4 million. In addition, the legislature reduced contract beds by $5.8 million for the biennium, assuming the law for fourth DUI offenders will be changed to allow appropriate fourth DUI offenders to be placed in a non-secure DUI unit.

Language

Because the percentage of American Indians in our state's correctional system ranges from 17 percent in the men's prison to up to 40 percent in the women's prison, it is important that the department maintain open communications and liaisons with the Montana tribes. Therefore, the department shall designate one of its current full-time equivalent employees in the administration and support services division to have included as a part of the employee's job responsibilities the duty to serve as a liaison with the Montana tribes and the department regarding American Indian inmate issues and concerns in all correctional facilities, including contracted bed facilities.

The department is encouraged to use telemedicine technology to the fullest extent possible to effect savings within the department.

Item [Administration and Support Services] includes a reduction of $401,402 general fund in fiscal 2002 and $402,801 general fund in fiscal 2003. The department may reallocate this reduction in funding among divisions when developing 2003 biennium operating plans. The Office of Budget and Program Planning shall provide a report that details reallocation to the Legislative Finance Committee by October 15 of each fiscal year.

Item [Community Corrections] includes a reduction in general fund of $107,057 in fiscal 2002 and $107,057 in fiscal 2003. This reduction is the equivalent of a 24 percent reduction in fiscal 2000 base budget travel expenses. The department may reallocate this reduction in funding among divisions when developing 2003 biennium operating plans.

If SB 489 is not passed and approved, general fund in item [Community Corrections] is reduced by $667,156 in fiscal 2002 and by $2,165,633 in fiscal 2003. (Note: SB 489 was passed and approved.)

If SB 489 is not passed and approved, general fund in item [Secure Facilities] is increased by $4 million in fiscal 2003. (Note: SB 489 was passed and approved.)

Program Legislative Budget Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Leg. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Leg. Budget Fiscal 2003	Total Leg. Budget Fiscal 02-03
FTE	151.65	0.00	6.35	158.00	0.00	6.35	158.00	158.00
Personal Services	6,403,877	1,590,073	(27,154)	7,966,796	1,629,880	(27,043)	8,006,714	15,973,510
Operating Expenses	6,893,142	455,779	(292,860)	7,056,061	441,651	(342,319)	6,992,474	14,048,535
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**	**$2,045,852**	**($320,014)**	**$15,064,771**	**$2,071,531**	**($369,362)**	**$15,041,102**	**$30,105,873**
General Fund	13,283,400	2,030,007	(320,014)	14,993,393	2,060,525	(369,362)	14,974,563	29,967,956
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**	**$2,045,852**	**($320,014)**	**$15,064,771**	**$2,071,531**	**($369,362)**	**$15,041,102**	**$30,105,873**

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.

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.

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					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	1,474,969	0	0	1,474,969	0.00	1,474,969	0	0	1,474,969
DP 107 - Personal Services Zero-Based Items										
	0.00	227,234	0	0	227,234	0.00	227,234	0	0	227,234
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
DP 112 - Non-Employee Travel										
	0.00	(11,981)	0	0	(11,981)	0.00	(11,981)	0	0	(11,981)
DP 113 - Reduce Contracted Services & Infirmary OTO Expend.										
	0.00	(98,500)	0	0	(98,500)	0.00	(98,500)	0	0	(98,500)
DP 114 - Reduce Training/Travel/Recruitment										
	0.00	(121,689)	0	0	(121,689)	0.00	(121,689)	0	0	(121,689)
DP 696 - Data Network Fixed Cost Reduction										
	0.00	(6,080)	0	0	(6,080)	0.00	(6,080)	0	0	(6,080)
DP 698 - Rent Reduction - Use of Capitol Land Grant										
	0.00	(28,703)	0	0	(28,703)	0.00	(28,800)	0	0	(28,800)
DP 699 - Vacancy Savings at 4 Percent										
	0.00	(84,942)	0	0	(84,942)	0.00	(85,365)	0	0	(85,365)
Total Other Present Law Adjustments										
	0.00	**$1,337,560**	**$0**	**$0**	**$1,337,560**	**0.00**	**$1,359,158**	**$0**	**$0**	**$1,359,158**
Grand Total All Present Law Adjustments					**$2,045,852**					**$2,071,531**

Present Law Adjustments

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

DP 101 - Correctional Officer Pay - The legislature approved $1,474,969 in fiscal years 2002 and 2003 to fund the pay exception granted correctional officers in the 2001 biennium. 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.

DP 107 - Personal Services Zero-Based Items - The legislature approved the following amounts for overtime, holidays worked, compensated time payout, holiday payout, inmate pay, and associated benefits:

1. 84,082 each year for overtime;
2. $16,636 each year for holidays worked;
3. $34,664 each year for FLSA compensated 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.

DP 108 - Board of Pardons Present Law - Board members are paid $50 per diem each day they perform 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. The legislature approved reductions of $9,648 in fiscal 2002 and $5,630 in fiscal 2003 to remove these one-time costs from the base.

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. The legislature approved a reduction of $18,100 in fiscal 2002 to remove these one-time costs from the base.

DP 112 - Non-Employee Travel - This base adjustment reduces non-employee travel by 50 percent.

DP 113 - Reduce Contracted Services & Infirmary OTO Expend. - The legislature approved a reduction in contracted services in the Professional Services Division of $147,000 for the biennium. In addition, the legislature reduced supplies by $50,000 for the biennium for one-time-costs associated with the infirmary.

DP 114 - Reduce Training/Travel/Recruitment - The legislature approved a reduction in base expenditures for travel, training, and recruitment.

DP 696 - Data Network Fixed Cost Reduction - The legislature approved fees and charges for data network support provided by the Information Services Division of the Department of Administration at a level lower than that proposed by the executive and used to develop the associated fixed cost budget requests. This adjustment removes the corresponding fixed costs from agency budgets.

DP 698 - Rent Reduction - Use of Capitol Land Grant - The legislature approved using Capitol Land Grant funds to augment rent payments made by tenants. Capital Land Grant funds are to be used for qualified maintenance and debt service payments of the General Services Program for state-owned facilities on the Capitol complex.

DP 699 - Vacancy Savings at 4 Percent - The legislature approved increasing the statewide vacancy savings rate to 4 percent and including the state share of health insurance premiums in the calculation for determining the amount.

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 - Victim's Officer FTE										
01	1.00	0	0	0	0	1.00	0	0	0	0
DP 685 - Personal Services Reduction for DOR Auditors										
01	0.00	(2,933)	0	0	(2,933)	0.00	(2,944)	0	0	(2,944)
DP 689 - FTE Reduction										
01	(0.15)	0	0	0	0	(0.15)	0	0	0	0
DP 691 - Personal Services General Fund Reduction										
01	0.00	(401,402)	0	0	(401,402)	0.00	(402,801)	0	0	(402,801)
Total	**6.35**	**($320,014)**	**$0**	**$0**	**($320,014)**	**6.35**	**($369,362)**	**$0**	**$0**	**($369,362)**

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. The legislature approved funding to provide lab testing and immunization for the infected population.

HB 2 includes a line item for Hepatitis C that line items the above amounts and an additional $513,858 general fund in

fiscal 2003. The additional $513,858 was not new general fund, but was carved out of the main appropriation for Administration and Support Services. These funds will provide Hepatitis A & B immunization for 100 percent of the prison population infected with Hepatitis C. It will also fund the associated lab testing and provide for immunization of inmate intakes (assuming 35 percent of intakes are infected). The line item allows the legislature to track the amounts spent on treatment of Hepatitis C separately from other medical costs.

DP 106 - PA's From Contracted Services to FTE - The legislature approved funding 5.5 FTE and reducing 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 to the two physician's assistants, funding is provided for 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.

DP 109 - Victim's Officer FTE - The legislature approved the addition of 1.0 Victim's Officer FTE with no additional funding. 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.

DP 685 - Personal Services Reduction for DOR Auditors - The legislature approved a reduction in general fund personal services to provide funds for salary upgrades for Department of Revenue auditors. The reduction in general fund is associated with the vacant positions discussed in DP 689 below.

DP 689 - FTE Reduction - The legislature reduced FTE for all positions vacant for over seven months. Funds associated with these positions were not reduced for the 2003 biennium in this decision package (however, DP 685 reduced the funds associated with this FTE reduction), but the eliminated positions are not to be funded in the present law base budget submitted for the 2005 biennium.

DP 691 - Personal Services General Fund Reduction - The legislature reduced general fund personal services funding at a level equivalent to the general fund share of 1 percent of authorized FTE. No FTE were reduced.

Language

The department is encouraged to use telemedicine technology to the fullest extent possible to effect savings within the department.

Item [Administration and Support Services] includes a reduction of $401,402 general fund in fiscal 2002 and $402,801 general fund in fiscal 2003. The department may reallocate this reduction in funding among divisions when developing 2003 biennium operating plans. The Office of Budget and Program Planning shall provide a report that details reallocation to the Legislative Finance Committee by October 15 of each fiscal year.

Program Legislative Budget Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Leg. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Leg. Budget Fiscal 2003	Total Leg. Budget Fiscal 02-03
FTE	238.50	26.00	(0.50)	264.00	26.00	(0.50)	264.00	264.00
Personal Services	9,691,238	582,213	(13,171)	10,260,280	639,887	(13,208)	10,317,917	20,578,197
Operating Expenses	13,538,810	2,510,214	560,099	16,609,123	2,846,513	2,058,576	18,443,899	35,053,022
Equipment	68,996	(23,290)	0	45,706	(20,000)	0	48,996	94,702
Benefits & Claims	8,520,550	(1,854,382)	0	6,666,168	(2,025,973)	0	6,494,577	13,160,745
Debt Service	42,808	0	0	42,808	0	0	42,808	85,616
Total Costs	**$31,862,402**	**$1,214,755**	**$546,928**	**$33,624,085**	**$1,440,427**	**$2,045,368**	**$35,348,197**	**$68,972,282**
General Fund	31,104,645	969,635	546,928	32,621,208	1,195,307	2,045,368	34,345,320	66,966,528
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**	**$1,214,755**	**$546,928**	**$33,624,085**	**$1,440,427**	**$2,045,368**	**$35,348,197**	**$68,972,282**

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, juvenile out-of-home placements, and a residential alcohol treatment program. 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 approximately 97.0 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 26.00 FTE	26.00	1,211,529	0	188,469	1,399,998	26.00	1,214,959	0	188,469	1,403,428
DP 202 - Pre-release Adjustment/Inflation	0.00	2,280,742	0	0	2,280,742	0.00	2,564,765	0	0	2,564,765
DP 203 - Personal Services Zero-Based Items	0.00	130,767	0	0	130,767	0.00	130,767	0	0	130,767
DP 206 - 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 Svngs	0.00	(1,038,389)	0	0	(1,038,389)	0.00	(1,204,500)	0	0	(1,204,500)
DP 210 - Non-Employee Travel	0.00	(12,267)	0	0	(12,267)	0.00	(12,267)	0	0	(12,267)
DP 211 - Reduce CD Pre-Release Beds	0.00	(190,543)	0	0	(190,543)	0.00	(194,359)	0	0	(194,359)
DP 212 - Reduce Per Diem Rates	0.00	(213,160)	0	0	(213,160)	0.00	(213,160)	0	0	(213,160)
DP 214 - Juvenile Placement Funds to Fund Transition Center	0.00	(815,993)	0	0	(815,993)	0.00	(821,473)	0	0	(821,473)
DP 215 - Eliminate 10 P&P Vehicles per Year	0.00	(36,000)	0	0	(36,000)	0.00	(36,000)	0	0	(36,000)
DP 699 - Vacancy Savings at 4 Percent	0.00	(135,596)	0	0	(135,596)	0.00	(137,434)	0	0	(137,434)
Total Other Present Law Adjustments	**26.00**	**$1,146,480**	**$0**	**$188,469**	**$1,334,949**	**26.00**	**$1,263,728**	**$0**	**$188,469**	**$1,452,197**
Grand Total All Present Law Adjustments					**$1,214,755**					**$1,440,427**

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions. Descriptions of the above present law adjustments are included in the subprogram budget presentations.

New Proposals		Fiscal 2002					Fiscal 2003				
	Prgm	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 217 - DUI Unit	02	0.00	667,156	0	0	667,156	0.00	2,165,633	0	0	2,165,633
DP 685 - Personal Services Reduction for DOR Auditors	02	0.00	(13,171)	0	0	(13,171)	0.00	(13,208)	0	0	(13,208)
DP 689 - FTE Reduction	02	(0.50)	0	0	0	0	(0.50)	0	0	0	0
DP 693 - Statewide Travel Reduction	02	0.00	(107,057)	0	0	(107,057)	0.00	(107,057)	0	0	(107,057)
Total		**(0.50)**	**$546,928**	**$0**	**$0**	**$546,928**	**(0.50)**	**$2,045,368**	**$0**	**$0**	**$2,045,368**

Descriptions of the above new proposals are included in the subprogram budget presentations.

Language

Item [Community Corrections] includes a reduction of general fund of $107,057 in fiscal 2002 and $107,057 in fiscal 2003. This reduction is the equivalent of a 24 percent reduction in fiscal 2000 base budget travel expenses. The department may reallocate this reduction in funding among divisions when developing 2003 biennium operating plans.

If SB 489 is not passed and approved, general fund in item [Community Corrections] is reduced by $667,156 in fiscal 2002 and by $2,165,633 in fiscal 2003. (Note: SB 489 was passed and approved.)

Sub-Program Details

COMMUNITY CORRECTION ADMIN 01

Community Corrections Administration includes supervisory staff.

Sub-Program Legislative Budget Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Leg. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Leg. Budget Fiscal 2003	Total Leg. 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	(12,466)	0	612,956	(9,817)	0	615,605	1,228,561
Operating Expenses	254,008	(4,970)	667,156	916,194	(4,556)	2,165,633	2,415,085	3,331,279
Debt Service	2,735	0	0	2,735	0	0	2,735	5,470
Total Costs	**$882,165**	**($17,436)**	**$667,156**	**$1,531,885**	**($14,373)**	**$2,165,633**	**$3,033,425**	**$4,565,310**
General Fund	842,416	(10,236)	667,156	1,499,336	(7,173)	2,165,633	3,000,876	4,500,212
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**	**($17,436)**	**$667,156**	**$1,531,885**	**($14,373)**	**$2,165,633**	**$3,033,425**	**$4,565,310**

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)**
DP 210 - Non-Employee Travel	0.00	(6)	0	0	(6)	0.00	(6)	0	0	(6)
DP 699 - Vacancy Savings at 4 Percent	0.00	(8,084)	0	0	(8,084)	0.00	(8,112)	0	0	(8,112)
Total Other Present Law Adjustments	**0.00**	**($8,090)**	**$0**	**$0**	**($8,090)**	**0.00**	**($8,118)**	**$0**	**$0**	**($8,118)**
Grand Total All Present Law Adjustments					**($17,436)**					**($14,373)**

Present Law Adjustments

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

DP 210 - Non-Employee Travel - This base adjustment reduces non-employee travel by 50 percent.

DP 699 - Vacancy Savings at 4 Percent - The legislature approved increasing the statewide vacancy savings rate to 4 percent and including the state share of health insurance premiums in the calculation for determining the amount.

New Proposals	Fiscal 2002					Fiscal 2003				
Sub Prgm	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 217 - DUI Unit										
01	0.00	667,156	0	0	667,156	0.00	2,165,633	0	0	2,165,633
Total	**0.00**	**$667,156**	**$0**	**$0**	**$667,156**	**0.00**	**$2,165,633**	**$0**	**$0**	**$2,165,633**

New Proposals

DP 217 - DUI Unit - The legislature approved SB 489 that changes the fourth driving under the influence (DUI) statute to allow appropriate offenders to be placed in a DUI treatment unit rather than a secure facility. The legislature provided an appropriation for this DUI unit, which will be operated in the Warm Springs Forensic Unit. The reductions in DP 211, 331, and 333 in the pre-release and contracted beds (see "Secure Facilities") subprograms, respectively, are based on the projected savings of SB 489. In future biennia, the average annual general fund savings is projected to be $3.2 million.

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.

Sub-Program Legislative Budget Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Leg. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Leg. Budget Fiscal 2003	Total Leg. Budget Fiscal 02-03
FTE	25.50	0.00	0.00	25.50	0.00	0.00	25.50	25.50
Personal Services	986,660	8,935	0	995,595	12,574	0	999,234	1,994,829
Operating Expenses	278,634	2,445	0	281,079	3,579	0	282,213	563,292
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**	**$11,380**	**$0**	**$1,287,540**	**($3,847)**	**$0**	**$1,272,313**	**$2,559,853**
General Fund	1,272,089	11,380	0	1,283,469	(3,847)	0	1,268,242	2,551,711
Federal Special	4,071	0	0	4,071	0	0	4,071	8,142
Total Funds	**$1,276,160**	**$11,380**	**$0**	**$1,287,540**	**($3,847)**	**$0**	**$1,272,313**	**$2,559,853**

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 - Personal Services Zero-Based Items	0.00	63,473	0	0	63,473	0.00	63,473	0	0	63,473
DP 206 - One-Time-Only Equipment	0.00	0	0	0	0	0.00	(20,000)	0	0	(20,000)
DP 210 - Non-Employee Travel	0.00	(31)	0	0	(31)	0.00	(31)	0	0	(31)
DP 699 - Vacancy Savings at 4 Percent	0.00	(12,577)	0	0	(12,577)	0.00	(13,850)	0	0	(13,850)
Total Other Present Law Adjustments	**0.00**	**$50,865**	**$0**	**$0**	**$50,865**	**0.00**	**$29,592**	**$0**	**$0**	**$29,592**
Grand Total All Present Law Adjustments					**$11,380**					**($3,847)**

Present Law Adjustments

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

DP 203 - Personal Services Zero-Based Items - Because costs of overtime, differential pay, holidays worked, compensated time payout, and holiday pay are zero based, the legislature approved increases each year of the biennium in these areas.

DP 206 - One-Time-Only Equipment - The legislature approved a reduction for one-time-only equipment.

DP 210 - Non-Employee Travel - This base adjustment reduces non-employee travel by 50 percent.

DP 699 - Vacancy Savings at 4 Percent - The legislature approved increasing the statewide vacancy savings rate to 4 percent and including the state share of health insurance premiums in the calculation for determining the amount.

Sub-Program Details

PRE-RELEASE 03

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

Sub-Program Legislative Budget

Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Leg. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Leg. Budget Fiscal 2003	Total Leg. 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	1,874,889	0	9,911,313	2,155,096	0	10,191,520	20,102,833
Total Costs	**$8,036,424**	**$1,874,889**	**$0**	**$9,911,313**	**$2,155,096**	**$0**	**$10,191,520**	**$20,102,833**
General Fund	8,036,424	1,874,889	0	9,911,313	2,155,096	0	10,191,520	20,102,833
Total Funds	**$8,036,424**	**$1,874,889**	**$0**	**$9,911,313**	**$2,155,096**	**$0**	**$10,191,520**	**$20,102,833**

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					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	2,564,765	0	0	2,564,765
DP 210 - Non-Employee Travel	0.00	(2,150)	0	0	(2,150)	0.00	(2,150)	0	0	(2,150)
DP 211 - Reduce CD Pre-Release Beds	0.00	(190,543)	0	0	(190,543)	0.00	(194,359)	0	0	(194,359)
DP 212 - Reduce Per Diem Rates	0.00	(213,160)	0	0	(213,160)	0.00	(213,160)	0	0	(213,160)
Total Other Present Law Adjustments	**0.00**	**$1,874,889**	**$0**	**$0**	**$1,874,889**	**0.00**	**$2,155,096**	**$0**	**$0**	**$2,155,096**
Grand Total All Present Law Adjustments					**$1,874,889**					**$2,155,096**

Present Law Adjustments

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

DP 202 - Pre-release Adjustment/Inflation - This adjustment funds 30 additional male beds in pre-existing facilities in fiscal 2002 and adjusts for inflation. The legislature reduced the executive request by $2.0 million in fiscal 2003 as a result of not funding the request for 100 new beds in fiscal 2003 (40 male beds, 40 chemical dependency male beds, and 20 chemical dependency female beds).

DP 210 - Non-Employee Travel - This base adjustment reduces non-employee travel by 50 percent.

DP 211 - Reduce CD Pre-Release Beds - The legislature approved reducing Montana Chemical Dependency Center beds and pre-release beds at the Butte Pre-Release Center for a savings of $190,543 in fiscal 2002 and $194,359 in fiscal 2003. Connections Corrections chemical dependency beds will be maintained at 30.

DP 212 - Reduce Per Diem Rates - The legislature approved reducing pre-release per diem rates by $1 per day and increasing the offender reimbursement to offset this reduction.

Sub-Program Details

PROBATION AND PAROLE 04

Probation and Parole supervises over 6,000 inmates.

Sub-Program Legislative Budget Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Leg. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Leg. Budget Fiscal 2003	Total Leg. Budget Fiscal 02-03
FTE	150.50	28.00	(0.50)	178.00	28.00	(0.50)	178.00	178.00
Personal Services	6,439,877	638,248	(13,171)	7,064,954	681,840	(13,208)	7,108,509	14,173,463
Operating Expenses	2,252,711	651,382	(107,057)	2,797,036	699,374	(107,057)	2,845,028	5,642,064
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**	**$1,279,340**	**($120,228)**	**$9,934,025**	**$1,381,214**	**($120,265)**	**$10,035,862**	**$19,969,887**
General Fund	8,459,744	1,090,871	(120,228)	9,430,387	1,192,745	(120,265)	9,532,224	18,962,611
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**	**$1,279,340**	**($120,228)**	**$9,934,025**	**$1,381,214**	**($120,265)**	**$10,035,862**	**$19,969,887**

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 26.00 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 - One-Time-Only Equipment	0.00	(10,290)	0	0	(10,290)	0.00	0	0	0	0
DP 210 - Non-Employee Travel	0.00	(5,714)	0	0	(5,714)	0.00	(5,714)	0	0	(5,714)
DP 215 - Eliminate 10 P&P Vehicles per Year	0.00	(36,000)	0	0	(36,000)	0.00	(36,000)	0	0	(36,000)
DP 699 - Vacancy Savings at 4 Percent	0.00	(93,271)	0	0	(93,271)	0.00	(93,725)	0	0	(93,725)
Total Other Present Law Adjustments	**28.00**	**$1,126,969**	**$0**	**$188,469**	**$1,315,438**	**28.00**	**$1,140,440**	**$0**	**$188,469**	**$1,328,909**
Grand Total All Present Law Adjustments					**$1,279,340**					**$1,381,214**

Present Law Adjustments

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

DP 2 - Probation and Parole 26.00 FTE - The legislature approved funding for 26.0 modified FTE for Probation and Parole staff added in the 2001 biennium. During fiscal 2000, 28.0 modified FTE were added. However, the population at the Billings Transition Center has consistently been below capacity; therefore, the legislature reduced this request by 2.0 FTE. DP 2 for Probation and Parole shows an increase of 28.0 FTE, but DP 2 for Transition Centers shows a reduction of 2.0 FTE for a net increase of 26.0 FTE. This decision package also contains an increase of $507,358 each year for contracted services for chemical dependency services, employment services, and intensive family intervention services in Kalispell.

DP 206 - One-Time-Only Equipment - The legislature approved a reduction for one-time-only equipment.

DP 210 - Non-Employee Travel - This base adjustment reduces non-employee travel by 50 percent.

DP 215 - Eliminate 10 P&P Vehicles per Year - The legislature approved reducing the number of probation and parole vehicles by 10 leased vehicles each year.

DP 699 - Vacancy Savings at 4 Percent - The legislature approved increasing the statewide vacancy savings rate to 4 percent and including the state share of health insurance premiums in the calculation for determining the amount.

New Proposals	Fiscal 2002					Fiscal 2003				
Sub Prgm	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 685 - Personal Services Reduction for DOR Auditors										
04	0.00	(13,171)	0	0	(13,171)	0.00	(13,208)	0	0	(13,208)
DP 689 - FTE Reduction										
04	(0.50)	0	0	0	0	(0.50)	0	0	0	0
DP 693 - Statewide Travel Reduction										
04	0.00	(107,057)	0	0	(107,057)	0.00	(107,057)	0	0	(107,057)
Total	**(0.50)**	**($120,228)**	**$0**	**$0**	**($120,228)**	**(0.50)**	**($120,265)**	**$0**	**$0**	**($120,265)**

New Proposals

DP 685 - Personal Services Reduction for DOR - The legislature approved a reduction in general fund personal services to provide funds for salary upgrades for Department of Revenue auditors. The reduction in general fund is associated with the vacant positions discussed in DP 689 below.

DP 689 - FTE Reduction - The legislature reduced FTE for all positions vacant for over seven months. Funds associated with these positions were not reduced for the 2003 biennium in this decision package (however, DP 685 reduced the funds associated with this FTE reduction), but the eliminated positions are not to be funded in the present law base budget submitted for the 2005 biennium.

DP 693 - Statewide Travel Reduction - The legislature made a reduction in general fund each year equivalent to 24 percent of all general fund expenditures for travel in the fiscal 2000 budget base. The entire reduction was made to this division, with the allowance that the agency could reallocate this reduction among divisions when developing 2003 biennium operating plans. The legislature exempted transportation of prisoners; therefore, $74,418 in general fund travel each year was exempted from the reduction.

Sub-Program Details

RIVERSIDE YOUTH CORRECTIONAL FACILITY 05

The Riverside Institution located in Boulder is a detention facility for juvenile female offenders.

Sub-Program Legislative Budget Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Leg. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Leg. Budget Fiscal 2003	Total Leg. 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	(34,704)	0	951,375	(29,567)	0	956,512	1,907,887
Operating Expenses	264,852	(8,916)	0	255,936	(5,187)	0	259,665	515,601
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**	**($56,620)**	**$0**	**$1,210,189**	**($34,754)**	**$0**	**$1,232,055**	**$2,442,244**
General Fund	1,238,981	(56,620)	0	1,182,361	(34,754)	0	1,204,227	2,386,588
Federal Special	27,828	0	0	27,828	0	0	27,828	55,656
Total Funds	**$1,266,809**	**($56,620)**	**$0**	**$1,210,189**	**($34,754)**	**$0**	**$1,232,055**	**$2,442,244**

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 - Personal Services Zero-Based Items	0.00	44,552	0	0	44,552	0.00	44,552	0	0	44,552
DP 206 - One-Time-Only Equipment	0.00	(24,320)	0	0	(24,320)	0.00	(7,570)	0	0	(7,570)
DP 210 - Non-Employee Travel	0.00	(2,968)	0	0	(2,968)	0.00	(2,968)	0	0	(2,968)
DP 699 - Vacancy Savings at 4 Percent	0.00	(12,101)	0	0	(12,101)	0.00	(12,154)	0	0	(12,154)
Total Other Present Law Adjustments	**0.00**	**$5,163**	**$0**	**$0**	**$5,163**	**0.00**	**$21,860**	**$0**	**$0**	**$21,860**
Grand Total All Present Law Adjustments					**($56,620)**					**($34,754)**

Present Law Adjustments

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

DP 203 - Personal Services Zero-Based Items - Because costs of overtime, differential pay, holidays worked, compensated time payout, and holiday pay are zero based, the legislature approved increases each year of the biennium in these areas.

DP 206 - One-Time-Only Equipment - The legislature approved a reduction for one-time-only equipment.

DP 210 - Non-Employee Travel - This base adjustment reduces non-employee travel by 50 percent.

DP 699 - Vacancy Savings at 4 Percent - The legislature approved increasing the statewide vacancy savings rate to 4

percent and including the state share of health insurance premiums in the calculation for determining the amount.

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.

Sub-Program Legislative Budget Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Leg. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Leg. Budget Fiscal 2003	Total Leg. Budget Fiscal 02-03
FTE	24.00	(2.00)	0.00	22.00	(2.00)	0.00	22.00	22.00
Personal Services	653,200	(17,800)	0	635,400	(15,143)	0	638,057	1,273,457
Operating Expenses	184,409	(3,816)	0	180,593	(993)	0	183,416	364,009
Total Costs	**$837,609**	**($21,616)**	**$0**	**$815,993**	**($16,136)**	**$0**	**$821,473**	**$1,637,466**
General Fund	828,888	(21,616)	0	807,272	(16,136)	0	812,752	1,620,024
State/Other Special	8,721	0	0	8,721	0	0	8,721	17,442
Total Funds	**$837,609**	**($21,616)**	**$0**	**$815,993**	**($16,136)**	**$0**	**$821,473**	**$1,637,466**

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 2 - Probation and Parole 26.00 FTE	(2.00)	(60,715)	0	0	(60,715)	(2.00)	(60,920)	0	0	(60,920)
DP 203 - Personal Services Zero-Based Items	0.00	22,742	0	0	22,742	0.00	22,742	0	0	22,742
DP 210 - Non-Employee Travel	0.00	(598)	0	0	(598)	0.00	(598)	0	0	(598)
DP 699 - Vacancy Savings at 4 Percent	0.00	(9,563)	0	0	(9,563)	0.00	(9,593)	0	0	(9,593)
Total Other Present Law Adjustments	**(2.00)**	**($48,134)**	**$0**	**$0**	**($48,134)**	**(2.00)**	**($48,369)**	**$0**	**$0**	**($48,369)**
Grand Total All Present Law Adjustments					**($21,616)**					**($16,136)**

Present Law Adjustments

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

DP 2 - Probation and Parole 26.00 FTE - The legislature approved funding for 26.0 modified FTE for Probation and Parole staff added in the 2001 biennium. During fiscal 2000, 28.0 modified FTE were added. However, the population at the Billings Transition Center has consistently been below capacity; therefore, the legislature reduced this request by 2.0 FTE. DP 2 for Probation and Parole shows an increase of 28.0 FTE, but DP 2 for the Transition Centers shows a reduction of 2.0 FTE for a net increase of 26.0 FTE.

DP 203 - Personal Services Zero-Based Items - Because costs of overtime, differential pay, holidays worked, compensated time payout, and holiday pay are zero based, the legislature approved increases each year of the biennium

in these areas.

DP 210 - Non-Employee Travel - This base adjustment reduces non-employee travel by 50 percent.

DP 699 - Vacancy Savings at 4 Percent - The legislature approved increasing the statewide vacancy savings rate to 4 percent and including the state share of health insurance premiums in the calculation for determining the amount.

Sub-Program Details

JUVENILE PLACEMENT FUNDS 08

Juvenile Placement funds are: 1) used to pay for the placement of youth committed to the Department of Corrections into private treatment facilities; and 2) allocated to judicial districts that are participating in the juvenile delinquency intervention program for the placement of delinquent youth into private treatment facilities.

Sub-Program Legislative Budget

Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Leg. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Leg. Budget Fiscal 2003	Total Leg. 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	(800)	0	2,266,972	(800)	0	2,266,972	4,533,944
Benefits & Claims	8,520,550	(1,854,382)	0	6,666,168	(2,025,973)	0	6,494,577	13,160,745
Total Costs	**$10,788,322**	**($1,855,182)**	**$0**	**$8,933,140**	**($2,026,773)**	**$0**	**$8,761,549**	**$17,694,689**
General Fund	10,426,103	(1,919,033)	0	8,507,070	(2,090,624)	0	8,335,479	16,842,549
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**	**($1,855,182)**	**$0**	**$8,933,140**	**($2,026,773)**	**$0**	**$8,761,549**	**$17,694,689**

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 Svngs	0.00	(1,038,389)	0	0	(1,038,389)	0.00	(1,204,500)	0	0	(1,204,500)
DP 210 - Non-Employee Travel	0.00	(800)	0	0	(800)	0.00	(800)	0	0	(800)
DP 214 - Juvenile Placement Funds to Fund Transition Center	0.00	(815,993)	0	0	(815,993)	0.00	(821,473)	0	0	(821,473)
Total Other Present Law Adjustments	**0.00**	**($1,855,182)**	**$0**	**$0**	**($1,855,182)**	**0.00**	**($2,026,773)**	**$0**	**$0**	**($2,026,773)**
Grand Total All Present Law Adjustments					**($1,855,182)**					**($2,026,773)**

Present Law Adjustments

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

DP 208 - Juvenile Out of State Placement Savings - The legislature approved a reduction of approximately $2.2 million in out-of-state placement, based on the assumption that more youth could be served at the Pine Hills Youth Correctional Facility. The 1999 legislature approved expansion of Pine Hills from 85 beds to 144 beds by fiscal 2001. The expansion has allowed the facility to provide residential sex offender and chemical dependency programs. Offsetting this reduction is a present law adjustment for Pine Hills of $0.9 million for the biennium to cover the cost of an increased population. DP 214 below is an additional reduction to the juvenile placement budget.

DP 210 - Non-Employee Travel - This base adjustment reduces non-employee travel by 50 percent.

DP 214 - Juvenile Placement Funds to Fund Transition Centers - The legislature approved replacing the transition center funds with juvenile placement funds, thereby reducing the amount available for juvenile placement by $1.6 million for the biennium.

Program Legislative Budget Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Leg. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Leg. Budget Fiscal 2003	Total Leg. Budget Fiscal 02-03
FTE	619.80	23.00	(15.00)	627.80	44.00	(15.00)	648.80	648.80
Personal Services	21,979,838	2,202,427	(431,618)	23,750,647	2,891,028	(434,352)	24,436,514	48,187,161
Operating Expenses	22,242,127	2,759,794	431,618	25,433,539	5,063,343	(3,565,648)	23,739,822	49,173,361
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**	**$4,839,233**	**$0**	**$49,820,115**	**$7,812,335**	**($4,000,000)**	**$48,793,217**	**$98,613,332**
General Fund	43,682,312	4,452,162	0	48,134,474	7,401,342	(4,000,000)	47,083,654	95,218,128
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**	**$4,839,233**	**$0**	**$49,820,115**	**$7,812,335**	**($4,000,000)**	**$48,793,217**	**$98,613,332**

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	23.00	622,279	0	0	622,279	23.00	624,333	0	0	624,333
DP 302 - Pine Hills Operating Adjustment	0.00	412,473	5,638	0	418,111	0.00	457,365	5,954	0	463,319
DP 303 - MWP Expansion	0.00	0	0	0	0	21.00	830,312	0	0	830,312
DP 304 - Male & Female Contract Beds	0.00	3,166,619	0	0	3,166,619	0.00	5,186,909	0	0	5,186,909
DP 306 - Personal Services Zero-Based Items	0.00	1,550,511	0	0	1,550,511	0.00	1,550,511	0	0	1,550,511
DP 309 - Non-Employee Travel	0.00	(26,293)	0	0	(26,293)	0.00	(26,293)	0	0	(26,293)
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
DP 331 - Decrease Contract Beds - DUI Statutory Change	0.00	(858,044)	0	0	(858,044)	0.00	(897,741)	0	0	(897,741)
DP 699 - Vacancy Savings at 4 Percent	0.00	(299,700)	0	0	(299,700)	0.00	(304,162)	0	0	(304,162)
Total Other Present Law Adjustments	**23.00**	**$4,183,387**	**$5,638**	**$249,970**	**$4,438,995**	**44.00**	**$7,017,954**	**$5,954**	**$252,727**	**$7,276,635**
Grand Total All Present Law Adjustments					**$4,839,233**					**$7,812,335**

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions. Descriptions of the above present law adjustments are included in the subprogram budget presentations.

New Proposals	Fiscal 2002					Fiscal 2003				
Prgm	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 333 - SB 489 - Contract Bed Savings										
03	0.00	0	0	0	0	0.00	(4,000,000)	0	0	(4,000,000)
DP 334 - Cook/Chill to Proprietary										
03	(15.00)	0	0	0	0	(15.00)	0	0	0	0
DP 689 - FTE Reduction										
03	0.00	0	0	0	0	0.00	0	0	0	0
Total	**(15.00)**	**$0**	**$0**	**$0**	**$0**	**(15.00)**	**($4,000,000)**	**$0**	**$0**	**($4,000,000)**

Descriptions of the above new proposals are included in the subprogram budget presentations.

Language

If SB 489 is not passed and approved, general fund in item [Secure Facilities] is increased by $4 million in fiscal 2003. (Note: SB 489 was passed and approved.)

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 Legislative Budget Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Leg. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Leg. Budget Fiscal 2003	Total Leg. Budget Fiscal 02-03
FTE	438.68	23.00	(15.00)	446.68	23.00	(15.00)	446.68	446.68
Personal Services	16,092,749	1,419,876	(431,618)	17,081,007	1,530,257	(434,352)	17,188,654	34,269,661
Operating Expenses	5,387,351	57,720	431,618	5,876,689	48,725	434,352	5,870,428	11,747,117
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**	**$1,378,648**	**$0**	**$23,288,772**	**$1,449,929**	**$0**	**$23,360,053**	**$46,648,825**
General Fund	21,022,437	1,336,912	0	22,359,349	1,408,193	0	22,430,630	44,789,979
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**	**$1,378,648**	**$0**	**$23,288,772**	**$1,449,929**	**$0**	**$23,360,053**	**$46,648,825**

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	23.00	622,279	0	0	622,279	23.00	624,333	0	0	624,333
DP 306 - Personal Services Zero-Based Items	0.00	1,198,261	0	0	1,198,261	0.00	1,198,261	0	0	1,198,261
DP 309 - Non-Employee Travel	0.00	(386)	0	0	(386)	0.00	(386)	0	0	(386)
DP 310 - Reduce One-Time-Only Equipment	0.00	(98,948)	0	0	(98,948)	0.00	(129,053)	0	0	(129,053)
DP 699 - Vacancy Savings at 4 Percent	0.00	(214,045)	0	0	(214,045)	0.00	(215,172)	0	0	(215,172)
Total Other Present Law Adjustments	**23.00**	**$1,507,161**	**$0**	**$0**	**$1,507,161**	**23.00**	**$1,477,983**	**$0**	**$0**	**$1,477,983**
Grand Total All Present Law Adjustments					**$1,378,648**					**$1,449,929**

Present Law Adjustments

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

DP 301 - MSP Staffing - The legislature approved funding for 23.0 FTE. In fiscal 2000, the department added 31.0 modified FTE. The legislature reduced the request for 31.0 FTE to 23.0 FTE by eliminating the Earned Incentive Program.

DP 306 - Personal Services Zero-Based Items - Because costs of overtime, differential pay, holidays worked, compensated time payout, and holiday pay are zero based, the legislature approved increases each year of the biennium

for these areas.

DP 309 - Non-Employee Travel - This base adjustment reduces non-employee travel by 50 percent.

DP 310 - Reduce One-Time-Only Equipment - Reductions from base-year expenditures were approved by the legislature due to the purchase of one-time-only items.

DP 699 - Vacancy Savings at 4 Percent - The legislature approved increasing the statewide vacancy savings rate to 4 percent and including the state share of health insurance premiums in the calculation for determining the amount.

New Proposals	Fiscal 2002					Fiscal 2003				
Sub Prgm	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 334 - Cook/Chill to Proprietary										
01	(15.00)	0	0	0	0	(15.00)	0	0	0	0
Total	**(15.00)**	**$0**	**$0**	**$0**	**$0**	**(15.00)**	**$0**	**$0**	**$0**	**$0**

New Proposals

DP 334 - Cook/Chill to Proprietary - The legislature approved moving the cook/chill operation at Montana State Prison to a proprietary operation. This results in 15.0 FTE being moved from HB 2 to non-budgeted proprietary funding and the general fund associated with the FTE moved to operating expenses to allow MSP to pay the cook/chill rate for the meals needed at the prison.

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 early 2003.

Sub-Program Legislative Budget Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Leg. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Leg. Budget Fiscal 2003	Total Leg. 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	98,328	0	1,521,060	646,989	0	2,069,721	3,590,781
Operating Expenses	860,486	(3,572)	0	856,914	275,076	0	1,135,562	1,992,476
Total Costs	**$2,283,218**	**$94,756**	**$0**	**$2,377,974**	**$922,065**	**$0**	**$3,205,283**	**$5,583,257**
General Fund	2,283,218	94,756	0	2,377,974	922,065	0	3,205,283	5,583,257
Federal Special	0	0	0	0	0	0	0	0
Total Funds	**$2,283,218**	**$94,756**	**$0**	**$2,377,974**	**$922,065**	**$0**	**$3,205,283**	**$5,583,257**

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	0	0	0	0	21.00	830,312	0	0	830,312
DP 306 - Personal Services Zero-Based Items	0.00	150,258	0	0	150,258	0.00	150,258	0	0	150,258
DP 309 - Non-Employee Travel	0.00	(155)	0	0	(155)	0.00	(155)	0	0	(155)
DP 310 - Reduce One-Time-Only Equipment	0.00	(11,500)	0	0	(11,500)	0.00	(20,000)	0	0	(20,000)
DP 699 - Vacancy Savings at 4 Percent	0.00	(18,527)	0	0	(18,527)	0.00	(21,572)	0	0	(21,572)
Total Other Present Law Adjustments	**0.00**	**$120,076**	**$0**	**$0**	**$120,076**	**21.00**	**$938,843**	**$0**	**$0**	**$938,843**
Grand Total All Present Law Adjustments					**$94,756**					**$922,065**

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. 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 legislature approved 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 legislature approved:

1. $544,794 for 21.0 FTE in fiscal 2003, which will annualize to 28.0 FTE in fiscal 2004. The positions funded 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; and

2. operating costs of $285,518 in fiscal 2003. Operating cost increases were based on the addition of inmates beginning February 2003 at an average of 20 inmates moved in per month. This includes all expenses associated with housing an inmate.

DP 306 - Personal Services Zero-Based Items - Because costs of overtime, differential pay, holidays worked, compensated time payout, and holiday pay are zero based, the legislature approved increases each year of the biennium for these areas.

DP 309 - Non-Employee Travel - This base adjustment reduces non-employee travel by 50 percent.

DP 310 - Reduce One-Time-Only Equipment - Reductions from base-year expenditures were approved by the legislature due to the purchase of one-time-only items.

DP 699 - Vacancy Savings at 4 Percent - The legislature approved increasing the statewide vacancy savings rate to 4 percent and including the state share of health insurance premiums in the calculation for determining the amount.

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 habilitative services. In fiscal 2000, the capacity increased from 85 to 120 beds and will increase to 144 beds in 2001.

Sub-Program Legislative Budget Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Leg. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Leg. Budget Fiscal 2003	Total Leg. 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	888,585	0	4,993,986	916,641	0	5,022,042	10,016,028
Operating Expenses	714,457	423,481	0	1,137,938	476,784	0	1,191,241	2,329,179
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**	**$1,288,026**	**$0**	**$6,436,777**	**$1,380,442**	**$0**	**$6,529,193**	**$12,965,970**
General Fund	4,737,868	942,691	0	5,680,559	1,011,185	0	5,749,053	11,429,612
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**	**$1,288,026**	**$0**	**$6,436,777**	**$1,380,442**	**$0**	**$6,529,193**	**$12,965,970**

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	412,473	5,638	0	418,111	0.00	457,365	5,954	0	463,319
DP 306 - Personal Services Zero-Based Items	0.00	201,992	0	0	201,992	0.00	201,992	0	0	201,992
DP 309 - Non-Employee Travel	0.00	(7)	0	0	(7)	0.00	(7)	0	0	(7)
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
DP 699 - Vacancy Savings at 4 Percent	0.00	(64,556)	0	0	(64,556)	0.00	(64,830)	0	0	(64,830)
Total Other Present Law Adjustments	**0.00**	**$275,892**	**$5,638**	**$249,970**	**$531,500**	**0.00**	**$340,293**	**$5,954**	**$252,727**	**$598,974**
Grand Total All Present Law Adjustments					**$1,288,026**					**$1,380,442**

Present Law Adjustments

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

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 average daily population (ADP) was lower than anticipated due to construction delays. Therefore, present law adjustments were approved to reflect the

additional costs for operating at capacity. The ADP is projected at 118 for fiscal 2002 and 135 for fiscal 2003.

The legislature approved increases as follows:
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;
3. $158,173 in fiscal 2002 and $109,127 in fiscal 2003 for supplies;
4. $20,431 in fiscal 2002 and $32,843 in fiscal 2003 for communications;
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;
6. $8,115 in fiscal 2002 and $11,213 in fiscal 2003 for rent of equipment;
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; and
9. $5,638 in fiscal 2002 and $5,954 in fiscal 2003 for goods purchased for resale.

The legislature reduced funding by:
1. $17,022 in fiscal 2002 and $12,855 in fiscal 2003 for buildings and grounds; and
2. $11,483 for educational and recreation equipment in fiscal 2003.

DP 306 - Personal Services Zero-Based Items - Because costs of overtime, differential pay, holidays worked, compensated time payout, and holiday pay are zero based, the legislature approved increases each year of the biennium for these areas.

DP 309 - Non-Employee Travel - This base adjustment reduces non-employee travel by 50 percent.

DP 310 - Reduce One-Time-Only Equipment - Reductions from base-year expenditures were approved by the legislature due to the purchase of one-time-only items.

DP 330 - Federal Grant Replaces General Fund - The legislature approved replacing general fund with a federal grant for residential substance abuse treatment.

DP 699 - Vacancy Savings at 4 Percent - The legislature approved increasing the statewide vacancy savings rate to 4 percent and including the state share of health insurance premiums in the calculation for determining the amount.

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 Legislative Budget Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Leg. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Leg. Budget Fiscal 2003	Total Leg. Budget Fiscal 02-03
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00	4.00
Personal Services	358,956	(204,362)	0	154,594	(202,859)	0	156,097	310,691
Operating Expenses	15,279,833	2,282,165	0	17,561,998	4,262,758	(4,000,000)	15,542,591	33,104,589
Total Costs	**$15,638,789**	**$2,077,803**	**$0**	**$17,716,592**	**$4,059,899**	**($4,000,000)**	**$15,698,688**	**$33,415,280**
General Fund	15,638,789	2,077,803	0	17,716,592	4,059,899	(4,000,000)	15,698,688	33,415,280
Total Funds	**$15,638,789**	**$2,077,803**	**$0**	**$17,716,592**	**$4,059,899**	**($4,000,000)**	**$15,698,688**	**$33,415,280**

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 Beds	0.00	3,166,619	0	0	3,166,619	0.00	5,186,909	0	0	5,186,909
DP 309 - Non-Employee Travel	0.00	(25,745)	0	0	(25,745)	0.00	(25,745)	0	0	(25,745)
DP 331 - Decrease Contract Beds - DUI Statutory Change	0.00	(858,044)	0	0	(858,044)	0.00	(897,741)	0	0	(897,741)
DP 699 - Vacancy Savings at 4 Percent	0.00	(2,572)	0	0	(2,572)	0.00	(2,588)	0	0	(2,588)
Total Other Present Law Adjustments	**0.00**	**$2,280,258**	**$0**	**$0**	**$2,280,258**	**0.00**	**$4,260,835**	**$0**	**$0**	**$4,260,835**
Grand Total All Present Law Adjustments					**$2,077,803**					**$4,059,899**

Present Law Adjustments

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

DP 304 - Male & Female Contract Beds - The legislature approved an increase in contract beds based on department projections of 983 adult male and 72 adult female offenders being 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 will be completed by February 2003. Therefore, the female contracted population will be down to zero by the end of fiscal 2003. The amount for contract dollars for females is based on an ADP of 60 for fiscal 2003. These projections do not incorporate any changes associated with changing the fourth DUI statute. DPs 331 and 333 reduce the amounts appropriated for contract beds as a result of SB 489.

DP 309 - Non-Employee Travel - This base adjustment reduces non-employee travel by 50 percent.

DP 331 - Decrease Contract Beds - DUI Statutory - The legislature approved reducing the funding for contract beds based on a proposal to move eligible fourth DUI offenders to a DUI unit. See "Other Legislation" for more information.

DP 699 - Vacancy Savings at 4 Percent - The legislature approved increasing the statewide vacancy savings rate to 4 percent and including the state share of health insurance premiums in the calculation for determining the amount.

New Proposals	Fiscal 2002					Fiscal 2003				
Sub Prgm	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - SB 489 - Contract Bed Savings										
04	0.00	0	0	0	0	0.00	(4,000,000)	0	0	(4,000,000)
Total	**0.00**	**$0**	**$0**	**$0**	**$0**	**0.00**	**($4,000,000)**	**$0**	**$0**	**($4,000,000)**

New Proposals

DP 333 - SB 489 - Contract Bed Savings - SB 489 (fourth DUI bill) is projected to generate an additional $4.0 million in savings in contract beds. The legislature reduced the Secure Facilities appropriation by this amount contingent on passage and approval of SB 489.

Proprietary Rates

Program Description

The cook/chill operation at Montana State Prison provides meals to several facilities to allow food service costs to be reduced at these facilities. The cook/chill operation currently serves Montana State Prison, Montana State Hospital, Treasure State Correctional Training Center, and Riverside. The operation plans on expanding service to the Helena Pre-release effective July 1, 2001 and to the fourth DUI program effective January of 2002.

The cook/chill operation has been funded with general fund in the past biennium. The legislature approved moving the operation to a proprietary-based function. The operation currently includes 15.0 FTE and would include 16.75 FTE and 22 inmate labor positions in fiscal 2002 and 18.0 FTE and 22 inmate labor positions in fiscal 2003. The personal services money currently in the base budget at MSP for the 15.0 FTE is moved to operating expenses to pay MSP rates for cook/chill meals.

Revenues and Expenses

The department projects revenues of approximately $4.0 million each year and total production and overhead costs of approximately $3.9 million each year (this includes $0.5 million for a 60-day cash flow). Revenues are based on the number of meals provided to the six facilities.

Rate Explanation

Rates for meals are based on the production costs, overhead, and delivery costs. The legislature approved the following rates for the 2003 biennium:

	Fiscal 2002	*Fiscal 2003*
Cook/chill rate to MSP	$1.80/meal	$1.78/meal
Cook/chill rate to MSH	$1.83/meal	$1.82/meal
Cook/chill rate to TSCTC	$1.83/meal	$1.81/meal
Cook/chill rate to Riverside	$2.79/meal	$2.86/meal
Cook/chill rate to DUI facility	$1.86/meal	$1.84/meal
Cook/chill rate to Helena Pre-release	$2.43/meal	$2.47/meal

Program Legislative Budget Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Leg. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Leg. Budget Fiscal 2003	Total Leg. 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	149,057	0	733,570	153,354	0	737,867	1,471,437
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**	**$213,354**	**$0**	**$1,531,234**	**$217,195**	**$0**	**$1,535,075**	**$3,066,309**
General Fund	1,033,831	(19,428)	0	1,014,403	(16,997)	0	1,016,834	2,031,237
Federal Special	0	0	0	0	0	0	0	0
Proprietary	284,049	232,782	0	516,831	234,192	0	518,241	1,035,072
Total Funds	**$1,317,880**	**$213,354**	**$0**	**$1,531,234**	**$217,195**	**$0**	**$1,535,075**	**$3,066,309**

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 65 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)
DP 699 - Vacancy Savings at 4 Percent	0.00	(5,842)	0	0	(7,702)*	0.00	(5,877)	0	0	(7,744)*
Total Other Present Law Adjustments	**2.00**	**$24,725**	**$0**	**$0**	**$211,475***	**2.00**	**$24,890**	**$0**	**$0**	**$211,852***
Grand Total All Present Law Adjustments					**$213,354***					**$217,195***

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the

narrative descriptions.

DP 402 - MCE Voc Ed and Lic. Plate Inmate Payroll - The legislature approved an increase for inmate pay of $73,320 each year.

DP 404 - Continue MCE Food Bank Program - The legislature approved 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 legislature intends that all costs incurred by MCE in operating the food bank program will be negotiated with the Department of Public Health and Human Services and the Montana Food Bank.

DP 409 - MCE Lic. Plates & Voc. Ed. Overtime - The legislature approved an increase for overtime of $7,753 each year.

DP 411 - Reduce One-Time-Only Equipment - The legislature approved a base budget reduction for one-time-only equipment each year of the biennium.

DP 699 - Vacancy Savings at 4 Percent - The legislature approved increasing the statewide vacancy savings rate to 4 percent and including the state share of health insurance premiums in the calculation for determining the amount.

Language

The department shall negotiate with the Department of Public Health and Human Services and the Montana Food Bank for any costs incurred by the Montana Correctional Enterprises in operating the food bank program.

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. The legislature approved a $.02 rate increase for the 2003 biennium. The current and approved laundry rates for the 2003 biennium are as follows:

	Current	*Approved FY02 and FY03*
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 MCE 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.

Significant Present Law

DP 405 - MCE Industries Program Expansion FTE - Proprietary funds of $157,919 in fiscal 2002 and $158,459 in fiscal 2003 will be used 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 - Proprietary funds of $1,048,895 each year will be used 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.

DP 407 - MCE Ranch and Industries Replacement Equipment - Proprietary funds of $200,000 in fiscal 2002 and $220,000 in fiscal 2003 will be used for replacement equipment for the MCE Ranch and Industries programs. The table following DP 408 under "New Proposals" shows the equipment to be replaced.

DP 410 - MCE Ranch & Industries Overtime Request - Proprietary funds will be used for overtime of $121,573 and $30,394 for benefits in fiscal years 2002 and 2003.

New Proposals

DP 408 - MCE Ranch and Industries New Equipment & Construction - Proprietary funds of $63,000 in fiscal 2002 and $78,000 in fiscal 2003 will be used for new equipment. The equipment is for the new industries program start-up at the regional jails and private prisons, and construction materials for ranch and dairy minor projects. The following table shows the new equipment to be purchased with proprietary funds.

Table 8
Montana Correctional Enterprises
Equipment Purchases and Replacement

	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	$0	$12,000
Calving Facility	$0	$10,000
Subtotal	$63,000	$78,000
Replacement Equipment		
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	$263,000	$298,000