

# The Legislative Fiscal Division Presents an Agency Profile of: The Judicial Branch

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Definition of Terms

## Agency Description

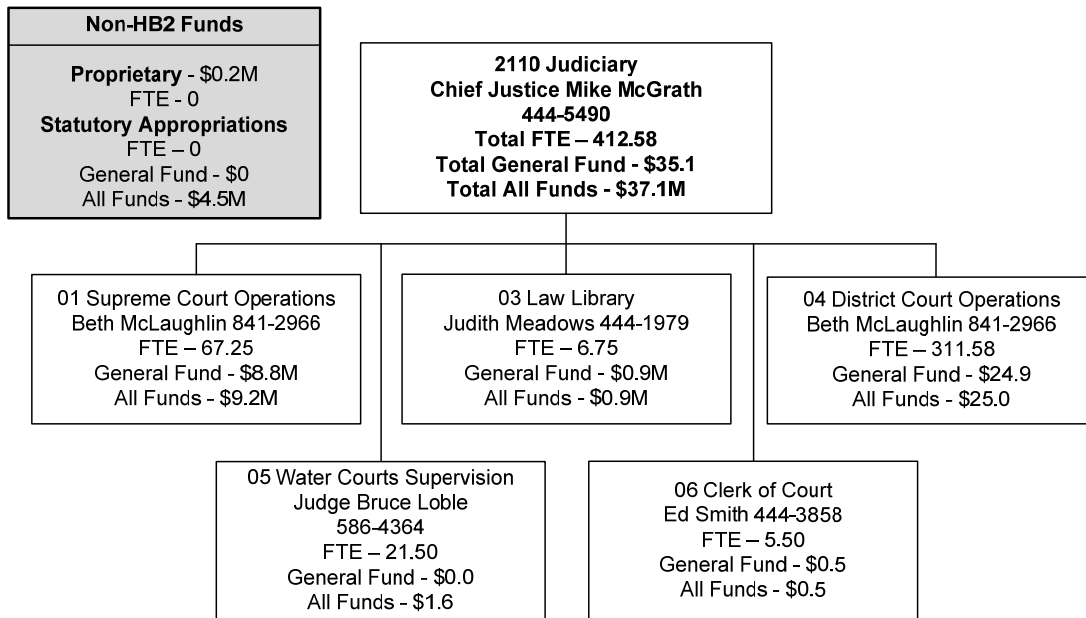
The Judicial Branch, an independent branch of government, provides an independent forum to resolve disputes, preserve the rule of law, and protect the rights and liberties guaranteed by the Constitutions of the United States and Montana. Additionally, Juvenile Probation is part of the District Court Operations Program within the Judicial Branch. The branch provides these services through:

- The Supreme Court, based in Helena, with seven justices
- District Courts (56 courts) split into 22 judicial districts with 46 district court judges, and staff including law clerks, assistants, court reporters, support staff, and juvenile probation officers
- A Water Court with a chief judge, associate water judge, and various water masters and administrative staff specializing in adjudication of water rights
- Boards, commissions, and councils that oversee various aspects of legal practice in the state
- A state law library in Helena
- A Clerk of Court for the Supreme Court

The Supreme Court Justices and District Court judges are elected through a nonpartisan ballot. The Clerk of the Supreme Court is also an elected official.

Article III, Section I, and Article VII of the Montana Constitution authorizes the Judicial Branch. There are five programs within the branch: 1) Supreme Court Operations; 2) Law Library; 3) District Court Operations; 4) Water Court Supervision; and 5) Clerk of the Supreme Court.

Below is an organizational chart of the agency including full time-equivalent (FTE) numbers, general fund appropriations, statutory appropriations, proprietary funds, and total funds.



The Judicial Branch provides services through the following courts and supporting functions.

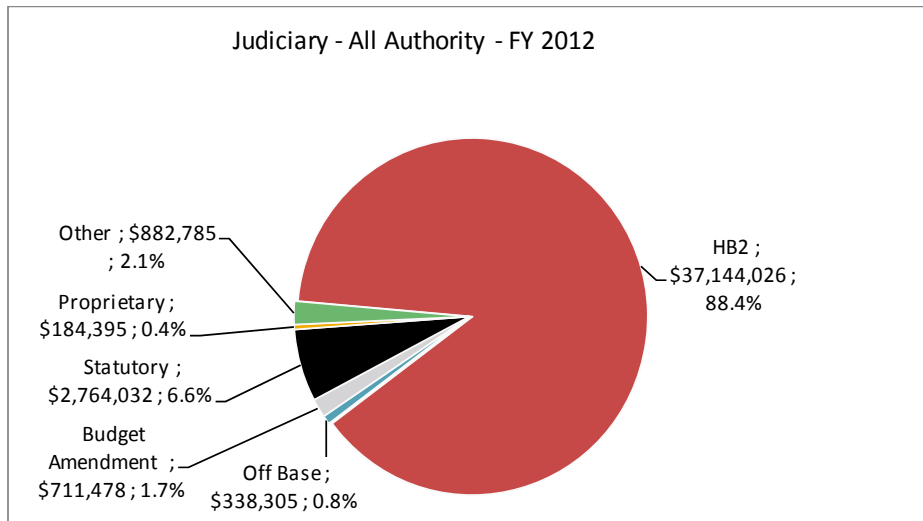
The Montana Supreme Court, which is a court of review and a court of original jurisdiction. The court has jurisdiction over appeals from all Montana district courts. This court also hears appeals from the Water and the Workers’ Compensation Courts. It has original jurisdiction to hear and determine writs, attorney discipline, rules governing appellate procedure, and practice and procedures for the other courts. It also has supervisory control of all state courts and the entire judicial system. Under this court is the Office of Court Administrator who is the appointed administrative officer of the Supreme Court, administrative services, court services, and information technology development and support. The court uses boards and commissions to assist it in matters involving rulemaking and oversight of Judicial Branch functions in Montana. Among the boards and commissions within the branch are the: Sentence Review Board, Commission on Practice, Commission on Courts of Limited Jurisdiction, Judicial Standards Commission, and the Judicial Nomination Commission. The Clerk of the Supreme Court, an elected official, conducts the business of the Supreme Court, including controlling the dockets and filings, managing appellate mediations, maintaining the official roll of Montana attorneys, and licensing for the attorneys.

District courts are courts of general jurisdiction that process felony cases, probate cases, civil cases and actions, special actions and proceedings, naturalization proceedings, writs, and ballot issues and have some appellate jurisdiction of cases from courts of limited jurisdiction. Included in district courts is a function for overseeing probation of juveniles. Except for clerks of court or other elected county officials, operations of district courts including judges are funded by the state.

The Water Court adjudicates state law-based water rights and federal and Indian water right claims.

The State Law Library, governed by the board of trustees composed of the seven members of the Supreme Court, provides resource information to the public and those working within the court system.

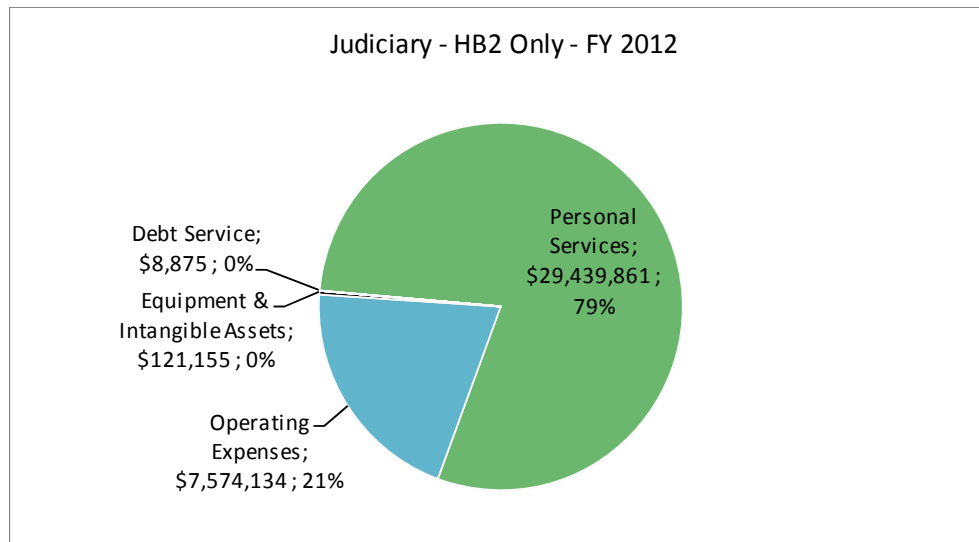
## Sources of Spending Authority



The above chart shows the sources of authority for the Judicial Branch. The accounting term “off base” includes one-time-only appropriations for guardian ad litem services in the 2nd judicial district and the Court Help Program. Other legislative appropriations (sometimes called cat and dog bills) are included in the above categories as appropriate. For a more detailed description of accounting terminology, please refer to the definition of terms.

## Expenditures

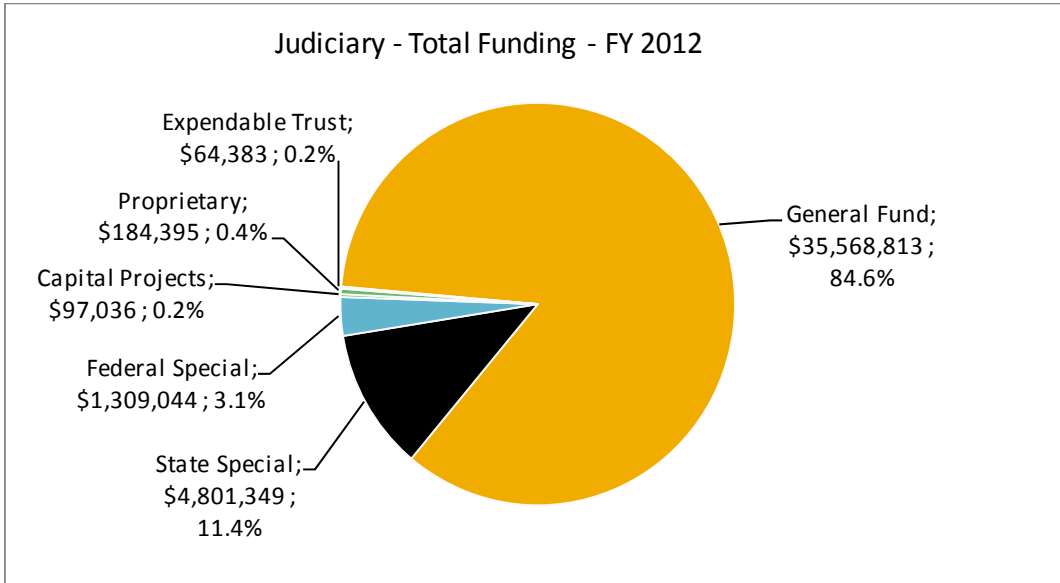
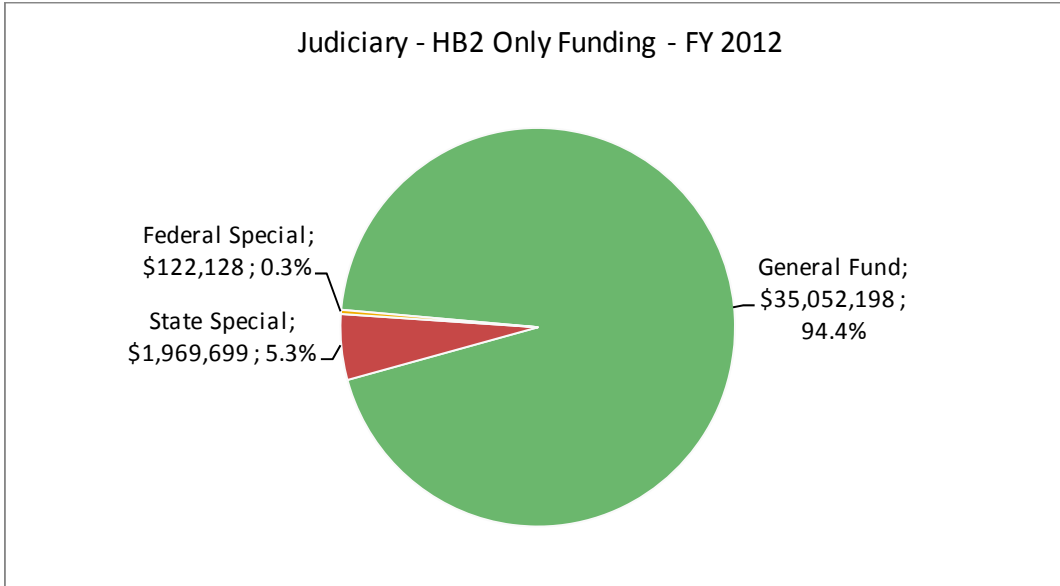
The next chart explains how the HB 2 authority is spent. Personal services funds costs of Montana Supreme Court and district court judges, judicial assistants, court reporters, juvenile probation officers, and other support staff, except clerks of district courts. Operating expenses includes operating costs for the Montana Supreme Court and district courts, the law library, and clerk of courts office.



This chart matches the agency chart found in the 2015 Budget Analysis. Some minor discrepancies may occur as a result of rounding.

# Funding

The following charts show the agency's HB 2 funding authority by fund type and all sources of its total funding authority.



## How the 2013 Legislature Can Effect Change

In order to change expenditure levels and/or agency activity, the legislature must address one or more of the following factors that drive costs:

- Change constitutional guarantees and/or provisions related to the judicial system
- Impact caseloads by changing statutes – criminal and civil proceedings. Also, in some cases dollar value of the crime directs the case to either a district court or lower court. Cases could be shifted between courts by changing the dollar threshold. This could create cost shifts since the state funds district courts while counties and cities fund lower court activities
- Increase or decrease the number of courts and/or create specialty courts (for example, family court, drug court, treatment courts). A change in the number and/or function(s) of a court may also increase or decrease efficiency, and thus increase or decrease costs
- Change the number of counties in the state, which would in turn change the number of courthouses to be staffed and maintained
- Use of technology, such as video conferencing, may impact costs
- Change statutory requirements related to how courts are funded

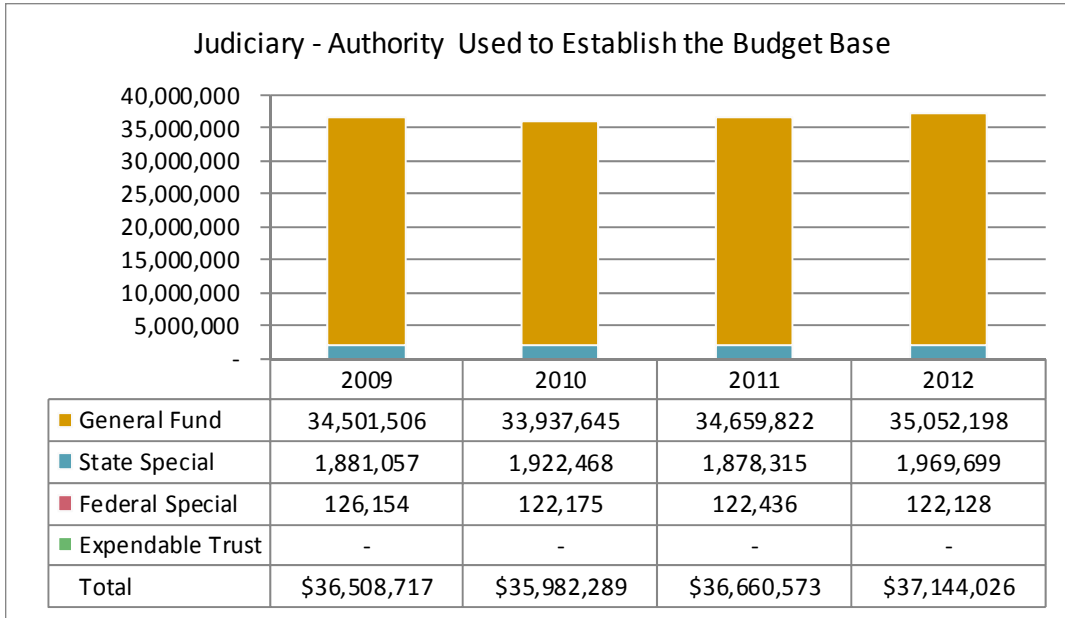
## Major Cost Drivers

Driver	2002	2011	Significance of Data
New district court cases filled and reopened - Abuse and Neglect	906	1,208	Shows caseload impacts of abuse and neglect cases
New district court cases filled and reopened - Criminal	7,046	7,249	Shows caseload impacts of criminal cases
New district court cases filled and reopened - Civil	10,673	17,518	Shows caseload impacts of civil cases
New district court cases filled and reopened -Domestic Relations	8,003	10,404	Shows caseload impacts of domestic relations cases
New district court cases filled and reopened - All Cases	33,443	44,234	Shows caseload impacts of all cases on district courts
New case filings - Montana Supreme Court	793	775	Shows caseloads of Montana Supreme Court
Court cases are shown for calendar year			

The table above provides some cost drivers that can indirectly impact the operating costs of the department.

## Funding/Expenditure History

The following figure shows how expenditures in base of HB 2 have been funded for the period from FY 2009 through FY 2012. Over the period, base funding has not changed materially.



## Major Legislative Changes in the Last Ten Years

The following legislative changes have impacted the funding for the Judicial Branch:

- A surcharge on court cases was increased from \$5 to \$10 for funding of court technology in HB 18 of the 2003 Legislature
- A statewide public defender system was established and the functions were moved from the branch in SB 146 of the 2005 Legislature
- A district court judge was added to the 18th judicial district by SB 18 of the 2005 Legislature
- Funding previously established from a surcharge on court cases was directed for deposit into the general fund and general fund began funding court automation costs in HB 536 of the 2005 Legislature
- The Juvenile Delinquency Intervention Act was revised as were the Department of Corrections and the branch in SB 146 of the 2007 Legislature
- An accelerated water adjudication program was established in HB 473 of the 2007 Legislature and \$25 million general fund was transferred to the water adjudication state special revenue account to fund the program through FY 2020
- Long-range information technology program funding was appropriated in HB 4 of the May 2007 Special Session for case management and courtroom technology improvements
- Three district court judges, in the 1st, 11th, and 13th districts, were added by SB 158 of the 2009 Legislature
- An associate water judge was added to the water court by HB 587 of the 2011 Legislature

For further information, you may wish to contact the agency at:

Montana Supreme Court  
Justice Building  
215 N. Sanders  
P.O. Box 203001  
Helena, Montana 59620-3001  
Phone: 406-444-5490  
Fax: 406-444-3274

Office of the Court Administrator  
Room 328, Park Avenue Building  
301 S. Park  
P.O. Box 203005  
Helena, Montana 59620-3005  
Phone: 406-841-2950  
Fax: 406-841-2955

web: <http://courts.mt.gov>

Disclaimer: Not all documents were developed by the Legislative Fiscal Division

Total Judicial Branch Funding by Source of Authority 2015 Biennium Budget					
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	\$77,075,900	\$0	\$0	\$77,075,900	93.2%
State Special Total	\$5,010,773	\$0	\$0	\$5,010,773	6.1%
02141 Youth Court Fees	\$181,194	\$0	\$0	\$181,194	0.2%
02399 Boards And Commissions - Mji	\$129,796	\$0	\$0	\$129,796	0.2%
02431 Water Adjudication	\$2,166,372	\$0	\$0	\$2,166,372	2.6%
02536 Legal Assistance	\$281,338	\$0	\$0	\$281,338	0.3%
02576 Natural Resources Operations Ssr Fu	\$2,062,727	\$0	\$0	\$2,062,727	2.5%
02788 Acc. Cty Sick/vacation Leave	\$116,842	\$0	\$0	\$116,842	0.1%
02961 State Grants To Drug Courts	\$72,504	\$0	\$0	\$72,504	0.1%
Federal Special Total	\$243,830	\$0	\$0	\$243,830	0.3%
03240 Court Assessment Program	\$243,830	\$0	\$0	\$243,830	0.3%
Proprietary Total	\$0	\$368,529	\$0	\$368,529	0.4%
06019 Law Library Searches/research	\$0	\$368,529	\$0	\$368,529	0.4%
Total All Funds	\$82,330,503	\$368,529	\$0	\$82,699,032	100.0%
<b>Percent - Total All Sources</b>	<b>99.6%</b>	<b>0.4%</b>	<b>0.0%</b>		



## 5% Base Budget Reduction Form

### 17-7-111-3(f)

#### AGENCY CODE & NAME:

		Minimum Requirement	
		General Fund	State Special Revenue Fund
<b>TARGETED REDUCTION TO EQUAL 5% OF CURRENT BASE BUDGET</b>		\$ 1,751,946	\$ 15,311
Priority	SERVICE(S) TO BE ELIMINATED OR REDUCED	General Fund Annual Savings	State Special Revenue Annual Savings
1	Supreme Court Operations Program - Civil Legal Assistance		\$ 7,255
2	Supreme Court Operations - Operational Categories		\$ 3,336
3	District Court Operations - Probation Fees		\$ 4,720
4	Law Library - Operational Categories	\$ 43,742	
5	Clerk of Court - Operational Categories	\$ 23,552	
6	District Court Operations - Witness Costs	\$ 84,258	
7	District Court Operations - Jury Cotst	\$ 564,597	
8	District Court Operations - Evaluations	\$ 169,232	
9	Supreme Court Operations - Drug Courts	\$ 866,565	
10			
11			
	<b>TOTAL SAVINGS</b>	\$ 1,751,946	\$ 15,311
	<b>DIFFERENCE</b>		0                      0

## 5% Base Budget Reduction Form

#### AGENCY CODE & NAME:

21100, Judicial Branch, Supreme Court Operations

#### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

Reduction of spending authority to transfer filing fee state special revenue to Montana Legal Services for providing legal representation for indigent victims in civil matters in domestic violence cases and for alternative dispute resolution initiatives in family law cases.

**#2 THE SAVINGS THAT ARE EXPECTED:**

\$7,255 State Special Revenue

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Payment to Montana Legal Services will be reduced which may result in revenue exceeding spending authority. Services provided by Montana Legal Services to indigent victims of domestic violence cases will be reduced.

**#4****HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

The Judicial Branch does not currently have any other option to mitigate this reduction.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes. 3-2-714 and 25-1-201 (3) (a) MCA

**5% Base Budget Reduction Form****AGENCY CODE & NAME:**

21100, Judicial Branch, Supreme Court Operations

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Reduction of operational categories including printing, contracted services, office supplies, postage, long distance and other telephone costs, travel, and meeting costs. State Special expenditure reduction due to funds collected for training conferences for Courts of Limited Jurisdiction Judges and Clerks.

**#2 THE SAVINGS THAT ARE EXPECTED:**

\$3,336 State Special Revenue Funds

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Reductions in costs related to statutorily mandated training of Courts of Limited Jurisdiction Judges.

**#4****HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

The Judicial Branch does not currently have any other option to mitigate this reduction.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes. 3-10-203 MCA

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME:

21100, Judicial Branch, District Court Operations

#### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION OR REDUCTION*:

Reduction of expenses related to probation fees revenue. Reduction would be to training, supplies and materials and other miscellaneous expenditure categories.

#### #2 THE SAVINGS THAT ARE EXPECTED:

\$4,720 State Special Revenue Fund

#### #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION OR REDUCTION*:

Reduced operational costs in all areas affect staff efficiency and effectiveness. Reduction of training and related travel directly affect the professional development of staff. Reductions in equipment maintenance and replacement threaten Branch missions. The Branch would be unable to comply with state standards, react to technological changes or provide the tools necessary for staff to perform critical work.

#### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

The Judicial Branch does not currently have any other option to mitigate this reduction.

#### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

Yes. Titts 41, MCA.

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME:

21100, Judicial Branch, Law Library

#### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION OR REDUCTION*:

Reduction in purchase of books and other library materials.

#### #2 THE SAVINGS THAT ARE EXPECTED:

\$43,742 General Fund

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Cuts will be made to materials purchased and used by the legislative branch and executive agencies. In past years this has led to those agencies each purchasing duplicate titles, but being unaware of the redundancies in spending. Required titles will not be available for loaning to public libraries, the other courts around the state, court officers, and the general public. Litigants will be less prepared for trial, which will delay judicial opinions and sentences.

**#4**

**HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

The Judicial Branch does not currently have any other option to mitigate this reduction.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes. Title 22, Chapter 1, Part 5, MCA.

## 5% Base Budget Reduction Form

**AGENCY CODE & NAME:**

21100, Judicial Branch, Clerk of Court

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Reduction of all operational categories including copying, office supplies, postage, records storage, long distance and other telephone charges, travel, office equipment maintenance and training.

**#2 THE SAVINGS THAT ARE EXPECTED:**

\$23,552 General Fund

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Reductions would severely impede the Clerk of Court from performing required duties in support of the Montana Supreme Court.

**#4**

**HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

The Judicial Branch does not currently have any other option to mitigate this reduction.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes, Title 3, Chapter 2, Part 4, MCA.

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME:

21100, Judicial Branch, District Court Operations

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Eliminate the reimbursement of witness and expert witness fees and related costs in District Courts.

**#2 THE SAVINGS THAT ARE EXPECTED:**

\$84,258 General Fund

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Costs of witnesses called by the Attorney General or County Attorneys would not be paid or would be paid by local governments. Costs were assumed by the state from the counties in 2002. Statutory change would be necessary.

**#4**

**HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

The Judicial Branch does not currently have any other option to mitigate this reduction.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes, 26-2-506 and 46-15-116, MCA.

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME:

21100, Judicial Branch, District Court Operations

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Eliminate the reimbursement of jury fees and related costs in District Courts.

**#2 THE SAVINGS THAT ARE EXPECTED:**

\$564,597 General Fund

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Jury fees and related costs (mileage, postage, etc) would not be paid or would be paid by local governments. Costs were assumed by the state from the counties in 2002. Statutory change would be necessary.

**#4**

**HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

The Judicial Branch does not currently have any other option to mitigate this reduction.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes, 3-5-901 and 3-15-201, MCA.

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME:

21100, Judicial Branch, District Court Operations

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Eliminate the payment of court ordered evaluations, fitness to proceed evaluations and psychosexual evaluations in criminal cases in District Courts.

**#2 THE SAVINGS THAT ARE EXPECTED:**

\$169,232 General Fund

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Evaluation costs of defendants in criminal cases would not be paid or would be paid by local governments. Costs were assumed by the state from the counties in 2002. Statutory change would be necessary.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

The Judicial Branch does not currently have any other option to mitigate this reduction.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes, 46-14-206, 46-14-221 and 46-18-111, MCA.

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME:

21100, Judicial Branch, Supreme Court Operations

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Eliminate the payment for alcohol and drug treatment court costs and administration.

**#2 THE SAVINGS THAT ARE EXPECTED:**

\$866,565 General Fund

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Nationally and in Montana, drug court programs have resulted in lowered recidivism rates for offenders, substantially reduced drug use, allowed offenders to stay in their communities to support their families, work and pay taxes and reduced the number of babies born drug addicted. Eliminating drug courts would reverse these impacts.

**#4**

**HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

The Judicial Branch does not currently have any other option to mitigate this reduction.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

No, allowed but not required 46-1-1104, MCA

**5% Base Budget Reduction Form**

**AGENCY CODE & NAME:**

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

**#2 THE SAVINGS THAT ARE EXPECTED:**

**#3**

**THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

**#5**

**WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**



## Judicial Branch Goals and Objectives

### Montana Constitutional Authorizations:

<p><b>ARTICLE II</b></p> <p><b>DECLARATION OF RIGHTS</b></p>	<p><b>Section 16. The administration of justice.</b> Courts of justice shall be open to every person, and speedy remedy afforded for every injury of person, property, or character. No person shall be deprived of this full legal redress for injury incurred in employment for which another person may be liable except as to fellow employees and his immediate employer who hired him if such immediate employer provides coverage under the Workmen's Compensation Laws of this state. Right and justice shall be administered without sale, denial, or delay.</p>
	<p><b>Section 17. Due process of law.</b> No person shall be deprived of life, liberty, or property without due process of law.</p>
	<p><b>Section 18. State subject to suit.</b> The state, counties, cities, towns, and all other local governmental entities shall have no immunity from suit for injury to a person or property, except as may be specifically provided by law by a 2/3 vote of each house of the legislature.</p>
	<p><b>Section 19. Habeas corpus.</b> The privilege of the writ of habeas corpus shall never be suspended.</p>
	<p><b>Section 20. Initiation of proceedings.</b> (1) Criminal offenses within the jurisdiction of any court inferior to the district court shall be prosecuted by complaint. All criminal actions in district court, except those on appeal, shall be prosecuted either by information, after examination and commitment by a magistrate or after leave granted by the court, or by indictment without such examination, commitment or leave. (2) A grand jury shall consist of eleven persons, of whom eight must concur to find an indictment. A grand jury shall be drawn and summoned only at the discretion and order of the district judge.</p>
	<p><b>Section 21. Bail.</b> All persons shall beailable by sufficient sureties, except for capital offenses, when the proof is evident or the presumption great.</p>
	<p><b>Section 22. Excessive sanctions.</b> Excessive bail shall not be required, or excessive fines imposed, or cruel and unusual punishments inflicted.</p>
	<p><b>Section 23. Detention.</b> No person shall be imprisoned for the purpose of securing his testimony in any criminal proceeding longer than may be necessary in order to take his deposition. If he can give security for his appearance at the</p>

	time of trial, he shall be discharged upon giving the same; if he cannot give security, his deposition shall be taken in the manner provided by law, and in the presence of the accused and his counsel, or without their presence, if they shall fail to attend the examination after reasonable notice of the time and place thereof.
	<b>Section 24. Rights of the accused.</b> In all criminal prosecutions the accused shall have the right to appear and defend in person and by counsel; to demand the nature and cause of the accusation; to meet the witnesses against him face to face; to have process to compel the attendance of witnesses in his behalf, and a speedy public trial by an impartial jury of the county or district in which the offense is alleged to have been committed, subject to the right of the state to have a change of venue for any of the causes for which the defendant may obtain the same.
	<b>Section 25. Self-incrimination and double jeopardy.</b> No person shall be compelled to testify against himself in a criminal proceeding. No person shall be again put in jeopardy for the same offense previously tried in any jurisdiction.
	<b>Section 26. Trial by jury.</b> The right of trial by jury is secured to all and shall remain inviolate. But upon default of appearance or by consent of the parties expressed in such manner as the law may provide, all cases may be tried without a jury or before fewer than the number of jurors provided by law. In all civil actions, two-thirds of the jury may render a verdict, and a verdict so rendered shall have the same force and effect as if all had concurred therein. In all criminal actions, the verdict shall be unanimous.
	<b>Section 27. Imprisonment for debt.</b> No person shall be imprisoned for debt except in the manner provided by law, upon refusal to deliver up his estate for the benefit of his creditors, or in cases of tort, where there is strong presumption of fraud.
	<b>Section 28. Criminal justice policy -- rights of the convicted.</b> (1) Laws for the punishment of crime shall be founded on the principles of prevention, reformation, public safety, and restitution for victims. (2) Full rights are restored by termination of state supervision for any offense against the state. History: Amd. Const. Amend. No. 33, approved Nov. 3, 1998.
	<b>Section 29. Eminent domain.</b> Private property shall not be taken or damaged for public use without just compensation to the full extent of the loss having been first made to or paid into court for the owner. In the event of litigation, just compensation shall include necessary expenses of litigation

	to be awarded by the court when the private property owner prevails.
	<b>Section 30. Treason and descent of estates.</b> Treason against the state shall consist only in levying war against it, or in adhering to its enemies, giving them aid and comfort; no person shall be convicted of treason except on the testimony of two witnesses to the same overt act, or on his confession in open court; no person shall be attainted of treason or felony by the legislature; no conviction shall cause the loss of property to the relatives or heirs of the convicted. The estates of suicides shall descend or vest as in cases of natural death.
	<b>Section 31. Ex post facto, obligation of contracts, and irrevocable privileges.</b> No ex post facto law nor any law impairing the obligation of contracts, or making any irrevocable grant of special privileges, franchises, or immunities, shall be passed by the legislature.
<b>ARTICLE III</b>	
<b>GENERAL GOVERNMENT</b>	<b>Section 1. Separation of powers.</b> The power of the government of this state is divided into three distinct branches--legislative, executive, and judicial. No person or persons charged with the exercise of power properly belonging to one branch shall exercise any power properly belonging to either of the others, except as in this constitution expressly directed or permitted.
	<b>Section 2. Continuity of government.</b> The seat of government shall be in Helena, except during periods of emergency resulting from disasters or enemy attack. The legislature may enact laws to insure the continuity of government during a period of emergency without regard for other provisions of the constitution. They shall be effective only during the period of emergency that affects a particular office or governmental operation.
	<b>Section 3. Oath of office.</b> Members of the legislature and all executive, ministerial and judicial officers, shall take and subscribe the following oath or affirmation, before they enter upon the duties of their offices: "I do solemnly swear (or affirm) that I will support, protect and defend the constitution of the United States, and the constitution of the state of Montana, and that I will discharge the duties of my office with fidelity (so help me God)." No other oath, declaration, or test shall be required as a qualification for any office or public trust.
<b>ARTICLE VII</b>	
<b>THE JUDICIARY</b>	<b>Section 1. Judicial power.</b> The judicial power of the state is vested in one supreme court, district courts, justice courts, and such other courts as may be provided by law.

	<p><b>Section 2. Supreme court jurisdiction.</b> (1) The supreme court has appellate jurisdiction and may issue, hear, and determine writs appropriate thereto. It has original jurisdiction to issue, hear, and determine writs of habeas corpus and such other writs as may be provided by law.</p> <p>(2) It has general supervisory control over all other courts.</p> <p>(3) It may make rules governing appellate procedure, practice and procedure for all other courts, admission to the bar and the conduct of its members. Rules of procedure shall be subject to disapproval by the legislature in either of the two sessions following promulgation.</p> <p>(4) Supreme court process shall extend to all parts of the state.</p>
	<p><b>Section 3. Supreme court organization.</b> (1) The supreme court consists of one chief justice and four justices, but the legislature may increase the number of justices from four to six. A majority shall join in and pronounce decisions, which must be in writing.</p> <p>(2) A district judge shall be substituted for the chief justice or a justice in the event of disqualification or disability, and the opinion of the district judge sitting with the supreme court shall have the same effect as an opinion of a justice.</p>
	<p><b>Section 4. District court jurisdiction.</b> (1) The district court has original jurisdiction in all criminal cases amounting to felony and all civil matters and cases at law and in equity. It may issue all writs appropriate to its jurisdiction. It shall have the power of naturalization and such additional jurisdiction as may be delegated by the laws of the United States or the state of Montana. Its process shall extend to all parts of the state.</p> <p>(2) The district court shall hear appeals from inferior courts as trials anew unless otherwise provided by law. The legislature may provide for direct review by the district court of decisions of administrative agencies.</p> <p>(3) Other courts may have jurisdiction of criminal cases not amounting to felony and such jurisdiction concurrent with that of the district court as may be provided by law.</p>
	<p><b>Section 5. Justices of the peace.</b> (1) There shall be elected in each county at least one justice of the peace with qualifications, training, and monthly compensation provided by law. There shall be provided such facilities that they may perform their duties in dignified surroundings.</p> <p>(2) Justice courts shall have such original jurisdiction as may be provided by law. They shall not have trial jurisdiction in any criminal case designated a felony except as examining courts.</p>

	(3) The legislature may provide for additional justices of the peace in each county.
	<p><b>Section 6. Judicial districts.</b> (1) The legislature shall divide the state into judicial districts and provide for the number of judges in each district. Each district shall be formed of compact territory and be bounded by county lines.</p> <p>(2) The legislature may change the number and boundaries of judicial districts and the number of judges in each district, but no change in boundaries or the number of districts or judges therein shall work a removal of any judge from office during the term for which he was elected or appointed.</p> <p>(3) The chief justice may, upon request of the district judge, assign district judges and other judges for temporary service from one district to another, and from one county to another.</p>
	<p><b>Section 7. Terms and pay.</b> (1) All justices and judges shall be paid as provided by law, but salaries shall not be diminished during terms of office.</p> <p>(2) Terms of office shall be eight years for supreme court justices, six years for district court judges, four years for justices of the peace, and as provided by law for other judges.</p>
	<p><b>Section 8. Selection.</b> (1) Supreme court justices and district court judges shall be elected by the qualified electors as provided by law.</p> <p>(2) For any vacancy in the office of supreme court justice or district court judge, the governor shall appoint a replacement from nominees selected in the manner provided by law. If the governor fails to appoint within thirty days after receipt of nominees, the chief justice or acting chief justice shall make the appointment from the same nominees within thirty days of the governor's failure to appoint. Appointments made under this subsection shall be subject to confirmation by the senate, as provided by law. If the appointee is not confirmed, the office shall be vacant and a replacement shall be made under the procedures provided for in this section. The appointee shall serve until the election for the office as provided by law and until a successor is elected and qualified. The person elected or retained at the election shall serve until the expiration of the term for which his predecessor was elected. No appointee, whether confirmed or unconfirmed, shall serve past the term of his predecessor without standing for election.</p> <p>(3) If an incumbent files for election and there is no election contest for the office, the name of the incumbent shall nevertheless be placed on the general election ballot to allow the voters of the state or district to approve or reject him. If an incumbent is rejected, the vacancy in the office for which the</p>

	election was held shall be filled as provided in subsection (2).
	<p><b>Section 9. Qualifications.</b> (1) A citizen of the United States who has resided in the state two years immediately before taking office is eligible to the office of supreme court justice or district court judge if admitted to the practice of law in Montana for at least five years prior to the date of appointment or election. Qualifications and methods of selection of judges of other courts shall be provided by law.</p> <p>(2) No supreme court justice or district court judge shall solicit or receive compensation in any form whatever on account of his office, except salary and actual necessary travel expense.</p> <p>(3) Except as otherwise provided in this constitution, no supreme court justice or district court judge shall practice law during his term of office, engage in any other employment for which salary or fee is paid, or hold office in a political party.</p> <p>(4) Supreme court justices shall reside within the state. During his term of office, a district court judge shall reside in the district and a justice of the peace shall reside in the county in which he is elected or appointed. The residency requirement for every other judge must be provided by law.</p>
	<p><b>Section 10. Forfeiture of judicial position.</b> Any holder of a judicial position forfeits that position by either filing for an elective public office other than a judicial position or absenting himself from the state for more than 60 consecutive days.</p>
	<p><b>Section 11. Removal and discipline.</b> (1) The legislature shall create a judicial standards commission consisting of five persons and provide for the appointment thereto of two district judges, one attorney, and two citizens who are neither judges nor attorneys.</p> <p>(2) The commission shall investigate complaints, and make rules implementing this section. It may subpoena witnesses and documents.</p> <p>(3) Upon recommendation of the commission, the supreme court may:</p> <p>(a) Retire any justice or judge for disability that seriously interferes with the performance of his duties and is or may become permanent; or</p> <p>(b) Censure, suspend, or remove any justice or judge for willful misconduct in office, willful and persistent failure to perform his duties, violation of canons of judicial ethics adopted by the supreme court of the state of Montana, or habitual intemperance.</p> <p>(4) The proceedings of the commission are confidential except as provided by statute.</p>

**The Judicial Branch goals and objectives are based in the Montana Constitution and do not change from year-to-year. Based on the Montana Constitution, the fundamental goals and objectives of the Judicial Branch are:**

**To provide equal access to justice;**

**To provide justice without unreasonable delay;**

**To preserve judicial independence;**

**To provide excellence in service; and**

**To increase the public's trust and confidence in Montana Courts.**

**2015 Biennium Report on Internal Service and Enterprise Funds**

Fund	Fund Name	Agency #	Agency Name	Program Name
06019	Searches/Research	21100	Judicial Branch	Law Library

	Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
<b>Operating Revenues:</b>						
Fee revenue						
Law Library Online Searches Revenue	192,582	207,265	186,877	183,000	189,000	189,000
Net Fee Revenue	192,582	207,265	186,877	183,000	189,000	189,000
Total Operating Revenue	192,582	207,265	186,877	183,000	189,000	189,000
<b>Operating Expenses:</b>						
Personal Services	-	-	-	-	-	-
Other Operating Expenses	189,722	203,200	184,395	189,823	184,232	184,297
Total Operating Expenses	189,722	203,200	184,395	189,823	184,232	184,297
Operating Income (Loss)	<b>2,860</b>	<b>4,065</b>	<b>2,482</b>	<b>(6,823)</b>	<b>4,768</b>	<b>4,703</b>
<b>Nonoperating Revenues (Expenses):</b>						
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Income (Loss) Before Operating Transfers	2,860	4,065	2,482	(6,823)	4,768	4,703
Contributed Capital	-	-	-	-	-	-
Operating Transfers In (Note 13)	-	-	-	-	-	-
Operating Transfers Out (Note 13)	-	-	-	-	-	-
Change in net assets	2,860	4,065	2,482	(6,823)	4,768	4,703
Total Net Assets- July 1 - As Restated	3,460	6,320	10,385	12,867	6,044	10,812
Prior Period Adjustments	-	-	-	-	-	-
Cumulative effect of account change	-	-	-	-	-	-
Total Net Assets - July 1 - As Restated	-	-	-	-	-	-
Net Assets- June 30	<b>6,320</b>	<b>10,385</b>	<b>12,867</b>	<b>6,044</b>	<b>10,812</b>	<b>15,515</b>
60 days of expenses						
(Total Operating Expenses divided by 6)	31,620	33,867	30,733	31,637	30,705	30,716

**Requested Rates for Enterprise Funds  
Fee/Rate Information**

	Actual FYE 10	Actual FYE 11	Actual FYE 12	Budgeted FY 13	Budgeted FY 14	Budgeted FY 15
Law Library Online Searches	189,722	203,200	184,395	189,823	184,232	184,297

The Law Library staff performs on-line searches/research for public entities. The law library is billed by the on-line provider for the air time and the Law Library, in turn, bills the entity requesting the search/research, collects the money and pays the provider. The net effect is zero.



# The Legislative Fiscal Division Presents an Agency Profile of: The Montana Board of Crime Control

Contact: Greg DeWitt, Senior Fiscal Analyst

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E-mail: [gcdewitt@mt.gov](mailto:gcdewitt@mt.gov)

Updated December 2012

Definition of Terms

## Agency Description

The Montana Board of Crime Control (MBCC) was established to promote public safety by strengthening the coordination and performance of the criminal and juvenile justice systems. The MBCC is an 18-member board appointed by the Governor. The MBCC supervises the Crime Control Division (CCD), which provides financial support, technical assistance, and support services to state and local criminal justice agencies. The CCD administers a number of federal grants including anti-drug, anti-crime, victim assistance, and juvenile justice programs. The MBCC administers contracts with regional juvenile detention centers that are supported by state general fund and the misdemeanor domestic violence program supported by state special revenue. The MBCC also collects and analyzes crime data from Montana's law enforcement agencies and publishes the annual "Crime in Montana" report. MBCC is established in 2-15-2006, MCA.

The MBCC has one advisory council, the Youth Justice Council (YJC). YJC develops and implements the state's juvenile justice plan and recommends educational, training, research, prevention, diversion, treatment and rehabilitation programs.

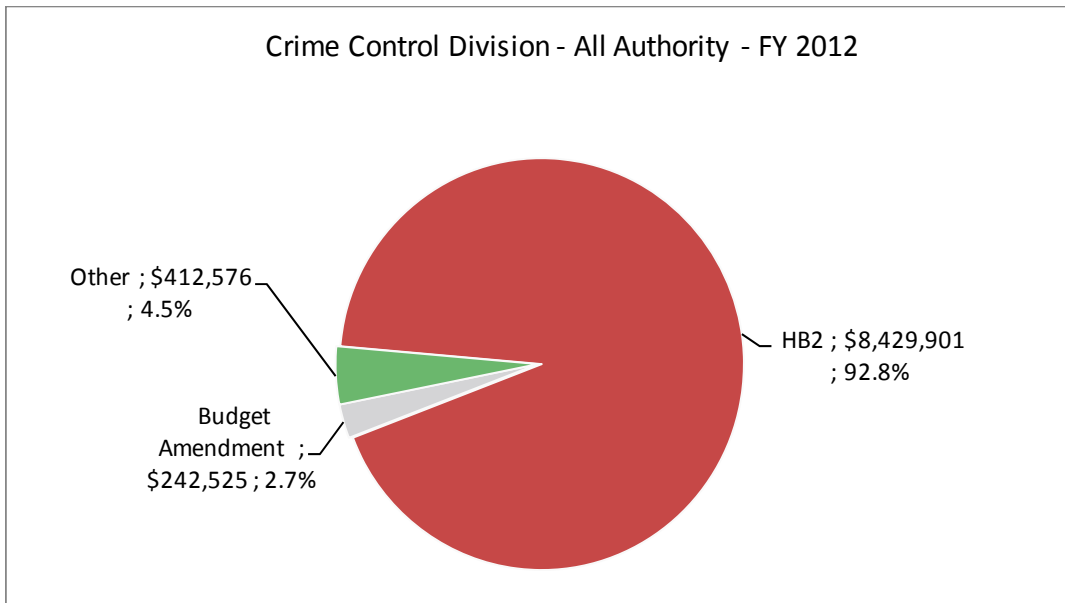
## How Services are Provided

The board promotes public safety through its supervision of the Crime Control Division and board actions.

Under the supervision of the board the Crime Control Division coordinates and assists public safety agencies and private non-profits both directly and in supportive functions such as:

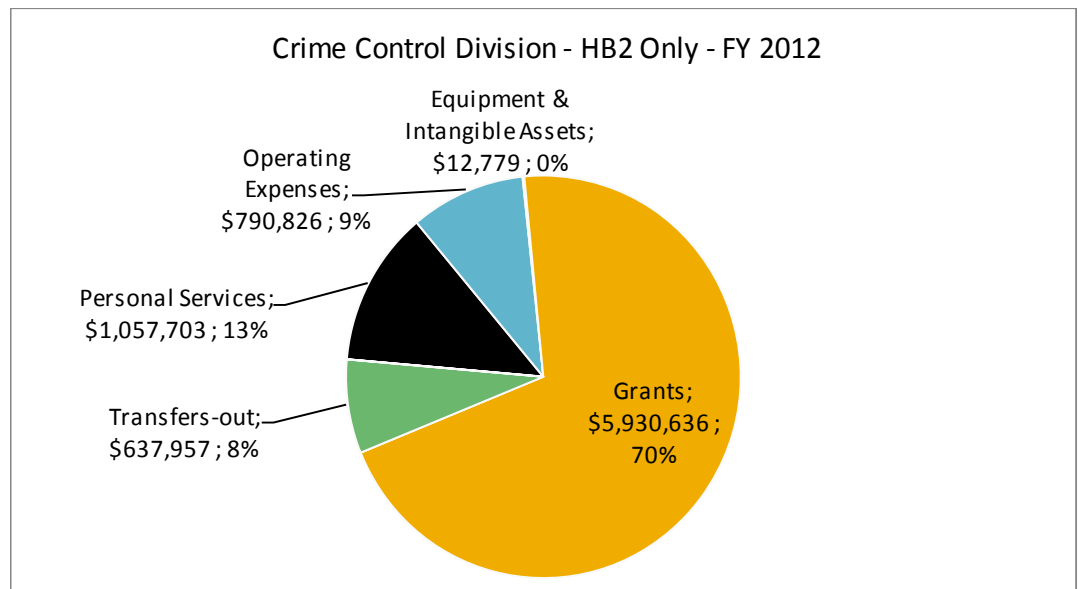
- The direct provision of services such as planning, training, and awareness
- Collection, analysis, and distribution of crime data and statistics
- Allocation of federal grants to public safety agencies
- Provision of financial and technical support, coordination, and oversight for granted funds
- Administrative support for the activities of the board and the Youth Justice Council

## Sources of Spending Authority



The above chart shows the sources of authority for the Montana Board of Crime Control. Other legislative appropriations (sometimes called cat and dog bills) are included in the above categories as appropriate. For the board, “Other” is for funding received under the American Recovery and Reinvestment Act of 2009. For a more detailed description of accounting terminology, please refer to the definition of terms.

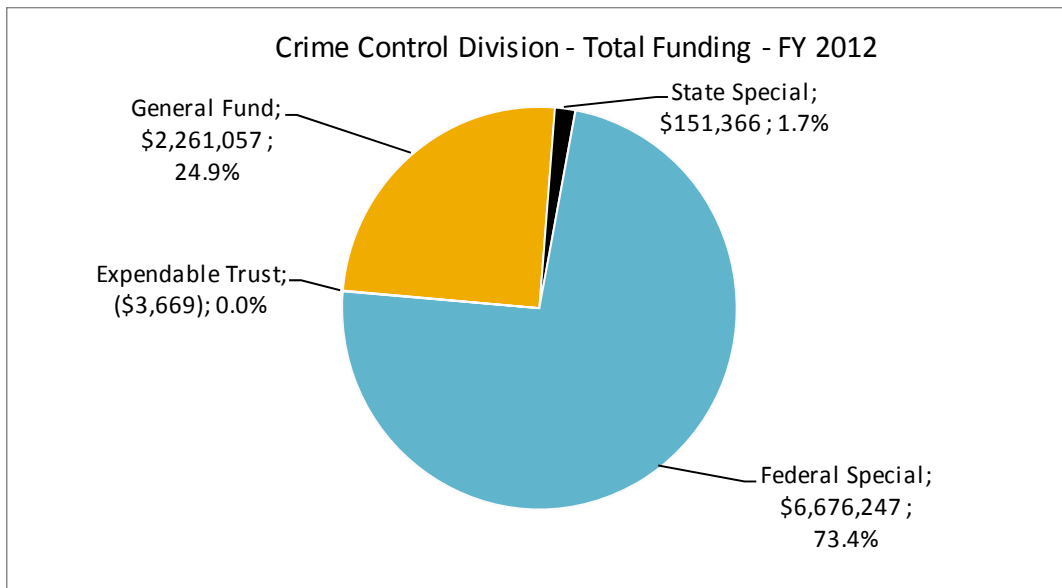
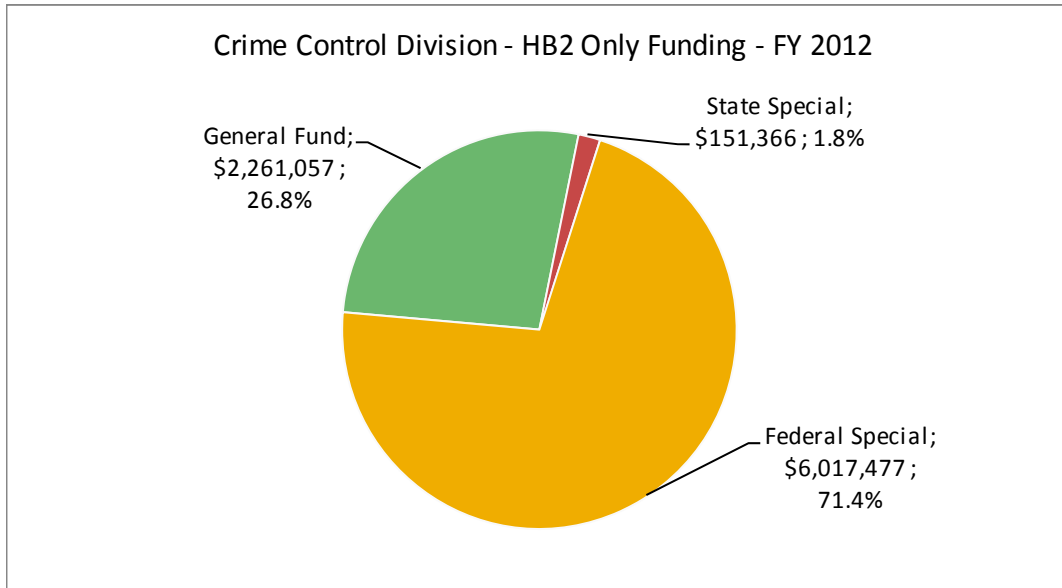
## Expenditures



The above chart explains how the HB 2 authority is spent. Of the total HB 2 expenditures made in FY 2012, 78% were for grants consisting of 70% to non-state public safety agencies (grants category) and 8% to state agencies (transfers-out). The remaining funds were used to administer the grants or provide direct services. This chart matches the agency chart found in the 2015 Budget Analysis. Some minor discrepancies may occur as a result of rounding.

# Funding

The following charts show the agency's HB 2 funding authority by fund type and all sources of its total funding authority. The state special revenue funds are domestic violence intervention funds received from court fees collected from filers of petitions for dissolution of marriage.



## How the 2013 Legislature Can Effect Change

In order to change expenditure levels and/or agency activity, the legislature must address one or more of the following basic elements that drive costs:

- MBCC expenditures are driven mainly by the cost of personal services
- The level of funding provided for juvenile detention centers
- The amount of federal funding available

### Major Cost Drivers

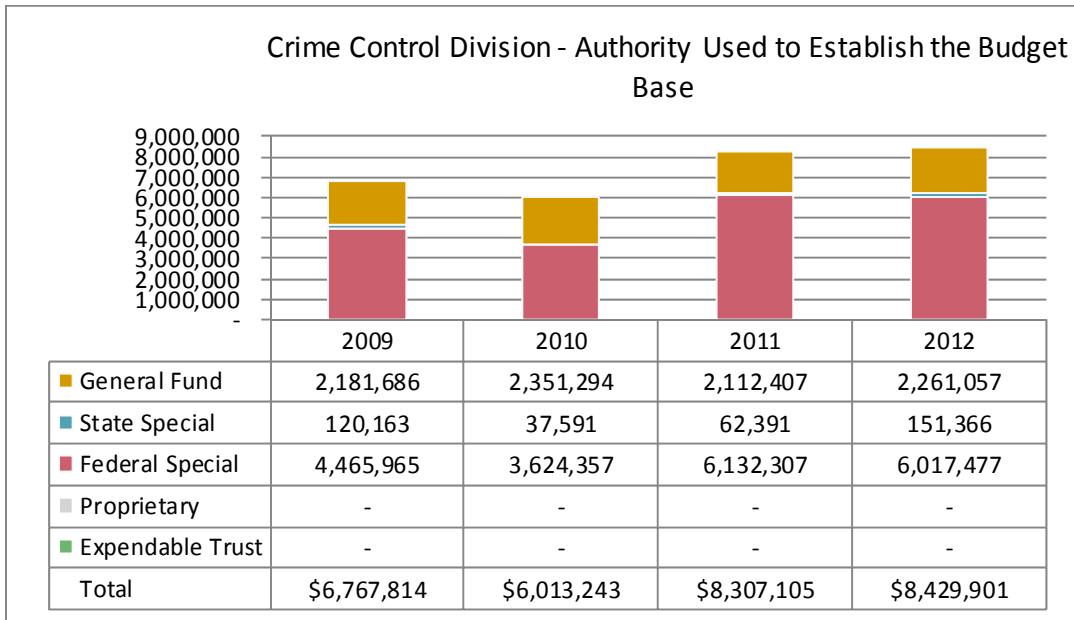
Driver	FY 2002	FY 2012	Significance of Data
Federal funds awarded to subgrantees	\$12.6 million	\$9.0 million	Shows federal funds available to the state have been declining
Grants for detention centers	\$1.1 million	\$0.9 million	Shows the funding for this area has remained stable
Local matching funds	\$5.4 million	\$6.9 million	Shows that local contributions have increased as federal awards have declined

The table above provides some cost drivers that can indirectly impact the operating costs of the board. Federal funds play a significant role in this agency. With the uncertainties of the federal Budget Control Act of 2011, levels of federal funds are uncertain, but are likely to decline even further than the declines shown in the table.

### Funding/Expenditure History

The figure on the next page shows how expenditures in HB 2 have been funded for the period from FY 2009 through FY 2012. Over the period, general fund support for the board has remained somewhat constant. Federal funds have experienced the following significant changes over the period:

- Sexual assault services funds were first received in FY 2012, \$159,000
- Paul Coverdell Forensic Science Improvement Grants have steadily increased over the years for \$85,000 in FY 2009 to \$190,000 in FY 2012
- Justice Assistance Grants saw a decline for FY 2009 to FY 2010, going from \$521,000 to \$43,000 then a rebound in FY 2011 to \$1.2 million, In FY 2010, \$3.2 million of Justice Assistance Grants were funded in HB 624 (recovery act funds) instead of HB 2
- Criminal History Record Improvement funds were \$553,000 in FY 2011 compared to FY 2010 funding of \$180,000 and FY 2012 funding of \$85,000
- Crime victim assistance funding grew by \$600,000 from FY 2010 to FY 2011



## Major Legislative Changes in the Last Ten Years

The only major change for the boards was in the 2007 Legislative Session when the functions of the Montana Public Safety Officer Standards and Training Council (POST) were moved to the Department of Justice.

For further information, you may wish to contact the agency at:

Montana Board of Crime Control

5 S Last Chance Gulch  
 PO Box 201408  
 Helena, MT 59620-1408  
 (406) 444-3604  
 TTY: (406) 444-7099

web: <http://mbcc.mt.gov/>

Disclaimer: Not all the documents were developed by the Legislative Fiscal Division

Total Crime Control Division Funding by Source of Authority 2015 Biennium Budget						
Funds	HB 2	Non- Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	\$4,776,433	\$0	\$0	\$4,776,433	27.7%	
State Special Total	\$305,226	\$0	\$0	\$305,226	1.8%	
02768 Dom Violence Intervention - Hb 476	\$305,226	\$0	\$0	\$305,226	1.8%	
Federal Special Total	\$12,135,498	\$0	\$0	\$12,135,498	70.5%	
03008 Juvenile Justice Council	\$1,222,828	\$0	\$0	\$1,222,828	7.1%	
03009 Juvenile Accountability	\$616,000	\$0	\$0	\$616,000	3.6%	
03081 Ovw Sexual Assault Services	\$520,000	\$0	\$0	\$520,000	3.0%	
03090 P Coverdell Forensic Science	\$200,000	\$0	\$0	\$200,000	1.2%	
03093 Title V Delinquency Intervention	\$25,000	\$0	\$0	\$25,000	0.1%	
03111 Rsat Residential Substance Abuse	\$177,648	\$0	\$0	\$177,648	1.0%	
03186 Project Safe Neighborhood	\$300,000	\$0	\$0	\$300,000	1.7%	
03188 Justice Assistance Grants	\$2,886,294	\$0	\$0	\$2,886,294	16.8%	
03192 Crime Victim Assistance	\$3,585,929	\$0	\$0	\$3,585,929	20.8%	
03201 Justice System Enhancements	\$180,000	\$0	\$0	\$180,000	1.0%	
03343 Criminal History Record Improv	\$400,000	\$0	\$0	\$400,000	2.3%	
03344 Violence Against Women Act	\$1,911,799	\$0	\$0	\$1,911,799	11.1%	
03962 Enf. Underage Drinking Laws	\$110,000	\$0	\$0	\$110,000	0.6%	
Total All Funds	\$17,217,157	\$0	\$0	\$17,217,157	100.0%	
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>			



## Montana Board of Crime Control 2014 - 2015 Goals and Objectives

### **GOAL 1: Promote public safety by planning for and responding to public safety issues.**

#### **Objectives:**

- Continuously improve the quality and completeness of MBCC databases.
- Secure funding and/or provide training and technical assistance for programs.
- Identify and monitor statewide underage drinking needs; collaborate with statewide partners to develop and implement underage drinking programs aimed at changing community norms.

### **GOAL 2: Promote public safety, crime prevention, and victim assistance programs by addressing current and emerging crime patterns in Montana communities.**

#### **Objectives:**

- Utilize data to conduct gap analysis in order to strategically determine where funds would most appropriately be used (geographically, underserved populations, etc.).
- Continue to forge and preserve partnerships with multi-jurisdictional task forces to promote the enforcement of and education about illegal drugs, gangs, drug endangered children, firearms, and other related issues.
- Continue to fund prevention and intervention best/promising practices in the area of juvenile justice programming.
- Identify statewide crime prevention needs to develop strategies for the implementation of crime prevention programs; identify funding sources for crime prevention programs and provide annual crime prevention training.



**GOAL 3: Provide timely, accurate, and relevant data and information to decision makers for resource, program, and policy development in the areas of public safety, crime prevention, and victim assistance.**

**Objectives:**

- Collect data from victim assistance organizations not funded by MBCC in order to obtain a comprehensive picture of statewide victimization information.
- Develop, build upon, and strengthen relationships with federal, state, and private grantors.
- Support and enhance Montana State Forensic Lab Services by supporting equipment enhancement, personnel, and training.
- Continue to increase tribal participation through information sharing and capacity building in order to implement and sustain programs.
- Provide regular informational updates for Board, Governor, Legislators, and public on status of MBCC programs, projects, and grants.
- Convene stakeholders to develop a plan to identify, assess, evaluate, and monitor disproportionate minority contact with the juvenile justice system.



# The Legislative Fiscal Division Presents an Agency Profile of: The Department of Justice

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Updated December 2012

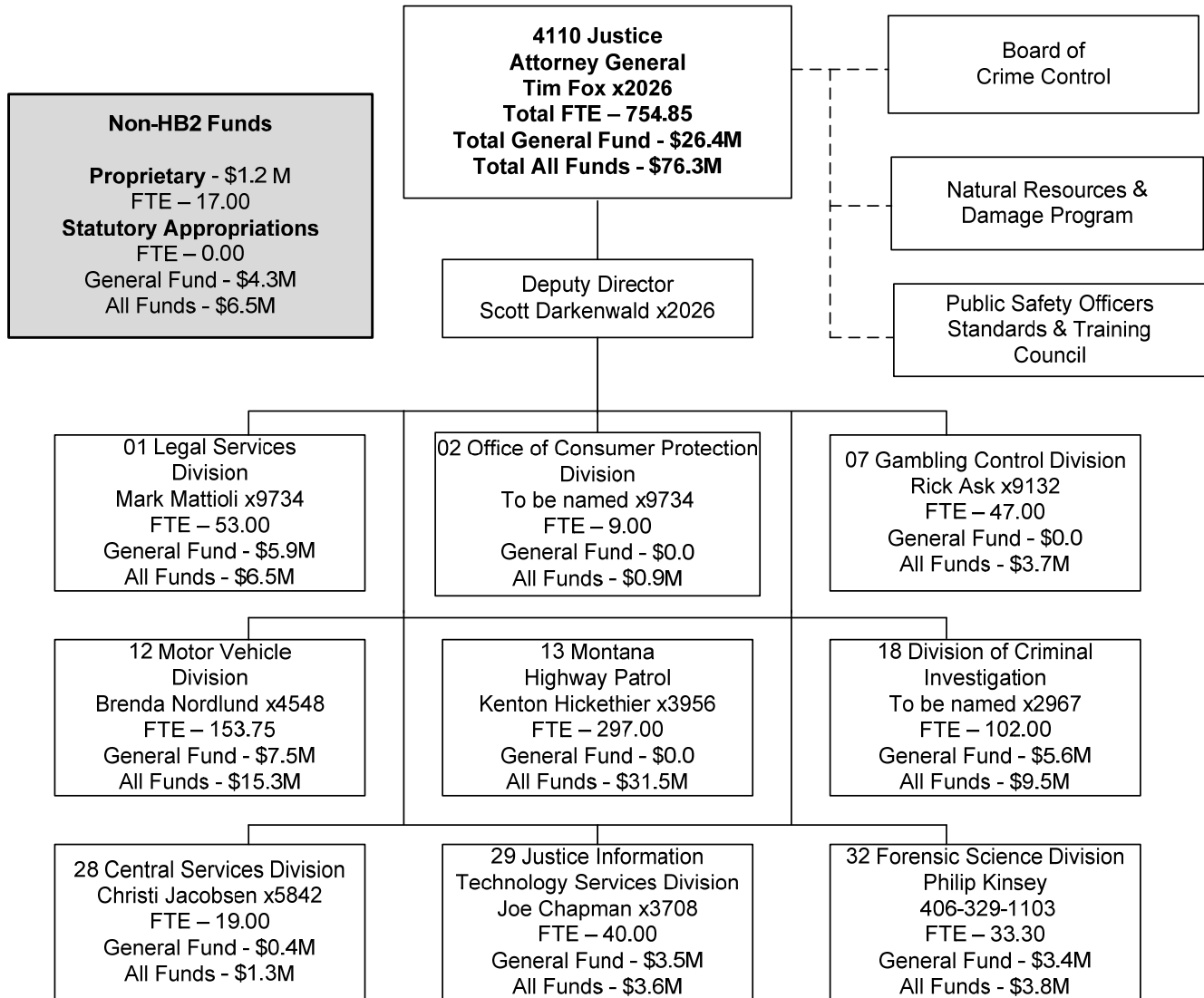
Definition of Terms

## Agency Description

The Department of Justice, under the direction of the Attorney General, is responsible for statewide legal services and counsel, law enforcement, and public safety. The department:

- Provides legal representation for the state and its political subdivisions in criminal appeals
- Provides legal services and counsel for the state, county, and municipal agencies and their officials
- Enforces Montana traffic laws and registers all motor vehicles
- Enforces state fire safety codes and regulations
- Assists local law enforcement agencies in bringing offenders to justice
- Provides criminal justice officers and other qualified individuals with basic and specialized training in the field of law enforcement
- Manages a statewide system of death investigations
- Provides scientific analyses of specimens submitted by law enforcement officials, coroners, and state agencies
- Maintains and disseminates criminal justice information to authorized state, local, and other entities
- Provides uniform regulation of all gambling activities in the state of Montana
- Enforces consumer protection laws and regulations relating to unfair and deceptive business practices
- Assists Montana consumers in making sound decisions by providing public outreach
- Provides statewide leadership on issues related to victims of crime and administers the Crime Victims Compensation program

Below is an organizational chart of the agency including full time-equivalent (FTE) numbers, general fund appropriations, statutory appropriations, proprietary funds, and total funds. Unless otherwise noted, all phone extensions are preceded by (406) 444



At the time of publication of this profile, all division administrators had not been named so they appear on this chart as "To be named".

## How Services are Provided

The Department of Justice provides these services through a structure consisting of nine divisions with the following functions:

**Legal Services Division** provides the Attorney General with legal research and analysis; legal counsel for state government officials, agencies, and boards; legal assistance to local governments and Indian tribes including assistance, training, and support for county attorneys (prosecutors). This division is also responsible for victims' assistance and compensation functions.

**Office of Consumer Protection** advocates on behalf of Montana Consumers, investigates consumer complaints and enforces consumer protection laws.

**Gambling Control Division** has criminal justice authority and conducts routine field inspections and investigations related to gambling activities. In addition to collecting and distributing licensing fees for gambling machines and activities, the division is responsible for collecting the gambling tax assessed on the net proceeds of gambling activities, and investigative functions relating to alcoholic beverage licensing and tobacco enforcement. An appointed gaming advisory council of nine members provides advisory services to the department.

**Motor Vehicle Division** is responsible for examination and licensure of motor vehicle drivers, maintenance of driver and motor vehicle records, titling and registration of vehicles, inspection and verification of vehicle identification numbers, and licensure and compliance control of motor vehicle dealers and manufacturers.

**Montana Highway Patrol** is responsible for patrolling the highways of Montana, enforcing traffic laws, and investigating traffic crashes. The patrol provides 24-hour seven-day-a-week communication and radio dispatch for the highway patrol and other state agencies.

**Division of Criminal Investigation** Under both state and federal mandates, the division investigates crimes, provides for fire safety inspections, and provides officer training including operation of the Montana Law Enforcement Academy. Investigators conduct criminal investigations of homicide, fraud, robbery, assault, corruption, arson, organized crime, computer crime, dangerous drug activity, and other felony crimes. The division also has specialized criminal investigation units for workers' compensation, public assistance, Medicaid, legislative audit and computer crime fraud. Additionally, the Peace Officers Standards and Training Council is administratively attached to the Department of Justice.

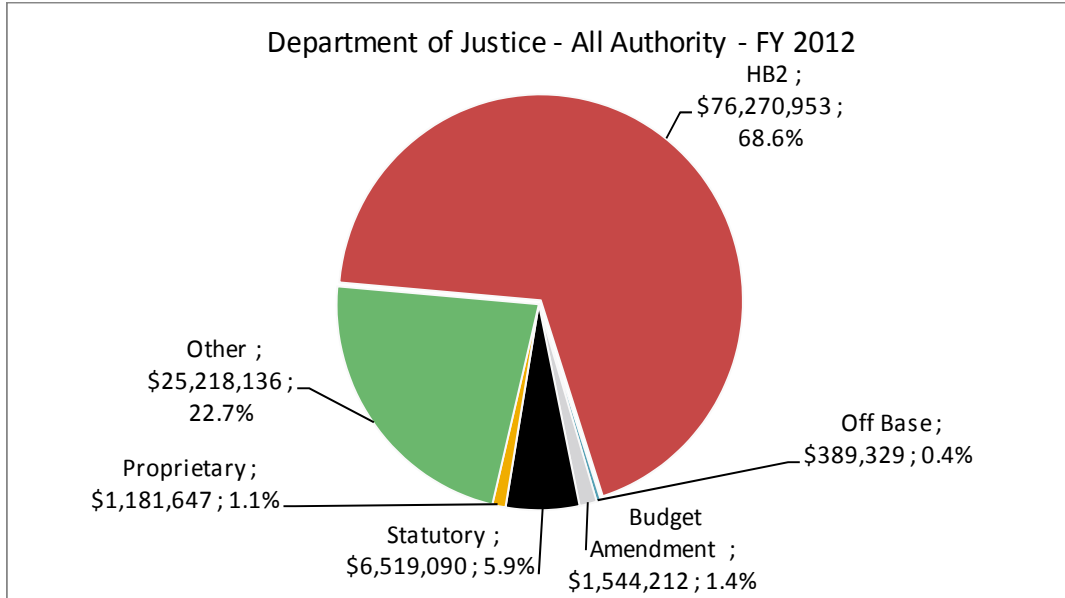
**Central Services Division** provides the administrative, personnel, budgetary, accounting, and fiscal support for the department. This division also administers payment of the state contribution toward county attorney costs.

**Information Technology Services Division** provides a full range of information technology and criminal justice services for the department including system development and maintenance of motor vehicle titling and registration systems, driver license and history system, criminal history record information system and the Sexual and Violent Offender Registry. The Criminal Justice Information Network (CJIN) links law enforcement and criminal justice agencies with information sources at local, state, and national levels.

**Forensic Science Division**, which includes the state crime lab in Missoula, provides for a statewide system of death investigation, forensic science training, and scientific criminal investigation and analysis of specimens. The division tests firearms, tool marks, hair, fibers, body fluids, and tissues. The laboratory also analyzes blood and urine samples, and provides the certification, maintenance, and training of all law enforcement personnel on breath testing instruments.

## Sources of Spending Authority

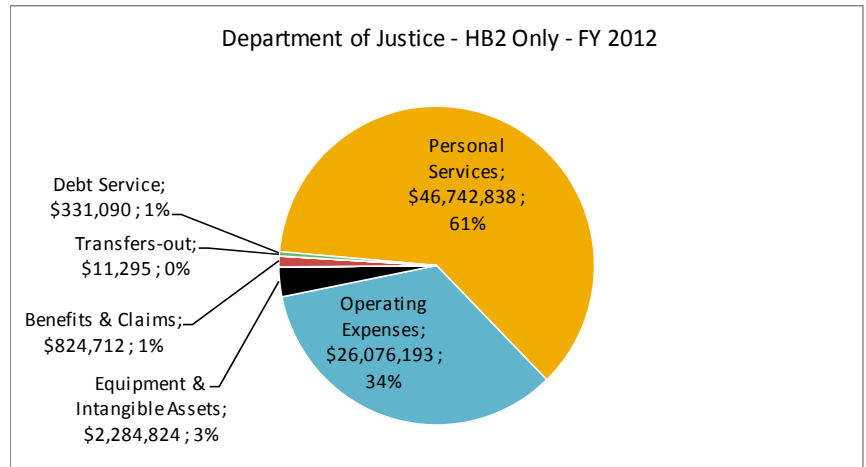
For FY 2012, off base authority is for one-time-only funding for a portion of the funding in the Motor Vehicle Division associated with the Vehicle Insurance Verification System and printers, equipment purchased for the state crime lab, and an upgrade of the Criminal Justice Information Network.



The above chart shows the sources of authority for the department. The accounting term “off base” refers to one-time-only spending and non-budgeted items like inventory adjustments. Other legislative appropriations (sometimes called cat and dog bills) are included in the above categories as appropriate. For a more detailed description of accounting terminology, please refer to the definition of terms.

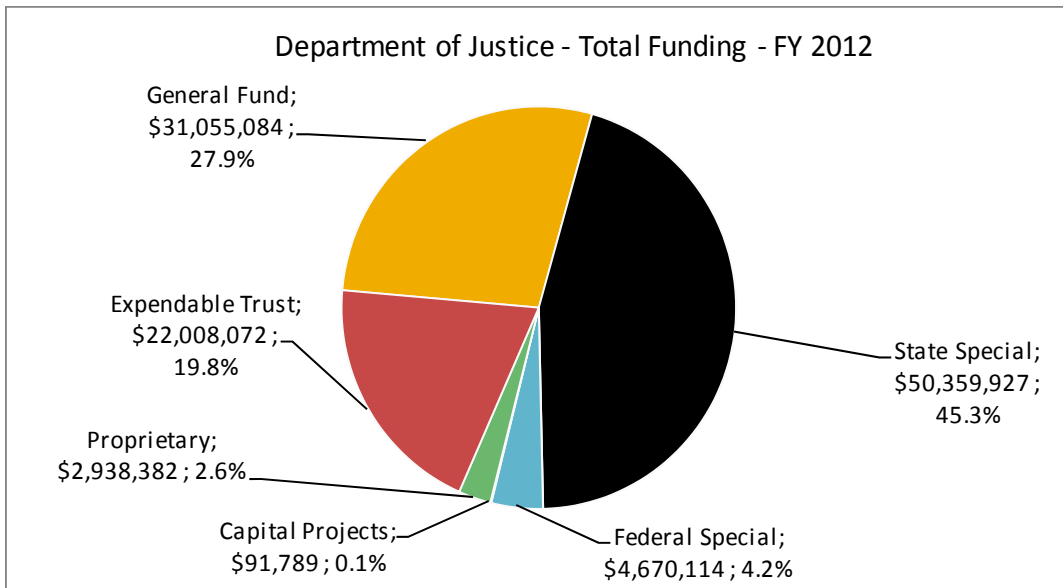
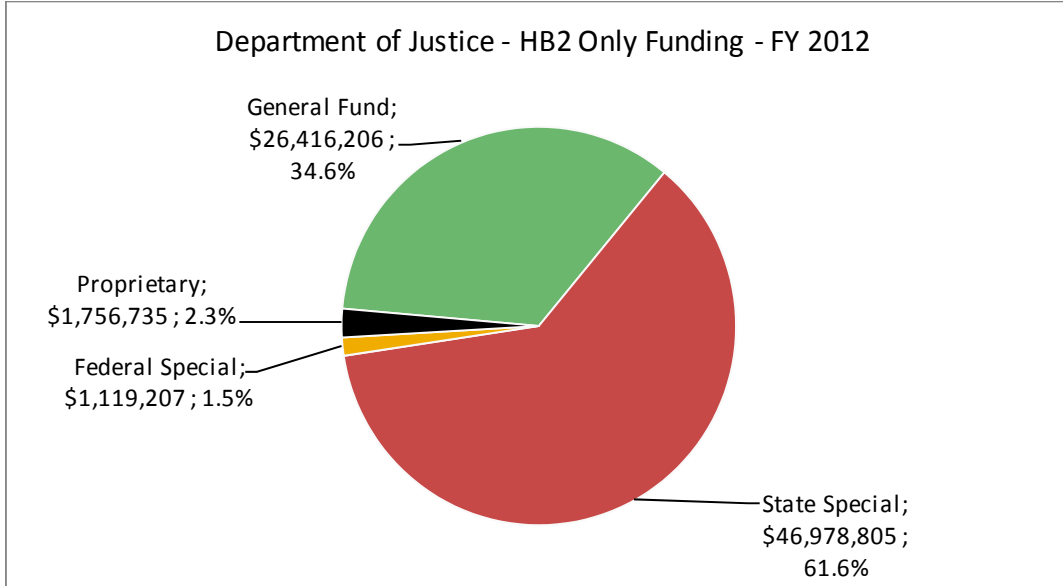
## Expenditures

The next chart explains how the HB 2 authority is spent. Personal services to fund 754.85 FTE comprises the majority of expenditures. Benefits and claims are related to payments made to crime victims with both state and federal funds. This chart matches the agency chart found in the 2015 Budget Analysis. Some minor discrepancies may occur as a result of rounding.



# Funding

The following charts show the agency's HB 2 funding authority by fund type and all sources of its total funding authority. A little more than half of state special revenue are for Montana Highway Patrol (MHP) funding from highways state special revenue account and two-thirds of all state special revenue expenditures are for the MHP.



## How the 2013 Legislature Can Effect Change

In order to change expenditure levels and/or agency activity, the legislature must address one or more of the following basic elements that drive costs.

The department's expenditures are largely for personal services and operating costs. Items that impact these costs are most likely to result in significant change. The legislature might also impact expenditure levels through actions that increase or decrease the work to be completed by the department such as statutory changes in motor vehicle registration, drivers licensing, gambling laws, criminal statutes, victim's assistance, or consumer protection laws.

### Major Cost Drivers

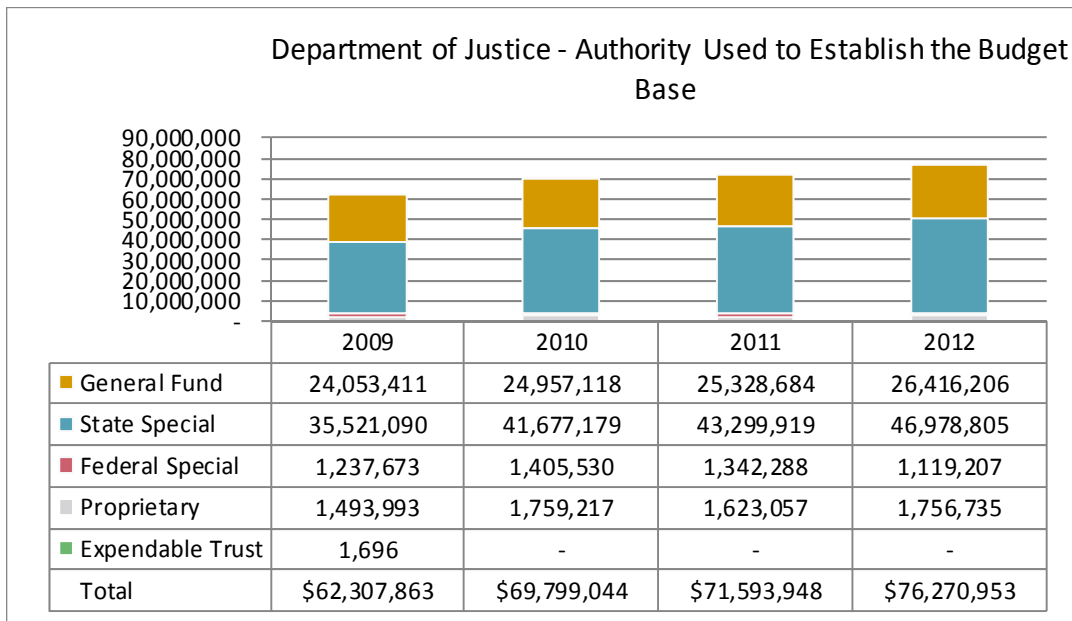
Driver	FY 2002	FY 2012	Significance of Data
Number of active driver licenses (note 1)	694,743	761,387	Shows workload increase at driver license stations
Number of active vehicle registrations (note 1)	1,251,303	2,070,875	Shows workload increase at Title and Registration Bureau
Number of driver control actions (note 1)	31,785	52,131	Shows workload increase in Motor Vehicles Division
New cases open in legal services criminal appeals and litigation	244	433	Shows workload increase in Legal Services Division
Attorney General opinions issued	7	6	Shows workload increase in Legal Services Division
Vehicle crash investigations (notes 1 and 2)	11,063	9,905	Shows vehicle crash-related workload impacts
Number of criminal investigations and cases (note 1)	539	608	Shows workload increase in Criminal Investigations Division
Number of cases received by the crime lab	5,034	6,902	Shows caseload growth at the state crime lab
Note 1: statistics are for calendar years 2001 and 2011			
Note 2: crash investigations in 2001 were in for the Montana Law Enforcement Academy and for 2011 for the Montana Highway Patrol (MHP)			

The table above provides some cost drivers that can indirectly impact the operating costs of the department.

## Funding/Expenditure History

The following figure shows how expenditures in HB 2 have been funded for the period from FY 2009 through FY 2012. Growth over the period is attributed to the following factors:

- Overall, general fund grew at a 3.2% average annual rate primarily due to the following:
  - Montana Highway Patrol general fund went from \$236,000 in FY 2009 to no funding in FY 2012
  - Division of Criminal Investigation saw a 5.5% average annual growth
  - Information Technology Services Division saw a 3.1% average annual growth
- Overall, state special revenue grew at a 9.9% average annual rate primarily due to:
  - An average annual growth rate of 13.2% for the Montana Highway Patrol with a corresponding growth in FTE from 269.05 to 297.75, or 28.70 FTE. State special revenue increased also because of increases for information technology for the Smart Cop Program and trooper salary increases
  - Motor Vehicle Division experienced an average annual growth rate of 10.3% due largely to debt payments on the Montana Enhanced Registration and Licensing Information Network (MERLIN) and costs for a vehicle insurance verification system



## Major Legislative Changes in the Last Ten Years

The following legislative changes impact the funding for the department:

- Authority was provided to establish a fee for disseminating criminal history record information by SB 128 of the 2003 Legislature
- A loan increase was authorized for funding of the motor vehicle information technology system and certain fees on vehicles were increase from \$5 to \$10 to pay debt service on the loan by HB 261 of the 2003 Legislature
- A surcharge of \$10 was established on criminal convictions in all courts of limited jurisdiction to fund the Montana Law Enforcement Academy and replace general fund support for the academy in HB 124 of the 2003 Legislature
- The Office of Consumer Affairs was transferred to the department from the Department of Administration by HB 425 of the 2005 Legislature
- A statutory appropriation was established to pay supplemental benefits under the Montana Highway Patrol Officer's Retirement Pension Trust and certain fees assess on vehicles and driver's licenses were shifted for deposit in the general fund by HB 102 of the 2005 Legislature
- The fleet vehicle registration function was transferred to the department from the Montana Department of Transportation by HB 87 of the 2005 Legislature
- Highway patrol officer salary increases were provided, a funding mechanism was established to pay of highway patrol officer salary increases, and the Montana Highway Patrol was statutorily exempted from vacancy saving by HB 35 of the 2005 Legislature
- The Peace Officers Standards and Training Council (POST) was moved from the Board of Crime Control to the department by SB 273 of the 2007 Legislature
- Internet phishing was made a crime in HB 630 of the 2007 Legislature
- State contributions for 50% of county attorneys salaries was added by HB 12 of the 2007 Legislature
- A requirement for an online vehicle insurance verification system was created with an implementation date set for January 10, 2010, in SB 508 of the 2009 Legislature
- SB 361 in the 2011 Legislature allowed video line games in licensed establishments
- Implementation of the vehicle insurance verification system was delayed until January 1, 2013 in HB 367 of the 2011 Legislature
- Driver's license format was changed to include resident address by HB 195 of the 2011 Legislature

For further information, you may wish to contact the agency at:

Department of Justice

P.O. Box 201401

Helena, MT 59620-1401

Telephone: (406) 444-2026

Fax: (406) 444-354

web: <https://doj.mt.gov>



**Agency Budget Comparison**

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	754.85	754.85	763.85	763.85	754.85	763.85	9.00	1.19%
Personal Services	46,742,854	50,296,036	52,020,186	52,085,689	97,038,890	104,105,875	7,066,985	7.28%
Operating Expenses	26,076,259	24,686,726	29,579,856	30,016,226	50,762,985	59,596,082	8,833,097	17.40%
Equipment & Intangible Assets	2,284,825	1,995,547	2,460,325	2,460,325	4,280,372	4,920,650	640,278	14.96%
Grants	0	0	0	0	0	0	0	n/a
Benefits & Claims	824,712	1,011,704	824,712	824,712	1,836,416	1,649,424	(186,992)	(10.18%)
Transfers	11,295	11,295	11,295	11,295	22,590	22,590	0	0.00%
Debt Service	331,089	4,021,659	726,796	726,796	4,352,748	1,453,592	(2,899,156)	(66.61%)
<b>Total Costs</b>	<b>\$76,271,034</b>	<b>\$82,022,967</b>	<b>\$85,623,170</b>	<b>\$86,125,043</b>	<b>\$158,294,001</b>	<b>\$171,748,213</b>	<b>\$13,454,212</b>	<b>8.50%</b>
General Fund	26,416,233	26,315,728	29,810,309	29,822,290	52,731,961	59,632,599	6,900,638	13.09%
State Special	46,978,839	52,273,582	52,934,978	53,423,364	99,252,421	106,358,342	7,105,921	7.16%
Federal Special	1,119,209	1,493,495	1,102,415	1,102,408	2,612,704	2,204,823	(407,881)	(15.61%)
Other	1,756,753	1,940,162	1,775,468	1,776,981	3,696,915	3,552,449	(144,466)	(3.91%)
<b>Total Funds</b>	<b>\$76,271,034</b>	<b>\$82,022,967</b>	<b>\$85,623,170</b>	<b>\$86,125,043</b>	<b>\$158,294,001</b>	<b>\$171,748,213</b>	<b>\$13,454,212</b>	<b>8.50%</b>

**Mission Statement**

The mission of the Department of Justice is to pursue activities and programs that seek to ensure and promote the public interest, safety, and well-being through leadership, advocacy, education, regulation, and enforcement.

For additional information, please refer to the agency profile.

**Agency Highlights**

<b>Department of Justice Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ Major factors contributing to the proposed funding increase are:                             <ul style="list-style-type: none"> <li>• Annualization of funding due to FY 2013 implementation of the Child Sexual Predator and Drug Diversion Program</li> <li>• Annualization of the contract costs of the insurance verification system after the 2011 Legislature delayed implementation</li> <li>• Requests to add 9.00 FTE for various functions identified below</li> <li>• Salary increases for highway patrol officers</li> <li>• Requests for general fund to fund items currently funded with federal or state special revenue</li> </ul> </li> <li>◆ The Governor also proposes:                             <ul style="list-style-type: none"> <li>• 2.00 FTE be added for the Child Sexual Predator and Drug Diversion Program</li> <li>• 2.00 FTE support compliance of the Sexual and Violent Offender Registry Program</li> <li>• 4.00 FTE be added to address workload issues associated with a growth in commercial driver license applications</li> <li>• 1.00 FTE be added to provide training at the Montana Law Enforcement Academy</li> </ul> </li> </ul>

<b>Legislative Action Issues</b>
<ul style="list-style-type: none"> <li>◆ Major LFD Issue           <ul style="list-style-type: none"> <li>• The executive proposes several funding switches from federal funds to general fund</li> <li>• Costs of the Montana Law Enforcement Academy are proposed to be shifted from state special revenue to the general fund</li> </ul> </li> </ul>

## Agency Discussion

### *Personal Services*

The personal services budget for the 2015 biennium would increase over the base primarily due to the following factors and biennium amounts:

- Requests to add 13.00 FTE, \$1.9 million
- Vacancy savings in the base of 8.5% compared to the budgeted 4%, \$2.6 million
- Pay increases given part way through the year that are annualized to full year funding in the 2015 biennium, \$1.3 million
- Removal of certain expenses from the base that must be presented in a decision package if they are to continue, including retirement payouts, overtime, and per diem, \$1.4 million negative impact and net of items being requested for the 2015 biennium

Although this agency did not give agency-wide pay increases it did give pay adjustments to 67 employees for various reasons other than longevity and highway patrol adjustments funded by the 2011 Legislature. These 67 adjustments were given primarily for recruitment and retention purposes. The agency experiences high turnover in license and permit technicians of the Motor Vehicle Division, criminal investigators in the Division of Criminal Investigation, and attorneys agency-wide. Based on comparison to the 2012 market survey conducted by the Department of Administration the positions experiencing the highest turnover are also the positions furthest from market. The overall agency comparison to market midpoint is 84.5% and the high turnover positions are more than 10 percentage points below the agency average market midpoint.

In addition, about 48% of this agency's FTE is eligible for full or early retirement in the 2015 biennium. The agency expects that as much as 25% of its workforce will retire in the 2015 biennium. The agency did not request funds for this purpose.

### *Agency-wide Decision Packages*

The following decision packages in this agency request changes in funding:

- DP 1208 - MVD CDL Medical Certification Program (Motor Vehicle Division), \$178,666 funding switch from federal funds to general fund and state special revenue
- DP 1209 - MVD National Motor Vehicle Title Info System (Motor Vehicle Division), \$66,590 funding switch from federal funds to general fund and state special revenue
- DP 1807 - DCI MLEA Maintenance (Division of Criminal Investigation), \$350,000 funding switch from state special revenue to general fund

Combined, the funding switches would increase general fund by \$497,154 and highways state special revenue by \$98,102 for the biennium.

### *5% Reduction Plan*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. A summary of the entire 2015 biennium 5% plan submitted for this agency is in the appendix. For this agency the 5% plan includes reductions totaling \$1.3 million general fund and \$775,000 state special revenue.

### *IT Systems*

State agencies have identified information technology (IT) systems that are critical to the state as a whole or to the agency. Further, state agencies have assessed the age of the systems to establish whether the system is:

- New
- Emerging
- Mature
- Declining
- Obsolete

The Legislative Finance Committee recommended that House Appropriations and Senate Finance and Claims Committee leadership direct the Long Range Planning Subcommittee to meet jointly with each of the appropriate joint appropriations subcommittees to discuss priorities related to critical IT systems, and that state agencies be prepared to discuss:

- Current plans to address obsolescence
- Costs to replace the system
- Costs of maintaining the current system
- Risks associated with both retaining the current system and replacing the system

LFD staff will be prepared to discuss issues related to those systems that have been determined to be either critical to the state as a whole or to the agency and either declining or obsolete. Issues include security, continuity of operations, and funding.

### *Agency Goals and Objectives*

Goals and objectives for the agency can be found in the appendix.

### *Impacts of the Federal Budget Control Act of 2011 and Other Federal Action*

Congress enacted the Budget Control Act of 2011 (BCA) to reduce the federal deficit. The BCA requires cuts (called sequestering) of \$984 billion over fiscal years 2013 through 2021.

Roughly 1.5% of the base funding for this agency was from federal funds and most of these federal funds are allocated by the U.S. Department of Justice under various programs. The majority of federal funding under the U.S. Department of Justice is for Justice Assistance Grants, which are mostly subjected to reduction under the BCA. If the deficit reduction proceeds in its current form Montana is expected to receive around an 8% reduction in this source of federal funding in FY 2013 than it received in FY 2012, with further and potentially deeper cuts in subsequent years.

Regardless of whether deficit reduction proceeds as currently written, various grants administered by this agency have been targeted for reduction in recent federal budgets.

The legislature may wish to ask the agency how it intends to address the potential loss of funding in the coming biennium.

### *Interim Monitoring*

The following functions of the agency were monitored by the Legislative Finance Committee during the interim as a result of recommendations of SJR 26, a resolution recommending interim monitoring:

- Insurance Verification System
- Motor Vehicle Division

The Legislative Finance Committee made no recommendations for either of the functions as a result of this performance monitoring.

**Funding**

The following table summarizes funding for the agency, by program and source. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Department Of Justice Funding by Source of Authority 2015 Biennium Budget					
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	\$59,632,599	\$0	\$9,136,482	\$68,769,081	36.3%
State Special Total	106,358,342	-	5,092,280	111,450,622	58.8%
Federal Special Total	2,204,823	-	328,400	2,533,223	1.3%
Proprietary Total	3,552,449	3,139,608	-	6,692,057	3.5%
Current Unrestricted	-	-	-	-	0.0%
Other Total	-	-	-	-	0.0%
<b>Total All Funds</b>	<b>\$171,748,213</b>	<b>\$3,139,608</b>	<b>\$14,557,162</b>	<b>\$189,444,983</b>	
Percent - Total All Sources	90.7%	1.7%	7.7%		

Funding for the department varies by division and function. General fund supports the Legal Services Division, 91%; Motor Vehicle Division, 49%; Division of Criminal Investigation, 59%; Central Services Division, 33%; Information Technology Division, 96%; and Forensic Science Division, 91%. The highways state special revenue account supports a number of programs where highway safety is impacted. Highways state special revenue provides significant portions of the funding for the Motor Vehicle Division, Highway Patrol Division, and Central Services Division. State special revenue from consumer settlement proceeds supports the Office of Consumer Protection, gambling license fees support Gambling Control, and motor vehicle fees support the debt payment for the development and implementation of a computer system. Federal funds combined with general fund support Medicaid fraud investigation and the Child Protection Unit within the Legal Division. Proprietary funds support liquor licensing functions and legal services provided under contract to other agencies.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	26,416,233	26,416,233	52,832,466	88.60%	76,271,034	76,271,034	152,542,068	88.82%
Statewide PL Adjustments	1,895,897	1,910,904	3,806,801	6.38%	4,080,248	4,163,235	8,243,483	4.80%
Other PL Adjustments	646,371	663,208	1,309,579	2.20%	4,446,075	4,890,138	9,336,213	5.44%
New Proposals	851,808	831,945	1,683,753	2.82%	825,813	800,636	1,626,449	0.95%
<b>Total Budget</b>	<b>\$29,810,309</b>	<b>\$29,822,290</b>	<b>\$59,632,599</b>		<b>\$85,623,170</b>	<b>\$86,125,043</b>	<b>\$171,748,213</b>	

### Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	53.00	53.00	55.00	55.00	53.00	55.00	2.00	3.77%
Personal Services	3,938,715	4,069,498	4,339,721	4,346,893	8,008,213	8,686,614	678,401	8.47%
Operating Expenses	1,737,888	1,044,518	1,907,158	1,894,015	2,782,406	3,801,173	1,018,767	36.61%
Benefits & Claims	824,712	934,654	824,712	824,712	1,759,366	1,649,424	(109,942)	(6.25%)
<b>Total Costs</b>	<b>\$6,501,315</b>	<b>\$6,048,670</b>	<b>\$7,071,591</b>	<b>\$7,065,620</b>	<b>\$12,549,985</b>	<b>\$14,137,211</b>	<b>\$1,587,226</b>	<b>12.65%</b>
General Fund	5,913,418	5,216,042	6,469,182	6,463,217	11,129,460	12,932,399	1,802,939	16.20%
State Special	193,655	209,587	189,998	189,998	403,242	379,996	(23,246)	(5.76%)
Federal Special	394,242	623,041	412,411	412,405	1,017,283	824,816	(192,467)	(18.92%)
<b>Total Funds</b>	<b>\$6,501,315</b>	<b>\$6,048,670</b>	<b>\$7,071,591</b>	<b>\$7,065,620</b>	<b>\$12,549,985</b>	<b>\$14,137,211</b>	<b>\$1,587,226</b>	<b>12.65%</b>

### Program Description

The Legal Services Division (LSD) provides:

- Legal research and analysis for the Attorney General
- Legal counsel for state government officials, bureaus, and boards
- Legal assistance to local governments and Indian tribes
- Legal assistance, training, and support for county prosecutors
- Assistance to victims of crime, including compensation payments

The Prosecution Services Bureau assists local county attorneys by providing training and assisting in the prosecution of complex criminal cases, particularly homicide cases. The bureau prosecutes cases where the county attorney has a conflict of interest, and drug, workers' compensation, and Medicaid fraud cases. The bureau also investigates complaints against county attorneys.

The Appellate Services Bureau handles appeals of criminal matters, including death penalty cases, and represents the state in federal court when constitutional challenges are made to a criminal conviction.

The Civil Services Bureau defends the state in constitutional challenges and coordinates appeals of civil cases that involve the state. This bureau also provides legal assistance to state and local governments on matters involving Indian jurisdiction and federal reserved water rights.

The Child Protection Unit handles child abuse and neglect cases around Montana. The unit has offices in Bozeman, Billings, Great Falls, and Miles City and focuses on resolving the legal status of children who have been in foster care for more than 15 out of the most recent 22 months.

The Office of Victim Services (OVS) works to elevate the status of victims and their rights and responds to the needs of crime victims in Montana. It serves as a central reference point for victims of crime, administers the Crime Victim Compensation Program and the Forensic Rape Examination Payment Program, and offers information and referral services. OVS staffs the Domestic Violence Fatality Review Commission and provides training and information for those who work with victims, including law enforcement, victim advocates, probation and parole workers, and local community organizations.

**Program Highlights**

<b>Legal Services Division Major Budget Highlights</b>	
<ul style="list-style-type: none"> <li>◆ The proposed funding increases are primarily due to:                             <ul style="list-style-type: none"> <li>• Statewide present law adjustments dominated by: 1) personal services adjustment; and 2) fixed costs for rent of Department of Administration Buildings and an allocation of statewide indirect costs</li> <li>• A request to fund the addition of 2.00 FTE in the Child Sexual Predator and Drug Diversion Program</li> </ul> </li> </ul>	

**Funding**

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

Total Department Of Justice Funding by Source of Authority 2015 Biennium Budget - Legal Services Division							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
<b>General Fund</b>	\$12,932,399	\$0	\$0	\$12,932,399	83.9%		
<b>State Special Total</b>	<b>\$379,996</b>	<b>\$0</b>	<b>\$1,276,280</b>	<b>\$1,656,276</b>	10.7%		
02106 Crime Victims Compensation	\$0	\$0	\$1,276,280	\$1,276,280	8.3%	53-9-113	Direct
02937 Justice State Special Misc	\$379,996	\$0	\$0	\$379,996	2.5%		
<b>Federal Special Total</b>	<b>\$824,816</b>	<b>\$0</b>	<b>\$0</b>	<b>\$824,816</b>	5.4%		
03169 Federal Crime Victims Benefits	\$479,188	\$0	\$0	\$479,188	3.1%		
03801 Dept Of Justice-misc Grants	\$345,628	\$0	\$0	\$345,628	2.2%		
<b>Total All Funds</b>	<b>\$14,137,211</b>	<b>\$0</b>	<b>\$1,276,280</b>	<b>\$15,413,491</b>	100.0%		
<b>Percent - Total All Sources</b>	<b>91.7%</b>	<b>0.0%</b>	<b>8.3%</b>				

The division receives the majority of its funding from the general fund. Each of the various functions within the division has a unique funding source. Attorneys are supported primarily by general fund with state special revenue from highway special revenue, tobacco settlement funds, and other funds supporting specific activities. Additionally, work for the Reserved Water Rights Compact Commission is funded by the Department of Natural Resources and Conservation; prosecution of hunting violations is funded by the Department of Fish, Wildlife and Parks; and prosecution of worker's compensation violations is funded by the State Fund. The cost of major litigation is supported entirely by the general fund. Funding for assistance to crime victims comes from the general fund and federal grants.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	5,913,418	5,913,418	11,826,836	91.45%	6,501,315	6,501,315	13,002,630	91.97%
Statewide PL Adjustments	350,947	356,549	707,496	5.47%	365,459	371,055	736,514	5.21%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	204,817	193,250	398,067	3.08%	204,817	193,250	398,067	2.82%

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
<b>Total Budget</b>	<b>\$6,469,182</b>	<b>\$6,463,217</b>	<b>\$12,932,399</b>		<b>\$7,071,591</b>	<b>\$7,065,620</b>	<b>\$14,137,211</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					396,564					404,311
Vacancy Savings					(167,684)					(167,993)
Inflation/Deflation					(1,585)					(446)
Fixed Costs					138,164					135,183
<b>Total Statewide Present Law Adjustments</b>		<b>\$350,947</b>	<b>(\$3,657)</b>	<b>\$18,169</b>	<b>\$365,459</b>		<b>\$356,549</b>	<b>(\$3,657)</b>	<b>\$18,163</b>	<b>\$371,055</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$350,947</b>	<b>(\$3,657)</b>	<b>\$18,169</b>	<b>\$365,459</b>	<b>0.00</b>	<b>\$356,549</b>	<b>(\$3,657)</b>	<b>\$18,163</b>	<b>\$371,055</b>

**New Proposals**

New Proposals										
Program	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 101 - LSD Child Sexual Predator and Drug Diversion										
01	2.00	204,817	0	0	204,817	2.00	193,250	0	0	193,250
<b>Total</b>	<b>2.00</b>	<b>\$204,817</b>	<b>\$0</b>	<b>\$0</b>	<b>\$204,817</b>	<b>2.00</b>	<b>\$193,250</b>	<b>\$0</b>	<b>\$0</b>	<b>\$193,250</b>

**DP 101 - LSD Child Sexual Predator and Drug Diversion** - The executive requests general fund to fund the addition of 2.00 FTE attorneys and associated operating costs to work exclusively with the Child Sexual Predator and Drug Diversion Program.

<b>LFD COMMENT</b>	<p>The 2011 Legislature appropriated \$100,000 in FY 2013 that was restricted to funding contracted legal services for the Child Sexual Predator and Prescription Drug Diversion Program. The FY 2013 funding was appropriated to the Division of Criminal Investigation to contract for legal services. Since the funding began in FY 2013, no base exists. The equivalent hourly cost for these FTE is \$49.05 for personal services and operating costs compared to the rate of \$93.00 per hour approved for the 2013 biennium for attorneys in the Agency Legal Services Program of this agency.</p>
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**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	9.00	9.00	9.00	9.00	9.00	9.00	0.00	0.00%
Personal Services	616,245	574,853	574,095	577,255	1,191,098	1,151,350	(39,748)	(3.34%)
Operating Expenses	284,974	247,906	292,786	293,512	532,880	586,298	53,418	10.02%
Grants	0	0	0	0	0	0	0	n/a
Benefits & Claims	0	77,050	0	0	77,050	0	(77,050)	(100.00%)
Transfers	0	0	0	0	0	0	0	n/a
<b>Total Costs</b>	<b>\$901,219</b>	<b>\$899,809</b>	<b>\$866,881</b>	<b>\$870,767</b>	<b>\$1,801,028</b>	<b>\$1,737,648</b>	<b>(\$63,380)</b>	<b>(3.52%)</b>
State Special	901,219	899,809	866,881	870,767	1,801,028	1,737,648	(63,380)	(3.52%)
<b>Total Funds</b>	<b>\$901,219</b>	<b>\$899,809</b>	<b>\$866,881</b>	<b>\$870,767</b>	<b>\$1,801,028</b>	<b>\$1,737,648</b>	<b>(\$63,380)</b>	<b>(3.52%)</b>

**Program Description**

The Office of Consumer Protection (OCP) responds to consumer complaints and enforces Montana’s consumer protection laws and regulations relating to unfair and deceptive business practices, including: "bait and switch," false claims, changing a contract after a sale, abusive arbitration, debt collection misconduct, door-to-door sales, telemarketing including administering Montana's do-not-call list, car and truck sales and repair including the New Vehicle Warranty Act (or Lemon Law) violations, and antitrust issues including price fixing, monopoly abuse, and restraint of trade.

OCP assists victims of identity theft and administers the state’s Security Freeze Program. It provides extensive public education about consumer and telemarketing fraud and identity theft to Montana consumer groups, senior citizen organizations, law enforcement agencies, and businesses.

**Program Highlights**

<b>Office of Consumer Protection Major Budget Highlights</b>
◆ The only proposed change to the budget for this program is due to reductions in statewide present law adjustments
<b>Major LFD Issues</b>
◆ The fund balance in the consumer education settlement account is forecast to grow significantly and may be available to transfer to the general fund

**Funding**

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



Total Department Of Justice Funding by Source of Authority 2015 Biennium Budget - Office Of Consumer Protection							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
<b>State Special Total</b>	<b>\$1,737,648</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,737,648</b>	100.0%		
02140 Consumer Education Settlement	\$1,737,648	\$0	\$0	\$1,737,648	100.0%		
<b>Total All Funds</b>	<b>\$1,737,648</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,737,648</b>	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

The program is funded entirely with state special revenue from the settlement of consumer protection litigation.

LFD ISSUE

### Balance Transfer to General Fund

Consumer Education Settlement State Special Revenue Fund 02140				
Item	Actual FY 2012	Estimated FY 2013	Requested FY 2014	Requested FY 2015
Beginning Balance	\$3,740,829	\$11,516,537	\$8,722,193	\$11,774,951
Disbursements:				
Office of Consumer Protection	1,116,516	6,742,599	866,881	870,767
Central Services Division	<u>56,042</u>	<u>55,384</u>	<u>84,000</u>	<u>79,912</u>
Total Disbursements	\$1,172,558	\$6,797,983	\$950,881	\$950,679
Total Revenues (per agency revenue estimates)	<u>8,957,504</u>	<u>4,003,639</u>	<u>4,003,639</u>	<u>4,003,639</u>
Revenues less Disbursements	\$7,784,946	(\$2,794,344)	\$3,052,758	\$3,052,960
Adjustments		(9,238)		
Ending Balance	<u>\$11,516,537</u>	<u>\$8,722,193</u>	<u>\$11,774,951</u>	<u>\$14,827,911</u>

The above figure for fund 02140 illustrates projected expenditures, revenues, and fund balance for the consumer education settlement account. Expenses to operate the program, not including the distribution of benefits, are projected to be about \$950,000 per year in the 2015 biennium. Annual revenues are projected to be about \$4.0 million leaving an excess of revenue over expenses before distribution of proceeds of about \$6.0 million per year throughout the 2015 biennium. With the proposed budget, the ending fund balance for the account would grow from \$11.5 million at the end of FY 2012 to \$14.8 million at the end of the 2015 biennium.

While sections 30-14,143 and 30-14-226, MCA contain provisions related to this state special revenue account stating that “any excess civil fines, costs, or fees must be transferred to the general fund”, no funds have been transferred. Because the statute does not specify the timing of such a transfer or define what is considered excess, compliance with the statute is a matter of interpretation. Legislation (SB 189) to clarify these statutory provisions was introduced but did not pass during the 2009 session.

Given that the ending fund balance exceeds twice the annual appropriation and exceeds the biennial appropriation for the program, the legislature may wish to request legislation to:

- Clarify the statutory provisions related to the transfer of funds from this account to the general fund
- Implement a one-time transfer to the general fund – a legal review of all settlement agreements contributing to the fund balance would be needed to verify that provisions of settlement agreements are not violated
- Deposit consumer settlement proceeds in the general fund and fund the Office of Consumer Protection from the general fund

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	901,219	901,219	1,802,438	103.73%
Statewide PL Adjustments	0	0	0	0.00%	(34,338)	(30,452)	(64,790)	(3.73%)
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$866,881</b>	<b>\$870,767</b>	<b>\$1,737,648</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(18,230)					(14,937)
Vacancy Savings					(23,920)					(24,053)
Inflation/Deflation					217					440
Fixed Costs					7,595					8,098
<b>Total Statewide Present Law Adjustments</b>		<b>\$0</b>	<b>(\$34,338)</b>	<b>\$0</b>	<b>(\$34,338)</b>		<b>\$0</b>	<b>(\$30,452)</b>	<b>\$0</b>	<b>(\$30,452)</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$34,338)</b>	<b>\$0</b>	<b>(\$34,338)</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$30,452)</b>	<b>\$0</b>	<b>(\$30,452)</b>

<b>Agency Legal Services Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The program is requesting an increase to the internal services proprietary fund rates approved for the 2013 biennium</li> <li>◆ The only budget increases are for statewide present law adjustments</li> </ul>

### Proprietary Rates

#### Proprietary Program Description

Agency Legal Services – Fund 06500

#### *Proposed Budget*

The 2015 Biennium Report on Internal Service and Enterprise Funds for fund 06500 shows the financial information for the fund from FY 2010 through FY 2015. The report is provided as submitted by the executive and can be found in the appendix to this publication.

<b>LFD COMMENT</b>	<p>The fund balance for the agency legal services fund (fund 06500) has been declining since 2009 due to expenses that have exceeded revenues. During this period, the rates have remained the same. The operating losses of the program have been financed by cash reserves that have declined from \$189,000 in FY 2009 to \$108,000 in FY 2012. For the 2015 biennium, the executive proposes to increase the hourly rate for both attorneys and investigators. The 2015 Biennium Report on Internal Service and Enterprise Funds shows that, if approved, the rate increases proposed would result in a turnaround where revenues would exceed expenses for the 2015 biennium. The executive determined that the higher rates would not impact demand for the services.</p>
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#### *Program Description*

The Agency Legal Services Bureau (ALS) provides legal, hearing examiner, and investigative services to state agency clients on a contract basis. ALS attorneys and investigators bill clients for their services, case-related, and incidental costs. The division consists of 17.00 FTE funded from the revenues generated. The customers served are state agencies, boards, and commissions that have entered into contracts with ALS.

The Attorney General is the legal officer for the state per Article VI, Section 4(4), of the Montana Constitution. 2-4-611(2), MCA provides that state agencies may request from the Attorney General's Office a hearing examiner in a contested case. State agencies have the option to use in-house or private counsel and investigators instead of ALS. Executive Order 5-93 provides that agencies must receive approval from the Legal Services Review Committee (made up of a representative of the Attorney General, Budget Director, and the Governor's Chief Legal Counsel) prior to contracting for outside legal services.

#### *Program Narrative*

##### Expenses

The primary costs for the division are personal services and operating costs. Factors that influence costs include the state pay plan, the ability to recruit and retain staff, and general inflationary pressures that increase costs for items such as utilities, rent, supplies, and equipment.

##### Revenues

Revenues are generated by fees charged to this and other state agencies for services provided.

Present Law Adjustments

The only present law adjustments for this fund are statewide present law adjustments.

*Proprietary Rates*

For the 2015 biennium the following rates are proposed by the executive.

Agency Legal Services Requested Rates				
	Actual FY 2012	Budgeted FY 2013	Budgeted FY 2014	Budgeted FY 2015
Attorney rate per hour	\$93.00	\$93.00	\$95.50	\$95.50
Investigators rate per hour	53.00	53.00	55.50	55.50

The executive is proposing increases of \$2.50 per hour for both attorneys and investigators.

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	47.00	47.00	47.00	47.00	47.00	47.00	0.00	0.00%
Personal Services	2,887,456	3,164,353	3,116,469	3,119,928	6,051,809	6,236,397	184,588	3.05%
Operating Expenses	728,559	825,909	743,056	749,000	1,554,468	1,492,056	(62,412)	(4.02%)
Equipment & Intangible Assets	82,860	79,900	82,860	82,860	162,760	165,720	2,960	1.82%
Debt Service	0	960	0	0	960	0	(960)	(100.00%)
<b>Total Costs</b>	<b>\$3,698,875</b>	<b>\$4,071,122</b>	<b>\$3,942,385</b>	<b>\$3,951,788</b>	<b>\$7,769,997</b>	<b>\$7,894,173</b>	<b>\$124,176</b>	<b>1.60%</b>
State Special	2,590,037	2,798,072	2,799,093	2,805,770	5,388,109	5,604,863	216,754	4.02%
Other	1,108,838	1,273,050	1,143,292	1,146,018	2,381,888	2,289,310	(92,578)	(3.89%)
<b>Total Funds</b>	<b>\$3,698,875</b>	<b>\$4,071,122</b>	<b>\$3,942,385</b>	<b>\$3,951,788</b>	<b>\$7,769,997</b>	<b>\$7,894,173</b>	<b>\$124,176</b>	<b>1.60%</b>

**Program Description**

The Gambling Control Division (GCD) was established by the 1989 Legislature to regulate the gambling industry in Montana. The division has criminal justice authority and conducts routine field inspections and investigations related to gambling activities. In addition to collecting and distributing licensing fees for gambling machines and activities, the division collects the gambling tax assessed on the net proceeds of gambling activities. It conducts investigations related to alcoholic beverage licensing and tobacco enforcement. An appointed Gaming Advisory Council of nine members advises the Attorney General to ensure uniform statewide regulation of gambling activities. The Gambling Control Program is mandated by state law.

**Program Highlights**

<b>Gambling Control Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The proposed funding increases are primarily due to statewide present law adjustments for personal services</li> <li>◆ Expenditures are exceeding revenues in the gambling license fee state special revenue fund</li> </ul>

**Funding**

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

Total Department Of Justice Funding by Source of Authority 2015 Biennium Budget - Gambling Control Division							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
State Special Total	\$5,604,863	\$0	\$3,566,000	\$9,170,863	80.0%		
02074 Gambling License Fee Account	\$5,368,037	\$0	\$3,566,000	\$8,934,037	78.0%	23-5-612	Direct
02790 6901-statewide Tobacco Sttlmnt	\$236,826	\$0	\$0	\$236,826	2.1%		
Proprietary Total	\$2,289,310	\$0	\$0	\$2,289,310	20.0%		
06005 Liquor Division	\$2,289,310	\$0	\$0	\$2,289,310	20.0%		
Total All Funds	\$7,894,173	\$0	\$3,566,000	\$11,460,173	100.0%		
<b>Percent - Total All Sources</b>	<b>68.9%</b>	<b>0.0%</b>	<b>31.1%</b>				

Gambling control activities are supported primarily by state special revenue generated from gambling licensing fees. Liquor licensing fees (a proprietary fund) support division functions related to liquor licensing. A small amount of funds from the tobacco settlement state special revenue account support activities related to enforcement of settlement provisions.

**LFD COMMENT** The figure illustrates the expenses, revenues, and fund balance projected for the state special revenue fund that provides the bulk of the support for this division. Revenue for the account comes primarily from licensing fees while the primary expenses charged to the account are for the operation of the division. Revenue to the account had been on a declining trend since FY 2008 except for recovery in FY 2010. During the 2011 Legislature, the expectation was that revenues would gradually increase from FY 2011 through FY 2013 and the FY 2013 ending balance would be nearly \$1.4 million. In fact, revenues have flattened at around \$4.4 million per year and the FY 2013 ending balance is now expected to be roughly \$200,000 lower than anticipated two years earlier. Given the current budget request and revenue estimates the fund is now expected to decline to \$581,124 at the end of the 2015 biennium or about two months of expenses.

Gambling License Fee Account State Special Revenue Fund 02074				
Item	Actual FY 2012	Estimated FY 2013	Requested FY 2014	Requested FY 2015
Beginning Balance	\$1,114,444	\$1,201,847	\$821,693	\$703,060
Dusbursements:				
Gambling Control Division	4,249,009	4,729,572	4,463,821	4,470,216
Central Services Division	63,733	60,539	63,803	60,711
Justice Information Technology Services Division	<u>16,600</u>	<u>16,600</u>	<u>17,566</u>	<u>17,566</u>
Total Disbursements	\$4,329,342	\$4,806,711	\$4,545,190	\$4,548,493
Total Revenues (per agency revenue estimates)	<u>4,426,557</u>	<u>4,426,557</u>	<u>4,426,557</u>	<u>4,426,557</u>
Revenues less Disbursements	\$97,215	(\$380,154)	(\$118,633)	(\$121,936)
Adjustments	(9,812)			
Ending Balance	<u>\$1,201,847</u>	<u>\$821,693</u>	<u>\$703,060</u>	<u>\$581,124</u>

The agency indicates it is currently managing position vacancies and other expenses to maintain expenses within revenues. Additionally, the division indicated it has received concurrence from the Gaming Advisory Council for a \$20 video gambling machine permit fee increase at its September 2012 meeting. LC 525 includes the increase to the video gambling machine permit fee. If this fee increase is approved, the agency estimates it will increase revenues to the account by \$300,000 per year and eliminate the operating losses currently anticipated.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	3,698,875	3,698,875	7,397,750	93.71%
Statewide PL Adjustments	0	0	0	0.00%	219,949	226,688	446,637	5.66%
Other PL Adjustments	0	0	0	0.00%	23,561	26,225	49,786	0.63%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$3,942,385</b>	<b>\$3,951,788</b>	<b>\$7,894,173</b>	

**Present Law Adjustments**

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

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					346,365					349,967
Vacancy Savings					(129,352)					(129,495)
Inflation/Deflation					(3,273)					(1,840)
Fixed Costs					6,209					8,056
<b>Total Statewide Present Law Adjustments</b>		<b>\$0</b>	<b>\$192,328</b>	<b>\$0</b>	<b>\$219,949*</b>		<b>\$0</b>	<b>\$197,113</b>	<b>\$0</b>	<b>\$226,688*</b>
DP 701 - GCD Base Adjustments	0.00	0	16,728	0	23,561*	0.00	0	18,620	0	26,225*
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$16,728</b>	<b>\$0</b>	<b>\$23,561*</b>	<b>0.00</b>	<b>\$0</b>	<b>\$18,620</b>	<b>\$0</b>	<b>\$26,225*</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$209,056</b>	<b>\$0</b>	<b>\$243,510*</b>	<b>0.00</b>	<b>\$0</b>	<b>\$215,733</b>	<b>\$0</b>	<b>\$252,913*</b>

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

DP 701 - GCD Base Adjustments - The executive requests state special revenue (71%) and liquor division proprietary funds (29%) to fund office rent and overtime. The portion of the adjustment of rent addresses a 3% inflation clause in the lease contract for the space occupied in Helena.

<b>LFD COMMENT</b>	The division expended \$22,900 on overtime in the base year. The request includes \$12,000 each year or roughly half of the FY 2012 expenditure. These expenses are zero-based and must be requested in full each biennium.
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**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	153.75	153.75	157.75	157.75	153.75	157.75	4.00	2.60%
Personal Services	6,175,229	6,411,398	6,787,499	6,792,349	12,586,627	13,579,848	993,221	7.89%
Operating Expenses	8,858,544	10,003,181	11,602,424	12,057,086	18,861,725	23,659,510	4,797,785	25.44%
Equipment & Intangible Assets	43,528	37,269	114,028	114,028	80,797	228,056	147,259	182.26%
Debt Service	266,700	3,956,310	616,700	616,700	4,223,010	1,233,400	(2,989,610)	(70.79%)
<b>Total Costs</b>	<b>\$15,344,001</b>	<b>\$20,408,158</b>	<b>\$19,120,651</b>	<b>\$19,580,163</b>	<b>\$35,752,159</b>	<b>\$38,700,814</b>	<b>\$2,948,655</b>	<b>8.25%</b>
General Fund	7,507,520	7,511,729	8,441,381	8,456,687	15,019,249	16,898,068	1,878,819	12.51%
State Special	7,245,222	12,281,714	10,088,011	10,532,217	19,526,936	20,620,228	1,093,292	5.60%
Other	591,259	614,715	591,259	591,259	1,205,974	1,182,518	(23,456)	(1.94%)
<b>Total Funds</b>	<b>\$15,344,001</b>	<b>\$20,408,158</b>	<b>\$19,120,651</b>	<b>\$19,580,163</b>	<b>\$35,752,159</b>	<b>\$38,700,814</b>	<b>\$2,948,655</b>	<b>8.25%</b>

**Program Description**

The Motor Vehicle Division (MVD) under provision of Title 61 and Title 23, MCA and federal statutes (such as the Commercial Motor Vehicle Safety Act of 1986, child support regulations, Anti Car Theft Act of 1992, and Odometer Disclosure Act)) is responsible for:

- o Examination and licensure of all drivers
- o Verification of identification
- o Creation and maintenance of permanent driver and motor vehicle records
- o Titling and registration of all vehicles including boats, snowmobiles, and ATVs
- o Inspection and verification of vehicle identification numbers
- o Licensure and compliance control of motor vehicle dealers and manufacturers
- o Providing motor voter registration

**Program Highlights**

<b>Motor Vehicle Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ Major factors contributing to the proposed funding increase are:                             <ul style="list-style-type: none"> <li>• A request to add 4.00 FTE to address workload issues for commercial driver licenses</li> <li>• Costs for license plates purchased from the Montana Correctional Enterprises license plate factory</li> <li>• Annualization of the funding for a contract associated with the vehicle insurance verification system that was delayed by the 2011 Legislature</li> <li>• Statewide present law adjustments mainly for personal services and fixed costs for costs paid to the State Information Technology Division of the Department of Administration</li> <li>• Requests for general fund to fund items currently funded with federal special revenue</li> </ul> </li> </ul>



Major LFD Issues
<ul style="list-style-type: none"> <li>◆ The executive proposes several funding switches from federal funds to general fund</li> </ul>



## Program Narrative

### *Interim Monitoring*

SJR 26 passed by the 2011 Legislature recommended various state programs for performance monitoring by various legislative committees during the interim. The legislature recommended two functions of this program for interim monitoring:

- The Montana Vehicle Insurance Verification System
- The Motor Vehicle Division

### The Montana Vehicle Insurance Verification System

The Montana Vehicle Insurance Verification System was monitored by the Legislative Finance Committee (LFC) during the interim. As a result of its monitoring, the LFC heard a report on the progress of system implementation that anticipated that the contract costs would need to be annualized and could increase due to higher volumes of activity. The LFC raised no concerns with the progress for system implementation.

For further information on the LFC's monitoring of this system refer to the December 2011 report posted to the LFC Internet site at: <http://leg.mt.gov/css/fiscal/reports/2011-2012-interim-reports.asp#dec2011>.

### Motor Vehicle Division

The legislature was particularly interested in monitoring the ongoing service level of document processing within the division. The monitoring by the LFC focused on the Title and Registration Bureau within the division. The LFC made no recommendations as result of its monitoring.

For further information on the LFC's monitoring of this system refer to the March 2011 report posted to the LFC Internet site at:

<http://leg.mt.gov/css/fiscal/reports/2011-2012-interim-reports.asp#march2012>.

### *State Funds Requested to Replace Federal Funds*

The executive has requested funding in two decision packages to replace federal funds with state funds:

- DP 1208 - MVD CDL Medical Certification Program
- DP 1209 - MVD National Motor Vehicle Title Info System

<b>LFD ISSUE</b>	<h3><u>Outcomes and Measures not Provided</u></h3> <p>When evaluating the two funding requests that would replace federal funds with state funds, the legislature may want to consider requirements for and expectations of the associated programs to determine if they meet state policy priorities and should therefore be continued with state resources. LFD staff requested of the agency but did not receive details on:</p> <ul style="list-style-type: none"> <li>○ The state and federal requirements mandating the programs</li> <li>○ Outcome expectations for the programs</li> <li>○ Measures that would be used to determine if the expectations are being achieved</li> <li>○ The consequences to the state from not performing the functions</li> </ul>
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**LFD  
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CONT.**

*Legislative Considerations*

When evaluating the requests of DP 1208 and DP 1209, the legislature may want to discuss with the agency the above information and how these programs further state priorities.

**Funding**

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

Total Department Of Justice Funding by Source of Authority 2015 Biennium Budget - Motor Vehicle Division							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
<b>General Fund</b>	<b>\$16,898,068</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,898,068</b>	43.7%		
<b>State Special Total</b>	<b>\$20,620,228</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,620,228</b>	53.3%		
02225 Mvd Inform Tech System Hb577	\$107,616	\$0	\$0	\$107,616	0.3%		
02422 Highways Special Revenue	\$11,238,742	\$0	\$0	\$11,238,742	29.0%		
02456 Insurance Verification Sb508	\$8,148,086	\$0	\$0	\$8,148,086	21.1%		
02798 Mvd It System - Hb261	\$1,125,784	\$0	\$0	\$1,125,784	2.9%		
<b>Proprietary Total</b>	<b>\$1,182,518</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,182,518</b>	3.1%		
06083 Mvd Electronic Commerce	\$1,182,518	\$0	\$0	\$1,182,518	3.1%		
<b>Total All Funds</b>	<b>\$38,700,814</b>	<b>\$0</b>	<b>\$0</b>	<b>\$38,700,814</b>	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

Driver’s licensing and vehicle titling and registration functions are supported by the general fund (60%) and highways state special revenue fund (40%). State special revenues collected for vehicle registration fees support payment of debt that was incurred for the development and implementation of the computer system known as the Montana Enhanced Registration and Licensing Information Network (MERLIN) and the vehicle insurance verification system. Proprietary funds collected from fees charged for e-government services support online web based services that may be used by the public.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	7,507,520	7,507,520	15,015,040	88.86%	15,344,001	15,344,001	30,688,002	79.30%
Statewide PL Adjustments	475,009	495,094	970,103	5.74%	624,506	657,981	1,282,487	3.31%
Other PL Adjustments	235,343	238,537	473,880	2.80%	2,779,630	3,218,954	5,998,584	15.50%
New Proposals	223,509	215,536	439,045	2.60%	372,514	359,227	731,741	1.89%
<b>Total Budget</b>	<b>\$8,441,381</b>	<b>\$8,456,687</b>	<b>\$16,898,068</b>		<b>\$19,120,651</b>	<b>\$19,580,163</b>	<b>\$38,700,814</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					685,210					690,557
Vacancy Savings					(274,418)					(274,640)
Inflation/Deflation					10,793					27,666
Fixed Costs					202,921					214,398
<b>Total Statewide Present Law Adjustments</b>		<b>\$475,009</b>	<b>\$149,497</b>	<b>\$0</b>	<b>\$624,506</b>		<b>\$495,094</b>	<b>\$162,887</b>	<b>\$0</b>	<b>\$657,981</b>
DP 1202 - MVD Annualize MTIVS Contract	0.00	0	952,392	0	952,392	0.00	0	952,392	0	952,392
DP 1203 - MVD License Plate Rolling Reissue	0.00	0	1,085,000	0	1,085,000	0.00	0	1,519,000	0	1,519,000
DP 1204 - MVD Annualize Mail Renewal Contract & Office Lease	0.00	86,863	57,908	0	144,771	0.00	90,057	60,038	0	150,095
DP 1205 - MVD Base Adjustments	0.00	148,480	98,987	0	247,467	0.00	148,480	98,987	0	247,467
DP 1207 - MVD Debt Payments to BOI	0.00	0	350,000	0	350,000	0.00	0	350,000	0	350,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$235,343</b>	<b>\$2,544,287</b>	<b>\$0</b>	<b>\$2,779,630</b>	<b>0.00</b>	<b>\$238,537</b>	<b>\$2,980,417</b>	<b>\$0</b>	<b>\$3,218,954</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$710,352</b>	<b>\$2,693,784</b>	<b>\$0</b>	<b>\$3,404,136</b>	<b>0.00</b>	<b>\$733,631</b>	<b>\$3,143,304</b>	<b>\$0</b>	<b>\$3,876,935</b>

DP 1202 - MVD Annualize MTIVS Contract - The executive requests state special revenue to fund costs paid to a private vendor responsible for operating the Montana Vehicle Insurance Verification System (MTIVS). Roughly 27% of the funding would go toward annualizing to a full year those basic contract costs that were incurred for only six months during the base year and support ongoing system access, utilization, maintenance, and support including batch processing and notice generation. The remaining 73% of the funding would fund costs associated with higher than anticipated volumes of system inquiries and customer service center contacts that would exceed trigger levels in the vendor contract.

DP 1203 - MVD License Plate Rolling Reissue - The executive requests state special revenue to fund an increase in the number of vehicle license plates purchased from the Montana Correctional Enterprises License Plate Factory as a result of the rolling reissue of vehicle license plates under 61-3-332(3), MCA.

DP 1204 - MVD Annualize Mail Renewal Contract & Office Lease - The executive requests general fund (60%) and restricted highways state special revenue (40%) to fund: 1) increased lease costs for twelve driver licensing offices across the state due to annual inflation clauses in the lease contracts; 2) contracted printing and mailing costs for various renewal notices; and 3) postage increases for mailing vehicle registration renewal notices in a format that better protects personal information.

DP 1205 - MVD Base Adjustments - The executive requests general fund (60%) and restricted highways state special revenue (40%) to fund: 1) the replacement of computers, printers and servers under a 5 year replacement cycle, \$177,000 annually; and 2) replacing three more vehicles per year more than the two replaced in the base year, \$70,000 per year. Vehicles are targeted for replacement every 100,000 miles.

<b>LFD COMMENT</b>	This adjustment adds funding to purchase three additional vehicles in addition to the two vehicles that the base would fund. As requested, the division would have funding to purchase 10 vehicles each biennium instead of the current four vehicles per biennium. Funding would allow the division to replace its current fleet of 34 vehicles roughly every 7 years at current costs.
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DP 1207 - MVD Debt Payments to BOI - The executive requests state special revenue to fund debt payments associated with the Montana Enhanced Registration and Licensing Information Network (MERLIN).

**New Proposals**

Program	FTE	Fiscal 2014				Fiscal 2015					
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 1201 - MVD Commercial Driver License Program	12	4.00	149,932	99,954	0	249,886	4.00	141,959	94,640	0	236,599
DP 1208 - MVD CDL Medical Certification Program	12	0.00	53,600	35,733	0	89,333	0.00	53,600	35,733	0	89,333
DP 1209 - MVD National Motor Vehicle Title Info System	12	0.00	19,977	13,318	0	33,295	0.00	19,977	13,318	0	33,295
<b>Total</b>	<b>4.00</b>	<b>\$223,509</b>	<b>\$149,005</b>	<b>\$0</b>	<b>\$372,514</b>	<b>4.00</b>	<b>\$215,536</b>	<b>\$143,691</b>	<b>\$0</b>	<b>\$359,227</b>	

DP 1201 - MVD Commercial Driver License Program - The executive requests general fund (60%) and restricted highways state special revenue (40%) to fund the addition of 4.00 FTE and associated operating costs to address workload issues for commercial driver licenses (CDL) and associated customer services to assist applicants schedule testing appointments.

<b>LFD COMMENT</b>	The demand for commercial driver licenses (CDL) has grown across the state with a large growth area being experienced in the eastern counties impacted by energy development. Since 2009 there has been a 23% increase in newly issued CDLs and a 44% increase in CDL renewals. The agency states that this request would provide additional CDL testing in Billings, Bozeman, Glasgow, Glendive, Great Falls, Kalispell, Missoula, and Polson. The positions funded by this request are currently filled as modified FTE and serving in the above mentioned drivers licensing stations.
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DP 1208 - MVD CDL Medical Certification Program - The executive requests general fund (60%) and restricted highways state special revenue (40%) to replace federal funds and would be used for ongoing support of the commercial driver licensing medical certification program processes by handling the federally mandated medical examination certificates for CDL operators and facial recognition to prevent identify fraud.

<b>LFD ISSUE</b>	<u>State Funding Would Replace Federal Funds – Commercial Driver License Identity Fraud</u> For further information on this request please refer to the discussion in the program narrative section.
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DP 1209 - MVD National Motor Vehicle Title Info System - The executive requests general fund (60%) and restricted highways state special revenue (40%) to replace federal funds and would be used for the National Motor Vehicle Information System (NMVTIS) contract, which allows the state to verify the information on paper titles with the electronic data from the state that issued the title to help prevent fraudulent titling transactions.

<b>LFD ISSUE</b>	<u>State Funding Would Replace Federal Funds – National Motor Vehicle Information System</u> For further information on this request please refer to the discussion in the program narrative section.
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**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	297.00	297.00	297.00	297.00	297.00	297.00	0.00	0.00%
Personal Services	21,055,923	23,452,153	23,800,051	23,836,313	44,508,076	47,636,364	3,128,288	7.03%
Operating Expenses	8,499,915	6,648,811	8,627,971	8,662,464	15,148,726	17,290,435	2,141,709	14.14%
Equipment & Intangible Assets	1,992,165	1,608,530	1,992,165	1,992,165	3,600,695	3,984,330	383,635	10.65%
<b>Total Costs</b>	<b>\$31,548,003</b>	<b>\$31,709,494</b>	<b>\$34,420,187</b>	<b>\$34,490,942</b>	<b>\$63,257,497</b>	<b>\$68,911,129</b>	<b>\$5,653,632</b>	<b>8.94%</b>
General Fund	0	0	0	0	0	0	0	n/a
State Special	31,548,003	31,709,494	34,420,187	34,490,942	63,257,497	68,911,129	5,653,632	8.94%
<b>Total Funds</b>	<b>\$31,548,003</b>	<b>\$31,709,494</b>	<b>\$34,420,187</b>	<b>\$34,490,942</b>	<b>\$63,257,497</b>	<b>\$68,911,129</b>	<b>\$5,653,632</b>	<b>8.94%</b>

**Program Description**

The Highway Patrol Division is responsible for patrolling the highways of Montana, enforcing traffic laws, and investigating traffic crashes. The patrol gives assistance and information to motorists and first aid to those injured in traffic crashes, transports blood and medical supplies in emergency situations, and assists other law enforcement agencies when requested. The patrol provides 24-hour-a-day, seven-day-a-week communication and radio dispatch for the Highway Patrol and other state agencies.

**Program Highlights**

<b>Highway Patrol Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The factors contributing to the proposed funding increases are:                             <ul style="list-style-type: none"> <li>• Statewide present law adjustments, primarily for personal services</li> <li>• A request to fund pay adjustments based on the most recent salary survey specified in law</li> <li>• Other minor adjustments for rent and gasoline</li> </ul> </li> </ul>
<b>Major LFD Issues</b>
<ul style="list-style-type: none"> <li>◆ Base is high due to use of vacancy savings for operating cost and equipment expenditures in FY 2012</li> </ul>

**Program Narrative**

<b>LFD ISSUE</b>	<p><u>Base Year Expenditures</u></p> <p>The agency expended more in operating expenses and equipment that were appropriated for FY 2012 with the funding coming from vacancy savings. Base year expenditures for these two categories carry forward into the base, while the budget for personal services is generated based on the FTE previously authorized regardless of base expenditures. If the legislature approves the base as presented, the annual funding for this program would increase by \$2,030,781 without affording a decision package for legislative consideration.</p> <p>The largest expenditures that were over the budgeted amounts were for the following areas:</p> <ul style="list-style-type: none"> <li>o Minor radio supplies and equipment, \$538,000</li> <li>o Single user computers, \$740,000</li> <li>o Supplies for law enforcement personnel, \$259,000</li> <li>o Supplies for law enforcement vehicles, \$429,000</li> <li>o Vehicle purchases, \$412,000</li> </ul> <p>This program is exempt in statute from having vacancy savings imposed on it. The funding shift of this issue equates to an 8.7% vacancy saving rate or roughly 25.80 FTE. The 2011 Legislature added 8.75 FTE primarily to put more troopers on the road.</p> <p><i>Legislative Consideration</i></p> <p>The legislature may want to discuss the following with the agency:</p> <ul style="list-style-type: none"> <li>o What operating factors caused the overruns in operating and equipment</li> <li>o What factors contributed to the 8.7% vacancy rate</li> <li>o What impacts did the 8.7% vacancy rate have on public safety</li> </ul>
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**Funding**

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

Total Department Of Justice Funding by Source of Authority 2015 Biennium Budget - Montana Highway Patrol							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
<b>General Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,140,356</b>	<b>\$3,140,356</b>	4.4%	16-6-404	Pass Thru
<b>State Special Total</b>	<b>\$68,911,129</b>	<b>\$0</b>	<b>\$0</b>	<b>\$68,911,129</b>	95.6%		
02014 Highway Patrol Retire Clearing	\$9,865,567	\$0	\$0	\$9,865,567	13.7%		
02422 Highways Special Revenue	\$59,045,562	\$0	\$0	\$59,045,562	81.9%		
<b>Total All Funds</b>	<b>\$68,911,129</b>	<b>\$0</b>	<b>\$3,140,356</b>	<b>\$72,051,485</b>	100.0%		
<b>Percent - Total All Sources</b>	<b>95.6%</b>	<b>0.0%</b>	<b>4.4%</b>				

Functions of the division are supported by state special revenue with the bulk of the costs supported by the restricted account of the highways state special revenue. The highway patrol recruitment and retention fund supported by a \$5 vehicle registration fee may be used to support the cost of uniformed officers, equipment, and pay increases, and beginning in the 2013 biennium supports the executive protection function. Please refer to the narrative for the Department of Transportation in Section C for a discussion of the highway state special revenue fund.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	31,548,003	31,548,003	63,096,006	91.56%
Statewide PL Adjustments	0	0	0	0.00%	1,640,328	1,722,651	3,362,979	4.88%
Other PL Adjustments	0	0	0	0.00%	1,231,856	1,220,288	2,452,144	3.56%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$34,420,187</b>	<b>\$34,490,942</b>	<b>\$68,911,129</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,646,842					1,683,104
Inflation/Deflation					(86,524)					(57,647)
Fixed Costs					80,010					97,194
<b>Total Statewide Present Law Adjustments</b>		<b>\$0</b>	<b>\$1,640,328</b>	<b>\$0</b>	<b>\$1,640,328</b>		<b>\$0</b>	<b>\$1,722,651</b>	<b>\$0</b>	<b>\$1,722,651</b>
DP 1301 - MHP Salary Increase per Survey	0.00	0	548,796	0	548,796	0.00	0	548,796	0	548,796
DP 1302 - MHP Base Adjustments	0.00	0	683,060	0	683,060	0.00	0	671,492	0	671,492
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$1,231,856</b>	<b>\$0</b>	<b>\$1,231,856</b>	<b>0.00</b>	<b>\$0</b>	<b>\$1,220,288</b>	<b>\$0</b>	<b>\$1,220,288</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$2,872,184</b>	<b>\$0</b>	<b>\$2,872,184</b>	<b>0.00</b>	<b>\$0</b>	<b>\$2,942,939</b>	<b>\$0</b>	<b>\$2,942,939</b>

DP 1301 - MHP Salary Increase per Survey - The executive requests state special revenue to fund salary adjustments for Montana highway patrol officers based on the most recent salary survey specified in law.

<b>LFD COMMENT</b>	Montana law in 2-18-303, MCA requires the Department of Administration to conduct a salary survey of the county sheriff’s offices in the following consolidated governments and counties to establish the base salaries of Montana highway patrol officers: Butte-Silver Bow, Cascade, Yellowstone, Missoula, Lewis and Clark, Gallatin, Flathead, and Dawson. The latest salary survey was completed in June 2012 and forms the basis for this adjustment.
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DP 1302 - MHP Base Adjustments - The executive requests state special revenue to fund: 1) overtime pay including benefits at roughly 56% of the amount expended in FY 2012, \$1.1 million; 2) rent and tower site access across the state to adjust for contractual cost increases, \$114,000 for the biennium; and 3) removal of the deflation adjustment for gasoline in the statewide present law adjustments so the budget for gasoline is at the actual FY 2012 level, \$171,000.

### Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	102.00	102.00	105.00	105.00	102.00	105.00	3.00	2.94%
Personal Services	5,860,119	6,330,106	6,799,426	6,805,073	12,190,225	13,604,499	1,414,274	11.60%
Operating Expenses	3,549,053	3,584,854	3,875,746	3,902,930	7,133,907	7,778,676	644,769	9.04%
Equipment & Intangible Assets	123,452	170,162	123,452	123,452	293,614	246,904	(46,710)	(15.91%)
Transfers	11,295	11,295	11,295	11,295	22,590	22,590	0	0.00%
<b>Total Costs</b>	<b>\$9,543,919</b>	<b>\$10,096,417</b>	<b>\$10,809,919</b>	<b>\$10,842,750</b>	<b>\$19,640,336</b>	<b>\$21,652,669</b>	<b>\$2,012,333</b>	<b>10.25%</b>
General Fund	5,639,292	6,133,196	6,980,510	7,005,342	11,772,488	13,985,852	2,213,364	18.80%
State Special	3,182,165	3,095,269	3,142,057	3,150,056	6,277,434	6,292,113	14,679	0.23%
Federal Special	722,462	867,952	687,352	687,352	1,590,414	1,374,704	(215,710)	(13.56%)
<b>Total Funds</b>	<b>\$9,543,919</b>	<b>\$10,096,417</b>	<b>\$10,809,919</b>	<b>\$10,842,750</b>	<b>\$19,640,336</b>	<b>\$21,652,669</b>	<b>\$2,012,333</b>	<b>10.25%</b>

### Program Description

The Division of Criminal Investigation (DCI) includes the administration, management, and coordination of criminal investigative services and training performed by the Investigations Bureau, the Narcotics Bureau, the Investigative Support Bureau, and the Law Enforcement Academy Bureau.

The Investigations Bureau consists of four sections:

- The Fire Prevention and Investigation Section is responsible for safeguarding life and property from fire, explosion, and arson through investigation, inspection, and fire code interpretation and enforcement functions
- The Special Investigations Unit investigates crimes involving the use of computers, maintains the Sexual and Violent Offender Registry, and provides advanced training opportunities for law enforcement officials statewide
- The Major Case Section provides criminal investigative assistance to city, county, state, and federal law enforcement agencies
- The Medicaid Fraud Control Section is responsible for investigating any crime that occurs in a health care facility, including theft, drug diversion, sexual assault, and homicide. The section also investigates elder exploitation, elder abuse, and fraud by providers within the Medicaid system.

The Narcotics Bureau investigates dangerous drug violations and provides investigative assistance to city, county, state, and federal law enforcement agencies as requested. The bureau also investigates organized criminal activity.

The Investigative Support Bureau is responsible for establishing a statewide intelligence center, performing criminal records checks, operating the Criminal Justice Information Network, and addressing homeland security issues.

The Law Enforcement Academy Bureau provides criminal justice officers and other qualified individuals with basic and specialized training in the field of law enforcement.



**Program Highlights**

<b>Division of Criminal Investigation Major Budget Highlights</b>	
<ul style="list-style-type: none"> <li>◆ The major factors contributing to the proposed funding increases are:                             <ul style="list-style-type: none"> <li>• Requests to add 3.00 FTE for various purposes detailed below</li> <li>• Statewide present law adjustments primarily for personal services and fixed costs</li> <li>• A request for overtime and operating costs for the Child Predator and Drug Diversion Program</li> </ul> </li> <li>◆ The Governor proposes to add FTE for the following functions:                             <ul style="list-style-type: none"> <li>• 2.00 FTE to support compliance of the Sexual and Violent Offender Registry Program</li> <li>• 1.00 FTE trainer at the Montana Law Enforcement Academy where funding was provided without FTE in the 2013 biennium</li> </ul> </li> <li>◆ The Governor also proposes switching funding from state special revenue to general fund for maintenance and utility costs at the Montana Law Enforcement Academy</li> </ul>	
<b>Major LFD Issues</b>	
<ul style="list-style-type: none"> <li>◆ Funding associated with FTE outfitting costs in FY 2014 are not ongoing and could be designated as one-time-only</li> <li>◆ Operating cost funding for the Child Predator and Drug Diversion Program are double those funded in the 2013 biennium</li> <li>◆ Law Enforcement academy funding</li> </ul>	

**Funding**

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

Total Department Of Justice Funding by Source of Authority 2015 Biennium Budget - Div. Of Criminal Investigation							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
<b>General Fund</b>	<b>\$13,985,852</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,985,852</b>	64.4%		
<b>State Special Total</b>	<b>\$6,292,113</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,292,113</b>	29.0%		
02006 Cigarette Fire Safety Standard	\$189,634	\$0	\$0	\$189,634	0.9%		
02016 Criminal Justice Info Network	\$1,004,544	\$0	\$0	\$1,004,544	4.6%		
02546 Mtlaw Enforc. Acad. Surcharge	\$2,472,307	\$0	\$0	\$2,472,307	11.4%		
02797 Cjis - Background Checks	\$2,262,348	\$0	\$0	\$2,262,348	10.4%		
02937 Justice State Special Misc	\$363,280	\$0	\$0	\$363,280	1.7%		
<b>Federal Special Total</b>	<b>\$1,374,704</b>	<b>\$0</b>	<b>\$78,400</b>	<b>\$1,453,104</b>	6.7%		
03187 Bcc Grants To Dept. Of Justice	\$322,748	\$0	\$0	\$322,748	1.5%		
03214 Special Law Enforcement Assist	\$0	\$0	\$78,400	\$78,400	0.4%	44-12-206	Direct
03800 Medicaid Fraud	\$1,051,956	\$0	\$0	\$1,051,956	4.8%		
<b>Total All Funds</b>	<b>\$21,652,669</b>	<b>\$0</b>	<b>\$78,400</b>	<b>\$21,731,069</b>	100.0%		
<b>Percent - Total All Sources</b>	<b>99.6%</b>	<b>0.0%</b>	<b>0.4%</b>				

The division is supported by a combination of general fund, state special revenue, and federal funds. General fund supports criminal investigations, fire prevention and investigation, match for federal funds supporting Medicaid fraud

investigations, drug task forces, the computer crime unit, sexual and violent offender registry, amber alert, child sexual abuse response team, and Public Safety Officer Standards and Training (POST).

The three largest sources of state special revenue supporting the division are Montana Law Enforcement Academy surcharges that support operation of the academy, criminal justice information network (CJIN) revenue that supports itself, and revenue from criminal justice background checks that are paid in exchange for completion of a background check.

The largest source of federal funds is Medicaid funding that supports investigation of Medicaid fraud. Other federal grants support drug enforcement task forces and homeland security functions. Federal funds for homeland security and grants received through the Montana Board of Crime Control (MBCC) did not reach the budgeted level in the 2011 biennium and are included in the 2013 biennium request at the level received in the base budget year.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	5,639,292	5,639,292	11,278,584	80.64%	9,543,919	9,543,919	19,087,838	88.15%
Statewide PL Adjustments	644,244	655,756	1,300,000	9.30%	744,026	763,537	1,507,563	6.96%
Other PL Adjustments	291,028	304,671	595,699	4.26%	291,028	304,671	595,699	2.75%
New Proposals	405,946	405,623	811,569	5.80%	230,946	230,623	461,569	2.13%
<b>Total Budget</b>	<b>\$6,980,510</b>	<b>\$7,005,342</b>	<b>\$13,985,852</b>		<b>\$10,809,919</b>	<b>\$10,842,750</b>	<b>\$21,652,669</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					931,720					937,988
Vacancy Savings					(271,658)					(271,904)
Inflation/Deflation					(24,604)					(18,489)
Fixed Costs					108,568					115,942
<b>Total Statewide Present Law Adjustments</b>		<b>\$644,244</b>	<b>\$134,892</b>	<b>(\$35,110)</b>	<b>\$744,026</b>		<b>\$655,756</b>	<b>\$142,891</b>	<b>(\$35,110)</b>	<b>\$763,537</b>
DP 1804 - DCI Child Sexual Predator and Drug Diversion	0.00	191,498	0	0	191,498	0.00	191,498	0	0	191,498
DP 1806 - DCI Base Adjustments	0.00	38,183	0	0	38,183	0.00	51,913	0	0	51,913
DP 1808 - MLEA Trainer	1.00	61,347	0	0	61,347	1.00	61,260	0	0	61,260
<b>Total Other Present Law Adjustments</b>	<b>1.00</b>	<b>\$291,028</b>	<b>\$0</b>	<b>\$0</b>	<b>\$291,028</b>	<b>1.00</b>	<b>\$304,671</b>	<b>\$0</b>	<b>\$0</b>	<b>\$304,671</b>
<b>Grand Total All Present Law Adjustments</b>	<b>1.00</b>	<b>\$935,272</b>	<b>\$134,892</b>	<b>(\$35,110)</b>	<b>\$1,035,054</b>	<b>1.00</b>	<b>\$960,427</b>	<b>\$142,891</b>	<b>(\$35,110)</b>	<b>\$1,068,208</b>

DP 1804 - DCI Child Sexual Predator and Drug Diversion - The executive requests general fund to continue the Child Sexual Predator and Drug Diversion Programs. The request would fund \$30,000 in overtime each year with the remaining funding for operating costs.

**LFD COMMENT** The 2011 Legislature appropriated \$395,000 in FY 2013 to fund costs associated with the addition of 4.00 FTE for the Child Sexual Predator and Drug Diversion Program. The associated FTE and personal services funding continues on to the 2015 biennium budget, but since the funding began in FY 2013, no base exists for the associated operating costs.

**LFD ISSUE** Operating Expenses Would Nearly Double  
 Operating expenses in this request would nearly double from those funded by the 2011 Legislature. Operating expenses in this request total nearly \$162,000 per year compared to \$99,000 funded for FY 2013. Furthermore, \$42,000 or 68% of the increase in operating expenses are for items typically associated with FTE startup costs like office equipment, computer hardware, radio equipment, and law enforcement equipment for individuals and vehicles. These cost appear in both years and as requested would carry forward into the base for the 2017 biennium.

*Legislative Consideration*

The legislature may want to discuss with the agency why the nearly doubled amount of operating expenses are requested and if any of the items are for purchases that would not be ongoing, such as FTE startup expenses. Further, it may want to discuss if any FTE startup items identified are needed in both years. The legislature may wish to designate items that are not of an ongoing nature as one-time-only and reduce funding for FTE startup items not needed in FY 2015.

DP 1806 - DCI Base Adjustments - The executive requests general fund to fund lease increases for office space across the state that is rented from the private sector.

DP 1808 - MLEA Trainer - The executive requests general fund to fund the personal services for the addition of 1.00 FTE training development specialist at the Montana Law Enforcement Academy (MLEA).

**LFD COMMENT** The 2011 Legislature appropriated \$50,934 general fund for each year of the 2013 biennium with funds reduced in the Department of Corrections to reflect the movement of funding related to training provided by the Montana Law Enforcement Academy for corrections staff. While appropriating the funding the legislature did not authorize additional FTE for the MLEA in the 2013 biennium for this function.

**New Proposals**

Program	FTE	Fiscal 2014				Fiscal 2015				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1801 - DCI SVOR Compliance Investigators	18	230,946	0	0	230,946	2.00	230,623	0	0	230,623
DP 1807 - DCI MLEA Maintenance	18	175,000	(175,000)	0	0	0.00	175,000	(175,000)	0	0
<b>Total</b>	<b>2.00</b>	<b>\$405,946</b>	<b>(\$175,000)</b>	<b>\$0</b>	<b>\$230,946</b>	<b>2.00</b>	<b>\$405,623</b>	<b>(\$175,000)</b>	<b>\$0</b>	<b>\$230,623</b>

DP 1801 - DCI SVOR Compliance Investigators - The executive requests general fund to fund the personal services and associated operating costs for the addition of 2.00 FTE for a compliance program for the Sexual and Violent Offender

Registry Program. The positions, one crime investigator and one crime analyst, would process compliance documents and perform forensic training across Montana for the Children's Justice Center (CJC) and the Sexual and Violent Offender Registry program (SVOR).

DP 1807 - DCI MLEA Maintenance - The executive requests a funding shift for the Montana Law Enforcement Academy (MLEA) by reducing state special revenues and offsetting the reduction with general fund for maintenance and utility costs.

**LFD  
ISSUE**

Cost and Reason for Funding Switch

In the request for general fund to support MLEA, the executive stated the request was to support maintenance and utilities for the academy. Base expenditures for maintenance and utilities totaled \$120,000, which is \$55,000 per year higher than the requested general fund switch for their support. Staff requested further information on what specific costs would be funded by the general fund under this request and the rationale behind requesting general fund support for the MLEA. The agency stated in its response to more specific items that would be funded by this request that it would fund costs associated with training Montana law enforcement and would address previous and projected MLEA revenue shortfalls. The response would apply to any cost of MLEA and fails to provide specific clarification on the request.

The figure shows the funding history for MLEA since FY 2000. The figure shows that prior to FY 2004, MLEA was funded primarily with general fund. This funding changed when HB 124 of the 2003 Legislative Session established a surcharge on certain criminal convictions to fund MLEA. Until the 2013 biennium, MLEA has been funded without the support of the general fund except for the funding added in the 2011 Legislative Session to support personal services for one trainer associated with correction officers of the Department of Corrections. This request departs from the principle that the surcharge would fund MLEA.

Montana Law Enforcement Academy HB 2 Funding History														
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
General fund	\$1,076,716	\$1,056,371	\$1,104,721	\$1,089,970	\$0	\$0	\$51,507	\$51,730	\$0	\$0	\$0	\$0	\$50,934	\$50,934
State Special	50,000	50,000	50,000	50,000	1,183,463	1,187,015	1,106,467	1,093,247	1,369,122	1,370,942	1,566,025	1,580,971	1,529,448	1,531,504
Federal Special	<u>100,000</u>	<u>100,000</u>	<u>199,607</u>	<u>199,722</u>	<u>176,760</u>	<u>177,923</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>53,329</u>	<u>53,400</u>
Total HB 2 Funding	<u>\$1,226,716</u>	<u>\$1,206,371</u>	<u>\$1,354,328</u>	<u>\$1,339,692</u>	<u>\$1,360,223</u>	<u>\$1,364,938</u>	<u>\$1,157,974</u>	<u>\$1,144,977</u>	<u>\$1,369,122</u>	<u>\$1,370,942</u>	<u>\$1,566,025</u>	<u>\$1,580,971</u>	<u>\$1,633,711</u>	<u>\$1,635,838</u>
General fund as a % of Tot	87.8%	87.6%	81.6%	81.4%	0.0%	0.0%	4.4%	4.5%	0.0%	0.0%	0.0%	0.0%	3.1%	3.1%

The fiscal note associated with HB 124 assumed that the surcharge would generate \$1.1 million in annual revenues. This has not been the case as the surcharge has generated an average of \$951,000 annually since 2005. Other major support for the academy comes from course fees, which average around \$341,000 per year. The following figure shows the balance between revenues and expenditures of the MLEA account used to finance its operations. The account has operated at a loss in four of the last five years. This indicates any of three things: 1) the surcharge is not adequate to fund the academy as intended; 2) course fees are not appropriate to recover costs; or 3) expenditures have grown at a higher pace than revenues.

MLEA Account Revenues and Expenditures								
Item	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	\$1,219,680	\$1,210,931	\$1,414,066	\$1,310,398	\$1,380,280	\$1,430,686	\$1,408,032	\$1,377,633
Expenditures	<u>1,021,853</u>	<u>1,248,719</u>	<u>1,288,196</u>	<u>1,440,933</u>	<u>1,427,983</u>	<u>1,411,085</u>	<u>1,505,285</u>	<u>1,508,049</u>
Operating gains (loss)	<u>\$197,827</u>	<u>(\$37,788)</u>	<u>\$125,870</u>	<u>(\$130,535)</u>	<u>(\$47,703)</u>	<u>\$19,601</u>	<u>(\$97,253)</u>	<u>(\$130,416)</u>

**LFD  
ISSUE CONT.***Legislative Consideration*

The legislature may want to discuss with the agency the rationale for requesting general fund support of MLEA. Further, the legislature may want to discuss what costs the request would fund and why it considers the general fund a more appropriate funding source than the surcharge the legislature established to fund the operation of the academy.

If the legislature wishes to provide funding to address the revenue shortfalls of MLEA, it may want to consider the longer-term issues of MLEA funding, such as:

- Does the legislature want to provide general fund support for MLEA on an ongoing basis or only long enough to identify and correct the issues of funding MLEA with course fees and a surcharge on convictions?

Legislative Options For Correcting Surcharge Funding

If instead of supplementing MLEA funding with general fund on an ongoing basis and if the legislature wants to address the issues of surcharge funding for MLEA, it may want to consider the following options:

- Designate general fund as one-time-only
- Request that the legislature increase the surcharge (based on revenue history, a \$1 increase in the surcharge of 3-1-318, MCA, would generate \$95,000 in additional revenues, so a \$2 increase would be needed to offset the supplemental funding of this request)
- Request an interim study of MLEA funding with the intent to propose legislation for the 2015 Legislative Session to address long term needs and funding sources

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	19.00	19.00	19.00	19.00	19.00	19.00	0.00	0.00%
Personal Services	1,106,876	1,144,628	1,193,405	1,197,458	2,251,504	2,390,863	139,359	6.19%
Operating Expenses	231,883	230,112	280,334	205,263	461,995	485,597	23,602	5.11%
<b>Total Costs</b>	<b>\$1,338,759</b>	<b>\$1,374,740</b>	<b>\$1,473,739</b>	<b>\$1,402,721</b>	<b>\$2,713,499</b>	<b>\$2,876,460</b>	<b>\$162,961</b>	<b>6.01%</b>
General Fund	437,695	518,824	502,502	478,082	956,519	980,584	24,065	2.52%
State Special	859,232	818,330	945,176	899,790	1,677,562	1,844,966	167,404	9.98%
Other	41,832	37,586	26,061	24,849	79,418	50,910	(28,508)	(35.90%)
<b>Total Funds</b>	<b>\$1,338,759</b>	<b>\$1,374,740</b>	<b>\$1,473,739</b>	<b>\$1,402,721</b>	<b>\$2,713,499</b>	<b>\$2,876,460</b>	<b>\$162,961</b>	<b>6.01%</b>

**Program Description**

The Central Services Division (CSD) provides accounting; asset management; budgeting; fiscal management; human resources; internal controls; payroll and benefits; purchasing; training; and assistance with the implementation of policies, rules, and regulations for the Department of Justice. The program also administers payments to counties for a portion of the cost of the county attorney.

**Program Highlights**

<b>Central Services Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The major factors in the proposed funding increase are:                             <ul style="list-style-type: none"> <li>• Statewide present law adjustments mainly for personal services and fixed costs</li> <li>• A proposal to convert the funding for the Professional Development Center of the Department of Administration to a fixed cost item</li> </ul> </li> </ul>

**Funding**

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

Total Department Of Justice Funding by Source of Authority 2015 Biennium Budget - Central Services Division							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
<b>General Fund</b>	<b>\$980,584</b>	<b>\$0</b>	<b>\$5,996,126</b>	<b>\$6,976,710</b>	74.4%		
<b>State Special Total</b>	<b>\$1,844,966</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$2,094,966</b>	22.4%		
02074 Gambling License Fee Account	\$124,514	\$0	\$0	\$124,514	1.3%		
02140 Consumer Education Settlement	\$163,912	\$0	\$0	\$163,912	1.7%		
02143 Drug Forfeitures-state	\$0	\$0	\$250,000	\$250,000	2.7%	44-12-206	Direct
02422 Highways Special Revenue	\$1,451,148	\$0	\$0	\$1,451,148	15.5%		
02797 Cjis - Background Checks	\$105,392	\$0	\$0	\$105,392	1.1%		
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$250,000</b>	2.7%		
03214 Special Law Enforcement Assist	\$0	\$0	\$250,000	\$250,000	2.7%	44-12-206	Direct
<b>Proprietary Total</b>	<b>\$50,910</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,910</b>	0.5%		
06005 Liquor Division	\$50,910	\$0	\$0	\$50,910	0.5%		
<b>Total All Funds</b>	<b>\$2,876,460</b>	<b>\$0</b>	<b>\$6,496,126</b>	<b>\$9,372,586</b>	100.0%		
<b>Percent - Total All Sources</b>	<b>30.7%</b>	<b>0.0%</b>	<b>69.3%</b>				

The Central Services Division is funded by allocation of costs among the various funding sources supporting the department. General fund provides slightly more than one third of the division’s funding. State special revenue, the largest source being highway state special revenue, provides more than half of the division funding. Proprietary funds including liquor licensing fees and fees for agency legal services provide the remainder of the division’s funding.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	437,695	437,695	875,390	89.27%	1,338,759	1,338,759	2,677,518	93.08%
Statewide PL Adjustments	47,271	22,851	70,122	7.15%	117,444	46,426	163,870	5.70%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	17,536	17,536	35,072	3.58%	17,536	17,536	35,072	1.22%
<b>Total Budget</b>	<b>\$502,502</b>	<b>\$478,082</b>	<b>\$980,584</b>		<b>\$1,473,739</b>	<b>\$1,402,721</b>	<b>\$2,876,460</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					136,251					140,478
Vacancy Savings					(49,722)					(49,896)
Inflation/Deflation					(4)					19
Fixed Costs					30,919					(44,175)
<b>Total Statewide Present Law Adjustments</b>		<b>\$47,271</b>	<b>\$85,944</b>	<b>\$0</b>	<b>\$117,444*</b>		<b>\$22,851</b>	<b>\$40,558</b>	<b>\$0</b>	<b>\$46,426*</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$47,271</b>	<b>\$85,944</b>	<b>\$0</b>	<b>\$117,444*</b>	<b>0.00</b>	<b>\$22,851</b>	<b>\$40,558</b>	<b>\$0</b>	<b>\$46,426*</b>

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

**New Proposals**

New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6101 - Professional Development Center Fee Allocation	28	0.00	17,536	0	0	17,536	0.00	17,536	0	0	17,536
<b>Total</b>	<b>0.00</b>	<b>\$17,536</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,536</b>	<b>0.00</b>	<b>\$17,536</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,536</b>	

DP 6101 - Professional Development Center Fee Allocation - The executive requests an increase for training services purchased from the Professional Development Center (PDC) of the Department of Administration. This request reflects the difference between the amount paid in the base for PDC services and a fixed cost allocation based on agency FTE counts. Starting in the 2015 biennium and beyond, the executive recommends funding the PDC as a fixed cost item. For a further discussion, see the narrative for the Department of Administration.



**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	40.80	40.80	40.80	40.80	40.80	40.80	0.00	0.00%
Personal Services	2,543,238	2,521,335	2,717,487	2,718,536	5,064,573	5,436,023	371,450	7.33%
Operating Expenses	1,062,634	1,028,751	1,112,274	1,110,608	2,091,385	2,222,882	131,497	6.29%
Equipment & Intangible Assets	36,820	90,135	36,820	36,820	126,955	73,640	(53,315)	(42.00%)
<b>Total Costs</b>	<b>\$3,642,692</b>	<b>\$3,640,221</b>	<b>\$3,866,581</b>	<b>\$3,865,964</b>	<b>\$7,282,913</b>	<b>\$7,732,545</b>	<b>\$449,632</b>	<b>6.17%</b>
General Fund	3,491,704	3,489,288	3,707,597	3,707,002	6,980,992	7,414,599	433,607	6.21%
State Special	133,659	133,620	141,476	141,456	267,279	282,932	15,653	5.86%
Federal Special	2,505	2,502	2,652	2,651	5,007	5,303	296	5.91%
Other	14,824	14,811	14,856	14,855	29,635	29,711	76	0.26%
<b>Total Funds</b>	<b>\$3,642,692</b>	<b>\$3,640,221</b>	<b>\$3,866,581</b>	<b>\$3,865,964</b>	<b>\$7,282,913</b>	<b>\$7,732,545</b>	<b>\$449,632</b>	<b>6.17%</b>

**Program Description**

The Justice Information Technology Services Division (JITSD) provides a full range of information technology and criminal justice services for the department, including:

- System development and maintenance for all systems and platforms within the department (MERLIN, Criminal History Record Information System, and the Montana Uniform Crime Reporting System)
- Support for the department's internal computers and systems
- Support for the Criminal Justice Information Network (CJIN), Montana Highway Patrol Integrated Public Safety System, End of Life Registry, Hope Card, Concealed Weapons, and Amber Alert and Integrated Justice Information System (IJIS) broker

**Program Highlights**

<p><b>Information Technology Services Division</b></p> <p><b>Major Budget Highlights</b></p>
<p>◆ Statewide present law adjustments are the only factor for the proposed funding increase</p>

**Funding**

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

Total Department Of Justice Funding by Source of Authority 2015 Biennium Budget - Information Technology Service							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
<b>General Fund</b>	<b>\$7,414,599</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,414,599</b>	95.9%		
<b>State Special Total</b>	<b>\$282,932</b>	<b>\$0</b>	<b>\$0</b>	<b>\$282,932</b>	3.7%		
02016 Criminal Justice Info Network	\$7,972	\$0	\$0	\$7,972	0.1%		
02074 Gambling License Fee Account	\$35,132	\$0	\$0	\$35,132	0.5%		
02422 Highways Special Revenue	\$136,583	\$0	\$0	\$136,583	1.8%		
02797 Cjis - Background Checks	\$96,056	\$0	\$0	\$96,056	1.2%		
02937 Justice State Special Misc	\$7,189	\$0	\$0	\$7,189	0.1%		
<b>Federal Special Total</b>	<b>\$5,303</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,303</b>	0.1%		
03800 Medicaid Fraud	\$5,303	\$0	\$0	\$5,303	0.1%		
<b>Proprietary Total</b>	<b>\$29,711</b>	<b>\$0</b>	<b>\$0</b>	<b>\$29,711</b>	0.4%		
06005 Liquor Division	\$14,348	\$0	\$0	\$14,348	0.2%		
06500 Agency Legal Services	\$15,363	\$0	\$0	\$15,363	0.2%		
<b>Total All Funds</b>	<b>\$7,732,545</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,732,545</b>	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

The division is funded primarily with general fund and state special revenue from gambling licensing fees and highway state special revenue. The balance of the division’s funding comes from a very small amount of federal funds (Medicaid) and proprietary funds, including liquor licensing fees and agency legal service fees.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	3,491,704	3,491,704	6,983,408	94.18%	3,642,692	3,642,692	7,285,384	94.22%
Statewide PL Adjustments	205,893	205,298	411,191	5.55%	213,889	213,272	427,161	5.52%
Other PL Adjustments	10,000	10,000	20,000	0.27%	10,000	10,000	20,000	0.26%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$3,707,597</b>	<b>\$3,707,002</b>	<b>\$7,414,599</b>		<b>\$3,866,581</b>	<b>\$3,865,964</b>	<b>\$7,732,545</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					277,061					278,150
Vacancy Savings					(112,812)					(112,852)
Inflation/Deflation					(177)					(112)
Fixed Costs					49,817					48,086
<b>Total Statewide Present Law Adjustments</b>		<b>\$205,893</b>	<b>\$7,817</b>	<b>\$147</b>	<b>\$213,889*</b>		<b>\$205,298</b>	<b>\$7,797</b>	<b>\$146</b>	<b>\$213,272*</b>
DP 2901 - JITSD Base Adjustment	0.00	10,000	0	0	10,000	0.00	10,000	0	0	10,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,000</b>	<b>0.00</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,000</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$215,893</b>	<b>\$7,817</b>	<b>\$147</b>	<b>\$223,889*</b>	<b>0.00</b>	<b>\$215,298</b>	<b>\$7,797</b>	<b>\$146</b>	<b>\$223,272*</b>

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

DP 2901 - JITSD Base Adjustment - The executive requests general fund to fund overtime at roughly the same level as the base year to support on-call and call-out operations for division staff. These expenses are zero-based and must be requested in full each biennium.

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	33.30	33.30	33.30	33.30	33.30	33.30	0.00	0.00%
Personal Services	2,559,053	2,627,712	2,692,033	2,691,884	5,186,765	5,383,917	197,152	3.80%
Operating Expenses	1,122,809	1,072,684	1,138,107	1,141,348	2,195,493	2,279,455	83,962	3.82%
Equipment & Intangible Assets	6,000	9,551	111,000	111,000	15,551	222,000	206,449	1,327.56%
Debt Service	64,389	64,389	110,096	110,096	128,778	220,192	91,414	70.99%
<b>Total Costs</b>	<b>\$3,752,251</b>	<b>\$3,774,336</b>	<b>\$4,051,236</b>	<b>\$4,054,328</b>	<b>\$7,526,587</b>	<b>\$8,105,564</b>	<b>\$578,977</b>	<b>7.69%</b>
General Fund	3,426,604	3,446,649	3,709,137	3,711,960	6,873,253	7,421,097	547,844	7.97%
State Special	325,647	327,687	342,099	342,368	653,334	684,467	31,133	4.77%
<b>Total Funds</b>	<b>\$3,752,251</b>	<b>\$3,774,336</b>	<b>\$4,051,236</b>	<b>\$4,054,328</b>	<b>\$7,526,587</b>	<b>\$8,105,564</b>	<b>\$578,977</b>	<b>7.69%</b>

**Program Description**

The Forensic Science Division (FSD) includes the State Crime Lab in Missoula and the State Medical Examiner. The division provides a statewide system of death investigation, forensic science training, and scientific criminal investigation. The division conducts analysis on specimens submitted by law enforcement officials, coroners, and other state agencies. The division tests firearms, tool marks, hair, fiber, drugs, blood, body fluids, and tissues. The laboratory also analyzes blood and urine samples in connection with driving under the influence (DUI) cases and it provides the certification, maintenance, and training of all law enforcement personnel on breath testing instruments.

**Program Highlights**

<b>Forensic Science Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ Major factors for the proposed increase in funding are:                             <ul style="list-style-type: none"> <li>● Statewide present law adjustments</li> <li>● A request to purchase equipment</li> </ul> </li> </ul>
<b>Major LFD Issues</b>
<ul style="list-style-type: none"> <li>◆ Nothing in the budget addresses continued workload issues and caseloads are increasing</li> </ul>

**Program Narrative**

<b>LFD ISSUE</b>	<u>Workload Issues Not Addressed</u>
<p>This program has historically experienced workload issues that have resulted in backlogs in analysis of crime specimens. These workload issues continue as the division has been experiencing record increases in cases. FY 2012 saw a 25% higher cases than the previous highest year. The budget contains no requests to address the workload issues of the division.</p>	
<p><i>Legislative Action</i></p> <p>The legislature may want to discuss with the agency what workload issues the division is experiencing and how these workloads are impacting turnaround of crime specimen analysis.</p>	

**Funding**

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

Total Department Of Justice Funding by Source of Authority 2015 Biennium Budget - Forensic Science Division							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
<b>General Fund</b>	<b>\$7,421,097</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,421,097</b>	91.6%		
<b>State Special Total</b>	<b>\$684,467</b>	<b>\$0</b>	<b>\$0</b>	<b>\$684,467</b>	8.4%		
02349 Highway Non-restricted Account	\$684,467	\$0	\$0	\$684,467	8.4%		
<b>Total All Funds</b>	<b>\$8,105,564</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,105,564</b>	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

The division is funded primarily with general fund. State special revenue from highway state special revenue funds provides the balance of the division’s funding and supports certification, equipment maintenance, and training of law enforcement in the use of breath testing equipment.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	3,426,604	3,426,604	6,853,208	92.35%	3,752,251	3,752,251	7,504,502	92.58%
Statewide PL Adjustments	172,533	175,356	347,889	4.69%	188,985	192,077	381,062	4.70%
Other PL Adjustments	110,000	110,000	220,000	2.96%	110,000	110,000	220,000	2.71%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$3,709,137</b>	<b>\$3,711,960</b>	<b>\$7,421,097</b>		<b>\$4,051,236</b>	<b>\$4,054,328</b>	<b>\$8,105,564</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					245,149					244,993
Vacancy Savings					(112,169)					(112,162)
Inflation/Deflation					(3,694)					(1,163)
Fixed Costs					59,699					60,409
<b>Total Statewide Present Law Adjustments</b>		<b>\$172,533</b>	<b>\$16,452</b>	<b>\$0</b>	<b>\$188,985</b>		<b>\$175,356</b>	<b>\$16,721</b>	<b>\$0</b>	<b>\$192,077</b>
DP 3201 - FSD Base Adjustments	0.00	5,000	0	0	5,000	0.00	5,000	0	0	5,000
DP 3202 - FSD Equipment - Bien	0.00	105,000	0	0	105,000	0.00	105,000	0	0	105,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$110,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$110,000</b>	<b>0.00</b>	<b>\$110,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$110,000</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$282,533</b>	<b>\$16,452</b>	<b>\$0</b>	<b>\$298,985</b>	<b>0.00</b>	<b>\$285,356</b>	<b>\$16,721</b>	<b>\$0</b>	<b>\$302,077</b>

DP 3201 - FSD Base Adjustments - The executive requests general fund to annualize the maintenance contract for the heating, ventilation, and air conditioning (HVAC) maintenance contract implemented part way through the base after a recent upgrade of the HVAC system was completed at the state crime laboratory in Missoula.

DP 3202 - FSD Equipment - Bien - The executive requests general fund to purchase new and/or replacement equipment. The executive recommends designating fund for this adjustment as biennial.

<b>LFD COMMENT</b>	The 2011 Legislature appropriated \$300,000 to purchase new and/or replacement equipment for the 2013 biennium. The funding was designated as biennial and one-time-only. The division expended \$52,580 in FY 2012. Funding would be used to replace two gas chromatograph/mass spectrometers that have exceeded their useful lives.
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## Appendix

Disclaimer: Not all of the documents were developed by the Legislative Fiscal Division

Total Department Of Justice Funding by Source of Authority 2015 Biennium Budget					
Funds	HB 2	Non- Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	\$59,632,599	\$0	\$9,136,482	\$68,769,081	36.3%
State Special Total	\$106,358,342	\$0	\$5,092,280	\$111,450,622	58.8%
02006 Cigarette Fire Safety Standard	\$189,634	\$0	\$0	\$189,634	0.1%
02014 Highway Patrol Retire Clearing	\$9,865,567	\$0	\$0	\$9,865,567	5.2%
02016 Criminal Justice Info Network	\$1,012,516	\$0	\$0	\$1,012,516	0.5%
02074 Gambling License Fee Account	\$5,527,683	\$0	\$3,566,000	\$9,093,683	4.8%
02106 Crime Victims Compensation	\$0	\$0	\$1,276,280	\$1,276,280	0.7%
02140 Consumer Education Settlement	\$1,901,560	\$0	\$0	\$1,901,560	1.0%
02143 Drug Forfeitures-state	\$0	\$0	\$250,000	\$250,000	0.1%
02225 Mvd Inform Tech System Hb577	\$107,616	\$0	\$0	\$107,616	0.1%
02349 Highway Non-restricted Account	\$684,467	\$0	\$0	\$684,467	0.4%
02422 Highways Special Revenue	\$71,872,035	\$0	\$0	\$71,872,035	37.9%
02456 Insurance Verification Sb508	\$8,148,086	\$0	\$0	\$8,148,086	4.3%
02546 Mtlaw Enforc. Acad. Surcharge	\$2,472,307	\$0	\$0	\$2,472,307	1.3%
02790 6901-statewide Tobacco Sttlmnt	\$236,826	\$0	\$0	\$236,826	0.1%
02797 Cjis - Background Checks	\$2,463,796	\$0	\$0	\$2,463,796	1.3%
02798 Mvd It System - Hb261	\$1,125,784	\$0	\$0	\$1,125,784	0.6%
02937 Justice State Special Misc	\$750,465	\$0	\$0	\$750,465	0.4%
Federal Special Total	\$2,204,823	\$0	\$328,400	\$2,533,223	1.3%
03169 Federal Crime Victims Benefits	\$479,188	\$0	\$0	\$479,188	0.3%
03187 Bcc Grants To Dept. Of Justice	\$322,748	\$0	\$0	\$322,748	0.2%
03214 Special Law Enforcement Assist	\$0	\$0	\$328,400	\$328,400	0.2%
03800 Medicaid Fraud	\$1,057,259	\$0	\$0	\$1,057,259	0.6%
03801 Dept Of Justice-misc Grants	\$345,628	\$0	\$0	\$345,628	0.2%
Proprietary Total	\$3,552,449	\$3,139,608	\$0	\$6,692,057	3.5%
06005 Liquor Division	\$2,354,568	\$0	\$0	\$2,354,568	1.2%
06083 Mvd Electronic Commerce	\$1,182,518	\$0	\$0	\$1,182,518	0.6%
06500 Agency Legal Services	\$15,363	\$3,139,608	\$0	\$3,154,971	1.7%
Total All Funds	\$171,748,213	\$3,139,608	\$14,557,162	\$189,444,983	100.0%
<b>Percent - Total All Sources</b>	<b>90.7%</b>	<b>1.7%</b>	<b>7.7%</b>		

<b>2015 Biennium 5% Base Budget Reduction Form</b>			
<u><a href="#">17-7-111-3(f)</a></u>			
<b>AGENCY CODE &amp; NAME: 41100 Department of Justice (DOJ)</b>			
		<b>Minimum Requirement</b>	
		<b>General Fund</b>	
		<b>State Special Revenue Fund</b>	
<b>TARGETED REDUCTION TO EQUAL 5% OF CURRENT BASE BUDGET</b>		<b>\$ 1,306,343</b>	<b>\$ 775,808</b>
<b>Div Priority</b>	<b>SERVICE(S) TO BE ELIMINATED OR REDUCED</b>	<b>General Fund Annual Savings</b>	<b>State Special Revenue Annual Savings</b>
	<b>1</b> LSD - Reduce Major Litigation & MOUs	\$ 282,146	\$ 9,500
	<b>2</b> OCP - Reduce claims paid to beneficiaries	\$ -	\$ 45,061
	<b>3</b> GCD - Delay investigations & inspections	\$ -	\$ 127,000
	<b>4</b> MVD - Eliminate Call Center	\$ 166,494	\$ 70,996
	<b>5</b> MVD - Shift cost of network connections to counties	\$ 165,827	\$ 25,798
	<b>6</b> MVD - Eliminate driver license renewal notices	\$ 43,055	\$ 6,858
	<b>7</b> MHP - Reduce level of executive protection services	\$ -	\$ 301,347
	<b>8</b> DCI - MCSART program reduction	\$ 281,965	\$ -
	<b>9</b> DCI - MLEA program reduction	\$ -	\$ 159,108
	<b>10</b> CSD - Reduce personal services	\$ 20,941	\$ 10,401
	<b>11</b> JITSD - Eliminate system support, delay application upgrades, extend computer replacement cycle	\$ 174,585	\$ 3,457
	<b>12</b> FSD - Do not renew equipment capital lease and program reduction	\$ 171,330	\$ 16,282
<b>TOTAL SAVINGS</b>	<b>\$ 1,306,343</b>	<b>\$ 775,808</b>	
<b>DIFFERENCE</b>	<b>0</b>	<b>0</b>	

Form A



## 2015 Biennium 5% Base Budget Reduction Form

**AGENCY CODE & NAME: 41100 Department of Justice (DOJ)**

Legal Services Division

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Reduce major litigation authority and SSR MOU's.

**#2 THE SAVINGS THAT ARE EXPECTED:**

This 5% reduction would consist of \$282,146 savings of general fund and \$9,500 of state special revenue.

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Reducing the major litigation appropriation will not impact the division as the Attorney General is required per statute to represent the State of Montana. If major litigation expenses exceeded available appropriation the department would have to seek a supplemental appropriation. Reducing state special revenue would reduce the amount of agency contracted services with other state agencies.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

N/A

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

2-15-501, MCA

**Form B**

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME: 41100 Department of Justice (DOJ)

Office of Consumer Protection

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Reduce benefit/claims authority in state special revenue fund.

**#2 THE SAVINGS THAT ARE EXPECTED:**

This 5% reduction would consist of savings of \$45,061 to the state special revenue fund in claims to beneficiaries each year of the 2013 biennium.

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

All settlements would be processed through the Governor's Office prior to distribution to beneficiaries.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

NA

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes, 30-14-143, MCA.

**Form B**

## 2015 Biennium 5% Base Budget Reduction Form

### AGENCY CODE & NAME: 41100 Department of Justice (DOJ)

Gambling Control Division

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

The program proposes delaying gambling and liquor license background investigations, inspections, and criminal investigations.

**#2 THE SAVINGS THAT ARE EXPECTED:**

A savings of \$127,000 in state special revenue is proposed by reducing travel costs and delaying vehicles purchases.

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Delays in licensing would delay applicants' ability to operate gaming and liquor establishments until licensing is completed. Currently license investigations average 60 to 90 days. Operators in rural areas could be impacted more due to reductions in travel.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

Constituents will have to wait for longer periods of time to receive their license or may be asked to come to division offices more often if staff is not able to travel to them.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes, 23-5-115 and 16-4-402, MCA.

**Form B**

## 2015 Biennium 5% Base Budget Reduction Form

### AGENCY CODE & NAME: 41100 Department of Justice (DOJ)

Motor Vehicle Division

#### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

Elimination of Call Center

#### #2 THE SAVINGS THAT ARE EXPECTED:

This 5% reduction will consist of a savings of \$234,490 from the general fund (\$166,494) and state special revenue fund (\$70,996) in personal services and operating costs each year of the 2015 biennium and a reduction of 5.40 FTE.

#### #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

Over 10,000 customers call the MVD Call Center every month to schedule appointments in driver license stations where appointments are available or to ask driver licensing, driver record, or miscellaneous MVD-related questions. Those calls result in over 7,500 appointments being scheduled by call center staff each month. If the Call Center was eliminated, all appointments would have to be scheduled online, which could be a hardship for those without computer access. They would have to rely on family, friends or public library resources to assist them. Since Call Center personnel also prepare customers for their appointments by explaining what documents are needed for the appointment or other requirements, customers could be less prepared when they arrive for their appointments and they may not be able to complete their transaction, causing a return trip to the driver license station. For those who have questions, they will have to seek information via the internet or telephone numbers within individual work units for information. Productivity in those units could be decreased, as employees respond to the increased volume of calls.

#### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

All non-appointment calls would have to be absorbed by remaining staff, increasing incidence of customer getting a busy signal, difficulty in finding right contact within division to answer questions, and frustrated customers calling elsewhere in state government, attorney generals office, citizen's advocate, consumer protection, in search of answers and to voice frustrations.

#### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

Not mandated by statute.

**Form B**

## 2015 Biennium 5% Base Budget Reduction Form

**AGENCY CODE & NAME: 41100 Department of Justice (DOJ)**

Motor Vehicle Division

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Requiring each county to bear the costs of network connections for MERLIN, statutorily mandated "statewide online computer system to be used to title and register motor vehicles, trailers, motorboats, personal watercraft, snowmobiles and off-highway vehicles" if county has imposed and is collecting local option motor vehicle tax under 61-3-537.

**#2 THE SAVINGS THAT ARE EXPECTED:**

This 5% reduction will cost of a savings of \$191,625 from the general fund (\$165,827) and state special revenue fund (\$25,798) in operating costs each year of the 2015 biennium.

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Cost shift to local government.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

Unknown

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Statutory mandate is for the department of justice to "maintain" the motor vehicle titling and registration system.

**Form B**

## 2015 Biennium 5% Base Budget Reduction Form

**AGENCY CODE & NAME: 41100 Department of Justice (DOJ)**

Motor Vehicle Division

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Elimination of driver license mail renewal notice mandate.

**#2 THE SAVINGS THAT ARE EXPECTED:**

This 5% reduction will cost of a savings of \$49,913 from the general fund (\$43,055) and state special revenue fund (\$6,858) in operating costs each year of the 2015 biennium.

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Electronic notification (email/text) could be explored. That would entail upfront development either internally or externally, perhaps annual maintenance fee, and then voluntary customer enrollment following low to no cost advisory of change (press releases, web page updates). Effectiveness would depend on customer adoption and follow-up, particularly updating MVD upon a change of contact information (email address/telephone number).

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Statutory mandate -- MCA 61-5-111(3e)

**Form B**

## 2015 Biennium 5% Base Budget Reduction Form

**AGENCY CODE & NAME: 41100 Department of Justice (DOJ)**

Montana Highway Patrol

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Reduce appropriation for Dignitary Protection which provides transportation and security to the Governor of Montana; reduce level of uniformed trooper coverage on the highways.

**#2 THE SAVINGS THAT ARE EXPECTED:**

This 5% reduction will consist of a savings of \$301,347 from the state special revenue fund in personal services and operating costs each year of the 2015 biennium.

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

This 5% reduction will reduce the necessary personal services and operating costs needed to transport and protect the Governor, and the citizens of Montana effectively.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

The impact of decreasing these programs can not be mitigated, in fact an increase is needed to keep the programs running effectively.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes, 44-1-104, MCA and 44-1-303, MCA.

**Form B**

## 2015 Biennium 5% Base Budget Reduction Form

### AGENCY CODE & NAME: 41100 Department of Justice (DOJ)

Division of Criminal Investigations

#### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

Reduce general fund operating and equipment budget for the Montana Child Sexual Abuse (MCSART) program by 50%; thereby reducing direct services provided to local law enforcement, prosecutors, and other professionals responsible for protecting Montana's kids against child sexual abuse, and other related crimes. Reduce Montana Law Enforcement Academy (MLEA) state special revenue by the elimination of one professional programs trainer, and the elimination of professional and leadership courses.

#### #2 THE SAVINGS THAT ARE EXPECTED:

This 5% reduction will consist of a savings of \$281,965 of general fund, and \$159,108 in state special revenue in personal services, operating costs, and equipment each year of the 2015 biennium. Personal services includes 1.00 FTE.

#### #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

Reductions in the MCSART program will directly effect local city and county agenices ability to sucessfully investigate and prosectute crimes against kids. Training, equipment, and other specialized assistance will no longer be available in Montana. MLEA would have to reduce staff and eliminate domestic violence, sexual assualt, leadership and management training programs for law enforcement and corrections officers.

#### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

N/A

#### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

No, duties defined per Title 44, MCA

**Form B**



## 2015 Biennium 5% Base Budget Reduction Form

**AGENCY CODE & NAME: 41100 Department of Justice (DOJ)**

Central Services Division

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Reduce existing staff by .5 FTE.

**#2 THE SAVINGS THAT ARE EXPECTED:**

This reduction would create a general fund savings of \$20,941 and state special fund savings of \$10,401 in each year of the 2015 biennium in personal services.

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Turnaround time for general ledger accounting, budgeting, and reconciliations would be reduced.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

NA.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

No, per generally accepted accounting standards and state policy.

**Form B**

## 2015 Biennium 5% Base Budget Reduction Form

### AGENCY CODE & NAME: 41100 Department of Justice (DOJ)

Justice Information Technology Services Division

#### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

JITSD will reduce hardware and software maintenance costs by cancelling contracts or renegotiating terms including maintenance for IJIS Broker. In addition, JITSD will consolidate applications to minimize needs for multi-user computers. JITSD will reduce 0.50 FTE of a Programmer Analyst and postpone DOJ projects. Educational expenses will be reduced by using online classes. Office equipment upgrades will be delayed.

#### #2 THE SAVINGS THAT ARE EXPECTED:

Personal Services: 0.50 FTE = \$37,000

Operating: Software Maintenance = \$65,000, Multi-user Computer = \$18,457, Office Equipment = \$50,000, Education = \$7,585

#### #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

Support for Software for major systems may be eliminated and applications upgrades will be delayed. Support terms for IJIS broker will need to be renegotiated. Applications may need to share hardware and experience performance delays. DOJ application upgrades will be delayed due to staff availability. It will take longer to get staff training in technical skills. Technical staff may need to spend time reconfiguring applications and resolving problems without assistance from the vendors.

#### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

DOJ could consider hosting some applications in the cloud to reduce software and hardware demands. Staff will need to enroll in self study classes.

#### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

No. Per state and federal policy.

**Form B**

## 2015 Biennium 5% Base Budget Reduction Form

### AGENCY CODE & NAME: 41100 Department of Justice (DOJ)

Forensic Science Division

#### #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

Pay off of GE Capital lease of 3 pieces of equipment resulting in a savings of \$53,657.50 in the 2015 biennium. Other reductions would include reductions to operating expenses by \$133,954.50.

#### #2 THE SAVINGS THAT ARE EXPECTED:

Operating costs of \$133,954.50 and Capital lease of \$53,657.50

#### #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

Requisitions for supplies or services will have to be reduced or denied. This could include subscriptions to scientific journals, maintenance contracts for office equipment, reduced repair or replacement costs of minor office equipment, etc.

#### #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

Reduced budget under certain operating accounts will impact customers indirectly through supplies used for forensic services. Cuts would be very difficult to mitigate as services are mandated. Longer turn-around times to complete casework, and thereby reduced level of service to law enforcement agencies in Montana would be inevitable. Casework must be completed prior to speedy trial deadlines in court, and longer delays could result in dismissal of criminal cases. Agencies can opt to use private forensic lab services but will incur significant costs for analysis and follow-up expert testimony. These services are presently provided by the Crime Lab at no cost to the agency.

#### #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

Yes, 44-3-101 & 301, MCA.

**Form B**

# Mission Statement

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The mission of the Department of Justice is to pursue activities and programs that seek to ensure and promote the public interest, safety, and well-being through leadership, advocacy, education, regulation and enforcement.

The Department of Justice, under the direction of the Attorney General, is responsible for statewide legal services and counsel, law enforcement and public safety. The duties of the department are as follows:

- Provide legal representation for the state and its political subdivisions in criminal appeals
- Provide legal services and counsel for the state, county and municipal agencies, and their officials
- Enforce Montana traffic laws and register all motor vehicles
- Enforce state fire safety codes and regulations
- Assist local law enforcement agencies in bringing offenders to justice
- Manage a statewide system of death investigations and provide scientific analyses of specimens submitted by law enforcement officials, coroners and state agencies
- Maintain and disseminate criminal justice information to authorized state, local, and other entities
- Provide uniform regulation of all gambling activities in the state of Montana
- Enforce consumer protection laws and regulations relating to unfair and deceptive business practices, and assist Montana consumers in making sound decisions by providing public outreach
- Provide statewide leadership on issues related to victims of crime and administer the crime victim compensation program for the benefit of innocent victims

Statutory authority is provided in MCA, 2-15-501, 2-15-2001-2021, and Titles 44 & 61.

# Agency Goals and Objectives

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## Goal

Promote public policy that is in the best interests of the citizens we serve.

## Objectives

- Reduce prescription drug abuse and misuse, thereby reducing the threat to public health and safety
- Reduce drunk and drugged driving in Montana, particularly the number of repeat DUI offenders, making our highways safe
- Expand the services provided by the Office of Consumer Protection to better protect consumers, including seniors, and to assist Montana's farmers and ranchers
- Prevent the physical and sexual abuse of children, and where it has occurred, improve the treatment of child victims and the likelihood of successfully prosecuting the perpetrators

## Measurements

- Work with the Prescription Drug Abuse Advisory Council to identify and support legislation and other measures to reduce abuse, including creating and implementing a prescription drug registry that gives doctors and pharmacists access to their patients' prescription history for the most dangerous prescription drugs
- Increase public awareness of the dangers of prescription drug abuse, particularly among teens and parents
- Work with local law enforcement, public health officials and community groups to continue statewide prescription drug take-back days in an effort to reduce the amount of unused medications in homes that can be diverted to illicit uses
- Gain legislative approval for the statewide implementation of the 24/7 Sobriety Program throughout Montana
  - Work with local law enforcement, prosecutors and judges to successfully implement the 24/7 Sobriety Program statewide
  - Make information about the 24/7 Program available to Montana's tribal governments
- Where appropriate, protect Montana's agricultural producers by filing anti-trust actions to prevent further consolidation in the agriculture and transportation industries
- Conduct public education and outreach on the full range of issues important to consumers, including fraud, debt and identity theft
- Investigate and prosecute sexual predators who use the Internet to identify potential victims and entice them to meet; continue cooperative efforts with the Montana Cybercrimes Task Force to actively investigate these activities in an effort keep the Internet safe for children
- Provide public education materials and training for educators, parents and students in the rules for safely using the Internet and computers
- Strengthen and expand the number of child sexual abuse response teams and child advocacy centers in Montana, and continue to improve local coordination and training in forensic interview and medical exams involving children

## Goal

Support staff in an efficient, effective and diverse work environment.

## Objectives

- Promote DOJ as a place of employment
- Seek and obtain appropriate compensation
- Encourage communication and sharing of knowledge
- Commit resources for on-going staff development
- Support opportunities to provide staff recognition

## Measurements

- Assess salary schedule implementation needs and consider funding options
- Review on an annual basis performance management and address systemic issues identified by management and staff
- Track staff attrition by reason code
- Track periodic comparisons of DOJ average salaries to the average State of MT salaries and the surrounding region
- Track length of time from when positions are advertised until filled
- Collect employee satisfaction data
- Track training data in the system
- Review compliance with training requirements and communicate to employees

- Support wellness activities and teamwork

# Legal Services Division

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(Includes Office of Consumer Protection and Agency Legal Services)

## Goals

- Provide quality legal services on all levels of representation that fall within the authority and jurisdiction of the Attorney General.
- Provide quality training and education to local governments, clients and the public.
- Be a premier public sector legal employer.

## Objectives

- Represent the State in cases before local, state and federal courts, including all criminal appeals and post conviction cases
- Represent the State in cases involving Constitutional challenges and other major litigation against the State
- Provide trial assistance and services to county attorneys in complex criminal cases and cases in which the county attorney has a conflict of interest
- Provide contracted legal and investigative services to state agencies at a reasonable cost
- Enforce State laws pertaining to consumer protection and antitrust violations, including cases which harm Montana's agricultural producers
- Utilize knowledge and expertise of the LSD to train governmental entities (state, tribal and local) in areas of criminal and civil law and procedure
- Offer responsive education and outreach to the public in subject matter areas that fall within LSD's public safety and enforcement responsibilities
- Cultivate a qualified work force committed to public service
- Recruit a talented applicant pool for open positions
- Provide educational and professional development opportunities for staff

## Measurements

- Assess requests for State criminal appeals and where appropriate represent the State before the Montana Supreme Court
- Respond to appeals filed by the Appellate Division of the Office of Public Defender
- Prepare attorneys in order to present skilled oral argument before the Montana Supreme Court in criminal and civil appeals
- Generate appropriate motions, discovery and engage in other pre-trial practice in order to effectively defend the State in constitutional challenges, other major litigation, and defense of state agencies
- Prosecute complex criminal cases, such as child sexual abuse, homicide, or drug related charges, in district courts across the State
- Prosecute criminal cases in which a county attorney has a conflict of interest or has requested assistance
- Write Attorney General's Opinions or letters of advice, when appropriate, in response to requests from local governments and other statutorily authorized requestors
- Monitor violations of State consumer protection laws and take legal action when appropriate
- Provide summer and winter criminal and civil training seminars to elected County Attorneys and their staff

- Provide responsive topic training to law enforcement, county attorneys, judges and other interested criminal justice entities (i.e.) cold case investigation and prosecution, child sex crime prosecution, orders of protection, etc.
- Track developing consumer protection issues statewide and nationally and provide education and outreach as appropriate
- Train victim advocates, criminal justice agencies and other interested parties on victim services offered through the LSD (i.e. HOPE card, domestic violence trends, the work of the domestic violence fatality review team, crime victim compensation etc.)
- Provide training resources to public or private entities when requested, utilizing the specialized knowledge of LSD staff in areas such as water, Indian and constitutional law
- Maintain competitive public sector salary in order to retain quality work force
- Develop compensation matrix that appropriately compensates longevity, achievement and excellence
- Continue relationship with U of M Law School for summer internship program
- Offer competitive salary when recruiting new positions
- Offer training assignments as appropriate to retain latitude in hiring
- Identify and utilize training opportunities offered through professional organizations like the National Association of Attorneys General
- Cover expenses of continuing legal education (CLE) when the CLE pertains to an attorney's area of practice

## Gambling Control Division

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### Goal

Ensure gambling is being conducted in a legal manner by authorized individuals.

### Objectives

- Investigate applicants and issue gambling licenses and permits only to qualified applicants, and in an efficient and effective manner
- Collect and account for gambling taxes and permits and distribute revenues timely
- Examine and approve prototypes of electronic gambling devices and their modifications for operation in the State of Montana
- Provide investigative services to the Department of Revenue related to liquor licenses and the taxation and sale of tobacco

### Measurements

- Average turnaround of gambling operator license applications is less than the 90 days required by administrative rule
- Gambling taxes and permit fees are collected throughout the year and deposited directly in the appropriate accounts
- Revenue from Video Gambling Machine (VGM) permit fees and Live Card Table permit fees is distributed to local government quarterly
- Track the number of prototypes and modifications approved in a given fiscal year
- Track the number of liquor licensing and tobacco cases completed on behalf of the Department of Revenue in a given fiscal year

## Motor Vehicle Division

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### Goal

The goal of the Motor Vehicle Division is to protect Montana citizens by ensuring:

- identity and property theft is reduced for Montana citizens through authentication and validation when a driver is licensed, vehicles are titled, or a record is created
- driver, dealer and manufacturer licenses are issued only to those who are qualified under Montana law
- licenses of drivers, dealers, manufacturers and vehicles are promptly withdrawn when required by law
- records for drivers, vehicles and dealers are accurate and updated in a timely manner
- financial transactions are received, accounted for and submitted to state accounting
- communication between the Division, its business partners, and Montana citizens is timely, accurate, understandable, responsive and accessible via multiple forums

## Objectives

- Protect driver identity by: using facial recognition software to prevent individuals from obtaining multiple cards using different demographic information or using someone else's demographic information to match with their photo in order to assume that person's identity; verifying personally identifiable information provided by applicants by using existing electronic systems like the Social Security Online Verification System (SSOLV) and the Systematic Alien Verification System (SAVE) to ensure that social security number, a key personal identifier, matches the name, date of birth and social security number provided by the Social Security Administration and where applicable, the applicant is lawfully present in the United States; validating identity documents presented by individuals applying for a Montana driver license or identification card by use of manual or electronic authentication of document to deter creation of fraudulent records or credentials; maintaining and enforcing strict internal access protocols regarding access to, updating or release of personally identifiable information (PII) regarding motor vehicle division customers (drivers and vehicle owners); protecting confidentiality and security of PII in transmission to authorized users and monitoring further dissemination of PII by authorized users; and providing assistance to law enforcement investigating identity theft cases and individuals whose identity has been stolen as relates to driver or vehicle records
- Protect vehicle ownership by: using the National Motor Vehicle Titling Information System (NMVTIS) to determine if a vehicle has been previously reported as stolen and/or determine if the vehicle was previously reported as branded by another jurisdiction; recording and tracking odometer disclosure statements to defer and detect odometer fraud; verifying that vehicle ownership is transferred by proper assignment from current owner of record to new purchaser and that new purchaser is properly identified to support title transfer and creation of new ownership record; timely perfecting and only releasing security interests on vehicle records when proper documentation is supplied; providing assistance to law enforcement in the investigation of motor vehicle fraud, odometer fraud, vehicle theft cases and consumer complaints; and inspecting a vehicle's vehicle identification number (VIN) when there is a discrepancy of the vehicle has been reassembled in some fashion
- Protect the public by: using nationally accepted standards (e.g., American Association of Motor Vehicle Administrators [AAMVA] or Motorcycle Safety Foundation [MSF]) when available to build knowledge and skills tests suitable to determine if an applicant has secured the knowledge and skills necessary to drive on public roadways; investigating and re-testing drivers when a driver's mental or physical condition has changed in a manner that would affect safe operation of a motor vehicle; reviewing and researching applications for issuance of licenses to vehicle dealers, manufacturers, and transit operators; applying revocations, suspensions, cancellations and reinstatements of driver's licenses and privileges, dealer licenses and privileges, and vehicle title or registration for violations of state law or as otherwise mandated
- Protect public and private funds by: maintaining and enforcing strict internal controls regarding all driver and motor vehicle revenues and expenditures; auditing external (counties) and internal financial transactions for compliance to MVD policies and business



practices; processing and depositing motor vehicle and driver licensing revenues collected by county treasurers, Montana Interactive, and driver exam stations in accordance with state requirements; and collecting and properly accounting for donations made by vehicle owners to license plate sponsors (colleges, non-profit and governmental organizations) or other entities

- Educate the public and MVD partners by: providing county treasurers, motor vehicle dealers and financial institutions with training and resource materials for properly titling vehicles, filing security interests and administering registration laws; providing training and resource materials to local law enforcement agencies regarding driver licensing laws, motor vehicle titling and registration laws, and security attributes of physical credentials issued by MVD (driver licenses, ID cards, vehicle titles); providing training and resource materials to court personnel, prosecutors, and defense attorneys regarding traffic laws, reporting and recording of violations, withdrawal of license or privilege, and interpretation of driver records; providing training and resource materials to motor carriers and employers regarding reporting and recording of traffic law violations, withdrawal of license or privilege, and interpretation of driver records; and providing training and resource materials to driver examiners, traffic educators, and private businesses authorized to skill test their commercial drivers regarding state and federal driver licensing standards and testing procedures
- Enhance customer service delivery options for the public: streamlining where possible registration opportunities for Montanans through motor voter system (voter registration) and organ donor registry; refining online appointment scheduling for driver licensing to improve customer use; updating MVD website on a regular basis to address common customer questions, clarify procedures and requirements, and maintain online form library; and researching and developing, where appropriate, additional web-based alternates for counter-based transactions

## Measurements

- Track number of new, renewed, and duplicate driver licenses and ID cards issued per month and develop a baseline of possible fraudulent license activity in Montana and a strategy to increase fraud detection at the counter as opposed to back-end processing. Use this number to compare to the number of: suspect records in facial recognition queues; fraud cases researched; SAVE hits researched and the number that caused license withdrawal; SSOLV checks and no match number/rate; driver applications imaged; applications questioned per month; and commercial drivers researched by the help desk per month
- Track the number of vehicles titled in a month including replacement and corrected titles and develop a baseline of problematic transactions and a strategy to identify and correct discrepancies at the counter as compared to back-end processing. This count is then used to compare to the number of: NMVTIS searches performed, the number of stolen hits received, and the number of brand hits received; odometer disclosure violations, number of VIN inspections by type, and number of state assigned VINs issued; investigations initiated and completed for motor vehicle fraud, theft, and consumer complaints; and vehicle security interests filed, released, and reapplied
- Track the number of driver licensing tests administered by location and type per month and use it to compare to the number of: questions failed to determine if a question is confusing or if educational resources need revision; investigations and medical re-testing as well as number of suspensions, hearings, and driver license reinstatements for medical conditions; and applicants passing or failing Cooperative Driver Training Program and Third Party Testing Programs
- Track number dealer/manufacturer/transit licensed in a year and develop baseline of problematic licensing transactions and develop strategy to increase licensing compliance and license issuance/renewal by statutory deadline. Use it to compare to the number of: those not renewed by the deadline; complaints received related to licensing problems; and audits completed with and without outstanding issues
- Track number for driver licensing revocations, suspensions, cancellations and reinstatements for driver licenses
- Track the number of vehicle title and registrations that are withdrawn and identify common causes for withdrawal and strategy to reduce common errors resulting in withdrawal or increase compliance to avoid withdrawal

- Determine timely issuance by: sending driver licenses to the customer within 5 days and license renewal cards a month in advance of the license expiration; issuing the number of vehicle renewal notices three days prior to the start of the renewal month; averaging two weeks from the time of receipt it takes from the time a title request hits the back doors of TRB to the time it gets mailed, tracking the number of disabled parking permits issued per month by mailing to the customer within one week receiving the request, Dealer/manufacture/transit licenses are issued or renewed by the start of the new license period
- Financial transactions are processed within MCA stated guidelines; maintaining a record of motor vehicle and driver licensing revenues collected by county treasurers, Montana Interactive, and state offices processed and deposited; depositing by the 22nd of each month; compiling comparisons of current revenues to previous years, identifying variances; track number of financial audits initiated, completed, and the number with issues to resolve; comply 100% for financial reporting
- Customer service and education efforts result in fewer complaints and higher customer satisfaction by track customer assistance inquiries by phone, email or other channels and identify areas of concern, including frequency of inquiry, type of inquiry, and manner of resolution and review website, other publications, forms, etc., to clarify processes, determine relationship, if any, between production issues and customer service trends, track scheduled training and training materials provide for county treasurers and employees, motor vehicle dealers, financial institutions, and law enforcement, note the number of trainings for each, the attendance at trainings and where possible, determine training effectiveness by doing pre-training and post-training assessments by user

# Montana Highway Patrol

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## Goal

Reduce DUI occurrences, interdict criminal activities, schedule more effectively, improve response time and assist other agencies in accessing technology.

## Objectives

- Reduce occurrences of DUI and drug offenses through zero-tolerance enforcement
- Interdict criminal activity related to controlled substances and illegal contraband that threatens the safety and livelihood of our citizens
- Schedule more effectively through evaluating data in order to respond to and resolve negative trends in traffic safety and crime
- Improve call response time through reorganization, improved distribution of resources and increase manpower
- Assist other agencies in accessing technology that improves their efficiency

## Measurements

- Achieve a fatality rate that is two percent below the average of the previous 10 years for each of the two years covered by this plan. The measurement will be the vehicle miles traveled provided by NHTSA
- Survey results of citizens' perception of highway safety during the day and night.
- Review of Command Staff's support and participation in traffic crime suppression strategies, including criminal interdiction
- Develop and implement streamlined impaired driving case reporting.
- Schedule resources to maximize impaired driving interdiction, i.e., scheduling troops to 0300 everyday in urban areas and frequently in rural areas
- Educate troopers in criminal interdiction and continue to participate with the local High Intensity Drug Trafficking Area (HIDTA) Task Forces

- Educate the public on prescription drug abuse prevention
- Effectively schedule troopers through the use of work groups, fixed schedules and rotating shifts within work groups
- Hold supervisors and managers accountable for their responsibilities with quarterly progress updates
- Review current average response time and determine potential ways of reducing excessively long response times, including requesting an increase in manpower resources
- Move toward 24/7 coverage in high activity areas
- Meet regularly with other law enforcement agencies to assist in improving their efficiency through technology and working with MHP/DOJ
- Move toward electronic submission of criminal offense reports to local county attorneys to allow for more efficient prosecution of offenders
- Move toward statewide electronic submission of citations and road side electronic payments

## Central Services Division

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### Goal

Establish and maintain department-wide fiscal and human resource responsibility on behalf of the Attorney General.

### Objectives

- Provide accounting functions to all divisions in accordance with generally accepted accounting principles and in compliance with state and federal laws and regulations
- Provide oversight through established and ongoing internal control
- Develop and monitor the department budget for compliance with state and federal law
- Provide human resource functions to all divisions
- Recruit, retain and develop a highly skilled workforce
- Encourage communication, innovative thinking, teamwork, and excellent customer service
- Coordinate the development, review, revision, and distribution of department policy
- Promote a healthy and safe working environment

### Measurements

- Meet division needs and comply with state policy by processing daily deposits and finalizing payments to vendors within 10 working days of receipt of invoice
- Provide revenue/budget reports to divisions on a monthly basis
- Complete monthly reconciliations to SABHRS
- Meet established deadlines for budget submission and assist divisions by coordinating budget presentations and fiscal notes during the legislation process
- Obtain unqualified fiscal audits from the Legislative Audit Division
- Provide assistance to employees on a daily basis
- Assist supervisors with performance issues

- Serve as management representative for labor relation negotiations and labor-management committees
- Provide monthly in-house training opportunities
- Collect and analyze HR data to evaluate activities and improve employee job satisfaction
- Return injured employees to work within 30 days

# Division of Criminal Investigation

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## Goals

- Provide public safety services and expertise, in partnership with other local, state, and federal public safety agencies throughout Montana, ensuring the health, welfare and safety of Montana citizens.
- Provide investigative assistance including major case investigations, narcotics investigations, white-collar crime and computer crime investigations, fire and life safety inspections, arson investigations, and intelligence and analytical support.
- Provide training for local law enforcement officers, corrections officers and public safety communicators through basic, intermediate and professional training programs hosted by Montana's Law Enforcement Academy.

## Objectives

- Provide professional investigative and related public safety services to local, state and federal law enforcement and fire service agencies
- Provide investigative assistance at the request of local law enforcement or prosecutors through the major case unit. Requests range from assistance on homicide cases to internal affairs, embezzlement or worker's compensation fraud
- Provide investigations of allegations of Medicaid fraud, as well as patient abuse/neglect and exploitation cases. Investigations referred to the Medicaid Fraud Control Unit often come from the Department of Public Health and Human Services
- Provide assistance to local fire departments and law enforcement agencies with fire investigations and conducts life safety inspections for local jurisdictions that do not have fire inspection resources
- Provide fire code interpretation assistance to local fire departments and collaborate with them on public education materials
- Provide investigations in computer crime and forensic services, manage the sexual and/or violent offender state registry, and track and identify noncompliant sex offenders
- Provide a variety of support services to the state's law enforcement agencies, including management of the state's intelligence unit, Amber Alert Program, and participation in the Joint Terrorism Task Force
- Collect and store criminal history information
- Provide fingerprint identification, and disseminate the information to law enforcement agencies and others lawfully entitled to receive it
- Initiate investigations into violations of state and federal dangerous drug laws in Montana
- Manage five drug enforcement teams located throughout the state
- Assist local, federal, and out-of-state law enforcement agencies with investigations in the state, and in particular those investigations requiring a covert (undercover) component or tactical narcotics response
- Provide narcotics related training to law enforcement agencies throughout the state to include over/covert drug investigations, meth lab response, and prescription drug abuse
- Provide the basic training for law enforcement, corrections and dispatchers

- Provide other professional or regional courses designed to meet the needs of local law enforcement agencies
- Provide statewide assistance in developing multi-disciplinary teams and accredited centers to facilitate the investigation and prosecution of sexual crimes against children
- Encourage education and training on child sexual abuse through the Montana Child Sexual Abuse Response Team (MCSART) working in concert with the Drug Endangered Children's Alliance and the Internet Crimes Against Children task force

## Measurements

- Respond to all appropriate requests for assistance from law enforcement agencies around the state
- Enforce state fire safety codes and regulations
- Investigate computer crime cases and refer for prosecution
- Ensure that the sexual and/or violent offender registry is up-to-date and compliant
- Investigate charges of Medicaid Fraud and Workers Compensation Fraud
- Conduct an appropriate number of mandated entry-level law enforcement, communications, and corrections/detention certification programs to meet the needs and schedules of local, regional and state agencies
- Develop and offer self-supporting, revenue-generating professional programs that meet the advanced training and continuing education needs of senior officers and agency administrators
- Train law enforcement officers and other individuals in principles and techniques of domestic violence, violence against women, and substance abuse prevention
- Initiate overt and covert narcotics investigations to remove drugs from the communities of Montana
- Collect, store, analyze and disseminate information on public safety issues to the law enforcement community and government officials concerning dangerous drugs, fraud, organized crime, terrorism and other criminal activity for the purposes of decision making and proactive law enforcement while ensuring the rights and privacy of Montana citizens
- Collect and disseminate criminal history and criminal justice information to law enforcement and other entities

# Information Technology Services Division

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## Goals

Share information, deliver business solutions, optimize IT infrastructure, strengthen IT security and management.

## Objectives

- Map Justice information and processes
- Develop information sharing standards, protocols and policies
- Align IT governance to meet business needs
- Build and leverage partnerships with other state agencies, external organizations and contractors
- Standardize, consolidate and integrate data, exchanges, sharing, web technologies, software and hardware to improve efficiency in support costs and to make the best use of staff skill sets and technology.
- Maintain current systems
- Assure trusted and resilient systems and information

- Implement identity management
- Institutionalize IT security
- Attract and retain a skilled IT workforce
- Increase collaboration (internal and external)
- Improve IT governance discipline

## Measurements

- Document DOJ Information with location and owner
- Approve information sharing standard and policy
- Develop DOJ IT governance body and charter
- Map critical DOJ processes that IT supports
- Assign appropriate projects/tasks/services to partners under contract or by agreements
- Identify and follow DOJ IT standards
- Support current systems as defined by the DOJ IT governance committee
- Track system down time caused by hackers or unplanned outage and the number of security incidents caused by lack of training
- Implement procedures to lessen the severity of security incidents
- Establish an identity management program and roadmap
- Improve employee education and experience level
- Nominate projects for appropriate awards (DOJ, State, Nation, industry, etc.)
- Track personnel attrition by reason code
- Conduct customer and internal ITSD surveys

## Forensic Science Division

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### Goal

The division will provide scientific and technical support to public defenders, prosecutors and Montana's law enforcement community.

### Objectives

- Provide for a timely, efficient and objective analysis of physical evidence in felony and misdemeanor criminal cases
- Provide for an efficient and effective system of investigating deaths
- Expand laboratory technology and improve the analytical services and capabilities of laboratory personnel
- Provide a genetic database of sexual and violent offenders for identifying perpetrators in violent offenses where authorities currently do not have a suspect
- Provide expert testimony in court regarding forensic matters in felony and misdemeanor criminal cases
- Provide training to state and local criminal justice personnel in evidence collection and management, death investigations and breath-alcohol testing

### Measurements

## Appendix

Disclaimer: Not all of the documents were developed by the Legislative Fiscal Division

- Maintain the lab's existing Legacy Accreditation, while obtaining [ISO Accreditation](#) (the new international standard by which U.S. laboratories are accredited)
- Follow best practices and maintain industry standards for average time turnaround and advocacy

2015 Biennium Report on Internal Service and Enterprise Funds

Fund	Fund Name	Agency #	Program Name
6500	Agency Legal Services	4110	Agency Legal Services

	Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
<b>Operating Revenues:</b>						
Fee revenue	1,346,998	1,198,048	1,152,264	1,214,760	1,595,396	1,595,396
	-	-	-	-	-	-
	-	-	-	-	-	-
Net Fee Revenue	1,346,998	1,198,048	1,152,264	1,214,760	1,595,396	1,595,396
Investment Earnings	-	-	-	-	-	-
Securities Lending Income	-	-	-	-	-	-
Premiums	-	-	-	-	-	-
Other Operating Revenues	66	48	-	-	-	-
Total Operating Revenue	1,347,064	1,198,096	1,152,264	1,214,760	1,595,396	1,595,396
<b>Operating Expenses:</b>						
Personal Services	1,115,119	1,067,438	977,213	1,328,547	1,389,741	1,392,716
Other Operating Expenses	262,780	232,237	219,272	243,270	178,363	178,788
	-	-	-	-	-	-
Total Operating Expenses	1,377,899	1,299,675	1,196,485	1,571,817	1,568,104	1,571,504
Operating Income (Loss)	<b>(30,835)</b>	<b>(101,579)</b>	<b>(44,221)</b>	<b>(357,057)</b>	<b>27,292</b>	<b>23,892</b>
<b>Nonoperating Revenues (Expenses):</b>						
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Income (Loss) Before Operating Transfers	(30,835)	(101,579)	(44,221)	(357,057)	27,292	23,892
Contributed Capital	-	-	-	-	-	-
Operating Transfers In (Note 13)	-	-	-	-	-	-
Operating Transfers Out (Note 13)	-	-	-	-	-	-
Change in net assets	(30,835)	(101,579)	(44,221)	(357,057)	27,292	23,892
Total Net Assets- July 1 - As Restated	(160,317)	(191,152)	(292,731)	(336,952)	(694,009)	(666,717)
Prior Period Adjustments	-	-	-	-	-	-
Cumulative effect of account change	-	-	-	-	-	-
Total Net Assets - July 1 - As Restated	(160,317)	(191,152)	(292,731)	(336,952)	(694,009)	(666,717)
Net Assets- June 30	<b>(191,152)</b>	<b>(292,731)</b>	<b>(336,952)</b>	<b>(694,009)</b>	<b>(666,717)</b>	<b>(642,825)</b>
60 days of expenses (Total Operating Expenses divided by 6)	229,650	216,613	199,414	261,970	261,351	261,917
<b>Requested Rates for Internal Service Funds</b>						
<b>Fee/Rate Information for Legislative Action</b>						
	Actual FY 10	Actual FY 11	Actual FY 12	Budgeted FY 13	Budgeted FY 14	Budgeted FY15
Fee Group A						
Attorney rate per hour	\$ 93.00	\$ 93.00	\$ 93.00	\$ 93.00	\$ 95.50	\$ 95.50
Investigators rate per hour	\$ 53.00	\$ 53.00	\$ 53.00	\$ 53.00	\$ 55.50	\$ 55.50



**2015 Biennium Elected Official Request  
Department of Justice**

Div	DP Request Name	Fund	FY14 FTE	FY15 FTE	2015 Bie Budget	Narrative	Comments
LSD Legal Services Division	Stand Up for Montana	General Fund	2.0	2.0	\$ 500,000	Increase legal presence throughout the executive process at the federal and state level to protect Montanans and Montana values. The Attorney General's goal is to guarantee that litigation is the last resort. The Attorney General is requesting 2.00 FTE. <i>(1.0 Lawyer and 1.0 Paralegal)</i>	
LSD Legal Services Division	Technology Upgrades - Transparency	General Fund	2.0	2.0	\$ 300,000	Statutory obligation to provide case information on website and facilitate movement of legal documents to E-discovery and E-filings to provide greater efficiency and transparency, 2.0 FTE. <i>(1.0 paralegal, 1.0 web developer)</i>	
MVD Motor Vehicle Division	MVD Customer Service	General Fund State Special Revenue (Gas Tax)	3.0	3.0	\$ 840,000	<b>In response to the 2012 Legislative performance audit</b> , the Motor Vehicle Division (MVD) requests 2.0 FTE that will be used to improve MVD transparency, business interactions related to MERLIN implementation, innovation and MVD e-commerce presence. 1.0 FTE focused on curriculum and training development critical to business partners and supported by County Treasurers. These FTE will address deficits highlighted in essential mission critical customer services. <i>(2.0 FTE Business Development Specialists, 1.0 FTE Training Specialist)</i>	
MVD Motor Vehicle Division	MVD Pay Issues	General Fund State Special Revenue (Gas Tax)	N/A	N/A	\$ 300,000	Moving existing staff within the Motor Vehicle Division to 75% of 2012 DOA market analysis, 80% is the market standard for vacant positions funded in base budget per OBPP. <b>38.8% MVD workforce is below 75% market rate; \$300,000 biennial</b>  Retention continues to be a problem across Montana and is critical to the ongoing services provided by the division.	
JITSD Justice Information Technology Services Division	Records Management	General Fund	1.0	1.0	\$ 512,794	1.0 FTE to plan, implement and maintain DOJ electronic management records system. Including document capture, workflow, storage, retention, access and disposal. <i>(1.0 FTE Electronics Management)</i>	
JITSD Justice Information Technology Services Division	Security	General Fund	1.0	1.0	\$ 501,106	<b>In response to the Legislative audit division</b> recommendation for security assessment on the DOJ top five systems based upon confidentiality, integrity and availability requirements. <b>\$300,000 biennial one time only (OTO)</b> funding to complete an independent National Institute of Standards and Technology audit.  JITSD requests 1.0 FTE to perform system security patches, access change control (systems, databases, firewalls, etc.), vulnerability management, security incident monitoring/response, \$201,106. <i>(1.0 FTE Computer Security Specialist)</i>	
FSD Forensic Science Division	Forensic Testing	General Fund	2.0	2.0	\$ 333,349	Caseload increases - Support for local law enforcement 1.0 FTE toxicology and 1.0 FTE synthetic drug testing. 2011 Legislature passed SB 42 authorizing warrants to obtain blood or breath tests in DUI cases resulting in an increase to the blood analysis requests. <i>(1.0 FTE Toxicology, 1.0 FTE Synthetic Drug testing)</i>	
MHP Montana Highway Patrol	Bakken	State Special Revenue	7.0	7.0	\$ 2,163,092	Additional 7.00 FTE to support MHP's mission of highway traffic safety and local law enforcement support; 1 sergeant, and 6 troopers. The additional troopers should reduce the current 72 minute call response time. <i>(1.0 FTE Sergeant, 6.0 FTE Troopers)</i> <b>* See below for original MHP request and justification.</b>	
DCI Division of Criminal Investigation	Bakken	General Fund	3.0	3.0	\$ 764,973	Two narcotics investigators (team support) and one major crimes investigator to assist local law enforcement. <i>(2.0 FTE Criminal narcotics investigators, 1.0 FTE Major Crimes)</i>	
Totals			21.0	21.0	\$ 6,215,314		

# The Legislative Fiscal Division Presents an Agency Profile of: The Public Service Regulation

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Phone: 444-5392

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Updated December 2012

Definition of Terms

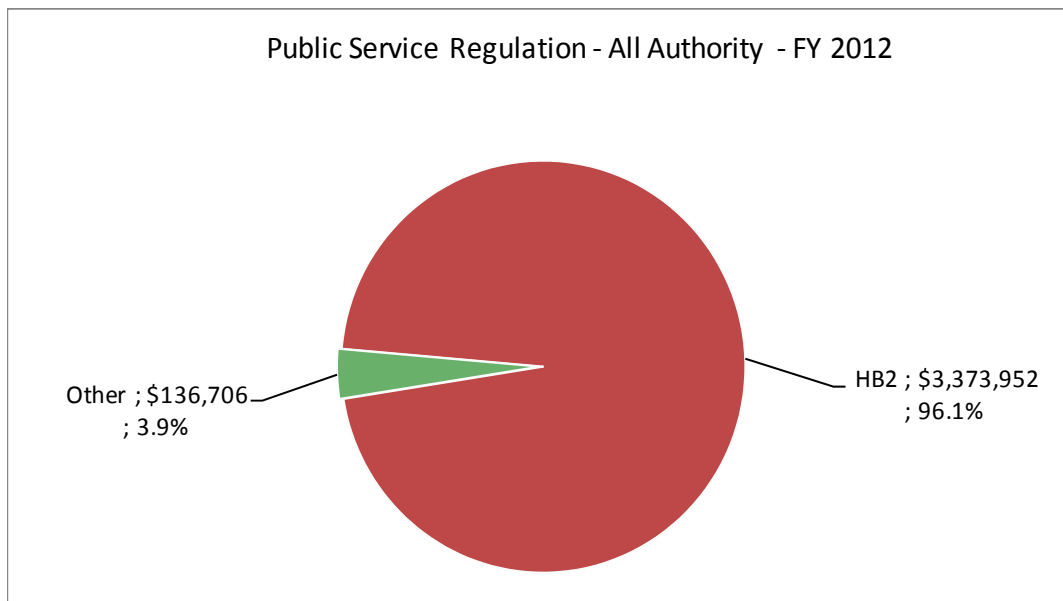
## Agency Description

The Public Service Regulation (PSR) regulates the operations of public utility and transportation industries that operate in the state. Five commissioners, elected from districts throughout Montana, form the Montana Public Service Commission (PSC) that oversees the Public Service Regulation Program (PSR). Each commissioner serves a four-year term.

## How Services are Provided

The PSR provides these services primarily through the employment of state FTE, who perform rate and economic analysis relative to the entities regulated by the commission, and other technical and administrative duties.

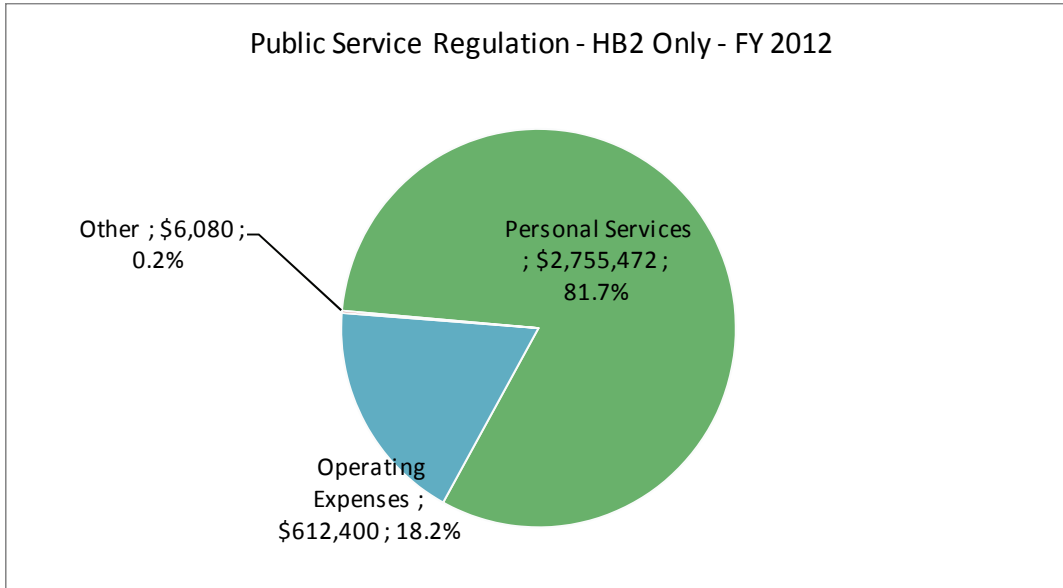
## Sources of Spending Authority



The above chart shows all sources of authority that funds the PSR. Other is derived from continuation of unspent American Recovery and Reinvestment Act of 2009 funds associate with for electric regulation and carry-forward authority.

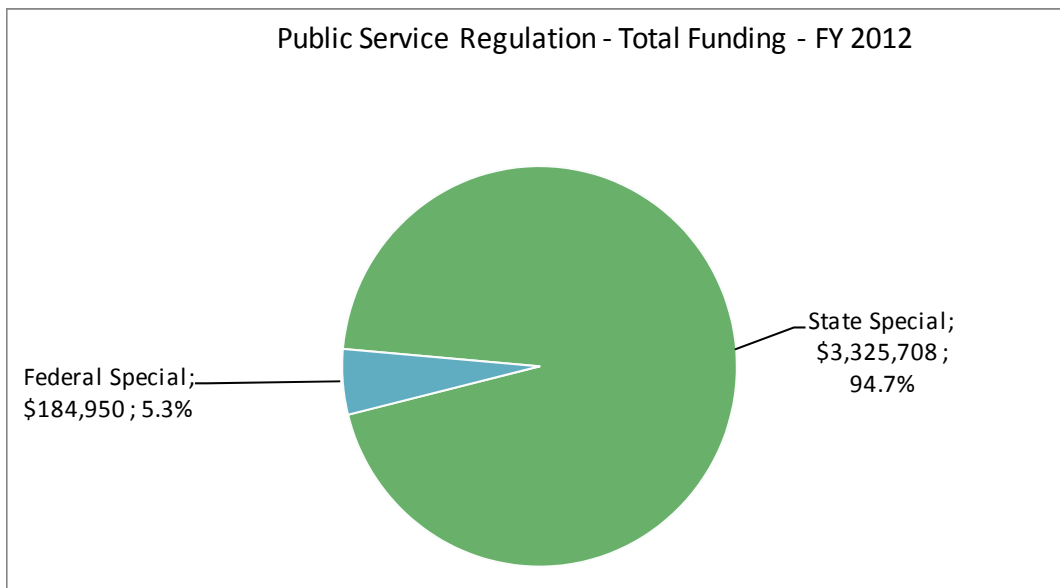
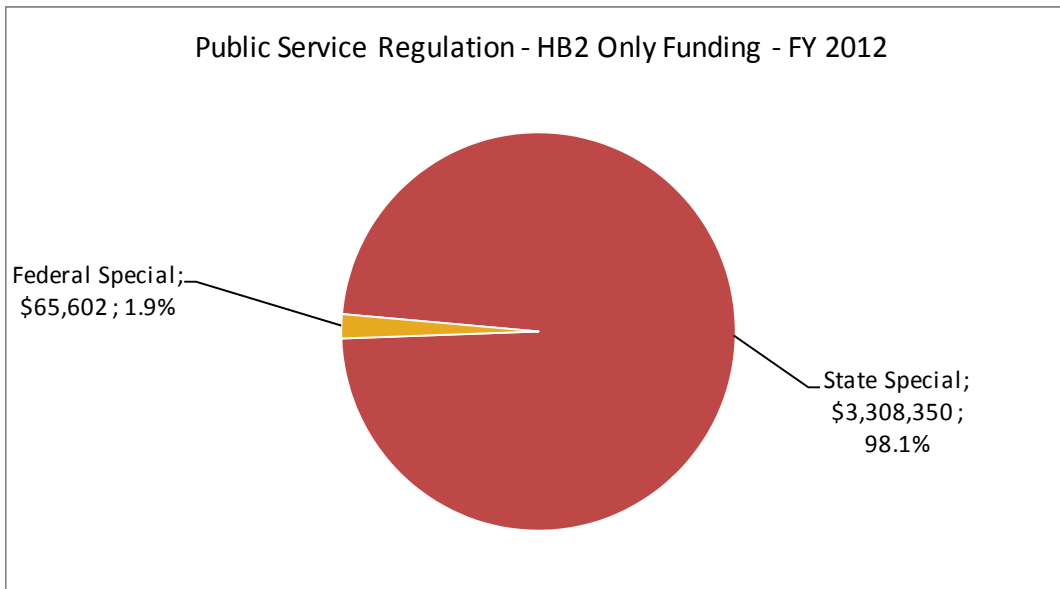
# Expenditures

The next chart explains how the HB 2 authority is spent. The chart shows that personal services for commissioners and commission staff dominate the expenditures of the agency. “Other” expenditures are for debt service. This chart matches the agency chart found in the 2015 Budget Analysis. Some minor discrepancies may occur as a result of rounding in operating expenses.



# Funding

The following charts show the agency's HB 2 funding authority by fund type and all sources of its total funding authority. The primary state special funding source is a fee that is levied on regulated companies, based on funding appropriated by the legislature for a specific fiscal year. Fees are deposited directly into a state special revenue account (Section 69-1-402, MCA). Fees are based upon a percentage of the gross operating revenue from all activities regulated by the commission for the calendar quarter of operation. Federal funds support the natural gas safety program.



## How the 2013 Legislature Can Effect Change

In order to change expenditure levels and/or agency activity, the legislature must address one or more of the following basic elements that drive costs.

PSR costs are mainly driven by personal services and related operating costs. Without major adjustments to PSR duties, future growth can be expected to loosely follow that of legislatively approved increases for the employee pay plan and inflationary costs. PSR costs may also be impacted by changes in the statutory duties or the types of entities designated by the legislature for regulation by the commission.

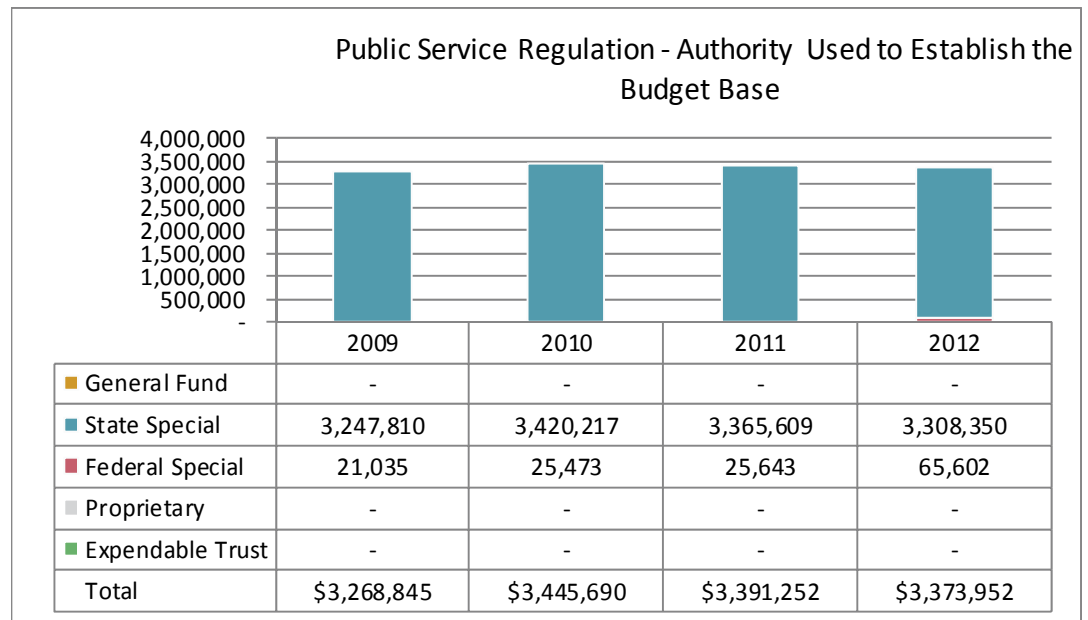
### Major Cost Drivers

Driver	FY 2002	FY 2012	Significance of Data
Number of utility dockets open	174	122	Shows caseload impact of staff work
Number of transportation dockets open	100	68	Shows caseload impact of staff work
Number of complaints entered	2,591	797	Shows consumer satisfaction trends
Number of calls received on toll-free line	16,892	7,686	Shows consumer satisfaction trends

The table above provides some cost drivers that can indirectly impact the operating costs of the commission.

### Funding/Expenditure History

The figure at right shows how expenditures in HB 2 have been funded for the period from FY 2009 through FY 2012. Over the period both state special and federal special funds have remained somewhat constant except the slight rise in funding from FY 2010 and FY 2011 when restricted funding was authorized for retirement pay-outs.



## Major Legislative Changes in the Last Ten Years

No major legislation was enacted that impacted the funding of the PSR.

For further information, you may wish to contact the agency at:

Public Service Commission

1701 Prospect Ave

P.O. Box 202601

Helena, MT 59620-2601

406) 444-6199 Voice

(406) 444-4212 TDD

(406) 444-7618 FAX

web: <http://psc.mt.gov>

**Agency Budget Comparison**

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	40.00	40.00	40.00	40.00	40.00	40.00	0.00	0.00%
Personal Services	2,755,472	3,056,595	3,092,634	3,002,847	5,812,067	6,095,481	283,414	4.88%
Operating Expenses	612,409	633,847	637,087	651,310	1,246,256	1,288,397	42,141	3.38%
Equipment & Intangible Assets	0	0	0	0	0	0	0	n/a
Debt Service	6,080	6,080	6,080	6,080	12,160	12,160	0	0.00%
<b>Total Costs</b>	<b>\$3,373,961</b>	<b>\$3,696,522</b>	<b>\$3,735,801</b>	<b>\$3,660,237</b>	<b>\$7,070,483</b>	<b>\$7,396,038</b>	<b>\$325,555</b>	<b>4.60%</b>
State Special	3,308,354	3,591,088	3,670,194	3,594,630	6,899,442	7,264,824	365,382	5.30%
Federal Special	65,607	105,434	65,607	65,607	171,041	131,214	(39,827)	(23.29%)
<b>Total Funds</b>	<b>\$3,373,961</b>	<b>\$3,696,522</b>	<b>\$3,735,801</b>	<b>\$3,660,237</b>	<b>\$7,070,483</b>	<b>\$7,396,038</b>	<b>\$325,555</b>	<b>4.60%</b>

**Mission Statement**

To fairly balance the long-term interests of Montana utility and transportation companies and the customers they serve.

For additional information, please refer to the agency profile.

**Agency Highlights**

<b>Public Service Regulation Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ Nearly half of the employees of this agency will qualify for either early or full retirement in the 2015 biennium</li> <li>◆ The increase in the 2015 biennium is due primarily to:                             <ul style="list-style-type: none"> <li>• Statewide present law adjustments for personal services to: 1) annualize pay increases that largely occurred three quarters into the base year and were therefore not fully represented in the FY 2012 expenditures; and 2) replace funding due to higher than anticipated vacancy savings in the base</li> <li>• Operating expense increases requested for computer equipment replacement and building rent</li> </ul> </li> </ul>

**Agency Discussion**

*Agency Personal Services*

Personal Services Growth

- The personal services budget for the 2015 biennium would increase over the base primarily due to the following factors:
- o The agency experienced an 8% vacancy savings when 2% was applied for the 2013 biennium
  - o The agency awarded pay increases that cost \$81,000 in FY 2012 to most agency staff in the form of: 1) elected official increases for commissioners per state law; 2) career ladder increases for lawyers and utility analysts; and 3) fixed \$1.00 per hour amounts for retention purposes

This agency had positions that have turned over more in FY 2012 than they did historically, including utility engineers and rate analysts and lawyers. According to the agency these positions with high levels of experience were hired by the private sector and utilities for higher pay. In addition, about 53% of this agency's FTE is eligible for full or early retirement in the 2015 biennium. The agency expects that up to 20% of its staff will retire in the 2015 biennium at an approximated cost of \$92,800. The executive has requested funding for these payouts. Refer to decision package DP 1 for further discussion.

#### *5% Plans*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. A summary of the entire 2015 biennium 5% Plan submitted for this agency is in the appendix. The agency has no funding from the general fund. The 5% plan reduction in state special revenue is nearly \$165,000.

#### *IT Systems*

State agencies have identified information technology (IT) systems that are critical to the state as a whole or to the agency. Further, state agencies have assessed the age of the systems to establish whether the system is:

- o New
- o Emerging
- o Mature
- o Declining
- o Obsolete

The Legislative Finance Committee recommended that House Appropriations and Senate Finance and Claims Committee leadership direct the Long Range Planning Subcommittee to meet jointly with each of the appropriate joint appropriations subcommittees to discuss priorities related to critical IT systems, and that state agencies be prepared to discuss:

- o Current plans to address obsolescence
- o Costs to replace the system
- o Costs of maintaining the current system
- o Risks associated with both retaining the current system and replacing the system

LFD staff will be prepared to discuss issues related to those systems that have been determined to be either critical to the state as a whole or to the agency and either declining or obsolete. Issues include security, continuity of operations, and funding.

#### *Agency Goals and Objectives*

Goals and Objectives for the agency can be found in the appendix.

#### **Funding**

The following table shows agency funding by source of authority.



Total Public Service Regulation Funding by Source of Authority 2015 Biennium Budget - Public Service Regulation Prog							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
State Special Total	\$7,264,824	\$0	\$0	\$7,264,824	98.2%		
02281 Public Service Commission	\$7,264,824	\$0	\$0	\$7,264,824	98.2%		
Federal Special Total	\$131,214	\$0	\$0	\$131,214	1.8%		
03011 Natural Gas Safety Pgm	\$131,214	\$0	\$0	\$131,214	1.8%		
Total All Funds	\$7,396,038	\$0	\$0	\$7,396,038	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

Public Service Regulation (PSR) is funded primarily by a fee that is levied on regulated companies, based on funding appropriated by the legislature for a specific fiscal year. Fees are deposited directly into a state special revenue account and are based upon a percentage of the gross operating revenue from all activities regulated by the commission for the calendar quarter of operation (69-1-402, MCA). The department also administers a small amount of federal pipeline safety grant funds.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	0	0	0	0.00%	3,373,961	3,373,961	6,747,922	91.24%
Statewide PL Adjustments	0	0	0	0.00%	258,368	241,004	499,372	6.75%
Other PL Adjustments	0	0	0	0.00%	103,665	45,465	149,130	2.02%
New Proposals	0	0	0	0.00%	(193)	(193)	(386)	(0.01%)
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$3,735,801</b>	<b>\$3,660,237</b>	<b>\$7,396,038</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					344,138					347,274
Vacancy Savings					(99,776)					(99,899)
Inflation/Deflation					(516)					(154)
Fixed Costs					14,522					(6,217)
<b>Total Statewide Present Law Adjustments</b>		<b>\$0</b>	<b>\$258,368</b>	<b>\$0</b>	<b>\$258,368</b>		<b>\$0</b>	<b>\$241,004</b>	<b>\$0</b>	<b>\$241,004</b>
DP 1 - Retirement Payouts (Restricted/Biennial)	0.00	0	92,800	0	92,800	0.00	0	0	0	0
DP 2 - Computer Replacement	0.00	0	8,150	0	8,150	0.00	0	42,750	0	42,750
DP 3 - Building Rent	0.00	0	2,715	0	2,715	0.00	0	2,715	0	2,715
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$103,665</b>	<b>\$0</b>	<b>\$103,665</b>	<b>0.00</b>	<b>\$0</b>	<b>\$45,465</b>	<b>\$0</b>	<b>\$45,465</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$362,033</b>	<b>\$0</b>	<b>\$362,033</b>	<b>0.00</b>	<b>\$0</b>	<b>\$286,469</b>	<b>\$0</b>	<b>\$286,469</b>

DP 1 - Retirement Payouts (Restricted/Biennial) - The executive requests state special revenue to fund costs to pay for staff retirement payouts. The executive recommends that this funding be designated as biennial and restricted only for funding retirement payouts.

<b>LFD COMMENT</b>	<p><u>High Level of Employees Eligible for Retirements</u></p> <p>The legislature does not generally specifically fund retirement payout costs. Instead, agencies must fund these costs within their regular budget. The employees of this agency are covered under the Public Employees Retirement System (PERS). Of the total 40 employees, 21 or 53% will be eligible for either early or full retirement in the 2015 biennium. If just the ten employees who are or will be eligible for full retirement were to retire, the payouts for their current balances of sick and annual leave would be nearly \$120,000. The agency anticipates that up to 20% of its staff will retire in the next biennium. Base year termination payouts totaled about \$17,000.</p> <p>A number of agencies have a high percentage of its employees eligible to retire in the 2015 biennium. For a further discussion, see Volume 1 of the 2015 Biennium Budget Analysis.</p>
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DP 2 - Computer Replacement - The executive requests state special revenue to fund replacement of the following computer equipment under a five-year replacement cycle:

FY 2014  
2 servers (\$9,800)

FY 2015  
25 desktop computers (\$30,000)  
5 laptop computers with monitors (\$9,500)  
1 server (\$4,900)

<b>LFD COMMENT</b>	<p><u>Base for Computers</u></p> <p>The base expenditure for computer equipment purchase is \$1,650 and the amounts included in parenthesis are the full amounts applied statewide within the executive budget. This decision package requests the difference between full costs and the base.</p>
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DP 3 - Building Rent - The executive requests state special revenue to fund the difference between the base of \$222,705 and the total of \$225,420, which is the annual fixed cost contractual rent for the office space occupied by the agency.

**New Proposals**

New Proposals										
		-----Fiscal 2014-----				-----Fiscal 2015-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6101 - Professional Development Center Fee Allocation										
01	0.00	0	(193)	0	(193)	0.00	0	(193)	0	(193)
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$193)</b>	<b>\$0</b>	<b>(\$193)</b>	<b>0.00</b>	<b>\$0</b>	<b>(\$193)</b>	<b>\$0</b>	<b>(\$193)</b>

DP 6101 - Professional Development Center Fee Allocation - The executive requests an increase for training services purchased from the Professional Development Center (PDC) of the Department of Administration. This request reflects the difference between the amount paid in the base for PDC services and a fixed cost allocation based on agency FTE counts. Starting in the 2015 biennium and beyond, the executive recommends funding the PDC as a fixed cost item. For a further discussion, see the narrative for the Department of Administration.

# The Legislative Fiscal Division Presents an Agency Profile of: The Office of State Public Defender

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Phone: 444-5392

E-mail: [gcdewitt@mt.gov](mailto:gcdewitt@mt.gov)

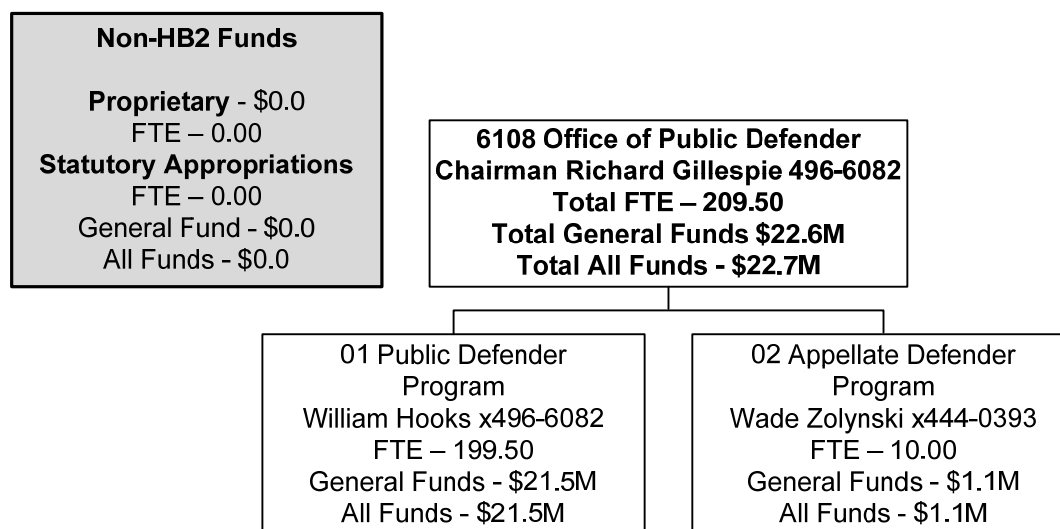
Updated December 2012

Definition of Terms

## Agency Description

The Office of State Public Defender (OPD) administers the statewide public defender system and delivers public defender services in all courts in Montana for criminal and certain civil cases for an individual who is determined to be indigent per statutory provisions and is accused of an offense that could result in the person's loss of life or liberty if convicted. The statewide public defender system is supervised by the Public Defender Commission, an eleven member commission appointed by the Governor. The office is administratively attached to the Department of Administration with the exception of some functions as provided in statute (2-15-1028, MCA). The statewide public defender system also includes appellate defender functions.

Below is an organizational chart of the agency including full time-equivalent (FTE) numbers, general fund appropriations, statutory appropriations, proprietary funds, and total funds.

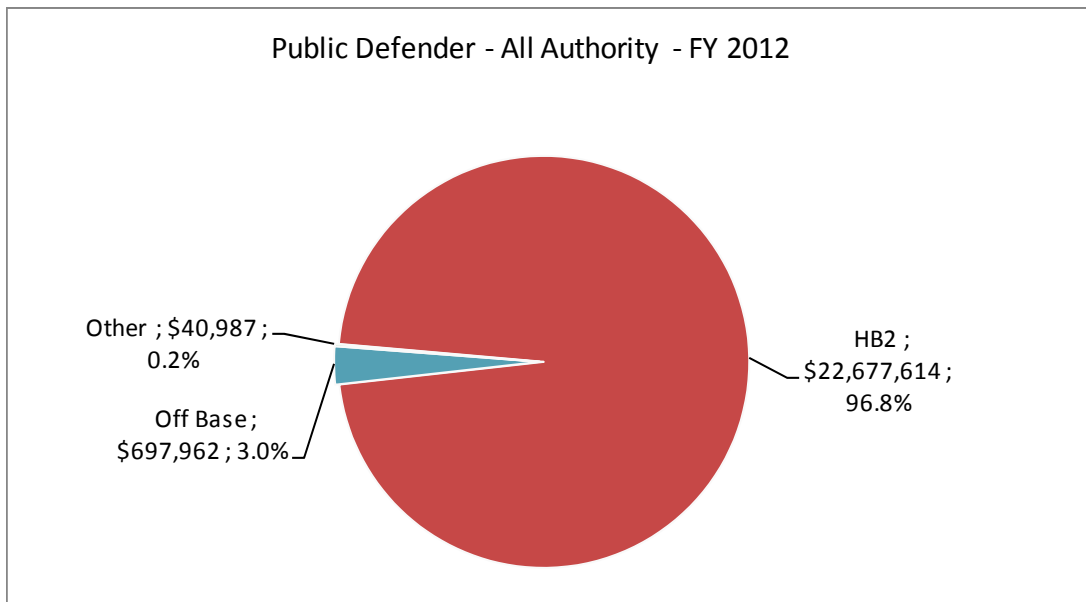


## How Services are Provided

Services are provided by a combination of state employees and attorneys contracting with the state. In general, state employees provide services in populated geographic areas where the majority of the cases occur and contracted attorneys are used in less populated geographic areas. Contract attorneys may also be utilized in situations that create a conflict of interest for attorneys on staff. State employees include attorneys, criminal investigators, and legal secretaries. Services are broken among 11 regions along with an office for major cases and an appellate office.

## Sources of Spending Authority

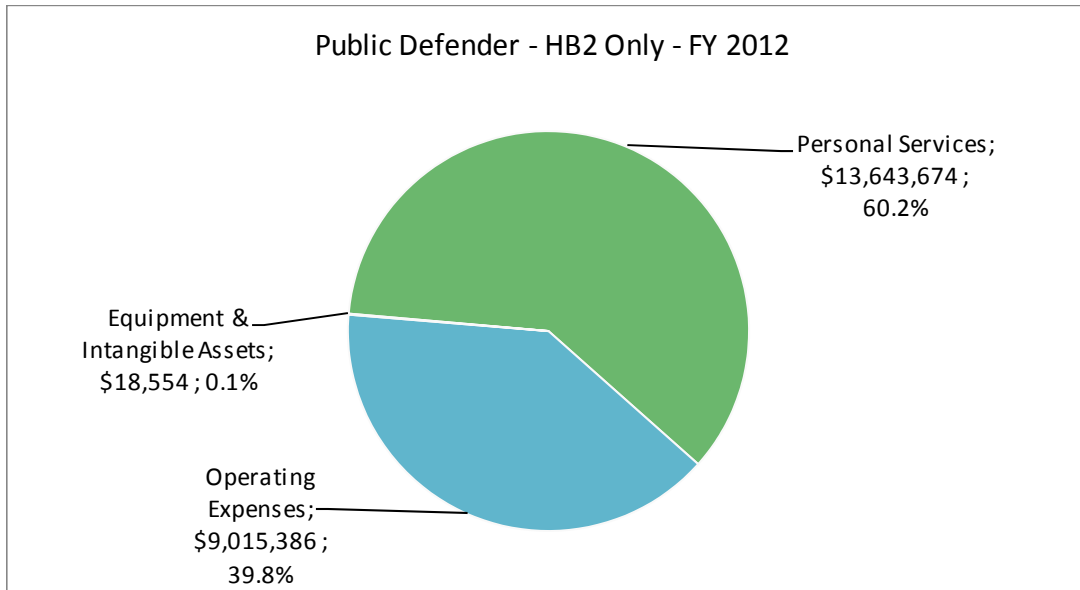
The following chart shows the sources of authority that funded the office during FY 2012. “Other” includes carry-forward funds and a grant from Missoula County. Off base includes one-time-only funding for death penalty cases, computer equipment, and contracted services.



The accounting term “off base” refers to one-time-only spending and non-budgeted items like inventory adjustments. Other legislative appropriations (sometimes called cat and dog bills) are included in the above categories as appropriate. For a more detailed description of accounting terminology, please refer to the definition of terms.

## Expenditures

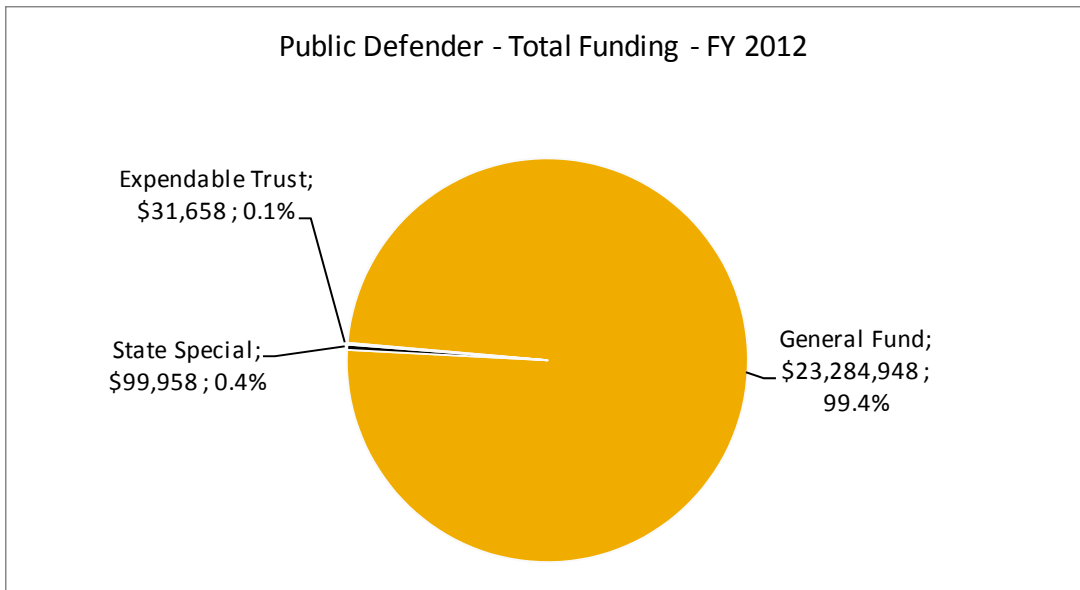
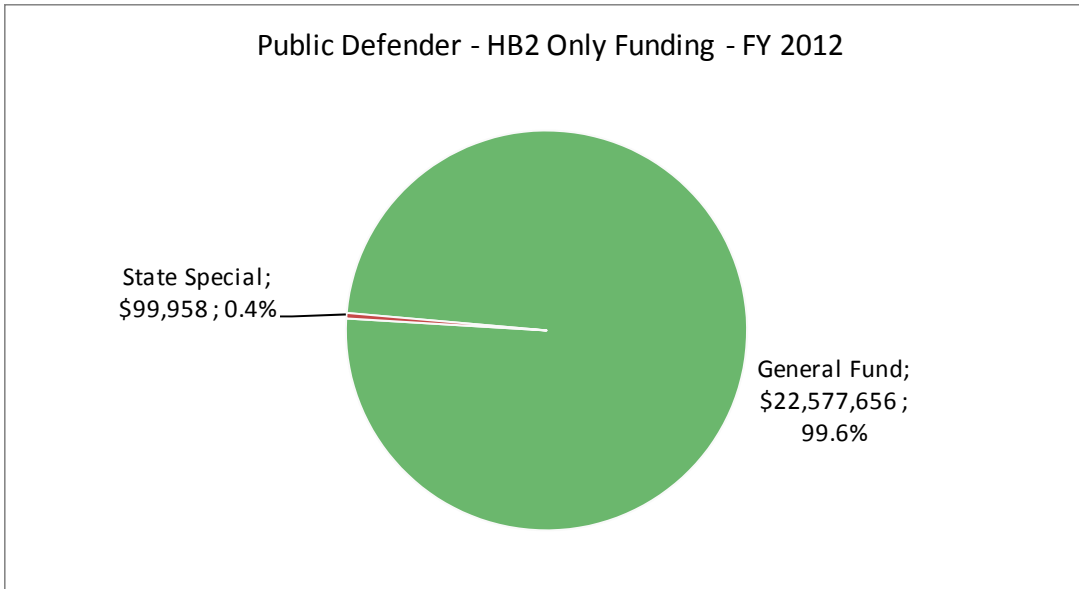
The next chart explains how the HB 2 authority is spent. Personal services to fund primarily attorneys, investigators, and legal secretaries is the largest expenditure of the office. Operating expenses provides funding for case costs and for contracted attorneys, who augment state staff in providing public defender services.



This chart matches the agency chart found in the 2015 Budget Analysis. Some minor discrepancies may occur as a result of rounding.

# Funding

The following charts show the agency's HB 2 funding authority by fund type and all sources of its total funding authority. State special funds are derived from fees charged to clients for to cover a portion of the costs of representation.



## How the 2013 Legislature Can Effect Change

In order to change expenditure levels and/or agency activity, the legislature must address one or more of the following basic elements that drive costs.

The legislature may impact the function of the statewide public defender system by:

- Assigning responsibility for funding and provision of services
- Changing the statutory framework that defines the public defender system
- Changing statutory provisions of criminal law
- Changing statutory provisions related to certain civil proceedings

The largest categories of costs for the agency are personal services and contracted attorney services, actions that impact these items are likely to impact the system.

## Major Cost Drivers

Driver	FY 2007	FY 2012	Significance of Data
Fee assessments	\$49,229	\$521,937	Shows amount of collections for services of the office
Collections of assessments	\$8,018	\$123,994	Shows success in collecting fees
Year end assessments outstanding	\$41,211	\$1,274,121	Shows accumulated receivables of assessments
Number of clients with assessments	81	1,922	Shows workload of collections staff
New public defender cases	25,621	30,912	Shows growth in workload of public defenders
New appeals cases	213	225	Shows growth in workload of appellate defenders

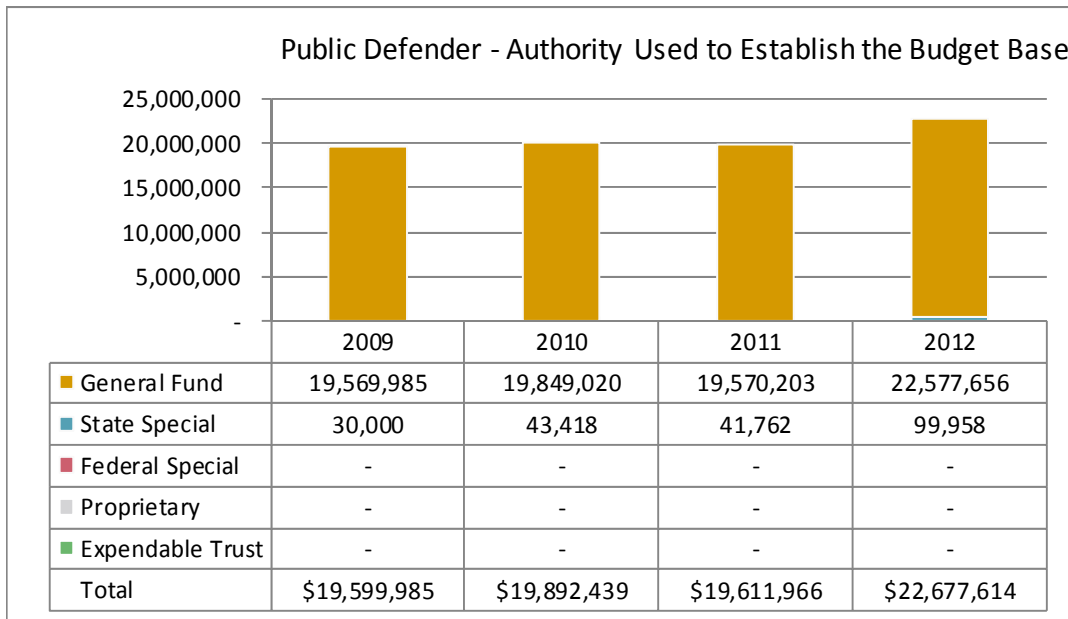
The table above provides some cost drivers that can indirectly impact the operating costs of the Office of State Public Defender.



## Funding/Expenditure History

The following figure shows how expenditures in HB 2 have been funded for the period from FY 2009 through FY 2012. Over the period, general fund support for the agency has grown steadily. Factors contributing to this growth include:

- Growth in state staff from 192.50 FTE in FY 2009 to 208.50 FTE in FY 2012
- Growth in legislative audit costs from \$1,500 in FY 2009 to \$31,100 in FY 2012
- Funding for defending aggravated driving under the influence (DUI) cases added \$85,500 in FY 2012
- Growth in caseloads have driven increases in costs for contract attorney and growth in state FTE



## Major Legislative Changes in the Last Ten Years

The agency came into existence after SB 146 was passed and approved in the 2005 Legislative session. The only significant legislative changes occurred in the 2011 Legislative Session when:

- The Appellate Defender's Office was move into a separate program and the chief appellate defender began reporting directly to the Public Defender Commission
- The crime of aggravated DUI was enacted and qualified for services of the office
- The requirement was eliminated for the chief public defender to carry a caseload
- Law prohibited the contract manager from carrying a caseload

For further information, you may wish to contact the agency at:

Office of the State Public Defender

Central Office

44 W. Park Street, Butte MT 59701

496-6080

FAX 496-6098

Office of the Appellate Defender

139 N. Last Chance Gulch, Helena, MT 59601

444-9505

FAX 444-9082

web: <http://publicdefender.mt.gov>

**Agency Budget Comparison**

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	209.50	209.50	246.50	246.50	209.50	246.50	37.00	17.66%
Personal Services	13,643,678	12,439,402	16,921,661	17,175,465	26,083,080	34,097,126	8,014,046	30.73%
Operating Expenses	9,015,625	9,403,675	10,035,403	9,994,493	18,419,300	20,029,896	1,610,596	8.74%
Equipment & Intangible Assets	18,554	21,118	28,554	18,554	39,672	47,108	7,436	18.74%
<b>Total Costs</b>	<b>\$22,677,857</b>	<b>\$21,864,195</b>	<b>\$26,985,618</b>	<b>\$27,188,512</b>	<b>\$44,542,052</b>	<b>\$54,174,130</b>	<b>\$9,632,078</b>	<b>21.62%</b>
General Fund	22,577,899	21,678,051	26,705,884	26,913,053	44,255,950	53,618,937	9,362,987	21.16%
State Special	99,958	186,144	279,734	275,459	286,102	555,193	269,091	94.05%
<b>Total Funds</b>	<b>\$22,677,857</b>	<b>\$21,864,195</b>	<b>\$26,985,618</b>	<b>\$27,188,512</b>	<b>\$44,542,052</b>	<b>\$54,174,130</b>	<b>\$9,632,078</b>	<b>21.62%</b>

**Mission Statement**

The primary mission of the statewide public defender system is to provide effective assistance of counsel to indigent persons accused of crime and other persons in civil cases who are entitled by law to the assistance of counsel at public expense.

For additional information, please refer to the agency profile.

**Agency Highlights**

<b>Office of Public Defender Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The executive proposes several major initiatives in this agency to address workload and other issues:                             <ul style="list-style-type: none"> <li>● A significant increase in staffing levels (37.00 FTE)</li> <li>● The funding of career ladders for state staff</li> <li>● An increase of 2% in rates paid to contract attorneys, which is the same as other provider rate increases in other agencies</li> <li>● Costs for death penalty cases</li> </ul> </li> <li>◆ The Governor proposes adding FTE for the following purposes:                             <ul style="list-style-type: none"> <li>● Make permanent 11.00 FTE modified positions funded in the 2013 biennium with funds to address caseload growth seen during the 2011 Legislature</li> <li>● Add 17.00 FTE to address recent caseload growth</li> <li>● Add 2.00 FTE crime investigators to address caseload growth</li> <li>● Add 3.00 FTE to shift caseloads from managing attorneys to free up time for management duties</li> <li>● Add 2.50 FTE to address caseload growth in conflict cases</li> <li>● Add 0.50 FTE to shift caseloads from the chief appellate defender to free up time for management duties</li> <li>● Add 1.00 FTE to account for court assessments on defendants for reimbursement for services</li> </ul> </li> </ul>

Legislative Action Issues
<ul style="list-style-type: none"> <li>◆ A portion of the funding to add FTE is one time only</li> <li>◆ The provider rate increase would have little impact on the rate paid to contract attorneys</li> <li>◆ The Governor’s request would further shift the office toward more reliance on state FTE</li> <li>◆ The legislature may wish to identify goals and performance measures and monitor the impact of any funding initiatives adopted</li> </ul>

**Agency Discussion**

The Office of Public Defender provides defense for indigent persons accused of crime and other persons in civil cases who are entitled by law to the assistance of counsel at public expense, such as any party in an abuse and neglect petition regardless of financial ability to retain private counsel. If a defendant meets the financial test for indigence, he or she is entitled to counsel from the office. In addition, judges can order the office to provide counsel regardless of qualification. Therefore, with the exception of the particulars of means and asset tests that determine a defendant’s indigence, the office has little control over the number or complexity of cases it must work.

The office provides defense council via a combination of state employed staff and contracted private attorneys. Contracted private attorneys: 1) serve as an augmentation to state FTE when caseloads for state FTE are such that resources are insufficient to address the caseloads and still provide effective assistance of counsel; 2) provide services in areas of the state where no agency FTE are assigned; and 3) represent clients in cases where a conflict situation exists.

*Office of Public Defender Challenges*

The Office of the Public Defender faces two significant, interrelated challenges:

- Caseload growth and growth in open cases
- Turnover in staff and difficulty in securing and maintaining contracted work, with resulting increased workload and potential impact on effectiveness of counsel

Caseload and Caseload Growth

The figure that shows the case trends from FY 2010 through FY 2012 reflects the number of new cases assigned to the office over this period. These cases are those in which the defendant was either indigent or met some other requirement under the Montana Public Defender Act, or where the judge overseeing the case assigned the office to provide counsel regardless of qualification. The figure shows that from FY 2011 to FY 2012 the office saw a nearly 12% growth in cases. This growth is nearly three times the growth seen in previous years. The office saw a nearly 10% growth in cases heard in city, municipal, and justice courts, which comprises 63% of all cases. Of note, abuse and neglect cases, which comprise nearly 10% of all cases, saw a growth of 38% from FY 2011 to FY 2012.

Office of Public Defender Case Trends FY 2010 to FY 2012					
Case Types	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012	Percent of All Types
Abuse and Neglect	2,259	2,218	3,061	38.01%	9.9%
Criminal	5,677	5,573	5,934	6.48%	19.2%
Guardianship	212	222	268	20.72%	0.9%
Involuntary Commitment	844	915	1,058	15.63%	3.4%
Juvenile	916	971	1,082	11.43%	3.5%
Lower Court	17,721	17,730	19,476	9.85%	63.0%
Voluntary Commitment	<u>31</u>	<u>35</u>	<u>33</u>	<u>-5.71%</u>	<u>0.1%</u>
<b>Total All Case Types</b>	<b>27,660</b>	<b>27,664</b>	<b>30,912</b>	<b>11.74%</b>	<b>100.0%</b>

The figure at right shows a breakdown by public defender region. From FY 2011 to FY 2012, significant growth is shown in abuse and neglect cases in the regions of Missoula, Great Falls, Helena, Havre, Lewistown, Glendive, and Miles City. The agency has been closely monitoring this trend and expects the number of cases to continue at or above the levels seen in FY 2012.

Case Weighting System

The Office of Public Defender is charged in statute with managing caseloads and assigning cases in a manner that ensures that public defenders are assigned cases according to experience, training, and manageable caseloads while taking into account case complexity, the severity of charges and potential punishments, and the legal skills required to provide effective assistance of counsel.

The office procedure involves assigning weighting units to various aspects of a case depending upon the type, complexity, physical characteristics of the case environment, and other various aspects of a case. For example, if a case is in a court that is remote from the regional office assigned units are given for travel. The total units of all cases assigned to a staff attorney are monitored so they do not exceed a level that would jeopardize the attorney's ability to provide effective assistance of counsel. The office has established a level of 150 units based on its case weighting system as the level at which effective assistance of counsel could be in jeopardy if it is exceeded.

A further discussion of the weighting system is in the appendix.

Office of Public Defender Abuse and Neglect Cases					
Region	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012	Percent of Total
1 - Kalispell	339	325	278	-14.5%	9.1%
2 - Missoula	264	135	369	173.3%	12.1%
3 - Great Falls	442	566	746	31.8%	24.4%
4 - Helena	152	129	229	77.5%	7.5%
5 - Butte	118	159	173	8.8%	5.7%
6 - Havre	106	57	269	371.9%	8.8%
7 - Lewistown	46	59	84	42.4%	2.7%
8 - Bozeman	131	149	145	-2.7%	4.7%
9 - Billings	413	458	527	15.1%	17.2%
10 - Glendive	115	82	111	35.4%	3.6%
11 - Miles City	<u>133</u>	<u>99</u>	<u>130</u>	<u>31.3%</u>	<u>4.2%</u>
Total	2,259	2,218	3,061	38.0%	100.0%

Turnover and Contract Difficulties

The office is able to recruit for vacant state positions, and consequently has a low vacancy saving rate. However, the office has a turnover rate of about 25% for attorneys in the Office of Public Defender program and 50% for attorneys in the Appellate Defender program. Attorneys in the agency comprise slightly over half of the workforce. Turnover at these levels generally means the office is less efficient because of continual recruitment and training. In addition, the office has had diminishing ability to secure contracts with private attorneys to provide counsel. The 2011 legislature provided funding for additional contracts to address caseload growth. The office ended up hiring additional staff on a modified basis when sufficient contracts could not be secured.

Among the reasons cited for turnover and contract weakness are:

- Workload
  - Caseloads in 9 of 11 public defender regions are 3,100 units over the case weighting system standard of 150 units per practicing attorney and the stress for the excess caseloads is a factor cited when employees leave the office for other employment opportunities
- Pay
  - State Staff - a combination of low experience and generally low salaries means that the average attorney in office is paid at 59.4% of the market salary for equivalent positions in surrounding states and the private sector
  - Contract Attorneys – Attorneys under contract are paid \$60.00 per hour compared to \$93.00 per hour that agencies pay the Department of Justice for contract attorneys and \$151-\$200 per hour that the State Bar of Montana determined in its 2011 members survey was charged by 35% of survey responders (the only range indicated in the survey results)

Executive Budget Proposal

The executive has recommended three primary actions to address the office's challenges:

- Add 37.00 FTE for various purposes
- Add funding for a career ladder
- Increase the contract rate by 2%

### Additional FTE

The executive would add the following FTE:

- 11.00 FTE attorneys to make modified positions added during the interim using funds intended for paying contract attorneys to address caseload growth seen at the time of the 2011 Legislative Session (the office was unsuccessful in finding adequate numbers of contract attorneys to take cases)
- 11.00 FTE attorneys to address caseload growth experienced after the 2011 Legislative Session
- 6.00 FTE legal secretaries to assist attorneys with legal research and clerical matters
- 2.00 FTE crime investigators to address caseload growth
- 3.00 FTE to shift caseloads from managing attorneys to free up time for management duties
- 2.50 FTE to address caseload growth in conflict cases
- 0.50 FTE to shift caseloads from the chief appellate defender to free up time for management duties
- 1.00 FTE to account for court assessments on defendants for reimbursement for services

These requests provides staffing levels to address situations where attorney workloads have or are projected to exceed case weighting system levels of 150 units established to ensure effective assistance of counsel. Attorneys would be assigned as needed to address the regions with the largest occurrences where caseloads exceed the 150 unit threshold. Legal secretaries would support existing and new attorneys in offices with highest caseloads.

#### LFD COMMENT

Given the hiring history of the office, it would likely be able to fill the positions and consequently have some impact on workloads. The office continually advertises for attorney positions and maintains a pool of screened applicants. When an opening occurs the agency first seeks applicants from within the agency and if no interest is shown fills positions from the applicant pool. In spite of the high turnover rates, the office has been successful in maintaining a nearly full workforce as evidenced by the lack of vacancy savings experienced in FY 2012.

The individual decision packages that add the various FTE are discussed in further detail in the relevant program narratives.

### Career Ladder

The executive proposes to fund a career ladder for attorneys to bring their pay more in line with those of their counterparts in county and city governments across the state.

#### LFD ISSUE

##### Turnover Not Specified

The career ladder proposed for attorneys would provide average increases over current salaries of 19.4% in FY 2014 and an additional 3.2% in FY 2015. The agency was unable to make an estimate of the turnover rate that would result from the combination of salary increases and caseload reductions.

The legislature may wish to discuss with the agency what the agency expects would be the turnover impact from increasing pay and reducing caseloads.

### Increase Contract Rate

The executive proposes to increase contracts by 2% in FY 2014 and an additional 2% in FY 2015, which is the standard rate increase the executive recommends for provider contracts throughout state government, including the Department of Corrections and Department of Health and Human Services.

**LFD  
ISSUE**Little Impact on Rate Paid to Contract Attorneys

As stated, contracts offered by the agency are significantly below the rates paid by agencies for contracted attorneys of the Department of Justice and members of the Montana Bar Association. A 2% rate adjustment would increase the current rate of \$60.00 per hour to \$61.20 for FY 2014 and \$62.40 for FY 2015. Therefore, it can be questioned whether this degree of increase will have any impact on OPD's ability to secure contracts to provide counsel.

**LFD  
ISSUE**Further Shift to State Staff over Contracts

When the agency was first established, the legislature funded the agency at a ratio of 29% contracted attorneys to 71% state FTE. Over the subsequent biennia, the office has shifted to more state staff, including in the 2013 biennium when contracts could not be secured. The Governor now proposes to further shift to state staff through both the additional FTE requested and the proposed increase in contracts that would likely have little effect in increasing the ability of OPD to secure contracts. As requested, the balance in funding would change to 25.6% for contracted attorneys and 74.4% for state FTE.

Legislative Options

The legislature may wish to discuss what outcomes are being pursued with regard to desired impact on workload, turnover, ability to secure contracts, and the provision of effective counsel, and how performance might be measured. The legislature may then wish to have an interim committee monitor a number of factors to determine the impact of any action taken to address this office's challenges, including but not limited to:

- Was the agency able to hire staff?
- What impact was seen on turnover?
- Was the office able to increase movement toward market?
- Did the rate increase have any impact on ability to secure contracts?
- What is the change in workload?
- What impact was experienced on effectiveness of counsel?

Legislative Action Options

- Have the executive as part of its budget presentation identify intended outcomes of additional funding and how achievement of those outcomes might be measured for discussion with the legislature
- Request that an appropriate interim committee monitor impacts on the agency's operations and effectiveness and report to the 2015 Legislature

Personal Services

The personal services budget for the 2015 biennium would increase over the base primarily due to the following factors and biennium amounts:

- Requests to add 37.00 FTE, \$5.1 million
- Requests to fund career ladders, \$2.2 million
- Pay raises given as a result of an unfair labor practices case brought before the Montana Board of Personnel Appeals over correctional officer career ladder provisions in a similar labor contract to the one for lawyers in this agency, \$0.3 million
- Statewide present law adjustments for personal services that reduce base funding by \$1.2 million primarily because of:
  - Applied vacancy savings of 4% for the 2015 biennium
  - No vacancy savings experienced in the base year
  - Aggregate agency salaries for the 2015 biennium that are lower than for the 2013 biennium due to turnover

During the current biennium, the agency has been operating under pay plan rules that set salaries against a 2006 market survey. When compared to the 2012 market survey conducted by the Department of Administration, the aggregate midpoint salary is 63.6% of the market midpoint. Attorneys on average are furthest from market at 59.4%. Attorneys with supervisory duties fall even lower than the average for all attorneys at 53.3%. The current comparison to market is after the pay raises given to nearly half of its workforce during FY 2012 as a fallout from an unfair labor practices ruling by the Board Of Personnel Appeals of a case brought by union membership of the Department of Corrections with similar contract provisions to this agency. To address the pay issues and their impacts on recruitment and retention, the executive has included requests to fund career ladders.

About 21% of the agency's FTE is eligible for full or early retirement in the 2015 biennium. The agency has not requested funding to address payouts for any retirements that may occur.

#### Agency Wide Decision Packages

The agency has a number of requests that are common to all programs. The following table summarizes these requests.

Office of Public Defender					
Decision Packages Common to Both Programs					
Purpose	Type	Decision Package	Program	FTE	Biennium Amount
Increase Contract Attorney Rate	New Proposal	DP 12	Office of Public Defender	0.00	\$333,339
Increase Contract Attorney Rate	New Proposal	DP 10	Office of Appellate Defender	0.00	6,969
Totals - Increase Contract Attorney Rate				0.00	<u>\$340,308</u>
Reduce Manager Caseloads	Present Law	DP 5	Office of Public Defender	3.00	516,205
Reduce Manager Caseloads	Present Law	DP 11	Office of Appellate Defender	0.50	102,497
Totals - Reduce Manager Caseloads				3.50	<u>\$618,702</u>
Modified FTE in 2013 Biennium	Present Law	DP 15	Office of Public Defender	10.00	1,330,819
Modified FTE in 2013 Biennium	Present Law	DP 18	Office of Appellate Defender	1.00	172,069
Totals - Modified FTE in 2013 Biennium				11.00	<u>\$1,502,888</u>
Caseload Impacts	Present Law	DP 1	Office of Public Defender	15.00	2,093,406
Caseload Impacts	Present Law	DP 4	Office of Public Defender	2.50	341,096
Caseload Impacts	Present Law	DP 6	Office of Public Defender	2.00	265,897
Caseload Impacts	Present Law	DP 3	Office of Appellate Defender	2.00	246,614
Totals - Caseload Impacts				21.50	<u>\$2,947,013</u>
Fund Career Ladder	Present Law	DP 13	Office of Public Defender	0.00	2,701,800
Fund Career Ladder	Present Law	DP 17	Office of Appellate Defender	0.00	179,466
Totals - Fund Career Ladder				0.00	<u>\$2,881,266</u>



LFD  
ISSUE

One-Time-Only Funding in Requests for FTE

Several request for this agency include funding for the addition of FTE. The funding for FY 2014 for nearly all of these requests would pay for costs for outfitting the FTE with an office and computer setup and initial supplies. Since initial outfitting costs are not annually ongoing, the legislature may wish to consider designating the associated funding as one-time-only. Where these outfitting costs have been identified a LFD issue has been raised with the associated decision package. The figure summarizes, for each program, the decision packages with one-time outfitting costs.

Office of Public Defender FY 2014 One-time FTE Outfitting		
Decision Package	Program	FY 2014
DP 1 - Support Workload - FTE	Office of Public Defender	\$55,125
DP 4 - Conflict Coordinator	Office of Public Defender	7,350
DP 5 - Managers' Caseloads	Office of Public Defender	11,025
DP 6 - Investigative Staff to Support Workload	Office of Public Defender	7,350
DP 7 - Accounts Receivable Support	Office of Public Defender	4,175
Totals - Office of Public Defender		<u>\$85,025</u>
DP 3 - Support Workload	Office of Appellate Defender	7,350
DP11 - Managers' Caseloads	Office of Appellate Defender	3,675
Totals - Office of Appellate Defender		<u>\$11,025</u>

*5% Reduction Plan*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. A summary of the entire 2015 biennium 5% plan submitted for this agency is in the appendix. For this agency the biennium amounts for these reductions are \$1.1 million general fund and \$5,000 state special revenue.

*IT Systems*

State agencies have identified information technology (IT) systems that are critical to the state as a whole or to the agency. Further, state agencies have assessed the age of the systems to establish whether the system is:

- New
- Emerging
- Mature
- Declining
- Obsolete

The Legislative Finance Committee recommended that House Appropriations and Senate Finance and Claims Committee leadership direct the Long Range Planning Subcommittee to meet jointly with each of the appropriate joint appropriations subcommittees to discuss priorities related to critical IT systems, and that state agencies be prepared to discuss:

- Current plans to address obsolescence
- Costs to replace the system
- Costs of maintaining the current system
- Risks associated with both retaining the current system and replacing the system

LFD staff will be prepared to discuss issues related to those systems that have been determined to be either critical to the state as a whole or to the agency and either declining or obsolete. Issues include security, continuity of operations, and funding.

*Agency Goals and Objectives*

Goals and Objectives for the agency can be found in the appendix.

**Funding**

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

Total Office Of The Public Defender Funding by Source of Authority 2015 Biennium Budget					
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	\$53,618,937	\$0	\$0	\$53,618,937	99.0%
State Special Total	555,193	-	-	555,193	1.0%
Federal Special Total	-	-	-	-	0.0%
Proprietary Total	-	-	-	-	0.0%
Current Unrestricted	-	-	-	-	0.0%
Other Total	-	-	-	-	0.0%
<b>Total All Funds</b>	<b>\$54,174,130</b>	<b>\$0</b>	<b>\$0</b>	<b>\$54,174,130</b>	
Percent - Total All Sources	100.0%	0.0%	0.0%		

The agency is funded primarily by the general fund. A small amount of state special revenue from reimbursements for services provided is also available to the agency.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	22,577,899	22,577,899	45,155,798	84.22%	22,677,857	22,677,857	45,355,714	83.72%
Statewide PL Adjustments	(456,715)	(509,265)	(965,980)	(1.80%)	(456,715)	(509,265)	(965,980)	(1.78%)
Other PL Adjustments	4,464,497	4,610,780	9,075,277	16.93%	4,644,273	4,786,281	9,430,554	17.41%
New Proposals	120,203	233,639	353,842	0.66%	120,203	233,639	353,842	0.65%
<b>Total Budget</b>	<b>\$26,705,884</b>	<b>\$26,913,053</b>	<b>\$53,618,937</b>		<b>\$26,985,618</b>	<b>\$27,188,512</b>	<b>\$54,174,130</b>	

**Supplemental Appropriation**

The Governor’s supplemental bill request includes a total \$2.5 million general fund for the OPD (\$2.3 million for the public defender and \$0.2 million for the appellate defender). The request for supplemental funding is due primarily to the impacts on the agency from unanticipated double digit caseload growth that was heavily influenced by large growth in the number of dependent and neglect cases. The agency also experienced abnormally high turnover and termination payouts in FY 2012 of \$216,000 when the average for the previous four years was \$76,000.

The executive has included a number of initiatives to address workload and other issues. For a full discussion see the Agency Discussion section of this narrative.

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	199.50	199.50	233.00	233.00	199.50	233.00	33.50	16.79%
Personal Services	12,923,907	11,780,292	15,901,841	16,135,353	24,704,199	32,037,194	7,332,995	29.68%
Operating Expenses	8,594,131	9,039,405	9,596,337	9,563,998	17,633,536	19,160,335	1,526,799	8.66%
Equipment & Intangible Assets	18,554	21,118	28,554	18,554	39,672	47,108	7,436	18.74%
<b>Total Costs</b>	<b>\$21,536,592</b>	<b>\$20,840,815</b>	<b>\$25,526,732</b>	<b>\$25,717,905</b>	<b>\$42,377,407</b>	<b>\$51,244,637</b>	<b>\$8,867,230</b>	<b>20.92%</b>
General Fund	21,436,634	20,654,671	25,246,998	25,442,446	42,091,305	50,689,444	8,598,139	20.43%
State Special	99,958	186,144	279,734	275,459	286,102	555,193	269,091	94.05%
<b>Total Funds</b>	<b>\$21,536,592</b>	<b>\$20,840,815</b>	<b>\$25,526,732</b>	<b>\$25,717,905</b>	<b>\$42,377,407</b>	<b>\$51,244,637</b>	<b>\$8,867,230</b>	<b>20.92%</b>

**Program Description**

The Office of State Public Defender administers the statewide public defender system that delivers public defender services in all courts in Montana for criminal and certain civil cases for an individual who is determined to be financially unable to retain private counsel and who is accused of an offense that could result in the person’s loss of life or liberty if convicted. The office administers the statewide public defender system that is supervised by the Public Defender Commission. The office is administratively attached to the Department of Administration but has authority in law to provide administrative functions as determined by the commission.

The Public Defender Commission is responsible for the design, direction, and supervision of the system. The commission appoints the chief public defender, approves the strategic plan for the delivery of services, and approves statewide standards for qualifications and training of public defenders.

**Program Highlights**

<b>Office of Public Defender Program Major Budget Highlights</b>	
<ul style="list-style-type: none"> <li>◆ The executive proposes several major initiatives in this agency to address workload and other issues:                             <ul style="list-style-type: none"> <li>• A significant increase in staffing levels (33.00 FTE)</li> <li>• The funding of career ladders for state staff</li> <li>• An increase of 2% in rates paid to contract attorneys, which is the same as other provider rate increases in other agencies</li> <li>• Costs for death penalty cases</li> </ul> </li> <li>◆ The Governor proposes adding FTE for the following purposes:                             <ul style="list-style-type: none"> <li>• Make permanent 10.00 FTE modified positions funded in the 2013 biennium with funds to address caseload growth seen during the 2011 Legislative Session</li> <li>• Add 15.00 FTE to address recent caseload growth</li> <li>• Add 2.00 FTE crime investigators to address caseload growth</li> <li>• Add 3.00 FTE to shift caseloads from managing attorneys to free up time for management duties</li> <li>• Add 2.50 FTE to address caseload growth in conflict cases</li> <li>• Add 1.00 FTE to account for court assessments on defendants for reimbursement for services</li> </ul> </li> </ul>	

Major LFD Issues
◆ A portion of the funding to add FTE is one time only

**Program Narrative**

This program includes a number of proposed additions to address various challenges of the office. The proposals are discussed in detail in the following narrative, while the Summary section of this agency’s narrative discusses the challenges and the executive’s proposed response in total.

**Funding**

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

Total Office Of The Public Defender Funding by Source of Authority 2015 Biennium Budget - Office Of Public Defender							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$50,689,444	\$0	\$0	\$50,689,444	98.9%		
State Special Total	\$555,193	\$0	\$0	\$555,193	1.1%		
02250 Court Ordered Sentencing Costs	\$555,193	\$0	\$0	\$555,193	1.1%		
Total All Funds	\$51,244,637	\$0	\$0	\$51,244,637	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

The Office of the Public Defender is funded primarily from the general fund. A small amount of state special revenue from collection of reimbursement for services also supports the program.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	21,436,634	21,436,634	42,873,268	84.58%	21,536,592	21,536,592	43,073,184	84.05%
Statewide PL Adjustments	(416,916)	(469,267)	(886,183)	(1.75%)	(416,916)	(469,267)	(886,183)	(1.73%)
Other PL Adjustments	4,109,400	4,246,086	8,355,486	16.48%	4,289,176	4,421,587	8,710,763	17.00%
New Proposals	117,880	228,993	346,873	0.68%	117,880	228,993	346,873	0.68%
<b>Total Budget</b>	<b>\$25,246,998</b>	<b>\$25,442,446</b>	<b>\$50,689,444</b>		<b>\$25,526,732</b>	<b>\$25,717,905</b>	<b>\$51,244,637</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2014-----					-----Fiscal 2015-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				(50,950)					(53,969)
Vacancy Savings				(514,908)					(514,789)
Inflation/Deflation				31,011					35,833
Fixed Costs				117,931					63,658
<b>Total Statewide Present Law Adjustments</b>									
	<b>(\$416,916)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$416,916)</b>		<b>(\$469,267)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$469,267)</b>
DP 1 - Support Workload - FTE									
15.00	1,117,846	0	0	1,117,846	15.00	1,061,135	0	0	1,061,135
DP 2 - Computers/Servers/Printers (OTO)									
0.00	88,689	0	0	88,689	0.00	84,713	0	0	84,713
DP 4 - Conflict Coordinator									
2.50	210,826	0	0	210,826	2.50	188,227	0	0	188,227
DP 5 - Managers' Caseloads									
3.00	272,373	0	0	272,373	3.00	260,947	0	0	260,947
DP 6 - Investigative Staff to Support Workload									
2.00	41,948	100,000	0	141,948	2.00	34,399	100,000	0	134,399
DP 7 - Accounts Receivable Support									
1.00	0	42,363	0	42,363	1.00	0	38,138	0	38,138
DP 9 - Capital Case Defense - OTO/RST/BIEN									
0.00	500,000	0	0	500,000	0.00	500,000	0	0	500,000
DP 13 - Fund Career Ladder									
0.00	1,230,951	0	0	1,230,951	0.00	1,470,849	0	0	1,470,849
DP 15 - Support Workload - Modified FTE									
10.00	646,767	37,413	0	684,180	10.00	645,816	37,363	0	683,179
<b>Total Other Present Law Adjustments</b>									
<b>33.50</b>	<b>\$4,109,400</b>	<b>\$179,776</b>	<b>\$0</b>	<b>\$4,289,176</b>	<b>33.50</b>	<b>\$4,246,086</b>	<b>\$175,501</b>	<b>\$0</b>	<b>\$4,421,587</b>
<b>Grand Total All Present Law Adjustments</b>									
<b>33.50</b>	<b>\$3,692,484</b>	<b>\$179,776</b>	<b>\$0</b>	<b>\$3,872,260</b>	<b>33.50</b>	<b>\$3,776,819</b>	<b>\$175,501</b>	<b>\$0</b>	<b>\$3,952,320</b>

DP 1 - Support Workload - FTE - The executive requests general fund to fund personal services and operating costs for the addition of 15.00 FTE to address workload issues. The funding would add 10.00 FTE attorneys and 5.00 FTE legal secretaries.

**LFD COMMENT** The request provides staffing levels to address situations where attorney workloads have or are projected to exceed case weighting system levels of 150 units established to ensure effective assistance of counsel. Attorneys would be assigned as needed to address the regions with the largest occurrences where caseloads exceed the 150 unit threshold. Administrative support positions would support existing and new attorneys. For further information on the case weighting system see the narrative in the agency discussion of the agency summary.

**LFD ISSUE** Staff Outfitting Costs are One-Time  
 FY 2014 funding includes \$55,125 in outfitting costs that are not ongoing to purchase computer equipment and software licenses, desks, and other office items for the new positions. The legislature may wish to designate this amount as one-time-only.

DP 2 - Computers/Servers/Printers (OTO) - The executive requests general fund to replace computers, servers, printers, and copiers according to a five-year replacement schedule. The executive recommends designating funding for this request as one time only.

**LFD  
COMMENT**

The 2011 Legislature appropriated \$600,000 to fund contracted services, or replacement of computers, servers, or copiers. The base includes expenditures of \$111,400 for various equipment purchases from this one-time appropriation.

DP 4 - Conflict Coordinator - The executive requests general fund to fund operating costs and personal services for the addition of 2.50 FTE. The funding would increase an existing position from 0.50 FTE to 1.00 FTE for the existing conflict manager lawyer position. It would also add 1.00 FTE lawyer for an additional conflict manager and 1.00 FTE legal secretary to assist in administering conflict cases.

**LFD  
ISSUE**Staff Outfitting Costs are One-Time

FY 2014 funding includes \$7,350 in outfitting costs that are not ongoing to purchase computer equipment and software licenses, desks, and other office items for the new positions. The legislature may wish to designate this amount as one-time-only.

DP 5 - Managers' Caseloads - The executive requests general fund to fund operating costs and personal services for the addition of 3.00 FTE. The funding would be used to add attorneys to work a portion of the cases currently being done by staff responsible for managing others and would free up time for administrative and managerial duties.

**LFD  
COMMENT**

The Public Defender Commission has established a policy that sets caseload limits for managers, either regional managers or managing attorneys. The request for funding to add 3.00 FTE would move the office halfway to complying with the policy established by the commission. The policy establishes caseload limits for regional managers that are different based on demographics of the region. It also establishes caseload limits for managing attorneys in four offices that are based on the demographics of that office. On average regional managers would be limited by the policy to spending 50% of their time working cases and the remainder performing management duties. For managing attorneys, the caseload would be limited to 69% of the manager's time.

**LFD  
ISSUE**Staff Outfitting Costs are One-Time

FY 2014 funding includes \$11,025 in outfitting costs that are not ongoing to purchase computer equipment and software licenses, desks, and other office items for the new positions. The legislature may wish to designate this amount as one-time-only.

DP 6 - Investigative Staff to Support Workload - The executive requests general fund (30%) and state special revenue from court assessed fees on defendants served (70%) to fund operating costs and personal services for the addition of 2.00 FTE to address workload issues. The funding would be used to add two criminal investigator positions used in most felony cases and some misdemeanor cases to interview witnesses, seek out potential witnesses, identify and collect physical evidence, visit and inspect crime scenes, and prepare reports for use by the public defender's office.

**LFD  
ISSUE**Staff Outfitting Costs are One-Time

FY 2014 funding includes \$7,350 in outfitting costs that are not ongoing to purchase computer equipment and software licenses, desks, and other office items for the new positions. The legislature may wish to designate this amount as one-time-only.

DP 7 - Accounts Receivable Support - The executive requests state special revenue to fund operating costs and personal services for the addition of 1.00 FTE to provide accounting and reporting for the funds collected through fees assessed to clients by various courts.

**LFD COMMENT** Montana law has established a structure under which a court would require a convicted defendant to pay for the cost of counsel assigned to represent the defendant. Since FY 2007, both the number of individuals owing assessments and the cumulative amount of the assessments owed to the office has grown from \$41,000 in assessments owed by 73 individuals to nearly \$1.3 million owed by 4,109 individuals. It is the accounting for these assessments the position of this request would assist.

**LFD ISSUE** Staff Outfitting Costs are One-Time  
FY 2014 funding includes \$4,175 in outfitting costs that are not ongoing to purchase computer equipment and software licenses, desks, and other office items for the new positions. The legislature may wish to designate this amount as one-time-only.

DP 9 - Capital Case Defense - OTO/RST/BIEN - The executive requests general fund to fund costs associated with death penalty cases. The executive recommends designating the funding for this request as one-time-only, restricted to fund defense costs on death penalty cases or cases that are likely to be a death penalty case, and biennial.

**LFD COMMENT** The 2011 Legislature appropriated \$900,000 to fund death penalty costs for the 2013 biennium. The funding was designated as one-time-only, restricted to fund death penalty costs, and biennial. Language was also provided that allowed the agency to use unexpended funds that remained after September 1, 2012 for any purpose consistent with the mission of the agency. As of November 30, 2012, \$102,037 remained unexpended and the office is working on two active death penalty cases and beginning to pursue work on one other case that has aggravating circumstances that would qualify it as a death penalty case. Funding for an anticipated overrun in death penalty defense costs has been included in the supplemental appropriations bill as currently requested by the Governor.

DP 13 - Fund Career Ladder - The executive requests general fund to fund adjustments to the career ladder for unionized attorneys. The career ladder provides incremental competency pay adjustments under a negotiated pay schedule for employees as they achieve certain educational and experiential milestones. The adjustment is based on a 2012 market survey and adjusts the midpoint of the career ladder to the survey midpoint.

**LFD COMMENT** For further information on the career ladder see the narrative in the agency discussion of the agency summary.

DP 15 - Support Workload - Modified FTE - The executive requests general fund and state special revenue to fund operating costs and personal services for the addition of 10.00 FTE to address caseload growth.

**LFD  
COMMENT**

The 2011 Legislature appropriated \$3.0 million for the 2013 biennium to: 1) fund the addition of 8.00 FTE attorneys to address caseload growth being experienced by the agency; and 2) fund costs to hire contract attorneys to assist in addressing the caseload growth. During the interim, the agency experienced difficulties finding private attorneys willing to contract with them in several regions of the state. To address the caseload growth the agency sought and obtained approval from the Governor to hire modified FTE in place of contract attorneys. This request is to fund the modified FTE on an ongoing basis.

The Legislative Finance Committee monitored the use of the \$3.0 million during the interim. Reports presented to the committee identified the difficulty the agency was having hiring contract attorneys and the use of modified FTE to address caseload demands. The committee made no recommendations in association with its monitoring of these funds. For further information and to view the report presented to the committee see the June 2012 committee meeting reports at: <http://leg.mt.gov/css/fiscal/reports/2011-2012-interim-reports.asp#june2012>.

**New Proposals**

Program	FTE	Fiscal 2014				Fiscal 2015				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 12 - Increase Contract Attorney Rates										
01	0.00	111,113	0	0	111,113	0.00	222,226	0	0	222,226
DP 6101 - Professional Development Center Fee Allocation										
01	0.00	6,767	0	0	6,767	0.00	6,767	0	0	6,767
<b>Total</b>	<b>0.00</b>	<b>\$117,880</b>	<b>\$0</b>	<b>\$0</b>	<b>\$117,880</b>	<b>0.00</b>	<b>\$228,993</b>	<b>\$0</b>	<b>\$0</b>	<b>\$228,993</b>

DP 12 - Increase Contract Attorney Rates - The executive requests general fund to fund an increase in the hourly rate paid to contracted attorneys by 2% in FY 2014 and an additional 2% in FY 2015. The funding would increase the hourly rate from \$60.00 to \$61.20 in FY 2014 and \$62.42 in FY 2015.

**LFD  
ISSUE**

Little Impact on Rate Paid to Contract Attorneys

For further information on contract rates see the narrative in the agency discussion of the agency summary.

DP 6101 - Professional Development Center Fee Allocation - The executive requests an increase for training services purchased from the Professional Development Center (PDC) of the Department of Administration. This request reflects the difference between the amount paid in the base for PDC services and a fixed cost allocation based on agency FTE counts. Starting in the 2015 biennium and beyond, the executive recommends funding the PDC as a fixed cost item. For a further discussion, see the narrative for the Department of Administration.



**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	10.00	10.00	13.50	13.50	10.00	13.50	3.50	35.00%
Personal Services	719,771	659,110	1,019,820	1,040,112	1,378,881	2,059,932	681,051	49.39%
Operating Expenses	421,494	364,270	439,066	430,495	785,764	869,561	83,797	10.66%
<b>Total Costs</b>	<b>\$1,141,265</b>	<b>\$1,023,380</b>	<b>\$1,458,886</b>	<b>\$1,470,607</b>	<b>\$2,164,645</b>	<b>\$2,929,493</b>	<b>\$764,848</b>	<b>35.33%</b>
General Fund	1,141,265	1,023,380	1,458,886	1,470,607	2,164,645	2,929,493	764,848	35.33%
<b>Total Funds</b>	<b>\$1,141,265</b>	<b>\$1,023,380</b>	<b>\$1,458,886</b>	<b>\$1,470,607</b>	<b>\$2,164,645</b>	<b>\$2,929,493</b>	<b>\$764,848</b>	<b>35.33%</b>

**Program Description**

The Appellate Defender Program provides appeal services for indigent citizens.

**Program Highlights**

<b>Office of Appellate Defender Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ Major factors contributing to the proposed funding increases are requests to:                             <ul style="list-style-type: none"> <li>● Add 3.50 FTE</li> <li>● Fund career ladders</li> <li>● Provide a 2% increase in rates paid to contract attorneys</li> </ul> </li> <li>◆ The Governor proposes adding FTE for the following purposes:                             <ul style="list-style-type: none"> <li>● Make permanent 1.00 FTE modified position funded in the 2013 biennium with funds to address caseload growth seen during the 2011 Legislative Session</li> <li>● Add 2.00 FTE to address recent caseload growth</li> <li>● Add 0.50 FTE to shift caseloads from the chief appellate defender to free up time for management duties</li> </ul> </li> </ul>
<b>Major LFD Issues</b>
<ul style="list-style-type: none"> <li>◆ A portion of the funding to add FTE is one-time-only</li> </ul>

**Program Narrative**

This program includes a number of proposed additions to address various challenges of the office. The proposals are discussed in detail in the following narrative, while the Summary section of this agency’s narrative discusses the challenges and the executive’s proposed response in total.

**Funding**

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

Total Office Of The Public Defender Funding by Source of Authority 2015 Biennium Budget - Office Of Appellate Defender							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
<b>General Fund</b>	<b>\$2,929,493</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,929,493</b>	100.0%		
<b>Total All Funds</b>	<b>\$2,929,493</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,929,493</b>	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

The Appellate Defender Program is supported entirely by the general fund.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	1,141,265	1,141,265	2,282,530	77.92%	1,141,265	1,141,265	2,282,530	77.92%
Statewide PL Adjustments	(39,799)	(39,998)	(79,797)	(2.72%)	(39,799)	(39,998)	(79,797)	(2.72%)
Other PL Adjustments	355,097	364,694	719,791	24.57%	355,097	364,694	719,791	24.57%
New Proposals	2,323	4,646	6,969	0.24%	2,323	4,646	6,969	0.24%
<b>Total Budget</b>	<b>\$1,458,886</b>	<b>\$1,470,607</b>	<b>\$2,929,493</b>		<b>\$1,458,886</b>	<b>\$1,470,607</b>	<b>\$2,929,493</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(11,637)					(11,982)
Vacancy Savings					(28,326)					(28,311)
Inflation/Deflation					164					295
<b>Total Statewide Present Law Adjustments</b>		<b>(\$39,799)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$39,799)</b>		<b>(\$39,998)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$39,998)</b>
DP 3 - Support Workload	2.00	132,778	0	0	132,778	2.00	125,246	0	0	125,246
DP 11 - Managers' Caseloads	0.50	56,005	0	0	56,005	0.50	52,197	0	0	52,197
DP 17 - Fund Career Ladder	0.00	79,198	0	0	79,198	0.00	100,268	0	0	100,268
DP 18 - Support Workload - Modified FTE	1.00	87,116	0	0	87,116	1.00	86,983	0	0	86,983
<b>Total Other Present Law Adjustments</b>	<b>3.50</b>	<b>\$355,097</b>	<b>\$0</b>	<b>\$0</b>	<b>\$355,097</b>	<b>3.50</b>	<b>\$364,694</b>	<b>\$0</b>	<b>\$0</b>	<b>\$364,694</b>
<b>Grand Total All Present Law Adjustments</b>	<b>3.50</b>	<b>\$315,298</b>	<b>\$0</b>	<b>\$0</b>	<b>\$315,298</b>	<b>3.50</b>	<b>\$324,696</b>	<b>\$0</b>	<b>\$0</b>	<b>\$324,696</b>

DP 3 - Support Workload - The executive requests general fund to fund operating costs and personal services for the addition of 2.00 FTE to address increased caseloads. Funding would add 1.00 FTE attorney and 1.00 FTE legal secretary.

LFD  
ISSUE

Appeals Caseload Increase

During FY 2012, the office experienced a 17% increase in direct appeals over previous years and the office does not expect this trend to go down in the future. The following table shows the number of new appeals cases and the yearend balance of open appeals cases in the Office of Appellate Defender from FY 2007 through FY 2012. The table shows that not only has the number of new cases increased most years, but the cumulative number of cases the office has open at yearend has grown each year. Although some of the open cases may have little activity, they are still unresolved and impact workload whenever they become active.

Appellate Defender New Appeal Cases and Yearend Open Appeal Cases						
Item	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
New Appeal Cases	185	187	197	170	186	218
Yearend Appeal Open Cases	45	47	58	161	250	354

The agency attributes the abnormal growth in new cases from FY 2011 to FY 2012 to a direct fallout of the double digit growth in cases the Office of Public Defender is experiencing and a maturing agency where, through experience, attorneys are more aware of issues to be raised on appeal that may not have been raised in the past. Although the yearend appeal open case numbers were provided by the office, the recently hired chief appellate defender is questioning the validity of the open case numbers and has initiated a review of open cases. No explanation can be given for the growth shown on the figure.

*Legislative Options*

The legislature may want to discuss with the chief appellate defender how cases are tracked and monitored. Further, the legislature may want to discuss how the funding requests associated with new FTE would address caseloads and case monitoring.

LFD  
ISSUE

Staff Outfitting Costs are One Time

FY 2014 funding includes \$7,350 in outfitting costs that are not ongoing to purchase computer equipment and software licenses, desks, and other office items for the new positions. The legislature may wish to designate this amount as one-time-only.

DP 11 - Managers' Caseloads - The executive requests general fund to fund operating costs and personal services for the addition of 0.50 FTE attorney to work a portion of the cases currently being done by the chief appellate defender to free up time for administrative and managerial duties.

LFD  
COMMENT

The request would allow the chief appellate defender to dedicate half of his or her time to administration and managerial duties and bring the chief appellate defender into parity with the a regional manager in Public Defender's Office. Unlike for the Public Defender's Office the commission has not established a policy to limit the caseload of the chief appellate defender.

LFD  
ISSUE

Staff Outfitting Costs are One Time

FY 2014 funding includes \$3,675 in outfitting costs that are not ongoing to purchase computer equipment and software licenses, desks, and other office items for the new positions. The legislature may wish to designate this amount as one-time-only.

DP 17 - Fund Career Ladder - The executive requests general fund to fund a career ladder for non-unionized attorneys. The career ladder provides incremental competency pay adjustments under a pay schedule for employees as they achieve certain educational and experiential milestones. The adjustment is based on a 2012 market survey and adjusts the midpoint of the career ladder to the survey midpoint less 5%.

**LFD COMMENT** For further information on the career ladder see the narrative in the agency discussion of the agency summary.

DP 18 - Support Workload - Modified FTE - The executive requests general fund to fund operating costs and personal services for the addition of 1.00 FTE to address caseload growth.

**LFD COMMENT** Base Funding and Interim Monitoring  
2013 Biennium Funding  
 This position is part of the \$3.0 million appropriated by the 2011 Legislature for the 2013 biennium to: 1) fund the addition of 8.00 FTE attorneys to address caseload growth being experienced by the agency; and 2) fund costs to hire contract attorneys to assist in addressing the caseload growth. During the interim, the agency experienced difficulties finding private attorneys willing to contract with them in several regions of the state. To address the caseload growth the agency sought and obtained approval from the Governor to hire modified FTE in place of contract attorneys. A 1.00 FTE modified position was funded in the Office of Appellate Defender. This request is to fund the modify FTE on an ongoing basis.

Interim Monitoring  
 The Legislative Finance Committee monitored the use of the \$3.0 million during the interim. Reports presented to the committee identified the difficulty the agency was having hiring contract attorneys and the use of modified FTE to address caseload demands. The committee made no recommendations in association with its monitoring of these funds. For further information and to view the report presented to the committee see the June 2012 committee meeting reports at: <http://leg.mt.gov/css/fiscal/reports/2011-2012-interim-reports.asp#june2012>.

**New Proposals**

Program	FTE	Fiscal 2014				Fiscal 2015				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 10 - Increase Contract Attorney Rates										
02	0.00	2,323	0	0	2,323	0.00	4,646	0	0	4,646
<b>Total</b>	<b>0.00</b>	<b>\$2,323</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,323</b>	<b>0.00</b>	<b>\$4,646</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,646</b>

DP 10 - Increase Contract Attorney Rates - The executive requests general fund to fund an increase in the hourly rate paid to contracted attorneys by 2% in FY 2014 and an additional 2% in FY 2015. The funding would increase the hourly rate from \$60.00 to \$61.20 in FY 2014 and \$62.42 in FY 2015.

**LFD ISSUE** Little Impact on Rate Paid to Contract Attorneys  
 For further information on contract attorney rates see the narrative in the agency discussion of the agency summary.

Total Office Of The Public Defender Funding by Source of Authority 2015 Biennium Budget						
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	\$52,984,731	\$0	\$0	\$52,984,731	99.0%	
State Special Total	\$555,193	\$0	\$0	\$555,193	1.0%	
02250 Court Ordered Sentencing Costs	\$555,193	\$0	\$0	\$555,193	1.0%	
Total All Funds	\$53,539,924	\$0	\$0	\$53,539,924	100.0%	
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>			

## 5% Base Budget Reduction Form

[17-7-111-3\(f\)](#)

**AGENCY CODE & NAME: 61080/Office of the State Public Defender**

		Minimum Requirement	
		General Fund	State Special Revenue Fund
<b>TARGETED REDUCTION TO EQUAL 5% OF CURRENT BASE BUDGET</b>		\$ 1,127,342	\$ 5,000
Priority	SERVICE(S) TO BE ELIMINATED OR REDUCED	General Fund Annual Savings	State Special Revenue Annual Savings
1	Reduce Contract Attorney Services	\$ 563,671	
2	Eliminate FTE	\$ 563,671	
3	Reduce Records Management		\$ 5,000
4			
5			
6			
7			
8			
9			
10			
11			
	<b>TOTAL SAVINGS</b>	\$ 1,127,342	\$ 5,000
	<b>DIFFERENCE</b>	0	0

## 5% Base Budget Reduction Form

**AGENCY CODE & NAME: 61080/Office of the State Public Defender**

**#1**

**BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION: Reduce contract attorney costs by \$563,671. The agency would move contract attorney cases into its offices to be served by existing FTE.**

**#2 THE SAVINGS THAT ARE EXPECTED: \$563,671**

#3

**THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:** Agency FTE are already feeling the stress of the growth rate in caseloads per year and this action would compound that stress by bringing more cases into offices. The agency may see hired attorneys exit the system as a result of unreasonable caseload requirements. The agency may see law suits to limit caseloads to a level prescribed by the agency's standards of legal practices and the American Bar Association.

#4 **HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**#5 **WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:** Yes Title 47

## 5% Base Budget Reduction Form

**AGENCY CODE & NAME:** 61080/Office of the State Public Defender

#1

**BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:** The Agency would reduce approximately 4% of its previously approved FTE. This would be approximately 8.5 FTE.

#2 **THE SAVINGS THAT ARE EXPECTED:** \$563,671

#3

**THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:** To meet the requirements of this reduction by program, the Agency's internal attorneys' caseloads would increase. Once the capacity of the internal attorneys has reached its limit, the Agency would delay future intake of new cases. This would result in longer stays in jail or juvenile detention. It also may impact the right to a speedy trial. There would be greater county costs for people being held at Warm Springs or in hospitals in mental health commitments.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED: The Legislature could consider removing the jail time as a penalty from certain crimes. Otherwise, there is little the agency could do to mitigate impacts from the loss of this funding and FTE.**

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO: YES - Title 47**

## **5% Base Budget Reduction Form**

**AGENCY CODE & NAME: 61080/Office of the State Public Defender**

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION: Records Management**

**#2 THE SAVINGS THAT ARE EXPECTED: \$5,000**

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION: This reduction would impede the agency's ability to manage its records.**

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO: Yes MCA 2-6-201 and MCA 2-6-213(6)**



Office of the State Public Defender  
**PROGRAM 1**  
**GOALS, OBJECTIVES, AND ACTION ITEMS**

GOAL 1: Maintain and improve a statewide public defender system to provide effective assistance of counsel to indigent criminal defendants and other persons in civil cases who are entitled by law to assistance of counsel at public expense.

GOAL 2: Ensure that the system is free from undue political interference and conflicts of interest.

GOAL 3: Ensure that the public defender services are delivered by qualified and competent counsel in a manner that is fair and consistent throughout the state.

GOAL 4: Ensure that the system utilizes state employees, contracted services, or other methods of providing services in a manner that is responsive to and respectful of regional and community needs and interests.

GOAL 5: Advocate for adequate funding of the statewide public defender system.

GOAL 6: Ensure that clients of the statewide public defender system pay reasonable costs for services provided by the system based on the clients' financial ability to pay.

GOAL 7: Advocate for parity in pay and resources with the prosecution.

GOAL 8: Ensure uniformity and consistency in the administration of the statewide system and the case management program.

---

GOAL 1: Maintain and improve a statewide public defender system to provide effective assistance of counsel to indigent criminal defendants and other persons in civil cases who are entitled by law to assistance of counsel at public expense.

OBJECTIVE: Monitor the existing public defender system to assure that it provides high quality services at a reasonable cost.

ACTION ITEM: Periodically adjust the balance of state employees and contract services to achieve the best result.

ACTION ITEM: Periodically update the agency strategic plans (system and regional) for providing public defender services, including a review of the agency's statutory provisions.

**ACTION ITEM:** Develop, monitor and adjust information systems, processes, and policies and procedures as necessary to assure accurate and verifiable information is available to manage the agency, including but not limited to caseloads, case dispositions, attorney workload, and other operational information.

**ACTION ITEM:** Develop measures that allow for the periodic review of operations to verify that agency personnel are accurately implementing standards, policies, and procedures.

**ACTION ITEM:** Develop a plan to deal with case overloads that may include refusing cases from entering the system to assure high quality of services.

---

**GOAL 2:** Ensure that the system is free from undue political interference and conflicts of interest.

**OBJECTIVE:** Guarantee the integrity of the relationship between attorney and client. Take all necessary steps to ensure that the public defender system is not subject to unwarranted judicial supervision.

**ACTION ITEM:** Identify and address interference issues through the Judicial Systems Committee.

---

**GOAL 3:** Ensure that public defender services are delivered by qualified and competent counsel in a manner that is fair and consistent throughout the state.

**OBJECTIVE:** Staff and support the agency's training function.

**ACTION ITEM:** The training coordinator will design annual training programs that best achieve the goals of the agency in consultation with the Chief Public Defender, the Chief Appellate Defender, the Public Defender Commission, and by survey of agency staff and contractors.

**ACTION ITEM:** The training coordinator will provide training to all members of the system including state employees and contract service providers. The training coordinator will solicit feedback and evaluations from attendees to assure that the training provided was effective.

**ACTION ITEM:** The training coordinator will provide training for attorneys representing those with physical or mental disabilities.

**OBJECTIVE:** Develop and monitor FTE evaluations and contractor proficiency determinations.

---

GOAL 4: Ensure that the system utilizes state employees, contracted services, or other methods of providing services in a manner that is responsive to and respectful of regional and community needs and interests.

OBJECTIVE: Assure that the main focus of the agency is to provide the best client service. Assure that service is being provided by monitoring the performance of state employees and contracts with private attorneys.

ACTION ITEM: Continually identify attorneys willing to contract for public defender services.

ACTION ITEM: Agency management will evaluate attorney performance to assure quality of services.

---

GOAL 5: Advocate for adequate funding of the statewide public defender system.

OBJECTIVE: The agency will communicate information related to the caseloads and costs of the public defender system to the Commission, all branches of state government, and other interested parties. .

ACTION ITEM: Budget information will show the accomplishments of attorneys in serving the mission of the agency.

ACTION ITEM: The Commission and the agency will take actions to advocate the value of the agency to others.

---

GOAL 6: Ensure that clients of the statewide public defender system pay reasonable costs for services provided by the system based on the clients' financial ability to pay.

---

GOAL 7: Advocate for parity in pay and resources with the prosecution.

OBJECTIVE: The agency will communicate information related to disparity in pay and resources with prosecutors to the Commission, all branches of state government, and other interested parties.

ACTION ITEM: Continually identify the disparities and work to correct them.

---

GOAL 8: Ensure uniformity and consistency in the administration of the statewide system and the case management program.

Office of the State Public Defender  
**PROGRAM 2**  
**GOALS, OBJECTIVES, AND ACTION ITEMS**

GOAL 1: Maintain and improve a statewide Appellate Defender Office to provide effective assistance of counsel to indigent criminal defendants and other persons in civil cases who are entitled by law to assistance of counsel during the appeals process at public expense.

GOAL 2: Ensure that the statewide Appellate Defender Office is free from undue political interference and conflicts of interest.

GOAL 3: Ensure that Appellate Defender Office services are delivered by qualified and competent appellate counsel.

GOAL 4: Ensure that the system utilizes state employees and contracted services to avoid conflicts of interest and to process appeals in a timely manner.

GOAL 5: Advocate for adequate funding for the statewide Appellate Defender Office.

GOAL 6: Ensure that clients of the statewide Appellate Defender Office pay reasonable costs for services based on the clients' financial ability to pay.

GOAL 7: Advocate for parity in pay and resources with the Attorney General's Office.

GOAL 8: Ensure uniformity and consistency in the administration of the statewide Appellate Defender Office and its case management program.

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GOAL 1: Maintain and improve a statewide Appellate Defender Office to provide effective assistance of counsel to indigent criminal defendants and other persons in civil cases who are entitled by law to assistance of counsel during the appeals process at public expense.

OBJECTIVE: Monitor the existing statewide Appellate Defender Office to ensure it provides high quality services at a reasonable cost.

ACTION ITEM: Periodically adjust the balance of state employees and contract services to achieve the best result.

ACTION ITEM: Periodically update the strategic plan for providing Appellate Defender Office services, including a review of the office's statutory provisions.

**ACTION ITEM:** Develop, monitor and adjust information systems, processes, and policies and procedures as necessary to ensure accurate and verifiable information is available to manage the agency, including but not limited to caseloads, case dispositions, attorney workload, and other operational information.

**ACTION ITEM:** Develop measures that allow for the periodic review of operations to verify that agency personnel are accurately implementing standards, policies, and procedures.

**ACTION ITEM:** Develop a plan to deal with case overloads that may include refusing cases from entering the system to assure high quality of services.

---

**GOAL 2:** Ensure that the statewide Appellate Defender Office is free from undue political interference and conflicts of interest.

**OBJECTIVE:** Guarantee the integrity of the relationship between attorney and client. Take all necessary steps to ensure that the Appellate Defender Office is not subject to unwarranted judicial supervision.

**ACTION ITEM:** Identify and address interference issues through the Judicial Systems Committee.

---

**GOAL 3:** Ensure that Appellate Defender Office services are delivered by qualified and competent appellate counsel.

**OBJECTIVE:** Support the agency's training function.

**ACTION ITEM:** The training coordinator will design annual training programs that best achieve the goals of the statewide Appellate Defender Office, in consultation with the Chief Appellate Defender, the Public Defender Commission, and by survey of agency staff.

**ACTION ITEM:** The training coordinator will include staff and contract appellate attorneys in training to further the understanding of appellate issues for all public defenders. The training coordinator will solicit feedback and evaluations from attendees to assure that the training provided was effective.

---

**GOAL 4:** Ensure that the system utilizes state employees and contracted services to avoid conflicts of interest and to process appeals in a timely manner.

**OBJECTIVE:** Ensure that the main focus of the statewide Appellate Defender Office is to provide the best client service. Ensure that services are being provided by monitoring the performance of state employees and contracts with private attorneys.

**ACTION ITEM:** Continually identify attorneys willing to contract with the statewide Appellate Defender Office.

**ACTION ITEM:** Agency management will evaluate full-time and contract attorney performance to assure quality of services.

---

**GOAL 5:** Advocate for adequate funding for the statewide Appellate Defender Office.

**OBJECTIVE:** The agency will communicate information related to the caseloads and costs of the statewide Appellate Defender Office to the Commission, all branches of state government, and other interested parties.

**ACTION ITEM:** Budget information will show the accomplishments of attorneys in serving the mission of the statewide Appellate Defender Office.

**ACTION ITEM:** The Commission and the statewide Appellate Defender Office will take actions to advocate its value to others.

---

**GOAL 6:** Ensure that clients of the statewide Appellate Defender Office pay reasonable costs for services based on the clients' financial ability to pay.

---

**GOAL 7:** Advocate for parity in pay and resources with the Attorney General's Office.

**OBJECTIVE:** The statewide Appellate Defender Office will communicate information related to disparity in pay and resources to the Commission, all branches of state government, and other interested parties.

**ACTION ITEM:** Continually identify the disparities and work to correct them.

---

**GOAL 8:** Ensure uniformity and consistency in the administration of the statewide Appellate Defender Office and its case management program.

# The Legislative Fiscal Division Presents an Agency Profile of: The Department of Corrections

Contact: Greg DeWitt, Senior Fiscal Analyst

Room 119, State Capitol Building

Phone: 444-5392

E-mail: [gcdewitt@mt.gov](mailto:gcdewitt@mt.gov)

Updated December 2012

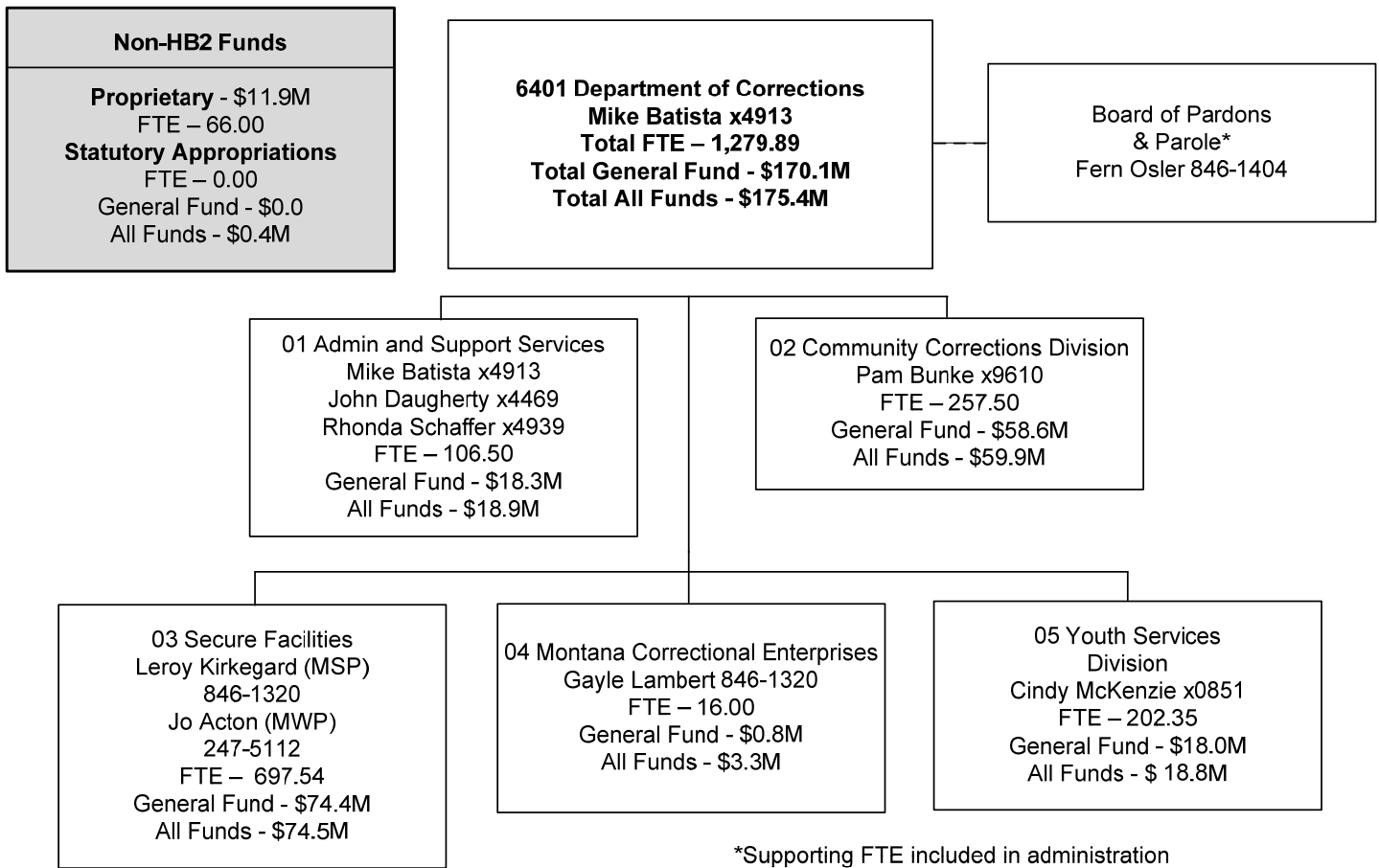
Definition of Terms

## 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 five programs are:

- Administration and support services including the Director's Office, Staff Services Division, Information Technology Division, Administrative Services Division, and the administratively attached Board of Pardons and Parole.
- Community Corrections Division including division administration; Treasure State Correctional Treatment Center (TSCTC); contracted pre-release centers, probation and parole; DUI Unit (Warm Springs Addictions Treatment and Change Program (WATCh)); Elkhorn and Nexus methamphetamine treatment centers, Missoula Assessment and Sanction Center (MASC); and the Sanction, Treatment, Assessment, Revocation, and Transition Center (START)
- Secure Custody including Montana State Prison (MSP), Montana Women's Prison (MWP), contract beds including regional prisons in Great Falls and Glendive, and a privately operated prison (Crossroads Correctional Center) in Shelby
- Montana Correctional Enterprises (MCE) including agriculture, ranching, industries, vocational education, food factory, license plate factory, fire crew, lumber processing, and inmate canteen
- Youth Services Division including statewide juvenile community corrections functions, Riverside Youth Correctional Facility, the Transition Center, and Pine Hills Youth Correctional Facility

On the following page is an organizational chart of the agency including full time-equivalent (FTE) numbers, general fund appropriations, statutory appropriations, proprietary funds, and total funds. Unless otherwise noted, all phone extensions are preceded by (406) 444



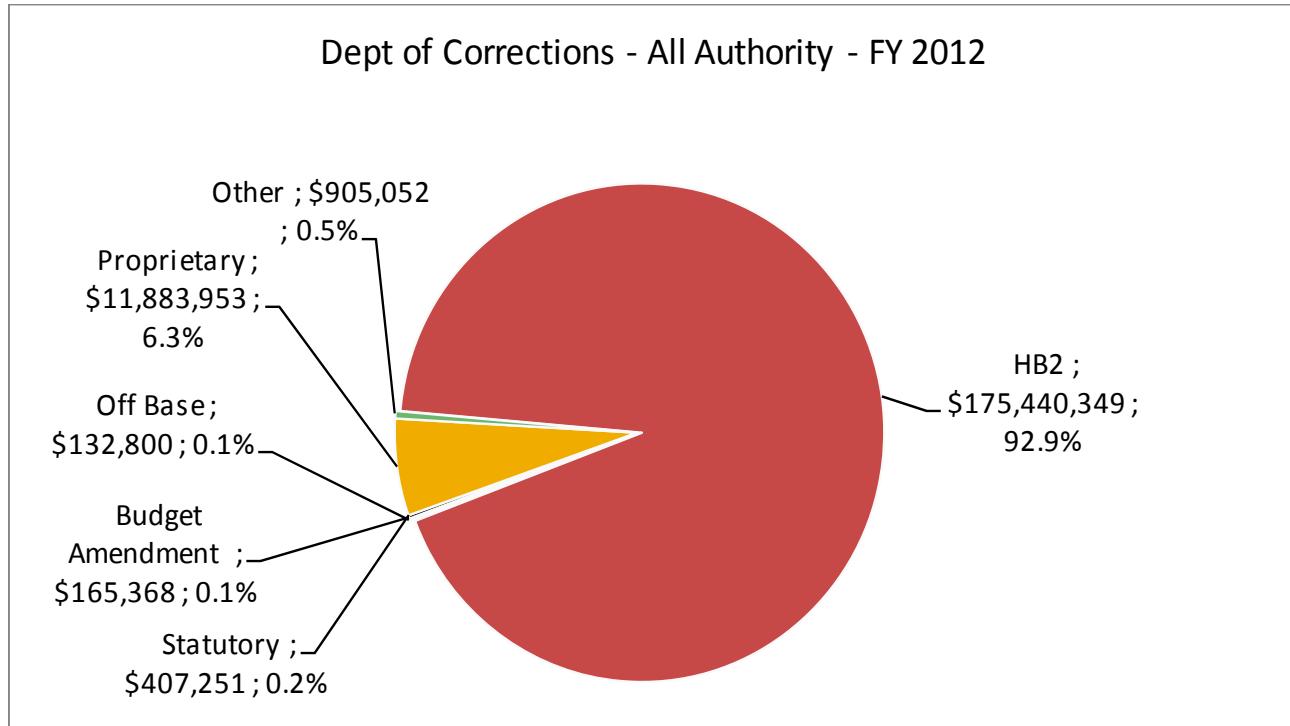
## How Services are Provided

Services are provided through the following:

- Housing and attending to adult or youth offenders in Secure care facilities either owned and operated by the state or under contract with a private or local government entity that owns and operates the facility under contract with the state. Examples of state facilities for adults are the Montana State Prison and the Montana Women’s Prison. Examples of state facilities for youth are Pine Hills Youth Correctional Center or Riverside Youth Correctional Center
- Contracting with private not-for-profit entities for treatment and supervision in a treatment or community-based setting such as pre-release centers, transitional living centers, methamphetamine or alcohol treatment facilities
- Supervision adult offenders on probation or parole or youth on parole with state FTE probation and parole officers
- Providing job skills and training for offenders via a vocational education placement operated by state FTE. Examples of vocational education includes the prison ranch and dairy, prison license plate factory, prison furniture and upholstery factory
- Providing a military style program for addressing criminality and behavioral issues in younger adult offenders



## Sources of Spending Authority

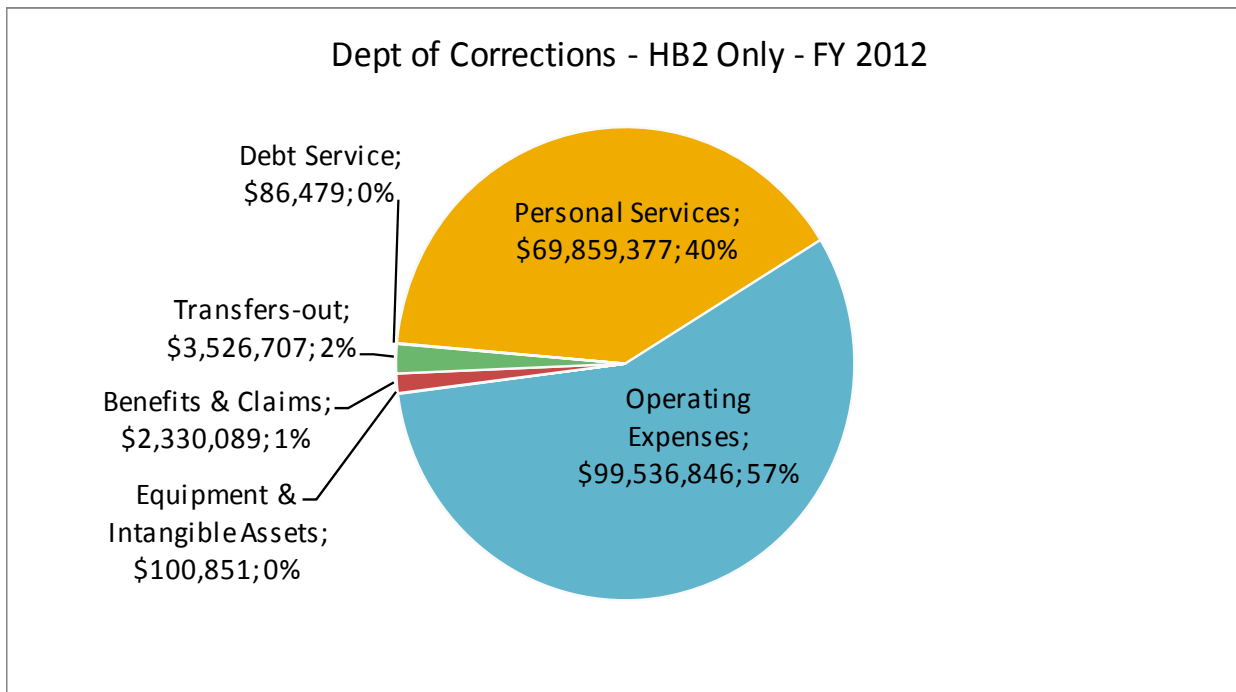


The above chart shows the sources of authority for the department. The accounting term “off base” refers to one-time-only spending and non-budgeted items like inventory adjustments. Other legislative appropriations (sometimes called cat and dog bills) are included in the above categories as appropriate. For a more detailed description of accounting terminology, please refer to the definition of terms.

# Expenditures

The next chart explains how the HB2 authority is spent. Operating expenses makes up the largest expenditure with the major operating expenses for:

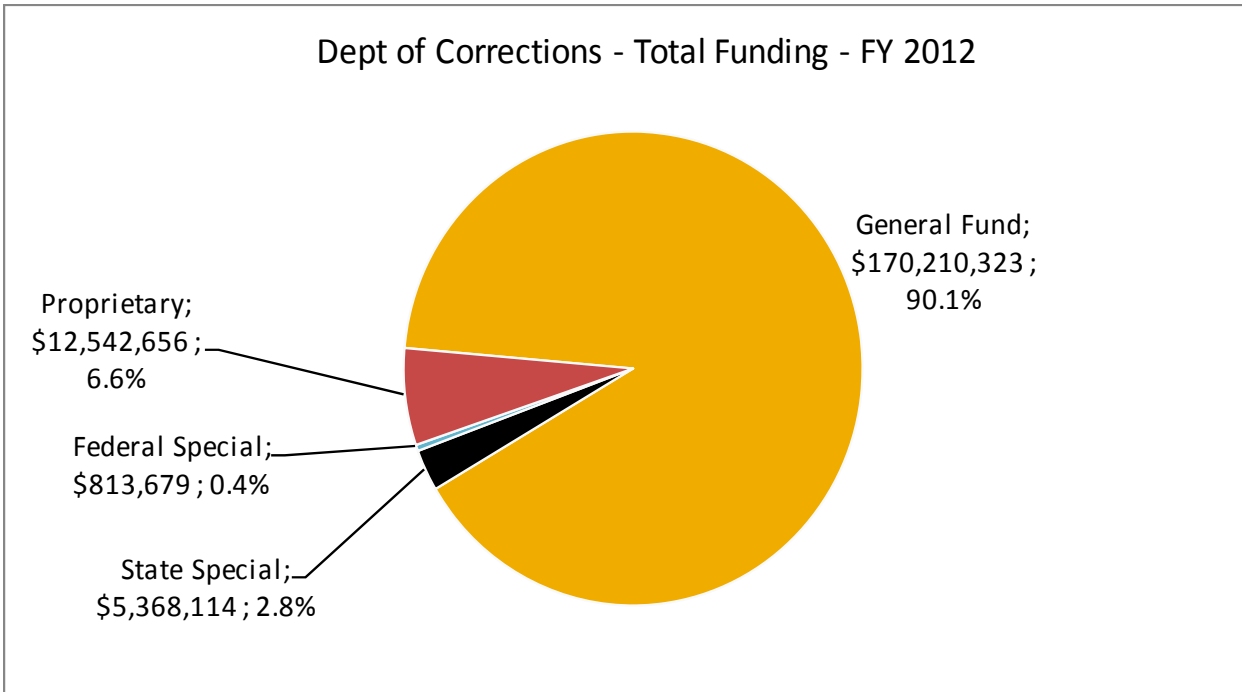
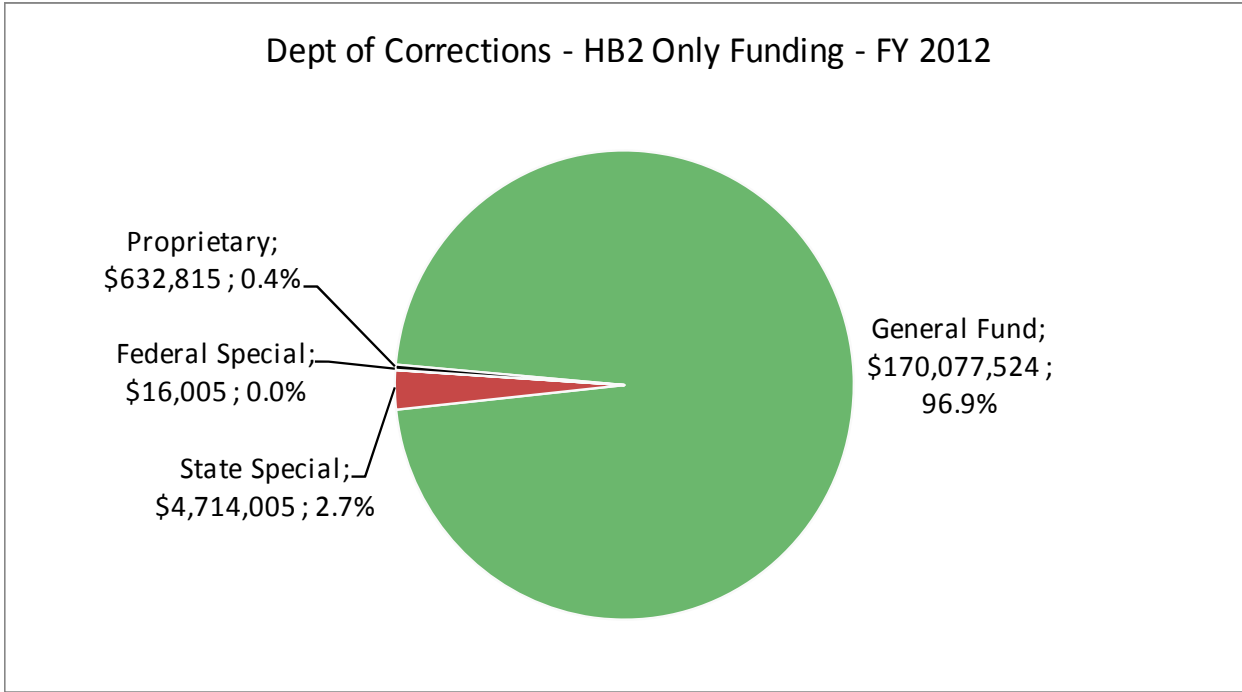
- Per diem rates paid for contracted beds, \$64.0 million
- Medical services, \$7.7 million
- Food related costs, \$5.5 million,
- Drugs, \$2.5 million
- Utilities, \$1.9 million.



This chart matches the agency chart found in the 2015 Budget Analysis. Some minor discrepancies may occur as a result of rounding.

# Funding

The following charts show the agency's HB2 funding authority by fund type and all sources of its total funding authority.



## How the 2013 Legislature Can Effect Change

In order to change expenditure levels and/or agency activity, the legislature must address one or more of the following basic elements that drive costs.

If the legislature wishes to affect correctional expenditures at the state level in significant ways, it must address the number of offenders and/or the cost to provide services. The legislature might impact these items by:

- Changing criminal statutes, including what offenses are considered a felony and the length and type of sentence imposed upon individuals guilty of committing a criminal act
- Reducing the costs of current services and incarceration options and/or pursuing the development of new options that may be less costly. In such cases, it is important to determine how “less costly” is defined or determined. Less costly may be cost per day, cost per offender for the course of treatment or incarceration, or cost over a longer time period and measured in terms of future impact on the correctional system and society

### Major Cost Drivers

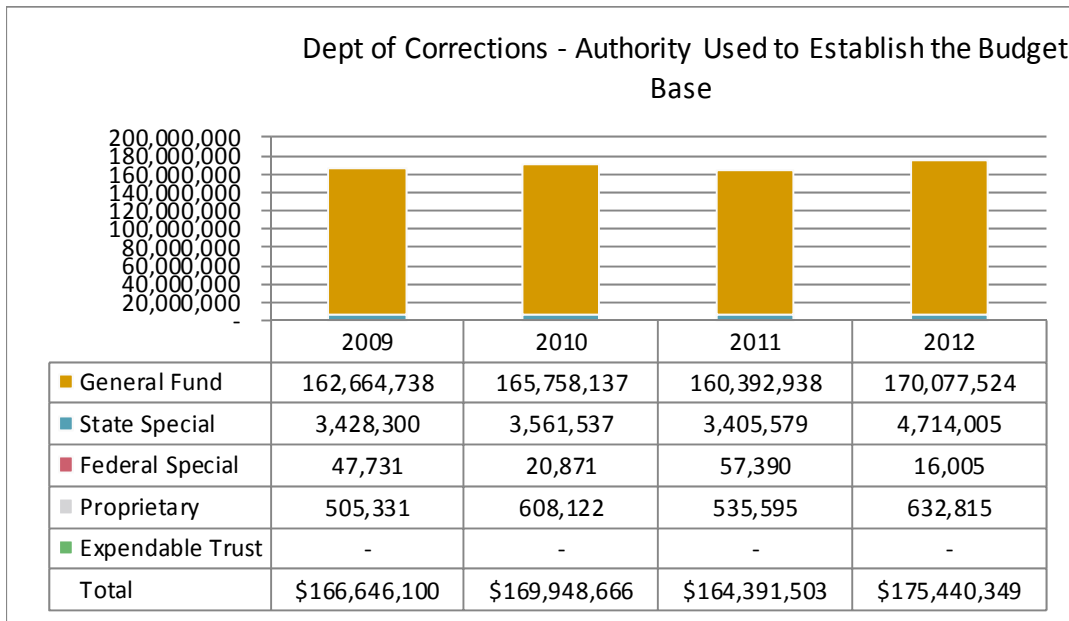
Driver	FY 2003	FY 2012	Significance of Data
ADP male secure facilities	1,949	2,343	Growth in ADP
ADP female secure facilities	144	203	Growth in ADP
ADP probation and parole	6,829	8,512	Growth in ADP
ADP Pine Hills (juvenile males)	107	64	Youth ADP is declining
ADP Riverside (juvenile females)	13	12	Youth ADP is declining
Number of offenders supervised - adults	14,420	17,531	Growth in people supervised by the department
Number of offenders supervised - juveniles	309	225	Youth being supervised are declining
Average age of male inmates	38.2	40.1	Older inmates typically means more in medical costs
Percent of male inmates 55 years of age or older	9.9%	14.8%	Older tier of inmates are growing as a percentage of populations
Average age of female inmates	36.6	37.0	Older inmates typically means more in medical costs
Percent of female inmates 55 years of age or older	4.2%	7.2%	Older tier of inmates are growing as a percentage of populations
Average length of stay for male inmates (months)	46.0	23.4	Offenders are moving more quickly to the communities
Average length of stay for female inmates (months)	22.3	17.5	Offenders are moving more quickly to the communities
Number of FTE	1,087	1,280	More staff means higher personal services costs
Total medical/dental/treatment expenditures	\$17.7 million	\$21.0 million	As inmates age the medical costs increase
ADP is average daily population			

The table above provides some cost drivers that can indirectly impact the operating costs of the department.

## Funding/Expenditure History

The following figure shows how expenditures in HB 2 have been funded for the period from FY 2009 through FY 2012. Over the period, growth in expenditures is directly related to the growth in average daily populations ADP. Significant drivers of the growth in expenditures are:

- 25% increase in drug costs from FY 2010 to FY 2011 with a 4% increase from FY 2011 to FY 2012
- Average annual increases of 4% for per diem paid on contracted beds
- Average annual increases of 22% in medical services



## Major Legislative Changes in the Last Ten Years

The following legislation impacts the department by adding imprisonment in sentencing:

- SB 547 in the 2007 Legislative Session - revised provisions related to sexual offenders and provide for a minimum 25 year mandatory minimum sentence in certain circumstances

For further information, you may wish to contact the agency at:

Montana Department of Corrections  
 5 S. Last Chance Gulch  
 P.O. Box 201301 Helena, MT 59620-1301  
 406-444-3930 (Tel.)  
 406-444-4920 (Fax)

web: <http://www.cor.mt.gov>

**Agency Budget Comparison**

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	1,279.89	1,279.89	1,309.89	1,309.89	1,279.89	1,309.89	30.00	2.34%
Personal Services	69,859,396	70,643,147	73,437,426	74,294,282	140,502,543	147,731,708	7,229,165	5.15%
Operating Expenses	99,536,893	98,970,190	109,379,576	111,748,553	198,507,083	221,128,129	22,621,046	11.40%
Equipment & Intangible Assets	100,851	81,681	376,851	141,551	182,532	518,402	335,870	184.01%
Benefits & Claims	2,330,087	2,940,542	2,330,087	2,330,087	5,270,629	4,660,174	(610,455)	(11.58%)
Transfers	3,526,709	2,916,469	3,519,259	3,515,659	6,443,178	7,034,918	591,740	9.18%
Debt Service	86,479	86,651	262,329	262,329	173,130	524,658	351,528	203.04%
<b>Total Costs</b>	<b>\$175,440,415</b>	<b>\$175,638,680</b>	<b>\$189,305,528</b>	<b>\$192,292,461</b>	<b>\$351,079,095</b>	<b>\$381,597,989</b>	<b>\$30,518,894</b>	<b>8.69%</b>
General Fund	170,077,589	170,089,157	183,035,457	186,022,149	340,166,746	369,057,606	28,890,860	8.49%
State Special	4,714,007	4,788,037	5,452,076	5,452,165	9,502,044	10,904,241	1,402,197	14.76%
Federal Special	16,005	25,739	16,005	16,005	41,744	32,010	(9,734)	(23.32%)
Other	632,814	735,747	801,990	802,142	1,368,561	1,604,132	235,571	17.21%
<b>Total Funds</b>	<b>\$175,440,415</b>	<b>\$175,638,680</b>	<b>\$189,305,528</b>	<b>\$192,292,461</b>	<b>\$351,079,095</b>	<b>\$381,597,989</b>	<b>\$30,518,894</b>	<b>8.69%</b>

**Mission Statement**

*Mission* - The Montana Department of Corrections enhances public safety, promotes positive change in offender behavior, reintegrates offenders into the community, and supports victims of crime.

For additional information, please refer to the agency profile.

## Agency Highlights

<b>Department of Corrections Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ Major factors contributing to the proposed funding increases are: <ul style="list-style-type: none"> <li>● Projected increase in total populations of 1% per year with female secure care populations growing the most at an average rate of 4.4% per year</li> <li>● Medical costs growing about 10% per year, which caused the executive to move funds from FY 2013 to FY 2012 to address the shortfall and contributed to the FY 2013 requested supplemental</li> <li>● Increases for providers and state employee career ladders</li> </ul> </li> <li>◆ The executive proposes to address the changes by: <ul style="list-style-type: none"> <li>● Annualizing contract beds to the full contracted level</li> <li>● Increasing female prerelease and transitional living beds</li> <li>● Using the remodeled Montana Mental Health Nursing Care Center in Lewistown to house inmates needing staff assistance for their daily care. This initiative began in FY 2013 and will free up space in the Montana State Prison to accommodate growth</li> <li>● Expanding the department's re-entry initiative, which is designed to enhance re-entry of offenders back into communities and subsequently reduce recidivism</li> </ul> </li> <li>◆ The Governor also proposes to add 30.00 FTE: <ul style="list-style-type: none"> <li>● 6.00 FTE to support the agency's re-entry initiative</li> <li>● 1.00 FTE attorney to address increasing legal workloads</li> <li>● 9.00 FTE for correctional relief factors at Montana State Prison and Montana Women's Prison</li> <li>● 7.00 FTE to replace the previously contracted health services function for the Montana Women's Prison</li> <li>● 5.00 FTE to provide security for inmates being moved to the Montana Mental Health Nursing Care Center in Lewistown under a contract with the Department of Public Health and Human Services</li> <li>● 2.00 FTE for the vocational education program</li> </ul> </li> </ul>
<b>Legislative Action Issues</b>
<ul style="list-style-type: none"> <li>◆ The department entered into a contract with the Department of Public Health and Human Services to receive services at the Montana Mental Health Nursing Care Center in Lewistown. The legislature has options for addressing the population of inmates needing assistance with daily personal needs</li> <li>◆ A portion of the funding to add FTE is one-time-only</li> <li>◆ A request for overtime for probation and parole is double the highest historical level since FY 2000</li> <li>◆ Fees for the license plate factory are not commensurate with costs</li> <li>◆ Revenue projections for the vocational education proprietary fund and the MSP institutional industries fund are questionable</li> </ul>

## Agency Discussion

### *Agency Summary*

The Department of Corrections (DOC) is charged with efficiently utilizing state resources to develop and maintain comprehensive adult and youth corrections services. The primary responsibility of DOC is to house and/or provide services to adults and youth who are sentenced to DOC or one of the facilities it operates. DOC is also responsible for juvenile parole and adult probation and parole functions. However, juvenile probation services are part of the District Court Operations Program within the Judicial Branch.

The Department of Corrections provides services through the operation of state institutions, with state employees (such as probation and parole) and the purchase of incarceration and other services (such as community-based residential programs) via contracts with local governments and private not-for-profit and for-profit businesses throughout the state. The agency strives to place 80% of offenders under its supervision in community-based programs and 20% in secure facilities. The executive request maintains this 80/20 balance.

When compared to the 2013 biennium, the 2015 biennium budget is 8.7% (\$30.5 million) total funds higher. General fund increases 8.5% (\$28.9 million) during the same time period. This budget increase is driven by requests for increased funding to: 1) address medical cost growth; 2) annualize the funding for contracted beds, 3) fund a contract with the Department of Health and Human Services to house 25 inmates needing assistance providing for their daily personal needs; 4) provide provider rate increases for contracted providers; 5) fund the correctional officer career ladder; and 6) add 10 pre-release transitional living slots and 15 prerelease beds for women.

Costs and changes to those costs of the department are generally driven by several factors:

- Average daily population projections
- The level of supervision and/or treatment required and the availability of space in the appropriate settings
- Costs of contracts and state personnel
- Medical costs

### *Average Daily Population Projections*

When offenders are sentenced to either a facility or to the supervision of the department it assumes responsibility for placement of the offender within a facility most appropriate to that offender. Because the main mission of the department is to eventually return the offender back to the community as a law-abiding citizen, the department must have adequate capacity to place the offender in the most appropriate facility to address the issue of the offender's criminality. The first part of the figure below shows the population projections of the department, yearly changes, and the capacities for broad categories of placement options currently available to the department. The executive has requested funding to address the capacity issues facing the agency, including:

- Re-entry Initiative
- Expansion of female pre-release and transitional living
- Housing secure assisted living inmates in the refurbished Montana Mental Health Nursing Home in Lewistown

The executive has also requested Long-Range Building Program funding to replace the low risk offender housing units at the Montana State Prison and in doing so would add 100 beds to the capacity of the male prison. However, the earliest a facility could be constructed and begin housing inmates is the middle of the 2017 biennium, so they would not be available for addressing any capacity shortages in the 2015 biennium.



Summary of Department of Corrections Population Projections to Capacity Average Daily Population (ADP)										
Segment	Actual FY 2012	FY 2013			Department Projections FY 2014			FY 2015		
		Projection	Amount	Percentage	Projection	Amount	Percentage	Projection	Amount	Percentage
Projections:										
Male Prison	2,343	2,336	-7	-0.3%	2,372	36	1.5%	2,392	20	0.8%
Female Prison	203	200	-3	-1.5%	209	9	4.5%	218	9	4.3%
Alternatives to Prison	928	977	49	5.3%	1,011	34	3.5%	1,044	33	3.3%
Prerelease and Transitional Living	891	937	46	5.2%	950	13	1.4%	961	11	1.2%
Specialized Supervision Programs	343	426	83	24.2%	656	230	54.0%	656	0	0.0%
Probation and Parole	8,169	7,932	-237	-2.9%	7,728	-204	-2.6%	7,778	50	0.6%
Total ADP	<u>12,877</u>	<u>12,808</u>	<u>-69</u>	<u>-0.5%</u>	<u>12,926</u>	<u>118</u>	<u>0.9%</u>	<u>13,049</u>	<u>123</u>	<u>1.0%</u>
Current Capacity:										
Male Prison		2,379			2,383			2,383		
Female Prison		200			205			205		
Alternatives to Prison		968			982			982		
Prerelease and Transitional Living		945			945			945		
Specialized Supervision Programs		548			548			548		
Probation and Parole (at standard caseload)		7,848			7,848			7,848		
Total Current Capacity		<u>12,888</u>			<u>12,911</u>			<u>12,911</u>		
Available Capacity:										
Male Prison		43			11			-9		
Female Prison		0			-4			-13		
Alternatives to Prison		-9			-29			-62		
Prerelease and Transitional Living		8			-5			-16		
Specialized Supervision Programs		122			-108			-108		
Probation and Parole (at standard caseload)		-84			120			70		
Total Available Capacity		<u>80</u>			<u>-15</u>			<u>-138</u>		

The figure shows that during the 2015 biennium the department will see over capacity situations overall and in many of the placement options available to it.

### Agency's Re-entry Initiative

The agency has been working on an initiative to focus resources on efforts directed at re-entry of offenders back into their communities. The initiative is intended to reduce recidivism by enhancing re-entry in the community upon release from the agency's supervision. Reducing recidivism is intended to reduce future correctional system growth. Re-entry services include prerelease centers, drug treatment programs, vocational training, education, work programs, employment and housing assistance, and mentoring.

The impact of the re-entry initiative is to shift populations toward community-based programs such as treatment centers, pre-release, transitional living, and specialized supervision programs. Pre-release, transitional living, and specialized supervision programs are among the lowest cost placement programs while treatment centers for methamphetamines and alcohol are the highest cost.

The following decision packages include \$1.1 million and 8.00 FTE to fund requests associated with the agency's re-entry initiative:

- DP 201 – Re-entry Case Manager (Adult Community Corrections – Program 02), \$113,000 and 1.00 FTE
- DP 303 – Montana State Prison Re-entry Team (Secure Custody Facilities – Program 03), \$321,000 and 3.00 FTE
- DP 305 – MSP Inmate programming (Secure Custody Facilities – Program 03), \$120,000
- DP 402 – MCE Vocational Training FTE at MWP/MSP (Mont Correctional Enterprises – Program 4), \$275,000 and 2.00 FTE
- DP 701 – Re-Entry IT FTE (Administration and Support Services – Program 01), \$272,000 and 2.00 FTE

Male Secure Assisted Living Beds

Beginning in FY 2013, 25 inmates from the male prison will be moved to the Montana Mental Health Nursing Home in Lewistown under a contract with the Department of Public Health and Human Services. Movement of these 25 inmates will free up 35 beds at the male prison. The \$3.7 million funding request for these beds is in DP 320 – Lewistown Infirmary Beds in the Secure Custody Facilities program.

Agency Personal Services

The personal service budget for the 2015 biennium would increase over the base primarily due to the following factors and biennium amount:

- Requests to add 30.00 FTE, \$9.9 million
- Statewide present law adjustments net of applied vacancy savings (\$1.9 million) that are influenced by:
  - Achievement of 4.6% vacancy savings in FY 2012 when 4% was applied, \$0.8 million
  - Pay increases given to certain FTE for the following codes of the state human resources accounting system, \$2.2 million:
    - Career ladder (as a result of a case decided by the Montana Board of Personnel Appeals and discussed below), 497 adjustments averaging \$0.73 per hour
    - Competency, 8 adjustments averaging \$2.53 per hour
    - Market, 9 adjustments averaging \$3.89 per hour
    - Longevity, 156 adjustments averaging \$0.35 per hour
    - Performance, 5 adjustments averaging \$1.32 per hour
    - Reclassifications, 5 adjustments averaging \$1.91 per hour
    - Situational (net of 44 increases and 3 decreases when situational pay ended), 41 adjustments averaging \$0.91 per hour
    - Strategic, 2 adjustments averaging \$4.90 per hour
    - Training assignment progression, 2 adjustments averaging \$1.12 per hour
  - The removal of certain expenses from the base that must be presented in a decision package if they are to continue, including overtime, per diem, and retirement payouts, \$6.8 million

This agency has challenges filling various positions.

- For registered nurses, physicians, dentists and sex offender therapists and positions in the Pine Hills youth correctional facility in Miles City, it has had vacancies in several of these positions, and in correctional and probation and parole officer positions for an extended period during the base year
- The agency used vacancy savings to provide pay increases, primarily for career ladder adjustments, in the 2013 biennium for an average of all adjustments outside of longevity of \$0.84 per hour and costing \$198,000 in FY 2012. However, it did not target the positions furthest from market
  - Career ladder adjustments dominated the adjustments and were due to a decision made by the Montana Board of Personnel Appeals on an unfair labor practices case brought on behalf of unionized correctional officers (see below for a further discussion)
  - Other adjustments are listed above along with their associated average hourly increase with the majority made to retain key positions filled
- When compared to the 2012 market midpoint for similar positions in Montana and surrounding states, the overall agency market comparison is 87.1%

In addition, about 23.4% of the agency's FTE are eligible for full or early retirement in the 2015 biennium. The agency hasn't estimated how many it expects will actually retire, but has stated that several key management positions are expected to retire. The agency made \$863,000 in termination payouts during FY 2012 but has not requested funding for this purpose in the 2015 biennium.

2015 Biennium Budget Request for Career Ladder Funding

A case brought before the Montana Board of Personnel Appeals (MBPA) found in favor of unionized corrections officers of the agency that resulted in career ladder pay increases given during FY 2012. According to the decision, career ladder

schedules under a collective bargaining agreement must be given even after the end of the agreement while a successor agreement is being negotiated. In FY 2012, career ladder adjustments were given to 497 individuals for a total salary increase of \$96,000 in FY 2012. Since these adjustments were effective only part of the year, the full year equivalent would have been about \$878,000.

Because of this decision by the MBPA the executive is requesting funds for anticipated career ladder pay increases under the current collective bargaining agreement for correctional officers. The following decision packages include \$2.4 million to fund correctional officer career ladders in the 2015 biennium:

- DP 999 – Fund Career Ladder for Correctional Officers (Secure Custody Facilities – Program 03), \$1.6 million
- DP 999 – Fund Career Ladder for Correctional Officers (Youth Services – Program 05), \$0.8 million

#### *Other Agency Wide Decision Packages*

The executive budget for this agency includes one other request that is similar for multiple programs. The following multi-program theme is requested.

#### Annualize Contracted Beds

Several decision packages in the programs that contract with private entities for placement of offenders request to annualize funding for contracted services to fully utilize all contracted beds. The decision packages request the difference between what was spent for actual utilization during the base year and the funding needed for utilization at the full contracted level. The following decision packages request \$6.6 million to annualize contracted beds:

- DP 201 – Annualize Treatment Beds (Adult Community Corrections – Program 02), \$0.6 million
- DP 202 – Annualize Prerelease Beds (Adult Community Corrections – Program 02), \$3.2 million
- DP 203 – Annualize MASC Beds (Adult Community Corrections – Program 02), \$0.4 million
- DP 319 – Secure Care Contract Beds (Secure Custody Facilities – Program 03), \$2.4 million

#### *5% Reduction Plan*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. A summary of the entire 2015 biennium 5% plan submitted for this agency is in the appendix. For this agency the 5% plan would reduce general fund by nearly \$8.5 million and state special revenue by \$235,700.

#### *IT Systems*

State agencies have identified information technology (IT) systems that are critical to the state as a whole or to the agency. Further, state agencies have assessed the age of the systems to establish whether the system is:

- New
- Emerging
- Mature
- Declining
- Obsolete

The Legislative Finance Committee recommended that House Appropriations and Senate Finance and Claims Committee leadership direct the Long Range Planning Subcommittee to meet jointly with each of the appropriate joint appropriations subcommittees to discuss priorities related to critical IT systems, and that state agencies be prepared to discuss:

- Current plans to address obsolescence
- Costs to replace the system
- Costs of maintaining the current system
- Risks associated with both retaining the current system and replacing the system

LFD staff will be prepared to discuss issues related to those systems that have been determined to be either critical to the state as a whole or to the agency and either declining or obsolete. Issues include security, continuity of operations, and funding.

*Agency Goals and Objectives*

Goals and objectives for the agency can be found in the appendix.

*Long-range Planning*

The executive has included as its number one priority a request for Long-range Building Program funding of \$26.0 million to construct a building to house low-risk offenders at the Montana State Prison. This building would replace the existing low-side dormitories and add capacity of 100 beds. It would likely come online around FY 2017.

**Funding**

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

Total Department Of Corrections Funding by Source of Authority 2015 Biennium Budget					
Funds	HB 2	Non- Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	\$369,057,606	\$0	\$0	\$369,057,606	91.0%
State Special Total	10,904,241	-	706,163	11,610,404	2.9%
Federal Special Total	32,010	-	-	32,010	0.0%
Proprietary Total	1,604,132	23,341,291	-	24,945,423	6.1%
Current Unrestricted	-	-	-	-	0.0%
Other Total	-	-	-	-	0.0%
<b>Total All Funds</b>	<b>\$381,597,989</b>	<b>\$23,341,291</b>	<b>\$706,163</b>	<b>\$405,645,443</b>	
Percent - Total All Sources	94.1%	5.8%	0.2%		

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

- The canteen revolving fund, which receives revenue from the sale of items (such as personal hygiene items) to inmates
- Probation and parole supervision fees collected from offenders under the supervision of the department
- Pine Hills donations, interest, and income funds that come mostly from the collection of interest and income on school trust lands
- Juvenile placement costs of care that comes from payments made by parents and other responsible parties toward the costs of care of juveniles under the supervision of juvenile parole (Corrections) or juvenile probation (Judicial Branch)

The department receives a small amount of federal funds for the Youth Services program from the Title IV-E Foster Care and Adoption Program.

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

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	170,077,589	170,077,589	340,155,178	92.17%	175,440,415	175,440,415	350,880,830	91.95%
Statewide PL Adjustments	(903,265)	(857,204)	(1,760,469)	(0.48%)	(803,886)	(757,584)	(1,561,470)	(0.41%)
Other PL Adjustments	9,705,246	11,628,818	21,334,064	5.78%	10,510,302	12,433,874	22,944,176	6.01%
New Proposals	4,155,887	5,172,946	9,328,833	2.53%	4,158,697	5,175,756	9,334,453	2.45%
<b>Total Budget</b>	<b>\$183,035,457</b>	<b>\$186,022,149</b>	<b>\$369,057,606</b>		<b>\$189,305,528</b>	<b>\$192,292,461</b>	<b>\$381,597,989</b>	

### Supplemental Appropriation

The agency was given a biennial appropriation in the 2013 biennium to provide flexibility in its biennial funding levels. During FY 2012, the agency transferred funding it had originally assumed would be expended in FY 2013 to FY 2012 due to higher than anticipated expenditures in that year and to avoid a funding shortage. The major factors for the funding shortage were: 1) high cost growth in outside medical costs; and 2) low vacancy savings due to the predominance of positions that support 24x7 operations of secure custody facilities for adults and youth when 4% vacancy savings was applied. Using a portion of the funding allocated for FY 2013 in FY 2012 has reduced the total amount of funding available in FY 2013. In consequence the executive has requested supplemental funding of \$4.5 million general fund and \$0.5 million state special revenue in HB 3 (the supplemental appropriations bill) to address medical and pharmacy operating costs and vacancy savings the agency has not been able to mitigate at secure facilities.

In addition, the executive has requested funding to address the growth in outside medical costs in the 2015 biennium and recommended that the funding be restricted only for this use.

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	106.50	106.50	109.50	109.50	106.50	109.50	3.00	2.82%
Personal Services	6,355,494	6,637,121	7,043,584	7,042,150	12,992,615	14,085,734	1,093,119	8.41%
Operating Expenses	12,530,975	9,371,896	14,779,302	15,310,175	21,902,871	30,089,477	8,186,606	37.38%
<b>Total Costs</b>	<b>\$18,886,469</b>	<b>\$16,009,017</b>	<b>\$21,822,886</b>	<b>\$22,352,325</b>	<b>\$34,895,486</b>	<b>\$44,175,211</b>	<b>\$9,279,725</b>	<b>26.59%</b>
General Fund	18,302,311	15,401,225	21,035,543	21,564,493	33,703,536	42,600,036	8,896,500	26.40%
State Special	486,136	510,996	713,558	713,610	997,132	1,427,168	430,036	43.13%
Federal Special	0	0	0	0	0	0	0	n/a
Other	98,022	96,796	73,785	74,222	194,818	148,007	(46,811)	(24.03%)
<b>Total Funds</b>	<b>\$18,886,469</b>	<b>\$16,009,017</b>	<b>\$21,822,886</b>	<b>\$22,352,325</b>	<b>\$34,895,486</b>	<b>\$44,175,211</b>	<b>\$9,279,725</b>	<b>26.59%</b>

**Program Description**

The Administration and Support Services Program includes the Director’s Office, Outside Medical, Information Services Division, Staff Services Division, Administrative and Financial Services Division, and the administratively attached Board of Pardons and Parole. This program provides services to the department, governmental entities, and the public in the areas of: public and victim information, human resource management, staff development and training, American Indian liaison services, policy management, information technology, legal information, technical correctional services, research and statistics, medical services management, project management, payroll, budgeting and program planning, contract development, federal grants management, victim restitution, supervision fee collection, accounting, and various administrative and management support functions.

**Program Highlights**

<b>Administration and Support Services Program Major Budget Highlights</b>	
<ul style="list-style-type: none"> <li>◆ Major factors contributing to the proposed funding increases are:                             <ul style="list-style-type: none"> <li>• Inflationary growth for medical costs that arises when an inmate is treated outside the prison system</li> <li>• Statewide present law adjustments</li> </ul> </li> <li>◆ The Governor also proposes:                             <ul style="list-style-type: none"> <li>• 2.00 FTE be added for information technology staff to support the agency’s re-entry initiative</li> <li>• 1.00 FTE attorney be added to address increasing legal workloads</li> </ul> </li> </ul>	
<b>Major LFD Issues</b>	
<ul style="list-style-type: none"> <li>◆ A portion of the funding to add FTE is one-time-only</li> </ul>	

**Funding**

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

Total Department Of Corrections Funding by Source of Authority 2015 Biennium Budget - Admin And Support Services							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$42,600,036	\$0	\$0	\$42,600,036	96.4%		
State Special Total	\$1,427,168	\$0	\$0	\$1,427,168	3.2%		
02355 Miscellaneous Fines And Fees	\$17,412	\$0	\$0	\$17,412	0.0%		
02689 Offender Restitution	\$1,402,571	\$0	\$0	\$1,402,571	3.2%		
02917 Msp Canteen Revolving Acct	\$7,185	\$0	\$0	\$7,185	0.0%		
Proprietary Total	\$148,007	\$0	\$0	\$148,007	0.3%		
06033 Prison Ranch	\$46,278	\$0	\$0	\$46,278	0.1%		
06034 Msp Institutional Industries	\$43,451	\$0	\$0	\$43,451	0.1%		
06545 Prison Indust. Training Prog	\$8,350	\$0	\$0	\$8,350	0.0%		
06572 Mce License Plate Production	\$5,522	\$0	\$0	\$5,522	0.0%		
06573 Msp - Cook Chill	\$44,406	\$0	\$0	\$44,406	0.1%		
Total All Funds	\$44,175,211	\$0	\$0	\$44,175,211	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

The bulk of the funding for this program comes from the general fund. A small amount of the program’s funding comes from state special revenue, primarily from fees charged for the collection of restitution from offenders. The remainder of the program’s funding comes from proprietary funds such as the prison ranch, industries program, and cook chill operation.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	18,302,311	18,302,311	36,604,622	85.93%	18,886,469	18,886,469	37,772,938	85.51%
Statewide PL Adjustments	550,828	450,735	1,001,563	2.35%	708,147	608,543	1,316,690	2.98%
Other PL Adjustments	1,932,818	2,586,427	4,519,245	10.61%	1,975,874	2,629,483	4,605,357	10.43%
New Proposals	249,586	225,020	474,606	1.11%	252,396	227,830	480,226	1.09%
<b>Total Budget</b>	<b>\$21,035,543</b>	<b>\$21,564,493</b>	<b>\$42,600,036</b>		<b>\$21,822,886</b>	<b>\$22,352,325</b>	<b>\$44,175,211</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2014-----						-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					740,141					745,227
Vacancy Savings					(282,495)					(282,699)
Inflation/Deflation					(2,798)					(1,174)
Fixed Costs					253,299					147,189
<b>Total Statewide Present Law Adjustments</b>		<b>\$550,828</b>	<b>\$183,985</b>	<b>\$0</b>	<b>\$708,147*</b>		<b>\$450,735</b>	<b>\$184,037</b>	<b>\$0</b>	<b>\$608,543*</b>
DP 101 - Outside Medical Inflationary Increase (BIEN/RESTR)	0.00	1,527,622	0	0	1,527,622	0.00	2,432,581	0	0	2,432,581
DP 601 - Victim Services	0.00	37,194	0	0	37,194	0.00	37,194	0	0	37,194
DP 701 - MSP Door Control System (OTO/BIEN)	0.00	48,632	0	0	48,632	0.00	0	0	0	0
DP 702 - Agile Assets/RevQ Licenses	0.00	10,000	43,056	0	53,056	0.00	10,000	43,056	0	53,056
DP 703 - MSP Water Telemetry System (OTO/BIEN)	0.00	50,000	0	0	50,000	0.00	0	0	0	0
DP 704 - Vocational Training OTO/Bien	0.00	159,618	0	0	159,618	0.00	0	0	0	0
DP 801 - Attorney Services	1.00	85,642	0	0	85,642	1.00	82,642	0	0	82,642
DP 804 - Investigator Overtime	0.00	7,010	0	0	7,010	0.00	7,010	0	0	7,010
DP 901 - Parole Board Member Compensation	0.00	7,100	0	0	7,100	0.00	7,100	0	0	7,100
DP 902 - BOPP ACA Accreditation	0.00	0	0	0	0	0.00	9,900	0	0	9,900
<b>Total Other Present Law Adjustments</b>	<b>1.00</b>	<b>\$1,932,818</b>	<b>\$43,056</b>	<b>\$0</b>	<b>\$1,975,874</b>	<b>1.00</b>	<b>\$2,586,427</b>	<b>\$43,056</b>	<b>\$0</b>	<b>\$2,629,483</b>
<b>Grand Total All Present Law Adjustments</b>	<b>1.00</b>	<b>\$2,483,646</b>	<b>\$227,041</b>	<b>\$0</b>	<b>\$2,684,021*</b>	<b>1.00</b>	<b>\$3,037,162</b>	<b>\$227,093</b>	<b>\$0</b>	<b>\$3,238,026*</b>

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

**New Proposals**

New Proposals											
-----Fiscal 2014-----						-----Fiscal 2015-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 602 - Exonerated Person's Education Costs	01	0.00	14,500	0	0	14,500	0.00	14,500	0	0	14,500
DP 701 - Re-Entry IT FTE	01	2.00	140,412	0	0	140,412	2.00	131,596	0	0	131,596
DP 702 - Inmate Adult Educational Assessment Software	01	0.00	20,000	0	0	20,000	0.00	20,000	0	0	20,000
DP 704 - MSP Employee Training Lab (OTO/BIEN)	01	0.00	15,750	0	0	15,750	0.00	0	0	0	0
DP 805 - Radio Systems	01	0.00	25,000	0	0	25,000	0.00	25,000	0	0	25,000
DP 6101 - Professional Development Center Fee Allocation	01	0.00	33,924	381	0	36,734*	0.00	33,924	381	0	36,734*
<b>Total</b>	<b>2.00</b>	<b>\$249,586</b>	<b>\$381</b>	<b>\$0</b>	<b>\$252,396*</b>	<b>2.00</b>	<b>\$225,020</b>	<b>\$381</b>	<b>\$0</b>	<b>\$227,830*</b>	

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



**Sub-Program Details**

**BOARD OF PARDONS 01**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	10.00	0.00	0.00	10.00	0.00	0.00	10.00	10.00
Personal Services	593,694	2,623	0	596,317	3,372	0	597,066	1,193,383
Operating Expenses	152,594	(1,192)	0	151,402	9,247	0	161,841	313,243
<b>Total Costs</b>	<b>\$746,288</b>	<b>\$1,431</b>	<b>\$0</b>	<b>\$747,719</b>	<b>\$12,619</b>	<b>\$0</b>	<b>\$758,907</b>	<b>\$1,506,626</b>
General Fund	746,288	1,431	0	747,719	12,619	0	758,907	1,506,626
<b>Total Funds</b>	<b>\$746,288</b>	<b>\$1,431</b>	<b>\$0</b>	<b>\$747,719</b>	<b>\$12,619</b>	<b>\$0</b>	<b>\$758,907</b>	<b>\$1,506,626</b>

**Sub-Program Description**

This subprogram includes the Board of Pardons and Parole, which is administratively attached to the department. The Board of Pardons and Parole is established in 2-15-2301, MCA as a quasi-judicial board.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	746,288	746,288	1,492,576	99.07%	746,288	746,288	1,492,576	99.07%
Statewide PL Adjustments	(5,669)	(4,381)	(10,050)	(0.67%)	(5,669)	(4,381)	(10,050)	(0.67%)
Other PL Adjustments	7,100	17,000	24,100	1.60%	7,100	17,000	24,100	1.60%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$747,719</b>	<b>\$758,907</b>	<b>\$1,506,626</b>		<b>\$747,719</b>	<b>\$758,907</b>	<b>\$1,506,626</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					18,685					19,466
Vacancy Savings					(23,162)					(23,194)
Inflation/Deflation					(1,192)					(653)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$5,669)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5,669)</b>		<b>(\$4,381)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$4,381)</b>
DP 901 - Parole Board Member Compensation	0.00	7,100	0	0	7,100	0.00	7,100	0	0	7,100
DP 902 - BOPP ACA Accreditation	0.00	0	0	0	0	0.00	9,900	0	0	9,900
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$7,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,100</b>	<b>0.00</b>	<b>\$17,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,000</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,431</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,431</b>	<b>0.00</b>	<b>\$12,619</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,619</b>

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

<b>LFD COMMENT</b>	The increased funding would allow for 20 additional days of meetings for the full board and bring funding to 115.5 days.
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DP 902 - BOPP ACA Accreditation - The executive requests general fund in FY 2015 to pay the accreditation fee to the American Corrections Association. This fee is paid every three years and began when the board became accredited in January 2001.

**Sub-Program Details**

**DIRECTOR'S OFFICE 02**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	6.00	0.00	0.00	6.00	0.00	0.00	6.00	6.00
Personal Services	480,527	(6,730)	0	473,797	(7,365)	0	473,162	946,959
Operating Expenses	75,329	36,939	14,500	126,768	37,086	14,500	126,915	253,683
<b>Total Costs</b>	<b>\$555,856</b>	<b>\$30,209</b>	<b>\$14,500</b>	<b>\$600,565</b>	<b>\$29,721</b>	<b>\$14,500</b>	<b>\$600,077</b>	<b>\$1,200,642</b>
General Fund	555,856	30,209	14,500	600,565	29,721	14,500	600,077	1,200,642
<b>Total Funds</b>	<b>\$555,856</b>	<b>\$30,209</b>	<b>\$14,500</b>	<b>\$600,565</b>	<b>\$29,721</b>	<b>\$14,500</b>	<b>\$600,077</b>	<b>\$1,200,642</b>

**Sub-Program Description**

This subprogram includes the director and associated office staff, the communications director, the victim's assistance office, and chief legal staff for the department.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	555,856	555,856	1,111,712	92.59%	555,856	555,856	1,111,712	92.59%
Statewide PL Adjustments	(6,985)	(7,473)	(14,458)	(1.20%)	(6,985)	(7,473)	(14,458)	(1.20%)
Other PL Adjustments	37,194	37,194	74,388	6.20%	37,194	37,194	74,388	6.20%
New Proposals	14,500	14,500	29,000	2.42%	14,500	14,500	29,000	2.42%
<b>Total Budget</b>	<b>\$600,565</b>	<b>\$600,077</b>	<b>\$1,200,642</b>		<b>\$600,565</b>	<b>\$600,077</b>	<b>\$1,200,642</b>	

**Present Law Adjustments**

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

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					13,011					12,351
Vacancy Savings					(19,741)					(19,716)
Inflation/Deflation					(255)					(108)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$6,985)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$6,985)</b>		<b>(\$7,473)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$7,473)</b>
DP 601 - Victim Services	0.00	37,194	0	0	37,194	0.00	37,194	0	0	37,194
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$37,194</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,194</b>	<b>0.00</b>	<b>\$37,194</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,194</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$30,209</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,209</b>	<b>0.00</b>	<b>\$29,721</b>	<b>\$0</b>	<b>\$0</b>	<b>\$29,721</b>

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

**New Proposals**

Sub Program	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 602 - Exonerated Person's Education Costs										
02	0.00	14,500	0	0	14,500	0.00	14,500	0	0	14,500
<b>Total</b>	<b>0.00</b>	<b>\$14,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,500</b>	<b>0.00</b>	<b>\$14,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,500</b>

DP 602 - Exonerated Person's Education Costs - The executive requests general fund to pay reimbursements for post-secondary education costs of persons exonerated using DNA testing per the requirements of 53-1-214, MCA.

**Sub-Program Details**

**ADMINISTRATIVE SERVICES DIVISION 03**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	35.50	0.00	0.00	35.50	0.00	0.00	35.50	35.50
Personal Services	1,678,934	321,354	0	2,000,288	321,206	0	2,000,140	4,000,428
Operating Expenses	243,766	(64)	0	243,702	266	0	244,032	487,734
<b>Total Costs</b>	<b>\$1,922,700</b>	<b>\$321,290</b>	<b>\$0</b>	<b>\$2,243,990</b>	<b>\$321,472</b>	<b>\$0</b>	<b>\$2,244,172</b>	<b>\$4,488,162</b>
General Fund	1,467,978	126,012	0	1,593,990	126,194	0	1,594,172	3,188,162
State/Other Special	454,722	195,278	0	650,000	195,278	0	650,000	1,300,000
<b>Total Funds</b>	<b>\$1,922,700</b>	<b>\$321,290</b>	<b>\$0</b>	<b>\$2,243,990</b>	<b>\$321,472</b>	<b>\$0</b>	<b>\$2,244,172</b>	<b>\$4,488,162</b>

**Sub-Program Description**

This subprogram includes administrative and financial services such as: accounting, budgeting, and contract management.

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	1,467,978	1,467,978	2,935,956	92.09%	1,922,700	1,922,700	3,845,400	85.68%
Statewide PL Adjustments	126,012	126,194	252,206	7.91%	321,290	321,472	642,762	14.32%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$1,593,990</b>	<b>\$1,594,172</b>	<b>\$3,188,162</b>		<b>\$2,243,990</b>	<b>\$2,244,172</b>	<b>\$4,488,162</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	Fiscal 2014				Fiscal 2015					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					404,701					404,545
Vacancy Savings					(83,347)					(83,339)
Inflation/Deflation					(64)					266
<b>Total Statewide Present Law Adjustments</b>		<b>\$126,012</b>	<b>\$195,278</b>	<b>\$0</b>	<b>\$321,290</b>		<b>\$126,194</b>	<b>\$195,278</b>	<b>\$0</b>	<b>\$321,472</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$126,012</b>	<b>\$195,278</b>	<b>\$0</b>	<b>\$321,290</b>	<b>0.00</b>	<b>\$126,194</b>	<b>\$195,278</b>	<b>\$0</b>	<b>\$321,472</b>

**Sub-Program Details**

**OUTSIDE MEDICAL 04**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget	Base Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	Total Exec. Budget
Budget Item	Fiscal 2012	Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015	Fiscal 14-15
Operating Expenses	8,050,772	1,527,622	0	9,578,394	2,432,581	0	10,483,353	20,061,747
<b>Total Costs</b>	<b>\$8,050,772</b>	<b>\$1,527,622</b>	<b>\$0</b>	<b>\$9,578,394</b>	<b>\$2,432,581</b>	<b>\$0</b>	<b>\$10,483,353</b>	<b>\$20,061,747</b>
General Fund	8,050,772	1,527,622	0	9,578,394	2,432,581	0	10,483,353	20,061,747
<b>Total Funds</b>	<b>\$8,050,772</b>	<b>\$1,527,622</b>	<b>\$0</b>	<b>\$9,578,394</b>	<b>\$2,432,581</b>	<b>\$0</b>	<b>\$10,483,353</b>	<b>\$20,061,747</b>

**Sub-Program Description**

This subprogram includes the costs of purchasing medical services for offenders from sources outside of the prison.

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	8,050,772	8,050,772	16,101,544	80.26%	8,050,772	8,050,772	16,101,544	80.26%
Statewide PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
Other PL Adjustments	1,527,622	2,432,581	3,960,203	19.74%	1,527,622	2,432,581	3,960,203	19.74%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$9,578,394</b>	<b>\$10,483,353</b>	<b>\$20,061,747</b>		<b>\$9,578,394</b>	<b>\$10,483,353</b>	<b>\$20,061,747</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 101 - Outside Medical Inflationary Increase (BIEN/RESTR)	0.00	1,527,622	0	0	1,527,622	0.00	2,432,581	0	0	2,432,581
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,527,622</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,527,622</b>	<b>0.00</b>	<b>\$2,432,581</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,432,581</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,527,622</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,527,622</b>	<b>0.00</b>	<b>\$2,432,581</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,432,581</b>

DP 101 - Outside Medical Inflationary Increase (BIEN/RESTR) - The executive requests general fund to fund inflationary increases associated with medical care obtained outside of a correctional facility or program. The request assumes the cost of outside medical care would increase at an annual rate of nearly 10%. The executive recommends designating the funding as biennial and restricted only for this purpose.

<b>LFD COMMENT</b>	<p>Since FY 2008, the average growth rate for outside medical has been roughly 16.5% and since 2011 has exceeded 20%. This growth rate has far exceeded the long-term consumer price index for medical care of 5.28%. Factors for the high growth rate seen by the agency are the high number of chronic care cases and aging inmate populations.</p> <p>Outside medical costs were a factor in the agency’s need to transfer funding it had originally assumed would be expended in FY 2013 to FY 2012 to avoid a funding shortage. These funds are requested to address the growth in outside medical costs in the 2015 biennium. Legislative approval of restricted funding would serve as a safety net for addressing rising medical costs and at the same time restrict the executive from moving the funding for other uses.</p>
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**Sub-Program Details**

**STAFF SERVICES DIVISION 05**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	31.50	1.00	0.00	32.50	1.00	0.00	32.50	32.50
Personal Services	1,854,485	231,128	0	2,085,613	233,764	0	2,088,249	4,173,862
Operating Expenses	518,324	2,799	25,000	546,123	379	25,000	543,703	1,089,826
<b>Total Costs</b>	<b>\$2,372,809</b>	<b>\$233,927</b>	<b>\$25,000</b>	<b>\$2,631,736</b>	<b>\$234,143</b>	<b>\$25,000</b>	<b>\$2,631,952</b>	<b>\$5,263,688</b>
General Fund	2,364,103	233,927	25,000	2,623,030	234,143	25,000	2,623,246	5,246,276
State/Other Special	8,706	0	0	8,706	0	0	8,706	17,412
<b>Total Funds</b>	<b>\$2,372,809</b>	<b>\$233,927</b>	<b>\$25,000</b>	<b>\$2,631,736</b>	<b>\$234,143</b>	<b>\$25,000</b>	<b>\$2,631,952</b>	<b>\$5,263,688</b>

**Sub-Program Description**

This subprogram includes services such as: human resources, training, legal, and investigations.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	2,364,103	2,364,103	4,728,206	90.12%	2,372,809	2,372,809	4,745,618	90.16%
Statewide PL Adjustments	141,275	144,491	285,766	5.45%	141,275	144,491	285,766	5.43%
Other PL Adjustments	92,652	89,652	182,304	3.47%	92,652	89,652	182,304	3.46%
New Proposals	25,000	25,000	50,000	0.95%	25,000	25,000	50,000	0.95%
<b>Total Budget</b>	<b>\$2,623,030</b>	<b>\$2,623,246</b>	<b>\$5,246,276</b>		<b>\$2,631,736</b>	<b>\$2,631,952</b>	<b>\$5,263,688</b>	

**Present Law Adjustments**

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

Present Law Adjustments										
-----Fiscal 2014-----						-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					225,609					228,486
Vacancy Savings					(83,203)					(83,319)
Inflation/Deflation					(1,131)					(676)
<b>Total Statewide Present Law Adjustments</b>		<b>\$141,275</b>	<b>\$0</b>	<b>\$0</b>	<b>\$141,275</b>		<b>\$144,491</b>	<b>\$0</b>	<b>\$0</b>	<b>\$144,491</b>
DP 801 - Attorney Services	1.00	85,642	0	0	85,642	1.00	82,642	0	0	82,642
DP 804 - Investigator Overtime	0.00	7,010	0	0	7,010	0.00	7,010	0	0	7,010
<b>Total Other Present Law Adjustments</b>	<b>1.00</b>	<b>\$92,652</b>	<b>\$0</b>	<b>\$0</b>	<b>\$92,652</b>	<b>1.00</b>	<b>\$89,652</b>	<b>\$0</b>	<b>\$0</b>	<b>\$89,652</b>
<b>Grand Total All Present Law Adjustments</b>	<b>1.00</b>	<b>\$233,927</b>	<b>\$0</b>	<b>\$0</b>	<b>\$233,927</b>	<b>1.00</b>	<b>\$234,143</b>	<b>\$0</b>	<b>\$0</b>	<b>\$234,143</b>

DP 801 - Attorney Services - The executive requests general fund to fund operating costs and personal services for the addition of a 1.00 FTE attorney in the Legal Services Bureau. The additional position would address workload issues arising from increasing legal demands from inmate complaints, habeas corpuses, and general legal counsel work of the agency.

<b>LFD ISSUE</b>	<u>Staff Outfitting Costs are One-Time</u>
	FY 2014 funding includes \$2,875 in outfitting costs to purchase computer equipment and software licenses, desks, and other office items for the new positions that are not ongoing. The legislature may wish to designate this amount as one-time-only.

DP 804 - Investigator Overtime - The executive requests general fund to fund overtime for institutional investigators for such matters as from crimes of violence inside secure facilities to employee misconduct. The bureau often maintains 24-hour support to preserve evidence at crime scenes and conclude the investigations. These expenses are zero-based and must be requested in full each biennium.

**New Proposals**

New Proposals										
-----Fiscal 2014-----						-----Fiscal 2015-----				
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 805 - Radio Systems										
05	0.00	25,000	0	0	25,000	0.00	25,000	0	0	25,000
<b>Total</b>	<b>0.00</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,000</b>	<b>0.00</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,000</b>

DP 805 - Radio Systems - The executive requests general fund to contract with technical vendors to upgrade radio programming for agency radios.



**LFD  
COMMENT**

The funding for this request would be used to program agency radios to make them capable of communicating with law enforcement and other agencies in the event of an emergency at the prison.

**Sub-Program Details**

**INFORMATION TECHNOLOGY DIVISION 06**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	23.50	0.00	2.00	25.50	0.00	2.00	25.50	25.50
Personal Services	1,747,854	11,093	128,622	1,887,569	7,248	128,431	1,883,533	3,771,102
Operating Expenses	438,810	305,150	47,540	791,500	53,053	23,165	515,028	1,306,528
<b>Total Costs</b>	<b>\$2,186,664</b>	<b>\$316,243</b>	<b>\$176,162</b>	<b>\$2,679,069</b>	<b>\$60,301</b>	<b>\$151,596</b>	<b>\$2,398,561</b>	<b>\$5,077,630</b>
General Fund	2,186,664	273,187	176,162	2,636,013	17,245	151,596	2,355,505	4,991,518
State/Other Special	0	43,056	0	43,056	43,056	0	43,056	86,112
<b>Total Funds</b>	<b>\$2,186,664</b>	<b>\$316,243</b>	<b>\$176,162</b>	<b>\$2,679,069</b>	<b>\$60,301</b>	<b>\$151,596</b>	<b>\$2,398,561</b>	<b>\$5,077,630</b>

**Sub-Program Description**

This subprogram includes functions such as information technology and statistical analysis.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	2,186,664	2,186,664	4,373,328	87.62%	2,186,664	2,186,664	4,373,328	86.13%
Statewide PL Adjustments	4,937	7,245	12,182	0.24%	4,937	7,245	12,182	0.24%
Other PL Adjustments	268,250	10,000	278,250	5.57%	311,306	53,056	364,362	7.18%
New Proposals	176,162	151,596	327,758	6.57%	176,162	151,596	327,758	6.45%
<b>Total Budget</b>	<b>\$2,636,013</b>	<b>\$2,355,505</b>	<b>\$4,991,518</b>		<b>\$2,679,069</b>	<b>\$2,398,561</b>	<b>\$5,077,630</b>	

**Present Law Adjustments**

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

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					78,135					80,379
Vacancy Savings					(73,042)					(73,131)
Inflation/Deflation					(156)					(3)
<b>Total Statewide Present Law Adjustments</b>		<b>\$4,937</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,937</b>		<b>\$7,245</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,245</b>
DP 701 - MSP Door Control System (OTO/BIEN)	0.00	48,632	0	0	48,632	0.00	0	0	0	0
DP 702 - Agile Assets/RevQ Licenses	0.00	10,000	43,056	0	53,056	0.00	10,000	43,056	0	53,056
DP 703 - MSP Water Telemetry System (OTO/BIEN)	0.00	50,000	0	0	50,000	0.00	0	0	0	0
DP 704 - Vocational Training OTO/Bien	0.00	159,618	0	0	159,618	0.00	0	0	0	0
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$268,250</b>	<b>\$43,056</b>	<b>\$0</b>	<b>\$311,306</b>	<b>0.00</b>	<b>\$10,000</b>	<b>\$43,056</b>	<b>\$0</b>	<b>\$53,056</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$273,187</b>	<b>\$43,056</b>	<b>\$0</b>	<b>\$316,243</b>	<b>0.00</b>	<b>\$17,245</b>	<b>\$43,056</b>	<b>\$0</b>	<b>\$60,301</b>

DP 701 - MSP Door Control System (OTO/BIEN) - The executive requests general fund to complete security door control system upgrades for the Martz Diagnostic Intake Unit at the Montana State Prison. The funding would replace the server, computer, and the software that controls the system from a system that is currently operating on Windows 98. The executive recommends designating funding for this request as one-time-only and biennial.

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

DP 703 - MSP Water Telemetry System (OTO/BIEN) – The executive requests general fund to fund replacement of the Montana State Prison (MSP) water telemetry system. The telemetry system monitors a number of wells to maintain prison water system pressures. The executive recommends designating fund for this request as one-time-only and biennial.

DP 704 - Vocational Training OTO/Bien – The executive requests general fund to purchase computers and software for General Educational Development (GED) testing and digital literacy testing skills for inmates/offenders. The funding would purchase computers and software for a computer laboratory at Montana State Prison. The industry that provides GED testing services has moved from a paper-based system to requiring online access. The executive recommends designating funding as one-time-only and biennial.

**New Proposals**

Sub Program	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 701 - Re-Entry IT FTE										
06	2.00	140,412	0	0	140,412	2.00	131,596	0	0	131,596
DP 702 - Inmate Adult Educational Assessment Software										
06	0.00	20,000	0	0	20,000	0.00	20,000	0	0	20,000
DP 704 - MSP Employee Training Lab (OTO/BIEN)										
06	0.00	15,750	0	0	15,750	0.00	0	0	0	0
<b>Total</b>	<b>2.00</b>	<b>\$176,162</b>	<b>\$0</b>	<b>\$0</b>	<b>\$176,162</b>	<b>2.00</b>	<b>\$151,596</b>	<b>\$0</b>	<b>\$0</b>	<b>\$151,596</b>

DP 701 - Re-Entry IT FTE - The executive requests general fund for operating costs and personal services for the addition of 2.00 FTE in support of the agency’s re-entry initiative. The FTE would support equipment, access, and information technology security in support of the initiative. For further information on the re-entry initiative see the discussion in the agency narrative.

<b>LFD ISSUE</b>	<u>Staff Outfitting Costs are One-Time</u> FY 2014 funding includes \$8,625 in outfitting costs to purchase computer equipment and software licenses, desks, and other office items for the new positions that are not ongoing. The legislature may wish to designate this amount as one-time-only.
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DP 702 - Inmate Adult Educational Assessment Software - The executive requests general fund to contract for access to education assessment software for adult education at Montana State Prison. The software would enable an inmate to take a test, the results from which would identify the curriculum level appropriate for the inmate to prepare for a GED test.

DP 704 - MSP Employee Training Lab (OTO/BIEN) - The executive requests general fund to replace 15 computers at the Montana State Prison training lab that have reached the end of their useful lives. The computers are used by correctional officers that do not use computers as part of their day-to-day activities. The correctional officers would use the computers for such activities as training and time entry. The executive recommends designating funding for this request as one-time-only and biennial.

**Sub-Program Details**

**FIXED COSTS 07**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
Operating Expenses	3,051,380	253,299	36,734	3,341,413	147,189	36,734	3,235,303	6,576,716
<b>Total Costs</b>	<b>\$3,051,380</b>	<b>\$253,299</b>	<b>\$36,734</b>	<b>\$3,341,413</b>	<b>\$147,189</b>	<b>\$36,734</b>	<b>\$3,235,303</b>	<b>\$6,576,716</b>
General Fund	2,930,650	291,258	33,924	3,255,832	184,659	33,924	3,149,233	6,405,065
State/Other Special	22,708	(11,293)	381	11,796	(11,241)	381	11,848	23,644
Proprietary	98,022	(26,666)	2,429	73,785	(26,229)	2,429	74,222	148,007
<b>Total Funds</b>	<b>\$3,051,380</b>	<b>\$253,299</b>	<b>\$36,734</b>	<b>\$3,341,413</b>	<b>\$147,189</b>	<b>\$36,734</b>	<b>\$3,235,303</b>	<b>\$6,576,716</b>

**Sub-Program Description**

This subprogram accounts for base level fixed costs for this program.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	2,930,650	2,930,650	5,861,300	91.51%	3,051,380	3,051,380	6,102,760	92.79%
Statewide PL Adjustments	291,258	184,659	475,917	7.43%	253,299	147,189	400,488	6.09%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	33,924	33,924	67,848	1.06%	36,734	36,734	73,468	1.12%
<b>Total Budget</b>	<b>\$3,255,832</b>	<b>\$3,149,233</b>	<b>\$6,405,065</b>		<b>\$3,341,413</b>	<b>\$3,235,303</b>	<b>\$6,576,716</b>	

**Present Law Adjustments**

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

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Fixed Costs					253,299					147,189
<b>Total Statewide Present Law Adjustments</b>		<b>\$291,258</b>	<b>(\$11,293)</b>	<b>\$0</b>	<b>\$253,299*</b>		<b>\$184,659</b>	<b>(\$11,241)</b>	<b>\$0</b>	<b>\$147,189*</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$291,258</b>	<b>(\$11,293)</b>	<b>\$0</b>	<b>\$253,299*</b>	<b>0.00</b>	<b>\$184,659</b>	<b>(\$11,241)</b>	<b>\$0</b>	<b>\$147,189*</b>

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

**New Proposals**

New Proposals										
Sub Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6101 - Professional Development Center Fee Allocation										
07	0.00	33,924	381	0	36,734*	0.00	33,924	381	0	36,734*
<b>Total</b>	<b>0.00</b>	<b>\$33,924</b>	<b>\$381</b>	<b>\$0</b>	<b>\$36,734*</b>	<b>0.00</b>	<b>\$33,924</b>	<b>\$381</b>	<b>\$0</b>	<b>\$36,734*</b>

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

DP 6101 - Professional Development Center Fee Allocation - The executive requests an increase for training services purchased from the Professional Development Center (PDC) of the Department of Administration. This request reflects the difference between the amount paid in the base for PDC services and a fixed cost allocation based on agency FTE counts. Starting in the 2015 biennium and beyond, the executive recommends funding the PDC as a fixed cost item. For a further discussion, see the narrative for the Department of Administration.

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	257.50	257.50	258.50	258.50	257.50	258.50	1.00	0.39%
Personal Services	14,615,426	14,700,076	14,980,118	14,994,547	29,315,502	29,974,665	659,163	2.25%
Operating Expenses	45,204,759	46,744,592	48,641,127	49,780,433	91,949,351	98,421,560	6,472,209	7.04%
Equipment & Intangible Assets	15,500	4,300	88,500	15,500	19,800	104,000	84,200	425.25%
Transfers	12,500	12,500	6,250	6,250	25,000	12,500	(12,500)	(50.00%)
Debt Service	28,742	28,858	69,311	69,311	57,600	138,622	81,022	140.66%
<b>Total Costs</b>	<b>\$59,876,927</b>	<b>\$61,490,326</b>	<b>\$63,785,306</b>	<b>\$64,866,041</b>	<b>\$121,367,253</b>	<b>\$128,651,347</b>	<b>\$7,284,094</b>	<b>6.00%</b>
General Fund	58,610,791	60,224,206	62,519,170	63,599,905	118,834,997	126,119,075	7,284,078	6.13%
State Special	1,266,136	1,266,120	1,266,136	1,266,136	2,532,256	2,532,272	16	0.00%
Federal Special	0	0	0	0	0	0	0	n/a
<b>Total Funds</b>	<b>\$59,876,927</b>	<b>\$61,490,326</b>	<b>\$63,785,306</b>	<b>\$64,866,041</b>	<b>\$121,367,253</b>	<b>\$128,651,347</b>	<b>\$7,284,094</b>	<b>6.00%</b>

The Adult Community Corrections Division consists of adult probation and parole, intensive and enhanced supervision programs, and male and female community corrections programs including: the boot camp training center (Treasure State Correctional Training Center or TSCTC); chemical dependency treatment programs; driving under the influence (DUI) treatment facilities; methamphetamine treatment facilities; assessment, sanction, and revocation centers; and various other programs for diversion of offenders from prison. The department contracts with nonprofit corporations throughout the state for services. The subprogram descriptions provide additional information about the location of various facilities.

**Program Highlights**

<b>Adult Community Corrections Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ Populations in community corrections facilities are projected to increase on average by 3.4% per year for alternative placement facilities and by 1.3% for pre-release and transitional living facilities. The budget would address these increases by:                             <ul style="list-style-type: none"> <li>• Maintaining contract beds at the full contract level through the entire biennium, \$4.1 million</li> <li>• Increasing the per diem rate for contracted facilities, \$2.2 million</li> <li>• Increasing the capacity for transitional living and women pre-release beds, \$1.1 million</li> <li>• Funding re-entry initiatives that are intended to slow population growth through reduced recidivism, \$0.1 million and 1.00 FTE</li> </ul> </li> </ul>
<b>Major LFD Issues</b>
<ul style="list-style-type: none"> <li>◆ Outfitting costs for new FTE is one-time-only</li> <li>◆ The request for overtime for probation and parole is double the highest historical level since FY 2000</li> </ul>

**Program Discussion**

The Adult Community Corrections Division supervises offenders in settings other than prison. The types of services vary in intensity from community supervision to supervised residential settings such as pre-release centers and treatment facilities. The division provides services through the use of state employees (probation and parole officers) and contracts with nonprofit organization that operate various types of community based residential programs.

The executive request increases funding for the division by 6% or about \$7.3 million when the two biennia are compared. The majority of this increase is included in present law decision packages that annualize the costs of existing contract facilities.

The primary drivers of community correctional costs are increases in the number of offenders to be supervised or housed and the type of placement or service that is needed to supervise the offenders. Community residential treatment programs such as the methamphetamine treatment centers tend to have the highest per day costs while probation and parole supervision have the lowest per day costs. While fewer offenders receive residential services than supervision services, the cost per day can be almost twenty times greater. Projections for probation and parole indicate growth for the 2015 biennium at levels lower than the 2013 biennium.

Summary of Community Corrections Population				
Average Daily Populations (ADP)				
Segment	Actual	Department Projections		
	FY 2012	FY 2013	FY 2014	FY 2015
<u>Alternatives to Prison (FY 2012 average cost per day \$92.84)</u>				
Population	928	977	1,011	1,044
% Increase		5.3%	3.5%	3.3%
Current Capacity	968	968	982	982
Over Capacity	(40)	9	29	62
<u>Prerelease/Transitional Living (FY 2012 average cost per day \$51.95)</u>				
Population	891	937	950	961
% Increase		5.2%	1.4%	1.2%
Current Capacity	945	945	945	945
Over Capacity	(54)	(8)	5	16
<u>Specialized Supervision (FY 2012 average cost per day \$9.75)</u>				
Population	343	426	656	656
% Increase		24.2%	54.0%	0.0%
Current Capacity	343	548	548	548
Over Capacity	0	(122)	108	108
<u>Probation, Parole, and Enhanced Supervision (FY 2012 average cost per day \$4.62)</u>				
Population	8,169	7,932	7,728	7,776
% Increase		-2.9%	-2.6%	0.6%

The figure shows actual and estimated average daily population (ADP) for FY 2012 through FY 2015 by category of service.

**Funding**

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

Total Department Of Corrections Funding by Source of Authority							
2015 Biennium Budget - Adult Community Corrections							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$126,119,075	\$0	\$0	\$126,119,075	98.0%		
State Special Total	\$2,532,272	\$0	\$0	\$2,532,272	2.0%		
02261 P & P Supervisory Fee	\$2,532,272	\$0	\$0	\$2,532,272	2.0%		
Total All Funds	\$128,651,347	\$0	\$0	\$128,651,347	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

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

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	58,610,791	58,610,791	117,221,582	92.95%	59,876,927	59,876,927	119,753,854	93.08%
Statewide PL Adjustments	204,165	227,950	432,115	0.34%	204,165	227,950	432,115	0.34%
Other PL Adjustments	2,588,985	2,591,579	5,180,564	4.11%	2,588,985	2,591,579	5,180,564	4.03%
New Proposals	1,115,229	2,169,585	3,284,814	2.60%	1,115,229	2,169,585	3,284,814	2.55%
<b>Total Budget</b>	<b>\$62,519,170</b>	<b>\$63,599,905</b>	<b>\$126,119,075</b>		<b>\$63,785,306</b>	<b>\$64,866,041</b>	<b>\$128,651,347</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					846,013					861,132
Vacancy Savings					(618,450)					(619,061)
Inflation/Deflation					(17,717)					(8,440)
Fixed Costs					(5,681)					(5,681)
<b>Total Statewide Present Law Adjustments</b>		<b>\$204,165</b>	<b>\$0</b>	<b>\$0</b>	<b>\$204,165</b>		<b>\$227,950</b>	<b>\$0</b>	<b>\$0</b>	<b>\$227,950</b>
DP 201 - Annualize Treatment Beds	0.00	298,860	0	0	298,860	0.00	298,860	0	0	298,860
DP 202 - Annualize Prerelease Beds	0.00	1,587,439	0	0	1,587,439	0.00	1,587,439	0	0	1,587,439
DP 203 - Annualize MASC Beds	0.00	141,394	0	0	141,394	0.00	216,988	0	0	216,988
DP 204 - TSCTC Overtime/Holiday Worked	0.00	33,142	0	0	33,142	0.00	33,142	0	0	33,142
DP 205 - Probation and Parole Overtime/Holiday Worked	0.00	50,000	0	0	50,000	0.00	50,000	0	0	50,000
DP 206 - SCRAM GPS Units	0.00	231,500	0	0	231,500	0.00	231,500	0	0	231,500
DP 207 - Probation and Parole Mental Health Contract	0.00	42,000	0	0	42,000	0.00	42,000	0	0	42,000
DP 209 - Prerelease Transitional Living	0.00	76,650	0	0	76,650	0.00	76,650	0	0	76,650
DP 210 - Passages Mental Health Contract	0.00	55,000	0	0	55,000	0.00	55,000	0	0	55,000
DP 211 - WATCh West Equipment (OTO/BIEN)	0.00	73,000	0	0	73,000	0.00	0	0	0	0
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$2,588,985</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,588,985</b>	<b>0.00</b>	<b>\$2,591,579</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,591,579</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$2,793,150</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,793,150</b>	<b>0.00</b>	<b>\$2,819,529</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,819,529</b>



**New Proposals**

Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----					
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 201 - Re-entry Case Manager	02	1.00	57,917	0	0	57,917	1.00	54,963	0	0	54,963
DP 203 - Per Diem Adult Community Corrections	02	0.00	740,519	0	0	740,519	0.00	1,481,037	0	0	1,481,037
DP 212 - Additional community corrections beds for women	02	0.00	316,793	0	0	316,793	0.00	633,585	0	0	633,585
<b>Total</b>	<b>1.00</b>	<b>\$1,115,229</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,115,229</b>	<b>1.00</b>	<b>\$2,169,585</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,169,585</b>	

**Sub-Program Details**

**COMMUNITY CORRECTION ADMIN 01**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget Budget Item	Base Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	Total Exec. Budget
	Fiscal 2012	Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015	Fiscal 14-15
FTE	14.00	0.00	1.00	15.00	0.00	1.00	15.00	15.00
Personal Services	862,024	3,355	53,987	919,366	3,489	53,908	919,421	1,838,787
Operating Expenses	67,071	(257)	3,930	70,744	(106)	1,055	68,020	138,764
<b>Total Costs</b>	<b>\$929,095</b>	<b>\$3,098</b>	<b>\$57,917</b>	<b>\$990,110</b>	<b>\$3,383</b>	<b>\$54,963</b>	<b>\$987,441</b>	<b>\$1,977,551</b>
General Fund	908,466	3,098	57,917	969,481	3,383	54,963	966,812	1,936,293
State/Other Special	20,629	0	0	20,629	0	0	20,629	41,258
<b>Total Funds</b>	<b>\$929,095</b>	<b>\$3,098</b>	<b>\$57,917</b>	<b>\$990,110</b>	<b>\$3,383</b>	<b>\$54,963</b>	<b>\$987,441</b>	<b>\$1,977,551</b>

**Sub-Program Description**

This subprogram includes the centralized management functions of the Community Corrections Division.

**Budget Summary by Category**

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

Budget Summary by Category Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	908,466	908,466	1,816,932	93.84%	929,095	929,095	1,858,190	93.96%
Statewide PL Adjustments	3,098	3,383	6,481	0.33%	3,098	3,383	6,481	0.33%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	57,917	54,963	112,880	5.83%	57,917	54,963	112,880	5.71%
<b>Total Budget</b>	<b>\$969,481</b>	<b>\$966,812</b>	<b>\$1,936,293</b>		<b>\$990,110</b>	<b>\$987,441</b>	<b>\$1,977,551</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					39,412					39,552
Vacancy Savings					(36,057)					(36,063)
Inflation/Deflation					(257)					(106)
<b>Total Statewide Present Law Adjustments</b>		<b>\$3,098</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,098</b>		<b>\$3,383</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,383</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$3,098</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,098</b>	<b>0.00</b>	<b>\$3,383</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,383</b>

**New Proposals**

New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 201 - Re-entry Case Manager											
01	1.00	57,917	0	0	57,917	1.00	54,963	0	0	54,963	
<b>Total</b>	<b>1.00</b>	<b>\$57,917</b>	<b>\$0</b>	<b>\$0</b>	<b>\$57,917</b>	<b>1.00</b>	<b>\$54,963</b>	<b>\$0</b>	<b>\$0</b>	<b>\$54,963</b>	

DP 201 - Re-entry Case Manager – The executive requests general fund to fund operating costs and personal services for the addition of 1.00 FTE as a re-entry case manager. The position would assist offenders with re-entry challenges such as locating housing, jobs, and transportation. This position would also assist existing staff monitor community corrections’ 17 facilities and contractors for contract compliance.

<b>LFD COMMENT</b>	For a further discussion of the executive’s re-entry initiative, please see the Summary section of this agency’s narrative.
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<b>LFD ISSUE</b>	<u>Staff Outfitting Costs are One Time</u> FY 2014 funding includes \$2,875 in outfitting costs to purchase computer equipment and software licenses, desks, and other office items for the new positions that are not ongoing. The legislature may wish to designate this amount as one-time-only.
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**Sub-Program Details**

**TREASURE STATE CORRECTIONAL TRAINI 02**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	27.00	0.00	0.00	27.00	0.00	0.00	27.00	27.00
Personal Services	1,363,615	53,347	0	1,416,962	55,038	0	1,418,653	2,835,615
Operating Expenses	479,822	(20,546)	0	459,276	(18,673)	0	461,149	920,425
Debt Service	0	21,076	0	21,076	21,076	0	21,076	42,152
<b>Total Costs</b>	<b>\$1,843,437</b>	<b>\$53,877</b>	<b>\$0</b>	<b>\$1,897,314</b>	<b>\$57,441</b>	<b>\$0</b>	<b>\$1,900,878</b>	<b>\$3,798,192</b>
General Fund	1,843,437	53,877	0	1,897,314	57,441	0	1,900,878	3,798,192
<b>Total Funds</b>	<b>\$1,843,437</b>	<b>\$53,877</b>	<b>\$0</b>	<b>\$1,897,314</b>	<b>\$57,441</b>	<b>\$0</b>	<b>\$1,900,878</b>	<b>\$3,798,192</b>

**Sub-Program Description**

This subprogram includes the operation of the Treasure State Correctional Training Center (TSCTC), also known as the boot camp, located in Deer Lodge.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	1,843,437	1,843,437	3,686,874	97.07%	1,843,437	1,843,437	3,686,874	97.07%
Statewide PL Adjustments	20,735	24,299	45,034	1.19%	20,735	24,299	45,034	1.19%
Other PL Adjustments	33,142	33,142	66,284	1.75%	33,142	33,142	66,284	1.75%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$1,897,314</b>	<b>\$1,900,878</b>	<b>\$3,798,192</b>		<b>\$1,897,314</b>	<b>\$1,900,878</b>	<b>\$3,798,192</b>	

**Present Law Adjustments**

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

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					77,862					79,627
Vacancy Savings					(57,657)					(57,731)
Inflation/Deflation					(546)					1,327
Fixed Costs					1,076					1,076
<b>Total Statewide Present Law Adjustments</b>		<b>\$20,735</b>	<b>\$0</b>	<b>\$0</b>	<b>20,735</b>		<b>\$24,299</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,299</b>
DP 204 - TSCTC Overtime/Holiday Worked	0.00	33,142	0	0	33,142	0.00	33,142	0	0	33,142
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$33,142</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,142</b>	<b>0.00</b>	<b>\$33,142</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,142</b>

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$53,877</b>	<b>\$0</b>	<b>\$0</b>	<b>\$53,877</b>	<b>0.00</b>	<b>\$57,441</b>	<b>\$0</b>	<b>\$0</b>	<b>\$57,441</b>

DP 204 - TSCTC Overtime/Holiday Worked - The executive requests general fund to fund overtime and holidays worked at the same level as the base. These costs are zero-based and must be requested in full each biennium.

**Sub-Program Details**

**PRE-RELEASE 03**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget	Base Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	Total Exec. Budget
Budget Item	Fiscal 2012	Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015	Fiscal 14-15
Operating Expenses	18,022,625	1,950,589	756,150	20,729,364	1,950,589	1,512,299	21,485,513	42,214,877
<b>Total Costs</b>	<b>\$18,022,625</b>	<b>\$1,950,589</b>	<b>\$756,150</b>	<b>\$20,729,364</b>	<b>\$1,950,589</b>	<b>\$1,512,299</b>	<b>\$21,485,513</b>	<b>\$42,214,877</b>
General Fund	18,022,625	1,950,589	756,150	20,729,364	1,950,589	1,512,299	21,485,513	42,214,877
<b>Total Funds</b>	<b>\$18,022,625</b>	<b>\$1,950,589</b>	<b>\$756,150</b>	<b>\$20,729,364</b>	<b>\$1,950,589</b>	<b>\$1,512,299</b>	<b>\$21,485,513</b>	<b>\$42,214,877</b>

**Sub-Program Description**

This subprogram includes community based pre-release centers that are used to transition offenders from prison to the community or as a diversion alternative to prison. The department contracts with nonprofit corporations in Great Falls, Missoula, Billings, Bozeman, Butte, and Helena for pre-release services.

**Budget Summary by Category**

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

Budget Summary by Category	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	18,022,625	18,022,625	36,045,250	85.39%	18,022,625	18,022,625	36,045,250	85.39%
Statewide PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
Other PL Adjustments	1,950,589	1,950,589	3,901,178	9.24%	1,950,589	1,950,589	3,901,178	9.24%
New Proposals	756,150	1,512,299	2,268,449	5.37%	756,150	1,512,299	2,268,449	5.37%
<b>Total Budget</b>	<b>\$20,729,364</b>	<b>\$21,485,513</b>	<b>\$42,214,877</b>		<b>\$20,729,364</b>	<b>\$21,485,513</b>	<b>\$42,214,877</b>	

**Present Law Adjustments**

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

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 202 - Annualize Pre-release Beds	0.00	1,587,439	0	0	1,587,439	0.00	1,587,439	0	0	1,587,439
DP 206 - SCRAM GPS Units	0.00	231,500	0	0	231,500	0.00	231,500	0	0	231,500
DP 209 - Pre-release Transitional Living	0.00	76,650	0	0	76,650	0.00	76,650	0	0	76,650
DP 210 - Passages Mental Health Contract	0.00	55,000	0	0	55,000	0.00	55,000	0	0	55,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,950,589</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,950,589</b>	<b>0.00</b>	<b>\$1,950,589</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,950,589</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,950,589</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,950,589</b>	<b>0.00</b>	<b>\$1,950,589</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,950,589</b>

DP 202 - Annualize Pre-release Beds - The executive requests general fund to annualize the funding for community pre-release beds to include funding for 100% utilization of all existing contracted pre-release beds.

<b>LFD COMMENT</b>	The request would provide funding for 1,223 pre-release and transitional living beds and adjusts the base funding from that experienced through actual utilization to full utilization of these beds at the per diem rate funded by the 2011 Legislature.
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DP 206 - SCRAM GPS Units – The executive requests general fund add 10 secure continuous remote alcohol monitor (SCRAM) units and global positioning system (GPS) units to monitor sexual and high-risk offenders under community probation and parole supervision. These units provide 24 hour a day, 7 days per week electronic monitoring.

DP 209 - Pre-release Transitional Living – The executive requests general fund to add 10 transitional living program (TLP) slots as a means of enhancing re-entry efforts. Transitional living is a low-cost option for offenders transitioning out of pre-release and has daily supervision of the offenders by center staff.

DP 210 - Passages Mental Health Contract – The executive requests general fund to expand female mental health services at the Passages program in Billings. Funding for this request would provide the same assessment, stabilization and support services to female offenders with mental health needs that are provided at the revocation program for male offenders.

**New Proposals**

New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 203 - Per Diem Adult Community Corrections	03	0.00	439,357	0	0	439,357	0.00	878,714	0	0	878,714
DP 212 - Additional community corrections beds for women	03	0.00	316,793	0	0	316,793	0.00	633,585	0	0	633,585
<b>Total</b>		<b>0.00</b>	<b>\$756,150</b>	<b>\$0</b>	<b>\$0</b>	<b>\$756,150</b>	<b>0.00</b>	<b>\$1,512,299</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,512,299</b>

DP 203 - Per Diem Adult Community Corrections - The executive requests general fund to provide a 2% provider rate increase in FY 2014 and an additional 2% (4% total) rate increase for FY 2015 for pre-release bed providers.

DP 212 - Additional community corrections beds for women – The executive requests general fund to add 15 pre-release beds for women beginning January 1, 2014 to address anticipated female prerelease growth.

<b>LFD COMMENT</b>	For further discussion of population projections and capacity impacts, please see the Summary section of this agency’s narrative.
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**Sub-Program Details**

**PROBATION AND PAROLE 04**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	214.00	0.00	0.00	214.00	0.00	0.00	214.00	214.00
Personal Services	12,200,696	272,352	0	12,473,048	285,129	0	12,485,825	24,958,873
Operating Expenses	2,881,682	25,987	0	2,907,669	32,798	0	2,914,480	5,822,149
<b>Total Costs</b>	<b>\$15,082,378</b>	<b>\$298,339</b>	<b>\$0</b>	<b>\$15,380,717</b>	<b>\$317,927</b>	<b>\$0</b>	<b>\$15,400,305</b>	<b>\$30,781,022</b>
General Fund	13,836,871	298,339	0	14,135,210	317,927	0	14,154,798	28,290,008
State/Other Special	1,245,507	0	0	1,245,507	0	0	1,245,507	2,491,014
<b>Total Funds</b>	<b>\$15,082,378</b>	<b>\$298,339</b>	<b>\$0</b>	<b>\$15,380,717</b>	<b>\$317,927</b>	<b>\$0</b>	<b>\$15,400,305</b>	<b>\$30,781,022</b>

**Sub-Program Description**

This subprogram includes adult probation and parole, day reporting, and intensive supervision officers who supervise offenders who are in the community.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	18,022,625	18,022,625	36,045,250	85.39%	18,022,625	18,022,625	36,045,250	85.39%
Statewide PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
Other PL Adjustments	1,950,589	1,950,589	3,901,178	9.24%	1,950,589	1,950,589	3,901,178	9.24%
New Proposals	756,150	1,512,299	2,268,449	5.37%	756,150	1,512,299	2,268,449	5.37%
<b>Total Budget</b>	<b>\$20,729,364</b>	<b>\$21,485,513</b>	<b>\$42,214,877</b>		<b>\$20,729,364</b>	<b>\$21,485,513</b>	<b>\$42,214,877</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					739,974					753,286
Vacancy Savings					(517,622)					(518,157)
Inflation/Deflation					(16,013)					(9,202)
<b>Total Statewide Present Law Adjustments</b>		<b>\$206,339</b>	<b>\$0</b>	<b>\$0</b>	<b>\$206,339</b>		<b>\$225,927</b>	<b>\$0</b>	<b>\$0</b>	<b>\$225,927</b>
DP 205 - Probation and Parole Overtime/Holiday Worked	0.00	50,000	0	0	50,000	0.00	50,000	0	0	50,000
DP 207 - Probation and Parole Mental Health Contract	0.00	42,000	0	0	42,000	0.00	42,000	0	0	42,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$92,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$92,000</b>	<b>0.00</b>	<b>\$92,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$92,000</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$298,339</b>	<b>\$0</b>	<b>\$0</b>	<b>\$298,339</b>	<b>0.00</b>	<b>\$317,927</b>	<b>\$0</b>	<b>\$0</b>	<b>\$317,927</b>

DP 205 - Probation and Parole Overtime/Holiday Worked – The executive requests general fund to fund overtime and holidays worked for probation and parole to respond to after-hour incidents involving supervised offenders. These costs are zero-based and must be requested in full each biennium.

<b>LFD ISSUE</b>	<p><u>No Historical Basis for the Requested Level – Overtime and Holidays Worked</u></p> <p>The annual amount of this request is nearly \$30,000 more than the actual expenditures for overtime and holidays worked in FY 2012. Since FY 2000, there is no discernible trend in growth and the highest annual level was in FY 2003 when less than \$24,000 was expended. The legislature may want to question why the subprogram needs a level of overtime and holidays worked that is more than double the highest annual amount experienced in the last decade.</p>
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DP 207 - Probation and Parole Mental Health Contract - The executive requests general fund for additional mental health services in the Kalispell probation and parole region.

**Sub-Program Details**

**TREATMENT UNIT 05**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
Operating Expenses	20,062,937	278,133	301,162	20,642,232	278,492	602,323	20,943,752	41,585,984
Equipment & Intangible Assets	15,500	73,000	0	88,500	0	0	15,500	104,000
Transfers	12,500	(6,250)	0	6,250	(6,250)	0	6,250	12,500
Debt Service	28,742	19,493	0	48,235	19,493	0	48,235	96,470
<b>Total Costs</b>	<b>\$20,119,679</b>	<b>\$364,376</b>	<b>\$301,162</b>	<b>\$20,785,217</b>	<b>\$291,735</b>	<b>\$602,323</b>	<b>\$21,013,737</b>	<b>\$41,798,954</b>
General Fund	20,119,679	364,376	301,162	20,785,217	291,735	602,323	21,013,737	41,798,954
<b>Total Funds</b>	<b>\$20,119,679</b>	<b>\$364,376</b>	<b>\$301,162</b>	<b>\$20,785,217</b>	<b>\$291,735</b>	<b>\$602,323</b>	<b>\$21,013,737</b>	<b>\$41,798,954</b>

**Sub-Program Description**

This subprogram includes the costs of contracted services that provide treatment to offenders including chemical dependency (alcohol and drug) treatment beds in Butte and Billings, methamphetamine treatment beds in Boulder and Lewistown, and driving under the influence (DUI) treatment beds in Warm Springs and Glendive.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	20,119,679	20,119,679	40,239,358	96.27%	20,119,679	20,119,679	40,239,358	96.27%
Statewide PL Adjustments	(7,484)	(7,125)	(14,609)	(0.03%)	(7,484)	(7,125)	(14,609)	(0.03%)
Other PL Adjustments	371,860	298,860	670,720	1.60%	371,860	298,860	670,720	1.60%
New Proposals	301,162	602,323	903,485	2.16%	301,162	602,323	903,485	2.16%
<b>Total Budget</b>	<b>\$20,785,217</b>	<b>\$21,013,737</b>	<b>\$41,798,954</b>		<b>\$20,785,217</b>	<b>\$21,013,737</b>	<b>\$41,798,954</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.



Present Law Adjustments										
-----Fiscal 2014-----						-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Inflation/Deflation					(727)					(368)
Fixed Costs					(6,757)					(6,757)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$7,484)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$7,484)</b>		<b>(\$7,125)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$7,125)</b>
DP 201 - Annualize Treatment Beds	0.00	298,860	0	0	298,860	0.00	298,860	0	0	298,860
DP 211 - WATCH West Equipment (OTO/BIEN)	0.00	73,000	0	0	73,000	0.00	0	0	0	0
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$371,860</b>	<b>\$0</b>	<b>\$0</b>	<b>\$371,860</b>	<b>0.00</b>	<b>\$298,860</b>	<b>\$0</b>	<b>\$0</b>	<b>\$298,860</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$364,376</b>	<b>\$0</b>	<b>\$0</b>	<b>\$364,376</b>	<b>0.00</b>	<b>\$291,735</b>	<b>\$0</b>	<b>\$0</b>	<b>\$291,735</b>

DP 201 - Annualize Treatment Beds - The executive requests general fund to annualize the funding for Adult Community Corrections treatment beds to include funding for 100% utilization of all existing contracted treatment beds.

<b>LFD COMMENT</b>	The request would provide funding for 490 treatment beds and adjusts the base funding from that experienced through actual utilization to full utilization of these beds at the per diem rate funded by the 2011 Legislature.
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DP 211 - WATCH West Equipment (OTO/BIEN) - The executive requests general fund for equipment replacement items at the WATCH facility in Warm Springs (WATCH West). Two units to reheat food and the existing walk-in refrigeration unit are at the end of their useful lives. The executive recommends designating funding as one-time-only and biennial.

**New Proposals**

New Proposals										
-----Fiscal 2014-----						-----Fiscal 2015-----				
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 203 - Per Diem Adult Community Corrections										
05	0.00	301,162	0	0	301,162	0.00	602,323	0	0	602,323
<b>Total</b>	<b>0.00</b>	<b>\$301,162</b>	<b>\$0</b>	<b>\$0</b>	<b>\$301,162</b>	<b>0.00</b>	<b>\$602,323</b>	<b>\$0</b>	<b>\$0</b>	<b>\$602,323</b>

DP 203 - Per Diem Adult Community Corrections - The executive requests general fund to provide a 2% provider rate increase in FY 2014 and an additional 2% (4% total) rate increase for FY 2015 for treatment bed providers.

<b>LFD COMMENT</b>	For a further discussion see the Summary section of this agency's narrative.
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**Sub-Program Details**

**MASC PROGRAM 06**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	2.50	0.00	0.00	2.50	0.00	0.00	2.50	2.50
Personal Services	189,091	(18,349)	0	170,742	(18,443)	0	170,648	341,390
Operating Expenses	3,690,622	141,220	0	3,831,842	216,897	0	3,907,519	7,739,361
<b>Total Costs</b>	<b>\$3,879,713</b>	<b>\$122,871</b>	<b>\$0</b>	<b>\$4,002,584</b>	<b>\$198,454</b>	<b>\$0</b>	<b>\$4,078,167</b>	<b>\$8,080,751</b>
General Fund	3,879,713	122,871	0	4,002,584	198,454	0	4,078,167	8,080,751
<b>Total Funds</b>	<b>\$3,879,713</b>	<b>\$122,871</b>	<b>\$0</b>	<b>\$4,002,584</b>	<b>\$198,454</b>	<b>\$0</b>	<b>\$4,078,167</b>	<b>\$8,080,751</b>

**Sub-Program Description**

This subprogram includes male assessment and sanction services provided at the Missoula Assessment and Sanction Center located in the facility built as a regional prison.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	3,879,713	3,879,713	7,759,426	96.02%	3,879,713	3,879,713	7,759,426	96.02%
Statewide PL Adjustments	(18,523)	(18,534)	(37,057)	(0.46%)	(18,523)	(18,534)	(37,057)	(0.46%)
Other PL Adjustments	141,394	216,988	358,382	4.44%	141,394	216,988	358,382	4.44%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$4,002,584</b>	<b>\$4,078,167</b>	<b>\$8,080,751</b>		<b>\$4,002,584</b>	<b>\$4,078,167</b>	<b>\$8,080,751</b>	

**Present Law Adjustments**

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

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(11,235)					(11,333)
Vacancy Savings					(7,114)					(7,110)
Inflation/Deflation					(174)					(91)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$18,523)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$18,523)</b>		<b>(\$18,534)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$18,534)</b>
DP 203 - Annualize MASC Beds										
	0.00	141,394	0	0	141,394	0.00	216,988	0	0	216,988
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$141,394</b>	<b>\$0</b>	<b>\$0</b>	<b>\$141,394</b>	<b>0.00</b>	<b>\$216,988</b>	<b>\$0</b>	<b>\$0</b>	<b>\$216,988</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$122,871</b>	<b>\$0</b>	<b>\$0</b>	<b>\$122,871</b>	<b>0.00</b>	<b>\$198,454</b>	<b>\$0</b>	<b>\$0</b>	<b>\$198,454</b>

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

<b>LFD COMMENT</b>	<p>The request would provide funding for 141 beds and adjusts the base funding from that experienced through actual utilization to full utilization of these beds at projected per diem rates of \$70.96 in FY 2014 and \$72.43 in FY 2015. The per diem rates for MASC are not a part of the request to increase community corrections rates by 2% in FY 2014 and an additional 2% (4% total) in FY 2015. State law establishes guidelines for determining per diem rates at regional prisons like MASC and the rates are on audited actual costs. The FY 2012 per diem rate was \$62.75.</p>
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**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	697.54	697.54	721.54	721.54	697.54	721.54	24.00	3.44%
Personal Services	37,414,105	37,471,761	39,206,915	39,769,401	74,885,866	78,976,316	4,090,450	5.46%
Operating Expenses	36,915,766	38,117,853	40,365,329	41,151,736	75,033,619	81,517,065	6,483,446	8.64%
Equipment & Intangible Assets	85,351	77,381	288,351	126,051	162,732	414,402	251,670	154.65%
Transfers	54,300	55,738	53,100	49,500	110,038	102,600	(7,438)	(6.76%)
Debt Service	36,860	36,860	172,141	172,141	73,720	344,282	270,562	367.01%
<b>Total Costs</b>	<b>\$74,506,382</b>	<b>\$75,759,593</b>	<b>\$80,085,836</b>	<b>\$81,268,829</b>	<b>\$150,265,975</b>	<b>\$161,354,665</b>	<b>\$11,088,690</b>	<b>7.38%</b>
General Fund	74,401,566	75,595,727	79,981,020	81,164,013	149,997,293	161,145,033	11,147,740	7.43%
State Special	104,816	153,520	104,816	104,816	258,336	209,632	(48,704)	(18.85%)
Federal Special	0	10,346	0	0	10,346	0	(10,346)	(100.00%)
<b>Total Funds</b>	<b>\$74,506,382</b>	<b>\$75,759,593</b>	<b>\$80,085,836</b>	<b>\$81,268,829</b>	<b>\$150,265,975</b>	<b>\$161,354,665</b>	<b>\$11,088,690</b>	<b>7.38%</b>

**Program Description**

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

**Program Highlights**

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

**Program Discussion**

The Secure Custody Facilities Program houses offenders in the Montana State Prison, Montana Women’s Prison, and various contracted prison and detention facilities. Montana State Prison (MSP) for male offenders is the largest facility with an operational capacity of 1,485 inmates while regional prison facilities in Glendive and Great Falls that house a combined 293 inmates are the smallest facilities. Montana Women’s Prison (MWP), the only female prison in the state, has an operational capacity of 194. Both male and female secure inmates are also held in county jails. The cost of contracted prison beds includes the cost to house 550 inmates in the Crossroads Correctional Center in Shelby as well as cost of housing offenders in county jails. Beginning halfway through FY 2013, 25 inmates are housed at the Montana Mental Health Nursing Care Center in Lewistown. The Department is responsible for the cost of housing offenders after conviction.

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

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

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

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

#### *Projections in Relation to Capacity*

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

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

#### **Funding**

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

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

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

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	74,401,566	74,401,566	148,803,132	92.34%	74,506,382	74,506,382	149,012,764	92.35%
Statewide PL Adjustments	(1,581,066)	(1,484,249)	(3,065,315)	(1.90%)	(1,681,066)	(1,584,249)	(3,265,315)	(2.02%)
Other PL Adjustments	4,506,884	5,605,659	10,112,543	6.28%	4,606,884	5,705,659	10,312,543	6.39%
New Proposals	2,653,636	2,641,037	5,294,673	3.29%	2,653,636	2,641,037	5,294,673	3.28%
<b>Total Budget</b>	<b>\$79,981,020</b>	<b>\$81,164,013</b>	<b>\$161,145,033</b>		<b>\$80,085,836</b>	<b>\$81,268,829</b>	<b>\$161,354,665</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2014-----						-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(135,660)					(96,846)
Vacancy Savings					(1,491,127)					(1,492,692)
Inflation/Deflation					(84,980)					(24,765)
Fixed Costs					30,701					30,054
<b>Total Statewide Present Law Adjustments</b>		<b>(\$1,581,066)</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>(\$1,681,066)</b>		<b>(\$1,484,249)</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>(\$1,584,249)</b>
DP 301 - MWP Correctional Officer	1.00	38,912	0	0	38,912	1.00	38,862	0	0	38,862
DP 303 - Montana Womens Prison Contracts	0.00	31,250	0	0	31,250	0.00	31,250	0	0	31,250
DP 304 - MWP Supplies (OTO/BIEN)	0.00	25,000	0	0	25,000	0.00	35,000	0	0	35,000
DP 305 - MSP Inmate programming	0.00	60,000	0	0	60,000	0.00	60,000	0	0	60,000
DP 307 - MWP Overtime/Holiday Worked	0.00	221,594	0	0	221,594	0.00	221,594	0	0	221,594
DP 308 - MWP Inmate Pay	0.00	19,235	0	0	19,235	0.00	19,235	0	0	19,235
DP 310 - MSP Correctional Officer	8.00	0	0	0	0	8.00	0	0	0	0
DP 314 - MSP Supplies and Equipment (OTO/BIEN)	0.00	110,000	0	0	110,000	0.00	30,000	0	0	30,000
DP 316 - MSP Overtime/Holiday worked	0.00	1,576,927	0	0	1,576,927	0.00	1,576,927	0	0	1,576,927
DP 317 - MSP Inmate Pay	0.00	150,405	100,000	0	250,405	0.00	150,405	100,000	0	250,405
DP 319 - Secure Care Contract Bed Annualization	0.00	1,075,093	0	0	1,075,093	0.00	1,349,473	0	0	1,349,473
DP 321 - MSP - Montana Correctional Enterprises Rate	0.00	562,083	0	0	562,083	0.00	1,040,142	0	0	1,040,142
DP 324 - MSP Van Replacement (OTO/BIEN)	0.00	110,000	0	0	110,000	0.00	0	0	0	0
DP 999 - Fund Career Ladder for Correctional Officers	0.00	526,385	0	0	526,385	0.00	1,052,771	0	0	1,052,771
<b>Total Other Present Law Adjustments</b>	<b>9.00</b>	<b>\$4,506,884</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$4,606,884</b>	<b>9.00</b>	<b>\$5,605,659</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$5,705,659</b>
<b>Grand Total All Present Law Adjustments</b>	<b>9.00</b>	<b>\$2,925,818</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,925,818</b>	<b>9.00</b>	<b>\$4,121,410</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,121,410</b>

**New Proposals**

New Proposals											
-----Fiscal 2014-----						-----Fiscal 2015-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 301 - Montana Womens Prison Medical Services	03	7.00	94,897	0	0	94,897	7.00	94,262	0	0	94,262
DP 303 - Montana State Prison Re-entry Team	03	3.00	166,184	0	0	166,184	3.00	154,488	0	0	154,488
DP 320 - Lewistown Infirmary Beds	03	5.00	1,832,499	0	0	1,832,499	5.00	1,832,231	0	0	1,832,231
DP 323 - Contract Beds Private Prison Per Diem	03	0.00	560,056	0	0	560,056	0.00	560,056	0	0	560,056
<b>Total</b>	<b>15.00</b>	<b>\$2,653,636</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,653,636</b>	<b>15.00</b>	<b>\$2,641,037</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,641,037</b>	



**Sub-Program Details****MONTANA STATE PRISON 01****Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	620.27	8.00	3.00	631.27	8.00	3.00	631.27	631.27
Personal Services	33,075,716	1,020,073	145,464	34,241,253	1,519,422	145,268	34,740,406	68,981,659
Operating Expenses	10,463,156	450,364	20,720	10,934,240	964,809	9,220	11,437,185	22,371,425
Equipment & Intangible Assets	85,351	203,000	0	288,351	30,000	0	115,351	403,702
Transfers	29,800	(1,200)	0	28,600	(4,800)	0	25,000	53,600
Debt Service	36,860	135,281	0	172,141	135,281	0	172,141	344,282
<b>Total Costs</b>	<b>\$43,690,883</b>	<b>\$1,807,518</b>	<b>\$166,184</b>	<b>\$45,664,585</b>	<b>\$2,644,712</b>	<b>\$154,488</b>	<b>\$46,490,083</b>	<b>\$92,154,668</b>
General Fund	43,586,067	1,807,518	166,184	45,559,769	2,644,712	154,488	46,385,267	91,945,036
State/Other Special	104,816	0	0	104,816	0	0	104,816	209,632
<b>Total Funds</b>	<b>\$43,690,883</b>	<b>\$1,807,518</b>	<b>\$166,184</b>	<b>\$45,664,585</b>	<b>\$2,644,712</b>	<b>\$154,488</b>	<b>\$46,490,083</b>	<b>\$92,154,668</b>

**Sub-Program Description**

This subprogram consists of the state owned and operated male prison (Montana State Prison) in Deer Lodge.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	43,586,067	43,586,067	87,172,134	94.81%	43,690,883	43,690,883	87,381,766	94.82%
Statewide PL Adjustments	(1,231,551)	(1,152,070)	(2,383,621)	(2.59%)	(1,331,551)	(1,252,070)	(2,583,621)	(2.80%)
Other PL Adjustments	3,039,069	3,796,782	6,835,851	7.43%	3,139,069	3,896,782	7,035,851	7.63%
New Proposals	166,184	154,488	320,672	0.35%	166,184	154,488	320,672	0.35%
<b>Total Budget</b>	<b>\$45,559,769</b>	<b>\$46,385,267</b>	<b>\$91,945,036</b>		<b>\$45,664,585</b>	<b>\$46,490,083</b>	<b>\$92,154,668</b>	

**Present Law Adjustments**

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

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					48,030					78,965
Vacancy Savings					(1,324,943)					(1,326,183)
Inflation/Deflation					(85,339)					(34,906)
Fixed Costs					30,701					30,054
<b>Total Statewide Present Law Adjustments</b>		<b>(\$1,231,551)</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>(\$1,331,551)</b>		<b>(\$1,152,070)</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>(\$1,252,070)</b>
DP 305 - MSP Inmate programming	0.00	60,000	0	0	60,000	0.00	60,000	0	0	60,000
DP 310 - MSP Correctional Officer	8.00	0	0	0	0	8.00	0	0	0	0
DP 314 - MSP Supplies and Equipment (OTO/BIEN)	0.00	110,000	0	0	110,000	0.00	30,000	0	0	30,000
DP 316 - MSP Overtime/Holiday worked	0.00	1,576,927	0	0	1,576,927	0.00	1,576,927	0	0	1,576,927
DP 317 - MSP Inmate Pay	0.00	150,405	100,000	0	250,405	0.00	150,405	100,000	0	250,405
DP 321 - MSP - Montana Correctional Enterprises Rate	0.00	562,083	0	0	562,083	0.00	1,040,142	0	0	1,040,142
DP 324 - MSP Van Replacement (OTO/BIEN)	0.00	110,000	0	0	110,000	0.00	0	0	0	0
DP 999 - Fund Career Ladder for Correctional Officers	0.00	469,654	0	0	469,654	0.00	939,308	0	0	939,308
<b>Total Other Present Law Adjustments</b>	<b>8.00</b>	<b>\$3,039,069</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$3,139,069</b>	<b>8.00</b>	<b>\$3,796,782</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$3,896,782</b>
<b>Grand Total All Present Law Adjustments</b>	<b>8.00</b>	<b>\$1,807,518</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,807,518</b>	<b>8.00</b>	<b>\$2,644,712</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,644,712</b>

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

DP 310 - MSP Correctional Officer - The executive requests general fund to fund operating costs and personal services to add 8.00 FTE for the correctional officer relief factor, which provides coverage for staff vacancies of other officers associated with sick leave, vacation, and regular days off. The funding for the positions would come from a reduction of the overall MSP overtime budget.

**LFD COMMENT** DP 316 requests funding for overtime and holidays worked at the base level. This request would reduce overtime by \$622,185 over the biennium to fund the FTE. If this request is approved and DP 316 is not approved the result would effectively be an additional 1% vacancy savings for this subprogram.

**LFD ISSUE** Funding for Relief Factor FTE  
The executive is requesting additional FTE, but is not funding them. Rather, they ask for additional overtime they state they will not need. In order to associate the funding with the actual FTE that would be hired, this DP should be funded and a reduced level of overtime requested in DP 316. The funding associated with this action is \$311,294 in FY 2014 and \$310,891 in FY 2015.

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

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

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

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

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

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

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

**New Proposals**

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

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

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

**Sub-Program Details**

**MONTANA WOMENS PRISON 02**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget	Base Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	Total Exec. Budget
Budget Item	Fiscal 2012	Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015	Fiscal 14-15
FTE	70.27	1.00	7.00	78.27	1.00	7.00	78.27	78.27
Personal Services	3,878,017	35,225	436,897	4,350,139	97,291	436,262	4,411,570	8,761,709
Operating Expenses	2,368,626	57,032	(342,000)	2,083,658	65,974	(342,000)	2,092,600	4,176,258
Equipment & Intangible Assets	0	0	0	0	10,700	0	10,700	10,700
Transfers	24,500	0	0	24,500	0	0	24,500	49,000
<b>Total Costs</b>	<b>\$6,271,143</b>	<b>\$92,257</b>	<b>\$94,897</b>	<b>\$6,458,297</b>	<b>\$173,965</b>	<b>\$94,262</b>	<b>\$6,539,370</b>	<b>\$12,997,667</b>
General Fund	6,271,143	92,257	94,897	6,458,297	173,965	94,262	6,539,370	12,997,667
<b>Total Funds</b>	<b>\$6,271,143</b>	<b>\$92,257</b>	<b>\$94,897</b>	<b>\$6,458,297</b>	<b>\$173,965</b>	<b>\$94,262</b>	<b>\$6,539,370</b>	<b>\$12,997,667</b>

**Sub-Program Description**

This subprogram consists of the state owned and operated female prison (Montana Women’s Prison) in Billings.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	6,271,143	6,271,143	12,542,286	96.50%	6,271,143	6,271,143	12,542,286	96.50%
Statewide PL Adjustments	(300,465)	(285,439)	(585,904)	(4.51%)	(300,465)	(285,439)	(585,904)	(4.51%)
Other PL Adjustments	392,722	459,404	852,126	6.56%	392,722	459,404	852,126	6.56%
New Proposals	94,897	94,262	189,159	1.46%	94,897	94,262	189,159	1.46%
<b>Total Budget</b>	<b>\$6,458,297</b>	<b>\$6,539,370</b>	<b>\$12,997,667</b>		<b>\$6,458,297</b>	<b>\$6,539,370</b>	<b>\$12,997,667</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(152,218)					(146,601)
Vacancy Savings					(149,029)					(149,262)
Inflation/Deflation					782					10,424
<b>Total Statewide Present Law Adjustments</b>		<b>(\$300,465)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$300,465)</b>		<b>(\$285,439)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$285,439)</b>
DP 301 - MWP Correctional Officer	1.00	38,912	0	0	38,912	1.00	38,862	0	0	38,862
DP 303 - Montana Women’s Prison Contracts	0.00	31,250	0	0	31,250	0.00	31,250	0	0	31,250
DP 304 - MWP Supplies (OTO/BIEN)	0.00	25,000	0	0	25,000	0.00	35,000	0	0	35,000
DP 307 - MWP Overtime/Holiday Worked	0.00	221,594	0	0	221,594	0.00	221,594	0	0	221,594
DP 308 - MWP Inmate Pay	0.00	19,235	0	0	19,235	0.00	19,235	0	0	19,235
DP 999 - Fund Career Ladder for Correctional Officers	0.00	56,731	0	0	56,731	0.00	113,463	0	0	113,463
<b>Total Other Present Law Adjustments</b>	<b>1.00</b>	<b>\$392,722</b>	<b>\$0</b>	<b>\$0</b>	<b>\$392,722</b>	<b>1.00</b>	<b>\$459,404</b>	<b>\$0</b>	<b>\$0</b>	<b>\$459,404</b>
<b>Grand Total All Present Law Adjustments</b>	<b>1.00</b>	<b>\$92,257</b>	<b>\$0</b>	<b>\$0</b>	<b>\$92,257</b>	<b>1.00</b>	<b>\$173,965</b>	<b>\$0</b>	<b>\$0</b>	<b>\$173,965</b>

DP 301 - MWP Correctional Officer – The executive requests general fund to fund the addition of 1.00 FTE for the correctional officer relief factor, which provides coverage for staff vacancies of other officers associated with sick leave, vacation, and regular days off.

DP 303 - Montana Women’s Prison Contracts – The executive requests general fund to: 1) increase hours for religious activities, \$10,750; 2) fund all 187 regular and 54 summer school days under the contract with the Billings public school system contract for adult basic education and literacy education services to inmates at the Montana Women's Prison, \$16,770; and 3) address contract increases for the chemical dependency contract, \$3,730.

DP 304 - MWP Supplies (OTO/BIEN) – The executive requests general fund to purchase supplies and equipment ranging from key locks, fencing, washers, dryers, facility security equipment for staff, mattresses, chairs, and dresser supplies to flooring repairs needed for facility security and maintenance at the Montana Women’s Prison. The executive recommends designating funding as one-time-only and biennial.

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

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

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

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

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

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

<b>LFD COMMENT</b>	The contractor providing health services to the Montana Woman’s Prison cancelled the contract in March 2012. Since the contract was cancelled, the agency has been providing the services with modified FTE. This request is partially funded with a reduction of operating costs associated with base year payments under the health services contract.
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**Sub-Program Details**

**CONTRACTED BEDS 04**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	7.00	0.00	5.00	12.00	0.00	5.00	12.00	12.00
Personal Services	460,372	(48,627)	203,778	615,523	(46,457)	203,510	617,425	1,232,948
Operating Expenses	24,083,984	1,074,670	2,188,777	27,347,431	1,349,190	2,188,777	27,621,951	54,969,382
<b>Total Costs</b>	<b>\$24,544,356</b>	<b>\$1,026,043</b>	<b>\$2,392,555</b>	<b>\$27,962,954</b>	<b>\$1,302,733</b>	<b>\$2,392,287</b>	<b>\$28,239,376</b>	<b>\$56,202,330</b>
General Fund	24,544,356	1,026,043	2,392,555	27,962,954	1,302,733	2,392,287	28,239,376	56,202,330
<b>Total Funds</b>	<b>\$24,544,356</b>	<b>\$1,026,043</b>	<b>\$2,392,555</b>	<b>\$27,962,954</b>	<b>\$1,302,733</b>	<b>\$2,392,287</b>	<b>\$28,239,376</b>	<b>\$56,202,330</b>

**Sub-Program Description**

This subprogram includes the costs of secure care beds purchased from contractors including regional prisons in Glendive and Great Falls and a privately owned facility in Shelby.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	24,544,356	24,544,356	49,088,712	87.34%	24,544,356	24,544,356	49,088,712	87.34%
Statewide PL Adjustments	(49,050)	(46,740)	(95,790)	(0.17%)	(49,050)	(46,740)	(95,790)	(0.17%)
Other PL Adjustments	1,075,093	1,349,473	2,424,566	4.31%	1,075,093	1,349,473	2,424,566	4.31%
New Proposals	2,392,555	2,392,287	4,784,842	8.51%	2,392,555	2,392,287	4,784,842	8.51%
<b>Total Budget</b>	<b>\$27,962,954</b>	<b>\$28,239,376</b>	<b>\$56,202,330</b>		<b>\$27,962,954</b>	<b>\$28,239,376</b>	<b>\$56,202,330</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(31,472)					(29,210)
Vacancy Savings					(17,155)					(17,247)
Inflation/Deflation					(423)					(283)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$49,050)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$49,050)</b>		<b>(\$46,740)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$46,740)</b>
DP 319 - Secure Care Contract Bed Annualization	0.00	1,075,093	0	0	1,075,093	0.00	1,349,473	0	0	1,349,473
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,075,093</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,075,093</b>	<b>0.00</b>	<b>\$1,349,473</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,349,473</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,026,043</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,026,043</b>	<b>0.00</b>	<b>\$1,302,733</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,302,733</b>

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

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

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

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

**New Proposals**

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

DP 320 - Lewistown Infirmiry Beds – The executive requests general fund to fund: 1) a contract (memorandum of understanding) with the Department of Public Health and Human Services for 25 beds at the Lewistown Infirmiry, \$1.6 million per year; and 2) funding to add 5.00 FTE correctional officers (4 correctional officers and 1 correctional officer supervisor/manager) for security at the facility, \$0.2 million per year. The facility serves an agency-identified population of older offenders with chronic medical conditions that require a specialized level of care, which has become increasingly challenging to provide in a traditional prison environment. The inmates designated for this facility are low-security offenders with an array of serious physical issues.

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

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

*Legislative Intent and the Lewistown Infirmiry*

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



**LFD  
ISSUE CONT.**

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

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

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

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

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

*Required Retrofit and Legislative Finance Committee Monitoring*

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

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

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

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

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

*The Issue*

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

*Legislative Options*

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

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

### Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	16.00	16.00	18.00	18.00	16.00	18.00	2.00	12.50%
Personal Services	810,031	943,083	1,062,517	1,063,803	1,753,114	2,126,320	373,206	21.29%
Operating Expenses	2,511,876	2,490,111	3,136,528	3,137,034	5,001,987	6,273,562	1,271,575	25.42%
Equipment & Intangible Assets	0	0	0	0	0	0	0	n/a
<b>Total Costs</b>	<b>\$3,321,907</b>	<b>\$3,433,194</b>	<b>\$4,199,045</b>	<b>\$4,200,837</b>	<b>\$6,755,101</b>	<b>\$8,399,882</b>	<b>\$1,644,781</b>	<b>24.35%</b>
General Fund	801,606	790,402	974,684	976,724	1,592,008	1,951,408	359,400	22.58%
State Special	1,985,509	2,003,841	2,496,156	2,496,193	3,989,350	4,992,349	1,002,999	25.14%
Other	534,792	638,951	728,205	727,920	1,173,743	1,456,125	282,382	24.06%
<b>Total Funds</b>	<b>\$3,321,907</b>	<b>\$3,433,194</b>	<b>\$4,199,045</b>	<b>\$4,200,837</b>	<b>\$6,755,101</b>	<b>\$8,399,882</b>	<b>\$1,644,781</b>	<b>24.35%</b>

### Program Description

The Montana Correctional Enterprises (MCE) Division provides vocational education and on the job training to over 500 offenders. MCE programs allow offenders to gain valuable knowledge, life skills, and work experience, helping them to transition back into society.

### Program Highlights

<b>Montana Correctional Enterprises Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ Major factors contributing to the proposed funding increase are: <ul style="list-style-type: none"> <li>● A request to add 2.00 FTE for the vocational education program</li> <li>● Requests for overtime and inmate pay that are 62% higher than the base</li> <li>● A request to purchase \$1.0 million in merchandise for the canteen for purchase by inmates</li> </ul> </li> </ul>
<b>Major LFD Issues</b>
<ul style="list-style-type: none"> <li>◆ A portion of the vocational education program is included in HB 2 funding and also being requested as a proprietary rate</li> <li>◆ Fees for the license plate factory are not commensurate with costs</li> <li>◆ Revenue projections for the vocational education proprietary fund and the MSP institutional industries fund are questionable</li> </ul>

**Program Discussion**

**LFD ISSUE** Vocational Education – Proprietary Budgeted as Both HB 2 and Non-Budgeted Proprietary

The Vocational Education Program consists of two segments: 1) a portion that provides inmates with training for various job skills intended to improve the inmates’ transition back into the community (Vocational Education – General Fund); and 2) a similar job training program that provides services to Toyota Motor Company and other areas of the Montana State Prison in exchange for a fee to the program receiving the service (Vocational Education – Proprietary)

**LFD ISSUE CONT.** The Vocational Education – Proprietary portion of the program is funded with an internal services fund and legislative actions for this type of funding are to approve the maximum level of fees the program may charge during the biennium. The Vocational Education – Proprietary has been included in this budget as both a HB 2 subprogram and a proprietary program requesting rate approval.

Inclusion of the HB 2 subprogram for this function overstates the budget for this program and the agency by nearly \$1.5 million for the biennium in proprietary funds. The legislature need not approve the appropriation for the subprogram Vocational Education – Proprietary 07.

**Funding**

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

Total Department Of Corrections Funding by Source of Authority 2015 Biennium Budget - Mont Correctional Enterprises							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$1,951,408	\$0	\$0	\$1,951,408	6.1%		
State Special Total	\$4,992,349	\$0	\$0	\$4,992,349	15.7%		
02917 Msp Canteen Revolving Acct	\$4,992,349	\$0	\$0	\$4,992,349	15.7%		
Proprietary Total	\$1,456,125	\$23,341,291	\$0	\$24,797,416	78.1%		
06034 Msp Institutional Industries	\$0	\$4,519,754	\$0	\$4,519,754	14.2%		
06572 Mce License Plate Production	\$0	\$1,872,667	\$0	\$1,872,667	5.9%		
06573 Msp - Cook Chill	\$0	\$8,019,092	\$0	\$8,019,092	25.3%		
Total All Funds	\$8,399,882	\$23,341,291	\$0	\$31,741,173	100.0%		
<b>Percent - Total All Sources</b>	<b>26.5%</b>	<b>73.5%</b>	<b>0.0%</b>				

This program is funded by a combination of general fund, state special revenue, and proprietary funds. General fund supports the industries program and personal services costs for the inmate canteen. State special revenue from the inmate canteen fund supports the purchase of merchandise that is distributed and sold to inmates through the canteen. Proprietary funds support a portion of the industries program. The prison ranch, a portion of the industries program, food factory, and license plate operations are funded with non-budgeted proprietary funds and are discussed separately in the Proprietary Rates section.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	801,606	801,606	1,603,212	82.16%	3,321,907	3,321,907	6,643,814	79.09%
Statewide PL Adjustments	(16,858)	(14,686)	(31,544)	(1.62%)	25,202	27,126	52,328	0.62%
Other PL Adjustments	52,500	52,500	105,000	5.38%	714,500	714,500	1,429,000	17.01%
New Proposals	137,436	137,304	274,740	14.08%	137,436	137,304	274,740	3.27%
<b>Total Budget</b>	<b>\$974,684</b>	<b>\$976,724</b>	<b>\$1,951,408</b>		<b>\$4,199,045</b>	<b>\$4,200,837</b>	<b>\$8,399,882</b>	

**Present Law Adjustments**

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

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					60,364					61,845
Vacancy Savings					(34,814)					(34,877)
Inflation/Deflation					(348)					158
<b>Total Statewide Present Law Adjustments</b>		<b>(\$16,858)</b>	<b>(\$19,353)</b>	<b>\$0</b>	<b>\$25,202*</b>		<b>(\$14,686)</b>	<b>(\$19,316)</b>	<b>\$0</b>	<b>\$27,126*</b>
DP 402 - MCE Overtime and Inmate Pay	0.00	52,500	30,000	0	114,500*	0.00	52,500	30,000	0	114,500*
DP 403 - MCE Additional Spending Authority	0.00	0	500,000	0	600,000*	0.00	0	500,000	0	600,000*
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$52,500</b>	<b>\$530,000</b>	<b>\$0</b>	<b>\$714,500*</b>	<b>0.00</b>	<b>\$52,500</b>	<b>\$530,000</b>	<b>\$0</b>	<b>\$714,500*</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$35,642</b>	<b>\$510,647</b>	<b>\$0</b>	<b>\$739,702*</b>	<b>0.00</b>	<b>\$37,814</b>	<b>\$510,684</b>	<b>\$0</b>	<b>\$741,626*</b>

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

**New Proposals**

New Proposals	Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----					
			General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
	DP 402 - MCE Vocational Training FTE at MWP/MSP	04	2.00	137,436	0	0	137,436	2.00	137,304	0	0	137,304
	<b>Total</b>	<b>2.00</b>	<b>\$137,436</b>	<b>\$0</b>	<b>\$0</b>	<b>\$137,436</b>	<b>2.00</b>	<b>\$137,304</b>	<b>\$0</b>	<b>\$0</b>	<b>\$137,304</b>	

**Sub-Program Details**

**VOCATIONAL EDUCATION 02**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	9.00	0.00	2.00	11.00	0.00	2.00	11.00	11.00
Personal Services	500,763	35,424	112,436	648,623	37,031	112,304	650,098	1,298,721
Operating Expenses	155,195	(297)	25,000	179,898	172	25,000	180,367	360,265
<b>Total Costs</b>	<b>\$655,958</b>	<b>\$35,127</b>	<b>\$137,436</b>	<b>\$828,521</b>	<b>\$37,203</b>	<b>\$137,304</b>	<b>\$830,465</b>	<b>\$1,658,986</b>
General Fund	655,958	35,127	137,436	828,521	37,203	137,304	830,465	1,658,986
<b>Total Funds</b>	<b>\$655,958</b>	<b>\$35,127</b>	<b>\$137,436</b>	<b>\$828,521</b>	<b>\$37,203</b>	<b>\$137,304</b>	<b>\$830,465</b>	<b>\$1,658,986</b>

**Sub-Program Description**

This subprogram consists of the vocational education in areas of motor vehicle servicing and maintenance, business skills, welding and machining, and meat cutting. This subprogram provides re-entry services by providing job skills for inmates to use upon re-entry to the community.

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	655,958	655,958	1,311,916	79.08%	655,958	655,958	1,311,916	79.08%
Statewide PL Adjustments	(12,373)	(10,297)	(22,670)	(1.37%)	(12,373)	(10,297)	(22,670)	(1.37%)
Other PL Adjustments	47,500	47,500	95,000	5.73%	47,500	47,500	95,000	5.73%
New Proposals	137,436	137,304	274,740	16.56%	137,436	137,304	274,740	16.56%
<b>Total Budget</b>	<b>\$828,521</b>	<b>\$830,465</b>	<b>\$1,658,986</b>		<b>\$828,521</b>	<b>\$830,465</b>	<b>\$1,658,986</b>	

**Present Law Adjustments**

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

Present Law Adjustments										
FTE	-----Fiscal 2014-----				-----Fiscal 2015-----					
	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				8,285					9,961	
Vacancy Savings				(20,361)					(20,430)	
Inflation/Deflation				(297)					172	
<b>Total Statewide Present Law Adjustments</b>	<b>(\$12,373)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$12,373)</b>		<b>(\$10,297)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$10,297)</b>	
DP 402 - MCE Overtime and Inmate Pay	0.00	47,500	0	0	47,500	0.00	47,500	0	0	47,500
<b>Total Other Present Law Adjustments</b>										

Present Law Adjustments										
	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
	0.00	\$47,500	\$0	\$0	\$47,500	0.00	\$47,500	\$0	\$0	\$47,500
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$35,127</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,127</b>	<b>0.00</b>	<b>\$37,203</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,203</b>

DP 402 - MCE Overtime and Inmate Pay - The executive requests general fund for staff overtime and inmate pay. These expenses are zero-based and must be requested in full each biennium.

<b>LFD COMMENT</b>	Base expenditures of this subprogram were \$25,664. This request represents an 85% increase over the base.
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**New Proposals**

New Proposals										
	-----Fiscal 2014-----					-----Fiscal 2015-----				
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 402 - MCE Vocational Training FTE at MWP/MSP										
02	2.00	137,436	0	0	137,436	2.00	137,304	0	0	137,304
<b>Total</b>	<b>2.00</b>	<b>\$137,436</b>	<b>\$0</b>	<b>\$0</b>	<b>\$137,436</b>	<b>2.00</b>	<b>\$137,304</b>	<b>\$0</b>	<b>\$0</b>	<b>\$137,304</b>

DP 402 - MCE Vocational Training FTE at MWP/MSP – The executive requests general fund to purchase reference materials and fund personal services to add 2.00 FTE. One position would be for the high-side vocational education program at Montana State Prison and the second position would be for vocational education programs at Montana Women’s Prison.

**Sub-Program Details**

**INMATE CANTEEN 06**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget									
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15	
FTE	3.00	0.00	0.00	3.00	0.00	0.00	3.00	3.00	
Personal Services	164,950	11,213	0	176,163	11,309	0	176,259	352,422	
Operating Expenses	1,966,207	499,949	0	2,466,156	499,986	0	2,466,193	4,932,349	
<b>Total Costs</b>	<b>\$2,131,157</b>	<b>\$511,162</b>	<b>\$0</b>	<b>\$2,642,319</b>	<b>\$511,295</b>	<b>\$0</b>	<b>\$2,642,452</b>	<b>\$5,284,771</b>	
General Fund	145,648	515	0	146,163	611	0	146,259	292,422	
State/Other Special	1,985,509	510,647	0	2,496,156	510,684	0	2,496,193	4,992,349	
<b>Total Funds</b>	<b>\$2,131,157</b>	<b>\$511,162</b>	<b>\$0</b>	<b>\$2,642,319</b>	<b>\$511,295</b>	<b>\$0</b>	<b>\$2,642,452</b>	<b>\$5,284,771</b>	

**Sub-Program Description**

This subprogram consists of activities in support of the inmate canteen where inmates purchase various personal items.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	145,648	145,648	291,296	99.61%	2,131,157	2,131,157	4,262,314	80.65%
Statewide PL Adjustments	(4,485)	(4,389)	(8,874)	(3.03%)	(23,838)	(23,705)	(47,543)	(0.90%)
Other PL Adjustments	5,000	5,000	10,000	3.42%	535,000	535,000	1,070,000	20.25%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$146,163</b>	<b>\$146,259</b>	<b>\$292,422</b>		<b>\$2,642,319</b>	<b>\$2,642,452</b>	<b>\$5,284,771</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(17,906)					(17,805)
Vacancy Savings					(5,881)					(5,886)
Inflation/Deflation					(51)					(14)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$4,485)</b>	<b>(\$19,353)</b>	<b>\$0</b>	<b>(\$23,838)</b>		<b>(\$4,389)</b>	<b>(\$19,316)</b>	<b>\$0</b>	<b>(\$23,705)</b>
DP 402 - MCE Overtime and Inmate Pay	0.00	5,000	30,000	0	35,000	0.00	5,000	30,000	0	35,000
DP 403 - MCE Additional Spending Authority	0.00	0	500,000	0	500,000	0.00	0	500,000	0	500,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$5,000</b>	<b>\$530,000</b>	<b>\$0</b>	<b>\$535,000</b>	<b>0.00</b>	<b>\$5,000</b>	<b>\$530,000</b>	<b>\$0</b>	<b>\$535,000</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$515</b>	<b>\$510,647</b>	<b>\$0</b>	<b>\$511,162</b>	<b>0.00</b>	<b>\$611</b>	<b>\$510,684</b>	<b>\$0</b>	<b>\$511,295</b>

DP 402 - MCE Overtime and Inmate Pay - The executive requests general fund and state special revenue for staff overtime and inmate pay. These expenses are zero-based and must be requested in full each biennium.

<b>LFD COMMENT</b>	Base expenditures of this subprogram were \$22,960. This request represents an 52% increase over the base.
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DP 403 - MCE Additional Spending Authority - The executive requests state special revenue for the purchase of additional merchandise for the canteen.



**Sub-Program Details**

**VOCATIONAL EDUCATION - PROPRIETARY 07**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00	4.00
Personal Services	144,318	93,413	0	237,731	93,128	0	237,446	475,177
Operating Expenses	390,474	100,000	0	490,474	100,000	0	490,474	980,948
<b>Total Costs</b>	<b>\$534,792</b>	<b>\$193,413</b>	<b>\$0</b>	<b>\$728,205</b>	<b>\$193,128</b>	<b>\$0</b>	<b>\$727,920</b>	<b>\$1,456,125</b>
Proprietary	534,792	193,413	0	728,205	193,128	0	727,920	1,456,125
<b>Total Funds</b>	<b>\$534,792</b>	<b>\$193,413</b>	<b>\$0</b>	<b>\$728,205</b>	<b>\$193,128</b>	<b>\$0</b>	<b>\$727,920</b>	<b>\$1,456,125</b>

**Sub-Program Description**

This proprietary program consists of the motor vehicle maintenance shop and Toyota cutaway operation.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	0	0	0	0.00%	534,792	534,792	1,069,584	73.45%
Statewide PL Adjustments	0	0	0	0.00%	61,413	61,128	122,541	8.42%
Other PL Adjustments	0	0	0	0.00%	132,000	132,000	264,000	18.13%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$728,205</b>	<b>\$727,920</b>	<b>\$1,456,125</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

<b>LFD ISSUE</b>	<p><u>Proprietary Funding</u></p> <p>Because the proprietary funds associated with this subprogram are approved in the rates, the legislature does not need to fund these decision packages or the base budget. For a further discussion, see the summary section of this division’s narrative.</p>
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Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					69,985					69,689
Vacancy Savings					(8,572)					(8,561)
<b>Total Statewide Present Law Adjustments</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$61,413*</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$61,128*</b>
DP 402 - MCE Overtime and Inmate Pay	0.00	0	0	0	32,000*	0.00	0	0	0	32,000*
DP 403 - MCE Additional Spending Authority	0.00	0	0	0	100,000*	0.00	0	0	0	100,000*
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$132,000*</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$132,000*</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$193,413*</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$193,128*</b>

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

DP 402 - MCE Overtime and Inmate Pay - The executive requests proprietary funds for staff overtime and inmate pay. These expenses are zero-based and must be requested in full each biennium.

<b>LFD COMMENT</b>	Base expenditures of this subprogram were \$22,182. This request represents an 44% increase over the base.
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DP 403 - MCE Additional Spending Authority - The executive requests proprietary funds for the purchase of additional parts and supplies for motor vehicle maintenance operations, which is part of the vocational education program.

**Proprietary Rates**

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

- o Prison Ranch
- o Industries
- o Food Factory
- o License Plate Operations

**Prison Ranch – Fund 06033**

*Proprietary Proposed Budget*

The 2015 biennium report on enterprise funds for the Prison Ranch shows the financial information for the fund from FY 2010 through FY 2015. The report is provided as submitted by the executive and is included in the appendix for this agency.

*Proprietary Program Description*

The proprietary program consists of the ranch operation located near the Montana State Prison in Deer Lodge and includes cattle, crops, feedlot, land management, dairy milking parlor, dairy processing, heifer reproduction, and lumber processing activities.

*Proprietary Program Narrative*Expenses

Personal services funds 21.50 FTE. The largest operating expenses for the program include items such as feed, grain, gasoline, diesel fuel, and veterinary supplies. The cost of these supplies varies with general economic conditions.

Revenues

Revenues for this program are derived primarily from the sale of raw milk and livestock. Additionally, a small amount of revenue is generated through logging. Revenues vary depending upon general economic conditions that impact commodity prices.

Funding Sources

Prison ranch products are sold in the private sector.

Proprietary Present Law Adjustments

Present law adjustments for this program consist of \$497,000 for the biennium to fund statewide present law adjustments.

*Proprietary Rates*

This program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program.

**MSP Institutional Industries – Fund 06034***Proprietary Proposed Budget*

The 2015 biennium report on enterprise funds for the MSP Institutional Industries shows the financial information for the fund from FY 2010 through FY 2015. The report is provided as submitted by the executive and is included in the appendix for this agency.

**LFD  
ISSUE**Fee Revenue Questionable and Net Assets are Growing

The fee revenues shown on the report for each year of the 2015 biennium are exactly the same but lower than the projection for FY 2013. These revenue estimates are questionable given the proposed rate increases that incrementally increase each year of the 2015 biennium over those for the 2013 biennium. When rates were increased from the 2011 biennium to the 2013 biennium, the revenues increased accordingly. Even with the revenue estimates shown on the report, operating income is driving up net assets, which gives the indication that fees are not commensurate with costs as required in state law.

The legislature may want to request that the agency provide updated revenue estimates for FY 2014 and FY 2015 to see how more realistic revenues would impact operating income and the resulting net assets. Since a large portion of the fees paid for this service are by other agencies including this department, other state funds including general fund are indirectly impacted by fees of this program. The legislature may want to recommend to the agency that they adjust fees so they are commensurate with cost.

*Proprietary Program Description*

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

*Proprietary Program Narrative*Expenses

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

Revenues

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

Funding Sources

Because a large portion of revenues are the result of business done with state agencies, a portion of the revenue from this program comes indirectly from the general fund and other special revenue and proprietary funds in undeterminable amounts.

Proprietary Present Law Adjustments

Present law adjustments for this program consist of \$291,000 for the biennium to fund statewide present law adjustments.

*Proprietary Rates*

This program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program.

**MCE Food Factory – Fund 06573***Proprietary Proposed Budget*

The 2015 biennium report on internal service funds for the MCE Food Factory shows the financial information for the fund from FY 2010 through FY 2015. The report is provided as submitted by the executive and is included in the appendix for this agency.

*Proprietary Program Description*

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

*Proprietary Program Narrative*Expenses

The expenses include personal services for 21.00 FTE and operating expenses, with the bulk of the funding supporting operating costs. The largest category of operating cost is raw materials, which includes the various grocery type items needed to prepare meals.

Revenues

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

Funding Sources

Revenues supporting MSP, the food factory's largest customer, come from the general fund.

Proprietary Present Law Adjustments

Present law adjustments for this program consist of \$178,000 for the biennium to fund statewide present law adjustments.

*Proprietary Rates*

This program is funded with an internal service type proprietary fund. As such, the legislature approves the maximum rates the program may charge for its services. The executive requests the following rates for the 2015 biennium. The overhead charges are allocated in the same percentages as in the 2013 biennium except for a 1% shift from the Montana State Prison to the Treasure State Correctional Training Center. There are no changes proposed for delivering meals. The executive proposes increases for all tray meal prices. The requested rates are shown on the figure.

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge. Previous rates charged by this program were not generating adequate revenues to keep up with expenses. The rates proposed to the 2015 biennium would restore balance between expenses and revenues.

Requested Rates for MCE Food Factory				
	Actual FY 2012	Budgeted FY 2013	Requested FY 2014	Requested FY 2015
Tray Meal Prices to all customers				
Base Tray-Hot/Cold	\$1.73	\$1.73	\$2.14	\$2.32
Base Tray-Hot	0.87	0.87	1.08	1.18
Detention Center Trays	2.45	2.45	2.72	2.92
Accessory Package	0.10	0.10	0.16	0.16
Delivery Charge Per Trayed Meal				
Delivery charge - per mile	0.50	0.50	0.50	0.50
Deliver charge - per hour	35.00	35.00	35.00	35.00
Bulk Food is sold at cost, with a spoilage percentage added on and an overhead charge to cover operating expenses. Overhead charge is based on historical costs				
Spoilage percentage to all customers	5%	5%	5%	5%
(Overhead Chrg)				
Montana State Hospital	11%	11%	11%	11%
MSH - supplies only				
MSH - all overhead except supplies				
Montana State Prison	77%	77%	76%	76%
MSP - supplies only				
MSP - all overhead except supplies				
Treasure State Correctional Training	12%	12%	13%	13%
TSCTC - supplies only				
TSCTS - all overhead except supplies				

**Vocational Education – Fund 06545**

*Proprietary Proposed Budget*

The 2015 biennium report on internal service funds for vocational education shows the financial information for the fund from FY 2010 through FY 2015. The report is provided as submitted by the executive and is included in the appendix for this agency.

<b>LFD ISSUE</b>	<p><u>Fee Revenue Not Realistic</u></p> <p>The fee revenues shown on the report for each year of the 2015 biennium are questionable as they are exactly the same as projected for FY 2013, even though the executive is proposing an increase in rates with no change in expected demand for the services. Given the revenue estimates shown on the report the program would be operating at a loss and net assets are being depleted. If revenues are accurate, they will not be sufficient to fund expenses of this program.</p> <p>Before considering the proposed rates, the legislature may want to request that the agency provide updated revenue estimates for FY 2014 and FY 2015 to see how more realistic revenues would impact operating income.</p>
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*Proprietary Program Description*

This proprietary program consists of the motor vehicle maintenance shop and Toyota cutaway operation.

*Proprietary Program Narrative*

<b>LFD ISSUE</b>	<p><u>Proprietary Funding</u></p> <p>A similar issues is discussed in the HB 2 subprogram Vocational Education – Proprietary where appropriations are requested for the same expenditures that would be funded with this proprietary program. Legislative action for internal service type proprietary programs is to approve fees and charges. For a further discussion, see the summary section of this division’s narrative.</p>
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Expenses

The expenses are split between personal services (4.00 FTE) and operating expenses, with about one-third of the budget supporting personal services and the remaining two-thirds supporting operating costs. The largest category of operating expense for the program is merchandise.

Revenues

Revenues are derived primarily from motor vehicle maintenance completed for MSP and the prison ranch.

Funding Sources

Because a largest portion of the revenues are the result of business done with MSP and the prison ranch, the primary funding sources supporting payment for services are the ranch proprietary fund and the general fund, which supports MSP.

Proprietary Present Law Adjustments

Present law adjustments for this program consist of \$123,000 for the biennium to fund statewide present law adjustments. Other decision packages for this program are provided in the HB 2 subprogram Vocational Education – Proprietary. These decision packages would increase costs for this program by \$264,000 for the biennium.

*Proprietary Rates*

This program is funded with an internal service type proprietary fund. As such, the legislature approves the maximum rates the program may charge for its services. The executive requests the following rates for the program.

Requested Rates for Vocational Education				
Fee Group	Actual FY 2012	Budgeted FY 2013	Requested FY 2014	Requested FY 2015
Rate 1 - Labor Charge for Motor Vehicle Maint (per hour)	\$26.50	\$26.50	\$27.45	\$28.45
Rate 2 - Supply fee as a percentage of actual cost of parts (per unit)	0.05	0.05	0.05	0.05
Rate 3 - Parts are sold at actual cost	Not applicable			

**MCE License Plate – Fund 06572**

*Proprietary Proposed Budget*

The 2015 biennium report on internal service funds for the license plate program shows the financial information for the fund from FY 2010 through FY 2015. The report is provided as submitted by the executive and is included in the appendix for this agency.

**LFD  
ISSUE**Legislative Audit Finding – Fees Not Commensurate With Costs

The legislative audit recently completed for the agency for the two fiscal years ending June 30, 2012, found that fees for the license plate program were not commensurate with costs. The Legislative Audit Committee recommended that the agency reduce license plate rates to achieve a reasonable fund equity balance. The report for this fund shows projected operating income of \$1.1 million for the 2015 biennium and proposed fees at the same level as they have been since FY 2010.

The legislature may want to discuss with the agency the actions it is taking to comply with the audit findings and its statement of concurrence in the audit. The legislature may want to direct the agency to propose revised fees that are commensurate with costs.

*Proprietary Program Description*

This proprietary program consists of license plate manufacturing.

*Proprietary Program Narrative*Expenses

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

Revenues

Revenues are derived from the sale of license plates to the Department of Justice. The Department of Justice pays for the license plates with fee revenue collected from license plate sales.

Funding Sources

Revenues supporting license plate manufacturing come from members of the public who purchase license plates.

Proprietary Present Law Adjustments

Present law adjustments for this program consist of \$43,000 for the biennium to fund statewide present law adjustments. The entire budget for this fund is established in a present law adjustment because this function was not moved to a proprietary fund until the second year of the 2011 biennium.

*Proprietary Rates*

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge. The executive requests the legislature approved \$6.20 per set of plates as the rate for both FY 2014 and FY 2015.

### Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	202.35	202.35	202.35	202.35	202.35	202.35	0.00	0.00%
Personal Services	10,664,340	10,891,106	11,144,292	11,424,381	21,555,446	22,568,673	1,013,227	4.70%
Operating Expenses	2,373,517	2,245,738	2,457,290	2,369,175	4,619,255	4,826,465	207,210	4.49%
Equipment & Intangible Assets	0	0	0	0	0	0	0	n/a
Benefits & Claims	2,330,087	2,940,542	2,330,087	2,330,087	5,270,629	4,660,174	(610,455)	(11.58%)
Transfers	3,459,909	2,848,231	3,459,909	3,459,909	6,308,140	6,919,818	611,678	9.70%
Debt Service	20,877	20,933	20,877	20,877	41,810	41,754	(56)	(0.13%)
<b>Total Costs</b>	<b>\$18,848,730</b>	<b>\$18,946,550</b>	<b>\$19,412,455</b>	<b>\$19,604,429</b>	<b>\$37,795,280</b>	<b>\$39,016,884</b>	<b>\$1,221,604</b>	<b>3.23%</b>
General Fund	17,961,315	18,077,597	18,525,040	18,717,014	36,038,912	37,242,054	1,203,142	3.34%
State Special	871,410	853,560	871,410	871,410	1,724,970	1,742,820	17,850	1.03%
Federal Special	16,005	15,393	16,005	16,005	31,398	32,010	612	1.95%
<b>Total Funds</b>	<b>\$18,848,730</b>	<b>\$18,946,550</b>	<b>\$19,412,455</b>	<b>\$19,604,429</b>	<b>\$37,795,280</b>	<b>\$39,016,884</b>	<b>\$1,221,604</b>	<b>3.23%</b>

### Program Description

The Youth Services Division is responsible for all state operated youth programs including Pine Hills Youth Correctional Facility for males located in Miles City, Riverside Youth Correctional Facility for females in Boulder, Youth Community Corrections including Juvenile Parole, interstate compact services for probation and parole, re-entry services, transition centers, detention licensing, and transportation. Additional responsibilities include research, training, and administrative support services.

### Program Highlights

<b>Youth Services Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ Major factors contributing to the proposed funding increase are:               <ul style="list-style-type: none"> <li>• Requests to fund correctional officer career ladder pay adjustments</li> <li>• A request to fund the replacement of doors at the Riverside Youth Correctional Facility</li> </ul> </li> </ul>

### Funding

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



Total Department Of Corrections Funding by Source of Authority 2015 Biennium Budget - Youth Services							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$37,242,054	\$0	\$0	\$37,242,054	95.5%		
State Special Total	\$1,742,820	\$0	\$0	\$1,742,820	4.5%		
02034 Earmarked Alcohol Funds	\$51,046	\$0	\$0	\$51,046	0.1%		
02916 Phs-canteen	\$7,550	\$0	\$0	\$7,550	0.0%		
02927 Phs Donations/i & I	\$814,058	\$0	\$0	\$814,058	2.1%		
03530 6901-foster Care 93.658	\$32,010	\$0	\$0	\$32,010	0.1%		
Total All Funds	\$39,016,884	\$0	\$0	\$39,016,884	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

This division receives about 95% of its support from the general fund. State special revenue, primarily from parental contributions toward the costs of care and interest and income related to Pine Hills school lands, provides about 4% of the division’s funding. The division also receives a small amount of federal funds from the Title IV-E Foster Care and Adoption Program.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	17,961,315	17,961,315	35,922,630	96.46%	18,848,730	18,848,730	37,697,460	96.62%
Statewide PL Adjustments	(60,334)	(36,954)	(97,288)	(0.26%)	(60,334)	(36,954)	(97,288)	(0.25%)
Other PL Adjustments	624,059	792,653	1,416,712	3.80%	624,059	792,653	1,416,712	3.63%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$18,525,040</b>	<b>\$18,717,014</b>	<b>\$37,242,054</b>		<b>\$19,412,455</b>	<b>\$19,604,429</b>	<b>\$39,016,884</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					398,405					410,372
Vacancy Savings					(442,512)					(442,984)
Inflation/Deflation					(16,227)					(4,342)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$60,334)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$60,334)</b>		<b>(\$36,954)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$36,954)</b>
DP 501 - PHYCF Overtime/Holiday Worked	0.00	164,120	0	0	164,120	0.00	164,120	0	0	164,120
DP 502 - RYCF Overtime/Holiday Worked	0.00	37,567	0	0	37,567	0.00	37,567	0	0	37,567
DP 503 - YTC Overtime/Holiday Worked	0.00	22,927	0	0	22,927	0.00	22,927	0	0	22,927
DP 504 - PHYCF Inmate Pay	0.00	29,850	0	0	29,850	0.00	29,850	0	0	29,850
DP 505 - RYCF Inmate Pay	0.00	1,000	0	0	1,000	0.00	1,000	0	0	1,000
DP 507 - RYCF Safety and Security OTO/BIEN	0.00	100,000	0	0	100,000	0.00	0	0	0	0
DP 999 - Fund Career Ladder for Correctional Officers	0.00	268,595	0	0	268,595	0.00	537,189	0	0	537,189
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$624,059</b>	<b>\$0</b>	<b>\$0</b>	<b>\$624,059</b>	<b>0.00</b>	<b>\$792,653</b>	<b>\$0</b>	<b>\$0</b>	<b>\$792,653</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$563,725</b>	<b>\$0</b>	<b>\$0</b>	<b>\$563,725</b>	<b>0.00</b>	<b>\$755,699</b>	<b>\$0</b>	<b>\$0</b>	<b>\$755,699</b>

**Sub-Program Details**

**JUVENILE CORRECTIONS ADMIN 01**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget	Base Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	Total Exec. Budget
Budget Item	Fiscal 2012	Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015	Fiscal 14-15
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00	4.00
Personal Services	212,956	26,659	0	239,615	28,049	0	241,005	480,620
Operating Expenses	46,909	(150)	0	46,759	(36)	0	46,873	93,632
<b>Total Costs</b>	<b>\$259,865</b>	<b>\$26,509</b>	<b>\$0</b>	<b>\$286,374</b>	<b>\$28,013</b>	<b>\$0</b>	<b>\$287,878</b>	<b>\$574,252</b>
General Fund	259,865	26,509	0	286,374	28,013	0	287,878	574,252
<b>Total Funds</b>	<b>\$259,865</b>	<b>\$26,509</b>	<b>\$0</b>	<b>\$286,374</b>	<b>\$28,013</b>	<b>\$0</b>	<b>\$287,878</b>	<b>\$574,252</b>

**Sub-Program Description**

This subprogram includes the division administrator and statewide management functions for the division.

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	259,865	259,865	519,730	90.51%	259,865	259,865	519,730	90.51%
Statewide PL Adjustments	26,509	28,013	54,522	9.49%	26,509	28,013	54,522	9.49%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$286,374</b>	<b>\$287,878</b>	<b>\$574,252</b>		<b>\$286,374</b>	<b>\$287,878</b>	<b>\$574,252</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					36,643					38,091
Vacancy Savings					(9,984)					(10,042)
Inflation/Deflation					(150)					(36)
<b>Total Statewide Present Law Adjustments</b>		<b>\$26,509</b>	<b>\$0</b>	<b>\$0</b>	<b>\$26,509</b>		<b>\$28,013</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,013</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$26,509</b>	<b>\$0</b>	<b>\$0</b>	<b>\$26,509</b>	<b>0.00</b>	<b>\$28,013</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,013</b>

**JUVENILE CORRECTIONS BUREAU 02**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	24.00	0.00	0.00	24.00	0.00	0.00	24.00	24.00
Personal Services	1,447,035	9,931	0	1,456,966	11,642	0	1,458,677	2,915,643
Operating Expenses	804,987	(4,561)	0	800,426	(3,026)	0	801,961	1,602,387
<b>Total Costs</b>	<b>\$2,252,022</b>	<b>\$5,370</b>	<b>\$0</b>	<b>\$2,257,392</b>	<b>\$8,616</b>	<b>\$0</b>	<b>\$2,260,638</b>	<b>\$4,518,030</b>
General Fund	2,252,022	5,370	0	2,257,392	8,616	0	2,260,638	4,518,030
<b>Total Funds</b>	<b>\$2,252,022</b>	<b>\$5,370</b>	<b>\$0</b>	<b>\$2,257,392</b>	<b>\$8,616</b>	<b>\$0</b>	<b>\$2,260,638</b>	<b>\$4,518,030</b>

**Sub-Program Description**

This subprogram includes juvenile community corrections and functions such as parole officers and the Juvenile Re-entry Program.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	2,252,022	2,252,022	4,504,044	99.69%	2,252,022	2,252,022	4,504,044	99.69%
Statewide PL Adjustments	5,370	8,616	13,986	0.31%	5,370	8,616	13,986	0.31%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$2,257,392</b>	<b>\$2,260,638</b>	<b>\$4,518,030</b>		<b>\$2,257,392</b>	<b>\$2,260,638</b>	<b>\$4,518,030</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					70,639					72,420
Vacancy Savings					(60,708)					(60,778)
Inflation/Deflation					(4,561)					(3,026)
<b>Total Statewide Present Law Adjustments</b>		<b>\$5,370</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,370</b>		<b>\$8,616</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,616</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$5,370</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,370</b>	<b>0.00</b>	<b>\$8,616</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,616</b>

**RIVERSIDE YOUTH CORRECTIONAL FACIL 03**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	32.50	0.00	0.00	32.50	0.00	0.00	32.50	32.50
Personal Services	1,663,090	273,873	0	1,936,963	375,328	0	2,038,418	3,975,381
Operating Expenses	268,122	96,790	0	364,912	(1,777)	0	266,345	631,257
Debt Service	20,877	0	0	20,877	0	0	20,877	41,754
<b>Total Costs</b>	<b>\$1,952,089</b>	<b>\$370,663</b>	<b>\$0</b>	<b>\$2,322,752</b>	<b>\$373,551</b>	<b>\$0</b>	<b>\$2,325,640</b>	<b>\$4,648,392</b>
General Fund	1,930,397	370,663	0	2,301,060	373,551	0	2,303,948	4,605,008
State/Other Special	21,692	0	0	21,692	0	0	21,692	43,384
<b>Total Funds</b>	<b>\$1,952,089</b>	<b>\$370,663</b>	<b>\$0</b>	<b>\$2,322,752</b>	<b>\$373,551</b>	<b>\$0</b>	<b>\$2,325,640</b>	<b>\$4,648,392</b>

**Sub-Program Description**

This subprogram consists of Riverside Youth Correctional Facility (RYCF), which is the state operated juvenile correctional institution for females located in Boulder.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	1,930,397	1,930,397	3,860,794	83.84%	1,952,089	1,952,089	3,904,178	83.99%
Statewide PL Adjustments	132,468	135,728	268,196	5.82%	132,468	135,728	268,196	5.77%
Other PL Adjustments	238,195	237,823	476,018	10.34%	238,195	237,823	476,018	10.24%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$2,301,060</b>	<b>\$2,303,948</b>	<b>\$4,605,008</b>		<b>\$2,322,752</b>	<b>\$2,325,640</b>	<b>\$4,648,392</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					210,626					212,530
Vacancy Savings					(74,948)					(75,025)
Inflation/Deflation					(3,210)					(1,777)
<b>Total Statewide Present Law Adjustments</b>		<b>\$132,468</b>	<b>\$0</b>	<b>\$0</b>	<b>\$132,468</b>		<b>\$135,728</b>	<b>\$0</b>	<b>\$0</b>	<b>\$135,728</b>
DP 502 - RYCF Overtime/Holiday Worked	0.00	37,567	0	0	37,567	0.00	37,567	0	0	37,567
DP 505 - RYCF Inmate Pay	0.00	1,000	0	0	1,000	0.00	1,000	0	0	1,000
DP 507 - RYCF Safety and Security OTO/BIEN	0.00	100,000	0	0	100,000	0.00	0	0	0	0
DP 999 - Fund Career Ladder for Correctional Officers	0.00	99,628	0	0	99,628	0.00	199,256	0	0	199,256
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$238,195</b>	<b>\$0</b>	<b>\$0</b>	<b>\$238,195</b>	<b>0.00</b>	<b>\$237,823</b>	<b>\$0</b>	<b>\$0</b>	<b>\$237,823</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$370,663</b>	<b>\$0</b>	<b>\$0</b>	<b>\$370,663</b>	<b>0.00</b>	<b>\$373,551</b>	<b>\$0</b>	<b>\$0</b>	<b>\$373,551</b>

DP 502 - RYCF Overtime/Holiday Worked – The executive requests general fund to fund overtime and holidays worked at the base level. These expenses are zero-based and must be requested in full each biennium.

DP 505 - RYCF Inmate Pay – The executive requests general fund to fund inmate pay at the Riverside Youth Correctional Facility. Youth pay restitution to their victims through their work. These expenses are zero-based and must be requested in full each biennium.

DP 507 - RYCF Safety and Security OTO/BIEN – The executive requests general fund for a project to replace doors throughout the Riverside Youth Correctional Facility. The executive recommends designating funding as one-time-only and biennial.

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

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

**TRANSITION CENTERS 04**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	15.00	0.00	0.00	15.00	0.00	0.00	15.00	15.00
Personal Services	772,719	(8,826)	0	763,893	28,463	0	801,182	1,565,075
Operating Expenses	118,477	653	0	119,130	1,517	0	119,994	239,124
<b>Total Costs</b>	<b>\$891,196</b>	<b>(\$8,173)</b>	<b>\$0</b>	<b>\$883,023</b>	<b>\$29,980</b>	<b>\$0</b>	<b>\$921,176</b>	<b>\$1,804,199</b>
General Fund	871,011	(8,173)	0	862,838	29,980	0	900,991	1,763,829
State/Other Special	20,185	0	0	20,185	0	0	20,185	40,370
<b>Total Funds</b>	<b>\$891,196</b>	<b>(\$8,173)</b>	<b>\$0</b>	<b>\$883,023</b>	<b>\$29,980</b>	<b>\$0</b>	<b>\$921,176</b>	<b>\$1,804,199</b>

**Sub-Program Description**

This subprogram includes the youth transition center (YTC), a group home for youth returning to the community that is located in Great Falls.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	871,011	871,011	1,742,022	98.76%	891,196	891,196	1,782,392	98.79%
Statewide PL Adjustments	(67,215)	(65,177)	(132,392)	(7.51%)	(67,215)	(65,177)	(132,392)	(7.34%)
Other PL Adjustments	59,042	95,157	154,199	8.74%	59,042	95,157	154,199	8.55%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$862,838</b>	<b>\$900,991</b>	<b>\$1,763,829</b>		<b>\$883,023</b>	<b>\$921,176</b>	<b>\$1,804,199</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(38,499)					(37,280)
Vacancy Savings					(29,369)					(29,414)
Inflation/Deflation					653					1,517
<b>Total Statewide Present Law Adjustments</b>		<b>(\$67,215)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$67,215)</b>		<b>(\$65,177)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$65,177)</b>
DP 503 - YTC Overtime/Holiday Worked	0.00	22,927	0	0	22,927	0.00	22,927	0	0	22,927
DP 999 - Fund Career Ladder for Correctional Officers	0.00	36,115	0	0	36,115	0.00	72,230	0	0	72,230
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$59,042</b>	<b>\$0</b>	<b>\$0</b>	<b>\$59,042</b>	<b>0.00</b>	<b>\$95,157</b>	<b>\$0</b>	<b>\$0</b>	<b>\$95,157</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$8,173)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$8,173)</b>	<b>0.00</b>	<b>\$29,980</b>	<b>\$0</b>	<b>\$0</b>	<b>\$29,980</b>

DP 503 - YTC Overtime/Holiday Worked - The executive requests general fund to fund overtime and holidays worked at the base level. These expenses are zero-based and must be requested in full each biennium.

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

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

**PINE HILLS YOUTH CORRECTIONAL FACI 05**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	126.85	0.00	0.00	126.85	0.00	0.00	126.85	126.85
Personal Services	6,568,540	178,315	0	6,746,855	316,559	0	6,885,099	13,631,954
Operating Expenses	1,133,998	(8,959)	0	1,125,039	(1,020)	0	1,132,978	2,258,017
Benefits & Claims	48,492	0	0	48,492	0	0	48,492	96,984
<b>Total Costs</b>	<b>\$7,751,030</b>	<b>\$169,356</b>	<b>\$0</b>	<b>\$7,920,386</b>	<b>\$315,539</b>	<b>\$0</b>	<b>\$8,066,569</b>	<b>\$15,986,955</b>
General Fund	7,115,293	169,356	0	7,284,649	315,539	0	7,430,832	14,715,481
State/Other Special	635,737	0	0	635,737	0	0	635,737	1,271,474
<b>Total Funds</b>	<b>\$7,751,030</b>	<b>\$169,356</b>	<b>\$0</b>	<b>\$7,920,386</b>	<b>\$315,539</b>	<b>\$0</b>	<b>\$8,066,569</b>	<b>\$15,986,955</b>

**Sub-Program Description**

This subprogram includes Pine Hills Youth Correctional Facility (PHYCF), the state operated institution for males, located in Miles City.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	7,115,293	7,115,293	14,230,586	96.70%	7,751,030	7,751,030	15,502,060	96.97%
Statewide PL Adjustments	(157,466)	(144,134)	(301,600)	(2.05%)	(157,466)	(144,134)	(301,600)	(1.89%)
Other PL Adjustments	326,822	459,673	786,495	5.34%	326,822	459,673	786,495	4.92%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$7,284,649</b>	<b>\$7,430,832</b>	<b>\$14,715,481</b>		<b>\$7,920,386</b>	<b>\$8,066,569</b>	<b>\$15,986,955</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.



Present Law Adjustments									
-----Fiscal 2014-----					-----Fiscal 2015-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
				118,996					124,611
				(267,503)					(267,725)
				(8,959)					(1,020)
<b>Total Statewide Present Law Adjustments</b>									
	<b>(\$157,466)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$157,466)</b>		<b>(\$144,134)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$144,134)</b>
DP 501 - PHYCF Overtime/Holiday Worked									
0.00	164,120	0	0	164,120	0.00	164,120	0	0	164,120
DP 504 - PHYCF Inmate Pay									
0.00	29,850	0	0	29,850	0.00	29,850	0	0	29,850
DP 999 - Fund Career Ladder for Correctional Officers									
0.00	132,852	0	0	132,852	0.00	265,703	0	0	265,703
<b>Total Other Present Law Adjustments</b>									
	<b>0.00</b>	<b>\$326,822</b>	<b>\$0</b>	<b>\$0</b>	<b>\$326,822</b>	<b>0.00</b>	<b>\$459,673</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total All Present Law Adjustments</b>									
	<b>0.00</b>	<b>\$169,356</b>	<b>\$0</b>	<b>\$0</b>	<b>\$169,356</b>	<b>0.00</b>	<b>\$315,539</b>	<b>\$0</b>	<b>\$0</b>

DP 501 - PHYCF Overtime/Holiday Worked - The executive requests general fund to fund overtime and holidays worked at the base level. These expenses are zero-based and must be requested in full each biennium.

DP 504 - PHYCF Inmate Pay - The executive requests general fund to fund inmate pay at Pine Hills. Youth pay restitution to their victims through their work.

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

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

**JUVENILE PLACEMENT FUNDS 06**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
Operating Expenses	1,024	0	0	1,024	0	0	1,024	2,048
Benefits & Claims	2,281,595	0	0	2,281,595	0	0	2,281,595	4,563,190
Transfers	3,459,909	0	0	3,459,909	0	0	3,459,909	6,919,818
<b>Total Costs</b>	<b>\$5,742,528</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,742,528</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,742,528</b>	<b>\$11,485,056</b>
General Fund	5,532,727	0	0	5,532,727	0	0	5,532,727	11,065,454
State/Other Special	193,796	0	0	193,796	0	0	193,796	387,592
Federal Special	16,005	0	0	16,005	0	0	16,005	32,010
<b>Total Funds</b>	<b>\$5,742,528</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,742,528</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,742,528</b>	<b>\$11,485,056</b>

**Sub-Program Description**

This subprogram includes funding that is utilized by parole officers to place youth in community residential placements. These funds are also utilized by Juvenile Probation Officers and Youth Courts within the Judicial Branch for the placement of youth on probation.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	5,532,727	5,532,727	11,065,454	100.00%	5,742,528	5,742,528	11,485,056	100.00%
Statewide PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$5,532,727</b>	<b>\$5,532,727</b>	<b>\$11,065,454</b>		<b>\$5,742,528</b>	<b>\$5,742,528</b>	<b>\$11,485,056</b>	

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	106.50	106.50	109.50	109.50	106.50	109.50	3.00	2.82%
Personal Services	6,355,494	6,637,121	7,043,584	7,042,150	12,992,615	14,085,734	1,093,119	8.41%
Operating Expenses	12,530,975	9,371,896	14,779,302	15,310,175	21,902,871	30,089,477	8,186,606	37.38%
<b>Total Costs</b>	<b>\$18,886,469</b>	<b>\$16,009,017</b>	<b>\$21,822,886</b>	<b>\$22,352,325</b>	<b>\$34,895,486</b>	<b>\$44,175,211</b>	<b>\$9,279,725</b>	<b>26.59%</b>
General Fund	18,302,311	15,401,225	21,035,543	21,564,493	33,703,536	42,600,036	8,896,500	26.40%
State Special	486,136	510,996	713,558	713,610	997,132	1,427,168	430,036	43.13%
Federal Special	0	0	0	0	0	0	0	n/a
Other	98,022	96,796	73,785	74,222	194,818	148,007	(46,811)	(24.03%)
<b>Total Funds</b>	<b>\$18,886,469</b>	<b>\$16,009,017</b>	<b>\$21,822,886</b>	<b>\$22,352,325</b>	<b>\$34,895,486</b>	<b>\$44,175,211</b>	<b>\$9,279,725</b>	<b>26.59%</b>

**Program Description**

The Administration and Support Services Program includes the Director’s Office, Outside Medical, Information Services Division, Staff Services Division, Administrative and Financial Services Division, and the administratively attached Board of Pardons and Parole. This program provides services to the department, governmental entities, and the public in the areas of: public and victim information, human resource management, staff development and training, American Indian liaison services, policy management, information technology, legal information, technical correctional services, research and statistics, medical services management, project management, payroll, budgeting and program planning, contract development, federal grants management, victim restitution, supervision fee collection, accounting, and various administrative and management support functions.

**Program Highlights**

<b>Administration and Support Services Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ Major factors contributing to the proposed funding increases are:                             <ul style="list-style-type: none"> <li>• Inflationary growth for medical costs that arises when an inmate is treated outside the prison system</li> <li>• Statewide present law adjustments</li> </ul> </li> <li>◆ The Governor also proposes:                             <ul style="list-style-type: none"> <li>• 2.00 FTE be added for information technology staff to support the agency’s re-entry initiative</li> <li>• 1.00 FTE attorney be added to address increasing legal workloads</li> </ul> </li> </ul>
<b>Major LFD Issues</b>
<ul style="list-style-type: none"> <li>◆ A portion of the funding to add FTE is one-time-only</li> </ul>

**Funding**

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

Total Department Of Corrections Funding by Source of Authority 2015 Biennium Budget - Admin And Support Services							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$42,600,036	\$0	\$0	\$42,600,036	96.4%		
State Special Total	\$1,427,168	\$0	\$0	\$1,427,168	3.2%		
02355 Miscellaneous Fines And Fees	\$17,412	\$0	\$0	\$17,412	0.0%		
02689 Offender Restitution	\$1,402,571	\$0	\$0	\$1,402,571	3.2%		
02917 Msp Canteen Revolving Acct	\$7,185	\$0	\$0	\$7,185	0.0%		
Proprietary Total	\$148,007	\$0	\$0	\$148,007	0.3%		
06033 Prison Ranch	\$46,278	\$0	\$0	\$46,278	0.1%		
06034 Msp Institutional Industries	\$43,451	\$0	\$0	\$43,451	0.1%		
06545 Prison Indust. Training Prog	\$8,350	\$0	\$0	\$8,350	0.0%		
06572 Mce License Plate Production	\$5,522	\$0	\$0	\$5,522	0.0%		
06573 Msp - Cook Chill	\$44,406	\$0	\$0	\$44,406	0.1%		
Total All Funds	\$44,175,211	\$0	\$0	\$44,175,211	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

The bulk of the funding for this program comes from the general fund. A small amount of the program’s funding comes from state special revenue, primarily from fees charged for the collection of restitution from offenders. The remainder of the program’s funding comes from proprietary funds such as the prison ranch, industries program, and cook chill operation.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	18,302,311	18,302,311	36,604,622	85.93%	18,886,469	18,886,469	37,772,938	85.51%
Statewide PL Adjustments	550,828	450,735	1,001,563	2.35%	708,147	608,543	1,316,690	2.98%
Other PL Adjustments	1,932,818	2,586,427	4,519,245	10.61%	1,975,874	2,629,483	4,605,357	10.43%
New Proposals	249,586	225,020	474,606	1.11%	252,396	227,830	480,226	1.09%
<b>Total Budget</b>	<b>\$21,035,543</b>	<b>\$21,564,493</b>	<b>\$42,600,036</b>		<b>\$21,822,886</b>	<b>\$22,352,325</b>	<b>\$44,175,211</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2014-----						-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					740,141					745,227
Vacancy Savings					(282,495)					(282,699)
Inflation/Deflation					(2,798)					(1,174)
Fixed Costs					253,299					147,189
<b>Total Statewide Present Law Adjustments</b>		<b>\$550,828</b>	<b>\$183,985</b>	<b>\$0</b>	<b>\$708,147*</b>		<b>\$450,735</b>	<b>\$184,037</b>	<b>\$0</b>	<b>\$608,543*</b>
DP 101 - Outside Medical Inflationary Increase (BIEN/RESTR)	0.00	1,527,622	0	0	1,527,622	0.00	2,432,581	0	0	2,432,581
DP 601 - Victim Services	0.00	37,194	0	0	37,194	0.00	37,194	0	0	37,194
DP 701 - MSP Door Control System (OTO/BIEN)	0.00	48,632	0	0	48,632	0.00	0	0	0	0
DP 702 - Agile Assets/RevQ Licenses	0.00	10,000	43,056	0	53,056	0.00	10,000	43,056	0	53,056
DP 703 - MSP Water Telemetry System (OTO/BIEN)	0.00	50,000	0	0	50,000	0.00	0	0	0	0
DP 704 - Vocational Training OTO/Bien	0.00	159,618	0	0	159,618	0.00	0	0	0	0
DP 801 - Attorney Services	1.00	85,642	0	0	85,642	1.00	82,642	0	0	82,642
DP 804 - Investigator Overtime	0.00	7,010	0	0	7,010	0.00	7,010	0	0	7,010
DP 901 - Parole Board Member Compensation	0.00	7,100	0	0	7,100	0.00	7,100	0	0	7,100
DP 902 - BOPP ACA Accreditation	0.00	0	0	0	0	0.00	9,900	0	0	9,900
<b>Total Other Present Law Adjustments</b>	<b>1.00</b>	<b>\$1,932,818</b>	<b>\$43,056</b>	<b>\$0</b>	<b>\$1,975,874</b>	<b>1.00</b>	<b>\$2,586,427</b>	<b>\$43,056</b>	<b>\$0</b>	<b>\$2,629,483</b>
<b>Grand Total All Present Law Adjustments</b>	<b>1.00</b>	<b>\$2,483,646</b>	<b>\$227,041</b>	<b>\$0</b>	<b>\$2,684,021*</b>	<b>1.00</b>	<b>\$3,037,162</b>	<b>\$227,093</b>	<b>\$0</b>	<b>\$3,238,026*</b>

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

**New Proposals**

New Proposals											
-----Fiscal 2014-----						-----Fiscal 2015-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 602 - Exonerated Person's Education Costs	01	0.00	14,500	0	0	14,500	0.00	14,500	0	0	14,500
DP 701 - Re-Entry IT FTE	01	2.00	140,412	0	0	140,412	2.00	131,596	0	0	131,596
DP 702 - Inmate Adult Educational Assessment Software	01	0.00	20,000	0	0	20,000	0.00	20,000	0	0	20,000
DP 704 - MSP Employee Training Lab (OTO/BIEN)	01	0.00	15,750	0	0	15,750	0.00	0	0	0	0
DP 805 - Radio Systems	01	0.00	25,000	0	0	25,000	0.00	25,000	0	0	25,000
DP 6101 - Professional Development Center Fee Allocation	01	0.00	33,924	381	0	36,734*	0.00	33,924	381	0	36,734*
<b>Total</b>	<b>2.00</b>	<b>\$249,586</b>	<b>\$381</b>	<b>\$0</b>	<b>\$252,396*</b>	<b>2.00</b>	<b>\$225,020</b>	<b>\$381</b>	<b>\$0</b>	<b>\$227,830*</b>	

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

**Sub-Program Details****BOARD OF PARDONS 01****Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	10.00	0.00	0.00	10.00	0.00	0.00	10.00	10.00
Personal Services	593,694	2,623	0	596,317	3,372	0	597,066	1,193,383
Operating Expenses	152,594	(1,192)	0	151,402	9,247	0	161,841	313,243
<b>Total Costs</b>	<b>\$746,288</b>	<b>\$1,431</b>	<b>\$0</b>	<b>\$747,719</b>	<b>\$12,619</b>	<b>\$0</b>	<b>\$758,907</b>	<b>\$1,506,626</b>
General Fund	746,288	1,431	0	747,719	12,619	0	758,907	1,506,626
<b>Total Funds</b>	<b>\$746,288</b>	<b>\$1,431</b>	<b>\$0</b>	<b>\$747,719</b>	<b>\$12,619</b>	<b>\$0</b>	<b>\$758,907</b>	<b>\$1,506,626</b>

**Sub-Program Description**

This subprogram includes the Board of Pardons and Parole, which is administratively attached to the department. The Board of Pardons and Parole is established in 2-15-2301, MCA as a quasi-judicial board.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	746,288	746,288	1,492,576	99.07%	746,288	746,288	1,492,576	99.07%
Statewide PL Adjustments	(5,669)	(4,381)	(10,050)	(0.67%)	(5,669)	(4,381)	(10,050)	(0.67%)
Other PL Adjustments	7,100	17,000	24,100	1.60%	7,100	17,000	24,100	1.60%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$747,719</b>	<b>\$758,907</b>	<b>\$1,506,626</b>		<b>\$747,719</b>	<b>\$758,907</b>	<b>\$1,506,626</b>	

**Present Law Adjustments**

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

	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					18,685					19,466
Vacancy Savings					(23,162)					(23,194)
Inflation/Deflation					(1,192)					(653)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$5,669)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5,669)</b>		<b>(\$4,381)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$4,381)</b>
DP 901 - Parole Board Member Compensation										
0.00	7,100	0	0	7,100	0.00	7,100	0	0	7,100	
DP 902 - BOPP ACA Accreditation										
0.00	0	0	0	0	0.00	9,900	0	0	9,900	
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$7,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,100</b>	<b>0.00</b>	<b>\$17,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,000</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,431</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,431</b>	<b>0.00</b>	<b>\$12,619</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,619</b>

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

<b>LFD COMMENT</b>	The increased funding would allow for 20 additional days of meetings for the full board and bring funding to 115.5 days.
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DP 902 - BOPP ACA Accreditation - The executive requests general fund in FY 2015 to pay the accreditation fee to the American Corrections Association. This fee is paid every three years and began when the board became accredited in January 2001.

**Sub-Program Details**

**DIRECTOR'S OFFICE 02**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	6.00	0.00	0.00	6.00	0.00	0.00	6.00	6.00
Personal Services	480,527	(6,730)	0	473,797	(7,365)	0	473,162	946,959
Operating Expenses	75,329	36,939	14,500	126,768	37,086	14,500	126,915	253,683
<b>Total Costs</b>	<b>\$555,856</b>	<b>\$30,209</b>	<b>\$14,500</b>	<b>\$600,565</b>	<b>\$29,721</b>	<b>\$14,500</b>	<b>\$600,077</b>	<b>\$1,200,642</b>
General Fund	555,856	30,209	14,500	600,565	29,721	14,500	600,077	1,200,642
<b>Total Funds</b>	<b>\$555,856</b>	<b>\$30,209</b>	<b>\$14,500</b>	<b>\$600,565</b>	<b>\$29,721</b>	<b>\$14,500</b>	<b>\$600,077</b>	<b>\$1,200,642</b>

**Sub-Program Description**

This subprogram includes the director and associated office staff, the communications director, the victim’s assistance office, and chief legal staff for the department.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	555,856	555,856	1,111,712	92.59%	555,856	555,856	1,111,712	92.59%
Statewide PL Adjustments	(6,985)	(7,473)	(14,458)	(1.20%)	(6,985)	(7,473)	(14,458)	(1.20%)
Other PL Adjustments	37,194	37,194	74,388	6.20%	37,194	37,194	74,388	6.20%
New Proposals	14,500	14,500	29,000	2.42%	14,500	14,500	29,000	2.42%
<b>Total Budget</b>	<b>\$600,565</b>	<b>\$600,077</b>	<b>\$1,200,642</b>		<b>\$600,565</b>	<b>\$600,077</b>	<b>\$1,200,642</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					13,011					12,351
Vacancy Savings					(19,741)					(19,716)
Inflation/Deflation					(255)					(108)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$6,985)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$6,985)</b>		<b>(\$7,473)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$7,473)</b>
DP 601 - Victim Services	0.00	37,194	0	0	37,194	0.00	37,194	0	0	37,194
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$37,194</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,194</b>	<b>0.00</b>	<b>\$37,194</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,194</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$30,209</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,209</b>	<b>0.00</b>	<b>\$29,721</b>	<b>\$0</b>	<b>\$0</b>	<b>\$29,721</b>

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



**New Proposals**

Sub Program	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 602 - Exonerated Person's Education Costs										
02	0.00	14,500	0	0	14,500	0.00	14,500	0	0	14,500
<b>Total</b>	<b>0.00</b>	<b>\$14,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,500</b>	<b>0.00</b>	<b>\$14,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,500</b>

DP 602 - Exonerated Person's Education Costs - The executive requests general fund to pay reimbursements for post-secondary education costs of persons exonerated using DNA testing per the requirements of 53-1-214, MCA.

**Sub-Program Details**

**ADMINISTRATIVE SERVICES DIVISION 03**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	35.50	0.00	0.00	35.50	0.00	0.00	35.50	35.50
Personal Services	1,678,934	321,354	0	2,000,288	321,206	0	2,000,140	4,000,428
Operating Expenses	243,766	(64)	0	243,702	266	0	244,032	487,734
<b>Total Costs</b>	<b>\$1,922,700</b>	<b>\$321,290</b>	<b>\$0</b>	<b>\$2,243,990</b>	<b>\$321,472</b>	<b>\$0</b>	<b>\$2,244,172</b>	<b>\$4,488,162</b>
General Fund	1,467,978	126,012	0	1,593,990	126,194	0	1,594,172	3,188,162
State/Other Special	454,722	195,278	0	650,000	195,278	0	650,000	1,300,000
<b>Total Funds</b>	<b>\$1,922,700</b>	<b>\$321,290</b>	<b>\$0</b>	<b>\$2,243,990</b>	<b>\$321,472</b>	<b>\$0</b>	<b>\$2,244,172</b>	<b>\$4,488,162</b>

**Sub-Program Description**

This subprogram includes administrative and financial services such as: accounting, budgeting, and contract management.

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	1,467,978	1,467,978	2,935,956	92.09%	1,922,700	1,922,700	3,845,400	85.68%
Statewide PL Adjustments	126,012	126,194	252,206	7.91%	321,290	321,472	642,762	14.32%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$1,593,990</b>	<b>\$1,594,172</b>	<b>\$3,188,162</b>		<b>\$2,243,990</b>	<b>\$2,244,172</b>	<b>\$4,488,162</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	Fiscal 2014				Fiscal 2015					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					404,701					404,545
Vacancy Savings					(83,347)					(83,339)
Inflation/Deflation					(64)					266
<b>Total Statewide Present Law Adjustments</b>		<b>\$126,012</b>	<b>\$195,278</b>	<b>\$0</b>	<b>\$321,290</b>		<b>\$126,194</b>	<b>\$195,278</b>	<b>\$0</b>	<b>\$321,472</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$126,012</b>	<b>\$195,278</b>	<b>\$0</b>	<b>\$321,290</b>	<b>0.00</b>	<b>\$126,194</b>	<b>\$195,278</b>	<b>\$0</b>	<b>\$321,472</b>

**Sub-Program Details**

**OUTSIDE MEDICAL 04**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget	Base Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	Total Exec. Budget
Budget Item	Fiscal 2012	Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015	Fiscal 14-15
Operating Expenses	8,050,772	1,527,622	0	9,578,394	2,432,581	0	10,483,353	20,061,747
<b>Total Costs</b>	<b>\$8,050,772</b>	<b>\$1,527,622</b>	<b>\$0</b>	<b>\$9,578,394</b>	<b>\$2,432,581</b>	<b>\$0</b>	<b>\$10,483,353</b>	<b>\$20,061,747</b>
General Fund	8,050,772	1,527,622	0	9,578,394	2,432,581	0	10,483,353	20,061,747
<b>Total Funds</b>	<b>\$8,050,772</b>	<b>\$1,527,622</b>	<b>\$0</b>	<b>\$9,578,394</b>	<b>\$2,432,581</b>	<b>\$0</b>	<b>\$10,483,353</b>	<b>\$20,061,747</b>

**Sub-Program Description**

This subprogram includes the costs of purchasing medical services for offenders from sources outside of the prison.

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	8,050,772	8,050,772	16,101,544	80.26%	8,050,772	8,050,772	16,101,544	80.26%
Statewide PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
Other PL Adjustments	1,527,622	2,432,581	3,960,203	19.74%	1,527,622	2,432,581	3,960,203	19.74%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$9,578,394</b>	<b>\$10,483,353</b>	<b>\$20,061,747</b>		<b>\$9,578,394</b>	<b>\$10,483,353</b>	<b>\$20,061,747</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 101 - Outside Medical Inflationary Increase (BIEN/RESTR)	0.00	1,527,622	0	0	1,527,622	0.00	2,432,581	0	0	2,432,581
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,527,622</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,527,622</b>	<b>0.00</b>	<b>\$2,432,581</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,432,581</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,527,622</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,527,622</b>	<b>0.00</b>	<b>\$2,432,581</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,432,581</b>

DP 101 - Outside Medical Inflationary Increase (BIEN/RESTR) - The executive requests general fund to fund inflationary increases associated with medical care obtained outside of a correctional facility or program. The request assumes the cost of outside medical care would increase at an annual rate of nearly 10%. The executive recommends designating the funding as biennial and restricted only for this purpose.

<b>LFD COMMENT</b>	<p>Since FY 2008, the average growth rate for outside medical has been roughly 16.5% and since 2011 has exceeded 20%. This growth rate has far exceeded the long-term consumer price index for medical care of 5.28%. Factors for the high growth rate seen by the agency are the high number of chronic care cases and aging inmate populations.</p> <p>Outside medical costs were a factor in the agency’s need to transfer funding it had originally assumed would be expended in FY 2013 to FY 2012 to avoid a funding shortage. These funds are requested to address the growth in outside medical costs in the 2015 biennium. Legislative approval of restricted funding would serve as a safety net for addressing rising medical costs and at the same time restrict the executive from moving the funding for other uses.</p>
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**Sub-Program Details**

**STAFF SERVICES DIVISION 05**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	31.50	1.00	0.00	32.50	1.00	0.00	32.50	32.50
Personal Services	1,854,485	231,128	0	2,085,613	233,764	0	2,088,249	4,173,862
Operating Expenses	518,324	2,799	25,000	546,123	379	25,000	543,703	1,089,826
<b>Total Costs</b>	<b>\$2,372,809</b>	<b>\$233,927</b>	<b>\$25,000</b>	<b>\$2,631,736</b>	<b>\$234,143</b>	<b>\$25,000</b>	<b>\$2,631,952</b>	<b>\$5,263,688</b>
General Fund	2,364,103	233,927	25,000	2,623,030	234,143	25,000	2,623,246	5,246,276
State/Other Special	8,706	0	0	8,706	0	0	8,706	17,412
<b>Total Funds</b>	<b>\$2,372,809</b>	<b>\$233,927</b>	<b>\$25,000</b>	<b>\$2,631,736</b>	<b>\$234,143</b>	<b>\$25,000</b>	<b>\$2,631,952</b>	<b>\$5,263,688</b>

**Sub-Program Description**

This subprogram includes services such as: human resources, training, legal, and investigations.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	2,364,103	2,364,103	4,728,206	90.12%	2,372,809	2,372,809	4,745,618	90.16%
Statewide PL Adjustments	141,275	144,491	285,766	5.45%	141,275	144,491	285,766	5.43%
Other PL Adjustments	92,652	89,652	182,304	3.47%	92,652	89,652	182,304	3.46%
New Proposals	25,000	25,000	50,000	0.95%	25,000	25,000	50,000	0.95%
<b>Total Budget</b>	<b>\$2,623,030</b>	<b>\$2,623,246</b>	<b>\$5,246,276</b>		<b>\$2,631,736</b>	<b>\$2,631,952</b>	<b>\$5,263,688</b>	

**Present Law Adjustments**

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

Present Law Adjustments										
-----Fiscal 2014-----						-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					225,609					228,486
Vacancy Savings					(83,203)					(83,319)
Inflation/Deflation					(1,131)					(676)
<b>Total Statewide Present Law Adjustments</b>		<b>\$141,275</b>	<b>\$0</b>	<b>\$0</b>	<b>\$141,275</b>		<b>\$144,491</b>	<b>\$0</b>	<b>\$0</b>	<b>\$144,491</b>
DP 801 - Attorney Services	1.00	85,642	0	0	85,642	1.00	82,642	0	0	82,642
DP 804 - Investigator Overtime	0.00	7,010	0	0	7,010	0.00	7,010	0	0	7,010
<b>Total Other Present Law Adjustments</b>	<b>1.00</b>	<b>\$92,652</b>	<b>\$0</b>	<b>\$0</b>	<b>\$92,652</b>	<b>1.00</b>	<b>\$89,652</b>	<b>\$0</b>	<b>\$0</b>	<b>\$89,652</b>
<b>Grand Total All Present Law Adjustments</b>	<b>1.00</b>	<b>\$233,927</b>	<b>\$0</b>	<b>\$0</b>	<b>\$233,927</b>	<b>1.00</b>	<b>\$234,143</b>	<b>\$0</b>	<b>\$0</b>	<b>\$234,143</b>

DP 801 - Attorney Services - The executive requests general fund to fund operating costs and personal services for the addition of a 1.00 FTE attorney in the Legal Services Bureau. The additional position would address workload issues arising from increasing legal demands from inmate complaints, habeas corpuses, and general legal counsel work of the agency.

<b>LFD ISSUE</b>	<u>Staff Outfitting Costs are One-Time</u>
	FY 2014 funding includes \$2,875 in outfitting costs to purchase computer equipment and software licenses, desks, and other office items for the new positions that are not ongoing. The legislature may wish to designate this amount as one-time-only.

DP 804 - Investigator Overtime - The executive requests general fund to fund overtime for institutional investigators for such matters as from crimes of violence inside secure facilities to employee misconduct. The bureau often maintains 24-hour support to preserve evidence at crime scenes and conclude the investigations. These expenses are zero-based and must be requested in full each biennium.

**New Proposals**

New Proposals										
-----Fiscal 2014-----						-----Fiscal 2015-----				
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 805 - Radio Systems										
05	0.00	25,000	0	0	25,000	0.00	25,000	0	0	25,000
<b>Total</b>	<b>0.00</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,000</b>	<b>0.00</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,000</b>

DP 805 - Radio Systems - The executive requests general fund to contract with technical vendors to upgrade radio programming for agency radios.

**LFD  
COMMENT**

The funding for this request would be used to program agency radios to make them capable of communicating with law enforcement and other agencies in the event of an emergency at the prison.

**Sub-Program Details**

**INFORMATION TECHNOLOGY DIVISION 06**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	23.50	0.00	2.00	25.50	0.00	2.00	25.50	25.50
Personal Services	1,747,854	11,093	128,622	1,887,569	7,248	128,431	1,883,533	3,771,102
Operating Expenses	438,810	305,150	47,540	791,500	53,053	23,165	515,028	1,306,528
<b>Total Costs</b>	<b>\$2,186,664</b>	<b>\$316,243</b>	<b>\$176,162</b>	<b>\$2,679,069</b>	<b>\$60,301</b>	<b>\$151,596</b>	<b>\$2,398,561</b>	<b>\$5,077,630</b>
General Fund	2,186,664	273,187	176,162	2,636,013	17,245	151,596	2,355,505	4,991,518
State/Other Special	0	43,056	0	43,056	43,056	0	43,056	86,112
<b>Total Funds</b>	<b>\$2,186,664</b>	<b>\$316,243</b>	<b>\$176,162</b>	<b>\$2,679,069</b>	<b>\$60,301</b>	<b>\$151,596</b>	<b>\$2,398,561</b>	<b>\$5,077,630</b>

**Sub-Program Description**

This subprogram includes functions such as information technology and statistical analysis.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	2,186,664	2,186,664	4,373,328	87.62%	2,186,664	2,186,664	4,373,328	86.13%
Statewide PL Adjustments	4,937	7,245	12,182	0.24%	4,937	7,245	12,182	0.24%
Other PL Adjustments	268,250	10,000	278,250	5.57%	311,306	53,056	364,362	7.18%
New Proposals	176,162	151,596	327,758	6.57%	176,162	151,596	327,758	6.45%
<b>Total Budget</b>	<b>\$2,636,013</b>	<b>\$2,355,505</b>	<b>\$4,991,518</b>		<b>\$2,679,069</b>	<b>\$2,398,561</b>	<b>\$5,077,630</b>	

**Present Law Adjustments**

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

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					78,135					80,379
Vacancy Savings					(73,042)					(73,131)
Inflation/Deflation					(156)					(3)
<b>Total Statewide Present Law Adjustments</b>		<b>\$4,937</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,937</b>		<b>\$7,245</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,245</b>
DP 701 - MSP Door Control System (OTO/BIEN)	0.00	48,632	0	0	48,632	0.00	0	0	0	0
DP 702 - Agile Assets/RevQ Licenses	0.00	10,000	43,056	0	53,056	0.00	10,000	43,056	0	53,056
DP 703 - MSP Water Telemetry System (OTO/BIEN)	0.00	50,000	0	0	50,000	0.00	0	0	0	0
DP 704 - Vocational Training OTO/Bien	0.00	159,618	0	0	159,618	0.00	0	0	0	0
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$268,250</b>	<b>\$43,056</b>	<b>\$0</b>	<b>\$311,306</b>	<b>0.00</b>	<b>\$10,000</b>	<b>\$43,056</b>	<b>\$0</b>	<b>\$53,056</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$273,187</b>	<b>\$43,056</b>	<b>\$0</b>	<b>\$316,243</b>	<b>0.00</b>	<b>\$17,245</b>	<b>\$43,056</b>	<b>\$0</b>	<b>\$60,301</b>

DP 701 - MSP Door Control System (OTO/BIEN) - The executive requests general fund to complete security door control system upgrades for the Martz Diagnostic Intake Unit at the Montana State Prison. The funding would replace the server, computer, and the software that controls the system from a system that is currently operating on Windows 98. The executive recommends designating funding for this request as one-time-only and biennial.

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

DP 703 - MSP Water Telemetry System (OTO/BIEN) – The executive requests general fund to fund replacement of the Montana State Prison (MSP) water telemetry system. The telemetry system monitors a number of wells to maintain prison water system pressures. The executive recommends designating fund for this request as one-time-only and biennial.

DP 704 - Vocational Training OTO/Bien – The executive requests general fund to purchase computers and software for General Educational Development (GED) testing and digital literacy testing skills for inmates/offenders. The funding would purchase computers and software for a computer laboratory at Montana State Prison. The industry that provides GED testing services has moved from a paper-based system to requiring online access. The executive recommends designating funding as one-time-only and biennial.

**New Proposals**

New Proposals										
Sub Program	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 701 - Re-Entry IT FTE										
06	2.00	140,412	0	0	140,412	2.00	131,596	0	0	131,596
DP 702 - Inmate Adult Educational Assessment Software										
06	0.00	20,000	0	0	20,000	0.00	20,000	0	0	20,000
DP 704 - MSP Employee Training Lab (OTO/BIEN)										
06	0.00	15,750	0	0	15,750	0.00	0	0	0	0
<b>Total</b>	<b>2.00</b>	<b>\$176,162</b>	<b>\$0</b>	<b>\$0</b>	<b>\$176,162</b>	<b>2.00</b>	<b>\$151,596</b>	<b>\$0</b>	<b>\$0</b>	<b>\$151,596</b>

DP 701 - Re-Entry IT FTE - The executive requests general fund for operating costs and personal services for the addition of 2.00 FTE in support of the agency’s re-entry initiative. The FTE would support equipment, access, and information technology security in support of the initiative. For further information on the re-entry initiative see the discussion in the agency narrative.

<b>LFD ISSUE</b>	<u>Staff Outfitting Costs are One-Time</u> FY 2014 funding includes \$8,625 in outfitting costs to purchase computer equipment and software licenses, desks, and other office items for the new positions that are not ongoing. The legislature may wish to designate this amount as one-time-only.
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DP 702 - Inmate Adult Educational Assessment Software - The executive requests general fund to contract for access to education assessment software for adult education at Montana State Prison. The software would enable an inmate to take a test, the results from which would identify the curriculum level appropriate for the inmate to prepare for a GED test.

DP 704 - MSP Employee Training Lab (OTO/BIEN) - The executive requests general fund to replace 15 computers at the Montana State Prison training lab that have reached the end of their useful lives. The computers are used by correctional officers that do not use computers as part of their day-to-day activities. The correctional officers would use the computers for such activities as training and time entry. The executive recommends designating funding for this request as one-time-only and biennial.

**Sub-Program Details**

**FIXED COSTS 07**

**Sub-Program Proposed Budget**

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



Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
Operating Expenses	3,051,380	253,299	36,734	3,341,413	147,189	36,734	3,235,303	6,576,716
<b>Total Costs</b>	<b>\$3,051,380</b>	<b>\$253,299</b>	<b>\$36,734</b>	<b>\$3,341,413</b>	<b>\$147,189</b>	<b>\$36,734</b>	<b>\$3,235,303</b>	<b>\$6,576,716</b>
General Fund	2,930,650	291,258	33,924	3,255,832	184,659	33,924	3,149,233	6,405,065
State/Other Special	22,708	(11,293)	381	11,796	(11,241)	381	11,848	23,644
Proprietary	98,022	(26,666)	2,429	73,785	(26,229)	2,429	74,222	148,007
<b>Total Funds</b>	<b>\$3,051,380</b>	<b>\$253,299</b>	<b>\$36,734</b>	<b>\$3,341,413</b>	<b>\$147,189</b>	<b>\$36,734</b>	<b>\$3,235,303</b>	<b>\$6,576,716</b>

**Sub-Program Description**

This subprogram accounts for base level fixed costs for this program.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	2,930,650	2,930,650	5,861,300	91.51%	3,051,380	3,051,380	6,102,760	92.79%
Statewide PL Adjustments	291,258	184,659	475,917	7.43%	253,299	147,189	400,488	6.09%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	33,924	33,924	67,848	1.06%	36,734	36,734	73,468	1.12%
<b>Total Budget</b>	<b>\$3,255,832</b>	<b>\$3,149,233</b>	<b>\$6,405,065</b>		<b>\$3,341,413</b>	<b>\$3,235,303</b>	<b>\$6,576,716</b>	

**Present Law Adjustments**

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

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Fixed Costs					253,299					147,189
<b>Total Statewide Present Law Adjustments</b>		<b>\$291,258</b>	<b>(\$11,293)</b>	<b>\$0</b>	<b>\$253,299*</b>		<b>\$184,659</b>	<b>(\$11,241)</b>	<b>\$0</b>	<b>\$147,189*</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$291,258</b>	<b>(\$11,293)</b>	<b>\$0</b>	<b>\$253,299*</b>	<b>0.00</b>	<b>\$184,659</b>	<b>(\$11,241)</b>	<b>\$0</b>	<b>\$147,189*</b>

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

**New Proposals**

New Proposals										
Sub Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6101 - Professional Development Center Fee Allocation										
07	0.00	33,924	381	0	36,734*	0.00	33,924	381	0	36,734*
<b>Total</b>	<b>0.00</b>	<b>\$33,924</b>	<b>\$381</b>	<b>\$0</b>	<b>\$36,734*</b>	<b>0.00</b>	<b>\$33,924</b>	<b>\$381</b>	<b>\$0</b>	<b>\$36,734*</b>

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

DP 6101 - Professional Development Center Fee Allocation - The executive requests an increase for training services purchased from the Professional Development Center (PDC) of the Department of Administration. This request reflects the difference between the amount paid in the base for PDC services and a fixed cost allocation based on agency FTE counts. Starting in the 2015 biennium and beyond, the executive recommends funding the PDC as a fixed cost item. For a further discussion, see the narrative for the Department of Administration.

**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	257.50	257.50	258.50	258.50	257.50	258.50	1.00	0.39%
Personal Services	14,615,426	14,700,076	14,980,118	14,994,547	29,315,502	29,974,665	659,163	2.25%
Operating Expenses	45,204,759	46,744,592	48,641,127	49,780,433	91,949,351	98,421,560	6,472,209	7.04%
Equipment & Intangible Assets	15,500	4,300	88,500	15,500	19,800	104,000	84,200	425.25%
Transfers	12,500	12,500	6,250	6,250	25,000	12,500	(12,500)	(50.00%)
Debt Service	28,742	28,858	69,311	69,311	57,600	138,622	81,022	140.66%
<b>Total Costs</b>	<b>\$59,876,927</b>	<b>\$61,490,326</b>	<b>\$63,785,306</b>	<b>\$64,866,041</b>	<b>\$121,367,253</b>	<b>\$128,651,347</b>	<b>\$7,284,094</b>	<b>6.00%</b>
General Fund	58,610,791	60,224,206	62,519,170	63,599,905	118,834,997	126,119,075	7,284,078	6.13%
State Special	1,266,136	1,266,120	1,266,136	1,266,136	2,532,256	2,532,272	16	0.00%
Federal Special	0	0	0	0	0	0	0	n/a
<b>Total Funds</b>	<b>\$59,876,927</b>	<b>\$61,490,326</b>	<b>\$63,785,306</b>	<b>\$64,866,041</b>	<b>\$121,367,253</b>	<b>\$128,651,347</b>	<b>\$7,284,094</b>	<b>6.00%</b>

The Adult Community Corrections Division consists of adult probation and parole, intensive and enhanced supervision programs, and male and female community corrections programs including: the boot camp training center (Treasure State Correctional Training Center or TSCTC); chemical dependency treatment programs; driving under the influence (DUI) treatment facilities; methamphetamine treatment facilities; assessment, sanction, and revocation centers; and various other programs for diversion of offenders from prison. The department contracts with nonprofit corporations throughout the state for services. The subprogram descriptions provide additional information about the location of various facilities.

**Program Highlights**

<b>Adult Community Corrections Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ Populations in community corrections facilities are projected to increase on average by 3.4% per year for alternative placement facilities and by 1.3% for pre-release and transitional living facilities. The budget would address these increases by:                             <ul style="list-style-type: none"> <li>• Maintaining contract beds at the full contract level through the entire biennium, \$4.1 million</li> <li>• Increasing the per diem rate for contracted facilities, \$2.2 million</li> <li>• Increasing the capacity for transitional living and women pre-release beds, \$1.1 million</li> <li>• Funding re-entry initiatives that are intended to slow population growth through reduced recidivism, \$0.1 million and 1.00 FTE</li> </ul> </li> </ul>
<b>Major LFD Issues</b>
<ul style="list-style-type: none"> <li>◆ Outfitting costs for new FTE is one-time-only</li> <li>◆ The request for overtime for probation and parole is double the highest historical level since FY 2000</li> </ul>

**Program Discussion**

The Adult Community Corrections Division supervises offenders in settings other than prison. The types of services vary in intensity from community supervision to supervised residential settings such as pre-release centers and treatment facilities. The division provides services through the use of state employees (probation and parole officers) and contracts with nonprofit organization that operate various types of community based residential programs.

The executive request increases funding for the division by 6% or about \$7.3 million when the two biennia are compared. The majority of this increase is included in present law decision packages that annualize the costs of existing contract facilities.

The primary drivers of community correctional costs are increases in the number of offenders to be supervised or housed and the type of placement or service that is needed to supervise the offenders. Community residential treatment programs such as the methamphetamine treatment centers tend to have the highest per day costs while probation and parole supervision have the lowest per day costs. While fewer offenders receive residential services than supervision services, the cost per day can be almost twenty times greater. Projections for probation and parole indicate growth for the 2015 biennium at levels lower than the 2013 biennium.

Summary of Community Corrections Population				
Average Daily Populations (ADP)				
Segment	Actual	Department Projections		
	FY 2012	FY 2013	FY 2014	FY 2015
<u>Alternatives to Prison (FY 2012 average cost per day \$92.84)</u>				
Population	928	977	1,011	1,044
% Increase		5.3%	3.5%	3.3%
Current Capacity	968	968	982	982
Over Capacity	(40)	9	29	62
<u>Prerelease/Transitional Living (FY 2012 average cost per day \$51.95)</u>				
Population	891	937	950	961
% Increase		5.2%	1.4%	1.2%
Current Capacity	945	945	945	945
Over Capacity	(54)	(8)	5	16
<u>Specialized Supervision (FY 2012 average cost per day \$9.75)</u>				
Population	343	426	656	656
% Increase		24.2%	54.0%	0.0%
Current Capacity	343	548	548	548
Over Capacity	0	(122)	108	108
<u>Probation, Parole, and Enhanced Supervision (FY 2012 average cost per day \$4.62)</u>				
Population	8,169	7,932	7,728	7,776
% Increase		-2.9%	-2.6%	0.6%

The figure shows actual and estimated average daily population (ADP) for FY 2012 through FY 2015 by category of service.

**Funding**

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

Total Department Of Corrections Funding by Source of Authority							
2015 Biennium Budget - Adult Community Corrections							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$126,119,075	\$0	\$0	\$126,119,075	98.0%		
State Special Total	\$2,532,272	\$0	\$0	\$2,532,272	2.0%		
02261 P & P Supervisory Fee	\$2,532,272	\$0	\$0	\$2,532,272	2.0%		
Total All Funds	\$128,651,347	\$0	\$0	\$128,651,347	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

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

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	58,610,791	58,610,791	117,221,582	92.95%	59,876,927	59,876,927	119,753,854	93.08%
Statewide PL Adjustments	204,165	227,950	432,115	0.34%	204,165	227,950	432,115	0.34%
Other PL Adjustments	2,588,985	2,591,579	5,180,564	4.11%	2,588,985	2,591,579	5,180,564	4.03%
New Proposals	1,115,229	2,169,585	3,284,814	2.60%	1,115,229	2,169,585	3,284,814	2.55%
<b>Total Budget</b>	<b>\$62,519,170</b>	<b>\$63,599,905</b>	<b>\$126,119,075</b>		<b>\$63,785,306</b>	<b>\$64,866,041</b>	<b>\$128,651,347</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					846,013					861,132
Vacancy Savings					(618,450)					(619,061)
Inflation/Deflation					(17,717)					(8,440)
Fixed Costs					(5,681)					(5,681)
<b>Total Statewide Present Law Adjustments</b>		<b>\$204,165</b>	<b>\$0</b>	<b>\$0</b>	<b>\$204,165</b>		<b>\$227,950</b>	<b>\$0</b>	<b>\$0</b>	<b>\$227,950</b>
DP 201 - Annualize Treatment Beds	0.00	298,860	0	0	298,860	0.00	298,860	0	0	298,860
DP 202 - Annualize Prerelease Beds	0.00	1,587,439	0	0	1,587,439	0.00	1,587,439	0	0	1,587,439
DP 203 - Annualize MASC Beds	0.00	141,394	0	0	141,394	0.00	216,988	0	0	216,988
DP 204 - TSCTC Overtime/Holiday Worked	0.00	33,142	0	0	33,142	0.00	33,142	0	0	33,142
DP 205 - Probation and Parole Overtime/Holiday Worked	0.00	50,000	0	0	50,000	0.00	50,000	0	0	50,000
DP 206 - SCRAM GPS Units	0.00	231,500	0	0	231,500	0.00	231,500	0	0	231,500
DP 207 - Probation and Parole Mental Health Contract	0.00	42,000	0	0	42,000	0.00	42,000	0	0	42,000
DP 209 - Prerelease Transitional Living	0.00	76,650	0	0	76,650	0.00	76,650	0	0	76,650
DP 210 - Passages Mental Health Contract	0.00	55,000	0	0	55,000	0.00	55,000	0	0	55,000
DP 211 - WATCh West Equipment (OTO/BIEN)	0.00	73,000	0	0	73,000	0.00	0	0	0	0
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$2,588,985</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,588,985</b>	<b>0.00</b>	<b>\$2,591,579</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,591,579</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$2,793,150</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,793,150</b>	<b>0.00</b>	<b>\$2,819,529</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,819,529</b>

**New Proposals**

Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----					
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 201 - Re-entry Case Manager	02	1.00	57,917	0	0	57,917	1.00	54,963	0	0	54,963
DP 203 - Per Diem Adult Community Corrections	02	0.00	740,519	0	0	740,519	0.00	1,481,037	0	0	1,481,037
DP 212 - Additional community corrections beds for women	02	0.00	316,793	0	0	316,793	0.00	633,585	0	0	633,585
<b>Total</b>	<b>1.00</b>	<b>\$1,115,229</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,115,229</b>	<b>1.00</b>	<b>\$2,169,585</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,169,585</b>	

**Sub-Program Details**

**COMMUNITY CORRECTION ADMIN 01**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget Budget Item	Base Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	Total Exec. Budget
	Fiscal 2012	Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015	Fiscal 14-15
FTE	14.00	0.00	1.00	15.00	0.00	1.00	15.00	15.00
Personal Services	862,024	3,355	53,987	919,366	3,489	53,908	919,421	1,838,787
Operating Expenses	67,071	(257)	3,930	70,744	(106)	1,055	68,020	138,764
<b>Total Costs</b>	<b>\$929,095</b>	<b>\$3,098</b>	<b>\$57,917</b>	<b>\$990,110</b>	<b>\$3,383</b>	<b>\$54,963</b>	<b>\$987,441</b>	<b>\$1,977,551</b>
General Fund	908,466	3,098	57,917	969,481	3,383	54,963	966,812	1,936,293
State/Other Special	20,629	0	0	20,629	0	0	20,629	41,258
<b>Total Funds</b>	<b>\$929,095</b>	<b>\$3,098</b>	<b>\$57,917</b>	<b>\$990,110</b>	<b>\$3,383</b>	<b>\$54,963</b>	<b>\$987,441</b>	<b>\$1,977,551</b>

**Sub-Program Description**

This subprogram includes the centralized management functions of the Community Corrections Division.

**Budget Summary by Category**

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

Budget Summary by Category Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	908,466	908,466	1,816,932	93.84%	929,095	929,095	1,858,190	93.96%
Statewide PL Adjustments	3,098	3,383	6,481	0.33%	3,098	3,383	6,481	0.33%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	57,917	54,963	112,880	5.83%	57,917	54,963	112,880	5.71%
<b>Total Budget</b>	<b>\$969,481</b>	<b>\$966,812</b>	<b>\$1,936,293</b>		<b>\$990,110</b>	<b>\$987,441</b>	<b>\$1,977,551</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					39,412					39,552
Vacancy Savings					(36,057)					(36,063)
Inflation/Deflation					(257)					(106)
<b>Total Statewide Present Law Adjustments</b>		<b>\$3,098</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,098</b>		<b>\$3,383</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,383</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$3,098</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,098</b>	<b>0.00</b>	<b>\$3,383</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,383</b>

**New Proposals**

New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 201 - Re-entry Case Manager											
01	1.00	57,917	0	0	57,917	1.00	54,963	0	0	54,963	
<b>Total</b>	<b>1.00</b>	<b>\$57,917</b>	<b>\$0</b>	<b>\$0</b>	<b>\$57,917</b>	<b>1.00</b>	<b>\$54,963</b>	<b>\$0</b>	<b>\$0</b>	<b>\$54,963</b>	

DP 201 - Re-entry Case Manager – The executive requests general fund to fund operating costs and personal services for the addition of 1.00 FTE as a re-entry case manager. The position would assist offenders with re-entry challenges such as locating housing, jobs, and transportation. This position would also assist existing staff monitor community corrections’ 17 facilities and contractors for contract compliance.

<b>LFD COMMENT</b>	For a further discussion of the executive’s re-entry initiative, please see the Summary section of this agency’s narrative.
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<b>LFD ISSUE</b>	<p><u>Staff Outfitting Costs are One Time</u></p> <p>FY 2014 funding includes \$2,875 in outfitting costs to purchase computer equipment and software licenses, desks, and other office items for the new positions that are not ongoing. The legislature may wish to designate this amount as one-time-only.</p>
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**Sub-Program Details**

**TREASURE STATE CORRECTIONAL TRAINI 02**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	27.00	0.00	0.00	27.00	0.00	0.00	27.00	27.00
Personal Services	1,363,615	53,347	0	1,416,962	55,038	0	1,418,653	2,835,615
Operating Expenses	479,822	(20,546)	0	459,276	(18,673)	0	461,149	920,425
Debt Service	0	21,076	0	21,076	21,076	0	21,076	42,152
<b>Total Costs</b>	<b>\$1,843,437</b>	<b>\$53,877</b>	<b>\$0</b>	<b>\$1,897,314</b>	<b>\$57,441</b>	<b>\$0</b>	<b>\$1,900,878</b>	<b>\$3,798,192</b>
General Fund	1,843,437	53,877	0	1,897,314	57,441	0	1,900,878	3,798,192
<b>Total Funds</b>	<b>\$1,843,437</b>	<b>\$53,877</b>	<b>\$0</b>	<b>\$1,897,314</b>	<b>\$57,441</b>	<b>\$0</b>	<b>\$1,900,878</b>	<b>\$3,798,192</b>

**Sub-Program Description**

This subprogram includes the operation of the Treasure State Correctional Training Center (TSCTC), also known as the boot camp, located in Deer Lodge.

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	1,843,437	1,843,437	3,686,874	97.07%	1,843,437	1,843,437	3,686,874	97.07%
Statewide PL Adjustments	20,735	24,299	45,034	1.19%	20,735	24,299	45,034	1.19%
Other PL Adjustments	33,142	33,142	66,284	1.75%	33,142	33,142	66,284	1.75%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$1,897,314</b>	<b>\$1,900,878</b>	<b>\$3,798,192</b>		<b>\$1,897,314</b>	<b>\$1,900,878</b>	<b>\$3,798,192</b>	

**Present Law Adjustments**

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

Present Law Adjustments										
	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					77,862					79,627
Vacancy Savings					(57,657)					(57,731)
Inflation/Deflation					(546)					1,327
Fixed Costs					1,076					1,076
<b>Total Statewide Present Law Adjustments</b>		<b>\$20,735</b>	<b>\$0</b>	<b>\$0</b>	<b>20,735</b>		<b>\$24,299</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,299</b>
DP 204 - TSCTC Overtime/Holiday Worked	0.00	33,142	0	0	33,142	0.00	33,142	0	0	33,142
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$33,142</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,142</b>	<b>0.00</b>	<b>\$33,142</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,142</b>



Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$53,877</b>	<b>\$0</b>	<b>\$0</b>	<b>\$53,877</b>	<b>0.00</b>	<b>\$57,441</b>	<b>\$0</b>	<b>\$0</b>	<b>\$57,441</b>

DP 204 - TSCTC Overtime/Holiday Worked - The executive requests general fund to fund overtime and holidays worked at the same level as the base. These costs are zero-based and must be requested in full each biennium.

**Sub-Program Details**

**PRE-RELEASE 03**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget	Base Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	Total Exec. Budget
Budget Item	Fiscal 2012	Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015	Fiscal 14-15
Operating Expenses	18,022,625	1,950,589	756,150	20,729,364	1,950,589	1,512,299	21,485,513	42,214,877
<b>Total Costs</b>	<b>\$18,022,625</b>	<b>\$1,950,589</b>	<b>\$756,150</b>	<b>\$20,729,364</b>	<b>\$1,950,589</b>	<b>\$1,512,299</b>	<b>\$21,485,513</b>	<b>\$42,214,877</b>
General Fund	18,022,625	1,950,589	756,150	20,729,364	1,950,589	1,512,299	21,485,513	42,214,877
<b>Total Funds</b>	<b>\$18,022,625</b>	<b>\$1,950,589</b>	<b>\$756,150</b>	<b>\$20,729,364</b>	<b>\$1,950,589</b>	<b>\$1,512,299</b>	<b>\$21,485,513</b>	<b>\$42,214,877</b>

**Sub-Program Description**

This subprogram includes community based pre-release centers that are used to transition offenders from prison to the community or as a diversion alternative to prison. The department contracts with nonprofit corporations in Great Falls, Missoula, Billings, Bozeman, Butte, and Helena for pre-release services.

**Budget Summary by Category**

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

Budget Summary by Category	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	18,022,625	18,022,625	36,045,250	85.39%	18,022,625	18,022,625	36,045,250	85.39%
Statewide PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
Other PL Adjustments	1,950,589	1,950,589	3,901,178	9.24%	1,950,589	1,950,589	3,901,178	9.24%
New Proposals	756,150	1,512,299	2,268,449	5.37%	756,150	1,512,299	2,268,449	5.37%
<b>Total Budget</b>	<b>\$20,729,364</b>	<b>\$21,485,513</b>	<b>\$42,214,877</b>		<b>\$20,729,364</b>	<b>\$21,485,513</b>	<b>\$42,214,877</b>	

**Present Law Adjustments**

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

Present Law Adjustments										
-----Fiscal 2014-----						-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 202 - Annualize Pre-release Beds	0.00	1,587,439	0	0	1,587,439	0.00	1,587,439	0	0	1,587,439
DP 206 - SCRAM GPS Units	0.00	231,500	0	0	231,500	0.00	231,500	0	0	231,500
DP 209 - Pre-release Transitional Living	0.00	76,650	0	0	76,650	0.00	76,650	0	0	76,650
DP 210 - Passages Mental Health Contract	0.00	55,000	0	0	55,000	0.00	55,000	0	0	55,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,950,589</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,950,589</b>	<b>0.00</b>	<b>\$1,950,589</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,950,589</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,950,589</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,950,589</b>	<b>0.00</b>	<b>\$1,950,589</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,950,589</b>

DP 202 - Annualize Pre-release Beds - The executive requests general fund to annualize the funding for community pre-release beds to include funding for 100% utilization of all existing contracted pre-release beds.

<b>LFD COMMENT</b>	The request would provide funding for 1,223 pre-release and transitional living beds and adjusts the base funding from that experienced through actual utilization to full utilization of these beds at the per diem rate funded by the 2011 Legislature.
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DP 206 - SCRAM GPS Units – The executive requests general fund add 10 secure continuous remote alcohol monitor (SCRAM) units and global positioning system (GPS) units to monitor sexual and high-risk offenders under community probation and parole supervision. These units provide 24 hour a day, 7 days per week electronic monitoring.

DP 209 - Pre-release Transitional Living – The executive requests general fund to add 10 transitional living program (TLP) slots as a means of enhancing re-entry efforts. Transitional living is a low-cost option for offenders transitioning out of pre-release and has daily supervision of the offenders by center staff.

DP 210 - Passages Mental Health Contract – The executive requests general fund to expand female mental health services at the Passages program in Billings. Funding for this request would provide the same assessment, stabilization and support services to female offenders with mental health needs that are provided at the revocation program for male offenders.

**New Proposals**

New Proposals											
-----Fiscal 2014-----						-----Fiscal 2015-----					
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 203 - Per Diem Adult Community Corrections	03	0.00	439,357	0	0	439,357	0.00	878,714	0	0	878,714
DP 212 - Additional community corrections beds for women	03	0.00	316,793	0	0	316,793	0.00	633,585	0	0	633,585
<b>Total</b>	<b>0.00</b>	<b>\$756,150</b>	<b>\$0</b>	<b>\$0</b>	<b>\$756,150</b>	<b>0.00</b>	<b>\$1,512,299</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,512,299</b>	

DP 203 - Per Diem Adult Community Corrections - The executive requests general fund to provide a 2% provider rate increase in FY 2014 and an additional 2% (4% total) rate increase for FY 2015 for pre-release bed providers.

DP 212 - Additional community corrections beds for women – The executive requests general fund to add 15 pre-release beds for women beginning January 1, 2014 to address anticipated female prerelease growth.

<b>LFD COMMENT</b>	For further discussion of population projections and capacity impacts, please see the Summary section of this agency’s narrative.
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**Sub-Program Details**

**PROBATION AND PAROLE 04**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	214.00	0.00	0.00	214.00	0.00	0.00	214.00	214.00
Personal Services	12,200,696	272,352	0	12,473,048	285,129	0	12,485,825	24,958,873
Operating Expenses	2,881,682	25,987	0	2,907,669	32,798	0	2,914,480	5,822,149
<b>Total Costs</b>	<b>\$15,082,378</b>	<b>\$298,339</b>	<b>\$0</b>	<b>\$15,380,717</b>	<b>\$317,927</b>	<b>\$0</b>	<b>\$15,400,305</b>	<b>\$30,781,022</b>
General Fund	13,836,871	298,339	0	14,135,210	317,927	0	14,154,798	28,290,008
State/Other Special	1,245,507	0	0	1,245,507	0	0	1,245,507	2,491,014
<b>Total Funds</b>	<b>\$15,082,378</b>	<b>\$298,339</b>	<b>\$0</b>	<b>\$15,380,717</b>	<b>\$317,927</b>	<b>\$0</b>	<b>\$15,400,305</b>	<b>\$30,781,022</b>

**Sub-Program Description**

This subprogram includes adult probation and parole, day reporting, and intensive supervision officers who supervise offenders who are in the community.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	18,022,625	18,022,625	36,045,250	85.39%	18,022,625	18,022,625	36,045,250	85.39%
Statewide PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
Other PL Adjustments	1,950,589	1,950,589	3,901,178	9.24%	1,950,589	1,950,589	3,901,178	9.24%
New Proposals	756,150	1,512,299	2,268,449	5.37%	756,150	1,512,299	2,268,449	5.37%
<b>Total Budget</b>	<b>\$20,729,364</b>	<b>\$21,485,513</b>	<b>\$42,214,877</b>		<b>\$20,729,364</b>	<b>\$21,485,513</b>	<b>\$42,214,877</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					739,974					753,286
Vacancy Savings					(517,622)					(518,157)
Inflation/Deflation					(16,013)					(9,202)
<b>Total Statewide Present Law Adjustments</b>		<b>\$206,339</b>	<b>\$0</b>	<b>\$0</b>	<b>\$206,339</b>		<b>\$225,927</b>	<b>\$0</b>	<b>\$0</b>	<b>\$225,927</b>
DP 205 - Probation and Parole Overtime/Holiday Worked	0.00	50,000	0	0	50,000	0.00	50,000	0	0	50,000
DP 207 - Probation and Parole Mental Health Contract	0.00	42,000	0	0	42,000	0.00	42,000	0	0	42,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$92,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$92,000</b>	<b>0.00</b>	<b>\$92,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$92,000</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$298,339</b>	<b>\$0</b>	<b>\$0</b>	<b>\$298,339</b>	<b>0.00</b>	<b>\$317,927</b>	<b>\$0</b>	<b>\$0</b>	<b>\$317,927</b>

DP 205 - Probation and Parole Overtime/Holiday Worked – The executive requests general fund to fund overtime and holidays worked for probation and parole to respond to after-hour incidents involving supervised offenders. These costs are zero-based and must be requested in full each biennium.

<b>LFD ISSUE</b>	<p><u>No Historical Basis for the Requested Level – Overtime and Holidays Worked</u></p> <p>The annual amount of this request is nearly \$30,000 more than the actual expenditures for overtime and holidays worked in FY 2012. Since FY 2000, there is no discernible trend in growth and the highest annual level was in FY 2003 when less than \$24,000 was expended. The legislature may want to question why the subprogram needs a level of overtime and holidays worked that is more than double the highest annual amount experienced in the last decade.</p>
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DP 207 - Probation and Parole Mental Health Contract - The executive requests general fund for additional mental health services in the Kalispell probation and parole region.

**Sub-Program Details**

**TREATMENT UNIT 05**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
Operating Expenses	20,062,937	278,133	301,162	20,642,232	278,492	602,323	20,943,752	41,585,984
Equipment & Intangible Assets	15,500	73,000	0	88,500	0	0	15,500	104,000
Transfers	12,500	(6,250)	0	6,250	(6,250)	0	6,250	12,500
Debt Service	28,742	19,493	0	48,235	19,493	0	48,235	96,470
<b>Total Costs</b>	<b>\$20,119,679</b>	<b>\$364,376</b>	<b>\$301,162</b>	<b>\$20,785,217</b>	<b>\$291,735</b>	<b>\$602,323</b>	<b>\$21,013,737</b>	<b>\$41,798,954</b>
General Fund	20,119,679	364,376	301,162	20,785,217	291,735	602,323	21,013,737	41,798,954
<b>Total Funds</b>	<b>\$20,119,679</b>	<b>\$364,376</b>	<b>\$301,162</b>	<b>\$20,785,217</b>	<b>\$291,735</b>	<b>\$602,323</b>	<b>\$21,013,737</b>	<b>\$41,798,954</b>

**Sub-Program Description**

This subprogram includes the costs of contracted services that provide treatment to offenders including chemical dependency (alcohol and drug) treatment beds in Butte and Billings, methamphetamine treatment beds in Boulder and Lewistown, and driving under the influence (DUI) treatment beds in Warm Springs and Glendive.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	20,119,679	20,119,679	40,239,358	96.27%	20,119,679	20,119,679	40,239,358	96.27%
Statewide PL Adjustments	(7,484)	(7,125)	(14,609)	(0.03%)	(7,484)	(7,125)	(14,609)	(0.03%)
Other PL Adjustments	371,860	298,860	670,720	1.60%	371,860	298,860	670,720	1.60%
New Proposals	301,162	602,323	903,485	2.16%	301,162	602,323	903,485	2.16%
<b>Total Budget</b>	<b>\$20,785,217</b>	<b>\$21,013,737</b>	<b>\$41,798,954</b>		<b>\$20,785,217</b>	<b>\$21,013,737</b>	<b>\$41,798,954</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2014-----						-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Inflation/Deflation					(727)					(368)
Fixed Costs					(6,757)					(6,757)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$7,484)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$7,484)</b>		<b>(\$7,125)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$7,125)</b>
DP 201 - Annualize Treatment Beds	0.00	298,860	0	0	298,860	0.00	298,860	0	0	298,860
DP 211 - WATCH West Equipment (OTO/BIEN)	0.00	73,000	0	0	73,000	0.00	0	0	0	0
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$371,860</b>	<b>\$0</b>	<b>\$0</b>	<b>\$371,860</b>	<b>0.00</b>	<b>\$298,860</b>	<b>\$0</b>	<b>\$0</b>	<b>\$298,860</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$364,376</b>	<b>\$0</b>	<b>\$0</b>	<b>\$364,376</b>	<b>0.00</b>	<b>\$291,735</b>	<b>\$0</b>	<b>\$0</b>	<b>\$291,735</b>

DP 201 - Annualize Treatment Beds - The executive requests general fund to annualize the funding for Adult Community Corrections treatment beds to include funding for 100% utilization of all existing contracted treatment beds.

<b>LFD COMMENT</b>	The request would provide funding for 490 treatment beds and adjusts the base funding from that experienced through actual utilization to full utilization of these beds at the per diem rate funded by the 2011 Legislature.
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DP 211 - WATCH West Equipment (OTO/BIEN) – The executive requests general fund for equipment replacement items at the WATCH facility in Warm Springs (WATCH West). Two units to reheat food and the existing walk-in refrigeration unit are at the end of their useful lives. The executive recommends designating funding as one-time-only and biennial.

**New Proposals**

New Proposals											
-----Fiscal 2014-----						-----Fiscal 2015-----					
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 203 - Per Diem Adult Community Corrections	05	0.00	301,162	0	0	301,162	0.00	602,323	0	0	602,323
<b>Total</b>	<b>0.00</b>	<b>\$301,162</b>	<b>\$0</b>	<b>\$0</b>	<b>\$301,162</b>	<b>0.00</b>	<b>\$602,323</b>	<b>\$0</b>	<b>\$0</b>	<b>\$602,323</b>	

DP 203 - Per Diem Adult Community Corrections - The executive requests general fund to provide a 2% provider rate increase in FY 2014 and an additional 2% (4% total) rate increase for FY 2015 for treatment bed providers.

<b>LFD COMMENT</b>	For a further discussion see the Summary section of this agency’s narrative.
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**Sub-Program Details**

**MASC PROGRAM 06**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	2.50	0.00	0.00	2.50	0.00	0.00	2.50	2.50
Personal Services	189,091	(18,349)	0	170,742	(18,443)	0	170,648	341,390
Operating Expenses	3,690,622	141,220	0	3,831,842	216,897	0	3,907,519	7,739,361
<b>Total Costs</b>	<b>\$3,879,713</b>	<b>\$122,871</b>	<b>\$0</b>	<b>\$4,002,584</b>	<b>\$198,454</b>	<b>\$0</b>	<b>\$4,078,167</b>	<b>\$8,080,751</b>
General Fund	3,879,713	122,871	0	4,002,584	198,454	0	4,078,167	8,080,751
<b>Total Funds</b>	<b>\$3,879,713</b>	<b>\$122,871</b>	<b>\$0</b>	<b>\$4,002,584</b>	<b>\$198,454</b>	<b>\$0</b>	<b>\$4,078,167</b>	<b>\$8,080,751</b>

**Sub-Program Description**

This subprogram includes male assessment and sanction services provided at the Missoula Assessment and Sanction Center located in the facility built as a regional prison.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	3,879,713	3,879,713	7,759,426	96.02%	3,879,713	3,879,713	7,759,426	96.02%
Statewide PL Adjustments	(18,523)	(18,534)	(37,057)	(0.46%)	(18,523)	(18,534)	(37,057)	(0.46%)
Other PL Adjustments	141,394	216,988	358,382	4.44%	141,394	216,988	358,382	4.44%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$4,002,584</b>	<b>\$4,078,167</b>	<b>\$8,080,751</b>		<b>\$4,002,584</b>	<b>\$4,078,167</b>	<b>\$8,080,751</b>	

**Present Law Adjustments**

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

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(11,235)					(11,333)
Vacancy Savings					(7,114)					(7,110)
Inflation/Deflation					(174)					(91)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$18,523)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$18,523)</b>		<b>(\$18,534)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$18,534)</b>
DP 203 - Annualize MASC Beds										
	0.00	141,394	0	0	141,394	0.00	216,988	0	0	216,988
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$141,394</b>	<b>\$0</b>	<b>\$0</b>	<b>\$141,394</b>	<b>0.00</b>	<b>\$216,988</b>	<b>\$0</b>	<b>\$0</b>	<b>\$216,988</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$122,871</b>	<b>\$0</b>	<b>\$0</b>	<b>\$122,871</b>	<b>0.00</b>	<b>\$198,454</b>	<b>\$0</b>	<b>\$0</b>	<b>\$198,454</b>

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

<b>LFD COMMENT</b>	<p>The request would provide funding for 141 beds and adjusts the base funding from that experienced through actual utilization to full utilization of these beds at projected per diem rates of \$70.96 in FY 2014 and \$72.43 in FY 2015. The per diem rates for MASC are not a part of the request to increase community corrections rates by 2% in FY 2014 and an additional 2% (4% total) in FY 2015. State law establishes guidelines for determining per diem rates at county facilities like MASC and the rates are on audited actual costs. The FY 2012 per diem rate was \$62.75.</p>
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**Program Budget Comparison**

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	697.54	697.54	721.54	721.54	697.54	721.54	24.00	3.44%
Personal Services	37,414,105	37,471,761	39,206,915	39,769,401	74,885,866	78,976,316	4,090,450	5.46%
Operating Expenses	36,915,766	38,117,853	40,365,329	41,151,736	75,033,619	81,517,065	6,483,446	8.64%
Equipment & Intangible Assets	85,351	77,381	288,351	126,051	162,732	414,402	251,670	154.65%
Transfers	54,300	55,738	53,100	49,500	110,038	102,600	(7,438)	(6.76%)
Debt Service	36,860	36,860	172,141	172,141	73,720	344,282	270,562	367.01%
<b>Total Costs</b>	<b>\$74,506,382</b>	<b>\$75,759,593</b>	<b>\$80,085,836</b>	<b>\$81,268,829</b>	<b>\$150,265,975</b>	<b>\$161,354,665</b>	<b>\$11,088,690</b>	<b>7.38%</b>
General Fund	74,401,566	75,595,727	79,981,020	81,164,013	149,997,293	161,145,033	11,147,740	7.43%
State Special	104,816	153,520	104,816	104,816	258,336	209,632	(48,704)	(18.85%)
Federal Special	0	10,346	0	0	10,346	0	(10,346)	(100.00%)
<b>Total Funds</b>	<b>\$74,506,382</b>	<b>\$75,759,593</b>	<b>\$80,085,836</b>	<b>\$81,268,829</b>	<b>\$150,265,975</b>	<b>\$161,354,665</b>	<b>\$11,088,690</b>	<b>7.38%</b>

**Program Description**

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

**Program Highlights**

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

**Program Discussion**

The Secure Custody Facilities Program houses offenders in the Montana State Prison, Montana Women’s Prison, and various contracted prison and detention facilities. Montana State Prison (MSP) for male offenders is the largest facility with an operational capacity of 1,485 inmates while regional prison facilities in Glendive and Great Falls that house a combined 293 inmates are the smallest facilities. Montana Women’s Prison (MWP), the only female prison in the state, has an operational capacity of 194. Both male and female secure inmates are also held in county jails. The cost of contracted prison beds includes the cost to house 550 inmates in the Crossroads Correctional Center in Shelby as well as cost of housing offenders in county jails. Beginning halfway through FY 2013, 25 inmates are housed at the Montana Mental Health Nursing Care Center in Lewistown. The Department is responsible for the cost of housing offenders after conviction.

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

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

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

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

#### *Projections in Relation to Capacity*

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

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

#### **Funding**

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

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

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

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	74,401,566	74,401,566	148,803,132	92.34%	74,506,382	74,506,382	149,012,764	92.35%
Statewide PL Adjustments	(1,581,066)	(1,484,249)	(3,065,315)	(1.90%)	(1,681,066)	(1,584,249)	(3,265,315)	(2.02%)
Other PL Adjustments	4,506,884	5,605,659	10,112,543	6.28%	4,606,884	5,705,659	10,312,543	6.39%
New Proposals	2,653,636	2,641,037	5,294,673	3.29%	2,653,636	2,641,037	5,294,673	3.28%
<b>Total Budget</b>	<b>\$79,981,020</b>	<b>\$81,164,013</b>	<b>\$161,145,033</b>		<b>\$80,085,836</b>	<b>\$81,268,829</b>	<b>\$161,354,665</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2014-----						-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(135,660)					(96,846)
Vacancy Savings					(1,491,127)					(1,492,692)
Inflation/Deflation					(84,980)					(24,765)
Fixed Costs					30,701					30,054
<b>Total Statewide Present Law Adjustments</b>		<b>(\$1,581,066)</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>(\$1,681,066)</b>		<b>(\$1,484,249)</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>(\$1,584,249)</b>
DP 301 - MWP Correctional Officer	1.00	38,912	0	0	38,912	1.00	38,862	0	0	38,862
DP 303 - Montana Womens Prison Contracts	0.00	31,250	0	0	31,250	0.00	31,250	0	0	31,250
DP 304 - MWP Supplies (OTO/BIEN)	0.00	25,000	0	0	25,000	0.00	35,000	0	0	35,000
DP 305 - MSP Inmate programming	0.00	60,000	0	0	60,000	0.00	60,000	0	0	60,000
DP 307 - MWP Overtime/Holiday Worked	0.00	221,594	0	0	221,594	0.00	221,594	0	0	221,594
DP 308 - MWP Inmate Pay	0.00	19,235	0	0	19,235	0.00	19,235	0	0	19,235
DP 310 - MSP Correctional Officer	8.00	0	0	0	0	8.00	0	0	0	0
DP 314 - MSP Supplies and Equipment (OTO/BIEN)	0.00	110,000	0	0	110,000	0.00	30,000	0	0	30,000
DP 316 - MSP Overtime/Holiday worked	0.00	1,576,927	0	0	1,576,927	0.00	1,576,927	0	0	1,576,927
DP 317 - MSP Inmate Pay	0.00	150,405	100,000	0	250,405	0.00	150,405	100,000	0	250,405
DP 319 - Secure Care Contract Bed Annualization	0.00	1,075,093	0	0	1,075,093	0.00	1,349,473	0	0	1,349,473
DP 321 - MSP - Montana Correctional Enterprises Rate	0.00	562,083	0	0	562,083	0.00	1,040,142	0	0	1,040,142
DP 324 - MSP Van Replacement (OTO/BIEN)	0.00	110,000	0	0	110,000	0.00	0	0	0	0
DP 999 - Fund Career Ladder for Correctional Officers	0.00	526,385	0	0	526,385	0.00	1,052,771	0	0	1,052,771
<b>Total Other Present Law Adjustments</b>	<b>9.00</b>	<b>\$4,506,884</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$4,606,884</b>	<b>9.00</b>	<b>\$5,605,659</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$5,705,659</b>
<b>Grand Total All Present Law Adjustments</b>	<b>9.00</b>	<b>\$2,925,818</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,925,818</b>	<b>9.00</b>	<b>\$4,121,410</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,121,410</b>

**New Proposals**

New Proposals											
-----Fiscal 2014-----						-----Fiscal 2015-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 301 - Montana Womens Prison Medical Services	03	7.00	94,897	0	0	94,897	7.00	94,262	0	0	94,262
DP 303 - Montana State Prison Re-entry Team	03	3.00	166,184	0	0	166,184	3.00	154,488	0	0	154,488
DP 320 - Lewistown Infirmary Beds	03	5.00	1,832,499	0	0	1,832,499	5.00	1,832,231	0	0	1,832,231
DP 323 - Contract Beds Private Prison Per Diem	03	0.00	560,056	0	0	560,056	0.00	560,056	0	0	560,056
<b>Total</b>	<b>15.00</b>	<b>\$2,653,636</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,653,636</b>	<b>15.00</b>	<b>\$2,641,037</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,641,037</b>	

**Sub-Program Details****MONTANA STATE PRISON 01****Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	620.27	8.00	3.00	631.27	8.00	3.00	631.27	631.27
Personal Services	33,075,716	1,020,073	145,464	34,241,253	1,519,422	145,268	34,740,406	68,981,659
Operating Expenses	10,463,156	450,364	20,720	10,934,240	964,809	9,220	11,437,185	22,371,425
Equipment & Intangible Assets	85,351	203,000	0	288,351	30,000	0	115,351	403,702
Transfers	29,800	(1,200)	0	28,600	(4,800)	0	25,000	53,600
Debt Service	36,860	135,281	0	172,141	135,281	0	172,141	344,282
<b>Total Costs</b>	<b>\$43,690,883</b>	<b>\$1,807,518</b>	<b>\$166,184</b>	<b>\$45,664,585</b>	<b>\$2,644,712</b>	<b>\$154,488</b>	<b>\$46,490,083</b>	<b>\$92,154,668</b>
General Fund	43,586,067	1,807,518	166,184	45,559,769	2,644,712	154,488	46,385,267	91,945,036
State/Other Special	104,816	0	0	104,816	0	0	104,816	209,632
<b>Total Funds</b>	<b>\$43,690,883</b>	<b>\$1,807,518</b>	<b>\$166,184</b>	<b>\$45,664,585</b>	<b>\$2,644,712</b>	<b>\$154,488</b>	<b>\$46,490,083</b>	<b>\$92,154,668</b>

**Sub-Program Description**

This subprogram consists of the state owned and operated male prison (Montana State Prison) in Deer Lodge.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	43,586,067	43,586,067	87,172,134	94.81%	43,690,883	43,690,883	87,381,766	94.82%
Statewide PL Adjustments	(1,231,551)	(1,152,070)	(2,383,621)	(2.59%)	(1,331,551)	(1,252,070)	(2,583,621)	(2.80%)
Other PL Adjustments	3,039,069	3,796,782	6,835,851	7.43%	3,139,069	3,896,782	7,035,851	7.63%
New Proposals	166,184	154,488	320,672	0.35%	166,184	154,488	320,672	0.35%
<b>Total Budget</b>	<b>\$45,559,769</b>	<b>\$46,385,267</b>	<b>\$91,945,036</b>		<b>\$45,664,585</b>	<b>\$46,490,083</b>	<b>\$92,154,668</b>	

**Present Law Adjustments**

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

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					48,030					78,965
Vacancy Savings					(1,324,943)					(1,326,183)
Inflation/Deflation					(85,339)					(34,906)
Fixed Costs					30,701					30,054
<b>Total Statewide Present Law Adjustments</b>		<b>(\$1,231,551)</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>(\$1,331,551)</b>		<b>(\$1,152,070)</b>	<b>(\$100,000)</b>	<b>\$0</b>	<b>(\$1,252,070)</b>
DP 305 - MSP Inmate programming	0.00	60,000	0	0	60,000	0.00	60,000	0	0	60,000
DP 310 - MSP Correctional Officer	8.00	0	0	0	0	8.00	0	0	0	0
DP 314 - MSP Supplies and Equipment (OTO/BIEN)	0.00	110,000	0	0	110,000	0.00	30,000	0	0	30,000
DP 316 - MSP Overtime/Holiday worked	0.00	1,576,927	0	0	1,576,927	0.00	1,576,927	0	0	1,576,927
DP 317 - MSP Inmate Pay	0.00	150,405	100,000	0	250,405	0.00	150,405	100,000	0	250,405
DP 321 - MSP - Montana Correctional Enterprises Rate	0.00	562,083	0	0	562,083	0.00	1,040,142	0	0	1,040,142
DP 324 - MSP Van Replacement (OTO/BIEN)	0.00	110,000	0	0	110,000	0.00	0	0	0	0
DP 999 - Fund Career Ladder for Correctional Officers	0.00	469,654	0	0	469,654	0.00	939,308	0	0	939,308
<b>Total Other Present Law Adjustments</b>	<b>8.00</b>	<b>\$3,039,069</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$3,139,069</b>	<b>8.00</b>	<b>\$3,796,782</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$3,896,782</b>
<b>Grand Total All Present Law Adjustments</b>	<b>8.00</b>	<b>\$1,807,518</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,807,518</b>	<b>8.00</b>	<b>\$2,644,712</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,644,712</b>

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

DP 310 - MSP Correctional Officer - The executive requests general fund to fund operating costs and personal services to add 8.00 FTE for the correctional officer relief factor, which provides coverage for staff vacancies of other officers associated with sick leave, vacation, and regular days off. The funding for the positions would come from a reduction of the overall MSP overtime budget.

**LFD COMMENT** DP 316 requests funding for overtime and holidays worked at the base level. This request would reduce overtime by \$622,185 over the biennium to fund the FTE. If this request is approved and DP 316 is not approved the result would effectively be an additional 1% vacancy savings for this subprogram.

**LFD ISSUE** Funding for Relief Factor FTE  
The executive is requesting additional FTE, but is not funding them. Rather, they ask for additional overtime they state they will not need. In order to associate the funding with the actual FTE that would be hired, this DP should be funded and a reduced level of overtime requested in DP 316. The funding associated with this action is \$311,294 in FY 2014 and \$310,891 in FY 2015.

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

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

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

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

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

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



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

**New Proposals**

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

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

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

**Sub-Program Details**

**MONTANA WOMENS PRISON 02**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget	Base Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	Total Exec. Budget
Budget Item	Fiscal 2012	Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015	Fiscal 14-15
FTE	70.27	1.00	7.00	78.27	1.00	7.00	78.27	78.27
Personal Services	3,878,017	35,225	436,897	4,350,139	97,291	436,262	4,411,570	8,761,709
Operating Expenses	2,368,626	57,032	(342,000)	2,083,658	65,974	(342,000)	2,092,600	4,176,258
Equipment & Intangible Assets	0	0	0	0	10,700	0	10,700	10,700
Transfers	24,500	0	0	24,500	0	0	24,500	49,000
<b>Total Costs</b>	<b>\$6,271,143</b>	<b>\$92,257</b>	<b>\$94,897</b>	<b>\$6,458,297</b>	<b>\$173,965</b>	<b>\$94,262</b>	<b>\$6,539,370</b>	<b>\$12,997,667</b>
General Fund	6,271,143	92,257	94,897	6,458,297	173,965	94,262	6,539,370	12,997,667
<b>Total Funds</b>	<b>\$6,271,143</b>	<b>\$92,257</b>	<b>\$94,897</b>	<b>\$6,458,297</b>	<b>\$173,965</b>	<b>\$94,262</b>	<b>\$6,539,370</b>	<b>\$12,997,667</b>

**Sub-Program Description**

This subprogram consists of the state owned and operated female prison (Montana Women’s Prison) in Billings.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	6,271,143	6,271,143	12,542,286	96.50%	6,271,143	6,271,143	12,542,286	96.50%
Statewide PL Adjustments	(300,465)	(285,439)	(585,904)	(4.51%)	(300,465)	(285,439)	(585,904)	(4.51%)
Other PL Adjustments	392,722	459,404	852,126	6.56%	392,722	459,404	852,126	6.56%
New Proposals	94,897	94,262	189,159	1.46%	94,897	94,262	189,159	1.46%
<b>Total Budget</b>	<b>\$6,458,297</b>	<b>\$6,539,370</b>	<b>\$12,997,667</b>		<b>\$6,458,297</b>	<b>\$6,539,370</b>	<b>\$12,997,667</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(152,218)					(146,601)
Vacancy Savings					(149,029)					(149,262)
Inflation/Deflation					782					10,424
<b>Total Statewide Present Law Adjustments</b>		<b>(\$300,465)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$300,465)</b>		<b>(\$285,439)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$285,439)</b>
DP 301 - MWP Correctional Officer	1.00	38,912	0	0	38,912	1.00	38,862	0	0	38,862
DP 303 - Montana Women’s Prison Contracts	0.00	31,250	0	0	31,250	0.00	31,250	0	0	31,250
DP 304 - MWP Supplies (OTO/BIEN)	0.00	25,000	0	0	25,000	0.00	35,000	0	0	35,000
DP 307 - MWP Overtime/Holiday Worked	0.00	221,594	0	0	221,594	0.00	221,594	0	0	221,594
DP 308 - MWP Inmate Pay	0.00	19,235	0	0	19,235	0.00	19,235	0	0	19,235
DP 999 - Fund Career Ladder for Correctional Officers	0.00	56,731	0	0	56,731	0.00	113,463	0	0	113,463
<b>Total Other Present Law Adjustments</b>	<b>1.00</b>	<b>\$392,722</b>	<b>\$0</b>	<b>\$0</b>	<b>\$392,722</b>	<b>1.00</b>	<b>\$459,404</b>	<b>\$0</b>	<b>\$0</b>	<b>\$459,404</b>
<b>Grand Total All Present Law Adjustments</b>	<b>1.00</b>	<b>\$92,257</b>	<b>\$0</b>	<b>\$0</b>	<b>\$92,257</b>	<b>1.00</b>	<b>\$173,965</b>	<b>\$0</b>	<b>\$0</b>	<b>\$173,965</b>

DP 301 - MWP Correctional Officer – The executive requests general fund to fund the addition of 1.00 FTE for the correctional officer relief factor, which provides coverage for staff vacancies of other officers associated with sick leave, vacation, and regular days off.

DP 303 - Montana Women’s Prison Contracts – The executive requests general fund to: 1) increase hours for religious activities, \$10,750; 2) fund all 187 regular and 54 summer school days under the contract with the Billings public school system contract for adult basic education and literacy education services to inmates at the Montana Women's Prison, \$16,770; and 3) address contract increases for the chemical dependency contract, \$3,730.

DP 304 - MWP Supplies (OTO/BIEN) – The executive requests general fund to purchase supplies and equipment ranging from key locks, fencing, washers, dryers, facility security equipment for staff, mattresses, chairs, and dresser supplies to flooring repairs needed for facility security and maintenance at the Montana Women’s Prison. The executive recommends designating funding as one-time-only and biennial.

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

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

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

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

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

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

<b>LFD COMMENT</b>	The contractor providing health services to the Montana Woman’s Prison cancelled the contract in March 2012. Since the contract was cancelled, the agency has been providing the services with modified FTE. This request is partially funded with a reduction of operating costs associated with base year payments under the health services contract.
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**Sub-Program Details**

**CONTRACTED BEDS 04**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	7.00	0.00	5.00	12.00	0.00	5.00	12.00	12.00
Personal Services	460,372	(48,627)	203,778	615,523	(46,457)	203,510	617,425	1,232,948
Operating Expenses	24,083,984	1,074,670	2,188,777	27,347,431	1,349,190	2,188,777	27,621,951	54,969,382
<b>Total Costs</b>	<b>\$24,544,356</b>	<b>\$1,026,043</b>	<b>\$2,392,555</b>	<b>\$27,962,954</b>	<b>\$1,302,733</b>	<b>\$2,392,287</b>	<b>\$28,239,376</b>	<b>\$56,202,330</b>
General Fund	24,544,356	1,026,043	2,392,555	27,962,954	1,302,733	2,392,287	28,239,376	56,202,330
<b>Total Funds</b>	<b>\$24,544,356</b>	<b>\$1,026,043</b>	<b>\$2,392,555</b>	<b>\$27,962,954</b>	<b>\$1,302,733</b>	<b>\$2,392,287</b>	<b>\$28,239,376</b>	<b>\$56,202,330</b>

**Sub-Program Description**

This subprogram includes the costs of secure care beds purchased from contractors including regional prisons in Glendive and Great Falls and a privately owned facility in Shelby.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	24,544,356	24,544,356	49,088,712	87.34%	24,544,356	24,544,356	49,088,712	87.34%
Statewide PL Adjustments	(49,050)	(46,740)	(95,790)	(0.17%)	(49,050)	(46,740)	(95,790)	(0.17%)
Other PL Adjustments	1,075,093	1,349,473	2,424,566	4.31%	1,075,093	1,349,473	2,424,566	4.31%
New Proposals	2,392,555	2,392,287	4,784,842	8.51%	2,392,555	2,392,287	4,784,842	8.51%
<b>Total Budget</b>	<b>\$27,962,954</b>	<b>\$28,239,376</b>	<b>\$56,202,330</b>		<b>\$27,962,954</b>	<b>\$28,239,376</b>	<b>\$56,202,330</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(31,472)					(29,210)
Vacancy Savings					(17,155)					(17,247)
Inflation/Deflation					(423)					(283)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$49,050)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$49,050)</b>		<b>(\$46,740)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$46,740)</b>
DP 319 - Secure Care Contract Bed Annualization	0.00	1,075,093	0	0	1,075,093	0.00	1,349,473	0	0	1,349,473
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,075,093</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,075,093</b>	<b>0.00</b>	<b>\$1,349,473</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,349,473</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,026,043</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,026,043</b>	<b>0.00</b>	<b>\$1,302,733</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,302,733</b>

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

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

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

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

**New Proposals**

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

DP 320 - Lewistown Infirmiry Beds – The executive requests general fund to fund: 1) a contract (memorandum of understanding) with the Department of Public Health and Human Services for 25 beds at the Lewistown Infirmiry, \$1.6 million per year; and 2) funding to add 5.00 FTE correctional officers (4 correctional officers and 1 correctional officer supervisor/manager) for security at the facility, \$0.2 million per year. The facility serves an agency-identified population of older offenders with chronic medical conditions that require a specialized level of care, which has become increasingly challenging to provide in a traditional prison environment. The inmates designated for this facility are low-security offenders with an array of serious physical issues.

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

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

*Legislative Intent and the Lewistown Infirmiry*

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

**LFD  
ISSUE CONT.**

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

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

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

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

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

*Required Retrofit and Legislative Finance Committee Monitoring*

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

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

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

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

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

*The Issue*

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

*Legislative Options*

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

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

### Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	16.00	16.00	18.00	18.00	16.00	18.00	2.00	12.50%
Personal Services	810,031	943,083	1,062,517	1,063,803	1,753,114	2,126,320	373,206	21.29%
Operating Expenses	2,511,876	2,490,111	3,136,528	3,137,034	5,001,987	6,273,562	1,271,575	25.42%
Equipment & Intangible Assets	0	0	0	0	0	0	0	n/a
<b>Total Costs</b>	<b>\$3,321,907</b>	<b>\$3,433,194</b>	<b>\$4,199,045</b>	<b>\$4,200,837</b>	<b>\$6,755,101</b>	<b>\$8,399,882</b>	<b>\$1,644,781</b>	<b>24.35%</b>
General Fund	801,606	790,402	974,684	976,724	1,592,008	1,951,408	359,400	22.58%
State Special	1,985,509	2,003,841	2,496,156	2,496,193	3,989,350	4,992,349	1,002,999	25.14%
Other	534,792	638,951	728,205	727,920	1,173,743	1,456,125	282,382	24.06%
<b>Total Funds</b>	<b>\$3,321,907</b>	<b>\$3,433,194</b>	<b>\$4,199,045</b>	<b>\$4,200,837</b>	<b>\$6,755,101</b>	<b>\$8,399,882</b>	<b>\$1,644,781</b>	<b>24.35%</b>

### Program Description

The Montana Correctional Enterprises (MCE) Division provides vocational education and on the job training to over 500 offenders. MCE programs allow offenders to gain valuable knowledge, life skills, and work experience, helping them to transition back into society.

### Program Highlights

<b>Montana Correctional Enterprises Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ Major factors contributing to the proposed funding increase are: <ul style="list-style-type: none"> <li>• A request to add 2.00 FTE for the vocational education program</li> <li>• Requests for overtime and inmate pay that are 62% higher than the base</li> <li>• A request to purchase \$1.0 million in merchandise for the canteen for purchase by inmates</li> </ul> </li> </ul>
<b>Major LFD Issues</b>
<ul style="list-style-type: none"> <li>◆ A portion of the vocational education program is included in HB 2 funding and also being requested as a proprietary rate</li> <li>◆ Fees for the license plate factory are not commensurate with costs</li> <li>◆ Revenue projections for the vocational education proprietary fund and the MSP institutional industries fund are questionable</li> </ul>



**Program Discussion**

**LFD ISSUE** Vocational Education – Proprietary Budgeted as Both HB 2 and Non-Budgeted Proprietary

The Vocational Education Program consists of two segments: 1) a portion that provides inmates with training for various job skills intended to improve the inmates’ transition back into the community (Vocational Education – General Fund); and 2) a similar job training program that provides services to Toyota Motor Company and other areas of the Montana State Prison in exchange for a fee to the program receiving the service (Vocational Education – Proprietary)

**LFD ISSUE CONT.** The Vocational Education – Proprietary portion of the program is funded with an internal services fund and legislative actions for this type of funding are to approve the maximum level of fees the program may charge during the biennium. The Vocational Education – Proprietary has been included in this budget as both a HB 2 subprogram and a proprietary program requesting rate approval.

Inclusion of the HB 2 subprogram for this function overstates the budget for this program and the agency by nearly \$1.5 million for the biennium in proprietary funds. The legislature need not approve the appropriation for the subprogram Vocational Education – Proprietary 07.

**Funding**

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

Total Department Of Corrections Funding by Source of Authority 2015 Biennium Budget - Mont Correctional Enterprises							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$1,951,408	\$0	\$0	\$1,951,408	6.1%		
State Special Total	\$4,992,349	\$0	\$0	\$4,992,349	15.7%		
02917 Msp Canteen Revolving Acct	\$4,992,349	\$0	\$0	\$4,992,349	15.7%		
Proprietary Total	\$1,456,125	\$23,341,291	\$0	\$24,797,416	78.1%		
06034 Msp Institutional Industries	\$0	\$4,519,754	\$0	\$4,519,754	14.2%		
06572 Mce License Plate Production	\$0	\$1,872,667	\$0	\$1,872,667	5.9%		
06573 Msp - Cook Chill	\$0	\$8,019,092	\$0	\$8,019,092	25.3%		
Total All Funds	\$8,399,882	\$23,341,291	\$0	\$31,741,173	100.0%		
<b>Percent - Total All Sources</b>	<b>26.5%</b>	<b>73.5%</b>	<b>0.0%</b>				

This program is funded by a combination of general fund, state special revenue, and proprietary funds. General fund supports the industries program and personal services costs for the inmate canteen. State special revenue from the inmate canteen fund supports the purchase of merchandise that is distributed and sold to inmates through the canteen. Proprietary funds support a portion of the industries program. The prison ranch, a portion of the industries program, food factory, and license plate operations are funded with non-budgeted proprietary funds and are discussed separately in the Proprietary Rates section.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	801,606	801,606	1,603,212	82.16%	3,321,907	3,321,907	6,643,814	79.09%
Statewide PL Adjustments	(16,858)	(14,686)	(31,544)	(1.62%)	25,202	27,126	52,328	0.62%
Other PL Adjustments	52,500	52,500	105,000	5.38%	714,500	714,500	1,429,000	17.01%
New Proposals	137,436	137,304	274,740	14.08%	137,436	137,304	274,740	3.27%
<b>Total Budget</b>	<b>\$974,684</b>	<b>\$976,724</b>	<b>\$1,951,408</b>		<b>\$4,199,045</b>	<b>\$4,200,837</b>	<b>\$8,399,882</b>	

**Present Law Adjustments**

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

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					60,364					61,845
Vacancy Savings					(34,814)					(34,877)
Inflation/Deflation					(348)					158
<b>Total Statewide Present Law Adjustments</b>		<b>(\$16,858)</b>	<b>(\$19,353)</b>	<b>\$0</b>	<b>\$25,202*</b>		<b>(\$14,686)</b>	<b>(\$19,316)</b>	<b>\$0</b>	<b>\$27,126*</b>
DP 402 - MCE Overtime and Inmate Pay	0.00	52,500	30,000	0	114,500*	0.00	52,500	30,000	0	114,500*
DP 403 - MCE Additional Spending Authority	0.00	0	500,000	0	600,000*	0.00	0	500,000	0	600,000*
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$52,500</b>	<b>\$530,000</b>	<b>\$0</b>	<b>\$714,500*</b>	<b>0.00</b>	<b>\$52,500</b>	<b>\$530,000</b>	<b>\$0</b>	<b>\$714,500*</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$35,642</b>	<b>\$510,647</b>	<b>\$0</b>	<b>\$739,702*</b>	<b>0.00</b>	<b>\$37,814</b>	<b>\$510,684</b>	<b>\$0</b>	<b>\$741,626*</b>

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

**New Proposals**

New Proposals	Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----					
			General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
	DP 402 - MCE Vocational Training FTE at MWP/MSP	04	2.00	137,436	0	0	137,436	2.00	137,304	0	0	137,304
	<b>Total</b>	<b>2.00</b>	<b>\$137,436</b>	<b>\$0</b>	<b>\$0</b>	<b>\$137,436</b>	<b>2.00</b>	<b>\$137,304</b>	<b>\$0</b>	<b>\$0</b>	<b>\$137,304</b>	

**Sub-Program Details**

**VOCATIONAL EDUCATION 02**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	9.00	0.00	2.00	11.00	0.00	2.00	11.00	11.00
Personal Services	500,763	35,424	112,436	648,623	37,031	112,304	650,098	1,298,721
Operating Expenses	155,195	(297)	25,000	179,898	172	25,000	180,367	360,265
<b>Total Costs</b>	<b>\$655,958</b>	<b>\$35,127</b>	<b>\$137,436</b>	<b>\$828,521</b>	<b>\$37,203</b>	<b>\$137,304</b>	<b>\$830,465</b>	<b>\$1,658,986</b>
General Fund	655,958	35,127	137,436	828,521	37,203	137,304	830,465	1,658,986
<b>Total Funds</b>	<b>\$655,958</b>	<b>\$35,127</b>	<b>\$137,436</b>	<b>\$828,521</b>	<b>\$37,203</b>	<b>\$137,304</b>	<b>\$830,465</b>	<b>\$1,658,986</b>

**Sub-Program Description**

This subprogram consists of the vocational education in areas of motor vehicle servicing and maintenance, business skills, welding and machining, and meat cutting. This subprogram provides re-entry services by providing job skills for inmates to use upon re-entry to the community.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	655,958	655,958	1,311,916	79.08%	655,958	655,958	1,311,916	79.08%
Statewide PL Adjustments	(12,373)	(10,297)	(22,670)	(1.37%)	(12,373)	(10,297)	(22,670)	(1.37%)
Other PL Adjustments	47,500	47,500	95,000	5.73%	47,500	47,500	95,000	5.73%
New Proposals	137,436	137,304	274,740	16.56%	137,436	137,304	274,740	16.56%
<b>Total Budget</b>	<b>\$828,521</b>	<b>\$830,465</b>	<b>\$1,658,986</b>		<b>\$828,521</b>	<b>\$830,465</b>	<b>\$1,658,986</b>	

**Present Law Adjustments**

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

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					8,285					9,961
Vacancy Savings					(20,361)					(20,430)
Inflation/Deflation					(297)					172
<b>Total Statewide Present Law Adjustments</b>		<b>(\$12,373)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$12,373)</b>		<b>(\$10,297)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$10,297)</b>
DP 402 - MCE Overtime and Inmate Pay	0.00	47,500	0	0	47,500	0.00	47,500	0	0	47,500
<b>Total Other Present Law Adjustments</b>										

Present Law Adjustments										
-----Fiscal 2014-----						-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
	0.00	\$47,500	\$0	\$0	\$47,500	0.00	\$47,500	\$0	\$0	\$47,500
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$35,127</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,127</b>	<b>0.00</b>	<b>\$37,203</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,203</b>

DP 402 - MCE Overtime and Inmate Pay - The executive requests general fund for staff overtime and inmate pay. These expenses are zero-based and must be requested in full each biennium.

<b>LFD COMMENT</b>	Base expenditures of this subprogram were \$25,664. This request represents an 85% increase over the base.
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**New Proposals**

New Proposals										
-----Fiscal 2014-----						-----Fiscal 2015-----				
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 402 - MCE Vocational Training FTE at MWP/MSP										
02	2.00	137,436	0	0	137,436	2.00	137,304	0	0	137,304
<b>Total</b>	<b>2.00</b>	<b>\$137,436</b>	<b>\$0</b>	<b>\$0</b>	<b>\$137,436</b>	<b>2.00</b>	<b>\$137,304</b>	<b>\$0</b>	<b>\$0</b>	<b>\$137,304</b>

DP 402 - MCE Vocational Training FTE at MWP/MSP – The executive requests general fund to purchase reference materials and fund personal services to add 2.00 FTE. One position would be for the high-side vocational education program at Montana State Prison and the second position would be for vocational education programs at Montana Women’s Prison.

**Sub-Program Details**

**INMATE CANTEEN 06**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	3.00	0.00	0.00	3.00	0.00	0.00	3.00	3.00
Personal Services	164,950	11,213	0	176,163	11,309	0	176,259	352,422
Operating Expenses	1,966,207	499,949	0	2,466,156	499,986	0	2,466,193	4,932,349
<b>Total Costs</b>	<b>\$2,131,157</b>	<b>\$511,162</b>	<b>\$0</b>	<b>\$2,642,319</b>	<b>\$511,295</b>	<b>\$0</b>	<b>\$2,642,452</b>	<b>\$5,284,771</b>
General Fund	145,648	515	0	146,163	611	0	146,259	292,422
State/Other Special	1,985,509	510,647	0	2,496,156	510,684	0	2,496,193	4,992,349
<b>Total Funds</b>	<b>\$2,131,157</b>	<b>\$511,162</b>	<b>\$0</b>	<b>\$2,642,319</b>	<b>\$511,295</b>	<b>\$0</b>	<b>\$2,642,452</b>	<b>\$5,284,771</b>

**Sub-Program Description**

This subprogram consists of activities in support of the inmate canteen where inmates purchase various personal items.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	145,648	145,648	291,296	99.61%	2,131,157	2,131,157	4,262,314	80.65%
Statewide PL Adjustments	(4,485)	(4,389)	(8,874)	(3.03%)	(23,838)	(23,705)	(47,543)	(0.90%)
Other PL Adjustments	5,000	5,000	10,000	3.42%	535,000	535,000	1,070,000	20.25%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$146,163</b>	<b>\$146,259</b>	<b>\$292,422</b>		<b>\$2,642,319</b>	<b>\$2,642,452</b>	<b>\$5,284,771</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(17,906)					(17,805)
Vacancy Savings					(5,881)					(5,886)
Inflation/Deflation					(51)					(14)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$4,485)</b>	<b>(\$19,353)</b>	<b>\$0</b>	<b>(\$23,838)</b>		<b>(\$4,389)</b>	<b>(\$19,316)</b>	<b>\$0</b>	<b>(\$23,705)</b>
DP 402 - MCE Overtime and Inmate Pay	0.00	5,000	30,000	0	35,000	0.00	5,000	30,000	0	35,000
DP 403 - MCE Additional Spending Authority	0.00	0	500,000	0	500,000	0.00	0	500,000	0	500,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$5,000</b>	<b>\$530,000</b>	<b>\$0</b>	<b>\$535,000</b>	<b>0.00</b>	<b>\$5,000</b>	<b>\$530,000</b>	<b>\$0</b>	<b>\$535,000</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$515</b>	<b>\$510,647</b>	<b>\$0</b>	<b>\$511,162</b>	<b>0.00</b>	<b>\$611</b>	<b>\$510,684</b>	<b>\$0</b>	<b>\$511,295</b>

DP 402 - MCE Overtime and Inmate Pay - The executive requests general fund and state special revenue for staff overtime and inmate pay. These expenses are zero-based and must be requested in full each biennium.

<b>LFD COMMENT</b>	Base expenditures of this subprogram were \$22,960. This request represents an 52% increase over the base.
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DP 403 - MCE Additional Spending Authority - The executive requests state special revenue for the purchase of additional merchandise for the canteen.

**Sub-Program Details**

**VOCATIONAL EDUCATION - PROPRIETARY 07**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00	4.00
Personal Services	144,318	93,413	0	237,731	93,128	0	237,446	475,177
Operating Expenses	390,474	100,000	0	490,474	100,000	0	490,474	980,948
<b>Total Costs</b>	<b>\$534,792</b>	<b>\$193,413</b>	<b>\$0</b>	<b>\$728,205</b>	<b>\$193,128</b>	<b>\$0</b>	<b>\$727,920</b>	<b>\$1,456,125</b>
Proprietary	534,792	193,413	0	728,205	193,128	0	727,920	1,456,125
<b>Total Funds</b>	<b>\$534,792</b>	<b>\$193,413</b>	<b>\$0</b>	<b>\$728,205</b>	<b>\$193,128</b>	<b>\$0</b>	<b>\$727,920</b>	<b>\$1,456,125</b>

**Sub-Program Description**

This proprietary program consists of the motor vehicle maintenance shop and Toyota cutaway operation.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	0	0	0	0.00%	534,792	534,792	1,069,584	73.45%
Statewide PL Adjustments	0	0	0	0.00%	61,413	61,128	122,541	8.42%
Other PL Adjustments	0	0	0	0.00%	132,000	132,000	264,000	18.13%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$728,205</b>	<b>\$727,920</b>	<b>\$1,456,125</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

<b>LFD ISSUE</b>	<p><u>Proprietary Funding</u></p> <p>Because the proprietary funds associated with this subprogram are approved in the rates, the legislature does not need to fund these decision packages or the base budget. For a further discussion, see the summary section of this division’s narrative.</p>
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Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					69,985					69,689
Vacancy Savings					(8,572)					(8,561)
<b>Total Statewide Present Law Adjustments</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$61,413*</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$61,128*</b>
DP 402 - MCE Overtime and Inmate Pay	0.00	0	0	0	32,000*	0.00	0	0	0	32,000*
DP 403 - MCE Additional Spending Authority	0.00	0	0	0	100,000*	0.00	0	0	0	100,000*
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$132,000*</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$132,000*</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$193,413*</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$193,128*</b>

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

DP 402 - MCE Overtime and Inmate Pay - The executive requests proprietary funds for staff overtime and inmate pay. These expenses are zero-based and must be requested in full each biennium.

<b>LFD COMMENT</b>	Base expenditures of this subprogram were \$22,182. This request represents an 44% increase over the base.
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DP 403 - MCE Additional Spending Authority - The executive requests proprietary funds for the purchase of additional parts and supplies for motor vehicle maintenance operations, which is part of the vocational education program.

**Proprietary Rates**

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

- o Prison Ranch
- o Industries
- o Food Factory
- o License Plate Operations

**Prison Ranch – Fund 06033**

*Proprietary Proposed Budget*

The 2015 biennium report on enterprise funds for the Prison Ranch shows the financial information for the fund from FY 2010 through FY 2015. The report is provided as submitted by the executive and is included in the appendix for this agency.

*Proprietary Program Description*

The proprietary program consists of the ranch operation located near the Montana State Prison in Deer Lodge and includes cattle, crops, feedlot, land management, dairy milking parlor, dairy processing, heifer reproduction, and lumber processing activities.

*Proprietary Program Narrative*Expenses

Personal services funds 21.50 FTE. The largest operating expenses for the program include items such as feed, grain, gasoline, diesel fuel, and veterinary supplies. The cost of these supplies varies with general economic conditions.

Revenues

Revenues for this program are derived primarily from the sale of raw milk and livestock. Additionally, a small amount of revenue is generated through logging. Revenues vary depending upon general economic conditions that impact commodity prices.

Funding Sources

Prison ranch products are sold in the private sector.

Proprietary Present Law Adjustments

Present law adjustments for this program consist of \$497,000 for the biennium to fund statewide present law adjustments.

*Proprietary Rates*

This program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program.

**MSP Institutional Industries – Fund 06034***Proprietary Proposed Budget*

The 2015 biennium report on enterprise funds for the MSP Institutional Industries shows the financial information for the fund from FY 2010 through FY 2015. The report is provided as submitted by the executive and is included in the appendix for this agency.

**LFD  
ISSUE**Fee Revenue Questionable and Net Assets are Growing

The fee revenues shown on the report for each year of the 2015 biennium are exactly the same but lower than the projection for FY 2013. These revenue estimates are questionable given the proposed rate increases that incrementally increase each year of the 2015 biennium over those for the 2013 biennium. When rates were increased from the 2011 biennium to the 2013 biennium, the revenues increased accordingly. Even with the revenue estimates shown on the report, operating income is driving up net assets, which gives the indication that fees are not commensurate with costs as required in state law.

The legislature may want to request that the agency provide updated revenue estimates for FY 2014 and FY 2015 to see how more realistic revenues would impact operating income and the resulting net assets. Since a large portion of the fees paid for this service are by other agencies including this department, other state funds including general fund are indirectly impacted by fees of this program. The legislature may want to recommend to the agency that they adjust fees so they are commensurate with cost.

*Proprietary Program Description*

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



*Proprietary Program Narrative*Expenses

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

Revenues

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

Funding Sources

Because a large portion of revenues are the result of business done with state agencies, a portion of the revenue from this program comes indirectly from the general fund and other special revenue and proprietary funds in undeterminable amounts.

Proprietary Present Law Adjustments

Present law adjustments for this program consist of \$291,000 for the biennium to fund statewide present law adjustments.

*Proprietary Rates*

This program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program.

**MCE Food Factory – Fund 06573***Proprietary Proposed Budget*

The 2015 biennium report on internal service funds for the MCE Food Factory shows the financial information for the fund from FY 2010 through FY 2015. The report is provided as submitted by the executive and is included in the appendix for this agency.

*Proprietary Program Description*

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

*Proprietary Program Narrative*Expenses

The expenses include personal services for 21.00 FTE and operating expenses, with the bulk of the funding supporting operating costs. The largest category of operating cost is raw materials, which includes the various grocery type items needed to prepare meals.

Revenues

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

Funding Sources

Revenues supporting MSP, the food factory's largest customer, come from the general fund.

Proprietary Present Law Adjustments

Present law adjustments for this program consist of \$178,000 for the biennium to fund statewide present law adjustments.

*Proprietary Rates*

This program is funded with an internal service type proprietary fund. As such, the legislature approves the maximum rates the program may charge for its services. The executive requests the following rates for the 2015 biennium. The overhead charges are allocated in the same percentages as in the 2013 biennium except for a 1% shift from the Montana State Prison to the Treasure State Correctional Training Center. There are no changes proposed for delivering meals. The executive proposes increases for all tray meal prices. The requested rates are shown on the figure.

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge. Previous rates charged by this program were not generating adequate revenues to keep up with expenses. The rates proposed to the 2015 biennium would restore balance between expenses and revenues.

Requested Rates for MCE Food Factory				
	Actual FY 2012	Budgeted FY 2013	Requested FY 2014	Requested FY 2015
Tray Meal Prices to all customers				
Base Tray-Hot/Cold	\$1.73	\$1.73	\$2.14	\$2.32
Base Tray-Hot	0.87	0.87	1.08	1.18
Detention Center Trays	2.45	2.45	2.72	2.92
Accessory Package	0.10	0.10	0.16	0.16
Delivery Charge Per Trayed Meal				
Delivery charge - per mile	0.50	0.50	0.50	0.50
Deliver charge - per hour	35.00	35.00	35.00	35.00
Bulk Food is sold at cost, with a spoilage percentage added on and an overhead charge to cover operating expenses. Overhead charge is based on historical costs				
Spoilage percentage to all customers	5%	5%	5%	5%
(Overhead Chrg)				
Montana State Hospital	11%	11%	11%	11%
MSH - supplies only				
MSH - all overhead except supplies				
Montana State Prison	77%	77%	76%	76%
MSP - supplies only				
MSP - all overhead except supplies				
Treasure State Correctional Training	12%	12%	13%	13%
TSCTC - supplies only				
TSCTS - all overhead except supplies				

**Vocational Education – Fund 06545**

*Proprietary Proposed Budget*

The 2015 biennium report on internal service funds for vocational education shows the financial information for the fund from FY 2010 through FY 2015. The report is provided as submitted by the executive and is included in the appendix for this agency.

<b>LFD ISSUE</b>	<p><u>Fee Revenue Not Realistic</u></p> <p>The fee revenues shown on the report for each year of the 2015 biennium are questionable as they are exactly the same as projected for FY 2013, even though the executive is proposing an increase in rates with no change in expected demand for the services. Given the revenue estimates shown on the report the program would be operating at a loss and net assets are being depleted. If revenues are accurate, they will not be sufficient to fund expenses of this program.</p> <p>Before considering the proposed rates, the legislature may want to request that the agency provide updated revenue estimates for FY 2014 and FY 2015 to see how more realistic revenues would impact operating income.</p>
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*Proprietary Program Description*

This proprietary program consists of the motor vehicle maintenance shop and Toyota cutaway operation.

*Proprietary Program Narrative*

<b>LFD ISSUE</b>	<p><u>Proprietary Funding</u></p> <p>A similar issues is discussed in the HB 2 subprogram Vocational Education – Proprietary where appropriations are requested for the same expenditures that would be funded with this proprietary program. Legislative action for internal service type proprietary programs is to approve fees and charges. For a further discussion, see the summary section of this division’s narrative.</p>
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Expenses

The expenses are split between personal services (4.00 FTE) and operating expenses, with about one-third of the budget supporting personal services and the remaining two-thirds supporting operating costs. The largest category of operating expense for the program is merchandise.

Revenues

Revenues are derived primarily from motor vehicle maintenance completed for MSP and the prison ranch.

Funding Sources

Because a largest portion of the revenues are the result of business done with MSP and the prison ranch, the primary funding sources supporting payment for services are the ranch proprietary fund and the general fund, which supports MSP.

Proprietary Present Law Adjustments

Present law adjustments for this program consist of \$123,000 for the biennium to fund statewide present law adjustments. Other decision packages for this program are provided in the HB 2 subprogram Vocational Education – Proprietary. These decision packages would increase costs for this program by \$264,000 for the biennium.

*Proprietary Rates*

This program is funded with an internal service type proprietary fund. As such, the legislature approves the maximum rates the program may charge for its services. The executive requests the following rates for the program.

Requested Rates for Vocational Education				
Fee Group	Actual FY 2012	Budgeted FY 2013	Requested FY 2014	Requested FY 2015
Rate 1 - Labor Charge for Motor Vehicle Maint (per hour)	\$26.50	\$26.50	\$27.45	\$28.45
Rate 2 - Supply fee as a percentage of actual cost of parts (per unit)	0.05	0.05	0.05	0.05
Rate 3 - Parts are sold at actual cost			Not applicable	

**MCE License Plate – Fund 06572**

*Proprietary Proposed Budget*

The 2015 biennium report on internal service funds for the license plate program shows the financial information for the fund from FY 2010 through FY 2015. The report is provided as submitted by the executive and is included in the appendix for this agency.

**LFD  
ISSUE**Legislative Audit Finding – Fees Not Commensurate With Costs

The legislative audit recently completed for the agency for the two fiscal years ending June 30, 2012, found that fees for the license plate program were not commensurate with costs. The Legislative Audit Committee recommended that the agency reduce license plate rates to achieve a reasonable fund equity balance. The report for this fund shows projected operating income of \$1.1 million for the 2015 biennium and proposed fees at the same level as they have been since FY 2010.

The legislature may want to discuss with the agency the actions it is taking to comply with the audit findings and its statement of concurrence in the audit. The legislature may want to direct the agency to propose revised fees that are commensurate with costs.

*Proprietary Program Description*

This proprietary program consists of license plate manufacturing.

*Proprietary Program Narrative*Expenses

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

Revenues

Revenues are derived from the sale of license plates to the Department of Justice. The Department of Justice pays for the license plates with fee revenue collected from license plate sales.

Funding Sources

Revenues supporting license plate manufacturing come from members of the public who purchase license plates.

Proprietary Present Law Adjustments

Present law adjustments for this program consist of \$43,000 for the biennium to fund statewide present law adjustments. The entire budget for this fund is established in a present law adjustment because this function was not moved to a proprietary fund until the second year of the 2011 biennium.

*Proprietary Rates*

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge. The executive requests the legislature approved \$6.20 per set of plates as the rate for both FY 2014 and FY 2015.

### Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	202.35	202.35	202.35	202.35	202.35	202.35	0.00	0.00%
Personal Services	10,664,340	10,891,106	11,144,292	11,424,381	21,555,446	22,568,673	1,013,227	4.70%
Operating Expenses	2,373,517	2,245,738	2,457,290	2,369,175	4,619,255	4,826,465	207,210	4.49%
Equipment & Intangible Assets	0	0	0	0	0	0	0	n/a
Benefits & Claims	2,330,087	2,940,542	2,330,087	2,330,087	5,270,629	4,660,174	(610,455)	(11.58%)
Transfers	3,459,909	2,848,231	3,459,909	3,459,909	6,308,140	6,919,818	611,678	9.70%
Debt Service	20,877	20,933	20,877	20,877	41,810	41,754	(56)	(0.13%)
<b>Total Costs</b>	<b>\$18,848,730</b>	<b>\$18,946,550</b>	<b>\$19,412,455</b>	<b>\$19,604,429</b>	<b>\$37,795,280</b>	<b>\$39,016,884</b>	<b>\$1,221,604</b>	<b>3.23%</b>
General Fund	17,961,315	18,077,597	18,525,040	18,717,014	36,038,912	37,242,054	1,203,142	3.34%
State Special	871,410	853,560	871,410	871,410	1,724,970	1,742,820	17,850	1.03%
Federal Special	16,005	15,393	16,005	16,005	31,398	32,010	612	1.95%
<b>Total Funds</b>	<b>\$18,848,730</b>	<b>\$18,946,550</b>	<b>\$19,412,455</b>	<b>\$19,604,429</b>	<b>\$37,795,280</b>	<b>\$39,016,884</b>	<b>\$1,221,604</b>	<b>3.23%</b>

### Program Description

The Youth Services Division is responsible for all state operated youth programs including Pine Hills Youth Correctional Facility for males located in Miles City, Riverside Youth Correctional Facility for females in Boulder, Youth Community Corrections including Juvenile Parole, interstate compact services for probation and parole, re-entry services, transition centers, detention licensing, and transportation. Additional responsibilities include research, training, and administrative support services.

### Program Highlights

<b>Youth Services Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ Major factors contributing to the proposed funding increase are: <ul style="list-style-type: none"> <li>• Requests to fund correctional officer career ladder pay adjustments</li> <li>• A request to fund the replacement of doors at the Riverside Youth Correctional Facility</li> </ul> </li> </ul>

### Funding

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

Total Department Of Corrections Funding by Source of Authority 2015 Biennium Budget - Youth Services							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$37,242,054	\$0	\$0	\$37,242,054	95.5%		
State Special Total	\$1,742,820	\$0	\$0	\$1,742,820	4.5%		
02034 Earmarked Alcohol Funds	\$51,046	\$0	\$0	\$51,046	0.1%		
02916 Phs-canteen	\$7,550	\$0	\$0	\$7,550	0.0%		
02927 Phs Donations/i & I	\$814,058	\$0	\$0	\$814,058	2.1%		
03530 6901-foster Care 93.658	\$32,010	\$0	\$0	\$32,010	0.1%		
Total All Funds	\$39,016,884	\$0	\$0	\$39,016,884	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

This division receives about 95% of its support from the general fund. State special revenue, primarily from parental contributions toward the costs of care and interest and income related to Pine Hills school lands, provides about 4% of the division’s funding. The division also receives a small amount of federal funds from the Title IV-E Foster Care and Adoption Program.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	17,961,315	17,961,315	35,922,630	96.46%	18,848,730	18,848,730	37,697,460	96.62%
Statewide PL Adjustments	(60,334)	(36,954)	(97,288)	(0.26%)	(60,334)	(36,954)	(97,288)	(0.25%)
Other PL Adjustments	624,059	792,653	1,416,712	3.80%	624,059	792,653	1,416,712	3.63%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$18,525,040</b>	<b>\$18,717,014</b>	<b>\$37,242,054</b>		<b>\$19,412,455</b>	<b>\$19,604,429</b>	<b>\$39,016,884</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					398,405					410,372
Vacancy Savings					(442,512)					(442,984)
Inflation/Deflation					(16,227)					(4,342)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$60,334)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$60,334)</b>		<b>(\$36,954)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$36,954)</b>
DP 501 - PHYCF Overtime/Holiday Worked	0.00	164,120	0	0	164,120	0.00	164,120	0	0	164,120
DP 502 - RYCF Overtime/Holiday Worked	0.00	37,567	0	0	37,567	0.00	37,567	0	0	37,567
DP 503 - YTC Overtime/Holiday Worked	0.00	22,927	0	0	22,927	0.00	22,927	0	0	22,927
DP 504 - PHYCF Inmate Pay	0.00	29,850	0	0	29,850	0.00	29,850	0	0	29,850
DP 505 - RYCF Inmate Pay	0.00	1,000	0	0	1,000	0.00	1,000	0	0	1,000
DP 507 - RYCF Safety and Security OTO/BIEN	0.00	100,000	0	0	100,000	0.00	0	0	0	0
DP 999 - Fund Career Ladder for Correctional Officers	0.00	268,595	0	0	268,595	0.00	537,189	0	0	537,189
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$624,059</b>	<b>\$0</b>	<b>\$0</b>	<b>\$624,059</b>	<b>0.00</b>	<b>\$792,653</b>	<b>\$0</b>	<b>\$0</b>	<b>\$792,653</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$563,725</b>	<b>\$0</b>	<b>\$0</b>	<b>\$563,725</b>	<b>0.00</b>	<b>\$755,699</b>	<b>\$0</b>	<b>\$0</b>	<b>\$755,699</b>

**Sub-Program Details**

**JUVENILE CORRECTIONS ADMIN 01**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget	Base Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	Total Exec. Budget
Budget Item	Fiscal 2012	Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015	Fiscal 14-15
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00	4.00
Personal Services	212,956	26,659	0	239,615	28,049	0	241,005	480,620
Operating Expenses	46,909	(150)	0	46,759	(36)	0	46,873	93,632
<b>Total Costs</b>	<b>\$259,865</b>	<b>\$26,509</b>	<b>\$0</b>	<b>\$286,374</b>	<b>\$28,013</b>	<b>\$0</b>	<b>\$287,878</b>	<b>\$574,252</b>
General Fund	259,865	26,509	0	286,374	28,013	0	287,878	574,252
<b>Total Funds</b>	<b>\$259,865</b>	<b>\$26,509</b>	<b>\$0</b>	<b>\$286,374</b>	<b>\$28,013</b>	<b>\$0</b>	<b>\$287,878</b>	<b>\$574,252</b>

**Sub-Program Description**

This subprogram includes the division administrator and statewide management functions for the division.

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	259,865	259,865	519,730	90.51%	259,865	259,865	519,730	90.51%
Statewide PL Adjustments	26,509	28,013	54,522	9.49%	26,509	28,013	54,522	9.49%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$286,374</b>	<b>\$287,878</b>	<b>\$574,252</b>		<b>\$286,374</b>	<b>\$287,878</b>	<b>\$574,252</b>	

**Present Law Adjustments**

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

Present Law Adjustments										
	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					36,643					38,091
Vacancy Savings					(9,984)					(10,042)
Inflation/Deflation					(150)					(36)
<b>Total Statewide Present Law Adjustments</b>		<b>\$26,509</b>	<b>\$0</b>	<b>\$0</b>	<b>\$26,509</b>		<b>\$28,013</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,013</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$26,509</b>	<b>\$0</b>	<b>\$0</b>	<b>\$26,509</b>	<b>0.00</b>	<b>\$28,013</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,013</b>

**JUVENILE CORRECTIONS BUREAU 02**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	24.00	0.00	0.00	24.00	0.00	0.00	24.00	24.00
Personal Services	1,447,035	9,931	0	1,456,966	11,642	0	1,458,677	2,915,643
Operating Expenses	804,987	(4,561)	0	800,426	(3,026)	0	801,961	1,602,387
<b>Total Costs</b>	<b>\$2,252,022</b>	<b>\$5,370</b>	<b>\$0</b>	<b>\$2,257,392</b>	<b>\$8,616</b>	<b>\$0</b>	<b>\$2,260,638</b>	<b>\$4,518,030</b>
General Fund	2,252,022	5,370	0	2,257,392	8,616	0	2,260,638	4,518,030
<b>Total Funds</b>	<b>\$2,252,022</b>	<b>\$5,370</b>	<b>\$0</b>	<b>\$2,257,392</b>	<b>\$8,616</b>	<b>\$0</b>	<b>\$2,260,638</b>	<b>\$4,518,030</b>

**Sub-Program Description**

This subprogram includes juvenile community corrections and functions such as parole officers and the Juvenile Re-entry Program.



**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	2,252,022	2,252,022	4,504,044	99.69%	2,252,022	2,252,022	4,504,044	99.69%
Statewide PL Adjustments	5,370	8,616	13,986	0.31%	5,370	8,616	13,986	0.31%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$2,257,392</b>	<b>\$2,260,638</b>	<b>\$4,518,030</b>		<b>\$2,257,392</b>	<b>\$2,260,638</b>	<b>\$4,518,030</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					70,639					72,420
Vacancy Savings					(60,708)					(60,778)
Inflation/Deflation					(4,561)					(3,026)
<b>Total Statewide Present Law Adjustments</b>		<b>\$5,370</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,370</b>		<b>\$8,616</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,616</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$5,370</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,370</b>	<b>0.00</b>	<b>\$8,616</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,616</b>

**RIVERSIDE YOUTH CORRECTIONAL FACIL 03**

**Sub-Program Proposed Budget**

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

Budget Item	Base Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	Total Exec. Budget
	Fiscal 2012	Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015	Fiscal 14-15
FTE	32.50	0.00	0.00	32.50	0.00	0.00	32.50	32.50
Personal Services	1,663,090	273,873	0	1,936,963	375,328	0	2,038,418	3,975,381
Operating Expenses	268,122	96,790	0	364,912	(1,777)	0	266,345	631,257
Debt Service	20,877	0	0	20,877	0	0	20,877	41,754
<b>Total Costs</b>	<b>\$1,952,089</b>	<b>\$370,663</b>	<b>\$0</b>	<b>\$2,322,752</b>	<b>\$373,551</b>	<b>\$0</b>	<b>\$2,325,640</b>	<b>\$4,648,392</b>
General Fund	1,930,397	370,663	0	2,301,060	373,551	0	2,303,948	4,605,008
State/Other Special	21,692	0	0	21,692	0	0	21,692	43,384
<b>Total Funds</b>	<b>\$1,952,089</b>	<b>\$370,663</b>	<b>\$0</b>	<b>\$2,322,752</b>	<b>\$373,551</b>	<b>\$0</b>	<b>\$2,325,640</b>	<b>\$4,648,392</b>

**Sub-Program Description**

This subprogram consists of Riverside Youth Correctional Facility (RYCF), which is the state operated juvenile correctional institution for females located in Boulder.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	1,930,397	1,930,397	3,860,794	83.84%	1,952,089	1,952,089	3,904,178	83.99%
Statewide PL Adjustments	132,468	135,728	268,196	5.82%	132,468	135,728	268,196	5.77%
Other PL Adjustments	238,195	237,823	476,018	10.34%	238,195	237,823	476,018	10.24%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$2,301,060</b>	<b>\$2,303,948</b>	<b>\$4,605,008</b>		<b>\$2,322,752</b>	<b>\$2,325,640</b>	<b>\$4,648,392</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					210,626					212,530
Vacancy Savings					(74,948)					(75,025)
Inflation/Deflation					(3,210)					(1,777)
<b>Total Statewide Present Law Adjustments</b>		<b>\$132,468</b>	<b>\$0</b>	<b>\$0</b>	<b>\$132,468</b>		<b>\$135,728</b>	<b>\$0</b>	<b>\$0</b>	<b>\$135,728</b>
DP 502 - RYCF Overtime/Holiday Worked	0.00	37,567	0	0	37,567	0.00	37,567	0	0	37,567
DP 505 - RYCF Inmate Pay	0.00	1,000	0	0	1,000	0.00	1,000	0	0	1,000
DP 507 - RYCF Safety and Security OTO/BIEN	0.00	100,000	0	0	100,000	0.00	0	0	0	0
DP 999 - Fund Career Ladder for Correctional Officers	0.00	99,628	0	0	99,628	0.00	199,256	0	0	199,256
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$238,195</b>	<b>\$0</b>	<b>\$0</b>	<b>\$238,195</b>	<b>0.00</b>	<b>\$237,823</b>	<b>\$0</b>	<b>\$0</b>	<b>\$237,823</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$370,663</b>	<b>\$0</b>	<b>\$0</b>	<b>\$370,663</b>	<b>0.00</b>	<b>\$373,551</b>	<b>\$0</b>	<b>\$0</b>	<b>\$373,551</b>

DP 502 - RYCF Overtime/Holiday Worked – The executive requests general fund to fund overtime and holidays worked at the base level. These expenses are zero-based and must be requested in full each biennium.

DP 505 - RYCF Inmate Pay – The executive requests general fund to fund inmate pay at the Riverside Youth Correctional Facility. Youth pay restitution to their victims through their work. These expenses are zero-based and must be requested in full each biennium.

DP 507 - RYCF Safety and Security OTO/BIEN – The executive requests general fund for a project to replace doors throughout the Riverside Youth Correctional Facility. The executive recommends designating funding as one-time-only and biennial.

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

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

**TRANSITION CENTERS 04**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	15.00	0.00	0.00	15.00	0.00	0.00	15.00	15.00
Personal Services	772,719	(8,826)	0	763,893	28,463	0	801,182	1,565,075
Operating Expenses	118,477	653	0	119,130	1,517	0	119,994	239,124
<b>Total Costs</b>	<b>\$891,196</b>	<b>(\$8,173)</b>	<b>\$0</b>	<b>\$883,023</b>	<b>\$29,980</b>	<b>\$0</b>	<b>\$921,176</b>	<b>\$1,804,199</b>
General Fund	871,011	(8,173)	0	862,838	29,980	0	900,991	1,763,829
State/Other Special	20,185	0	0	20,185	0	0	20,185	40,370
<b>Total Funds</b>	<b>\$891,196</b>	<b>(\$8,173)</b>	<b>\$0</b>	<b>\$883,023</b>	<b>\$29,980</b>	<b>\$0</b>	<b>\$921,176</b>	<b>\$1,804,199</b>

**Sub-Program Description**

This subprogram includes the youth transition center (YTC), a group home for youth returning to the community that is located in Great Falls.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	871,011	871,011	1,742,022	98.76%	891,196	891,196	1,782,392	98.79%
Statewide PL Adjustments	(67,215)	(65,177)	(132,392)	(7.51%)	(67,215)	(65,177)	(132,392)	(7.34%)
Other PL Adjustments	59,042	95,157	154,199	8.74%	59,042	95,157	154,199	8.55%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$862,838</b>	<b>\$900,991</b>	<b>\$1,763,829</b>		<b>\$883,023</b>	<b>\$921,176</b>	<b>\$1,804,199</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(38,499)					(37,280)
Vacancy Savings					(29,369)					(29,414)
Inflation/Deflation					653					1,517
<b>Total Statewide Present Law Adjustments</b>		<b>(\$67,215)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$67,215)</b>		<b>(\$65,177)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$65,177)</b>
DP 503 - YTC Overtime/Holiday Worked	0.00	22,927	0	0	22,927	0.00	22,927	0	0	22,927
DP 999 - Fund Career Ladder for Correctional Officers	0.00	36,115	0	0	36,115	0.00	72,230	0	0	72,230
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$59,042</b>	<b>\$0</b>	<b>\$0</b>	<b>\$59,042</b>	<b>0.00</b>	<b>\$95,157</b>	<b>\$0</b>	<b>\$0</b>	<b>\$95,157</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$8,173)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$8,173)</b>	<b>0.00</b>	<b>\$29,980</b>	<b>\$0</b>	<b>\$0</b>	<b>\$29,980</b>

DP 503 - YTC Overtime/Holiday Worked - The executive requests general fund to fund overtime and holidays worked at the base level. These expenses are zero-based and must be requested in full each biennium.

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

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

**PINE HILLS YOUTH CORRECTIONAL FACI 05**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	126.85	0.00	0.00	126.85	0.00	0.00	126.85	126.85
Personal Services	6,568,540	178,315	0	6,746,855	316,559	0	6,885,099	13,631,954
Operating Expenses	1,133,998	(8,959)	0	1,125,039	(1,020)	0	1,132,978	2,258,017
Benefits & Claims	48,492	0	0	48,492	0	0	48,492	96,984
<b>Total Costs</b>	<b>\$7,751,030</b>	<b>\$169,356</b>	<b>\$0</b>	<b>\$7,920,386</b>	<b>\$315,539</b>	<b>\$0</b>	<b>\$8,066,569</b>	<b>\$15,986,955</b>
General Fund	7,115,293	169,356	0	7,284,649	315,539	0	7,430,832	14,715,481
State/Other Special	635,737	0	0	635,737	0	0	635,737	1,271,474
<b>Total Funds</b>	<b>\$7,751,030</b>	<b>\$169,356</b>	<b>\$0</b>	<b>\$7,920,386</b>	<b>\$315,539</b>	<b>\$0</b>	<b>\$8,066,569</b>	<b>\$15,986,955</b>

**Sub-Program Description**

This subprogram includes Pine Hills Youth Correctional Facility (PHYCF), the state operated institution for males, located in Miles City.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	7,115,293	7,115,293	14,230,586	96.70%	7,751,030	7,751,030	15,502,060	96.97%
Statewide PL Adjustments	(157,466)	(144,134)	(301,600)	(2.05%)	(157,466)	(144,134)	(301,600)	(1.89%)
Other PL Adjustments	326,822	459,673	786,495	5.34%	326,822	459,673	786,495	4.92%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$7,284,649</b>	<b>\$7,430,832</b>	<b>\$14,715,481</b>		<b>\$7,920,386</b>	<b>\$8,066,569</b>	<b>\$15,986,955</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					118,996					124,611
Vacancy Savings					(267,503)					(267,725)
Inflation/Deflation					(8,959)					(1,020)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$157,466)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$157,466)</b>		<b>(\$144,134)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$144,134)</b>
DP 501 - PHYCF Overtime/Holiday Worked	0.00	164,120	0	0	164,120	0.00	164,120	0	0	164,120
DP 504 - PHYCF Inmate Pay	0.00	29,850	0	0	29,850	0.00	29,850	0	0	29,850
DP 999 - Fund Career Ladder for Correctional Officers	0.00	132,852	0	0	132,852	0.00	265,703	0	0	265,703
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$326,822</b>	<b>\$0</b>	<b>\$0</b>	<b>\$326,822</b>	<b>0.00</b>	<b>\$459,673</b>	<b>\$0</b>	<b>\$0</b>	<b>\$459,673</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$169,356</b>	<b>\$0</b>	<b>\$0</b>	<b>\$169,356</b>	<b>0.00</b>	<b>\$315,539</b>	<b>\$0</b>	<b>\$0</b>	<b>\$315,539</b>

DP 501 - PHYCF Overtime/Holiday Worked - The executive requests general fund to fund overtime and holidays worked at the base level. These expenses are zero-based and must be requested in full each biennium.

DP 504 - PHYCF Inmate Pay - The executive requests general fund to fund inmate pay at Pine Hills. Youth pay restitution to their victims through their work.

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

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

**JUVENILE PLACEMENT FUNDS 06**

**Sub-Program Proposed Budget**

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

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
Operating Expenses	1,024	0	0	1,024	0	0	1,024	2,048
Benefits & Claims	2,281,595	0	0	2,281,595	0	0	2,281,595	4,563,190
Transfers	3,459,909	0	0	3,459,909	0	0	3,459,909	6,919,818
<b>Total Costs</b>	<b>\$5,742,528</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,742,528</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,742,528</b>	<b>\$11,485,056</b>
General Fund	5,532,727	0	0	5,532,727	0	0	5,532,727	11,065,454
State/Other Special	193,796	0	0	193,796	0	0	193,796	387,592
Federal Special	16,005	0	0	16,005	0	0	16,005	32,010
<b>Total Funds</b>	<b>\$5,742,528</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,742,528</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,742,528</b>	<b>\$11,485,056</b>

**Sub-Program Description**

This subprogram includes funding that is utilized by parole officers to place youth in community residential placements. These funds are also utilized by Juvenile Probation Officers and Youth Courts within the Judicial Branch for the placement of youth on probation.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	5,532,727	5,532,727	11,065,454	100.00%	5,742,528	5,742,528	11,485,056	100.00%
Statewide PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$5,532,727</b>	<b>\$5,532,727</b>	<b>\$11,065,454</b>		<b>\$5,742,528</b>	<b>\$5,742,528</b>	<b>\$11,485,056</b>	

Total Department Of Corrections Funding by Source of Authority 2015 Biennium Budget					
Funds	HB 2	Non- Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	\$369,057,606	\$0	\$0	\$369,057,606	91.0%
State Special Total	\$10,904,241	\$0	\$706,163	\$11,610,404	2.9%
02034 Earmarked Alcohol Funds	\$51,046	\$0	\$0	\$51,046	0.0%
02261 P & P Supervisory Fee	\$2,532,272	\$0	\$0	\$2,532,272	0.6%
02339 Inmate Welfare/inmate Pay	\$200,000	\$0	\$0	\$200,000	0.0%
Proprietary Total	\$1,604,132	\$23,341,291	\$0	\$24,945,423	6.1%
06033 Prison Ranch	\$46,278	\$8,929,778	\$0	\$8,976,056	2.2%
02689 Offender Restitution	\$1,402,571	\$0	\$0	\$1,402,571	0.3%
02916 Phs-canteen	\$7,550	\$0	\$0	\$7,550	0.0%
02917 Msp Canteen Revolving Acct	\$4,999,534	\$0	\$0	\$4,999,534	1.2%
02927 Phs Donations/i & I	\$814,058	\$0	\$0	\$814,058	0.2%
02970 Juvenile Plcmnt Cost Of Care	\$870,166	\$0	\$0	\$870,166	0.2%
Federal Special Total	\$32,010	\$0	\$0	\$32,010	0.0%
03530 6901-foster Care 93.658	\$32,010	\$0	\$0	\$32,010	0.0%
Proprietary Total	\$1,604,132	\$23,341,291	\$0	\$24,945,423	6.1%
06033 Prison Ranch	\$46,278	\$8,929,778	\$0	\$8,976,056	2.2%
06034 Msp Institutional Industries	\$43,451	\$4,519,754	\$0	\$4,563,205	1.1%
06545 Prison Indust. Training Prog	\$1,464,475	\$0	\$0	\$1,464,475	0.4%
06572 Mce License Plate Production	\$5,522	\$1,872,667	\$0	\$1,878,189	0.5%
06573 Msp - Cook Chill	\$44,406	\$8,019,092	\$0	\$8,063,498	2.0%
Total All Funds	\$381,597,989	\$23,341,291	\$706,163	\$405,645,443	100.0%
<b>Percent - Total All Sources</b>	<b>94.1%</b>	<b>5.8%</b>	<b>0.2%</b>		



## 5% Base Budget Reduction Form

[17-7-111-3\(f\)](#)

### AGENCY CODE & NAME: 64010 - Department of Corrections

		Minimum Requirement	
		General Fund	State Special Revenue Fund
TARGETED REDUCTION TO EQUAL 5% OF CURRENT BASE BUDGET		\$ 8,462,983	\$ 235,700
Priority	SERVICE(S) TO BE ELIMINATED OR REDUCED	General Fund Annual Savings	State Special Revenue Annual Savings
1	Elimination of the Early Return to Work program/DPHHS MOU	\$ 92,316	
2	Fixed cost reduction	\$ 125,275	
3	Change medical laws to conform to Medicaid rate structure	\$ 407,776	
4	Elimination of IT systems used by commissary and video conferencing	\$ 104,989	
5	Elimination of legal operating budget	\$ 143,863	
6	Elimination of state special authority collections unit		\$ 24,307
7	Reduce all adult contracted beds (secure, alternative, prerelease) rates by 10.16%	\$ 6,650,618	
8	Eliminate state special authority for supervision fees		\$ 63,307
11	Reduce inmate pay funding		\$ 5,241
12	Elimination of 0.50 vocational FTE at MWP (MCE Program)	\$ 23,800	
13	Elimination of Vocational Education Program Budget	\$ 16,280	
14	Elimination of state special authority for canteen at MCE		\$ 99,275
15	Reduction of juvenile placement funds (cost containment pool)	\$ 276,636	
16	Reduction of education program at Pine Hills Youth Correctional Facility and Riverside Youth Correctional Facility	\$ 465,878	
17	Elimination of mentoring/faith based service contracts in Youth Community Corrections	\$ 155,552	
18	Reduction of parental contributions state special authority		\$ 43,570

## 5% Base Budget Reduction Form

**AGENCY CODE & NAME: 64010 Department of Corrections - 1****Administrative and Financial Services Division****#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

AFSD will apply the 5% Early Return to Work funds (\$86,194) toward the reduction of Worker's Compensation costs. AFSD will also eliminate the MOU (\$6,122) with DPHHS.

**#2 THE SAVINGS THAT ARE EXPECTED:**

AFSD will be able to eliminate \$92,316 in general fund budget authority

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

The reduction in the Early Return to Work funds (ERTW) funds will eliminate monies used to purchase safety and training equipment used to keep department employees safe, reducing the risk of injury and efforts to bring injured workers back to work. The DPHHS MOU was eliminated \$6,122.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

Funding for ERTW and safety equipment would need to be funded from general fund budget allocations.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes - The Safety Culture Act (39-71-1501 to 1508\_ encourages workers and employers to come together to create and implement a workplace safety philosophy.

**5% Base Budget Reduction Form****AGENCY CODE & NAME: 64010 Department of Corrections - 2****Fixed Costs****#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Reduce fixed costs for the department

**#2 THE SAVINGS THAT ARE EXPECTED:**

\$125,275 in operating costs.

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

The Department of Corrections will eliminate \$27,601 in Warrant Writing Services. In addition, the department will reduce insurance costs through tort by \$97,674 with receiving the 10% rebate on property loss, the defensive driving course, reevaluating the insurance levels and building insurance levels. Any reductions implemented will require approval from state administrative agencies since funding is utilized to pay for other agency services.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

Staff will pay all warrants via procurement cards with approval from the Department of Administration.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

No

**5% Base Budget Reduction Form**

**AGENCY CODE & NAME: 64010 Department of Corrections - 3**

**Outside Medical**

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

The Department of Corrections will request a legislative change requiring all medical providers charge only Medicaid rates for the services.

**#2 THE SAVINGS THAT ARE EXPECTED:**

The Department of Corrections expended \$8,050,773 in outside medical in FY2012. A conservative estimate of charging Medicaid rates would save the Department of Corrections 10-15% in medical costs, which would be above and beyond the required \$407,776 reduction in general fund.

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

This bill could eliminate the number of providers in Montana willing to administer medical services to offenders, if not mandated by law.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

There are no known mitigation strategies at this time.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes - The department is bound by the 8th Amendment of the U.S. Constitution to not be deliberately indifferent to inmates' serious medical needs.

**5% Base Budget Reduction Form**

**AGENCY CODE & NAME: 64010 Department of Corrections - 4**

**Information Technology Division**

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Elimination of IT systems used by commissary and video conferencing

**#2 THE SAVINGS THAT ARE EXPECTED:**

ITD will save a total of \$105,063 - \$51,063 by eliminating the unlimited video conferencing charges and \$54,000 by eliminating the Commissary and Trust Accounting System.

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

When the unlimited video conferencing is eliminated, availability of funding and usage of video conferencing will limit court appearance usage and could increase the cost of travel. When the Commissary and Trust Accounting System is eliminated, tracking inmate accounts must become manual creating a back log of accounting work which includes more time for restitution payments from inmates to victims.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

Exploring web hosting video conferencing for staff meetings and request the inmate accounts system be funded by the inmate welfare funds.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes - the department is required to provide an inmate accounting system and possibly a change in IWF statutes allowing payment for IT systems costs for inmate accounts.

**5% Base Budget Reduction Form**

**AGENCY CODE & NAME: 64010 Department of Corrections - 5**

**Staff Services Division**

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Reduce legal operating budget by \$143,863.

**#2 THE SAVINGS THAT ARE EXPECTED:**

\$143,863 in operating costs

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

The reduction in legal operating costs will impact how legal is able to represent the Department of Corrections. If the department was unable to contract for legal services, the department could be back logged for legal services creating additional law suits and complaints.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

Legal representation of the Department is difficult to be mitigated. The department must defend the director and staff against complaints and charges.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

No.

**5% Base Budget Reduction Form**

**AGENCY CODE & NAME: 64010 Department of Corrections - 6**

**Administrative and Financial Services Division - State special**

- #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**  
Collections Unit state special spending authority reduction
- #2 THE SAVINGS THAT ARE EXPECTED:**  
\$24,307
- #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**  
Reducing the collections funding will result in delayed payment processing of the restitution program. With the backload of work, staff will not be able to process restitution payments as timely and victim payments would be delayed.
- #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**  
Without the necessary resources there is no way to mitigate the impact.
- #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**  
Yes - 46-18-241

**5% Base Budget Reduction Form****AGENCY CODE & NAME: 64010 Department of Corrections - 7****Provider Rate Reductions 10.16%**

- #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**  
This proposal would reduce all per diem rates paid for adult inmates/offenders by 10.16%.
- #2 THE SAVINGS THAT ARE EXPECTED:**  
\$6,650,618 in operating costs
- #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**  
Providers would be required to eliminate or reduce services provided. As costs continue to increase, facilities will struggle to maintain services and programming. Elevated food costs, gasoline, competitive wages for staff, and other increased cost have impacted the daily operation of the facilities trying to operate within a fixed budget.
- #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**  
Decreasing services provided to inmates/offenders
- #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO: YES**  
Yes, currently regional prisons are reimbursed on an actual cost basis. In order to reduce rates, the statute would need to be revised to allow a reduction with no increases in the next biennium.

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME: 64010 Department of Corrections - 8

#### ACCD - State Special

- #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**  
Supervision fees state special spending authority reduction
- #2 THE SAVINGS THAT ARE EXPECTED:**  
\$22,934
- #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**  
The Probation and Parole Bureau will not have sufficient spending authority if this plan were implemented. All associated training and safety supplies will no longer be provided.
- #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**  
Supplies could be paid from the general fund which will lead to a general fund budget shortfall.
- #5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**  
Yes - 46-23-1003 - Probation and Parole Officers are required to obtain 16 hours of training each year.

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME: 64010 Department of Corrections - 11

#### Secure Care - State Special

- #1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**  
Reduce inmate pay funding at Montana State Prison provided by inmate welfare funds.
- #2 THE SAVINGS THAT ARE EXPECTED:**  
Expected savings are \$5,241 in state special funds.
- #3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**  
Inmate work and education assignments are a major part of facility security and rehabilitation. Inmate jobs and inmate pay within a correctional facility is an effective management tool and helps to support functions that are generally understaffed with authorized FTE staff. Facility safety, security and work production is greatly impacted by inmate work force. Without inmate paid positions facility security and work productivity will be decreased.
- #4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**  
Inmate pay can be entirely paid from general fund

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

No

**5% Base Budget Reduction Form**

**AGENCY CODE & NAME: 64010 Department of Corrections - 12**

**MCE - General Fund FTE**

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Eliminate 0.5 FTE from Montana Women's Prison Industry training program.

**#2 THE SAVINGS THAT ARE EXPECTED:**

Expected savings would be \$23,800.

**#3**

**THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

This would eliminate the training component of the Industries training program at Montana Women's Prison. Inmate work and education assignments are a major part of facility security and rehabilitation. This reduction would decrease inmate programs and inmate pay opportunities which can directly decrease restitution payments to victims.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

There is no mitigation plan.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

No, does support MCA 53-1-203 (f).

**5% Base Budget Reduction Form**

**AGENCY CODE & NAME: 64010 Department of Corrections - 13**

**MCE General Fund**

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Eliminate STEPS (Steps to Economic and Personal Success) reentry program at the Montana State Prison Work Reentry Center.

**#2 THE SAVINGS THAT ARE EXPECTED:**

Expected savings, \$16,280.

**#3**

**THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Reducing operating budget in vocational education would eliminate the STEPS reentry program at the Montana State Prison Work Reentry Center. Inmate programs are a major part of facility security and inmate rehabilitation. Decreasing programming opportunities can lead to an increased recidivism rates and higher costs long term.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

There is no mitigation plan.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

No, does support MCA 53-1-203 (f).

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME: 64010 Department of Corrections - 14

#### MCE State Special

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Reduce inmate canteen operating budget.

**#2 THE SAVINGS THAT ARE EXPECTED:**

Savings from this 5% reduction, \$99,275.

**#3**

**THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

The purpose of the inmate canteen state special service fund is to provide products for purchase by the inmate population . Limitations would need to be placed on what is made available to our consumers. This is a state special revenue program which is derived from the sale of products to inmates, paid by inmates through inmate wages and money received by family members. Reduction to this fund will reduce the amount of inventory available for sale and could create problems with the inmate population. It will also reduce the amount of net revenue available for deposit to the Inmate Welfare Fund.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

Inmate canteen purchases could be paid by the general fund.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes, referred to in MCA 53-1-109.

## 5% Base Budget Reduction Form

### AGENCY CODE & NAME: 64010 Department of Corrections - 15

#### Youth Services JDIP Funds

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Reduce the Cost Containment Pool of appropriated funds.



**#2 THE SAVINGS THAT ARE EXPECTED:**

\$276,636

**#3****THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

The amount of money available for youth placement would be reduced. Loss of these funds also reduces the "Preventive Incentive Funds" which could increase juvenile delinquency due to lack of community based prevention programs. If youth have no community options there is an increased chance of returning to a secure facility.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

The department and youth probation would attempt to access additional parental contribution funding.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

YES. MCA 41-5-132. Cost containment pool -- allocation of appropriated funds -- authorization of allocation from pool -- transfer of unexpended funds. (1) (a) The department shall establish a cost containment pool. After considering the cost containment review panel's recommendation as provided for in subsection (1)(b), the department shall allocate to the cost containment pool at the beginning of each fiscal year not less than \$1 million from the funds appropriated for juvenile placements. Cost containment funds would now be \$723,364.

**5% Base Budget Reduction Form****AGENCY CODE & NAME: 64010 Department of Corrections - 16****Youth Services Division - Education****#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Eliminate spending on education expenses in Pine Hills Youth Correctional Facility and Riverside Youth Correctional Facility.

**#2 THE SAVINGS THAT ARE EXPECTED:**

\$442,825 in personal services. \$23,051 operating expenses.

**#3****THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Education is critical to rehabilitation for troubled youth and is considered the "foundation for programming in most juvenile institutions" (OJJDP, 1994, p. 129). Helping youth acquire educational skills is also one of the most effective approaches to the prevention of delinquency and the reduction of recidivism. Literacy skills are essential to meet the demands of a complex, high-tech world in school and at work. Higher levels of literacy are associated with lower rates of juvenile delinquency, re-arrest, and recidivism according to the National Center on Education, Disability and Juvenile Justice. A reduction of these funds includes eliminating FTE, and facilities will run the risk of losing accreditation. Loss of accreditation leads to loss of federal funding including, but not limited to grants which include Title 1, REAP, IDEA B, and the school foods reimbursement. Loss of accreditation also means that youth will not be able to earn high school diplomas.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

There is little the department could do to mitigate the impacts from this lost funding and FTE.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes. MCA 52-5-106 - Curricula at facilities. The academic and vocational curricula in facilities containing academic and vocational training must include academic and vocational subjects that conform to the Montana school accreditation standards set by the board of public education.

**5% Base Budget Reduction Form****AGENCY CODE & NAME: 64010 Department of Corrections - 17****Youth Services Division - Re-entry Contracts****#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Elimination of the parish nurse, religious services and mentor contract in the juvenile parole re-entry program.

**#2 THE SAVINGS THAT ARE EXPECTED:**

\$155,552 in Operating Expenses

**#3****THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Religious based services are found to have a positive direct effect on youth belief and influence current behaviors and attitudes for youth, and thus can affect their involvement in delinquency. Eliminating religious based services can add to an increase in recidivism in youth. The re-entry mentoring program is designed to meet the needs of youth returning to the community from secure correctional placement. These mentors help youth develop goals and objectives designed to address life challenges, provide positive recreational activities, and help the youth gain knowledge of and access to community resources. If eliminated, the State of Montana faces an increase in recidivism, as well as risk the general safety of the public as these youth will have less options to have a successful re-entry into communities. Youth who are mentored have fewer problems with gang violence and less recidivism. A study of delinquent youth involved with the Partners, Inc. mentoring program in Colorado showed a 65-75% decrease in recidivism. In a study of over 500 youthful offenders engaged in mentoring programs, 80% completed their probationary term without repeat offenses. Juvenile offenders in a Michigan mentoring program also showed reduced rates of recidivism. Results from "Mentoring Effectiveness Research," Publication No. (ADP) 99-1563 Resource Center, State of California, Alcohol and Drug Programs, 1700 K Street, Sacramento, CA 95814

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

The mitigation strategy would be to utilize community volunteers to help mentor and provide religious services to youth in their re-entry efforts.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

No.

**5% Base Budget Reduction Form**

**AGENCY CODE & NAME: 64010 Department of Corrections - 18****YSD - State Special****#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Reduction in spending authority for parental contributions collected within the Youth Services Division for offset costs of placements in the youth facilities (Pine Hills Youth Correctional Facility, Riverside Youth Correctional Facility, and Youth Transition Center).

**#2 THE SAVINGS THAT ARE EXPECTED:**

\$43,570 in state special operating authority

**#3****THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

The amount of money available for Juvenile Delinquency Intervention Programs and youth placements would be reduced. If youth have no community options there is an increased chance of returning to a secure facility.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

Local communities could be required to provide monies to fund the programs cut with this request or general fund could be utilized.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

No - The department provides funding for the Office of Supreme Court's probation placements. This authority is used to offset some of the costs of the probation and parole placements. This funding is used to provide a safe and secure community while working to rehabilitate youth.

## Objectives

### Administrative & Financial Services

#### Accounting

- To ensure that financial, accounting and payroll information is timely, consistent, fully integrated, easily accessible and accurate.
  - Assist personnel in understanding the benefit of utilizing the Self-Services/Manager Self Service applications located in the SABHRS MINE system.
  - Obtain an unqualified opinion for the Financial Compliance Audit performed by the Legislative Audit Division.

#### Budget

- To be everyday audit ready with consistent and transparent processes, while providing financial related guidance to staff
  - Report progress and effectiveness of all legislatively approved budget requests from the previous session.
  - Complete budget status projections within 2% of actual ending expenditures.
  - Ensure full understanding of the 2015 Executive Planning Process.

#### Quality Assurance

- To ensure the continuous review and evaluation of operational, programmatic and functional areas operated by the Department and by all contracted providers.
  - Update all audit tools with current policy, contract and national standard language.
  - Establish a loss control program to provide a safer work environment.

#### Health Services

- To ensure the continuous review and evaluation of operational, programmatic and functional areas operated by the Department and by all contracted providers.
  - To develop a model of healthcare in prisons and community corrections facilities that addresses issues, problems, organizational structures, and programs and that provides guidelines for correctional administrators and the health practitioner.
  - To offer guidelines that contain the mechanisms for successful program implementation and maintenance, including national standards, policies, procedures, planning methods, budget, and staffing patterns and to provide a structure for monitoring and evaluating ongoing programs.

## **Contract Management**

- To maintain all programs and operations of the Contracts Management Bureau in accordance with statute, rule, policy and Legislative Audit recommendations.
  - Create a strategic plan that will exhibit grant funding needs in order to support the Department objectives.
  - Work with contract liaisons in order to complete contract requirements.
  - Manage 218 state owned vehicles and 116 leased vehicles, their costs and maintenance.

## **Adult Community Corrections**

The Division headquarters is located in Helena, with offices and facilities throughout Montana. The Division provides supervision for 80 percent of the more than 13,000 offenders in the corrections system, through its five subdivisions and contract facilities:

**The Adult Interstate Bureau** coordinates the movement and data tracking of probationers and parolees among states. It oversees more than 1,600 adult offenders.

**The Probation and Parole Bureau**, through 23 field offices, supervises more than 9,000 adult probationers and parolees.

The Bureau also several specialized approaches including the Intensive Supervision Program (ISP). This is a six-month program providing a heightened level of offender management in communities of Montana, utilizing electronic monitoring and tracking devices, daily offender agenda schedules, and close monitoring by field staff. Other dedicated approaches focus on offenders with co-occurring disorders, DUI offenses, sexual offending, and substance abuse. Sixteen P&P staff are located at correctional custody programs around the state assisting offenders with reentry efforts as they transition from secure facilities to a lower level of placement or supervision.

**The Treasure State Correctional Training Center** near Deer Lodge is a 60-bed correctional facility for men, based on a military format of discipline and treatment (boot camp). Programs employed during the trainee's 90 to 120-day incarceration include victimology, criminal thinking errors, anger management, substance abuse treatment and academic schooling.

**The Adult Prerelease Unit** contracts with six non-profit prerelease centers for housing, treatment and supervision of 624 men and 174 women. These centers provide transition from prison to community and an alternative to prison for "diverted" offenders when public safety and the offenders' interests are best served by a level of supervision between prison and probation.

**Missoula Assessment and Sanction Center (MASC)** is designed to identify comprehensive risk and needs information for male offenders. The center provides short-term treatment in chemical dependency, criminal thinking, sexual offender, and mental health counseling. MASC is a 144-bed facility operating within the Missoula County Detention Facility in Missoula.

**Connections Corrections Program (CCP)** is a 42-bed, 60 to 90-day residential chemical dependency treatment program for male offenders which began in 1998 and is located in Butte. In 2005, CCP expanded to Warm Springs, providing 52 additional beds.

**Warm Springs Addiction Treatment and Change (WATCh)** opened in February 2002 in Warm Springs and 2005 in Glendive for the supervision and treatment of felony (fourth and subsequent) DUI offenders. Providing 163-beds, the program is based on a modified therapeutic community approach. Those who successfully complete the six-month WATCh program may have the remainder of their 13-month mandatory prison sentences suspended.

**Sanction, Treatment, Assessment, Revocation and Transition (START)**, begun in 2005, the program is designed for "technical" violators only. Offenders that are facing additional felony offenses are not eligible for placement at the START facility. In 2010, a new facility was constructed near Anaconda, and the Division contracts for 118 beds.

**Passages**, located in Billings, offers a diverse number of services for female offenders. Passages Assessment, Sanction & Revocation Center (ASRC) identifies comprehensive risk and needs information; Passages Alcohol & Drug Treatment (ADT) provides structured inpatient chemical dependency treatment; and Passages Prerelease Center (PRC), an alternative to direct release from prison to the community.

**Nexus and Elkhorn Treatment Centers** opened in 2007 to provide alternatives to traditional sentencing of adult offenders who are addicted to methamphetamines and other substances. NEXUS, for male offenders, is an 80-bed facility located in Lewistown; Elkhorn, for women offenders, is a 40-bed facility located in Boulder.

## Objectives

### Montana State Prison (MSP)

- Manage the inmate populations risk and needs based on application of the inmate objective classification system through completion of inmate classification reports as required per policy. Classification reports and statistics will be reviewed on a monthly basis for fiscal year 2011 through 2013 with an overall facility accuracy and timeliness rating of 90% or higher.
- Maintain zero escapes and less than 5 major facility incidents that result in a lockdown or other action for fiscal year 2011 through 2013. In addition we will track, review and take the appropriate disciplinary action for inmate on inmate and inmate on staff assaults for fiscal year 2011 through 2013.
- The Warden and appropriate staff will conduct tours of MSP for members of the legislature assembly, the University system, special approved groups and allied state agencies to improve communications and foster a better understanding of the secure prison corrections system during fiscal year 2011 through 2013.
- Montana State Prison will conduct quarterly reviews of all contracts in conjunction with the DOC Administrative and Financial Services Division Contract Bureau to ensure accurate and judicial use of state resources. MSP will maintain 100% compliant in all reporting areas throughout the 2013 biennium.
- Attain compliance with American with Disabilities (ADA) component of the 1991 settlement agreement in the Langford vs. Racicot case with the ACLU and US Justice Department by completion of current noted deficiencies that require construction or facility modification by the end of fiscal year 2013.
- Ensure registered victims of inmates and county attorney (where crime was committed) are consulted prior to approving inmates for funeral leave, community work program or fire crew by maintaining a fiscal year tracking sheet of applicable information for fiscal years 2011 through 2013.
- Track, monitor and review on a monthly basis inmates completing treatment and number of inmates on the current treatment waiting lists for fiscal year 2011 through 2013. On yearly basis inmates completing treatment will be reviewed for whether still in prison or released and discussed with DOC population management committee, community corrections and parole board.
- Develop reentry programs geared towards inmate population being released from prison with emphasis on life skills programming, person accountability, and job seeking skills. Programs and number of inmates that complete the programs will be tracked and monitored for successful release from prison or a reduction in facility disciplinary infractions if still incarcerated.
- Monitor inmate major disciplinary rule violations and inmate grievances on a monthly basis during fiscal year 2011 through 2013 to determine problem inmates, problem areas or issues that involve MSP staff intervention. Disciplinary infractions and types of inmate grievances will be tracked and compared to previous fiscal years to review trends or changes in inmate activities or issues.



- Track and review the inmate monthly worker and student employment numbers during FY-2011 through 2013 to ensure MSP maintains at least 65% of the inmates eligible for work or school assignments are engaged in some type of productive activity.
- Ensure the provision of a quality health care system for the inmate population through the utilization of a continuous quality improvement (CQI) system in which 90% of all target thresholds are maintained on a quarterly basis for fiscal year 2011 through 2013.
- Conduct and take minutes of monthly labor management meetings during fiscal year 2011 through 2013 to ensure we maintain a safe work environment of all staff as well as a safe environment for the inmate population. Issues discussed that will have followed up action will be addressed and completed within a reasonable timeframe from discussion or resolution of the issue.
- MSP will track, monitor and review monthly HR reports that include new hires, open positions, terminations for cause or voluntary reasons to determine impact on employee turnover, professionalism, and facility issues that need addressed. Information related to facility staff will be reviewed monthly during a MSP Administration/HR/Investigator meeting during fiscal year 2011 through 2013.
- Ensure that all new staff receives at least 80 hours of pre-service training prior to entering the work force at MSP through a training tracking system of new employees for fiscal year 2011 through 2013.

### **Contract Beds:**

- Contract Bed monitors in the regional and private prison will perform daily monitoring of facility compliance with contracts and will provide a monthly report of areas reviewed during the month, issues addressed and any contract violations. This will be reviewed on a monthly basis by the Contract Bed supervisors during fiscal year 2011 through 2013.
- Maintain zero escapes and less than 5 major facility incidents that result in a lockdown or other action per secure prison contracted facility for fiscal year 2011 through 2013. In addition we will track, review and take the appropriate disciplinary action for inmate on inmate and inmate on staff assaults for fiscal year 2011 through 2013.
- On a quarterly basis the Contract Bed Unit will facilitate Prison Issues Board meetings to discuss and resolve a variety of issues related to operations, policies and procedures, consistency between facilities. Meeting minutes will be maintained, information will be posted on the DOC website and the public will be afforded an opportunity to comment. Meetings will be conducted during fiscal year 2011 through 2013.
- Contract Beds Bureau will conduct quarterly reviews during fiscal year 2011 through 2013 of all regional and private prison contracts in conjunction with the DOC Administrative and Financial Services Division Contract Bureau to ensure contracts are up to date and being complied with. Contract Beds will maintain 100% compliance in all reporting areas throughout the 2013 biennium.

- Contract Bed staff will work with the regional and private prison administrative staff to ensure that all written communication with the media and the public is sensitive to crime victim issues throughout the 2013 biennium.
- Track, monitor and review on a monthly basis inmates completing treatment and number of inmates on the current treatment waiting lists for fiscal year 2011 through 2013. On yearly basis inmates completing treatment will be reviewed for whether still in prison or released and discussed with DOC population management committee, community corrections and parole board.
- Monitor inmate major disciplinary rule violations and inmate grievances on a monthly basis during fiscal year 2011 through 2013 to determine problem inmates, problem areas or issues that involve contract facility staff intervention. Disciplinary infractions and types of inmate grievances will be tracked and compared to previous fiscal years to review trends or changes in inmate activities or issues.
- Track and review the inmate monthly worker and student employment numbers during FY-2011 through 2013 to ensure contracted facilities provide work and school opportunities for a minimum of 50% of the eligible inmates.
- Contract bed administrative staff will visit the facilities at a minimum on a quarterly basis with the Wardens or Designated staff of regional and private prisons regarding current status of operations, issues needing correction or other issues that impact the performance of the contracts, staff and inmate safety. Visits will be conducted throughout fiscal year 2011 through 2013.

## **Objectives**

### **Montana Women's Prison (MWP)**

- Conduct an internal annual security assessment of the facility to address all areas through the 2013 biennium.
- Respond per policy within the next business day to all requests for information.
- Notifications are sent to all registered victims in regards to offender movement 100% of the time.
- Every offender will be given the opportunity to initiate or complete court ordered treatment programs offered at our facility.
- Monitor inmate major disciplinary rule violations and inmate grievances on a monthly basis during fiscal year 2011 through 2013 to determine problem inmates, problem areas or issues that involve contract facility staff intervention. Disciplinary infractions and types of inmate grievances will be tracked and compared to previous fiscal years to review trends or changes in inmate activities or issues.
- Conduct annual performance evaluations for all employees that address accountability and promote personal and professional growth.

## **Objectives**

### **Montana Correctional Enterprises (MCE)**

- Maintain safety of the public, staff and inmates through good security practices, safety procedures and proper supervision,
- In the last two fiscal years, we have had zero escapes, zero assaults on staff, two reported, but undocumented inmate on inmate assaults and twelve accidents.
- Increase the number of inmates involved in vocational education programs by providing reentry services and a life skills component to the services provided.
- Continuing to provide effective programming that reduces recidivism by an additional one percent from the previous year's reduction.
- Ensure that every inmate that leaves secure custody has a valid State of Montana Identification Card and has paid all of their fines against their State of Montana Driver's Licenses.
- Provide quality products and services to our customers in a timely manner.

## Objectives

### Youth Services

- Provide risk/needs assessments to individualize evidence based programming and supervision resulting in low recidivism rates for new felony level offenses. (41-5-102, MCA; 53-1-201; 53-1-202; 53-1-203 MCA)
- Conduct annual licensing audits of all juvenile detention facilities using a standardized audit instrument, and continue unannounced visits to ensure all licensing standards are met. (41-5-1802; 41-5-1803 MCA)
- Provide interstate compact services per the Interstate Commission for Juveniles rules. (41-6-102 MCA)
- Respond to all appropriate requests for tours and/or information in as timely a manner as possible. (41-5-221; 41-5-215; 41-5-216 MCA)
- Provide opportunities for youth to address court ordered restitution and community service and victim restitution. (53-1-20; 53-1-202 MCA)
- Place a strong emphasis on youth successfully completing High School or obtaining a GED while under the department's custody. (53-1-201; 52-5-101 and 52-5-106 MCA)
- Provide evidence based CD Treatment programming at Pine Hills Youth Correctional Facility and Riverside Youth Correctional Facility. (53-1-201; 53-1-202 MCA)
- Provide a Sex Offender Treatment program at Pine Hills Youth Correctional Facility using an evidence based treatment curriculum. (41-5-102; 53-1-201; 53-1-202 MCA)
- Provide services to minimize the need to send youth out-of-state to psychiatric residential treatment facilities (PTRF). (53-21-127; 41-5-1504; 41-5-2006 MCA)
- Maintain reentry programming including community placement options for all youth on parole (including licensed facilities and specialized foster home placements). (52-5-127 MCA)
- Youth Community Corrections maintains ACA Accreditation for Juvenile Parole. (52-5-127 MCA)
- Pine Hills Youth Correctional Facility will successfully complete the candidacy year of the Performance Based Standards Initiative and will use the bi-annual national data comparison reports as a way to guide continuous Facility Improvement using National Standards and Outcome Measures.
- Ensure all services for youth adjudicated to the Department of Corrections are provided in well maintained, safe settings that offer an environment conducive to the healthy physical and mental development of the youth. (52-5-101; 41-5-102; MCA)

## **Department Goals**

### **2015 Biennium**

May 2012

To maintain the safety of the Montana public and the security of our citizens, communities, and homes.

To earn public trust through openness and responsiveness.

To provide accurate, timely information and support that contributes to the restoration of victims of crime.

To reduce the risk of offenders committing more crimes by enhancing treatment programs in secure facilities and increasing dependence on community corrections programs and services, all of which are designed to help offenders succeed as productive, law-abiding citizens and remain out of prison.

To operate correctional programs that emphasize offender accountability and rehabilitation, staff professionalism and responsibility, public safety, and efficient use of taxpayer dollars.

To provide an employment and program environment based on professionalism, personal responsibility, and respect for each individual.

### **Department Values**

Montana Department of Corrections employees respect the rights and dignity of all people.

### **Department Vision**

As leaders in corrections, department employees affect the quality of life for all Montanans by demonstrating and promoting honesty, integrity and accountability in all our public service.

Appendix

Disclaimer: Not all documents were developed by the Legislative Fiscal Division

2015 Biennium Report on Internal Service and Enterprise Funds 2015						
Fund 6033	Fund Name Prison Ranch	Agency # 64010	Agency Name Dept. of Corrections	Program Name Mont Correctional Enterprises		
	Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
<b>Operating Revenues:</b>						
Fee revenue						
Sales of Products	3,915,822	4,005,816	4,751,321	4,552,567	4,750,000	4,750,000
MFBN Cannery Service Revenues		-	-	-	-	-
Net Fee Revenue	3,915,822	4,005,816	4,751,321	4,552,567	4,750,000	4,750,000
Investment Earnings	-	-	-	-	-	-
Securities Lending Income	-	-	-	-	-	-
Premiums	-	-	-	-	-	-
Other Operating Revenues	-	-	-	-	-	-
Total Operating Revenue	3,915,822	4,005,816	4,751,321	4,552,567	4,750,000	4,750,000
<b>Operating Expenses:</b>						
Personal Services	1,437,799	1,387,871	1,393,101	1,507,164	1,205,003	1,207,963
Other Operating Expenses	2,544,843	2,540,013	2,587,111	3,075,205	3,015,787	3,027,543
Total Operating Expenses	3,982,642	3,927,884	3,980,212	4,582,369	4,220,790	4,235,506
Operating Income (Loss)	<b>(66,820)</b>	<b>77,932</b>	<b>771,109</b>	<b>(29,802)</b>	<b>529,210</b>	<b>514,494</b>
<b>Nonoperating Revenues (Expenses):</b>						
Gain (Loss) Sale of Fixed Assets	(77,989)	25,941	139,268	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	(62,099)	-	-	-
Net Nonoperating Revenues (Expenses)	(77,989)	25,941	77,169	-	-	-
Income (Loss) Before Operating Transfers	(144,809)	103,873	848,278	(29,802)	529,210	514,494
Contributed Capital	-	-	-	-	-	-
Operating Transfers In (Note 13)	-	-	61,000	-	-	-
Operating Transfers Out (Note 13)	-	-	(61,000)	-	-	-
Change in net assets	(144,809)	103,873	848,278	(29,802)	529,210	514,494
Total Net Assets- July 1 - As Restated	9,668,481	9,523,672	9,627,545	10,475,823	10,046,375	10,046,375
Prior Period Adjustments	-	-	-	-	-	-
Cumulative effect of account change	-	-	-	-	-	-
Total Net Assets - July 1 - As Restated	9,668,481	9,523,672	9,627,545	10,475,823	10,046,375	10,046,375
Net Assets- June 30	<b>9,523,672</b>	<b>9,627,545</b>	<b>10,475,823</b>	<b>10,446,021</b>	<b>10,575,585</b>	<b>10,560,869</b>
60 days of expenses (Total Operating Expenses divided by 6)	663,774	654,647	663,369	763,728	703,465	705,918

Appendix

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2015 Biennium Report on Internal Service and Enterprise Funds 2015								
Fund	Fund Name	Agency #	Agency Name	Program Name				
6034	MSP Institutional Industries	64010	Dept. of Corrections	Mont Correctional Enterprises				
			Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
<b>Operating Revenues:</b>								
Fee revenue								
Sale of Industries Products			2,387,949	2,274,090	2,528,434	2,670,000	2,515,000	2,515,000
Revenue from Fee B			-	-	-	-	-	-
Revenue from Fee C			-	-	-	-	-	-
Revenue from Fee D			-	-	-	-	-	-
Revenue from Fee E			-	-	-	-	-	-
Revenue from Fee F			-	-	-	-	-	-
Net Fee Revenue			2,387,949	2,274,090	2,528,434	2,670,000	2,515,000	2,515,000
Investment Earnings			-	-	-	-	-	-
Securities Lending Income			-	-	-	-	-	-
Premiums			-	-	-	-	-	-
Other Operating Revenues			-	-	-	-	-	-
Total Operating Revenue			2,387,949	2,274,090	2,528,434	2,670,000	2,515,000	2,515,000
<b>Operating Expenses:</b>								
Personal Services			1,192,206	1,030,032	936,909	1,287,068	1,101,435	1,102,510
Other Operating Expenses			1,209,710	1,219,752	1,366,317	1,265,145	1,157,170	1,158,639
Total Operating Expenses			2,401,916	2,249,784	2,303,226	2,552,213	2,258,605	2,261,149
Operating Income (Loss)			(13,967)	24,306	225,208	117,787	256,395	253,851
<b>Nonoperating Revenues (Expenses):</b>								
Gain (Loss) Sale of Fixed Assets			-	-	-	-	-	-
Federal Indirect Cost Recoveries			-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)			-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)			-	-	-	-	-	-
Income (Loss) Before Operating Transfers			(13,967)	24,306	225,208	117,787	256,395	253,851
Contributed Capital			-	-	-	-	-	-
Operating Transfers In (Note 13)			-	-	-	-	-	-
Operating Transfers Out (Note 13)			-	-	(265)	-	-	-
Change in net assets			(13,967)	24,306	224,943	117,787	256,395	253,851
Total Net Assets- July 1 - As Restated			1,852,044	1,838,077	1,862,383	2,087,326	2,205,113	2,461,508
Prior Period Adjustments			-	-	-	-	-	-
Cumulative effect of account change			-	-	-	-	-	-
Total Net Assets - July 1 - As Restated			1,852,044	1,838,077	1,862,383	2,087,326	2,205,113	2,461,508
Net Assets- June 30			<b>1,838,077</b>	<b>1,862,383</b>	<b>2,087,326</b>	<b>2,205,113</b>	<b>2,461,508</b>	<b>2,715,359</b>
60 days of expenses (Total Operating Expenses divided by 6)			400,319	374,964	383,871	425,369	376,434	376,858
<b>Requested Rates for Enterprise Funds</b>								
<b>Fee/Rate Information</b>								
			Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
<b>Cost Per Pound for Laundry Services, including delivery</b>								
Base Laundry Price for Customer			0.43	0.43	0.48	0.48	0.51	0.52
<b>Delivery Charge per Pound</b>								
Montana Developmental Center			0.05	0.05	0.05	0.05	0.05	0.05
Riverside Youth Correctional Facility			0.05	0.05	0.05	0.05	0.05	0.05
Montana Law Enforcement Academy			0.15	0.15	0.15	0.15	0.15	0.15
Montana Chemical Dependency Corp.			0.04	0.04	0.04	0.04	0.04	0.04
START Program			0.01	0.01	0.01	0.01	0.01	0.01
Montana State Hospital			0.01	0.01	0.01	0.01	0.01	0.01
University of Montana				0.20	0.20	0.20	0.20	0.20

Authority  
MCA 53-1-301  
MCA 53-30-133

Use this space for any specific narrative description of the enterprise rates requested. A detailed published record must be kept in the agency's files.

Appendix

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2015 Biennium Report on Internal Service and Enterprise Funds								
Fund	Fund Name	Agency #	Agency Name	Program Name				
6545	Vocational Education	64010	Dept. of Corrections	Mont Correctional Enterprises				
			Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
<b>Operating Revenues:</b>								
Fee revenue								
	Revenue from Motor Vehicle Maintenance Service		560,212	556,858	585,665	597,000	597,000	597,000
	Net Fee Revenue		560,212	556,858	585,665	597,000	597,000	597,000
	Investment Earnings		-	-	-	-	-	-
	Securities Lending Income		-	-	-	-	-	-
	Premiums		-	-	-	-	-	-
	Other Operating Revenues		-	-	-	-	-	-
	Total Operating Revenue		560,212	556,858	585,665	597,000	597,000	597,000
<b>Operating Expenses:</b>								
	Personal Services		227,615	145,775	145,423	248,464	237,731	237,446
	Other Operating Expenses		312,331	392,176	388,334	454,618	490,474	490,474
	Total Operating Expenses		539,946	537,951	533,757	703,082	728,205	727,920
	Operating Income (Loss)		20,266	18,907	51,908	(106,082)	(131,205)	(130,920)
<b>Nonoperating Revenues (Expenses):</b>								
	Gain (Loss) Sale of Fixed Assets		-	-	-	-	-	-
	Federal Indirect Cost Recoveries		-	-	-	-	-	-
	Other Nonoperating Revenues (Expenses)		-	-	-	-	-	-
	Net Nonoperating Revenues (Expenses)		-	-	-	-	-	-
	Income (Loss) Before Operating Transfers		20,266	18,907	51,908	(106,082)	(131,205)	(130,920)
	Contributed Capital		-	-	-	-	-	-
	Operating Transfers In (Note 13)		-	-	-	-	-	-
	Operating Transfers Out (Note 13)		-	-	-	-	-	-
	Change in net assets		20,266	18,907	51,908	(106,082)	(131,205)	(130,920)
	Total Net Assets- July 1 - As Restated		17,667	37,931	56,838	108,746	2,664	(128,541)
	Prior Period Adjustments		(2)	-	-	-	-	-
	Cumulative effect of account change		-	-	-	-	-	-
	Total Net Assets - July 1 - As Restated		17,665	37,931	56,838	108,746	2,664	(128,541)
	Net Assets- June 30		37,931	56,838	108,746	2,664	(128,541)	(259,461)
	60 days of expenses (Total Operating Expenses divided by 6)		89,991	89,659	88,960	117,180	121,368	121,320
<b>Requested Rates for Internal Service Funds</b>								
<b>Fee/Rate Information for Legislative Action</b>								
			Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
Fee Group A -								
Rate 1	per hour	Labor Charge for Motor Vehicle Maint	\$ 26.50	\$ 26.50	\$ 26.50	\$ 26.50	\$ 27.45	\$ 28.45
Rate 2	(per unit)	Supply fee as a percentage of actual cost of parts	3%	3%	5%	5%	5%	5%
Rate 3		Parts are sold at actual cost						

Authority  
MCA 17-7-123



Appendix

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2015 Biennium Report on Internal Service and Enterprise Funds 2015								
Fund	Fund Name	Agency #	Agency Name	Program Name				
6572	MCE License Plate	64010	Dept. of Corrections	Mont Correctional Enterprises				
			Actual FY10	Actuals FY11	Actuals FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
<b>Operating Revenues:</b>								
Fee revenue								
Sale of License Plate Products			1,106,138	1,956,924	847,418	1,341,500	1,430,000	1,430,000
Net Fee Revenue			1,106,138	1,956,924	847,418	1,341,500	1,430,000	1,430,000
Investment Earnings			-	-	-	-	-	-
Securities Lending Income			-	-	-	-	-	-
Premiums			-	-	-	-	-	-
Other Operating Revenues			-	-	-	-	-	-
Total Operating Revenue			1,106,138	1,956,924	847,418	1,341,500	1,430,000	1,430,000
<b>Operating Expenses:</b>								
Personal Services			-	142,065	153,904	162,499	125,862	125,689
Other Operating Expenses			-	1,049,261	980,418	1,184,790	721,844	721,860
Total Operating Expenses			-	1,191,326	1,134,322	1,347,289	847,706	847,549
Operating Income (Loss)			1,106,138	765,598	(286,904)	(5,789)	582,294	582,451
<b>Nonoperating Revenues (Expenses):</b>								
Gain (Loss) Sale of Fixed Assets			-	-	-	-	-	-
Federal Indirect Cost Recoveries			-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)			-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)			-	-	-	-	-	-
Income (Loss) Before Operating Transfers			1,106,138	765,598	(286,904)	(5,789)	582,294	582,451
Contributed Capital				24,109	-	-		
Operating Transfers In (Note 13)				1,425,265	-	-		
Operating Transfers Out (Note 13)				-	(1,222,061)	-		
Change in net assets			1,106,138	2,214,972	(1,508,965)	(5,789)	582,294	582,451
Total Net Assets- July 1 - As Restated			-	1,106,138	3,321,110	1,812,145	1,806,356	2,388,650
Prior Period Adjustments			-	-	-	-	-	-
Cumulative effect of account change			-	-	-	-	-	-
Total Net Assets - July 1 - As Restated			-	1,106,138	3,321,110	1,812,145	1,806,356	2,388,650
Net Assets- June 30			1,106,138	3,321,110	1,812,145	1,806,356	2,388,650	2,971,101
60 days of expenses (Total Operating Expenses divided by 6)								
			-	198,554	189,054	224,548	141,284	141,258
Requested Rates for Enterprise Funds								
Fee/Rate Information								
			Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
Cost Per Set of Plates for MCE License Plates								
cost per set			6.20	6.20	6.20	6.20	6.20	6.20
Components:								
Basic:								
Manufacturing cost per set							4.45	4.45
Additional:								
Registration fulfillment inventory system							1.25	1.25
Distribution							0.50	0.50
Use this space for any specific narrative description of the enterprise rates requested. A detailed published record must be kept in the agency's files.								

Authority

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Appendix

Disclaimer: Not all documents were developed by the Legislative Fiscal Division

2015 Biennium Report on Internal Service and Enterprise Funds							
Fund 6573	Fund Name MCE Food Factory	Agency # 64010	Agency Name Dept. of Corrections	Program Name Secure Custody Facilities			
	Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15	
<b>Operating Revenues:</b>							
Fee revenue							
Food Product Sales	3,544,935	3,840,626	3,918,933	3,900,000	3,950,000	3,950,000	
Net Fee Revenue	3,544,935	3,840,626	3,918,933	3,900,000	3,950,000	3,950,000	
Investment Earnings	-	-	-	-	-	-	
Securities Lending Income	-	-	-	-	-	-	
Premiums	-	-	-	-	-	-	
Other Operating Revenues	-	-	-	-	-	-	
Total Operating Revenue	3,544,935	3,840,626	3,918,933	3,900,000	3,950,000	3,950,000	
<b>Operating Expenses:</b>							
Personal Services	987,849	937,547	973,675	972,507	896,445	896,334	
Other Operating Expenses	2,831,739	3,093,112	3,138,905	3,167,967	3,013,780	3,015,721	
Total Operating Expenses	3,819,588	4,030,659	4,112,580	4,140,474	3,910,225	3,912,055	
Operating Income (Loss)	(274,653)	(190,033)	(193,647)	(240,474)	39,775	37,945	
<b>Nonoperating Revenues (Expenses):</b>							
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-	
Federal Indirect Cost Recoveries	-	-	-	-	-	-	
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-	
Net Nonoperating Revenues (Expenses)	-	-	-	-	-	-	
Income (Loss) Before Operating Transfers	(274,653)	(190,033)	(193,647)	(240,474)	39,775	37,945	
Contributed Capital	-	-	-	-	-	-	
Operating Transfers In (Note 13)	-	-	-	-	-	-	
Operating Transfers Out (Note 13)	-	-	(170,000)	-	-	-	
Change in net assets	(274,653)	(190,033)	(363,647)	(240,474)	39,775	37,945	
Total Net Assets- July 1 - As Restated	3,133,060	2,858,407	2,668,374	2,304,727	2,064,253	2,104,028	
Prior Period Adjustments	-	-	-	-	-	-	
Cumulative effect of account change	-	-	-	-	-	-	
Total Net Assets - July 1 - As Restated	3,133,060	2,858,407	2,668,374	2,304,727	2,064,253	2,104,028	
Net Assets- June 30	2,858,407	2,668,374	2,304,727	2,064,253	2,104,028	2,141,973	
60 days of expenses (Total Operating Expenses divided by 6)	636,598	671,777	685,430	690,079	651,704	652,009	
<b>Requested Rates for Internal Service Funds</b>							
<b>Fee/Rate Information for Legislative Action</b>							
	Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15	
<b>Tray Meal Prices to all customers</b>							
Base Tray-Hot/Cold	\$ 1.69	\$ 1.69	\$ 1.73	\$ 1.73	\$ 2.14	\$ 2.32	
Base Tray-Hot			\$ 0.87	\$ 0.87	\$ 1.08	\$ 1.18	
Detention Center Trays			\$ 2.45	\$ 2.45	\$ 2.72	\$ 2.92	
Accessory Package			\$ 0.10	\$ 0.10	\$ 0.16	\$ 0.16	
<b>Delivery Charge Per Trayed Meal</b>							
Delivery charge - per mile	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	
Deliver charge - per hour	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	
Bulk Food is sold at cost, with a spoilage percentage added on and an overhead charge to cover operating expenses. Overhead charge is based on historical costs and volume of sales to the customer, as a percentage of overall food costs. Delivery is based on actual delivery costs.							
Spoilage percentage to all customers							
	4%	4%	5%	5%	5%	5%	
<b>(Overhead Chrg)</b>							
Montana State Hospital			11%	11%	11%	11%	
MSH - supplies only	12%	12%					
MSH - all overhead except supplies	6%	6%					
Montana State Prison			77%	77%	76%	76%	
MSP - supplies only	77%	77%					
MSP - all overhead except supplies	41%	41%					
Treasure State Correctional Training			12%	12%	13%	13%	
TSCTC - supplies only	11%	11%					
TSCTS - all overhead except supplies	6%	6%					

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