

House Appropriations Committee
Second Special Session of
The 47th Legislature
June 22, 1982

The Joint meeting of the House Appropriations Committee and the Senate Finance & Claims Committee was called to order at 10:45 a.m. on June 22, 1982 with Vice-Chairman Jack Moore presiding.

Chairman Moore explained that the first item on the agenda would be a continuation of the hearing on HB 2. He stated that he would allow further testimony on this bill until 12:00 noon at which time the Appropriations Committee would go into executive session until 12:45 p.m. Chairman Moore said that the joint committee would convene again at 7:00 p.m. for a hearing on HB 5 and any further business as well.

CARROLL SOUTH, Department of Administration, continued his presentation on the prison budget.

General Operations:

Mr. South explained that in the 1981 legislative session the department received a general fund appropriation to the prison industries program for \$140,000. One of the items that the department intended to purchase with this appropriation was a printing press for the Department of Justice. The department found out that all of the validation tags could be printed on this machine within four months and the press would remain idle for several months. The department, therefore, decided it was not reasonable to spend \$32,000 for this piece of equipment and did not purchase the printing press. This left an unexpended balance of the general fund appropriation for prison industries.

Mr. South said that the department also has operational fund money still available because the department was successful in getting a private industry council contract that paid us an amount sufficient to pay inmates that were training in the program.

The department will provide the legislature with a list of proposed purchases to come out of the unexpended balance in the 1983 Legislature.

The department will have approximately \$105,000 of general fund money left from fiscal '82 and the department is requesting that it be appropriated for fiscal '83 to give them another year of general fund subsidy to buy

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HB 2 Cont.

Mr. South said that the department foresees the general fund appropriation for prison industries as a loan to be amortized and be paid back to the general fund. However, the appropriation for a subsidy, he stated, we do not foresee as a loan. We think the general fund can afford to help us get started.

Funding for two new pre-release centers:

Mr. South referred to the budget shown in the briefing paper, page 14. A copy is attached and is Exhibit 1 of these minutes.

The budget is based on \$35 per day that the state will pay the inmates. Mr. South said that the \$35 per day was derived at by sending an analyst to the Alpha House in Billings to look at their budget. It appeared that \$32 per day for Alpha House would be a reasonable contract per inmate day for fiscal '83. The Alpha House charges each inmate \$3 per day to help toward their room and board, which would bring the actual cost per inmate day to \$35. Mr. South stated that with all of the unknowns concerning the new centers it would be difficult to give an accurate figure on what the cost will be. If it is less than \$35 per day they would have money left and if it is more they will ask the 1983 legislature for an adjustment. Mr. South pointed out that even though the inmates would be housed at the centers the state is still liable for them, particularly the medical costs. The annual cost per inmate would be \$16,680. The annual cost of operation for each home would be \$344,655, however, he stated, the department is not requesting that total amount because of the starting dates of the centers; one would be in operation six months and the other nine months for 1983 fiscal year. The department is also proposing that each center receive \$35,000 in renovation costs. If this is not enough the centers would probably borrow the money from another source and amortize that amount in the rates. This is one reason, Mr. South stated, that the department is unsure of what the rates would be. The maximum that the department would pay is \$35 per day per inmate.

DAVE ARMSTRONG, Administrator of Alpha House, Billings, addressed the request for additional funds for the Alpha House budget and the start up costs for the two new pre-release centers.

Mr. Armstrong said that he feels the rate of \$32.15 per inmate is well founded. This is a comparable rate to the Missoula Life Skill Center. Mr. Armstrong said that it is important to understand that the non-profit centers operate on a per-diem basis. If their occupancy is not 100% of the amount allocated for they receive only the per-diem funds available for the number of people in the program at that time. Mr. Armstrong said that the highest occupancy through March of 1982 was 20.1, which is one reason that this rate increase is so important. On a brighter note, he replied, the house has been at full occupancy for the last three months and is likely to maintain at this level. Mr. Armstrong said that the funds that are being requested are for the additional five occupants (from 20 to 25) and do not take into consideration the 20 that are already at Alpha House being funded at the rate of \$29.75. Mr. Armstrong asked the committee to give additional consideration to the approximate \$17,000 it would take to fund the other 20 inmates at \$32.15 per day. With that addition, he stated, the house would have a sound operating budget. He stated that in the past year they had a rate of \$27.50 per inmate which did not allow the center to touch any of their capitol expenses. All of the grants, budgets and contributions that the center has received this year have gone directly into operation expenses. Mr. Armstrong said that being a non-profit corporation and having a fluctuating income they give their raises twice a year. This year they only were able to give half of the raises. He said that the center is fortunate to have some very loyal staff members, some of whom have been there since the center started, who work with ex-offenders for \$4 per hour. Even though this is not the same as working at the prison in close units, being in the centers working with ex-offenders is worth more than \$4. We need these funds to improve the salaries and insure that our staff will remain with us. He stated that if he were to single out the one main reason that the Alpha House has had continued success it would be the very loyal staff and the low turnover of employees.

Mr. Armstrong said that he feels non-profit corporation run centers or even State run organizations have a good chance of community acceptance. It is very important to have the community taking an active part in the rehabilitation of these people and taking the responsibility for their performance in the community. In Billings, he stated, we have had 115 employers and those people speak very highly of the Alpha House residents as employees.

Mr. Armstrong pointed out that pre-release centers have few hidden costs and are much less expensive than the other alternative institutions in the state of Montana. We save money just by having them live in the house and additional funds are saved by the taxes they pay. He said that it is not uncommon to hear inmates complain about the lack of work in the prison and what better alternative than having them work at the centers and if they don't work they go back to the prison. Another hidden cost of keeping inmates at the prison is the cost of welfare. What happens to the families of inmates while they are in prison. More than likely they go on welfare. Mr. Armstrong said that one final point is that if even one inmate goes out of the center and does not return to the prison in the long run you are saving between \$150,000 and \$200,000 over a ten year period.

Mr. Armstrong said that he wanted to speak in favor of the \$35 per inmate day that the department is requesting for the new centers. He said it is very difficult to get started during the first year of operation in a pre-release center. If the center can focus their attentions on the programs instead of worrying about finances they will have a much better chance of getting off the ground.

Mr. Armstrong said that the only part of the budget, proposed by the Department of Institutions, that he would take exception with are the figures for start up cost. If we can't count on having the houses full, there are many start up costs that may not be apparent. At this time Mr. Armstrong passed out a sheet that showed estimated start up costs. A copy of this sheet is attached and is Exhibit 2 of these minutes. Also attached to this exhibit is a letter from the federal prison system, community programs manager, stating that they would be willing to contract with additional halfway houses in Montana. The federal system, he stated, is currently contributing \$35 per day per inmate to the centers in Montana which is more than the state contributes at this point. By the time the new centers are in operation for six months, he stated, I would estimate operational costs of about \$200,000. He said that 50% of that or \$100,000 would be an appropriate funding figure for these start up costs.

Another point Mr. Armstrong brought out is that the building for the center is very important in that it should be a completely self contained building and usually an older building in the community that can be renovated. This will help gain public support.

MR. WARREN WAGNER, Sergeant at Montana State Prison and also representing MEPA division at the prison, appeared in support of the bill.

Mr. Wagner referred the committee to the "briefing paper" page 10 which shows the staffing breakout by post assignments. Mr. Wagner said that he works as a relief sergeant at the prison and he can testify that the additional staff is greatly needed for security purposes. He stated that especially in the close units a back up is needed because the units are key operated. In any of the cell blocks, he said, you never know when a dangerous situation could arise. If a crime is committed in one of these units you need a backup witness to confirm what went on because many of these cases go to court.

Mr. Wagner also said that the request for a disturbance control team is a definite need. The equipment and the proper training, he said, are greatly needed. We were very lucky that no one was hurt in the most recent uprising we had.

PAT KLINGMAN, Correctional Alternatives Coalition, Billings, spoke to the issue of community acceptance of pre-release centers. She stated that recently a petition was circulated in Billings for only three days and they had 138 signatures from all over the state. A copy of the petition is attached and is Exhibit 3 of these minutes. Ms. Klingman's testimony consisted of reading this petition.

GAIL BEHAN, Correctional Alternatives Coalition, Helena, stated that pre-release centers are much less expensive alternatives than institutions. The recidivism rate of a pre-release ex-offender is almost non-existent. These men, she stated, are returned to society with human dignity and they very seldom return to a life of crime. Ms. Behan said that they estimate the start up cost of a center in Helena at approximately \$100,000. It is estimated, she stated, that it will cost \$340,000 per year to operate the center which is still cheaper than institutionalizing.

JOE CASSIDY, Citizen and ex-offender, appeared in support of HB 2. Mr. Cassidy said that if it had not been for the support of his family, he probably would not have made it when he got out of prison. He said he wishes there had been a pre-release center in Helena at that time. The pre-release centers, he stated, give the inmates a chance to get back on their feet and get started. The only problem he said with the bill is that he did not think it should be limited to two new centers he thought

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there should be more centers. Mr. Cassidy said that more centers would help the overcrowding situation at the prison also. However, he stated, overcrowding is not the only problem at the prison, lack of funds to provide jobs and programs is also a big problem. Lack of funds for good psychological wards is a problem. In the two years and nine months that I spent in prison, he stated, I saw a psychologist for approximately 45 minutes. Mr. Cassidy said that rather than putting money into another building which will probably be overcrowded in another 20 years, the money should be put into psychological evaluation. Find out who belongs there and who doesn't. Most of the inmates, he stated, could be screened and brought out into halfway houses.

REPRESENTATIVE TONY BERGENE, stated that her reason for appearing before the committee was to clarify a HJR that the committee would be hearing later on. The resolution is for the purpose of urging the Department of Institutions to locate a pre-release center in Great Falls. She said that Great Falls has met some of the basic criteria for the center. One thing that they have done is to hold an advertised public meeting. There was no opposition to the center at that time. At that time, she stated, we elected a 21 member board that will be put to work very soon outlining the responsibilities that the community will have to understand as far as having a pre-release center.

POLLY HOLMES, Correctional Alternatives Coalition, Helena, stated that there are four boards of directors in four cities in Montana who are working on proposals for pre-release centers. The Helena board is completed and we are as enthusiastic about having a center here as they are in Great Falls. Mrs. Holmes submitted a letter from the Helena board. This letter is attached and is Exhibit 4 of these minutes.

QUESTIONS BY THE COMMITTEE:

Rep. Winslow: Who did the work in remodeling the center? Can you use the inmates to help?

Mr. Armstrong: We were able to get union support to hire six CEDA workers. The plumbing, wiring, etc. was done by union labor. The inmates can then come in and do the finish work such as painting, cleaning etc.

Rep. Bergeson: Do you have enough eligible inmates to

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Dan Russell: We have about 200 inmates who are eligible, however, a number of those people would not be palatable to the community because of the type of crimes they committed. We believe we have significant numbers within that 200 to fill two centers. I think it is premature to talk about more centers at this time.

Rep. Quilici: What are the qualifications that an inmate must have to be accepted into a pre-release center?

Warden Risley: The inmate has to be within six months of parole and in most cases a non-violent offender. There is a screening procedure that takes into consideration what the inmates needs are and what kind of risk he might pose to the community.

Rep. Quilici: How many of them have employment by the time they are released from the centers?

Mr. Armstrong: One of the criteria for leaving the center is having 40 hour a week full time employment. 100% of the Alpha House members who have been released have met this criteria.

Rep. Quilici: How many of the people in the centers return to prison?

Mr. Armstrong: 25% of the inmates that come into the program are returned to the prison because they can not make it at the center. Many of them return later and are successful in completing the program. As far as after people leave the Alpha House, in the two years we have been in operation, our data shows that of a total of 64 graduates about 20% of those people have gone back to the Montana State Prison within a 24 month period.

Senator Haffey: Can a person that has committed a violent crime become eligible for a pre-release center.

Mr. Armstrong: When you start a pre-release center you are probably going to be very selective of your people initially, however, after the center is established and the community has accepted this center you can begin to deal with the violent offenders. It is a matter of public acceptance.

Sen. Keating: Is there a maximum or minimum number of inmates needed in the pre-release centers?

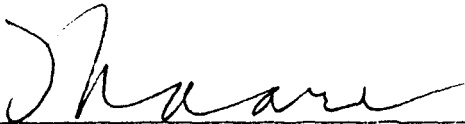
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Mr. Armstong: Probably for Montana 30 to 35 beds in a center would be adequate. At least 20 people are needed for the center to be stable at this time. Later on down the road we may be able to get into programs that will handle five or ten people.


Chairman Moore said that the question time had expired and the joint meeting of the House Appropriations and Senate Finance & Claims would now adjourn and would reconvene in the same room at 7:00 p.m. The Appropriations Committee would return and go into executive session on HB 2 at 12:45 p.m.

Meeting adjourned at 12:10 p.m.

Respectfully Submitted,



REP. JACK MOORE, Vice-Chairman



Cathy Martin-Secretary

ATTACHMENT D

COMMUNITY CORRECTIONS
PRE-RELEASE CENTER

Annualized

<u>Contracted Services</u>	\$35 per day <u>25 Inmates</u>
Consultant Professional	1,472
Medical	16,680
Board & Room	319,375
Dentistry	1,428
<u>Supplies & Materials</u>	
Clothing & Personal	5,700
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Total Operating	FY83 Annualized per home 344,655
<u>Capital Outlay</u>	
Renovation	35,000
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	379,655
Operational at 9/1/82 = 75% of Year.	\$293,491
Operational at 1/1/83 = 50% of Year.	<u>\$207,328</u>
FY83 Estimated Costs	<u>\$500,819</u>

Staff Costs

1	administrator - 2 months at (1,750 mo)	\$	3,500
1	counselor supervisor - 1 month at (1,500 mo)		1,500
3	counselors - 2 weeks at (1,250 mo)		3,125
1	secretary - 2 months (900 mo)		1,800
5	counselor assistants 2 weeks at (1,000 mo)		2,500
1	bookkeeper - 2 weeks at (5.00/hr)		400
1	food services coordinator - 2 weeks at (1,000 ml)		500
			<hr/>
			13,325
	consultation fees --		<hr/>
			5,000
			<hr/>
			18,325

Operating Reserve (Required to off set losses during
initial months until capacity is reached)

1	mo. average 5 resident (20X35X30)	\$	21,000
1	mo. average 15 residents (10X35X30)		10,500
1	mo. 20 residents (5X35X30)		5,250
			<hr/>
		\$	36,750
	Operating Capital		15,000
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	Total Start Up Costs ---	\$	196,875.00

GREAT FALLS PRE-RELEASE CENTER

ESTIMATED START UP COSTS

Building Renovations

Weatherization of existing building	\$	21,000
Carpeting, cleaning, painting		10,000
General renovations to meet fire and building codes		57,000
Contingency (depends on condition of plumbing fixtures)		10,000
	\$	<hr/> 98,000

Equipment Costs

30 beds (@100)	\$	3,000
30 5 drawer chest of drawers (@50)		1,500
15 bedroom chairs (@50)		750
20 table lamps		500
curtains		1,500
3 dining room tables (@80)		240
32 chairs (dining room) (@30)		960
1 television		300
1 set - visiting room furniture		500
kitchen fixtures - commercial range	1,700	
dishwasher	500	
reach in refrigerator	1,500	
2 23 Cub. ft. freezers	1,000	
triple basin sink	200	
kitchen utensils	1,500	
misc.	500	
	\$	6,900
9 desks (@150)		1,350
1 typewriter		600
9 desk chairs, mats for carpet (@150)		1,350
initial office supplies		2,000
4 sets bathroom accessories		450
4 file cabinets		400
1 fire-proof file		750
storage shelves		250
telephones and installation		1,000
6 fire extinguishers		300
1 month food --		1,000
misc.		2,000
	\$	<hr/> 28,000



U.S. Department of Justice

Federal Prison System

Community Programs Office

*454 Federal Building
P. O. Box 2336
Bismarck, ND 58501*

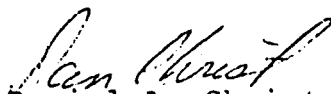
June 15, 1982

Mr. David O. Armstrong
Director, Alpha House
104 North 31st Street
Billings, Montana 59101

Dear Mr. Armstrong:

Pursuant to our telephone conversation of this date, I am pleased to hear that there is a possibility of your organization establishing additional halfway house resources in Montana. Should these resources materialize, keep me advised as I can see a strong possibility of the Federal Prison System's need for them.

Sincerely,


Daniel A. Christ
Federal Programs Manager

bd

GREAT FALLS COMMUNITY PRE-RELEASE CENTER

BOARD OF DIRECTORS

Bill Artz, certified public accountant

Harvey Baumgard, retired area Probation and Parole officer

Harry Berg, teacher and state senator

Toni Bergene, state representative

Dorothy Bohn, retired instructor at University of Montana Foreign Language Dept.

Robert Bradford, employee of Opportunities, Inc.

Carl Donovan, employee of Columbus Hospital; president of the Power to the People organization; member of the Board of Directors of Opportunities, Inc.

Dorothy Ege, Executive Director of YWCA

Richard Ferderer, Director of Teamsters Union

Margaret Gilfeather, retired teacher and social worker

Carl Gladue, administrator of Opportunities, Inc.

Pat Goodover, realtor, state senator

Reverend Anthony Gregori, chairman of the Criminology Department at College of Great Falls

Jim Lewis, attorney, head of Montana Legal Services

Jerry McGivern, employee of Circle K corporation

Chuck Merryfield, retired from the U.S. Air Force

Harriet Missey, Director of Girl Scouts

John Palagi, owner of Green Garbage Sanitation Company

Jack Severns, minister

Bill Travis, retired from the U.S. Air Force

Mary Wright, secretary of Cascade County Commissioners

TO: MEMBERS OF THE MONTANA LEGISLATURE

FROM: Mark K. Mizner-Welch *Mark K. Mizner-Welch*
Chairman, Community Alternatives Coalition

RE: Pre-release Centers

In response to Governor Schwinden's and the Department of Institutions' call for alternatives to the programs currently available at Montana State Prison, citizens' groups in several communities have formulated proposals to open pre-release centers. The success of the State's Life Skills Center and the Billings Alpha House, provides a firm foundation on which to expand this program of inmate re-integration and rehabilitation.

As Chairman of the Community Alternatives Coalition of Helena, I have found broad-based citizens' support for a highly structured effective means of gradually reintegrating prison inmates back into our communities. Clearly, the concept of Community Corrections can be a successful unit of our criminal justice system when citizens are actually involved in the rehabilitation process. I strongly urge your full consideration for expanding the number of pre-release centers available in Montana, and providing sufficient funding for development and long-term continuation of these programs.

