

VISITORS' REGISTER

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

BILL NO. _____

DATE February 1, 1985

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Jim Hansen	Deft		
George Harris	ORPP		
Carroll Smith	Deft		
Dan Russell	East Helena		
Hank Riskey	MSP		
JOHNAL HELST	MSP		
DAVE WATKINS	MSP		
Bobbie Simon	Helena		
Scott Sim	Helena		
ROSS SWANSON	MSP		
Bill E. Gankratz	Montana Public Employees Association		
Dave Deppen	MPEA		
Hank Riskey	MSP		
BILL PANKRATZ	MPEA		
Ron Paige	MSP Ranch		

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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

MINUTES OF THE MEETING
INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE
49TH LEGISLATIVE SESSION
February 1, 1985

Tape 24, Side A

The meeting of the Institutions and Cultural Education Subcommittee was called to order by Chairman Steve Waldron on February 1, 1985, at 8:10 a.m. in Room 129 of the Capitol.

ROLL CALL: All members were present. Also present were Keith Wolcott of the Legislative Fiscal Analyst's Office (LFA), George Harris of the Office of Budget and Program Planning (OBPP), Carroll South, Director of the Department of Institutions, and Hank Risley, Warden for Montana State Prison.

MONTANA STATE PRISON

Mr. South gave an overview of the Prison ranch and dairy, the Prison Industries Program, and the Industries Training Program. He then introduced the managers of those programs: Johnal Holst, Manager of the Industries Program, Ron Paige, Ranch Manager, and Dave Watkins, Manager of the Industries Training Program.

Mr. South outlined some of the changes that have taken place at the Prison ranch in recent years. The 1979 Legislature required the ranch to be self-supporting which, Mr. South noted, it is. The ranch supplies all agricultural products to the state institutions, i.e., milk, beef, pork. The ranch recently purchased a gravity flow irrigation system with \$40,000 in grant money from the Department of Natural Resources and Conservation and \$80,000 from their operating budget. This has increased the quality of the crops and provided more feed for the cattle.

INDUSTRIES PROGRAM: (100)

This is a relatively new program and also has to be self-supporting. There were general fund monies appropriated to start this program. Mr. South had some question as to how much of that general fund money had to be repaid. The minutes from the 1981 session did not reflect that money to be a loan but the minutes of the 1983 session did. This issue will be dealt with in executive session.

There are five programs in the Prison Industries Program. They are as follows:

1. Logging
2. Printing
3. Upholstry
4. Furniture Manufacturing
5. License Plate Factory (This is actually an orphan program. The Prison contracts with the Department of Justice to provide this service.)

There is a problem with the upholstery aspect of the program in that the private sector furniture manufacturing companies are accusing them of competition. There is a bill before this session dealing with this problem.

INDUSTRIES TRAINING PROGRAM: (200)

The 1982 Special Session of the Legislature created this program. By statute, this program does not have to be self-supporting. Two salaries of the Industries Program are funded with Industries Training Program funds.

The components of the Industries Training Program are auto repair and maintenance, horticulture, accounting, etc. Mr. South said the printing and upholstery components should be part of both programs because they can never be self-supporting.

(247) Mr. Wolcott outlined the current level budget for the Prison (Exhibit 1). \$75,203 was deleted from the Operating Expenses portion of the budget because the contract with the federal government for cheese has ended.

The prices for goods sold through the meat packing plant are set by taking the last quarterly order that was similar in volume and charge 90-95% of that price. There is no meat with bone in it sold by the plant. Under Title 53, the state's institutions have to buy meat from the Prison.

The ranch profits gained this year went to pay for the irrigation system. If there are profits that are not used for ranch operation, the ranch will lower their prices. The ranch has been going downhill for many years and, currently, the priority is to make improvements for a more efficient ranching operation. There are 60-80 inmates who work on the ranch and 30 inmates who live in

modular housing on the dairy. The new irrigation system is a hand line system which requires intensive labor.

(464) Mr. Harris outlined the OBPP budget request for the Prison (Exhibit 2).

Mr. Paige outlined the changes he has made to the ranch since he has taken over. The Prison Ranch Committee has to approve any request for equipment or other substantial change in operation. That committee consists of Rep. Francis Bardanouve, Rep. Gene Donaldson, Rep. Bob Marks, and Rep. Loren Jenkins, all of which are farmers or ranchers.

Mr. Paige noted that the herd was in poor condition when he took over. There was a low conception rate and low quality heifers and calves. Mr. Paige spent \$120,000 for hay which improved the quality of the herd.

The equipment for the ranch has been upgraded and alfalfa has been planted. Sen. Aklestad asked if the ranch could sell some of their crops. Mr. Paige said, politically, it is not a good idea because the ranch would then be in competition with the surrounding ranches.

Side B

The inmates repair the ranch equipment as part of the Industries Training Program. There are 16 FTE who work on the ranch. Warden Risley explained that these FTE are necessary to supervise the inmates.

LICENSE PLATE FACTORY: (050)

The License Plate Factory is not currently part of the Industries Program. Mr. South said the Department needs money for a management contract. The Department of Justice agrees to the contract.

Wages for inmates vary from 31-58¢ per hour based on experience. They get paid monthly and can use the money any way they want to under Warden Risley's guidelines. Over 500 inmates are employed at any given time.

Mr. South noted that the pay provides an incentive for inmates to work. If the inmates were paid a flat rate, it would not give them any incentive to improve the

quality of their work or encourage them to work harder. The pay scale encourages productivity. The inmates who work generally don't make enough money to pay taxes. By law, inmates who work get 13 additional days of good time. There was discussion regarding where the inmates work and how many inmates work in each program.

Mr. South noted that there are more inmates in the Industries Program so there is competition for jobs. The furniture manufacturing program develops some skills in carpentry and cabinet making. Mr. South noted that the Industries Program teaches the inmates a work ethic as well as real job skills so they will be better prepared to get a job in the "real world." The inmates can be fired and lose their benefits if they aren't productive.

Some of the committee members disapprove of the state paying inmates while they are in prison. Mr. South noted that inmates have to buy their own toiletries, cigarettes, pop, etc. Also, he said we would be risking a full-scale riot if we took their money away at this point. The inmates also get \$95 gate pay.

Tape 25, Side A

Chairman Waldron asked Mr. South if the problem of good time for inmates who work has been resolved. Mr. South said yes, under the education statute for on-the-job training, inmates who work can consider that educational training and get good time for it.

CANTEEN PROGRAM: (020)

Mr. Wolcott outlined the Canteen Program which is found on pages 602 and 603 of Exhibit 1. Mr. Harris noted that this is not a proprietary account; it is a state special revenue account. Consequently, they can't budget amend unless it is an emergency.

Warden Risley said supplies are restricted to state supplies and materials. There is a problem with increasing demand for televisions. Currently, the Prison contracts with private sector stores to purchase TVs. This proves to be a logistical problem. There is also a problem with maintaining these TVs. Warden Risley said he would like to be able to provide TVs through the Canteen to take care of both of these problems.

(094) Mr. Wolcott outlined the Industries Training Program. The OBPP and LFA are the same for this program except in the

area of funding. The program was not fully operational during FY 84. Mr. Wolcott provided a breakdown of the FTEs for the Industries Program and the Industries Training Program (Exhibit 3). The committee went over the job duties for these positions. There are shared positions in these programs. The marketing staff is paid on a sliding fee schedule and receives a monthly salary.

(280) Rep. Menahan wanted to know why the upholstery for the Montana State Hospital is now being done at the Prison because, until recently, there was an upholstery person at Warm Springs. Mr. South responded that the State Hospital upholstery position was not an effective use of manpower and the work can be done cheaper at the Prison.

The ranch tries to provide milk products and meat to the DD homes but there is a problem with this because the ranch does not make daily deliveries and the DD homes cannot store large quantities of food.

(370) Mr. South asked that the committee substantially fund the Industries Training Program or that program will fail. He felt it would take some time to get this program off the ground and adequate funding is necessary to accomplish this.

The hearing was open for public testimony.

PUBLIC TESTIMONY: (438)

Bill Pancroft of the Montana Public Employees Association said there are some "not very nice" people in the Prison. He said stress and burnout are two major problems with the staff there. He noted that overtime was only 3% of the budget and the overtime levels were minimal. He said it is hard for people to live on the salaries offered at the Prison and these positions aren't attracting good employees.

There are some problems with manpower levels due to the prison expansion. Warden Risley said it was inefficient use of manpower to have a corrections officer locked up in the control cage. He felt this position should be let out so he can respond in case of an emergency.

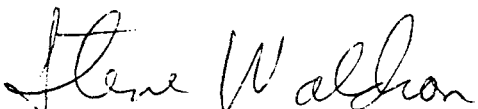
Side B

Mr. Pancress said he has had 15 year of experience working at Montana State Prison in various positions. He has had 12 years of experience with the labor movement. There is pending arbitration because the Department has been using a part-time pool for corrections officers to try and alleviate excessive overtime for those positions. Mr. Pancress said there is a satisfactory grievance procedure in place at the Prison between management and employees.

There were no opponents to this budget.

Being no further business to come before this committee, the hearing was adjourned at 11:00 a.m.

Respectfully Submitted:



Steve Waldron, Chairman

SW/ltr

MONTANA STATE PRISON

	FTE FY '87	- - - - 1987 Biennium - - - - General Fund	Total Funds
Executive Budget	404.53	\$22,540,821	\$28,923,837
LFA Current Level	401.70	22,294,716	29,051,896
Executive Over (Under) LFA	<u>2.83</u>	<u>\$ 246,105</u>	<u>\$ (128,059)</u>

The executive is \$128,059 under the LFA current level. The differences in total funding are due primarily to vacancy savings, inflation, equipment, and the additional 2.83 FTE in the executive budget. In the executive budget, general fund is over the LFA current level analysis due to the executive using \$176,277 more general fund in the Industries Training Program and \$93,348 less federal boarder reimbursement. The following issues reflect the major differences between the executive budget and current level.

CARE AND CUSTODY

Issue 1: Physician Position

The executive included a physician position in the prison budget costing \$154,150 general fund during the 1987 biennium. The current level budget left this position in the Corrections Medical Program.

Issue 2: Vacancy Savings

The executive used a vacancy savings factor of less than 2 percent while the LFA current level uses 4 percent. The total difference over the biennium is \$308,122.

Issue 3: Equipment

The LFA current level analysis has \$139,709 more equipment than the executive. The LFA current level analysis includes the replacement of prison vehicles which have reached 100,000 miles and fire suppression equipment. The executive budget does not include these items.

Issue 4: Federal Boarder Reimbursement

The executive budget has \$93,348 less federal boarder reimbursement than current level. The LFA current level includes revenue for five federal boarders while the executive budget includes revenue for two federal boarders.

PRISON EXPANSION

Issue 5: Three Additional Positions

The executive includes three additional positions costing \$97,195 over the 1987 biennium. These positions include a special duty aide, a warehouse manager, and a canteen manager. The LFA current level analysis does not include these positions.

Issue 6: Inmate Allowances

The executive includes \$57,407 of inmate allowances that LFA current level does not include because there are sufficient allowances provided in the other prison programs.

Issue 7: Equipment

The executive does not include any equipment in the expansion request while the LFA current level includes \$246,360 of those items which are usually excluded in long-range building funds. The LFA current level does not include paint which should be part of long-range building.

RANCH AND DAIRY

Issue 8: Correctional Officer

The executive deletes a correctional officer position while the current level analysis retains the position. The total difference is \$36,511 that the executive is under the LFA current level.

Issue 9: Inflation

The major difference in operating costs results from the application of lower inflation rates by the executive than the LFA. The total difference in operating expenses is \$101,064

Issue 10: Equipment

The LFA current level reflects the agency equipment request which is \$202,500 over the executive budget.

LICENSE PLATE FACTORY

Issue 11: Industries Contract

The executive budget includes a business administration contract with the prison industries which costs \$40,000 for the biennium. The LFA current level does not include this contract as it was not authorized by the 1983 legislature and indirectly impacts the general fund.

Issue 12: Materials Purchased for the Manufacture of Plates

The executive budget includes \$109,492 for the purchase of additional aluminum used to manufacture license plates. The factory has sufficient aluminum inventory to complete the 1987 biennium unless new plates are issued. The LFA current level analysis did not add funds for biennium aluminum purchases.

PRISON INDUSTRIES

Issue 13: Loan Repayment

The executive budget includes \$5,000 in each year of the 1987 biennium for general fund loan repayment. The LFA current level does not include the loan repayment, as spending authority is not required for this purpose.

Issue 14: Inflation

The major difference between the executive budget and the LFA current level is the inflation rate applied to operating costs.

CANTEEN

Issue 15: Goods Purchased for Resale

The executive included authority to purchase \$147,152 more items for sale in the canteen than the LFA current level. The total executive increase over fiscal 1984 actual for these items is 29.3 percent in fiscal 1986 and 10.1 percent in fiscal 1987 with no projected increase in the prison population.

INDUSTRIES TRAINING

Issue 16: Additional Utilities

The executive has included \$25,963 in fiscal 1986 of additional utilities for the new vocational training building that is to be constructed at the prison. The LFA current level does not include the additional utilities in fiscal 1986, as the building will most likely not be completed until late in the fiscal year.

Issue 17: Equipment

The executive budget included \$12,140 of equipment in fiscal 1986 while the LFA current level includes the agency request of \$20,509 in fiscal 1986.

Issue 18: Funding

The executive budget includes \$323,440 of general fund for the biennium while the LFA current level budget maintains general fund at the fiscal 1984 actual level, plus inflation, or \$176,277 less than the executive.

MONTANA STATE PRISON

Budget Item	Actual	Appropriated	---Current Level---		% Change 1985-87 Biennium
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	
F.T.E	332.45	332.45	326.20	326.20	(1.8)
F.T.E. Prison Expansion	0.00	0.00	37.75	75.50	--
Personal Service	\$ 7,196,088	\$ 7,653,901	\$ 7,693,816	\$ 7,719,250	3.7
Operating Expense	3,891,965	4,633,046	4,123,945	4,107,364	(3.4)
Equipment	712,583	322,180	814,220	776,492	58.9
Inflation	-0-	-0-	311,410	515,118	--
Total Operating Costs	\$11,800,636	\$12,609,127	\$12,943,391	\$13,118,224	6.7
Non-Operating Costs	72,185	-0-	-0-	-0-	(100.0)
Prison Expansion	-0-	-0-	1,166,581	1,823,700	--
Total Expenditures	<u>\$11,872,821</u>	<u>\$12,609,127</u>	<u>\$14,109,972</u>	<u>\$14,941,924</u>	<u>18.7</u>
<u>Fund Sources</u>					
General Fund	\$ 9,029,994	\$ 9,396,378	\$ 9,605,246	\$ 9,699,189	4.7
General Fund, Prison Expansion	-0-	-0-	1,166,581	1,823,700	--
State Special	689,687	1,023,300	698,750	722,199	(17.0)
Federal Revenue	99,872	39,869	90,284	90,996	29.7
Proprietary Fund	<u>2,053,268</u>	<u>2,149,580</u>	<u>2,549,111</u>	<u>2,605,840</u>	<u>22.6</u>
Total Funds	<u>\$11,872,821</u>	<u>\$12,609,127</u>	<u>\$14,109,972</u>	<u>\$14,941,924</u>	<u>18.7</u>

The Montana State Prison provides low, high, and maximum security for Montana's male inmate population. In addition, the prison provides work, education, and training for inmates through the ranch and dairy operation, the Industries Program, and the Industries Training Program. The fiscal 1984 average daily population was 740, five less than fiscal 1983 and 195 more than the design capacity. The 1983 legislature authorized a major expansion of the prison to ease the overcrowding. A new high security unit and a new maximum security unit with a capacity of 96 each or 192 beds are under construction.

The 1987 biennium budget including the prison expansion increases 18.3 percent over the 1985 biennium. This growth is due to inflation, equipment and livestock purchases for the ranch and dairy, and the Industries Training Program being funded as fully operational. The prison has deleted 6.25 FTE from the Prison Industries and Industries Training Programs.

Staffing, operating, and equipment costs associated with the expansion are included in the table above and on the care and custody table. The new facilities are expected to be completed and ready for occupancy in January 1986. The

MONTANA STATE PRISON

Page 2

expansion is discussed under care and custody.

The prison budget has six programs: care and custody, the ranch and dairy, the license plate factory, the canteen, the industries program, and industries training.

CARE AND CUSTODY

Budget Item	Actual	Appropriated	---Current Level---		% Change 1985-87 Biennium
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	
F.T.E	300.45	300.45	300.45	300.45	0.00
F.T.E., Prison Expansion	0.00	0.00	37.75	75.50	0.00
Personal Service	\$6,599,360	\$6,842,666	\$ 7,006,207	\$ 7,030,167	4.4
Operating Expense	2,351,213	2,412,818	2,361,519	2,345,168	(1.2)
Equipment	216,902	102,180	100,861	62,642	(48.7)
Inflation	-0-	-0-	201,925	331,317	--
Total Operating Costs	\$9,167,475	\$9,357,664	\$ 9,670,512	9,769,294	4.9
Prison Expansion	-0-	-0-	1,166,581	1,823,700	--
Total Expenditures	<u>\$9,167,475</u>	<u>\$9,357,664</u>	<u>\$10,837,093</u>	<u>\$11,592,994</u>	<u>21.1</u>
Fund Sources					
General Fund	\$8,960,400	\$9,267,829	\$ 9,529,611	\$ 9,627,661	5.4
General Fund Prison Expansion	-0-	-0-	1,166,581	1,823,700	--
State Special	107,203	49,966	50,617	50,637	(35.5)
Federal Revenue	99,872	39,869	90,284	90,996	98.0)
Total Funds	<u>\$9,167,475</u>	<u>\$9,357,664</u>	<u>\$10,837,093</u>	<u>\$11,592,994</u>	<u>21.1</u>

ISSUE: Cost (Savings)	-----Fiscal 1986-----		-----Fiscal 1987-----	
	General Fund	Other Funds	General Fund	Other Funds
1. Additional FTE	\$32,391	-0-	\$64,804	-0-
2. Construction & One-Time Costs				
Option a:	-0-	-0-	-0-	-0-
Option b::	-0-	-0-	-0-	-0-

The Care and Custody Unit includes the housing, security, general operations, and administration of the prison. The prison operated with an authorized staffing of 300.45 FTE with an average daily population of 740 inmates in fiscal 1984. The average daily population was 698 in fiscal 1982 and 745 in fiscal 1983. The population is expected to remain stable through the 1987 biennium.

MONTANA STATE PRISON

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Fiscal 1984: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1984 actual expenditures and funding to allocations as anticipated by the 1983 legislature.

<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
F.T.E.	300.45	300.45	0.00
Personal Services	\$6,867,383	\$6,599,360	\$268,023
Operating Expenses	2,308,335	2,284,258	24,077
Equipment	177,300	206,331	(29,031)
Total Expenditures	<u>\$9,353,018</u>	<u>\$9,089,949</u>	<u>\$263,069</u>
<u>Funding</u>			
General Fund	\$9,263,183	\$8,960,399	\$302,784
State Special	49,966	41,494	8,472
Federal Revenue	39,869	88,056	(48,187)
Total Funds	<u>\$9,353,018</u>	<u>\$9,089,949</u>	<u>\$263,069</u>
<u>Additions:</u>			
Budget Amendment - Federal	-0-	\$ 11,819	\$(11,819)
Budget Amendment - Insurance	-0-	\$ 65,707	\$(65,707)

The prison had personal services savings of \$268,023 as a result of staff turnover and less than full utilization of budgeted overtime, differential, and holiday pay.

Operating savings were generated by spending less than budgeted in contract services, rent, utilities, and repair and maintenance. Other expense increases in supplies, communications, and travel offset some of the savings. The remaining savings in operating expenses were offset by overexpenditures for equipment. Equipment expenditures include a \$10,000 accrual for a personal computer made at the request of the Central Office.

More federal revenue was available from federal boarder funds than anticipated. In compliance with the boiler plate of the appropriations bill, the prison reverted \$48,187 which was an equal amount of general fund.

The prison added \$81,025 of federal funds through the budget amendment process during fiscal 1984. Included were: \$12,159 of ECIA Chapter I funds to improve age/grade level attainment for certain inmates; \$65,707 of insurance proceeds to repair damage caused by the riot in maximum security and units close I and II; and \$3,159 of federal training assistance funds to train staff in dealing with the federal inmates housed at the prison. The prison spent \$77,526 of these funds. All of the insurance proceeds and federal training funds were spent,

while \$8,660 of ECIA Chapter I funds were spent.

Current Level Adjustments

Overtime, differential pay, and holidays worked are included at the agency requested level except the Security Program which is included at current level. The agency requests, except decreases, are based on fiscal 1984 actual expenditures with pay plan increases to fiscal 1985. The levels included are consistent with those of previous years. Table 1 shows the amounts included.

Table 1
Prison Overtime, Differential and Holidays Worked

	<u>FY 84</u>	<u>% Change</u>	<u>FY 86</u>	<u>% Change</u>	<u>FY 87</u>
Overtime	\$235,329	0.17	\$235,738	0.00	\$235,138
Differential Pay	5,790	2.40	5,929	0.00	5,929
Holidays Worked	<u>110,160</u>	<u>0.32</u>	<u>110,510</u>	<u>10.00</u>	<u>121,560</u>
Total	<u>\$351,279</u>	<u>0.26</u>	<u>\$352,177</u>	<u>2.97</u>	<u>\$362,627</u>

Note: Fiscal 1987 has 11 holidays, one more than fiscal 1986.

The benefit rate has increased from 17.95 percent to an average 21.04 percent due to an increase in workers' compensation rates. Although the rates differ by the position classifications, the average rate increased from 3.72 percent in fiscal 1984 to the current rate of 6.80 percent.

Contract services have been increased \$7,157 for audit fees charged by the Legislative Auditor and \$13,292 for insurance fees charged by the Department of Administration. The insurance fee includes \$8,293 for new fire protection coverage. Board and room for Montana inmates housed in federal penitentiaries is increased \$15,679 to pay for one additional inmate, bringing the total to four in fiscal 1986 and fiscal 1987.

Supplies and materials have been increased \$24,288 overall. Supplies were increased \$18,129 to purchase linens and bedding which were previously purchased by Montana State Hospital. The hospital budget has been decreased \$18,129. Also included are \$2,000 for boiler chemicals which are needed, but not included in the fiscal 1984 costs, and \$4,099 for supplies associated with the ECIA Chapter I and II grants.

Communications have been increased \$6,453 as a result of the state telephone system (STS) converting their charges from a flat rate to a metered rate.

An additional \$2,400 is included to increase inmate separation allowance from \$95 to \$100. Section 53-30-111, MCA, says paroled inmates may receive "gate money" in an amount up to \$100.

Equipment included consists of a 12-passenger van to replace a 1977 van with 114,028 miles on it; eight cars, four in each year of the biennium to replace high mileage vehicles (average of 131,968 miles) in the current fleet of 20 cars; four hot water tanks and two flash steam hot water heaters to replace units in close I and II; replacement washers and dryers for inmate personal clothing; a replacement perimeter vehicle; a battery maintenance system for recharging prison radio batteries; and fire suppression equipment. The total equipment is \$100,861 in fiscal 1986 and \$62,642 in fiscal 1987. Table 2 shows the equipment included.

Table 2
Montana State Prison Equipment

Item	- Fiscal 1986 -		- Fiscal 1987 -	
	Quantity	Amount	Quantity	Amount
12 Passenger Van	1	\$ 17,120		
Perimeter Vehicle	1	16,314		
Automobiles	4	43,964	4	\$47,040
Hot Water Tanks	2	4,544	2	4,862
Flash Steam Heaters	1	5,000	1	5,350
Commercial Washer & Dryer	1	2,519	2	5,390
Battery Maintenance System	1	1,400		
Fire Suppression Equipment:				
Fire Hose	250 ft	2,000		
Nozzles	2	1,000		
Snorkel	1	3,000		
Breathing Apparatus	2	2,000		
Helmets	4	400		
Protective Clothing	14 sets	1,600		
Total Equipment		<u>\$100,861</u>		<u>\$62,642</u>

Major Expansion of Prison Operations

The 1983 legislature appropriated \$14,416,400 to expand the prison facilities to ease overcrowding. The prison, as it exists, has a design capacity of 545 inmates. At the time of the 1983 legislature, the prison population was 698. The fiscal 1984 average daily population was 740 which required "double bunking" of inmates in units close I and II. The plan approved by the legislature authorized

construction funds to provide three levels of security housing for 737 inmates. Table 3 compares the original design capacity, the current operating capacity, and the expanded capacity.

Table 3
Montana State Prison Capacity by Security Level and Housing Unit

<u>Unit</u>	<u>Design Capacity</u>	<u>Operating Capacity</u>	<u>Expanded Capacity</u>
A Unit	96	96	96
B Unit	96	96	96
C Unit	<u>96</u>	<u>96</u>	<u>96</u>
Total Minimum Security	<u>288</u>	<u>288</u>	<u>288</u>
Close I	96	192	96
Close II	96	192	96
New Construction	<u>-0-</u>	<u>-0-</u>	<u>96</u>
Total High Security	<u>192</u>	<u>384</u>	<u>288</u>
Maximum Security	*35	*35	-0-
New Construction	<u>-0-</u>	<u>-0-</u>	<u>96</u>
Total Maximum Security	<u>35</u>	<u>35</u>	<u>96</u>
Reception	-0-	-0-	42
Dairy Dorm	<u>30</u>	<u>30</u>	<u>30</u>
TOTAL CAPACITY	<u>545</u>	<u>737</u>	<u>744</u>

*Note: Maximum security contains a total of 42 cells, however, 7 cells are maintained as detention cells for disruptive inmates. The 42 old maximum security cells will be used as reception cells for new inmates until they can be classified.

The expanded facilities are expected to be ready for occupancy by January of 1986. The prison is requesting staff, operating expenses, and equipment to begin operating the expanded prison for half fiscal 1986 and all of fiscal 1987. Table 4 shows the staffing plan reviewed by the 1983 legislature.

Table 4
Staffing Plan for New Prison Compound as Considered by the 1983 Legislature

<u>Program</u>	<u>Position</u>	<u>FTE</u>
Administration	Security Manager	1.00
Support Services	Maintenance Worker	2.00
Treatment Services	Social Worker	3.00
	Psychologist	1.00
	Teacher	1.00
	Librarian	.50
	Secretary	1.00
	Recreation Aide	3.00
	L.P.N.	4.80
Security	Lieutenant	1.60
	Sergeant	8.00
	Correctional Officers	<u>48.60</u>
Total Additional Staff		<u>75.50</u>

As shown in Table 5, it will cost \$1,166,581 in fiscal 1986 and \$1,823,700 in fiscal 1987 to provide staff and the associated operating expenses of the expanded prison.

Table 5
Cost of Operating the Prison Expansion
1987 Biennium

<u>Budget Item</u>	<u>Fiscal 1986</u>	<u>Fiscal 1987</u>	<u>Biennium</u>
F.T.E.	37.75	75.50	75.50
Personal Services	\$ 823,033	\$1,650,710	\$2,473,743
Operating Expenses			
Contract Services	4,297	9,002	13,299
Supplies and Materials	29,759	40,066	69,825
Communications	6,642	14,113	20,755
Travel	438	876	1,314
Utilities	38,945	81,408	120,353
Repairs and Maintenance	14,617	25,461	40,078
Other Expense	<u>2,490</u>	<u>2,064</u>	<u>4,554</u>
Total Operating Expenses	\$ 97,188	\$ 172,990	\$ 270,178
Equipment	<u>246,360</u>	<u>-0-</u>	<u>246,360</u>
Total Costs	<u>\$1,166,581</u>	<u>\$1,823,700</u>	<u>\$2,990,281</u>

Issue 1: Additional Staffing

In addition to the 75.5 FTE included above, the prison is requesting a special duty aide, a warehouse manager, and a canteen manager costing \$32,391 in fiscal 1986 and \$64,804 in fiscal 1987. These positions were not considered under the expansion option submitted by the department and approved by the 1983 legislature.

The special duty aide is requested to fill a five-day post on unit close I. This position will work with a special program team established to deal with sex offenders, drug offenders, inmates with mental problems, and assaultive inmates. It is not clear if this special program has been presented to the legislature; however, the special duty aid is an additional position.

The warehouse manager request is based on the prison being divided into three separate compounds and requiring more preparation and setup of items to be delivered around the prison complex. This position was not included in the department's request submitted to the 1983 legislature.

The canteen manager is requested to operate the new canteen in the low security area. As part of the separate compound concept, a separate canteen is located in the low security area. However, an additional canteen manager was not included in the staffing submitted by the department.

Option a: Fund the additional positions requested at a general fund cost of \$32,391 in fiscal 1986 and \$64,804 in fiscal 1987.

Option b: Do not fund any additional positions.

Option c: Fund any one or combination of the positions requested. The table below shows the individual costs by fiscal year.

Table 6
Additional Positions Requested at Montana State Prison

Position	- Fiscal 1986 -		- Fiscal 1987 -	
	FTE	Amount	FTE	Amount
Special Duty Aide	.50	\$ 9,785	1.00	\$19,578
Warehouse Manager	.50	11,303	1.00	22,613
Canteen Manager	.50	11,303	1.00	22,613
Total	1.50	\$32,391	3.00	\$64,804
	====	=====	====	=====

Issue 2: Paint Costs

The prison has requested \$61,221 in fiscal 1986 to paint the new construction. Paint is normally provided as part of long-range building projects.

Option a: Fund the requested paint in the Long-Range Building Program.

Option b: Fund the request through contingency funds from the current Long-Range Building Appropriation.

RANCH AND DAIRY

Budget Item	Actual	Appropriated	---Current Level---		% Change 1985-87 Biennium
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	
F.T.E	18.00	18.00	16.75	16.75	(6.9)
Personal Service	\$ 418,891	\$ 470,923	\$ 435,854	\$ 437,132	(1.8)
Operating Expense	696,934	762,177	669,946	667,243	(8.4)
Equipment	435,917	220,000	692,850	713,850	114.4
Inflation	-0-	-0-	58,775	99,927	--
Total Operating Costs	\$1,551,742	\$1,453,100	\$1,857,425	\$1,918,152	25.6
Non-Operating Costs	72,185	-0-	-0-	-0-	(100.0)
Total Expenditures	<u>\$1,623,927</u>	<u>\$1,453,100</u>	<u>\$1,857,425</u>	<u>\$1,918,152</u>	<u>22.7</u>
<u>Fund Sources</u>					
Proprietary Fund	<u>\$1,623,927</u>	<u>\$1,453,100</u>	<u>\$1,857,425</u>	<u>\$1,918,152</u>	<u>22.7</u>

ISSUE: Cost (Savings)	-----Fiscal 1986-----		-----Fiscal 1987-----	
	General Fund	Other Funds	General Fund	Other Funds
1. Product Price Control	-0-	-0-	-0-	-0-
2. Appropriation Transfer	-0-	-0-	-0-	-0-

The prison ranch and Dairy provides beef, pork, and dairy products to state institutions while providing work and training for inmates. This program is designed to be self-supporting by selling meat and dairy products to other state institutions.

Fiscal 1984: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1984 actual expenditures and funding to allocations as anticipated by the 1983 legislature.

<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
F.T.E.	18.00	18.00	0.00
Personal Services	\$ 472,743	\$ 411,572	\$ 61,171
Operating Expenses	714,546	678,729	35,817
Equipment	<u>285,000</u>	<u>307,706</u>	<u>(22,706)</u>
Total Costs and Funding	<u>\$1,472,289</u>	<u>\$1,398,007</u>	<u>\$ 74,282</u>
<u>Additions:</u>			
Budget Amendments	-0-	\$ 225,922	\$(225,992)

Personal services savings were generated from two positions, a correctional officer and a teacher, which were vacant the entire year and other positions that were vacant four months or more. Operating savings occurred in contract services, travel, utilities, and repairs, while expenditures exceeded the budget in supplies, communications, rent, and other expenses. The overexpenditure of equipment is offset by the savings in operations.

The ranch submitted budget amendments to purchase slaughter cattle and provide operating authority to perform duties required under a USDA cheese contract. The ranch purchased 519 head of slaughter cattle costing \$192,613 and spent \$33,309 against the cheese contract of \$39,459. The ranch spent \$72,185 to install irrigation equipment on the ranch during fiscal 1984. This is recorded as a non-operating cost.

Current Level Adjustments

The prison ranch budget is included in current level as requested, except for inflation increases which were added.

Personal services were reduced by \$28,184 or 1.25 FTE who were transferred to prison industries and the Industries Training Program. The positions transferred are: .5 FTE accountant II, .5 FTE accounting technician II, and .25 FTE over the road truck driver who makes deliveries of prison ranch and industries products.

Operating expenses decreased \$8,783 from the fiscal 1984 base before inflation. These are from operating expense changes. The ranch has transferred the equipment maintenance shop to the Industries Training Program. Expenditures of \$28,068 associated with running the shop have been reduced from the ranch budget while other expense has been increased \$34,620 for allocated costs from the Industries Training Program. The amount required to purchase

feed on the open market has been reduced \$86,142 as a result of increased production at the ranch. Maintenance costs have been reduced \$1,013 for one-time expenditures. The contract to process USDA surplus cheese for distribution in Montana is expected to continue. Operating expenses of \$72,310 associated with the USDA cheese contract have been added. Other minor adjustments amount to a decrease of less than 1 percent.

Equipment for fiscal 1986 and 1987 is shown in the following table.

Table 7
Equipment Budget at Montana State Prison
Fiscal 1986 and 1987

<u>Item</u>	<u>Fiscal 1986</u>	<u>Fiscal 1987</u>
Farm Equipment	\$119,100	\$144,000
Ranch Truck	20,000	20,000
Shop Electric Hoist	4,500	600
Breeding Bulls	10,000	10,000
Horses	1,400	1,400
Slaughter Hogs	189,550	189,550
Slaughter Cattle	348,300	348,300
Total Equipment Budget	<u>\$692,850</u>	<u>\$713,850</u>

Funding

The ranch budget is presented as requested for two reasons. First, there is no state general fund or other direct taxes involved. Second, the ranch must generate its own revenue through product sales; and therefore, unless there is a demand for the product there will be no cash to spend. However, there are two concerns with the ranch appropriation authority level--product prices for the other institutions and transferring the appropriation authority to other programs.

Issue 1: Maintenance of Product Price

The ranch charges the institutions for meat at a price which is 90 percent of cost paid by the university system for their quarterly meat order and 95 percent of the retail price for milk as set by the Milk Control Board. This pricing is a savings to the institutions and reduces the general fund cost of operating the other institutions. With the prison ranch proprietary fund, the major concern is that the product price remain reasonable. If the price does, then the proprietary

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operation achieves its purpose of providing the product more economically than other alternatives. Does the legislature want to have language directing that prices charged to the other institutions is equal to or lower than the above pricing policy?

Option a: Write language in the appropriation bill to require price maintenance or, if possible, price reduction.

Option b: Do not put any policy directive in law.

Issue 2: Appropriation Transfer

The ranch has a substantial budget increase as requested. The ranch can utilize this budget authority only if it generates revenue from the sale of products. In the 1985 biennium, there was authorization by the legislature to transfer up to 5 percent of one budget's authority to another program. Does the legislature want to restrict transferring the ranch spending authority to other budgets?

Option a: Insert language in the appropriation bill which restricts transferring the ranch spending authority to other prison programs.

Option b: Do not restrict the prison ranch transfers of appropriation authority to other programs.

LICENSE PLATE FACTORY

<u>Budget Item</u>	Actual	Appropriated	---Current Level---		% Change
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	1985-87 Biennium
F.T.E	2.00	2.00	2.00	2.00	0.00
Personal Service	\$ 48,100	\$ 52,246	\$ 50,399	\$ 50,419	0.4
Operating Expense	245,597	470,649	257,834	267,076	(26.7)
Inflation	-0-	-0-	19,900	33,384	--
Total Expenditures	<u>\$293,697</u>	<u>\$522,895</u>	<u>\$328,133</u>	<u>\$350,879</u>	<u>(16.8)</u>
<u>Fund Sources</u>					
State Special	<u>\$293,697</u>	<u>\$522,895</u>	<u>\$328,133</u>	<u>\$350,879</u>	<u>(16.8)</u>

The License Plate Factory at Montana State Prison manufactures license plates for the state of Montana. This program is not one of the prison industries enterprises.

Fiscal 1984: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1984 actual expenditures and funding to allocations as anticipated by the 1983 legislature.

<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
F.T.E.	2.00	2.00	0.00
Personal Services	\$ 52,323	\$ 48,100	\$ 4,223
Operating Expenses	<u>443,718</u>	<u>245,597</u>	<u>198,121</u>
Total Costs & State Special Revenue	<u>\$496,041</u>	<u>\$293,697</u>	<u>\$202,344</u>

Personal services savings resulted from one of the two positions being vacant part of the year.

Operating expenses were less than authorized as supplies used in the manufacturing of license plates were \$235,242 less than anticipated. The factory is using existing inventories rather than purchasing additional raw materials as a result of a recent legislative audit recommendation.

Contract service costs were \$15,180, or \$14,988 more than anticipated as a management fee was charged by prison industries for supervising the program in fiscal 1984. Previously, a Department of Justice employee located in Helena and the prison staff provided supervision. This new arrangement was not reviewed by the legislature. Utility costs were \$31,277 or \$18,467 more than anticipated due to metering the utilities rather than estimating the utility allocation.

Current Level Adjustments

Operating expenses were increased \$12,237 overall. Decreases in professional contracts amounted to \$15,047 eliminating business services from the industries program. The factory anticipates the manufacture of 392,904 large plates and 52,056 small plates in each year of the biennium compared with 336,238 and 24,317 respectively in fiscal 1984. Inmate allowances were increased \$7,013 due to the adoption of the industries inmate pay plan. Amounts of \$20,000 in fiscal 1986 and \$30,000 in fiscal 1987 were included to provide for major maintenance and overhaul of the manufacturing equipment. Other minor adjustments increased costs less than 1 percent.

Funding

This program is funded by the motor vehicle state special revenue account

through the Department of Justice. Excess funds in the motor vehicle account are used to replace general fund in the Department of Justice programs. The more funds spent in the license plate factory, the less there is to allocate to general fund operations in the Department of Justice.

PRISON INDUSTRIES

Budget Item	Actual	Appropriated	---Current Level---		% Change
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	1985-87 Biennium
F.T.E.	7.00	7.00	4.25	4.25	(39.2)
Personal Service	\$125,986	\$168,492	\$110,312	\$110,399	(25.4)
Operating Expense	243,936	314,426	276,171	273,000	(3.0)
Equipment	38,694	-0-	-0-	-0-	(100.0)
Inflation	-0-	-0-	21,790	36,495	(2.0)
Total Expenditures	<u>\$408,616</u>	<u>\$482,918</u>	<u>\$408,273</u>	<u>\$419,894</u>	<u>(4.6)</u>
<u>Fund Sources</u>					
Proprietary Fund	<u>\$408,616</u>	<u>\$482,918</u>	<u>\$408,273</u>	<u>\$419,894</u>	<u>(4.6)</u>

The Prison Industries Program provides work opportunities for prison inmates to prevent inmate idleness, trains inmates in job skills and work habits, and provides products and services to public agencies. The industries program is designed to be self-supporting.

Fiscal 1984: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1984 actual expenditures and funding to allocations as anticipated by the 1983 legislature.

Budget Item	Legislature	Actual	Difference
F.T.E.	7.00	7.00	0.00
Personal Services	\$168,802	\$125,986	\$ 42,816
Operating Expenses	280,891	243,936	36,955
Equipment	89,748	38,694	51,054
Total Expenditures	<u>\$539,441</u>	<u>\$408,616</u>	<u>\$130,825</u>
<u>Funding</u>			
General Fund	\$ 89,748	\$ 33,694	\$ 56,054
Proprietary Fund	449,693	374,922	74,771
Total Funds	<u>\$539,441</u>	<u>\$408,616</u>	<u>\$130,825</u>

Personal services savings are a result of two vacant industries technician positions and the turnover of an industries shop supervisor position. The industries program spent less than anticipated in operating and equipment. The \$89,748 budgeted for equipment was funded by a general fund loan to be repaid sometime in the future from program revenues. The unexpended balance of \$56,054 will be reverted to the general fund.

The industries program transferred the funds from the general fund, appropriated as a loan, to the industries proprietary account. This transfer enables the program to record expenditures properly within the proprietary account. The funding is separated here for comparison purposes.

Current Level Adjustments

Personal services have been decreased 2.75 FTE at the agency's request. The industries program transferred a .25 FTE accountant, a .25 FTE accounting technician, and a .25 FTE truck driver from the Prison Ranch. These positions performed duties for industries in the past, while paid out of the ranch budget. This transfer allocates the costs of the positions to the programs where their duties are performed. Industries reduced other staff by 3.5 FTE from the fiscal 1984 actual level. The industries production manager position is now split between the industries program and the Industries Training Program. Two industries shop supervisor positions and an industries technician position were deleted as unneeded positions.

Operating costs were increased a total of \$32,235. Materials used in production increased \$31,836 and \$1,384 has been included to pay commissions for marketing services; legislative audit fees of \$894 and payroll fees of \$123 have been included while travel was increased \$617 to pay the over-the-road trucker meals. Professional contracts offset by \$2,580 and other minor adjustments amounted to less than one percent.

PRISON CANTEEN

Budget Item	Actual	Appropriated	---Current Level---		% Change
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	1985-87 Biennium
F.T.E	0.00	0.00	0.00	0.00	(0.0)
Operating Expense	\$288,787	\$450,439	\$318,402	\$318,084	(13.8)
Inflation	<u>-0-</u>	<u>-0-</u>	<u>1,598</u>	<u>2,599</u>	<u>100.0</u>
Total Expenditures	<u>\$288,787</u>	<u>\$450,439</u>	<u>\$320,000</u>	<u>\$320,683</u>	<u>(13.3)</u>
Fund Sources					
State Special	<u>\$288,787</u>	<u>\$450,439</u>	<u>\$320,000</u>	<u>\$320,683</u>	<u>(13.3)</u>

The Prison Canteen provides an institution store for the inmates to purchase personal and incidental items. The canteen is supported through funds generated from its operation.

Fiscal 1984: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1984 actual expenditures and funding to allocations as anticipated by the 1983 legislature.

Budget Item	Legislature	Actual	Difference
Contract Services	\$ 230	\$ 282	\$ (52)
Supplies	-0-	1,186	(1,186)
Repair and Maintenance	-0-	221	(221)
Other Expenses	2,594	17,025	(14,431)
Goods for Resale	<u>397,689</u>	<u>270,073</u>	<u>127,616</u>
Total Operating Costs	<u>\$400,513</u>	<u>\$288,787</u>	<u>\$111,726</u>

The canteen spent less than anticipated for personal and incidental items sold to inmates. In fiscal 1982, the canteen purchased \$235,745 of items for resale and \$301,760 was spent in fiscal 1983. A total of \$397,689 was authorized for purchases of goods for resale in fiscal 1984 while only \$270,073 was spent. Inventory remained stable at \$46,717 at the end of fiscal 1982, \$53,841 in fiscal 1983 and \$47,813 at fiscal 1984 year end. Fiscal 1984 purchases for resale were slightly less than fiscal 1983 expenditures. Fiscal 1984 sales did not show the same growth rate as between fiscal 1982 and 1983.

The canteen overspent other expenses by \$14,431. This was \$6,042 of inmate pay which the Department of Institutions said had previously been paid

from the prison general fund appropriation and \$8,389 more profit transferred to the inmate welfare fund than expected.

Current Level Adjustments

Operating expenses were increased \$320,000 so the canteen has sufficient, but not excessive authority to purchase goods for resale to the inmates. The other minor adjustments totaling \$108 were to cover increased allocated insurance and audit costs.

INDUSTRIES TRAINING

<u>Budget Item</u>	Actual	Appropriated	---Current Level---		% Change 1985-87 Biennium
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	
F.T.E	5.00	5.00	2.75	2.75	(45.0)
Personal Service	\$ 3,751	\$119,574	\$ 91,044	\$ 91,133	47.7
Operating Expense	65,498	222,537	240,073	236,793	65.5
Equipment	21,070	-0-	20,509	-0-	(2.6)
Inflation	-0-	-0-	7,422	11,396	--
Total Expenditures	<u>\$90,319</u>	<u>\$342,111</u>	<u>\$359,048</u>	<u>\$339,322</u>	<u>61.4</u>
<u>Fund Sources</u>					
General Fund	\$69,594	\$128,549	\$ 75,635	\$ 71,528	(25.7)
Proprietary Fund	<u>20,725</u>	<u>213,562</u>	<u>283,413</u>	<u>267,794</u>	<u>135.2</u>
Total Funds	<u>\$90,319</u>	<u>\$342,111</u>	<u>\$359,048</u>	<u>\$339,322</u>	<u>61.4</u>

Industries training is a new program approved and funded by the 1983 legislature as a result of Senate Bill 1 of the second special session in fiscal 1982. The program, as approved, includes auto repair, heavy equipment repair, industrial arts, meat cutting, horticulture, business skills, and an electronic repair center. A new building was approved to house the program and will be completed in the 1987 biennium.

Fiscal 1984: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1984 actual expenditures and funding to allocations as anticipated by the 1983 legislature.

<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
F.T.E.	5.00	5.00	0.00
Personal Services	\$119,196	\$ 3,751	\$ 115,445
Operating Expenses	208,722	54,710	154,012
Equipment	29,411	11,133	18,278
Total Expenditures	<u>\$357,329</u>	<u>\$69,594</u>	<u>\$ 287,735</u>
<u>Funding</u>			
General Fund	\$183,232	\$69,594	\$ 113,638
Proprietary Fund	174,097	-0-	174,097
Total Funds	<u>\$357,329</u>	<u>\$69,594</u>	<u>\$ 287,735</u>
<u>Additions:</u>			
Budget Amendments	-0-	\$167,519	\$(167,519)

The training program did not become fully operational during fiscal 1984. The first employee was hired the last pay period of the fiscal year, although a horticulturist was under contract starting in fiscal 1984. Programs started were auto repair, heavy equipment maintenance and horticulture, however, none of the programs reached full operation. A garden was planted in fiscal 1984, but the harvest is in fiscal 1985.

The program received a grant from the Office of Public Instruction (OPI) for the purchase of training material and equipment in the amount of \$150,000. Also received was an OPI curriculum development grant for \$28,160. The program spent \$149,990 of the training material and equipment grant and \$17,529 of the curriculum development grant in fiscal 1984.

Current Level Adjustments

The program did not become fully operational in fiscal 1984. As a result, fiscal 1984 expenditures are not representative of the full operation of the program.

The program has deleted two teacher positions and 1.25 FTE industries shop supervisor positions while adding portions of FTE from both the ranch and industries program. The positions added are: .25 FTE accountant II, .25 FTE accounting technician II and .5 FTE of the industries production manager. The resulting compliment of FTE is 2.75, down from the authorized level of 5 FTE.

There are, however, 7 FTE in the prison general fund budget assigned to the training program. These training positions include: 3 automotive repairmen,

one industrial arts position, one meat cutter, one heavy equipment mechanic, and one printer. These positions will cost \$191,400 in fiscal 1986 and \$191,638 in fiscal 1987 before the pay plan costs.

Operating expenditures have been adjusted to reflect the agency's request. The overall increase above fiscal 1984 is \$174,575. Utility costs of \$29,776 have been included in fiscal 1987 to cover the anticipated costs of the new vocational education building.

Funding

Funding for the training program includes general fund of \$75,635 in fiscal 1986 and \$71,528 in fiscal 1987, as well as proprietary funds of \$283,413 and \$267,794 in each year of the biennium. Current level anticipates that the general fund support for the program from the prison budget, and the general fund included here combined with the proprietary funds will support the training program.

MONTANA STATE PRISON

AGENCY SUMMARY	Actual	Budgeted	Recommendation	
BUDGET DETAIL SUMMARY	FY 1984	FY 1985	FY 1986	FY 1987
Full Time Equivalent Employees	332.45	332.45	365.28	404.53
Personal Services	7,196,085.86	7,653,901	8,762,269	9,640,665
Operating Expenses	4,006,851.77	4,633,046	4,576,620	4,704,144
Equipment	678,884.97	322,180	629,038	611,101
Capital Outlay	72,185.47	0	0	0
Total Agency Costs	\$11,954,008.07	\$12,609,127	\$13,967,927	\$14,955,910
General Fund	9,029,992.48	9,396,378	10,799,467	11,741,354
State Special Revenue Fund	689,683.96	1,023,300	800,502	887,253
Federal & Other Spec Rev Fund	99,871.86	39,869	44,130	44,130
Proprietary Fund	2,134,459.77	2,149,580	2,323,828	2,283,173
Total Funding Costs	\$11,954,008.07	\$12,609,127	\$13,967,927	\$14,955,910
Current Level Services	11,483,044.01	12,609,127	12,474,367	12,522,124
Modified Level Services	470,964.06	0	1,493,560	2,433,786
Total Service Costs	\$11,954,008.07	\$12,609,127	\$13,967,927	\$14,955,910

Agency Description

The mission of the Montana State Prison is to provide facilities for the custody, treatment, training and rehabilitation of adult criminal offenders. The Prison staff provides treatment programs to aid rehabilitation including: a program of vocational education, on-the-job training, work experience, sports and hobby programs, music programs, self-help groups and alcohol and drug abuse programs. The Prison Ranch and Dairy provides beef and dairy products to state institutions and other state agencies. The Prison also operates a plant that produces Montana's license plates. In addition, the Prison Industries Program staff provides vocational training for inmates. An expanded industries training program provides additional training opportunities for inmates. The location and function of the prison is provided for in 53-30-101 MCA.

Budget Issues

Position transfers. The Prison Industries program is on a revolving account. Certain positions have been transferred from this program to other prison programs. These positions have duties relative to the Industries program. By this means, other prison programs can pay for services they receive from Prison Industries. This will help the Prison Industries program to maintain solvency.

Specifically, half of the Industries Production Manager position (.50 FTE) was transferred from the Prison Industries program to the Prison Industries Training program (22). This action was taken because the duties of this position are evenly split between these two programs. Two shop supervisors (2.00 FTE) were transferred from this program to the Prison Care and Custody program where their work is directly related. A total of (.75 FTE) from three positions was transferred to the Prison Industries program from the Prison Ranch and Dairy. This transfer involves a

MONTANA STATE PRISON

AGENCY SUMMARY	Actual	Budgeted	Recommendation	
BUDGET DETAIL SUMMARY	FY 1984	FY 1985	FY 1986	FY 1987
Full Time Equivalent Employees	332.45	332.45	365.28	404.53

(.25 FTE) Accountant, a (.25 FTE) Accounting Technician, and a (.25 FTE) Delivery Truck Driver. This enables the Prison Industries program to pay for the accounting and delivery services they receive from the Prison Ranch and Dairy.

Position deletion. An Industries Technician position (1.00 FTE) was deleted from this program since it was vacant throughout FY84 and is no longer necessary.

All of these position changes within the Prison Industries program can be shown as follows:

Prison Industries (Program 17) FTE Changes

FY84 Authorized FTE	7.00
FTE transferred to program 22 (Industries Training)	(.50)
FTE transferred to program 12 (Care & Custody)	(2.00)
FTE transferred from program 15 (Ranch & Dairy)	.75
FTE deleted	(1.00)

Total FTE proposed for FY86 and FY87	4.25
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MONTANA STATE PRISON

CARE & CUSTODY BUDGET DETAIL SUMMARY	Actual	Budgeted	Recommendation	
	FY 1984	FY 1985	FY 1986	FY 1987
Full Time Equivalent Employees	300.45	300.45	340.53	379.78
Personal Services	6,599,359.90	6,842,666	8,103,190	8,980,129
Operating Expenses	2,351,210.52	2,412,818	2,610,457	2,689,320
Equipment	216,901.50	102,180	12,548	11,251
Total Program Costs	\$9,167,471.92	\$9,357,664	\$10,726,195	\$11,680,700
General Fund	8,960,398.84	9,267,829	10,631,448	11,585,933
State Special Revenue Fund	107,201.22	49,966	50,617	50,637
Federal & Other Spec Rev Fund	99,871.86	39,869	44,130	44,130
Total Funding Costs	\$9,167,471.92	\$9,357,664	\$10,726,195	\$11,680,700
Current Level Services	9,089,948.54	9,357,664	9,682,101	9,696,380
Modified Level Services	77,523.38	0	1,044,094	1,984,320
Total Service Costs	\$9,167,471.92	\$9,357,664	\$10,726,195	\$11,680,700

Program Description

The Care and Custody Program staff use the personnel, procedures, and material available to provide maximum control, retainment, and protection of prisoners. The prison's administrative, treatment and educational services are budgeted in this program.

Budget Issues

Position reduction. A .17 FTE Mail Clerk position was not utilized throughout FY84. Consequently, this partial FTE has been eliminated from this budget request.

Modification Requests

New Service

Prison Expansion. In House Bill 900, the Forty-Eighth Legislature funded a major expansion of the Montana State Prison. The bill states in part:

"(1) The goal of the Legislature in providing for major expansion of the Montana State Prison is to provide housing for 737 prisoners within the security compound at the prison while achieving the following objectives:

(a) Inmate housing should be separated into at least three levels of security. The separation should be pursued to the maximum possible extent to prevent communication by personal contact, sight, and sound among the separate areas of the prison. Staff interaction among these security levels should also be minimized to enhance the separation. The Legislature regards the separation of maximum security prisoners to be an especially important objective."

This modified request is based upon construction being complete and buildings in

MONTANA STATE PRISON

CARE & CUSTODY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation	
			FY 1986	FY 1987
Full Time Equivalent Employees	300.45	300.45	340.53	379.78

operation by January 1, 1986. Personal Services and operating costs include six months of costs in FY86 and a full year of costs in FY87. Montana State Prison has identified 78.5 additional FTEs needed to operate the expanded prison.

The cost of landscaping, painting, new equipment and other construction related items have not been included in this budget recommendation. These are items which should be provided for by building contingency funds. Any additional funds for these items will require legislative authorization:

Expansion Costs: FY 1986 - \$ 962,864 FY 1987 - \$1,902,874

Expansion FTE: FY 1986 - 39.25 FY 1987 - 78.50

Funding Change

Physician position. This modified budget request adds 1.00 FTE plus funding to program 12 (Care and Custody) at Montana State Prison and reduces the funding in Program 47 (Corrections Medical Budget). The 48th Legislature funded Program 47 to pay contracted medical services and medical expenses within the Corrections Division. The funding included the cost of paying contracted medical doctors providing services at Montana State Prison. In FY84 this contract was not renegotiated. To provide medical doctor coverage a physician was hired and paid out of the Corrections Medical Budget. This modified request transfers the funding from the Corrections Medical Budget to the Care and Custody program at the prison to pay for the costs of this physician position.

Cost: FY 1986 - \$ 76,967 FY 1987 - \$ 77,183

FTE: FY 1986 - 1.00 FY 1987 - 1.00

Title I Education Grant. In FY84 and FY85 Montana State Prison processed budget amendments to receive appropriation authority to spend federal block grant money which is administered through the Office of Public Instruction. This Title I program is designed to improve the age/grade level attainment of certain students at Montana State Prison who are below normal age/grade attainment. There are no matching funds needed and there is no ascertainable present or future commitment for any general fund support.

In the event the revenue exceeds the figures projected for this program appropriation language is requested to allow a future budget amendment.

Cost: FY 1986 - \$ 3,660 FY 1987 - \$ 3,660

Title II Education Grant. In FY85 a budget amendment was processed to receive appropriation authority to spend this federal block grant money which is available through the Office of Public Instruction. This Chapter II program is designed to improve the age/grade level attainment of certain students at Montana State Prison. There are no matching funds needed and there is no ascertainable present or future commitment for any general fund support.

Cost: FY 1986 - \$ 603 FY 1987 - \$ 603

MONTANA STATE PRISON

RANCH & DAIRY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	FY 1987
Full Time Equivalent Employees	18.00	18.00	15.75	15.75
Personal Services	418,890.70	470,923	416,224	417,455
Operating Expenses	803,931.82	762,177	698,576	696,251
Equipment	435,916.50	220,000	604,350	599,850
Capital Outlay	72,185.47	0	0	0
Total Program Costs	\$1,730,924.49	\$1,453,100	\$1,719,150	\$1,713,556
Proprietary Fund	1,730,924.49	1,453,100	1,719,150	1,713,556
Total Funding Costs	\$1,730,924.49	\$1,453,100	\$1,719,150	\$1,713,556
Current Level Services	1,505,003.16	1,453,100	1,295,647	1,290,053
Modified Level Services	225,921.33	0	423,503	423,503
Total Service Costs	\$1,730,924.49	\$1,453,100	\$1,719,150	\$1,713,556

Program Description

The Ranch and Dairy Program is a self-sustaining program that provides beef, milk, and other products to the prison and other institutions. The program also provides work experience for the inmates.

Budget Issues

The Prison Ranch and Dairy is funded entirely on a revolving basis. The Ranch and Dairy's continued operation depends upon its ability to generate funds from goods produced and marketed. There is not a major change in operations or customers anticipated for this program. The equipment request for the Ranch and Dairy has been reviewed by the Legislative Ranch Advisory Committee and placed in priority order. The actual amount of equipment purchased as recommended in this budget depends upon the Ranch and Dairy's ability to generate the funds to purchase these items.

Position transfers. In FY84 18.00 FTE were authorized in the Prison Ranch and Dairy program. A .50 FTE Accountant position was transferred from the Ranch and Dairy to program 22 (Industries Training). Another .50 FTE Accounting position was transferred to program 17 (Prison Industries). Also, a .25 FTE Truck Driver position was moved to program 17 in order to allocate to Prison Industries the Ranch and Dairy's share of delivery expenses.

Position Reduction. A 1.00 FTE Correctional Officer position was vacant throughout FY84. This position has been deleted from this program budget request.

Modification Requests

Expanded Service

In FY84 and FY85 a budget amendment was processed to allow the Prison Ranch authority to expend proprietary funds to purchase cattle on the open market and use

MONTANA STATE PRISON

RANCH & DAIRY BUDGET DETAIL SUMMARY	Actual	Budgeted	Recommendation	
	FY 1984	FY 1985	FY 1986	FY 1987
Full Time Equivalent Employees	18.00	18.00	15.75	15.75

them for slaughterhouse operations.

The prison cattle cycle is such that at certain periods during the year there are not sufficient quantities of cattle available at the proper slaughter weights. This results in the inefficient practice of slaughtering underweight cattle. Based upon approval by the Ranch Advisory Committee it was decided that prison ranch cattle should be sold on the open market and that cattle of the proper weight should be purchased for processing. Since large cash transactions are involved with the above procedure the Ranch and Dairy needs additional spending authority to avoid overspending existing authority.

Cost: FY 1986 - \$348,300 FY 1987 - \$348,300

Expanded Service

Cheese Contract. In January 1984 the Prison Ranch entered into a contract to process surplus cheese from the USDA. Spending authority is recommended to enable the Prison Ranch to continue this contract.

Cost: FY 1986 - \$ 75,203 FY 1987 - \$ 75,203

MONTANA STATE PRISON

LICENSE PLATE FACTORY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986 FY 1987	
Full Time Equivalent Employees	2.00	2.00	2.00	2.00
Personal Services	48,099.55	52,246	50,381	50,401
Operating Expenses	<u>245,596.48</u>	<u>470,649</u>	<u>326,134</u>	<u>375,367</u>
Total Program Costs	\$293,696.03	\$522,895	\$376,515	\$425,768
State Special Revenue Fund	<u>293,696.03</u>	<u>522,895</u>	<u>376,515</u>	<u>425,768</u>
Total Funding Costs	\$293,696.03	\$522,895	\$376,515	\$425,768
Current Level Services	<u>293,696.03</u>	<u>522,895</u>	<u>376,515</u>	<u>425,768</u>
Total Service Costs	\$293,696.03	\$522,895	\$376,515	\$425,768

Program Description

The License Plate Factory Program is responsible for manufacturing all license plates for the state of Montana. The program provides work experience for inmates at the prison. Funding for this program comes from the Department of Justice with the on-site technical administration and assistance provided by the industries program.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

MONTANA STATE PRISON

PRISON INDUSTRIES REVOLVING AC BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986 FY 1987	
Full Time Equivalent Employees	7.00	7.00	4.25	4.25
Personal Services	125,985.55	168,492	111,396	111,508
Operating Expenses	251,830.69	314,426	298,355	295,481
Equipment	5,000.69	0	0	0
Total Program Costs	\$382,816.93	\$482,918	\$409,751	\$406,989
Proprietary Fund	382,816.93	482,918	409,751	406,989
Total Funding Costs	\$382,816.93	\$482,918	\$409,751	\$406,989
Current Level Services	382,816.93	482,918	409,751	406,989
Total Service Costs	\$382,816.93	\$482,918	\$409,751	\$406,989

Program Description

The Prison Industries Program currently provides work experience in the following areas: furniture construction and repair, upholstery, drafting, printing and post-pole manufacturing. Products from the program are currently sold to other governmental entities and non-profit corporations.

Budget Issues

Position transfers. The Prison Industries program is on a revolving account. Certain positions have been transferred from this program to other prison programs. These positions have duties relative to the Industries program. By this means, other prison programs can pay for services they receive from Prison Industries. This will help the Prison Industries program to maintain solvency.

Specifically, half of the Industries Production Manager position (.50 FTE) was transferred from the Prison Industries program to the Prison Industries Training program (22). This action was taken because the duties of this position are evenly split between these two programs. Two shop supervisors (2.00 FTE) were transferred from this program to the Prison Care and Custody program where their work is directly related. A total of (.75 FTE) from three positions was transferred to the Prison Industries program from the Prison Ranch and Dairy. This transfer involves a (.25 FTE) Accountant, a (.25 FTE) Accounting Technician, and a (.25 FTE) Delivery Truck Driver. This enables the Prison Industries program to pay for the accounting and delivery services they receive from the Prison Ranch and Dairy.

Position deletion. An Industries Technician position (1.00 FTE) was deleted from this program since it was vacant throughout FY84 and is no longer necessary.

All of these position changes within the Prison Industries program can be shown as follows:

Prison Industries (Program 17) FTE Changes

MONTANA STATE PRISON

PRISON INDUSTRIES REVOLVING AC BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986 FY 1987	
Full Time Equivalent Employees	7.00	7.00	4.25	4.25
<hr/>				
FY84 Authorized FTE		7.00		
FTE transferred to program 22 (Industries Training)		(.50)		
FTE transferred to program 12 (Care & Custody)		(2.00)		
FTE transferred from program 15 (Ranch & Dairy)		.75		
FTE deleted		(1.00)		
Total FTE proposed for FY86 and FY87		4.25		

MONTANA STATE PRISON

PRISON CANTEEN BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986 FY 1987	
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	<u>288,786.71</u>	<u>450,439</u>	<u>373,370</u>	<u>410,848</u>
Total Program Costs	\$288,786.71	\$450,439	\$373,370	\$410,848
State Special Revenue Fund	<u>288,786.71</u>	<u>450,439</u>	<u>373,370</u>	<u>410,848</u>
Total Funding Costs	\$288,786.71	\$450,439	\$373,370	\$410,848
Current Level Services	<u>288,786.71</u>	<u>450,439</u>	<u>373,370</u>	<u>410,848</u>
Total Service Costs	\$288,786.71	\$450,439	\$373,370	\$410,848

Program Description

The Prison Canteen Program provides small store services and merchandise for inmates at the Montana State Prison.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

MONTANA STATE PRISON

PRISON INDSTRS TRAINING PROGRA BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986 FY 1987	
Full Time Equivalent Employees	5.00	5.00	2.75	2.75
Personal Services	3,750.16	119,574	81,078	81,172
Operating Expenses	65,495.55	222,537	269,728	236,877
Equipment	<u>21,066.28</u>	<u>0</u>	<u>12,140</u>	<u>0</u>
Total Program Costs	\$90,311.99	\$342,111	\$362,946 155,038	\$318,049
General Fund	69,593.64	128,549	168,019	155,421
Proprietary Fund	<u>20,718.35</u>	<u>213,562</u>	<u>194,927</u>	<u>162,628</u>
Total Funding Costs	\$90,311.99	\$342,111	\$362,946	\$318,049
Current Level Services	77,207.36-	342,111	336,983	292,086
Modified Level Services	<u>167,519.35</u>	<u>0</u>	<u>25,963</u>	<u>25,963</u>
Total Service Costs	\$90,311.99	\$342,111	\$362,946	\$318,049

Program Description

The Prison Industries Training Program was established by an act passed during the second special session of the 1981 Legislature. This program provides vocational on-the-job training and work experience for prison inmates. The program is limited to providing services and producing equipment only for state agencies, local governments, school districts and governmental entities. The objectives and functions of this program are provided for in 53-30-131 through 53-30-133 MCA.

Budget Issues

The Second Special Session of the 1981 Legislature directed the Department of Institutions to study and propose an Industries Training program at the Montana State Prison. A training program was proposed to and approved by the 1983 Legislature.

During FY84 the initial phases of the program began. FY84 is not a representative year for the program and the majority of operating expenditures were zero-based to reflect the exposure anticipated in FY85 and thereafter.

The general fund allowed in this program covers the cost of Personal Services plus some of the operational costs. The remainder of the program costs are expected to be generated by proprietary funds.

Position deletions. There were 3.00 FTE deleted from this program. This includes 2.00 FTE that were Industries Shop Supervisor positions. The other 1.00 FTE deleted was an Institutions Teacher position.

Position Reductions. The Horticulturist position was reduced from a 1.00 FTE to a .75 FTE. This position is responsible for training inmates in horticulture and gardening.

MONTANA STATE PRISON

PRISON INDSTRS TRAINING PROGRA BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	FY 1987
Full Time Equivalent Employees	5.00	5.00	2.75	2.75

Position transfers. The Industries Training program received a .25 FTE Accountant and a .25 FTE Accounting Technician from the Prison Ranch and Dairy. The purpose of these transfers was to allow the Industries Program to pay for their portion of the accounting work performed for them by Ranch and Dairy administrative personnel.

A .50 FTE Production Manager is maintained in the Industries Training program. The other .50 FTE of this position is located in the Prison Industries program (17).

Modification Request

New Service

The modified budget for the Montana State Prison expansion did not include budget figures for utilities for the Industries Vocational Training Building. The estimated amount for these utilities is based upon a 16,000 square foot building at the most recent utility rates.

Cost: FY 1986 - \$ ^{12,921}~~25,963~~ FY 1987 - \$ 25,963

INDUSTRIES TRAINING

1983 Legislative Session Prison General Fund

3 FTE Automotive Repair
1 FTE Welder
1 FTE Meat Cutter
1 FTE Culinary Arts
1 FTE Electronics
7 FTE

Ranch Proprietary Fund

1 FTE Automotive Repair
1 FTE

Industries Training

1 FTE Program Manager
.5 FTE Horticulture
.5 FTE Business Skills
.5 FTE Security Coordinator
.5 FTE Transportation
.5 FTE Vocational Counselor
.5 FTE Accounting
4 FTE

TOTAL 12 FTE

Executive Budget 86, 87

3 FTE Automotive Repair
1 FTE Industrial Arts
1 FTE Meat Cutter
1 FTE Upholster
1 FTE Printing
7 FTE

1 FTE Automotive Repair
1 FTE

1 FTE Program Manager
.75 FTE Horticulture
.75 FTE Business Skills
Deleted
Deleted
Deleted
.25 FTE Accounting
2.75 FTE

10.75 FTE

INDUSTRIES

1983 Legislative Session

AS SUBMITTED

1 FTE Printing
1 FTE Upholstery
1 FTE Timber
1 FTE Furniture
.5 FTE Security Coordinator
.5 FTE Transportation
.75 FTE Accounting
.25 FTE Vocational Counselor
1 FTE Industries Production Manager
7 FTE

Executive Budget 86, 87

REVISED

Moved to Training
Moved to Training
1.5 FTE Timber
1 FTE Furniture
.5 FTE Sales
.25 FTE Transportation
.5 FTE Accounting
Deleted
.5 FTE Industries Production Manager
4.25 FTE