

MINUTES OF THE MEETING
INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE
50 LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

January 20, 1987

The tenth meeting of the Institutions and Cultural Education Subcommittee was called to order in room 202-A of the state capitol on January 20, 1987 at 8:07 a.m. by Chairman Miller.

ROLL CALL: All members were present as were Keith Wolcott, Senior Analyst for the Legislative Fiscal Analyst (LFA); Alice Omang, secretary; George Harris of the Office of Budget and Program Planning (OBPP); Carroll South, Director of the Department of Institutions; and various other visitors.

MISCELLANEOUS: Tape: 10-1-A:014

Chairman Miller advised the committee that on Tuesday morning the subcommittee chairmen meet with the Chairman of the House Appropriations Committee, Representative Donaldson, and House Speaker Marks and this morning was exceptionally grim because of the vote in the House yesterday and the \$25 million shortfall as of June. He continued that the message is that they do have to make some cuts and these are hard areas.

He also indicated that at the public tax meeting last night, the message was that people did not want tax increases, and if they do not have tax increases, they are going to have to look at programs. He asked Mr. Wolcott, Mr. Harris, Mr. Dan Russell, Administrator of the Corrections Division of the Department of Institutions, and Mr. South to look into the possibility and the fiscal impact of the following areas: (1) closing all pre-release centers, (2) closing Swan River, (3) how many prisoners would be released from the prison if they only had one year to go in their term, (4) how many prisoners would be released if they had two years left in their term, and (3) how many would be released if had three years left in their term. He informed the committee that there are also some other hard areas that they discussed this morning, and he would let the committee know when they get them down in writing.

There was considerable discussion on these suggestions.

MONTANA STATE PRISON: (230)

Mr. South advised that the population in the prison is projected to be 968 in FY 88 and 990 in FY 89 and they are currently budgeted for 800 in 1986 and in FY 86 907 and the only reason they made it through FY 86 and FY 87 without a supplemental at the prison is because of the expansion money for the additional FTEs (full-time equivalent employee), who were budgeted to come on line last January and they actually did not open the housing unit until August and they used those savings.

He also touched on the issues of 1.68% vacancy savings for prison guards instead of 4%, an increase in utilities, psychological services, and the canteen.

Mr. South further contended that he felt that it was not too much to ask the state to fund the FTEs at the canteen in order to keep the costs at the canteen low enough so that the inmates can afford to buy them. He explained that in many instances, the warden asks the inmates to buy things at the canteen that if the inmates could not buy, the state would have to provide them.

Mr. Harris referred to the chart on page S-191 of the Governor's Budget, which shows the five-year trend for the prison. He then reviewed exhibit 1, pages S-202 through S-205. (450)

Mr. Wolcott gave an overview of exhibit 2, pages D-32 through D-50. He distributed exhibits 2 and 3 to the committee and presented the differences in the LFA's budget and the executive.

(600) Under operating expenses, issue 2 of exhibit 3, Mr. Wolcott commented that one of the contracts was for students of psychology from the University of Montana to come to the prison to evaluate the inmates for \$11,800 a year plus travel costs. He stated that student teachers do not get paid for that kind of service.

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Henry Risley, Warden of the Montana State Prison, responded that they have a contract with the University for students, who are working towards a PhD in psychology, to provide diagnostic services and therapy for disturbed inmates at the prison as well as psychological evaluations that are required by the Board of Pardons.

Mr. Russel said that they feel they are getting a real bargain as they need extensive psychological services for 900 plus inmates and to purchase that service on the street would probably cost \$40 to \$50 an hour.

There were many questions concerning the psychological services and the need for these services.

(150) Warden Risley distributed exhibit 4 to the committee, which is a map of the Montana State Prison as it is currently completed. He pointed out how the guards patrol on an elevated area around the prison where they have very good visibility of a wide area.

Mike Murray, representing the Chemical Dependency Programs of Montana, advised that the administration has asked that the new alcohol counselor be funded with general fund money and they would encourage the committee to go with that funding and they reluctantly ask that they fund the two previous counselors with alcohol earmarked money as they have in the past.

(325) Warden Risley outlined for the committee all the officers that are needed to staff their posts. He advised that they have 135.3 corrections officers I, 67.9 corrections officers II, 4.8 infirmarium aides, 1.1 S.D.A.s, 26.1 corrections sergeants, 4.8 corrections lieutenants, 3.3 corrections captains and 5.1 corrections administrators for a total of 249. He gave a complete recap of each of these positions.

There were questions asked of Warden Risley concerning maximum security, transportation of prisoners, personal property of inmates and training programs.

Chairman Miller announced that the hearing on the prison will be continued tomorrow and executive action will be on Thursday.

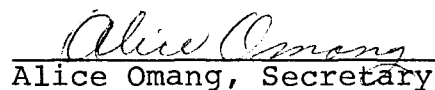
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ADJOURNMENT: Tape 10-2-A:370

There being no further business, the meeting was adjourned at 10:20 a.m.

A handwritten signature in cursive script, appearing to read "Ron Miller", written over a horizontal line.

REPRESENTATIVE MILLER, Chairman

A handwritten signature in cursive script, appearing to read "Alice Omang", written over a horizontal line.

Alice Omang, Secretary

#10

DAILY ROLL CALL

INSTITUTIONS AND CULTURAL EDUCATION SUB COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date January 20, 1987

[illegible]

EXHIBIT 1
1/20/87
George Harris

Agency Summary
Budget Detail Summary

	Actual FY 1986	Budgeted FY 1987	Recommendation FY 1988	FY 1989
Full Time Equivalent Employees	365.28	404.53	406.06	406.06
Personal Services	8,460,551.15	9,584,310	10,515,359	10,626,161
Operating Expenses	4,710,296.07	4,751,331	5,256,542	5,534,923
Equipment	63,802.77	713,850	105,850	121,854
Total Agency Costs	\$13,234,649.99	\$15,049,491	\$15,877,751	\$16,282,938
General Fund	10,410,158.62	11,792,935	12,756,670	12,963,206
State Special Revenue Fund	786,089.62	780,201	1,035,720	1,124,809
Federal & Other Spec Rev Fund	125,541.38	91,292	119,851	120,047
Proprietary Fund	1,912,860.37	2,385,063	1,965,510	2,074,876
Total Funding Costs	\$13,234,649.99	\$15,049,491	\$15,877,751	\$16,282,938
Current Level Services	13,135,399.94	15,049,491	15,827,593	16,232,388
Modified Level Services	99,250.05	0	50,158	50,550
Total Service Costs	\$13,234,649.99	\$15,049,491	\$15,877,751	\$16,282,938

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 produce 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.

CARE & CUSTODY
Budget Detail Summary

	Actual FY 1986	Budgeted FY 1987	Recommendation FY 1988	FY 1989
Full Time Equivalent Employees	340.53	379.78	382.31	382.31
Personal Services	7,736,005.98	8,911,672	9,661,740	9,765,265
Operating Expenses	2,663,674.37	2,878,725	3,039,799	3,158,072
Equipment	32,263.27	0	25,000	25,000
Total Program Costs	\$10,431,943.62	\$11,790,397	\$12,726,539	\$12,948,337
General Fund	10,262,152.33	11,647,467	12,580,343	12,802,141
State Special Revenue Fund	51,424.18	51,638	51,424	51,424
Federal & Other Spec Rev Fund	118,367.11	91,292	94,772	94,772
Total Funding Costs	\$10,431,943.62	\$11,790,397	\$12,726,539	\$12,948,337
Current Level Services	10,431,943.62	11,790,397	12,726,539	12,948,337
Total Service Costs	\$10,431,943.62	\$11,790,397	\$12,726,539	\$12,948,337

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

In FY86 the Montana State Prison was budgeted for 340.53 FTE. With the new expansion complete, FY87 was budgeted for 379.78 FTE. This budget recommendation is for 382.31 FTE in FY88 and FY89. The difference is accounted for by two actions. First, 3.87 FTE are recommended to be deleted in an effort to meet the budget reductions applied by the June 1986 Special Session. This results in a savings of over \$82,000 each year of the 1989 biennium. Secondly, because of an increase in the average daily population (ADP), an

increase of 6.40 FTE is recommended to handle the increased workload. These additional positions cost roughly \$126,000 each year of the biennium.

The staffing of prison security positions is based upon covering specified posts regardless of any vacancy savings. Also, the ever rising prison population mandates adequate security personnel at all times. The department conducted an analysis of all security personal services at the prison and determined that the FY86 actual rate of vacancy savings was 1.68%. Consequently, a 1.68% vacancy savings is recommended for the security personnel in this program. The remaining personnel in the care and custody program received a 4% vacancy savings factor.

During FY86 the ADP at the Montana State Prison was 907.18. By August of 1986 the ADP had risen to 925. The prison was budgeted for an ADP of 800 for FY86 and

FY87. We are recommending a current level adjustment to provide funding for an ADP of 968 for FY88 and 990 for FY89.

When the staff for the prison expansion was budgeted, management gave up 6.40 FTE in their request in anticipation that one of the cell blocks would no longer be double bunked. The double bunking causes considerably more movement of inmates and requires additional guards. These same positions are included in this request because double bunking is still required even with the completion of the expanded prison.

There are operational adjustments for the variable costs of the additional inmate population. The total cost of the

increased population is roughly \$225,000 in FY88 and \$263,000 in FY89.

The operational budget increases because of the expanded prison. These cost increases are evident in maintenance, training, insurance and bonds, utilities and inflationary adjustments for supplies and materials, and utilities. The additional costs requested for painting and landscaping the expanded prison are not included in this budget recommendation. These costs should be considered with other long range building projects as recommended by the Architecture and Engineering Division.

We recommend \$25,000 in both FY88 and FY89 for the equipment purchases deemed most essential by management.

RANCH & DAIRY Budget Detail Summary	Actual	Budgeted	Recommendation	
	FY 1986	FY 1987	FY 1988	FY 1989
Full Time Equivalent Employees	15.75	15.75	12.75	12.75
Personal Services	378,667.25	426,284	422,916	426,952
Operating Expenses	827,439.20	656,755	604,738	677,263
Equipment	25,072.74	713,850	50,000	50,000
Total Program Costs	\$1,231,179.19	\$1,796,889	\$1,077,654	\$1,154,215
Proprietary Fund	1,231,179.19	1,796,889	1,077,654	1,154,215
Total Funding Costs	\$1,231,179.19	\$1,796,889	\$1,077,654	\$1,154,215
Current Level Services	1,231,179.19	1,796,889	1,077,654	1,154,215
Total Service Costs	\$1,231,179.19	\$1,796,889	\$1,077,654	\$1,154,215

Program Description

The Ranch and Dairy Program is a self-sustaining program that provides 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 through a proprietary account. This means the ranch and dairy's continued operation depends upon its ability to generate funds from goods purchased and marketed. The prison ranch program no longer operates a slaughterhouse operation which proved to be too costly. This program also no longer has a contract to cut and wrap USDA surplus

cheese. The major activities of the ranch and dairy continue to operate with very little change.

Position Reductions: The agency has deleted 3.00 FTE from its budget request because of the discontinuation of the slaughterhouse and cheese processing contract. Thus, 12.75 FTE are recommended in this budget.

A 4% vacancy savings factor has been recommended for the ranch and dairy program.

The agency submitted a rather large request for equipment which could only be purchased based upon the profitable operation of the program. This recommendation allows for the purchase of \$50,000 in both FY88 and FY89. This enables the ranch the potential to purchase twice as much equipment as they bought in FY86 actual expenditures.

LICENSE PLATE FACTORY Budget Detail Summary	Actual	Budgeted	Recommendation	
	FY 1986	FY 1987	FY 1988	FY 1989
Full Time Equivalent Employees	2.00	2.00	2.00	2.00
Personal Services	67,480.89	51,353	69,827	70,501
Operating Expenses	262,717.51	316,179	384,572	395,418
Equipment	453.16	0	0	0
Total Program Costs	\$330,651.56	\$367,532	\$454,399	\$465,919
State Special Revenue Fund	330,651.56	367,532	454,399	465,919
Total Funding Costs	\$330,651.56	\$367,532	\$454,399	\$465,919
Current Level Services	330,651.56	367,532	454,399	465,919
Total Service Costs	\$330,651.56	\$367,532	\$454,399	\$465,919

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 license plate factory is funded out of state special revenue from motor vehicle funds.

The repair and maintenance budget is necessary because much of the equipment is very old.

A 4% vacancy savings is applied to this budget.

PRISON INDUSTRIES REVOLVING AC Budget Detail Summary

	Actual FY 1986	Budgeted FY 1987	Recommendation FY 1988	FY 1989
Full Time Equivalent Employees	4.25	4.25	5.25	5.25
Personal Services	169,417.90	112,318	200,371	201,848
Operating Expenses	366,887.18	294,199	453,178	450,535
Equipment	200.00	0	19,500	46,854
Total Program Costs	\$536,105.08	\$406,517	\$673,049	\$699,237
Proprietary Fund	536,105.08	406,517	673,049	699,237
Total Funding Costs	\$536,105.08	\$406,517	\$673,049	\$699,237
Current Level Services	436,855.03	406,517	647,970	673,962
Modified Level Services	99,250.05	0	25,079	25,275
Total Service Costs	\$536,105.08	\$406,517	\$673,049	\$699,237

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 and logging. Products from the program are currently sold to other governmental entities and non-profit corporations.

Budget Issues

The prison industries is based totally upon a revolving fund. As they generate their own funds they can perpetuate their operations. This budget request includes enough authority for them to carry out the level of operation they feel they can accomplish in the 1989 biennium.

The only changes are associated with the very fine new industries building which was completed as part of the prison expansion. There is increased authority recommended in repairs and maintenance, supplies and utilities. The drop in other expenses is because of nonbudgeted depreciation expenses which are not requested in the 1989 biennium.

Modification Request

Shop Supervisor - 1.00 FTE is recommended to accommodate the potential production increases of the 1989 biennium. This request is based upon the program's ability to generate the funds for the position.

Cost: FY88 \$25,079

FY89 \$25,275

PRISON CANTEEN Budget Detail Summary

	Actual FY 1986	Budgeted FY 1987	Recommendation FY 1988	FY 1989
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	403,404.13	361,031	529,897	607,466
Equipment	609.75	0	0	0
Total Program Costs	\$404,013.88	\$361,031	\$529,897	\$607,466
State Special Revenue Fund	404,013.88	361,031	529,897	607,466
Total Funding Costs	\$404,013.88	\$361,031	\$529,897	\$607,466
Current Level Services	404,013.88	361,031	529,897	607,466
Total Service Costs	\$404,013.88	\$361,031	\$529,897	\$607,466

Program Description

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

Budget Issues

The current level budget increases significantly to avoid inadequate authority for the prison canteen. The provisions

of the budget amendment law make it very difficult to budget amend funds if the need arises. These are state special revenues and adequate authority is recommended to avoid problems and to accommodate a much larger prison population.

PRISON INDUSTRIES TRAINING PGM
Budget Detail Summary

	Actual FY 1986	Budgeted FY 1987	Recommendation	
			FY 1988	FY 1989
Full Time Equivalent Employees	2.75	2.75	3.75	3.75
Personal Services	108,979.13	82,683	160,505	161,595
Operating Expenses	186,173.68	244,442	244,358	246,169
Equipment	5,603.85	0	11,350	0
Total Program Costs	\$300,756.66	\$327,125	\$416,213	\$407,764
General Fund	148,006.29	145,468	176,327	161,065
Federal & Other Spec Rev Fund	7,174.27	0	25,079	25,275
Proprietary Fund	145,576.10	181,657	214,807	221,424
Total Funding Costs	\$300,756.66	\$327,125	\$416,213	\$407,764
Current Level Services	300,756.66	327,125	391,134	382,489
Modified Level Services	0.00	0	25,079	25,275
Total Service Costs	\$300,756.66	\$327,125	\$416,213	\$407,764

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. During FY85 and FY86 the program began implementation of all phases. At FY86 year end the new vocational training building was completed, equipped and work began.

The budget recommendation for the 1989 biennium increases over the FY86 current level by \$90,378 in FY88

and \$81,733 in FY89 to reflect full operation of the industries training program. There is an increase in utilities of \$29,085 each year over the current level. This reflects the additional utility cost for the new industries program.

The decrease in contracted services is due to a horticulturist position that was in contracted services but is now reflected in the current level budget as a .75 FTE.

This program is not intended to be self supporting because of its emphasis on training as stated in section 53-30-133, MCA. The majority of the increased cost for the full operation of this program is in proprietary funds. The level of general fund support is at the same proportional level to other funds as was budgeted in the 1985 and 1987 bienniums. The general fund supports personal services and some of the operational costs.

Modification Requests

Career Counseling Service - 1.00 FTE - The Office of Public Instruction has received federal grant funds for career counseling in the Prison Industries Program. This is a request to budget for these funds as they are available in FY88 and FY89.

Cost: FY88 = \$25,079 FY89 = \$25,275

Agency Summary Budget Detail Summary	Actual FY 1986	Budgeted FY 1987	Recommendation FY 1988 FY 1989	
Full Time Equivalent Employees	26.83	25.83	25.83	25.83
Personal Services	666,525.64	645,852	648,927	652,536
Operating Expenses	267,322.48	282,104	298,152	297,816
Equipment	13,228.94	3,650	7,851	1,850
Total Agency Costs	\$947,077.06	\$931,606	\$954,930	\$952,202
General Fund	829,228.24	817,362	837,161	834,171
State Special Revenue Fund	79,010.99	74,794	86,383	86,617
Federal & Other Spec Rev Fund	38,837.83	39,450	31,386	31,414
Total Funding Costs	\$947,077.06	\$931,606	\$954,930	\$952,202
Current Level Services	940,121.23	931,606	951,414	948,686
Modified Level Services	6,955.83	0	3,516	3,516
Total Service Costs	\$947,077.06	\$931,606	\$954,930	\$952,202

Agency Description

The Swan River Forest Camp is responsible for developing and maintaining a rehabilitation-oriented program for youthful offenders (ages 18 through 26) committed to its care and custody. The staff works cooperatively with the Division of Forestry, Department of State Lands. The program for these offenders includes fair and humane treatment in a minimally restrictive setting. The staff provides educational opportunities, psychological services, work programs, training in living skills, and realistic planning for each youth's return to the community. This facility is provided for in section 53-30-202, MCA.

Budget Issues

In FY86 and FY87 the Swan River Forest Camp was budgeted for 26.83 FTE. In FY86 the superintendent resigned and the business manager became the new superintendent. In an effort to meet the unfunded pay plan and other reductions, the business manager position was deleted. This action saves over \$36,000 in salary and benefits for this position each year.

A 4% vacancy savings has been applied to this agency's budget.

\$5,600 has been eliminated from the base operational budgets to meet the reductions of the June special session.

The majority of the operational increases over FY86 actual are directly associated with Swan River's new sewer treat-

ment plant. The sewer treatment facility is scheduled for completion in January, 1987. The system includes approximately one and one half miles of sewage line, a sewage pumping station, settling pond, aeration system, effluent sprinkling lines, pump and sprinkler heads. The repair and maintenance budget increases by \$10,000 each year for the ongoing maintenance of this system.

The increase in contracted services is primarily due to audit fees and insurance and bonds.

The increase in utilities results from the additional cost of operating the sewer treatment plant and inflationary adjustments.

The goods purchased for resale increases to provide adequate state special revenue authority for the operation of the canteen.

Modification Request

Contract Improvement Funds - Authority is recommended for the agency to expend federal contract improvement funds earned prior to FY82 but unexpended. These funds were provided to Swan River through formal contract with the Federal Bureau of Prisons in addition to daily per diem rate of reimbursement. These funds will be used for staff training, resident recreational equipment and supplies. The request is for \$3,516 each year of the 1989 biennium.

1/20/87
Keith Wolcott
Prison

MONTANA STATE PRISON
COMPARISON OF EXECUTIVE BUDGET AND LFA CURRENT LEVEL

	FTE FY '89	Biennium General Fund	Total Funds
Executive Budget	406.06	\$25,719,876	\$32,160,689
LFA Current Level	401.53	24,764,616	31,483,428
Executive Over (Under) LFA	4.53	\$ 955,260	\$ 677,261

The executive budget includes \$955,260 more general fund than LFA current level. Total funds are \$677,261 over the LFA current level. The executive recommends 4.53 FTE over the LFA current level. The major differences between the executive budget and LFA current level are discussed in the following issues.

CARE AND CUSTODY

ISSUE 1: ADDITIONAL STAFFING

The executive budget adds 6.4 FTE for an estimated increase in the prison population to 968 inmates in fiscal 1988 and 990 in fiscal 1989. These FTE cost approximately \$316,890 more than the LFA current level.

ISSUE 2: DELETED FTE

The executive deletes 3.87 FTE to account for not funding the 1987 program. These FTE remain in the LFA current level and cost approximately \$206,230 over the 1989 biennium.

ISSUE 3: VACANCY SAVINGS

The executive budget applies 1.68 percent vacancy savings to prison security staff and 4 percent to other staff compared with the LFA current level vacancy savings rate of 4 percent for all staff. The overall savings difference amounts to \$212,056 more in the LFA current level.

ISSUE 4: OPERATING COSTS

The executive budget adds \$488,000 for the 1989 biennium for costs associated with increasing the average daily inmate population to 990 by fiscal 1989.

ISSUE 5: EQUIPMENT PURCHASES

The executive budgets \$25,000 for equipment each year. There is no equipment in the LFA current level which makes the executive budget \$50,000 over LFA current level for the 1989 biennium.

ISSUE 6: AUDIT COSTS

The executive budget is \$24,750 higher than LFA current level because the executive budget has \$24,750 added for audit costs. LFA current level includes these costs in the Department of Institutions Central Office.

PRISON RANCH

ISSUE 7: OPERATING COSTS

The executive budget adds \$75,464 in supplies and materials over the LFA current level and the agency request.

ISSUE 8: EQUIPMENT AND LIVESTOCK

The executive budget has \$314,000 less equipment and livestock than the LFA current level.

LICENSE PLATE FACTORY

ISSUE 9: ALUMINUM PURCHASE

The executive budget includes \$120,000 less than the LFA current level for the purchase of aluminum inventory used in the manufacturing of license plates.

ISSUE 10: MAJOR MAINTENANCE

The executive budget provides \$30,000 more for major maintenance of license plate factory equipment than the LFA current level.

PRISON INDUSTRIES

ISSUE 11: SHOP SUPERVISOR MODIFIED

The executive budget adds a 1.0 FTE shop supervisor with a biennial cost of \$45,575 over the LFA current level.

ISSUE 12: OPERATING COSTS

The executive budget includes \$2,979 for the Industries Program audit costs in fiscal 1988 while the LFA current level consolidates institutional audit costs in the Department of Institutions Central Office. The executive includes \$4,500 more for building supplies in fiscal 1989 than the LFA current level.

ISSUE 13: EQUIPMENT

The executive budget includes \$1,454 more for equipment in fiscal 1989 than the LFA current level.

INDUSTRIES TRAINING

ISSUE 14: CAREER COUNSELOR MODIFIED

The executive budget adds a 1.0 FTE career counselor to the Industries Training Program with a biennial cost of \$50,215 over the LFA current level.

MONTANA STATE PRISON

Budget Item	Actual	Appropriated	- - Current Level - -		% Change
	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989	1987-89 Biennium
F.T.E.	365.23	404.53	401.53	401.53	(3.00)
Personal Service	\$ 8,460,553	\$ 9,584,310	\$10,292,759	\$10,396,485	14.7
Operating Expense	4,710,308	4,751,331	5,079,202	5,223,037	8.9
Equipment	63,806	713,850	219,645	272,300	(36.7)
Total Expenditures	<u>\$13,234,667</u>	<u>\$15,049,491</u>	<u>\$15,591,606</u>	<u>\$15,891,822</u>	<u>11.3</u>
Fund Sources					
General Fund	\$10,410,164	\$11,792,935	\$12,295,262	\$12,469,354	11.5
State Special	786,090	780,201	1,123,285	1,177,136	46.9
Federal Revenue	125,542	91,292	90,533	90,533	(16.5)
Proprietary Funds	1,912,871	2,385,063	2,082,526	2,154,799	(1.4)
Total Funds	<u>\$13,234,667</u>	<u>\$15,049,491</u>	<u>\$15,591,606</u>	<u>\$15,891,822</u>	<u>11.3</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 1986 average daily population was 907 inmates compared with 740 in fiscal 1984 and a budgeted average daily population of 800 inmates. A new high security unit and a new maximum security unit were completed and occupied early in fiscal 1987. Each unit has a design capacity of 96 for a total of 192 beds. The completion of these units eliminated the need to house inmates in the gymnasium. However, it has not eliminated the need for double bunking in Close I and II units. The prison has a design capacity of 744 inmates; with a average daily population of 925 in the first four months of fiscal 1987, inmates are still "double bunked" at the prison.

The 1989 biennium budget increases 11.3 percent over the 1987 biennium. This increase is due to full staffing of the prison now that the expansion is complete plus increases in employee benefits resulting from increases in the workers' compensation rates. Operating costs increase for inflation, growth in the Industries Program annual output, aluminum purchases for the license plate factory, and utility costs at the newly completed Industries Training Program building. Decreased cattle purchases for the ranch operation account for the decrease in equipment into the 1989 biennium. The Prison Ranch has deleted 3.0 FTE that are no longer needed.

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
	Fiscal 1986	Fiscal 1987*	Fiscal 1988	Fiscal 1989	1987-89 Biennium
F.T.E.	340.53	379.78	379.78	379.78	0.00
Personal Service	\$ 7,736,005	\$ 8,911,672	\$ 9,483,419	\$ 9,580,431	14.5
Operating Expense	2,663,675	2,879,319	2,813,048	2,900,127	3.1
Equipment	32,264	39,864	-0-	-0-	(100.0)
Total Expenditures	<u>\$10,431,944</u>	<u>\$11,830,855</u>	<u>\$12,296,467</u>	<u>\$12,480,558</u>	<u>11.3</u>
Fund Sources					
General Fund	\$10,262,154	\$11,687,892	\$12,125,956	\$12,309,213	11.3
State Special	51,423	51,638	79,978	80,812	56.0
Federal Revenue	<u>118,367</u>	<u>91,325</u>	<u>90,533</u>	<u>90,533</u>	<u>(13.7)</u>
Total Funds	<u>\$10,431,944</u>	<u>\$11,830,855</u>	<u>\$12,296,467</u>	<u>\$12,480,558</u>	<u>11.3</u>

*Includes balance of biennial appropriations.

The Care and Custody unit includes the housing, security, general operations, and administration of the prison. The prison care and custody was authorized 340.53 FTE in fiscal 1986 to staff the expanded prison facilities which were expected to open in January 1986. The expansion was not completed and ready for occupancy in fiscal 1986, however due to population increases during the fiscal year some of the positions were filled. The prison used part of the \$517,387 expansion funding savings to cover a \$253,986 deficit in the regular general fund appropriation. Table 1 provides an analysis of the prison general fund as it was appropriated, net of the Governor's 2 percent cuts, and expended in fiscal 1986.

Table 1
Comparison of Montana State Prison-Care and Custody Appropriations and Expenditures
Fiscal 1986

<u>Expansion</u>	<u>Appropriated</u>	<u>Expended</u>	<u>Difference</u>
Personal Services	\$ 796,026	\$ 350,796	\$ 445,230
Operating Expense	105,624	33,468	72,156
Total Expansion	\$ 901,650	\$ 384,264	\$ 517,386
<u>Regular</u>			
Personal Services	\$ 7,079,013	\$ 7,318,811	\$(239,798)
Operating Expense	2,499,628	2,510,245	(10,617)
Equipment	-0-	3,571	(3,571)
Total Regular	\$ 9,578,641	\$ 9,832,627	\$(253,986)
<u>Biennium Appropriations</u>			
Equipment	\$ 68,000	\$ 28,692	\$ 39,308
Audit	17,132	16,571	561
Total General Fund	<u>\$10,565,423</u>	<u>\$10,262,154</u>	<u>\$ 303,269</u>

As the table shows, less than half of the \$901,650 expansion funds were expended on the expansion. Of the remainder, \$253,986 was used to cover the regular general fund deficit. The \$39,308 balance of the equipment appropriation and \$561 of the audit appropriation are included in the fiscal 1987 appropriated on the main table since they are biennial appropriations.

Fiscal 1986: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1986 actual expenditures and funding to allocations as anticipated by the 1985 legislature.

Table 2
Comparison of Actual Expenses to Appropriated Expenses

<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
F.T.E	340.53	340.53	0.00
Personal Service	\$ 7,942,000	\$ 7,736,005	\$ 205,995
Operating Expense	2,713,636	2,663,675	49,961
Equipment	68,000	32,264	35,736
Total Expenditures	<u>\$10,723,636</u>	<u>\$10,431,944</u>	<u>\$291,692</u>
<u>Funding</u>			
General Fund	10,565,423	10,262,154	303,269
State Special	51,618	51,423	195
Federal and Other	<u>106,595</u>	<u>118,367</u>	<u>(11,772)</u>
Total Funds	<u>\$10,723,636</u>	<u>\$10,431,944</u>	<u>\$291,692</u>

Personal services are \$205,995 less than the legislature authorized because the expansion was not completed in January 1986 as anticipated. Therefore, the agency did not hire all of the expansion staff authorized. As shown in Table 2 above, half of the savings generated by the late opening of the expanded facilities was used to offset the personal services deficit incurred in the regular operation of the prison. The prison experienced an average daily population of 107 inmates more than budgeted. The additional population required additional posts for the gymnasium, which housed up to 80 of the minimum security inmates while the expanded facilities were being completed.

Operating costs were \$49,961 less than authorized primarily because of the expansion costs operating savings. Savings of nearly \$40,000 occurred in contracted services as fewer inmates were boarded out-of-state than anticipated. Data processing charges from the Department of Administration were \$8,000 less than anticipated since the prison converted to the Department of Institutions computer. The prison spent less than authorized in supplies, communications, and repairs offset by expenses that were more than authorized in travel and allowances for inmates in the other expense category. The prison reduced their biennial equipment appropriation from \$80,000 to \$68,000 for the Governor's 2 percent cuts. Only \$28,692 of the appropriation was spent leaving a balance of \$39,308 to carry into fiscal 1987. The remaining \$3,573 spent on equipment was a result of the explosion on December 30, 1985.

The general fund savings of \$303,269 are the residual savings from the expansion funds. The state special revenue is from the alcohol earmarked account and supports two alcohol counselors at the prison. Federal funds include adult basic education funds of \$14,974 spent in fiscal 1986, ECIA Chapter I and II funds of \$3,708 spent in fiscal 1986, and federal boarder funds of \$99,685 expended in fiscal 1986. More federal boarder reimbursement was received than anticipated. In compliance with Section 3 of House Bill 500, the additional federal funds were expended and general fund expenditures were reduced by an equal amount.

Current Level Adjustments

Operating costs were reduced \$38,197 in contracted services for psychological contracts with all contractors except the psychiatrist. The prison has three full time psychologists, nine correctional treatment specialists, a half time correctional treatment specialist supervisor and 1.5 FTE chaplains costing \$465,772 per year to provide psychological and spiritual treatment. The contracts appear to be a duplication of services, particularly the contract with the University of Montana's Department of Psychology for graduate students to work and study at the prison. Legislative audit fees of \$17,553 were removed from the base as these costs are now included in the Department of Institutions Central Office budget. Insurance costs are increased \$40,503 based on quotes from the Tort Claims Division of the Department of Administration. Supply costs are increased \$5,241 for janitorial supplies to take care of the new housing units. Telephone equipment charges are increased \$15,856 for the prison's new phone system based on quotes from the Telecommunications Division of the Department of Administration. One-time costs of \$6,087 for moving phones have been removed from the base. Out-of-state travel costs were reduced \$12,828 to the fiscal 1986 authorized level. Natural gas was increased \$29,499 and building repair and maintenance costs were increased \$27,178 for the addition of the new facilities that were not in the fiscal 1986 base. Other minor adjustments amount to less than one percent.

The general fund increases 11.3 percent over the 1987 biennium as a result of the increases in personal services. The state special alcohol funds increase 56 percent as three alcohol counselors are funded from the alcohol funds. Federal funds decrease 13.7 percent as fewer federal boarder days are expected in the 1989 biennium. Federal boarder revenue is included at \$17,850 each year of the biennium while ECIA Chapter I and II funds are included at the current level of \$3,708 each year.

PRISON RANCH

Budget Item	Actual	Appropriated	- - Current Level - -		% Change 1987-89 Biennium
	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989	
F.T.E.	15.75	15.75	12.75	12.75	(3.00)
Personal Service	\$ 378,665	\$ 426,284	\$ 425,635	\$ 429,720	(6.3)
Operating Expense	827,443	656,755	600,443	606,094	(18.7)
Equipment	25,073	713,850	187,500	226,900	(43.9)
Total Expenditures	<u>\$1,231,181</u>	<u>\$1,796,889</u>	<u>\$1,213,578</u>	<u>\$1,262,714</u>	<u>(18.2)</u>
Fund Sources					
Proprietary Funds	<u>\$1,231,181</u>	<u>\$1,796,889</u>	<u>\$1,213,578</u>	<u>\$1,262,714</u>	<u>(18.2)</u>

The prison ranch and dairy is self-supporting and uses dairy, crops and beef cattle enterprises to provide work and training for inmates. The ranch provides

milk, cottage cheese, and ice cream to the other institutions. The slaughter house operation with its three FTE has been eliminated as a money loser. The slaughter house is now used for training inmates and providing meat for the prison only.

Fiscal 1986: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1986 actual expenditures and funding to allocations as anticipated by the 1985 legislature.

Table 3
Comparison of Actual Expenses to Appropriated Expenses

<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
F.T.E	15.75	15.75	0.00
Personal Service	\$ 425,163	\$ 378,665	\$ 46,498
Operating Expense	637,133	827,443	(190,310)
Equipment	692,850	25,073	667,777
Total Exp. and Funding	<u>\$1,755,146</u>	<u>\$1,231,181</u>	<u>\$ 523,965</u>

The ranch spent \$46,498 less than authorized due to the vacancies of the 2.0 FTE butchers and the 1.0 FTE meatcutter which resulted from the elimination of the slaughter house operation. Operating expenses are \$190,310 more than authorized due to an inventory adjustment of \$145,919 which is a non-cash expenditure and to purchasing feed and feed supplements of \$58,957.

The ranch was authorized \$143,600 for equipment purchases and \$549,250 for livestock and expended \$521 on equipment and \$24,552 on livestock. Overall the ranch spent \$523,965 less than authorized because the operation generated less income than anticipated.

Current Level Adjustments

Personal services have been decreased 3.0 FTE for the butcher and meatcutter positions eliminated with the closure of the slaughter house operation.

Operating costs have been decreased \$2,036 for audit costs which have been transferred to the Department of Institutions Central Office. Other decreases of \$236,797 are made for required accounting entries that have no cash effect. Hay costs are reduced \$58,582 as the ranch expects hay production to be higher in the 1989 biennium.

Equipment is included at the ranch's requested level of \$176,100 in fiscal 1988 and \$215,500 in fiscal 1989 to replace agricultural equipment, ranch trucks and dairy equipment. Also included is \$10,000 each year for breeding bulls and \$1,400 each year for saddle horses.

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. Two concerns with the ranch appropriation authority are the level-product prices charged to the other institutions and the transfer of authority to other programs. The ranch pricing of dairy products is at 95 percent of the retail price for milk as set by the Milk Control Board. This pricing represents a savings to the institutions and reduces the general fund cost of operating other institutions. The general appropriation act allows transfers among programs. When there is no set obligation on an appropriation, it is good fiscal policy to restrict the transfer of this appropriation authority to other programs.

PRISON LICENCE PLATE FACTORY

Budget Item	Actual	Appropriated	- - Current Level - -		% Change 1987-89 Biennium
	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989	
F.T.E.	2.00	2.00	2.00	2.00	0.00
Personal Service	\$ 67,482	\$ 51,353	\$ 70,417	\$ 71,093	19.1
Operating Expense	262,719	316,179	443,292	417,765	48.7
Equipment	453	-0-	-0-	-0-	(100.0)
Total Expenditures	\$330,654 =====	\$367,532 =====	\$513,709 =====	\$488,858 =====	43.6 =====
<u>Fund Sources</u>					
State Special	\$330,654 =====	\$367,532 =====	\$513,709 =====	\$488,858 =====	43.6 =====

The License Plate Factory at Montana State Prison manufactures licenses for the State of Montana. This program is not one of the prison industries enterprises. The funding for this program comes from Motor Vehicle fees from the Department of Justice.

Fiscal 1986: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1986 actual expenditures and funding to allocations as anticipated by the 1985 legislature.

Table 4
Comparison of Actual Expenses to Appropriated Expenses

Budget Item	Legislature	Actual	Difference
F.T.E	2.00	2.00	0.00
Personal Service	\$ 51,333	\$ 67,482	\$(16,149)
Operating Expense	303,879	262,719	41,160
Equipment	-0-	453	(453)
Total Exp. and State Special	<u>\$355,212</u>	<u>\$330,654</u>	<u>\$ 24,558</u>

The personal services deficit results primarily from coding \$14,170 of inmate pay under personal services rather than under inmate pay in the other expense category where it was budgeted. Overtime and differential pay were unbudgeted expenditures which make up the balance of the personal services deficit.

Operating expenses are \$41,160 less than authorized from savings in supplies, utilities, and from coding inmate pay to the personal services budget rather than operating costs where it was budgeted.

Current Level Adjustments

Personal services increase 19.1 percent after budgeting inmate pay in personal services at \$15,489 in fiscal 1988 and \$15,430 in fiscal 1989.

Operating costs increase nearly 50 percent as a result of budgeting aluminum supplies of \$152,425 in fiscal 1988 and \$125,908 in fiscal 1989. These supplies were not budgeted in the 1987 biennium because the plant had sufficient inventory on hand to meet the biennial production requirements. The aluminum inventory will be nearly depleted by June 1987; therefore, aluminum supplies are included to produce 392,000 large plates and 34,000 small plates each year and leave a three month inventory on hand. The 1985 legislature authorized \$20,000 in fiscal 1986 and \$30,000 in fiscal 1987 for major repairs of plant equipment. Following the advice of the industry's leading equipment supplier, the department has not performed the major overhaul of the equipment as requested but is providing preventative and routine maintenance. The 1989 biennium request included \$20,000 in fiscal 1988 and \$30,000 in fiscal 1989 for major maintenance of the plant equipment. Current level includes \$10,000 each year to maintain the existing level of maintenance.

Funding is provided from 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 1987-89 Biennium
	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989	
F.T.E.	4.25	4.25	4.25	4.25	0.00
Personal Service	\$169,421	\$112,318	\$177,781	\$178,863	26.6
Operating Expense	366,890	294,199	450,088	446,243	35.6
Equipment	(198)	-0-	19,500	45,400	100.0
Total Expenditures	<u>\$536,113</u>	<u>\$406,517</u>	<u>\$647,369</u>	<u>\$670,506</u>	<u>39.8</u>
Fund Sources					
Proprietary Funds	<u>\$536,113</u>	<u>\$406,517</u>	<u>\$647,369</u>	<u>\$670,506</u>	<u>39.8</u>

The Prison Industries Program provides work opportunities for the inmates to prevent 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. Industries programs include furniture manufacturing, furniture refinishing and restoration, upholstery, sign manufacturing, printing, logging, post and pole operations, and jack-leg fence construction. In compliance with House Bill 462 (L.1985), new furniture sales to other state agencies are sold through licensed wholesale or retail furniture outlets.

Industries increases nearly 40 percent into the 1989 biennium based on anticipated sales increases over the 1987 biennium levels. The program received \$108,170 of budget amendment authority for expanded operations in fiscal 1986 and used \$99,124 of the authority. This trend is expected to continue into the 1989 biennium. Personal services increases 26.6 percent as inmate pay of \$42,955 each year is included here in the 1989 biennium, while it was budgeted in operating expenses in the 1987 biennium.

Fiscal 1986: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1986 actual expenditures and funding to allocations as anticipated by the 1985 legislature.

Table 5
Comparison of Actual Expenses to Appropriated Expenses

<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
F.T.E	4.25	4.25	0.00
Personal Service	\$112,281	\$139,445	\$(27,164)
Operating Expense	289,009	297,943	(8,934)
Equipment	-0-	(533)	533
Total Expenditures	<u>\$401,290</u>	<u>\$436,855</u>	<u>\$(35,565)</u>
<u>Funding</u>			
Proprietary Funds	<u>\$401,290</u>	<u>\$436,855</u>	<u>\$(35,565)</u>
<u>Additions</u>			
Proprietary	<u>\$108,170</u>	<u>\$ 99,124</u>	<u>\$ 9,046</u>

Personal services are \$27,164 more than authorized as a result of coding inmate pay of \$32,864 to personal services rather than to operating expenses where it was budgeted.

Operating expenses are \$8,934 more than authorized as a result of required accounting entries for the non-budgeted items of depreciation and inventory adjustments which totaled \$37,277. After adjusting for these accounting entries the other expense category is \$29,042 less than authorized after the program coded inmate pay to personal services. This savings is offset by overexpenditures in contract services of \$11,000 for marketing services and a person for the logging operation, supplies and materials of \$4,500 various supplies, and utilities of \$1,400. Repair and maintenance costs were \$10,000 less than anticipated while goods purchased for resale were \$6,500 less than authorized.

The program received a budget amendment for \$108,170 for expanded production to meet increased demand. The program spent \$99,124 of the amended authority.

Current Level Adjustments

The current level is included at the agencies requested level, which includes the increase which resulted from the budget amendment in fiscal 1986. Increases over and above the budget-amended level are in supplies, communications, travel, repair and maintenance, goods for resale, and equipment.

Supply increases of \$24,000 are for paper products of \$11,000, building materials of \$7,500 for upgrade of work areas, shop supplies of \$4,000 needed to perform the daily operations of the program, and various other supplies amounting to \$5,000. Communications increases of \$1,371 are for mailing marketing pamphlets and telephone charges associated with the prison's new telephone system. Travel increases \$1,819 to provide extra meals and lodging required for the delivery truck driver as a result

of increased sales and an out-of-state seminar for the industries supervisor. Repair and maintenance increases \$8,608 primarily for repair of the logging machinery. Raw materials purchased for manufacture and resale increases \$84,829 based on 30 percent of projected sales of \$715,922 plus inventory stocking of \$30,000.

Table 6 shows the equipment requested by fiscal year.

Table 6
Prison Industries Equipment List

Equipment Item	Fiscal 1988	Fiscal 1989
1 - 4x4 Crew Cab Pickup	\$ -0-	\$ 8,500
10 - Chain Saws	8,000	-0-
1 - Dust Collection System	10,000	-0-
- Misc. Furniture Tools	1,500	-0-
1 - 2 Color Head for Print Press	-0-	8,500
1 - Paper Jogger	-0-	700
1 - Numbering Machine	-0-	3,500
1 - Sewing Machine	-0-	1,200
1 - Enlarger	-0-	2,000
1 - Darkroom Equipment	-0-	10,000
1 - Letter Die Cutter	-0-	1,500
1 - Lettering Die	-0-	3,000
1 - Table Saw	-0-	3,500
1 - Collator	-0-	3,000
Total	<u>\$19,500</u>	<u>\$45,400</u>

Equipment is included at the program's requested level of \$19,500 in fiscal 1988 and \$45,400 in fiscal 1989.

PRISON CANTEEN

Budget Item	Actual	Appropriated	- - Current Level - -		% Change
	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989	1987-89 Biennium
Operating Expense	\$403,403	\$361,031	\$529,598	\$607,466	48.7
Equipment	610	-0-	-0-	-0-	(100.0)
Total Expenditures	\$404,013 =====	\$361,031 =====	\$529,598 =====	\$607,466 =====	48.6 =====
Fund Sources					
State Special Funds	\$404,013 =====	\$361,031 =====	\$529,598 =====	\$607,466 =====	48.6 =====
<div> <div> <div>----- Fiscal 1988 -----</div> <div> <div>ISSUES:</div> <div> <div>General Fund</div> <div>Other Funds</div> </div> </div> <div> <div>----- Fiscal 1989 -----</div> <div> <div>General Fund</div> <div>Other Funds</div> </div> </div> </div> </div>					
1. 2.0 FTE Canteen Store					
Managers	\$(49,663)	\$49,663	\$(49,841)	\$49,841	

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 with the exception of 2.0 FTE store managers, costing \$49,663 in fiscal 1988 and \$49,841 in fiscal 1989, who are supported by general fund. Current sales are not sufficient to support the store manager positions. Any profits from the operation are deposited to the inmate welfare fund.

The canteen increases 48.7 into the 1989 biennium as projected sales increase 15 percent per year. Part of the increase is due to the increase in the prison population which increased 22.6 percent from fiscal 1984 to fiscal 1986.

Fiscal 1986: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1986 actual expenditures and funding to allocations as anticipated by the 1985 legislature.

Table 7
Comparison of Actual Expenses to Appropriated Expenses

<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
Operating Expense	\$360,756	\$403,403	\$(42,647)
Equipment		610	(610)
Total Exp. and State Special	<u>\$360,756</u>	<u>\$404,013</u>	<u>\$(43,257)</u>

The canteen overexpended its authority by \$42,647 in operating costs, primarily goods for resale, and \$610 in equipment as a result of expanded sales beyond those anticipated by the 1985 legislature. The canteen requested a supplemental for \$69,244 of state special canteen funds which was signed by the Governor on April 21, 1986.

Current Level Adjustments

The current level is included at the program's requested level which increases funds transferred to the inmate welfare account by \$4,782 in fiscal 1988 and \$7,777 in fiscal 1989 based on 4 percent of projected sales of \$499,158 in fiscal 1988 and \$574,031 in fiscal 1989. Goods purchased for resale are increased \$121,723 in fiscal 1988 and \$196,596 in fiscal 1989.

ISSUE 1: FUNDING OF STORE MANAGER POSITIONS

The canteen operation has 2.0 FTE store manager positions costing \$49,663 in fiscal 1988 and \$49,841 in fiscal 1989 which are funded with general fund in the prison budget. Funding these positions with canteen funds would require an overall increase in canteen prices of 10 percent, assuming that the projected sales included in this budget are correct and that demand remains constant with the increase in price.

Option A: Fund the 2.0 FTE store manager positions with funds from canteen sales, saving \$49,663 of general fund in fiscal 1988 and \$49,841 in fiscal 1988. Require the program to price canteen products to enable the support of these positions.

Option B: Take no action.

PRISON INDUSTRIES TRAINING

<u>Budget Item</u>	<u>Actual Fiscal 1986</u>	<u>Appropriated Fiscal 1987</u>	<u>- - Current Level - - Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>% Change 1987-89 Biennium</u>
F.T.E.	2.75	2.75	2.75	2.75	0.00
Personal Service	\$108,980	\$ 82,683	\$135,507	\$136,378	41.9
Operating Expense	186,178	244,442	242,733	245,342	13.3
Equipment	5,604	-0-	12,645	-0-	125.6
Total Expenditures	<u>\$300,762</u>	<u>\$327,125</u>	<u>\$390,885</u>	<u>\$381,720</u>	<u>23.0</u>
<u>Fund Sources</u>					
General Fund	\$148,010	\$145,468	\$169,306	\$160,141	12.3
Federal Revenue	7,175	-0-	-0-	-0-	(100.0)
Proprietary Funds	<u>145,577</u>	<u>181,657</u>	<u>221,579</u>	<u>221,579</u>	<u>35.4</u>
Total Funds	<u>\$300,762</u>	<u>\$327,125</u>	<u>\$390,885</u>	<u>\$381,720</u>	<u>23.0</u>

The Industries Training Program is a program approved 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 completed and occupied in fiscal 1986.

This program is supported by general fund at approximately 44.5 percent and proprietary funds for the balance. Personal services increase 41.9 percent in the 1989 biennium as a result of including \$44,629 each year for inmate pay which was budgeted in operating expenses in the 1987 biennium. Operating expenses increase 13.3 percent primarily for utilities in the new facilities.

Fiscal 1986: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1986 actual expenditures and funding to allocations as anticipated by the 1985 legislature.

Table 8
Comparison of Actual Expenses to Appropriated Expenses

<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
F.T.E	2.75	2.75	0.00
Personal Service	\$ 82,598	\$108,980	\$(26,382)
Operating Expense	294,328	186,178	108,150
Equipment	12,140	5,604	6,536
Total Expenditures	<u>\$389,066</u>	<u>\$300,762</u>	<u>\$ 88,304</u>
Funding			
General Fund	\$155,348	\$148,010	\$ 7,338
Federal Revenue	37,323	7,175	30,148
Proprietary Funds	196,395	145,577	50,818
Total Funds	<u>\$389,066</u>	<u>\$300,762</u>	<u>\$ 88,304</u>

Personal services are \$26,382 more than authorized due to coding inmate pay of \$40,266 as personal services costs rather than as operating costs where they were budgeted.

Operating costs are \$108,150 under the authorized level as a result of the accounting for inmate pay as discussed above and utility savings of \$13,000 as the new building was not completed until late in fiscal 1986. Only \$7,174 of the federal Carl Perkins Funds budgeted at \$37,243 were available in fiscal 1986. The program spent \$10,500 less on supplies than anticipated and made a required accounting adjustment of a negative \$11,769 for an inventory adjustment. Other minor differences amount to less than one percent.

Current Level Adjustments

Personal Services increase 41.9 percent after adding \$44,629 each year for inmate pay which was budgeted under operating expenses in the 1987 biennium.

Operating costs increase 13.3 percent after adding projected natural gas costs for the new 16,000 square foot building of \$23,217 and electricity costs of \$5,868. Contracted services decrease \$12,674 for a 0.75 FTE horticulture supervisor that is included in personal services in lieu of the 0.75 FTE industries shop supervisor. Merchandise for resale, purchased out of the proprietary fund, is increased \$25,522.

Funding for this program comes from the general fund and funds the program generates from the sale of products and services to other prison programs and other state agencies. The 1987 legislature provided general fund at 44.52 percent of total funds exclusive of federal grants the program obtains. The current level provides general fund at 43 percent of the total in fiscal 1988 and 41 percent on fiscal 1989 based on the proprietary revenue the program estimates it will generate in each year of the biennium of \$221,579.

**SWAN RIVER FOREST CAMP
COMPARISON OF EXECUTIVE BUDGET AND LFA CURRENT LEVEL**

	FTE FY '89	- - - - - Biennium - - - - - <u>General Fund</u>	<u>Total Funds</u>
Executive Budget	25.83	\$1,671,332	\$1,907,132
LFA Current Level	25.83	<u>1,668,081</u>	<u>1,895,072</u>
Executive Over (Under) LFA	<u>0.00</u>	<u>\$ 3,251</u>	<u>\$ 12,060</u>

The executive budget is \$3,251 over the LFA current level general fund and \$12,060 over LFA current level total funding. The differences between the executive budget and LFA current level are discussed in the issues that follow.

ISSUE 1: AUDIT FEES

The executive budget includes \$8,000 in fiscal 1986 for the legislative audit costs. The LFA current level consolidates the institutional audit costs in the Department of Institutions Central Office.

ISSUE 2: CONTRACT IMPROVEMENT FUNDS

The executive budget includes \$7,032 for federal contract improvement funds to provide staff training and resident recreational equipment and supplies that are not included in LFA current level.

Exhibit 3
1/20/89
K. Walaath
Prison

AGENCY: MONTANA STATE PRISON

LEGISLATIVE ACTION

PROGRAM: CARE AND CUSTODY

BUDGET ITEM	FY 1986 Actual	Executive Current Level	Fiscal 1988 Current Level	Difference	Executive Current Level	Fiscal 1989 Current Level	Difference	FY 86-88 % Change
FTE	340.53	382.31	379.78	2.53	382.31	379.78	2.53	0.12
Personal Services	\$7,736,005	\$9,661,740	\$9,483,419	\$178,321	\$9,765,265	\$9,580,431	\$184,834	0.23
Operating Expenses	\$2,663,675	\$3,039,799	\$2,813,048	\$226,751	\$3,158,072	\$2,900,127	\$257,945	0.06
Equipment	\$32,264	\$25,000	\$0	\$25,000	\$25,000	\$0	\$25,000	-1.00
TOTAL EXPENSES	\$10,431,944	\$12,726,539	\$12,296,467	\$430,072	\$12,948,337	\$12,480,558	\$467,779	0.18
FUNDING								
General Fund	\$10,262,154	\$12,580,343	\$12,125,956	\$454,387	\$12,802,141	\$12,309,213	\$492,928	0.18
State Special Rev	\$51,423	\$51,424	\$79,978	(\$28,554)	\$51,424	\$80,812	(\$29,388)	0.56
Federal Revenue	\$118,367	\$94,772	\$90,533	\$4,239	\$94,772	\$90,533	\$4,239	-0.24
TOTAL FUNDING	\$10,431,944	\$12,726,539	\$12,296,467	\$430,072	\$12,948,337	\$12,480,558	\$467,779	0.18

Personal Services

- The executive deleted 3.87 FTE costing \$108,476 each year that remain in the LFA current level.
- The executive added 4 posts or 6.4 FTE for an estimated population increase to 968 in fiscal 1988 and 990 in fiscal 1989 costing \$126,005 and \$127,628 respectively that are not in the LFA current level.
- The executive applied 1.68 percent vacancy savings to 248.6 correctional FTE accounting for \$131,338 less vacancy savings in fiscal 1988 and \$132,283 less in fiscal 1989. The difference in methodology of applying vacancy savings accounts for \$25,071 less vacancy savings in the LFA current level in fiscal 1988 and \$26,494 less in fiscal 1989.
- The executive includes \$55,386 more in fiscal 1988 and \$62,436 more in fiscal 1989 for overtime and differential than the LFA current level.

Operating

1. The executive modification for the population increase is \$103,690 in fiscal 1988 and \$141,084 in fiscal 1989 or \$1,700 per inmate. These costs are not in the LFA current level.
2. The executive includes psychological contracts of \$38,197 and other contracts increases of \$6,620 that are not in the LFA current level.
3. The LFA current level deletes the phone add/move charge left in the executive of \$1,500 each year and a postage and mailing increase of \$475 each year.
4. The LFA current level reduced the travel base \$15,526 each year.
5. The executive included a base adjustment of \$42,435 for electricity that is not included in the LFA current level.
6. The executive included \$2,631 less for buildings and grounds maintenance than included in the LFA current level.
7. The executive includes inmate pay of \$2,023 in fiscal 1988 and \$2,752 in fiscal 1989 that are not included in the LFA current level.

Equipment

The executive includes \$25,000 for equipment each year while the LFA current level includes \$0.

Funding

The LFA current level funds an alcohol counselor with alcohol funds of \$28,554 in fiscal 1988 and \$29,388 in fiscal 1989 that the executive funds with general fund.

The executive uses a three year average of Federal Boarder revenue which is \$4,239 more than LFA current level.

Exhibit 4
1/20/87
K. Wolcott
Phison

OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

REPORT EBSR106
DATE : 01/07/87
TIME : 15/24/40

AGENCY : 6409 MONTANA STATE PRISON
PROGRAM : 12 CARE & CUSTODY
CONTROL : 00000

AGENCY : 6409 MONTANA STATE PRISON		CURRENT LEVEL SERVICES ONLY							
PROGRAM : 12 CARE & CUSTODY									
CONTROL : 00000									
AE/OE	DESCRIPTION	OBPP FY 88	LFA FY 88	DIFF FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
02034	ALCOHOLISM TREATMENT-REHAB	51,424	79,978	-28,554	—, —, —	51,424	80,812	-29,388	—, —, —
03104	MONTANA STATE PRISON	14,975	14,975	—, —, —	—, —, —	14,975	14,975	—, —, —	—, —, —
03111	MSP - BOARDER REIMBURSEMENT	76,089	71,850	4,239	—, —, —	76,089	71,850	4,239	—, —, —
03160	TITLE I	3,204	3,204	—, —, —	—, —, —	3,204	3,204	—, —, —	—, —, —
03177	EICA CHAPTER 11 GRANT	504	504	—, —, —	—, —, —	504	504	—, —, —	—, —, —
TOTAL PROGRAM		12,726,539	12,296,467	430,072	—, —, —	12,948,337	12,480,558	467,779	—, —, —

REPORT EBSR106
DATE : 01/07/87
TIME : 15/24/40

OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

PAGE 367

AGENCY : 6409 MONTANA STATE PRISON
PROGRAM : 12 CARE & CUSTODY
CONTROL : 00000

		CURRENT LEVEL SERVICES ONLY							
AE/OE	DESCRIPTION	OBPP FY 88	LFA FY 88	DIFF FY 88	SUB-CMT FY 88	OBPP FY 89	LFA FY 89	DIFF FY 89	SUB-CMT FY 89
00000	FULL TIME EQUIVALENT (FTE)	382.31	379.78	2.53	—, —, —	382.31	379.78	2.53	—, —, —
11100	SALARIES	7,509,350	7,455,820	53,530	—, —, —	7,507,008	7,453,833	53,175	—, —, —
11400	EMPLOYEE BENEFITS	1,883,402	1,765,727	117,675	—, —, —	1,992,598	1,863,718	128,880	—, —, —
11500	HEALTH INSURANCE	534,750	533,370	1,380	—, —, —	534,750	533,370	1,380	—, —, —
11600	VACANCY SAVINGS	-265,762	-372,029	106,267	—, —, —	-269,091	-374,880	105,789	—, —, —
1800			100,531	-100,531	—, —, —		104,390	-104,390	—, —, —
	TOTAL SECOND LEVEL	9,661,740	9,483,419	178,321	—, —, —	9,765,265	9,580,431	184,834	—, —, —
2021	CONTRACTED SERVICES-INFLATION	-34	-34		—, —, —	-69	-66	-3	—, —, —
2022	SUPPLIES & MATERIALS-INFLATION	69,317	64,395	4,922	—, —, —	119,336	112,071	7,265	—, —, —
2023	COMMUNICATIONS-INFLATION	1,113	1,113		—, —, —	1,719	1,720	-1	—, —, —
2026	UTILITIES-INFLATION	45,394	36,605	8,789	—, —, —	91,858	75,433	16,425	—, —, —
2100	CONTRACTED SERVICES	384,311	317,683	66,628	—, —, —	368,765	317,683	51,082	—, —, —
2200	SUPPLIES & MATERIALS	1,518,565	1,440,596	77,969	—, —, —	1,549,842	1,440,596	109,246	—, —, —
2300	COMMUNICATIONS	93,452	91,371	2,081	—, —, —	93,398	91,371	2,027	—, —, —
2400	TRAVEL	41,720	24,493	17,227	—, —, —	42,497	24,493	18,004	—, —, —
2500	RENT	6,186	6,186		—, —, —	6,186	6,186		—, —, —
2600	UTILITIES	519,126	480,372	38,754	—, —, —	519,126	480,372	38,754	—, —, —
2700	REPAIR & MAINTENANCE	164,851	167,463	-2,612	—, —, —	164,851	167,463	-2,612	—, —, —
2800	OTHER EXPENSES	195,798	182,805	12,993	—, —, —	200,563	182,805	17,758	—, —, —
	TOTAL SECOND LEVEL	3,039,799	2,813,048	226,751	—, —, —	3,158,072	2,900,127	257,945	—, —, —
3100	EQUIPMENT	25,000		25,000	—, —, —	25,000		25,000	—, —, —
	TOTAL PROGRAM	12,726,539	12,296,467	430,072	—, —, —	12,948,337	12,480,558	467,779	—, —, —
01100	GENER FUND	12,580,343	12,125,956	454,	—, —, —	12,802,141	12,309,213	492,928	—, —, —

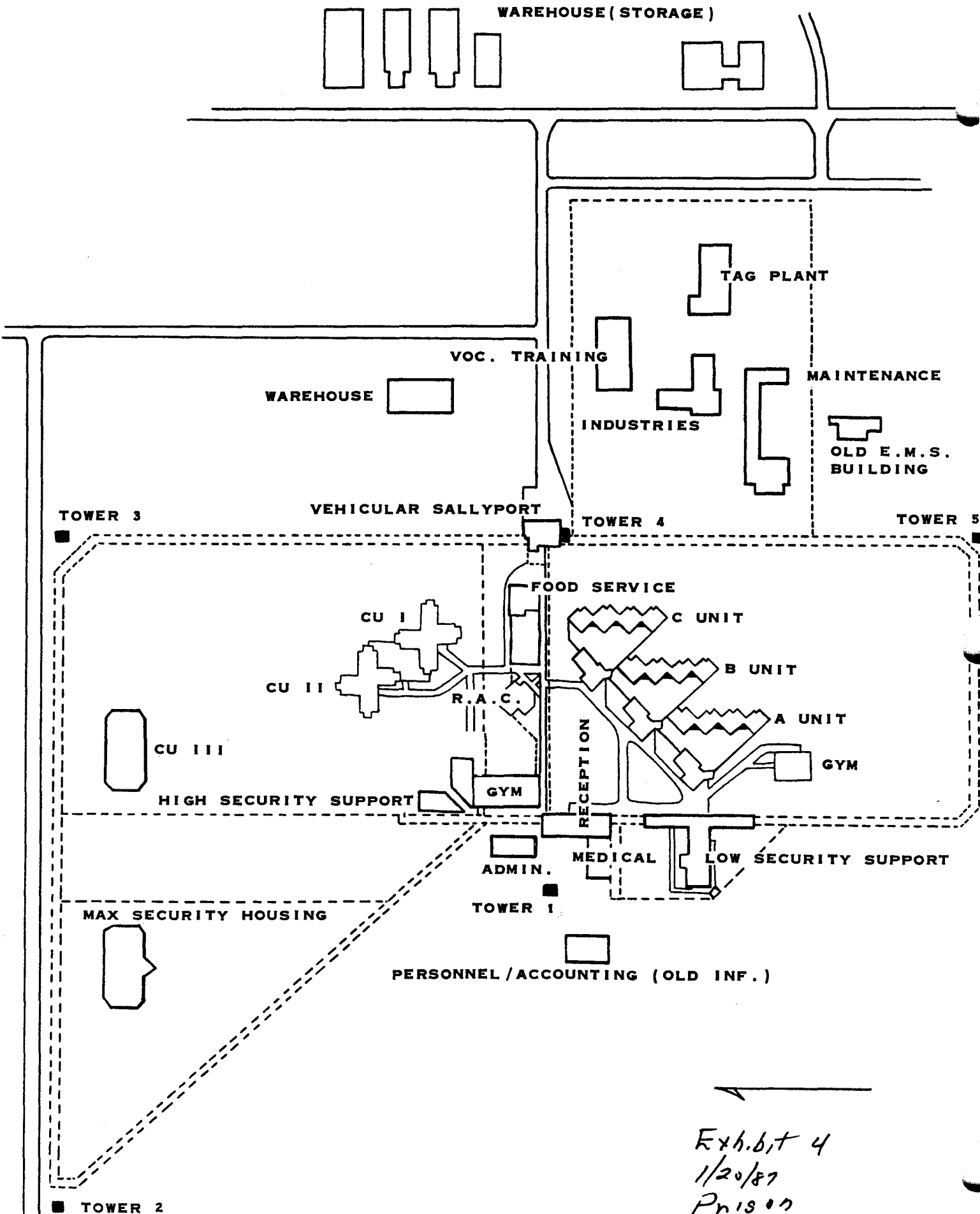


Exhibit 4
1/20/87
Prison
Hank Risley

VISITOR'S REGISTER

INSTITUTIONS

SUBCOMMITTEE

AGENCY(S) Dept. of InstitutionsDATE January 20,DEPARTMENT Prison

NAME	REPRESENTING	SUP- PORT	OP- POSE
Hayle Risley	MSP		
Bill Wells	MSP		
Jim Currie	D&I		
Bobbie Dixon			
Scott Sim			
Dan Russell			
Carroll Sath			
Dave Depew	M/FE X		
Steve Shirley	Lee State Bureau		
Mike Murray	Chemical Dependency Programs of MT		
Chuck Johnson	G F Tribune		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT.
IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.