

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

January 21, 1987

The eleventh meeting of the Institutions and Cultural Education Subcommittee was called to order in room 202-A of the state capitol on January 21, 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 representatives of the Department and the Montana State Prison.

DEPARTMENT OF INSTITUTIONS:

Montana State Prison: 11-1-A:014

Mr. South advised that in 1979, when John LaFaver was with the Legislative Fiscal Analyst, he recommended that the prison ranch should be sold; the legislature considered that at the time and decided that if the ranch could not be made self-supporting, it would be sold. He explained that largely due to the efforts of Ron Paige, Ranch Manager of the Montana State Prison and the appointment of a committee of legislators who advise them, it has become a profitable operation.

He gave an overview of all the prison industries, which includes the prison ranch, the prison license plate factory, the prison canteen, the prison industries program, which provides work opportunities for the inmates and trains them in job skills and work habits, and the industries training program, which includes training in auto repair, heavy equipment repair, industrial arts, meat cutting, etc.

In connection with the license plate factory, Mr. South noted, that the money from the sale of plates goes to the Department of Justice and then they give the money

to the Department of Institutions and if more license plates are sold, the Department of Institutions needs an appropriation to get the additional money.

(090) Mr. Harris said that there are two modified requests - (1) in the prison industries revolving account, being they are generating their own money, the executive is recommending a shop supervisor for \$25,079 in FY 88 and \$25,275 in FY 89; and (2) in the industries training program, there is a career counselor, which is funded by a federal grant and which is outlined in exhibit 1, pages S-201 and S-205, for the same amount as above.

Prison Ranch:

(120) Mr. Wolcott, referring to exhibit 2, pages D-39 and D-40, and exhibits 3 and 4, gave an overview of the ranch operations and outlined the differences between the governor's budget and the LFA's budget.

Mr. Harris explained that in equipment, they simply looked at what they had spent in FY 86 and they doubled it, giving them \$50,000, because this is proprietary funds, wherein they generate their own money and then they can use the money for whatever they want.

(280) Mr. Paige informed the committee that they have put in 950 acres of sprinkling systems and another 190 acres are scheduled for this spring, they have increased their beef cattle, updated their dairy cows and improved the feeding and watering systems at the dairy. He said that they have increased the productivity base of the ranch somewhat at the expense of equipment and they are now at a point where they need to improve the equipment.

(305) There was considerable discussion concerning the updating of equipment and their overall ranching operation.

Prison License Plate Factory:

(535) Mr. Wolcott referred to exhibits 5, 6 and 7 and explained the differences between the executive's budget and the LFA's.

(633) Mr. Harris said that they tried to identify a portion of \$30,000 each year for the centennial plate and they need that authority back in for supplies and under supplies, the amount should be \$354,722 each year.

There were some questions and comments in regard to the centennial plate.

Tape: 11-1-B: Mike Shields, Executive Assistant to the Lieutenant Governor, stated that they were authorized to coordinate the activities for the centennial and to produce a commemorative license plate and proceeds from the sale of these plates would be used to fund the program statewide. He contended that it is anyone's guess as to how many of these plates will be purchased and they have done this in Idaho and their sales are going much better than expected.

There were further questions on the centennial plate.

Prison Industries:

(200) Mr. Wolcott reviewed this program. See exhibits 8, 9 and 10. He explained the differences between the OBPP's budget and the LFA's.

Prison Canteen:

(300) Mr. Wolcott explained exhibits 11, 12 and 13. He advised that with the exception of the \$299 audit fees, there is really no difference between the two budgets.

Mr. South requested more authority for stocking the canteen and they estimated they need \$600,000 in FY 88 and \$700,000 in FY 89. He noted that this also allows for the growth in the prison population.

Prison Industries Training:

(402) Mr. Wolcott reviewed exhibits 14, pages 48 and 49, and exhibits 15 and 16.

(520) Mr. Harris explained that this program had a little general fund money in it and the appropriation is less and it is getting less each year.

Institutions Subcommittee  
January 21, 1987  
Page Four

Tape: 11-2-A:030

Mr. South indicated this program was initiated after the prison riots in 1982 and the percentages of the general fund costs have remained relatively constant since 1983. He said that if they are going to have this program, they are going to have to have about that same percentage of general fund money.

There was some discussion on this program and on the problem that is created by competing against the private sector.

Warden Risley distributed exhibit 17, which is a recap of the custody staff and the auxillary staff, which had been requested by the committee previously.

In answer to a question, Mr. Risley advised that they do have trouble getting registered nurses - sometimes they only get one or two applications and sometimes they do not get any.

ADJOURNMENT:

(107) There being no further business, the meeting was adjourned at 9:50 a.m.



REPRESENTATIVE MILLER, Chairman



Alice Omang, Secretary

INSTITUTIONS AND CULTURAL EDUCATION SUB COMMITTEE

Date Jan. 21, 1987

[illegible]

EXHIBIT 1  
1/20/89  
George H. HallAgency 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 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 personnel 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 FY 1986	Budgeted FY 1987	Recommendation 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
<b>Total Program Costs</b>	<b>\$1,231,179.19</b>	<b>\$1,796,889</b>	<b>\$1,077,654</b>	<b>\$1,154,215</b>
Proprietary Fund	1,231,179.19	1,796,889	1,077,654	1,154,215
<b>Total Funding Costs</b>	<b>\$1,231,179.19</b>	<b>\$1,796,889</b>	<b>\$1,077,654</b>	<b>\$1,154,215</b>
Current Level Services	1,231,179.19	1,796,889	1,077,654	1,154,215
<b>Total Service Costs</b>	<b>\$1,231,179.19</b>	<b>\$1,796,889</b>	<b>\$1,077,654</b>	<b>\$1,154,215</b>

#### 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 FY 1986	Budgeted FY 1987	Recommendation 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
<b>Total Program Costs</b>	<b>\$330,651.56</b>	<b>\$367,532</b>	<b>\$454,399</b>	<b>\$465,919</b>
State Special Revenue Fund	330,651.56	367,532	454,399	465,919
<b>Total Funding Costs</b>	<b>\$330,651.56</b>	<b>\$367,532</b>	<b>\$454,399</b>	<b>\$465,919</b>
Current Level Services	330,651.56	367,532	454,399	465,919
<b>Total Service Costs</b>	<b>\$330,651.56</b>	<b>\$367,532</b>	<b>\$454,399</b>	<b>\$465,919</b>

#### 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
<b>Total Program Costs</b>	<b>\$536,105.08</b>	<b>\$406,517</b>	<b>\$673,049</b>	<b>\$699,237</b>
Proprietary Fund	536,105.08	406,517	673,049	699,237
<b>Total Funding Costs</b>	<b>\$536,105.08</b>	<b>\$406,517</b>	<b>\$673,049</b>	<b>\$699,237</b>
Current Level Services	436,855.03	406,517	647,970	673,962
Modified Level Services	99,250.05	0	25,079	25,275
<b>Total Service Costs</b>	<b>\$536,105.08</b>	<b>\$406,517</b>	<b>\$673,049</b>	<b>\$699,237</b>

#### 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.

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.

#### 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.

#### 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
<b>Total Program Costs</b>	<b>\$404,013.88</b>	<b>\$361,031</b>	<b>\$529,897</b>	<b>\$607,466</b>
State Special Revenue Fund	404,013.88	361,031	529,897	607,466
<b>Total Funding Costs</b>	<b>\$404,013.88</b>	<b>\$361,031</b>	<b>\$529,897</b>	<b>\$607,466</b>
Current Level Services	404,013.88	361,031	529,897	607,466
<b>Total Service Costs</b>	<b>\$404,013.88</b>	<b>\$361,031</b>	<b>\$529,897</b>	<b>\$607,466</b>

#### Program Description

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

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.

#### Budget Issues

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



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
<b>Total Program Costs</b>	<b>\$300,756.66</b>	<b>\$327,125</b>	<b>\$416,213</b>	<b>\$407,764</b>
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
<b>Total Funding Costs</b>	<b>\$300,756.66</b>	<b>\$327,125</b>	<b>\$416,213</b>	<b>\$407,764</b>
Current Level Services	300,756.66	327,125	391,134	382,489
Modified Level Services	0.00	0	25,079	25,275
<b>Total Service Costs</b>	<b>\$300,756.66</b>	<b>\$327,125</b>	<b>\$416,213</b>	<b>\$407,764</b>

## 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

EXHIBIT 2  
1/21/87  
Keith Wolcott

## 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.

Exhibit  
1/21/89  
H. Wolcott  
Prison Ranch

AGENCY: MONTANA STATE PRISON  
PROGRAM: RANCH AND DAIRY

LEGISLATIVE ACTION

BUDGET ITEM	FY 1986 Actual	Fiscal 1988			Fiscal 1989			FY 86-88 % Change
		Executive	Current Level	Difference	Executive	Current Level	Difference	
FTE	15.75	12.75	12.75	0.00	12.75	12.75	0.00	-0.1

Personal Services	\$378,665	\$422,916	\$425,635	(\$2,719)	\$426,952	\$429,720	(\$2,768)	0.1
Operating Expenses	\$827,443	\$604,738	\$600,443	\$4,295	\$677,263	\$606,094	\$71,169	-0.2
Equipment	\$25,073	\$50,000	\$187,500	(\$137,500)	\$50,000	\$226,900	(\$176,900)	6.4
TOTAL EXPENSES	\$1,231,181	\$1,077,654	\$1,213,578	(\$135,924)	\$1,154,215	\$1,262,714	(\$108,499)	-0.0

FUNDING

Other Revenue	\$1,231,181	\$1,077,654	\$1,213,578	(\$135,924)	\$1,154,215	\$1,262,714	(\$108,499)	-0.0
TOTAL FUNDING	\$1,231,181	\$1,077,654	\$1,213,578	(\$135,924)	\$1,154,215	\$1,262,714	(\$108,499)	-0.0

Personal Services

1. The executive vacancy savings is \$2,670 more in fiscal 1988 and \$2,715 more in fiscal 1989 than the LFA current level.

Operating Expenses

1. The executive used a different method of inflating gasoline than the LFA current level accounting for \$2,453 more in fiscal 1988 and \$1,340 more in fiscal 1989.

Equipment

1. The LFA current level includes the agency request for agricultural equipment at \$130,100 in fiscal 1988 and \$155,500 in fiscal 1989 that are not in the executive.

2. The LFA current level includes other equipment of \$46,000 in fiscal 1988 and \$60,000 in fiscal 1989 while the executive includes \$50,000 each year.

3. The LFA current level includes \$11,400 each year for breeding bulls and saddle horses.

Exhibit 4  
11/21/87  
K Woleff

Prison Ranch,

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 : 15 RANCH & DAIRY  
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
0000	FULL TIME EQUIVALENT (FTE)	12.75	12.75			12.75	12.75		
1100	SALARIES	294,862	294,895	-33		294,634	294,669	-35	
1200	HOURLY WAGES	52,334	52,334			52,334	52,334		
1400	EMPLOYEE BENEFITS	75,746	73,370	2,376		80,179	77,556	2,623	
1500	HEALTH INSURANCE	17,595	17,595			17,595	17,595		
1600	VACANCY SAVINGS	-17,621	-14,951	-2,670		-17,790	-15,075	-2,715	
1800			2,392	-2,392			2,641	-2,641	
	TOTAL SECOND LEVEL	422,916	425,635	-2,719		426,952	429,720	-2,768	
2202	SUPPLIES & MATERIALS-INFLATION	450	-2,003	2,453		1,593	253	1,340	
2203	COMMUNICATIONS-INFLATION	74	74			114	114		
2206	UTILITIES-INFLATION	3,160	3,113	47		6,497	6,468	29	
2100	CONTRACTED SERVICES	24,538	22,616	1,922		22,543	22,616	-73	
2200	SUPPLIES & MATERIALS	400,179	400,179			470,179	400,179	70,000	
2300	COMMUNICATIONS	5,028	5,028			5,028	5,028		
2400	TRAVEL	3,808	3,910	-102		3,808	3,910	-102	
2500	RENT	6,147	6,147			6,147	6,147		
2600	UTILITIES	49,731	49,731			49,731	49,731		
2700	REPAIR & MAINTENANCE	97,880	97,899	-19		97,880	97,899	-19	
2800	OTHER EXPENSES	3,743	3,743			3,743	3,743		
2900	GOODS PURCHASED FOR RESALE	10,000	10,006	-6		10,000	10,006	-6	
	TOTAL SECOND LEVEL	604,738	600,443	4,295		677,263	606,094	71,169	
3000	EQUIPMENT & INTANGIBLE ASSETS		130,100	-130,100			155,500	-155,500	
3100	EQUIPMENT	50,000	46,000	4,000		50,000	60,000	-10,000	

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AGENCY : 6409 MONTANA STATE PRISON  
PROGRAM : 15 RANCH & DAIRY  
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
3200	LIVESTOCK		11,400	-11,400	—, —, —		11,400	-11,400	—, —, —
	TOTAL SECOND LEVEL	50,000	187,500	-137,500	—, —, —	50,000	226,900	-176,900	—, —, —
	TOTAL PROGRAM	1,077,654	1,213,578	-135,924	—, —, —	1,154,215	1,262,714	-108,499	—, —, —
06533	PRISON RANCH	1,077,654	1,213,578	-135,924	—, —, —	1,154,215	1,262,714	-108,499	—, —, —
	TOTAL PROGRAM	1,077,654	1,213,578	-135,924	—, —, —	1,154,215	1,262,714	-108,499	—, —, —

Exhibit 5  
11/21/89  
K. W. Kott

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	<u>\$330,654</u>	<u>\$367,532</u>	<u>\$513,709</u>	<u>\$488,858</u>	<u>43.6</u>
<u>Fund Sources</u>					
State Special	<u>\$330,654</u>	<u>\$367,532</u>	<u>\$513,709</u>	<u>\$488,858</u>	<u>43.6</u>

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.



Exhibit 6  
1/21/89  
K. Wolkoff

AGENCY, MONTANA STATE PRISON		LEGISLATIVE ACTION						PROGRAM, LICENSE PLATE FACTORY	
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	2.00	2.00	2.00	0.00	2.00	2.00	0.00	0.00	
Personal Services	\$67,482	\$69,827	\$70,417	(\$590)	\$70,501	\$71,093	(\$592)	0.00	
Operating Expenses	\$262,719	\$384,572	\$443,292	(\$58,720)	\$395,418	\$417,765	(\$22,347)	0.6	
Equipment	\$453	\$0	\$0	\$0	\$0	\$0	\$0	-1.00	
TOTAL EXPENSES	\$330,654	\$454,399	\$513,709	(\$59,310)	\$465,919	\$488,858	(\$22,939)	0.5	
FUNDING									
State Special Rev	\$330,654	\$454,399	\$513,709	(\$59,310)	\$465,919	\$488,858	(\$22,939)	0.5	
TOTAL FUNDING	\$330,654	\$454,399	\$513,709	(\$59,310)	\$465,919	\$488,858	(\$22,939)	0.5	

Personal Services

1. The executive vacancy savings is \$652 higher in fiscal 1988 and \$660 higher in fiscal 1989 than the LFA current level.

Operating Expenses

1. The executive supplies are based on an average three years production and no ending inventory on hand compared with average production and three month inventory in the LFA current level. These differences amount to \$73,283 in fiscal 1988 and \$46,766 in fiscal 1989.

2. The executive budget includes \$4,096 more for natural gas each year than is included in the LFA current level.

3. The executive includes \$10,000 more for maintenance in fiscal 1988 and \$20,000 more in fiscal 1989 than the LFA current level.

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AGENCY : 6409 MONTANA STATE PRISON  
PROGRAM : 16 LICENSE PLATE FACTORY  
CONTROL : 00000

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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
0000	FULL TIME EQUIVALENT (FTE)	2.00	2.00			2.00	2.00		
1100	SALARIES	43,377	43,328	49		43,456	43,407	49	
1200	HOURLY WAGES	15,489	15,489			15,430	15,430		
1400	EMPLOYEE BENEFITS	11,110	11,040	70		11,793	11,717	76	
1500	HEALTH INSURANCE	2,760	2,760			2,760	2,760		
1600	VACANCY SAVINGS	-2,909	-2,257	-652		-2,938	-2,278	-660	
1800			57	-57			57	-57	
	TOTAL SECOND LEVEL	69,827	70,417	-590		70,501	71,093	-592	
2022	SUPPLIES & MATERIALS-INFLATION	354,722	43			354,722	72	-3	
2023	COMMUNICATIONS-INFLATION	22	22			34	34		
2026	UTILITIES-INFLATION	803	687	116		1,863	1,636	227	
2100	CONTRACTED SERVICES	5,879	5,583	296		5,702	5,583	119	
2200	SUPPLIES & MATERIALS	327,537	400,760	-73,223		327,462	374,243	-46,781	
2300	COMMUNICATIONS	670	674	-4		670	674	-4	
2600	UTILITIES	28,339	24,243	4,096		28,339	24,243	4,096	
2700	REPAIR & MAINTENANCE	20,898	10,898	10,000		30,898	10,898	20,000	
2800	OTHER EXPENSES	381	382	-1		381	382	-1	
	TOTAL SECOND LEVEL	384,572	443,292	-58,720		395,418	417,765	-22,347	
	TOTAL PROGRAM	454,399	513,709	-59,310		465,919	488,858	-22,939	
02404	MOTOR VEHICLE	454,399	513,709	-59,310		465,919	488,858	-22,939	
	TOTAL PROGRAM	454,399	513,709	-59,310		465,919	488,858	-22,939	

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EX-11.21 / 8  
1/21/87  
K Wolcott

### PRISON INDUSTRIES

Budget Item	Actual	Appropriated	- - Current Level - -		% Change
	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989	1987-89 Biennium
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.

(6)

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

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

9 11

Exhibit 9  
11/21/87  
K. Woleff

AGENCY: MONTANA STATE PRISON		LEGISLATIVE ACTION					PROGRAM: PRISON INDUSTRIES REVOLV AC	
BUDGET ITEM	FY 1986 Actual	Fiscal 1988			Fiscal 1989			FY 86-87 % Change
		Executive	Current Level	Difference	Executive	Current Level	Difference	
FTE	4.25	4.25	4.25	0.00	4.25	4.25	0.00	0.00
Personal Services	\$169,421	\$175,292	\$177,781	(\$2,489)	\$176,573	\$178,863	(\$2,290)	0.00
Operating Expenses	\$366,890	\$453,178	\$450,090	\$3,088	\$450,535	\$446,243	\$4,292	0.2
Equipment	(\$198)	\$19,500	\$19,500	\$0	\$46,854	\$45,400	\$1,454	-99.4
TOTAL EXPENSES	\$536,113	\$647,970	\$647,371	\$599	\$673,962	\$670,506	\$3,456	0.2
	=====	=====	=====	=====	=====	=====	=====	=====
FUNDING								
Other Revenue	\$536,113	\$647,970	\$647,369	\$601	\$673,962	\$670,506	\$3,456	0.2
TOTAL FUNDING	\$536,113	\$647,970	\$647,369	\$601	\$673,962	\$670,506	\$3,456	0.2
	=====	=====	=====	=====	=====	=====	=====	=====

Personal Services

1. The personal services difference results from the difference in vacancy savings methodologies between the executive and the LFA.

Operating Expenses

1. The executive reduced out-of-state travel \$630 per year.

Equipment

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

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AGENCY : 6409 MONTANA STATE PRISON  
PROGRAM : 17 PRISON INDUSTRIES REVOLVING AC  
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
0000	FULL TIME EQUIVALENT (FTE)	4,25	4,25			4,25	4,25		
1100	SALARIES	106,502	106,550	-48		106,276	106,323	-47	
1200	HOURLY WAGES	42,955	42,955			42,955	42,955		
1400	EMPLOYEE BENEFITS	27,274	23,719	3,555		28,834	25,068	3,766	
1500	HEALTH INSURANCE	5,865	5,865			5,865	5,865		
1600	VACANCY SAVINGS	-7,304	-4,875	-2,429		-7,357	-4,915	-2,442	
1800			3,567	-3,567			3,567	-3,567	
	TOTAL SECOND LEVEL	175,292	177,781	-2,489		176,573	178,863	-2,290	
2021	CONTRACTED SERVICES-INFLATION	-1		-1		-1		-1	
2022	SUPPLIES & MATERIALS-INFLATION	261	-441	702		683	298	385	
2023	COMMUNICATIONS-INFLATION	103	103			160	160		
2026	UTILITIES-INFLATION	894	875	19		1,879	1,867	12	
2100	CONTRACTED SERVICES	21,696	18,702	2,994		18,706	18,702	4	
2200	SUPPLIES & MATERIALS	100,896	100,892	4		100,914	96,392	4,522	
2300	COMMUNICATIONS	6,755	6,755			6,755	6,755		
2400	TRAVEL	2,718	3,348	-630		2,718	3,348	-630	
2500	RENT	236	236			236	236		
2600	UTILITIES	15,818	15,818			15,818	15,818		
2700	REPAIR & MAINTENANCE	37,334	37,334			36,334	36,334		
2800	OTHER EXPENSES	11,900	11,900			11,765	11,765		
2900	GOODS PURCHASED FOR RESALE	254,568	254,568			254,568	254,568		
	TOTAL SECOND LEVEL	453,178	450,090	3,088		450,535	446,243	4,292	
3100	EQUIPMENT	19,500	19,500			46,854	45,400	1,454	

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AGENCY : 6409 MONTANA STATE PRISON  
PROGRAM : 17 PRISON INDUSTRIES REVOLVING AC  
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
	TOTAL PROGRAM	647,970	647,371	599	—, —, —	673,962	670,506	3,456	—, —, —
06534 MSP INSTITUTIONAL INDUSTRIES		647,970	647,369	601	—, —, —	673,962	670,506	3,456	—, —, —
	TOTAL PROGRAM	647,970	647,369	601	—, —, —	673,962	670,506	3,456	—, —, —

EXHIBIT II  
1/21/87  
K. Wolcott

PRISON CANTEEN

Budget Item	Actual	Appropriated	- - Current Level - -		% Change 1987-89 Biennium
	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989	
Operating Expense	\$403,403	\$361,031	\$529,598	\$607,466	48.7
Equipment	610	-0-	-0-	-0-	(100.0)
<b>Total Expenditures</b>	<b>\$404,013</b>	<b>\$361,031</b>	<b>\$529,598</b>	<b>\$607,466</b>	<b>48.6</b>

Fund Sources

State Special Funds	\$404,013	\$361,031	\$529,598	\$607,466	48.6
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- - - - - Fiscal 1988 - - - - -      - - - - - Fiscal 1989 - - - - -

ISSUES:      General Fund      Other Funds      General Fund      Other Funds

1. 2.0 FTE Canteen Store

Managers	\$(49,663)	\$49,663	\$(49,841)	\$49,841
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(9) (11)

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>	Actual	Appropriated	- - Current Level - -		% Change
	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989	1987-89 Biennium
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.

Exhibit 12  
1/21/87  
H. Woleott

AGENCY: MONTANA STATE PRISON      LEGISLATIVE ACTION      PROGRAM: PRISON CANTEEN

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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	ERF
Operating Expenses	\$403,403	\$529,897	\$529,598	\$299	\$607,466	\$607,466	\$0	0.3
Equipment	\$610	\$0	\$0	\$0	\$0	\$0	\$0	-1.00
TOTAL EXPENSES	\$404,013	\$529,897	\$529,598	\$299	\$607,466	\$607,466	\$0	0.3
FUNDING								
State Special Rev	\$404,013	\$529,897	\$529,598	\$299	\$607,466	\$607,466	\$0	0.3
TOTAL FUNDING	\$404,013	\$529,897	\$529,598	\$299	\$607,466	\$607,466	\$0	0.3

Operating Expenses

1. The executive includes \$299 for audit costs that in the current level are included in the central office.

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

OFFICE OF BUDGET & PROGRAM PLANNING  
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AGENCY : 6409 MONTANA STATE PRISON  
PROGRAM : 21 PRISON CANTEEN  
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
2100	CONTRACTED SERVICES	299		299					
2200	SUPPLIES & MATERIALS	1,954	1,954			1,954	1,954		
2700	REPAIR & MAINTENANCE	673	673			673	673		
2800	OTHER EXPENSES	27,813	27,813			30,808	30,808		
2900	GOODS PURCHASED FOR RESALE	499,158	499,158			574,031	574,031		
	TOTAL SECOND LEVEL	529,897	529,598	299		607,466	607,466		
	TOTAL PROGRAM	529,897	529,598	299		607,466	607,466		
02917	MSP CANTEEN	529,897	529,598	299		607,466	607,466		
	TOTAL PROGRAM	529,897	529,598	299		607,466	607,466		

EXHIBITS 14  
1/21/87  
K.W. 100H

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 1989. Require the program to price canteen products to enable the support of these positions.

Option B: Take no action.

### PRISON INDUSTRIES TRAINING

Budget Item	Actual	Appropriated	- - Current Level - -		% Change
	Fiscal 1986	Fiscal 1987	Fiscal 1988	Fiscal 1989	1987-89 Biennium
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>
<u>Funding</u>			
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.



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

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	FTE FY '89	- - - - - Biennium - - - - - General Fund	Total Funds
Executive Budget	25.83	\$1,671,332	\$1,907,132
LFA Current Level	<u>25.83</u>	<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>

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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 15  
1/21/87  
K. Wokoff

AGENCY: MONTANA STATE PRISON      PROGRAM: PRISON INDUSTRIES TRAINING

BUDGET ITEM	FY 1986 Actual	LEGISLATIVE ACTION				FY 86-87 % Change			
		Executive	Fiscal 1988	Difference	Executive	Fiscal 1989	Difference	Executive	Fiscal 1989
FTE	2.75	2.75	2.75	0.00	2.75	2.75	0.00	2.75	0.00
Personal Services	\$108,980	\$135,426	\$135,507	(\$81)	\$136,320	\$136,378	(\$58)	\$136,320	\$136,378
Operating Expenses	\$186,178	\$244,358	\$242,733	\$1,625	\$246,169	\$245,342	\$827	\$246,169	\$245,342
Equipment	\$5,604	\$11,350	\$12,645	(\$1,295)	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES	\$300,762	\$391,134	\$390,885	\$249	\$382,489	\$381,720	\$769	\$382,489	\$381,720

FUNDING

General Fund	\$148,010	\$176,327	\$169,306	\$7,021	\$161,065	\$160,141	\$924	\$161,065	\$160,141
Federal Revenue	\$7,175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$145,577	\$214,807	\$221,579	(\$6,772)	\$221,424	\$221,579	(\$155)	\$221,424	\$221,579
TOTAL FUNDING	\$300,762	\$391,134	\$390,885	\$249	\$382,489	\$381,720	\$769	\$382,489	\$381,720

Operating Expenses

- The executive includes \$990 more supplies each year than the LFA current level.
- The executive reduced out-of-state travel \$593 each year.

Equipment

- The LFA includes \$1,295 more for equipment than the executive. This equipment is for agricultural equipment.

Funding

- The executive uses \$6,772 more general fund in fiscal 1988 than the LFA current level after adjusting for expenditure differences. The LFA current level uses proprietary funds first.

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Exhibit 14  
11/21/87  
K. Wolkoff

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

OFFICE OF BUDGET & PROGRAM PLANNING  
EXECUTIVE BUDGET SYSTEM  
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AGENCY : 6409 MONTANA STATE PRISON  
PROGRAM : 22 PRISON INDSTRS TRAINING PROGRA  
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
0000	FULL TIME EQUIVALENT (FTE)	2.75	2.75			2.75	2.75		
1100	SALARIES	71,748	71,754	-6		71,617	71,622	-5	
1200	HOURLY WAGES	44,629	44,629			44,629	44,629		
1400	EMPLOYEE BENEFITS	18,692	18,322	370		19,754	19,356	398	
1500	HEALTH INSURANCE	4,140	4,140			4,140	4,140		
1600	VACANCY SAVINGS	-3,783	-3,709	-74		-3,820	-3,740	-80	
1800			371	-371			371	-371	
	TOTAL SECOND LEVEL	135,426	135,507	-81		136,320	136,378	-58	
2022	SUPPLIES & MATERIALS-INFLATION	523	272	251		987	850	137	
2023	COMMUNICATIONS-INFLATION	111	112	-1		172	173	-1	
2026	UTILITIES-INFLATION	1,789	1,753	36		3,746	3,723	23	
2100	CONTRACTED SERVICES	4,106	3,441	665		3,435	3,441	-6	
2200	SUPPLIES & MATERIALS	24,397	23,108	1,289		24,397	23,108	1,289	
2300	COMMUNICATIONS	6,127	6,132	-5		6,127	6,132	-5	
2400	TRAVEL	1,425	2,018	-593		1,425	2,018	-593	
2500	RENT	941	941			941	941		
2600	UTILITIES	30,569	30,569			30,569	30,569		
2700	REPAIR & MAINTENANCE	4,464	4,464			4,464	4,464		
2800	OTHER EXPENSES	740	757	-17		740	757	-17	
2900	GOODS PURCHASED FOR RESALE	169,166	169,166			169,166	169,166		
	TOTAL SECOND LEVEL	244,358	242,733	1,625		246,169	245,342	827	
3100	EQUIPMENT	11,350	12,645	-1,295					
	TOTAL PROGRAM	391,134	390,885	249		382,489	381,720	769	

REPORT EBSR106  
DATE : 01/07/87  
TIME : 15/24/10

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

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AGENCY : 6409 MONTANA STATE PRISON  
PROGRAM : 22 PRISON INDSTRS TRAINING PROGRA  
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
01100	GENERAL FUND	176,327	169,306	7,021	---	161,065	160,141	924	---
06545	PRISON INDUST. TRAINING PROGRA	214,807	221,579	-6,772	---	221,424	221,579	-155	---
	TOTAL PROGRAM	391,134	390,885	249	---	382,489	381,720	769	---

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EXHIBIT 17  
1/21/87  
K. Wolkott  
Prison

CUSTODY STAFF

ADMINISTRATION

(2) Security Manager			2.00
Hearings Officer			1.00
Hearings Investigator	(5-Day)		1.14
Reception	(5-Day)		1.14

5.28

CAPTAINS

3 (5-Day)

3.42

LIEUTENANTS

3 (7-Day)

4.80

SERGEANTS

Sergeant	16	(7-Day)	25.60
Sergeant	1	(5-Day)	1.14

26.74

C.O. I

Housing Unit	35	(7-Day)	56.00
Non-Unit	42	(7-Day)	67.20
Non-Unit	11	(5-Day)	12.54

135.74

C.O. II

Housing Unit	33	(7-Day)	52.80
Non-Unit	6	(7-Day)	9.60
Non-Unit	5	(5-Day)	5.70

68.10

INFIRMARY AIDES

3 (7-Day)

4.80

SPEC. DUTY AIDES

1 (5-Day)

1.14

CUSTODY STAFF TOTAL: 250.02

## ADMINISTRATION

Warden  
Deputy Warden  
Associate Warden-Administration  
Associate Warden-Treatment  
Correctional Investigator  
Secretary, Admin. II  
Secretary II  
½ Clerk, Admin. III (delete)

## BUSINESS OFFICE

Accountant II  
Payroll Technician  
Accounting Technician II  
Accounting Technician I  
(2) Clerk, Acct. II

## CLASSIFICATION AND TREATMENT

Health Services Manager I  
Psychologist IV  
(2) Psychologist III  
Substance Abuse Counselor  
(2) Drug Rehabilitation Counselor  
Correctional Treatment Supervisor  
(9) Correctional Treatment Specialist (delete 1)  
Special Duty Aide  
Clerk, Admin. III

## EDUCATION

Education Director II (delete)  
Education Director I  
Librarian  
½ Library Technician  
(7) Teacher  
½ Clerk, Admin. III

## FOOD SERVICE

Manager  
(4) Corr. Food Service Super. I  
(6) Corr. Food Service Super. II

## INFIRMARY

Physician  
Nurse, Professional IV  
(8) Nurse, Professional II (.8 delete)  
Physician Assistant  
½ Pharmacist  
Infirmary Relief Supervisor (aggregate)  
(6) L.P.N. II  
Medical Records Technician I  
Ward Clerk  
½ Dental Assistant

## MAIL ROOM

Mail Clerk Supervisor  
(3) Mail Clerk II

## MAINTENANCE

Maintenance Services Manager II  
Maintenance Supervisor III  
Electrician  
(2) Plumber  
Carpenter  
Boilermaker  
Painter  
Locksmith  
Machinist/Millright  
(6) Correctional Facilities & Equipment Technician  
Custodial Worker III

## PERSONNEL

Personnel Services Manager I  
(2) Staff Development Specialist I  
Personnel Technician II  
Secretary II

## RECORDS

Records Supervisor  
Clerk, Admin. III  
Clerk, Admin. II  
Data Entry Operator II  
½ Typist II (delete)

## RECREATION

Correctional Recreation Specialist II  
(5) Correctional Recreation Specialist I

## RELIGION

(1½) Chaplain

## SWITCHBOARD

Switchboard Operator II

## WAREHOUSE

Warehouse Foreman  
Store Manager V  
(2) Store Manager IV  
(2) Store Manager III  
Purchasing & Supply Officer II  
Service Truck Driver  
Stock Clerk II

## WORD PROCESSING

Word Processing Technician  
(2) Word Proc. Operator III

## VISITORS' REGISTER

INSTITUTIONSSUB COMMITTEE~~XXXXXX~~ NO. Dept. of InstitutionsDATE January 21, 1987~~SPONSORX~~ Prison

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Hank Risley	WSP		
Dave Watkins			
Johnal Holst			
Ron Paige			
Ross Swanson			
Bill Welds			
Wroll South	DOF I		
DAN Russell			
Jim Currie			
Bobbie Dixon			
Scott Sim			
Dave Depeu			
Jim Sam Bunk	NIPEA		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FOR

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.