

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON INSTITUTIONS & CULTURAL EDUCATION

Call to Order: By WM "RED" MENAHAN, on January 22, 1991, at 8:00 A.M.

ROLL CALL

Members Present:

Rep. Wm. "Red" Menahan, Chairman (D)
Sen. Dick Manning, Vice Chairman (D)
Sen. Gary Aklestad (R)
Sen. Tom Beck (R)
Rep. Dorothy Cody (D)
Rep. Chuck Swysgood (R)
Sen. Eleanor Vaughn (D)

Staff Present: Sandra Whitney, Senior Fiscal Analyst (LFA)
Mary LaFond, Budget Analyst (OBPP)
Mary Lou Schmitz, Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

SEN. AKLESTAD and **REP. MENAHAN** asked about the problems of prison sick leave and vacation relief. **Mr. Chisholm** said more positions can be given by the Subcommittee to give the necessary relief capacity. The Department is not indifferent or uninformed about Prison problems. **REP. MENAHAN** said problems arose when the system of negotiations moved people up and then there were not enough people to fill the vacation slots. **Mr. Chisholm** said the Department needs to review the problem again. **Jack McCormick**, Warden, Montana State Prison, referred to the ability to place people with automatic promotions and it gave them more flexibility using skills, not time.

EXECUTIVE ACTION HPI HEALTH CARE SERVICES CONTRACT

MOTION: **REP. CODY** moved to accept Executive Table 1, (Exhibit 4 of 1-21-91 Minutes) of the HPI Contract: \$463,915 in fiscal 1992 and \$486,653 in fiscal 1993 is appropriated to the various institutions as shown.

MOTION CARRIED WITH SEN. AKLESTAD AND REP. SWYSGOOD VOTING NO

Discussion: **SEN. AKLESTAD** asked about the security of drugs on medication carts used at Montana Developmental Center. **Mr. Chisholm** said that there is not a secure mechanism when no one is in tending that cart. The carts are needed in the cottages to

dispense medication on a unit-dose basis. Some cottage clientele surround the LPN supervising the cart but this method of distribution was fixed so a resident would not get medication inappropriately.

REP. SWYSGOOD said it would be better if the contract could be negotiated in the fiscal year to be on line with other items.

EXECUTIVE ACTION ON ALLOCATION OF INSURANCE AND BONDS

Tape No. 1: B: 443

Motion: SEN. BECK moved to accept the figures of either the Executive or LFA on the insurance and bonds: \$350,989 in fiscal 1992 and \$369,774 in fiscal 1993. **MOTION CARRIED UNANIMOUSLY.**

Discussion: REP. SWYSGOOD asked if these figures are contained in the Executive and LFA budgets. REP. MENAHAN said because they have accepted some various budgets they have to go back in and have a standard procedure. SEN. AKLESTAD asked if this is on a bid process and why was it not in the original base budget rather than held separately. Bill Wells, Montana State Prison, said there is a competitive bid process from several insurance companies through the Department of Administration. Ms. LaFond said the numbers the Department of Administration negotiated for are for FY 92 and FY 93 so they would be different from the current biennium budget.

REP. SWYSGOOD asked if the money paid for insurance and bonds was in the last biennium and if it was removed from the base or still part of it. Ms. Whitney said the insurance and bonds actually charged to the Department in FY 90 was \$388,518 so these numbers are actually a reduction in what was charged in FY 90. REP. SWYSGOOD asked for more clarification of the \$388,518 paid last time for insurance and bonds and is it still part of the base. Ms. Whitney said that number was in actual FY 90. They substituted these numbers so they do not have double coverage. The numbers are in the base and the only issue is that the Executive and LFA have distributed amounts in different programs.

Ms. Whitney referred to Allocation of Insurance and Bonds (Exhibit 2, 1-21-91 Minutes), regardless of base chosen. This table shows the \$22,009 included in Community Corrections. Instruction is needed from the Subcommittee that regardless of which base is chosen these are the insurance and bond numbers that will be used.

EXECUTIVE ACTION ON PROBATION AND PAROLE BUDGET

Tape No. 1, Side A, 689

Motion: REP. SWYSGOOD moved to accept the LFA Current Level Differences, Operating Expenses, and remove the \$3320 from the second year of the Biennium.

HOUSE INSTITUTIONS & CULTURAL EDUCATION SUBCOMMITTEE

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MOTION CARRIED UNANIMOUSLY

Discussion: SEN. AKLESTAD asked the difference between the two budgets. Ms. Whitney said what is shown under Current Level Differences are the differences between Executive and LFA and those are minor. Under Modified Requests, FY 92 and FY 93 are requests by the Executive. The LFA did not include modified requests.

REP. SWYSGOOD asked about the rent for FY 93. Ms. Whitney said if the LFA current level is accepted she would recommend removing the \$3320. REP. SWYSGOOD asked if the Executive figure is for both years of the Biennium. Ms. Whitney said the Executive figure included a 4% increase in rent for FY 92 so that is why the zero difference in FY 92. An extra 4% should not be considered.

Ms. Whitney said the worksheet shows there an increase of 4% in FY 93 for rent. This is not an intended request. There are base differences in communications and inflation, and the program is funded with general fund. The modified requests are for an Intensive Supervision Program (ISP) in Great Falls and for three additional probation and parole officers, Grade 13, Step 2.

EXECUTIVE ACTION ON MODIFIED REQUESTS

Tape No. 1:B:086

Motion/Vote: SEN. BECK moved to accept the Executive Budget for 3.0 FTE in FY 92 and 4.0 FTE in FY 93 Probation/Parole Officers. **MOTION CARRIED UNANIMOUSLY**

Motion/Vote: SEN. MANNING moved to accept the ISP program in Great Falls for 2.5 FTE and operating expenses. **MOTION CARRIED UNANIMOUSLY**

EXECUTIVE ACTION ON CORRECTIONS MEDICAL

Tape No. 1:B:044

Motion/Vote: REP. SWYSGOOD moved to accept the Executive Budget for operating expenses, \$720,346 FY 92 and FY 93 of the Corrections Medical Budget worksheet. **MOTION FAILED**

Motion/Vote: REP. CODY moved to accept the LFA budget \$910,237 FY 92 and \$959,738 FY 93. **MOTION CARRIED 5 to 2 WITH SEN. AKLESTAD AND REP. SWYSGOOD VOTING NO.**

Motion: REP. CODY moved to not accept the Executive budget Modifications for medical cost increases. **NO ACTION**

Motion/Vote: REP. CODY moved to accept Language #1; the Corrections Medical Budget is a biennial appropriation. **MOTION**

JI012291.HM1

CARRIED UNANIMOUSLY

Discussion: SEN. AKLESTAD asked for the total prison population. Mr. Chisholm said about 1300. SEN. AKLESTAD asked what the yearly medical costs are per inmate. Mr. Russell said about \$800 per year and it's a constant figure. Not all inmates need medical care. SEN. VAUGHN asked if any expenses are reimbursed by the inmates or is the state responsible regardless of their financial status. Mr. Chisholm said there is no federal reimbursement potential for the inmates and the state is responsible.

**SWAN RIVER FOREST CAMP
WOMEN'S CORRECTION CENTER**

Dan Russell, Administrator, Corrections Detail, introduced Steve MacAskill, Facility Manager for the Women's Prison, Dan Maloughney, Superintendent, Swan River Forest Camp and Flo Smith, Budget Manager, Swan River Forest Camp.

Mr. Russell said the programming issues related to the two facilities are: serious overcrowding at Women's Prison; increasing treatment needs for chemically dependent inmates; serious lack of parity between the men's and women's prisons; and staff shortages.

Ms. Whitney discussed the Swan River Forest Camp budget worksheet, Exhibit 1 and Women's Correctional Center budget worksheet, Exhibit 2. Ms. LaFond referred to the Swan River budget variable cost increases in operating expenses, \$20,045; this is supported by the Budget Office.

Teyrl Rouse, Women's Correction Officer, Women's Correction Center, referred to Exhibit 4, a list of serious staff problems and major issues. Other witnesses were Joyce Mead, night shift officer; Lisa Hewott, 3-11 shift officer; Sherri Lyn Temple, recreation and hobby director; Larry Pahut, night shift worker.

SEN. AKLESTAD asked what training officers receive. Ms. Hewott said they train for three weeks at Montana State Prison.

SEN. BECK referred to the budget worksheet and was concerned because there was no request for correctional officers. Mr. MacAskill said they also have major concerns about emergency backup.

REP. CODY asked how long the maximum facility has been open and how many inmates are there. Mr. MacAskill said it's been open since November, 1989 and average 12 inmates.

REP. SWYSGOOD asked Mr. MacAskill what was the top priority request when the budget was prepared. Mr. MacAskill said they do not have a budget department in their prison, but have a system in the Central Office. He does supply them with the facility's

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needs. The major request was for 3 additional FTE correctional officers.

ADJOURNMENT

Adjournment: 11:05 A.M.



WM. "RED" MENAHAN, Chair



MARY LOU SCHMITZ, Secretary

WM/mls

HOUSE OF REPRESENTATIVES
INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

ROLL CALL

DATE 1-22-91

NAME	PRESENT	ABSENT	EXCUSED
REP. WM."RED" MENAHAN, CHAIRMAN	✓		
SEN. DICK MANNING, VICE-CHAIRMAN	✓		
REP. DOROTHY CODY	✓		
SEN. ELEANOR VAUGHN	✓		
REP. CHUCK SWYSGOOD	✓		
SEN. GARY AKLESTAD	✓		
SEN. TOM BECK	✓		

6401 DEPARTMENT OF INSTITUTIONS
20 CORRECTIONS SYSTEMS
20222

SWAN RIVER FOREST CAMP BUDGET WORKSHEET

DATE : 01/09/91
TIME : 15/17/46
CURRENT LEVEL COMPARISONS

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	25.83	25.33	25.33	.00	25.33	25.33	.00
Personal Services	670,363	717,249	724,654	7,405-	717,334	725,126	7,792-
Operating Expenses	316,310	353,355	369,053	15,698-	358,182	374,342	16,160-
Equipment	11,457	13,474	15,000	1,526-	0	9,000	9,000-
Total Expend.	\$998,130	\$1,084,078	\$1,108,707	\$24,629-	\$1,075,516	\$1,108,468	\$32,952-
<u>Fund Sources</u>							
General Fund	891,039	969,941	991,708	21,767-	961,379	991,469	30,090-
State Revenue Fund	77,246	89,137	89,137	0	89,137	89,137	0
Federal Revenue Fund	29,845	25,000	27,862	2,862-	25,000	27,862	2,862-
Total Funds	\$998,130	\$1,084,078	\$1,108,707	\$24,629-	\$1,075,516	\$1,108,468	\$32,952-

CURRENT LEVEL DIFFERENCES

Personal Services

- Hourly wages included in LFA but not Executive Budget - FY 1990 was coded incorrectly. As a result, this amount in Current Level duplicates amounts already included for FTE.
- Base differences in differential, holidays, overtime & related benefits

Total Personal Services differences

Operating Expenses

- Variable cost increases included in LFA current level, but not in Executive Budget
- Base differences
- Inflation differences - primarily supplies and materials and utilities

Total Operating differences

Equipment - Top 2 agency priorities - approximate average expenditures in fiscal 1989 & 1990

EXHIBIT 1
DATE 1-22-91
HB IN-214 Sub 89MM.

Funding

State Revenue		
1. Earmarked alcohol tax - \$29,137 each year	\$0	\$0
2. Canteen - \$60,000 each year	\$0	\$0
Federal Revenue		
3. Boarder Reimbursements - \$15,000 Exec. - \$14,449 LFA each year	\$551	\$551
4. School Foods - \$10,000 Exec. - \$10,121 LFA each year	(\$121)	(\$121)
5. Education funds	(\$3,292)	(\$3,292)
General Fund Balance		

ISSUES

1. Committee Issues

MODIFIED REQUESTS

1. SRFC Chemical Dependency program - Earmarked alcohol tax - P. D-17
 1.0 FTE Grade 12/10, 0.5 FTE Grade 8/2, and educational expenses of \$512 per year

\$39,122

\$39,053

ISSUES

1. Contracted Psychologist Services - Contract Increases.
 Exec. and Current Level budgets both used actual costs for fiscal 1992 and 1993. \$8,170 \$11,143
2. Montana Defender Project and UM Legal Contract Increases
 Actual fiscal 1990 = \$17,362 --- Requested FY 93; \$33,252 --- Requested FY 93; \$33,796

Increases from LFA Fiscal 1990 actual

	FY 92	FY 93
Montana State Prison	\$15,890	\$16,434

Increases from Executive budget

	FY 92	FY 93
Montana State Prison	\$19,749	\$24,148

1. Committee Issues

MODIFIED REQUESTS

1. Staffing for Additional Capacity - general fund - P. D-16 \$570,878 \$800,791
 FY 1992 - 21.6 FTE as follows:
 12.8 FTE grade 10/2; 5.8 FTE grade 12/2; 2.0 FTE grade 13/2; 1.0 FTE teacher grade 2/13
 FY 1993 - total 32.2 FTE as follows:
 19.2 FTE grade 10/2; 9.0 FTE grade 12/2; 3.0 FTE grade 13/2; 1.0 FTE teacher grade 2/13
2. Operating cost increases - general fund - P. D-16 \$80,858 \$80,858
 (LFA current level includes \$60,706 at MSP and \$20,045 at Swan for variable cost increases)
3. Targeted Case Managers - General Fund - P. D-16 \$65,871 \$55,830
 2.0 FTE grade 13/2, operating expenses, and equipment
4. MSP Chemical Dependency program - Earmarked alcohol tax - P. D-17 \$108,355 \$104,262
 4.0 FTE as follows: 3.0 FTE grade 12/10; 1.0 FTE grade 8/2

6401 DEPARTMENT OF INSTITUTIONS
20 CORRECTIONS SYSTEMS
00000 CORRECTIONS DIVISION

DATE : 01/08/91
TIME : 21/29/24
CURRENT LEVEL COMPARISONS

Exhibit # 1 1/22/91
Instit. Subcomm.

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	567.34	563.84	563.84	.00	563.84	563.84	.00
Personal Services	14,932,434	15,608,522	15,867,716	259,194-	15,620,692	15,899,116	278,424-
Operating Expenses	8,689,743	10,117,713	9,526,652	591,061	10,211,408	9,751,361	460,127
Equipment	413,445	424,275	385,886	38,389	410,801	372,560	38,241
Capital Outlay	20,118	16,500	16,500	0	16,500	16,500	0
Grants	3,311	0	19,510	19,510-	0	19,510	19,510-
Debt Service	1,043	1,154	1,411	257-	888	888	0
Total Expend.	\$24,060,094	\$26,168,164	\$25,817,675	\$350,489	\$26,260,369	\$26,059,935	\$200,434
Fund Sources							
General Fund	20,852,208	21,714,057	22,011,783	297,726-	21,802,812	22,194,493	391,681-
State Revenue Fund	703,428	1,304,773	863,400	441,373	1,304,775	935,400	369,375
Federal Revenue Fund	178,779	153,843	156,768	2,925-	153,748	156,673	2,925-
Proprietary Fund	2,325,679	2,995,491	2,785,724	209,767	2,999,034	2,773,369	225,665
Total Funds	\$24,060,094	\$26,168,164	\$25,817,675	\$350,489	\$26,260,369	\$26,059,935	\$200,434

6401 DEPARTMENT OF INSTITUTIONS
20 CORRECTIONS SYSTEMS
02110 ADMINISTRATION

DATE : 01/09/91
TIME : 16/31/00
CURRENT LEVEL COMPARISONS

CORRECTIONS ADMINISTRATION WORKSHEET

Exhibit # 1 1/22/91
Instit. Subcomm.

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	.00	9.00	9.00	.00	9.00	9.00	.00
Personal Services	353,663	332,065	332,065	0	332,187	332,187	0
Operating Expenses	107,481	98,929	72,067	26,862	101,607	74,400	27,207
Equipment	122,838	13,020	13,020	0	13,020	13,020	0
Total Expend.	\$583,982	\$444,014	\$417,152	\$26,862	\$446,814	\$419,607	\$27,207
Fund Sources							
General Fund	536,428	444,014	416,279	27,735	446,814	418,734	28,080
State Revenue Fund	873	0	873	873-	0	873	873-
Federal Revenue Fund	46,681	0	0	0	0	0	0
Total Funds	\$583,982	\$444,014	\$417,152	\$26,862	\$446,814	\$419,607	\$27,207

CURRENT LEVEL DIFFERENCES

-----Exec over (Under) LFA-----
FY 92 -----
FY 93 -----

---Executive Action----

Operating Expenses

1. Insurance & Bonds - OBPP includes WCC, Com Corr., & BLS in Admin - LFA distributes
2. Messenger Services (deadhead mail) - LFA put here, OBPP put in Central Operations
3. Base and inflation differences

Total Operating differences

Funding

1. LFA included actual fiscal 1990 donations of \$873
2. Balance with general fund

No action required
Cent. OP Corr. Op
No Action Required

---Action on Funding---

ADOPTION OF CURRENT LEVEL EXPENDITURES AND FUNDING AS ADJUSTED

ISSUES

1st

1. Insurance for Pre-Release Centers not included in either Exec. or Current Level budgets
2. Committee Issues

Yes No

EXECUTIVE BUDGET MODIFICATIONS

1. Jail payments - Pre-release returns - General fund - P. D-16
2. Jail placement alternative - General fund - P. D-16

\$66,990 \$66,990
\$66,120 \$66,120

CORRECTIONS MEDICAL BUDGET WORKSHEET *

DATE : 01/09/91
TIME : 16/31/00

CURRENT LEVEL COMPARISONS

Exhibit #1 1/22/91
Instit. Subcomm.

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	.00	.00	.00	.00	.00	.00	.00
Operating Expenses	837,008	720,346	910,237	189,891-	720,346	959,738	239,392-
Total Expend.	\$837,008	\$720,346	\$910,237	\$189,891-	\$720,346	\$959,738	\$239,392-
<u>Fund Sources</u>							
General Fund	837,008	720,346	910,237	189,891-	720,346	959,738	239,392-
Total Funds	\$837,008	\$720,346	\$910,237	\$189,891-	\$720,346	\$959,738	\$239,392-

CURRENT LEVEL DIFFERENCES

Operating Expenses

1. Caseload increases included in Current Level
(\$626.36 for 43.67 additional ADP in fiscal 1991, plus inflation)

2. Inflation differences

3. Base differences

Total Operating differences

Funding

1. All general fund

ADOPTION OF CURRENT LEVEL EXPENDITURES AND FUNDING AS ADJUSTED *

ISSUES

1. Committee Issues

EXECUTIVE BUDGET MODIFICATIONS

1. Medical cost increases - General fund - P. D-16

LANGUAGE

1. The Corrections Medical Budget is a biennial appropriation

-----Exec over (Under) LFA-----

FY 92 FY 93

-----Executive Action-----

Ch. v/r/-
-----Action on Funding-----

Yes No
yes

fics +

\$104,649 \$164,630

no

no

102-26

6401 DEPARTMENT OF INSTITUTIONS
20 CORRECTIONS SYSTEMS
20241

COMMUNITY CORRECTIONS BUDGET WORKSHEET

DATE : 01/09/91
TIME : 16/31/00
CURRENT LEVEL COMPARISONS

Exhibit #1 1/22/91
Instit. Subcomm.

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	84.50	11.50	11.50	.00	11.50	11.50	.00
Personal Services	263,714	259,596	257,706	1,890	259,361	257,101	2,260
Operating Expenses	1,435,875	1,464,458	1,451,314	13,144	1,465,834	1,462,314	3,520
Equipment	299	0	0	0	0	0	0
Debt Service	440	0	257	257-	0	0	0
Total Expend.	\$1,700,328	\$1,724,054	\$1,709,277	\$14,777	\$1,725,195	\$1,719,415	\$5,780

Fund Sources

General Fund	1,700,328	1,723,054	1,709,277	13,777	1,724,195	1,719,415	4,780
State Revenue Fund	0	1,000	0	1,000	1,000	0	1,000
Total Funds	\$1,700,328	\$1,724,054	\$1,709,277	\$14,777	\$1,725,195	\$1,719,415	\$5,780

CURRENT LEVEL DIFFERENCES

---Executive Action----

Personal Services - Base differences in differential, holidays, overtime & related benefits

-----Exec over (Under) LFA-----
FY 92 FY 93

No action required

Operating Expenses

1. Insurance and bonds - Exec. budget in Admin. - Current level distributes

(\$19,319) (\$19,319)

No action required

2. CL additions to board & room contracts approx. equal to that in state-owned facilities

(\$10,570) (\$17,821)

Keep Delete

3. Base differences

\$50,213 \$51,412

No action required

6. Inflation differences - primarily supplies and materials and utilities

(\$7,180) (\$10,752)

No action required

Total Operating differences

\$13,144 \$3,520

Funding

1. Donations - \$0 in fiscal 1990 so none in CL - FY 91 included \$1,000 donations

\$1,000 \$1,000

2. Balance general fund

ADOPTION OF CURRENT LEVEL EXPENDITURES AND FUNDING AS ADJUSTED

ISSUES

1. Authorized Pre-Release contracts in FY 91 in excess of LFA fiscal 1990 base + inflation \$61,118 \$53,867

2. Committee Issues

Yes No

MODIFIED REQUESTS

1. Pre-Release Expansion - General Fund - P. D-18	\$486,395	\$508,145
2. House Arrest - General Fund - D-18	\$45,000	\$45,000
3. Local Jurisdiction Sentencing Options - General Fund - P. D-17 1.0 FTE and operating costs	\$35,048	\$35,037

LANGUAGE

If the local jurisdiction sentencing option modified request is approved, it is expected that the portion shown here will be matched with federal funds of approximately \$35,000. The award notification is not yet available for these federal funds. Therefore, the department requests the following language:

The department may submit budget amendments for the local jurisdiction sentencing option program if federal funding becomes available.

Bill motion
passed

motion
passed

schell
motion
passed

1.0

6401 DEPARTMENT OF INSTITUTIONS
20 CORRECTIONS SYSTEMS
20251

DATE : 01/09/91
TIME : 16/31/00
BILLINGS LIFE SKILLS (Women's Pre-Release Center) BUDGET WORKSHEET CURRENT LEVEL COMPARISONS

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	.00	7.00	7.00	.00	7.00	7.00	.00
Personal Services	157,301	167,633	166,972	661	167,450	166,609	841
Operating Expenses	50,639	47,252	52,517	5,265-	47,704	53,478	5,774-
Equipment	315	0	0	0	0	0	0
Total Expend.	\$208,255	\$214,885	\$219,489	\$4,604-	\$215,154	\$220,087	\$4,933-
<u>Fund Sources</u>							
General Fund	208,255	214,885	219,489	4,604-	215,154	220,087	4,933-
Total Funds	\$208,255	\$214,885	\$219,489	\$4,604-	\$215,154	\$220,087	\$4,933-

CURRENT LEVEL DIFFERENCES

	-----Exec over (Under) LFA-----	-----Executive Action-----
Personal Services - Base differences in differential, holidays, overtime & related benefits	FY 92 ----- \$661	No action required
Operating Expenses		
1. Insurance and bonds - Exec. budget in Admin. - LFA distributes	(\$2,690) (\$2,690)	No action required
2. Rent - Exec. & CL add 4% increase in FY 92 - CL adds an additional 4% increase in FY 93	\$0 (\$448)	Yes No
3. Base differences	(\$1,656) (\$1,337)	No action required
4. Inflation differences - primarily supplies and materials	(\$919) (\$1,299)	No action required
Total Operating differences	(\$5,265) (\$5,774)	

Funding

1. Balance general fund

ADOPTION OF CURRENT LEVEL EXPENDITURES AND FUNDING AS ADJUSTED

ISSUES

1. Committee Issues

EXECUTIVE BUDGET MODIFICATIONS

1. BLS increase for variable costs of increased ADP - General Fund - P. D-17 \$3,110 \$3,110
2. New Women's Pre-Release Center - General fund - P. D-17 \$278,119 \$237,043

motion
Cody approved

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	.00	61.00	61.00	.00	61.00	61.00	.00
Personal Services	1,516,887	1,661,876	1,661,876	0	1,661,319	1,661,319	0
Operating Expenses	261,182	273,747	272,306	1,441	272,714	274,901	2,187-
Equipment	1,083	0	0	0	0	0	0
Debt Service	456	267	267	0	0	0	0
Total Expend.	\$1,779,608	\$1,935,890	\$1,934,449	\$1,441	\$1,934,033	\$1,936,220	\$2,187-

Fund Sources

General Fund	1,779,608	1,935,890	1,934,449	1,441	1,934,033	1,936,220	2,187-
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Total Funds \$1,779,608 \$1,935,890 \$1,934,449 \$1,441 \$1,934,033 \$1,936,220 \$2,187-

CURRENT LEVEL DIFFERENCES

Operating Expenses

1. Rent - Exec. & CL increase 4% in FY 1992 - CL increases additional 4% in FY 1993

2. Base differences in communications

3. Other Base differences

4. Inflation differences

Total Operating differences

Funding

1. Balance general fund

ADOPTION OF CURRENT LEVEL EXPENDITURES AND FUNDING AS ADJUSTED

ISSUES

1. Committee Issues

MODIFIED REQUESTS

1. Great Falls ISP Program - General Fund - 2.5 FTE & operating expenses - P. D-18

2. Probation/Parole Officers - 3.0 FTE in FY 1991 - 4.0 FTE in FY 1993 & operating expenses General Fund - P. D-18

Yes No

-----Executive Action-----

-----Exec over (Under) LFA-----

FY 92 FY 93

6401 DEPARTMENT OF INSTITUTIONS
20 CORRECTIONS SYSTEMS
20231

WOMEN'S CORRECTIONAL CENTER BUDGET WORKSHEET

DATE : 01/09/91
TIME : 15/17/46
CURRENT LEVEL COMPARISONS

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	35.85	28.85	28.85	.00	28.85	28.85	.00
Personal Services	610,541	735,805	733,119	2,686	736,771	735,389	1,382
Operating Expenses	196,991	201,858	203,934	2,076-	206,698	207,680	1,182-
Equipment	17,378	2,190	2,190	0	2,190	2,190	0
Dutl Service	147	887	887	0	888	888	0
Total Expend.	\$825,057	\$940,740	\$940,130	\$610	\$946,547	\$946,347	\$200
Fund Sources							
General Fund	825,057	940,740	940,130	610	946,547	946,347	200
Total Funds	\$825,057	\$940,740	\$940,130	\$610	\$946,547	\$946,347	\$200

---Executive Action---

-----Exec over (Under) LFA-----

CURRENT LEVEL DIFFERENCES

Personal Services

2. Base differences in differential, holidays, overtime & related benefits

Operating Expenses

1. Insurance and bonds - Exec. puts WCC insurance in Corr. Admin. - LFA includes in WCC

2. HPI Contract differences - Exec. has higher contract rates & updated cost distribution

3. Base differences

4. Inflation differences - primarily supplies and materials and utilities

Total Operating differences

Funding

1. Balance general fund

EXHIBIT 2-91
DATE 1-27-91
HB Instit. Subcomm.

	FY 92	FY 93
	-----	-----
	\$2,686	\$1,382
	(\$6,291)	(\$6,291)
	\$1,657	\$1,657
	\$7,247	\$9,886
	(\$4,689)	(\$6,434)
	(\$2,076)	(\$1,182)

ISSUES

1. Committee Issues

MODIFIED REQUESTS

1. Female Correction Population Increase - general fund - P. D-17
2.0 FTE: 0.5 FTE Nurse Grade 15/2; 0.5 FTE CD counselor Grade 12/2;
1.0 FTE correctional treatment specialist Grade 13/2 & operating expenses
2. WCC Chemical Dependency program - Earmarked alcohol tax - P. D-17
1.0 FTE Grade 12/10 and educational expenses of \$512 per year

\$78,153 \$100,307

\$28,532 \$28,468

Ex. 2

1-22-91

Instit. Subcomm.

ALLOCATION OF INSURANCE AND BONDS REGARDLESS OF BASE CHOSEN

	FY 92	FY 93
Directors Office	\$2,760	\$2,917
Management Services	\$7,556	\$8,054
Board of Pardons	\$4,928	\$5,199
Corrections Administration	\$37,456	\$39,530
Community Corrections	\$22,009	\$22,009
Montana State Prison	\$66,272	\$71,735
Women's Correctional Center	\$6,291	\$6,291
Swan River	\$33,687	\$33,687
Veteran's Home	\$7,213	\$7,642
Mental Health Admin.	\$1,779	\$1,838
Montana State Hospital	\$105,105	\$111,821
Center for the Aged	\$6,994	\$7,448
Chemical Dep. Admin.	\$2,604	\$2,761
MT Developmental Center	\$40,295	\$42,465
Eastmont	\$6,040	\$6,377
Total	\$350,989	\$369,774

Exhibit 2
 D. 18-11 2
 1-22-91
 HB Instit Subcomm

TABLE 1

ALLOCATION OF HPI CONTRACT
based on new negotiated rates

LFA

Montana State Prison	\$108,938	\$114,386
Women's Correctional Center	\$8,495	\$8,917
Veteran's Home	\$54,538	\$57,267
MT Developmental Center	\$82,500	\$86,623
Center for the Aged	\$47,592	\$49,524
Montana State Hospital	\$161,852	\$169,936
	<i>464,116</i>	<i>483,528</i>
Total	\$463,915	\$486,653

TABLE 2

ALLOCATION OF HPI CONTRACT
shown on current level worksheets

l B
37

Montana State Prison	\$11,435	\$11,435
Women's Correctional Center		
Veteran's Home	\$31,313	\$31,313
MT Developmental Center	\$63,686	\$63,686
Center for the Aged	\$24,310	\$24,310
Montana State Hospital	\$263,531	\$263,531
Total	\$394,275	\$394,275

The above expenditures do not accurately reflect the actual provision of service. Therefore, if the committee approves current level, the allocation should be as follows:

TABLE 3

ALLOCATION OF HPI CONTRACT

	FY 92	FY 93
Montana State Prison	\$92,655	\$92,655
Women's Correctional Center	\$7,097	\$7,097
Veteran's Home	\$46,524	\$46,524
MT Developmental Center	\$70,181	\$70,181
Center for the Aged	\$40,610	\$40,216
Montana State Hospital	\$137,208	\$137,602
Total	\$394,275	\$394,275

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January 21, 1991
Subcomm

The following is a list serious staff problems and major issues that need to be addressed concerning Women's Correctional Center.

At present, the staff is suffering from job burnout and very low morale. It is the general feeling that alot of this is due to understaffing. The following is a list of serious issues that need to be addressed:

A.) Shortage of Staff Issue.

1. This results in a large increase of overtime.
2. Vacation time is difficult to get and a very necessary element to keep a productive working environment.
3. Shift coverage is a daily shuffle.
4. Many problem are occurring because shifts are not covered adequately.
 - (a.) Security is not properly maintained.
 - (b.) Details are not getting done- it is difficult to maintain a clean environment.
 - (c.) Female inmates need more medical attention. Presently we have four pregnant inmates. One is known to have suffered two miscarriages before this pregnancy.
 - (d.) In the past, the Expansion Unit has needed officers from the mens unit as backup in trying to restrain inmates. This has happened five times since we've opened the Expansion Unit. This is due to our own staff shortage. We have heard the men are moving out of this building, this is causing concern among staff.
 - (e.) Recently an inmate attempted suicide, she had to be transported to a hospital. Staff had to wait forty-five minutes for another staff member to show up before she could be transported.

5. Three new Supervisor positions were created over six months ago. These Supervisors were promoted from within and left three officer positions empty. The Supervisors are required to do on-line officer duties along with their added Supervisory duties, and assisting Management. Needless to say, this has created a void and added stress for everyone.
6. Inmate violence and an increase in Lesbian activity is on the rise.
7. Medical appointments have been postponed because of staff shortage.

Other issues of major concern include:

- B. Presently W.C.C. has a van that is not large enough to transport over fifteen inmates at once. It has over 100,000 miles on it and is constantly in need of repair.
 1. W.C.C. has a little Ford Escort, with about the same mileage as the van, and it runs "sometimes."
- C. Several officers are assigned filing and secretarial duties, to help keep up.
- D. Mail, incoming and outgoing is taking almost eight hours a day of different staff's working hours to be processed.
 - 1.) Night Shift spends two to three hours logging mail out, and going through packages.
 - 2.) Secretary spends two to three hours a day screening mail.
 - 3.) Control officers on day shift spends two to three hours a day processing mail.

The above things have to be done for security reasons, however a mail clerk would enable other staff to return to their main duties.

- E. Officers are often pulled from their duties to assist Recreation Director. W.C.C. needs at least two full time Recreational Staff.

- F. We need more hand held radio's. We have three radio's in each building most of the time, one radio is out being repaired, which takes considerable amount of time.
- G. The Expansion Unit needs a telephone with more than one outside line coming in.
- H. A base radio at the Expansion Unit would help.
- I. A nurse covering every shift is needed. Female inmates have a variety of medical problems, and most of the time a Correctional Officer has to deal with these problems until the inmate can be transported to a medical facility. On the average, female inmates have done a lot of drugs. Which in turn causes problems in terms of liver, kidney and problems during their pregnancies and after. W.C.C. is getting more and more pregnant inmates.
- J. A full time psychologist is needed. This a vital element of rehabilitation. As part of a Co II's job description, para-counseling is required. This has caused problems for everyone.

As you can see a Correctional Officer at the Women's Correctional Center is responsible for numerous duties which are time consuming, stressful, and entail a vast amount of responsibility. Added to staff shortage, overtime and limited vacation time - you are looking at a time bomb.

All state employee's are overdue a decent pay raise. We are struggling to live in this state and hope that the quality of our working environment as well as what we can supply our families will be a consideration of Legislature.

January 21, 1991

The majority of the Staff at the Women's Correctional Center strongly encourage Legislature to keep the center on or near it's present location for reason's as listed.

- A.) Most of the present staff is unwilling to relocate as this is disruptive to thei families, many have husbands working in this area.
- B.) It takes at least two years to train a Correctional Officer and five years to produce an experienced Correctional Officer. To open a new facility and train all new staff would create a dangerous situation.
- C.) W.C.C. Staff receives all their training at M.S.P. or Helena. This is quite a distance from Billings and other areas considered.
- D.) Most of the work force around our present facility is geared for institutional work.

2-1-77
Filing 5
1-22-91
HE Instit. Subcom.

DEPARTMENT OF INSTITUTIONS
PHARMACEUTICAL SERVICES CONTRACT
HPI HEALTH CARE SERVICES, INC.
STATUS REPORT

Section 14, HB36, passed by the June, 1986 Special Session, required the Department of Institutions to report to the 1987 Legislature on the feasibility of selling institutions within its jurisdiction to private providers. In that report the department did not recommend the sale of any other institutions, but did recommend the review of specific institutional services to determine whether or not those services could be provided more efficiently by the private sector.

As a result of this review, the department decided to pursue contracting with a private firm to operate its pharmacy programs. This decision was made for various reasons. First, the salary level paid to pharmacists by the State of Montana was no longer competitive with the private sector. Local private sector pharmacies, in 1987, were offering up to six dollars per hour more than the state. As a result, it was becoming increasingly difficult to recruit and/or retain pharmacists. In addition, due to staffing problems, the department was encountering difficulty in maintaining certification at some of its pharmacies. Loss of certification could have resulted in significant loss of federal revenue to the General Fund. By contracting with a private firm, the department would gain benefit from the purchasing power and expertise of a national firm in procuring drugs and developing dispensing systems. The department anticipated that over a period of time, an overall savings could be realized in drug costs through the installation of a standardized formulary and state of the art medication distribution systems.

In November of 1987, the Department of Institutions entered into an agreement with HPI Health Care Services, Inc. to provide pharmaceutical services for the department at the Montana State Hospital, Montana Developmental Center, Center for the Aged, Montana Veterans' Home, Montana State Prison, and the Women's Correctional Center. HPI operates a central pharmacy on the Warm Springs Campus at the Montana State Hospital and dispenses all pharmaceuticals from that location. The Montana State Hospital, Women's Correctional Center, Montana State Prison, and Montana Developmental Center receive delivery of drugs the same day as ordered. The Center for the Aged and Montana Veterans' Home receive delivery of drugs one to two days after ordered, depending on the time of day the order is placed. Each institution communicates with the central pharmacy at the Montana State Hospital by telephone and facsimile machine. In addition to clinical pharmacy services, HPI provides the department with an automated pharmacy computer system, a drug information program, a quality assurance program, reconciliation of physician orders, an emergency backup and starter pack medication, an inservice education program, pre-accreditation service, automated medication administration record preparation, and other numerous services.

Under the terms of the contract, the fee paid to HPI falls into two categories, the management fee and medications. The management fee is a pre-negotiated, fixed amount paid to HPI on a monthly basis. This fee covers HPI's personnel costs, operating costs (excluding drugs), all other overhead, and a reasonable margin of profit. Drug costs are charged to the State at HPI's acquisition cost, with no markup.

Upon entering this contract, the department anticipated the management fee would be less than the amount currently budgeted in personal services for

competitive salary levels offered by the state and because of the increased level of expertise and state of the art automation offered by a national company. The department also anticipated some eventual savings in relative drug costs due to the purchasing power of a national firm and the implementation of a department wide standardized formulary.

As with any large and complex transition, the conversion to a privately operated pharmaceutical services program did not occur over night. The program is, however, now fully operational and is providing excellent services. The contract with HPI Health Care Services Inc. expired on November 30, 1990, and was renegotiated for an additional three year period.

Cost of Administration:

At the onset of this private pharmaceutical services operation, the management fee was set at \$364,858, or \$137,382 higher than the state was paying in personal services for pharmacy personnel. Over the last three years, and for the next three years, that management fee has and will increase. However, the increases are less than those reported in the Consumer Price Index (CPI). While the management fee increased by ten percent over the two year period (88/89 and 89/90), the CPI increased at the rate of over eighteen percent for the same period. The renegotiated contract, covering the period of December 1, 1990 through November 30, 1993, calls for a twelve percent increase in the management fee for the first year of the contract (\$451,380) and five percent each year for the remaining two years. This represents an average increase of seven percent each year, while the current CPI rate for similar services is running at nine percent each year. The department continues to feel the management fee is reasonable given the increased level of services provided, and that all federal and state licensure standards are being met, not to mention the fact that the increase is substantially less than the rate of increase reported by the CPI for the same period.

Cost of Drugs:

One of the primary reasons the department pursued a contractual arrangement with a private corporation to provide pharmaceutical services was to obtain the benefit of its expertise and purchasing power. The State of Montana, did not have the necessary expertise or purchasing volume to acquire its pharmaceuticals at the best price available. As a result, the state was consistently experiencing double digit inflation in its drug costs.

During the first year (87/88) of the contract the average unit cost of the drugs purchased from HPI increased by only .41% (four tenths of one percent). The CPI for the same period for similar services reported inflationary increases at around 6.2%.

The second year (88/89) of the contract with HPI, the average unit cost of the drugs purchased from HPI increased by 2.87%, while the departments' total expenditures for drugs increased by only .60% (six tenths of one percent). The implementation of standard policies and formularies enabled the department to minimize overall increases in drug prices. The CPI for the same period for similar services reported inflationary increases at 9.6%

The third year (89/90) of the contract with HPI, the average unit cost of drugs purchased from HPI have increased by 11.73%, while the departments' total expenditures for drugs have increased by 18.61%. A major factor in the

Cloziril program at Montana State Hospital. When this very expensive program is adjusted out of the overall expenditures, the increase is 11.71%.

Over the three year period of the contract, the department has experienced an average inflationary increase of 5% each year in its unit drug costs. During the same period, the average annual increase for similar services as reported by the CPI was 3.4%.

Cost of Staff Versus Contract Service:

In 1987, the State of Montana was not competitive with the private sector in the salary levels it was paying Pharmacists and Pharmacy Directors. The department was, therefore, unable to recruit and retain Pharmacists when staff turnover occurred, and those Pharmacists who were on staff were seeking other employment. Due to these shortages, the department was not able to operate quality pharmacy programs. In some cases, certification was threatened due to deficiencies in those programs. Contracting with a private vendor resolved both issues. HPI is able to offer competitive salary levels, and is able to employ the necessary Pharmacists to ensure a quality and certifiable pharmacy program.

Pharmacists are paid at Grade 14 and Grade 15 on the State pay matrix. In FY91, those grade levels would equate to a salary level of \$10.038 per hour for Pharmacists, and \$10.877 per hour for Pharmacy Directors. The current private sector salary rate for Pharmacists is \$18.53 per hour, while the current private sector salary rate for Pharmacy Directors is \$20.75 per hour.

As stated earlier, when the contract with HPI Healthcare, Inc. was negotiated in 1987, the department anticipated it would be higher than the amount included in the personal services budget for pharmacy operations. It was, in fact \$137,882 higher. This increase was incurred due to the non-competitive salary levels built into the departments' personal services budgets (up to \$6.00/hour below market level), and because the department was receiving a broader range of services than was available when operating its own programs. The disparity between salary levels offered by the private sector verses those offered by the state has increased. It, therefore, would be reasonable to assume that the management fee for HPI would be higher than the budgeted amount for personal services for the pharmacy program if it were state operated. However, due to the shortage of Pharmacists and the non-competitive salary levels offered by the state, it is not reasonable to assume we could employ the number of Pharmacists necessary to operate a certifiable and high quality program.

Quality and Quantity of Service:

The department is now benefiting from a fully operational high quality and completely certifiable pharmaceutical program. The program is not only subject to review from state and federal survey teams, but also must submit to a very sophisticated internal quality assurance program. HPI has been able to respond very effectively to service fluctuations mandated by population increases as well as to emergency situations such as the recent Hepatitis outbreak at the Montana Developmental Center. The new contract has been structured in such a manner as to allow the pharmaceutical program to expand or contract as the service demand requires.

The ultimate goal of the pharmaceutical services program operated by HPI

efficiently meet the needs of the patients and physicians. This program is achieving that goal.

IN THE FIELD OF INFORMATION,
THE PROFESSIONAL SERVICES GROUP HAS
1993 OUTRUM MANAGEMENT THE PROFESSIONAL

	RSP	MOI	MSH	OWO	POO	POH	TOTAL
FISCAL YEAR 1992	100,933	0,405	161,852	42,592	53,500	54,530	461,912
FISCAL YEAR 1993	114,386	0,917	163,936	40,524	60,621	55,960	486,353
	223,324	17,412	331,788	97,116	169,123	111,305	900,903

VISITOR'S REGISTER

Institution SUBCOMMITTEE
AGENCY (S) _____ DATE 1-22-91
DEPARTMENT _____

NAME	REPRESENTING	SUP- PORT	OP- POSE
Bill Wells	Montana State Prison		
Terry Minow	MT Fed State Employees		
Dan Evans	"		
STEVEN MACASKILL	IN.C.C.		
Jim Walsh	W.C.C. Anacorda		
Sherrill Hawk	W.C.C.		
Joyce Mear	W.C.C.		
Larry Roberts	W.C.C.		
Lisa Shroth	W.C.C.		
Jessie Reese	W.C.C.		
DIANE SANDS	MT Women's Lobby		

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