

**Department of Corrections and Rehabilitation
Budget 530
House Bill Nos. 1016, 1023, 1506, Senate Bill No. 2339**

	FTE Positions	General Fund	Other Funds	Total
2003-05 legislative appropriation	644.18	\$81,736,611	\$32,580,087	\$114,316,698
2001-03 legislative appropriation	<u>615.18</u>	<u>77,356,824</u>	<u>25,700,367</u>	<u>103,057,191</u>
2003-05 appropriation increase (decrease) to 2001-03 appropriation	29.00	\$4,379,787	\$6,879,720	\$11,259,507

NOTE: House Bill No. 1016 was approved by the 2003 Legislative Assembly; however, the bill was vetoed by Governor Hoeven. Therefore, House Bill No. 1506 was approved by the Legislative Assembly during the May 2003 special session to provide the 2003-05 appropriation for the Department of Corrections and Rehabilitation.

Item Description

County contract housing state female inmates - Section 5 of House Bill No. 1506 provided legislative intent that the state contract with county facilities to house state female inmates during the 2003-05 biennium, with the continuation of the contracting subject to the results of a Legislative Council study regarding the long-term needs of all state inmates. Section 5 also provided that the Department of Corrections and Rehabilitation and the county jails contracting to house state female inmates report to the fall 2003 and summer 2004 meetings of the Budget Section on the implementation and procedures of contracting with counties to house state female inmates.

Status/Result

The Department of Corrections and Rehabilitation has a contract with the Dakota Women's Correctional Rehabilitation Center, located in New England, to house state female inmates. Due to delays in the renovation of the facility, minimum custody female inmates were transferred from the James River Correctional Center in Jamestown to the Dakota Women's Correctional Rehabilitation Center on November 19, 2003, instead of the originally estimated date of July 1, 2003. Medium and close custody female inmates were scheduled to be transferred to the Dakota Women's Correctional Rehabilitation Center by January 1, 2004; however, as of the date of this report, they are still housed on the sixth floor of the James River Correctional Center. The date of the transfer of medium and close custody female inmates is dependent upon the completion of necessary renovations at the Dakota Women's Correctional Rehabilitation Center. In addition to the females housed at the Dakota Women's Correctional Rehabilitation Center, female inmates are also housed at the Tompkins Rehabilitation Correctional Center located on the campus of the State Hospital and at the Bismarck and Fargo transition programs. As of April 30, 2004, there were 60 female inmates at the Dakota Women's Correctional Rehabilitation Center, 35 female inmates at the James River Correctional Center, 16 female inmates at the Tompkins Rehabilitation Correctional Center, and 13 female inmates at the transition programs in Bismarck and Fargo.

The Legislative Assembly provided the Department of Corrections and Rehabilitation funding for contract housing state female inmates at the estimated daily reimbursement rates of \$84.15 for inmates receiving intensive treatment and \$72.15 for inmates not receiving intensive treatment. The actual daily rate negotiated with the Dakota Women's Correctional Rehabilitation Center is \$89.73 for inmates receiving intensive treatment for a maximum of six weeks and \$77.73 for inmates not receiving intensive treatment. Of these daily reimbursement rates, \$15.50 is set aside in a medical account from which medical expenses are paid. At any time when the separate medical account

Performance audit - Section 8 of House Bill No. 1506 provides the State Auditor consider conducting a performance audit of the Department of Corrections and Rehabilitation during the period beginning July 1, 2003, and ending January 1, 2005, and, if conducted, the results of the audit must be presented to the Legislative Audit and Fiscal Review Committee and to the Appropriations Committees during the department's budget presentation during the 59th Legislative Assembly.

Pay increases for licensed addiction counselors and entry-level correctional officers.

has a negative balance greater than \$50,000, the Department of Corrections and Rehabilitation will reimburse the Dakota Women's Correctional Rehabilitation Center for the amount necessary to bring the medical account balance back to a negative \$50,000.

The interim Budget Committee on Government Services, Representative Ron Carlisle, Chairman, has been assigned the study of the long-term needs of all state inmates and whether the Department of Corrections and Rehabilitation should continue to contract to house state female inmates with county jails or the state should expand the prison system. The committee has toured the Dakota Women's Correctional Rehabilitation Center in New England along with the state's prison facilities but has not made any recommendations as of the date of this report.

Representatives of the Department of Corrections and Rehabilitation and the Dakota Women's Correctional Rehabilitation Center presented status reports on contract housing of state female inmates at the October 15, 2003, Budget Section meeting.

The State Auditor began the performance audit of the Department of Corrections and Rehabilitation in May 2004. The State Auditor has obtained approval from the Legislative Audit and Fiscal Review Committee to hire a consultant to assist with the performance audit at a cost of up to \$50,000. The cost of the consultant will be paid by the Department of Corrections and Rehabilitation.

The Department of Corrections and Rehabilitation provided pay increases from its existing appropriation for its licensed addiction counselors and entry-level correctional officers. Funding for the pay increases will be from efficiencies experienced in other areas of its budget.

The department was having difficulties in recruiting and retaining entry-level correctional officers because the salary level, which was \$1,600 per month without benefits was not competitive. Effective October 2003, the department increased the salary for entry-level correctional officer positions by \$150 to \$1,750 per month without benefits. As of March 2004, a total of 36 correctional officers within the department received the pay increase. The department estimates this pay increase to cost approximately \$50,000 for the 2003-05 biennium. The estimated cost to continue the \$150 per month salary increase for 36 correctional officers for the 2005-07 biennium is \$129,600.

In addition to losing some of its licensed addiction counselors to higher paying jobs, the department became aware that some of its remaining licensed addiction counselors were actively seeking new employment because of the salary issue. As a result, the department granted salary increases of \$250 per month to a total of five addiction counselors, effective February 2004. The department estimates this pay increase to cost approximately \$25,000 for the 2003-05 biennium. The estimated cost to continue the \$250 per month salary increase for five addiction counselors for the 2005-07 biennium is \$30,000.

Teacher salary increases - The Legislative Assembly did not change the executive recommendation to provide \$99,856 for salary adjustments for teachers at the Youth Correctional Center to fully fund the salary schedule to maintain teachers at the level provided on the salary schedule prepared by Human Resource Management Services.

Capital projects - The 2003 Legislative Assembly appropriated a total of \$3,603,216 for capital projects as follows:

Project	General Fund	Other Funds	Total
Juvenile Services Division			
Youth Correctional Center			
Fire suppression system (Maple Cottage)	\$95,500		\$95,500
Water line replacement		\$82,500	82,500
Total - Juvenile Services	\$95,500	\$82,500	\$178,000
Adult Services Division			
Prisons Division			
Extraordinary repairs	\$407,000	\$250,000	\$657,000
Phase II - James River Correctional Center		2,662,890	2,662,890
Energy improvement - Missouri River Correctional Center		105,326	105,326
Total - Adult Services	\$407,000	\$3,018,216	\$3,425,216
Total Department of Corrections and Rehabilitation	\$502,500	\$3,100,716	\$3,603,216

NOTE: House Bill No. 1023 provided an appropriation to the Department of Corrections and Rehabilitation for the James River Correctional Center Phase II (\$2,662,890) and the Missouri River Correctional Center energy improvement project (\$105,326) and authorized the Industrial Commission to issue and sell evidences of indebtedness for the capital projects.

The \$99,856 was used to adjust the salaries and benefits of 21 teachers (18.93 FTE) at the Youth Correctional Center for the 2003-05 biennium based on the composite schedule prepared by Human Resource Management Services.

As of the date of the report, the water line replacement project is in the design stage and is estimated to begin in August 2004 and be completed by the end of October 2004. The fire suppression system project for Maple Cottage will begin after the completion of the water line replacement project and is estimated to begin in October 2004 and be completed in January 2005.

The James River Correctional Center Phase II expansion was divided into seven separate projects based on deadlines established by the Department of Corrections and Rehabilitation. The project is being done in phases to allow the department to occupy the buildings transferred from the State Hospital by July 1, 2003. The balance of the work was scheduled so construction would not disrupt the security and staffing patterns necessary to maintain a secure facility. To date all scheduled work has been completed on time and within the allocated budget. The seven projects and deadlines for Phase II are:

Project	Deadline	Status
1 Site survey	May 15, 2003	Completed
2 Inside fence construction	July 1, 2003	Completed
3 Perimeter bridge	August 31, 2003	Completed
4 Second perimeter fence, yard lighting, and security devices	December 20, 2003	Completed
5 Sewer and cooling tower replacements (food services building)	June 2004	On schedule
6 Administration building (day care) and 18A renovations	After January 1, 2005	Bids will open June 10, 2004
7 Roof repairs, tunnel improvements, and life safety	Winter of 2004-05	

Work on the Missouri River Correctional Center energy improvement project is underway and is projected to be completed during June 2004. Project bids were slightly more than original estimates due to equipment price increases and additional needs identified during a site evaluation. The department will provide for the increase from its operating budget.

See Industrial Commission (Budget 405) for information relating to the bond issuance for the James River Correctional Center and Missouri River Correctional Center capital projects.

Inmate population - The following table summarizes inmate population projections used to develop the legislative appropriation:

Month	Male	Female	Total
July 2003	1,013	104	1,117
August 2003	1,017	105	1,122
September 2003	1,020	106	1,126
October 2003	1,023	107	1,130
November 2003	1,027	109	1,136
December 2003	1,030	111	1,141
January 2004	1,034	112	1,146
February 2004	1,037	113	1,150
March 2004	1,040	114	1,154
April 2004	1,044	116	1,160

Information technology transfers - House Bill No. 1505 provided for server consolidation and the transfer of two full-time equivalent positions relating to information technology services from the Department of Corrections and Rehabilitation to the Information Technology Department.

Tompkins Rehabilitation Correctional Center - The Legislative Assembly did not change the executive recommendation to establish the Tompkins Rehabilitation Correctional Center, a new combined program to be located in the nurses' building on the campus of the State Hospital. The Tompkins Rehabilitation Correctional Center is the combination of the Tompkins Rehabilitation and Corrections Unit from the Stutsman County Corrections Center, the Correction Rehabilitation and Recovery Center (DUI center), and a new 30-bed assessment program. The Tompkins Rehabilitation Correctional Center can have up to 90 offenders in the program and was projected to save 76 prison beds per day.

The actual male inmate population has been more than estimated while the female inmate population has been close to the estimate. The following table shows the actual monthly average for the inmate populations compared to the estimated inmate populations for the period July 2003 through April 2004:

Month	Actual Male Inmate Population	Actual Male Inmates More (Less) Than Estimated	Actual Female Inmate Population	Actual Female Inmates More (Less) Than Estimated	Total Actual Inmate Population	Total Actual Inmates More (Less) Than Estimated
July 2003	1,087	74	106	2	1,193	76
August 2003	1,082	65	109	4	1,191	69
September 2003	1,095	75	107	1	1,202	76
October 2003	1,129	106	111	4	1,240	110
November 2003	1,138	111	110	1	1,248	112
December 2003	1,143	113	110	(1)	1,253	112
January 2004	1,148	114	114	2	1,262	116
February 2004	1,160	123	115	2	1,275	125
March 2004	1,168	128	118	4	1,286	132
April 2004	1,173	129	121	5	1,294	134

The Department of Corrections and Rehabilitation was exempted by the Information Technology Department from the transfer of two full-time equivalent positions but will transfer 13 servers to the Information Technology Department.

The Tompkins Rehabilitation Correctional Center is located in the GM Building on the campus of the State Hospital instead of the originally proposed nurses' building. As a result of the Department of Corrections and Rehabilitation not using the LaHaug Building for the proposed women's prison, the State Hospital housed its patients in the LaHaug Building, which resulted in the availability of the GM Building to be used by the Department of Corrections and Rehabilitation for the Tompkins Rehabilitation Correctional Center. The department saved remodeling costs by using the GM Building instead of the nurses' building because the GM Building did not require remodeling for the Tompkins Rehabilitation Correctional Center. The savings of approximately \$250,000 to \$300,000 was included in the department's 2001-03 biennium general fund turnback.

The Tompkins Rehabilitation Correctional Center consists of three 30-bed wards--one ward (30 beds) for females and two wards (60 beds) for males--and its population includes prison inmates and parole/probation violators that may be sentenced to the Tompkins Rehabilitation Correctional Center by a

judge. The following table shows the actual average monthly population at the Tompkins Rehabilitation Correctional Center for males and females from July 2003 through April 2004:

Month	Females			Males			Total Males and Females
	From Prison	From Community	Total Females	From Prison	From Community	Total Males	
July 2003	9	1	10	41	9	50	60
August 2003	16	5	21	40	14	54	75
September 2003	18	6	24	42	12	54	78
October 2003	20	5	25	45	11	56	81
November 2003	16	4	20	46	8	54	74
December 2003	13	9	22	48	7	55	77
January 2004	14	9	23	47	5	52	75
February 2004	16	9	25	49	5	54	79
March 2004	18	8	26	49	8	57	83
April 2004	16	7	23	44	8	52	75

Loss of federal funding for intensive in-home project.

The Department of Corrections and Rehabilitation estimates losing federal “refinancing” funds of approximately \$667,000 that it had anticipated receiving in the Juvenile Services Division for the intensive in-home project in the 2003-05 biennium. Due to this loss of funding, the Department of Corrections and Rehabilitation is scaling back the intensive in-home project and trying to fund the remaining services from its remaining 2003-05 biennium appropriation. The department anticipates requesting a general fund appropriation to replace this loss of federal funds for the 2005-07 biennium. See Children’s Services Coordinating Committee (Budget 324) for additional information on the loss of federal “refinancing” funds.