

**Department 530 - Department of Corrections and Rehabilitation
House Bill No. 1015**

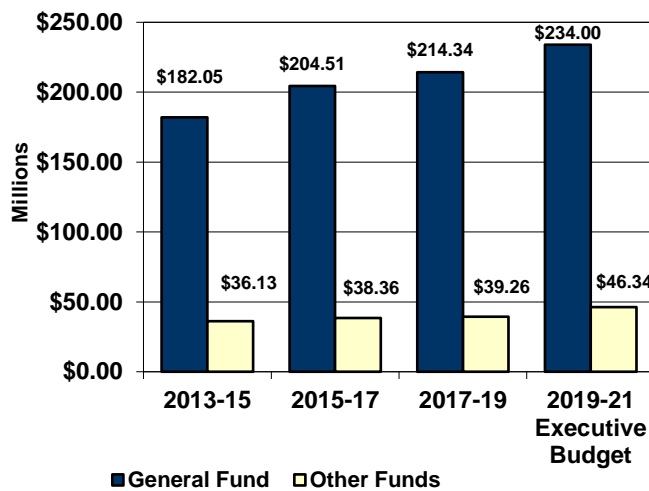
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	938.59	\$233,998,059	\$46,336,596	\$280,334,655
2017-19 Legislative Appropriations	845.29	214,336,704	39,264,160	253,600,864
Increase (Decrease)	93.30	\$19,661,355	\$7,072,436	\$26,733,791

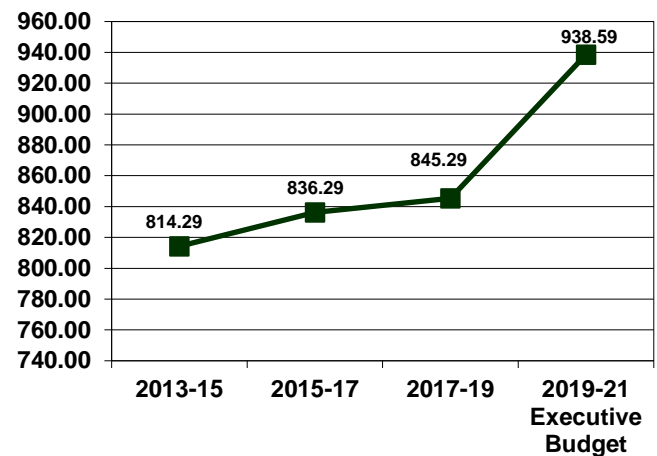
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$233,081,809	\$916,250	\$233,998,059
2017-19 Legislative Appropriations	214,336,704	0	214,336,704
Increase (Decrease)	\$18,745,105	\$916,250	\$19,661,355

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$233,998,059	\$46,336,596	\$280,334,655
2019-21 Base Level	214,336,704	37,161,253	251,497,957
Increase (Decrease)	\$19,661,355	\$9,175,343	\$28,836,698

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
Agencywide			
1. Provides funding for state employee salary and benefit increases, of which \$6,078,712 is for salary increases, \$3,514,496 is for health insurance increases, and \$757,573 is for retirement contribution increases	\$9,863,537	\$487,244	\$10,350,781
Juvenile Services			
2. Increases funding for teacher salaries and wages to comply with the Teacher Composite Schedule	\$232,510	\$0	\$232,510
3. Converts 2 temporary correctional officer positions to FTE positions	\$27,772	\$0	\$27,772
4. Adds funding to expand juvenile day treatment to five additional school districts, to provide a total of \$1,053,500 for day treatment in nine school districts	\$537,500	\$0	\$537,500

5. Transfers 1.12 FTE positions to the Information Technology Department for the information technology unification initiative and adjusts related operating costs	\$11,993	\$0	\$11,993
6. Adjusts funding for miscellaneous expenses, including reductions in food and clothing and information technology supplies and increases in information technology contract services and professional services	(\$727,147)	\$612,125	(\$115,022)
7. Adds funding for Microsoft Office 365 licensing	\$74,244	\$13,225	\$87,469
8. Reduces funding for capital bond payments	(\$419,237)	\$0	(\$419,237)
9. Adds one-time funding for extraordinary repairs, including \$54,262 from the strategic investment and improvements fund	\$372,000	\$54,262	\$426,262
10. Adds one-time funding from the strategic investment and improvements fund for a campus study of the Youth Correctional Center	\$0	\$250,000	\$250,000
11. Adds one-time funding from the strategic investment and improvements fund for inmate tracking systems and other information technology upgrades	\$0	\$31,800	\$31,800
Adult Services			
12. Increases funding for teacher salaries and wages to comply with the Teacher Composite Schedule	\$1,125,280	\$0	\$1,125,280
13. Converts 18 temporary correctional officer positions to FTE positions	\$298,663	\$0	\$298,663
14. Adjusts funding and adds 8.6 FTE positions to convert the Missouri River Correctional Center to a female correctional facility	\$3,055,911	\$0	\$3,055,911
15. Removes funding for the Dakota Women's Correctional and Rehabilitation Center contract	(\$9,355,463)	\$0	(\$9,355,463)
16. Adds funding and 36.2 FTE positions to establish a minimum security correctional facility at the James River Correctional Center, including \$4.6 million to rent "man camp" structures	\$11,169,113	\$0	\$11,169,113
17. Adjusts funding and adds 27.5 FTE positions to assume administrative control of the Tompkins Rehabilitation and Corrections Center, including removing \$8.6 million for contract payments to the Department of Human Services	(\$3,576,240)	\$0	(\$3,576,240)
18. Adds funding to contract with the State Hospital for up to 30 addiction treatment beds	\$3,873,750	\$0	\$3,873,750
19. Adds funding and 7 FTE positions for pretrial services	\$755,034	\$0	\$755,034
20. Transfers 4.88 FTE positions to the Information Technology Department for the information technology unification initiative and adjusts related operating costs	\$60,814	\$0	\$60,814
21. Adjusts funding for miscellaneous expenses, including reductions in food and clothing, maintenance, and operating fees and services and increases in equipment and information technology contract services	\$1,298,469	(\$3,592,410)	(\$2,293,941)
22. Increases funding for federal grant changes relating to crime victims	\$20,000	\$6,822,251	\$6,842,251
23. Adds funding for Microsoft Office 365 licensing	\$544,455	\$96,983	\$641,438
24. Adjusts funding for capital bond payments	(\$50,143)	\$16,180	(\$33,963)
25. Removes ongoing funding used to purchase a "man camp" structure during the 2017-19 biennium for use at the Missouri River Correctional Center	(\$844,000)	\$0	(\$844,000)
26. Removes ongoing funding for extraordinary repairs	(\$866,000)	(\$80,000)	(\$946,000)
27. Adds one-time funding for extraordinary repairs, including \$86,738 from the strategic investment and improvements fund	\$504,250	\$401,738	\$905,988
28. Adds one-time funding for replacement of Elite servers	\$40,000	\$0	\$40,000
29. Adds one-time funding from Roughrider Industries for equipment	\$0	\$298,700	\$298,700

30. Adds one-time funding from Roughrider Industries for construction of a Roughrider Industries building at the James River Correctional Center	\$0	\$1,140,000	\$1,140,000
31. Adds one-time funding from the strategic investment and improvements fund for renovations of the Missouri River Correctional Center to convert it to a female correctional facility	\$0	\$2,443,077	\$2,443,077
32. Adds one-time funding from the strategic investment and improvements fund for a campus study of the James River Correctional Center and the State Hospital	\$0	\$500,000	\$500,000
33. Adds one-time funding from the strategic investment and improvements fund for inmate tracking systems and other information technology upgrades	\$0	\$633,200	\$633,200
34. Adds one-time funding from the strategic investment and improvements fund for security equipment and redundant fencing	\$0	\$412,000	\$412,000

**Other Sections Recommended to be Added in the Executive Budget
(As Detailed in the Attached Appendix)**

Special funds - Strategic investment and improvements fund - Section 3 would designate \$4,411,077 from the strategic investment and improvements fund for campus studies, equipment, information technology projects, and capital projects.

Line item transfers - Section 4 would authorize the Department of Corrections and Rehabilitation (DOCR) to transfer up to 10 percent of its total appropriation between the adult services and youth services line items.

Additional funds appropriation authority - Section 5 would appropriate any additional special funds received by DOCR during the 2019-21 biennium.

Exemption - Community Behavioral Health Program - Section 6 would provide that any unexpended general fund appropriation authority relating to the \$7 million appropriated for the community behavioral health program for the 2017-19 biennium is not subject to the provisions of North Dakota Century Code Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.

Continuing appropriation authority - Section 7 would provide a continuing appropriation to DOCR for any moneys received from correctional supervision, electronic monitoring, and detention; reimbursements from other agencies; profits received from DOCR commissary; miscellaneous revenue, including offender fines, fees, restitution, and medical copayments; and from the common school trust fund.

Tompkins Rehabilitation and Corrections Center - Section 8 would convey ownership of the Tompkins building and surrounding property from the Department of Human Services to DOCR.

Continuing Appropriations

No continuing appropriations for this agency.

Significant Audit Findings

The State Auditor's office reported DOCR does not have proper authority to deposit certain revenues into the DOCR operating fund.

Major Related Legislation

House Bill No. 1013 - Provides for a distribution of \$1,864,000 to the Youth Correctional Center from permanent funds established for the benefit of the institution.

House Bill No. 1039 - Raises the age of culpability of a juvenile from 7 to 10 years old.

House Bill No. 1050 - Provides DOCR may place certain sentenced individuals in a drug and alcohol treatment program and upon completion of the program the individual will be placed on probation.

House Bill No. 1051 - Provides a minimum sentence exemption for sentences imposed upon revocation of probation.

House Bill No. 1076 - Removes the authority of DOCR to transfer an offender between 16 and 18 years old from the Youth Correctional Center to an adult correctional facility.

Senate Bill No. 2044 - Amends and clarifies Section 12.1-21-06 relating to tampering with or damaging a critical infrastructure facility or a public service.

Senate Bill No. 2087 - Reduces the record retention period for adult and juvenile case files and court records from 50 years to 25 years.

Department of Corrections and Rehabilitation - Budget No. 530
House Bill No. 1015
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	845.29	\$214,336,704	\$37,161,253	\$251,497,957
2019-21 Ongoing Funding Changes				
Base payroll changes		\$1,634,020	(\$1,364,762)	\$269,258
Salary increase		5,791,612	287,100	6,078,712
Health insurance increase		3,349,265	165,231	3,514,496
Retirement contribution increase		722,660	34,913	757,573
Increase funding for teacher salaries and wages		1,357,790		1,357,790
Convert 20 temporary correctional officer positions to FTE positions	20.00	326,435		326,435
Adjust funding and FTE positions to convert the Missouri River Correctional Center (MRCC) to a female correctional facility	8.60	3,055,911		3,055,911
Remove funding for the Dakota Women's Correctional and Rehabilitation Center (DWCRC) contract		(10,761,951)		(10,761,951)
Restore funding relating to the DWCRC contract		1,406,488		1,406,488
Add funding and FTE positions to establish a minimum security correctional facility at the James River Correctional Center (JRCC)	36.20	6,565,560		6,565,560
Add funding to rent man camp buildings for use as a JRCC minimum security facility		4,603,553		4,603,553
Add funding and FTE positions to assume control of the Tompkins Rehabilitation and Corrections Center (TRCC)	27.50	5,031,222		5,031,222
Remove funding for TRCC payments to the Department of Human Services		(8,607,462)		(8,607,462)
Add funding to contract with the State Hospital for up to 30 addiction treatment beds		3,873,750		3,873,750
Add funding and FTE positions for pretrial services	7.00	755,034		755,034
Add funding to expand juvenile day treatment to five additional school districts, to provide a total of \$1,053,500 for day treatment in nine school districts		537,500		537,500
Transfer FTE positions for the information technology (IT) unification initiative	(6.00)	(1,204,280)		(1,204,280)
Increase funding for operating expenses relating to the IT unification initiative		1,277,087		1,277,087

Adjust funding for miscellaneous expenses, including reductions in food and clothing, operating fees and services, and maintenance; and increases in equipment and IT contractual services	571,322	(2,980,285)	(2,408,963)
Adjust funding for crime victims federal grant award changes	20,000	6,822,251	6,842,251
Add funding for Microsoft Office 365 licensing	618,699	110,208	728,907
Adjust funding for capital bond payments	(469,380)	16,180	(453,200)
Remove ongoing funding used to purchase a man camp facility for the MRCC	(844,000)		(844,000)
Remove ongoing funding for extraordinary repairs	(866,000)	(80,000)	(946,000)
Miscellaneous funding source adjustment	270	(270)	0
Total ongoing funding changes	93.30	\$18,745,105	\$3,010,566
			\$21,755,671

One-time funding items

Add one-time funding to replace Elite servers	\$40,000		\$40,000
Add one-time funding for Roughrider Industries equipment		\$298,700	298,700
Add one-time funding for construction of a Roughrider Industries building at JRCC		1,140,000	1,140,000
Add one-time funding for extraordinary repairs, including \$141,000 from the strategic investment and improvements fund (SIIF)	876,250	456,000	1,332,250
Add one-time funding from SIIF for renovations of the MRCC to convert it to a female facility		2,443,077	2,443,077
Add one-time funding from SIIF for campus studies of the Youth Correctional Center, JRCC, and State Hospital		750,000	750,000
Add one-time funding from SIIF for inmate tracking systems and other IT upgrades		665,000	665,000
Add one-time funding from SIIF for security equipment and redundant fencing		412,000	412,000
Total one-time funding changes	0.00	\$916,250	\$6,164,777
Total Changes to Base Level Funding	93.30	\$19,661,355	\$9,175,343
2019-21 Total Funding	938.59	\$233,998,059	\$46,336,596
			\$280,334,655

Other Sections for Department of Corrections and Rehabilitation - Budget No. 530

Executive Budget Recommendation

Special funds transfer - SIIF

Section 3 would designate \$4,411,077 from SIIF for campus studies, equipment, IT projects, and capital projects.

Line item transfers

Section 4 would authorize the Department of Corrections and Rehabilitation (DOCR) to transfer up to 10 percent of its total appropriation between the adult services and youth services line items.

Other Sections for Department of Corrections and Rehabilitation - Budget No. 530

Executive Budget Recommendation

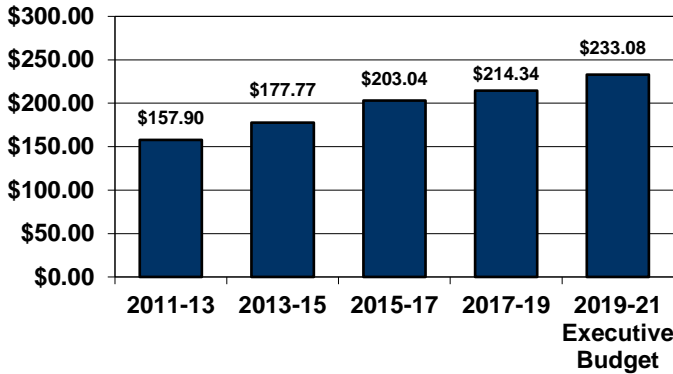
Additional funds appropriation authority	Section 5 would appropriate any additional special funds received by DOCR.
Exemption - Community behavioral health program	Section 6 would provide that any unexpended general fund appropriation authority relating to the \$7 million appropriated for the community behavioral health program for the 2017-19 biennium is not subject to the provisions of North Dakota Century Code Section 54-44.1-11 and may be continued and expended during the 2019-21 biennium.
Continuing appropriation authority	Section 7 would provide a continuing appropriation to DOCR for any moneys received from correctional supervision, electronic monitoring, and detention; reimbursements from other agencies; profits received from DOCR commissary; miscellaneous revenue, including offender fines, fees, restitution, and medical copayments; and from the common schools trust fund.
Tompkins Rehabilitation and Corrections Center	Section 8 would convey ownership of the Tompkins building and surrounding property from the Department of Human Services to DOCR.

Department 530 - Department of Corrections and Rehabilitation

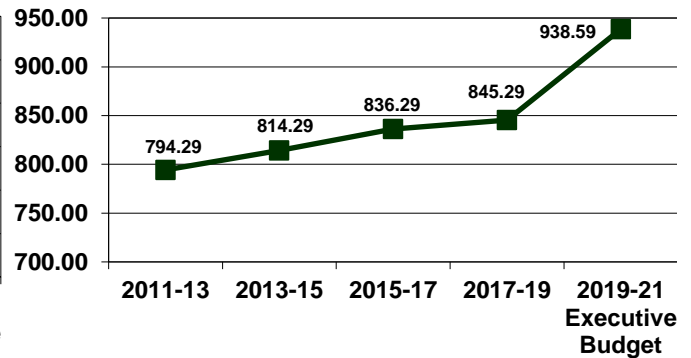
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$157,901,861	\$177,774,343	\$203,044,020	\$214,336,704	\$233,081,809
Increase (decrease) from previous biennium	N/A	\$19,872,482	\$25,269,677	\$11,292,684	\$18,745,105
Percentage increase (decrease) from previous biennium	N/A	12.6%	14.2%	5.6%	8.7%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	12.6%	28.6%	35.7%	47.6%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

- Added 11 FTE correctional officer positions and 3 FTE correctional caseworker positions \$1,537,144
- Added funding for increased probation and incarceration requirements due to provisions of House Bill No. 1302 (2013) relating to driving under the influence laws \$3,000,000
- Increased funding for transitional housing and programs \$1,106,678

2015-17 Biennium

- Added funding for targeted equity salary increases for correctional officer positions \$2,126,442
- Added funding for 22 new FTE positions, including 16 parole and probation officers, 1 juvenile corrections specialist, 1 Youth Correctional Center position, 2 adult services treatment positions, and 2 James River Correctional Center central receiving positions \$3,624,413
- Added funding to transfer community sex offender treatment from the Department of Human Services \$1,865,810
- Added funding for contract housing and programming \$9,243,102
- Increased funding for the Dakota Women's Correctional and Rehabilitation Center contract \$2,250,000

2017-19 Biennium

- Added 8 FTE Youth Correctional Center positions to maintain compliance with the federal Prison Rape Elimination Act \$1,006,461
- Added funding for a community behavioral health program, including 1 FTE position \$7,000,000
- Reduced funding for salaries and wages and contract housing and programming (\$7,000,000)
- Restored funding for contract housing and programming \$4,715,073
- Adjusted funding for various operating expenses, including food and clothing, medical, travel, utilities, repairs, maintenance, information technology, and professional services \$2,364,585

2019-21 Biennium (Executive Budget Recommendation)

1. Converts 20 temporary correctional officer positions to FTE positions	\$326,435
2. Adjusts funding and adds 8.6 FTE positions to convert the Missouri River Correctional Center to a female correctional facility	\$3,055,911
3. Removes funding for the Dakota Women's Correctional and Rehabilitation Center contract	(\$9,355,463)
4. Adds funding and 36.2 FTE positions to establish a minimum security correctional facility at the James River Correctional Center, including \$4.6 million to rent man camp structures	\$11,169,113
5. Adjusts funding and adds 27.5 FTE positions to assume administrative control of the Tompkins Rehabilitation and Corrections Center, including removing \$8.6 million for contract payments to the Department of Human Services	(\$3,576,240)
6. Adds funding to contract with the State Hospital for up to 30 addiction treatment beds	\$3,873,750
7. Adds funding and 7 FTE positions for pretrial services	\$755,034
8. Adds funding to expand juvenile day treatment to five additional school districts, to provide a total of \$1,053,500 for day treatment in nine school districts	\$537,500
9. Transfers 6 FTE positions to the Information Technology Department for the information technology unification initiative and adjusts related operating costs	\$72,807
10. Adds funding for Microsoft Office 365 licensing	\$618,699

**GOVERNOR'S RECOMMENDATION FOR THE
DEPARTMENT OF CORRECTIONS AND REHABILITATION
AS SUBMITTED BY THE
OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of corrections and rehabilitation for the purpose of defraying the expenses of the department of corrections and rehabilitation, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	<u>Base level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Adult services	\$220,757,448	\$26,947,121	\$247,704,569
Youth services	<u>30,740,509</u>	<u>1,889,577</u>	<u>32,630,086</u>
Total all funds	\$251,497,957	\$28,836,698	\$280,334,655
Less estimated income	<u>37,161,253</u>	<u>9,175,343</u>	<u>46,336,596</u>
Total general fund	\$214,336,704	\$19,661,355	\$233,998,059
Full-time equivalent positions	845.29	93.30	938.59

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
RRI equipment	\$167,000	\$298,700
Electronic medical records	935,907	0
Justice reinvestment	500,000	0
DAPL	500,000	0
Extraordinary repairs	0	1,332,250
Detection equipment	0	252,000
NDSP redundant fence	0	160,000
Industries building - JRCC	0	1,140,000
Campus studies	0	750,000
MRCC renovation	0	2,443,077
IT projects	<u>0</u>	<u>705,000</u>
Total all funds	\$2,102,907	\$7,081,027
Less estimated income	<u>2,102,907</u>	<u>6,164,777</u>
Total general fund	\$0	\$916,250

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of corrections and rehabilitation shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. SPECIAL FUNDS TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in section 1 of this Act includes the sum of \$4,411,077, or so much of the sum as may be necessary, from the strategic investment and improvements fund which may be transferred at the direction of the director of the department of corrections and rehabilitation for campus studies, equipment, information technology projects and capital projects during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. FUNDING TRANSFERS – EXEMPTION – AUTHORIZATION. Notwithstanding section 54-16-04, the department of corrections and rehabilitation may transfer between line items within section 1 of this Act up to ten percent of the total appropriation contained in section 1 during the biennium beginning July 1, 2019, and ending June 30, 2021. The agency shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section

SECTION 5. APPROPRIATION - In addition to the amounts appropriated to the department of corrections and rehabilitation in section 1 of this Act, there is appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. EXEMPTION – COMMUNITY BEHAVIORAL HEALTH PROGRAM. Section 54-44.1-11 does not apply to \$7,000,000 provided for the community behavioral health program included in section 1 of chapter 40 of the 2017 Session Laws. Any unexpended funds from this appropriation are available to the department of corrections and rehabilitation for the community behavioral health program during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. CONTINUING APPROPRIATION AUTHORITY – DEPARTMENT OF CORRECTIONS AND REHABILITATION OPERATING FUND. Any moneys received from correctional supervision, electronic monitoring, and detention; reimbursements from other agencies; profits received from department of corrections and rehabilitation commissary; miscellaneous revenue, including offender fines, fees, restitution, and medical co-payments; and from the common school trust fund; are appropriated to the department of corrections and rehabilitation as a continuing appropriation to defray operating expenses in addition to any moneys otherwise appropriated under this Act.

SECTION 8. CONVEYANCE OF LAND AND BUILDINGS – EXEMPTION FROM CHAPTERS 48-01.1 AND 54-44.7 OF THE NORTH DAKOTA CENTURY CODE. The state of North Dakota, by and through the department of human services, shall convey ownership of building 2404, formerly known as the nursing residence building and tompkins building, and surrounding real property on the grounds of the state hospital to the department of corrections and rehabilitation. The provisions of chapters 48-01.1 and 54-44.7 relating to public improvement contract bids and architect, engineer, and land surveying services for construction and renovation do not apply to this conveyance.