

86th Legislative Session – 2011

Committee: Joint Appropriations

Friday, January 14, 2011

P - Present
E - Excused
A - Absent

Roll Call

- P Wink, Chair
- P Carson
- P Bolin
- P Romkema
- P Dryden
- P Juhnke
- P White
- P Dennert
- P Wismer
- P Brown, Vice-Chair
- P Tidemann
- P Haverly
- P Heineman
- P Novstrup (Al)
- P Peters
- P Putnam
- P Rampelberg
- P Sutton

OTHERS PRESENT: See Original Minutes

The meeting was called to order by Chairman Dean Wink.

Department of Corrections

Tim Reisch, Secretary of Corrections along with staff members Laurie Feiler, Doug Weber and Doug Herrmann met with the Joint Appropriations Committee to present an informational briefing on the Department of Corrections. Also in attendance were Scott Bollinger, Richard Decker and Michael Winder. Document No. 1 was distributed.

Secretary Reisch told the Committee the department's top five priorities include:

1. To protect the citizens of South Dakota by providing safe and secure facilities for juvenile and adult offenders committed to our custody and to provide effective community supervision to offenders upon their release.
2. To reduce recidivism by 50% over the next 5 years.
3. To employ evidence-based practices to maximize opportunities for offenders' success.
4. To retain the valuable members of our team and maintain our current level of effectiveness throughout this period of economic uncertainty.
5. Opening the new minimum-custody unit in Rapid City.

Secretary Reisch told the Committee the Department of Corrections is a big user of general fund dollars with a current budget of \$106.9 million for the two divisions, adult (\$68.2 million) and juvenile corrections. There are currently 3,450 adult inmates in custody with 2,500 parolees under supervision in South Dakota and another 400 outside of South Dakota for a total of 6,350 offenders either in custody or on parole. In addition there are 400 juveniles in placement and another 400 in after-care. Combining adult and juvenile numbers, the department is responsible for a total of 7,150 offenders. It costs an average of \$10,755/year/adult offenders and \$46,269/year/juvenile offenders. Secretary Reisch said they feel the additional money spent on juveniles is a good thing because if they can get the juvenile "turned around" they may not end up in adult prison but go on to lead a productive life.

Secretary Reisch briefed the Committee on the Corrections Commission and the Council of Juvenile Services.

The department has juvenile and adult correction facilities located in 17 communities across South Dakota. The department employs 855 FTEs, including 20 FTEs working in Pierre in administration. The Inmate Medical Services is a huge part of the department budget with approximately \$15 million going to those services which are handled through the Department of Health. Contracts at a reduced rate are available with doctors, dentists and hospital for inmate care. Chemical dependency and mental health services are provided by the Department of Human Services in much the same way. One FTE is assigned to Juvenile Justice and Delinquency Prevention, 10.5 FTEs in Classification, Transfer and Scheduling, 1 FTE for Adult Reentry and 3 FTEs in Sex Offender Management. The State Training School is currently leased to Aurora Plains Academy with lease payments going to a dedicated fund to handle the maintenance of the school and campus. The State Training School campus is leased for \$1/year and the housing is leased for \$20,000/year.

Doug Weber, Chief Warden presented information on Adult Corrections.

The Mike Durfee State Prison at Springfield has been in operation for nearly 25 years. The facility currently houses 1,108 inmates and with a capacity of 1,300. Springfield operates as a low-medium facility and is typically for those inmates nearing the end of their sentence. The inmates are in Springfield to hopefully to take care of any remaining programming needs, work

on a housing project or to gain a job skill. There are numerous skills available to aid the inmate in becoming employable upon release.

In response to Chairman Wink's question, Warden Weber explained the facility classification system. Facilities are rated from maximum (the most secure) to minimum (the least secured, where there are no fences) where the trustees are housed. Springfield operates as a low-medium facility on the low end of the scale. The next drop for these inmates would be minimum security. Springfield is still a double-fenced facility with an alarm system and armed officers patrolling the perimeter. Inmates can earn their way back to a maximum secure facility with new charges or behavior issues.

The average daily count at the Mike Durfee Prison has increased continually since 1998. The large spike in numbers in FY05/06 was when the barracks were opened and inmates were moved from Sioux Falls and other facilities to Springfield.

The Penitentiary and Jameson Annex Complex in Sioux Falls is the large complex in Sioux Falls where the department houses maximum security inmates, the most dangerous and worst offenders the state has. A number of things go on in the large Jameson Annex Complex, including work, programming and educational opportunities. In addition, there are 2 mental health units and an administrative segregation section. Inmates in this section are those that continue to act out and are extremely dangerous. They are put in this section where they are locked down, supervised closely with limited programming opportunities. They are kept there until it is safe to place them back in the general population of the prison. Some are in this section for 90 days some for years, with a review every 90 days.

Warden Weber said the department works hard to keep the facility safe and secure. Parts of the penitentiary have been around since 1881 when it was a Dakota Territory prison; however there has been a great deal of remodeling and new buildings added to the campus over the years. The state has done an excellent job of caring for the facility including upgrades inside and out with modern day necessities to keep everyone safe.

Work and education opportunities are available to inmates in both facilities in Sioux Falls. One work opportunity is run by Hope Haven, a charitable organization from northwest Iowa. The inmates refurbish wheel chairs that are then donated to Third-World counties. The inmates enjoy the work and it is an opportunity for the men to do good work.

State Penitentiary Count has been slowly increasing since FY09 with a population of 1,410 in FY10 and a projected population of 1,453 in FY12.

SD Women's Prison in Pierre

This is the only facility for female inmates other than some rented beds for minimum security females in Sioux Falls. Warden Weber explained the Meth Unit and PACT house program and gave an overview of the women's prison facility.

Representative Wink asked for information on work release or job skill opportunities at the Women's Prison. Warden Weber said prison industries in the prison include jobs doing data entry and answering phones and embroidery work in the garment shop. There is also community service projects and work release where the inmates earn a salary and a number of female inmates work outside the walls doing custodial work in the Capital and surrounding facilities.

Representative Dennert asked for information on housing federal prisoners in SD prisons. Warden Weber said they house an average of 30-50 federal prisoners a year. These prisoners have been sentenced and convicted of a federal crime but not yet classified to a federal prison. They are usually housed between 2-6 weeks.

Pheasantland Industries

Traditional Shops include:

- License Plates/Decals
 - In response to Senator Brown's question, Warden Weber said the changes to the license plate renewal process have not greatly affected the work at the prison. Those inmates directly affected were reassigned and work on the plates and decals continue much as before.
- Carpentry
- Upholstery
- Print/Bookbinding
- Braille/Tactile Graphics
 - Warden Weber said South Dakota inmates have been brailing for much of the country for over 40 years, and within the past 5 years have started tactile graphing because of the need. Approximately 40 inmates are involved in this work with contracts in all 50 states. The income from this work is used to purchase new computers for the brailing work.
- Sign
 - The sign shop was moved from the Department of Transportation in Aberdeen to the state penitentiary when Governor Janklow reorganized and streamlined state government many years ago. All interstate or city signage is made at the state prison sign shop in Sioux Falls.
- Machine
- Garment/Screen Print
 - All necessary clothing, towels, bedding, etc. necessary for the inmates is made in the garment shop at Springfield.
- Data Entry
 - The data entry jobs are located at the Women's Prison in Pierre with work primarily done for state government.

Private Sector:

The inmates do some private sector work, especially in the metalcraft industry and those inmates are paid a prevailing wage. This program is monitored by the federal government to ensure that

states are not unfairly competing using inmate labor. A fee is paid to the state for the inmate labor and the inmate income is used to pay any court ordered fines, restitution or child support and a portion goes into the inmate's mandatory savings account. Any leftover goes to the inmate for their use. The income is very tightly controlled. Some of the metalcraft workers can earn as much as \$18-20/hour.

In response to Representative Carson's question, Warden Weber explained mandatory savings. Inmates earning an income are required to save a percentage of their earnings to be used upon their release. Lifers are obviously an exception; however, they are allowed to use their funds for necessary expenditures like child support, or to help their family pay bills, etc. Senator Sutton asked what percent is put in the mandatory savings account. Ms. Feiler said the inmates can have up to \$140/month for their daily expenses. Any amount over that goes half to savings and half to court ordered restitution.

Representative Dryden asked if inmates are required to pay for their medical treatment. Warden Weber said there is a mandatory co-pay of \$2 each time they see a doctor and a like fee for dentist visits and prescriptions. This requirement limits abuse of medical calls.

Senator Haverly asked about court ordered child support. Warden Weber said the department returns the court ordered child support and any court fees to the county. Representative Juhnke asked if that included tribal governments and Warden Weber said yes.

Community Service Program

Warden Weber told the Committee this program has been in existence for over 20 years. In order to be eligible the offender must be classified as minimum security status (both male and female) and sex offenders are not eligible. The work consists of assisting communities with disaster cleanup (fire, flood or storm), concrete work, painting, roof repair, tuck-pointing. The communities appreciate the help and the inmates enjoy the work, and rarely is there a problem. Inmates are paid \$.25/hour. Firefighters are paid more (\$.38/hr.) and require more training with crews set up in Rapid City.

In FY10 438 inmates worked 2,409,313 hours in the Community Service Program.

Representative Dennert asked for information on the cost for security involved in these community service programs. Warden Weber said the department sends an adequate number of supervisors; however, the communities are billed for what those costs are as well as mileage.

Work Release Program

Offenders must be minimum security status, must be serving on a non-violent offense, no sex offenders, with 12 month of their parole eligibility and are required to meet additional eligibility requirements as determined by policy (where they can work, hours they can work, etc.).

Work opportunities include service work, construction, production line, manufacturing, and miscellaneous industries. Offenders must be paid federal minimum wage with many earning a

prevailing wage. The offender pays \$18/day toward their room and board and any other financial obligations as determined by statute. In FY10, 183 inmates were on work release.

Representative Wismer asked what percent of the inmate's time is not involved in training, education or work release. Warden Weber said the inmates are engaged as much as possible in activities such as numerous education opportunities, counseling, sex offender treatment, and religious opportunities, in addition to work. The lights are out and cells at 8:30 p.m. Two-thirds of the day, for a majority of the inmates, is involved in activity, while one-third is lock down. However, those in Jamison are locked down 23 hours a day and not allowed to participate in programs because of the high risk.

Senator Tidemann asked for an explanation of how inmates are processed. Warden Weber said every male inmate starts at the penitentiary in Sioux Falls. The first step is a strip search and then they are processed in. They go through photographing and fingerprinting, followed by a medical evaluation, and then sent to housing in Jamison. While they are in Jamison, for approximately 20+ days, they receive a psychological evaluation, a complete medical physical, dental exam and are tested regarding their personality. The penitentiary uses the Adult Inmate Management System (AIMS) coding (which evaluates their propensity to violence) and an external test regarding housing. The staff evaluates the information and determines where the inmate should be housed.

Laurie Feiler, Deputy Secretary, presented information on Adult Population.

Senator Haverly asked how many inmates are from Pennington County and what affect will the new unit in Rapid City have on the population at Springfield. In response to Senator Haverly's question, Ms. Feiler said approximately 21.9% of the male population at Springfield (or 250), is from Pennington County. Because Springfield is a low-medium prison, not all of the Pennington County or Black Hills area inmates will be moved. The Rapid City unit inmates will come from Yankton, Sioux Falls and other minimum security facilities. Senator Haverly asked that the department provide a matrix that would show the transfer of inmates from other facilities to Rapid City. Ms. Feiler said approximately one-third of the inmate population is from the 5-6 county area around Rapid City.

In regard to the dip in female population shown on Slide 20, Ms. Feiler reminded the Committee that in FY05 and 06 the department saw a 19% increase in the female population. This increase prompted the development of the intensive meth program. Since that time it has been only about a 1% increase and at the same time the department has seen additional contracted community facilities that are part of the intensive meth program. Senator Haverly asked where the inmates are accounted for that go to other places. Ms. Feiler said contract beds are shown in the community service function where all community service items are budgeted.

Senator Haverly asked for the cost of the inmate that is moved out to a community program. Ms. Feiler said they do have to contract for the beds in the community and whether it is cheaper or more expensive; she would have to review the numbers.

Adult Population

The average daily population of adult inmates (males/females, all facilities) for FY10 was 3,450. The department budgets on an average daily count for the fiscal year. Senator Novstrup asked if with the tough financial situation, is the state maximizing the release of inmates using ankle bracelets and tight supervision. Ms. Feiler said the department uses GPS for some parolees as an added precaution, to keep people safely on parolee. They also use the scram bracelets (in the 24/7 program) for those on parole to keep them safely in their community. Senator Novstrup felt this is an option for the right inmate to save money.

Representative White asked for the average cost per inmate. Ms. Feiler said that information is coming in the budget presentation. Senator Peters asked if that cost includes fixed cost or daily costs. Scott Bollinger said the cost is all costs both fixed and variable, as well as department administrative costs and inmate medical. Senator Peters asked for information on the costs without the fixed facility costs.

The projected facility count for FY 2012 is a total of 3,577. In response to Senator Brown's question, Ms. Feiler gave the following capacity numbers for each facility.

Mike Durfee State Prison – 1,330, State Penitentiary - 903, Jameson Secure - 601, Jameson Unit C - 303, Yankton Minimum – 360, Rapid City Minimum – 102, Women's Prison – 227, Unit H – Pierre – 100, Unit E – Pierre – 96.

Ms. Feiler said they do not have a capacity number for the contracted beds and reminded the Committee some beds are not for just any inmate. For example at Jameson Secure, some beds are for disciplinary, some for segregation, some for infirmary. They are unable to place just any inmate in any bed.

Senator Brown asked for information on the capacity of the new Rapid City unit. Secretary Reisch said the unit is being built to accommodate 280 inmates with double bunks and 420 with triple bunks. Ms. Feiler told the Committee the major reason for the expansion of the Rapid City unit was to get those eligible inmates closer to home, to get them on work release in their home community and allow visits with their families. It wasn't so much of a capacity issue as it was to get them closer to home and able to transition back into their communities.

Senator Putnam asked what happens when there is an over abundance of a certain classification and there isn't room in the right area. Ms. Feiler said if there were too many low-medium at Springfield, they would remain in Sioux Falls at high-medium security until there was room. Senator Putnam asked for information on the cost of the inmate whose classification changes as he moves through the system.

Adult Inmate Work, Services and Activities

Ms. Feiler briefed the Committee on the work opportunities provided for inmates including institutional support, prison industries, community service and work release. In addition there are a number of religious and cultural activities provided with many staffed by volunteers. The department focuses on parenting and family programs including the PACT program, Mother-

Infant Program, Fatherhood and Families and Domestic Violence Prevention. The medical and mental health services are provided by the Department of Health and Department of Human Services.

Adult Inmate Programs

The department focuses on academic education and nearly every inmate leaving the prison has obtained their GED. In response to Senator Heinemann's question, Ms. Feiler said approximately one-third of the inmates do not have a high school diploma.

Chemical dependency is a huge issue. Approximately 85-90% of the offenders have been assessed with a chemical dependency, either drugs or alcohol. Each inmate is assigned to a dependency program for treatment while incarcerated and referred to a community based service when they reach parole.

Ms. Feiler told the Committee approximately 900 people in the adult prison system are identified as sex offenders. They are assessed and provided services while incarcerated and are required to access services once paroled. The department does a fair amount of poly-graphing to ensure they are keeping good track of the sex offenders.

Ms. Feiler said in an effort to be as efficient and effective as possible, the department does everything it can to make sure that offender doesn't come back. Recidivism reduction involves changes in attitudes and thinking processes. Senator Putnam asked if the recidivism reduction programs were handled in-house or contracted out. Ms. Feiler said it was a combination of both.

Intensive Methamphetamine Treatment

The women's prison saw an increase in population in 2005/2006 and a large percentage was meth related. The department partnered with the Department of Health and Department of Human Services to work on the issue and developed the Intensive Meth Treatment Program. Ms. Feiler said over one-third of the females coming into the prison system had a meth diagnosis and half were involved with meth in some way. In FY 2006 meth was the primary drug for 37% of the female inmates and that number has dropped to 18% in FY2010. The numbers for male inmates has always been lower with 14% in FY 2006 and 7% in FY2010.

Ms. Feiler told the Committee the Intensive Meth Treatment (IMT) program is a 4-phase, 15 month program for female inmates and parolees. First 6 months are in prison and last 9 months are in the community. There have been 317 participants from August 2006 to June 2010, with 164 completing the program. Of these 164, 23 have recidivated. The expenditures in FY 2010 were \$1,573,442.

Senator Putnam asked what happens when the inmate's term doesn't match up with the 15 month program. Ms. Feiler said scheduling is a challenge. The department works to get the person into a half-way house as an inmate or a parolee. Even those inmates who serve a minimum of 60 days are put through shorter chemical dependency program and work to get them into a community based program. Senator Putnam asked if the short-term inmate is included in the

“success rate” information. Ms. Feiler said they would be put through the prison program and then paroled to the community based program.

Senator Heineman asked for an explanation on the drop in numbers of inmates coming in with a meth diagnosis and what is it that works in this program and not others. Ms. Feiler said the IMT program was based on evidence based practices and that involves intensive treatment. The half-way house portion is also a strong part of the process. In addition to that, the department does frequent drug tests, about once every 3 days. Public awareness of meth and its problems possibly accounts for the drop in the numbers.

Parole

The department has Parole offices in 10 cities, 36 parole agents and 3 field supervisors. The average daily count for parole services was 2,803 in FY2010.

The Community Transition Program started in 2004 and is for inmates who make parole but do not have a place to go. They access the community, get a job, save money, but use one of the minimum housing units. This program is also a way to avoid parole violations. If an inmate is out on parole and has a problem they can self-commit back to the prison for help. Since its inception in 2004, 3,713 have been placed in the CTP program with 3,547 released from the program. The completion rate is 75% (2,663). Of the 2,663 that have completed the program, 1,726 are succeeding in their community. Ms. Feiler said this program is for those who without the program probably wouldn't make it in the community and, in turn, it lessens the recidivism rate.

Doug Hermann, Director of Juvenile Services presented information on Juvenile Corrections.

Mr. Hermann told the Committee Juvenile Corrections is composed of 2 sub-areas, juvenile community corrections, involving corrections agents in 16 field offices. These agents handle the commitment of a juvenile from day 1 to the end. The agents oversee the placement of youth, coordinate where the youth goes, whether a state or private facility.

Mr. Hermann explained how youth get to the Department of Corrections and said a small percentage of youth are adjudicated to a state facility. The process starts with apprehension, temporary custody, court appearance and then the youth is adjudicated either a Child in need of Supervision (CHINS) or delinquent. Once adjudicated the judge decides on the disposition of the youth, including probation or community based programs or a small portion are adjudicated to a state facility.

Representative Wink asked for an explanation of CHINS. Mr. Hermann said a CHINS is detailed in statute and is a youth committed of a status offense, an offense that would not be criminal if the youth were old enough such as alcohol or smoking. A delinquent is a youth that has committed a misdemeanor or felony. Both are committed to Department of Corrections with 80% being delinquent and less than 20% are CHINS.

The court system commits between 350-380 youth annually and Mr. Hermann said that number has been steady for 10 years. Once the youth is committed they go through a 7-day intake process. A juvenile corrections agent is assigned and they gather all the court information, make new assessments using evidence based assessment tools, and meet with the family. This is usually all done at the local detention center. The department tries to move the youth to an appropriate program, based on their needs, within 7 days. Following their placement (whether at a state facility or private placement) and treatment, the youth is involved in aftercare. This aftercare is usually done in the community and involves ongoing treatment and supervision. After-care typically lasts 6-12 months followed by discharge.

Mr. Hermann said there are 5 categories of discharge in statute. One is category 5 which states all youth are committed until the age of 21 or the department deems sooner. Mr. Hermann said a vast majority are discharged before the age of 21.

Juvenile Community Corrections

The department has 37 juvenile corrections agents, 34 are state employees and 3 contractual. Placement Services is a large part of the budget and includes state and private placements. The department also operates a small foster care program utilizing homes in smaller communities. West Farm, located near Sioux Falls, is a transitional program located at a state owned facility leased to Volunteers of America. The program operates as a group care residential program.

Senator Peters asked for information on the contract with West Central School District. Mr. Hermann said they are into the second year of a Justice Department grant with West Central School District to provide a transitional school setting at West Farm. The youth attend school at West Farm and work toward eventually entering West Central High School at a later time. The department may extend the contract for one more year and has a similar program in Rapid City at Rushmore Academy.

The Average Daily Population of Youth numbers show a significant decrease from a high in FY2000 of 1,141 to 815 to date. Mr. Herman said in FY02 and FY03 the department received a significant Department of Justice grant called the "Going Home Initiative". The department worked hard and used this grant to help reduce the numbers of youth incarcerated. Senator Haverly requested similar information for the adult population, whether incarcerated or on parole.

Senator Heineman asked what the department did between FY03 and FY10 to drop from 1,115 to 815 in average daily population. Mr. Herrmann said a majority were discharged for good cause. They successfully completed their treatment programs and aftercare program when they got back to their communities.

Representative Bolin asked for clarification on the resources used for West Farm and the 2nd Chance Program. Mr. Hermann said West Farm is operated with general funds, the other is federal funds.

Mr. Herrmann told the Committee the department currently has 420 youth on Aftercare. A vast majority of these youth are at home and supervised by the department's juvenile corrections agents. In addition, the department currently has a total of 215 youth in private placement, 52 out-of-state and 163 in-state. Youth are often placed in private placement for special needs determined during the initial assessment (age, sex offenders, etc.).

Senator Putnam asked about the closure of the juvenile placement center in Springfield. Mr. Herrmann said one other program recently closed and left a handful of youth, but far fewer than the number currently at Springfield. Representative Dennert asked if any of the youth at Springfield would be sent out-of-state. Mr. Herrmann said 5 will possibly be sent out-of-state because they had previously been turned down by in-state providers. In response to Representative Juhnke's question, Mr. Herrmann said of the 28 youth at Springfield, 15 are the responsibility of the Department of Corrections. The facility is scheduled to close in 30 days.

Mr. Herrmann said approximately 50% of the youth under DOC jurisdiction are in private placement. The state is able to access federal dollars for some of those requiring a higher level of care. Senator Haverly asked for information on federal dollars vs. state dollars on private placement.

The department has contractual foster care home locations in 12 communities across South Dakota. This is typically for youth who cannot go home for various reasons, parents are in jail or the department is unable to find the parents.

State Treatment and Rehabilitation Academy Programs (STAR)

Star Academy has two campuses, one for females, and one for males with a capacity of 145 youth between the two campuses. The average number of youth at Star is 130-135. Star Academy participates in the performance based standards project and is one of 14 out of 198 programs that have achieved the highest status, Level 4.

Youth Challenge Center

This program provides services for males with a longer criminal history and those have greater mental health needs. Length of stay for the program is 4-8 months, with an average stay of 5-6 months. In addition to counseling, work therapy and high school education, the program has a strong vocational education program.

Patrick H. Brady Academy

This program is for youth less involved or with less history in criminal activity, first time offenders. The program runs 30-120 days and provides services to males ages 14-18. GED education programs as well as counseling and outpatient chemical dependency programs are offered to the youth.

ExCEL

This program, licensed through the Department of Social Services, has a capacity of 24. The length of stay varies from 30-120 days and is designed for girls aged 14-17 with low to medium risk.

QUEST – Slide 57

This program, also licensed through the Department of Social Services, has a capacity of 24 and is typically 6 months in length. The girls involved have a significant sexual abuse history. Ninety percent enter with a long history of sexual abuse; they are a victim but have victimized others as well.

Senator Rampelberg asked if families receive any type of counseling. Mr. Herrmann said yes, the department has contracts with community mental health agencies around the state and utilize their services to provide a transitional program for the youth and families. There are also specific contracts in Rapid City and Sioux Falls for more intensive family services. Lutheran Social Services in Sioux Falls has excellent family service programs.

Reentry Initiatives

The Governor's Reentry Council was established in March of 2009. At that time, national data showed 1 out of every 31 people were in prison, jail, on probation or parole. South Dakota's numbers are 1 out of 40. South Dakota received a 2nd Chance grant for both adults and youth, and is working to implement the \$4.5 million grant (\$1.1 million state match) on adult recidivism. South Dakota hopes to reduce recidivism by 50% over the next 5 years. For offenders released in 2008, 31.2% is the 12 month recidivism rate. The Council has a goal of 15.6% in 2016. The number of adults released in 2008 was 627, so the goal for 2016 at 15.6% would be 314.

On the juvenile side there were 489 releases in 2008, 198 came back within one year for a recidivism rate of 40.5%. The Council's goal is 99 or 20.2% in 2016.

Update on Rapid City Facility

Secretary Reisch provided the Committee an update on the Rapid City Minimum Security Prison.

In 2003 HB1280 came before the Legislature to add 792 beds as part of a plan to eliminate the problem in Sioux Falls where over 100 cells had triple bunks. One piece of the 792 bed proposal was a 200 bed unit to be constructed in the Black Hills area. In February of 2004 the department opened a temporary minimum custody unit in Rapid City with 102 beds. The plan was for the unit to be open for 18 months.

In 2007 HB 1060 was introduced and the plan was to buy the temporary facility and a number of lots surrounding it and build the new permanent unit at that site. The bill was amended and ended up with a \$1.00 appropriation. The department was instructed to buy property near the Rapid City landfill that the city of Rapid City had offered for \$1.00. The department hired an engineer, designed a facility but found out it was very expensive; there were no city utilities at the location and a number of other issues that made the project too expensive.

The engineer that had designed the previous building made us aware of an available building on Elk Vale Road so in 2009 HB 1271 was introduced asking for \$6 million in bonding authority. The bonds would be paid back by the savings from the efficiencies of the new unit. The bill got amended on the floor and the \$6 million and the building itself were removed. Before the end of

Session the department found yet another sight. The building was located at 2725 Creek Drive near the current facility. Secretary Reisch said they were able to get the building locked in and the bill passed. The bill was to take effect on July 1, 2009 but before that happened the department was sued by an adjacent property owner. The department went to trial and prevailed in circuit court; however, the property owner then appealed the decision to the Supreme Court. While this was going on, the department got sued by the owner of the building. Once again the State prevailed in circuit court and settled with the seller. As part of the settlement, the department took title to the property in September of 2009.

In the 2010 Session SB 53 was introduced requesting \$3.8 million. The original estimate had been \$6 million and as part of the settlement the department paid the \$2.2 million purchase price, leaving \$3.8 million in SB 53. The bill passed both houses. However, the department had to wait until May 5, 2010 for the Supreme Court's unanimous verdict before they could move forward on the project. Since that time, bids have been taken and awarded to all the contractors involved. The total project cost will be \$7.8 million. The project is underway, using inmate labor as much as possible.

The project is a two-phase project with phase one being the construction of the parole offices. Cancellation of the current parole office lease will save \$23,769/year. Cancellation of the current Rapid City minimum unit lease will save \$59,744 and reduced contracts for minimum male beds (40 beds @ \$18/day and 22 beds @ \$10/day) will be \$342,800 for an annual savings of \$426,313. The plan is to move the parole offices in February 2011 with the minimum custody unit in operation in November 2011.

The old facility is a 102 bed unit with 13 staff. The new facility with a capacity of 280, expandable to 420 and will employ only 2 additional staff. Secretary Reisch said the building will utilize high energy/efficiency projects and will be LEED certified.

Secretary Reisch told the Committee the department will introduce SB 37 during the 2011 Legislative Session requesting the remaining \$1.8 million from other funds. Senator Haverly asked for the source of the "Other" Funds. Secretary Reisch said \$100,000 will come from Springfield Vocational Industries, \$100,000 Corrections Other, \$950,000 from work release funds, \$500,000 from the Pheasantland Industries revolving fund, and \$150,000 from the phone account for a total of \$1.8 million.

Senator Heineman asked about projected savings in utilities, etc. for the new building. Secretary Reisch said they have developed and used estimates based on square footage. The new building will cost less per cubic feet to heat or cool. Once there is a year's worth of data they will know for sure.

Representative Wismer asked if the department has looked at contracting out a large portion of adult corrections. Secretary Reisch said some states have done that but he feels movement in that direction is because of lack of bed space and lack of funding. Contracting would make the private sector run the corrections system. Youth private placement is different. There are a number of private placement entities that are able to match up the youth with the right facility.

MOTION: ADJOURN

Moved by: Peters

Second by: Haverly

Action: Prevailed by voice vote.

Barb Bjorneberg
Committee Secretary

Dean Wink, Chair