

From: [Holzer, Quinn](#)
To: [Jones, Llew](#); "[Llew Jones](#)" (ljones@mtbus.net)
Cc: [Triem, Joe](#); [Carlson, Amy](#); [Conrady, Scot](#)
Subject: Crossroads Correctional (Shelby prison)
Date: Wednesday, October 11, 2017 4:13:11 PM

Senator Jones,

I did meet with Mark Baker this morning, and Joe indicated you were looking for some information regarding the actual amount available from Crossroads. With this in mind, I thought I would send you a brief re-cap of the financial data from my meeting today. **(I have bolded the specific financial information)**

There is approximately \$30 million available in the account held against the purchase option.

The \$9.14 per inmate per day "use fee" has resulted in an account held by Core Civic (the parent company who owns Crossroads Correctional Center) that is somewhere between \$29 million and \$32 million. Mark Baker indicated he had been told it was about \$29 million, and Scot heard from DOC that it was just over \$32 million. We will follow up on that, and Mark was going to look into the exact amount, as he may have been given an outdated total.

Crossroads has been in talks with the executive regarding the re-negotiation of the contract. Their specific proposal would include:

- **Forfeiture of the \$30 million use fee account by Crossroads, providing an instant transfer-in to the State of Montana**
 - This would not negate the states option to buy at some point
- **Elimination of the \$9.14 daily use fee**

In exchange, Crossroads would propose to negotiate the following:

- **An increase in the Operating Agreement prison bed day cost, currently paid at approx. \$64/prisoner/day**
 - **They are looking for a rate that would include some of the \$9.14, and \$70 was thrown out as what they might want**
 - This agreement has actually not been signed for the current biennium
- Extend the contract now for the full 30 years
 - The contract is for 20 years, and expires August 31, 2019, with an option for 2 more 5 year extensions
 - This would extend it now, for the same total time period as is allowable in the contract

Please let me know if you have additional questions.

Quinn

Quinn Holzer
Operations Manager

Montana Legislative Fiscal Division

406.444.5385

<http://leg.mt.gov/css/fiscal/default.asp>