

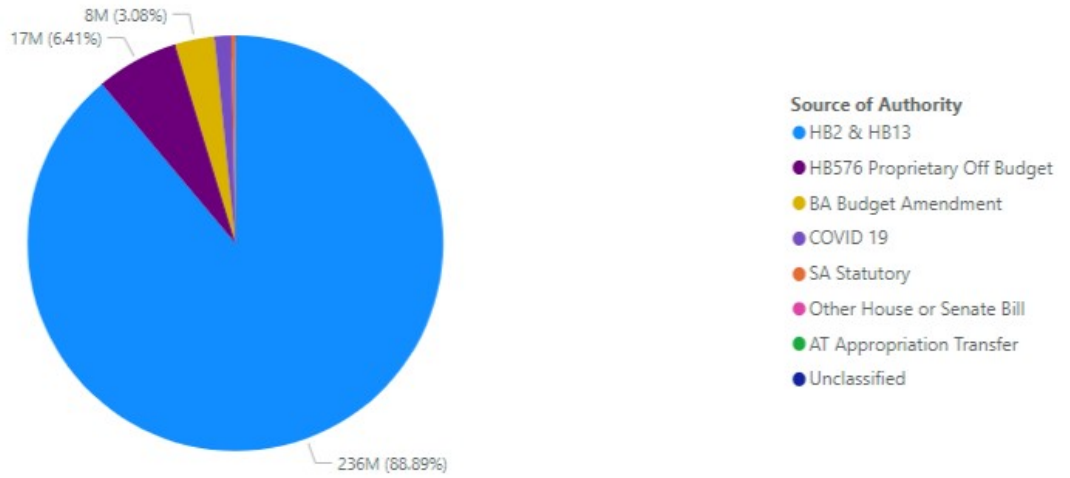
DEPARTMENT OF CORRECTIONS

TOTAL APPROPRIATION AUTHORITY

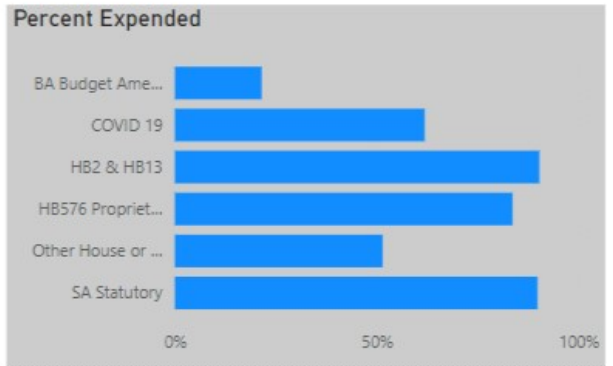
The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 88.9% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Dept of Corrections

Total Appropriation Authority



Fiscal Year	2021		
LFD_src_auth_descr	Budget	FYE Expended	Percent Expended
AT Appropriation Transfer	0		
BA Budget Amendment	8,197,983	1,763,985	21.5%
COVID 19	3,404,890	2,108,937	61.9%
HB2 & HB13	236,340,199	213,586,608	90.4%
HB576 Proprietary Off Budget	17,036,722	14,264,291	83.7%
Other House or Senate Bill	45,000	23,183	51.5%
SA Statutory	847,857	762,326	89.9%
Unclassified	0		
Total	265,872,652	232,509,330	87.5%



Budget Amendments

The department expended \$1.8 million of the \$8.2 million of budget amendment authority added in FY 2021. Total budget amendment (BA) expenditures in FY 2021 are funded 40.1% with state special revenues and 59.9% with federal special revenues. Approximately 49.5% of the federal fund expenditures were used in the Crime Control Bureau (CCB) to administer grants to other entities statewide and approximately 79.8% of the total budget amendment authority is within the bureau. In the 2023 biennium, CCB was moved from the Department of Corrections (DOC) to the Department of Justice (DOJ) and most of the federal budget amendment authority will follow. The following is a summary of 79.9% of the spending of the DOC budget amendments:

- \$707,103 of state special revenue for an increase in canteen sales generated by the receipt of COVID stimulus funds received by the inmates. The increases in sales and revenue caused an increase in expenses since the canteen had to purchase more product to keep up with demand
- \$329,103 of federal special revenue to address the growing number of unsubmitted sexual assault kits in the possession of law enforcement and to help provide resolution for victims when possible
- \$254,085 of federal special revenue to address the issue of child and youth victimization. The funding, initially provided in FY 2019, is expected to bring together systems and professionals in a coordinated approach. The BA supports a 0.75 FTE program manager to plan and implement the Montana project (Vision 21)
- \$119,253 of federal special revenue to improve sex offender registration programs
- The remaining \$6.4 million in budget amendment authority consists of \$764,000 for DOC grants and approximately \$5.7 million for the CCB that will be transferred to DOJ for the 2023 biennium.

Non-Budgeted Proprietary Funding

In FY 2021, DOC had \$17.0 million in non-budgeted proprietary authority and expended \$14.3 million. Enterprise programs at the Montana State Prison (Deer Lodge) and Montana Women's Prison (Billings) such as license plate manufacturing, motor vehicle shop, wood shop, state ranch, tailor shop, and canine training were supported by this funding.

Other Bills

The department had \$45,000 provided through non-HB 2 legislation in FY 2021, including the following:

- HB 369 (2019) - \$20,000 of authority available in FY 2021 to establish the Criminal Justice Oversight Council. In FY 2021, \$1,090 of operating expenses were expended
- HB 763 (2019) - \$25,000 of authority available in FY 2021, half of the biennial appropriation provided in the legislation. This authority was included in the 2023 biennium base budget. DOC expended \$22,093 of the authority in FY 2021 to implement data tracking related to the use of restrictive housing

COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts. Administrative authority for CARES I and ARPA appropriations was allocated to the agency by the Governor's Office. Administration authority is not an appropriation and thus is not included in the total appropriation authority shown on the previous page. The appropriation authority for CARES I and ARPA shown below remains with the Governor's Office.

Coronavirus Stimulus Appropriations Dept of Corrections

Stimulus Authority	Budget	FYE Expended	Percent Expended
CARES I	41,317,262	28,911,792	70.0%

The department was authorized to use \$41.3 million in CARES I funding in the 2021 biennium, and \$11.1 million of the authority was expended in FY 2020. In FY 2021, the department expended \$28.9 million of the authority. The primary uses of COVID funding (including expenditures from FY 2020) is summarized as follows:

- \$29,692,076 Reimbursing personal services for qualifying staff
- \$958,438 Decontamination equipment and supplies
- \$745,210 Personal protective equipment
- \$248,429 Social distancing
- \$328,809 Technology and telework
- \$10,262,717 Other directly related COVID 19 costs

Statutory Appropriations

For FY 2021, the department expended \$762,325, or 89.9%, of the \$847,857 in statutory appropriations to support the Pine Hills Correctional Facility and the state prisons. This funding supports the needs of residents, inmates, and/or their families.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the ending FYE modified budget. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

HB 2 Modifications Dept of Corrections

Agency Program	HB2 Budget	FYE Modified Budget	Net Modifications	
01 ADMINISTRATIVE SUPPORT SRVCS	30,321,357	37,248,418	6,927,061	
02 PROBATION & PAROLE DIVISION	79,862,625	77,599,802	-2,262,823	
03 SECURE CUSTODY FACILITIES	86,878,182	91,818,891	4,940,709	
04 MONT CORRECTIONAL ENTERPRISES	5,363,024	5,594,276	231,252	
06 CLINICAL SERVICES DIVISION	24,881,513	22,990,791	-1,890,722	
07 BOARD OF PARDONS & PAROLE	1,088,021	1,088,021	0	
Total	228,394,722	236,340,199	7,945,477	7,945,477.05

Expenditure Account	HB2 Budget	FYE Modified Budget	Net Modifications	
61000 Personal Services	94,388,616	88,413,591	-5,975,025	
62000 Operating Expenses	120,309,034	128,278,383	7,969,349	
63000 Equipment & Intangible Assets	165,761	239,905	74,144	
64000 Capital Outlay	20,773	20,773	0	
66000 Grants	9,653,395	11,537,327	1,883,932	
67000 Benefits & Claims	489,573	489,573	0	
68000 Transfers-out	2,906,284	6,775,101	3,868,817	
69000 Debt Service	461,286	585,546	124,260	

Fund Type	HB2 Budget	FYE Modified Budget	Net Modifications	
01 General	209,883,947	212,179,780	2,295,833	
02 State/Other Spec Rev	5,947,238	5,983,776	36,538	
03 Fed/Other Spec Rev	12,450,134	18,063,240	5,613,106	
06 Proprietary	113,403	113,403	0	

DOC made modifications to the HB 2 budget that netted to \$7.9 million. The budget increase is primarily explained by biennial budget authority, continued from FY 2020 to FY 2021. The total budget increase through continued authority was \$8.1 million and was funded with 30% general fund and 69.3% federal funds. The biennial authority supported the following:

- Clinical Services Division (general fund)
- Criminal History Record Improvements (federal special revenue)
- Victim Assistance (federal special revenue)

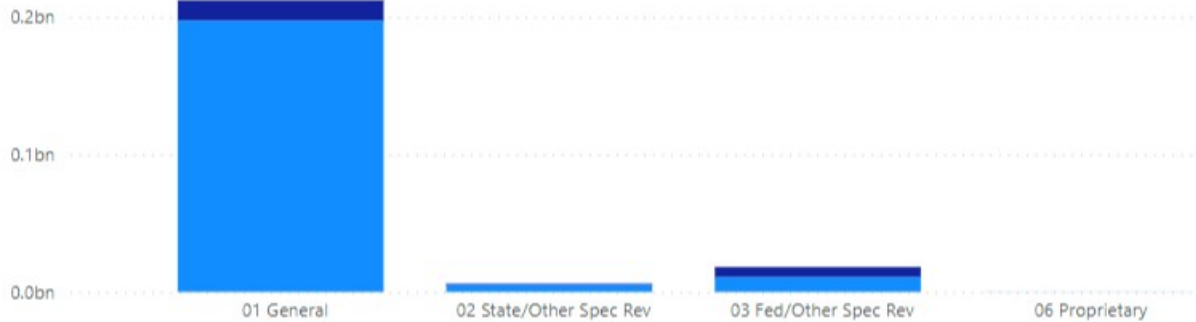
The budget increases of continued authority were offset in two actions that include:

- An appropriation transfer of \$150,000 to support the work of sidewalk repair/replacement at the Xanthopoulos building in Warm Springs
- Authority of \$5,487 used to pay prior-year expenses in the Community Correction Program

HB 2 APPROPRIATION AUTHORITY

HB 2 Expenditures

● FYE Expended ● Remaining Budget



Expenditure Account	FYE Modified Budget	FYE Expended	Percent Expended
62000 Operating Expenses	128,278,383	118,582,825	92.4%
61000 Personal Services	88,413,591	82,592,858	93.4%
66000 Grants	11,537,327	9,750,153	84.5%
68000 Transfers-out	6,775,101	1,848,864	27.3%
69000 Debt Service	585,546	585,133	99.9%
67000 Benefits & Claims	489,573		
63000 Equipment & Intangible Assets	239,905	226,774	94.5%
64000 Capital Outlay	20,773		
Total			
	236,340,199	213,586,608	90.4%

Agency Program	FYE Modified Budget	FYE Expended	Percent Expended
03 SECURE CUSTODY FACILITIES	91,818,891	91,326,690	99.5%
02 PROBATION & PAROLE DIVISION	77,599,802	67,357,471	86.8%
01 ADMINISTRATIVE SUPPORT SRVCS	37,248,418	29,464,770	79.1%
06 CLINICAL SERVICES DIVISION	22,990,791	18,887,915	82.2%
04 MONT CORRECTIONAL ENTERPRISES	5,594,276	5,581,688	99.8%
07 BOARD OF PARDONS & PAROLE	1,088,021	968,074	89.0%
Total			
	236,340,199	213,586,608	90.4%

In FY 2021, DOC expended \$213.6 million, or 90.4%, of the modified HB 2 budget. The figure at the top of this page explains the HB 2 funding. The figure below provides the amounts of the funding by source including how it was distributed and expended.

Fund Type	Modified Budget	FYE Expended	Remaining Balance	% Expended
01 General	\$212,179,780	\$197,377,933	\$14,801,847	93.0%
02 State/Other Spec Rev	5,983,776	5,217,970	765,806	87.2%
03 Fed/Other Spec Rev	18,063,240	10,877,302	7,185,938	60.2%

The department's budget is principally funded with general fund (01 General), and 93.0% of these funds were expended in FY 2021. Additionally, a total of \$113,403 of the HB 2 budget was funded through proprietary funds and the department expended all of the funding provided. For more information on HB 2 funding, see Page 7 – Unspent Authority section of this report.

With total spending in FY 2021 amounting to 90.4% of the modified budget, spending was below the annual average of 95.0% of the budget and was also lower than FY 2020 where the department spent \$215.2 million, or 92.6% of the budget. In FY 2021, HB 2 authority was at times unspent as federal funds were used for various COVID expenditures including personal services.

The department's expenditures are weighted to operating expenses, accounting for 54.3% of total HB 2 expenditures in FY 2021. In operating expenses, the department expended \$118.6 million, of which \$71.7 million or 60.4% can be attributed to costs for housing at county jails, regional prisons, private prison treatment facilities, and pre-release centers.

DOC expended \$82.6 million, or 93.4%, of the personal services budget in FY 2021. The spending is below the five-year average of 96.1%. In FY 2021 \$15.9 million of the department's personal service costs were funded outside HB 2 by COVID 19 funds.

The highest level of spending is seen in the Secure Custody Facilities Division, where spending in FY 2021 was 38.9% of the HB 2 modified budget, slightly lower than the five-year average of 40.2%. Some specific details of FY 2021 DOC spending, as designated in the 2019 version of HB 2, include:

- Housing Costs (restricted/biennial) - \$200,000 of general fund in each year of the biennium, was moved from the Director's Office to the Probation and Parole Division. The department continued \$61,283 from FY 2020. The appropriation was 88.5% expended in FY 2021 leaving a balance of \$29,846
- Director's Office Contingency (restricted) - \$1.0 million of general fund in FY 2021, contingent on certification of the Governor's office that county jail holds be maintained at a monthly average of 250 or less, was fully expended
- Workload Study and Training (restricted) - \$256,509 of general fund in FY 2021 in the Director's Office, contingent on certification of the Governor's office. The appropriation provided for a workload study of probation and parole officers and included an organizational assessment of the supervision structure and allocation of offender caseloads across probation and parole staff based on offender risk levels determined through the Montana Incentives and Interventions Grid. The appropriation was fully expended both years of the biennium
- Probation and Parole Career Ladder (restricted) - \$300,000 of state special revenue for career ladder funding, contingent on certification of the Governor's office that the department review and notify probationers and parolees of the potential of a conditional discharge. The appropriation certified by the Office of Budget Programming and Planning, but the funding was not accessed in the 2021 biennium because the bargaining unit membership rejected the career ladder

OTHER ISSUES

Information Technology Project Expenditures

DOC is working on a new IT project, titled the electronic health records system, which has a budget of \$450,000. The project, within the Clinical Services Division, will replace paper medical charts and will allow the division to make policy changes and support new health care initiatives more efficiently. To date, there have been no expenditures on the project, but DOC has accrued (set aside) \$450,000 for the system build and an additional \$150,000 for year-one operations. The project is expected to be complete in November of 2021.

Required Reports

In 2021, the DOC filed several “triggering” budget change documents in FY 2021. The change actions include:

- A budget amendment bringing \$1.0 million into the Administrative Services division budget that included \$80,751 in personal services in support of existing FTE (BA032-Triggers)
- Fiscal year-end adjustments that moved authority in the Administrative Services division between first level account types, primarily reducing transfers-out and increasing grants, administered by the Crime Control Bureau and sub-granted to other entities (on LFC time sensitive list: 685 HA025 and Triggers)
- Fiscal year-end adjustments that moved budget authority from the Clinical Services Division to the Administrative Services division and the Secure Custody Facilities division (on LFC time sensitive list: PT509-and Triggers)

“Triggering” changes require review and comment by the Legislative Finance Committee, and were reviewed by staff of the Legislative Fiscal Division

The following, along with some of the “triggering” budget change documents, were submitted by the agency to be included on the time sensitive list provided to the LFC:

- An operating plan change moving authority between operating expenses and transfers-out for maintenance work at the Xanthopoulos building (690 OP165)
- Fiscal year-end adjustments that moved budget authority between first level accounts and divisions (PT 511)
- Fiscal year-end adjustments that moved budget authority between first level accounts in Correctional Enterprises (700 OP106)

Unspent Authority

As seen in the figure on Page 5 of this report, DOC expended 90.4% of the modified HB 2 budget. The remaining balance of \$22.8 million will be retained in the various funds. As mentioned earlier, the largest source of funding in DOC is general fund. From the modified authority, there is an appropriation balance of \$14.8 million that will revert to the general fund and increase the projected general fund balance. The department also had a balance of \$0.8 million in state special revenues and \$7.2 million in federal special revenue.