

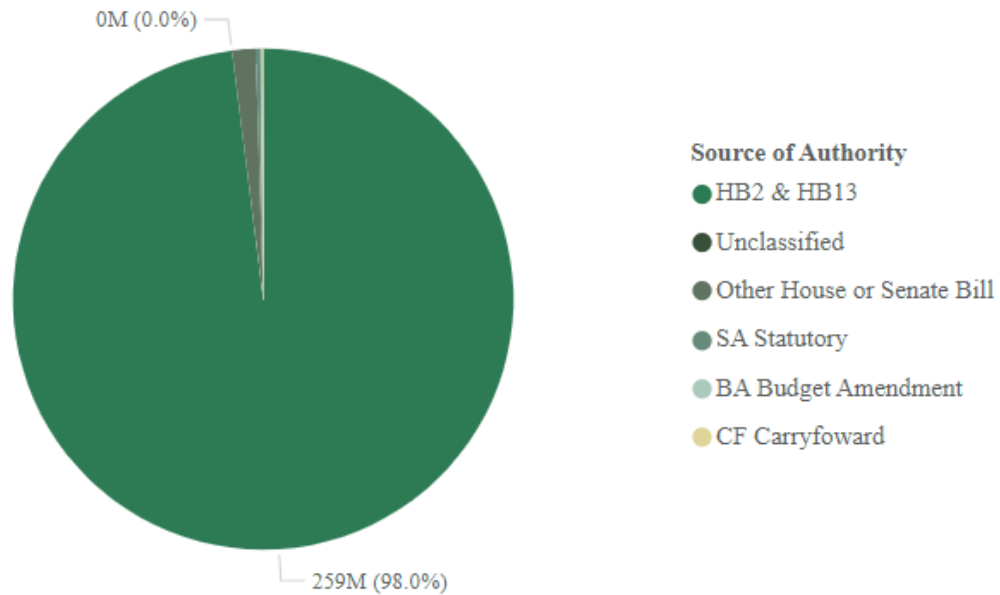
# DEPARTMENT OF CORRECTIONS

## (Spending report March 1, 2024 through May 30, 2024)

### TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Department of Corrections (DOC) is shown in the pie chart below. HB 2 and HB 13 provide 98.0% of the total authority for this agency in FY 2024. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

**Total Modified Budget by Source of Authority**



Source of Authority	Modified Budget	Expended Budget	% Expended
HB2 & HB13	259,145,595	221,879,780	85.6%
BA Budget Amendment	430,243	161,347	37.5%
CF Carryforward	89,349		
Other House or Senate Bill	4,003,604	1,600,242	40.0%
SA Statutory	744,982	355,087	47.7%
Unclassified	17,753		
<b>Total</b>	<b>264,431,526</b>	<b>223,996,457</b>	<b>84.7%</b>

### Budget Amendments

Through May, the department had expended approximately \$161,000 or 37.5% of the nearly \$430,000 in budget amendment authority for FY 2024. Total budget amendment authority has been increased by \$27,000 since the March IBC meeting for offsetting costs of housing criminal alien offenders at the state prison through

the US Department of Justice State Criminal Alien Assistance Program (SCAAP). This authority is 100.0% funded with federal dollars. The budget amendment authority and expenditures are summarized as follows:

- \$323,000 addresses the needs of incarcerated parents and their minor children and supports 1.00 modified FTE. As of the end of May, DOC had expended just over \$114,000 of this authority. Remaining authority has been extended until September of 2024
- \$61,000 is used to reimburse the department for costs related to housing criminal alien offenders. The department uses this funding to offset a portion of personal service expenditures for correctional officers. Approximately \$33,000 has been expended
- \$26,000 provides additional operational support in the education department for youth housed at Pine Hills Correctional Facility. No expenditures have been made in FY 2024
- Nearly \$20,000 supports rural schools in providing basic programs, effective instruction, and language instruction. The DOC has expended about \$14,000 from this authority

## **Other Bills**

In FY 2024, the DOC has \$4.0 million in appropriation authority contained in other legislation which is separate from HB 2 and HB 13. Of this authority, \$3.9 million of general fund is provided through HB 817 of the 2023 Legislature. The authority provides funding for the department to obtain 120 secure contracted beds. The Department of Corrections entered into a two-year contract with Core Civic to obtain bed space at the Saguaro Correctional Facility in Arizona. The contract went into effect in mid-November, and the department has completed moving 120 inmates to Arizona at a cost of approximately \$1.6 million through May.

Additionally, the department was directly allocated appropriations of \$61,600 from HB 5 of the 2023 Legislature for FY 2024. This appropriation was provided for maintenance and renovation of the recently acquired Acadia facility in Butte but has not yet been expended.

## **Statutory Appropriations**

Through May of FY 2024, the department expended just over \$355,000 or 47.7% of the \$745,000 in statutory appropriation (SA) authority within the Inmate Welfare state special account that supports inmate priorities at the Pine Hills Correctional Facility and the state prisons, as provided in 53-1-109, MCA. Expenditures are comprised of nearly \$21,000 in personal services for inmate pay and a little over \$334,000 in operating expenses for athletic and recreational equipment, shop supplies and tools, subscriptions, minor office equipment, and groceries.

## **Unclassified**

Per 39-71-403(1)(b)(iv), MCA, when workers' compensation premiums are lower than the previous year, state agencies shall reduce personal service appropriations by the amount of the premium reduction. To track the changes in appropriation authority, total appropriations are not reduced, instead the Governor's Office of Budget and Program Planning (OBPP) requires state agencies to:

- Reduce HB 2, statutory, and proprietary appropriations

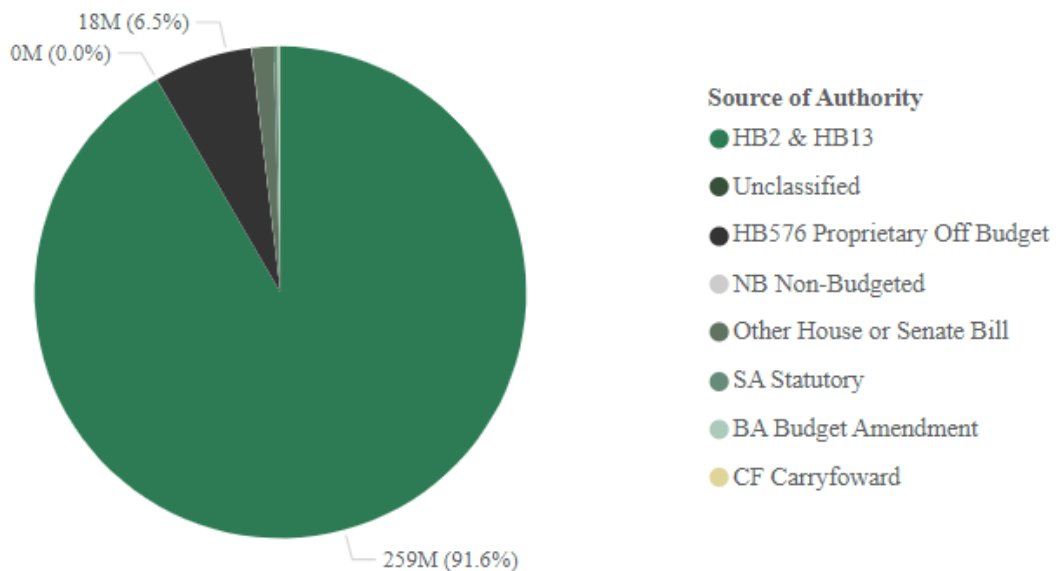
- Create a separate offsetting entry on the financial statements in the same amount using an identifying number for workers' compensation entries (shown in the Total Appropriation Authority figure above as "Unclassified")

The offsetting entries are identified as "frozen" appropriations, which means the appropriations will not be spent unless authorized by OBPP. The total DOC personal service budget has been reduced by \$17,753 and has an offsetting unclassified appropriation of a like amount.

## EXPENDITURE AUTHORITY

The total expenditure authority for the DOC is shown in the following pie chart. Total expenditure authority includes non-budgeted proprietary funding and non-budgeted expenditures such as transfers or indirect costs which are not included in the previous pie chart as the expenditures are not appropriated.

**Modified Budget & Expended Budget by Source of Authority**



Source of Authority	Modified Budget	Expended Budget	% Expended
HB2 & HB13	259,145,595	221,879,780	85.6%
HB576 Proprietary Off Budget	18,321,608	14,983,751	81.8%
Other House or Senate Bill	4,003,604	1,600,242	40.0%
SA Statutory	744,982	355,087	47.7%
BA Budget Amendment	430,243	161,347	37.5%
CF Carryforward	89,349		
NB Non-Budgeted	86,860	78,765	90.7%
Unclassified	17,753		
<b>Total</b>	<b>282,839,993</b>	<b>239,058,973</b>	<b>84.5%</b>

## Non-Budgeted Proprietary Funding

In FY 2024, the DOC currently has \$18.3 million in non-budget proprietary authority for the Montana Correctional Enterprises Program. The program provides services to the Montana State Prison (Deer Lodge) and Montana Women’s Prison (Billings), which includes license plate manufacturing, motor vehicle shop, wood shop, state ranch, tailor shop, and canine training. Total authority has increased by approximately \$500,000 since the March 13 IBC meeting for motor vehicle maintenance within the Prison Industries Training Program (part of the Vocational Education Program). Revenue in this account has increased with the completion of several repair projects. Through May of FY 2024, the Montana Correctional Enterprises Program has expended approximately 81.8% or \$15.0 million, leaving an unexpended/unobligated appropriation balance of around \$3.3 million. The table below shows the FY 2024 budget, current expenditures, and percent expended for each of the non-budgeted proprietary accounts. Total proprietary spending through May follows slightly lower than expected trends.

<b>Proprietary Account</b>	<b>FY 2024 Budget</b>	<b>FY 2024 Expenditures</b>	<b>Percent Expended</b>
Prison Ranch	\$5,170,342	\$3,776,127	73.0%
Institutional Industries	4,038,294	3,885,277	96.2%
Food Factory	5,327,358	3,808,954	71.5%
Vocational Education	1,232,546	1,037,359	84.2%
License Plate Factory	2,553,068	2,476,035	97.0%
<b>Totals</b>	<b>\$18,321,608</b>	<b>\$14,983,751</b>	<b>81.8%</b>

## HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget from March 1, 2024, through May 31, 2024. 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.

## Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	HB 2 Budget	Modified Budget	Net Modifications
<b>Dept of Corrections</b>	<b>259,145,595</b>	<b>259,145,595</b>	<b>0</b>
01 DIRECTOR'S OFFICE CSD	15,975,513	20,747,038	4,771,525
02 PUBLIC SAFETY	142,740,011	136,024,288	-6,715,723
03 REHABILITATION AND PROGRAMS	99,157,840	101,032,248	1,874,408
04 BOARD OF PARDONS AND PAROLE	1,272,231	1,342,021	69,790
<b>Total</b>	<b>259,145,595</b>	<b>259,145,595</b>	<b>0</b>

Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
61000 Personal Services	108,854,045	108,786,739	-67,306
62000 Operating Expenses	147,528,777	147,596,083	67,306
63000 Equipment & Intangible Assets	938,552	938,552	
64000 Capital Outlay	20,773	20,773	
68000 Transfers-out	732,395	732,395	
69000 Debt Service	1,071,053	1,071,053	
<b>Total</b>	<b>259,145,595</b>	<b>259,145,595</b>	<b>0</b>

Fund Type	HB 2 Budget	Modified Budget	Net Modifications
01 General	251,926,113	251,926,113	0
02 State/Other Spec Rev	7,100,679	7,100,679	0
06 Enterprise	88,711	88,711	
06 Internal Service	30,092	30,092	
<b>Total</b>	<b>259,145,595</b>	<b>259,145,595</b>	<b>0</b>

The figures above highlight modifications to the HB 2 budget that have occurred between March 1 and May 31 of FY 2024. The Department of Corrections has made three modifications to its HB 2 budget since the March 13 IBC meeting which include two program changes and one reorganization. More detail includes:

- A change which moved operating expense authority of approximately \$316,000 from the Public Safety Division and nearly \$1.3 million from the Rehabilitation and Programs Division all to the Director's Office to align funding for inflationary increases with the areas experiencing the largest effects
- A change which moved personal service authority to operating expenses within the Probation and Parole Supervisory Fee state special revenue account. This fund collects fees from offenders and was historically used to pay for a portion of a modified position. These costs are being transitioned to operational functions

The reorganization performed by the department was done to establish new bureaus and moves a total of 91 FTE and associated funding in the amount of \$6.9 million in FY 2024 throughout the agency to align with current org chart structures. An outline of the changes made within this reorganization include:

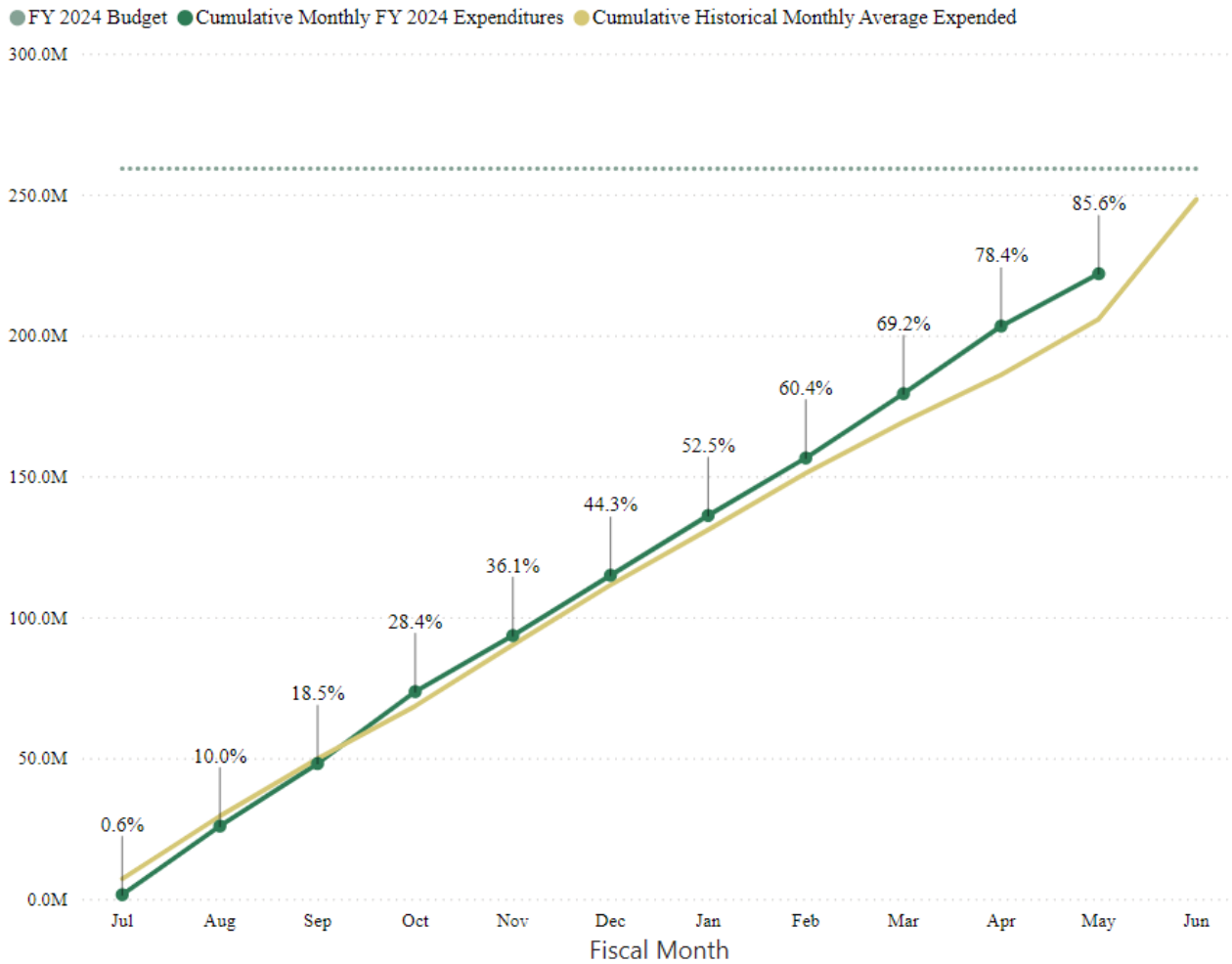
- All purchasing functions were consolidated to the Financial Service Bureau in the Director's Office
- All maintenance functions were consolidated to the Project Management Bureau within the Central Services Division
- All education services were combined into a newly created Education Services Bureau within the Rehabilitation and Programs Division

- Case management for offenders was moved to the Rehabilitation and Programs Division from the Public Safety Division

## HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through May 31, 2024.

### Monthly Expenditures Compared to Historical Average



Program Name	Modified Budget	Expended Budget	% Expended
⊕ 01 DIRECTOR'S OFFICE CSD	20,747,038	15,440,575	74.4%
⊕ 02 PUBLIC SAFETY	136,024,288	123,572,630	90.8%
⊕ 03 REHABILITATION AND PROGRAMS	101,032,248	81,805,890	81.0%
⊕ 04 BOARD OF PARDONS AND PAROLE	1,342,021	1,060,686	79.0%
<b>Total</b>	<b>259,145,595</b>	<b>221,879,780</b>	<b>85.6%</b>

Expenditure Type	Modified Budget	Expended Budget	% Expended
⊕ Personal Services	108,786,739	96,067,439	88.3%
⊕ Operating Expenses	147,596,083	123,661,885	83.8%
⊕ Equipment & Intangible Assets	938,552	330,544	35.2%
⊕ Capital Outlay	20,773		
⊕ Transfers-out	732,395	334,907	45.7%
⊕ Debt Service	1,071,053	1,485,006	138.6%
<b>Total</b>	<b>259,145,595</b>	<b>221,879,780</b>	<b>85.6%</b>

Fund Type	Modified Budget	Expended Budget	% Expended
⊕ 01 General	251,926,113	217,969,023	86.5%
⊕ 02 State/Other Spec Rev	7,100,679	3,910,757	55.1%
⊕ 06 Enterprise	88,711		
⊕ 06 Internal Service	30,092		
<b>Total</b>	<b>259,145,595</b>	<b>221,879,780</b>	<b>85.6%</b>

The DOC HB 2 modified budget for FY 2024 is principally funded with general fund at 97.2%, and current fiscal year expenditures follow a similar trend. Through May, the Department of Corrections expended 85.6%, or nearly \$221.9 million, of its \$259.1 million HB 2 modified budget. Overall, this is higher than the historical average of 79.4% at this point in the fiscal year but still appears to be on track.

Part of this discrepancy can be attributed to changes to funding over time. Until FY 2022, the Montana Board of Crime Control (MBCC) operated as an administrative attachment to the DOC before being moved over to the Department of Justice. The HB 2 budget for the MBCC includes substantial federal grant funding, and expenditures from these funds through May of a given fiscal year were lower due to the timing of receiving and administering grant funding. The other cause for higher-than-historical spending occurs in personal services with more detail provided below.

Operating expenses and personal services make most of DOC expenditures. Operating expenses accounted for 55.7% of total expenditures through May. In operating expenses, the department expended \$123.7 million, of which \$78.7 million or 63.6% can be attributed to costs for housing inmates at county jails, contracted prison facilities, and contracted community corrections facilities including treatment, sanction, and pre-release centers.

Personal services accounted for an additional 43.3% of expenditures. DOC has expended \$96.1 million, or 88.3%, of the personal services budget through May of FY 2024. This percentage is slightly higher when compared to personal service spending in previous fiscal years. Position vacancies have been consistently dropping throughout FY 2024 which helps explain the higher utilization rate in this area of the budget when compared to years where staffing the agency was more difficult. For more detail regarding personal services, please see the Personal Services section of this report.

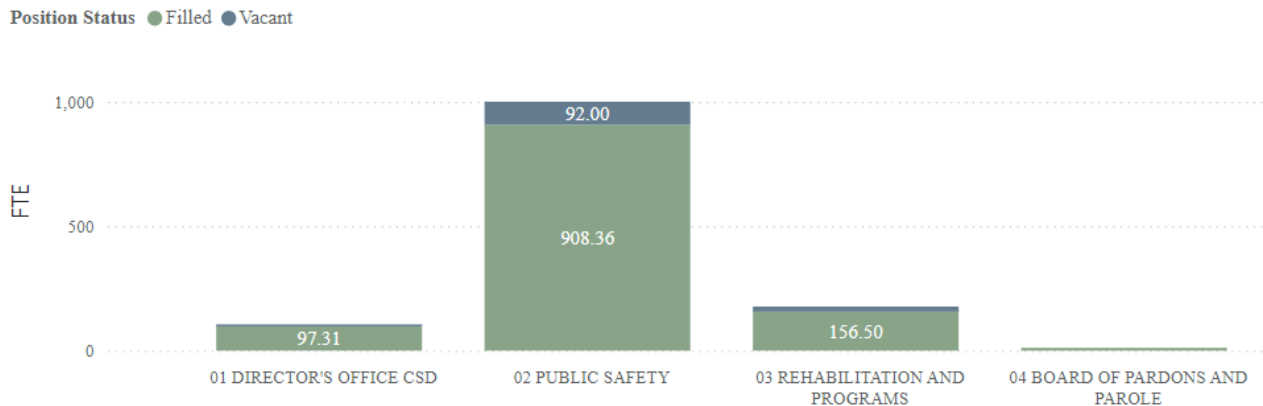
For the department in the 2025 biennium, HB 2 includes a series of one-time-only, line-item appropriations. Those items are shown by program in the table below. The table includes any restrictions/conditions associated with the appropriation. In FY 2024, there have not yet been expenditures related to most of these

appropriations which is associated with slightly lower spending within the Rehabilitation and Programs Division. The 2023 Legislature approved all these appropriations as biennial, and the FY 2024 amounts shown are available for both years of the 2025 biennium.

Program	Line Item	FY 2024 Amount	FY 2024 Expenditures
<b>02 Public Safety Division</b>	<b>Equipment/IT Upgrades</b>	<b>\$290,700</b>	<b>\$0</b>
Appropriations for Equipment/IT upgrades may be used by the Department of Corrections only to purchase the following items: one mini excavator, one manlift, additional security cameras, one warehouse forklift, one emergency generator for the Montana State Prison high side kitchen, and one security utility vehicle.			
	<b>Vehicle Replacement</b>	<b>\$495,000</b>	<b>\$0</b>
Appropriations for Vehicle Replacement may be used by the Department of Corrections only to purchase the following vehicles for operation at the Montana State Prison: eight new security vehicles, one new cargo van, and one new gator vehicle.			
	<b>Prior Session Staffing Correction</b>	<b>\$858,150</b>	<b>\$542,939</b>
This appropriation was provided to convert 13.00 modified FTE to permanent.			
	<b>Additional Authority for Correctional Officers</b>	<b>\$1,250,000</b>	<b>\$0</b>
Additional Authority for Correctional Officers may be used only after the Department of Corrections has fully expended all personal services appropriated for the purpose of paying correctional officers in the amount of \$67,692,715 for the 2025 biennium.			
<b>03 Rehabilitation and Programs Division</b>	<b>Efficiencies in Community Corrections</b>	<b>\$1,000,000</b>	<b>\$17,990</b>
Appropriations in Efficiencies in Community Corrections may be used by the Department of Corrections to expand nonresidential capacity by moving offenders that are suitable and appropriate to be moved into the community from prerelease beds			
	<b>DOC Supplemental Option 1</b>	<b>\$1,467,861</b>	<b>\$0</b>
Appropriations in DOC Supplemental Option 1 may be utilized by the Department of Corrections to expand capacity within community corrections providers.			
<b>04 Board of Pardons and Parole</b>	<b>ACA Accreditation</b>	<b>\$15,000</b>	<b>\$0</b>
Appropriations in ACA Accreditation are contingent on the Montana Board of Pardons and Parole first receiving its correctional certification through the American Correctional Association.			

## Personal Services

FY 2024 appropriations for personal services in the Department of Corrections total \$108.8 million and were 88.3% expended as of May 31, 2024. The following chart shows the filled and vacant FTE within the agency.





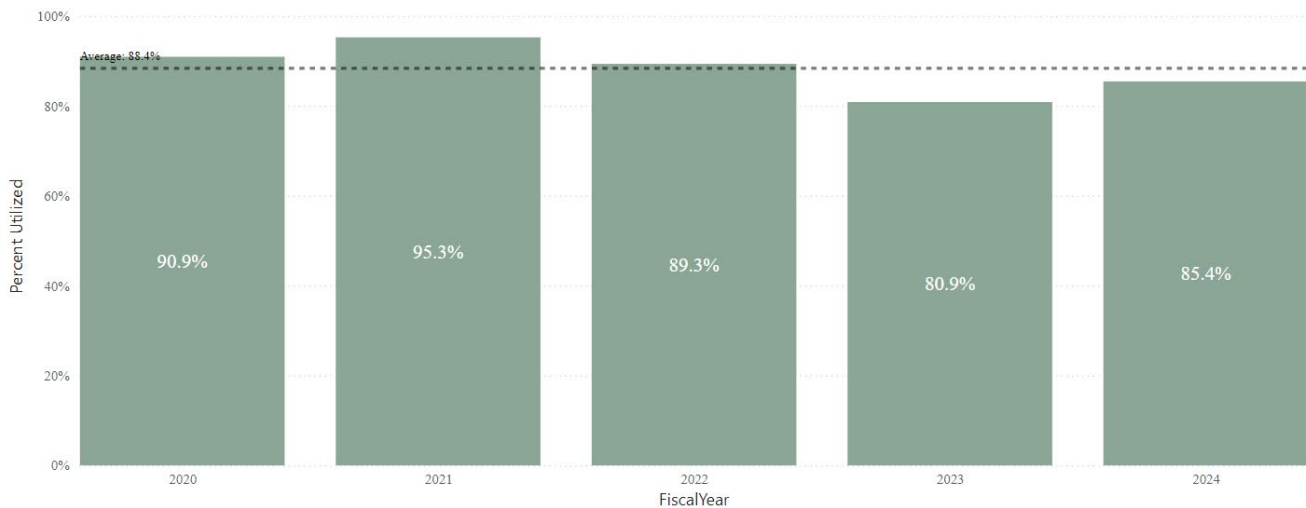
In FY 2024, the DOC is budgeted for 1,293.67 FTE.. Of the total FTE, DOC had 120.50 FTE vacant as of May 1, 2024, which represents an agency vacancy rate of 9.4%. Vacancies related to correctional officers have declined substantially in FY 2023 and FY 2024. Current vacancies related to correctional officer’s total 42.00 FTE which represents an increase of 5.00 FTE from the March report but is still quite low in comparison to previous fiscal years. Other areas currently experiencing the most vacancies include:

- Cook Supervisors – 11.00 vacant FTE
- Probation and Parole Officers – 13.00 vacant FTE
- Registered Nurses – 7.00 vacant FTE
- Inmate transportation officers – 9.00 vacant FTE

From July 1, 2023 to May 1, 2024, the department experienced turnover in a total of 215 positions. The turnover reasons for these positions are as follows:

- Left state employment – 168 positions
- Retired – 28 positions
- Transferred to a different state agency – 19 positions

The chart below shows the hourly utilization percentage for the Department of Corrections between July 1 and May 1 for each fiscal year when compared to the available hours for the same time period. Overall, the department has utilized 85.4% of the hours budgeted for this period in FY 2024, as shown in the chart below, which is lower than the historical five-year average of 88.4%. Hours utilized appear slightly lower than anticipated due to overtime hours by correctional officers using different accounting codes from regular hours and not being reflected in the chart below. This began in the middle of FY 2022 when the department moved to 12-hour shifts to combat large vacancies that were occurring within correctional officer positions at the time.



Additionally, the appendix below includes a table showing the vacant FTE in each division, the number of months each position has been vacant, the midpoint hourly pay rate, and an estimated amount of savings associated with the vacant term for the position. As seen in that table, for the 120.50 FTE that were vacant on May 1, 2024, 24.00 FTE had been vacant for more than 12 months. The average period of time positions have been vacant, according to SABHRS reports, is 71 days.

## **OTHER ISSUES**

### **Information Technology Project Expenditures**

The Department of Corrections is in the process of obtaining a new offender management system to replace the current Offender Management Information System (OMIS). The 2023 Legislature awarded the department \$17.8 million through HB 10, and the project is currently in its initiation stages with no current expenditures.

**APPENDIX**

<b>Position Classification</b>	<b>FTE</b>	<b>Median Months Vacant</b>	<b>Market Midpoint (Hourly)</b>
<b>Department of Corrections</b>	<b>120.50</b>	<b>2.33</b>	<b>19.69</b>
<b>01 DIRECTOR'S OFFICE CSD</b>	<b>8.00</b>	<b>1.70</b>	<b>34.03</b>
Accountant 1	1.00	1.74	23.11
ADA Coordinator	1.00	1.67	42.55
Business Analyst 3	1.00	15.05	42.74
Human Resource Manager	1.00	2.20	48.96
IT Systems Support 1	1.00	0.36	25.33
Lawyer Manager	1.00	1.67	54.83
Legal Secretary 1	1.00	3.57	25.51
Paralegal 1	1.00	1.67	25.52
<b>02 PUBLIC SAFETY</b>	<b>92.00</b>	<b>2.05</b>	<b>19.69</b>
Administrative Assistant 2	1.00	22.85	18.15
Admissions Officer	1.00	10.46	22.54
CO - Transportation	9.00	21.74	19.69
Compliance Specialist 3	1.00	3.11	42.55
Cook Supervisor	11.00	11.25	18.49
Correctional Lieutenant	2.00	2.36	31.80
Correctional Officer	40.00	1.52	19.69
Correctional Officer 3	1.00	1.70	25.93
Correctional Sergeant	1.00	0.03	25.66
Electrician	2.00	14.61	
Inmate Production Officer 1	1.00	10.46	28.49
Maintenance Supervisor General	1.00	10.00	23.80
Maintenance Worker	1.00	2.92	18.88
Plumber	2.00	12.67	
Probation Parole Officer	13.00	1.77	22.71
Program Specialist 1	1.00	9.08	27.86
Staff Sergeant	1.00	4.03	25.66
Trainer 2	1.00	8.20	29.91
Unit Case Manager	1.00	0.36	28.86
Warden	1.00	1.97	62.81
<b>03 REHABILITATION AND PROGRAMS</b>	<b>20.50</b>	<b>6.49</b>	<b>35.20</b>
Administrative Assistant 2	1.00	1.28	18.15
Clinical Therapist 1	4.00	3.48	29.45
Correctional Case Specialist 2	1.00	8.52	28.86
Correctional Unit Manager	1.00	2.66	36.35
Inmate Production Officer 1	1.00	19.11	28.49
Library Assistant 1	2.00	2.31	14.76
MCE Administrator	0.50	8.62	75.89
Nurse Practitioner 1	1.00	27.90	55.02
Program Specialist 2	1.00	0.36	36.35
Recreation Therapist 1	1.00	0.69	25.05
Registered Nurse 2	7.00	13.67	35.20