

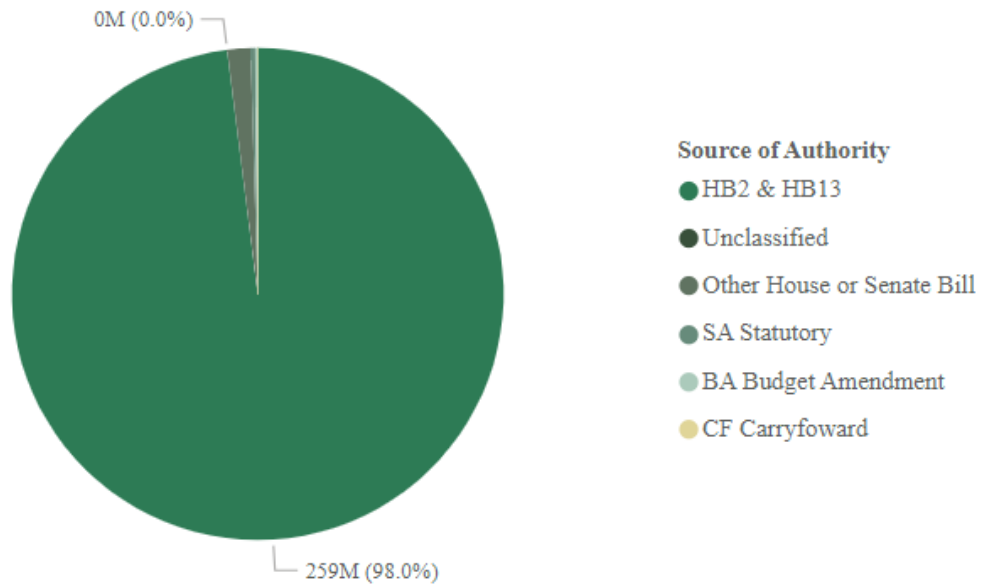
DEPARTMENT OF CORRECTIONS

(Spending report December 1, 2023 through February 29, 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	156,490,736	60.4%
BA Budget Amendment	402,669	122,297	30.4%
CF Carryforward	89,349		
Other House or Senate Bill	4,003,604	626,220	15.6%
SA Statutory	744,982	156,162	21.0%
Unclassified	17,753		
Total	264,403,952	157,395,415	59.5%

Budget Amendments

Through February, the department had expended approximately \$122,000 or 30.4% of the nearly \$403,000 in budget amendment authority for FY 2024. 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 February, DOC had expended just over \$80,000 of this authority. Remaining authority has been extended until September of 2024
- \$33,000 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. All authority has been expended through February
- \$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 \$8,000 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 \$626,000 in expenditures through February.

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.

Statutory Appropriations

Through February of FY 2024, the department expended just over \$156,000 or 21.0% 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 comprise of \$15,700 in personal services for inmate pay and \$140,400 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:

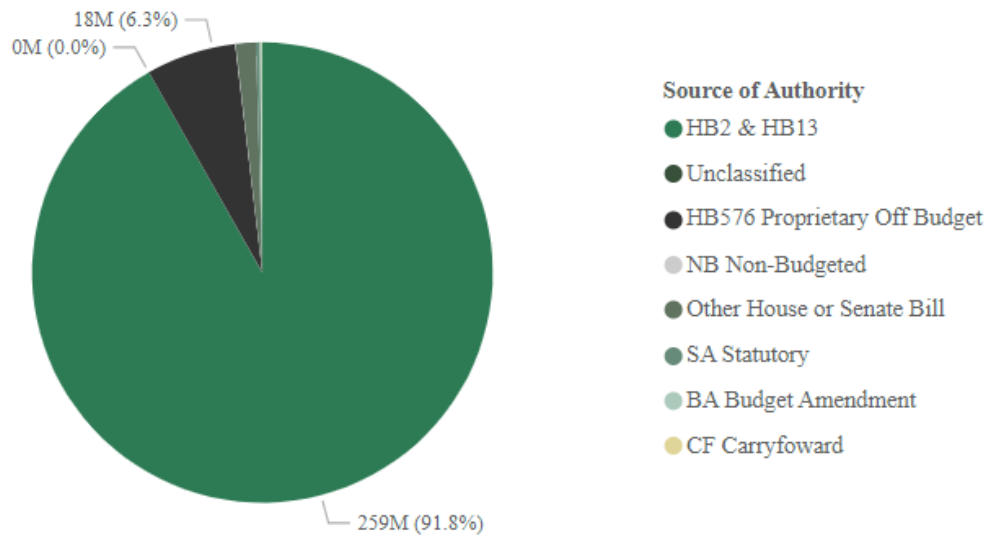
- Reduce HB 2, statutory, and proprietary appropriations
- Create a separate offsetting entry on the financial statements in the same amount using an identifying number for workers' compensation entries (shown in the Total Appropriation Authority figure above as "Unclassified")

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	156,490,736	60.4%
HB576 Proprietary Off Budget	17,821,608	11,225,383	63.0%
Other House or Senate Bill	4,003,604	626,220	15.6%
SA Statutory	744,982	156,162	21.0%
BA Budget Amendment	402,669	122,297	30.4%
CF Carryforward	89,349		
NB Non-Budgeted	86,860	52,380	60.3%
Unclassified	17,753		
Total	282,312,419	168,673,178	59.7%

Non-Budgeted Proprietary Funding

The DOC has \$17.8 million in non-budget proprietary authority for the Montana Correctional Enterprises program in FY 2024. 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. Through February of FY 2024, the Montana Correctional Enterprises

program has expended approximately 63.0% or \$11.2 million, leaving an unexpended/unobligated appropriation balance of around \$6.6 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 February follows expected trends.

Expenditures in Department of Corrections Proprietary Accounts			
Proprietary Account	FY 2024 Budget	FY 2024 Expenditures	Percent Expended
Prison Ranch	\$5,170,342	\$2,569,464	49.7%
Institutional Industries	4,038,294	2,852,811	70.6%
Food Factory	5,327,358	3,094,916	58.1%
Vocational Education	732,546	732,018	99.9%
License Plate Factory	2,553,068	1,976,174	77.4%
Totals	\$17,821,608	\$11,225,383	63.0%

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 December 1, 2023, through February 29, 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
<input type="checkbox"/> Dept of Corrections	259,162,450	259,145,595	-16,855
<input type="checkbox"/> 01 DIRECTOR'S OFFICE CSD	15,975,542	15,975,513	-29
<input type="checkbox"/> 02 PUBLIC SAFETY	142,753,135	142,740,011	-13,124
<input type="checkbox"/> 03 REHABILITATION AND PROGRAMS	99,161,542	99,157,840	-3,702
<input type="checkbox"/> 04 BOARD OF PARDONS AND PAROLE	1,272,231	1,272,231	
Total	259,162,450	259,145,595	-16,855

Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
<input type="checkbox"/> 61000 Personal Services	108,870,900	108,854,045	-16,855
<input type="checkbox"/> 62000 Operating Expenses	147,528,777	147,528,777	
<input type="checkbox"/> 63000 Equipment & Intangible Assets	938,552	938,552	
<input type="checkbox"/> 64000 Capital Outlay	20,773	20,773	
<input type="checkbox"/> 68000 Transfers-out	732,395	732,395	
<input type="checkbox"/> 69000 Debt Service	1,071,053	1,071,053	
Total	259,162,450	259,145,595	-16,855

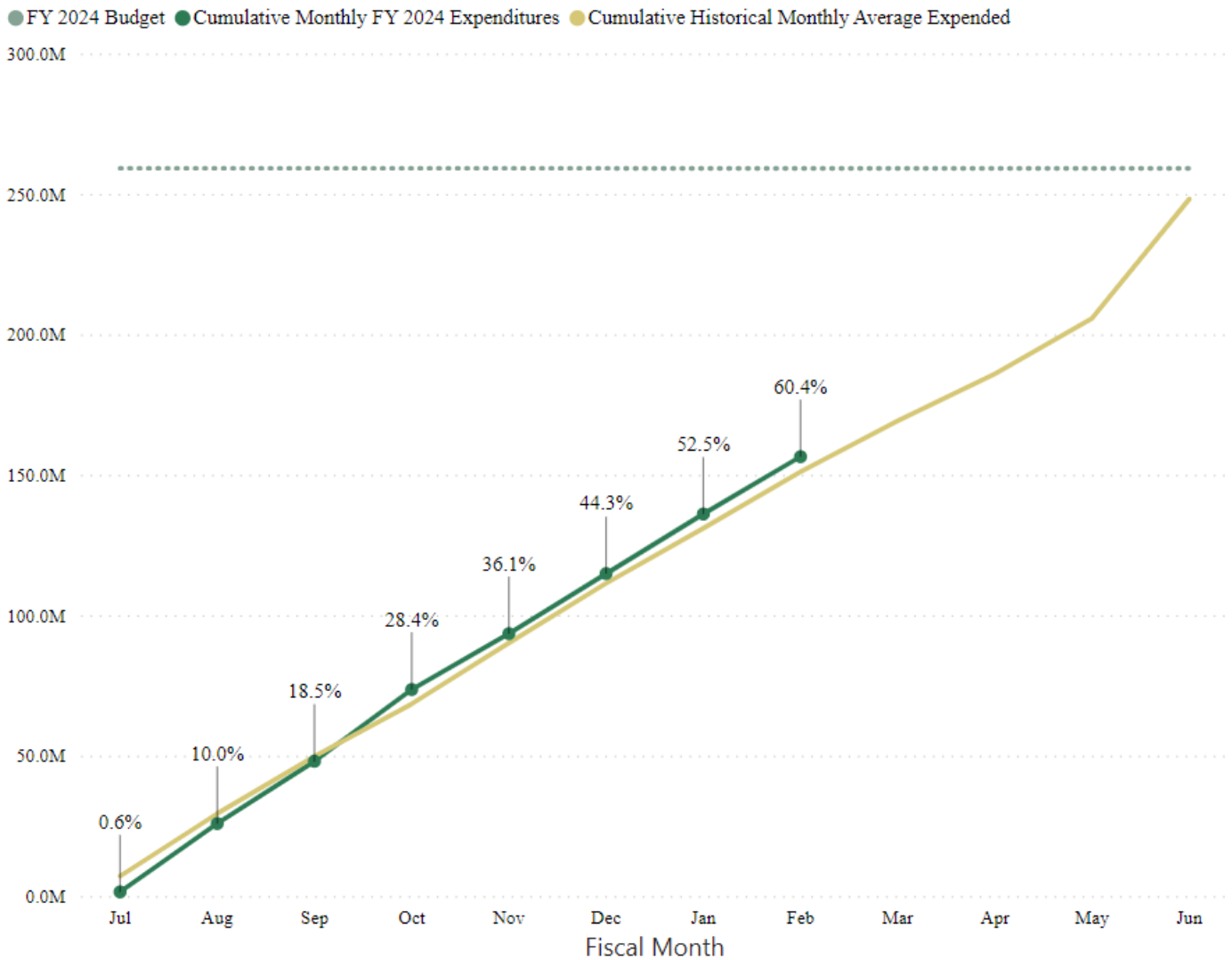
Fund Type	HB 2 Budget	Modified Budget	Net Modifications
<input type="checkbox"/> 01 General	251,942,939	251,926,113	-16,826
<input type="checkbox"/> 02 State/Other Spec Rev	7,100,708	7,100,679	-29
<input type="checkbox"/> 06 Enterprise	88,711	88,711	
<input type="checkbox"/> 06 Internal Service	30,092	30,092	
Total	259,162,450	259,145,595	-16,855

Between December 1, 2023, and February 29, 2024, the Department of Corrections made no new modifications to the FY 2024 HB 2 budget with the exception of a nearly \$17,000 reduction to personal services associated with the worker’s comp premiums discussed above. The \$898 difference between the reduction to the HB 2 personal services budget of \$16,855 and the unclassified appropriation of \$17,753 can be found in the Prison Ranch and Food Factory proprietary programs associated with the Montana Correctional Enterprises which are not budgeted in HB 2.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through February 29, 2024.

Monthly Expenditures Compared to Historical Average



Program Name	Modified Budget	Expended Budget	% Expended
⊕ 01 DIRECTOR'S OFFICE CSD	15,975,513	11,159,813	69.9%
⊕ 02 PUBLIC SAFETY	142,740,011	86,910,992	60.9%
⊕ 03 REHABILITATION AND PROGRAMS	99,157,840	57,679,436	58.2%
⊕ 04 BOARD OF PARDONS AND PAROLE	1,272,231	740,495	58.2%
Total	259,145,595	156,490,736	60.4%

Expenditure Type	Modified Budget	Expended Budget	% Expended
⊕ Personal Services	108,854,045	66,911,681	61.5%
⊕ Operating Expenses	147,528,777	87,904,865	59.6%
⊕ Equipment & Intangible Assets	938,552	122,649	13.1%
⊕ Capital Outlay	20,773		
⊕ Transfers-out	732,395	334,907	45.7%
⊕ Debt Service	1,071,053	1,216,634	113.6%
Total	259,145,595	156,490,736	60.4%

Fund Type	Modified Budget	Expended Budget	% Expended
⊕ 01 General	251,926,113	153,824,891	61.1%
⊕ 02 State/Other Spec Rev	7,100,679	2,665,845	37.5%
⊕ 06 Enterprise	88,711		
⊕ 06 Internal Service	30,092		
Total	259,145,595	156,490,736	60.4%

The DOC HB 2 budget for FY 2024 is principally funded with general fund at 97.2%, and current fiscal year expenditures follow a similar trend. Through February, the Department of Corrections expended 60.4%, or nearly \$156.5 million, of its \$259.1 million HB 2 modified budget. Overall, this is slightly higher than the historical average of 58.3% at this point in the fiscal year but is still very comparable. This small discrepancy is mostly due 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 February of a given fiscal year were lower due to the timing of receiving and administering grant funding.

Operating expenses accounted for 56.2% of total expenditures through February. In operating expenses, the department expended \$87.9 million, of which \$57.1 million or 65.0% 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.

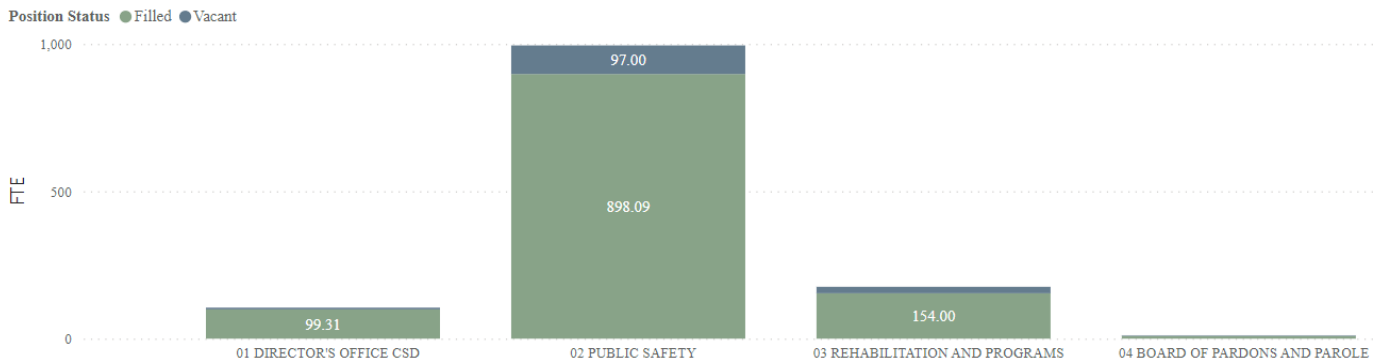
Personal services accounted for an additional 42.8% of expenditures. DOC has expended \$66.9 million, or 61.5%, of the personal services budget through February of FY 2024. This is essentially identical to the average of the previous five fiscal years of 61.2%. For more detail regarding personal services, 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. Through February, there have been no expenditures related to most of these appropriations. 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
02 Public Safety Division	Equipment/IT Upgrades	\$290,700	\$0
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.			
	Vehicle Replacement	\$495,000	\$0
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.			
	Prior Session Staffing Correction	\$858,150	\$300,457
This appropriation was provided to convert 13.00 modified FTE to permanent.			
	Additional Authority for Correctional Officers	\$1,250,000	\$0
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.			
03 Rehabilitation and Programs Division	Efficiencies in Community Corrections	\$1,000,000	\$0
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			
	DOC Supplemental Option 1	\$1,467,861	\$0
Appropriations in DOC Supplemental Option 1 may be utilized by the Department of Corrections to expand capacity within community corrections providers.			
04 Board of Pardons and Parole	ACA Accreditation	\$15,000	\$0
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 \$108.9 million and were 61.5% expended as of February 29, 2024. The following chart shows the filled and vacant FTE within the agency.



In FY 2024, the DOC is budgeted for 1,287.40 FTE after the removal of any aggregate positions. Of the total FTE, DOC had 127.00 FTE vacant as of February 12, 2024, which represents an agency vacancy rate of 9.9%. Vacancies related to correctional officers have declined substantially in FY 2023 and FY 2024. Current vacancies related to correctional officers total 37.00 FTE which is a decrease of 3.00 FTE from the December report. Other areas currently experiencing the most vacancies include:

- Cook Supervisors – 11.00 vacant FTE
- Probation and Parole Officers – 11.00 vacant FTE
- Registered Nurses – 8.50 vacant FTE
- Inmate transportation officers – 7.00 vacant FTE

From July 1, 2023 to February 1, 2024, the department experienced turnover in a total of 139 positions. The turnover reasons for these positions are as follows:

- Left state employment – 105 positions
- Retired – 24 positions
- Transferred to a different state agency – 10 positions

The chart below shows the hourly utilization percentage for the Department of Corrections between July 1 and February 12 for each fiscal year when compared to the available hours for the same time period. Overall, the department has utilized 85.1% 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 91.3%. Hours utilized appear lower than anticipated due to overtime hours by correctional officers using different accounting codes from regular hours and are not reflected in the chart below.



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 127.00 FTE that were vacant on February 12, 2024, 24.00 FTE had been vacant for more than 12 months.

OTHER ISSUES

Information Technology Project Expenditures (TO BE UPDATED)

The Department of Corrections is in the process of obtaining a new offender management system to replace the OMIS system. 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

Position Classification	FTE	Median Months Vacant	Market Midpoint (Hourly)
Department of Corrections	127.00	3.97	22.54
01 DIRECTOR'S OFFICE CSD	6.00	2.57	37.11
Business Analyst 3	1.00	12.10	42.74
Collections Technician	1.00	0.10	18.37
IT Systems Analyst Supervisor	1.00	6.59	42.63
Legal Secretary 1	1.00	0.62	25.51
Research Analytics Bureau Chf	1.00	0.85	37.57
Software Developer	1.00	4.30	36.64
02 PUBLIC SAFETY	97.00	3.38	21.48
Administrative Specialist 2	1.00	19.90	34.41
Admissions Officer	1.00	7.51	22.54
CO - Transportation	7.00	19.97	19.69
Compliance Specialist 3	1.00	0.16	42.55
Cook Supervisor	11.00	8.30	18.49
Correctional Case Specialist 1	1.00	2.46	24.66
Correctional Officer	24.00	1.26	19.69
Correctional Officer - KeyCtrl	1.00	7.97	22.54
Correctional Officer 2	10.00	18.25	22.54
Correctional Officer-Fire Crew	1.00	18.39	22.54
DOC Transportation Planner	1.00	18.75	40.00
Electrician	2.00	11.66	
Inmate Production Officer 1	1.00	7.51	28.49
Journeyman Electrician	1.00	1.57	
Mail Courier 2	1.00	1.54	15.45
Maintenance Supervisor General	2.00	10.46	23.80
Mental Health Tech - CO	2.00	3.15	25.93
P&P Quality Assurance Manager	1.00	4.30	39.86
Plumber	2.00	9.72	
Probation Parole Officer	11.00	1.54	22.71
Probation Parole Supervisor	2.00	3.41	30.16
Program Specialist 1	1.00	6.13	27.86
Program Supervisor	2.00	2.93	36.25
PSI Writer	2.00	4.30	24.66
Regional Administrative Assist	1.00	1.54	21.48
Security Tech	2.00	9.80	22.54
Social Worker 2	1.00	2.46	30.13
Staff Sergeant	1.00	1.08	25.66
Trainer 2	1.00	5.25	29.91
Transportation Sergeant	2.00	8.43	25.66
03 REHABILITATION AND PROGRAMS	22.00	6.89	32.33
Administrative Assistant	0.50	1.08	15.17
Administrative Assistant 2	2.00	0.97	18.15
Clinical Psychologist 1	1.00	24.95	42.79
Clinical Therapist 1	3.00	4.75	29.45
Correctional Case Specialist 2	1.00	5.57	28.86
Dental Assistant 1	1.00	0.62	19.30
Dental Hygienist 2	1.00	9.84	22.01
Inmate Production Officer 1	1.00	16.16	28.49
Licensed Practical Nurse	1.00	17.11	23.39
MCE Administrator	0.50	5.67	75.89
Mental Health/Programming Mgr	1.00	1.54	39.56
Nursing Aide 2	0.50	6.72	17.62
Registered Nurse 2	8.50	10.72	35.20
04 BOARD OF PARDONS AND PAROLE	2.00	2.00	27.20
Administrative Assistant	1.00	2.46	18.15
BOPP Chief of Staff	1.00	1.54	36.25