



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Director
AMY CARLSON

DATE: Wednesday, February 17, 2021

TO: Judicial Branch, Law Enforcement, and Justice Subcommittee

FROM: Marci Lewandowski, Fiscal Analyst

RE: Core Civic Request for Per Diem Increases and Reimbursement of Increase in Prevailing Wages at Crossroads Correctional Center

The current provider rate for Crossroads Correctional Facility is \$70.90. Crossroads is requesting a 3% increase for each year of the biennium equating to \$2.13 in FY22 to \$73.03 and an additional \$2.19 in FY23 to \$75.22. According to Core Civic, "The provider rate is paid on a per inmate per day basis and encompasses the full cost of operating the Crossroads facility." Crossroads has 613 beds available to Montana DOC inmates and 96 beds available to US Marshals. This request amounts to \$476,577 in FY 22 and \$966,579 in FY 23.

CoreCivic is also required to pay prevailing wage rates for certain positions at the Crossroads facility in Shelby to fulfill the contract between Core Civic and the State of Montana. The provision also states that Montana will provide additional funding by increasing the per diem to cover the cost of any prevailing wage increase.

As a result, Core Civic is also requesting an increase of \$1,452,639 each year of the biennium in general fund for prevailing wage increases at Crossroads Correctional Center in Shelby, Montana. According to Core Civic, "The increase to the current fringe rates is \$665,034.24 and the increase for wage rates is \$399,518.08. The full number for prevailing wage for each year of the biennium is \$1,452,628.90. Part of the increase addresses a necessary adjustment for compression as a result of the prevailing wage increase."

The total staff requirement per the contract is 175 total staff. The prevailing wage applies to 102.2 staff including correctional officers, registered nurses, & licensed practical nurses and exempt staff totals 73.8 positions. Included in the exempt staff are positions such as: case managers, correctional counselors, academic instructors, vocational instructors, chaplain, shift supervisors, grievance coordinator, HR positions, Warden, and Assistant warden. This is a list of several positions included, but does not represent every position included.

Below is a breakout of the prevailing benefits and wages released by the Montana Department of Labor and Industry from FY2018-FY2021 for correctional officers:

Prevailing Wage for Corrections Officers in District 2				
Year	Wages	% Change in Wages	Benefits	% Change in Benefits
2018	\$ 16.78	19.1%	\$ 6.78	34.5%
2019	\$ 18.52	10.4%	\$ 10.30	51.9%
2020	\$ 19.17	3.5%	\$ 12.95	25.7%
2021	\$ 18.85	-1.7%	\$ 10.24	-20.9%

District 2 represents several counties in Montana, including Toole County, where the Crossroads Correctional Center is located.

In the 2019 Legislative Session, the legislature approved provider rate increases for Crossroads Correctional Center of \$143,058 in general fund in FY 2020 and \$287,689 in general fund in FY 2021 as restricted funding.