

## Agency Biennium Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

| Agency Biennium Comparison     |                              |                           |                     |                      |
|--------------------------------|------------------------------|---------------------------|---------------------|----------------------|
| Budget Item                    | Appropriated<br>Budget 20-21 | Requested<br>Budget 22-23 | Biennium<br>Change  | Biennium<br>% Change |
| Personal Services              | 184,934,071                  | 200,456,019               | 15,521,948          | 8.39 %               |
| Operating Expenses             | 242,595,936                  | 251,550,401               | 8,954,465           | 3.69 %               |
| Equipment & Intangible Assets  | 559,618                      | 661,522                   | 101,904             | 18.21 %              |
| Capital Outlay                 | 20,773                       | 41,546                    | 20,773              | 100.00 %             |
| Grants                         | 22,250,126                   | 19,970,790                | (2,279,336)         | (10.24)%             |
| Benefits & Claims              | 524,158                      | 979,146                   | 454,988             | 86.80 %              |
| Transfers                      | 8,922,707                    | 6,462,568                 | (2,460,139)         | (27.57)%             |
| Debt Service                   | 1,017,572                    | 922,572                   | (95,000)            | (9.34)%              |
| <b>Total Expenditures</b>      | <b>\$460,824,961</b>         | <b>\$481,044,564</b>      | <b>\$20,219,603</b> | <b>4.39 %</b>        |
| General Fund                   | 417,427,100                  | 440,938,365               | 23,511,265          | 5.63 %               |
| State/Other Special Rev. Funds | 11,892,337                   | 13,794,476                | 1,902,139           | 15.99 %              |
| Federal Spec. Rev. Funds       | 31,278,718                   | 26,084,917                | (5,193,801)         | (16.60)%             |
| Proprietary Funds              | 226,806                      | 226,806                   | 0                   | 0.00 %               |
| <b>Total Funds</b>             | <b>\$460,824,961</b>         | <b>\$481,044,564</b>      | <b>\$20,219,603</b> | <b>4.39 %</b>        |
| <b>Total Ongoing</b>           | <b>\$460,824,961</b>         | <b>\$481,044,564</b>      | <b>\$20,219,603</b> | <b>4.39 %</b>        |
| <b>Total OTO</b>               | <b>\$0</b>                   | <b>\$0</b>                | <b>\$0</b>          | <b>0.00 %</b>        |

## Mission Statement

The Montana Department of Corrections staff enhances public safety, supports the victims of crime, promotes positive change in offender behavior, and reintegrates offenders into the community.

Agency Highlights

| <b>Department of Corrections<br/>Major Budget Highlights</b>  |
|---|
| <p>The Department of Corrections 2023 biennium budget is \$20.2 million or 4.4% higher than the 2021 biennium. Significant changes include:</p> <ul style="list-style-type: none"> <li>• Personal services increase from the FY 2021 base by \$2.6 million in general fund for statewide present law adjustments</li> <li>• Hep C treatment to HCV+ offenders located in secure facilities costs \$5.1 million</li> <li>• Overtime at a cost of \$4.0 million</li> <li>• Probation and parole officers at the cost of \$1.8 million and 15.00 FTE over the biennium</li> <li>• Medical, mental health and addiction counseling at Montana State Prison is included at a cost of \$0.9 million and 6.00 FTE</li> <li>• Contract managers at the cost of \$0.8 million and 5.00 FTE over the biennium</li> <li>• Pre-sentence investigation writers at the cost of \$0.8 million and 7.00 FTE over the biennium</li> <li>• Contract facility disciplinary officers at \$0.5 million and 4.00 FTE</li> </ul> |

Agency Actuals and Budget Comparison

The following table compares the last full fiscal year actuals, previous biennium appropriations by year, and current annual biennium budget request by type of expenditure and source of funding.

| Agency Actuals and Budget Comparison |                        |                        |                        |                        |                        |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Budget Item                          | Actuals<br>Fiscal 2020 | Approp.<br>Fiscal 2020 | Approp.<br>Fiscal 2021 | Request<br>Fiscal 2022 | Request<br>Fiscal 2023 |
| FTE                                  | 0.00                   | 1,274.17               | 1,274.17               | 1,313.17               | 1,313.17               |
| Personal Services                    | 90,085,529             | 90,545,455             | 94,388,616             | 100,106,306            | 100,349,713            |
| Operating Expenses                   | 119,153,603            | 122,361,902            | 120,234,034            | 125,849,523            | 125,700,878            |
| Equipment & Intangible Assets        | 393,857                | 393,857                | 165,761                | 495,761                | 165,761                |
| Capital Outlay                       | 0                      | 0                      | 20,773                 | 20,773                 | 20,773                 |
| Grants                               | 10,384,805             | 12,596,731             | 9,653,395              | 9,985,395              | 9,985,395              |
| Benefits & Claims                    | 34,585                 | 34,585                 | 489,573                | 489,573                | 489,573                |
| Transfers                            | 2,478,708              | 5,916,423              | 3,006,284              | 3,231,284              | 3,231,284              |
| Debt Service                         | 555,815                | 556,286                | 461,286                | 461,286                | 461,286                |
| <b>Total Expenditures</b>            | <b>\$223,086,902</b>   | <b>\$232,405,239</b>   | <b>\$228,419,722</b>   | <b>\$240,639,901</b>   | <b>\$240,404,663</b>   |
| General Fund                         | 204,839,528            | 207,518,153            | 209,908,947            | 220,585,425            | 220,352,940            |
| State/Other Special Rev. Funds       | 5,327,642              | 5,945,099              | 5,947,238              | 6,897,238              | 6,897,238              |
| Federal Spec. Rev. Funds             | 12,806,329             | 18,828,584             | 12,450,134             | 13,043,835             | 13,041,082             |
| Proprietary Funds                    | 113,403                | 113,403                | 113,403                | 113,403                | 113,403                |
| <b>Total Funds</b>                   | <b>\$223,086,902</b>   | <b>\$232,405,239</b>   | <b>\$228,419,722</b>   | <b>\$240,639,901</b>   | <b>\$240,404,663</b>   |
| <b>Total Ongoing</b>                 | <b>\$223,086,902</b>   | <b>\$232,405,239</b>   | <b>\$228,419,722</b>   | <b>\$240,639,901</b>   | <b>\$240,404,663</b>   |
| <b>Total OTO</b>                     | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             |

## Agency Discussion

### *Agency Summary*

The Department of Corrections (DOC) is charged with efficiently utilizing state resources to develop and maintain comprehensive adult and youth corrections services. The primary responsibility of DOC is to house and/or provide services to adults and youth who are sentenced to DOC or one of the facilities it operates. DOC is also responsible for parole and adult probation and parole functions. However, juvenile probation and parole services are part of the District Court Operations Program within the Judicial Branch. The Department of Corrections provides services through the operation of state institutions, with state employees and the purchase of incarceration and other services (such as community-based residential treatment programs) via contracts with local governments and private not-for-profit and for-profit businesses throughout the state. Costs and changes to the costs of the department are generally driven by several factors:

- Average daily population projections
- The level of supervision and/or treatment required and the availability of space in the appropriate settings
- Costs of contracts and state personnel
- Medical costs

### *FY 2020 Appropriation Compared to FY 2020 Actual Expenditures*

The Department of Correction's \$232.4 million HB 2 modified budget was 96.0% expended, leaving \$9.3 million in unspent authority. Part of unspent authority, \$2.2 million, was in grants, and primarily for federal grants from the Victims of Crime Act (VOCA). These federal grants are biennial and unspent authority in FY 2020 can be used in FY 2021. Personal services were 99.5% expended, while operating expenses were 97.4% expended. Operating expenses had \$3.2 million in unspent authority, of which \$2.5 million was found in clinical services. Clinical services is a biennial appropriation, so the majority of unspent authority can be used in FY 2021.

Equipment and intangible assets and benefits and claims were both 100.0% expended at fiscal year-end. Transfers out was 41.9% expended and had a fund balance of \$3.4 million at fiscal year-end with the majority of unspent authority in federal funding. Debt service was 99.9% expended for FY 2020.

### *FY 2020 Appropriations Compared to FY 2021 Appropriations*

The percentage change from FY 2020 appropriations to FY 2021 appropriations is a decrease of 1.7%. This is due to a decrease of grants and transfers out from FY 2020 to FY 2021.

### *Comparison of FY 2021 Legislative Budget to FY 2021 Base*

Figure 1 illustrates the beginning FY 2021 budget as adopted by the 2019 Legislature compared to the finalized FY 2021 base budget, which included modifications as approved by the executive during the interim. The FY 2021 base budget was agreed upon by the executive and legislative branches to be the point from which any changes would be recorded for the 2023 biennium budgeting process.

Figure 1

| FY 2021 Legislative Appropriations - Department of Corrections |                       |  |                    |   |
|--|-----------------------|--|--------------------|---|
|  | Legislative<br>Action | Executive<br>Modifications<br>per Statutory<br>Authority | Executive<br>Base  | % Change<br>from<br>Legislative<br>Action |
| <b>01 ADMINISTRATIVE SUPPORT SRVCS</b>                         |                       |  |                    |   |
| 61000 Personal Services  | 10,534,046            | (19,021)   | 10,515,025         | -0.2%                                     |
| 62000 Operating Expenses                                       | 7,460,190             | (300,000)  | 7,160,190          | -4.0%                                     |
| 63000 Equipment & Intangible Assets                            | 12,909                | -  | 12,909             | 0.0%                                      |
| 66000 Grants   | 9,653,395             | -  | 9,653,395          | 0.0%                                      |
| 68000 Transfers-out  | 2,660,817             | 100,000  | 2,760,817          | 3.8%                                      |
| <b>01 ADMINISTRATIVE SUPPORT SRVCS Total</b>                   | <b>30,321,357</b>     | <b>(219,021)</b>   | <b>30,102,336</b>  | <b>-0.7%</b>                              |
| <b>02 PROBATION &amp; PAROLE DIVISION</b>                      |                       |  |                    |   |
| 61000 Personal Services  | 18,455,618            | (71,106)   | 18,384,512         | -0.4%                                     |
| 62000 Operating Expenses                                       | 61,352,522            | 200,000  | 61,552,522         | 0.3%                                      |
| 68000 Transfers-out  | 6,250                 | -  | 6,250              | 0.0%                                      |
| 69000 Debt Service   | 48,235                | -  | 48,235             | 0.0%                                      |
| <b>02 PROBATION &amp; PAROLE DIVISION Total</b>                | <b>79,862,625</b>     | <b>128,894</b>   | <b>79,991,519</b>  | <b>0.2%</b>                               |
| <b>03 SECURE CUSTODY FACILITIES</b>                            |                       |  |                    |   |
| 61000 Personal Services  | 51,413,401            | (1,190,291)  | 50,223,110         | -2.3%                                     |
| 62000 Operating Expenses                                       | 34,430,309            | -  | 34,430,309         | 0.0%                                      |
| 63000 Equipment & Intangible Assets                            | 152,852               | -  | 152,852            | 0.0%                                      |
| 64000 Capital Outlay   | 20,773                | -  | 20,773             | 0.0%                                      |
| 67000 Benefits & Claims  | 489,573               | -  | 489,573            | 0.0%                                      |
| 68000 Transfers-out  | 4,100                 | -  | 4,100              | 0.0%                                      |
| 69000 Debt Service   | 392,174               | -  | 392,174            | 0.0%                                      |
| <b>03 SECURE CUSTODY FACILITIES Total</b>                      | <b>86,903,182</b>     | <b>(1,190,291)</b>                                       | <b>85,712,891</b>  | <b>-1.4%</b>                              |
| <b>04 MONT CORRECTIONAL ENTERPRISES</b>                        |                       |  |                    |   |
| 61000 Personal Services  | 1,846,244             | 123,252  | 1,969,496          | 6.7%                                      |
| 62000 Operating Expenses                                       | 3,281,663             | -  | 3,281,663          | 0.0%                                      |
| 68000 Transfers-out  | 235,117               | -  | 235,117            | 0.0%                                      |
| <b>04 MONT CORRECTIONAL ENTERPRISES Total</b>                  | <b>5,363,024</b>      | <b>123,252</b>   | <b>5,486,276</b>   | <b>2.3%</b>                               |
| <b>06 CLINICAL SERVICES DIVISION</b>                           |                       |  |                    |   |
| 61000 Personal Services  | 11,235,439            | 1,157,166  | 12,392,605         | 10.3%                                     |
| 62000 Operating Expenses                                       | 13,625,197            | -  | 13,625,197         | 0.0%                                      |
| 69000 Debt Service   | 20,877                | -  | 20,877             | 0.0%                                      |
| <b>06 CLINICAL SERVICES DIVISION Total</b>                     | <b>24,881,513</b>     | <b>1,157,166</b>   | <b>26,038,679</b>  | <b>4.7%</b>                               |
| <b>07 BOARD OF PARDONS &amp; PAROLE</b>                        |                       |  |                    |   |
| 61000 Personal Services  | 903,868               | -  | 903,868            | 0.0%                                      |
| 62000 Operating Expenses                                       | 184,153               | -  | 184,153            | 0.0%                                      |
| <b>07 BOARD OF PARDONS &amp; PAROLE Total</b>                  | <b>1,088,021</b>      | <b>-</b>   | <b>1,088,021</b>   | <b>0.0%</b>                               |
| <b>64010 DEPARTMENT OF CORRECTIONS Total</b>                   | <b>228,419,722</b>    | <b>-</b>   | <b>228,419,722</b> | <b>0.0%</b>                               |

Administrative Support Services (Director's Office) transferred \$200,000 to Probation and Parole for housing assistance since the program is managed in the Probation and Parole Division. Secure Custody Facilities transferred \$1.2 million to Clinical Services Division as a result of a reorganization within the agency to provide a sex offender treatment unit within the Clinical Services Division.

Montana Correctional Enterprises saw a 6.7% increase in personal services due to grants received and a program transfer to move an additional 1.00 FTE in education from Montana State Prison to Montana Correctional Enterprises.

#### *Executive Request*

The executive requests a \$20.2 million or 4.4% increase when compared to the 2021 biennium. Increases include:

- Personal services increase from the base by \$2.6 million in general fund for statewide present law adjustments
- Hep C treatment to HCV+ offenders located in secure facilities costs \$5.1 million
- Overtime at a cost of \$4.0 million
- Probation and parole officers at the cost of \$1.8 million and 15.00 FTE over the biennium
- Contract managers at the cost of \$0.8 million and 5.00 FTE over the biennium
- Pre-sentence investigation writers at the cost of \$0.8 million and 7.00 FTE over the biennium
- Medical, mental health and addiction counseling at Montana State Prison (MSP) is included at a cost of \$0.9 million and 6.00 FTE

#### *5.0% Plan*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5.0%. A summary of the entire 2021 biennium 5.0% plan submitted for this agency can be found on the [Section D subcommittee page](#) under Tab D "Materials". The Department of Corrections included annual reductions of \$10.2 million in general fund and \$266,000 in state special revenue. The proposal to reduce expenditures in the general fund includes:

- Reduction of \$1.4 million through early release of inmates at Crossroads Correctional Center
- Reduction of \$1.5 million through the early release of inmates in regional facilities
- Decrease of \$1.1 million in the contracted services budget in dental services, tele-psychiatry, and additional nursing and physician staffing
- Decrease in \$2.6 million for the number of available beds in alternative secure facilities
- Additional 6.0% vacancy savings in Probation & Parole at reduction of \$1.1 million
- Additional 6.0% vacancy savings in Secure Facilities at a savings of \$1.6 million

State special revenue reductions include a decrease in the supervision fees appropriation, which is used to fund safety and tactical equipment for probation and parole officers. Reductions would impact the services provided by the Department of Corrections in regional facilities, clinical services, and staffing in Probation & Parole and Secure Facilities.

#### *COVID-19 Budget Interaction*

DOC incurred approximately \$6.1 million in expenditures directly related to the COVID-19 pandemic. This included:

- \$2.8 million in probation and parole staff regular and overtime salaries from the beginning of March 2020 through the end of June 2020
- \$1.8 million in differential pay of \$4.50 per hour for regular time and \$6.75 per hour for overtime paid to staff. This was paid to staff in secure settings that could not work from home and probation and parole staff that had to work in the community or had contact with offenders
- \$1.3 million in subsistence payments made to pre-release and treatment facilities. Due to the COVID 19 pandemic, all movement of offenders between state owned and contract facilities was temporarily suspended so as not to potentially spread the virus
- \$264,000 in operating expenses for each program that incurred expenses related to PPE, cleaning/disinfecting, and telework

Department of Corrections was able to recoup some of these expenses under the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding that the Governor's Office granted through the COVID Relief Fund (CRF) . DOC received \$4.3 million from the CRF to cover probation and parole staff regular and overtime salaries, subsistence payments and operating expenses.

**Agency Personal Services**

In order to explain the factors influencing personal services changes, the proposed statewide personal services present law adjustment (DP 1) has been broken down into three categories, as follows:

1. Expected Changes - This category includes those adjustments explicitly approved by the legislature, such as expected changes to annualize personal services costs including FY 2021 statewide pay plan adjustments, changes to benefit rates, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot, plus rate changes for workers' compensation and unemployment insurance.
2. Personal Services Management Decisions - Any agency management decisions that adjusted employee pay. This includes raises or position changes that may increase or reduce a budget, such as hiring FTE at a lower rate to replace retired senior staff, or moving FTE between programs.
3. Modifications to the Personal Services Base Budget - Other modifications to the FY 2021 personal services base like operating plan transfers that occurred during the interim may impact the overall size of the personal services present law adjustment (DP 1)

The figure below shows the analysis of the executive budget for personal services compared to the expected personal services budget for each program.

Figure 2

| Personal Services Present Law<br>DP 1 - FY 2022 |                     |                         |                         |             |
|---|---------------------|-------------------------|-------------------------|-------------|
| Program   | Expected<br>Changes | Management<br>Decisions | Budget<br>Modifications | DP1<br>SWPL |
| 01 ADMINISTRATIVE SUPPORT SERVICES              | 79,666              | 216,831                 | -                       | 296,497     |
| 02 PROBATION & PAROLE DIVISION                  | (164,756)           | (48,735)                | -                       | (213,491)   |
| 03 SECURE CUSTODY FACILITIES                    | 176,155             | 700,182                 | -                       | 876,337     |
| 04 MONT CORRECTIONAL ENTERPRISES                | (23,696)            | 182,758                 | -                       | 159,062     |
| 05 YOUTH SERVICES                               | (216,382)           | 216,382                 | -                       |             |
| 06 CLINICAL SERVICES DIVISION                   | 13,780              | (198,170)               | -                       | (184,390)   |
| 07 BOARD OF PARDONS & PAROLE                    | (42,795)            | (21,162)                | -                       | (63,957)    |
| Agency Total                                    | \$ (178,028)        | \$ 1,048,086            | \$ -                    | \$ 870,058  |

Personal services were \$94.4 million or 41.3% of the agency's fiscal year 2021 appropriation. The agency did not make any budget modifications. In the 2019 legislative session, the budget for Youth Services was eliminated as a stand-alone division. The FTE and the budget were moved to other divisions within the department where services are now being provided and included moving 128.00 FTE into Secure Custody Facilities and 14.00 FTE in Clinical Services Division.

A reorganization to complete a Sex Offender Treatment Unit occurred including the movement of the budget and 16.00 FTE from Secure Custody Facilities to Clinical Services Division. Overall, the Department of Corrections reduced 10.35 FTE in the department in FY 2020 and FY 2021. The majority of management decisions within personal services include broad band pay increases for staff.

**Funding**

The following table shows proposed agency funding by source of authority.

| Funds                              | HB2<br>Ongoing       | HB2<br>OTO    | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
|------------------------------------|----------------------|---------------|-----------------------------|----------------------------|----------------------|----------------------|
| General Fund                       | 440,938,365          | 0             | 0                           | 76,328                     | 441,014,693          | 85.16 %              |
| State Special Total                | 13,794,476           | 0             | 0                           | 1,295,714                  | 15,090,190           | 2.91 %               |
| Federal Special Total              | 26,084,917           | 0             | 0                           | 0                          | 26,084,917           | 5.04 %               |
| Proprietary Total                  | 226,806              | 0             | 35,470,270                  | 0                          | 35,697,076           | 6.89 %               |
| Other Total                        | 0                    | 0             | 0                           | 0                          | 0                    | 0.00 %               |
| <b>Total All Funds</b>             | <b>\$481,044,564</b> | <b>\$0</b>    | <b>\$35,470,270</b>         | <b>\$1,372,042</b>         | <b>\$517,886,876</b> |                      |
| <b>Percent - Total All Sources</b> | <b>92.89 %</b>       | <b>0.00 %</b> | <b>6.85 %</b>               | <b>0.26 %</b>              |                      |                      |

The Department of Corrections is primarily funded with general fund at approximately 91.7% of HB 2 funds. The remaining amount is comprised mostly of state special and federal special revenues with a small portion coming from budgeted proprietary funds. Some of the largest state special revenue funds are:

- The canteen revolving fund, which receives revenue from the sale of items to inmates
- Probation and parole supervision fees collected from offenders under the supervision of the department
- Pine Hills donations, interest, and income funds coming mostly from interest and income collected on school trust lands

Additional proprietary funds are non-budgeted and support programs that provide services to other governmental entities or the public.

There are nearly \$1.4 million in statutory appropriations over the 2023 biennium, which are used to support the Secure Custody Facilities. This funding includes supporting inmate welfare and is used for supplies, materials, communications, travel, rent, repairs, and other expenses.

**Budget Summary by Category**

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the [glossary](#).

| Budget Item         | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|---------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
|                     | Budget<br>Fiscal 2022  | Budget<br>Fiscal 2023 | Biennium<br>Fiscal 22-23 | Percent<br>of Budget | Budget<br>Fiscal 2022 | Budget<br>Fiscal 2023 | Biennium<br>Fiscal 22-23 | Percent<br>of Budget |
| 2021 Base Budget    | 209,908,947            | 209,908,947           | 419,817,894              | 95.21 %              | 228,419,722           | 228,419,722           | 456,839,444              | 94.97 %              |
| SWPL Adjustments    | 2,539,969              | 2,669,149             | 5,209,118                | 1.18 %               | 2,211,071             | 2,340,251             | 4,551,322                | 0.95 %               |
| PL Adjustments      | 2,757,806              | 2,662,833             | 5,420,639                | 1.23 %               | 4,210,806             | 4,115,833             | 8,326,639                | 1.73 %               |
| New Proposals       | 5,378,703              | 5,112,011             | 10,490,714               | 2.38 %               | 5,798,302             | 5,528,857             | 11,327,159               | 2.35 %               |
| <b>Total Budget</b> | <b>\$220,585,425</b>   | <b>\$220,352,940</b>  | <b>\$440,938,365</b>     |                      | <b>\$240,639,901</b>  | <b>\$240,404,663</b>  | <b>\$481,044,564</b>     |                      |

**HB 2 Language**

The following language is requested in HB 2:

"All appropriations for Adult Community Corrections, Secure Custody Facilities, and Clinical Services are biennial."

**Program Biennium Comparison**

The following table compares the last full fiscal year actuals, previous biennium appropriations by year, and current annual biennium budget request by type of expenditure and source of funding.

| Program Biennium Comparison    |                           |                        |                      |                   |
|--------------------------------|---------------------------|------------------------|----------------------|-------------------|
| Budget Item                    | Appropriated Budget 20-21 | Requested Budget 22-23 | Biennium Change      | Biennium % Change |
| Personal Services              | 20,772,794                | 22,174,940             | 1,402,146            | 6.75 %            |
| Operating Expenses             | 15,359,230                | 17,269,532             | 1,910,302            | 12.44 %           |
| Equipment & Intangible Assets  | 35,794                    | 25,818                 | (9,976)              | (27.87)%          |
| Grants                         | 22,250,126                | 19,970,790             | (2,279,336)          | (10.24)%          |
| Transfers                      | 8,448,591                 | 5,971,634              | (2,476,957)          | (29.32)%          |
| <b>Total Expenditures</b>      | <b>\$66,866,535</b>       | <b>\$65,412,714</b>    | <b>(\$1,453,821)</b> | <b>(2.17)%</b>    |
| General Fund                   | 34,172,891                | 37,902,875             | 3,729,984            | 10.92 %           |
| State/Other Special Rev. Funds | 1,188,120                 | 1,198,116              | 9,996                | 0.84 %            |
| Federal Spec. Rev. Funds       | 31,278,718                | 26,084,917             | (5,193,801)          | (16.60)%          |
| Proprietary Funds              | 226,806                   | 226,806                | 0                    | 0.00 %            |
| <b>Total Funds</b>             | <b>\$66,866,535</b>       | <b>\$65,412,714</b>    | <b>(\$1,453,821)</b> | <b>(2.17)%</b>    |
| <b>Total Ongoing</b>           | <b>\$66,866,535</b>       | <b>\$65,412,714</b>    | <b>(\$1,453,821)</b> | <b>(2.17)%</b>    |
| <b>Total OTO</b>               | <b>\$0</b>                | <b>\$0</b>             | <b>\$0</b>           | <b>0.00 %</b>     |

**Program Description**

The Director's Office includes the administrative services, legal, quality assurance, investigations, and public information services. This program provides services to the department, governmental entities, and the public in the areas of: public and victim information, human resource management, staff development and training, American Indian liaison services, policy management, information technology, legal information, technical correctional services, research and statistics, project management, payroll, budgeting and program planning, contract development, federal grants management, victim restitution, supervision fee collection, accounting, and various administrative and management support functions.

**Program Highlights**

| <b>Director's Office<br/>Major Budget Highlights</b>  |
|---|
| <p>The Director's Office 2023 biennium budget request shows a biennial decrease of 2.2% primarily due to a higher FY 2020 appropriations. In comparison to the FY 2021 base budget, there is an 8.7% overall increase, with an 11.9% general fund increase. Reasons for this include:</p> <ul style="list-style-type: none"> <li>• Increases in statewide present law adjustments of \$1.3 million in general fund for personal services and \$2.7 million in general fund for fixed costs</li> <li>• An increase of \$1.7 million in biennial federal special revenue authority to bring current authority levels more in line with the grant award levels received by the Montana Board of Crime Control (MBCC) annually</li> </ul> |



### Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

| Program Actuals and Budget Comparison |                        |                        |                        |                        |                        |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Budget Item                           | Actuals<br>Fiscal 2020 | Approp.<br>Fiscal 2020 | Approp.<br>Fiscal 2021 | Request<br>Fiscal 2022 | Request<br>Fiscal 2023 |
| FTE                                   | 0.00                   | 123.81                 | 123.81                 | 124.81                 | 124.81                 |
| Personal Services                     | 10,144,564             | 10,257,769             | 10,515,025             | 11,072,821             | 11,102,119             |
| Operating Expenses                    | 7,641,307              | 8,199,040              | 7,160,190              | 8,701,342              | 8,568,190              |
| Equipment & Intangible Assets         | 22,885                 | 22,885                 | 12,909                 | 12,909                 | 12,909                 |
| Grants                                | 10,384,805             | 12,596,731             | 9,653,395              | 9,985,395              | 9,985,395              |
| Transfers                             | 2,250,059              | 5,687,774              | 2,760,817              | 2,985,817              | 2,985,817              |
| <b>Total Expenditures</b>             | <b>\$30,443,620</b>    | <b>\$36,764,199</b>    | <b>\$30,102,336</b>    | <b>\$32,758,284</b>    | <b>\$32,654,430</b>    |
| General Fund                          | 16,997,569             | 17,233,150             | 16,939,741             | 19,001,988             | 18,900,887             |
| State/Other Special Rev. Funds        | 526,319                | 589,062                | 599,058                | 599,058                | 599,058                |
| Federal Spec. Rev. Funds              | 12,806,329             | 18,828,584             | 12,450,134             | 13,043,835             | 13,041,082             |
| Proprietary Funds                     | 113,403                | 113,403                | 113,403                | 113,403                | 113,403                |
| <b>Total Funds</b>                    | <b>\$30,443,620</b>    | <b>\$36,764,199</b>    | <b>\$30,102,336</b>    | <b>\$32,758,284</b>    | <b>\$32,654,430</b>    |
| <b>Total Ongoing</b>                  | <b>\$30,443,620</b>    | <b>\$36,764,199</b>    | <b>\$30,102,336</b>    | <b>\$32,758,284</b>    | <b>\$32,654,430</b>    |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             |

### Program Discussion -

#### *FY 2020 Appropriation Compared to FY 2020 Actual Expenditures*

The Director's Office expended 82.8% of its \$36.8 million HB 2 modified budget in FY 2020 leaving \$6.3 million in unspent appropriation authority. The majority of the unspent authority can be found in grants (\$2.2 million) and transfers (\$3.4 million).

Personal services were 98.9% expended. Operating expenses were 93.2% expended with the majority of unspent authority in federal funds. Equipment and intangible assets were 100.0% expended at fiscal year end. Grants and transfers expenditures of the Montana Board of Crime Control (MBCC) typically lag behind what would be expected on a straight-line pattern. This lag is due to delays inherent in the grant cycle because grants require approval, allocation, announcement, and must be awarded prior to any expenditures being made.

#### *FY 2020 Appropriations Compared to FY 2021 Appropriations*

Comparing the FY 2020 appropriations to FY 2021 appropriations shows a decrease of 18.1%. This can be attributed mainly to decreases in grants and transfers from FY 2020 to FY 2021. Appropriations for grants decreased by \$2.9 million and transfers decreased by \$2.9 million.

#### *Comparison of FY 2021 Legislative Budget to FY 2021 Base*

The Director's Office transferred \$200,000 to Probation and Parole for housing assistance since the program is managed in the Probation and Parole Division.

### Program Personal Services

Personal services are \$10.5 million or 34.9% of total FY 2021 appropriations. The executive proposes an increase of approximately \$558,000 increase FY 2022 and \$587,000 increase in FY 2023. The Director's Office did receive additional FTE as a result of the Youth Services reorganization. In addition to expected changes, in the statewide present law adjustment, management decisions included broad band pay increases.

Funding

The following table shows proposed program funding by source of authority.

| Department of Corrections, 01-Director's Office<br>Funding by Source of Authority |                     |            |                             |                            |                      |                      |  |
|---|---------------------|------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds   | HB2<br>Ongoing      | HB2<br>OTO | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |  |
| 01100 General Fund  | 37,902,875          | 0          | 0                           | 0                          | 37,902,875           | 57.94 %              |  |
| 02355 Miscellaneous Fines and Fees  | 9,660               | 0          | 0                           | 0                          | 9,660                | 0.81 %               |  |
| 02689 Offender Restitution  | 937,878             | 0          | 0                           | 0                          | 937,878              | 78.28 %              |  |
| 02917 MSP Canteen Revolving Acct  | 6,046               | 0          | 0                           | 0                          | 6,046                | 0.50 %               |  |
| 02768 Domestic Violence Intervention  | 244,532             | 0          | 0                           | 0                          | 244,532              | 20.41 %              |  |
| <b>State Special Total</b>  | <b>\$1,198,116</b>  | <b>\$0</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$1,198,116</b>   | <b>1.83 %</b>        |  |
| 03315 Misc Federal Grants   | 0                   | 0          | 0                           | 0                          | 0                    | 0.00 %               |  |
| 03008 Juvenile Justice Coucil   | 864,014             | 0          | 0                           | 0                          | 864,014              | 3.31 %               |  |
| 03081 OVW Sexual Assault Services   | 669,162             | 0          | 0                           | 0                          | 669,162              | 2.57 %               |  |
| 03090 P Coverdell Forensic Science  | 631,782             | 0          | 0                           | 0                          | 631,782              | 2.42 %               |  |
| 03111 Residential Substance Abuse   | 342,296             | 0          | 0                           | 0                          | 342,296              | 1.31 %               |  |
| 03182 Vision 21 - Legal Assistance  | 0                   | 0          | 0                           | 0                          | 0                    | 0.00 %               |  |
| 03188 Justice Assistance Grant  | 1,701,858           | 0          | 0                           | 0                          | 1,701,858            | 6.52 %               |  |
| 03192 Crime Victim Assistance   | 14,600,125          | 0          | 0                           | 0                          | 14,600,125           | 55.97 %              |  |
| 03200 SORNA CFDA 16.751   | 104,000             | 0          | 0                           | 0                          | 104,000              | 0.40 %               |  |
| 03201 Justice System Enhancements   | 645,706             | 0          | 0                           | 0                          | 645,706              | 2.48 %               |  |
| 03248 Perscription Drug Monitoring  | 458,820             | 0          | 0                           | 0                          | 458,820              | 1.76 %               |  |
| 03266 Vision 21 - Systems of Care   | 0                   | 0          | 0                           | 0                          | 0                    | 0.00 %               |  |
| 03343 Criminal History Record Improv  | 4,200,000           | 0          | 0                           | 0                          | 4,200,000            | 16.10 %              |  |
| 03344 Violence Against Women Act  | 1,860,648           | 0          | 0                           | 0                          | 1,860,648            | 7.13 %               |  |
| 03961 BJA Mental Health Collaberatio  | 0                   | 0          | 0                           | 0                          | 0                    | 0.00 %               |  |
| 03962 Enf. Underage Drinking Laws   | 260                 | 0          | 0                           | 0                          | 260                  | 0.00 %               |  |
| 03963 John R Justice Grant  | 6,246               | 0          | 0                           | 0                          | 6,246                | 0.02 %               |  |
| 03288 Sexual Assault Kit Ini-BJA  | 0                   | 0          | 0                           | 0                          | 0                    | 0.00 %               |  |
| 03298 Elder Abuse Services-Train OVW  | 0                   | 0          | 0                           | 0                          | 0                    | 0.00 %               |  |
| 03445 NCS X Implementation  | 0                   | 0          | 0                           | 0                          | 0                    | 0.00 %               |  |
| 03955 State Technology VOCA   | 0                   | 0          | 0                           | 0                          | 0                    | 0.00 %               |  |
| 03956 Project Safe Neighborhoods  | 0                   | 0          | 0                           | 0                          | 0                    | 0.00 %               |  |
| 03980 Comprehensive Opioid Abuse PGM  | 0                   | 0          | 0                           | 0                          | 0                    | 0.00 %               |  |
| 03998 Adam Walsh Implementation   | 0                   | 0          | 0                           | 0                          | 0                    | 0.00 %               |  |
| 03670 Coronavirus Emergency Fund  | 0                   | 0          | 0                           | 0                          | 0                    | 0.00 %               |  |
| <b>Federal Special Total</b>  | <b>\$26,084,917</b> | <b>\$0</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$26,084,917</b>  | <b>39.88 %</b>       |  |
| 06033 Prison Ranch  | 56,388              | 0          | 0                           | 0                          | 56,388               | 24.86 %              |  |
| 06034 MSP Institutional Industries  | 56,388              | 0          | 0                           | 0                          | 56,388               | 24.86 %              |  |
| 06545 Prison Indust. Training Prog  | 1,254               | 0          | 0                           | 0                          | 1,254                | 0.55 %               |  |
| 06573 MSP - Cook Chill  | 56,388              | 0          | 0                           | 0                          | 56,388               | 24.86 %              |  |
| 06011 License Plate Production  | 56,388              | 0          | 0                           | 0                          | 56,388               | 24.86 %              |  |
| <b>Proprietary Total</b>  | <b>\$226,806</b>    | <b>\$0</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$226,806</b>     | <b>0.35 %</b>        |  |
| <b>Total All Funds</b>  | <b>\$65,412,714</b> | <b>\$0</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$65,412,714</b>  |                      |  |

The majority of funding for this program comes from both the general fund and federal special revenues. There is a small amount of funding for this program that comes from state special revenues, primarily from fees charged for collection of restitution from offenders. The remaining portion of funding comes from proprietary funds such as prison ranch, industries program, cook chill operation, and license plate production.

Federal special revenues are primarily associated with the new Crime Control Bureau located within the program. This division was a result of the Department of Corrections becoming responsible for the Montana Board of Crime Control during the 2019 biennium per HB 650 of the 2017 Legislature. These federal funds are primarily administered through federal grants and are used as pass-through funds that go to state and local agencies.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the [glossary](#).

| Budget Item         | -----General Fund----- |                     |                       |                   | -----Total Funds----- |                     |                       |                   |
|---------------------|------------------------|---------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|
|                     | Budget Fiscal 2022     | Budget Fiscal 2023  | Biennium Fiscal 22-23 | Percent of Budget | Budget Fiscal 2022    | Budget Fiscal 2023  | Biennium Fiscal 22-23 | Percent of Budget |
| 2021 Base Budget    | 16,939,741             | 16,939,741          | 33,879,482            | 89.39 %           | 30,102,336            | 30,102,336          | 60,204,672            | 92.04 %           |
| SWPL Adjustments    | 2,014,357              | 1,913,256           | 3,927,613             | 10.36 %           | 1,685,459             | 1,584,358           | 3,269,817             | 5.00 %            |
| PL Adjustments      | 47,890                 | 47,890              | 95,780                | 0.25 %            | 900,890               | 900,890             | 1,801,780             | 2.75 %            |
| New Proposals       | 0                      | 0                   | 0                     | 0.00 %            | 69,599                | 66,846              | 136,445               | 0.21 %            |
| <b>Total Budget</b> | <b>\$19,001,988</b>    | <b>\$18,900,887</b> | <b>\$37,902,875</b>   |                   | <b>\$32,758,284</b>   | <b>\$32,654,430</b> | <b>\$65,412,714</b>   |                   |

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

|   | -----Fiscal 2022----- |                    |               |                  |                    | -----Fiscal 2023----- |                    |               |                  |                    |
|---|-----------------------|--------------------|---------------|------------------|--------------------|-----------------------|--------------------|---------------|------------------|--------------------|
|   | FTE                   | General Fund       | State Special | Federal Special  | Total Funds        | FTE                   | General Fund       | State Special | Federal Special  | Total Funds        |
| DP 1 - Personal Services                                | 0.00                  | 625,395            | 0             | (328,898)        | 296,497            | 0.00                  | 654,646            | 0             | (328,898)        | 325,748            |
| DP 2 - Fixed Costs                                      | 0.00                  | 1,397,941          | 0             | 0                | 1,397,941          | 0.00                  | 1,264,242          | 0             | 0                | 1,264,242          |
| DP 3 - Inflation Deflation                              | 0.00                  | (8,979)            | 0             | 0                | (8,979)            | 0.00                  | (5,632)            | 0             | 0                | (5,632)            |
| DP 4 - Service Now Reduction                            | 0.00                  | (27,110)           | 0             | 0                | (27,110)           | 0.00                  | (27,110)           | 0             | 0                | (27,110)           |
| DP 6411002 - Increase Federal Special Revenue Authority | 0.00                  | 0                  | 0             | 853,000          | 853,000            | 0.00                  | 0                  | 0             | 853,000          | 853,000            |
| DP 6411003 - Evidence Based Practices Training (SB59)   | 0.00                  | 75,000             | 0             | 0                | 75,000             | 0.00                  | 75,000             | 0             | 0                | 75,000             |
| <b>Grand Total All Present Law Adjustments</b>          | <b>0.00</b>           | <b>\$2,062,247</b> | <b>\$0</b>    | <b>\$524,102</b> | <b>\$2,586,349</b> | <b>0.00</b>           | <b>\$1,961,146</b> | <b>\$0</b>    | <b>\$524,102</b> | <b>\$2,485,248</b> |

\*\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Expected changes
- Personal services management decisions
- Modifications made to the personal services budget in the 2021 biennium

|                    |   |
|--------------------|---|
| <b>LFD COMMENT</b> | A funding switch in statewide present law adjustments was identified. The agency has worked with the Office of Budget and Program Planning (OBPP) to address this funding switch. This will be updated in the December 15th budget. |
|--------------------|---|

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Service Now Reduction -

The executive requests a decrease in funding because of the purchase of ServiceNow licenses and programs for the 2023 biennium. The executive is anticipating operating efficiencies and other savings by using ServiceNow. The operating budget is requested to decrease by \$27,110 for FY 2022 and \$27,110 for FY 2023.

DP 6411002 - Increase Federal Special Revenue Authority -

The Montana Board of Crime Control is requesting an increase of \$1.7 million in biennial federal special revenue authority to bring current authority levels more in line with the grant award levels received by the Montana Board of Crime Control (MBCC) annually. MBCC receives, on average, \$11.5 million to \$19.0 million in annual federal grant award funds to distribute to agencies and organizations within the State of Montana.

DP 6411003 - Evidence Based Practices Training (SB59) -

The executive proposes increasing general fund for core correctional practices (CCP) training and continued training for staff in the correctional program checklist (CPC) and the CPC group assessment (CPCGA).

**New Proposals**

The New Proposals table shows new changes to spending

| New Proposals                          | -----Fiscal 2022----- |              |               |                 |                 | -----Fiscal 2023----- |              |               |                 |                 |
|--|-----------------------|--------------|---------------|-----------------|-----------------|-----------------------|--------------|---------------|-----------------|-----------------|
|  | FTE                   | General Fund | State Special | Federal Special | Total Funds     | FTE                   | General Fund | State Special | Federal Special | Total Funds     |
| DP 6411001 - Federal Grants Accountant | 1.00                  | 0            | 0             | 69,599          | 69,599          | 1.00                  | 0            | 0             | 66,846          | 66,846          |
| <b>Total</b>                           | <b>1.00</b>           | <b>\$0</b>   | <b>\$0</b>    | <b>\$69,599</b> | <b>\$69,599</b> | <b>1.00</b>           | <b>\$0</b>   | <b>\$0</b>    | <b>\$66,846</b> | <b>\$66,846</b> |

\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 6411001 - Federal Grants Accountant -

The executive requests 1.00 FTE for a federal grant accountant to examine, analyze, and interpret accounting records to prepare financial statements in accordance with federal, state, and state special revenue grant programs from funding administered by the Montana Board of Crime Control. The biennial cost of \$136,445 will come from federal special revenue. The amount includes the salary, benefits, new employee office package, and computer equipment.

**Program Biennium Comparison**

The following table compares the last full fiscal year actuals, previous biennium appropriations by year, and current annual biennium budget request by type of expenditure and source of funding.

| Program Biennium Comparison    |                           |                        |                     |                   |
|--------------------------------|---------------------------|------------------------|---------------------|-------------------|
| Budget Item                    | Appropriated Budget 20-21 | Requested Budget 22-23 | Biennium Change     | Biennium % Change |
| Personal Services              | 34,164,605                | 39,722,379             | 5,557,774           | 16.27 %           |
| Operating Expenses             | 118,017,384               | 123,104,214            | 5,086,830           | 4.31 %            |
| Transfers                      | 6,250                     | 12,500                 | 6,250               | 100.00 %          |
| Debt Service                   | 96,470                    | 96,470                 | 0                   | 0.00 %            |
| <b>Total Expenditures</b>      | <b>\$152,284,709</b>      | <b>\$162,935,563</b>   | <b>\$10,650,854</b> | <b>6.99 %</b>     |
| General Fund                   | 150,038,136               | 160,688,971            | 10,650,835          | 7.10 %            |
| State/Other Special Rev. Funds | 2,246,573                 | 2,246,592              | 19                  | 0.00 %            |
| <b>Total Funds</b>             | <b>\$152,284,709</b>      | <b>\$162,935,563</b>   | <b>\$10,650,854</b> | <b>6.99 %</b>     |
| <b>Total Ongoing</b>           | <b>\$152,284,709</b>      | <b>\$162,935,563</b>   | <b>\$10,650,854</b> | <b>6.99 %</b>     |
| <b>Total OTO</b>               | <b>\$0</b>                | <b>\$0</b>             | <b>\$0</b>          | <b>0.00 %</b>     |

**Program Description**

The Probation and Parole Division (PPD) includes probation and parole, intensive and enhanced supervision programs, male and female community corrections programs that include: chemical dependency treatment programs, DUI treatment facilities, methamphetamine treatment facilities, assessment, sanction and revocation centers, and various other prison diversion programs. The department contracts with nonprofit corporations in Great Falls, Missoula, Billings, Bozeman, Butte, and Helena for prerelease services.

**Program Highlights**

| <b>Probation and Parole Division<br/>Major Budget Highlights</b>  |
|---|
| <p>The Probation and Parole Division’s 2023 biennium budget request is \$10.7 million higher than the 2021 biennium, or an increase of 7.0%. This is driven by:</p> <ul style="list-style-type: none"> <li>• Probation and parole officers at the cost of \$1.8 million and 15.00 FTE over the biennium</li> <li>• Contract managers at the cost of \$0.8 million and 5.00 FTE over the biennium</li> <li>• Pre-sentence investigation writers at the cost of \$0.8 million and 7.00 FTE over the biennium</li> </ul> |

**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

| Program Actuals and Budget Comparison |                        |                        |                        |                        |                        |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Budget Item                           | Actuals<br>Fiscal 2020 | Approp.<br>Fiscal 2020 | Approp.<br>Fiscal 2021 | Request<br>Fiscal 2022 | Request<br>Fiscal 2023 |
| FTE                                   | 0.00                   | 251.50                 | 251.50                 | 278.50                 | 278.50                 |
| Personal Services                     | 15,486,654             | 15,780,093             | 18,384,512             | 19,835,811             | 19,886,568             |
| Operating Expenses                    | 56,391,534             | 56,464,862             | 61,552,522             | 61,574,934             | 61,529,280             |
| Transfers                             | 0                      | 0                      | 6,250                  | 6,250                  | 6,250                  |
| Debt Service                          | 48,235                 | 48,235                 | 48,235                 | 48,235                 | 48,235                 |
| <b>Total Expenditures</b>             | <b>\$71,926,423</b>    | <b>\$72,293,190</b>    | <b>\$79,991,519</b>    | <b>\$81,465,230</b>    | <b>\$81,470,333</b>    |
| General Fund                          | 71,107,494             | 71,169,913             | 78,868,223             | 80,341,934             | 80,347,037             |
| State/Other Special Rev. Funds        | 818,929                | 1,123,277              | 1,123,296              | 1,123,296              | 1,123,296              |
| <b>Total Funds</b>                    | <b>\$71,926,423</b>    | <b>\$72,293,190</b>    | <b>\$79,991,519</b>    | <b>\$81,465,230</b>    | <b>\$81,470,333</b>    |
| <b>Total Ongoing</b>                  | <b>\$71,926,423</b>    | <b>\$72,293,190</b>    | <b>\$79,991,519</b>    | <b>\$81,465,230</b>    | <b>\$81,470,333</b>    |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             |

**Program Discussion -**

*FY 2020 Appropriation Compared to FY 2020 Actual Expenditures*

The Probation & Parole Division expended 99.5% of its \$72.3 million HB 2 modified budget in FY 2020. Personal services were 98.1% expended and operating expenses were 99.9% expended. The majority of unspent authority is \$300,000 in personal services for employee career ladder adjustments. This is a restricted fund and its use is contingent upon HB 2 language stating, "Probation and Parole Career Ladder is contingent on the department: (1) reviewing the files of all probationers and parolees under its supervision to determine if they are eligible for conditional discharge from supervision; and (2) notifying all eligible probationers and parolees in writing of their eligibility for conditional discharge from supervision...Funding may be expended only after the budget director certifies that the department has completed the evaluation of all parole files and has notified all eligible probationers and parolees."

*FY 2020 Appropriations Compared to FY 2021 Appropriations*

FY 2020 appropriations to FY 2021 appropriations increased by 10.7%. This is in part a result of \$1.8 million in increases in statewide present law adjustments in personal services and \$1.4 million in operating expenses for provider rate increases in statewide contracted facilities, regional facilities, and the Missoula Assessment & Sanction Center (MASC).

*Comparison of FY 2021 Legislative Budget to FY 2021 Base*

Administrative Support Services (Director's Office) transferred \$200,000 to Probation and Parole for housing assistance since the program is managed in the Probation and Parole Division.

**Program Personal Services**

Personal services are \$18.4 million or 23.0% of total FY 2021 appropriations. The executive proposes an increase from the base budget of approximately \$5.6 million over the biennium. In addition to expected changes, management decisions included broad band pay increases.

**Funding**

The following table shows proposed program funding by source of authority.

| Department of Corrections, 02-Probation and Parole Admin<br>Funding by Source of Authority |                      |            |                          |                         |                      |                   |  |
|--|----------------------|------------|--------------------------|-------------------------|----------------------|-------------------|--|
| Funds  | HB2 Ongoing          | HB2 OTO    | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources    | % Total All Funds |  |
| 01100 General Fund   | 160,688,971          | 0          | 0                        | 0                       | 160,688,971          | 98.62 %           |  |
| 02261 P & P Supervisory Fee  | 2,246,592            | 0          | 0                        | 0                       | 2,246,592            | 100.00 %          |  |
| <b>State Special Total</b>   | <b>\$2,246,592</b>   | <b>\$0</b> | <b>\$0</b>               | <b>\$0</b>              | <b>\$2,246,592</b>   | <b>1.38 %</b>     |  |
| 03315 Misc Federal Grants  | 0                    | 0          | 0                        | 0                       | 0                    | 0.00 %            |  |
| <b>Federal Special Total</b>   | <b>\$0</b>           | <b>\$0</b> | <b>\$0</b>               | <b>\$0</b>              | <b>\$0</b>           | <b>0.00 %</b>     |  |
| <b>Proprietary Total</b>   | <b>\$0</b>           | <b>\$0</b> | <b>\$0</b>               | <b>\$0</b>              | <b>\$0</b>           | <b>0.00 %</b>     |  |
| <b>Total All Funds</b>   | <b>\$162,935,563</b> | <b>\$0</b> | <b>\$0</b>               | <b>\$0</b>              | <b>\$162,935,563</b> |                   |  |

Nearly 99.0% of the program’s funding comes from the general fund. The remaining funding comes from state special revenues. These state special funds are collected from offenders who are required to pay supervision fees related to probation and parole.

**Program Budget Summary by Category**

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the [glossary](#).

| Budget Item         | -----General Fund----- |                     |                       |                   | -----Total Funds----- |                     |                       |                   |
|---------------------|------------------------|---------------------|-----------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|
|                     | Budget Fiscal 2022     | Budget Fiscal 2023  | Biennium Fiscal 22-23 | Percent of Budget | Budget Fiscal 2022    | Budget Fiscal 2023  | Biennium Fiscal 22-23 | Percent of Budget |
| 2021 Base Budget    | 78,868,223             | 78,868,223          | 157,736,446           | 98.16 %           | 79,991,519            | 79,991,519          | 159,983,038           | 98.19 %           |
| SWPL Adjustments    | (245,535)              | (183,949)           | (429,484)             | (0.27)%           | (245,535)             | (183,949)           | (429,484)             | (0.26)%           |
| PL Adjustments      | (30,167)               | (30,167)            | (60,334)              | (0.04)%           | (30,167)              | (30,167)            | (60,334)              | (0.04)%           |
| New Proposals       | 1,749,413              | 1,692,930           | 3,442,343             | 2.14 %            | 1,749,413             | 1,692,930           | 3,442,343             | 2.11 %            |
| <b>Total Budget</b> | <b>\$80,341,934</b>    | <b>\$80,347,037</b> | <b>\$160,688,971</b>  |                   | <b>\$81,465,230</b>   | <b>\$81,470,333</b> | <b>\$162,935,563</b>  |                   |

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

| Present Law Adjustments                        | -----Fiscal 2022----- |                    |               |                 |                    | -----Fiscal 2023----- |                    |               |                 |                    |
|--|-----------------------|--------------------|---------------|-----------------|--------------------|-----------------------|--------------------|---------------|-----------------|--------------------|
|  | FTE                   | General Fund       | State Special | Federal Special | Total Funds        | FTE                   | General Fund       | State Special | Federal Special | Total Funds        |
| DP 1 - Personal Services                       | 0.00                  | (213,491)          | 0             | 0               | (213,491)          | 0.00                  | (163,851)          | 0             | 0               | (163,851)          |
| DP 3 - Inflation Deflation                     | 0.00                  | (32,044)           | 0             | 0               | (32,044)           | 0.00                  | (20,098)           | 0             | 0               | (20,098)           |
| DP 4 - Service Now Reduction                   | 0.00                  | (47,400)           | 0             | 0               | (47,400)           | 0.00                  | (47,400)           | 0             | 0               | (47,400)           |
| DP 6412005 - Program 02 - Overtime             | 0.00                  | 17,233             | 0             | 0               | 17,233             | 0.00                  | 17,233             | 0             | 0               | 17,233             |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b>           | <b>(\$275,702)</b> | <b>\$0</b>    | <b>\$0</b>      | <b>(\$275,702)</b> | <b>0.00</b>           | <b>(\$214,116)</b> | <b>\$0</b>    | <b>\$0</b>      | <b>(\$214,116)</b> |

\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Expected changes
- Personal services management decisions
- Modifications made to the personal services budget in the 2021 biennium

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Service Now Reduction -

The executive requests a decrease in funding because of the purchase of ServiceNow licenses and programs for the 2023 biennium. The executive is anticipating operating efficiencies and other savings by using ServiceNow. The operating budget is requested to decrease by \$47,400 for FY 2022 and \$47,400 for FY 2023.

DP 6412005 - Program 02 - Overtime -

This request is for additional general funds to cover the overtime deficit for the Probation and Parole Division and Programs and Facilities Bureau.

**New Proposals**

The New Proposals table shows new changes to spending

|  | -----Fiscal 2022----- |                    |               |                 |                    | -----Fiscal 2023----- |                    |               |                 |                    |
|--|-----------------------|--------------------|---------------|-----------------|--------------------|-----------------------|--------------------|---------------|-----------------|--------------------|
|  | FTE                   | General Fund       | State Special | Federal Special | Total Funds        | FTE                   | General Fund       | State Special | Federal Special | Total Funds        |
| DP 6412001 - 5.0 FTE - Contract Managers - PFB             | 5.00                  | 402,451            | 0             | 0               | 402,451            | 5.00                  | 402,740            | 0             | 0               | 402,740            |
| DP 6412002 - 7.0 FTE - PSI Writers - HB 2 Caseload Study   | 7.00                  | 406,358            | 0             | 0               | 406,358            | 7.00                  | 387,013            | 0             | 0               | 387,013            |
| DP 6412003 - 15.0 FTE - P&P Officers - HB 2 Caseload Study | 15.00                 | 940,604            | 0             | 0               | 940,604            | 15.00                 | 903,177            | 0             | 0               | 903,177            |
| <b>Total</b>   | <b>27.00</b>          | <b>\$1,749,413</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$1,749,413</b> | <b>27.00</b>          | <b>\$1,692,930</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$1,692,930</b> |

\*\*\*Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 6412001 - 5.0 FTE - Contract Managers - PFB -

The executive proposes an additional 5.00 FTE for contract management processes related to community corrections facility contracts. Currently, there are 5.00 FTE responsible for contract management and oversight and population and case management for offenders in community corrections facilities.

DP 6412002 - 7.0 FTE - PSI Writers - HB 2 Caseload Study -

The executive proposes 7.00 FTE for pre-sentence investigations (PSIs) for the courts. Funding for the PSI writers would total \$406,358 in FY 2022 and \$387,013 in FY 2023.



DP 6412003 - 15.0 FTE - P&P Officers - HB 2 Caseload Study -

The executive proposes 15.00 FTE and funds for the related personal services and operating expenses for these officers.

**Program Biennium Comparison**

The following table compares the last full fiscal year actuals, previous biennium appropriations by year, and current annual biennium budget request by type of expenditure and source of funding.

| Program Biennium Comparison    |                           |                        |                    |                   |
|--------------------------------|---------------------------|------------------------|--------------------|-------------------|
| Budget Item                    | Appropriated Budget 20-21 | Requested Budget 22-23 | Biennium Change    | Biennium % Change |
| Personal Services              | 101,346,662               | 106,874,902            | 5,528,240          | 5.45 %            |
| Operating Expenses             | 75,077,770                | 71,222,851             | (3,854,919)        | (5.13)%           |
| Equipment & Intangible Assets  | 459,671                   | 635,704                | 176,033            | 38.30 %           |
| Capital Outlay                 | 20,773                    | 41,546                 | 20,773             | 100.00 %          |
| Benefits & Claims              | 524,158                   | 979,146                | 454,988            | 86.80 %           |
| Transfers                      | 149,100                   | 8,200                  | (140,900)          | (94.50)%          |
| Debt Service                   | 879,348                   | 784,348                | (95,000)           | (10.80)%          |
| <b>Total Expenditures</b>      | <b>\$178,457,482</b>      | <b>\$180,546,697</b>   | <b>\$2,089,215</b> | <b>1.17 %</b>     |
| General Fund                   | 177,169,322               | 178,066,413            | 897,091            | 0.51 %            |
| State/Other Special Rev. Funds | 1,288,160                 | 2,480,284              | 1,192,124          | 92.54 %           |
| <b>Total Funds</b>             | <b>\$178,457,482</b>      | <b>\$180,546,697</b>   | <b>\$2,089,215</b> | <b>1.17 %</b>     |
| <b>Total Ongoing</b>           | <b>\$178,457,482</b>      | <b>\$180,546,697</b>   | <b>\$2,089,215</b> | <b>1.17 %</b>     |
| <b>Total OTO</b>               | <b>\$0</b>                | <b>\$0</b>             | <b>\$0</b>         | <b>0.00 %</b>     |

**Program Description**

The Secure Facilities Program includes the Montana State Prison (MSP), Montana Women’s Prison, Pine Hills Correctional Facility and contract bed facilities that include: Dawson County Correctional Facility, Cascade County Regional Prison, and Crossroads Correctional Center in Shelby. Approximately 2,300 male and 200 female inmates are incarcerated in these facilities.

**Program Highlights**

| <b>Secure Custody Facilities<br/>Major Budget Highlights</b>   |
|--|
| <p>Secure Custody Facilities 2023 biennium budget request is \$2.0 million higher than the 2021 biennium. The increase can be explained by the following:</p> <ul style="list-style-type: none"> <li>• Overtime cost increase at secure facilities at \$3.8 million</li> <li>• Contract facility disciplinary officers at \$0.5 million and 4.00 FTE</li> <li>• Regional prison per diem increase of \$0.3 million in FY 2022 and \$0.5 million in FY 2023</li> <li>• A 0.10 per meal increase in FY 2022 and FY 2023 for the Montana State Prison, WATCH program, and Riverside Infirmary totaling approximately \$0.2 million each year of the biennium</li> </ul> |

**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

| Program Actuals and Budget Comparison |                        |                        |                        |                        |                        |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Budget Item                           | Actuals<br>Fiscal 2020 | Approp.<br>Fiscal 2020 | Approp.<br>Fiscal 2021 | Request<br>Fiscal 2022 | Request<br>Fiscal 2023 |
| FTE                                   | 0.00                   | 728.36                 | 728.36                 | 732.36                 | 732.36                 |
| Personal Services                     | 51,123,549             | 51,123,552             | 50,223,110             | 53,376,410             | 53,498,492             |
| Operating Expenses                    | 40,578,500             | 40,647,461             | 34,430,309             | 35,586,863             | 35,635,988             |
| Equipment & Intangible Assets         | 306,819                | 306,819                | 152,852                | 482,852                | 152,852                |
| Capital Outlay                        | 0                      | 0                      | 20,773                 | 20,773                 | 20,773                 |
| Benefits & Claims                     | 34,585                 | 34,585                 | 489,573                | 489,573                | 489,573                |
| Transfers                             | 145,000                | 145,000                | 4,100                  | 4,100                  | 4,100                  |
| Debt Service                          | 486,703                | 487,174                | 392,174                | 392,174                | 392,174                |
| <b>Total Expenditures</b>             | <b>\$92,675,156</b>    | <b>\$92,744,591</b>    | <b>\$85,712,891</b>    | <b>\$90,352,745</b>    | <b>\$90,193,952</b>    |
| General Fund                          | 92,068,604             | 92,096,573             | 85,072,749             | 89,112,603             | 88,953,810             |
| State/Other Special Rev. Funds        | 606,552                | 648,018                | 640,142                | 1,240,142              | 1,240,142              |
| <b>Total Funds</b>                    | <b>\$92,675,156</b>    | <b>\$92,744,591</b>    | <b>\$85,712,891</b>    | <b>\$90,352,745</b>    | <b>\$90,193,952</b>    |
| <b>Total Ongoing</b>                  | <b>\$92,675,156</b>    | <b>\$92,744,591</b>    | <b>\$85,712,891</b>    | <b>\$90,352,745</b>    | <b>\$90,193,952</b>    |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             |

**Program Discussion -**

*FY 2020 Appropriation Compared to FY 2020 Actual Expenditures*

Secure Custody Facilities expended 99.9% of its \$92.7 million HB 2 modified budget in FY 2020. Personal services were 100.0% expended. Operating expenses were 99.8% expended. Benefits and claims, transfers, and debt service were all 100.0% expended.

*FY 2020 Appropriations Compared to FY 2021 Appropriations*

FY 2020 appropriations to FY 2021 appropriations decreased by 7.6%. This is a result of decreases of \$6.2 million in operating expenses from FY 2020 to FY 2021. The majority of the decrease in operating expenses is the result of \$3.0 million in operating costs associated with repurposing the Montana State Correctional Treatment Center (MSCTC) to be used as additional capacity (new E unit) at the Montana State Prison. There is also a decrease of 3.00 FTE and \$1.0 million in both general fund and state special revenue associated with moving the responsibilities of youth parole to the Judicial Branch.

*Comparison of FY 2021 Legislative Budget to FY 2021 Base*

Secure Custody Facilities transferred \$1.0 million to Clinical Services Division as a result of a reorganization within the agency to provide a sex offender treatment unit within Clinical Services Division.

**Program Personal Services**

Personal services are nearly \$50.2 million or 58.6% of total FY 2021 appropriations. The executive proposes an increase from the base budget of approximately \$876,000 in FY 2022 and \$998,000 in FY 2023 for statewide present law adjustments. Additional personal services changes within Secure Custody Facilities include management decisions for broadband pay increases. Secure Custody Facilities received 128.00 FTE and the associated funding as a result of the Youth Services Reorganization. Department of Corrections transferred 16.00 FTE from Secure Custody Facilities to Clinical Services Division as a result of the Sex Offender Treatment Unit.

**Funding**

The following table shows proposed program funding by source of authority.

| Department of Corrections, 03-Secure Facilities Division<br>Funding by Source of Authority |                      |            |                             |                            |                      |                      |  |
|--|----------------------|------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds  | HB2<br>Ongoing       | HB2<br>OTO | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |  |
| 01100 General Fund   | 178,066,413          | 0          | 0                           | 76,328                     | 178,142,741          | 97.92 %              |  |
| 02033 Pine Hills Vocational Program  | 200,000              | 0          | 0                           | 0                          | 200,000              | 5.30 %               |  |
| 02034 Earmarked Alcohol Funds  | 51,046               | 0          | 0                           | 0                          | 51,046               | 1.35 %               |  |
| 02339 Inmate Welfare/Inmate Pay  | 200,000              | 0          | 0                           | 0                          | 200,000              | 5.30 %               |  |
| 02345 Inmate Welfare Fund  | 1,000,000            | 0          | 0                           | 1,295,714                  | 2,295,714            | 60.80 %              |  |
| 02355 Miscellaneous Fines and Fees   | 8,924                | 0          | 0                           | 0                          | 8,924                | 0.24 %               |  |
| 02916 PHS-Canteen  | 7,046                | 0          | 0                           | 0                          | 7,046                | 0.19 %               |  |
| 02927 PHS Donations/I & I  | 754,660              | 0          | 0                           | 0                          | 754,660              | 19.99 %              |  |
| 02970 Juvenile Plcmnt Cost of Care   | 258,608              | 0          | 0                           | 0                          | 258,608              | 6.85 %               |  |
| <b>State Special Total</b>   | <b>\$2,480,284</b>   | <b>\$0</b> | <b>\$0</b>                  | <b>\$1,295,714</b>         | <b>\$3,775,998</b>   | <b>2.08 %</b>        |  |
| 03089 PHS-School Foods   | 0                    | 0          | 0                           | 0                          | 0                    | 0.00 %               |  |
| 03099 PHS-ESEA Title I   | 0                    | 0          | 0                           | 0                          | 0                    | 0.00 %               |  |
| 03315 Misc Federal Grants  | 0                    | 0          | 0                           | 0                          | 0                    | 0.00 %               |  |
| <b>Federal Special Total</b>   | <b>\$0</b>           | <b>\$0</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |  |
| <b>Proprietary Total</b>   | <b>\$0</b>           | <b>\$0</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |  |
| <b>Total All Funds</b>   | <b>\$180,546,697</b> | <b>\$0</b> | <b>\$0</b>                  | <b>\$1,372,042</b>         | <b>\$181,918,739</b> |                      |  |

General fund makes up nearly all (98.6%) of the division’s funding. The remaining funding is made up of state special revenues. The inmate welfare state special revenue fund is used to fund welfare activities for inmates and is comprised of the sales of contraband and confiscated items, as well as proceeds from inmate canteen purchases from the state prison. A little over half of the state special revenue for the inmate welfare fund comes from statutory appropriations. Parental contributions toward the costs of care and interest and income related to Pine Hills school lands primarily make up additional state special revenue and are used for additional support related to direct and non-direct care costs in the Pine Hills Correctional Facility.

**Program Budget Summary by Category**

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the [glossary](#).

| Budget Item         | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|---------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
|                     | Budget<br>Fiscal 2022  | Budget<br>Fiscal 2023 | Biennium<br>Fiscal 22-23 | Percent<br>of Budget | Budget<br>Fiscal 2022 | Budget<br>Fiscal 2023 | Biennium<br>Fiscal 22-23 | Percent<br>of Budget |
| 2021 Base Budget    | 85,072,749             | 85,072,749            | 170,145,498              | 95.55 %              | 85,712,891            | 85,712,891            | 171,425,782              | 94.95 %              |
| SWPL Adjustments    | 862,130                | 989,332               | 1,851,462                | 1.04 %               | 862,130               | 989,332               | 1,851,462                | 1.03 %               |
| PL Adjustments      | 2,708,099              | 2,613,126             | 5,321,225                | 2.99 %               | 3,308,099             | 3,213,126             | 6,521,225                | 3.61 %               |
| New Proposals       | 469,625                | 278,603               | 748,228                  | 0.42 %               | 469,625               | 278,603               | 748,228                  | 0.41 %               |
| <b>Total Budget</b> | <b>\$89,112,603</b>    | <b>\$88,953,810</b>   | <b>\$178,066,413</b>     |                      | <b>\$90,352,745</b>   | <b>\$90,193,952</b>   | <b>\$180,546,697</b>     |                      |

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

| Present Law Adjustments                                     |                       |                    |                  |                 |                    |                       |                    |                  |                 |                    |
|---|-----------------------|--------------------|------------------|-----------------|--------------------|-----------------------|--------------------|------------------|-----------------|--------------------|
|   | -----Fiscal 2022----- |                    |                  |                 |                    | -----Fiscal 2023----- |                    |                  |                 |                    |
|   | FTE                   | General Fund       | State Special    | Federal Special | Total Funds        | FTE                   | General Fund       | State Special    | Federal Special | Total Funds        |
| DP 1 - Personal Services                                    | 0.00                  | 876,337            | 0                | 0               | 876,337            | 0.00                  | 998,241            | 0                | 0               | 998,241            |
| DP 3 - Inflation Deflation                                  | 0.00                  | (14,207)           | 0                | 0               | (14,207)           | 0.00                  | (8,909)            | 0                | 0               | (8,909)            |
| DP 4 - Service Now Reduction                                | 0.00                  | (129,498)          | 0                | 0               | (129,498)          | 0.00                  | (129,498)          | 0                | 0               | (129,498)          |
| DP 6413001 - Increase Laundry, Meal, and MVM Repair Costs   | 0.00                  | 243,636            | 0                | 0               | 243,636            | 0.00                  | 243,636            | 0                | 0               | 243,636            |
| DP 6413003 - Regional Prison Per Diem Increase              | 0.00                  | 269,923            | 0                | 0               | 269,923            | 0.00                  | 525,450            | 0                | 0               | 525,450            |
| DP 6413004 - CSRT Training, Supplies & Equipment            | 0.00                  | 75,500             | 0                | 0               | 75,500             | 0.00                  | 55,000             | 0                | 0               | 55,000             |
| DP 6413005 - Facility Maintenance Equipment Replacement     | 0.00                  | 330,000            | 0                | 0               | 330,000            | 0.00                  | 0                  | 0                | 0               | 0                  |
| DP 6413008 - Increase Inmate Workers Maintenance Positions  | 0.00                  | 0                  | 100,000          | 0               | 100,000            | 0.00                  | 0                  | 100,000          | 0               | 100,000            |
| DP 6413009 - Increased Spending Authority IWF               | 0.00                  | 0                  | 400,000          | 0               | 400,000            | 0.00                  | 0                  | 400,000          | 0               | 400,000            |
| DP 6413011 - Increased Authority to Vocational Farm Program | 0.00                  | 0                  | 100,000          | 0               | 100,000            | 0.00                  | 0                  | 100,000          | 0               | 100,000            |
| DP 6413012 - Program 03 - Overtime                          | 0.00                  | 1,918,538          | 0                | 0               | 1,918,538          | 0.00                  | 1,918,538          | 0                | 0               | 1,918,538          |
| <b>Grand Total All Present Law Adjustments</b>              | <b>0.00</b>           | <b>\$3,570,229</b> | <b>\$600,000</b> | <b>\$0</b>      | <b>\$4,170,229</b> | <b>0.00</b>           | <b>\$3,602,458</b> | <b>\$600,000</b> | <b>\$0</b>      | <b>\$4,202,458</b> |

\*\*Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Expected changes
- Personal services management decisions
- Modifications made to the personal services budget in the 2021 biennium

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Service Now Reduction -

The executive requests a decrease in funding because of the purchase of ServiceNow licenses and programs for the 2023 biennium. The executive is anticipating operating efficiencies and other savings by using ServiceNow. The operating budget is requested to decrease by \$129,498 for FY 2022 and \$129,498 for FY 2023.

DP 6413001 - Increase Laundry, Meal, and MVM Repair Costs -

This request funds a \$0.10 per meal increase in FY 2022 and FY 2023 for the Montana State Prison, the WATCH program, and the Riverside Infirmary. This increase will assist the Montana Correctional Enterprises (MCE) food factory with increased operating costs that impact daily operations. This request also includes a 2.0% supply fee increase in FY 2022 and FY 2023 for the Motor Vehicle Maintenance (MVM) Program.

DP 6413003 - Regional Prison Per Diem Increase -

This request would fund a 3.0% increase for the two regional prisons, Dawson Regional Prison and Cascade Regional Prison for FY 2022 and a 3.0% increase in FY 2023. The department is required by statute to provide these increases, although no other provider is proposed to receive a rate increase in the 2023 biennium.

DP 6413004 - CSRT Training, Supplies & Equipment -

This request provides funding for required equipment and supplies for MSP's correctional special response team (CSRT). The CSRT is trained to respond to security threats and emergency situations at the facility. The request includes \$75,000 in FY 2022 and \$55,000 in FY 2023 for safety equipment, training on lethal and non-lethal security tactics, and supplies.

DP 6413005 - Facility Maintenance Equipment Replacement -

This request is to purchase a replacement dump truck and road grader for the MSP facility. MSP purchased two used dump trucks, one in 1995 and the other in 2008. Both dump trucks had high mileage and have had numerous repairs over the years. MSP also has two road graders. Both graders were purchased used, one in 1976 and the other in 2001. Both road graders have had extensive repairs and are no longer reliable to operate. The MSP road crew is responsible for all DOC property road maintenance for the facility.

DP 6413008 - Increase Inmate Workers Maintenance Positions -

This request will allow MSP to increase the number of inmate worker positions. Increased inmate population requires additional workers to work in facility positions, including food service, maintenance, infirmary and unit maintenance. In addition, there are more extensive cleaning requirements due to COVID-19 and the need to keep common areas clean and sanitized to ensure COVID-19 and other viruses are not transmitted between inmates.

DP 6413009 - Increased Spending Authority IWF -

The executive proposes additional spending authority for the inmate welfare fund. The additional authority will be used for additional inmate worker positions, additional recreational equipment, increase in release assistance due to a higher prison population and other items that benefit the inmate population.

DP 6413011 - Increased Authority to Vocational Farm Program -

This request provides increased spending authority for the newly established Vocational Farm Program at Pine Hills. The spending authority will be utilized for the farm to cover the additional cost of farm supplies.

DP 6413012 - Program 03 - Overtime -

This request includes funding for additional overtime costs experienced at secure facilities. Secure Facilities is requesting 1,918,538 in overtime costs each year of the biennium. This includes overtime at Montana State Prison, Montana Women's Prison, and Pine Hills Facility.

**New Proposals**

The New Proposals table shows new changes to spending

| New Proposals  | -----Fiscal 2022----- |                  |               |                 |                  | -----Fiscal 2023----- |                  |               |                 |                  |
|--|-----------------------|------------------|---------------|-----------------|------------------|-----------------------|------------------|---------------|-----------------|------------------|
|  | FTE                   | General Fund     | State Special | Federal Special | Total Funds      | FTE                   | General Fund     | State Special | Federal Special | Total Funds      |
| DP 6413006 - 4.0 FTE - Contract Facility Disciplinary Officers | 4.00                  | 269,625          | 0             | 0               | 269,625          | 4.00                  | 258,603          | 0             | 0               | 258,603          |
| DP 6413010 - Warehouse Management System                       | 0.00                  | 200,000          | 0             | 0               | 200,000          | 0.00                  | 20,000           | 0             | 0               | 20,000           |
| <b>Total</b>   | <b>4.00</b>           | <b>\$469,625</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$469,625</b> | <b>4.00</b>           | <b>\$278,603</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$278,603</b> |

\*\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 6413006 - 4.0 FTE - Contract Facility Disciplinary Officers -

The executive requests 4.00 FTE to provide consistent grievance and disciplinary processes at DOC contracted facilities. Crossroads Correctional Center (CCC) in Shelby would receive 2.00 FTE; 1.00 FTE for a hearing's officer position, and 1.00 FTE for a grievance coordinator position. Dawson County and Cascade County Correctional Facilities are smaller facilities and duties of grievance and hearing's officers can be combined, therefore, requiring only 1.00 FTE per facility.

DP 6413010 - Warehouse Management System -

The executive proposes to procure an updated and supported warehouse management system. The current warehouse database is a Microsoft Access database, which is no longer supported. This database tracks all purchasing functions and inventory function for the MSP warehouse.

**Program Biennium Comparison**

The following table compares the last full fiscal year actuals, previous biennium appropriations by year, and current annual biennium budget request by type of expenditure and source of funding.

| Program Biennium Comparison    |                           |                        |                    |                   |
|--------------------------------|---------------------------|------------------------|--------------------|-------------------|
| Budget Item                    | Appropriated Budget 20-21 | Requested Budget 22-23 | Biennium Change    | Biennium % Change |
| Personal Services              | 3,754,550                 | 4,282,368              | 527,818            | 14.06 %           |
| Operating Expenses             | 6,767,749                 | 7,263,326              | 495,577            | 7.32 %            |
| Equipment & Intangible Assets  | 43,054                    | 0                      | (43,054)           | (100.00)%         |
| Transfers                      | 318,766                   | 470,234                | 151,468            | 47.52 %           |
| <b>Total Expenditures</b>      | <b>\$10,884,119</b>       | <b>\$12,015,928</b>    | <b>\$1,131,809</b> | <b>10.40 %</b>    |
| General Fund                   | 4,132,435                 | 4,564,244              | 431,809            | 10.45 %           |
| State/Other Special Rev. Funds | 6,751,684                 | 7,451,684              | 700,000            | 10.37 %           |
| <b>Total Funds</b>             | <b>\$10,884,119</b>       | <b>\$12,015,928</b>    | <b>\$1,131,809</b> | <b>10.40 %</b>    |
| <b>Total Ongoing</b>           | <b>\$10,884,119</b>       | <b>\$12,015,928</b>    | <b>\$1,131,809</b> | <b>10.40 %</b>    |
| <b>Total OTO</b>               | <b>\$0</b>                | <b>\$0</b>             | <b>\$0</b>         | <b>0.00 %</b>     |

**Program Description**

The Montana Correctional Enterprises (MCE) Industry program includes furniture, upholstery, print, sign, sewing, garment graphics, and laundry operations at the Montana State Prison and Montana Women’s Prison facilities. At the current time there are no programs operating at the regional and private facilities.

The MCE ranch and dairy operation includes range cattle, crops, feedlot, land management, a dairy milking parlor, dairy processing, heifer reproduction, and lumber processing, which are all located at the Montana State Prison facility.

The MCE vocational training program operates a motor vehicle maintenance shop and metal fabrication at the Montana State Prison facility.

The MCE food factory program prepares bulk and trayed meals, including baked goods, at the Montana State Prison facility for eight institutions in Montana.

The MCE license plate program manufactures vehicle license plates at the Montana State Prison facility.

The MCE inmate canteen provides offender commissary goods for all Montana correctional facilities. The commissary is located at the Montana State Prison facility.

The MCE education program provides vocational training, library services and education at the Montana State Prison facility.



Program Highlights

| <b>Montana Correctional Enterprises<br/>Major Budget Highlights</b>  |
|--|
| <p>Montana Correctional Enterprises 2023 biennium budget is \$1.1 million higher than the 2021 biennium, an increase of 10.4%. Significant changes include:</p> <ul style="list-style-type: none"> <li>• A request for an increase of \$700,000 over the biennium in spending authority to cover the costs of commissary items purchased by inmates</li> </ul> |

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

| Program Actuals and Budget Comparison |                        |                        |                        |                        |                        |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Budget Item                           | Actuals<br>Fiscal 2020 | Approp.<br>Fiscal 2020 | Approp.<br>Fiscal 2021 | Request<br>Fiscal 2022 | Request<br>Fiscal 2023 |
| FTE                                   | 0.00                   | 27.50                  | 27.50                  | 27.50                  | 27.50                  |
| Personal Services                     | 1,785,056              | 1,785,054              | 1,969,496              | 2,138,958              | 2,143,410              |
| Operating Expenses                    | 3,486,087              | 3,486,086              | 3,281,663              | 3,631,663              | 3,631,663              |
| Equipment & Intangible Assets         | 43,054                 | 43,054                 | 0                      | 0                      | 0                      |
| Transfers                             | 83,649                 | 83,649                 | 235,117                | 235,117                | 235,117                |
| <b>Total Expenditures</b>             | <b>\$5,397,846</b>     | <b>\$5,397,843</b>     | <b>\$5,486,276</b>     | <b>\$6,005,738</b>     | <b>\$6,010,190</b>     |
| General Fund                          | 2,022,004              | 2,022,001              | 2,110,434              | 2,279,896              | 2,284,348              |
| State/Other Special Rev. Funds        | 3,375,842              | 3,375,842              | 3,375,842              | 3,725,842              | 3,725,842              |
| <b>Total Funds</b>                    | <b>\$5,397,846</b>     | <b>\$5,397,843</b>     | <b>\$5,486,276</b>     | <b>\$6,005,738</b>     | <b>\$6,010,190</b>     |
| <b>Total Ongoing</b>                  | <b>\$5,397,846</b>     | <b>\$5,397,843</b>     | <b>\$5,486,276</b>     | <b>\$6,005,738</b>     | <b>\$6,010,190</b>     |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             |

Program Discussion -

*FY 2020 Appropriation Compared to FY 2020 Actual Expenditures*

Montana Correctional Enterprises expended 100.0% of its \$5.4 million HB 2 modified budget in FY 2020. Personal services, operating expenses, equipment and intangible assets, and transfers were all 100.0% expended.

*FY 2020 Appropriations Compared to FY 2021 Appropriations*

The percentage change from FY 2020 appropriations to FY 2021 appropriations increased by 1.6%. The difference is a result of increases in personal services.

*Comparison of FY 2021 Legislative Budget to FY 2021 Base*

Montana Correctional Enterprises saw a 6.7% increase in personal services due to grants received and a program transfer to move an additional 1.00 FTE in education from Montana State Prison to Montana Correctional Enterprises.

**Program Personal Services**

Personal services account for nearly \$2.0 million or 35.9% of total FY 2021 appropriations. The executive is proposing increases from the base budget of approximately \$159,000 in FY 2022 and \$164,000 in FY 2023. In addition to expected changes management decisions, personal services include changes as negotiated pay scale increases.

**Funding**

The following table shows proposed program funding by source of authority.

| Department of Corrections, 04-Montana Correctional Enterprises<br>Funding by Source of Authority |                     |            |                          |                         |                     |                   |  |
|--|---------------------|------------|--------------------------|-------------------------|---------------------|-------------------|--|
| Funds  | HB2 Ongoing         | HB2 OTO    | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources   | % Total All Funds |  |
| 01100 General Fund   | 4,564,244           | 0          | 0                        | 0                       | 4,564,244           | 9.61 %            |  |
| 02917 MSP Canteen Revolving Acct   | 7,451,684           | 0          | 0                        | 0                       | 7,451,684           | 100.00 %          |  |
| <b>State Special Total</b>   | <b>\$7,451,684</b>  | <b>\$0</b> | <b>\$0</b>               | <b>\$0</b>              | <b>\$7,451,684</b>  | <b>15.69 %</b>    |  |
| 03099 PHS-ESEA Title I   | 0                   | 0          | 0                        | 0                       | 0                   | 0.00 %            |  |
| 03315 Misc Federal Grants  | 0                   | 0          | 0                        | 0                       | 0                   | 0.00 %            |  |
| <b>Federal Special Total</b>   | <b>\$0</b>          | <b>\$0</b> | <b>\$0</b>               | <b>\$0</b>              | <b>\$0</b>          | <b>0.00 %</b>     |  |
| 06033 Prison Ranch   | 0                   | 0          | 9,655,670                | 0                       | 9,655,670           | 27.22 %           |  |
| 06034 MSP Institutional Industries   | 0                   | 0          | 9,064,160                | 0                       | 9,064,160           | 25.55 %           |  |
| 06545 Prison Indust. Training Prog   | 0                   | 0          | 1,447,492                | 0                       | 1,447,492           | 4.08 %            |  |
| 06573 MSP - Cook Chill   | 0                   | 0          | 10,512,365               | 0                       | 10,512,365          | 29.64 %           |  |
| 06011 License Plate Production   | 0                   | 0          | 4,790,583                | 0                       | 4,790,583           | 13.51 %           |  |
| <b>Proprietary Total</b>   | <b>\$0</b>          | <b>\$0</b> | <b>\$35,470,270</b>      | <b>\$0</b>              | <b>\$35,470,270</b> | <b>74.70 %</b>    |  |
| <b>Total All Funds</b>   | <b>\$12,015,928</b> | <b>\$0</b> | <b>\$35,470,270</b>      | <b>\$0</b>              | <b>\$47,486,198</b> |                   |  |

General fund and state special revenue are both sources of the division’s HB 2 funding while non-budgeted proprietary funds make up the remaining funding. The primary use of general fund is for personal services related to the inmate canteen and inmate vocational education functions. Non-budgeted proprietary funds such as license plate productions, prison ranch, and cook chill operations make up the largest portion of funding. Remaining program funding is received through state special revenue from the inmate canteen state special service fund. Revenues are derived from the sale of products to inmates and is paid by inmates through inmate wages and money received from family members.

**Program Budget Summary by Category**

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the [glossary](#).

| Budget Item         | -----General Fund----- |                    |                       |                   | -----Total Funds----- |                    |                       |                   |
|---------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|-------------------|
|                     | Budget Fiscal 2022     | Budget Fiscal 2023 | Biennium Fiscal 22-23 | Percent of Budget | Budget Fiscal 2022    | Budget Fiscal 2023 | Biennium Fiscal 22-23 | Percent of Budget |
| 2021 Base Budget    | 2,110,434              | 2,110,434          | 4,220,868             | 92.48 %           | 5,486,276             | 5,486,276          | 10,972,552            | 91.32 %           |
| SWPL Adjustments    | 159,062                | 163,514            | 322,576               | 7.07 %            | 159,062               | 163,514            | 322,576               | 2.68 %            |
| PL Adjustments      | 0                      | 0                  | 0                     | 0.00 %            | 0                     | 0                  | 0                     | 0.00 %            |
| New Proposals       | 10,400                 | 10,400             | 20,800                | 0.46 %            | 360,400               | 360,400            | 720,800               | 6.00 %            |
| <b>Total Budget</b> | <b>\$2,279,896</b>     | <b>\$2,284,348</b> | <b>\$4,564,244</b>    |                   | <b>\$6,005,738</b>    | <b>\$6,010,190</b> | <b>\$12,015,928</b>   |                   |

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

| Present Law Adjustments                        | -----Fiscal 2022----- |                  |               |                 |                  | -----Fiscal 2023----- |                  |               |                 |                  |
|--|-----------------------|------------------|---------------|-----------------|------------------|-----------------------|------------------|---------------|-----------------|------------------|
|  | FTE                   | General Fund     | State Special | Federal Special | Total Funds      | FTE                   | General Fund     | State Special | Federal Special | Total Funds      |
| DP 1 - Personal Services                       | 0.00                  | 159,062          | 0             | 0               | 159,062          | 0.00                  | 163,514          | 0             | 0               | 163,514          |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b>           | <b>\$159,062</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$159,062</b> | <b>0.00</b>           | <b>\$163,514</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$163,514</b> |

\*\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Expected changes
- Personal services management decisions
- Modifications made to the personal services budget in the 2021 biennium

**New Proposals**

The New Proposals table shows new changes to spending

| New Proposals  | -----Fiscal 2022----- |                 |                  |                 |                  | -----Fiscal 2023----- |                 |                  |                 |                  |
|--|-----------------------|-----------------|------------------|-----------------|------------------|-----------------------|-----------------|------------------|-----------------|------------------|
|  | FTE                   | General Fund    | State Special    | Federal Special | Total Funds      | FTE                   | General Fund    | State Special    | Federal Special | Total Funds      |
| DP 6414001 - Increased Spending Authority in Canteen | 0.00                  | 0               | 350,000          | 0               | 350,000          | 0.00                  | 0               | 350,000          | 0               | 350,000          |
| DP 6414003 - Program 04 - Overtime                   | 0.00                  | 10,400          | 0                | 0               | 10,400           | 0.00                  | 10,400          | 0                | 0               | 10,400           |
| <b>Total</b>   | <b>0.00</b>           | <b>\$10,400</b> | <b>\$350,000</b> | <b>\$0</b>      | <b>\$360,400</b> | <b>0.00</b>           | <b>\$10,400</b> | <b>\$350,000</b> | <b>\$0</b>      | <b>\$360,400</b> |

\*\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 6414001 - Increased Spending Authority in Canteen -

The request is for spending authority to cover the costs of commissary items purchased by inmates. Authority will only be used if there is adequate cash flow and if it is needed to purchase additional commissary items ordered by inmates in Montana owned and contracted correctional facilities.

DP 6414003 - Program 04 - Overtime -

The executive requests \$10,400 each year to cover overtime costs in the HB 2 portion of the division.

**Other Issues -****Proprietary Rates**

The Montana Correctional Enterprises provides the following functions funded with proprietary funds. These programs are described separately along with a discussion of the program expenses, revenues, and rates being requested to finance the program:

- License plate factory
- Agricultural program
- MSP institutional industries
- MCE food factory
- Vocational education industries training

**License Plate Factory – 06011***Proprietary Proposed Budget*

The 2023 Biennium Report on Internal Service and Enterprise Funds for fund 06011 License Plate Factory shows the financial information for the fund from FY 2018 through FY 2023. The report is provided as submitted by the executive but the LFD has edited and reconfigured the figure for clarity. This table is shown below and is combined with two other funds.

*Proprietary Program Description*

The License Plate Program trains inmates in specific work skills and life skills in license plate production, graphics design, inventory control and shipping, while providing all license plates to county treasurers throughout Montana.

*Proprietary Program Narrative*Expenses

Expenses include funding for 4.01 FTE as well as various operating costs and products such as aluminum, reflective sheeting, and other raw materials.

Revenues

Revenues are derived from the sale of license plates to vehicle owners. A \$10.00 fee is paid for each set, where \$2.00 of this rate is deposited in the general fund, and the remaining \$8.00 and tabs/decals are deposited into a state special revenue account with the Department of Justice.

Funding Sources

Revenues supporting license plate manufacturing come from members of the public who purchase license plates.

*Proprietary Rates*

The license plate factory fund had previously been implemented as an internal service fund with rates approved by the Legislature. This is now an enterprise fund and will require no action from the 2023 Legislature to set rates.

**Prison Ranch – Fund 06033***Proprietary Proposed Budget*

The 2023 Biennium Report on Internal Service and Enterprise Funds for fund 06033 Prison Ranch shows the financial information for the fund from FY 2018 through FY 2023. The report is provided as submitted by the executive but the LFD has edited and reconfigured the figure for clarity. This table is shown below and is combined with two other funds.

*Proprietary Program Description*

The Agriculture Program trains inmates in specific work skills and life skills in operations which include range and dairy cattle, dairy milking parlor and processing plant, crops, land management, lumber processing, wildland firefighting and various community work programs.

*Proprietary Program Narrative*Expenses

Personal services funds 19.88 FTE. Some of the largest operating expenses for the program include services such as the following:

- Feed not grown on the ranch and feed supplements
- Fertilizer
- Grain
- Diesel fuel
- Merchandise
- Electricity

The costs of these supplies are somewhat associated with economic conditions and will tend to vary.

Revenues

The Agriculture Program derives revenues from the sale of products and services including cattle, milk, and other dairy products reclaimed and blue wood products, wild land firefighting, fencing, tree-thinning, janitorial and grounds keeping services for various governmental agencies and non-profit organizations.

Funding Sources

Prison ranch products are sold in the private sector.

*Proprietary Rates*

The prison ranch fund is an enterprise fund and will require no action from the 2023 Legislature to set rates.

**MSP Institutional Industries – Fund 06034***Proprietary Proposed Budget*

The 2023 Biennium Report on Internal Service and Enterprise Funds for fund 06034 shows the financial information for the fund from FY 2018 through FY 2023. The report is provided as submitted by the executive but the LFD has edited and reconfigured the figure for clarity. This table is shown below and is combined with two other funds.

*Program Description*

The Industries Program trains inmates in specific work skills and life skills in operations which include manufacturing of furniture, upholstery, print work and signs, sewing and embroidery, institutional laundry, screen printing, inventory management, shipping, AutoCAD design, web design, marketing, hygiene kit assembly and public-private partnerships. In addition, industries includes a dog training program located at the Montana Women's Prison.

Three active prison industry enhancement certification programs, Jelt Belt, SIMMS Fishing Products and TrussLux, have a 10% mandatory net pay savings for workers.

*Proprietary Program Narrative*Expenses

Personal service expenses are used to fund 21.13 FTE. Operating expenses make up the largest portion of expenditures and are mostly used for items such as merchandise, sewing/embroidered clothing, manufacturing hardwood/plywood, and shop supplies.

Revenues

The Industries Program derives revenues from the sale of products (primarily furniture) and services such as laundry. Prices for manufactured products are set utilizing current market values and take into account cost of materials, overhead, and capital outlay.

Funding Sources

Some revenue received by the program comes indirectly from the state's general fund and other special revenue and proprietary funds due to large portions of revenues resulting from business done with agencies statewide. These funds come in undeterminable amounts.

*Proprietary Rates*

Revenues for all industries programs are based on customer orders, inventory levels, available customer budgets and customer satisfaction. Although the Industries Program is an enterprise fund, the agency has historically requested a rate approval for laundry, as the rate directly affects several customers who are general funded. MCE is requesting a \$.08 per pound rate increase for the 2023 biennium in conjunction with the long-range building request to replace the tunnel washer, conveyor system and associated equipment. The tunnel washer was purchased in 1995 and has gone past its useful life. The \$.08 increase will pay for the debt service associated with the equipment replacement.

| 2023 Biennium Report on Internal Service and Enterprise Funds |                              |                   |                           |                          |                   |                   |                    |
|---|------------------------------|-------------------|---------------------------|--------------------------|-------------------|-------------------|--------------------|
| Fund  | Fund Name                    | Agency #          | Agency Name               | Program Name             |                   |                   |                    |
| 06019   | License Plate Production     |                   |                           |                          |                   |                   |                    |
| 06033   | Prison Ranch                 |                   |                           |                          |                   |                   |                    |
| 06034   | MSP Institutional Industries | 64010             | Department of Corrections | Correctional Enterprises |                   |                   |                    |
|   |                              | Actual FY 18      | Actual FY 19              | Actual FY 20             | Estimated FY 21   | Proposed FY 22    | Proposed FY 23     |
| <b>Operating Revenues</b>                                     |                              |                   |                           |                          |                   |                   |                    |
| <b>Fees and Charges</b>                                       |                              |                   |                           |                          |                   |                   |                    |
| Fee Revenue A   |                              | 4,327,761         | 4,187,759                 | 4,053,573                | 4,509,005         | 4,000,000         | 3,500,000          |
| Fee Revenue A   |                              | 1,282             | 977                       | 5,837                    | 500               | 1,000             | 1,200              |
| Fee Revenue A   |                              | 2,656,694         | 2,514,615                 | 2,545,927                | 2,600,000         | 2,600,000         | 2,600,000          |
| Fee Revenue B   |                              | 3,404,072         | 3,675,546                 | 3,472,821                | 3,500,000         | 3,500,000         | 3,600,000          |
| Other Operating Revenue                                       |                              | 10,485            | -                         | -                        | -                 | -                 | -                  |
| <b>Total Operating Revenues</b>                               |                              | <b>10,400,294</b> | <b>10,378,897</b>         | <b>10,078,158</b>        | <b>10,609,505</b> | <b>10,151,000</b> | <b>9,701,200</b>   |
| <b>Expenses</b>   |                              |                   |                           |                          |                   |                   |                    |
| Personal Services   |                              | 1,494,660         | 1,408,850                 | 1,351,909                | 1,450,000         | 150,000           | 1,520,000          |
| Personal Services   |                              | 1,380,912         | 1,608,277                 | 1,713,137                | 1,440,254         | 1,454,657         | 1,469,203          |
| Personal Services   |                              | 308,110           | 329,884                   | 328,321                  | 330,000           | 335,000           | 340,000            |
| Other Operating Expenses                                      |                              | 3,714,231         | 3,904,651                 | 3,239,072                | 3,500,000         | 3,520,000         | 3,550,000          |
| Other Operating Expenses                                      |                              | 2,359,187         | 2,098,010                 | 2,064,281                | 2,084,924         | 2,105,773         | 2,126,831          |
| Other Operating Expenses                                      |                              | 1,963,542         | 1,729,883                 | 1,805,342                | 1,963,447         | 2,000,000         | 2,100,000          |
| Expenses B  |                              | (98,664)          | 108,664                   | -                        | -                 | -                 | -                  |
| Expenses B  |                              | 14,027            | 5,502                     | 62                       | -                 | -                 | -                  |
| <b>Total Operating Expense</b>                                |                              | <b>11,136,005</b> | <b>11,193,721</b>         | <b>10,502,124</b>        | <b>10,768,625</b> | <b>9,565,430</b>  | <b>11,106,034</b>  |
| <b>Operating Income (Loss)</b>                                |                              | <b>(735,711)</b>  | <b>(814,824)</b>          | <b>(420,966)</b>         | <b>(159,120)</b>  | <b>585,570</b>    | <b>(1,404,834)</b> |
| <b>Nonoperating Revenues:</b>                                 |                              |                   |                           |                          |                   |                   |                    |
| Other Revenue A   |                              | 9,500             | 9,273                     | 144,815                  | -                 | -                 | -                  |
| <b>Nonoperating Expenses:</b>                                 |                              |                   |                           |                          |                   |                   |                    |
| Other Expense A   |                              | (4,291)           | -                         | -                        | -                 | -                 | -                  |
| Other Expense A   |                              | 91,009            | (188,877)                 | -                        | -                 | -                 | -                  |
| Other Expense A   |                              | (208)             | -                         | -                        | -                 | -                 | -                  |
| <b>Total Nonoperating Revenues (Expenses)</b>                 |                              | <b>96,010</b>     | <b>(179,604)</b>          | <b>144,815</b>           | <b>-</b>          | <b>-</b>          | <b>-</b>           |
| <b>Income (Loss Before Contributions &amp; Transfers)</b>     |                              |                   |                           |                          |                   |                   |                    |
|   |                              | <b>(639,701)</b>  | <b>(994,428)</b>          | <b>(276,151)</b>         | <b>(159,120)</b>  | <b>585,570</b>    | <b>(1,404,834)</b> |
| Capital Contributions   |                              | 3,493,781         | -                         | -                        | -                 | -                 | -                  |
| Transfers In  |                              | 727,448           | -                         | 10,000                   | -                 | -                 | -                  |
| Transfers Out   |                              | (6,375)           | -                         | -                        | -                 | -                 | -                  |
| <b>Change in Net Position</b>                                 |                              | <b>3,575,153</b>  | <b>(994,428)</b>          | <b>(266,151)</b>         | <b>(159,120)</b>  | <b>585,570</b>    | <b>(1,404,834)</b> |
| <b>Beginning Net Position - July 1</b>                        |                              | <b>12,449,305</b> | <b>16,019,922</b>         | <b>15,048,682</b>        | <b>14,780,464</b> | <b>14,621,344</b> | <b>15,206,914</b>  |
| Prior Period Adjustments                                      |                              | (4,536)           | 23,188                    | -                        | -                 | -                 | -                  |
| Prior Period Adjustments                                      |                              | -                 | -                         | (2,067)                  | -                 | -                 | -                  |
| <b>Change in Net Position</b>                                 |                              | <b>3,575,153</b>  | <b>(994,428)</b>          | <b>(266,151)</b>         | <b>(159,120)</b>  | <b>585,570</b>    | <b>(1,404,834)</b> |
| <b>Ending Net Position - June 30</b>                          |                              | <b>16,019,922</b> | <b>15,048,682</b>         | <b>14,780,464</b>        | <b>14,621,344</b> | <b>15,206,914</b> | <b>13,802,080</b>  |
| <b>Net Position (Fund Balance) Analysis</b>                   |                              |                   |                           |                          |                   |                   |                    |
| Restricted Net Pos (Enterprise Fund Only)                     |                              | 11,676,157        | 10,451,023                | 10,058,431               | 9,617,436         | 9,947,436         | 8,377,436          |
| Restricted Net Pos (Enterprise Fund Only)                     |                              | 2,287,966         | 2,087,011                 | 1,788,188                | 1,763,510         | 1,754,080         | 1,759,246          |
| Restricted Net Pos (Enterprise Fund Only)                     |                              | 4,515,063         | 4,969,911                 | 5,393,108                | 5,699,661         | 5,964,661         | 6,124,661          |

| <b>Request Rates for Internal Service or Enterprise Funds</b>  |                  |                  |                 |                 |
|--|------------------|------------------|-----------------|-----------------|
| <b>Fee/Rate Information</b>  |                  |                  |                 |                 |
|  | <b>Estimated</b> | <b>Estimated</b> | <b>Proposed</b> | <b>Proposed</b> |
|  | <b>FY 20</b>     | <b>FY 21</b>     | <b>FY 22</b>    | <b>FY 23</b>    |
| Fee Description:   |                  |                  |                 |                 |
| Cost Per Pound Laundry Services  | \$ 0.60          | \$ 0.60          | \$ 0.68         | \$ 0.68         |
| Delivery Charge per Pound  | \$ -             | \$ -             | \$ -            | \$ -            |
| Montana Development Center   | \$ 0.05          | \$ 0.05          | \$ -            | \$ -            |
| Riverside Youth Correctional Facility  | \$ 0.05          | \$ 0.05          | \$ 0.05         | \$ 0.05         |
| Montana Law Enforcement Academy  | \$ 0.15          | \$ 0.15          | \$ 0.15         | \$ 0.15         |
| Montana Chemical Dependency Corp   | \$ 0.04          | \$ 0.04          | \$ 0.04         | \$ 0.04         |
| START Program  | \$ 0.01          | \$ 0.01          | \$ 0.01         | \$ 0.01         |
| Montana State Hospital   | \$ -             | \$ -             | \$ -            | \$ -            |
| University of Montana  | \$ 0.20          | \$ 0.20          | \$ 0.20         | \$ 0.20         |
| Calculated at 67.50 per shared round trip  |                  |                  |                 |                 |
| The Laundry is a small part of the Industries Enterprise Fund operation. It is not an actual internal service fund. MCE requests rate approval for this operation to allow the general fund customers to request the required appropriation to cover any additional rate increase. |                  |                  |                 |                 |

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

**MCE Food Factory – Fund 06573**

*Proprietary Proposed Budget*

The 2023 Biennium Report on Internal Service and Enterprise Funds for fund 06573 shows the financial information for the fund from FY 2018 through FY 2023. The report is provided as submitted by the executive but the LFD has edited and reconfigured the figure for clarity. This table is shown below and is combined with one other fund.



| <b>Request Rates for Internal Service or Enterprise Funds</b> |                   |                   |                  |                  |
|---|-------------------|-------------------|------------------|------------------|
| <b>Fee/Rate Information</b>                                   |                   |                   |                  |                  |
|   | Estimated<br>2020 | Estimated<br>2021 | Proposed<br>2022 | Proposed<br>2023 |
| Tray Meal Prices to all customers                             |                   |                   |                  |                  |
| Base Tray-hot/cold  | \$ 2.35           | \$ 2.35           | \$ 2.45          | \$ 2.45          |
| Base Tray-hot   | \$ 1.22           | \$ 1.22           | \$ 1.32          | \$ 1.32          |
| Detention Center Trays  | \$ 2.95           | \$ 2.95           | \$ 3.05          | \$ 3.05          |
| Accessory Package   | \$ 0.16           | \$ 0.16           | \$ 0.20          | \$ 0.20          |
| Delivery Charge Per Trayed Meal                               |                   |                   |                  |                  |
| Delivery charge per mile                                      | \$ 0.50           | \$ 0.50           | \$ 0.50          | \$ 0.50          |
| Delivery charge per hour                                      | \$ 35.00          | \$ 35.00          | \$ 35.00         | \$ 35.00         |
| Spoilage percentage to all bulk customers                     | 5%                | 5%                | 5%               | 5%               |
| Overhead Charges  |                   |                   |                  |                  |
| Montana State Prison  | 90%               | 90%               | 90%              | 90%              |
| Montana State Hospital  | 10%               | 10%               | 10%              | 10%              |
| Treasure State Correctional Training                          | 0%                | 0%                | 0%               | 0%               |

*Program Description*

The Food Factory Program trains inmates in specific work skills and life skills in meal preparation, bakery and cook chill operations while providing meals to numerous state and county facilities in western Montana.

*Proprietary Program Narrative*

Expenses

Personal service expenses are used to fund 22.00 FTE. Operating expenses make up the majority of expenses and are primarily used for bulk food items to sell and to prepare tray meals.

Revenues

The food factory sells bulk food items and tray meals to customers to obtain revenue.

*Funding Sources*

Revenues from MSP, the food factory's largest customer, come from the general fund.

*Proprietary Rates*

Rates are based on the cost of raw materials, supplies, and other operating expenses. There is a request for a \$0.10 increase on base tray hot/cold, base tray hot, detention center trays, and a \$0.04 increase on accessory packages in the 2023 biennium. The executive is requesting that the legislature approve the rates shown for the Food Service Program.

Note: Bulk food is sold at cost, with a spoilage percentage added on and an overhead charge to cover operating expenses. Overhead charge is based on historical costs and volume of sales to the customer, as a percentage of overall food costs. Delivery is based on actual delivery costs.

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

**Vocational Education (Industries Training) – Fund 06545**

*Proprietary Proposed Budget*

The 2023 Biennium Report on Internal Service and Enterprise Funds for fund 06545 shows the financial information for the fund from FY 2018 through FY 2023. The report is provided as submitted by the executive but the LFD has edited and reconfigured the figure for clarity.

*Proprietary Program Description*

The Vocational Education Program trains inmates in specific work skills and life skills in operations which include motor vehicle maintenance, vehicle restoration welding, and machining and metals programs in conjunction with the general funded vocational education program. This table is shown below and is combined with one other fund.

*Proprietary Program Narrative*

Expenses

Expenses include personal service funding for 24.50 FTE as well as various parts to perform repairs and operating costs associated with the various programs.

Revenues

Revenues are derived primarily through repair, maintenance, and restoration work on customer vehicles and equipment, as well as, the sale of products and services in the welding, machining, and metal programs.

Funding Sources

Primary funding supporting payment for services are the ranch proprietary and general funds. Both of these funds support the MSP and are associated with large portions of revenue for the program.

*Proprietary Rates*

Motor vehicle maintenance rates are based on the costs of parts and a supply charge to cover consumable supplies for auto repairs and labor to perform tasks. The labor charge is based on the cost of civilian and inmate labor and program overhead. There is no request for labor rate increases for the 2023 biennium. The executive is requesting that the legislature approve the rates shown for the Vocational Education Program.

| <b>Request Rates for Internal Service or Enterprise Funds</b> |                            |                            |                           |                           |
|---|----------------------------|----------------------------|---------------------------|---------------------------|
| <b>Fee/Rate Information</b>                                   |                            |                            |                           |                           |
|   | <b>Estimated<br/>FY 20</b> | <b>Estimated<br/>FY 21</b> | <b>Proposed<br/>FY 22</b> | <b>Proposed<br/>FY 22</b> |
| Fee Description:  |                            |                            |                           |                           |
| Labor Charge/hour   | \$ 28.45                   | \$ 28.45                   | \$ 28.45                  | \$ 28.45                  |
| Supply fee as a percentage<br>of actual cost of parts         | 8%                         | 8%                         | 10%                       | 10%                       |
| Note: Parts are sold at cost                                  |                            |                            |                           |                           |

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

| 2023 Biennium Report on Internal Service and Enterprise Funds |   |          |                           |                                  |                  |                  |                  |                  |                  |
|---|---|----------|---------------------------|----------------------------------|------------------|------------------|------------------|------------------|------------------|
| Fund  | Fund Name                                   | Agency # | Agency Name               | Program Name                     |                  |                  |                  |                  |                  |
| 06545   | Prison Industry Training Program            |          |                           |                                  |                  |                  |                  |                  |                  |
| 06573   | MSP Cook Chill                              | 64010    | Department of Corrections | Montana Correctional Enterprises |                  |                  |                  |                  |                  |
|   |   |          |                           | Actual FY 18                     | Actual FY 19     | Actual FY 20     | Estimated FY 21  | Proposed FY 22   | Proposed FY 23   |
| <b>Operating Revenues</b>                                     |   |          |                           |                                  |                  |                  |                  |                  |                  |
| <b>Fees and Charges</b>                                       |   |          |                           |                                  |                  |                  |                  |                  |                  |
|   | Fee Revenue A                               |          |                           | 4,954,534                        | 4,949,715        | 5,150,015        | 5,000,000        | 5,100,000        | 5,200,000        |
|   | Fee Revenue A                               |          |                           | 815,672                          | 889,119          | 936,789          | 800,000          | 800,000          | 800,000          |
|   | Fee Revenue B                               |          |                           | -                                | 1,050            | 4,551            | -                | -                | -                |
| <b>Total Operating Revenues</b>                               |   |          |                           | <b>5,770,206</b>                 | <b>5,839,884</b> | <b>6,091,355</b> | <b>5,800,000</b> | <b>5,900,000</b> | <b>6,000,000</b> |
| <b>Expenses</b>   |   |          |                           |                                  |                  |                  |                  |                  |                  |
|   | Personal Services                           |          |                           | 1,003,386                        | 1,011,542        | 1,170,463        | 1,314,087        | 1,327,228        | 1,340,500        |
|   | Personal Services                           |          |                           | 239,697                          | 220,053          | 249,722          | 254,001          | 260,000          | 260,000          |
|   | Other Operating Expenses                    |          |                           | 3,836,507                        | 3,862,788        | 3,898,726        | 3,700,000        | 3,800,000        | 3,850,000        |
|   | Other Operating Expenses                    |          |                           | 599,973                          | 633,448          | 742,295          | 490,474          | 500,000          | 500,000          |
| <b>Total Operating Expense</b>                                |   |          |                           | <b>5,679,563</b>                 | <b>5,727,831</b> | <b>6,061,206</b> | <b>5,758,562</b> | <b>5,887,228</b> | <b>5,950,500</b> |
| <b>Operating Income (Loss)</b>                                |   |          |                           | <b>90,643</b>                    | <b>112,053</b>   | <b>30,149</b>    | <b>41,438</b>    | <b>12,772</b>    | <b>49,500</b>    |
| Nonoperating Revenues   |   |          |                           |                                  |                  |                  |                  |                  |                  |
| Nonoperating Expenses   |   |          |                           |                                  |                  |                  |                  |                  |                  |
|   | Other Expense A                             |          |                           | 62,718                           | (63,768)         | (59,287)         | -                | -                | -                |
| <b>Total Nonoperating Revenues (Expenses)</b>                 |   |          |                           | <b>62,718</b>                    | <b>(63,768)</b>  | <b>(59,387)</b>  | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b>Income (Loss Before Contributions &amp; Transfers)</b>     |   |          |                           | <b>153,361</b>                   | <b>48,285</b>    | <b>(29,238)</b>  | <b>41,438</b>    | <b>12,772</b>    | <b>49,500</b>    |
| <b>Change in Net Position</b>                                 |   |          |                           | <b>153,361</b>                   | <b>48,285</b>    | <b>(2,938)</b>   | <b>41,438</b>    | <b>12,772</b>    | <b>49,500</b>    |
| <b>Beginning Net Position - July 1</b>                        |   |          |                           | <b>2,929,747</b>                 | <b>3,070,629</b> | <b>3,143,872</b> | <b>3,114,634</b> | <b>3,156,072</b> | <b>3,168,844</b> |
|   | Prior Period Adjustments                    |          |                           | (12,479)                         | 24,958           | -                | -                | -                | -                |
| <b>Change in Net Position</b>                                 |   |          |                           | <b>153,361</b>                   | <b>48,285</b>    | <b>(29,238)</b>  | <b>41,438</b>    | <b>12,772</b>    | <b>49,500</b>    |
| <b>Ending Net Position - June 30</b>                          |   |          |                           | <b>3,070,629</b>                 | <b>3,143,872</b> | <b>3,114,634</b> | <b>3,156,072</b> | <b>3,168,844</b> | <b>3,218,344</b> |
| <b>Net Position (Fund Balance) Analysis</b>                   |   |          |                           |                                  |                  |                  |                  |                  |                  |
|   | Unrestricted Net Pos (Enterprise Fund Only) |          |                           | 3,094,626                        | 3,132,252        | 3,158,242        | 3,144,155        | 3,116,927        | 3,126,427        |
|   | Unrestricted Net Pos (Enterprise Fund Only) |          |                           | 97,496                           | 133,114          | 77,886           | 133,411          | 173,411          | 213,411          |

**Program Biennium Comparison**

The following table compares the last full fiscal year actuals, previous biennium appropriations by year, and current annual biennium budget request by type of expenditure and source of funding.

| Program Biennium Comparison    |                           |                        |                    |                   |
|--------------------------------|---------------------------|------------------------|--------------------|-------------------|
| Budget Item                    | Appropriated Budget 20-21 | Requested Budget 22-23 | Biennium Change    | Biennium % Change |
| Personal Services              | 23,161,615                | 25,492,504             | 2,330,889          | 10.06 %           |
| Operating Expenses             | 27,106,497                | 32,324,723             | 5,218,226          | 19.25 %           |
| Equipment & Intangible Assets  | 21,099                    | 0                      | (21,099)           | (100.00)%         |
| Debt Service                   | 41,754                    | 41,754                 | 0                  | 0.00 %            |
| <b>Total Expenditures</b>      | <b>\$50,330,965</b>       | <b>\$57,858,981</b>    | <b>\$7,528,016</b> | <b>14.96 %</b>    |
| General Fund                   | 49,913,165                | 57,441,181             | 7,528,016          | 15.08 %           |
| State/Other Special Rev. Funds | 417,800                   | 417,800                | 0                  | 0.00 %            |
| <b>Total Funds</b>             | <b>\$50,330,965</b>       | <b>\$57,858,981</b>    | <b>\$7,528,016</b> | <b>14.96 %</b>    |
| <b>Total Ongoing</b>           | <b>\$50,330,965</b>       | <b>\$57,858,981</b>    | <b>\$7,528,016</b> | <b>14.96 %</b>    |
| <b>Total OTO</b>               | <b>\$0</b>                | <b>\$0</b>             | <b>\$0</b>         | <b>0.00 %</b>     |

**Program Description**

The Clinical Services Division (CSD) provides medical, dental, and mental health staff at the Montana State Prison (MSP), Boulder Infirmary, Montana Women's Prison (MWP), and Pine Hills Correctional Facility. In addition, CSD oversees medical, dental, and mental health services at contracted facilities as specified in the facilities' contracts with DOC. CSD also works with a third-party administrator to oversee all claims submitted by outside medical providers. CSD oversees the health services pre-authorization process and provides education to contracted facilities with regard to medical issues. CSD tracks and ensures Medicaid reimbursement for DOC's Medicaid-eligible inmates.

**Program Highlights**

| <b>Clinical Services Division<br/>Major Budget Highlights</b>  |
|--|
| <p>The Clinical Services Division's 2023 biennium budget is \$7.5 million higher than the 2021 biennium. Significant changes include:</p> <ul style="list-style-type: none"> <li>• Costs of \$5.1 million over the biennium for required Hepatitis C treatment to HCV+ offenders located in secure facilities</li> <li>• Medical, mental health and addiction counseling at Montana State Prison at \$0.9 million and 6.00 FTE</li> <li>• Increase in personal services of \$127,000 for overtime</li> </ul> |

**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

| Program Actuals and Budget Comparison |                        |                        |                        |                        |                        |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Budget Item                           | Actuals<br>Fiscal 2020 | Approp.<br>Fiscal 2020 | Approp.<br>Fiscal 2021 | Request<br>Fiscal 2022 | Request<br>Fiscal 2023 |
| FTE                                   | 0.00                   | 134.00                 | 134.00                 | 140.00                 | 140.00                 |
| Personal Services                     | 10,715,730             | 10,769,010             | 12,392,605             | 12,730,675             | 12,761,829             |
| Operating Expenses                    | 10,973,575             | 13,481,300             | 13,625,197             | 16,170,524             | 16,154,199             |
| Equipment & Intangible Assets         | 21,099                 | 21,099                 | 0                      | 0                      | 0                      |
| Debt Service                          | 20,877                 | 20,877                 | 20,877                 | 20,877                 | 20,877                 |
| <b>Total Expenditures</b>             | <b>\$21,731,281</b>    | <b>\$24,292,286</b>    | <b>\$26,038,679</b>    | <b>\$28,922,076</b>    | <b>\$28,936,905</b>    |
| General Fund                          | 21,731,281             | 24,083,386             | 25,829,779             | 28,713,176             | 28,728,005             |
| State/Other Special Rev. Funds        | 0                      | 208,900                | 208,900                | 208,900                | 208,900                |
| <b>Total Funds</b>                    | <b>\$21,731,281</b>    | <b>\$24,292,286</b>    | <b>\$26,038,679</b>    | <b>\$28,922,076</b>    | <b>\$28,936,905</b>    |
| <b>Total Ongoing</b>                  | <b>\$21,731,281</b>    | <b>\$24,292,286</b>    | <b>\$26,038,679</b>    | <b>\$28,922,076</b>    | <b>\$28,936,905</b>    |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             |

**Program Discussion -**

*FY 2020 Appropriation Compared to FY 2020 Actual Expenditures*

Clinical Services expended 89.5% of its \$24.3 million HB 2 modified budget in FY 2020 with \$2.6 million in unspent authority. Personal services were 99.5% expended. Operating expenses were 81.4% expended with \$2.5 million remaining in appropriations. The majority of unspent authority (\$2.3 million) is a biennial appropriation and can be used in FY 2021. Equipment and intangible assets and debt service were both 100.0% expended at fiscal year end.

*FY 2020 Appropriations Compared to FY 2021 Appropriations*

FY 2020 appropriations to FY 2021 appropriations increased by 7.2%. The majority is a result of \$0.9 million in increases in personal services as a result of statewide present law and an additional \$1.4 million in general fund and 14.00 FTE associated with costs received through the Youth Services Division reorganization.

*Comparison of FY 2021 Legislative Budget to FY 2021 Base*

Secure Custody Facilities transferred \$1.0 million to Clinical Services Division as a result of a reorganization within the agency to provide a sex offender treatment unit with Clinical Services Division.

**Program Personal Services**

Personal services account for nearly \$12.4 million or 47.6% of total FY 2021 appropriations. The executive is proposing increases from the base budget of approximately \$338,000 in FY 2022 and \$369,000 in FY 2023. In addition to expected changes, management decisions include personal services changes as a negotiated pay scale increases.

**Funding**

The following table shows proposed program funding by source of authority.

| Department of Corrections, 06-Clinical Services Division<br>Funding by Source of Authority |                     |            |                             |                            |                      |                      |  |
|--|---------------------|------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds  | HB2<br>Ongoing      | HB2<br>OTO | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |  |
| 01100 General Fund   | 57,441,181          | 0          | 0                           | 0                          | 57,441,181           | 99.28 %              |  |
| 02355 Miscellaneous Fines and Fees   | 417,800             | 0          | 0                           | 0                          | 417,800              | 100.00 %             |  |
| <b>State Special Total</b>   | <b>\$417,800</b>    | <b>\$0</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$417,800</b>     | <b>0.72 %</b>        |  |
| <b>Federal Special Total</b>   | <b>\$0</b>          | <b>\$0</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |  |
| <b>Proprietary Total</b>   | <b>\$0</b>          | <b>\$0</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |  |
| <b>Total All Funds</b>   | <b>\$57,858,981</b> | <b>\$0</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$57,858,981</b>  |                      |  |

General fund provides 99.3% of the division’s funding. The remaining 0.7% of the division’s total funding comes from state special revenue collected from inmates to fund a medical co-payment program.

**Program Budget Summary by Category**

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the [glossary](#).

| Budget Item         | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|---------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
|                     | Budget<br>Fiscal 2022  | Budget<br>Fiscal 2023 | Biennium<br>Fiscal 22-23 | Percent<br>of Budget | Budget<br>Fiscal 2022 | Budget<br>Fiscal 2023 | Biennium<br>Fiscal 22-23 | Percent<br>of Budget |
| 2021 Base Budget    | 25,829,779             | 25,829,779            | 51,659,558               | 89.93 %              | 26,038,679            | 26,038,679            | 52,077,358               | 90.01 %              |
| SWPL Adjustments    | (185,664)              | (154,362)             | (340,026)                | (0.59)%              | (185,664)             | (154,362)             | (340,026)                | (0.59)%              |
| PL Adjustments      | 34,315                 | 34,315                | 68,630                   | 0.12 %               | 34,315                | 34,315                | 68,630                   | 0.12 %               |
| New Proposals       | 3,034,746              | 3,018,273             | 6,053,019                | 10.54 %              | 3,034,746             | 3,018,273             | 6,053,019                | 10.46 %              |
| <b>Total Budget</b> | <b>\$28,713,176</b>    | <b>\$28,728,005</b>   | <b>\$57,441,181</b>      |                      | <b>\$28,922,076</b>   | <b>\$28,936,905</b>   | <b>\$57,858,981</b>      |                      |

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

|  | -----Fiscal 2022----- |                    |               |                 |                    | -----Fiscal 2023----- |                    |               |                 |                    |
|--|-----------------------|--------------------|---------------|-----------------|--------------------|-----------------------|--------------------|---------------|-----------------|--------------------|
|  | FTE                   | General Fund       | State Special | Federal Special | Total Funds        | FTE                   | General Fund       | State Special | Federal Special | Total Funds        |
| DP 1 - Personal Services                       | 0.00                  | (184,390)          | 0             | 0               | (184,390)          | 0.00                  | (153,563)          | 0             | 0               | (153,563)          |
| DP 3 - Inflation Deflation                     | 0.00                  | (1,274)            | 0             | 0               | (1,274)            | 0.00                  | (799)              | 0             | 0               | (799)              |
| DP 4 - Service Now Reduction                   | 0.00                  | (29,248)           | 0             | 0               | (29,248)           | 0.00                  | (29,248)           | 0             | 0               | (29,248)           |
| DP 6416003 - Program 06 - Overtime             | 0.00                  | 63,563             | 0             | 0               | 63,563             | 0.00                  | 63,563             | 0             | 0               | 63,563             |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b>           | <b>(\$151,349)</b> | <b>\$0</b>    | <b>\$0</b>      | <b>(\$151,349)</b> | <b>0.00</b>           | <b>(\$120,047)</b> | <b>\$0</b>    | <b>\$0</b>      | <b>(\$120,047)</b> |

\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Expected changes
- Personal services management decisions
- Modifications made to the personal services budget in the 2021 biennium

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Service Now Reduction -

The executive requests a decrease in funding because of the purchase of ServiceNow licenses and programs for the 2023 biennium. The executive is anticipating operating efficiencies and other savings by using ServiceNow. The operating budget is requested to decrease by \$29,248 for FY 2022 and \$29,248 for FY 2023.

DP 6416003 - Program 06 - Overtime -

The executive requests \$63,563 per fiscal year to meet overtime costs.

**New Proposals**

The New Proposals table shows new changes to spending

| New Proposals  | -----Fiscal 2022----- |                    |               |                 |                    | -----Fiscal 2023----- |                    |               |                 |                    |
|--|-----------------------|--------------------|---------------|-----------------|--------------------|-----------------------|--------------------|---------------|-----------------|--------------------|
|  | FTE                   | General Fund       | State Special | Federal Special | Total Funds        | FTE                   | General Fund       | State Special | Federal Special | Total Funds        |
| DP 6416001 - HepC Treatment Requirements                 | 0.00                  | 2,559,048          | 0             | 0               | 2,559,048          | 0.00                  | 2,559,048          | 0             | 0               | 2,559,048          |
| DP 6416002 - Additional Medical & Mental Health Services | 6.00                  | 475,698            | 0             | 0               | 475,698            | 6.00                  | 459,225            | 0             | 0               | 459,225            |
| <b>Total</b>   | <b>6.00</b>           | <b>\$3,034,746</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$3,034,746</b> | <b>6.00</b>           | <b>\$3,018,273</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$3,018,273</b> |

\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 6416001 - HepC Treatment Requirements -

The executive requests funding to provide hepatitis C treatment to all HCV+ offenders located in secure facilities.

DP 6416002 - Additional Medical & Mental Health Services -

The executive requests 6.00 FTE to assist with medical, mental health and addiction counseling at Montana State Prison (MSP). The Clinical Services Division requests additional medical and mental health services staff in the following areas:

- 2.00 FTE for nursing
- 1.00 FTE for medical records
- 1.00 FTE for a licensed addiction counselor
- 1.00 FTE for a mental health therapist
- 1.00 FTE administrative assistant



**Program Biennium Comparison**

The following table compares the last full fiscal year actuals, previous biennium appropriations by year, and current annual biennium budget request by type of expenditure and source of funding.

| Program Biennium Comparison |                           |                        |                  |                   |
|-----------------------------|---------------------------|------------------------|------------------|-------------------|
| Budget Item                 | Appropriated Budget 20-21 | Requested Budget 22-23 | Biennium Change  | Biennium % Change |
| Personal Services           | 1,733,845                 | 1,908,926              | 175,081          | 10.10 %           |
| Operating Expenses          | 267,306                   | 365,755                | 98,449           | 36.83 %           |
| <b>Total Expenditures</b>   | <b>\$2,001,151</b>        | <b>\$2,274,681</b>     | <b>\$273,530</b> | <b>13.67 %</b>    |
| General Fund                | 2,001,151                 | 2,274,681              | 273,530          | 13.67 %           |
| <b>Total Funds</b>          | <b>\$2,001,151</b>        | <b>\$2,274,681</b>     | <b>\$273,530</b> | <b>13.67 %</b>    |
| <b>Total Ongoing</b>        | <b>\$2,001,151</b>        | <b>\$2,274,681</b>     | <b>\$273,530</b> | <b>13.67 %</b>    |
| <b>Total OTO</b>            | <b>\$0</b>                | <b>\$0</b>             | <b>\$0</b>       | <b>0.00 %</b>     |

**Program Description**

The Board of Pardons and Parole, as an essential part of the criminal justice process, serves all Montana citizens by administering a parole system that is balanced with public safety, offender accountability and rehabilitation, as well as protecting the interests of victims and communities, with the goal of successfully reintegrating merited offenders back into society through a reentry process.

**Program Highlights**

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| <p><b>Board of Pardons and Parole<br/>Major Budget Highlights</b></p>  |
| <p>The Board of Pardons and Parole has an increase in \$274,000 over the biennium or 13.7%. This includes an increase of \$226,000 and 1.00 FTE over the biennium for a program manager.</p> |

**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

| Program Actuals and Budget Comparison |                        |                        |                        |                        |                        |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Budget Item                           | Actuals<br>Fiscal 2020 | Approp.<br>Fiscal 2020 | Approp.<br>Fiscal 2021 | Request<br>Fiscal 2022 | Request<br>Fiscal 2023 |
| FTE                                   | 0.00                   | 9.00                   | 9.00                   | 10.00                  | 10.00                  |
| Personal Services                     | 829,976                | 829,977                | 903,868                | 951,631                | 957,295                |
| Operating Expenses                    | 82,600                 | 83,153                 | 184,153                | 184,197                | 181,558                |
| <b>Total Expenditures</b>             | <b>\$912,576</b>       | <b>\$913,130</b>       | <b>\$1,088,021</b>     | <b>\$1,135,828</b>     | <b>\$1,138,853</b>     |
| General Fund                          | 912,576                | 913,130                | 1,088,021              | 1,135,828              | 1,138,853              |
| <b>Total Funds</b>                    | <b>\$912,576</b>       | <b>\$913,130</b>       | <b>\$1,088,021</b>     | <b>\$1,135,828</b>     | <b>\$1,138,853</b>     |
| <b>Total Ongoing</b>                  | <b>\$912,576</b>       | <b>\$913,130</b>       | <b>\$1,088,021</b>     | <b>\$1,135,828</b>     | <b>\$1,138,853</b>     |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             |

**Program Discussion -**

*FY 2020 Appropriation Compared to FY 2020 Actual Expenditures*

The Board of Pardons and Parole expended 99.9% of its \$0.9 million HB 2 modified budget in FY 2020. Personal services make up 90.9% of the program’s budget and were 100.0% expended at fiscal year end. Operating expenses make up 9.1% of the program’s budget and were expended at 99.3%.

*FY 2020 Appropriations Compared to FY 2021 Appropriations*

FY 2020 appropriations to FY 2021 appropriations increased by 19.2%. This is the result of an increase of \$101,000 in operating expenses and an approximately \$74,000 in personal services. The majority is due to statewide present law adjustments.

**Program Personal Services**

Personal services are \$904,000 or 83.1% of total FY 2021 appropriations. The executive proposes a decrease of approximately \$122,000 over the biennium in the statewide present law adjustment. Decreases in personal services statewide present law are a result of expected changes.

**Funding**

The following table shows proposed program funding by source of authority.

| Department of Corrections, 07-Board of Pardons and Parole<br>Funding by Source of Authority |                    |            |                             |                            |                      |                      |
|---|--------------------|------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds   | HB2<br>Ongoing     | HB2<br>OTO | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| 01100 General Fund  | 2,274,681          | 0          | 0                           | 0                          | 2,274,681            | 100.00 %             |
| <b>State Special Total</b>  | <b>\$0</b>         | <b>\$0</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Federal Special Total</b>  | <b>\$0</b>         | <b>\$0</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Proprietary Total</b>  | <b>\$0</b>         | <b>\$0</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Total All Funds</b>  | <b>\$2,274,681</b> | <b>\$0</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$2,274,681</b>   |                      |

General fund provides all of the division’s funding.

**Program Budget Summary by Category**

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the [glossary](#).

| Budget Summary by Category |                        |                    |                       |                   |                       |                    |                       |                   |
|----------------------------|------------------------|--------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|-------------------|
| Budget Item                | -----General Fund----- |                    |                       |                   | -----Total Funds----- |                    |                       |                   |
|                            | Budget Fiscal 2022     | Budget Fiscal 2023 | Biennium Fiscal 22-23 | Percent of Budget | Budget Fiscal 2022    | Budget Fiscal 2023 | Biennium Fiscal 22-23 | Percent of Budget |
| 2021 Base Budget           | 1,088,021              | 1,088,021          | 2,176,042             | 95.66 %           | 1,088,021             | 1,088,021          | 2,176,042             | 95.66 %           |
| SWPL Adjustments           | (64,381)               | (58,642)           | (123,023)             | (5.41)%           | (64,381)              | (58,642)           | (123,023)             | (5.41)%           |
| PL Adjustments             | (2,331)                | (2,331)            | (4,662)               | (0.20)%           | (2,331)               | (2,331)            | (4,662)               | (0.20)%           |
| New Proposals              | 114,519                | 111,805            | 226,324               | 9.95 %            | 114,519               | 111,805            | 226,324               | 9.95 %            |
| <b>Total Budget</b>        | <b>\$1,135,828</b>     | <b>\$1,138,853</b> | <b>\$2,274,681</b>    |                   | <b>\$1,135,828</b>    | <b>\$1,138,853</b> | <b>\$2,274,681</b>    |                   |

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

| Present Law Adjustments                        |                       |                   |               |                 |                   |                       |                   |               |                 |                   |
|--|-----------------------|-------------------|---------------|-----------------|-------------------|-----------------------|-------------------|---------------|-----------------|-------------------|
|  | -----Fiscal 2022----- |                   |               |                 |                   | -----Fiscal 2023----- |                   |               |                 |                   |
|  | FTE                   | General Fund      | State Special | Federal Special | Total Funds       | FTE                   | General Fund      | State Special | Federal Special | Total Funds       |
| DP 1 - Personal Services                       | 0.00                  | (63,957)          | 0             | 0               | (63,957)          | 0.00                  | (58,376)          | 0             | 0               | (58,376)          |
| DP 3 - Inflation Deflation                     | 0.00                  | (424)             | 0             | 0               | (424)             | 0.00                  | (266)             | 0             | 0               | (266)             |
| DP 4 - Service Now Reduction                   | 0.00                  | (2,331)           | 0             | 0               | (2,331)           | 0.00                  | (2,331)           | 0             | 0               | (2,331)           |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b>           | <b>(\$66,712)</b> | <b>\$0</b>    | <b>\$0</b>      | <b>(\$66,712)</b> | <b>0.00</b>           | <b>(\$60,973)</b> | <b>\$0</b>    | <b>\$0</b>      | <b>(\$60,973)</b> |

\*\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Expected changes
- Personal services management decisions
- Modifications made to the personal services budget in the 2021 biennium

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Service Now Reduction -

The executive requests a decrease in funding because of the purchase of ServiceNow licenses and programs for the 2023 biennium. The executive is anticipating operating efficiencies and other savings by using ServiceNow. The operating budget is requested to decrease by \$2,330 for FY 2022 and \$2,330 for FY 2023.

**New Proposals**

The New Proposals table shows new changes to spending

| New Proposals                          | -----Fiscal 2022----- |                  |               |                 |                  | -----Fiscal 2023----- |                  |               |                 |                  |
|--|-----------------------|------------------|---------------|-----------------|------------------|-----------------------|------------------|---------------|-----------------|------------------|
|  | FTE                   | General Fund     | State Special | Federal Special | Total Funds      | FTE                   | General Fund     | State Special | Federal Special | Total Funds      |
| DP 6417001 - 1.0 FTE - Program Manager | 1.00                  | 114,519          | 0             | 0               | 114,519          | 1.00                  | 111,805          | 0             | 0               | 111,805          |
| <b>Total</b>                           | <b>1.00</b>           | <b>\$114,519</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$114,519</b> | <b>1.00</b>           | <b>\$111,805</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$111,805</b> |

\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 6417001 - 1.0 FTE - Program Manager -

The executive requests 1.00 FTE for a program manager to handle day-to-day operations of the board and office and supervise staff for Board of Pardons and Parole.