

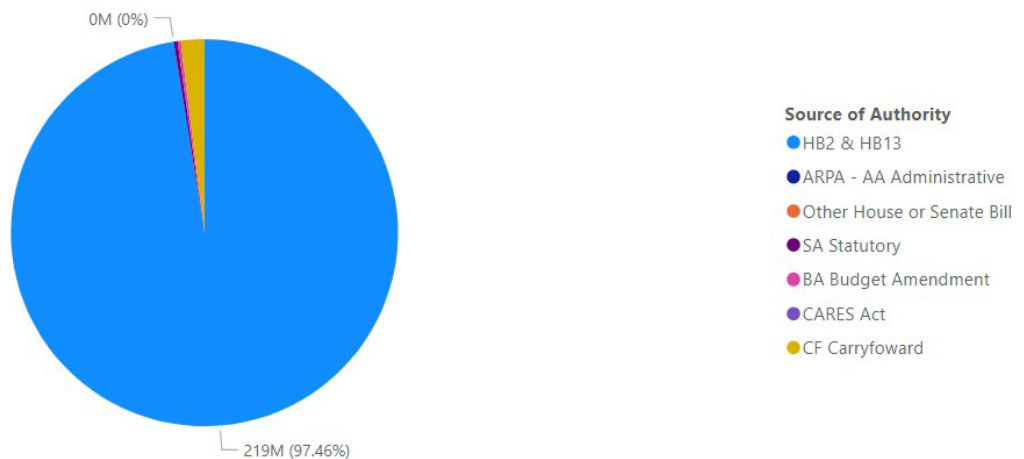
# DEPARTMENT OF CORRECTIONS

(Spending report July 1, 2021 through February 28, 2022)

## TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 97.5% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	Percent Expended
HB2 & HB13	219,153,278	125,413,428	57.2%
BA Budget Amendment	590,606	48,707	8.2%
CF Carryforward	4,440,554		
Other House or Senate Bill	900		
SA Statutory	686,021	319,859	46.6%
CARES	0		
ARPA	811		
<b>Total</b>	<b>224,872,170</b>	<b>125,781,995</b>	<b>55.9%</b>

Report Period

- ☐ Jul
- ☐ Aug
- ☐ Sep
- ☐ Oct
- ☐ Nov
- ☒ Dec
- ☒ Jan
- ☒ Feb
- ☐ Mar
- ☐ Apr
- ☐ May
- ☐ Jun

## Budget Amendments

The Department of Corrections (DOC) expended \$48,707, or 8.2%, of the \$590,606 of budget amendment authority through February. The authority is 100.0% federal funded. The budget amendment authority and expenditures are summarized as follows:

- \$548,877 of federal special revenue authority, the balance of an earlier budget amendment continued from FY 2021. The funding addresses the needs of incarcerated parents and their minor children. The funding supports 1.00 modified FTE in FY 2022. As of the end of February, DOC had expended \$48,707 of the authority
- \$41,729 of federal special revenue authority to support rural schools in providing basic programs, effective instruction, and language instruction. The authority will be used at the Pine Hills Correctional

Facility. The total authority consists of \$19,626 of authority that was continued from FY 2021 and \$22,103 of new authority in FY 2022. DOC has not expended any of this authority in FY 2022

## Carryforward

DOC has \$4.4 million of carryforward authority in FY 2022, which is derived from 30.0% of the qualifying unexpended balance of FY 2021 appropriations. The authority is funded 100.0% from the general fund and is allocated to operating expenses. The agency has not expended any of this authority through February.

## Other Bills

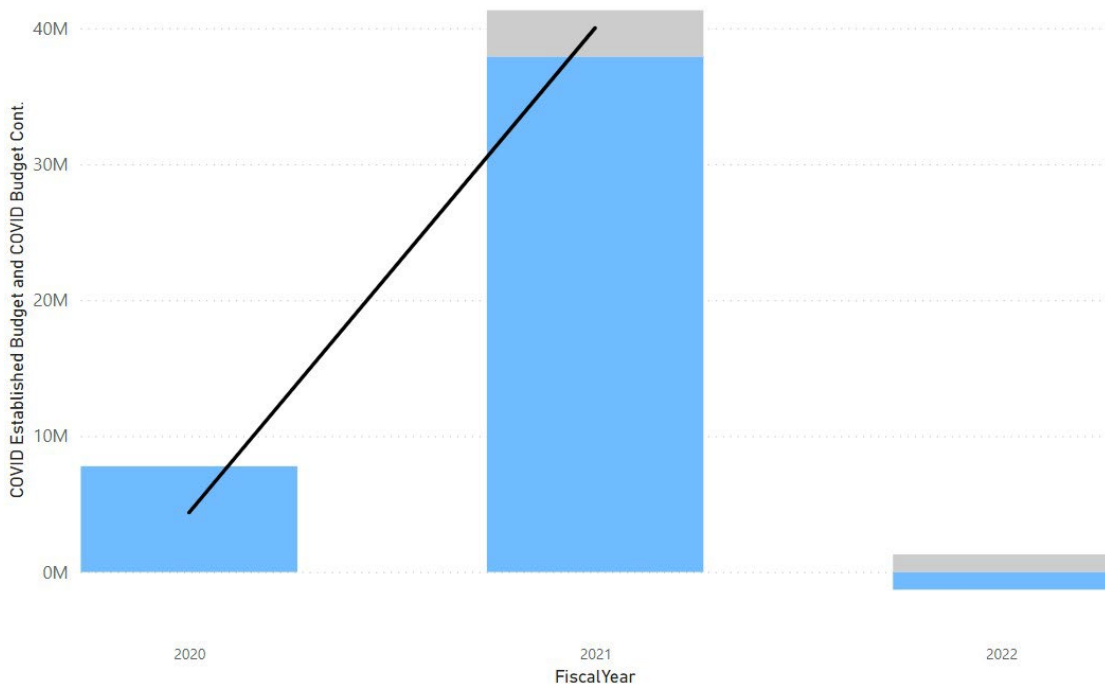
The department has \$900 of general fund authority provided through non-HB 2 legislation in FY 2022. The authority funds the actions of HB 658, which provides guidelines for mental health appraisals for inmates in restrictive housing. The funds will be used to provide an additional camera in the restrictive housing unit at the Montana State Prison. DOC has not expended any of the authority.

## COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts.

COVID Established Budget, COVID Continuing Budget, and COVID Expenditures by Fiscal Year

● COVID Established Budget ● COVID Budget Cont. ● COVID Expenditures



DOC continued \$1.3 million of CARES I funding into FY 2022, but the allocation was initially provided to the Board of Crime Control (BOCC). When BOCC was transferred to the Department of Justice, the CARES I allocation followed. In FY 2022, DOC was allocated \$811 of ARPA funding through elementary & secondary

schools emergency relief funds. The grant is through the Office of Public Instruction. None of the authority has been expended.

## **Statutory Appropriations**

Through February of FY 2022, the department expended \$319,859, or 46.6%, of the \$686,021 in statutory appropriation authority supporting inmate priorities at the Pine Hills Correctional Facility and the state prisons, as provided in 53-1-109, MCA. The appropriation is funded from the inmate welfare account, which receives revenues from the following sources:

- Net proceeds from Pine Hills correctional facility resident and state prison inmate canteen purchases and resident or inmate telephone use
- Cash proceeds from the disposition of confiscated contraband
- Any public money held for the needs of residents or inmates and their families and not otherwise allocated

DOC determines the amount of the statutory appropriation based on prior spending trends and/or specific budget needs developed at the agency. Spending from the account is allocated in the proportional amount of funds (proceeds) that each facility contributed, and uses are determined through consultation with residents and inmates. In FY 2022, DOC allocated the appropriation as 6.1% personal services (inmate pay) and 93.9% operating expenses. Through February, \$21,748 has been expended on inmate pay and \$298,112 on operating expenses. Some of the major operating expenses include:

- Subscriptions, 25.1% (of operating expenses)
- Athletic and recreational expenses, 15.8%
- Shop supplies, tools, and minor equipment, 10.3%

Note: The Law and Justice Interim Committee (LJIC) is undertaking a study that involves the inmate welfare account, as provided in SB 303 from the 2021 Legislative Session. As a component of the legislation, the Legislative Audit Division is gathering initial facts for a performance audit of the account. A link is provided here for initial information provided to the LJIC in September:

[Inmate Welfare Fund](#)

## **Non-Budgeted Proprietary Funding**

Not included in the total authority figure, DOC has \$18.3 million in off-budget proprietary authority within the Montana Correctional Enterprises program. Enterprise programs at the Montana State Prison (Deer Lodge) and Montana Women's Prison (Billings) such as license plate manufacturing, motor vehicle shop, wood shop, state ranch, tailor shop, and canine training are supported by this funding. Through the end of February, expenditures were \$9.4 million, or 51.3%, of the total authority. The major allocations are 27.9% to personal services (including inmate pay) and 60.6% to operating expenses. The program has expended 57.7% of the personal services budget and 56.0% of the operating expenses budget.

## HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget through February 28, 2022. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

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

Agency Name	December Modified Budget	March Modified Budget	Net Modifications
<b>Dept of Corrections</b>	<b>219,153,278</b>	<b>219,153,278</b>	
ADMINISTRATIVE SUPPORT SRVCS	16,647,321	16,647,321	
BOARD OF PARDONS & PAROLE	1,103,257	1,103,257	
CLINICAL SERVICES DIVISION	26,855,939	26,855,939	
MONT CORRECTIONAL ENTERPRISES	6,061,535	6,061,535	
PROBATION & PAROLE DIVISION	80,503,506	80,503,506	
SECURE CUSTODY FACILITIES	87,981,720	87,981,720	
<b>Total</b>	<b>219,153,278</b>	<b>219,153,278</b>	

Acct & Lvl 1 DESC	December Modified Budget	March Modified Budget	Net Modifications
61000 Personal Services	93,993,828	93,993,828	
62000 Operating Expenses	123,304,493	123,304,493	
63000 Equipment & Intangible Assets	364,937	364,937	
64000 Capital Outlay	20,773	20,773	
67000 Benefits & Claims	489,573	489,573	
68000 Transfers-out	518,388	518,388	
69000 Debt Service	461,286	461,286	

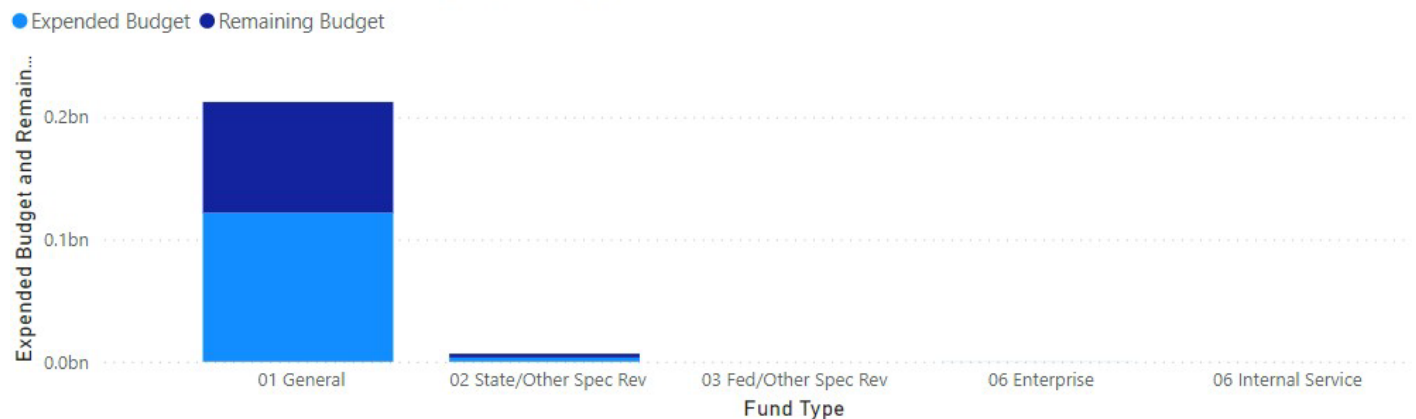
Fund Type	December Modified Budget	March Modified Budget	Net Modifications
01 General	212,438,804	212,438,804	
02 State/Other Spec Rev	6,561,634	6,561,634	
03 Fed/Other Spec Rev	6,723	6,723	
06 Enterprise	109,118	109,118	
06 Internal Service	36,999	36,999	

The figure above highlights modifications to the HB 2 budget that have occurred between December 2021 and February 2022. These modifications are then added to the modified budget that was presented at the December Interim Budget Committee (IBC) meeting. Between December and February, DOC made no modifications to the HB 2 budget.

## HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through February 28, 2022.

### Expended Budget and Remaining Budget by Fund Type - HB 2 Only



acclv1_descr	Modified Budget	Expended Budget	Percent Expended
Personal Services	93,993,828	54,842,905	58.3%
Operating Expenses	123,304,493	69,607,842	56.5%
Equipment & Intangible Assets	364,937	250,373	68.6%
Capital Outlay	20,773	17	0.1%
Benefits & Claims	489,573		
Transfers-out	518,388	125,147	24.1%
Debt Service	461,286	587,143	127.3%

Program Name	Modified Budget	Expended Budget	Percent Expended
ADMINISTRATIVE SUPPORT SRVCS	16,647,321	11,450,445	68.8%
BOARD OF PARDONS & PAROLE	1,103,257	617,679	56.0%
CLINICAL SERVICES DIVISION	26,855,939	13,128,379	48.9%
MONT CORRECTIONAL ENTERPRISES	6,061,535	4,120,402	68.0%
PROBATION & PAROLE DIVISION	80,503,506	41,415,779	51.4%
SECURE CUSTODY FACILITIES	87,981,720	54,680,745	62.2%
<b>Total</b>	<b>219,153,278</b>	<b>125,413,428</b>	<b>57.2%</b>

Through February, DOC expended \$125.4 million, or 57.2%, of the modified HB 2 budget. The figure at the top of this page explains the HB 2 funding. The DOC HB 2 budget is principally funded, 96.9%, with general fund and the spending was 97.2% general fund.

Expenditures were 57.2% of the modified budget, slightly lower than the five-year annual average of 59.8%, and lower than the same period in FY 2021, 61.3% of the budget. Changes from the historic averages are seen in the personal services budget where the historic average has been 64.1% of the budget and the FY 2021 expenditures of \$63.4 million were 72.0% of the budget. For more information, see the Personal Services section below.

Through February, the department's expenditures are weighted to operating expenses, accounting for 55.5% of total HB 2 expenditures. In operating expenses, the department expended \$69.6 million. The two largest divisions in DOC, Probation & Parole and Secure Custody Facilities account for 76.6% of total expenditures and

78.9% of operating expenses expenditures. In these two divisions, the cost of housing (board & room) was \$40.9 million or 74.4% of the combined operating expenses and are split between the divisions 62.8% and 37.2% respectively. Housing costs are also the largest single operating expense cost in DOC and provide housing at county jails, regional prisons, private prison treatment facilities, and pre-release centers.

The 2021 version of HB 2 included six line-items, as detailed in earlier quarterly reports. Through February, there have been no expenditures associated with these line-items. The FY 2022 line-item appropriations include:

- \$1.6 million – Director’s Office Contingency, Restricted
- \$75,000 – Evidence Based Practices
- \$6.4 million – Jail Holds
- \$509,164 – Nonprofit Provider Per Diem, Restricted
- \$304,229 – For Profit Per Diem, Restricted
- \$67,903 – Regional Prison Per Diem Increase, Restricted

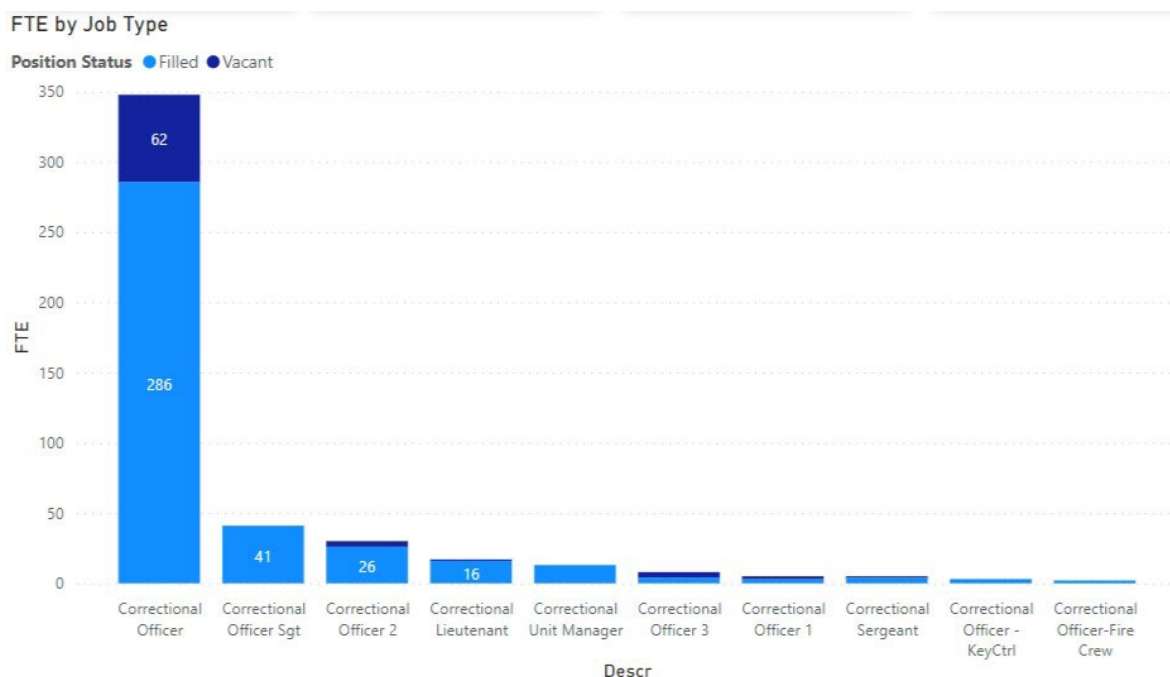
## Personal Services

The following chart shows the filled and vacant FTE within the agency as of February 1, 2022.



In FY 2022, the DOC is budgeted for 1,282.17 FTE. During the 2021 session, the legislature increased DOC by 25.50 FTE but also reduced the count by 17.50 FTE when the Board of Crime Control was moved to the Department of Justice. As a result, DOC netted an increase of 8.00 FTE from FY 2021. Of the total FTE, DOC had 157.00 positions vacant as of February 1, 2021, or 12.2% rate of vacancies in the agency. Of the total vacancies, 63.1% were in the Secure Facilities Division.





The figure above shows the full array of correctional officers in the Secure Custody Facilities Division. This figure represents 477.00 FTE, or 65.3%, of the division's 730.36 budgeted FTE, and is 46.5% of the agency vacancies. Through the end of January, DOC realized (in a preliminary estimate) approximately \$1.7 million of vacancy savings through the vacancies of correctional officers, which is approximately 58.0% of the total agency vacancy savings of \$2.9 million. The savings are also approximately 207.0% of the \$814,381 of vacancy savings allocated to the Secure Custody Facilities Division. The realized vacancy savings in the Secure Custody Facilities Division was offset by \$1.6 million in overtime costs.

According to DOC, vacant correctional officer posts must be covered, so the agency is filling vacant positions with current staff who are paid overtime to cover these shifts. Through the end of January, the Secure Custody Facilities Division paid out \$1.6 million in overtime, which is consistent with the average of overtime payments between FY 2017 and FY 2020, but is less than the overtime payments of \$2.2 million that were paid out in FY 2021 in the same time period.

## Next Steps for Personal Services Reporting

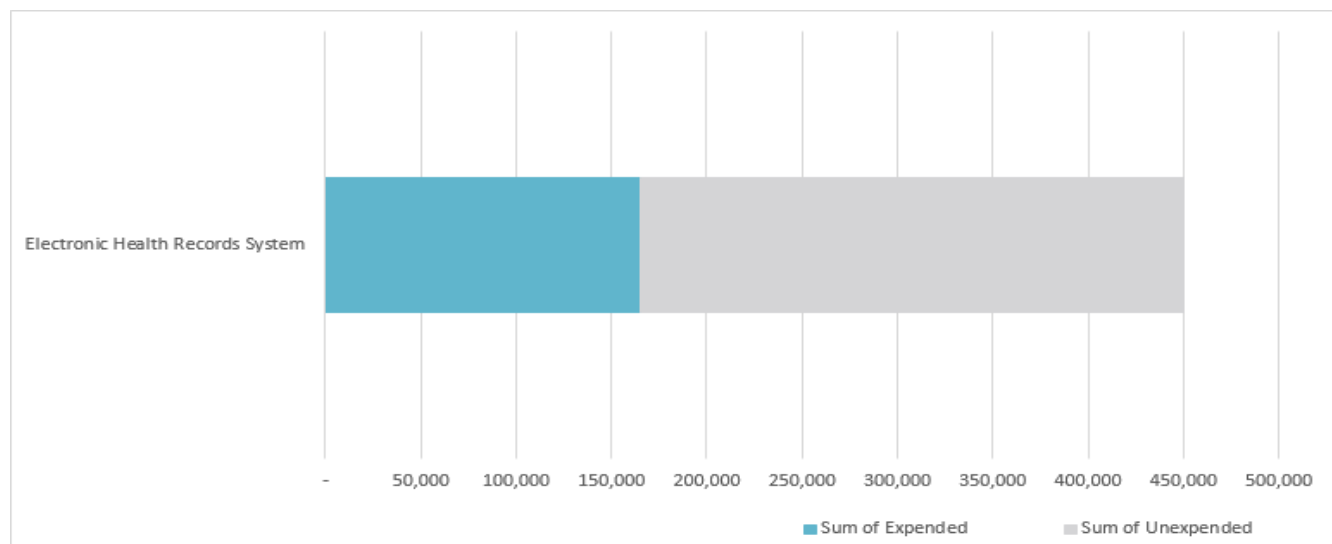
In upcoming Quarterly Financial Reports, the LFD will begin the process of a more comprehensive look at personal services. The LFD will compare two executive "snapshots" -- July 2020 and July 2022. The analysis will identify adjustments adopted by the legislature in 2021 and modifications made by the agencies, within the confines of budget law.

The September Quarterly Financial Report will provide the complete comparison from July 2020 to July 2022. Ultimately, the analysis will result in a description of all the components that will be part of the executive's decision package one (DP 1) 2025 biennium budget request. This work will prepare legislators for budget deliberations in the 2023 session. For a review of how DP 1 works and snapshot components, please read this [short brochure](#) from 2019.

## OTHER ISSUES

### Information Technology Project Expenditures

DOC IT Dashboard Report



As viewed in the State Information Technology Services Division (SITSD) dashboard report, the DOC has one major information technology project. The Electronic Health Records System project, with estimated costs of \$450,000, will allow the Clinical Services Division to make changes in state and federal policy and support new health care initiatives in a timely manner, leading to improvements in accuracy, efficiency, and costs. The project was started in FY 2021 and is 70.0% complete. The project went “live” in November and the remaining authority of \$95,000 will fund final interfacing. The project is expected to be completed in FY 2022.

## REPORTING REQUIREMENTS

HB 693 Reporting – This legislation requires reporting by the DOC on the following items:

- 1) Each quarter of the fiscal year, the Department of Corrections shall report to the Law and Justice Interim Committee and the Legislative Finance Committee on the utilization of drug treatment beds and any payments made to contractors for the failure to allow the contractor to operate at 75.0% capacity (#1).
- 2) Each quarter of the 2023 biennium, for the quarter preceding the report, the Department of Corrections shall report to the Law and Justice Interim Committee and the Legislative Finance Committee on (#4):
  - a) the number of occasions a defendant sentenced for one or more felonies remained in a county detention facility for more than 10 business days after sentencing;
  - b) the names of the defendants who remained in a county detention facility for more than 10 business days after sentencing and the county detention facility in which they were held; and
  - c) for those defendants remaining in a county detention facility for more than 10 business days after sentencing, on the relevant facts leading to the delay in transfer out of the facility and whether the delay is attributable to untimely receipt of a judgment or other sentencing documents from the judicial branch.