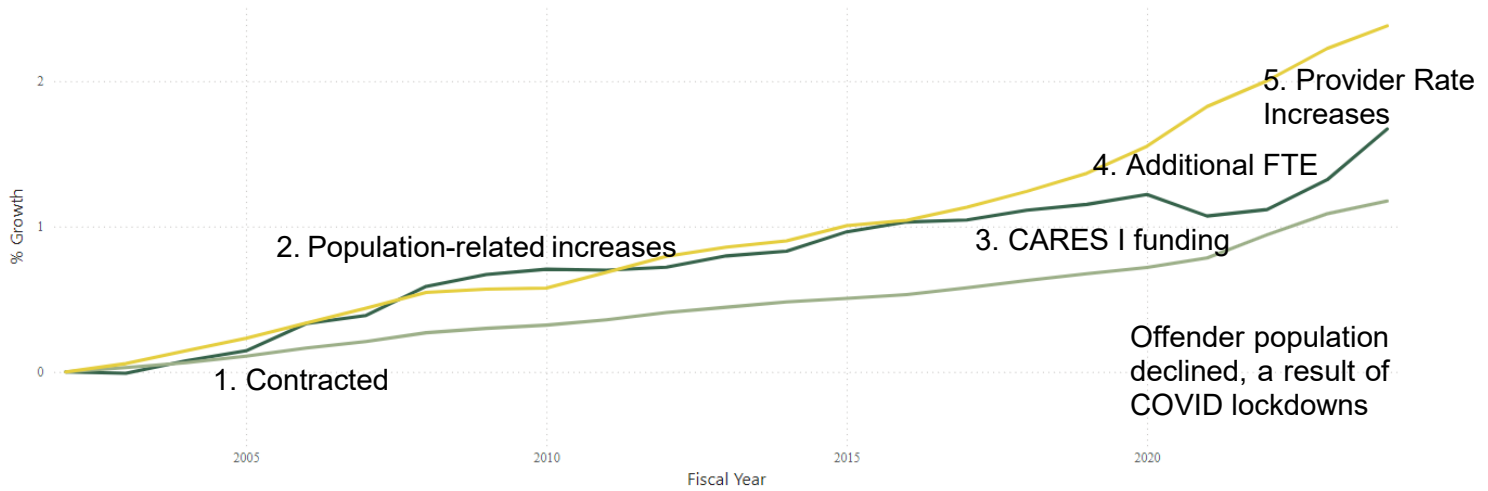


# Department of Corrections

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.

● State Resources Growth ● CPI Adjusted for Population ● MT Personal Income Growth



This report includes a series of charts that compare state resources expenditure growth to the growth in personal income and growth in inflation adjusted for population. Montana statute, 17-8-106, MCA, recommends using growth in personal income for comparison purposes. Personal income is a measure for growth in the economy. Comparing growth allows financial planners to consider past and future demands in services or changes in revenues.

The Board of Crime Control (BOCC) was allocated to the Department of Corrections (DOC) by the 2017 Legislature but was removed from the department and transferred to the Department of Justice in the 2021 Legislative Session. These charts include BOCC expenditures for the years in which the board resided as an administrative attachment to the DOC (FY 2018 – FY 2021).

The growth in all funds is primarily attributed to the continuing increase in Montana's offender population. The budget and corresponding expenses for the DOC are driven by multiple factors that relate to offender populations such as the following:

- Number of current offenders under supervision
- Length of stay under DOC custody
- Age and health needs of current offenders
- Facility operating and personnel costs

Decreases in offender populations occurred in FY 2021 and are primarily associated with COVID-19. For all other fiscal years, offender populations have increased. Historically, when offender populations have grown at a higher rate than was anticipated, supplemental appropriations were necessary. The DOC received supplemental funding in fiscal years 2005, 2007, 2013, 2015, 2017, 2019, and 2023.

While funding for the department has increased in a manner very similar to that of the offender population, more notable changes are as follows:



1. In the 2007 biennium, \$6.0 million was provided for contracted beds at existing contracted facilities, \$9.0 million was approved for the movement of a larger percentage of inmates to pre-release facilities, \$5.5 million was approved for the building and staffing of a new revocation center at MSP to create 85 new beds for offenders
2. In the 2009 biennium, \$47.2 million was added for population related increases such as annualization of community correction programs, increased number of probation and parole (P&P) officers, development of a new prerelease center in northwestern Montana, increases in contracted bed numbers, and annualization of increased capacity established in FY 2007
3. In the 2021 biennium, the department was authorized to use \$41.3 million in Coronavirus Aid Relief and Economic Security Act (CARES) funding with \$11.1 million of the authority being expended in FY 2020 and \$28.9 million in FY 2021. The primary uses of this funding were as follows:
  - a. Repurposing staff (\$26.9 million)
  - b. Equipment and supplies related to decontamination (\$870,000)
  - c. Personal protective equipment (\$617,000)
  - d. Other directly related expenses (\$9.5 million)

In FY 2021, a total of \$15.9 million of the department's personal service costs were funded outside HB 2 by COVID 19 funds

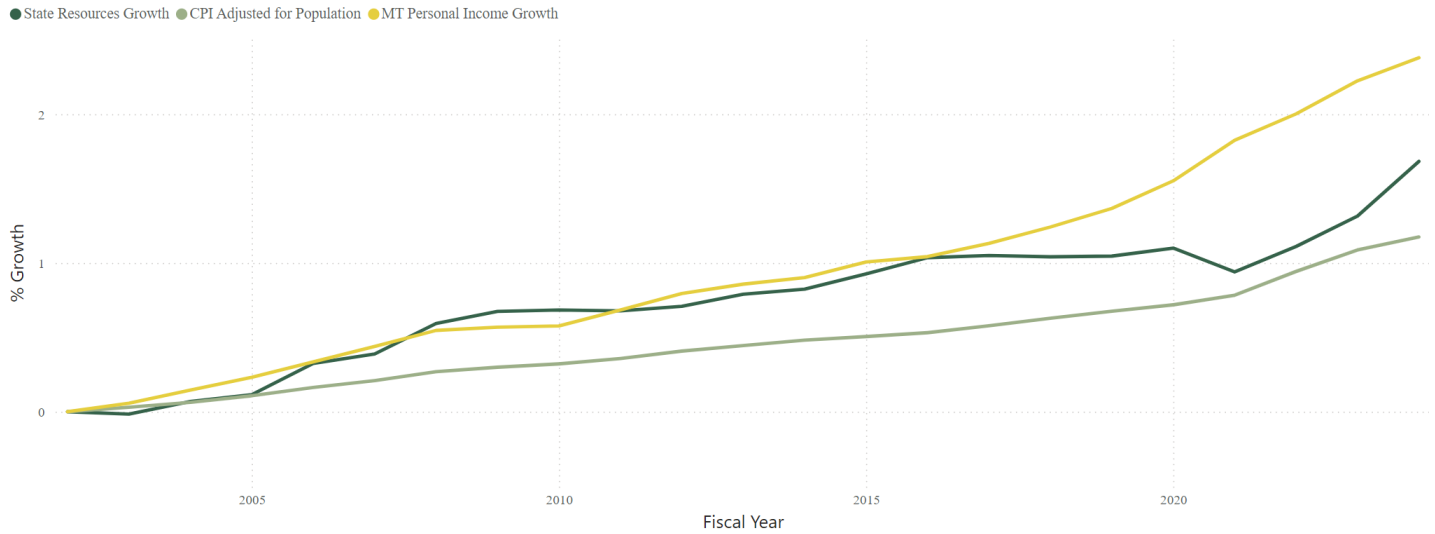
4. For the 2023 biennium, the DOC gained a total of 22.50 FTE and nearly \$1.7 million resulting from the 2021 Legislative Session. Additionally, the Department received authority for overtime pay and hepatitis C treatments. Increases in FY 2023 over FY 2022 relate to increased spending for programs at the Montana Correctional Enterprises, additional OTO pay plan funding, and supplemental authority to authorize pay increases for correctional officers before the start of the 2025 biennium
5. Increases in FY 2024 relate to increased rates paid to all contracted secure prisons, local detention centers, treatment, assessment, and pre-release facilities. Increased authority in FY 2024 totaled \$13.7 million. Additionally, the DOC experienced shortfalls in multiple areas and moved \$10.1 million worth of authority from FY 2025 to FY 2024 to cover these shortfalls.

## General fund

The DOC is supported primarily through the general fund (historically, around 92.0-95.0%). Increases in general fund support are primarily driven, once again, by increases in the number of offenders and the need to increase or annualize contracted beds to house the growing offender population overseen by the department. Much of the narrative above applies to changes seen in the chart below.



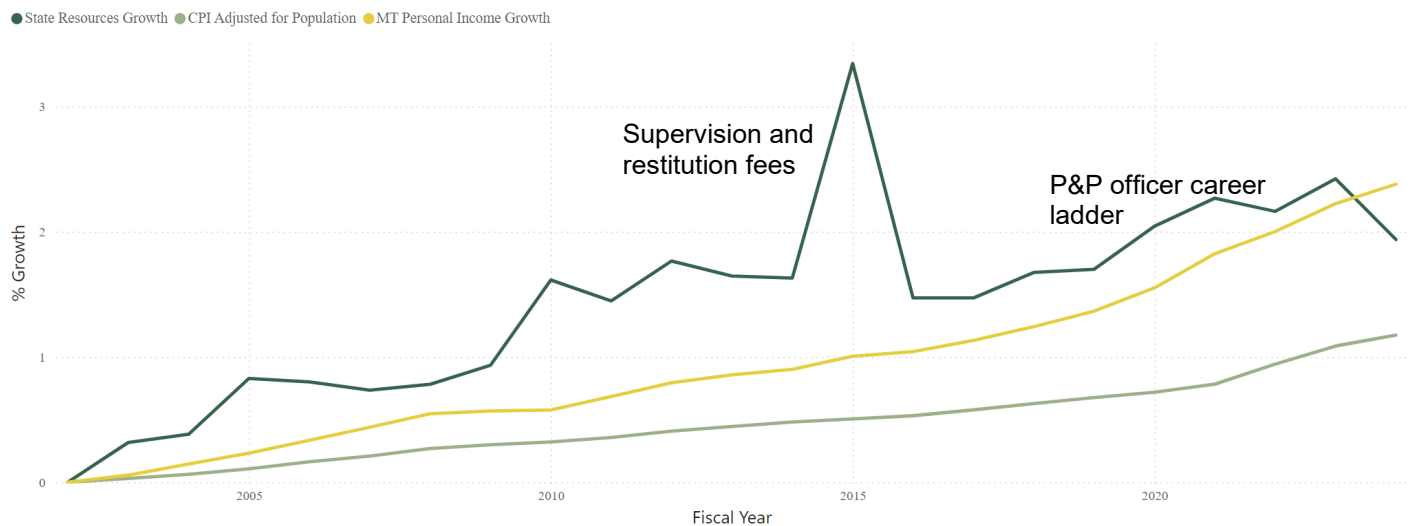
The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.



### State special revenue

While large increases in expenditures from state special revenue have occurred in the DOC since 2002, state special revenue incorporates a small portion of the department’s expenditures (roughly 2.0%-4.0%). Therefore, the magnitude of the increases in overall expenditures related to state special revenue is quite small.

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.



In FY 2015, state special revenue support for the agency increases due to legislative action that shifted funding for expenditures from the general fund to state special revenue funds, including supervision fees, restitution administrative fees, and parental cost of care payments for juveniles.



In the 2021 biennium, a career ladder for probation and parole officers was formed and funded with state special revenue in the amount of \$600,000 for the biennium. Finally, reductions in FY 2024 relate to lowered spending from the P&P Supervisory Fee state special revenue account.



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