

# DEPARTMENT OF CORRECTIONS

## Section D

---

### JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

---

---

-----Agencies-----

Judicial Branch  
Dept. of Justice  
Public Service Commission

Office of Public Defender  
Dept. of Corrections

-----Committee Members-----

House

Representative Fiona Nave (Chair)  
Representative Thedis Crowe  
Representative Donavon Hawk  
Representative Anthony Nicastrò

Senate

Senator Shelley Vance (Vice Chair)  
Senator Tom McGillvray  
Senator Shane Morigeau

-----Fiscal Division Staff-----

Walker Hopkins  
Barb Wagner

Agency Base Budget Comparison

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Agency Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	1,280.67	1,305.67	1,305.67	25.00	1.0%
General Fund	274,448,008	294,969,467	296,257,551	42,331,002	7.7%
State/Other Special Rev. Funds	7,096,208	7,100,925	7,101,926	10,435	0.1%
Proprietary Funds	145,214	133,046	131,060	(26,322)	(9.1%)
<b>Total Funds</b>	<b>281,689,430</b>	<b>302,203,438</b>	<b>303,490,537</b>	<b>42,315,115</b>	<b>7.5%</b>
Personal Services	111,221,203	118,699,848	119,286,678	15,544,120	7.0%
Operating Expenses	168,299,624	179,778,319	180,478,598	23,657,669	7.0%
Equipment & Intangible Assets		1,129,000	1,129,000	2,258,000	0.0%
Transfers	503,739	503,739	503,739		0.0%
Debt Service	1,664,864	2,092,532	2,092,522	855,326	25.7%
<b>Total Expenditures</b>	<b>281,689,430</b>	<b>302,203,438</b>	<b>303,490,537</b>	<b>42,315,115</b>	<b>7.5%</b>
<b>Total Ongoing</b>	<b>281,689,430</b>	<b>302,203,438</b>	<b>303,490,537</b>	<b>42,315,115</b>	<b>7.5%</b>
<b>Total One-Time-Only</b>	<b>4,754,980</b>			<b>(9,509,960)</b>	<b>(100.0%)</b>

Agency Highlights

**Department of Corrections  
Major Budget Highlights**

The 2027 biennium HB 2 request for the Department of Corrections is \$605.7 million which reflects an increase of \$42.3 million or 7.5% when compared to FY 2025 base appropriations. More significant increases include:

- \$8.9 million in statewide present law adjustments to personal services and fixed costs
- \$6.2 million to increase base appropriations for reimbursing county jail holds
- Nearly \$4.1 million general fund for contract renewals and prover rate increases with existing contracted community corrections facilities
- Nearly \$2.8 million for increases in provider rates paid to contracted secure facilities and local detention centers
- \$2.7 million for increases in costs of contracted placements for juveniles and to fund caseworker services
- Almost \$2.5 million general fund for new equipment and technology purchases
- \$2.4 million general fund to support recruitment and retention efforts and to develop more formal field training

**Executive Request**

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Department of Corrections 2027 Biennium Base Budget and Requested Adjustments										
	FY 2026				FY 2027					
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
<b>Base Budget</b>	<b>274,448,008</b>	<b>7,096,208</b>		<b>0 281,689,430</b>	<b>93.2%</b>	<b>274,448,008</b>	<b>7,096,208</b>		<b>0 281,689,430</b>	<b>92.8%</b>
Statewide PL										
Personal Services	4,020,664	4,974	0	4,025,638	1.3%	4,258,560	6,017	0	4,264,577	1.4%
Fixed Costs	309,041	(257)	0	296,616	0.1%	292,495	(299)	0	278,042	0.1%
Inflation Deflation	(35,882)	0	0	(35,882)	(0.0%)	(24,250)	0	0	(24,250)	(0.0%)
<b>Total Statewide PL</b>	<b>4,293,823</b>	<b>4,717</b>	<b>0</b>	<b>4,286,372</b>	<b>1.4%</b>	<b>4,526,805</b>	<b>5,718</b>	<b>0</b>	<b>4,518,369</b>	<b>1.5%</b>
Present Law (PL)	4,635,616	0	0	4,635,616	1.5%	5,701,995	0	0	5,701,995	1.9%
New Proposals	11,592,020	0	0	11,592,020	3.8%	11,580,743	0	0	11,580,743	3.8%
<b>Total HB 2 Adjustments</b>	<b>20,521,459</b>	<b>4,717</b>	<b>0</b>	<b>20,514,008</b>	<b>6.8%</b>	<b>21,809,543</b>	<b>5,718</b>	<b>0</b>	<b>21,801,107</b>	<b>7.2%</b>
<b>Total Requested Budget</b>	<b>294,969,467</b>	<b>7,100,925</b>		<b>0 302,203,438</b>		<b>296,257,551</b>	<b>7,101,926</b>		<b>0 303,490,537</b>	

*Statewide Present Law Adjustment for Personal Services*

In order to explain the factors influencing personal services changes, the proposed statewide personal services present law adjustment (DP1) has been broken down into three categories, as follows:

- Legislative changes - This category includes adjustments explicitly approved by the legislature, such as, changes to benefit rates, longevity adjustments required by statute, and changes in rates for workers' compensation and unemployment insurance
- Management changes - This category includes agency management decisions that adjust personal services related to changes in pay. This includes changes such as hiring positions budgeted (PB) at a lower rate to replace senior staff and broadband pay adjustments for recruitment and retention
- Budget modifications - This category includes other modifications to the FY 2025 personal services base budget such as management decisions to transfer personal services funding between programs within an agency or movement of personal services funding to or from another expenditure category (e.g. moving funding from operating expenses to personal services)

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

Department of Corrections FY 2026 Statewide Present Law Adjustment for Personal Services - DP1				
Program	Legislative Changes	Management Decisions	Budget Modifications	Total DP1
01 Director's Office / CSD	\$128,837	\$255,433	(\$89,293)	\$294,977
02 Public Safety Division	2,042,997	(240,658)	429,237	2,231,576
03 Rehabilitation and Programs	475,984	1,317,567	(272,637)	1,520,914
04 Board of Pardons and Parole	17,455	(39,284)	-	(21,829)
<b>Total</b>	<b>\$2,665,273</b>	<b>\$1,293,058</b>	<b>\$67,307</b>	<b>\$4,025,638</b>

Total personal services requested by the Department of Corrections for the 2027 biennium are \$238.0 million reflecting an increase of \$15.5 million or 7.0% when compared to FY 2025 base appropriations. Increases are the result of the following requests:

- A total of 25.00 requested PB for multiple different functions
- Statewide present law adjustments to personal services
- New standardized salary pay for nurses

Statewide present law adjustments are primarily the result of increases to position retirement and social security benefits, hiring vacant positions at a higher rate than when the position became vacant, and adjustments related to promotion or career ladders.

**Funding**

The following table shows proposed agency funding for all sources of authority.

Total Department of Corrections Funding by Source of Authority 2027 Biennium Budget Request						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
<b>01100 General Fund</b>	<b>591,227,018</b>				<b>591,227,018</b>	<b>91.7%</b>
02917 MSP Canteen Revolving Acct	9,527,162				9,527,162	1.5%
02261 P & P Supervisory Fee	2,266,566				2,266,566	0.4%
02345 Inmate Welfare Fund				1,410,030	1,410,030	0.2%
02689 Offender Restitution	937,763				937,763	0.1%
02927 PHS Donations/I & I	754,660				754,660	0.1%
Other State Special Revenue	716,700				716,700	0.1%
<b>State Special Revenue Total</b>	<b>14,202,851</b>	-	-	<b>1,410,030</b>	<b>15,612,881</b>	<b>2.4%</b>
<b>Federal Special Revenue Total</b>	-	-	-	-	-	<b>0.0%</b>
06573 MSP - Cook Chill	52,789		12,540,444		12,593,233	2.0%
06033 Prison Ranch	52,787		9,738,396		9,791,183	1.5%
06034 MSP Institutional Industries	52,787		7,732,086		7,784,873	1.2%
06011 License Plate Production	104,815		5,760,630		5,865,445	0.9%
06545 Prison Indust. Training Prog	928		1,613,805		1,614,733	0.3%
<b>Proprietary Fund Total</b>	<b>264,106</b>	-	<b>37,385,361</b>	-	<b>37,649,467</b>	<b>5.8%</b>
<b>Total of All Funds</b>	<b>605,693,975</b>	-	<b>37,385,361</b>	<b>1,410,030</b>	<b>644,489,366</b>	
<b>Percent of All Sources of Authority</b>	<b>94.0%</b>	<b>0.0%</b>	<b>5.8%</b>	<b>0.2%</b>		

The Department of Corrections is primarily funded with general fund at approximately 97.6% of requested HB 2 funds. The remaining amount is comprised of state 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

There is approximately \$1.4 million in statutory appropriations (in state special revenue) over the 2025 biennium, which are used to support the Public Safety Division. This funding is for the Inmate Welfare Fund and is used to benefit inmates and their families per 53-1-109, MCA.

Additional authority is comprised of non-budgeted proprietary funds used to support programs at the Montana Correctional Enterprises. These programs are discussed more in the non-budgeted proprietary analysis for Section D agencies found at <https://archive.legmt.gov/content/Publications/fiscal/2027-Biennium/Budget-and-Revenue/Budget-Analysis/Section-D/Section-D-Non-Budgeted-Proprietary-27Bi.pdf> and are comprised of the following:

- Cook Chill Program
- Prison Ranch Program
- MSP Institutional Industries
- License Plate Production
- Industries Training Program

**Agency Actuals and Budget Comparison**

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	1,280.67	1,280.67	1,305.67	1,305.67
Personal Services	108,299,338	109,674,709	113,324,917	118,699,848	119,286,678
Operating Expenses	155,654,335	159,929,274	170,950,890	179,778,319	180,478,598
Equipment & Intangible Assets	480,838	938,552	0	1,129,000	1,129,000
Capital Outlay	0	20,773	0	0	0
Transfers	672,086	732,395	503,739	503,739	503,739
Debt Service	1,673,206	1,953,496	1,664,864	2,092,532	2,092,522
<b>Total Expenditures</b>	<b>\$266,779,803</b>	<b>\$273,249,199</b>	<b>\$286,444,410</b>	<b>\$302,203,438</b>	<b>\$303,490,537</b>
General Fund	261,038,855	266,029,717	279,202,988	294,969,467	296,257,551
State/Other Special Rev. Funds	5,622,145	7,100,679	7,096,208	7,100,925	7,101,926
Proprietary Funds	118,803	118,803	145,214	133,046	131,060
<b>Total Funds</b>	<b>\$266,779,803</b>	<b>\$273,249,199</b>	<b>\$286,444,410</b>	<b>\$302,203,438</b>	<b>\$303,490,537</b>
<b>Total Ongoing</b>	<b>\$264,289,812</b>	<b>\$267,857,488</b>	<b>\$281,689,430</b>	<b>\$302,203,438</b>	<b>\$303,490,537</b>
<b>Total OTO</b>	<b>\$2,489,991</b>	<b>\$5,391,711</b>	<b>\$4,754,980</b>	<b>\$0</b>	<b>\$0</b>

*Agency Description*

The Montana Department of Corrections provides services that impact every community in Big Sky Country. From assisting victims of crime; to providing support to offenders under supervision in Montana communities; to ensuring the incarcerated population is prepared to re-enter society successfully; the work of the department is wide and varied. The department aims to provide evidence-based programming in all aspects of our work as we move toward our goal of reducing recidivism and disrupting the cycle of incarceration. Please refer to the agency profile at <https://www.legmt.gov/lfd/committees/section-d/agency-profile-department-of-corrections/> for additional information about the agency’s organization structure, historical expenditures, goals and objectives, and recent studies and audits.

*FY 2024 Appropriation Compared to FY 2024 Actual Expenditures*

The Department of Corrections’ FY 2024 modified HB 2 budget was \$269.2 million. Through the end of FY 2024, the department expended \$264.3 million or 98.2% leaving nearly \$5.0 million in unspent authority. At FYE 2024, the department performed a series of fiscal transfers which moved \$10.1 million from FY 2025 appropriations to FY 2024 to cover shortfalls in reimbursing county detention centers for holding convicted offenders, costs related to building emergencies, prescription drug costs, and costs due to the inability to access some contingent personal service appropriations.

Without these fiscal transfers, the department would have over expended its HB 2 budget by approximately \$5.1 million or 2.0%. As all HB 2 authority for the Director's Office, Public Safety Division, and Rehabilitation and Programs Division is biennial, the Department continued most of this unspent authority back to FY 2025. This should help decrease any supplemental request that may result from the initial \$10.1 million transfer of authority to FY 2024. Expenditures of 98.2% after the fiscal transfer were proportionally higher than the previous five-year average of 95.8%.

#### *FY 2024 Appropriations Compared to FY 2025 Appropriations*

When compared to FY 2024 appropriations, appropriations for FY 2025 increase by approximately \$13.2 million. Many changes have occurred so far in the 2025 biennium resulting in a different appropriation structure than that of the 2023 Session. Original FY 2025 appropriations were about \$6.0 million higher than FY 2024.

The changes in authority resulting in the appropriations in the table above are as follows:

- FY 2025 contains \$11.4 million in authority from HB 5 of the 2023 session. This authority is not found in FY 2024. Details are as follows:
  - \$7.2 million in contracted expenses to be paid for providers to build and operate a sex offender treatment unit. Amounts shown reflect annual numbers based on a 7-year contract
  - \$3.4 million in annual operating costs for a new pre-release center in Flathead County
  - \$800,000 for other ongoing maintenance and operating costs
- FY 2025 contains additional personal service pay plan funding over FY 2024 of \$4.0 million
- FY 2025 contains \$4.5 million additional operating expense authority over FY 2024 for provider rate increases in contracted facilities
- FY 2024 contains a partially offsetting fiscal transfer in of \$10.1 million

The increases in authority for FY 2025 are partially offset by the fiscal transfer increasing authority in FY 2024 by \$10.1 million result in the appropriation levels seen in the table above.

#### *Comparison of FY 2025 Legislative Budget to FY 2025 Base*

The figure below illustrates the beginning FY 2025 budget as adopted by the 2023 Legislature compared to the FY 2025 base budget, which includes modifications as approved by the approving authority (as authorized in statute) during the interim. The FY 2025 base budget was agreed upon by the Office of Budget and Program Planning and the Fiscal Division to be the point from which any changes would be recorded for the 2027 biennium budgeting process.

Department of Corrections				
Comparison of the FY 2025 Legislative Budget to the FY 2025 Base Budget				
	Legislative Budget	Executive Modifications	Base Budget	% Change
<b>01 DIRECTOR'S OFFICE CSD</b>				
61000 Personal Services	10,052,331	3,225,727	13,278,058	32.1%
62000 Operating Expenses	8,259,125	1,165,045	9,424,170	14.1%
68000 Transfers	100,000		100,000	0.0%
<b>Total</b>	<b>18,411,456</b>	<b>4,390,772</b>	<b>22,802,228</b>	<b>23.8%</b>
<b>02 PUBLIC SAFETY</b>				0.0%
61000 Personal Services	83,130,514	(6,855,358)	76,275,156	-8.2%
62000 Operating Expenses	64,033,932	(1,250,585)	62,783,347	-2.0%
63000 Equipment & Intangible Assets	152,852	(152,852)	-	-100.0%
64000 Capital Outlay	20,773	(20,773)	-	-100.0%
68000 Transfers	181,121	(12,499)	168,622	-6.9%
69000 Debt Service	953,706	634,258	1,587,964	66.5%
<b>Total</b>	<b>148,472,898</b>	<b>(7,657,809)</b>	<b>140,815,089</b>	<b>-5.2%</b>
<b>03 REHABILITATION AND PROGRAMS</b>				0.0%
61000 Personal Services	16,992,855	3,562,325	20,555,180	21.0%
62000 Operating Expenses	96,150,527	(191,691)	95,958,836	-0.2%
68000 Transfers	241,367	(6,250)	235,117	-2.6%
69000 Debt Service	117,347	(97,347)	20,000	-83.0%
<b>Total</b>	<b>113,502,096</b>	<b>3,267,037</b>	<b>116,769,133</b>	<b>2.9%</b>
<b>04 BOARD OF PARDONS AND PAROLE</b>				0.0%
61000 Personal Services	1,112,809		1,112,809	0.0%
62000 Operating Expenses	190,171	(56,900)	133,271	-29.9%
69000 Debt Service		56,900	56,900	100.0%
<b>Total</b>	<b>1,302,980</b>	<b>-</b>	<b>1,302,980</b>	<b>0.0%</b>
<b>Agency Total</b>	<b>281,689,430</b>	<b>-</b>	<b>281,689,430</b>	<b>0.0%</b>

The largest modification performed by the DOC during the 2025 interim was a reorganization. This reorganization was done to establish new bureaus and moved a total of 91.00 PB and associated funding in the amount of \$6.9 million in FY 2024 throughout the agency to align with current org chart structures. These positions all came from the Public Safety Division and were moved to the Director's Office and Rehabilitation and Programs Division at roughly a 50/50 split. An outline of the changes made within this reorganization include:

- All purchasing functions were consolidated to the Financial Services Bureau in the Director's Office
- All maintenance functions were consolidated to the Project Management Bureau within the Central Services Division
- All education services were combined into a newly created Education Services Bureau within the Rehabilitation and Programs Division

The Director's Office received additional operating expenses by moving authority provided for inflation in the 2025 biennium from the Public Safety Division and Rehabilitation and Programs Division.

**Agency Discussion**

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 adult probation and parole functions. However, juvenile probation and parole services are part of the District Court Operations Program within the Judicial Branch.

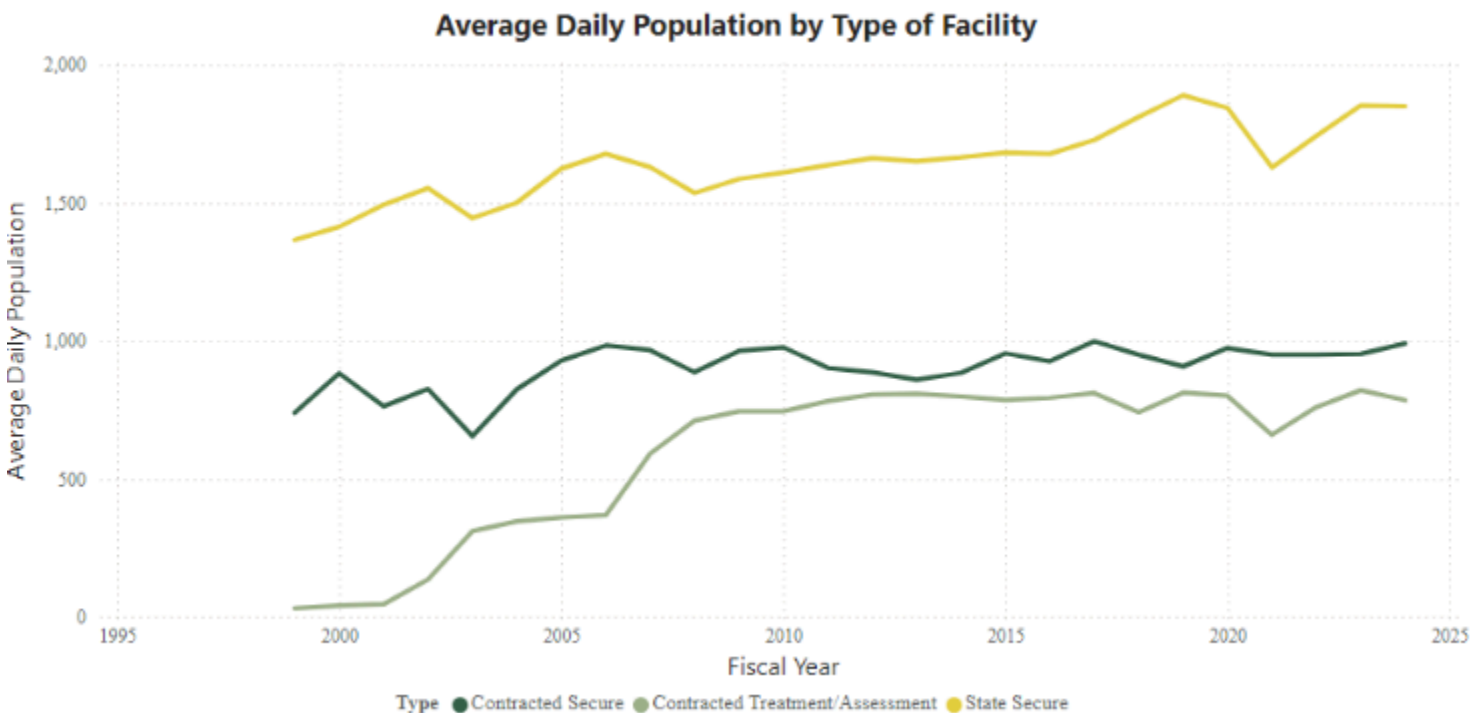
The Department of Corrections provides services through the operation of state institutions, with state employees and the purchase of incarceration and other services (such as community-based residential treatment programs) via contracts with local governments and private not-for-profit and for-profit businesses throughout the state. Overall costs and changes to the costs of the department are generally driven by several factors:

- Average daily populations/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 for offenders

**Offender Populations**

As seen in the list above, overall offender populations and the general makeup of these offenders are the largest drivers for overall agency costs. Historically, with the exception of a two-year period involving COVID, offender populations have increased year over year. This section of the budget analysis will split these populations into three categories: secure facilities, alternative facilities (excluding pre-release), and community supervision (pre-release included). Offender populations have increased primarily in the areas contracted treatment and assessment facilities. Both state-owned and contracted secure populations have not increased as quickly due to the slower growth in overall capacity within these facilities. Many contracted treatment and assessment centers were added around FY 2007, and much of the additional capacity seen over the last few decades has been obtained in these areas and in pre-release centers.

The chart below describes the average daily population by facility type between 1999 and 2024. One thing to note is data in the chart below looking at historical timelines was taken from the first quarter of FY 2024 and does not include newly obtained capacity at Saguaro Correctional Facility in Arizona which totals 245 beds currently. Therefore, the slope of the trend related to contracted secure capacity is understated. Only population in facilities (no community supervision) are included in the chart below.





### Secure Facilities

Montana currently has six adult secure facilities, which includes three state-owned facilities and three contracted facilities. These facilities, along with individuals on probation and parole, comprise the offender population overseen by the Public Safety Division. These facilities, including their capacity and recent average daily population (ADP) numbers, are shown in the table below. Also included are jail holds for those waiting for only a secure prison placement. Jail holds for those awaiting a different placement are included in the next section.

<b>Current Secure Capacity Utilized for MT Offenders</b>			
<b>Facility</b>	<b>Operational Capacity</b>	<b>ADP*</b>	<b>% of Operational Capacity</b>
Montana State Prison	1,526	1,662	108.9%
Riverside Special Needs	25	26	104.0%
Crossroads Correctional Center	753	762	101.2%
Saguaro Correctional Center	240	245	102.1%
Dawson County Correctional	135	124	91.9%
Secure Jail Holds	-	80	
<b>Male Total</b>	<b>2,679</b>	<b>2,899</b>	<b>108.2%</b>
Montana Women's Prison	240	247	102.9%
Secure Jail Holds	-	55	
<b>Female Total</b>	<b>240</b>	<b>302</b>	<b>125.8%</b>
* ADP numbers reflect information from November 1, 2024			

The majority of secure facility capacity (approximately 91.4%) is used to house male offenders. As seen in the table above, the department is currently utilizing all capacity in secure facilities. One recent addition to secure capacity comes in the form of additional secure facility beds at the Saguaro Correctional Facility in Arizona secured by a contract with Core Civic. The department began utilizing 120 beds in November 2023, and all 120 beds are currently being utilized. This capacity was increased to 240 inmates in August of 2024. This increase was a decision made by the executive to quickly combat issues that arose with lost capacity at the Missoula Assessment and Sanction Center (MASC). The DOC was unable to renegotiate a new contract with the Missoula Assessment and Sanction Center which resulted in the need for immediate additional capacity in Arizona.

The population in jail holds is another area worth noting. Due to facilities being at capacity, the DOC contracts with local county detention centers to house offenders who have been sentenced and are waiting a placement within a secure facility. As of October 2024, 144 offenders were currently in these local detention placements awaiting for a placement within a secure prison facility. Jail holds have increased over the interim indicating a need for additional capacity. Jail hold counts got as high as 450-470 daily in the 4th quarter of FY 2024 and have been averaging approximately 350 for the 2025 biennium so far.

### Alternative to Secure Facilities and Community Supervision

There are other types of facilities within the Montana offender system that are utilized as alternative placement options to incarceration in a secure facility. These facilities can be separated into three main categories representing pre-release centers (also included within community supervision number below), assessment/sanction centers, and centers for the treatment of substance use disorders. These are all contracted facilities, and capacity available to the Department of Corrections is based on contracted amounts and facility availability. Not all inmates can use these types of capacity, which explains some of the current utilization amounts below. Alternative population placements in Montana as of October 2024 include the following:

Current Alternative to Secure Capacity for MT Offenders				
Facility Type	Gender	Contracted Capacity	ADP*	% of Available Contracted Capacity
Contracted Treatment	Male	336	339	100.9%
	Female	128	123	96.1%
<b>Total</b>		<b>464</b>	<b>462</b>	<b>99.6%</b>
Contracted Assessment	Male	196	192	98.0%
	Female	72	62	86.1%
<b>Total</b>		<b>268</b>	<b>254</b>	<b>94.8%</b>
Contracted Pre-release	Male	754	685	90.8%
	Female	209	218	104.3%
<b>Total</b>		<b>963</b>	<b>903</b>	<b>93.8%</b>
<b>Community Supervision Population</b>	<b>All</b>		<b>10,180</b>	
*ADP numbers reflect information from November 1, 2024				

Contracted assessment and sanction centers act as housing for offenders awaiting a bed placement at another facility or to house offenders serving sanctions for disciplinary actions. Offenders will participate in an assessment process which includes mental health evaluations, chemical dependency evaluations, and more. Contracted treatment centers offer more intensive residential inpatient treatment for substance use disorder. These facilities can be split into three different purposes: DUI treatment, 90-day substance use disorder treatment, and long-term treatment.

Contracted pre-release centers make up the remainder of alternative facility capacity in Montana. Pre-release facilities serve two purposes. First, pre-release centers act as an alternative to traditional incarceration for some offenders. Second, these facilities serve to assist offenders transitioning from a secure facility back into the community. These tend to be six-month programs in which offenders will live at the facility but work in the community.

## HB 2 Language -

All appropriations for the Director's Office and Central Services Division, the Public Safety Division, and the Rehabilitation and Programs Division are biennial.

**Program Base Budget Comparison**

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	148.31	149.31	149.31	1.00	0.3%
General Fund	22,196,065	22,473,647	22,482,486	564,003	1.3%
State/Other Special Rev. Funds	460,949	471,253	472,100	21,455	2.3%
Proprietary Funds	145,214	133,046	131,060	(26,322)	(9.1%)
<b>Total Funds</b>	<b>22,802,228</b>	<b>23,077,946</b>	<b>23,085,646</b>	<b>559,136</b>	<b>1.2%</b>
Personal Services	13,278,058	13,686,557	13,712,260	842,701	3.2%
Operating Expenses	9,424,170	9,291,389	9,273,386	(283,565)	(1.5%)
Transfers	100,000	100,000	100,000		0.0%
<b>Total Expenditures</b>	<b>22,802,228</b>	<b>23,077,946</b>	<b>23,085,646</b>	<b>559,136</b>	<b>1.2%</b>
<b>Total Ongoing</b>	<b>22,802,228</b>	<b>23,077,946</b>	<b>23,085,646</b>	<b>559,136</b>	<b>1.2%</b>
<b>Total One-Time-Only</b>	<b>147,147</b>			<b>(294,294)</b>	<b>(100.0%)</b>

**Program Highlights**

<b>Director's Office / CSD Major Budget Highlights</b>
<p>The Director's Office's 2027 biennium HB 2 request is \$45.9 million which reflects an increase of \$560,000 or 1.2% when compared to the FY 2025 base budget. Significant changes include:</p> <ul style="list-style-type: none"> <li>• Nearly \$330,000 for statewide present law increases</li> <li>• Nearly \$230,000 for 1.00 additional PB</li> </ul>

**Executive Request**

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Director's Office and Central Services Division 2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
<b>Base Budget</b>	<b>22,196,065</b>	<b>460,949</b>	<b>0</b>	<b>22,802,228</b>	<b>98.8%</b>	<b>22,196,065</b>	<b>460,949</b>	<b>0</b>	<b>22,802,228</b>	<b>98.8%</b>
Statewide PL										
Personal Services	284,416	10,561	0	294,977	1.3%	309,229	11,450	0	320,679	1.4%
Fixed Costs	(118,627)	(257)	0	(131,052)	(0.6%)	(135,163)	(299)	0	(149,616)	(0.6%)
Inflation Deflation	(1,729)	0	0	(1,729)	(0.0%)	(1,168)	0	0	(1,168)	(0.0%)
<b>Total Statewide PL</b>	<b>164,060</b>	<b>10,304</b>	<b>0</b>	<b>162,196</b>	<b>0.7%</b>	<b>172,898</b>	<b>11,151</b>	<b>0</b>	<b>169,895</b>	<b>0.7%</b>
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	113,522	0	0	113,522	0.5%	113,523	0	0	113,523	0.5%
<b>Total HB 2 Adjustments</b>	<b>277,582</b>	<b>10,304</b>	<b>0</b>	<b>275,718</b>	<b>1.2%</b>	<b>286,421</b>	<b>11,151</b>	<b>0</b>	<b>283,418</b>	<b>1.2%</b>
<b>Total Requested Budget</b>	<b>22,473,647</b>	<b>471,253</b>	<b>0</b>	<b>23,077,946</b>		<b>22,482,486</b>	<b>472,100</b>	<b>0</b>	<b>23,085,646</b>	

**Funding**

The following table shows proposed program funding for all sources of authority.

Department of Corrections, 01-Director's Office and Central Services Division Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	44,956,133	0	0	0	44,956,133	97.4%
02689 Offender Restitution	937,763	0	0	0	937,763	99.4%
02917 MSP Canteen Revolving Acct	5,590	0	0	0	5,590	0.6%
<b>State Special Total</b>	<b>\$943,353</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$943,353</b>	<b>2.0%</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
06011 License Plate Production	104,815	0	0	0	104,815	39.7%
06033 Prison Ranch	52,787	0	0	0	52,787	20.0%
06034 MSP Institutional Industries	52,787	0	0	0	52,787	20.0%
06545 Prison Indust. Training Prog	928	0	0	0	928	0.4%
06573 MSP - Cook Chill	52,789	0	0	0	52,789	20.0%
<b>Proprietary Total</b>	<b>\$264,106</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$264,106</b>	<b>0.6%</b>
<b>Total All Funds</b>	<b>\$46,163,592</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$46,163,592</b>	

The majority of funding for the Director's Office comes from the general fund. 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. Most authority in these proprietary programs is not budgeted by the legislature in HB 2 and will be discussed in a separate analysis, but small portions of these programs are budgeted in HB 2 as seen in the table above.

**Program Actuals and Budget Comparison**

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	148.31	148.31	149.31	149.31
Personal Services	12,676,273	12,735,414	13,425,205	13,686,557	13,712,260
Operating Expenses	7,519,715	7,682,126	9,424,170	9,291,389	9,273,386
Transfers	144,416	144,416	100,000	100,000	100,000
<b>Total Expenditures</b>	<b>\$20,340,404</b>	<b>\$20,561,956</b>	<b>\$22,949,375</b>	<b>\$23,077,946</b>	<b>\$23,085,646</b>
General Fund	19,733,880	19,897,780	22,343,212	22,473,647	22,482,486
State/Other Special Rev. Funds	487,721	545,373	460,949	471,253	472,100
Proprietary Funds	118,803	118,803	145,214	133,046	131,060
<b>Total Funds</b>	<b>\$20,340,404</b>	<b>\$20,561,956</b>	<b>\$22,949,375</b>	<b>\$23,077,946</b>	<b>\$23,085,646</b>
<b>Total Ongoing</b>	<b>\$20,200,848</b>	<b>\$20,407,400</b>	<b>\$22,802,228</b>	<b>\$23,077,946</b>	<b>\$23,085,646</b>
<b>Total OTO</b>	<b>\$139,556</b>	<b>\$154,556</b>	<b>\$147,147</b>	<b>\$0</b>	<b>\$0</b>

*Program Description*

The Director's Office and the Central Services Division include the following bureaus: the Legal Bureau, the Communications Bureau, the Financial Services Bureau, Central Services Operations, the Information Technology Bureau, the Human Resources Bureau, the Records Management Bureau, the Research & Analytics Bureau, and the Project Management Bureau. This program provides services to the department and the public in the areas of public information, human resource management, information technology, legal support, research and statistics, project management, payroll, contract development, federal grants management, victim restitution, supervision fee collection, and various administrative and management support functions.

*FY 2024 Appropriation Compared to FY 2024 Actual Expenditures*

In FY 2024, expenditures within the Director's Office and Central Services Division totaled 99.0% of its modified HB 2 budget. Personal services were expended at 99.7%, while operating expenses were expended at 97.9%. The majority of unexpended funds relate to legislative audit costs and will carry forward into FY 2025. Expenses in FY 2024 followed anticipated trends.

*FY 2024 Appropriations Compared to FY 2025 Appropriations*

When compared to FY 2024 amounts, appropriations in FY 2025 reflect an increase of approximately \$2.4 million or 11.4% with about \$700,000 of this increase being within personal services and \$1.7 million being in operating expenses. The amount for FY 2025 in the table above includes a one-time-only reduction of \$1.8 million for Risk Management and Tort Defense. This reduction was added back into FY 2025 amounts to provide a direct comparison to the base budget.

Operating expense authority in FY 2025 is practically identical to FY 2024 budgets when ignoring this one-time-only reduction. Increases in personal services can be mainly attributed to additional pay plan funding provided for the second year of the 2025 biennium.

**Program Personal Services**

Requested personal services for the 2027 biennium total \$27.4 million and reflect an increase of \$843,000 or 3.2% when compared to FY 2025 base appropriations. Increases are attributed to statewide present law adjustments to personal services and a request for 1.00 additional PB for a position that was provided as OTO in the 2025 biennium. Statewide present law adjustments are primarily comprised of increases in position retirement pay, hiring vacant positions at a higher rate than when the position became vacant, and adjustments related to position benefits such as retirement and social security.

**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 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	284,416	10,561	0	294,977	0.00	309,229	11,450	0	320,679
DP 2 - Fixed Costs	0.00	(118,627)	(257)	0	(131,052)	0.00	(135,163)	(299)	0	(149,616)
DP 3 - Inflation Deflation	0.00	(1,729)	0	0	(1,729)	0.00	(1,168)	0	0	(1,168)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$164,060</b>	<b>\$10,304</b>	<b>\$0</b>	<b>\$162,196</b>	<b>0.00</b>	<b>\$172,898</b>	<b>\$11,151</b>	<b>\$0</b>	<b>\$169,895</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:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

Department of Corrections Director's Office / CSD FY 2026 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	\$128,837
Management Decisions	255,433
Budget Modifications	(89,293)
<b>Total</b>	<b>\$294,977</b>

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: audit fees, Capitol complex rent, information technology services, 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 in-state state motor pool and motor pool leased vehicles.

**New Proposals**

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 175 - Correction of Error - Make OTO PB Permanent	1.00	113,522	0	0	113,522	1.00	113,523	0	0	113,523
<b>Total</b>	<b>1.00</b>	<b>\$113,522</b>	<b>\$0</b>	<b>\$0</b>	<b>\$113,522</b>	<b>1.00</b>	<b>\$113,523</b>	<b>\$0</b>	<b>\$0</b>	<b>\$113,523</b>

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

DP 175 - Correction of Error - Make OTO PB Permanent -

The executive is requesting 1.00 additional position.

<b>LFD COMMENT</b>	The 2023 Legislature provided 13.00 PB to the DOC for the 2025 biennium but made the appropriation one-time-only for these positions. All positions were provided to the Public Safety Division but were moved during the interim. This proposal would continue this position along with new authority to pay associated costs.
--------------------	---

**Program Base Budget Comparison**

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	903.86	916.86	916.86	13.00	0.7%
General Fund	138,946,126	153,762,517	154,121,753	29,992,018	10.8%
State/Other Special Rev. Funds	1,868,963	1,868,963	1,868,963		0.0%
<b>Total Funds</b>	<b>140,815,089</b>	<b>155,631,480</b>	<b>155,990,716</b>	<b>29,992,018</b>	<b>10.6%</b>
Personal Services	76,275,156	80,414,638	80,579,187	8,443,513	5.5%
Operating Expenses	62,783,347	71,923,081	72,117,768	18,474,155	14.7%
Equipment & Intangible Assets		1,129,000	1,129,000	2,258,000	0.0%
Transfers	168,622	168,622	168,622		0.0%
Debt Service	1,587,964	1,996,139	1,996,139	816,350	25.7%
<b>Total Expenditures</b>	<b>140,815,089</b>	<b>155,631,480</b>	<b>155,990,716</b>	<b>29,992,018</b>	<b>10.6%</b>
<b>Total Ongoing</b>	<b>140,815,089</b>	<b>155,631,480</b>	<b>155,990,716</b>	<b>29,992,018</b>	<b>10.6%</b>
<b>Total One-Time-Only</b>	<b>1,809,373</b>			<b>(3,618,746)</b>	<b>(100.0%)</b>

**Program Highlights**

<b>Public Safety Major Budget Highlights</b>
<p>The 2027 biennium request for the Public Safety Division is approximately \$311.6 million which reflects an increase of \$30.0 million or 10.6% when compared to the FY 2025 base budget. Most significant changes include:</p> <ul style="list-style-type: none"> <li>• \$6.2 million to increase base appropriations for reimbursing county jail holds</li> <li>• \$5.4 million in statewide present law adjustments to personal services and fixed costs</li> <li>• Nearly \$2.8 million for increases in provider rates paid to contracted secure facilities and local detention centers</li> <li>• \$2.7 million for increases in costs of contracted placements for juveniles and to fund caseworker services</li> <li>• Almost \$2.5 million general fund for new equipment and technology purchases</li> <li>• \$2.4 million general fund to support recruitment and retention efforts and to develop more formal field training</li> <li>• \$1.6 million general fund for performance and other incentive-based adjustments to employee salaries</li> <li>• \$1.5 million for 9.00 new PB</li> </ul>



**Executive Request**

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Public Safety Division 2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
<b>Base Budget</b>	<b>138,946,126</b>	<b>1,868,963</b>	<b>0</b>	<b>140,815,089</b>	<b>90.5%</b>	<b>138,946,126</b>	<b>1,868,963</b>	<b>0</b>	<b>140,815,089</b>	<b>90.3%</b>
Statewide PL										
Personal Services	2,231,576	0	0	2,231,576	1.4%	2,392,111	0	0	2,392,111	1.5%
Fixed Costs	408,175	0	0	408,175	0.3%	408,175	0	0	408,175	0.3%
Inflation Deflation	(32,635)	0	0	(32,635)	(0.0%)	(22,057)	0	0	(22,057)	(0.0%)
Total Statewide PL	2,607,116	0	0	2,607,116	1.7%	2,778,229	0	0	2,778,229	1.8%
Present Law (PL)	4,635,616	0	0	4,635,616	3.0%	5,701,995	0	0	5,701,995	3.7%
New Proposals	7,573,659	0	0	7,573,659	4.9%	6,695,403	0	0	6,695,403	4.3%
<b>Total HB 2 Adjustments</b>	<b>14,816,391</b>	<b>0</b>	<b>0</b>	<b>14,816,391</b>	<b>9.5%</b>	<b>15,175,627</b>	<b>0</b>	<b>0</b>	<b>15,175,627</b>	<b>9.7%</b>
<b>Total Requested Budget</b>	<b>153,762,517</b>	<b>1,868,963</b>	<b>0</b>	<b>155,631,480</b>		<b>154,121,753</b>	<b>1,868,963</b>	<b>0</b>	<b>155,990,716</b>	

**Funding**

The following table shows proposed program funding for all sources of authority.

Department of Corrections, 02-Public Safety Division Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	307,884,270	0	0	0	307,884,270	98.4%	
02033 Pine Hills Vocational Program	200,000	0	0	0	200,000	3.9%	
02034 Earmarked Alcohol Funds	51,046	0	0	0	51,046	1.0%	
02261 P & P Supervisory Fee	2,266,566	0	0	0	2,266,566	44.0%	
02339 Inmate Welfare/Inmate Pay	200,000	0	0	0	200,000	3.9%	
02345 Inmate Welfare Fund	0	0	0	1,410,030	1,410,030	27.4%	
02916 PHS-Canteen	7,046	0	0	0	7,046	0.1%	
02927 PHS Donations/I & I	754,660	0	0	0	754,660	14.7%	
02970 Juvenile Plcmnt Cost of Care	258,608	0	0	0	258,608	5.0%	
<b>State Special Total</b>	<b>\$3,737,926</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,410,030</b>	<b>\$5,147,956</b>	<b>1.6%</b>	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Total All Funds</b>	<b>\$311,622,196</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,410,030</b>	<b>\$313,032,226</b>		

Nearly all the division's funding comes from the general fund. The remaining funding comes from state special revenues. The largest portion of these state special funds are collected from offenders who are required to pay supervision fees related to probation and parole. 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.

The inmate welfare state special revenue fund is used to fund activities and basic needs of inmates and is comprised of revenue from the sales of contraband and confiscated items, as well as proceeds from inmate canteen purchases from the state prison. Most authority from the state special revenue inmate welfare fund is statutorily appropriated.

**Program Actuals and Budget Comparison**

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	903.86	903.86	916.86	916.86
Personal Services	74,448,501	75,698,492	78,084,529	80,414,638	80,579,187
Operating Expenses	63,539,134	65,834,898	62,783,347	71,923,081	72,117,768
Equipment & Intangible Assets	480,838	938,552	0	1,129,000	1,129,000
Capital Outlay	0	20,773	0	0	0
Transfers	190,491	346,612	168,622	168,622	168,622
Debt Service	1,596,814	1,779,249	1,587,964	1,996,139	1,996,139
<b>Total Expenditures</b>	<b>\$140,255,778</b>	<b>\$144,618,576</b>	<b>\$142,624,462</b>	<b>\$155,631,480</b>	<b>\$155,990,716</b>
General Fund	139,141,472	142,829,607	140,755,499	153,762,517	154,121,753
State/Other Special Rev. Funds	1,114,306	1,788,969	1,868,963	1,868,963	1,868,963
<b>Total Funds</b>	<b>\$140,255,778</b>	<b>\$144,618,576</b>	<b>\$142,624,462</b>	<b>\$155,631,480</b>	<b>\$155,990,716</b>
<b>Total Ongoing</b>	<b>\$139,547,279</b>	<b>\$142,003,862</b>	<b>\$140,815,089</b>	<b>\$155,631,480</b>	<b>\$155,990,716</b>
<b>Total OTO</b>	<b>\$708,499</b>	<b>\$2,614,714</b>	<b>\$1,809,373</b>	<b>\$0</b>	<b>\$0</b>

*Program Description*

The Public Safety Division oversees secure correctional facilities across the state. This includes three state-owned secure facilities (Montana State Prison, Montana Women’s Prison, and Riverside Special Needs Unit), as well as contracted services through CoreCivic for facilities in Arizona and Shelby, MT and Dawson County Correctional Facility. Through the Probation and Parole Bureau, this division provides community supervision services to offenders across the state. Also housed in this division are the Investigations Bureau and various support functions to include staff development and quality assurance.

*FY 2024 Appropriations Compared to FY 2024 Actual Expenditures*

In FY 2024, expenditures within the Public Safety Division totaled 98.0% of its modified HB 2 budget. This modified budget includes the transfer of approximately \$5.0 million in authority from FY 2025 to FY 2024 which was intended to cover shortfalls in reimbursement for county jail holds and the inability to access restricted appropriations in FY 2025. Without the movement of this authority, the Public Safety Division's budget would have been over expended by 1.5% in FY 2024. After accounting for modifications, personal services were expended at 98.3%, while operating expenses were expended at 98.7%.

The majority of unexpended funds relate to the following items:

- \$1.5 million in operating expense authority for 120 contracted secure beds was unexpended due to these beds not being available until midway through FY 2024
- \$1.3 million in contingent personal service appropriations for paying correctional officers was unexpended due to the inability to access these funds in FY 2024
- \$650,000 for equipment and vehicle upgrades was unexpended

Appropriations in the Public Safety Division are biennially appropriated and unexpended authority can be spent in FY 2025.

*FY 2024 Appropriations Compared to FY 2025 Appropriations*

When compared to FY 2024 amounts, appropriations for FY 2025 in the table above reflect a decrease of approximately \$2.0 million or 1.4%. This is the result of multiple changes:

- A total of \$5.0 million was moved to FY 2024 from FY 2025 to cover shortfalls and was comprised of roughly 50.0% personal services and 50.0% operating costs
- FY 2025 contains an additional \$2.8 million in HB 13 pay plan

Differences in operating expenses are the result of changes made to the budget at FYE 2024 that increased operating expense authority by \$2.9 million and decreased authority in personal services and other accounts. Most of these changes happened to tie out fiscal year expenditures and have not occurred in FY 2025.

One additional change worth noting to overall appropriation levels for both years comes in the form of the reorganization done in FY 2024 as described earlier in the report. This change moved a total of 91.00 PB and associated funding in the amount of \$7.0 million in FY 2024 and \$7.3 million in FY 2025 from the PSD to other divisions in the agency. Roughly 50.0% went to the Director’s Office and the other 50.0% went to the Rehabilitation and Programs Division.

**Program Personal Services**

Requested personal services for the 2027 biennium total \$161.0 million and reflect an increase of \$8.4 million or 5.5% when compared to FY 2025 base appropriations. Increases are attributed to multiple requests for new PB, standardizing pay for nurses, and in statewide present law adjustments to personal services.

Statewide present law adjustments comprise the largest portion of the increase at \$4.6 million. These adjustments are primarily comprised of changes to position retirement and social security and through budget modification which moved more personal service authority from the division than was needed to cover PB that were transferred to other divisions. This difference fills back during the snapshot.

New positions requested by the executive total 13.00 PB and \$2.2 million for the biennium. These positions include:

- 9.00 additional PB which have been utilized as modified positions for an extended period - provided as OTO for the 2025 biennium
- 4.00 additional PB for a new K-9 program

**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 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	2,231,576	0	0	2,231,576	0.00	2,392,111	0	0	2,392,111
DP 2 - Fixed Costs	0.00	408,175	0	0	408,175	0.00	408,175	0	0	408,175
DP 3 - Inflation Deflation	0.00	(32,635)	0	0	(32,635)	0.00	(22,057)	0	0	(22,057)
DP 204 - MCE Rate Changes - Impact to MSP	0.00	550,000	0	0	550,000	0.00	615,000	0	0	615,000
DP 209 - Secure Facility Rate Increases	0.00	920,647	0	0	920,647	0.00	1,860,373	0	0	1,860,373
DP 210 - Leased Vehicle Funding - Existing	0.00	82,325	0	0	82,325	0.00	82,325	0	0	82,325
DP 280 - Increase County Jail Hold	0.00	3,082,644	0	0	3,082,644	0.00	3,144,297	0	0	3,144,297
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$7,242,732</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,242,732</b>	<b>0.00</b>	<b>\$8,480,224</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,480,224</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:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

Department of Corrections Public Safety FY 2026 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	\$2,042,997
Management Decisions	(240,658)
Budget Modifications	429,237
<b>Total</b>	<b>\$2,231,576</b>

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: audit fees, Capitol complex rent, information technology services, 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 in-state state motor pool and motor pool leased vehicles.

DP 204 - MCE Rate Changes - Impact to MSP -

The executive requests additional general fund to cover projected increases in costs due to rate changes for services provided by the Montana Correctional Enterprises to other areas of the department. These areas pertain to laundry services, food factory, and motor vehicle maintenance.

DP 209 - Secure Facility Rate Increases -

The executive requests general fund to cover rate increases for contracted secure facilities. In accordance with 7-32-2242, MCA, increases to the rate for Crossroads Correctional Center will also increase the daily rate for county detention centers.

<b>LFD COMMENT</b>	According to 7-32-2242, MCA, rates for reimbursing local detention centers are to be equal to the rate paid to Core Civic for inmates being housed at Crossroads Correctional Center (CCC) minus 10.0%. The 2023 Legislature approved funding which placed daily per diem rates at CCC at \$92.00. Corresponding rates for jail holds have been set at \$82.80. Increasing rates to Core Civic will increase jail hold reimbursement as outlined in statute. Both initiatives are included in this decision package.
--------------------	--

DP 210 - Leased Vehicle Funding - Existing -

The executive requests general fund to cover the increased cost of 22 existing leased vehicles in the Probation & Parole Bureau.

DP 280 - Increase County Jail Hold -

The executive requests general fund to increase base funding for jail hold reimbursement costs to be based off an ADP of 350.

**LFD COMMENT** Current base level funding provided to reimburse count jail holds for holding DOC inmates was calculated based off average daily populations in FY 2022. In FY 2022, the department was able to keep jail hold populations around an average of 250. During the 2025 biennium, jail holds have been averaging around 350 with numbers reaching their highest in Q4 of FY 2024 totaling over 450. This decision package does not look to increase rates but instead seeks to establish funding levels based on realized increases in terms of jail hold ADP.

**New Proposals**

The “New Proposals” table shows new proposals for spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 201 - Recruitment & Retention - Invest in Employee Training	0.00	1,200,000	0	0	1,200,000	0.00	1,200,000	0	0	1,200,000
DP 202 - Public Safety Security Equipment & Licenses	0.00	1,650,000	0	0	1,650,000	0.00	800,000	0	0	800,000
DP 203 - Performance Advancement Wage Scale	0.00	800,000	0	0	800,000	0.00	800,000	0	0	800,000
DP 205 - Assistance for Youth Population	0.00	1,352,500	0	0	1,352,500	0.00	1,352,500	0	0	1,352,500
DP 206 - K-9 Program	4.00	478,801	0	0	478,801	4.00	447,800	0	0	447,800
DP 207 - Vehicle Replacement	0.00	668,000	0	0	668,000	0.00	668,000	0	0	668,000
DP 208 - Secure Facility Equipment	0.00	461,000	0	0	461,000	0.00	461,000	0	0	461,000
DP 211 - Leased Vehicle Funding - new	0.00	203,676	0	0	203,676	0.00	203,676	0	0	203,676
DP 275 - Correction of Error - Make OTO PB Permanent	9.00	759,682	0	0	759,682	9.00	762,427	0	0	762,427
<b>Total</b>	<b>13.00</b>	<b>\$7,573,659</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,573,659</b>	<b>13.00</b>	<b>\$6,695,403</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,695,403</b>

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

DP 201 - Recruitment & Retention - Invest in Employee Training -

The executive requests general fund authority to support ongoing recruitment and retention efforts and to aide in conducting formal training to develop field training officers, account for increased cost for officers to travel to and attend the Montana Law Enforcement Academy and adequately provide training supplies and equipment.

DP 202 - Public Safety Security Equipment & Licenses -

The executive requests additional general fund for new equipment and technology.

**LFD  
COMMENT**

Initiatives in this proposal include firearm purchasing and replacement, the replacement of other equipment like breathalyzers, metal detectors, and tool cribs, and the purchasing of additional technology for perimeter security.

DP 203 - Performance Advancement Wage Scale -

The executive requests general fund to incentivize skills and training by rewarding extra duties and certifications for employees.

DP 205 - Assistance for Youth Population -

The executive requests general fund to provide for increases in costs of contracted placements for juveniles and to fund caseworker services for young adults who are being released from the juvenile system.

DP 206 - K-9 Program -

The executive requests general fund for 4.00 new PB, to support the implementation of a K-9 program that would consist of four officers who utilize trained dogs to search for narcotics.

DP 207 - Vehicle Replacement -

The executive requests general fund to cover the cost of establishing an ongoing replacement cycle for current vehicles.

DP 208 - Secure Facility Equipment -

The executive requests general fund to allow for the purchase or replacement of heavy equipment utilized for building and road maintenance, such as forklifts, manlifts, graders, and excavators and to establish an ongoing lease/replacement cycle for these items.

DP 211 - Leased Vehicle Funding - new -

The executive requests general fund to increase the number of leased vehicles in the division by 25.

**LFD  
COMMENT**

This decision package is closely aligned with DP 210 seen above which covers lease increases for existing needed vehicles. This proposal adds authority for 25 total additional leases. These new vehicles would support the Transportation Unit, Investigations Unit, and Probation & Parole Bureau.

DP 275 - Correction of Error - Make OTO PB Permanent -

The executive is requesting 9.00 additional employee positions.

**LFD  
COMMENT**

The 2023 Legislature provided 13.00 PB to the DOC for the 2025 biennium but made the appropriation one-time-only for these positions. These positions have been utilized as modified positions for an extended period of time. All positions were provided to the Public Safety Division, but some were around during the 2025 interim. This proposal would continue these positions along with new authority to pay associated costs.

**Program Base Budget Comparison**

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	217.50	227.50	227.50	10.00	2.3%
General Fund	112,002,837	117,375,007	118,291,702	11,661,035	5.2%
State/Other Special Rev. Funds	4,766,296	4,760,709	4,760,863	(11,020)	(0.1%)
<b>Total Funds</b>	<b>116,769,133</b>	<b>122,135,716</b>	<b>123,052,565</b>	<b>11,650,015</b>	<b>5.0%</b>
Personal Services	20,555,180	23,430,261	23,823,612	6,143,513	14.9%
Operating Expenses	95,958,836	98,430,845	98,954,353	5,467,526	2.8%
Transfers	235,117	235,117	235,117		0.0%
Debt Service	20,000	39,493	39,483	38,976	97.4%
<b>Total Expenditures</b>	<b>116,769,133</b>	<b>122,135,716</b>	<b>123,052,565</b>	<b>11,650,015</b>	<b>5.0%</b>
<b>Total Ongoing</b>	<b>116,769,133</b>	<b>122,135,716</b>	<b>123,052,565</b>	<b>11,650,015</b>	<b>5.0%</b>
<b>Total One-Time-Only</b>	<b>2,709,863</b>			<b>(5,419,726)</b>	<b>(100.0%)</b>

**Program Highlights**

<b>Rehabilitation and Programs Major Budget Highlights</b>
<p>The 2027 biennium request for the Rehabilitation and Programs Division is nearly \$11.7 million or 5.0% higher when compared to FY 2025 base appropriations. Significant changes include:</p> <ul style="list-style-type: none"> <li>• Nearly \$4.1 million general fund for contract renewals and provider rate increases with existing contracted facilities</li> <li>• \$3.1 million general fund for statewide present law adjustments to personal services and fixed costs with personal services accounting for \$2.6 million</li> <li>• \$1.4 million general fund to standardize pay across all facilities for nurse positions</li> <li>• Just over \$960,000 general fund for 1.00 additional pharmacy staff and additional medical solutions and equipment</li> <li>• \$940,000 general fund to support 4.00 additional victim services liaisons and associated operating expenses</li> </ul>

**Executive Request**

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Rehabilitation and Programs Division 2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
<b>Base Budget</b>	<b>112,002,837</b>	<b>4,766,296</b>	<b>0</b>	<b>116,769,133</b>	<b>95.6%</b>	<b>112,002,837</b>	<b>4,766,296</b>	<b>0</b>	<b>116,769,133</b>	<b>94.9%</b>
Statewide PL										
Personal Services	1,526,501	(5,587)	0	1,520,914	1.2%	1,575,821	(5,433)	0	1,570,388	1.3%
Fixed Costs	19,493	0	0	19,493	0.0%	19,483	0	0	19,483	0.0%
Inflation Deflation	(1,251)	0	0	(1,251)	(0.0%)	(845)	0	0	(845)	(0.0%)
<b>Total Statewide PL</b>	<b>1,544,743</b>	<b>(5,587)</b>	<b>0</b>	<b>1,539,156</b>	<b>1.3%</b>	<b>1,594,459</b>	<b>(5,433)</b>	<b>0</b>	<b>1,589,026</b>	<b>1.3%</b>
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	3,827,427	0	0	3,827,427	3.1%	4,694,406	0	0	4,694,406	3.8%
<b>Total HB 2 Adjustments</b>	<b>5,372,170</b>	<b>(5,587)</b>	<b>0</b>	<b>5,366,583</b>	<b>4.4%</b>	<b>6,288,865</b>	<b>(5,433)</b>	<b>0</b>	<b>6,283,432</b>	<b>5.1%</b>
<b>Total Requested Budget</b>	<b>117,375,007</b>	<b>4,760,709</b>	<b>0</b>	<b>122,135,716</b>		<b>118,291,702</b>	<b>4,760,863</b>	<b>0</b>	<b>123,052,565</b>	

**Funding**

The following table shows proposed program funding for all sources of authority.

Department of Corrections, 03-Rehabilitation and Programs Division Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	235,666,709	0	0	0	235,666,709	83.4%	
02917 MSP Canteen Revolving Acct	9,521,572	0	0	0	9,521,572	100.0%	
<b>State Special Total</b>	<b>\$9,521,572</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,521,572</b>	<b>3.4%</b>	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	
06011 License Plate Production	0	0	5,760,630	0	5,760,630	15.4%	
06033 Prison Ranch	0	0	9,738,396	0	9,738,396	26.0%	
06034 MSP Institutional Industries	0	0	7,732,086	0	7,732,086	20.7%	
06545 Prison Indust. Training Prog	0	0	1,613,805	0	1,613,805	4.3%	
06573 MSP - Cook Chill	0	0	12,540,444	0	12,540,444	33.5%	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,385,361</b>	<b>\$0</b>	<b>\$37,385,361</b>	<b>13.2%</b>	
<b>Total All Funds</b>	<b>\$245,188,281</b>	<b>\$0</b>	<b>\$37,385,361</b>	<b>\$0</b>	<b>\$282,573,642</b>		

The Rehabilitation and Programs Division is comprised mostly of general fund (96.0%) and state special revenues (4.0%) within HB 2. These state special funds are from the inmate canteen state special fund which receives revenues from the sale of products to inmates and is paid by inmates through inmate wages and money received from family members.

Additional funding supports functions related to Montana Correctional Enterprises (MCE), now located within the Rehabilitation and Programs Division. Non-budgeted proprietary funds such as license plate productions, prison ranch, and cook chill operations make up the largest portion of funding for the MCE. These programs will be discussed within a separate proprietary analysis found at <https://archive.legmt.gov/content/Publications/fiscal/2027-Biennium/Budget-and-Revenue/Budget-Analysis/Section-D/Section-D-Non-Budgeted-Proprietary-27Bi.pdf>.

**Program Actuals and Budget Comparison**

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.



Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	217.50	217.50	227.50	227.50
Personal Services	20,076,564	20,106,055	20,628,777	23,430,261	23,823,612
Operating Expenses	84,532,293	86,322,530	98,595,102	98,430,845	98,954,353
Transfers	337,179	241,367	235,117	235,117	235,117
Debt Service	19,493	117,347	20,000	39,493	39,483
<b>Total Expenditures</b>	<b>\$104,965,529</b>	<b>\$106,787,299</b>	<b>\$119,478,996</b>	<b>\$122,135,716</b>	<b>\$123,052,565</b>
General Fund	100,945,411	102,020,962	114,712,700	117,375,007	118,291,702
State/Other Special Rev. Funds	4,020,118	4,766,337	4,766,296	4,760,709	4,760,863
<b>Total Funds</b>	<b>\$104,965,529</b>	<b>\$106,787,299</b>	<b>\$119,478,996</b>	<b>\$122,135,716</b>	<b>\$123,052,565</b>
<b>Total Ongoing</b>	<b>\$103,351,334</b>	<b>\$104,249,648</b>	<b>\$116,769,133</b>	<b>\$122,135,716</b>	<b>\$123,052,565</b>
<b>Total OTO</b>	<b>\$1,614,195</b>	<b>\$2,537,651</b>	<b>\$2,709,863</b>	<b>\$0</b>	<b>\$0</b>

### Program Description

The Rehabilitation and Programs Division (RPD) is comprised of the Community Corrections Facilities and Programs Bureau, the Health Services Bureau, Montana Correctional Enterprises, the Evidence-Based Programming and Practices Quality Assurance Bureau, the Education Services Bureau, and the Victim Services Bureau.

The Community Corrections Facilities and Programs Bureau provides community corrections programs including 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 entities in Great Falls, Missoula, Billings, Bozeman, Butte, and Helena for prerelease services. The Health Services Bureau provides medical, dental, and mental health care to inmates in DOC's secure facilities and oversees the provision of these services in contracted facilities. Montana Correctional Enterprises (MCE) operates the department's correctional industries program. The Evidence-Based Programming and Practices Quality Assurance Bureau provides quality assurance services, reviewing programming options offered across the department. The Education Services Bureau provides general and vocational education opportunities to offenders in the department's care. The Victim Services Bureau provides crucial support and assistance to victims across the state.

### FY 2024 Appropriation Compared to FY 2024 Actual Expenditures

In FY 2024, expenditures within the Rehabilitation and Programs Division totaled 98.3% of its modified HB 2 budget. These modifications include the transfer of \$5.1 million in authority from FY 2025 to FY 2024 to cover shortfalls in areas of building emergencies and costs for prescription drugs. Without this transfer of authority, the division's HB 2 budget would have been over expended by 3.2%.

Total personal services were expended at 99.9%, while operating expenses were expended at 97.9%. All appropriations were almost fully expended with the exception of two areas. Approximately \$750,000 of the \$4.8 million appropriated from the inmate canteen state special fund was not expended. Additionally, the Department received \$1.0 million in general fund to begin transitioning offenders to the community from pre-release if they are deemed appropriate. Only \$76,000 was spent in FY 2024.

### FY 2024 Appropriations Compared to FY 2025 Appropriations

When compared to FY 2024 appropriations, FY 2025 reflects an increase of \$12.7 million or 11.9% with nearly \$12.3 million of this difference in operating expenses. This increase can be outlined in the following manner:

HB 5 provided an additional \$11.0 million in authority which includes ongoing operation and maintenance funding for many projects

- Nearly \$7.2 million for the operations of a new sex offender treatment unit
- Approximately \$3.4 million for the operations of a new pre-release center in Flathead County

FY 2025 also contained approximately \$4.3 million in additional general fund for increased provider rates in FY 2025 over FY 2024. General provider rate increases of 10.0% in FY 2025 were provided versus 6.0% in FY 2024. Additional rates were provided for a \$2.00/hr pay increase among contracted providers compared to a \$1.00/hr pay increase in FY 2024.

Additional changes in operating expenses relate to a program transfer performed in FY 2024 to tie out expenditures. This change moved \$1.3 million in operating expense authority to the Director's Office which has not occurred in FY 2025. Additional personal service authority in FY 2025 comes from the pay plan.

Appropriation increases in FY 2025 are partially offset by the transfer described in the previous section totaling \$5.1 million. All of this authority is within operating expenses.

**LFD COMMENT** The DOC has not yet finalized the location of the new pre-release center in Flathead County. Additionally, the amounts for the new sex offender treatment unit provided above are based off one year's estimates of a seven-year contract and cover both operations and construction for the facility.

**Program Personal Services**

Requested personal services in the RPD for the 2027 biennium total \$47.3 million and reflect an increase of \$6.1 million or 14.9% when compared to FY 2025 base appropriations. Increases are attributed to requests for 10.00 new PB and to statewide present law adjustments to personal services.

Statewide present law adjustments total \$3.1 million for the biennium and are primarily comprised of changes to position retirement, hiring vacant positions at a higher rate than when the position became vacant, career ladder changes, and due to budget modifications. When PB and personal service authority is moved between divisions, if the amount of authority moved does not directly match the salary and benefits

New positions requested by the executive include funding of \$1.7 million. These positions include:

- 4.00 additional victim services liaisons
- 2.00 teacher positions at the MWP - these are modified positions and no additional funding is requested
- 1.00 pharmacy staff
- 1.00 PB for the CAMMP MT program
- 2.00 additional PB for positions provided as OTO in the 2025 biennium

**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 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	1,526,501	(5,587)	0	1,520,914	0.00	1,575,821	(5,433)	0	1,570,388
DP 2 - Fixed Costs	0.00	19,493	0	0	19,493	0.00	19,483	0	0	19,483
DP 3 - Inflation Deflation	0.00	(1,251)	0	0	(1,251)	0.00	(845)	0	0	(845)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,544,743</b>	<b>(\$5,587)</b>	<b>\$0</b>	<b>\$1,539,156</b>	<b>0.00</b>	<b>\$1,594,459</b>	<b>(\$5,433)</b>	<b>\$0</b>	<b>\$1,589,026</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:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

Department of Corrections Rehabilitation and Programs FY 2026 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	\$475,984
Management Decisions	1,317,567
Budget Modifications	<u>(272,637)</u>
Total	<u>\$1,520,914</u>

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: audit fees, Capitol complex rent, information technology services, 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 in-state state motor pool and motor pool leased vehicles.

**New Proposals**

The “New Proposals” table shows new proposals for spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 303 - Respond to Increased Complexity of Medical/Pharmacy Needs	1.00	489,541	0	0	489,541	1.00	474,541	0	0	474,541
DP 304 - Respond to Increase in Number of Registered Victims	4.00	471,800	0	0	471,800	4.00	466,800	0	0	466,800
DP 306 - Tattoo Removal Program	0.00	250,000	0	0	250,000	0.00	250,000	0	0	250,000
DP 307 - Parenting Program	1.00	120,000	0	0	120,000	1.00	120,000	0	0	120,000
DP 310 - Make Modified Teacher Positions Permanent at MWP	2.00	0	0	0	0	2.00	0	0	0	0
DP 375 - Correction of Error - Make OTO PB Permanent	2.00	212,608	0	0	212,608	2.00	212,608	0	0	212,608
DP 380 - Community Correctional Facility Rate Adjustments	0.00	1,767,130	0	0	1,767,130	0.00	2,310,234	0	0	2,310,234
DP 385 - Equalize Nurse Pay	0.00	516,348	0	0	516,348	0.00	860,223	0	0	860,223
<b>Total</b>	<b>10.00</b>	<b>\$3,827,427</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,827,427</b>	<b>10.00</b>	<b>\$4,694,406</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,694,406</b>

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

DP 303 - Respond to Increased Complexity of Medical/Pharmacy Needs -

The executive requests general fund for 1.00 additional pharmacy staff and authority for an automated remote pharmacy solution and for the replacement of some outdated medical equipment.

DP 304 - Respond to Increase in Number of Registered Victims -

The executive requests general fund to support 4.00 additional victim services liaisons and associated operating expenses.

DP 306 - Tattoo Removal Program -

The executive requests general fund to allow the department to contract with an external entity to provide tattoo-removal services to offenders interested in the service.

DP 307 - Parenting Program -

The executive requests general fund for the continuation of the Connecting Adults and Minors through Positive Parenting (CAMMP) MT program and one new PB to oversee the program.

<b>LFD COMMENT</b>	This program focuses on evidence-based programming for inmates that also offers resources and support for families. This program had been funded by federal grant funding which is slated to end in September of 2025. This proposal would transition that program to the general fund beginning in the 2027 biennium.
--------------------	--

DP 310 - Make Modified Teacher Positions Permanent at MWP -

The executive requests 2.00 additional teacher positions at the Montana Women's Prison with no additional funding.

<b>LFD COMMENT</b>	The department has been utilizing these positions as modified positions although they were originally contracted with the Billings School District. Therefore, funding for these positions already exists in the base budget for the agency and no additional authority is being requested. There is a requested change in this decision package to move approximately \$183,000 to personal services to pay PB instead of operating expenses to cover contracted costs.
--------------------	--

DP 375 - Correction of Error - Make OTO PB Permanent -

The executive is requesting 2.00 additional positions.

**LFD  
COMMENT**

The 2023 Legislature provided 13.00 PB to the DOC for the 2025 biennium but made the appropriation one-time-only for these positions. All positions were provided to the Public Safety Division but were moved during the interim. This proposal would continue these positions along with new authority to pay associated costs.

DP 380 - Community Correctional Facility Rate Adjustments -

The executive requests general fund to cover contract renewals with existing pre-release centers that are expiring and to cover provider rate increases for community corrections facilities.

DP 385 - Equalize Nurse Pay -

The executive requests general fund to standardize nurse position wages among all facilities in the Department.

**LFD  
COMMENT**

Retention and recruitment for nurse positions has proven difficult during the 2025 biennium. This initiative aims to prevent facilities from competing with one another for qualified nurse positions due to pay reasons.

**Program Base Budget Comparison**

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	11.00	12.00	12.00	1.00	4.5%	
General Fund	1,302,980	1,358,296	1,361,610	113,946	4.4%	
<b>Total Funds</b>	<b>1,302,980</b>	<b>1,358,296</b>	<b>1,361,610</b>	<b>113,946</b>	<b>4.4%</b>	
Personal Services	1,112,809	1,168,392	1,171,619	114,393	5.1%	
Operating Expenses	133,271	133,004	133,091	(447)	(0.2%)	
Debt Service	56,900	56,900	56,900		0.0%	
<b>Total Expenditures</b>	<b>1,302,980</b>	<b>1,358,296</b>	<b>1,361,610</b>	<b>113,946</b>	<b>4.4%</b>	
<b>Total Ongoing</b>	<b>1,302,980</b>	<b>1,358,296</b>	<b>1,361,610</b>	<b>113,946</b>	<b>4.4%</b>	
<b>Total One-Time-Only</b>	<b>88,597</b>			<b>(177,194)</b>	<b>(100.0%)</b>	

**Program Highlights**

<b>Board of Pardons and Parole Major Budget Highlights</b>
<p>The 2027 biennium budget request for the Board of Pardons and Parole is approximately \$114,000 or 4.4% greater than the FY 2025 base budget. This increase is attributed to a request for 1.00 additional PB which is partially offset by statewide present law reductions totaling \$41,000.</p>

**Executive Request**

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Board of Pardons and Parole 2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
<b>Base Budget</b>	<b>1,302,980</b>	<b>0</b>	<b>0</b>	<b>1,302,980</b>	<b>95.9%</b>	<b>1,302,980</b>	<b>0</b>	<b>0</b>	<b>1,302,980</b>	<b>95.7%</b>
Statewide PL										
Personal Services	(21,829)	0	0	(21,829)	(1.6%)	(18,601)	0	0	(18,601)	(1.4%)
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	(267)	0	0	(267)	(0.0%)	(180)	0	0	(180)	(0.0%)
Total Statewide PL	(22,096)	0	0	(22,096)	(1.6%)	(18,781)	0	0	(18,781)	(1.4%)
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	77,412	0	0	77,412	5.7%	77,411	0	0	77,411	5.7%
<b>Total HB 2 Adjustments</b>	<b>55,316</b>	<b>0</b>	<b>0</b>	<b>55,316</b>	<b>4.1%</b>	<b>58,630</b>	<b>0</b>	<b>0</b>	<b>58,630</b>	<b>4.3%</b>
<b>Total Requested Budget</b>	<b>1,358,296</b>	<b>0</b>	<b>0</b>	<b>1,358,296</b>		<b>1,361,610</b>	<b>0</b>	<b>0</b>	<b>1,361,610</b>	

**Funding**

The following table shows proposed program funding for all sources of authority.

Department of Corrections, 04-Board of Pardons and Parole Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	2,719,906	0	0	0	2,719,906	100.0%
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Total All Funds</b>	<b>\$2,719,906</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,719,906</b>	

The Board of Pardons and Parole is fully funded by the general fund.

**Program Actuals and Budget Comparison**

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	11.00	11.00	12.00	12.00
Personal Services	1,098,000	1,134,748	1,186,406	1,168,392	1,171,619
Operating Expenses	63,193	89,720	148,271	133,004	133,091
Debt Service	56,899	56,900	56,900	56,900	56,900
<b>Total Expenditures</b>	<b>\$1,218,092</b>	<b>\$1,281,368</b>	<b>\$1,391,577</b>	<b>\$1,358,296</b>	<b>\$1,361,610</b>
General Fund	1,218,092	1,281,368	1,391,577	1,358,296	1,361,610
<b>Total Funds</b>	<b>\$1,218,092</b>	<b>\$1,281,368</b>	<b>\$1,391,577</b>	<b>\$1,358,296</b>	<b>\$1,361,610</b>
<b>Total Ongoing</b>	<b>\$1,190,351</b>	<b>\$1,196,578</b>	<b>\$1,302,980</b>	<b>\$1,358,296</b>	<b>\$1,361,610</b>
<b>Total OTO</b>	<b>\$27,741</b>	<b>\$84,790</b>	<b>\$88,597</b>	<b>\$0</b>	<b>\$0</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.

*FY 2024 Appropriation Compared to FY 2024 Actual Expenditures*

In FY 2024, expenditures within the Public Safety Division totaled 95.1% of its modified HB 2 budget. Personal services were expended at 96.8%, while operating expenses were expended at 70.4%. Operating expenses for FY 2024 for the Board comprised a very low portion of the HB 2 budget, and expenditures followed anticipated trends.

*FY 2024 Appropriations Compared to FY 2025 Appropriations*

When compared to FY 2024 amounts, appropriations in FY 2025 for the Board increase by approximately \$110,000 or approximately 8.6%. This difference is split between personal service and operating expenses. The main cause for the increase relates to additional HB 13 funding in FY 2025 for personal services.

**Program Personal Services**

Personal Services requested for the 2025 biennium total \$2.3 million and reflect an increase of \$114,000 or 5.1% when compared to FY 2025 base personal service appropriations. This increase is the result of 1.00 newly requested PB and in statewide present law adjustments to personal services. These adjustments result from the DOC hiring vacant positions at a different rate than the rate that was associated with the position when it became vacant.

**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 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(21,829)	0	0	(21,829)	0.00	(18,601)	0	0	(18,601)
DP 3 - Inflation Deflation	0.00	(267)	0	0	(267)	0.00	(180)	0	0	(180)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$22,096)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$22,096)</b>	<b>0.00</b>	<b>(\$18,781)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$18,781)</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:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

Department of Corrections Board of Pardons and Parole FY 2026 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	\$17,455
Management Decisions	(39,284)
Budget Modifications	-
<b>Total</b>	<b>(\$21,829)</b>

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 in-state state motor pool and motor pool leased vehicles.



**New Proposals**

The "New Proposals" table shows new proposals for spending.

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 475 - Correction of Error - Make OTO PB Permanent	1.00	77,412	0	0	77,412	1.00	77,411	0	0	77,411
<b>Total</b>	<b>1.00</b>	<b>\$77,412</b>	<b>\$0</b>	<b>\$0</b>	<b>\$77,412</b>	<b>1.00</b>	<b>\$77,411</b>	<b>\$0</b>	<b>\$0</b>	<b>\$77,411</b>

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

DP 475 - Correction of Error - Make OTO PB Permanent -

The executive is requesting 1.00 additional position.

<b>LFD COMMENT</b>	The 2023 Legislature provided 13.00 PB to the DOC for the 2025 biennium but made the appropriation one-time-only for these positions. All positions were provided to the Public Safety Division but were moved during the interim. This proposal would continue these positions along with new authority to pay associated costs.
--------------------	---