

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	120,011,273	120,927,968	16,933,567	7.6%
State/Other Special Rev. Funds	4,766,296	4,760,709	4,760,863	(11,020)	(0.1%)
Total Funds	116,769,133	124,771,982	125,688,831	16,922,547	7.2%
Personal Services	20,555,180	23,430,261	23,823,612	6,143,513	14.9%
Operating Expenses	95,958,836	101,067,111	101,590,619	10,740,058	5.6%
Transfers	235,117	235,117	235,117		0.0%
Debt Service	20,000	39,493	39,483	38,976	97.4%
Total Expenditures	116,769,133	124,771,982	125,688,831	16,922,547	7.2%
Total Ongoing	116,769,133	124,771,982	125,688,831	16,922,547	7.2%
Total One-Time-Only	2,709,863			(5,419,726)	(100.0%)

Program Highlights

Rehabilitation and Programs Major Budget Highlights
<p>The 2027 biennium request for the Rehabilitation and Programs Division is nearly \$16.9 million or 7.2% higher when compared to FY 2025 base appropriations. Significant changes include:</p> <ul style="list-style-type: none"> • Just over \$9.3 million general fund for contract renewals and provider rate increases with existing contracted facilities • \$3.1 million general fund for statewide present law adjustments to personal services and fixed costs with personal services accounting for \$2.6 million • \$1.4 million general fund to standardize pay across all facilities for nurse positions • Just over \$960,000 general fund for 1.00 additional pharmacy staff and additional medical solutions and equipment • \$940,000 general fund to support 4.00 additional victim services liaisons and associated operating expenses

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
Base Budget	112,002,837	4,766,296	0	116,769,133	93.6%	112,002,837	4,766,296	0	116,769,133	92.9%
Statewide PL										
Personal Services	1,526,501	(5,587)	0	1,520,914	1.2%	1,575,821	(5,433)	0	1,570,388	1.2%
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%)
Total Statewide PL	1,544,743	(5,587)	0	1,539,156	1.2%	1,594,459	(5,433)	0	1,589,026	1.3%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	6,463,693	0	0	6,463,693	5.2%	7,330,672	0	0	7,330,672	5.8%
Total HB 2 Adjustments	8,008,436	(5,587)	0	8,002,849	6.4%	8,925,131	(5,433)	0	8,919,698	7.1%
Total Requested Budget	120,011,273	4,760,709	0	124,771,982		120,927,968	4,760,863	0	125,688,831	

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	240,939,241	0	0	0	240,939,241	83.7%	
02917 MSP Canteen Revolving Acct	9,521,572	0	0	0	9,521,572	100.0%	
State Special Total	\$9,521,572	\$0	\$0	\$0	\$9,521,572	3.3%	
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.0%	
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%	
Proprietary Total	\$0	\$0	\$37,385,361	\$0	\$37,385,361	13.0%	
Total All Funds	\$250,460,813	\$0	\$37,385,361	\$0	\$287,846,174		

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	101,067,111	101,590,619
Transfers	337,179	241,367	235,117	235,117	235,117
Debt Service	19,493	117,347	20,000	39,493	39,483
Total Expenditures	\$104,965,529	\$106,787,299	\$119,478,996	\$124,771,982	\$125,688,831
General Fund	100,945,411	102,020,962	114,712,700	120,011,273	120,927,968
State/Other Special Rev. Funds	4,020,118	4,766,337	4,766,296	4,760,709	4,760,863
Total Funds	\$104,965,529	\$106,787,299	\$119,478,996	\$124,771,982	\$125,688,831
Total Ongoing	\$103,351,334	\$104,249,648	\$116,769,133	\$124,771,982	\$125,688,831
Total OTO	\$1,614,195	\$2,537,651	\$2,709,863	\$0	\$0

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

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	4,403,396	0	0	4,403,396	0.00	4,946,500	0	0	4,946,500
DP 385 - Equalize Nurse Pay	0.00	516,348	0	0	516,348	0.00	860,223	0	0	860,223
Total	10.00	\$6,463,693	\$0	\$0	\$6,463,693	10.00	\$7,330,672	\$0	\$0	\$7,330,672

***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.

LFD COMMENT	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.

LFD COMMENT	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
--------------------	--