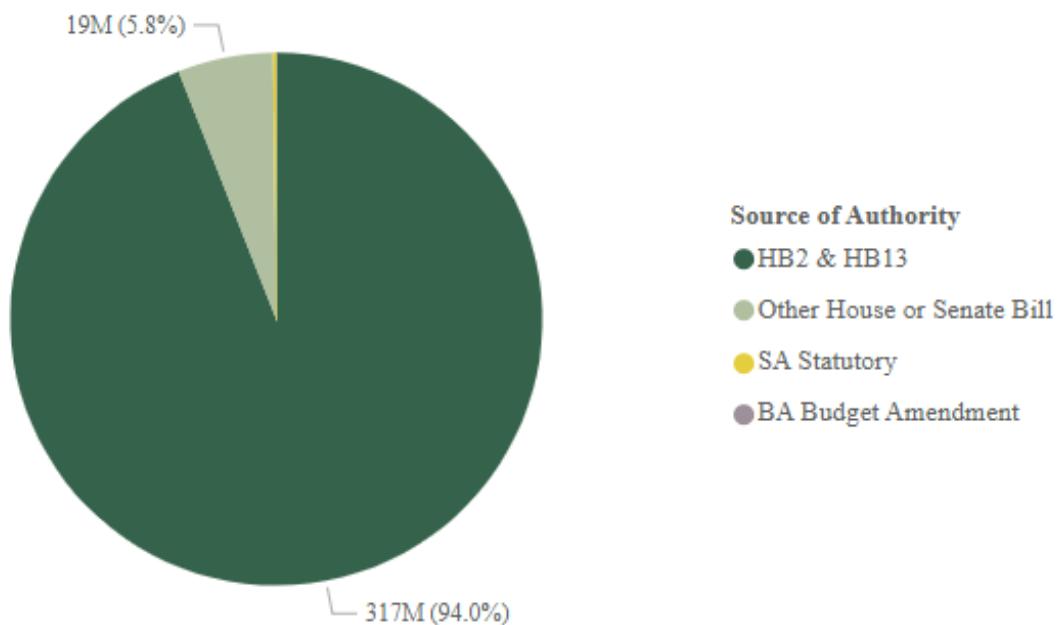


# DEPARTMENT OF CORRECTIONS

## TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Department of Corrections (DOC) is shown in the pie chart below. HB 2 and HB 13 provide 94.0% of the total authority for this agency in FY 2026. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

### Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expenditure	% Expenditure
HB2 & HB13	316,965,080	112,642,633	35.5%
BA Budget Amendment	22,913	22,913	100.0%
Other House or Senate Bill	19,483,460	3,765,012	19.3%
SA Statutory	705,015	78,328	11.1%
<b>Total</b>	<b>337,176,468</b>	<b>116,508,886</b>	<b>34.6%</b>

## Budget Amendments

The department has expended all of its \$23,000 in budget amendment authority. This authority provides additional operational support in the education department for youth housed at the Pine Hills Correctional Facility.

## **Other Bills**

In FY 2026, the DOC has nearly \$19.5 million in appropriation authority contained in other legislation which is separate from HB 2 and HB 13. A total of \$3.8 million, or 19.3% has been expended through November. This authority is almost entirely general fund and supports a number of items outlined below.

- Just over \$5.0 million general fund was authorized in HB 10 (2023 Session) and credited to the DOC by the Department of Administration for a new offender management system designated as COMPASS. Nearly \$2.4 million has been expended in FY 2026
- Nearly \$7.2 million was provided in HB 5 (2023 Session) for the operations of a new sex offender treatment facility (START sex offender treatment). Almost \$1.4 million has been expended in FY 2026. Established authority represents the yearly appropriation to operate the facility. The facility became occupied in October of 2026
- Nearly \$5.8 million was provided through HB 833 (2025 Session). This legislation provides funding for additional correctional capacity and for any assessment, planning, security, or transitional costs associated with establishing new capacity. A total of \$4.0 million was provided for the assessment of current and potential capacity, and another \$1.8 million was provided for the operations and maintenance costs for a facility if one is to be constructed. Approximately \$270,000 has been transferred from the department to the Department of Administration for assessment and planning costs
- Nearly \$1.8 million for the operations and maintenance of new facilities provided for by HB 5 (2023 Session) including the new Wallace building, Montana State Prison multipurpose building, Acadia facility in Butte, and new pre-release center in Flathead County. The majority of these buildings are not yet complete and occupied with the exception of the Flathead pre-release facility which is now operational. Approximately \$269,000 has been expended in FY 2026

## **Statutory Appropriations**

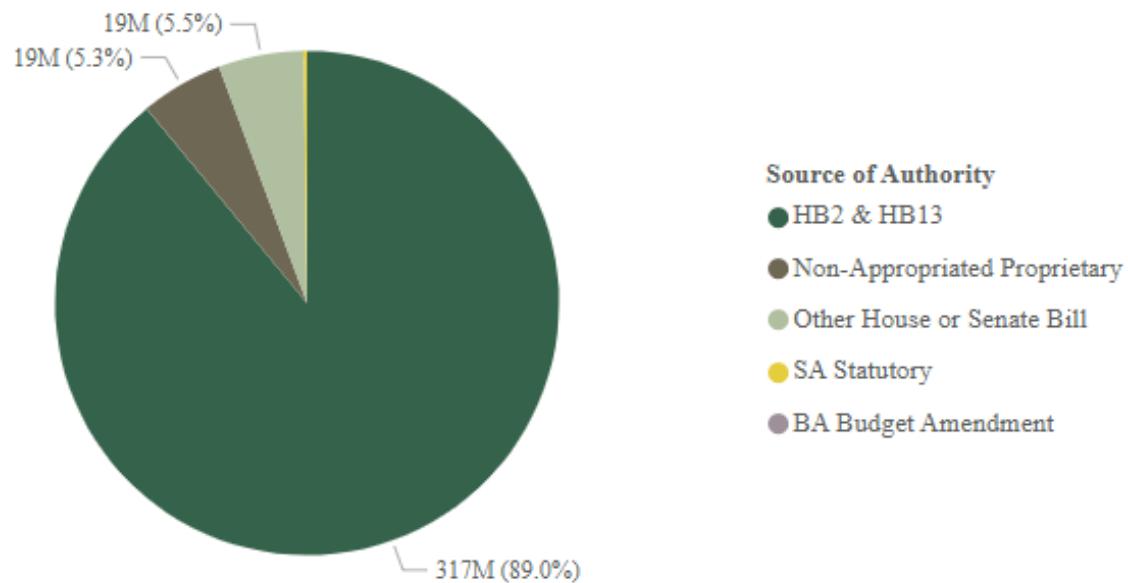
The DOC has statutory appropriation (SA) authority within the Inmate Welfare state special account that supports inmate priorities at the Pine Hills Correctional Facility and the state prisons, as provided in 53-1-109, MCA.

So far in FY 2026, the department has expended just over \$78,000 or 11.1% of the \$705,000 in statutory appropriation authority. Expenditures are comprised of nearly \$6,000 in personal services for inmate pay and just over \$72,000 in operating expenses for athletic and recreational equipment, shop supplies and tools, subscriptions, minor office equipment, and groceries.

## EXPENDITURE AUTHORITY

The total expenditure authority for the DOC is shown in the following pie chart. Total expenditure authority includes non-budgeted proprietary funding and non-budgeted expenditures such as transfers or indirect costs which are not included in the previous pie chart as the expenditures are not appropriated.

### Modified Budget & Expended Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	% Expended
HB2 & HB13	316,965,080	112,642,633	35.5%
BA Budget Amendment	22,913	22,913	100.0%
Non-Appropriated Proprietary	18,875,185	6,874,443	36.4%
Other House or Senate Bill	19,483,460	3,765,012	19.3%
SA Statutory	705,015	78,328	11.1%
<b>Total</b>	<b>356,051,653</b>	<b>123,383,329</b>	<b>34.7%</b>

## Non-Budgeted Proprietary Funding

The DOC operates five main proprietary programs under the Montana Correctional Enterprises (MCE). These programs provide services to approximately 700 inmates at the Montana State Prison (Deer Lodge) and Montana Women's Prison (Billings) in the areas of general and vocational education, on-the-job training, and work experience to inmates in industry, vocational and agricultural programs. Specific programs include license plate manufacturing, motor vehicle shop, wood shop, state ranch, tailor shop, and canine training. The programs serve to keep inmates active and engaged while incarcerated while also providing inmates with opportunities to learn job and other life skills. Inmates earn a wage to pay for hygiene items and personal clothing, victim restitution and court-ordered fines, and to save for their release. For more information regarding the specific programs, please visit <https://cor.mt.gov/MCE/Programs/>.

In FY 2026, the DOC has \$18.9 million in non-budgeted proprietary authority for the MCE program. Through November, approximately \$6.9 million, or 36.4% has been expended, which is in line with expectations. The table below shows the FY 2026 budget, current expenditures, and the percent expended for each of the non-budgeted proprietary accounts.

<b>Department of Corrections FY 2026 Proprietary Expenditures</b>			
<b>Proprietary Account</b>	<b>FY 2026 Budget</b>	<b>FY 2026 Expenses</b>	<b>Percent Expended</b>
Prison Ranch	\$4,920,802	\$1,472,483	29.9%
Institutional Industries	3,915,793	1,710,320	43.7%
Food Factory	6,324,289	1,911,093	30.2%
Vocational Education	814,609	542,006	66.5%
License Plate Factory	2,899,692	1,238,542	42.7%
<b>Total</b>	<b>\$18,875,185</b>	<b>\$6,874,443</b>	<b>36.4%</b>

## HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget from July 1, 2025, through November 30, 2025. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

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

Agency Name	HB 2 Budget	Modified Budget	Net Modifications
Dept of Corrections	316,965,080	316,965,080	0
01 DIRECTOR'S OFFICE CSD	23,494,768	23,494,768	0
02 PUBLIC SAFETY	167,053,730	166,777,824	-275,906
03 REHABILITATION AND PROGRAMS	124,893,711	125,169,617	275,906
04 BOARD OF PARDONS AND PAROLE	1,522,871	1,522,871	
<b>Total</b>	<b>316,965,080</b>	<b>316,965,080</b>	<b>0</b>

Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
61000 Personal Services	121,779,944	123,579,944	1,800,000
62000 Operating Expenses	191,793,865	189,715,053	-2,078,812
63000 Equipment & Intangible Assets	795,000	906,090	111,090
68000 Transfers-out	503,739	708,283	204,544
69000 Debt Service	2,092,532	2,055,710	-36,822
<b>Total</b>	<b>316,965,080</b>	<b>316,965,080</b>	<b>0</b>

Fund Type	HB 2 Budget	Modified Budget	Net Modifications
01 General	309,729,530	309,729,530	0
02 State/Other Spec Rev	7,102,504	7,102,504	0
06 Enterprise	105,937	105,937	
06 Internal Service	27,109	27,109	
<b>Total</b>	<b>316,965,080</b>	<b>316,965,080</b>	<b>0</b>

As seen in the figures above, the DOC has performed a few modifications to its appropriated HB 2 budget. These changes move authority/responsibilities between programs and appropriations between expenditure accounts.

Within the Rehabilitation and Programs Division (RPD), \$1.8 million was transferred from operating expenses to personal services. With the opening of the new department-operated pre-release center in Flathead Valley, called the Flathead Valley Reentry Center (FVRC), the department needed staff for the facility. All authority provided for the operations of a new facility were loaded into operating expenses. This change moves authority to personal services for the hiring of 32.00 modified PB to staff the center.

Approximately \$276,000 and 3.00 PB were transferred from the Public Safety Division (PSD) to the RPD. These positions were associated with responsibilities that were moved during an agency reorganization in FY 2024 when all education services were consolidated into one bureau in the RPD. These three positions were missed. According to the budget system, these positions include two teacher positions and one program manager.

Nearly \$105,000 was moved from operating expenses to transfer accounts for an MOU between the DOC and the Department of Justice (DOJ). These funds will cover DOJ personal service costs of a 1.00 PB licensed attorney and a 0.50 PB paralegal in the prosecution services bureau for the prosecution of criminal cases arising within the Montana prison system.

Lastly, \$100,000 in operating expense authority was transferred to the DOA Architecture and Engineering (A&E) Division for a perimeter fence project at the Montana State Prison (MSP).

## HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through November 30, 2025.

### Monthly Expenditures Compared to Historical Average

● FY 2026 Budget ● Cumulative Monthly FY 2026 Expenditures ● Cumulative Historical Monthly Average Expended

350.0M

300.0M

250.0M

200.0M

150.0M

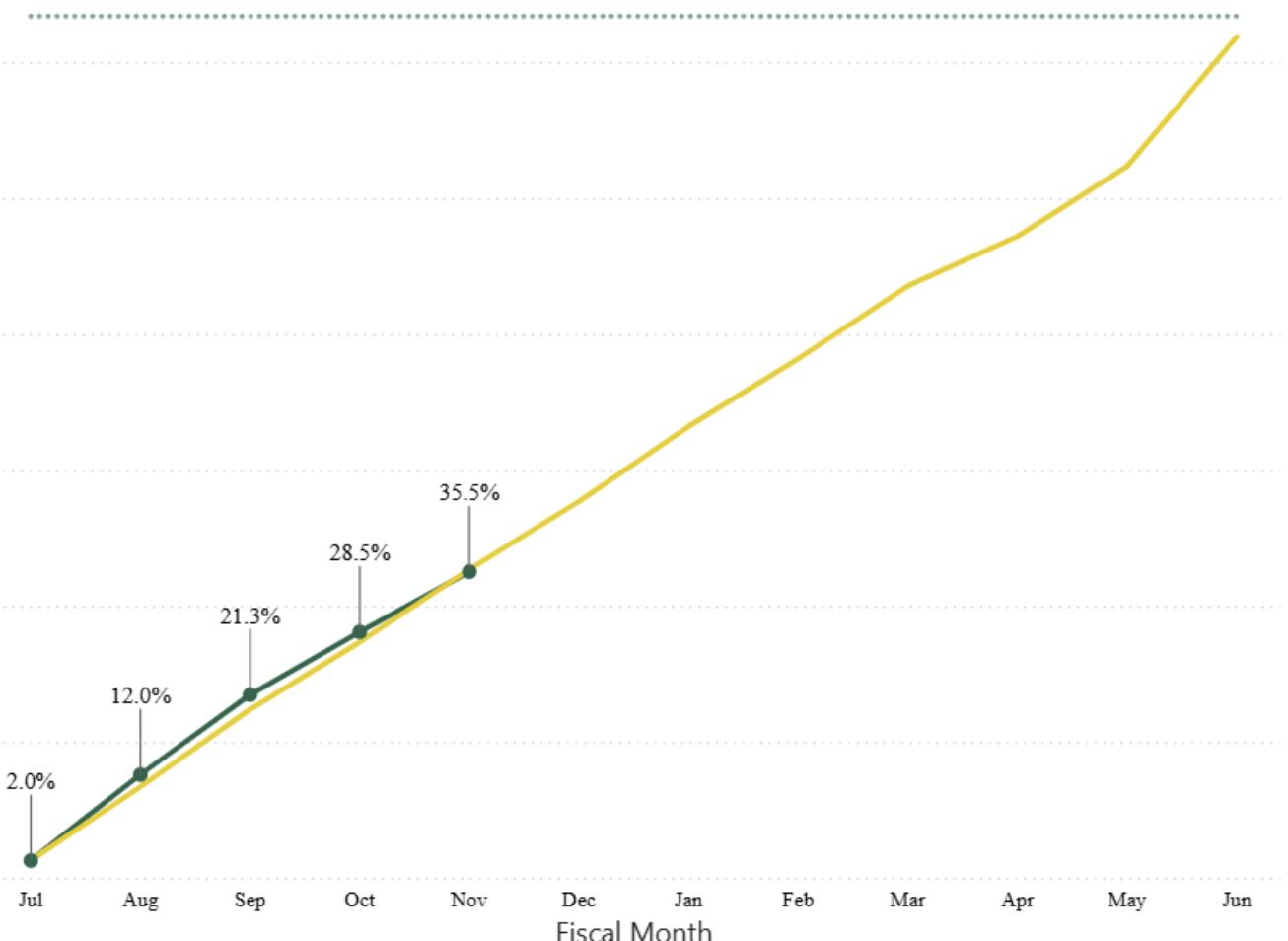
100.0M

50.0M

0.0M

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

Fiscal Month



Program Name	Modified Budget	Expended Budget	% Expended
⊕ 01 DIRECTOR'S OFFICE CSD	23,494,768	9,553,359	40.7%
⊕ 02 PUBLIC SAFETY	166,777,824	61,142,782	36.7%
⊕ 03 REHABILITATION AND PROGRAMS	125,169,617	41,359,805	33.0%
⊕ 04 BOARD OF PARDONS AND PAROLE	1,522,871	586,687	38.5%
<b>Total</b>	<b>316,965,080</b>	<b>112,642,633</b>	<b>35.5%</b>
Expenditure Type	Modified Budget	Expended Budget	% Expended
⊕ Personal Services	123,579,944	47,380,740	38.3%
⊕ Operating Expenses	189,715,053	64,241,891	33.9%
⊕ Equipment & Intangible Assets	906,090		
⊕ Transfers-out	708,283		
⊕ Debt Service	2,055,710	1,020,001	49.6%
<b>Total</b>	<b>316,965,080</b>	<b>112,642,633</b>	<b>35.5%</b>
Fund Type	Modified Budget	Expended Budget	% Expended
⊕ 01 General	309,729,530	110,630,650	35.7%
⊕ 02 State/Other Spec Rev	7,102,504	1,878,937	26.5%
⊕ 06 Enterprise	105,937	105,937	100.0%
⊕ 06 Internal Service	27,109	27,109	100.0%
<b>Total</b>	<b>316,965,080</b>	<b>112,642,633</b>	<b>35.5%</b>

The DOC HB 2 modified budget for FY 2026 is principally funded with general fund at 97.7%, and current fiscal year expenditures follow a similar trend at 98.1% general fund. Through November, the Department of Corrections expended 35.5%, or \$112.6 million of its \$317.0 million HB 2 budget. Overall, this spending trend is similar to the average spending for this same period for the previous five fiscal years of 35.8%.

Operating expenses and personal services make up most of FY 2026 DOC expenditures. Operating expenses accounted for 57.0% of total expenditures through November. In operating expenses, the department expended \$64.2 million, of which nearly \$42.1 million, or 65.6% can be attributed to costs for housing inmates at county jails, contracted prison facilities, and contracted community corrections facilities including treatment, assessment, sanction, and pre-release centers. Remaining operating expenses relate to outside medical costs, fixed costs and IT costs in the Central Services Division, and for general operations of state facilities.

Personal services currently account for an additional 42.1% of expenditures. DOC has expended approximately \$47.4 million, or 38.3% of the personal services budget through November of FY 2026. This percentage is principally identical to the average personal service spending for the previous five fiscal years. Department personal services will be discussed in more detail in the next section of this report.

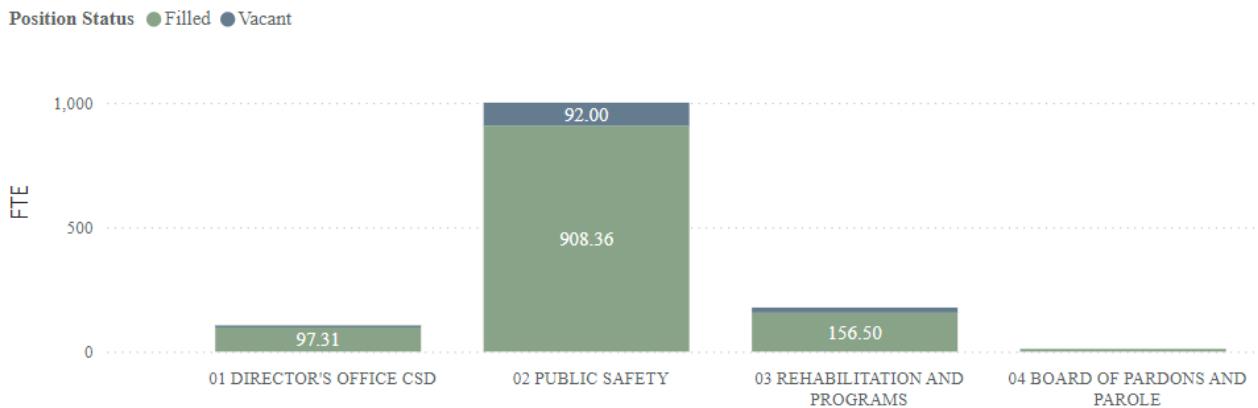
For the department in the 2027 biennium, HB 2 includes a series of general fund line-item appropriations that contain restrictions around spending. The most notable of these items are shown in the list below. All appropriations reside in the Public Safety and Rehabilitation and Programs Divisions. In FY 2026, there have not yet been expenditures related to most of these appropriations contained in the budget. The 2025 Legislature approved all these appropriations as biennial, and any remaining FY 2026 amounts shown below are available for spending again in FY 2027.

- Nearly \$3.1 million in restricted funding was provided to increase appropriations for county jail holds by an average daily population of 100 beds. This is up to 350 from 250. As the department has base budget authority for jail holds, that pot of money is being expended first. Therefore, this additional appropriation has not been expended to this point
- \$1.7 million in restricted funding was provided for new equipment and technology purchases, including firearm purchasing and replacement. Just over \$1.1 million has been expended through November
- Just under \$1.0 million in restricted funding was provided to purchase newer vehicles and heavy equipment such as forklifts, manlifts, and excavators at the Montana State Prison and to upgrade and increase the number of leased vehicles mainly for probation and parole officers. No authority has been expended to date
- \$921,000 was provided for rate increases to contracted secure facilities and county jails by approximately 2.0% each fiscal year. All authority is used to establish contracted rates paid to entities, and this authority acts as a portion of that entire appropriation for contracted secure facilities. The authority has not yet been expended
- Just over \$432,000 was provided for an automated pharmacy solution and the replacement of some outdated medical equipment. No authority has been expended

Most of the authority discussed in the line-item appropriations above relates to operating expense accounts. This contributes to the slightly lower level of spending through this point in the fiscal year. New initiatives can take time to properly establish, and this is not uncommon this early in the biennium.

## Personal Services

FY 2026 appropriations for personal services in the Department of Corrections total \$123.6 million and were 38.3% expended as of November 30, 2025. The following chart shows the filled and vacant positions budgeted (PB) within the agency.



In FY 2026, the DOC is budgeted for 1,303.67 PB within HB 2. Of the total PB, the DOC had 96.50 PB vacant at the end of October 2026, which represents an agency vacancy rate of 7.4%. This number is down from FYE 2025 numbers in which 105.00 PB were vacant corresponding to a rate of 8.1%.

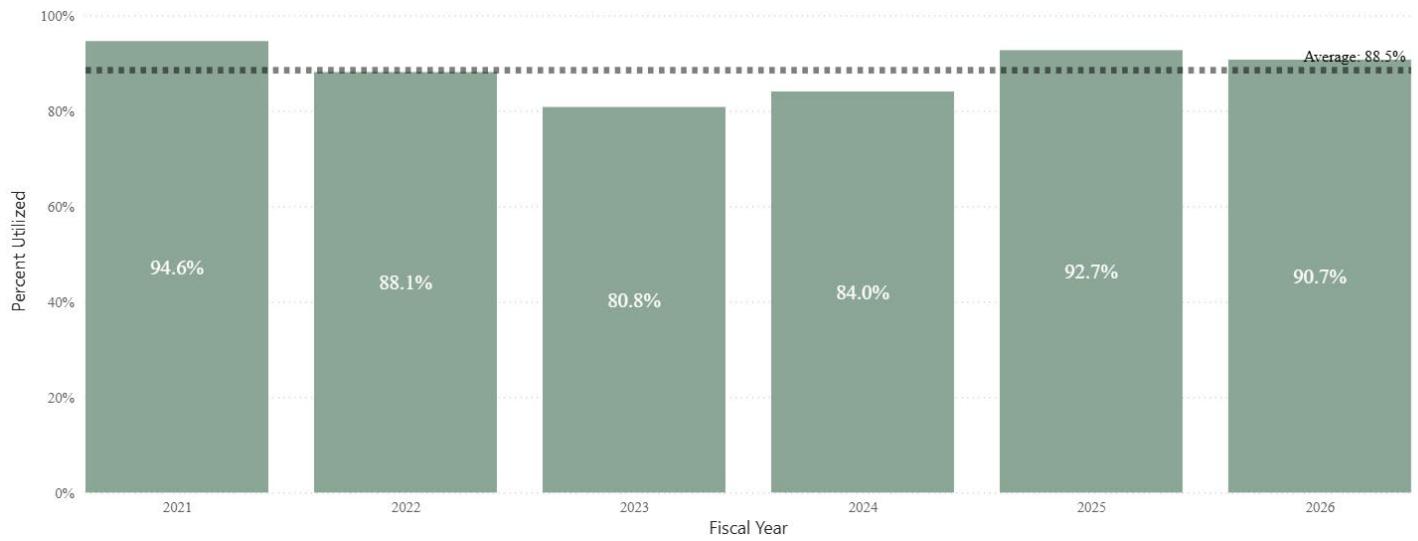
Current vacancies related to correctional officers (officer 1, officer 2, transportation, and sergeant positions) total 46.00 PB, which represents an increase of 10.00 PB from FYE 2025 but is still lower than previous fiscal years. Current vacancies in correctional officer positions are mostly experienced through position turnover. Other areas currently experiencing the most vacancies include:

- Probation and Parole Officers – 11.00 vacant PB
- Nurse Aides – 6.50 vacant PB
- Teacher positions – 3.00 vacant PB

From July 1, 2025 to November 1, 2025, the DOC experienced turnover in 19 positions. This number is relatively low for the Department. The turnover reasons for these positions are as follows:

- Left state employment – 18 positions
- Retired – 1 position

The chart below shows the hourly utilization percentage for the Department of Corrections between July 1 and May 1 for each fiscal year when compared to the available hours for the same time period. Overall, the department has utilized 90.7% of the hours budgeted for this period in FY 2026, as shown in the chart below, which is slightly above the historical five-year average of 88.5%. The historical average is drawn down slightly by rates in FY 2023 and FY 2024 where high vacancy levels and the mandatory use of overtime hours for correctional officer positions, which are coded differently than regular budgeted hours, brought down overall utilization amounts.



Additionally, the table below shows the vacant PB in each division, the number of months each position has been vacant, and the midpoint hourly pay rate. The amount of PB included below may differ slightly from the total numbers stated above due to the timing and nature of different data sets used to build reports. As seen in that table, for the 95.50 PB that were vacant on November 1, 2026, the average period of time positions have been vacant, according to SABHRS reports, is 49 days. A total of 5.50 PB have been vacant for a period of 6 months or longer.

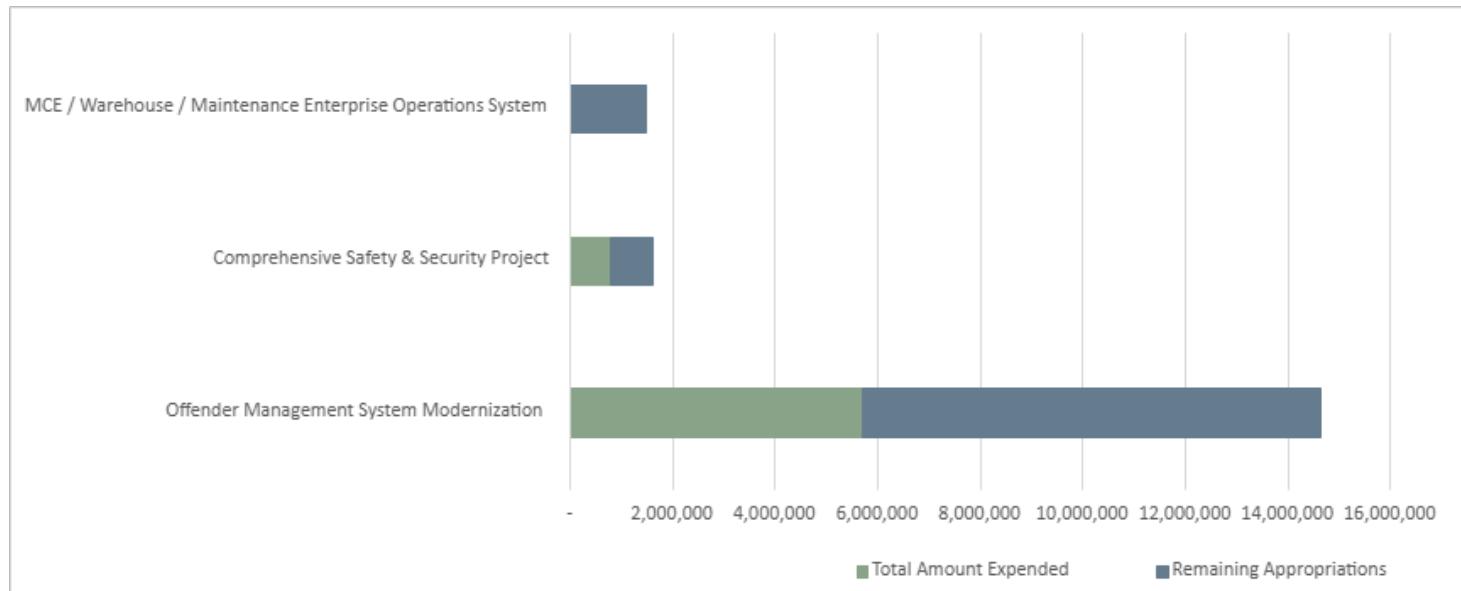
Position Classification	PB	Median Months Vacant	Market Midpoint (Hourly)
<b>Department of Corrections</b>	<b>95.50</b>	<b>1.61</b>	<b>19.69</b>
<b>01 DIRECTOR'S OFFICE CSD</b>	<b>7.00</b>	<b>5.44</b>	<b>45.98</b>
Accounting Technician 2	2.00	3.56	20.30
Budget Analyst 2	1.00	11.87	33.52
Central Services Chief Exec	1.00	3.02	75.89
Lawyer	1.00	5.44	55.14
MoveOps Bureau Chief	1.00	6.26	51.21
Project Mgmt Bureau Chief	1.00	2.07	45.98
<b>02 PUBLIC SAFETY</b>	<b>70.50</b>	<b>1.44</b>	<b>19.69</b>
Case Specialist	1.00	0.72	27.86
Clinical Therapist 1	1.00	7.97	29.45
CO - Transportation	1.00	1.05	19.69
Correctional Case Specialist 1	1.00	1.61	24.66
Correctional Lieutenant	1.00	4.59	31.80
Correctional Officer	43.00	1.28	19.69
Correctional Officer 2	1.00	2.23	22.54
Correctional Sergeant	2.50	1.02	25.66
Crime Investigator 2	2.00	2.02	36.55
Hearings Officer	1.00	2.75	38.08
Heavy Equipment Driver/Operator	1.00	0.92	
Operations Manager	1.00	15.97	51.21
Probation Parole Captain	1.00	2.75	39.56
Probation Parole Officer	11.00	2.98	22.71
Program Specialist 1	1.00	1.18	27.86
Secure Facility Compliance Mgr	1.00	4.59	39.86
<b>03 REHABILITATION AND PROGRAMS</b>	<b>18.00</b>	<b>3.21</b>	<b>26.87</b>
Administrative Assistant	1.00	1.38	18.15
Clinical Therapist 1	1.00	14.23	29.45
Compliance Specialist 3	1.00	2.75	42.55
Correctional Case Specialist 2	1.00	0.03	28.86
Dental Assistant 1	1.00	4.00	19.30
Dentist 1	0.50	7.02	82.48
Nursing Aide 2	6.50	4.13	17.62
Program Manager	1.00	0.59	51.21
Registered Nurse 2	2.00	1.66	35.20
Teacher 1	3.00	4.03	26.87

## OTHER ISSUES

### Information Technology Project Expenditures

The Department of Corrections is in the process of acquiring a few different information technology (IT) solutions. The 2023 Legislature provided \$17.8 million in HB 10 for a new offender management system. This project has been designated as COMPASS. The project has an updated estimated total cost of \$14.7 million compared to the original \$17.8 million. The data system has an estimated completion date of January 2027.

Additionally, the department has two projects appropriated in HB 10 of the 2025 Session. These projects are a new comprehensive safety surveillance system for the department and for operational systems within the department. These systems include processes like billing, estimation, and inventory management. Total authority provided for the two projects is \$3.1 million. The safety and security project is currently in the executing stages with \$800,000 in total expenditures while the MCE operations system is estimated to be completed by the end of FY 2027 but is currently in the initiation phases for the project.



### Required Reports

The following link will take you to links for any reports that the Department of Corrections is required to provide quarterly to the Section D IBC:

<https://committees.legmt.gov/#/nonStandingCommittees/25?tab=Required+Reports>