



**MONTANA DEPARTMENT OF  
CORRECTIONS**  
DIRECTOR'S OFFICE

**Greg Gianforte, Governor | Brian M. Gootkin, Director**

Feb. 9, 2023

Members of the Interim Budget Committee Section D,

The Montana Department of Corrections respectfully submits the following information in response to requests made by members of the Interim Budget Committee Section D at its Feb. 9, 2023 work session.

**Provide spreadsheet used to calculate estimated rates at a Flathead Prerelease Center.**

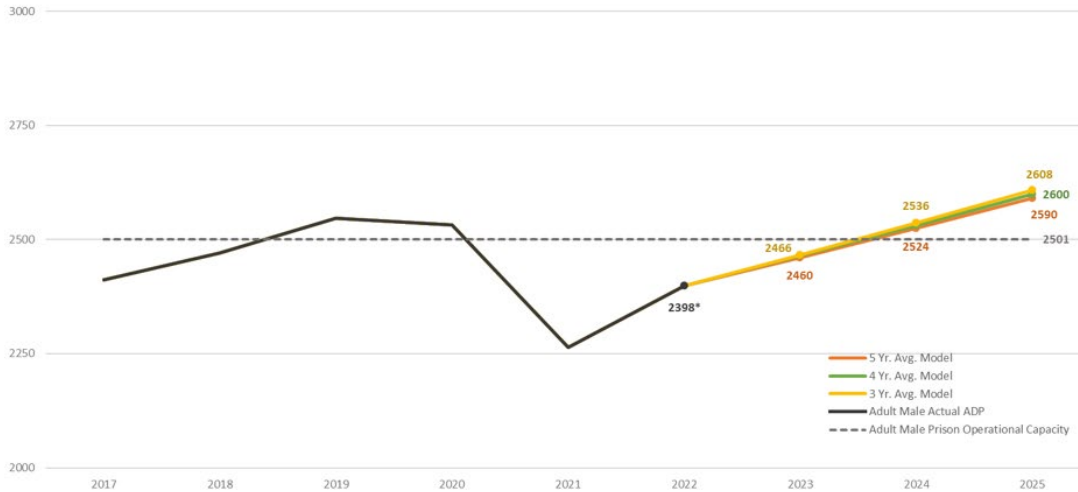
Current Female PRC Rates		
Facility	Expected FY 24 Rate	Projected RFP Rate
Butte PRC	\$ 67.54	
Great Falls PRC	\$ 69.41	
Missoula PRC	\$ 89.78	
Passages PRC	\$ 84.09	
<b>AVERAGE</b>	\$ 77.71	\$ 107.23
Current Male PRC Rates		
Facility	Expected FY 24 Rate	
Alpha House	\$ 56.61	
Butte PRC	\$ 57.51	
Gallatin County	\$ 76.78	
Great Falls PRC	\$ 58.72	
Helena PRC	\$ 70.30	
Missoula PRC	\$ 70.00	
<b>AVERAGE</b>	\$ 64.99	\$ 89.68

The rates for Option #2, a pre-release center in Flathead County, were calculated based on an average of all pre-release centers across the state (FY 23 rate + 4% increase requested in Governor's Budget) with a multiplier added in to reflect anticipated rate increases as a result of RFP. The department went out to RFP for two treatment centers this fiscal year. Each RFP had only one responding vendor. The RFP multiplier reflected here is the same rate increase that we saw with those contracts.

## Provide three-year prison population projections.

The following graphs provide predicted male and female prison population numbers for FY2023-FY2025 using historic population trends. Three population projection models were included in each graph to provide a range of what prison grow may look like if historic trends continue. COVID-19 caused drastic changes in prison population due to practices enacted to mitigate its spread. To decrease the effects caused by COVID in modeling, FY2021 data was excluded from this analysis.

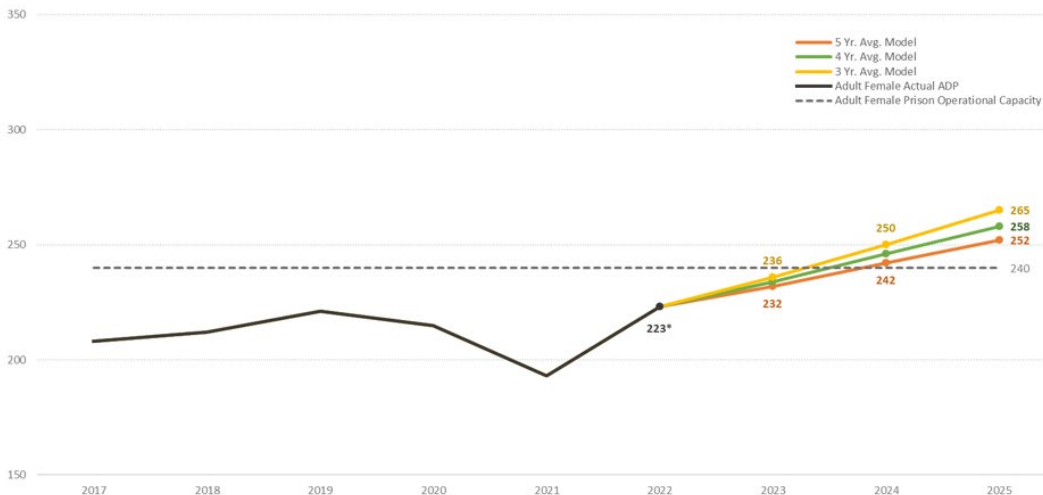
Montana Department of Corrections Male Prison Population Projections for FY2023-FY2025



\*Due to the extreme effects of COVID-19 on population numbers, FY 2021 data were excluded from the models. Despite this mitigation, the models are still impacted from the influences of COVID in late FY 2020 and early FY 2022 and projections may change as more data becomes available.

Data Source: Average Daily Population (ADP) from Montana Department of Corrections Adult ADP FY2022 and FY2023 Population Reports, utilizing data from the Montana Department of Corrections' Offender Management Information System (OMIS).

Montana Department of Corrections Female Prison Population Projections for FY2023-FY2025



\*Due to the extreme effects of COVID-19 on population numbers, FY 2021 data were excluded from the models. Despite this mitigation, the models are still impacted from the influences of COVID in late FY 2020 and early FY 2022 and projections may change as more data becomes available.

Data Source: Average Daily Population (ADP) from Montana Department of Corrections Adult ADP FY2022 and FY2023 Population Reports, utilizing data from the Montana Department of Corrections' Offender Management Information System (OMIS).

## Provide contract language related to guarantees.

Please see this example from the Passages contract.

### 3. Bonding (If financed with MFFA)

In order to provide financing of CONTRACTOR'S prerelease, assessment, sanction, revocation and alcohol and drug treatment center facility CONTRACTOR requested the issuance of **\$7,920,000** in tax-exempt bonds (the Bonds") by the Montana Health Facility Authority (currently known as the Montana Facility Finance Authority and referred to herein as "MFFA") and a loan of the proceeds of the Bonds to CONTRACTOR pursuant to Montana Code Annotated Sections 90-7-226 through 228. As security for the Bonds, the MFFA required a written contract for services between CONTRACTOR and DEPARTMENT, which was executed **January 15, 2007**, and approved by MFFA pursuant to Section 90-7-226(1) MCA (the **October 2006 Contract**"). The **January 2007 Contract** required DEPARTMENT to commit to the following provisions during the term of the Bonds (and DEPARTMENT hereby ratifies these commitments in this contract):

- a. Payment by DEPARTMENT for additional reimbursement for the cost of the new facility and the maintenance of a 115% debt service coverage for the Bonds. In addition, DEPARTMENT will review the CONTRACTOR'S yearly (audited) and quarterly (unaudited) financial statements (which the CONTRACTOR agrees to timely provide to DEPARTMENT for such review) to determine compliance with the Debt Service Coverage Requirement; and
- b. guaranty of payment by DEPARTMENT for 75% of the contracted bed space. The amount of payment is designed to cover CONTRACTOR'S fixed costs for a guaranteed 75% of contracted bed space.
- c. As part of the compensation and deducted monthly from DEPARTMENT'S regular payments to CONTRACTOR, by August 15<sup>th</sup> of each year, DEPARTMENT shall pay, on behalf of CONTRACTOR, to U.S. Bank National Association, as Trustee (the "Trustee") of the Bonds under an Indenture of Trust dated as of **November 1, 2006**, (the "Indenture"), the following amounts:
  - i. the principal of and interest on the Bonds coming due in the following 12 months;
  - ii. the Program Expenses (as defined in the Indenture);
  - iii. any amounts necessary to make the Reserve Fund equal to the Reserve Requirement (as defined in the Indenture);
  - iv. any amounts due under a Capital Reserve Account Agreement between the MFFA and the Board of Investments (as defined in the Indenture); and

## Prison space in Arizona:

- **Beds** – CoreCivic has 360 beds available at its facility in Arizona. Each housing unit has 120 beds. Restrictive Housing beds are available for inmates who require them. For 120 beds, and assuming a cost of \$90/day, it would be an annual expense of \$3,942,000. The DOC must contract for a minimum of 120 beds, or pay more per inmate or deliver a larger up-front payment amount.
- **Commitment term** – According to CoreCivic, contracts related to sending inmates out of state are meant to serve as a relief valve while the requesting state resolves challenges that trigger the need to send inmates out of state. As such, there is no contractual requirement that inmates must be sent out of state for a certain time. However, given the cost to staff-up, prep for contractual requirements, transport of inmate property, and costs of transportation of inmates, it is more beneficial for the contract to be longer term than short term.





Please let us know if you have any questions related to these responses.

Respectfully Submitted,

Brian Gootkin, Director