

# *Department of Corrections Governor's FY 2015 and FY 2016 Recommendations*

Staff Presentation to the House  
Finance Committee  
April 30, 2015

## *Mission*

- To contribute to public safety by maintaining a balanced correctional system of institutional and community programs that provide a range of control and rehabilitative options for criminal offenders

## *Mission*

- Provide a comprehensive correctional program for all incarcerated adult offenders and those requiring other forms of supervision
  - ◆ Probation
  - ◆ Parole
  - ◆ Home confinement
  - ◆ Electronic monitoring

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## *Major Programs*

- Institutional Corrections (7 Facilities)
  - ◆ Custody & Security
  - ◆ Institutional Support
  - ◆ Institutional Based Rehab / Population Management Programs
  - ◆ Healthcare Services

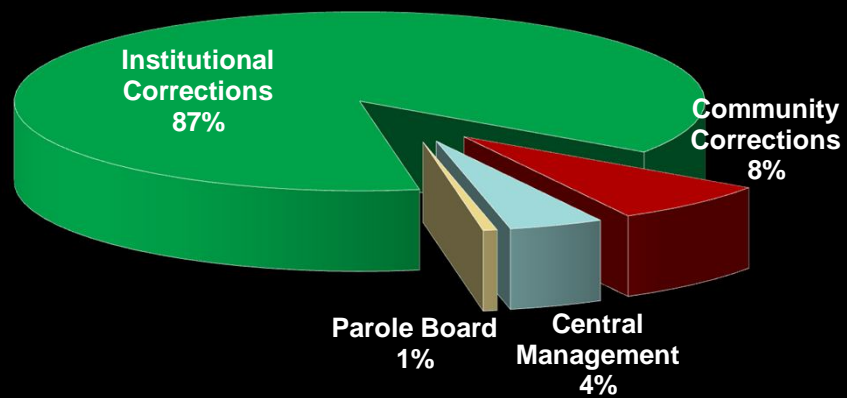
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## Major Programs

- Community Corrections
- Central Management
- Parole Board

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## FY 2016 Department



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## Summary By Fund Source

(In millions)	Enacted	FY 2015 Gov. Rev.	FY 2016 Governor
General Revenues	\$187.7	\$196.3	\$200.1
Federal Funds	1.7	2.0	1.3
Restricted Receipts	0.4	0.4	0.05
Other Funds	19.5	14.7	11.1
<b>Total</b>	<b>\$209.3</b>	<b>\$213.3</b>	<b>\$212.6</b>

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## Summary By Fund Source

Change to Enacted (In millions)	FY 2015 Gov. Rev.	FY 2016 Governor
General Revenues	\$8.5	\$12.3
Federal Funds	0.4	(0.3)
Restricted Receipts	0.005	(0.4)
Other Funds	(4.9)	(8.4)
<b>Total</b>	<b>\$4.0</b>	<b>\$3.2</b>

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## *Budget Office Target*

- General revenue target of \$178.2 million
  - ◆ Current services adjustment of \$3.6 million
  - ◆ 7.5% target reduction of \$13.1 million
  - ◆ Constrained budget request meets target
- Governor's recommendation is \$21.8 million

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## *Population*

- Majority of expenditures are for staffing
- Greatest savings occur when population reductions allow for the closure of housing units and staff posts
- Previous population levels required continuous operation of all housing units
  - ◆ Two units in minimum are currently closed

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## *Population*

- Maximum capacity of the prison is governed by the terms of an overcrowding lawsuit in 2007
  - ◆ Includes all beds
- Operational capacity includes all beds, except for hospital beds and a third of segregation beds

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## *Population*

- FY 2015 recommendation as requested
  - ◆ 3,239 inmates, 69 more than enacted
- FY 2016 recommendation as requested
  - ◆ 3,292 inmates, 122 more than enacted
- Through March, average population of 3,186
  - ◆ 16 more than enacted
  - ◆ 53 more than recommended for FY 2015

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## Population

	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
<b>Request</b>	<b>3,709</b>	<b>3,416</b>	<b>3,231</b>	<b>3,152</b>	<b>3,170</b>	<b>3,292</b>
Governor	3,643	3,416	3,231	3,152	3,170	3,292
Enacted	3,450	3,239	3,194	3,152	3,170	-
Rev. Req.	3,350	3,264	3,146	3,192	3,239	-
Gov. Rev.	3,350	3,265	3,146	3,192	3,239	-
Final	3,273	3,192	3,146	3,192	-	-
<b>Actual</b>	<b>3,273</b>	<b>3,191</b>	<b>3,160</b>	<b>3,214</b>	-	-

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## FY 2015 Population (Through March)

Facility	Average Population	Maximum Capacity	Operating Capacity	Vacant	Percent Vacant
High	96	166	138	42	30.4%
Maximum	440	466	409	(31)	(7.6)%
Medium	1,061	1,186	1,126	65	5.8%
Intake	1,024	1,148	1,118	94	8.4%
Minimum	428	710	708	280	39.5%
Women's	137	213	173	36	20.8%
<b>Average</b>	<b>3,186</b>	<b>3,989</b>	<b>3,772</b>	<b>486</b>	<b>12.9%</b>

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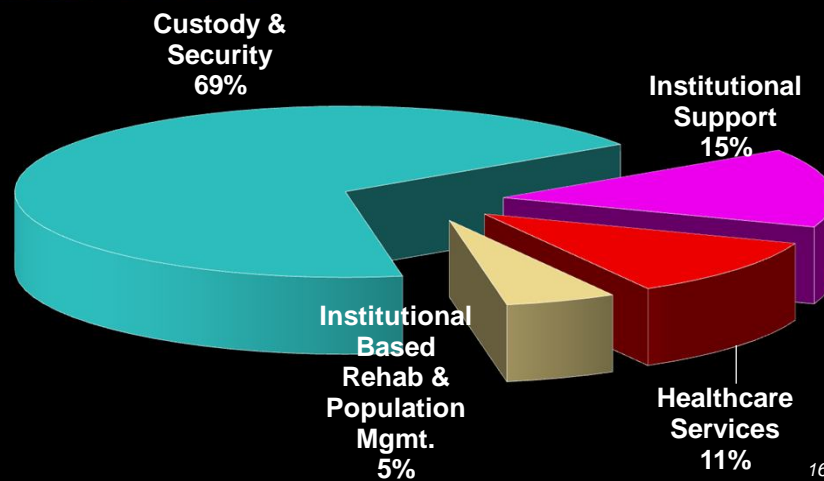
## Overtime History

Fiscal Year	O.T. Hours*	Expenditures	Change
2008	-	\$19,338,369	7.4%
2009	-	\$19,600,223	1.4%
2010	-	\$24,245,730	23.7%
2011	588,337	\$23,160,744	(4.5%)
2012	482,178	\$20,208,679	(12.7%)
2013	416,770	\$17,449,335	(13.7%)
2014	404,949	\$17,729,867	1.6%

\*DOC did not track OT hours prior to FY 2011

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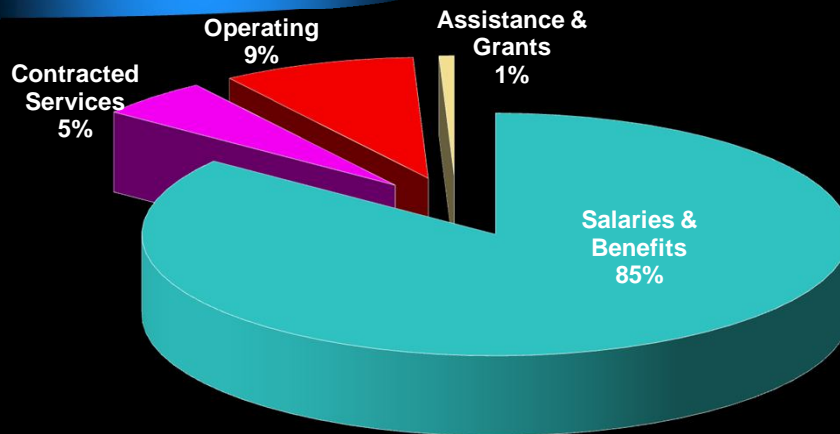
## Institutional Corrections: Functions



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## *Institutional Corrections: Category*



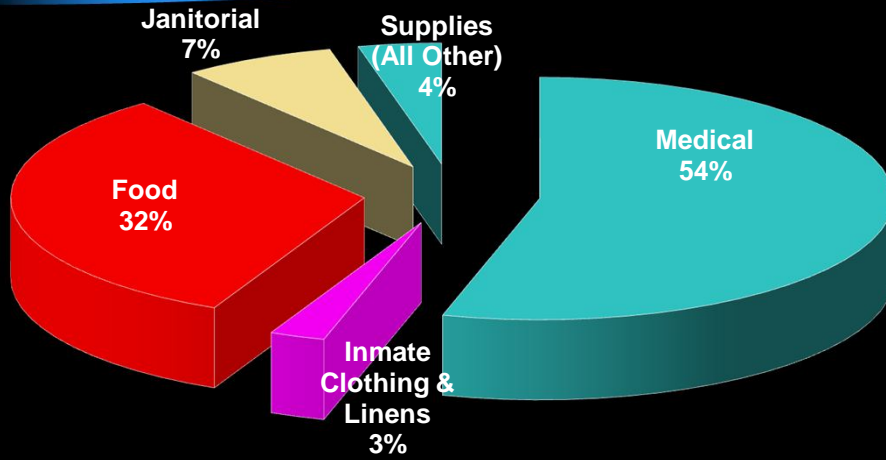
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## *Population: Per Diem*

- Population related expenditures that are calculated on a per diem basis, excluding staffing
  - ◆ Food, pharmaceuticals, clothes and linens
- 2015 enacted includes
  - ◆ \$3,865 per inmate
  - ◆ \$12.3 million

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## Population: Costs per Inmate



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## Annual Cost Per Inmate

Year	Cost per Inmate	Change to Prior
FY 2011	\$3,681	(\$76)
FY 2012	\$4,117	\$436
FY 2013	\$4,026	(\$91)
FY 2014	\$4,202	\$176
FY 2015 Enacted	\$3,865	(\$337)
FY 2015 Rev. Req.	\$4,655	\$453
FY 2015 Gov. Rec.	\$4,655	\$453
FY 2016 Request	\$4,795	\$930
FY 2016 Governor	\$4,795	\$930

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## Total Cost Per Inmate

Year	Average Cost
FY 2011	\$49,160
FY 2012	\$51,979
FY 2013	\$52,409
FY 2014	\$53,304
FY 2015 Enacted	\$57,839
FY 2015 Rev. Req.	\$61,026
FY 2015 Gov. Rec.	\$57,784
FY 2016 Request	\$61,052
FY 2016 Governor	\$56,419

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## Summary By Fund Source

(In millions)	Enacted	FY 2015 Gov. Rev.	Difference
General Revenues	\$187.7	\$196.3	\$8.6
Federal Funds	1.7	2.0	0.3
Restricted Receipts	0.4	0.4	-
Other Funds	19.5	14.7	(4.8)
<b>Total</b>	<b>\$209.3</b>	<b>\$213.3</b>	<b>\$4.1</b>

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## FY 2015 Changes to Enacted

General Revenue	Request	Governor
Per Diem Expenditures	\$1.5	\$1.4
Hepatitis C	1.2	1.1
RIBCO COLA	1.6	1.6
Blizzard Overtime	-	0.4
Unachieved Closures	1.9	1.9
Overtime Cost Shift	0.6	0.6
Other Personnel	5.6	1.0
New Vehicles	0.3	-
All Other	1.1	0.6
<b>Total Changes</b>	<b>\$13.8</b>	<b>\$8.6</b>

*In millions*

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## FY 2015 Revised Recommendation

- \$4.1 million more than enacted
  - ◆ \$8.6 million more from general revenues
  - ◆ Offset by \$4.8 million reduction from Rhode Island Capital Plan funds
- Increased population estimate
  - ◆ \$1.4 million more
  - ◆ 69 more inmates than enacted
  - ◆ Current average is 16 above the enacted

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## *FY 2015 Revised Recommendation*

- \$1.1 million more for Hepatitis C
  - ◆ First year treatment is included in budget
- \$1.6 million more for RIBCO COLA
  - ◆ Budget assumed turnover savings would fund the increase for most agencies; contract not yet settled
- \$0.4 million for blizzard overtime costs
  - ◆ Current RIBCO contract includes double time rate during emergencies

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## *FY 2015 Revised Recommendation*

- Unachieved Closures
  - ◆ Savings included in budget from module closures based on population
  - ◆ \$1.9 million included by Governor because modules remained open

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## *FY 2015 Revised Recommendation*

- Enacted assumes OT costs built into contracts & paid with RICAP
  - ◆ Ongoing projects did not include expense
  - ◆ \$0.6 million from general revenues to backfill
- Additional institutional corrections personnel costs
  - ◆ \$1.0 million more than enacted
  - ◆ Includes COLA for non-correctional officers
  - ◆ Also includes unachieved turnover savings

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## *FY 2015 Projections*

- Agency's first quarter report
  - ◆ Deficit of \$13.8 million
- Corrective action plan
  - ◆ Non-violent offender statutory changes - \$0.9 million
  - ◆ Remove funding for new CO class - \$0.7 million
  - ◆ End RIBCO education stipend - \$0.7 million

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## *FY 2015 Projections*

- ◆ Sell Gloria McDonald & Donald Price buildings for a total of \$8.8 million
- ◆ Sell empty beds at minimum security
  - 150 days at \$120/day for one-third of year
  - Would yield \$2.3 million
  - Offset by supervision costs of \$0.6 million
  - Net increase of \$1.6 million

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## *FY 2015 Projections*

- Second quarter report
  - ◆ Deficit of \$9.1 million
  - ◆ \$4.7 million less than first quarter
    - Majority from revised payroll projections
    - Removal of funding for CO class
    - Inmate clothing and nursing services

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## *FY 2016 Saving Initiatives*

- Proposed 8 items, 7 were not recommended by the Governor
  - ◆ Close High Security Facility - \$5.6 million
  - ◆ Sell Donald Price Facility - \$8.6 million
  - ◆ Sell Gloria McDonald Facility - \$3.9 million
    - Current law requires funds be transferred to Information Technology Fund

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## *FY 2016 Saving Initiatives*

- ◆ Expand Corrections Options - \$7.1 million
- ◆ Eliminate Double Time Rate - \$0.3 million
- ◆ End RIBCO educational stipend - \$0.5 million
- ◆ Transfer training to Public Safety - \$2.1 million
- Governor includes initiative to shift \$0.4 million of OT costs to RICAP

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## FY 2016 Changes to Enacted

	Gen. Rev.	All Funds
<b>FY 2015 Enacted</b>	<b>\$187.7</b>	<b>\$209.3</b>
Per Diem Expenditures	2.1	2.1
RIBCO COLA	3.1	3.1
Hepatitis C	0.7	0.7
Personnel	4.4	4.4
Unachieved Closures	1.9	1.9
Capital Projects	-	(8.4)
All Other	0.2	(0.1)
<b>Total Changes</b>	<b>\$12.4</b>	<b>\$3.7</b>
<b>FY 2016 Governor</b>	<b>\$200.1</b>	<b>\$213.0</b>

*In millions*

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## Population: Per Diem

- Recommendation as requested
  - ◆ \$15.1 million
  - ◆ \$4,795 per inmate for FY 2016
  - ◆ \$2.8 million more than enacted
    - Pharmaceuticals (including Hepatitis C)
    - Food and janitorial services
    - Inmate clothing and linens
  - ◆ Based on population of 3,239; 106 inmates higher than current average

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## *RIBCO COLA*

- \$3.1 million from general revenues
  - ◆ New contract for the Rhode Island Brotherhood of Correctional Officers
  - ◆ Represents 1,155 of the Department's 1,419 authorized positions
  - ◆ Assumes that CO's will receive COLA consistent with other state employees

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## *RIBCO COLA*

- Enacted budget assumed FY 2015 COLA costs would be funded through turnover savings for most agencies
  - ◆ Limited due to 24/7 operation
- Excluding the professional unit, remaining contracts are unresolved
- In the case of this union, it typically settles contracts long after other unions

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## *Hepatitis C*

- Recent developments to cure Hepatitis C
- Consistent with Supreme Court rulings, DOC is required to provide the treatment
- Based on certain criteria
  - ◆ Individual's stage of the disease
  - ◆ Length of prison sentence
  - ◆ Existence of other health complications

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## *Hepatitis C*

- Treatment is prioritized
  - ◆ Departmental panel of five infectious disease experts
  - ◆ Mandated to meet the community standard of care
  - ◆ Consistent with the Medicaid program
  - ◆ Approximately one-third of its population has Hepatitis C

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## *Hepatitis C*

- Request - \$1.2 million for both years
  - ◆ Governor - \$1.4 million in FY 2015 and \$0.7 million in FY 2016
  - ◆ Includes consultants and pharmaceuticals
  - ◆ Based on revised costs and projected caseload

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## *Personnel*

- New CO class - \$0.1 million
  - ◆ 25 new officers
  - ◆ Estimated position cost of \$96,000
  - ◆ Total cost of \$2.4 million
  - ◆ Offset by overtime savings of \$2.3 million
  - ◆ Assumes new class is recruited, trained and hired by beginning of FY 2016

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## *Personnel*

- Positions are contingent upon a new correctional officer training class
  - ◆ Currently delayed due to an active lawsuit brought by the Department of Justice
  - ◆ Relates to certain procedures utilized by the Department
  - ◆ Funding for class removed from FY 2015
  - ◆ Funding for recruitment was maintained

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## *Personnel*

- Vacancy reduction - \$2.7 million
  - ◆ Institutional Corrections - \$1.9 million
  - ◆ 16.0 positions
  - ◆ Correctional officer Lieutenants and stewards
  - ◆ Teachers, administrators, and clerks
  - ◆ Fully funds the positions for FY 2016

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## *Personnel*

- Other Programs - \$0.8 million
- 16.0 positions included in the request
  - ◆ 7.0 in Community Corrections
    - Probation and parole officers
  - ◆ 9.0 in Central Management
    - Clerks, typists and administrators
- Governor provides half of the funding
  - ◆ DOC has discretion over which are filled

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## *Overtime Cost Shift*

- Two situations DOC would use RICAP for correctional officer overtime related to capital projects at correctional facilities
  - ◆ Security for outside vendors
  - ◆ Previously recommended budgets included shifting overtime costs to RICAP in 2014 and 2015

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## Overtime Cost Shift

- Assembly assumed the Department would integrate overtime expenses into the project costs as part of its capital budget request
  - ◆ Department has begun this process for future contracts with outside vendors
  - ◆ Requested \$0.6 million from general revenues for overtime costs for projects already underway
    - Not included in recommendation

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## Overtime Cost Shift

- A new cost shift
  - ◆ CO supervision of inmate labor
  - ◆ Demolition, masonry work, painting
- General revenue savings of \$0.4 million by transferring costs to RICAP
  - ◆ Not included in any contracts
  - ◆ Governor includes reduction
  - ◆ No personnel expenditures from RICAP

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## *Correctional Industries*

- Approximately 150 inmates
  - ◆ Manufacturing & services to state agencies, municipalities and non-profits
- Receives payments from selling of goods and services
- Price of goods does not reflect supervision costs paid from general revenue

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## *Correctional Industries*

- FY 2013 through 2015 budget requests proposed savings by shifting supervision costs to correctional industries
- The Governor and the Assembly concurred
- \$0.7 million of savings included in FY 2015
  - ◆ Savings unachieved due to cash flow concerns
  - ◆ Requests included backfill
  - ◆ Funding not included in recommendation

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## Correctional Industries Offset

Fiscal Year	Request	Governor / Assembly	Actual
2013	\$1,000,000	\$1,000,000	\$ -
2014	\$1,000,000	\$1,000,000	\$ -
2015	\$500,000	\$500,000	\$ -

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## Correctional Industries – Cash Flow

Beginning Cash Balance	\$42,937
Cash Received	4,108,652
<b>Total Cash Available</b>	<b>\$4,151,589</b>
Inventory Purchases	\$2,305,288
Payroll Costs	1,084,490
Operating Expenses	218,067
Other Expenses	11,737
<b>Total Expenses</b>	<b>\$3,619,582</b>
<b>Ending Cash Balance</b>	<b>\$532,007</b>

Through March 31, 2015

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## *Unachieved Closures*

- Enacted budget based on DOC's assumption of closed housing modules
- Included previously, haven't been achieved
  - ◆ 2 double modules at Intake Service Center and the rear rooms at Maximum
  - ◆ Assumed to be closed for the entire year
  - ◆ Remained open so far
  - ◆ \$1.9 million included by Governor in FY 2016 consistent with FY 2015 revisions

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## *Capital Projects*

- Total of \$11.1 million
- \$8.4 million less than requested based on project delays
  - ◆ Minimum Security Kitchen Expansion
    - \$3.1 million less
  - ◆ Intake Service Center
    - \$3.0 million less
  - ◆ Medium Security
    - \$1.8 million less

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## Other Changes

- \$0.1 million less from all sources
  - ◆ Combination of other expenditures and savings
  - ◆ Increases for personnel
- Affordable Care Act / Medicaid expansion savings
  - ◆ Enacted includes \$0.8 million of savings from Medicaid covered hospital stays
  - ◆ \$0.5 million of additional ACA savings; consistent with request

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## FY 2016 – 2020 Capital Plan

<i>Project</i>	<i>Status</i>	<i>Cost</i>	<i>Financing</i>	<i>End Date</i>
Dix Building Renovations	Revised	\$5.5 M	RICAP	FY 2019
Asset Protection	Revised	\$4.0 M	RICAP	Perpetual
Minimum Security	Revised	\$11.0 M	RICAP	FY 2019
Intake Service Center	Revised	\$10.1 M	RICAP	FY 2020

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## FY 2016 – 2020 Capital Plan

<i>Project</i>	<i>Status</i>	<i>Cost</i>	<i>Financing</i>	<i>End Date</i>
Guay Building Renovations	Revised	\$3.5 M	RICAP	FY 2019
Gloria McDonald	Revised	\$16.4 M	RICAP & Federal	FY 2017
Maximum Security	Ongoing	\$7.5 M	RICAP	FY 2019
Medium Security	Ongoing	\$21.2 M	RICAP	FY 2020
Dix Bathrooms	Ongoing	\$1.3 M	RICAP	FY 2015

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## Capital Projects

- FY 2015 Capital project progress

<b>Project</b>	<b>Governor</b>	<b>Spent</b>	<b>Difference</b>
Medium Security	\$3.0	\$0.7	\$2.3
Minimum Security	\$3.0	\$ -	\$3.0
Intake Center	\$2.0	\$0.3	\$1.7
Dix Renovation	\$1.0	\$0.4	\$0.6
<b>Total</b>	<b>\$9.0</b>	<b>\$1.4</b>	<b>\$7.6</b>

*In millions*

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## *Article 23 – Weapons Qualification*

- Heard on April 16th
- Mandates CO's complete weapons qualification no sooner than every 2 years
  - ◆ Current law allows for it to occur sooner
  - ◆ Budget assumes \$0.5 million in savings
    - Ammunition, mileage, overtime and range costs
  - ◆ Testimony indicated actual savings were less
    - Approximately \$150,000
    - Overtime already included in other mandated training expenses

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