

# **Department of Corrections Governor's FY 2020, FY 2019 Revised & Capital Budget**

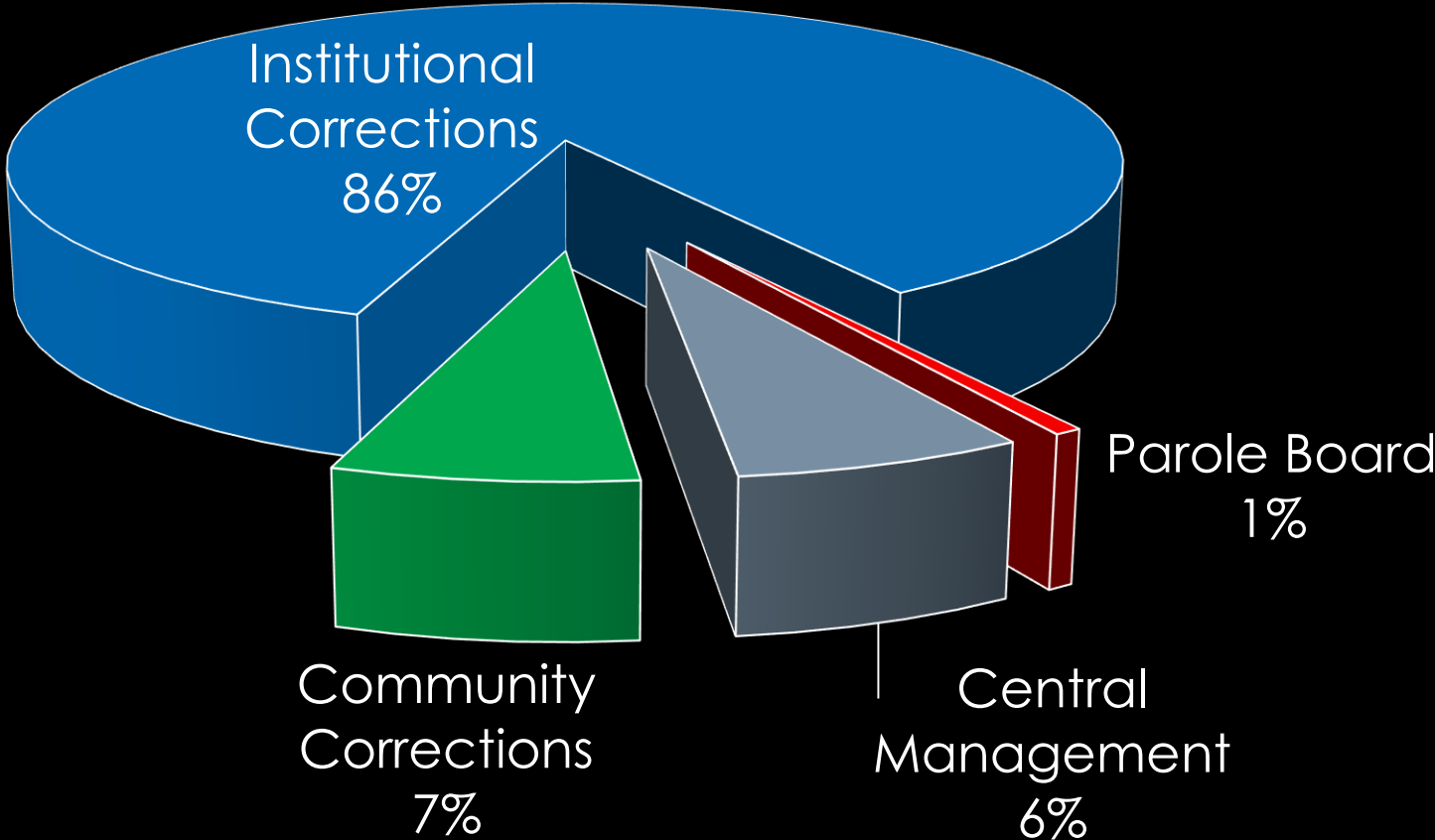
Staff Presentation to the House Finance Committee  
April 9, 2019

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# Major Programs

- Institutional Corrections (7 facilities)
  - Custody & Security
  - Institutional Support
  - Institutional Based Rehab / Population Management Programs
  - Healthcare Services
- Community Corrections
- Central Management
- Parole Board

# FY 2020 Rec. By Program



# Summary By Fund Source

<b>Total Budget</b>	<b>Enacted</b>	<b>FY 2019 Gov. Rev.</b>	<b>FY 2020 Governor</b>
General Revenues	\$237.1	\$235.6	\$238.1
Federal Funds	1.8	2.2	1.9
Restricted Receipts	0.1	0.1	0.1
RICAP	12.5	13.6	12.8
<b>Total</b>	<b>\$251.5</b>	<b>\$251.5</b>	<b>\$252.9</b>

\$ In millions

# Summary By Fund Source

<b>Change to Enacted</b>	<b>FY 2019 Gov. Rev.</b>	<b>FY 2020 Governor</b>
General Revenues	\$(1.4)	\$1.0
Federal Funds	0.4	0.1
Restricted Receipts	0.0	0.0
RICAP	1.1	0.3
<b>Total</b>	<b>\$0.1</b>	<b>\$1.4</b>

\$ In millions

# FY 2019 – Revised Corrective Action Plan

- DOC estimated \$2.8 million shortfall
  - Higher per diem costs
  - New RIBCO contract
- Budget Office Q1 - \$7.3 million shortfall
  - Added costs for HEP C
- DOC Corrective Action plan
  - No specific value identified
    - Monitor payroll costs
    - Close housing module at Intake Center
    - Reduction in operating costs
    - Reduction in testing instrument cost

# Budget Office Target

- General revenue target of \$243.7 million
  - Current services adjustment of \$7.1 million
  - 5.0% target reduction of \$11.5 million
  - Constrained budget met the target with proposals to close facilities (High and Min)
- Governor's recommendation is \$5.6 million below the current services
  - Includes savings from temporary closure of the High Security facility

# Population

- Majority of expenditures are for staff
- Greatest savings occur when population reductions allow for the closure of housing units and staff posts
  - Medium Price facility closed in 2011
  - Double-module closure at Intake Service Center
  - Women's facilities merged in FY 2017



# Population

- Maximum capacity of the prison is governed by the terms of an overcrowding lawsuit in 1995
  - Includes all beds
- Operational capacity includes all beds, except for hospital beds and a third of segregation beds

# FY 2019 Population- March 2019

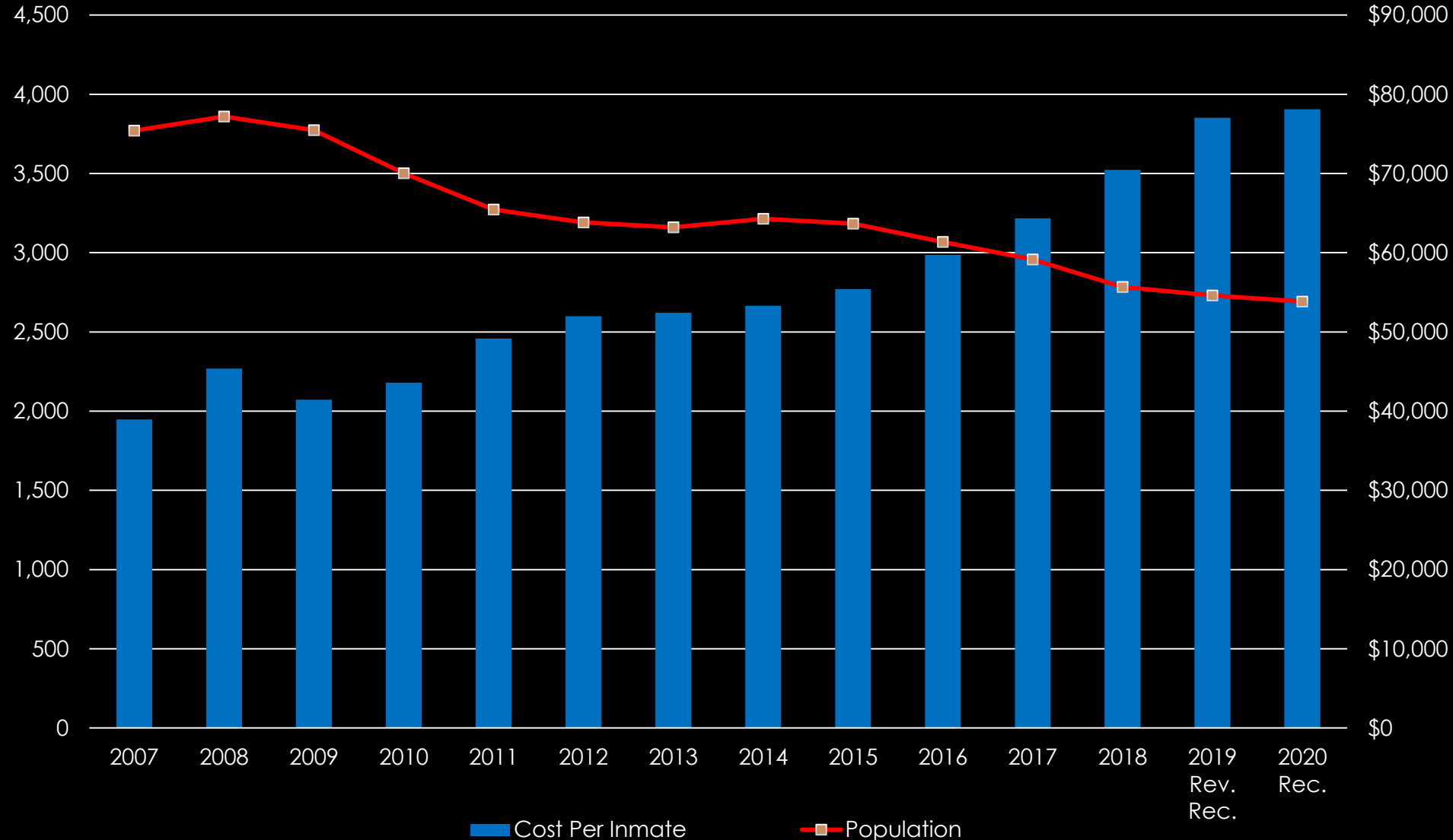
Facility	Average Population	Maximum Capacity	Operating Capacity	Vacant*	Percent Vacant
High	85	166	138	53	38.4%
Maximum	394	466	411	17	4.1%
Medium	974	1,186	1,126	152	13.5%
Intake	850	1,148	1,118	268	24.0%
Minimum	236	710	710	474	66.8%
Women's	145	313	273	128	46.9%
<b>Total</b>	<b>2,684</b>	<b>3,989</b>	<b>3,776</b>	<b>1,092</b>	<b>28.9%</b>

\*Operating capacity minus average population

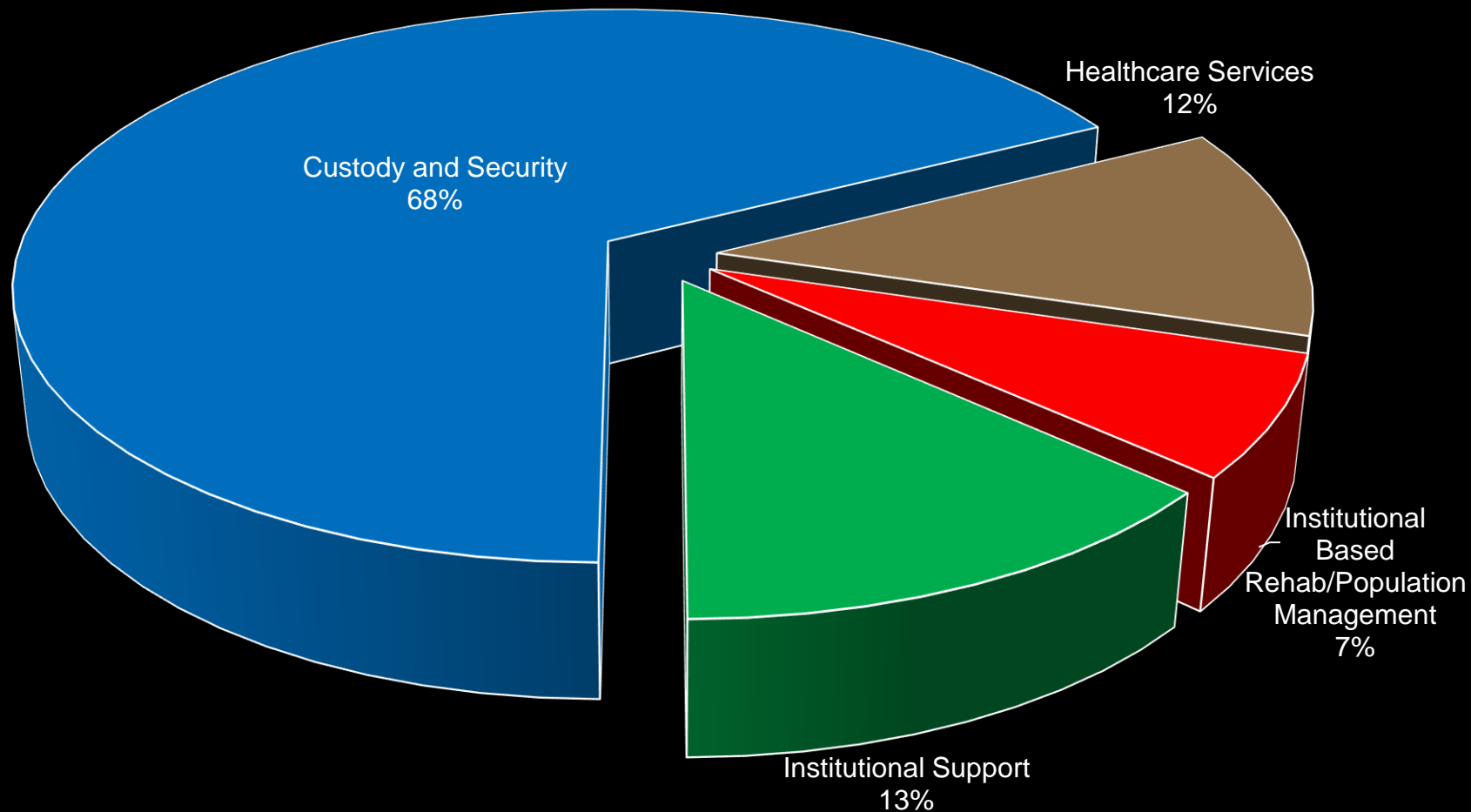
# Population

	<b>FY 15</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>	<b>FY 20</b>
Request	3,170	3,292	3,260	3,059	2,865	2,762
Gov.	3,170	3,292	3,200	3,059	2,865	2,691
Enacted	3,170	3,292	3,200	3,000	2,849	-
Rev. Req.	3,239	3,206	3,058	2,853	2,760	-
Gov. Rev.	3,239	3,183	2,999	2,853	2,730	-
Final	3,239	3,183	2,999	2,837	-	-
<b>Actual</b>	<b>3,183</b>	<b>3,067</b>	<b>2,958</b>	<b>2,784</b>	<b>-</b>	<b>-</b>

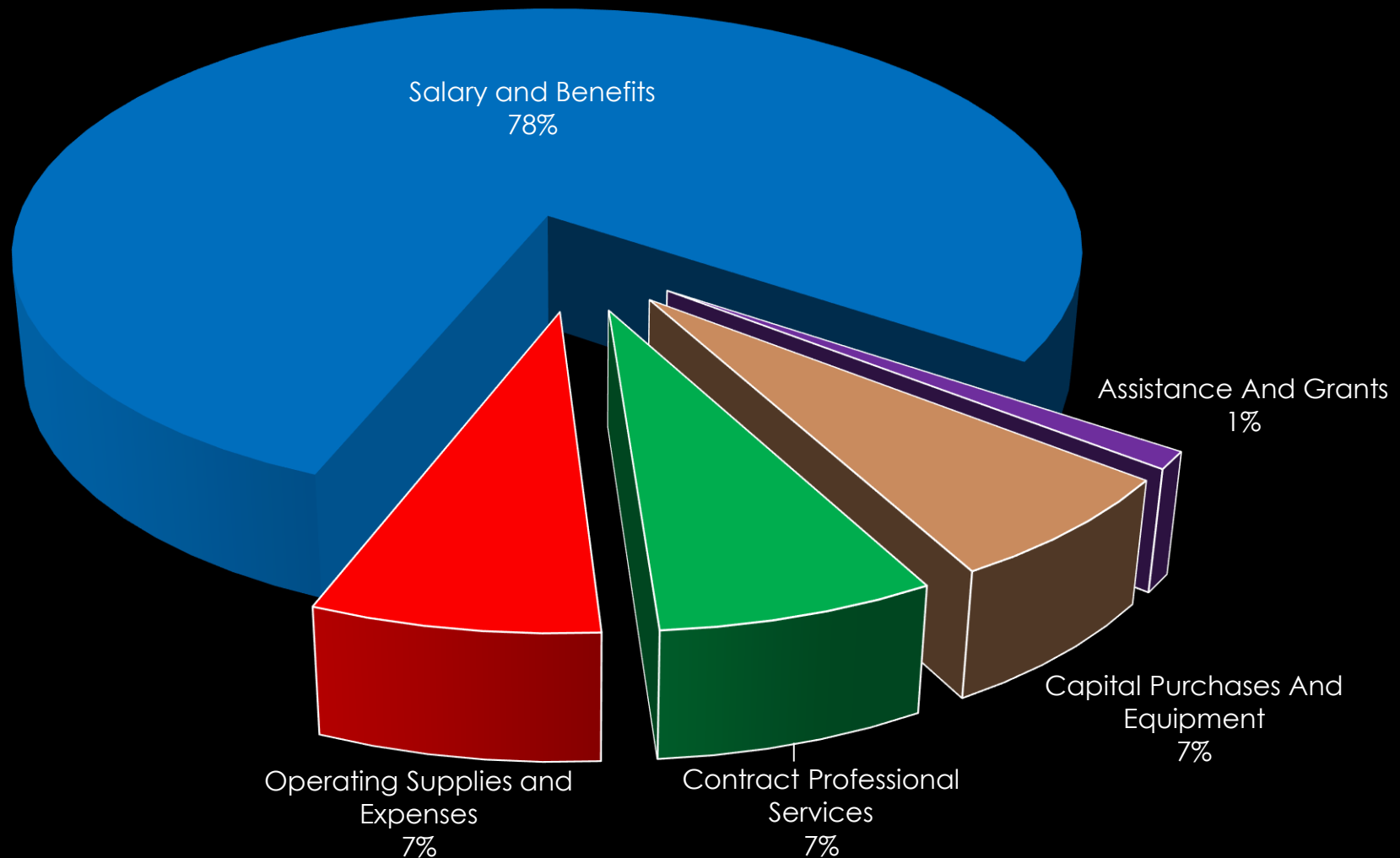
# Population and Cost Per Inmate



# Institutional Corrections: Governor 2020 Rec.



# Institutional Corrections: Category of Expenditures



# Per Diem Cost Per Inmate- Annually

Year	Annual Cost per Inmate	Change to Prior Year
FY 2012	\$4,117	\$436
FY 2013	\$4,026	(\$91)
FY 2014	\$4,202	\$176
FY 2015	\$4,595	\$393
FY 2016	\$5,021	\$426
FY 2017	\$4,974	(\$47)
FY 2018	\$5,497	\$523
FY 2019 Rev. Rec.	\$5,349	(\$148)
FY 2020 Gov. Rec.	\$5,102	(\$247)

# Staffing

## *Full-Time Equivalent Positions*

Full-Time Positions	FTEs	Chg. To Enacted
Enacted Authorized	1,416.0	-
FY 2019 Gov. Rev.	1,416.0	-
FY 2020 Request	1,416.0	-
FY 2020 Governor	1,426.0	10.0
FY 2020 Gov. Funded FTE	1,382.6	(33.4)
Filled as of March 30	1,360.0	(56.0)
FY 2018 Average Filled	1,332.8	(83.2)



# Staffing

<b>FY 2020 Governor Recommendation</b>		
	DOC	Statewide
Gross Salaries (in millions)	\$ 107.8	\$1,249.1
Turnover (in millions)	\$ (2.3)	\$(42.9)
Turnover %	2.1%	3.4%
Turnover FTE	30.3	529.0
FY 2020 FTE recommended	1,426.0	15,413.1
Funded FTE	1,395.7	14,884.1
Filled as of March 30	1,360.0	14,131.4
Funded but not filled	35.7	752.7
DOC uses overtime when posts are vacant; savings from vacant positions do not materialize because of overtime costs		

# Overtime Costs

<b>Fiscal Year</b>	<b>Actual Overtime Expenses</b>	<b>Change to Prior</b>
2016	\$ 25,139,267	\$ 5,072,068
2017	\$ 25,582,645	\$ 443,378
2018	\$ 28,888,416	\$ 3,305,771
2019 Enacted	\$ 20,096,748	\$ 8,591,668
2019 through Q3	\$ 20,120,661	-
Gov. Rev. 2019	\$ 25,540,388	-
Gov. Rec. 2020*	\$ 18,649,999	\$ (6,890,389)

\$ in millions

\*Assumes \$7.3 in savings from High Security Renovations

# Overtime Costs Per Shift

- Correctional Officers can work 4 shifts consecutively
  - First Shift - Straight Time
  - Second Shift - 1.5 Time
  - Third/Fourth Shift - 2.0 Time

<b>Avg. Cost Per Shift</b>	<b>Straight Time</b>	<b>1.5 Time</b>	<b>2.0 Time</b>
CO	\$ 33.58	\$ 50.37	\$ 67.16
Brass	\$ 46.12	\$ 69.19	\$ 92.25

# Gov. Changes to Enacted – Institutional Corrections

<b>General Revenues</b>	<b>FY 2019 Rev.</b>	<b>FY 2020</b>
Per Diem Costs	\$0.5	\$0.3
High Security Plan	-	(5.1)
Hepatitis C Protocol Change	1.4	2.4
Unidentified Healthcare Savings	-	(1.2)
RIBCO Contract	1.1	0.9
CO Classes	0.3	(0.1)
Support Programming	0.1	0.2
DOJ Lawsuit	-	(0.7)
New Vehicles	0.0	0.0
<b>Total</b>	<b>\$ 3.5</b>	<b>\$ (3.4)</b>

\$ in millions

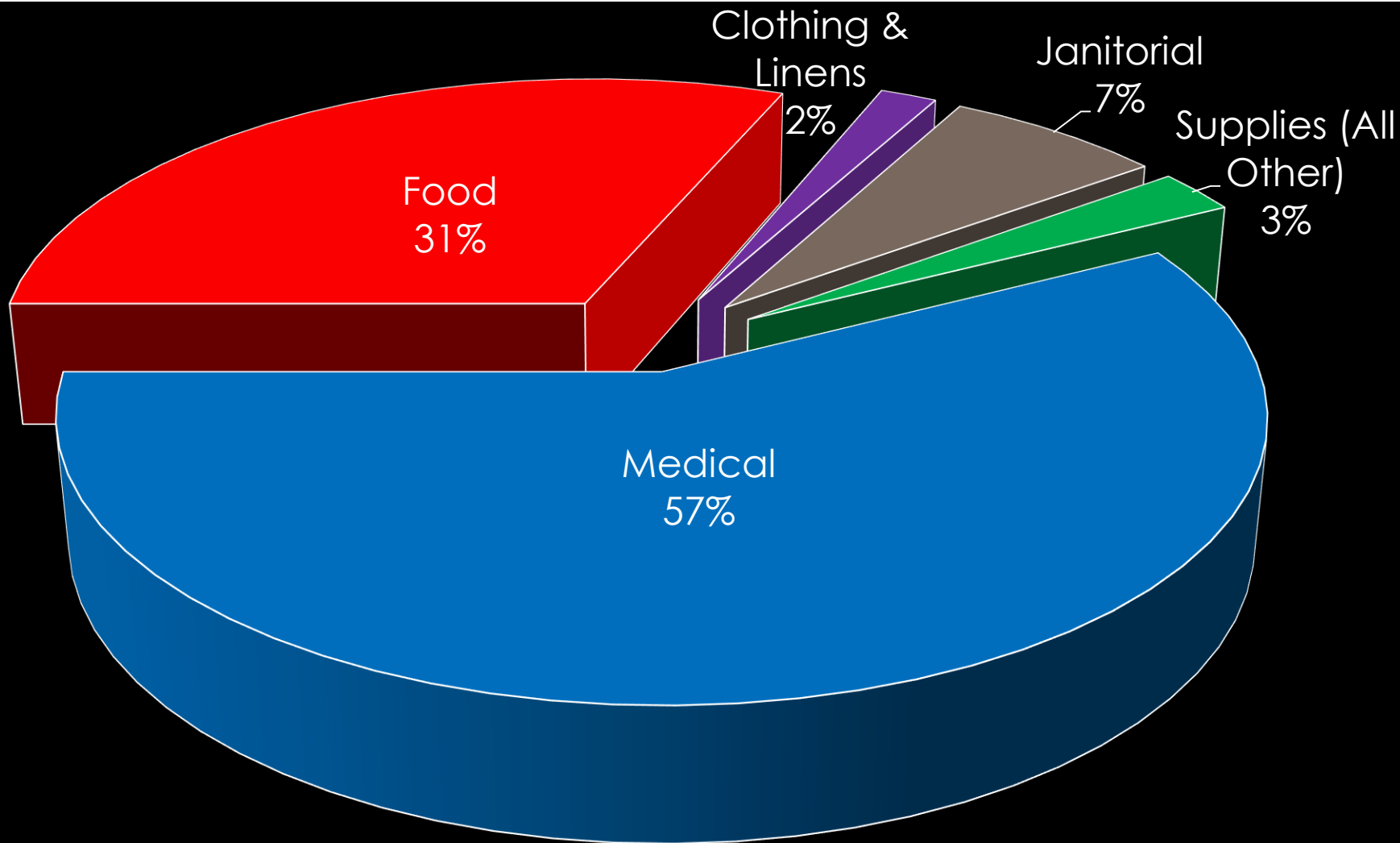
# Per Diem Expenditures

- Population related expenditures that are calculated on a per diem basis, excluding staffing
  - Food, clothes and linens
  - Medical services, pharmaceuticals
    - Inpatient and outpatient
    - Contracted dentistry

# Per Diem Expenditures

- \$14.6 million for FY 2019
  - \$0.5 million less than enacted
    - Some based on smaller population
  - \$79 less per inmate than FY 2018
- \$13.7 million for FY 2020
  - \$0.3 million less than enacted
    - Lower population
  - \$247 less per inmate than FY 2019 revised
    - Also reflect distribution of statewide operating savings - may not apply to these expenses

# Population: FY 2020 Per Diem Costs per Inmate



# High Security Renovations

- Article 6 identifies “age and poor design” as reason for significant upgrades to achieve
  - New housing with operational improvements
  - Potential expansion
  - Improved program space
  - Reduced correctional officer/inmate ratios
  - Energy/maintenance efficiencies
  - Increased officer security



# High Security Renovations

- Authorizes borrowing \$45.0 million
  - Authorization describes a \$60.0 million project
    - Identifies \$15.0 million coming from RICAP
      - No specific enumeration of that support in budget
      - Single asset protection project for whole Department
  - Conflicting information on out-year savings
    - Original out-year estimates suggest short timeframe now noted as incorrect & timeline is 3yrs
    - Other details provided suggest RICAP is for \$5 million per year from FY 2021-FY 2023

# High Security Renovations

- DOC High Security Center
  - Governor's budget includes savings of \$5.1 million which assumes
    - Moving 50 inmates to out-of-state facilities
      - Price based on MA equivalent of High Security
        - \$65,506
    - Moving 36 inmates to buildings with lower security classifications within DOC
    - Transferring High Security staff among those other buildings
      - Reduced overtime costs in other facilities

# High Security Renovations

- Issues - changing assumptions
  - Capital budget programs most \$\$ in FY 2020 with smaller amounts through FY 2023
    - Out-year estimates originally suggested shorter time frame
      - Newer info suggest 36 months

	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Capital Spend	\$45.0	\$5.0	\$5.0	\$5.0	-
Operating Impact - Out Year Forecast*	(\$5.1)	(\$6.8)	(\$6.8)	(\$1.7)	-

\$ in millions - \* changed from earlier data

# High Security Renovations

- Issues – changing assumptions
  - Drop in FY 2024 operating savings not clear
  - Debt service payments begin in FY 2020
    - Other info suggests breakeven savings over long term

	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Debt Service	\$1.1	\$4.3	\$4.3	\$4.3	\$4.3
Operating Impact - Out Year Forecast*	(\$5.1)	(\$6.8)	(\$6.8)	(\$1.7)	-

\$ in millions - \* changed from earlier data

# High Security Renovations

- Issues - logistics
  - How long is process to empty the facility?
    - Are the out-of-state placements available?
    - Have inmates been assessed for suitability for lower classification?
    - What will staffing be like during that process?
  - Transportation
    - How will inmates get to out of state facilities?
    - Budget does not account for staff costs to accompany inmates during transfers

# High Security Renovations

- FY 2020 – Savings of \$5.1 million
  - FY 2021- 2023 – Out-year projection of \$6.8 million in savings per year

<b>Budget Assumptions</b>	<b>Value</b>	<b># of Inmates</b>	<b>Cost per Inmate</b>
High Security FY 2020 Request	\$14,971,585	86	\$174,088
<i>Transfers and Placements</i>			
Transferred Staff OT Savings	(\$9,822,937)	36	n/a
Out of State Placements	3,275,300	50	\$60,179
Per Diem Savings	(266,350)		
Annual Savings	(\$6,813,987)	86	(\$79,232)
<b>FY 2020 - Oct. 1 Savings</b>	<b>(\$5,110,491)</b>	<b>86</b>	<b>(\$59,424)</b>

# High Security Report

- Proposed two options
  - Replace the High Security Facility
    - New High Security facility would be constructed south of current location
    - 30 Year Period: Net Cost of \$17.8 million
  - Renovate the High Security Facility
    - Renovate the facility to increase its efficiency
    - 30 Year Period: Net Savings of \$25.7 million
- Construction would conclude mid 2023 in both cases

# Report - 30 Year Projection

30 Year Projection	Current	Option 1: Replace	Option 2: Renovate
Square Feet	73,350	70,000	86,000
Housing Units	6	6	9
Housing Control Units	6	2	3
Project Costs	-	\$75.5	\$61.0
Debt Service	-	\$ 119.6	\$ 66.2
Total Cost	-	\$ 119.6	\$ 82.2
Out-of-State Inmate Placement Cost	-	-	\$ 9.4
Maintenance/Utilities Savings	-	\$ (4.5)	\$ (4.3)
Personnel Savings	-	\$ (97.3)	\$ (113.0)
<b>Total: Cost/(Savings)</b>	-	<b>\$ 17.8</b>	<b>\$ (25.7)</b>

\$ in millions



# Report - Personnel Savings

- Both options assume comparable annual costs after construction
- Difference in overall personnel savings is seen in renovation years
  - Significant personnel savings during three years of renovation
    - \$27.6 million between FY 2020 – FY 2022

# Hepatitis C Protocol Change

- The Executive Office of Health and Human Services interpretation of federal requirements for Medicaid's Hepatitis C changed in July 2018
  - Department follows this protocol
    - Will treat all inmates with curative medication
  - Previously only treated with curative medication in most advanced cases which was the previous Medicaid standard

# Hepatitis C Protocol Change

- Governor adds \$1.4 million for FY 2019 to treat 70 inmates
  - Will begin to purchase medication through the Public Health Service Act
    - Department required to screen all inmates for sexually transmitted diseases
  - Budget assumed January start
    - Estimated to be in April
    - Expenses will likely exceed recommended amount by \$0.2 million

# Hepatitis C Protocol Change

- Governor adds \$2.4 million for FY 2020 to treat 140 inmates
  - Reflects whole year of purchasing under the Public Service Health Act

# Unidentified Healthcare Savings

- FY 2020 request includes \$25.3 million from general revenues for healthcare
  - \$1.1 million more than enacted
  - \$1.9 million more than FY 2018
- Between FY 2014 and FY 2018
  - Healthcare costs rose by \$4.1 million
    - 8.4 percent per year
- FY 2017 – \$22.5 million
- FY 2018 – \$23.3 million

# Unidentified Healthcare Savings

- Governor includes savings of \$1.2 million for FY 2020 from healthcare savings
  - DOA, DOC and Budget Office will meet to discuss potential areas of savings
    - Goal is to slow growing medical costs that have been experienced in previous years
- Unclear how this will be achieved

# RIBCO Contract

- New contract signed in August, 2018
  - Removed step 15 in pay scale – allows top step to be reached more quickly
  - Higher stipend for clothing allowances
  - Stipend for completing in-service training
  - Revisions to injury procedures
- Revised Rec.: \$1.1 million
  - Includes \$0.2 million retro payment for FY 2018 clothing stipend
- FY 2020 Rec: \$0.9 million

# CO Class 83

- CO Class 83: \$0.9 million for training
  - 3 Months for training new Correctional Officer class
  - Enacted budget assumed recruiting for this class would begin in June
    - Department began recruiting in January
- Gov. Rec. shifts \$0.3 million of training costs to FY 2019 to start training in June



# CO Class 84

- CO Class 84 - \$0.1 million for recruiting another class in FY 2020
  - Based on FY 2018 recruiting costs
  - Department indicates class will likely be 70 recruits

# Correctional Officers 10.0 FTE

- \$0.7 million in overtime savings included for FY 2020 adding 10 correctional officers positions
- Enacted budget assumes class would fill vacant CO positions
  - Assumed 60.0 vacancies by graduation
    - Remaining trainees would fill vacant positions as they became available
    - Additional 10 positions would allow hiring of whole class

# Medication Assisted Treatment

- For FY 2017, the Assembly included funding to treat inmates with opioid addictions
  - Screen for opioid use disorders
  - Conduct an assessment of new inmates
  - Community referral for ongoing treatment upon release
- FY 2018 -1,331 people served
  - 242 patients per day

# Medication Assisted Treatment

- FY 2020 - \$2.4 million to support opioid users in the ACI
  - Revised Rec. is \$2.5 million
    - Overstated by \$0.1 million
- \$0.1 million more than enacted for FY 2019 and FY 2020
  - Nurse Case Manager - Observational role in assisting with the administration of treatment

# Discharge Planning

- Helps prevent recidivism through support with housing, employment, or enrolling in entitlement programs
- FY 2018 – \$1.6 million spent
  - \$0.5 million less than enacted
  - Contractors had problem retaining staff because of wages
    - New contract includes wage provision

# Discharge Planning

- FY 2019 and FY 2020 - \$2.1 million
  - Reflects actual contract cost
    - FY 2019 - \$12,055 less than enacted
    - FY 2020 - \$33,758 less than enacted
      - Underfunded - should be consistent with revised
  - Includes wage provision

# Cognitive Behavioral Therapy

- FY 2018 - Services provided to assist with prevention of recidivism through therapy
  - Delivered at Medium facility, probationers and parolees
  - Underspent by \$0.5 million - Department attributes to low referrals by courts to the program

# Cognitive Behavioral Therapy

- DOC requested \$75,000 more than enacted for both FY 2019 and FY 2020 to expand the treatment program to Maximum facility to target gang population
- FY 2019 - \$0.6 million
  - Governor provided additional funding for FY 2020



# Mental Health Services

- Provide mental health services to remain compliant with federal requirements
- Provide on-site psychiatric services Monday through Friday
  - On call on weekends
- Revised and FY 2020: \$2.9 million
  - \$0.2 million more than enacted to reflect actual contract costs

# DOJ Lawsuit

- Enacted budget includes \$450,000 for payments to anyone impacted by the disparate testing instrument
  - All payments expected to be made in FY 2019 to affected individuals
  - Awaiting scheduling for a fairness hearing
    - Will determine who will receive payment and the amount
- Includes \$250,000 for testing instrument
- One-time expenses not included in FY 2020

# New Vehicles

- Requested \$0.1 million in both FY 2019 and FY 2020 to buy 13 new vehicles through the State Fleet Revolving Fund
  - Three year commitment
  - Governor did not recommend funding
- In previous years, bought outright from general revenues that were not allocated for this purpose
  - FY 2018 - \$0.5 million for five vehicles

# Inmate Tracking Database

- \$0.3 million in FY 2019 and FY 2020 for database maintenance for tracking for all inmates/community offenders
  - Contractor works on both DOA projects and DOC projects
    - Previously 60 percent of contract paid by DOA
  - Redistributed based on amount of work contractor does for each Department
    - 90 percent now required to be paid by DOC

# Centralized Services

- 2017 Assembly authorized establishment of internal service funds for centralized services
  - Information technology, capital asset management & maintenance, & human resources
- Costs previously budgeted in DOA
  - 2018 Assembly included costs in user agency budgets
  - Final FY 2018 & FY 2019 budget

# Centralized Services

<b>General Revenues</b>	<b>FY 2019 Enacted</b>	<b>FY 2019 Revised</b>	<b>Chg. to Enacted</b>	<b>FY 2020</b>	<b>Chg. to Enacted</b>
IT	\$ 3.2	\$ 3.0	\$ (0.2)	\$ 3.0	\$ (0.2)
HR	2.0	2.0	-	2.0	-
FM	9.0	6.9	(2.1)	6.9	(2.1)
<b>Total</b>	<b>\$ 14.2</b>	<b>\$ 11.9</b>	<b>\$ (2.3)</b>	<b>\$ 11.9</b>	<b>\$ (2.3)</b>

\$ in millions

# Statewide Savings Initiatives

- Governor distributes statewide general revenue savings enacted for FY 2019 in the Department of Administration
  - Prompt Payment - \$0.4 million
    - Vendors voluntarily offer a discount if payments are received within an agreed upon date
  - Contracts - \$3.0 million
    - Effort to reduce costs of certain commodities
      - Food, maintenance, office equipment, telecommunications
  - Insurance - \$0.5 million
    - Reductions in policies for property & crime

# Statewide Savings Initiatives

<b>Initiative</b>	<b>FY 2019 Revised</b>	<b>FY 2020</b>
Prompt Payment	\$(220,620)	\$ (220,620)
Contract	(505,988)	(475,745)
Insurance	(63,093)	(63,126)
<b>Total</b>	<b>\$ (789,701)</b>	<b>\$ (759,491)</b>

- As noted earlier, savings include some medical expense reductions that may not apply



# Capital Project History

- Historically, capital budget is several projects divided primarily by facility

Project Name	FY 2017 Spent	FY 2018 Spent	FY 2019 Enacted
Asset Protection	\$ 3.2	\$ 1.6	\$ 3.0
Feasibility Study	\$ -	\$ 0.3	\$ -
Dix	\$ 0.1	\$ -	\$ 0.8
High Security	\$ -	\$ -	\$ 1.0
Intake Center	\$ -	\$ 0.1	\$ 1.8
Maximum	\$ 0.8	\$ -	\$ 1.0
Medium	\$ -	\$ 2.3	\$ 5.0

\$ in millions

# Capital Budget

- Capital recommendation consolidates all projects into a single asset protection project
  - Intended to give Department more flexibility in spending

# Capital Budget

- \$112.6 million in five year period
  - \$60.0 million for High Security renovation
    - \$45.0 million through Certificates of Participation
    - \$15.0 from Rhode Island Capital Plan Fund
  - \$52.6 million for all other facilities

# Capital Budget

Budget Year	Five Year Plan Total	Plan Avg. Per Year	Actual Spending	Difference
2014	\$ 49.9	\$ 10.0	\$ 5.8	\$ (4.2)
2015	59.9	12.0	7.9	(4.1)
2016	66.7	13.3	2.7	(10.6)
2017	54.2	10.8	4.1	(6.7)
2018	53.0	10.6	4.3	(6.3)
<b>Avg. FY 2014 - FY 2018</b>	<b>\$ 56.7</b>	<b>\$ 11.4</b>	<b>\$ 5.0</b>	<b>\$ (6.4)</b>

\$ in millions

# Capital Budget

Budget Year	Five Year Plan Total	Plan Avg. Per Year
Avg. FY 2014 - FY 2018	\$ 56.7	\$ 11.4
Enacted	\$ 57.6	\$ 11.5
2019 Gov. Rev.	\$ 53.2	\$ 10.6
<b>Chg. to Enacted</b>	<b>\$ (4.4)</b>	<b>\$ (0.9)</b>
2020 Gov. Rec.*	\$ 52.6	\$ 10.5
<b>Chg. to Enacted</b>	<b>\$ (5.0)</b>	<b>\$ (1.0)</b>

\$ in millions

\*Excludes High Security Renovation Costs

# Annual Reporting Requirements

- 2013 Assembly enacted legislation requiring OMB to prepare, review & inventory all reports filed with Assembly
  - Report to be presented to Assembly as part of budget submission annually
- Office is required to submit 2 reports
  - Medical Parole
  - Inmate Furlough
- Currently working on the reports

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