

# **LSC Redbook**

**Analysis of the Executive Budget Proposal**

## **Department of Rehabilitation and Correction**

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## READER'S GUIDE

The Legislative Service Commission prepares an analysis of the executive budget proposal for each agency. These analyses are commonly called "Redbooks." This brief introduction is intended to help readers navigate the Redbook for the Department of Rehabilitation and Correction (DRC), which includes the following three sections.

1. **Overview:** Provides a description of the Department's existing functions and staffing, and an overview of the Department's executive recommended budget for the FY 2010-FY 2011 biennium, and notes other important budgetary matters.
2. **Analysis of Executive Proposal:** Provides a detailed analysis of the Department's executive recommended budget, including the funding and purposes for each appropriated line item, and the services and activities that are financed by those appropriated moneys.
3. **Attachments:** Includes LSC's Catalog of Budget Line Items (COBLI), which describes each line item's purpose, revenue, and expenditures, and the LSC budget spreadsheet, which summarizes each line item's recent expenditure and appropriations history.

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**ATTACHMENTS:**

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

# Department of Rehabilitation and Correction

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- Reduction in force estimated at up to 400 or more
- Sentencing reforms target low-level, nonviolent offenders
- Community correction diversions funding increase

## OVERVIEW

### Duties and Responsibilities

The Department of Rehabilitation and Correction (DRC) can be viewed as the administrator of a felony sanctioning system comprised of three relatively distinct components: (1) reception centers where inmates are assessed and assigned to the appropriate correctional institution, (2) a large, multi-location physical plant in which inmates are housed, secured, and serviced, and (3) a variety of release mechanisms through which inmates are returned to the community and potentially subject to state supervision and control.

As its most basic mission, the Department is charged with the supervision of felony offenders committed to the custody of the state, which includes housing and services provided to them in a statewide network of prisons, and, following their release from incarceration, controlling and monitoring them through a community supervision system administered by the Adult Parole Authority.

The Department also manages a system of community control sanctions (supervision and control services, halfway house beds, and subsidies) that provide judges with a range of sentencing options that reduce or eliminate the time that offenders spend in prison or jail. Beginning around FY 1994, the Department began directing considerable resources into these prison diversion and jail population reduction programs. The reality, however, continues to be that the lion's share of the Department's capital and operating budgets are devoted toward the building and management of correctional institutions and the inmates who inhabit them.

This reality notwithstanding, growth in the parole and community services component of the Department's operating budget, underscores a transition in philosophy and spending away from its historical emphasis on administering a large, geographically far flung network of prisons and toward a system of prison diversion and release programs that emphasize a continuum of graduated community control sanctions. This philosophical approach also emphasizes a number of programs, both in

the prisons and in the community, designed to facilitate the successful reentry of inmates back into society and thus reduce the recidivism.

### Summary of Executive Budget Recommendations

The Department's adjusted FY 2009 appropriations are compared with the executive recommendations for FYs 2010 and 2011, by fund group, in Table 1 below. To support the Department's services and activities, the executive budget recommends FY 2010 appropriations totaling \$1,821.6 million, an increase of about \$30.7 million, or 1.7%, from the total adjusted FY 2009 appropriation of \$1,790.9 million. For FY 2011, the executive budget recommends appropriations totaling \$1,833.3 million, or 0.6%, above the FY 2010 recommendation.

One of the notable features of the executive biennial budget recommendations is the inclusion of \$59.0 million in federal economic stimulus backed GRF funding appropriated for the purpose of bolstering institutional operations (\$24.8 million in FY 2010 and \$34.2 million in FY 2011). Based on conversations with Department staff, it appears that, absent the additional GRF funding, at least two correctional institutions would likely have been closed, and as many as 1,000 or so full-time equivalent institutional staff positions (FTEs) would have been eliminated.

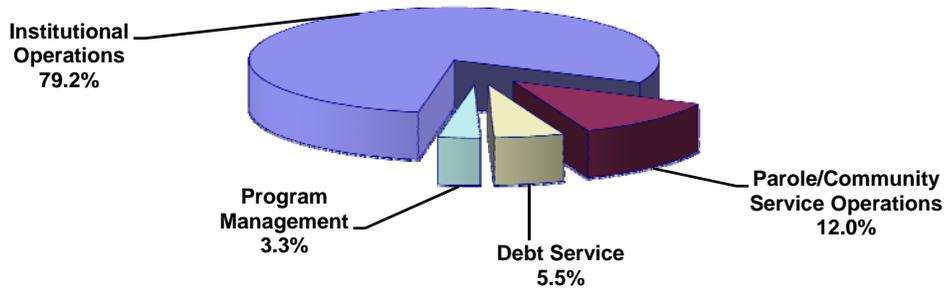
<b>Table 1. Executive Budget Recommendations by Fund Group, FY 2010-FY 2011</b>					
<b>Fund Group</b>	<b>FY 2009*</b>	<b>FY 2010</b>	<b>% change, FY 2009-FY 2010</b>	<b>FY 2011</b>	<b>% change, FY 2010-FY 2011</b>
General Revenue	\$1,586,636,362	\$1,618,992,062	2.0%	\$1,635,494,161	1.0%
General Services	\$191,265,583	\$182,114,887	-4.8%	\$185,628,709	1.9%
Federal Special Revenue	\$13,012,731	\$20,449,594	57.2%	\$12,198,353	-40.3%
<b>TOTALS</b>	<b>\$1,790,914,676</b>	<b>\$1,821,556,543</b>	<b>1.7%</b>	<b>\$1,833,321,223</b>	<b>0.6%</b>

\*FY 2009 figures represent adjusted appropriations.

### Summary of Executive Budget by Program Series

The Department's budget is built around four program series, which is generally a set of services and activities that have a common focus, goal, or objective. Chart 1 immediately below displays the Department's biennial executive budget recommendations by these four program series. Of the Department's total biennial budget, nearly 80% will be allocated for institutional operations. The second highest percentage (12.0%) will be allocated for parole operations and community corrections programs.

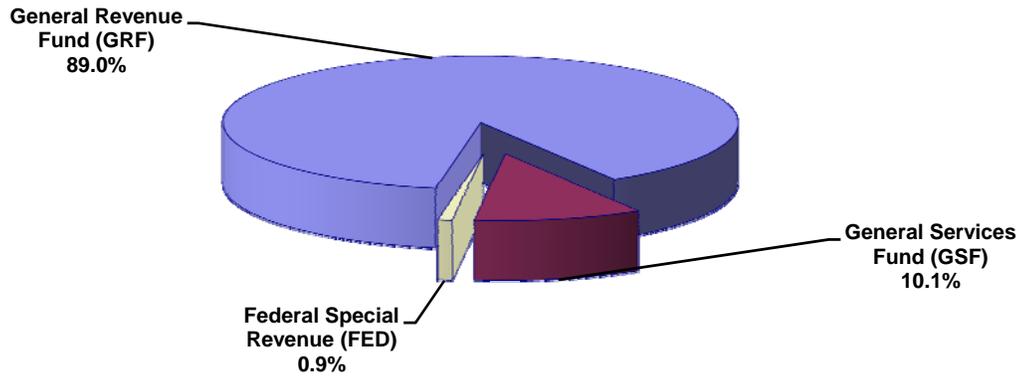
**Chart 1: Biennial Budget Recommendation by Program Series, FY 2010-FY 2011**



### Summary of Executive Budget by Fund Group

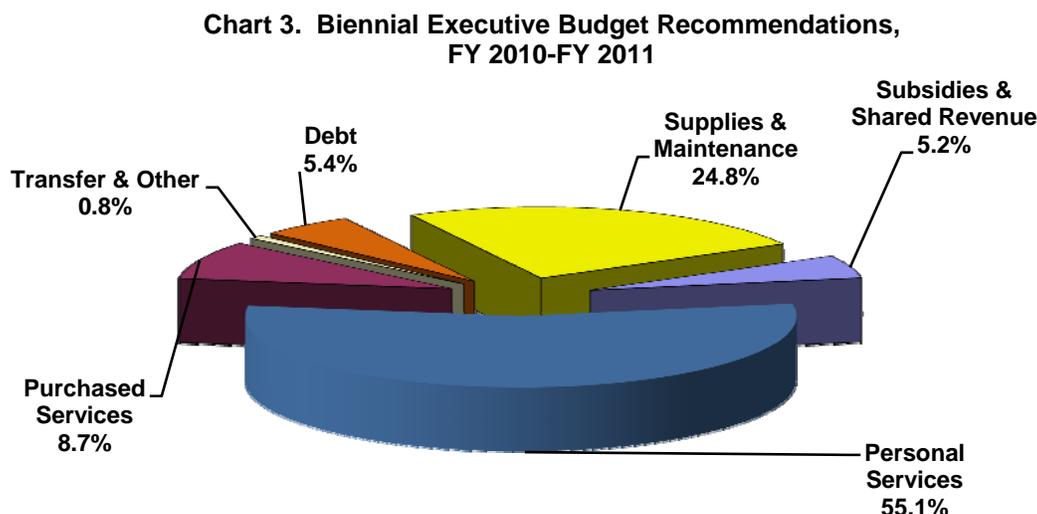
As Chart 2 immediately below shows, almost 90% of the Department's two-year executive recommended budget will be paid for by moneys appropriated from the state's General Revenue Fund (GRF).

**Chart 2: Biennial Executive Budget Recommendation by Fund Group, FY 2010-FY 2011**



### Summary of Executive Budget by Expenditure Type

Chart 3 immediately below displays the Department's biennial executive budget recommendations in terms of the manner in which this funding will be allocated for operating expenses and subsidy programs. Slightly in excess of one-half (55.1%) of the Department's biennial budget will be allocated for personal services, essentially the payroll-related expenses associated with institutional, parole, and program management staff. The second highest percentage (24.8%) will be allocated for supplies and maintenance.



### Summary of Executive Budget GRF Recommendations

The executive budget recommends increases in the Department's GRF funding of 2.0% and 1.0% in FYs 2010 and 2011, respectively. Despite those GRF funding increases, it appears to be the Department's contention that in order to cover projected payroll-related expenses and to continue FY 2009 levels of services, it will have to further reduce its number of employees. Even with the expectation of \$59.0 million in federal economic stimulus money to help support institutional operations, Department staff has indicated it will most likely be necessary to eliminate nearly 400 currently filled full-time equivalent staff positions (FTEs) in the next biennium.

### Efforts to Reduce Prison Population

The executive budget recommends increased funding for community based sanctions, as well as a certain sentencing reforms designed to divert a large number of nonviolent offenders into community based or other noninstitutional types of sanctions. First, the executive budget allocates \$4.3 million annually in increased funding to support expansion of Community Correction Act (CCA) prison and jail diversion programs, and \$3.7 million annually in additional dollars to fund 220 more community

based correctional facility (CBCF) beds. Department staff estimates that this additional \$8.0 million in each fiscal year for alternative community-based sanctions will reduce the total number of inmate beds by 2,674.

Second, the executive budget contains several proposed sentencing reforms designed to reduce the number of nonviolent offenders being sent to prison. A brief review of these proposals is as follows:

***Non-Payment of Support.*** In FY 2008, 781 offenders were incarcerated solely for failure to pay child support. The executive budget: (1) amends current law relative to the sentencing for "nonsupport of dependents" to require the court, in certain specified circumstances, to sentence the offender one or more community control sanctions, and (2) allocates an additional \$2.0 million annually in funding to expand seven existing county programs for this type of offender. Department staff estimates that this provision would free about 527 prison beds each year at a savings of \$2,273,636 annually.

***Increase Earned Credit.*** The executive budget amends current law to increase the monthly deduction generally from a state prisoner's term of incarceration from one day to seven days as a result of the prisoner's participation in certain programs. Department staff estimates that this provision would free about 2,644 beds each year at a savings of \$11,407,009 annually.

***Redefinition of "Escape."*** Under current law, offenders on parole or post-release-control (PRC) who abscond supervision can be charged with the offense of escape, the penalty for which ranges from a felony of the fifth degree to a felony of the first degree depending on the severity of the offense for which the offender was under supervision. The executive budget amends this current law to redefine escape in such a manner as exclude these types of offenders, which would then allow the Adult Parole Authority to utilize various sanctions at their disposal. Department staff estimates that this provision would free about 591 beds each year at a savings of \$2,549,751 annually.

***Raise Felony Theft Threshold.*** The executive budget amends current law to increase from \$500 to \$750 the felony threshold amount that is used in determining increased penalties for theft-related offenses and some non-theft related offenses. The increase in the felony threshold will likely reduce the number of felony theft offenders entering prison. Department staff estimates that these revisions to the felony criminal sentencing law would free about 300 beds each year at a savings of \$1,294,290 annually.

Additionally, these changes will also have the effect of shifting some felony theft cases from the courts of common pleas to the municipal and county courts that hear misdemeanor cases. As misdemeanor cases are generally less expensive to process, there should be some savings, of uncertain magnitude, at the county level, and, in theory, a corresponding cost increase of processing theft cases at the municipal level.

Presumably, counties and municipalities will incur additional costs to sanction these offenders who could no longer be sentenced to a prison term, some of which could be offset by the state community corrections funding distributed by the Department.

Table 2 immediately below summarizes the estimated effects of the above-described changes to the state's felony criminal sentencing law as proposed in the executive budget. The summary includes the Department's estimate of the number of prison beds to be saved annually and the resulting amount of money that, in theory, is saved annually as well.

<b>Table 2. Estimated Annual Savings from Executive Proposed Criminal Sentencing Changes</b>		
<b>Provision</b>	<b>Annual Beds Saved</b>	<b>Estimated Annual State Incarceration Cost Savings</b>
Non-Payment of Support	572	\$2.27 million
Increase Earned Credit	2,644	\$11.41 million
Redefinition of Escape	591	\$2.5 million
Raise Felony Theft Threshold	300	\$1.3 million
<b>TOTALS</b>	<b>4,107</b>	<b>\$17.48 million</b>

### **Historical Expenditure Reductions**

Based on information provided by the Department, since FY 2001, it has experienced more than \$152 million in executive mandated budget reductions and has implemented a number of corresponding expenditure reductions and cost-saving measures over the past few years. Included among these measures are the following more notable actions:

- In April 2002, the Department closed the Orient Correctional Institution (OCI). Approximately 114 employees were ultimately laid off which contributed to a net savings of approximately \$29 million in annual operating expenses. In June 2004, the Department closed the Lima Correctional Institution (LCI) resulting in 161 employees ultimately being laid off. The Lima Correctional Institution closure saved approximately \$25 million in annual operating expenses.
- In FY 2008, the Department's total GRF budget appropriation was directly cut by nearly \$1.1 million. In lieu of even deeper GRF cuts, the Department contributed a legal settlement award, stemming from a lawsuit involving the construction of the Belmont Correctional Institution, in the amount of almost \$3.5 million directly to the GRF, thereby making their total FY 2008 contribution toward augmenting the GRF's cash balance at approximately

- \$4.6 million. Thus far, the Department has been held harmless in executive mandate budget cuts for FY 2009.
- As a result of FY 2008 executive mandated cuts in the Department's budget, it began to implement several cost savings measures, most of which became effective in FY 2009. The Department has eliminated a total of 701 full-time equivalent staff positions (FTEs), of which 539 were filled positions, through early retirements, attrition, and layoffs, with the latter accounting for 263 of the eliminated FTEs. According to departmental staff, (1) there were no correction officer, parole officer, or nursing positions eliminated, and (2) the total savings from these FTE reductions is estimated at approximately \$37.8 million annually.
  - Each correctional institution has a commissary in which inmates may purchase certain snack food items, toiletries, and so forth. Effective in FY 2009, the Department plan is to no longer subsidize the operation of these commissaries and instead require each commissary to become self-supporting. A price increase of around 7%, combined with fostering more competition between the vendors supplying the goods sold in these commissaries, is expected to generate sufficient revenue to fully support these operations. Department staff expect that this change in commissary operations to save approximately \$5.0 million annually.
  - In FY 2009, the elimination of outside contract vendors and the utilization of in-house staff resources to provide ancillary outpatient treatment services for higher-risk offenders in community programs will, according to Department estimates, save approximately \$1.3 million annually.

### **Pressures on Cost of Doing Business**

The nature and size of the Department's institutional operations – at the end of FY 2009 will be composed of 32 correctional facilities, more than 50,000 inmates, and 13,500-plus staff – make its payroll and maintenance costs especially sensitive to changes in the costs-of-doing business. And in the "prison business" the economic pressures are always pushing the costs associated with the delivery of essential goods and services upward (security, medical care, food, clothing, utilities, and so forth). Inflation is not a factor over which the Department has much control and it has the potential to wield a profound fiscal impact on institutional agency budgets.

*Payroll-related expenses.* The Department's current staff, which totals around 13,500 paid positions, will generate an estimated total payroll of \$998.1 million and \$1,015.1 million in FYs 2010 and 2011, respectively. (Presumably, however, these amounts are subject to change given the uncertain short-term future of the state's wage and fringe benefits structure.)

Of this total staff, approximately 12,516 are currently paid by the GRF, the payroll costs of which are estimated at \$918.8 million and \$934.2 million in FYs 2010 and 2011, respectively. Thus, any kind of pay raises, in particular those that automatically kick in as a result of collective bargaining agreements, have a noticeable fiscal effect on the Department's bottom line payroll costs, in particular those absorbed by the GRF. The Department has allowed for an inflationary increase in payroll-related expenses of 2.0% in each of FYs 2010 and FY 2011.

In addition to pay raises, other historical sources of payroll cost increases include, but are not limited to; step movement, longevity increases, workers' compensation increases, and healthcare benefit inflation. Also of note are payroll-related expenditures that include various check-off charges assessed by the Department of Administrative Services (DAS) and the Office of Budget and Management (OBM) for payroll processing, state merit system, central accounting, collective bargaining, employee assistance program, and the equal employment opportunity program.

*Population Dynamics.* The basic dynamic driving the growth of inmate population is five or so recent years of record level intake. The Department's release mechanisms, which had masked that reality for some period of time, have not been able to keep pace. For some time now, the numbers of offenders that are entering the prison system noticeably outnumber the number of offenders that are leaving the prison system. The net result is the expansion of the total inmate population.

The Department has experienced significant inmate population growth over the past several of years. Between FYs 1998 and 2006, the Department reported nine consecutive years in which prison intake increased. Since that time, the inmate intake trend has since begun to slightly decline. Intake in FY 2007 decreased by nearly 2.0%, and, in FY 2008, it appears that the Department saw another 4% decrease in prison intake. As of February 2009, Ohio's prison population has grown to near record levels of around 50,700, which puts the entire prison system at about 132% of its rated bed capacity. The Department projects that the total inmate population will reach 51,841 by the end of FY 2009, culminating in an all-time high, at the current growth rate, of a total institutional inmate population of 53,992 by the end of FY 2011.

A departmental analysis has revealed that, of current inmate intake, about 57% of the offenders have a sentence of less than one year in duration. Empirically, this suggests the possibility that local jails are at their capacity and other community-based sanctions are insufficient to handle the volume and nature of felony caseloads handled by the judges of the courts of common pleas. In some local jurisdictions, the state-run prison system may represent the only viable residential sanctioning option for the courts, even for a stay of relatively short duration.

In response to the record level population growth and the required number of inmate beds, the Department has reactivated all prison pods, wings, and dormitories

that had been closed in previous years. The Department currently does not plan any new construction or to reactivate either the Orient Correctional Institution, which was closed in 2002, or the Lima Correctional Institution, which closed in 2004. From the Department's perspective, not only would it be extremely costly to reactivate either of those closed correctional institutions, but the executive recommended budget does not provide enough funding to make such a strategy a viable option at this time.

**Medical Services Costs.** Inflation has had a particularly notable impact on medical/healthcare services delivered in correctional institutions. The Department's inflation rate for medical/healthcare services has been around 10%. Some of the inflationary factors driving up the Department's cost of delivering institutional medical services include the following:

- **OSU Medical Center.** A significant medical services cost factor is the contract with The OSU Medical Center to provide inpatient care. In FY 2006, the expenditures stemming from this contract reached \$49.1 million. By the end of FY 2008, these expenditures had grown to \$59.4 million. The OSU contract currently accounts for around one-third of the Department's annual medical services budget. As for FYs 2010 and 2011, the new contract has not yet been negotiated and signed. Given the continued inflation of healthcare costs and the anticipated level of inmate illness, the Department expects the terms of the new contract to reflect a similar rate of inflation growth as has been experienced in recent years.
- **Hepatitis C.** Another significant factor increasing the Department's medical services costs is the diagnosis and treatment of Hepatitis C, which has also become a growing concern for corrections systems across the country. According to the Department, by the end of FY 2008, approximately 4,613 inmates have tested positive for Hepatitis C, of which only a fraction are medically eligible to be offered treatment. In calendar year 2008, 21 inmates completed the treatment regimen, another 25 were continuing with their treatment, and 11 inmates terminated their treatments. The testing regimen has had a significant impact on laboratory costs, and follow-up evaluations, including liver biopsies, and has contributed to the increased costs at The OSU Medical Center. Depending on the type of treatment that is provided, the drug therapy lasts between 6 to 12 months and can cost up to \$16,000 per patient. In FYs 2010 and 2011, the Department expects to face continued increases in the cost of the diagnosis and treatment of Hepatitis C as the intake of new inmates, who must be screened and tested, has risen sharply in recent years.

- **Medical Technology.** Significant medical costs have also been created by the availability of newer diagnostic tests and improvements in the standards of care. For example, new drugs used to treat infectious diseases have increased in cost by 75% in recent years. New diagnostic tests and procedures change very rapidly and quickly become the required standard of care, are therefore not discretionary, and from the Department's perspective, are often quite costly.
- **Professional Recruitment.** The Department is currently dealing with the effects of a nationwide nursing shortage. The Department's current vacancy rate for nurses is 19% compared to approximately 6% in the private sector where more attractive terms can be offered. The Department anticipates this nursing shortage will continue to worsen over the next several years. The inability to hire and retain qualified nursing staff has had a significant impact on the Department's medical services budget. The Department has been forced to utilize overtime and contracting for higher cost agency nursing services to meet minimum staffing requirements. Recently enacted Am. Sub. S.B. 147 of the 127th General Assembly may provide some relief by extending the Department's authorized physician recruitment program to include nurses among other health professionals. Under this program, the Department agrees to pay all or part of student loans, and in exchange the nurses who would benefit agree to join the civil service nursing staff for at least a specified period of time.
- **Pharmaceutical Costs.** Since 1997, expenditures in the U.S. for prescription medication increased an average of 15% annually. In FY 2004, the Department's expenditures for medications increased by \$3.6 million, which was a 27.7% increase over the expenditure for the previous fiscal year. In FY 2005, pharmaceutical expenses grew by another \$1.4 million, or 8.4%. Since FY 2006, the Department has experienced around 9% inflation in pharmaceutical expenditures. The Department will likely face continued increases in the cost of prescription medications, and has projected a 9% inflation rate for FYs 2010 and 2011.
- **Fussell v. Wilkinson.** For several years, the Department defended itself in a class action lawsuit alleging that the correctional healthcare delivery system in Ohio was constitutionally inadequate. In order to reduce expensive litigation costs, the parties to the suit agreed to an evaluation of the correctional healthcare system by a team of experts. The recommendations by this team helped avert what many felt would be costly litigation and provided a set of solutions agreeable to all involved

parties. The resolution of this case has had the effect of increasing medical related costs, as the settlement agreement requires the Department to increase medical staff and improve the delivery of healthcare services. The implementation of the four-phase settlement agreement began in FY 2006, while phases three and four have been implemented during the course of FYs 2008 and 2009. In these latter phases of the settlement, approximately 111 additional medical services positions were created. The total number of additional medical positions created over the entire course of the four-phase settlement agreement is approximately 311. The total estimated direct cost over the life of the *Fussell* stipulation is about \$62.7 million, and the ongoing permanent cost of the structural changes and additional medical and dental staff will be about \$23 million every year, not including cost-of-living adjustments.

### **Prison System Growth**

The nature of the Department's prison system has dramatically changed in the last 20 years or so. As of the start of FY 1980, this system contained eight correctional institutions and housed around 14,000 inmates. At the close of FY 2009, the Department will be operating 32 correctional institutions, including the Corrections Medical Center and two state-owned, privately operated institutions, and managing an inmate population in excess of 50,000.

The FY 2008-FY 2009 biennium will be the fifth consecutive two-year budget in an overall time frame dating back to the early 1980s in which no new correctional institutions were constructed and activated. This, heretofore, uninterrupted pattern of institutional growth was part of a dynamic set in motion by the prison construction program that the state embarked on in 1982 with Am. Sub. H.B. 530 of the 114th General Assembly. For at least the last twelve years or so, the vast majority of the Department's capital and operating budgets have gone toward maintaining and supporting this network of state correctional institutions.

Even without the addition of new correctional facilities, given the number of staff and the number of inmates in the prison system, the Department is still likely to experience the fiscal pressures that are a natural consequence of the following three factors: (1) pay raises and collective bargaining agreements, (2) inflation on medical, utility, and food costs, and (3) significant growth in the inmate population since 2005. That said, the executive budget does recommend funding increases and changes in the state's criminal sentencing and prison management laws intended to divert offenders into community sanctions and reduce the lengths of stay for offenders who are sentenced to a prison term.

## Community Control Sanctions and Local Impact

With the exception of those geographical areas in immediate proximity to a prison facility, the principal local fiscal impacts generated by the Department's budget will be felt through activities and funds handled by the Division of Parole and Community Services.

Since the restructuring of the state's felony sentencing laws enacted pursuant to Am. Sub. S.B. 2 of the 121st General Assembly, the purpose of the Department's community sanctions funding has, in theory, been to reduce prison and jail populations by diverting felony and misdemeanor offenders into alternative community controls.

The Division of Parole and Community Services provides a mix of direct supervision and control services, as well as subsidy and contract dollars, to local jurisdictions for the handling of felons and misdemeanants. This has the practical effect of saving such jurisdictions, in particular counties, money that might otherwise have to be allocated for their local criminal justice systems. The executive budget basically provides for more than the continuation of FY 2009 levels of service through the next biennium with the expansion of several Parole and Community Services programs.

The Division of Parole and Community Services, however, does more than just provide subsidies. The true range of local community control sanctions provided by the Division also includes parole personnel assigned to the Adult Parole Authority who supervise and control felons for various sentencing courts around the state, as well as the state-funded halfway house and community-based correctional facility (CBCF) beds that are made available to the judges of the courts of common pleas for directly sentencing certain felons to community control sanctions in lieu of sentencing those felons to a stay in the state-run prison system. The parole component of the Division of Parole and Community Services also provides full or supplemental community supervision and control services to a number of counties. More specifically, the Adult Parole Authority (APA) performs full, partial, or supplemental presentence investigations and/or supervision services for 54 of Ohio's 88 counties.

Focusing solely on the GRF side of the Department's budget for the period running from FY 1988 through FY 1993, the percentage of total GRF spending allocated for prison diversion and jail population reduction programs ran in the range of 8% to 9% annually. Since that time, the amount of GRF money that has been allocated to these community sanctions programs has moved up into the 12% range. This percentage overstates the financial resources spent explicitly on prison diversion and jail population reduction programs, as it also includes departmental expenses associated with operating the release component of the state's prison system (the Parole Board and the supervision and residential placement of parolees, those released under transitional control, and graduates of departmental boot camps, as well as offenders under post-release control).

## Staffing Levels

Table 3 immediately below summarizes the number of staff that the Department paid, or will pay, on the last pay period of FYs 2004 through 2011. Two facets of this data can be highlighted. First, the Department has reduced its number of staff in order to cut expenditures and stay within available appropriations. Second, it appears that the executive recommended budget will require the Department to further reduce its current staffing level.

Under the executive recommended level of funding, the Department has stated that it will be forced to eliminate nearly 400 of the currently filled number of staff positions, which means that it will have to reduce payroll-related operating expenses by implementing layoffs. The Department has already sought to minimize layoffs by offering early retirement initiatives and by taking advantage of any positions that become vacant through attrition, and in order to protect scarce budget resources. These staffing projections are very fluid given the complexity and uncertainty of conditions in both the current and forthcoming budget environments.

**Table 3. Rehabilitation and Correction Staffing Levels by Line Item, FYs 2003-2011\***

Line Item	2003	2004	2005	2006	2007	2008	2009**	2010**	2011**
<b>General Revenue Fund (GRF)</b>									
501-321	10,642	10,489	10,638	10,409	10,559	10,308	9,994	9,748	9,748
501-407	9	7	9	9	8	8	9	9	9
502-321	539	551	562	537	550	527	542	542	542
503-321	1,038	1,053	1,059	1,043	1,045	1,003	955	848	848
504-321	255	258	252	270	266	264	235	218	218
505-321	504	472	482	539	611	682	825	901	936
506-321	258	266	344	354	336	295	308	285	285
507-321	81	83	84	102	108	83	84	69	69
<b>Non-GRF</b>									
501-601	11	13	13	13	12	14	13	13	13
501-602	646	628	653	654	645	643	634	608	608
501-603	199	189	152	104	80	125	131	116	116
501-604	6	5	7	5	4	5	5	5	5
501-607	172	177	184	199	199	258	242	234	234
501-608	13	14	16	16	18	17	17	16	16
501-619	19	15	16	23	20	20	23	18	18
501-605	1	1	1	1	1	1	1	1	1
501-618	23	20	16	21	24	27	20	27	27
<b>Total GRF</b>	<b>13,326</b>	<b>13,179</b>	<b>13,430</b>	<b>13,263</b>	<b>13,483</b>	<b>13,170</b>	<b>12,952</b>	<b>12,620</b>	<b>12,655</b>
<b>Total Non-GRF</b>	<b>1,090</b>	<b>1,062</b>	<b>1,058</b>	<b>1,036</b>	<b>1,003</b>	<b>1,110</b>	<b>1,086</b>	<b>1,038</b>	<b>1,038</b>
<b>TOTALS</b>	<b>14,416</b>	<b>14,241</b>	<b>14,448</b>	<b>14,299</b>	<b>14,486</b>	<b>14,280</b>	<b>14,038</b>	<b>13,658</b>	<b>13,693</b>

\* The number of staff by program that the Department paid, or will pay, on the last pay period of FYs 2003 through 2011.

\*\* Staffing levels for FYs 2009-2011 are the Department's current projections.

### State Employees

What is not clearly evident from the Department's staffing levels in the above table is the bigger picture into which these "numbers" fit. Of the total number of state employees, around 25% work for the Department, that is one in four state employees. Additionally, roughly 13%, or approximately one in six, of all state employees is a correction officer who works for the Department.

### Privatized Correctional Institutions

The Department's staffing levels do not include the Lake Erie Correctional Institution and the North Coast Correctional Treatment Facility, which are state-owned prisons whose operations have been contracted out to private-sector vendors. If those two correctional facilities were not to be privatized, the Department would need approximately 500 total additional staff for their activation and operation.

Current law requires the Director of Rehabilitation and Correction to contract for the private operation and management of not less than two facilities under the Department's control, unless the contractor managing and operating a facility is not in substantial compliance with the material terms and conditions of its contract and no other person or entity is willing and able to satisfy the obligations of the contract. The executive budget amends current law and would appear to "permit" but no longer "require" the Department to contract for the operation of the North Coast Correctional Facility.

### **Correctional Institution Profile**

Displayed in the Table 4 below is a selective profile of the 30 correctional institutions that the Department was operating as of June 2008. It does not include the two state-owned, privately operated correctional institutions: North Coast Correctional Treatment Facility and Lake Erie Correctional Institution. Also of note is that three correctional institutions exclusively house female offenders (Franklin Pre-Release Center, Northeast Pre-Release Center, Ohio Reformatory for Women), and the Oakwood Correctional Facility is a mental health hospital that serves male and female offenders.

Table 4. Correctional Institution Profile, as of June 2008

Institution*	Staff	COs**	CO Ratio**	FY 2008 Average Population	Yearly Inmate Cost	Daily Inmate Cost
Allen C.I.	341	191	6.86	1,314	\$22,522.30	\$61.70
Belmont C.I.	452	282	9.45	2,668	\$15,387.88	\$42.16
Chillicothe C.I.	523	313	9.04	2,819	\$16,913.06	\$46.34
Corrections Medical Center	441	274	0.46	126	\$356,044.88	\$975.47
Correctional Reception	493	304	5.70	1,730	\$23,855.42	\$65.36
Dayton C.I.	197	98	4.82	471	\$34,122.92	\$93.49
Franklin Pre-Release	134	65	7.48	486	\$23,371.20	\$64.03
Grafton C.I.	334	190	7.89	1,499	\$20,692.41	\$56.69
Hocking C.F.	159	77	6.24	481	\$30,253.76	\$82.89
Lebanon C.I.	496	315	7.96	2,498	\$17,750.73	\$48.63
London C.I.	410	233	9.88	2,277	\$17,542.91	\$48.06
Lorain C.I.	407	251	7.34	1,861	\$20,510.10	\$56.19
Madison C.I.	531	334	6.63	2,212	\$19,648.07	\$53.83
Mansfield C.I.	571	375	6.33	2,371	\$22,232.78	\$60.91
Marion C.I.	429	276	7.86	2,160	\$18,783.11	\$51.46
Montgomery Ed./Pre-Release	139	75	4.58	346	\$31,822.05	\$87.18
Noble C.I.	417	260	9.03	2,341	\$16,488.38	\$45.17
North Central C.I.	419	252	9.13	2,298	\$16,482.24	\$45.16
Northeast Pre-Release	154	83	6.87	570	\$28,184.52	\$77.22
Oakwood C.F.	267	86	1.49	127	\$180,730.27	\$495.15
Ohio Reformatory for Women	468	252	9.33	2,343	\$18,615.22	\$51.00
Ohio State Penitentiary	414	265	1.97	522	\$59,305.94	\$162.48
Pickaway C.I.	530	283	8.39	2,370	\$24,785.08	\$67.90
Richland C.I.	426	247	10.17	2,512	\$14,703.34	\$40.28
Ross C.I.	527	346	7.31	2,524	\$17,801.61	\$48.77
Southeastern Ohio C.F.	364	200	7.23	1,447	\$21,742.27	\$59.57
Southern Ohio C.F.	703	494	3.15	1,556	\$34,757.93	\$95.23
Toledo C.I.	346	230	4.80	1,106	\$27,139.82	\$74.36
Trumbull C.I.	351	255	5.26	1,341	\$26,392.85	\$72.31
Warren C.I.	369	219	6.18	1,352	\$24,189.74	\$66.27
<b>Totals</b>	<b>11,812</b>	<b>7,125</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Averages</b>	<b>N/A</b>	<b>N/A</b>	<b>6.7</b>	<b>47,730</b>	<b>\$23,091.99</b>	<b>\$63.27</b>

\*\*"C.I." and "C.F." stand for Correctional Institution and Correctional Facility, respectively.

\*\*\*"COs" stands for correction officers.

## Legislative Actions

This section describes legislation enacted by the 127th General Assembly that is notable in terms of the actual or potential effects on the size and operation of the state's prison system.

### Acts potentially increasing population and related incarceration costs

- *Substitute Senate Bill 184 of the 127th General Assembly.* This act requires the court to sentence an offender convicted of certain multiple felonies of violence, each with a gun-related specification, to at least two of the prison terms required for the most serious gun-related specifications for which the offender was convicted. Prior to this act, if an offender was convicted of multiple felonies, and each of these felonies had a gun specification, the court could only impose additional years for one of the gun specifications. The act further permits the court to impose on the offender the additional prison term for any or all of the remaining gun specifications.

By increasing prison stays related to certain gun specifications, this act will trigger a "stacking effect," which refers to the increase in the inmate population that occurs as certain offenders stay in prison longer and the number of offenders entering the prison system does not decrease. When this anticipated stacking effect stabilizes, Department staff has estimated the need for approximately 570 or so additional prison beds. At today's incarceration cost that translates into an additional \$14.3 million in annual institutional operating expenses.

- *Substitute House Bill 195 of the 127th General Assembly.* This act most notably: (1) increases the base penalty for possession of certain drugs in less than the bulk amounts, and (2) increases the penalty for the offense of deception to obtain a dangerous drug if the amount of the drug involved equals or exceeds the bulk amount or in the case of a dangerous drug, if the offender previously has been convicted of, or pled guilty to, a drug abuse offense.

An analysis provided by the Department's research staff suggests that the penalty enhancement for obtaining dangerous drugs through deception may require the addition of around 40 or so new inmate beds over the next year or two. At today's incarceration cost that translates into around \$1.0 million in additional annual institutional operating expenses.

- *Amended Substitute Senate Bill 10 of the 127th General Assembly.* In addition to making various changes to the SORN Law, generally relative to an offender's registration responsibilities, this act also expands the existing offenses of gross sexual imposition, menacing by stalking, abduction,

unlawful restraint, or criminal child enticement with a sexual motivation. The act further enhances the penalties of several offenses, including but not limited to, sex offenses or offenses against minors.

As a result, it is possible that some individuals that might otherwise not have been arrested, successfully prosecuted, and sanctioned for committing certain felony or misdemeanor offenses in the future will be arrested, successfully prosecuted, and sanctioned for committing those offenses. It is also possible that the sanctions imposed by the sentencing court would include longer prison terms than allowed for under prior law. According to the Department's research staff, the bill could generate a significant increase in the prison system's annual incarceration costs.

- ***Amended Substitute Senate Bill 97 of the 127th General Assembly.*** This act enhances the penalties for a violation of any prohibition in the SORN Law that prohibits a person from failing to comply with the Law's address registration, notice of intent to reside, change of address, and address verification duties.

According to the Department's research staff, the majority of costs created by the bill will be attributed to the longer prison stays for felony registration offenders that were already being sentenced to prison under prior law. By extending prison stays beyond what the amount of time served would have been under prior law, the bill will trigger a "stacking effect." Based on the Department's analysis, when this stacking effect stabilizes, the prison system will need a "conservatively" estimated 225 additional beds to house both affected felony registration offenders (an estimated 175 beds) and felony-enhanced misdemeanor offenders (an estimated 50 beds). If DRC's research is a reasonable approximation of the impact of this act on its future inmate population, then the increase in its annual incarceration costs when the stacking effect peaks could conceivably total around \$5.52 million or more.

- ***Substitute Senate Bill 183 of the 127th General Assembly.*** Among several provisions of this act, one in particular provides for mandatory prison terms for persons who plead guilty to or are convicted of importuning if previously convicted of a sexually oriented offense or child-victim oriented offense. The bill provides mandatory prison terms for persons who plead guilty to or are convicted of importuning if previously convicted of a sexually oriented offense or child-victim oriented offense.

The bill will likely have two effects on the offender population sentenced to prison each year. First, some offenders will be sentenced to a prison term that would otherwise have been sanctioned locally. Second, some offenders who would have been sentenced to a prison term under prior law and sentencing

practices could be incarcerated for a longer period of time. Accordingly, the bill's mandatory prison terms for importuning will increase the size of the Department's annual inmate population and that the fiscal consequences of that increase will likely exceed \$100,000 per year.

**Acts potentially decreasing population and related incarceration costs.**

While the above-summarized acts of the 127th General Assembly will or may increase the size of the Department's institutional population and related annual incarceration costs, the following act described immediately below will allow the Department to implement numerous administrative and procedural changes that will streamline operations and reduce expenditures.

- *Amended Substitute House Bill 130 of the 127th General Assembly.* The bill contains a broad mix of provisions designed to strengthen reentry and community sanctions, reduce state operating costs, and streamline state administrative practices and procedures. The net effect of these provisions creates an opportunity for the Department to reduce its annual operating costs by an estimated \$1.0 million or so annually.

## ANALYSIS OF EXECUTIVE PROPOSAL

### Funding Categories

This section provides an analysis of the Governor's recommended funding for each appropriated line item in the Department's FY 2010-FY 2011 biennial budget. In this analysis, the Department's line items are grouped into four funding categories reflecting the focus of its services and activities. For each category, a table is provided listing the recommended appropriation in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation that are proposed by the Governor. The four categories used in this analysis are as follows:

1. Institutional Operations
2. Parole and Community Services
3. Administration
4. Debt Service

Table 5 immediately below summarizes the executive recommended funding levels for each of the four funding categories in FYs 2010 and 2011.

<b>Funding Category</b>	<b>FY 2010</b>	<b>FY 2011</b>
Institutional Operations	\$1,477,933,813	\$1,487,076,006
Parole and Community Services	\$214,418,116	\$219,757,632
Administration	\$27,626,514	\$28,407,385
Debt Service	\$101,578,100	\$98,080,200
<b>Total Recommended Funding</b>	<b>\$1,821,556,543</b>	<b>\$1,833,321,223</b>

To aid the reader in finding each line item in the analysis, Table 6 on the following page shows the category in which it has been placed, listing the line items generally in order within their respective fund groups and funds. This is generally the same order the line items appear in the budget bill.

<b>Table 6. Categorization of Appropriation Items for Analysis of Executive Proposal</b>		
<b>Fund</b>	<b>ALI and Name</b>	<b>Category</b>
<b>General Revenue Fund (GRF) Group</b>		
GRF 501321	Institutional Operations	1: Institutional Operations
GRF 501403	Prisoner Compensation	1: Institutional Operations
GRF 501405	Halfway House	2: Parole and Community Services
GRF 501406	Lease Rental Payments	4: Debt Service
GRF 501407	Community Nonresidential Programs	2: Parole and Community Services
GRF 501408	Community Misdemeanor Programs	2: Parole and Community Services
GRF 501501	Community Residential Programs – CBCF	2: Parole and Community Services
GRF 501620	Institutional Operations – Federal Stimulus	1: Institutional Operations
GRF 502321	Mental Health Services	1: Institutional Operations
GRF 503321	Parole and Community Operations	2: Parole and Community Services
GRF 504321	Administrative Operations	3: Administration
GRF 505321	Institution Medical Services	1: Institutional Operations
GRF 506321	Institution Education Services	1: Institutional Operations
GRF 507321	Institution Recovery Services	1: Institutional Operations
<b>General Services Fund (GSF) Group</b>		
1480 501602	Services and Agricultural	1: Institutional Operations
2000 501607	Ohio Penal Industries	1: Institutional Operations
4830 501605	Property Receipts	1: Institutional Operations
4B00 501601	Sewer Treatment Services	1: Institutional Operations
4D40 501603	Prisoner Programs	1: Institutional Operations
4L40 501604	Transitional Control	2: Parole and Community Services
4S50 501608	Education Services	1: Institutional Operations
5710 501606	Training Academy Receipts	3: Administration
5930 501618	Laboratory Services	1: Institutional Operations
5AF0 501609	State and Non-Federal Awards	3: Administration
5H80 501617	Offender Financial Responsibility	1: Institutional Operations
5L60 501611	Information Technology Services	3: Administration
<b>Federal Special Revenue Fund (FED) Group</b>		
3230 501619	Federal Grants	1: Institutional Operations
3S10 501615	Truth-In-Sentencing Grants	1: Institutional Operations

## **Funding Category 1: Institutional Operations**

This funding category includes the line items that the Department uses to pay for the maintenance of buildings and contents, utilities, support services, and secure supervision for 50,000-plus offenders. Institutional operations further include the legal and ethical responsibilities of providing adequate housing, food, clothing, work therapy, and spiritual support to the inmates. The Ohio Penal Industries (OPI) provide job opportunities, work experience, and training for inmates along with offering inmate programming, including self-help, stress management, enhancement of life skills, communication, anger control, and pre-parole planning.

The executive recommended FY 2010 and FY 2011 GRF appropriations for the Institutional Operations constitute approximately 79% of the total GRF appropriation for the Department over the next biennium. Similarly, of the Department's total biennial appropriation for the Department around 80% is allocated for the provision of institutional services and activities. In the context of a \$1.8 billion annual budget, this clearly illustrates the magnitude of the ongoing cost of operating 32 state correctional facilities that house and service more than 50,000 inmates.

Table 7 below shows the line items that are used to primarily pay for the provision of institutional services and activities, as well as the executive recommended funding levels. It is followed by a discussion of the purpose of each appropriated line item and how its recommended FY 2010 and FY 2011 appropriations will be allocated.

**Table 7. Executive Budget Recommendations for Institutional Operations**

Fund	ALI and Name	FY 2010	FY 2011
<b>General Revenue Fund (GRF) Group</b>			
GRF	501321 Institutional Operations	\$884,288,147	\$884,530,244
GRF	501403 Prisoner Compensation	\$8,599,255	\$8,599,255
GRF	501620 Institutional Operations–Federal Stimulus	\$24,800,000	\$34,200,000
GRF	502321 Mental Health Services	\$80,844,321	\$84,462,467
GRF	505321 Institution Medical Services	\$252,462,498	\$251,763,268
GRF	506321 Institution Education Services	\$22,730,539	\$23,183,959
GRF	507321 Institution Recovery Services	\$5,025,028	\$5,899,110
<b>General Revenue Fund Subtotal</b>		<b>\$1,278,749,788</b>	<b>\$1,292,638,303</b>
<b>General Services Fund (GSF) Group</b>			
1480	501602 Services and Agriculture	\$108,290,058	\$111,062,533
2000	501607 Ohio Penal Industries	\$40,845,414	\$40,845,414
4830	501605 Property Receipts	\$255,015	\$261,315
4B00	501601 Sewer Treatment Services	\$2,467,630	\$2,529,828
4D40	501603 Prisoner Programs	\$14,600,000	\$14,800,000
4S50	501608 Education Services	\$2,800,000	\$3,000,000
5930	501618 Laboratory Services	\$6,476,314	\$6,740,260
5H80	501617 Offender Financial Responsibility	\$3,000,000	\$3,000,000
<b>General Services Fund Group Subtotal</b>		<b>\$178,734,431</b>	<b>\$182,239,350</b>
<b>Federal Special Revenue Fund (FED) Group</b>			
3230	501619 Federal Grants	\$12,198,353	\$12,198,353
3S10	501615 Truth-in-Sentencing Grants	\$8,251,241	\$0
<b>Federal Special Revenue Fund Group Subtotal</b>		<b>\$20,449,594</b>	<b>\$12,198,353</b>
<b>Total Funding: Institutional Operations</b>		<b>\$1,477,933,813</b>	<b>\$1,487,076,006</b>

### **Institutional Operations (GRF line items 501321 and 501620)**

GRF line item 501321, **Institutional Operations**, will be used almost exclusively for the daily operation of prisons, more specifically the payroll, purchased services, maintenance, and equipment costs directly associated with facility management, facility maintenance, support services, security, and unit management. The executive recommended appropriation for FY 2010 is \$884,288,147, which is \$44,692,050, or 4.8%, less than the adjusted FY 2009 appropriation of \$928,980,197. The executive recommended FY 2011 appropriation is \$884,530,244, nearly equal to the FY 2010 recommendation and 4.8% less than the FY 2009 adjusted appropriation.

From the Department's perspective, this executive recommended appropriation for FYs 2010 and 2011 does not provide sufficient funding to cover the future cost of

delivering existing program and service levels. At these recommended funding levels, Department staff have indicated that at least two correctional institutions would have to be close and as many as 1,000 or more operations staff positions eliminated.

In order to minimize the possibility, the executive budget appropriates a total of \$59.0 million in federal economic stimulus money to a newly created GRF line item, 501620, **Institutional Operations–Federal Stimulus**, to be used to support institutional operations. If one adds this federal stimulus money to the GRF line item 501321 amounts, the total amount that the executive recommends for institutional operations is \$909,088,147 in FY 2010 and \$918,730,244 in FY 2011. This total amount of recommended funding is less than the adjusted FY 2009 institutional operations GRF appropriation of \$928,980,197 by \$19,892,050, or 2.1%, in FY 2010 and by \$10,249,953, or 1.1%, in FY 2011.

Even with \$59.0 million in one-time federal economic stimulus revenue, the Department will still not have sufficient GRF appropriations to continue current levels of institutional services and activities supported by this line item. This will require the Department to implement cuts in various operating expenses, much of which is still to be determined. One component of this cost-cutting will include reduction of staff through a mix of layoffs, attrition, and an early retirement incentive program that has been extended through the end of July 2009.

The appropriated GRF amount in each fiscal year will be more or less roughly allocated as follows: payroll-related expenses (between \$650 million and \$700 million annually) with the remainder in each year allocated for a likely mix of purchased personal services, maintenance and supplies, and equipment purchases. Department staff estimates that the executive recommendations will support 9,748 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011. LSC fiscal staff calculates that this total includes 9,695 FTEs that work in correctional institutions and another 53 FTEs administrative staff that oversee institutional operations from Central Office. Relative to the estimated total number of FY 2009 funded FTEs (9,994), the Department's estimated total number of FTEs for the next biennium (9,748) represents a reduction of 246 FTEs, or 2.5%.

### **Prisoner Compensation (GRF line item 501403)**

This GRF line item provides funds to: (1) pay inmates for their work performed while incarcerated, and (2) cover prisoner release payments, also known as "gate money." The executive budget recommends the Department's requested appropriation for this line item of \$8,599,255 in each of FYs 2010 and 2011.

Inmates perform a variety of jobs and services within correctional institutions, such as food service, maintenance, and clerical work. Monthly inmate pay runs approximately \$18. According to Department staff, the ability to work has to be viewed

in light of its positive effects on prison life. Minimally, the ability to work cuts into an inmate's idle time and gives the inmate something to do, which is a valuable prison management tool. This tool is also a useful way to reward inmates by being able to assign them to better, more highly paid jobs. It also gives them money with which to buy cigarettes, snacks, soft drinks, toiletries, etc. at each correctional institution's commissary. The profit on these sales then flows back into each correctional institution for the purchase of goods and services that benefit inmates. These funds are actually transferred to, and disbursed from, the Services and Agricultural Fund (Fund 1480).

### **Mental Health Services (GRF line item 502321)**

This GRF line item principally pays for the provision of treatment and care to approximately 9,200 inmates at any given time with various mental health needs. The executive recommended appropriation for both fiscal years is identical to the amount requested by the Department. The recommended appropriation for FY 2010 is \$80,844,321, which is \$7,438,958, or 10.1%, more than the adjusted FY 2009 appropriation of \$73,405,363. The executive recommended FY 2011 appropriation is \$84,462,467, 4.5% more than the FY 2010 recommendation. At these levels, the Department expects to provide the same levels of services as FY 2009; however the cost of doing business is expected to increase. The increase in appropriations over the FY 2009 adjusted appropriation is in anticipation of increases in pharmaceutical expenditures, which may reach 9% or so in each fiscal year.

The appropriated GRF amount in each fiscal year for mental health services will be allocated as follows: payroll-related expenses (\$47.6 million in FY 2010 and \$49.3 million in FY 2011), purchased personal services (\$17.3 million in FY 2010 and \$17.8 in FY 2011), and supplies and maintenance (\$15.9 million in FY 2010 and \$17.3 million in FY 2011). Department staff estimates that the executive recommendations will support 542 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011. LSC fiscal staff calculates that this total includes 533 FTEs that work in correctional institutions and another 9 FTEs administrative staff that oversee institutional mental health services from Central Office. This number of funded FTEs – 533 – unchanged, the estimated total number of FY 2009 funded FTEs.

Institutional mental health services include: (1) outpatient treatment and behavior management services for inmates in the general prison population, (2) psychiatric services including outpatient, residential, crisis, and inpatient care, (3) sex offender services, and (4) pre-parole evaluations that provide the Parole Board with clinical risk assessments to assist in identifying high-risk offenders. Inmates with acute mental health needs are transferred to the Oakwood Correctional Facility in Allen County for hospitalization and treatment. This facility provides treatment services for

approximately 200-250 male and female inmates each year who are in need of intensive psychiatric treatment.

### **Institution Medical Services (GRF line item 505321)**

This GRF line item's appropriation is used almost exclusively to pay for the delivery of comprehensive healthcare services by qualified personnel at all correctional institutions, as well as centralized specialty acute and chronic care in affiliation with The Ohio State University Medical Center. Other health services provided onsite include optometry, podiatry, dentistry, basic X-ray and laboratory services, nutritional counseling, and education.

The executive recommended appropriation for FY 2010 is identical to the amount requested by the Department. The recommended appropriation for FY 2010 is \$252,462,498, which is \$54,124,693, or 27.3%, more than the adjusted FY 2009 appropriation of \$198,337,805. The executive recommended FY 2011 appropriation is \$251,763,268, which is 0.3%, less than the FY 2010 recommendation. At these recommended funding levels, Department staff anticipate being able to provide an improved level of medical services.

The appropriated GRF amount in each fiscal year for medical services will be allocated as follows: payroll-related expenses (\$96.5 million in FY 2010 and \$98.1 million in FY 2011), purchased personal services (\$36.4 million in FY 2010 and \$37.5 million in FY 2011), and supplies and maintenance (\$119.5 million in FY 2010 and \$116.1 million in FY 2011).

Department staff estimates that the executive recommendations will support 903 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011. LSC fiscal staff calculates that this total includes 870 FTEs that work in correctional institutions and another 33 FTEs administrative staff that oversee institutional medical services from Central Office. Relative to the estimated total number of FY 2009 funded FTEs (825), the Department's estimated total number of FTEs for the next biennium (936 in FY 2011) represents an increase of 111 FTEs, or 9.5%.

The recommended increase in GRF medical services funding is due a combination of factors, including, but not limited to: (1) increasing population in need of medical services, (2) anticipated increases in inflation rates within the medical industry, for example, pharmaceutical expenditures, which may increase by 9% or so in each fiscal year, and (3) full implementation of the four-phase settlement agreement for the *Fussell* lawsuit, which has resulted in the recent hiring of approximately 200 new medical personnel in phases three and four. The total number of additional medical positions created over the entire course of the settlement agreement is approximately 311. As previously mentioned, the estimated annual cost for these new medical positions, as well as any other ongoing changes resulting from the settlement

agreement, is expected to be around \$23 million, not including cost-of-living adjustments.

*Medicaid Rates for Medical Services.* The executive budget contains a provision of temporary law that involves the delivery of medical services, by The Ohio State University Medical Center (OSUMC), to persons who are confined in state adult correctional facilities. Such care, as rendered, shall be billed to the Department at a rate not to exceed the authorized reimbursement rate for the same service established by the Department of Job and Family Services under the Medical Assistance Program. Paying Medicaid rates for services at OSUMC will continue the ongoing process of streamlining medical costs, and should create a significant savings for the Department, the precise magnitude of which is still uncertain.

### **Institution Education Services (GRF line item 506321)**

This GRF line item's appropriation pays exclusively for the costs of fulfilling the Department's statutory mandate to establish and operate a school system that is approved and chartered by the Ohio Department of Education and designated as the Ohio Central School System.

The executive recommended appropriations for education services in both FYs 2010 and 2011 are lower than the amounts requested by the Department. The recommended appropriation for FY 2010 is \$22,730,539, which is \$2,116,963, or 8.5%, less than the adjusted FY 2009 appropriation of \$24,847,502. The recommended FY 2011 appropriation is \$23,183,959, which is 2.0% more than the FY 2010 recommendation. At these recommended funding levels, Department staff have indicated it is unlikely that the current level of institutional educational services can be maintained in the next biennium. While there will be some mix of cuts in personnel and program services, the Department has not yet finalized any specific plan to deal with the recommended reductions in funding.

The appropriated GRF amount in each fiscal year for institutional education services will be allocated as follows: payroll-related expenses (\$21.8 million in FY 2010 and \$22.2 million in FY 2011), and supplies and maintenance (\$924,037 in FY 2010 and \$973,423 in FY 2011).

Department staff estimates that the executive recommendations will support 285 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011. LSC fiscal staff calculates that this total includes 272 FTEs that work in correctional institutions and another 13 FTEs administrative staff that oversee institutional medical services from Central Office. Relative to the estimated total number of FY 2009 funded FTEs (308), the Department's estimated total number of FTEs for the next biennium (285) represents a reduction of 23 FTEs, or 7.5%.

Educational programs are offered at 30 correctional institutions, and provide services to approximately 15,000 inmates each year to allow them to complete adult basic education courses, earn Ohio certificates of high school equivalence, or pursue vocational training. To do so, the Department employs appropriately certified teachers, administrators, and support staff, and provides classrooms, shops, and other appropriate facilities and necessary furniture, books, stationery, supplies, and equipment. Vocational education programs are offered at 29 correctional institutions that annually serve more than 3,500 inmates lacking job skills. Special education and literacy training programs serve inmates with learning disabilities and those who cannot read.

### **Institution Recovery Services (GRF line item 507321)**

This GRF line item's appropriation pays almost exclusively for the provision of a range of alcohol and other drug (AOD) treatment services for inmates under the jurisdiction of the Department. AOD screening is completed for all inmates as part of the mental health screening process.

The executive recommended appropriations for recovery services in both FYs 2010 and 2011 are lower than the amounts requested by the Department by more than \$2.0 million in each year. The recommended appropriation for FY 2010 is \$5,025,028, which is \$2,108,952, or about 30.0%, less than the requested appropriation of \$7,133,980. The executive recommended FY 2011 appropriation is \$5,899,110, which is \$2,172,221, or about 27.0%, less than the requested appropriation of \$8,071,331. At these recommended funding levels, Department staff have indicated it is unlikely that the current level of institutional recovery services can be maintained in the next biennium. While there will be some mix of cuts in personnel and program services, the Department has not yet finalized any specific plan to deal with the recommended reductions in funding.

The appropriated GRF amount in each fiscal year for recovery services will be allocated as follows: payroll-related expenses (\$4.4 million in FY 2010 and \$5.3 million in FY 2011), purchased personal services (\$300,727 in FY 2010 and \$309,749 in FY 2011), and supplies and maintenance (\$289,762 in FY 2010 and \$298,456 in FY 2011).

Department staff estimates that the executive recommendations will support 69 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011. LSC fiscal staff calculates that this total includes 65 FTEs that work in correctional institutions and another 4 FTEs administrative staff that oversee institutional recovery services from Central Office. Relative to the estimated total number of FY 2009 funded FTEs (84), the Department's estimated total number of FTEs for the next biennium (69) represents a reduction of 15 FTEs, or 17.9%.

In FY 2008, 27,300 new admissions received mental health screenings. Treatment services are available in every correctional institution. Treatment modalities include, but are not limited to, the following: (1) four therapeutic communities that provide long-term AOD treatment to approximately 1,200 inmates annually, (2) five residential programs, including one AOD literacy unit, that treat approximately 570 inmates per year, and (3) outpatient programs that treat approximately 520 inmates annually, counseling groups, and ancillary services such as education and support/fellowship activities, e.g., Alcoholics Anonymous and Narcotics Anonymous.

### **Services and Agriculture (GSF line item 501602)**

The purpose of this GRF line item's appropriation is statutorily restricted for the following purposes: (1) purchase of materials, supplies, and equipment and the construction and extension of buildings used in service industries and agriculture, (2) purchase of lands and buildings necessary to carry on or extend the service industries and agriculture, upon the approval of the governor, (3) payment of compensation to employees necessary to carry on the service industries and agriculture, and (4) payment of prisoners confined in state correctional institutions a portion of their earnings in accordance with rules adopted pursuant to the Revised Code.

The executive budget provides the Department's requested appropriation for this line item in each of FYs 2010 and 2011: \$108,290,058 and \$111,062,533, respectively. The appropriated amount in each fiscal year will be allocated as follows: payroll-related expenses (\$47.6 million in FY 2010 and \$48.6 million in (FY 2011), purchased personal services (\$1.0 million in FY 2010 and FY 2011), and maintenance and supplies (\$59.6 million in FY 2010 and \$61.4 million in FY 2011).

Department staff estimates that the executive recommendations will support 608 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011. Relative to the estimated total number of FY 2009 funded FTEs (634), the Department's estimated total number of FTEs for the next biennium (608) represents a reduction of 26 FTEs, or 4.1%.

### **Ohio Penal Industries (GSF line item 501607)**

This GSF line item's appropriation is used to pay for the services and activities of the Ohio Penal Industries (OPI), which operates factories and shops in the state's correctional institutions. The purposes for which this appropriation may be used is statutorily restricted to the following purposes: (1) purchase of materials, supplies, and equipment and the construction and extension of buildings used in manufacturing industries, (2) purchase of lands and buildings necessary to carry on or extend the manufacturing industries upon the approval of the governor, (3) payment of compensation to employees necessary to carry on the manufacturing industries, and (4) payment of prisoners confined in state correctional institutions a portion of their earnings in accordance with rules adopted pursuant to the Revised Code.

The executive budget provides the Department's requested appropriation for this line item, or \$40,845,414, in each of FYs 2010 and 2011. The appropriated amount in each fiscal year will be allocated as follows: payroll-related expenses (\$16.0 million in FY 2010 and \$16.4 million in FY 2011), purchased personal services (\$259,848 in FY 2010 and \$267,643 in FY 2011), and supplies and maintenance (\$24.5 million in FY 2010 and \$24.2 million in FY 2011).

Department staff estimates that the executive recommendations will support 234 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011. Relative to the estimated total number of FY 2009 funded FTEs (242), the Department's estimated total number of FTEs for the next biennium (234) represents a reduction of 8 FTEs, or 3.3%.

#### **Property Receipts (GSF line item 501605)**

This GSF line item's appropriation is statutorily authorized to be used for any expenses necessary for the provision of housing to Department employees, including, but not limited to, expenses for the acquisition, construction, operation, maintenance, repair, reconstruction, or demolition of land and buildings.

The executive budget provides the Department's requested appropriation for this line item in each of FYs 2010 and 2011: \$255,015 and \$261,315, respectively. The appropriated amount in each fiscal year will be allocated as follows: payroll-related expenses (\$65,015 in FY 2010 and \$66,315 in FY 2011), and supplies and maintenance (\$190,000 in FY 2010 and \$195,000 in FY 2011). Department staff estimates that the executive recommendations will support 1 full-time equivalent (FTE) staff position in each of FYs 2010 and 2011, unchanged from FY 2009.

#### **Sewer Treatment Services (GSF line item 501601)**

This line item's appropriation is statutorily restricted to pay costs associated with operating and maintaining each of the departmental sewage treatment facilities that generate the fund's revenue. Revenue is generated from contracts with political subdivisions under which the latter are permitted to tap into a correctional facility's sewage treatment facility.

The executive budget provides the Department's requested appropriation for this line item in each of FYs 2010 and 2011: \$2,467,630 and \$2,529,828, respectively. The appropriated amount in each fiscal year will be more or less roughly allocated as follows: payroll-related expenses (\$1,183,094 in FY 2010 and \$1,206,757 in FY 2011), maintenance and supplies (\$1.1 million in FYs 2010 and 2011), and equipment purchases (\$208,105 in FY 2010 and \$214,348 in FY 2011). Department staff estimates that the executive recommendations will support 13 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011, unchanged from FY 2009.

### **Prisoner Programs (GSF line item 501603)**

This GRF line item's appropriation is supported by revenues generated from commissions on telephone systems established for use by prisoners. The executive budget provides the Department's requested appropriation for this line item in each of FYs 2010 and 2011: \$14,600,000 and \$14,800,000, respectively. The appropriated amount in each fiscal year will be allocated as follows: payroll-related expenses (\$8.1 million in FY 2010 and \$8.3 million in FY 2011), purchased personal services (\$4.7 million in FY 2010 and \$4.9 million in FY 2011), and maintenance and supplies (\$1.8 million in FY 2010 and \$1.6 million in FY 2011).

Department staff estimates that the executive recommendations will support 116 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011. LSC fiscal staff calculates that this total includes 75 FTEs that provide institutional education services, 40 FTEs that provide institutional recovery services and 1 administrative FTE that works in Central Office. Relative to the estimated total number of FY 2009 funded FTEs (131), the Department's estimated total number of FTEs for the next biennium (116) represents a reduction of 15 FTEs, or 11.5%.

Use of the line item's appropriation is statutorily restricted to be used for the following purposes:

- Purchase of materials, supplies, and equipment used in any library program, educational program, religious program, recreational program, or prerelease program operated by the Department for the benefit of prisoners.
- Construction, alteration, repair, or reconstruction of buildings and structures owned by the Department for use in any library program, educational program, religious program, recreational program, or prerelease program operated by the Department for the benefit of prisoners.
- Payment of salary, wages, and other compensation to employees of the Department who are employed in any library program, educational program, religious program, recreational program, or pre-release program operated by the Department for the benefit of prisoners.
- Compensation to vendors that contract with the Department for the provision of services for the benefit of prisoners in any library program, educational program, religious program, recreational program, or pre-release program operated by the Department.
- Payment of prisoner release payments in an appropriate amount as determined pursuant to rule.
- Purchase of other goods and the payment of other services that are determined, in the discretion of the Director, to be goods and services that may provide additional benefit to prisoners.

**Education Services (GSF line item 501608)**

This GSF line item's appropriation, which is supported by cash transfers from the Ohio Department of Education to support special education, adult high school, vocational education, and GED testing, is statutorily restricted to pay educational expenses incurred by the Department. The executive budget provides the Department's requested appropriation for this line item in each of FYs 2010 and 2011: \$2,800,000 and \$3,000,000, respectively.

The appropriated amount in each fiscal year will be allocated as follows: payroll-related expenses (\$1.6 million in FYs 2010 and 2011), and supplies and maintenance (\$1.2 million in FY 2010 and \$1.4 million in FY 2011). Department staff estimates that the executive recommendations will support 16 full-time equivalent (FTEs) staff positions in each of FYs 2010 and 2011, one less than FY 2009.

**Laboratory Services (GSF line item 501618)**

This GSF line item's appropriation is statutorily restricted to pay costs of operating the Department's centralized laboratory, which is required to provide services to the departments of Rehabilitation and Correction, Mental Health, Mental Retardation and Developmental Disabilities, and Youth Services, and may also provide to other state, county, local, and private persons that request laboratory services.

The executive budget provides the Department's requested appropriation for this line item, or \$6,476,314 in FY 2010 and \$6,740,260 in FY 2011. The appropriated amount in each fiscal year will be allocated as follows: payroll-related expenses (\$2.2 million in FY 2010 and \$2.4 million in FY 2011), purchased personal services (\$606,154 in FY 2010 and \$624,338 in FY 2011), and maintenance and supplies (\$3.6 million in FY 2010 and \$3.7 million in FY 2011).

Department staff estimates that the executive recommendations will support 27 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011. Relative to the estimated total number of FY 2009 funded FTEs (20), the Department's estimated total number of FTEs for the next biennium (27) represents an increase of 7 FTEs, or 35.0%.

**Offender Financial Responsibility (GSF line item 501617)**

This GSF line item's appropriation is statutorily permitted ("may") to pay for goods and services of the same type as those for which offenders were assessed costs. The executive budget provides the Department's requested appropriation for this line item, or \$3,000,000, in each of FYs 2010 and 2011.

The appropriated amount in each fiscal year will be allocated as follows: \$2.5 million annually for supplies and maintenance costs related to the Parole Authority's delivery of residential and nonresidential services and activities, and \$500,000 annually to purchase equipment related to the provision of institutional medical services.

This revenue stream supporting this line item's appropriation consists all "cost debts" collected by or on behalf of the Department and all moneys currently in the Department's custody that are applied to satisfy an allowable cost debt; cost debt is a cost of incarceration or supervision that may be assessed against and collected from an offender as a debt to the state, including, but not limited to, any user fee or copayment for services, assessments for damage or destruction to institutional property, restitution to another offender or staff member, cost of housing and feeding, cost of supervision, and cost of any ancillary services; Currently, the only cost debt being collected is a \$3 copayment for voluntary sick calls. As part of the *Fussell* settlement agreement, the copay for sick calls is being lowered to \$2 per call.

### **Federal Grants (FED line item 501619)**

This line item's appropriation is used to expend federal grants serving various purposes, mostly in the areas of education, criminal justice, and food and nutrition assistance. The executive budget provides the Department's requested appropriation for this line item, or \$12,198,353 in each of FYs 2010 and 2011.

The appropriated amount in each fiscal year will be allocated as follows: payroll-related expenses (\$1.5 million in each of FYs 2010 and 2011), purchased personal services (\$368,356 in each of FYs 2010 and 2011), and maintenance and supplies (\$10.3 million in each fiscal year).

Department staff estimates that the executive recommendations will support 18 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011. LSC fiscal staff calculates that this total includes 8 administrative FTEs work in Central Office, 7 FTEs that provide institutional education services, and 3 FTEs related to the Parole Authority's delivery of nonresidential services and activities. Relative to the estimated total number of FY 2009 funded FTEs (23), the Department's estimated total number of FTEs for the next biennium (18) represents a reduction of 5 FTEs, or 21.7%.

### **Truth-in-Sentencing Grants (FED line item 501615)**

This federal line item's appropriation is used to pay for the costs of building or expanding permanent or temporary correctional facilities to increase bed space for the confinement of adult and juvenile violent offenders. Although there is some flexibility with this federal money, it is basically for "bricks-and-mortar" projects, which means new construction or renovation projects. From FYs 1996 through 2001, the last available year for VOI/TIS funding, the Department was awarded a total of \$82.2 million, of which \$77.3 million has been disbursed to date. All VOI/TIS projects must be completed by September 2009.

The executive budget provides the Department's requested appropriation for this line item, or \$8,251,241 in FY 2010 and no appropriation is made for FY 2011. This represents the last of the Truth-in-Sentencing money and is essentially the remaining

available cash balance. The total appropriated amount in FY 2010 will be allocated for capital projects.

## Funding Category 2: Parole and Community Services

This funding category including the primary sources of moneys used to pay for the provision of community supervision for felony offenders, jail inspection services, victim services, and programs that fund community correction options to prison and jail. Community Corrections Act (CCA) programs are designed to divert nonviolent offenders away from prisons and jails and into community-based sanctions. The sanction continuum includes, but is not limited to, electronic house arrest, day reporting, and intensive supervision.

A major theme in the executive budget is to address the issue of inmate population growth in the Department. In FY 2008, there were 15,485 offenders admitted to Ohio's prisons for the commission of what many criminal justice practitioners describe as low level, nonviolent felonies. This group of offenders constitutes about 57% of the total prisoner intake for the fiscal year, and many of these offenders would be eligible candidates for community-based sanctions, which are more cost-effective than jails and prisons. The executive budget proposal provides for an additional \$10.0 million annually to expand the CCA programs and add more CBCF beds, which Department staff estimate could divert a total of approximately 5,600 offenders from Ohio jails and prisons and into some type of community sanction.

Table 8 immediately below shows the line items that are used to fund this category of services and activities, as well as the Governor's recommended funding levels. It is followed by a discussion of the purpose of each appropriated line item and how its recommended FY 2010 and FY 2011 appropriations will be allocated.

<b>Table 8. Executive Budget Recommendation for Parole and Community Services</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2010</b>	<b>FY 2011</b>
<b>General Revenue Fund (GRF)</b>				
GRF	501405	Halfway House	\$41,054,799	\$42,286,443
GRF	501407	Community Nonresidential Programs	\$21,925,802	\$22,431,567
GRF	501408	Community Misdemeanor Programs	\$11,092,468	\$11,380,242
GRF	501501	Community Residential Programs – CBCF	\$62,517,256	\$64,281,774
GRF	503321	Parole and Community Operations	\$75,785,243	\$77,326,155
<b>General Revenue Fund Subtotal</b>			<b>\$212,375,568</b>	<b>\$217,706,181</b>
<b>General Services Fund (GSF) Group</b>				
4L40	501604	Transitional Control	\$2,042,548	\$2,051,451
<b>Total Funding: Parole and Community Services</b>			<b>\$214,418,116</b>	<b>\$219,757,632</b>

### **Halfway House (GRF line item 501405)**

This GRF line item's appropriation is used to pay for the costs of the community residential program that provides supervision and treatment services for offenders released from state prisons, referred by courts of common pleas, or sanctioned because of a violation of conditions of supervision. These services and activities include drug and alcohol treatment, electronic monitoring, job placement, educational programs, and specialized programs for sex offenders and mentally ill offenders. In FY 2008, through the Bureau of Community Sanctions, the Department contracted with private/not-for-profit organizations to provide a total of 1,866 halfway house beds, serving approximately 7,400 offenders.

The executive recommended appropriation for both fiscal years is identical to the amount requested by the Department. The recommended appropriation for FY 2010 is \$41,054,799, which is almost identical to the adjusted FY 2009 appropriation of \$41,214,205. The executive recommended FY 2011 appropriation is \$42,286,443, which is 3.0% more than the FY 2010 appropriation.

Based on information provided by Department staff, the executive recommended budget will have a tangible impact in the following areas, listed in decreasing intensity of supervision:

***Beds.*** The available GRF funding will support a current network of 1,866 halfway house beds serving approximately 7,400 offenders annually. Halfway house beds turn over approximately every three months, thus a single bed will generally serve four offenders annually. As the Department moves more offenders out of a relatively expensive institutional environment, and into its transitional control program, halfway house beds are, from the Department's perspective, a much more efficient use of scarce budgetary resources. The level of recommended funding for FYs 2010 and 2011 will support current levels of services and activities.

***Permanent Supportive Housing.*** This is a more recent program initiative in the Halfway House program's menu of services. This program is not a sanction, but a service for offenders and their families that experience chronic homelessness. These offenders may or may not be subject to supervision by the Adult Parole Authority (APA), but typically have some form of disability, mental health and/or substance abuse problem, or other medical problem for which the offender receives ongoing treatment. Under this initiative, subject to eligibility and availability, the offender and his or her family may be placed in a Department-paid apartment unit for a period of around one year. The Department contracts with the Corporation for Supportive Housing, which in turn subcontracts with building managers and landlords to make units available around the state. The contractor also monitors the offender/tenant to help make sure that the appropriate treatment and rehabilitative services are being delivered.

The Department funded 75 of these permanent supportive housing units in FY 2008, which served a total of 55 offenders in Cuyahoga, Franklin, Hamilton, Lucas, and Montgomery counties. In FYs 2009 through 2011, Department staff anticipates allocating funds only 65 units, resulting in a likely reduction in the number of offenders served.

***Independent Housing.*** The independent housing component is for offenders under the supervision of the APA who do not require expensive treatment services. The most significant immediate issue for these predominantly lower-risk offenders is homelessness. Offenders in this predicament are provided three months of temporary transitional housing in independent, nonprofit housing agencies licensed by the Department, until the offender can get a permanent residence reestablished. In FY 2008, the Department's Bureau of Community Sanctions contracted for a total of 52 housing units in Columbus, Greenville, and Lima that served around 224 offenders. At the executive recommended level of funding, the Department should be able to maintain current levels of service through FYs 2010 and 2011.

***Ancillary Outpatient Services.*** Ancillary outpatient services involve the placement of higher-risk offenders, mostly sex offenders and some with other mental health needs, into outpatient treatment and counseling services. These offenders, who are traditionally very difficult to place, are not residents of halfway houses, but are under the supervision of the APA. Under current law, about 10% of the Halfway Houses program's budget can be spent on nonresidential or outpatient treatment. The Department currently spends about 5% for these needs. Throughout the course of FY 2007, this component of the Halfway Houses program was used to fund treatment services for about 1,100 offenders. Due to executive mandated budget cuts in FYs 2008 and 2009, the Department has stopped contracting with external vendors to provide these ancillary outpatient services, and is now providing these services through internal staff.

***Electronic Home Monitoring.*** Electronic home monitoring (EHM) is used for: (1) the step down of inmates transitioning toward release, and (2) as a sanction for technical violations for those inmates who have been released and are under some form of supervision. In FY 2008, the Department purchased a total of about 688 slots available for monitoring offenders. These slots typically turnover about five times per year, which equates to a monitoring capacity for about 3,440 offender placements, at a per placement cost of between \$11 and \$15 per day depending on the intensity of the supervision. Of the total 688 EHM slots, 88 were funded using the appropriation for line item 501405, Halfway House, and the other 600 were paid from the appropriation for non-GRF line item 501604, Transitional Control. Under the executive recommended budget, the Department projects a similar level of EHM services in FYs 2010 and 2011.

Since FY 2002, the Department has had plans for the development of a number of additional halfway house beds that have not received the necessary funding. The current status of these projects is discussed in the paragraphs immediately below.

**Cuyahoga County.** In FY 2007, the Department created the Cleveland Transition Center, which is a licensed reentry center, including, but not limited to, 100 halfway house beds, mental health services, and job placement provided by the Ohio Department of Job and Family Services. There is also a global positioning system (GPS) monitoring component. The Department used federal Truth-in-Sentencing grant moneys to initially fund this center. This funding was only available through September 2009, after which the Halfway House line item cannot fully support this center at its current capacity, so the Department is seeking alternate funding sources. If the Truth-in-Sentencing revenue cannot be replaced, this facility will lose 50 of those beds after September 2009. This will result in around 200 fewer offenders receiving services and transitioning into the community from this facility.

**Warren County.** The county hosts the 65-bed Turtle Creek halfway house facility that was completed during the FY 2002-FY 2003 biennium. In FY 2007, the Department only had the funding to pay for daily operations of approximately 54 of those 65 beds. In FY 2008, it was fully activated, and this is expected to continue through FY 2011.

**Ross County.** The county hosts the "Chillicothe Reentry Center," a 70-bed facility that will be ready to open sometime in FY 2011. The Department has not allocated any funding from the executive recommended Halfway House appropriations to operate this facility. This new reentry center is built on the grounds of the Chillicothe Correctional Institution and has enough space to also house the Ross County Adult Parole Authority Supervision Unit, which will save the Department between \$80,000 and \$90,000 in annual rent.

### **Community Nonresidential Programs (GRF line item 501407)**

This GRF line item's appropriation, which is part of the Department's overall funding for Community Corrections Act (CCA) programs, is distributed in the form of grants to counties to operate intensive supervision and other community sanctions programming for felony offenders in lieu of prison or jail commitments. During FY 2008, grant funding supports 47 programs in 42 counties providing sanctions for nearly 10,033 offenders.

The purpose of the program is to provide the judges of the courts of common pleas with sentencing alternatives for felony offenders, such as intensive supervision, day reporting, work release, community service, counseling, drug testing, and electronic monitoring.

The executive recommended appropriation in each fiscal year exceeds the Department requested amount by \$4,800,000 annually. The recommended

appropriations for FY 2010 and FY 2011 are \$21,925,802 and \$22,431,567, respectively. The additional funding in each year will be used to expand CCA programming and divert more nonviolent offenders from costlier short-term prison stays. According to Department staff, \$2,000,000 of this additional funding will be used to create programs to divert certain nonpayment of child support offenders from serving a prison term and into local structured programs focusing on employment, cognitive behavioral skill building, as well as parenting and child support classes. These additional programs are expected to free approximately 527 annual prison beds at a savings of approximately \$2.3 million per year.

The remaining \$2,800,000 in additional annual appropriations will be used to more generally expand existing CCA prison diversion programs that target: (1) offenders that are convicted of committing a felony of the fourth and fifth degree, and (2) probation and community control violators. These expanded services and activities would divert approximately 1,528 offenders from prison at an estimated annual savings of \$5.9 million.

The planned allocation of this community nonresidential programs funding in each fiscal year can be summarized roughly as follows: payroll-related expenses (\$718,989), purchased personal services (\$21,277), and subsidies (\$21,438,420). Department staff estimates that the executive recommendations will support 9 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011, unchanged from FY 2009.

### **Community Misdemeanor Programs (GRF line item 501408)**

This GRF line item's appropriation, which is part of the Department's overall funding for Community Corrections Act (CCA) programs, is distributed in the form of grants to counties and cities to operate pre-trial release, probation, or other local programs for misdemeanor offenders in lieu of confinement in jail. Jail diversion programs include, but are not limited to, intensive supervision, standard probation, electronic monitoring, drug testing, day reporting, work release, and community service. This program currently funds 113 programs in 80 counties, and provides alternatives to confinement for around 21,068 offenders each year.

The executive recommended appropriation in each fiscal year exceeds the Department requested amount by \$1,500,000 annually. The recommended appropriations for FY 2010 and FY 2011 are \$11,092,468 and \$11,380,242, respectively. The additional \$1.5 million appropriation each year will be used to expand existing jail diversion programs, specifically targeting crowded jails. Historically, judges have sentenced offenders to prison if the local jail is consistently crowded. Approximately 2,767 additional offenders would be diverted from jails as a result of this additional funding. The Department estimates this would save around 520 prison beds each year at an annual savings of approximately \$2.2 million.

**Community Residential Programs—CBCF (GRF line item 501501)**

This GRF line item's appropriation is used to pay for subsidies that fund the operation of community-based correctional facilities (CBCFs), which can be formed by counties or groups of counties with populations of 200,000 or more. These facilities exist for the diversion of nonviolent felony offenders from state prison and are operated by facility governing boards, which are advised by judicial advisory boards. The state provides 100% of the financing for the construction, renovation, maintenance, and operation of these residential facilities, each of which house up to 200 felony offenders and offer services such as education, job training, and substance abuse treatment as an alternative to incarceration.

Currently, there are 18 operational CBCFs providing beds to 87 of 88 counties. The total number of available CBCF beds stands at 1,944, permitting the diversion of approximately 5,385 felony offenders annually with an average length of stay of around four months. The executive recommended appropriation in each fiscal year exceeds the Department requested amount by \$3,700,000 annually. The recommended appropriations for FY 2010 and FY 2011 are \$62,517,256 and \$64,281,774, respectively. The additional CBCF funding will be used to fund 220 existing beds that are generally empty due to the absence of funding. By funding these existing beds, an additional 780 offenders would be diverted from prison each year at an annual savings of around \$3.4 million.

Cuyahoga County is the lone county not currently being served by a CBCF, which is notable because this county alone typically makes up around one-fifth, or 20%, of annual prison population intake. By the end of FY 2008, a Cuyahoga County Facility Governing Board was formed and began the planning process for the new facility. It appears that this new Cuyahoga County facility will open near the end of FY 2011. There are no operating funds in the executive recommendation.

**Parole and Community Operations (GRF line item 503321)**

This GRF line item's appropriation is used exclusively to pay for the operating expenses of the Department's Division of Parole and Community Service Operations, which provides offender release and community supervision services, jail inspection services, and victim services. The largest component of the program contains the Adult Parole Authority (APA). The APA is responsible for the release of offenders from prison (including operation of the Parole Board) and their supervision in the community thereafter (including offenders placed on parole, post-release control, and transitional control). The APA also provides pre-sentence investigation and supervision services to the courts of common pleas in 54 counties. Additional areas include the Office of Victim Services and the Bureau of Adult Detention.

The executive recommended appropriations for both FYs 2010 and 2011 are lower than the amounts requested by the Department. The recommended appropriation for FY 2010 is \$75,785,243, which is \$5,311,332, or 6.5%, less than the requested appropriation of \$81,096,575. The executive recommended FY 2011 appropriation is \$77,326,155, which is \$5,462,797, or 6.6%, less than the requested appropriation of \$82,788,952.

Department staff has indicated that, at these recommended funding levels, the Department will not be able to continue providing the current level of services and activities and services supported by this line in the next biennium. While there will be some mix of cuts in personnel, and services and activities, along with other changes designed to reduce costs, the Department has not yet finalized a comprehensive plan to deal with the recommended reductions in funding.

The appropriated GRF amount in each fiscal year for Parole and Community Operations will be more or less roughly allocated as follows: payroll-related expenses (\$68.7 million in FY 2010 and \$70.0 million in FY 2011), purchased personal services (\$199,664 in FY 2010 and \$213,529 in FY 2011), and supplies and maintenance (\$6.9 million in FY 2010 and \$7.1 million in FY 2011).

Department staff estimates that the executive recommendations will support 848 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011. Relative to the estimated total number of FY 2009 funded FTEs (955), the Department's estimated total number of FTEs for the next biennium (848) represents a reduction of 107 FTEs, or 11.2%.

#### **Transitional Control (GSF line item 501604)**

This GSF line item's appropriation is statutorily restricted to pay costs related to operations of the Department's Transitional Control Program, the purpose of which is to closely monitor a prisoner's adjustment to community supervision during the final 180 days of the prisoner's confinement.

For this line item in FYs 2010 and 2011, the executive budget recommends \$2,042,548 and \$2,051,451, respectively. The appropriated amount in each fiscal year will be allocated as follows: payroll-related expenses (\$416,890 in FY 2010 and \$415,126 in FY 2011), purchased personal services (\$1.3 million in FY 2010 and FY 2011), and maintenance and supplies (\$369,253 in FY 2010 and \$365,533 in FY 2011). Department staff estimates that the executive recommendations will support 5 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011, unchanged from FY 2009.

### Funding Category 3: Administration

This funding category includes line items that pay for the services and activities that provide centralized leadership, oversight, and coordination for all departmental operations. From an organizational purpose, this includes, but is not limited to: Office of the Director, Office of Human Resources (personnel, employee relations, training/assessment center, and labor relations), Public Information Office, Legal Services Division, Office of the Chief Inspector, Office of Prisons, Office of Administration (business administration, penal industries, information and technology services, and construction, activation, and maintenance), Legislative Office, and the Office of Policy and Offender Reentry.

<b>Table 9. Executive Budget Recommendation for Administration</b>				
<b>Fund</b>		<b>ALI and Name</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>General Revenue Fund (GRF)</b>				
GRF	504321	Administrative Operations	\$26,288,606	\$27,069,477
<b>General Services Fund (GSF) Group</b>				
5710	501606	Training Academy Receipts	\$75,190	\$75,190
5AF0	501609	State and Non-Federal Awards	\$262,718	\$262,718
5L60	501611	Information Technology Services	\$1,000,000	\$1,000,000
<b>General Services Fund Group Subtotal</b>			<b>\$1,337,908</b>	<b>\$1,337,908</b>
<b>Total Funding: Administration</b>			<b>\$27,626,514</b>	<b>\$28,407,385</b>

#### Administrative Operations (GRF line item 504321)

This GRF line item's appropriation is used exclusively to pay for the operating expenses of the Department of Rehabilitation and Correction's administrative component, specifically Central Office, which oversees institutional, parole, and community service operations, and the Corrections Training Academy.

The executive recommended appropriations for administration in both FYs 2010 and 2011 is greater than the amounts requested by the Department. The recommended appropriation for FY 2010 is \$26,288,606, which is \$1,324,479, or 5.3%, more than the requested appropriation of \$24,964,127. The executive recommended FY 2011 appropriation is \$27,069,477, which is \$1,572,901, or 6.2%, more than the requested appropriation of \$25,496,576. Department staff has indicated that, even with this additional funding, current service and staffing levels will need to be reduced. While there will be some mix of cuts in personnel, and services and activities, along with other changes designed to reduce costs, the Department has not yet finalized a comprehensive cost cutting plan.

The appropriated GRF amount in each fiscal year for Administrative Operations will be allocated as follows: payroll-related expenses (\$23.0 million in FY 2010 and \$23.7 million in FY 2011), and maintenance and supplies (\$3.3 million in FY 2010 and \$3.4 million in FY 2011). Department staff estimates that the executive recommendations will support 218 full-time equivalent (FTE) staff positions in each of FYs 2010 and 2011. Relative to the estimated total number of FY 2009 funded FTEs (235), the Department's estimated total number of FTEs for the next biennium (218) represents a reduction of 17 FTEs, or 7.2%.

Some Central Office staff associated with an activity that has a specific GRF programmatic operating expenses account (321), and their related operating costs, are paid from that line item rather than GRF line item 504321, Administrative Operations. For example, payroll and related expenses of Central Office staff who exclusively oversee institutional mental health services are paid from GRF line item 502321, Mental Health Services.

#### **Training Academy Receipts (GSF line item 501606)**

This GSF line item's appropriation, which is supported by the collection of training charges, is used solely to support the Corrections Training Academy's operating expenses. The Academy is located in Orient, Ohio, and provides instruction to department employees and other law enforcement agencies. The executive budget recommendation provides the Department's requested appropriation of \$75,190 for each of FYs 2010 and 2011, all of which is allocated for supplies and maintenance.

#### **State and Non-Federal Awards (GSF line item 501609)**

The GSF line item's appropriation is used to expend grants and awards that the Department has received for certain purposes. The executive budget recommendation provides the Department's requested appropriation of \$262,718 for each of FYs 2010 and 2011, all of which is allocated for supplies and maintenance.

#### **Information Technology Services (GSF line item 501611)**

This GSF line item's appropriations are used to pay for the multi-year costs associated with information technology (IT) system upgrades and enhancements. Its revenue stream consists of prorated charges assessed each departmental unit that benefits from information technology upgrades and enhancements. The executive budget recommendation provides the Department's requested appropriation of \$1,000,000 for each of FYs 2010 and 2011, all of which is allocated for supplies and maintenance.

### **Funding Category 4: Debt Service**

This funding category includes moneys appropriated to retire bond debt related to various capital improvements projects financed through the Adult Correctional

Building Fund (Fund 7027). Table 10 immediately below shows the lone line item that is used to make the Department's debt service payments, as well as the Governor's recommended funding levels. It is then followed by a narrative describing how the appropriated amounts will be used, and the implications of the Governor's recommended funding levels.

<b>Table 10. Executive Budget Recommendation for Debt Service</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2010</b>	<b>FY 2011</b>
<b>General Revenue Fund (GRF) Group</b>				
GRF	501406	Lease Rental Payments	\$101,578,100	\$98,080,200
<b>Total Funding: Debt Service</b>			<b>\$101,578,100</b>	<b>\$98,080,200</b>

### **Lease Rental Payments (GRF line item 501406)**

This GRF line item pays for the state's debt service to the Ohio Building Authority (OBA) for its obligations incurred as a result of issuing bonds that cover the Department's capital appropriations. The moneys made available as a result of these bonds have financed the design, construction, renovation, and rehabilitation phases of various departmental capital projects, as well as the construction and renovation costs associated with local projects (community-based correctional facilities and jails). The appropriation authority and actual spending levels are set and controlled by the Office of Budget and Management (OBM), and not by DRC.

The executive budget provides this line item with appropriations of \$101,578,100 in FY 2010 and \$98,080,200 in FY 2011, amounts deemed sufficient by OBM to pay the Department's bonded debt obligations over the course of the next biennium

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*General Revenue Fund*

**GRF 501321 Institutional Operations**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$853,758,145	\$876,268,068	\$900,406,546	\$928,980,197	<b>\$884,288,147</b>	<b>\$884,530,244</b>
	2.6%	2.8%	3.2%	<b>-4.8%</b>	<b>0.0%</b>

**Source:** GRF

**Legal Basis:** Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A., the main operating appropriations act covering FYs 1996 and 1997)

**Purpose:** The line item's appropriation is used almost exclusively to pay for the operation of prisons, specifically correctional institution costs (payroll, purchased services, maintenance, and equipment) directly associated with facility management, facility maintenance, support services, security, and unit management.

A relatively small number of the Department's Central Office staff and related operating expenses have also been charged to the line item. Institutional operating costs associated with directly delivering mental health, medical, education, and recovery services programs that benefit inmates are not financed by this line item, but are covered by GRF funds appropriated for that specific programmatic purpose. This includes GRF line items 502321, 505321, 506321, and 507321.

**GRF 501403 Prisoner Compensation**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$8,599,255	\$8,599,255	\$8,599,255	\$8,599,255	<b>\$8,599,255</b>	<b>\$8,599,255</b>
	0.0%	0.0%	0.0%	<b>0.0%</b>	<b>0.0%</b>

**Source:** GRF

**Legal Basis:** Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 494 of the 109th G.A., effective July 12, 1972, which created two new departments – the Department of Rehabilitation and Correction and the Department of Mental Health and Mental Retardation – by dividing up duties previously assigned to the Department of Mental Hygiene and Correction; prior to that time, the line item was part of the Mental Hygiene and Correction budget)

**Purpose:** The line item's appropriation is used to: (1) pay inmates for their work performed while incarcerated, and (2) cover prisoner release payments, also known as "gate money." Inmates perform a variety of jobs and services within correctional institutions, such as food service, maintenance, and clerical work. Monthly inmate pay runs between \$16 to \$18. Inmates use this money to purchase various items, including snacks, soft drinks, over-the-counter medicines, and toiletries, from each correctional institution's commissary. These funds are actually transferred to, and disbursed from, the Services and Agricultural Fund (Fund 1480).

**GRF 501405 Halfway House**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$38,083,909	\$40,531,565	\$41,027,909	\$41,214,205	\$41,054,799	\$42,286,443
	6.4%	1.2%	0.5%	-0.4%	3.0%

**Source:** GRF

**Legal Basis:** Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 694 of the 114th G.A.; represents a continuation of former GRF subsidy account 501-505, Halfway House)

**Purpose:** The line item's appropriation is used to make contract payments to governmental and private, nonprofit agencies for the delivery of community residential programs that provide supervision and treatment services to: (1) prison inmates released under transitional control, parole, post-release control, or mental health transition, and (2) offenders placed under community control with a residential sanction by a court of common pleas. In addition to securing offenders a place to stay, through FY 2008 these funds purchase ancillary services, including, but not limited to, drug and alcohol abuse treatment, employment assistance, academic and vocational training programs, mental health treatment, and sex offender programming. Statutory authority for these agreements resides in ORC 2967.14. As of FY 2009, the Department eliminated outside contract vendors and began utilizing in-house staff resources to provide ancillary outpatient treatment services for these higher-risk offenders.

During FY 2008, the Department's Bureau of Community Sanctions used the line item's appropriations exclusively to contract for a total network of 1,866 halfway house beds statewide with various private, nonprofit agencies. This network of beds served approximately 7,400 offenders annually statewide.

**GRF 501406 Lease Rental Payments**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$119,406,396	\$119,084,937	\$107,606,100	\$109,224,900	<b>\$101,578,100</b>	<b>\$98,080,200</b>
	-0.3%	-9.6%	1.5%	<b>-7.0%</b>	<b>-3.4%</b>

**Source:** GRF

**Legal Basis:** Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Controlling Board on August 2, 1982)

**Purpose:** On ongoing temporary law provision requires the line item's appropriation be used to make debt service payments made to the Ohio Building Authority for its obligations incurred as a result of issuing the bonds that cover the Department's capital appropriations. The line item's appropriation authority and actual spending levels are set and controlled by the Office of Budget and Management, and not by the Department. The moneys made available as a result of these bonds have financed the design, construction, renovation, and rehabilitation phases of various departmental capital projects, as well as the construction and renovation costs associated with community projects (community-based correctional facilities, jails, and the like).

**GRF 501407 Community Nonresidential Programs**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$15,244,830	\$16,231,603	\$16,451,351	\$16,547,367	\$21,925,802	\$22,431,567
	6.5%	1.4%	0.6%	32.5%	2.3%

**Source:** GRF

**Legal Basis:** Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 204 of the 113th G.A. as GRF subsidy account 501-506, Community-Based Corrections Program; Am. Sub. H.B. 291 of the 115th G.A. changed this line item to a special purpose account)

**Purpose:** The line item's appropriation, administered in accordance with ORC 5149.30 to 5149.36, is primarily distributed as grants to eligible counties for the development, implementation, and operation of community corrections programs aimed at felony offenders. Typically, this has meant providing grants to operate intensive supervision, electronic monitoring, day reporting, and other community sanctions programs for felony offenders who would otherwise be committed to the state prison system or local jails in the absence of such alternatives. Department expenditures for administration of this grant program are statutorily prohibited from exceeding 10% of the moneys appropriated for this purpose.

During FY 2008, the line item's appropriations were used by the Department's Bureau of Community Sanctions almost exclusively to provide state financial assistance in the form of grants to a total of 47 community sanctions/diversion programs, with the capacity to serve a total of around 10,033 felony offenders annually in 42 counties.

**GRF 501408 Community Misdemeanor Programs**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$8,163,754	\$9,168,914	\$9,313,076	\$9,313,076	\$11,092,468	\$11,380,242
	12.3%	1.6%	0.0%	19.1%	2.6%

**Source:** GRF

**Legal Basis:** Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A., the main operating appropriations act covering FYs 1996 and 1997)

**Purpose:** In anticipation of the enactment of the Ohio Criminal Sentencing Commission's felony sentencing plan (Am. Sub. S.B. 2 of the 121st G.A.), which would move some offenders from the felony to the misdemeanor side of local criminal justice systems, Am. Sub. H.B. 117, the main operating appropriations act of the 121st G.A., created this line item. It appropriation is distributed primarily as grants to eligible municipal corporations, counties, and groups of counties for the development, implementation, and operation of community corrections programs that target misdemeanor offenders who would otherwise be confined in a local jail in the absence of such alternatives. This subsidy program is established and administered in accordance with ORC 5149.30 to 5149.36. Department expenditures for administration of this subsidy are statutorily prohibited from exceeding 10% of the money appropriated for this purpose.

During FY 2008, the line item's appropriations were used by the Department's Bureau of Community Sanctions exclusively to provide state financial assistance in the form of grants to support a total of 113 community sanctions/diversion programs, with the capacity to serve a total of around 21,068 misdemeanant offenders annually in 80 counties.

**GRF 501501 Community Residential Programs - CBCF**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$55,063,445	\$56,054,445	\$57,104,132	\$57,104,132	\$62,517,256	\$64,281,774
	1.8%	1.9%	0.0%	9.5%	2.8%

**Source:** GRF

**Legal Basis:** Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 191 of the 112th G.A., the main operating appropriations act covering FYs 1978 and 1979)

**Purpose:** The line item's appropriation is distributed as a subsidy to community-based correctional facilities (CBCFs), which can be formed by counties or groups of counties with populations of 200,000 or more. These facilities exist for the diversion of nonviolent felony offenders from state prison and are operated by facility governing boards, which are advised by judicial advisory boards. The state provides 100% of the financing for the construction, renovation, maintenance, and operation of these residential facilities, each of which house up to 200 felony offenders and offer services such as education, job training, and substance abuse treatment as an alternative to incarceration in a state correctional institution. (Any amounts needed beyond a budget agreed to by the Department must be covered by other sources of funding secured by the local facility governing board.) The statutory authority driving this program is contained in ORC 2301.51 to 2301.56, 5120.111, and 5120.112.

As of FY 2009, there were 18 operational CBCFs providing beds to 87 of 88 counties. The total number of available CBCF beds stood at 1,944, which permitted the diversion of approximately 5,400 felony offenders annually with an average length of stay of around four months.

Cuyahoga County is the lone county not currently being served by a CBCF, although a 200-bed facility for that location has been in the planning stage. The county has been scheduled to receive capital funding for construction. For several years, it has been unclear when that CBCF planned for Cuyahoga County would be constructed and operational due to ongoing problems locating a suitable site. Cuyahoga County officials have now selected a site for this project. By the end of FY 2008, a Cuyahoga County Facility Governing Board was formed and began the planning process for the new facility, which is expected to open near the end of FY 2011. Getting this site online carries notable potential as felony commitments from Cuyahoga County alone typically make up around one-fifth, or 20%, of annual prison population intake.

**GRF 501620 Institutional Operations-Federal Stimulus**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$0	\$0	\$0	\$0	\$24,800,000	\$34,200,000
					37.9%

**Source:** GRF (moneys allocated from the state's federal stimulus resources)

**Legal Basis:** Executive budget as proposed in Section 375.10 of H.B. 1 of the 128th G.A.

**Purpose:** These federal stimulus moneys will be used to supplement the Department's Institutional Operations program.

**GRF 502321 Mental Health Services**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$68,468,763	\$69,656,928	\$70,274,289	\$73,405,363	\$80,844,321	\$84,462,467
	1.7%	0.9%	4.5%	10.1%	4.5%

**Source:** GRF

**Legal Basis:** Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A., the main operating appropriations act covering FYs 1996 and 1997)

**Purpose:** The line item's appropriation is used almost exclusively to pay for the provision of mental health services to offenders housed in the state's prison system. Some staff in the Department's Central Office whose principal function is oversight of institutional mental health services, and their related operating expenses, are also charged to the line item.

**GRF 503321 Parole and Community Operations**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$77,922,059	\$78,680,471	\$80,316,063	\$82,739,767	\$75,785,243	\$77,326,155
	1.0%	2.1%	3.0%	-8.4%	2.0%

**Source:** GRF

**Legal Basis:** Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A., the main operating appropriations act covering FYs 1996 and 1997)

**Purpose:** The line item's appropriation is used exclusively to pay operating expenses of the Division of Parole and Community Services (DPCS). The Division's duties and responsibilities include the release of offenders from state prison (including operations of the Parole Board), the community supervision of offenders for the state and certain counties, the preparation of offender pre-sentence and background investigations, the inspection and provision of technical assistance to local jails, and the administration of the Department's community corrections programs.

**GRF 504321 Administrative Operations**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$27,336,072	\$27,521,964	\$27,070,061	\$28,658,273	\$26,288,606	\$27,069,477
	0.7%	-1.6%	5.9%	-8.3%	3.0%

**Source:** GRF

**Legal Basis:** Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A., the main operating appropriations act covering FYs 1996 and 1997)

**Purpose:** The line item's appropriation is used exclusively to pay for the operating expenses of the Department of Rehabilitation and Correction's administrative component, specifically Central Office, which oversees institutional, parole, and community service operations, and the Corrections Training Academy. Operating expenses include payroll-related costs, maintenance and supplies, and equipment purchases.

Some Central Office staff associated with an activity that has a specific GRF programmatic operating expenses account (321), and their related operating costs, are paid from that line item rather than GRF line item 504321, Administrative Operations. For example, payroll and related expenses of Central Office staff who exclusively oversee institutional mental health services are paid from GRF line item 502321, Mental Health Services.

**GRF 505321 Institution Medical Services**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$167,127,241	\$183,414,026	\$198,033,971	\$198,337,805	\$252,462,498	\$251,763,268
	9.7%	8.0%	0.2%	27.3%	-0.3%

**Source:** GRF

**Legal Basis:** Section 377.10 of Am. Sub. H.B.119 of the 127th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A., the main operating appropriations act covering FYs 1998 and 1999)

**Purpose:** The line item's appropriation is used almost exclusively to pay for the provision of medical services to offenders housed in the state's prison system. Some staff in the Department's Central Office whose principal function is oversight of institutional medical services, and their related operating expenses, are also charged to the line item. Operating expenses include payroll-related costs, maintenance and supplies, and equipment purchases.

**GRF 506321 Institution Education Services**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$23,638,009	\$23,008,499	\$23,963,519	\$24,847,502	\$22,730,539	\$23,183,959
	-2.7%	4.2%	3.7%	-8.5%	2.0%

**Source:** GRF

**Legal Basis:** Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A., the main operating appropriations act covering FYs 1998 and 1999)

**Purpose:** The line item's appropriation is used almost exclusively to pay for the provision of basic, vocational, and post-secondary education services to offenders housed in the state's prison system. Some staff in the Department's Central Office whose principal function is oversight of institutional education services, and their related operating expenses, are also charged to the line item. Operating expenses include payroll-related costs, maintenance and supplies, and equipment purchases.

**GRF 507321 Institution Recovery Services**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$6,971,800	\$7,150,832	\$7,269,155	\$7,664,520	\$5,025,028	\$5,899,110
	2.6%	1.7%	5.4%	-34.4%	17.4%

**Source:** GRF

**Legal Basis:** Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A., the main operating appropriations act covering FYs 1998 and 1999)

**Purpose:** The line item's appropriation is used almost exclusively to pay for the provision of alcohol and substance abuse treatment services to offenders housed in the state's prison system. Some staff in the Department's Central Office whose principal function is oversight of institutional recovery services, and their related operating expenses, are also charged to this line item. Operating expenses include payroll-related costs, maintenance and supplies, and equipment purchases.

*General Services Fund Group*

**1480 501602 Services and Agricultural**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$99,182,882	\$101,416,359	\$101,567,979	\$108,209,334	<b>\$108,290,058</b>	<b>\$111,062,533</b>
	2.3%	0.1%	6.5%	<b>0.1%</b>	<b>2.6%</b>

**Source:** GSF: (1) Moneys transferred from GRF line items 501321, Institutional Operations, and 501403, Prisoner Compensation, and (2) proceeds from the sale of excess crops and older animals

**Legal Basis:** ORC 5120.29(A); Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 171 of the 117th G.A., which split the former line item 501602, Ohio Penal Industries, into line items 501602, Services and Agricultural, and 501607, Ohio Penal Industries)

**Purpose:** The line item's appropriation is statutorily restricted to be used for the: (1) purchase of material, supplies, and equipment and the erection and extension of buildings used in service industries and agriculture, (2) purchase of lands and buildings necessary to carry on or extend the service industries and agriculture, upon the approval of the governor, (3) payment of compensation to employees necessary to carry on the service industries and agriculture, and (4) payment of prisoners confined in state correctional institutions a portion of their earnings in accordance with rules adopted pursuant to ORC 5145.03. In addition, receipts credited to the fund, as well as those credited to Fund 2000, may be pledged to the payment of bond service charges on obligations issued by the Ohio Building Authority pursuant to ORC Chapter 152. to construct, reconstruct, or otherwise improve capital facilities useful to the Department.

**2000 501607 Ohio Penal Industries**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$33,499,259	\$32,358,555	\$32,694,637	\$40,845,414	<b>\$40,845,414</b>	<b>\$40,845,414</b>
	-3.4%	1.0%	24.9%	<b>0.0%</b>	<b>0.0%</b>

**Source:** GSF: Manufacture and sale of various goods and services to the state and its political subdivisions; for example, the Ohio Penal Industries (OPI) manufactures license plates and validation stickers for the Bureau of Motor Vehicles, as well as institutional products (beds, mattresses, shoes, clothing, and so forth), which it sells to each of the Department's institutions; additionally, OPI offers a wide variety of office furniture products, janitorial/cleaning products, vehicle maintenance services, refurbishing services, business products (boxes), and printing services

**Legal Basis:** ORC 5120.29(B); Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 171 of the 117th G.A., which split the former line item 501602, Ohio Penal Industries, into line items 501602, Services and Agricultural, and 501607, Ohio Penal Industries)

**Purpose:** The line item's appropriation supports services and activities performed by OPI, which operates factories and shops in the state's prisons. The line item's use is statutorily restricted to be used for the: (1) purchase of material, supplies, and equipment and the erection and extension of buildings used in manufacturing industries, (2) purchase of lands and buildings necessary to carry on or extend the manufacturing industries upon the approval of the governor, (3) payment of compensation to employees necessary to carry on the manufacturing industries, and (4) payment of prisoners confined in state correctional institutions a portion of their earnings in accordance with rules adopted pursuant to ORC 5145.03. In addition, receipts credited to the fund, as well as those credited to Fund 1480, may be pledged to the payment of bond service charges on obligations issued by the Ohio Building Authority pursuant to ORC Chapter 152. to construct, reconstruct, or otherwise improve capital facilities useful to the Department.

**4830 501605 Property Receipts**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$229,936	\$285,905	\$258,338	\$394,687	\$255,015	\$261,315
	24.3%	-9.6%	52.8%	-35.4%	2.5%

**Source:** GSF: Rent and utility charges collected from departmental personnel who live in housing under the Department's control

**Legal Basis:** ORC 5120.22; Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Controlling Board on February 20, 1973; codified by Am. Sub. H.B. 152, the main operating appropriations act of the 120th G.A.)

**Purpose:** The line item's appropriation is statutorily authorized to be used for any expenses necessary to provide housing of Department employees, including, but not limited to, expenses for the acquisition, construction, operation, maintenance, repair, reconstruction, or demolition of land and buildings. Previous to a change in permanent law contained in Am. Sub. H.B. 117 of the 121st G.A., these moneys could only be used to pay for the "maintenance" of various types of state-owned housing under the Department's control.

**4B00 501601 Sewer Treatment Services**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$1,549,476	\$1,553,479	\$1,709,749	\$2,310,188	<b>\$2,467,630</b>	<b>\$2,529,828</b>
	0.3%	10.1%	35.1%	<b>6.8%</b>	<b>2.5%</b>

**Source:** GSF: (1) Revenue from contracts with political subdivisions under which the latter are permitted to tap into a correctional facility's sewage treatment facility; currently, three correctional facilities have such contracts to provide sewage treatment services: the Pickaway Correctional Institution, the Ross Correctional Institution, and the Southern Ohio Correctional Facility in Lucasville, and (2) starting with FY 1998, a second and much larger stream of revenue was created through an accounting change under which GRF funds are transferred quarterly from each of these three correctional institutions' maintenance budgets and deposited into Fund 4B0; these transferred amounts reflect the additional dollars needed to cover each sewage treatment facility's projected payroll and maintenance costs, as the revenue generated from the few contractual arrangements that are in place do not cover a facility's annual operating costs

**Legal Basis:** ORC 5120.52; Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Sub. S.B. 330 of the 118th G.A.)

**Purpose:** The line item's appropriation is statutorily restricted to pay costs associated with operating and maintaining the Department's three sewage treatment facilities.

**4D40 501603 Prisoner Programs**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$15,689,669	\$14,312,853	\$13,208,936	\$20,609,991	<b>\$14,600,000</b>	<b>\$14,800,000</b>
	-8.8%	-7.7%	56.0%	<b>-29.2%</b>	<b>1.4%</b>

**Source:** GSF: All moneys received by the Department from commissions on telephone systems established for the use of prisoners; previously, money was distributed to the Department's different correctional institutions, each of which in turn deposited their portion of the revenue into a local bank account to be used for the entertainment and welfare of the inmates of the institution

**Legal Basis:** ORC 5120.132(A); Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. S.B. 351 of the 119th G.A.)

**Purpose:** The line item's appropriation is statutorily restricted to be used for the: (1) purchase of material, supplies, and equipment used in any library program, educational program, religious program, recreational program, or pre-release program operated by the Department for the benefit of prisoners, (2) construction, alteration, repair, or reconstruction of buildings and structures owned by the Department for use in any library program, educational program, religious program, recreational program, or pre-release program operated by the Department for the benefit of prisoners, (3) payment of salary, wages, and other compensation to employees of the Department who are employed in any library program, educational program, religious program, recreational program, or pre-release program operated by the Department for the benefit of prisoners, (4) compensation to vendors that contract with the Department for the provision of services for the benefit of prisoners in any library program, educational program, religious program, recreational program, or pre-release program operated by the Department, (5) payment of prisoner release payments in an appropriate amount as determined pursuant to rule, and (6) purchase of other goods and the payment of other services that are determined, in the discretion of the Director, to be goods and services that may provide additional benefit to prisoners.

Although telephone commission contracts and this use of revenues has been in existence for a number of years, it was only with the passage of Am. Sub. S.B. 351 of the 119th G.A., effective July 1, 1992, that this revenue and its intended uses were codified.

**4L40 501604 Transitional Control**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$1,717,194	\$1,682,760	\$1,833,351	\$2,058,092	<b>\$2,042,548</b>	<b>\$2,051,451</b>
	-2.0%	8.9%	12.3%	<b>-0.8%</b>	<b>0.4%</b>

**Source:** GSF: Moneys collected from prisoners who are transferred to transitional control that may be required to pay "reasonable expenses" incurred by the Department in the supervision and confinement of those prisoners while under transitional control; prior to March 17, 1998, moneys the Department was allowed to collect from furloughed inmates who were gainfully employed was the sole source of the fund's revenue

**Legal Basis:** ORC 2967.26(E); Section 377.10 of Am. Sub. H.B.119 of the 127th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

**Purpose:** The line item's appropriation is statutorily restricted to pay costs related to operation of the Department's Transitional Control Program. Prior to the enactment of Am. Sub. S.B. 111 of the 122nd G.A., effective March 17, 1998, this fund was known as the Furlough Services Fund and served as the depository for any moneys that the Department was permitted to collect from furloughed inmates who were gainfully employed, with the intent that such moneys be used only for operational costs of what was then known as the Furlough Education and Work Release Program. That act repealed existing furlough, conditional release to a halfway house, and electronic monitoring early release provisions and replaced them with authorization for the Department to establish a transitional control program for the purpose of closely monitoring a prisoner's adjustment to community supervision during the final 180 days of the prisoner's confinement. All moneys that remained in the Furlough Services Fund were transferred to the Transitional Control Fund.

**4S50 501608 Education Services**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$2,935,030	\$2,437,130	\$2,237,263	\$4,522,752	<b>\$2,800,000</b>	<b>\$3,000,000</b>
	-17.0%	-8.2%	102.2%	<b>-38.1%</b>	<b>7.1%</b>

**Source:** GSF: All state, i.e., nonfederal, money received from the Ohio Department of Education

**Legal Basis:** ORC 5120.091; Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Sub. H.B. 715 of the 120th G.A.)

**Purpose:** The line item's appropriation is statutorily restricted to pay educational expenses incurred by the Department. Prior to the creation of this fund, such revenue in the form of GRF moneys transferred from the Ohio Department of Education to support special education, adult high school, vocational education, and GED testing was deposited into the Department's main federal account: line item 501619, Federal Grants. The purpose of creating the Education Services Fund was to segregate state from federal education money, which was in keeping with a 1992 deficiency finding by the Auditor of State that the Department was inappropriately co-mingling state and federal education moneys in a single account.

**5710 501606 Training Academy Receipts**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$41,906	\$79,003	\$33,219	\$75,190	<b>\$75,190</b>	<b>\$75,190</b>
	88.5%	-58.0%	126.3%	<b>0.0%</b>	<b>0.0%</b>

**Source:** GSF: Charges to individuals from outside the Department for training received at the Corrections Training Academy (located on the grounds of the Orient Correctional Complex in Pickaway County)

**Legal Basis:** Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Controlling Board on October 9, 1984)

**Purpose:** The line item's appropriation is used solely to support the Corrections Training Academy's operating expenses. The Academy is located in Orient, Ohio, and provides training to Department employees and other law enforcement agencies.

**5930 501618 Laboratory Services**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$5,305,860	\$5,783,764	\$6,095,151	\$5,735,237	<b>\$6,476,314</b>	<b>\$6,740,260</b>
	9.0%	5.4%	-5.9%	<b>12.9%</b>	<b>4.1%</b>

**Source:** GSF: Payments collected from entities that receive laboratory services

**Legal Basis:** ORC 5120.135(C); Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Controlling Board on October 19, 1998; codified by Am. Sub. H.B. 850, the capital appropriations act of the 122nd G.A.)

**Purpose:** The line item's appropriation is statutorily restricted to pay costs of operating the Department's centralized laboratory, which is required to provide services to the departments of Rehabilitation and Correction, Mental Health, Mental Retardation and Developmental Disabilities, and Youth Services, and may also provide to other state, county, local, and private persons that request laboratory services. The creation of this fund reflects the decision by the departments of Rehabilitation and Correction and Mental Health to merge their separate laboratory operations into one unified laboratory under control of the Department of Rehabilitation and Correction.

**5AF0 501609 State and Non-Federal Awards**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$120,057	\$60,618	\$133,777	\$262,718	<b>\$262,718</b>	<b>\$262,718</b>
	-49.5%	120.7%	96.4%	<b>0.0%</b>	<b>0.0%</b>

**Source:** GSF: Grants and other moneys awarded to the Department from state agencies, private foundations, and any source other than federal funds or state education funds

**Legal Basis:** Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Controlling Board on March 8, 2004)

**Purpose:** The line item's appropriation is expended in a manner consistent with the purpose of the grant or award.

**5H80 501617 Offender Financial Responsibility**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$1,434,561	\$1,324,608	\$1,245,394	\$2,500,000	<b>\$3,000,000</b>	<b>\$3,000,000</b>
	-7.7%	-6.0%	100.7%	<b>20.0%</b>	<b>0.0%</b>

**Source:** GSF: All "cost debts" collected by or on behalf of the Department and all moneys currently in the Department's custody that are applied to satisfy an allowable cost debt; cost debt is a cost of incarceration or supervision that may be assessed against and collected from an offender as a debt to the state, including, but not limited to, any user fee or co-payment for services, assessments for damage or destruction to institutional property, restitution to another offender or staff member, cost of housing and feeding, cost of supervision, and cost of any ancillary services; Current revenue includes a co-payment for voluntary sick calls (Fussell settlement lowered from \$3 to \$2)

**Legal Basis:** ORC 5120.56(I); Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. S.B. 111 of the 122nd G.A.)

**Purpose:** The Department is statutorily permitted ("may") to use the line item's appropriation to pay for goods and services of the same type as those for which offenders were assessed costs.

**5L60 501611 Information Technology Services**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$212,551	\$78,256	\$787,926	\$3,741,980	<b>\$1,000,000</b>	<b>\$1,000,000</b>
	-63.2%	906.9%	374.9%	<b>-73.3%</b>	<b>0.0%</b>

**Source:** GSF: Pro-rated charges assessed each of the Department's institutions and its Division of Parole and Community Services that reflect the relative benefit each receives from information technology upgrades and enhancements

**Legal Basis:** Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Controlling Board on April 10, 2000)

**Purpose:** The line item's appropriation is used as a financing mechanism that allows the Department to pay the multi-year costs associated with information technology (IT) system upgrades and enhancements.

*Federal Special Revenue Fund Group*

**3230 501619 Federal Grants**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$9,358,588	\$8,960,054	\$6,436,731	\$11,012,731	<b>\$12,198,353</b>	<b>\$12,198,353</b>
	-4.3%	-28.2%	71.1%	<b>10.8%</b>	<b>0.0%</b>

**Source:** FED: Mix of federal grants with varying durations and award amounts, the bulk of which come from federal departments of Agriculture (CFDA 10.553, School Breakfast Program, and CFDA 10.555, National School Lunch Program), Justice (CFDA 16.202, Prisoner Reentry Initiative Demonstration (Offender Reentry), CFDA 16.606, State Criminal Alien Assistance Program, CFDA 16.579, Edward Byrne Memorial Formula Grant Program, and CFDA 16.593, Residential Substance Abuse Treatment for State Prisoners), and Education (CFDA 84.002, Adult Education State Grant Program, CFDA 84.013, Title I Program for Neglected and Delinquent Children, CFDA 84.027, Special Education Grants to States, CFDA 84.048, Vocational Education Basic Grants to States, and CFDA 84.331, Grants to States for Incarcerated Youth Offenders)

**Legal Basis:** Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Controlling Board in 1970)

**Purpose:** The line item's appropriation is used to pay for certain federally funded services and activities, mostly in the areas of education, criminal justice, and food and nutrition assistance.

**3S10 501615 Truth-In-Sentencing Grants**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$2,066,224	\$706,692	\$7,911,698	\$2,000,000	<b>\$8,251,241</b>	<b>\$0</b>
	-65.8%	1019.5%	-74.7%	<b>312.6%</b>	

**Source:** FED: CFDA 16.586, Violent Offender Incarceration and Truth-In-Sentencing (VOI/TIS) Incentive Grants

**Legal Basis:** Section 377.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A., the main operating appropriations act covering FYs 1998 and 1999)

**Purpose:** The line item's appropriation is used to build or expand permanent or temporary correctional facilities to increase bed space for the confinement of adult and juvenile violent offenders. Although there is some flexibility with this federal money, it is basically for "bricks-and-mortar" projects, which means new construction or renovation projects.

From FYs 1996 through 2001, the last fiscal year for which VOI/TIS funding was available, the Department was awarded a total of \$82.2 million, of which \$77.3 million has been disbursed to date. All VOI/TIS projects must be completed by September 2009.

These funds cover 90% of a given project's allowable costs, with the recipient required to provide a 10% cash match. The Department is permitted to take up to 3% of this federal award off the top for administrative costs.

The state cannot simply collect and bank its annual VOI/TIS grant award, and then spend those funds as-needed; the state can only draw on an awarded amount as it incurs costs. Thus, this federal revenue stream works more like a reimbursement program.

## LSC Budget Spreadsheet by Line Item, FY 2010 - FY 2011

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2008</i>	<i>2009</i>	<i>As Introduced 2010</i>	<i>% Change 2009 to 2010</i>	<i>As Introduced 2011</i>	<i>% Change 2010 to 2011</i>
<b>DRC Department of Rehabilitation and Correction</b>								
GRF	501321	Institutional Operations	\$ 900,406,546	\$ 928,980,197	\$ 884,288,147	-4.8%	\$ 884,530,244	0.0%
GRF	501403	Prisoner Compensation	\$ 8,599,255	\$ 8,599,255	\$ 8,599,255	0.0%	\$ 8,599,255	0.0%
GRF	501405	Halfway House	\$ 41,027,909	\$ 41,214,205	\$ 41,054,799	-0.4%	\$ 42,286,443	3.0%
GRF	501406	Lease Rental Payments	\$ 107,606,100	\$ 109,224,900	\$ 101,578,100	-7.0%	\$ 98,080,200	-3.4%
GRF	501407	Community Nonresidential Programs	\$ 16,451,351	\$ 16,547,367	\$ 21,925,802	32.5%	\$ 22,431,567	2.3%
GRF	501408	Community Misdemeanor Programs	\$ 9,313,076	\$ 9,313,076	\$ 11,092,468	19.1%	\$ 11,380,242	2.6%
GRF	501501	Community Residential Programs - CBCF	\$ 57,104,132	\$ 57,104,132	\$ 62,517,256	9.5%	\$ 64,281,774	2.8%
GRF	501620	Institutional Operations-Federal Stimulus	\$ 0	\$ 0	\$ 24,800,000	N/A	\$ 34,200,000	37.9%
GRF	502321	Mental Health Services	\$ 70,274,289	\$ 73,405,363	\$ 80,844,321	10.1%	\$ 84,462,467	4.5%
GRF	503321	Parole and Community Operations	\$ 80,316,063	\$ 82,739,767	\$ 75,785,243	-8.4%	\$ 77,326,155	2.0%
GRF	504321	Administrative Operations	\$ 27,070,061	\$ 28,658,273	\$ 26,288,606	-8.3%	\$ 27,069,477	3.0%
GRF	505321	Institution Medical Services	\$ 198,033,971	\$ 198,337,805	\$ 252,462,498	27.3%	\$ 251,763,268	-0.3%
GRF	506321	Institution Education Services	\$ 23,963,519	\$ 24,847,502	\$ 22,730,539	-8.5%	\$ 23,183,959	2.0%
GRF	507321	Institution Recovery Services	\$ 7,269,155	\$ 7,664,520	\$ 5,025,028	-34.4%	\$ 5,899,110	17.4%
<b>General Revenue Fund Total</b>			<b>\$ 1,547,435,425</b>	<b>\$ 1,586,636,362</b>	<b>\$ 1,618,992,062</b>	<b>2.0%</b>	<b>\$ 1,635,494,161</b>	<b>1.0%</b>
1480	501602	Services and Agricultural	\$ 101,567,979	\$ 108,209,334	\$ 108,290,058	0.1%	\$ 111,062,533	2.6%
2000	501607	Ohio Penal Industries	\$ 32,694,637	\$ 40,845,414	\$ 40,845,414	0.0%	\$ 40,845,414	0.0%
4830	501605	Property Receipts	\$ 258,338	\$ 394,687	\$ 255,015	-35.4%	\$ 261,315	2.5%
4B00	501601	Sewer Treatment Services	\$ 1,709,749	\$ 2,310,188	\$ 2,467,630	6.8%	\$ 2,529,828	2.5%
4D40	501603	Prisoner Programs	\$ 13,208,936	\$ 20,609,991	\$ 14,600,000	-29.2%	\$ 14,800,000	1.4%
4L40	501604	Transitional Control	\$ 1,833,351	\$ 2,058,092	\$ 2,042,548	-0.8%	\$ 2,051,451	0.4%
4S50	501608	Education Services	\$ 2,237,263	\$ 4,522,752	\$ 2,800,000	-38.1%	\$ 3,000,000	7.1%
5710	501606	Training Academy Receipts	\$ 33,219	\$ 75,190	\$ 75,190	0.0%	\$ 75,190	0.0%
5930	501618	Laboratory Services	\$ 6,095,151	\$ 5,735,237	\$ 6,476,314	12.9%	\$ 6,740,260	4.1%
5AF0	501609	State and Non-Federal Awards	\$ 133,777	\$ 262,718	\$ 262,718	0.0%	\$ 262,718	0.0%

## LSC Budget Spreadsheet by Line Item, FY 2010 - FY 2011

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2008</i>	<i>2009</i>	<i>As Introduced 2010</i>	<i>% Change 2009 to 2010</i>	<i>As Introduced 2011</i>	<i>% Change 2010 to 2011</i>
<b><i>DRC Department of Rehabilitation and Correction</i></b>								
5H80	501617	Offender Financial Responsibility	\$ 1,245,394	\$ 2,500,000	\$ 3,000,000	20.0%	\$ 3,000,000	0.0%
5L60	501611	Information Technology Services	\$ 787,926	\$ 3,741,980	\$ 1,000,000	-73.3%	\$ 1,000,000	0.0%
<b>General Services Fund Group Total</b>			<b>\$ 161,805,719</b>	<b>\$ 191,265,583</b>	<b>\$ 182,114,887</b>	<b>-4.8%</b>	<b>\$ 185,628,709</b>	<b>1.9%</b>
3230	501619	Federal Grants	\$ 6,436,731	\$ 11,012,731	\$ 12,198,353	10.8%	\$ 12,198,353	0.0%
3S10	501615	Truth-In-Sentencing Grants	\$ 7,911,698	\$ 2,000,000	\$ 8,251,241	312.6%	\$ 0	-100.0%
<b>Federal Special Revenue Fund Group Total</b>			<b>\$ 14,348,429</b>	<b>\$ 13,012,731</b>	<b>\$ 20,449,594</b>	<b>57.2%</b>	<b>\$ 12,198,353</b>	<b>-40.3%</b>
<b>Total All Budget Fund Groups</b>			<b>\$ 1,723,589,574</b>	<b>\$ 1,790,914,676</b>	<b>\$ 1,821,556,543</b>	<b>1.7%</b>	<b>\$ 1,833,321,223</b>	<b>0.6%</b>