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 2012-FY 2013 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

- Reduction in staff estimated at around 1,700 or more
- Sentencing reforms target low-level, nonviolent offenders
- Proposed sale of 5 prisons and privatizing operations

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 maintenance 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 estimated FY 2011 expenditures are compared with the executive recommendations for FY 2012 and FY 2013, by fund group, in Table 1 below. To support the Department's services and activities, the executive budget recommends FY 2012 appropriations totaling $1,584.2 million, a decrease of $174.3 million, or 9.9%, from the total estimated FY 2011 expenditure of $1,758.6 million. For FY 2013, the executive budget recommends appropriations totaling $1,573.7 million, or 0.7%, less than the FY 2012 recommendation.

One of the notable features of the executive biennial budget recommendations is the lack of any federal economic stimulus backed General Revenue Fund (GRF) funding appropriated for the purpose of bolstering institutional operations ($110.0 million in FY 2010 and $214.5 million in FY 2011). The elimination of the GRF funding from the federal stimulus is one of the reasons the recommended appropriation for FY 2012 and FY 2013 are lower than the estimated FY 2011 expenditure.

Table 1. Executive Budget Recommendations by Fund Group, FY 2012-FY 2013

Fund Group	FY 2011*	FY 2012	% change, FY 2011-FY 2012	FY 2013	% change, FY 2012-FY 2013
General Revenue	$1,580,483,394	$1,492,079,838	-5.6%	$1,480,691,448	-0.8%
General Services	$168,818,586	$83,107,094	-50.8%	$83,778,285	0.8%
Federal Special Revenue	$9,248,319	$9,013,558	-2.5%	$9,180,703	1.9%
TOTALS	**$1,758,550,299**	**$1,584,200,490**	**-9.9%**	**$1,573,650,436**	**-0.7%**

*FY 2011 figures represent estimated expenditures.

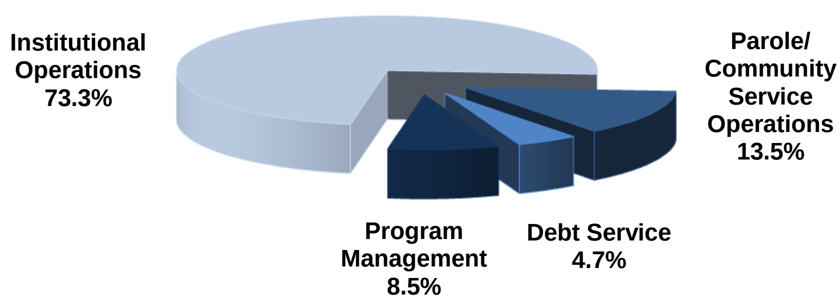
GRF Recommendation

In terms of the Department's GRF funding, the executive budget recommends an FY 2012 appropriation of $1,492.1 million, a decrease of $88.4 million, or 5.6%, from estimated FY 2011 expenditures of $1,580.5 million. For FY 2012, the executive budget recommends a GRF appropriation of $1,480.7 million, a decrease of $11.4 million, or 0.8%, from the FY 2012 recommendation. It is the Department's contention that, in order to cover projected payroll-related expenses and to continue FY 2011 service levels, it will have to further reduce its number of employees. Department staff has indicated it will most likely be necessary to eliminate nearly 400 currently filled full-time equivalent (FTE) staff positions in the next biennium.

Executive Recommendation 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 below displays the Department's biennial executive budget recommendations by these four program series. At 73.3%, Institutional Operations will clearly be the most costly program series, a statistic that is not all that surprising for a department with 31 correctional institutions housing over 50,440 inmates. The second highest percentage (13.5%) will be allocated for parole operations and community corrections programs.

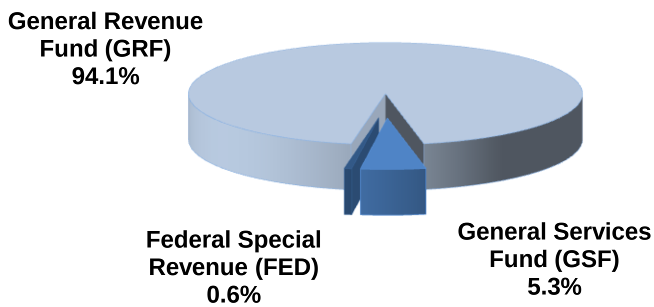
Chart 1: Biennial Budget Recommendation by Program Series, FY 2012-FY 2013



Summary of Executive Recommendation by Fund Group

As Chart 2 below shows, in paying for the cost of its operations, the Department relies very heavily on money appropriated from the state's GRF. Under the executive proposed budget, the GRF will cover 94.1% of the Department's biennial operating costs.

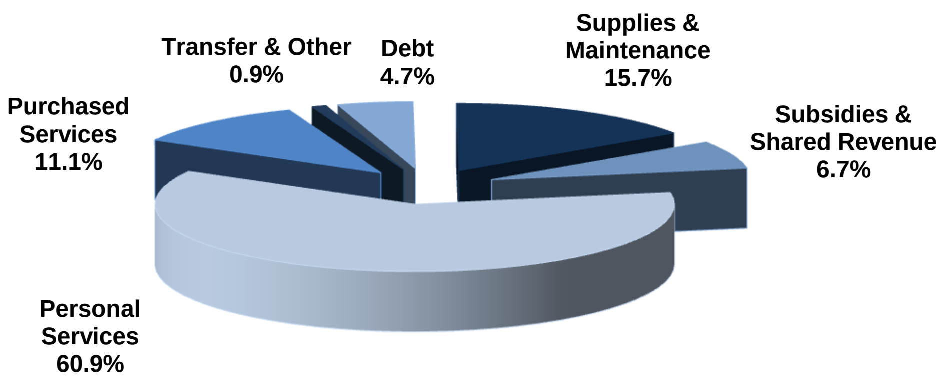
Chart 2: Biennial Executive Budget Recommendation by Fund Group, FY 2012-FY 2013



Summary of Executive Recommendation by Expense Type

Chart 3 below displays the Department's biennial executive budget recommendation in terms of the manner in which this funding will be allocated for operating expenses and subsidy programs. More than half (60.9%) 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 (15.7%) will be allocated for supplies and maintenance, which also includes equipment purchases.

Chart 3. Biennial Executive Budget Recommendation by Type of Expense, FY 2012-FY 2013



Pressures on Cost of Doing Business

The nature and size of the Department's institutional operations – at the end of FY 2011 will be composed of 31 correctional facilities, more than 50,500 inmates, and 13,400-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.

Population Dynamics. The basic dynamic driving the growth of inmate population has been the relationship between the intake of new inmates as compared to the various release mechanisms. If the offenders that are entering the prison system noticeably outnumber the offenders that are leaving the prison system in the same time frame, then the net result is an expansion of the total inmate population.

The Department has experienced significant inmate population growth over the past several years. Between FY 1998 and FY 2006, the Department reported nine consecutive years in which prison intake increased. Since that time, the inmate intake has been on a slight decline. Intake in FY 2007 decreased by nearly 2.0% and, in FY 2008, the Department recorded another 4% decrease in prison intake. As of March 2011, Ohio's prison population stands at around 50,500, which puts the entire prison system at about 132% of its rated bed capacity.

A departmental analysis has revealed that, of the calendar year 2009 inmate intake, about 46% of the offenders had a sentence of less than one year in duration. Empirically, this suggests the possibility that local jails are at capacity and other community-based sanctions are insufficient to handle the volume and nature of felony caseloads processed 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 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. One of the key inflationary factors driving up the cost of delivering institutional medical services involves the contract with The Ohio State University Medical Center to provide inpatient care. The OSU contract currently accounts for around one-fourth of the Department's annual medical services budget. The new contract for FY 2012 and FY 2013 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.

Cost Control Measures

As part of the ongoing effort to create efficiencies and reduce costs, the Department will implement several measures to reduce expenses and conform to current budgetary constraints. These measures include, but are not limited to, the following:

State Facilities Sale. The executive budget contains interconnected permanent and temporary law provisions authorizing the sale of five state facilities (four adult correctional institutions and one juvenile correctional facility), which would then be operated by the private vendor that purchased the properties. The Department believes the sale of these facilities could generate as much as $200 million in new revenue for the GRF, however, the net gain may be closer to $50 million when current debt obligations are subtracted from the total sale. The Department does not expect the sale and transfer of operations to be complete until the end of December 2011.

When prison operations are successfully transferred to the vendor(s) they will be required to operate these facilities at a savings rate of at least 5% below the cost of the Department operating a similar institution. The Department expects to save a net amount of approximately $9.3 million in operating expenses over the biennium. Given the many issues involved in the transition, little in the way of net savings are expected in FY 2012. Ultimately, about 767 staff would be cut from the Department's payroll, many of whom would, presumably, seek employment with the vendor operating each facility.

Institutional Consolidations. The Department plans to consolidate operations of the Corrections Medical Center (CMC), and the Franklin Pre-Release Center (FPRC). CMC is a skilled nursing facility providing healthcare treatment to inmates with serious illnesses, disabilities, or other long-term healthcare needs. FPRC is an intensive program prison emphasizing rigorous specialized alcohol and/or drug abuse treatment services for female offenders. These facilities are adjacent to each other in Franklin County.

The Department also plans to consolidate operations of the Allen Correctional Institution and the Oakwood Correctional Facility, which are also adjacent to each other in Allen County. These consolidations will allow the Department to eliminate duplicate functions and create administrative efficiencies. Over the course of the biennium, the approximately 40 staff will be cut from the Department's payroll, and the Department will save an estimated $6 million.

Prison Camp Closures. The Department is also planning to close the four minimum security camps that are located adjacent to larger correctional facilities in London, Ross, Toledo, and Trumbull correctional institutions. These camps house lower security inmates who typically take part in various work details outside of a correctional institution's security fence. The inmates staying in the camps will be transferred to the appropriate correctional institution. The closures will create administrative efficiencies, allowing for the cutting of 74 staff, largely through attrition, and saving about $6.7 million over the biennium.

Food and Pharmacy Operations. Currently, a large percentage of the food and drugs used in institutional operations are purchased through the Ohio Department of Mental Health's Office of Support Services (OSS). Rehabilitation and Correction will explore, in conjunction with The Ohio State University and Mental Health, ways to gain savings through more effective bulk purchasing. Additionally, Rehabilitation and Correction will make adjustments to menu schedules and food selections in order to improve food cost savings. These changes, along with anticipated restructuring of drug purchases through OSS, are expected to save $1 million in each fiscal year of the next biennium.

Reduction in Utility Usage. The Department plans to save about $5 million annually from the implementation of a recycling program along with other efficient energy strategies at all of the institutions.

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 2011, the Department will be operating 31 correctional institutions, including the Corrections Medical Center and two state-owned, privately operated institutions, and managing an inmate population in excess of 50,500.

The Department is likely to continue experiencing the fiscal pressures that are historically the 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.

Efforts to Reduce Prison Population

The executive budget contains several proposed sentencing reforms designed to both reduce the number of nonviolent offenders being sent to prison, and provide for the reduction of the time nonviolent offenders spend in prison. The Department anticipates that the following sentencing reform provisions will create approximately $27 million in savings over the FY 2012-FY 2013 biennium. In terms of the population dynamics driving growth in the prison system, success in achieving these two goals will begin to reduce institutional population by slowing the intake of new offenders, and by manipulating the release mechanisms to shorten sentences in exchange for offenders receiving successful programming.

A brief review of some of these proposals is as follows:

Non-Payment of Support. The executive budget amends current law relative to the sentencing for "nonsupport of dependents" to require the court, in certain specified circumstances, to sentence the offender to one or more community control sanctions. This provision would reduce the likelihood that certain offenders will be sentenced to a prison term by diverting them to community alternatives.

Increase Earned Credit. The executive budget revises the mechanism pursuant to which an eligible prisoner in a state correctional institution currently may earn one day of credit as a monthly deduction from the prisoner's prison term for productive participation in specified prison programs. As a result, certain prisoners, if eligible for the mechanism under the current criteria as expanded, may earn up to five days of credit for completion of specified programs.

Judicial Release. The executive budget contains a provision authorizing the Director of Rehabilitation and Correction to petition the court for the judicial release of an inmate with a stated prison term of one year or more who has served at least 85% of the term. This provision does not apply to any inmate serving a life term or a term for any of a list of specified felonies of violence. The bill further requires that an inmate, serving a sentence for a first or second degree felony, who is released pursuant to a Department petition be placed under parole supervision and requires global positioning system (GPS) monitoring in specified cases.

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 bill creates a new prohibition within the offense of "escape" that parallels the current prohibition but applies only to a person under "supervised release detention" and only if the person's purposeful breaking, attempting to break, or failure to return is for a period in excess of nine consecutive months.

Raise Felony Theft Threshold. The executive budget amends current law to increase, from $500 to $1,000, the felony threshold amount that is used in determining increased penalties for theft-related offenses, and certain elements of the offenses of "vandalism" and "engaging in a pattern of corrupt activity." The increase in the felony threshold will likely reduce the number of felony theft offenders entering prison.

Fourth and Fifth Degree Felony Diversion. A provision of the executive budget requires a community-based sanction for offenders who are convicted of or plead guilty to nonviolent felonies of the fourth or fifth degree, unless the offense involved a firearm. This provision would eliminate more inmate beds and further reduce prison-related GRF operating expenditures by diverting more low-level nonviolent offenders out of the prisons and into more cost-effective alternative sanctions.

Risk Reduction Sentencing. The executive budget establishes a mechanism for "risk reduction sentencing" in which certain felony offenders may qualify and be recommended, by the sentencing judge, for risk reduction sentencing. If these offenders complete the required treatment or programming that is part of the risk reduction sentence, they may be granted release after serving a minimum of 75% of the stated prison term.

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 would no longer be sentenced to a prison term, some of which could be offset by the state community corrections funding distributed by the Department.

A temporary law provision in the executive budget allows the Director of Budget and Management, at the request of the Director of Rehabilitation and Correction, to transfer of up to $14.0 million in both FY 2012 and FY 2013 from GRF line item 501321, Institutional Operations, to GRF programmatic line items used by the Department's Division of Parole and Community Services (halfway houses and community residential sanctions). This provision, along with proposed increases in funding for the Department's community corrections programs, are recommended to cover some of the local cost of these criminal law sentencing reforms that are designed to divert a large number of nonviolent offenders into community-based or other noninstitutional types of sanctions.

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 misdemeanant 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 true range of local community control sanctions provided by the Division also includes parole personnel assigned to the Adult Parole Authority (APA) 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 also provides full or supplemental community supervision and control services to a number of counties. More specifically, APA performs full, partial, or supplemental pre-sentence investigations and/or supervision services for 52 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 steadily increased, and is projected to be about 14.1% in the next biennium. 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 offenders under post-release control).

Staffing Levels

Table 3 below summarizes the number of staff that the Department paid, or will pay, on the last pay period of FY 2005 projected through FY 2013. 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 anticipates it may have to eliminate nearly 1,800 of the currently filled number of staff positions, which means that it will have to reduce payroll-related operating expenses, in part, by implementing layoffs. 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, FY 2005-FY 2013*

Line Item	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011**	FY 2012**	FY 2013**
General Revenue Fund (GRF)									
501-321	10,638	10,409	10,559	10,308	9,724	9,579	9,742	9,543	9,030
501-407	9	9	8	8	8	7	7	7	7
502-321	562	537	550	527	487	496	510	416	416
503-321	1,059	1,043	1,045	1,003	919	884	874	731	731
504-321	252	270	266	264	219	207	199	162	162
505-321	482	539	611	682	709	765	806	569	569
506-321	344	354	336	295	285	285	259	199	199
507-321	84	102	108	83	72	68	75	65	65
Non-GRF									
501-601	13	13	12	14	13	15	13	13	13
501-602	653	654	645	643	599	564	572	0	0
501-603	152	104	80	125	116	120	112	113	113
501-604	7	5	4	5	4	3	4	4	4
501-607	184	199	199	258	228	192	193	263	263
501-608	16	16	18	17	18	16	17	17	17
501-619	16	23	20	20	6	18	29	29	29
501-605	1	1	1	1	1	1	1	1	1
501-618	16	21	24	27	32	30	23	28	28
Total GRF	**13,430**	**13,263**	**13,483**	**13,170**	**12,423**	**12,291**	**12,472**	**11,692**	**11,179**
Total Non-GRF	**1,058**	**1,036**	**1,003**	**1,110**	**1,004**	**959**	**964**	**468**	**468**
TOTALS	**14,448**	**14,299**	**14,486**	**14,280**	**13,427**	**13,250**	**13,436**	**12,160**	**11,647**

* The number of staff by program that the Department paid, or will pay, on the last pay period of FY 2005 projected through FY 2013.
** Staffing levels for FY 2011-FY 2013 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 in Table 3 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.

Correctional Institution Profile

Displayed in Table 4 below is a selective profile of the 29 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, and 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 March 2011						
Institution*	**Staff**	**COs****	**CO Ratio****	**FY 2011 Average Population**	**Yearly Inmate Cost**	**Daily Inmate Cost**
Allen C.I.	349	186	7.25	1,348	$23,991.77	$65.73
Belmont C.I.	487	291	8.63	2,511	$16,387.75	$44.90
Chillicothe C.I.	545	317	9.16	2,904	$16,583.69	$45.43
Corrections Medical Center	479	273	0.45	122	$349,118.58	$956.49
Correctional Reception	510	307	5.07	1,557	$27,301.82	$74.80
Dayton C.I.	304	168	4.73	795	$31,881.09	$87.35
Franklin Pre-Release	154	68	6.85	466	$27,648.98	$75.75
Grafton C.I.	363	194	7.89	1,530	$21,017.61	$57.58
Hocking C.F.	158	74	6.32	468	$29,918.42	$81.97
Lebanon C.I.	532	329	8.55	2,813	$16,767.00	$45.94
London C.I.	417	231	10.82	2,499	$15,614.98	$42.78
Lorain C.I.	435	260	6.07	1,578	$24,427.11	$66.92
Madison C.I.	524	315	7.4	2,330	$18,806.99	$51.53
Mansfield C.I.	583	383	6.5	2,488	$21,033.93	$57.63
Marion C.I.	453	271	8.53	2,311	$17,825.41	$48.84
Noble C.I.	430	252	9.11	2,295	$16,856.23	$46.18
North Central C.I.	424	262	8.95	2,345	$16,667.81	$45.67
Northeast Pre-Release	152	78	6.71	523	$32,370.99	$88.69
Oakwood C.F.	229	97	2	194	$107,590.98	$294.77
Ohio Reformatory for Women	484	246	10.38	2,553	$17,778.35	$48.71
Ohio State Penitentiary	412	265	2.26	600	$52,372.62	$143.49
Pickaway C.I.	507	237	9.05	2,145	$23,905.65	$65.49
Richland C.I.	543	340	7.54	2,563	$15,237.20	$41.75
Ross C.I.	433	243	10.41	2,529	$17,958.53	$49.20
Southeastern Ohio C.F.	367	187	8.24	1,541	$39,765.50	$108.95
Southern Ohio C.F.	709	494	2.84	1,401	$20,078.75	$55.01
Toledo C.I.	378	231	5.89	1,360	$24,598.98	$67.39
Trumbull C.I.	378	253	4.68	1,183	$23,083.22	$63.24
Warren C.I.	394	233	5.97	1,391	$23,807.28	$65.23
Totals	**12,133**	**7,085**	**N/A**	**N/A**	**N/A**	**N/A**
Averages	**N/A**	**N/A**	**6.82**	**48,343**	**$22,022.64**	**$60.34**

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

**"COs" stands for correction officers.

Analysis of Executive Proposal

Funding Categories

This section provides an analysis of the executive recommended funding for each appropriated line item in the Department's FY 2012-FY 2013 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 executive proposed changes that might affect the manner in which that appropriation may be used in the future. The four categories used in this analysis are as follows:

1. Institutional Operations;
2. Parole and Community Services;
3. Program Management Services; and
4. Debt Service.

Table 5 below summarizes the executive recommended funding levels for each of the four funding categories in FY 2012 and FY 2013.

Table 5. Executive Biennial Budget Recommendations by Funding Category

Funding Category	FY 2012	FY 2013
Institutional Operations	$1,202,515,443	$1,112,338,296
Parole and Community Services	$215,721,879	$211,148,246
Program Management Services	$123,100,068	$145,862,394
Debt Service	$42,863,100	$104,301,500
Total Recommended Funding	**$1,584,200,490**	**$1,573,650,436**

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.

Table 6. Categorization of Appropriation Items for Analysis of Executive Proposal			
Fund	**ALI and Name**		**Category**
General Revenue Fund (GRF) Group			
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	502321	Mental Health Services	1: Institutional Operations
GRF	503321	Parole and Community Operations	2: Parole and Community Services
GRF	504321	Administrative Operations	3: Program Management Services
GRF	505321	Institution Medical Services	1: Institutional Operations
GRF	506321	Institution Education Services	1: Institutional Operations
GRF	507321	Institution Recovery Services	1: Institutional Operations
General Services Fund (GSF) Group			
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: Program Management Services
5930	501618	Laboratory Services	1: Institutional Operations
5AF0	501609	State and Non-Federal Awards	1: Institutional Operations
5H80	501617	Offender Financial Responsibility	2: Parole and Community Services
5L60	501611	Information Technology Services	3: Program Management Services
Federal Special Revenue Fund (FED) Group			
3230	501619	Federal Grants	3: Program Management Services

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 around 50,500 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-release planning.

In the context of a $1.6 billion annual budget, the following two observations can be made that illustrate the magnitude of the ongoing cost of operating 31 state correctional facilities that house and service more than 50,000 inmates.

1. Of the total departmental GRF funding recommended in the executive budget for the FY 2012-FY 2013 biennium, approximately 72% will be allocated for institutional operations.
2. Of the entire amount of funding (GRF plus non-GRF) recommended in the executive budget for the FY 2012-FY 2013 biennium, institutional operations around 73% will be allocated for institutional operations.

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 2012 and FY 2013 appropriations will be allocated.

Fund		ALI and Name	FY 2012	FY 2013
Table 7. Executive Budget Recommendations for Institutional Operations				
General Revenue Fund (GRF)				
GRF	501321	Institutional Operations	$823,162,353	$755,466,227
GRF	501403	Prisoner Compensation	$8,599,255	$8,599,255
GRF	502321	Mental Health Services	$57,386,629	$50,678,978
GRF	505321	Institution Medical Services	$206,731,142	$192,810,566
GRF	506321	Institution Education Services	$19,308,658	$17,177,948
GRF	507321	Institution Recovery Services	$5,448,639	$5,040,821
		General Revenue Fund Subtotal	***$1,120,636,676***	***$1,029,773,795***
General Services Fund (GSF) Group				
1480	501602	Services and Agriculture	$3,579,250	$3,584,263
2000	501607	Ohio Penal Industries	$45,090,483	$45,704,860
4830	501605	Property Receipts	$182,723	$182,086
4B00	501601	Sewer Treatment Services	$2,145,630	$2,157,682
4D40	501603	Prisoner Programs	$16,652,286	$16,659,901
4S50	501608	Education Services	$1,980,463	$1,972,620
5930	501618	Laboratory Services	$6,665,137	$6,664,729
5AF0	501609	State and Non-Federal Awards	$1,440,000	$1,440,000
5H80	501617	Offender Financial Responsibility	$600,000	$600,000
		General Services Fund Group Subtotal	***$78,335,972***	***$78,966,141***
Federal Special Revenue Fund (FED) Group				
3230	501619	Federal Grants	$3,542,795	$3,598,360
		Federal Special Revenue Fund Group Subtotal	***$3,542,795***	***$3,598,360***
Total Funding: Institutional Operations			**$1,202,515,443**	**$1,112,338,296**

Institutional Operations (GRF line item 501321)

GRF line item 501321, Institutional Operations, will be used largely 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. In addition, a portion of the line item will pick up some of the costs associated with the Program Management Services program series. Of the total amount appropriated for the FY 2012-FY 2013 biennium, $1,776,139,745, 88.9% will be allocated for Institutional Operations. The remaining 11.1% will be allocated for Program Management Services.

FY 2012. Of the line item's total executive recommended appropriation for FY 2012, $823,162,353 will be allocated for Institutional Operations, as noted in Table 7 above. This allocation is $210,552,277, or 34.4%, more than the estimated FY 2011 allocation of $612,610,076.

FY 2013. Of the line item's total FY 2013 appropriation, $755,466,227 will be allocated for Institutional Operations. This planned FY 2013 allocation is 8.2% less than the planned FY 2012 allocation, but still 23.3% more than the estimated allocation for FY 2011.

Federal ARRA money. Thus, the planned allocation of the line item's appropriation in both FY 2012 and FY 2013 represents an increase from the estimated allocation for FY 2011. These increases are largely to compensate for a total of $324.5 million in essentially one-time federal stimulus money channeled to the state through the American Recovery and Reinvestment Act of 2009 (ARRA). That amount was split over FY 2010 and FY 2011 and appropriated from the GRF for the Department's institutional operations.

Despite these increases in the line item's FY 2012 and FY 2013 appropriation, the Department's perspective is that the amounts will not be sufficient to cover the future cost of delivering existing program and service levels. As a result, the Department is pursuing a number of initiatives to reduce costs and implement cuts in various operating expenses. One key initiative to reduce expenditures involves either: (1) privatizing the operations of more state correctional institutions or (2) selling four state correctional institutions and entering into a contract with the buyer(s) for use of the bed space. The further privatization of prison operations, along with any other cutbacks requiring staff reductions will result, by the end of FY 2013, in the elimination of between 700 and 800 employees supported by this line item.

Prisoner Compensation (GRF line item 501403)

This GRF line item provides funds to pay inmates for their work performed while incarcerated. The executive budget recommends appropriations for this line item of $8,599,255 in each of FYs 2012 and 2013, which is identical to the estimated FY 2011 expenditure.

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.

Mental Health Services (GRF line item 502321)

This GRF line item principally pays for the provision of treatment and care to more than 9,000 inmates at any given time with various mental health needs. According to the Department, the proportion of mentally ill inmates has remained at about 18% for a decade or more. Over the course FY 2012 and FY 2013, this line item will fund certain expenses associated with two program areas. Of the total amount appropriated, $110,304,329, about 98% will be allocated for Institutional Operations; the remaining 2% will be allocated for Program Management Services.

FY 2012. Of the line item's total executive recommended appropriation for FY 2012, $57,386,629 will be allocated for institutional mental health services, as noted in Table 7 above. This allocation is $25,575,117, or 30.8%, less than the estimated FY 2011 allocation of $82,961,746.

FY 2013. Of the line item's total FY 2013 appropriation, $50,678,978 will be allocated for institutional mental health services. This planned FY 2013 allocation is $6,707,651, or 11.7%, less than the planned FY 2012 allocation.

In conjunction with the reduced allocation for institutional mental health services, the Department's Bureau of Mental Health Services is planning to reorganize the manner in which its services are delivered to inmates. These changes are premised on the recognition of new realities in the demographics of the mentally ill offenders, and creating a more efficient delivery system.

The Department has discerned that the number of seriously mentally ill offenders is down from prior years, and the available treatment capacity (supply) exceeds the need for those services. Reforming mental health services will involve consolidation of residential treatment units (RTU) and development of more specialized RTUs for treating particular types of mental illnesses. This will allow for cost savings and the elimination of about 74 employees in the mental health system over the next biennium.

The amount of the line item allocated in each fiscal year for institutional mental health services will be expended to support payroll-related expenses, purchased personal services, and supplies and maintenance. The Department estimates that the planned allocation will support 416 full-time equivalent (FTE) staff positions in both FY 2012 and FY 2013.

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.

In addition, a portion of the line item will pick up some of the costs associated with Program Management Services. Of the total amount appropriated for the FY 2012-FY 2013 biennium, $404,472,975, $399,541,708, or about 99%, will be allocated for the mental health services component of Institutional Operations. The remaining 1% will be allocated for Program Management Services.

FY 2012. Of the line item's total executive recommended appropriation for FY 2012, $206,731,142 will be allocated for institutional medical services, as noted in Table 7 above. This allocation is $29,530,325, or 12.5%, less than the estimated FY 2011 allocation of $236,261,467.

FY 2013. Of the line item's total FY 2013 appropriation, $192,810,566 will be allocated for institutional medical services. This planned FY 2013 allocation is $13,920,576, or 6.7%, less than the planned FY 2012 allocation.

The Department staff will pursue several reforms in the delivery of medical services to accommodate the planned allocation of the line item's recommended funding level. The most significant reform involves the current negotiations with The Ohio State University Medical Center to establish Medicaid rates for hospitalization and other services.

The executive budget proposes to continue an existing temporary law provision authorizing the Department to request billing for medical services at established Medicaid rates. Although the Department has yet to formally submit such a request, they plan to formally request the Medicaid billing rates as the centerpiece of these medical service reforms. They expect this reform will result in annual savings of $10 million in the OSU medical services contract for inpatient hospital services.

The other medical services reforms include changes in staffing, outsourcing certain services, and reducing the hours of operation at various institutional infirmaries.

All of these reforms are expected to save the Department about $24 million over the next biennium. Any other spending reductions necessitated by funding reductions will presumably come from some mix of cuts in payroll, contracts, and supplies.

The amount of the line item allocated in each fiscal year for institutional medical health services will be expended to support payroll-related expenses, purchased personal services, and supplies and maintenance. The Department estimates that the planned allocation will support 569 FTE staff positions in both FY 2012 and FY 2013. Relative to the estimated total number of FY 2011 funded FTEs (806), the Department's estimated total number of FTEs for the next biennium (569) represents a decrease of 237 FTEs.

Institution Education Services (GRF line item 506321)

This GRF line item's appropriation pays 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.

In addition to paying for institutional education services, a portion of the line item will pick up some of the costs associated with Program Management Services. Of the total amount appropriated for the FY 2012-FY 2013 biennium, $38,324,068, $36,486,606, or about 99%, will be allocated for the educational services component of Institutional Operations. The remaining $1,837,462, or 5%, will be allocated for Program Management Services.

FY 2012. Of the line item's total executive recommended appropriation for FY 2012, $19,308,658 will be allocated for institutional education services, as noted in Table 7 above. This allocation is $2,727,400, or 12.4%, less than the estimated FY 2011 allocation of $22,036,058.

FY 2013. Of the line item's total FY 2013 appropriation, $17,177,948 will be allocated for institutional education services. This planned FY 2013 allocation is $2,130,710, or 11.0%, less than the planned FY 2012 allocation.

With these planned allocations, Department staff has indicated that the current level of institutional education services can be maintained in the next biennium, thereby creating the need for some mix of cuts in personnel and program services. The Department will seek to restructure operations of the Ohio Central School System, particularly involving administrative and supervisory staff. The changes will preserve the traditional emphasis on the classroom and alter the manner in which teachers are supervised. There will be fewer administrators and associated support staff. The reduced administrative staff will have more responsibilities and supervise on a regional basis. These reforms will likely result in the elimination of about 29 employees and save $3 million over the next biennium.

Department staff estimates that the planned allocation will support 199 FTE staff positions in both FY 2012 and FY 2013. Relative to the estimated total number of

FY 2011 funded FTEs (259), the Department's estimated total number of FTEs for the next biennium (199) represents a reduction of 60 FTEs, or 23.2%.

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.

In addition to paying for institutional recovery services, a portion of the line item will pick up some of the costs associated with Program Management Services. Of the total amount appropriated for the FY 2012-FY 2013 biennium, $11,161,846, $10,489,460, or 94%, will be allocated for the educational services component of Institutional Operations. The remaining $672,386, or 6%, will be allocated for Program Management Services

FY 2012. Of the line item's total executive recommended appropriation for FY 2012, $5,448,639 will be allocated for institutional recovery services, as noted in Table 7 above. This allocation is $149,368, or 2.7%, less than the estimated FY 2011 allocation of $5,598,007.

FY 2013. Of the line item's total FY 2013 appropriation, $5,040,821 will be allocated for institutional recovery services. This planned FY 2013 allocation is $407,818, or 7.5%, less than the planned FY 2012 allocation. With these planned allocations, Department staff has 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 planned reduction in the amount of the line item's allocation for institutional recovery services.

The amount of the line item allocated in each fiscal year for institutional recovery services will be expended to support payroll-related expenses, purchased personal services, and supplies and maintenance. Department staff estimates that the planned allocation will support 65 FTE staff positions in both FY 2012 and FY 2013. Relative to the estimated total number of FY 2011 funded FTEs (75), the Department's estimated total number of FTEs for the next biennium (65) represents a reduction of 10 FTEs, or 13%.

Services and Agriculture (GSF line item 501602)

The purpose of this GSF line item's appropriation is, under current law, 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 recommended appropriation in FY 2012 is $3,579,250 which is $101,420,750, or 96.6%, less than the estimated FY 2011 expenditure of $105,000,000. The recommended FY 2013 appropriation is $3,584,263, which is just 0.1% more than the FY 2012 recommendation. The reason for the large decrease biennium has to do with permanent law changes to the Services and Agriculture Fund (Fund 1480) in the executive proposed budget. This GSF line item draws its appropriation from Fund 1480.

The executive proposal will change the name of the fund to the Institutional Services Fund, and change the revenue sources to eliminate the deposit of proceeds from all agricultural sales. As a result, all revenues generated from agricultural operations (sales of food to various correctional institutions) will be deposited into the existing Ohio Penal Industries Fund (Fund 2000). Other changes adjust the revenues and allowable expenditures accordingly. The diversion of revenues from the prison farm system to Fund 2000 accounts for the proposed reduction in appropriations to this line.

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 executive recommended appropriation in FY 2012 is $45,172,184, which is $10,773,028, or 31.1%, more than the estimated FY 2011 expenditure of $34,399,156. The recommended FY 2013 appropriation is $45,704,860, which is $614,545, or 1.4%, more than the FY 2012 recommendation.

The reason for the notable increase from FY 2011 to the FY 2012-FY 2013 biennium is the executive proposal to redirect revenues from the Services and Agriculture Fund (Fund 1480) and into the Ohio Penal Industries Fund (Fund 2000). This GSF line item draws its appropriation from Fund 2000.

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.

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 nearly all of the Department's requested appropriation for this line item in both FY 2012 and FY 2013: $182,723 and $182,086, respectively. These recommended appropriations are 1.2% lower than the Department's request for each year.

The appropriated amount in each fiscal year will be allocated to support payroll-related expenses and supplies and maintenance. Department staff estimates that the executive recommendations will support one FTE staff position in both FY 2012 and FY 2013, unchanged from FY 2011.

Sewer Treatment Services (GSF line item 501601)

This GSF 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 nearly all of the Department's requested appropriation for this line item in both FY 2012 and FY 2013: $2,145,630 and $2,157,682, respectively. These recommended appropriations are 1.5% lower than the Department's request for each year.

The appropriated amount in each fiscal year will be allocated more or less to support payroll-related expenses, maintenance and supplies, and equipment purchases. Department staff estimates that the executive recommendations will support 13 FTE staff positions in both FY 2012 and FY 2013, unchanged from FY 2011.

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 nearly all of the Department's requested appropriation for this line item in both FY 2012 and FY 2013: $16,652,286 and $16,659,901, respectively. These recommended appropriations are 2.1% lower than the Department's request for each year.

The appropriated amount in each fiscal year will be allocated to support payroll-related expenses, purchased personal services, and maintenance and supplies. Department staff estimates that the executive recommendations will support 113 FTE staff positions in both FY 2012 and FY 2013. Relative to the estimated total number of FY 2011 funded FTEs (112), the Department's estimated total number of FTEs for the next biennium (113) represents a gain of one FTE.

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 nearly all of the Department's requested appropriation for this line item in both FY 2012 and FY 2013: $2,376,041 and $2,359,775, respectively.

These recommended appropriations are 2.1% lower than the Department's request for each year. The appropriated amount in each fiscal year will be allocated to support payroll-related expenses and supplies and maintenance. Department staff estimates that the executive recommendations will support 17 FTEs staff positions in both FY 2012 and FY 2013, unchanged from FY 2011.

Laboratory Services (GSF line item 501618)

This GSF line item's appropriation is used to pay costs of operating the Department's centralized laboratory, including the provision of services to the departments of Rehabilitation and Correction, Mental Health, Developmental Disabilities, and Youth Services, as well as other state, county, local, and private persons that request laboratory services.

The executive budget provides nearly all of the Department's requested appropriations for this line item in both FY 2012 and FY 2013: $6,665,137 and $6,664,729, respectively. These recommended appropriations are 1.1% lower than the Department's request for each year.

The appropriated amount in each fiscal year will be allocated to support payroll-related expenses, purchased personal services, and maintenance and supplies. Department staff estimates that the executive recommendations will support 28 FTE staff positions in both FY 2012 and FY 2013. Relative to the estimated total number of FY 2011 funded FTEs (23), the Department's estimated total number of FTEs for the next biennium (28) represents an increase of 5 FTEs, or 21.7%.

The executive proposed budget also changes current law to "permit" rather than to "require" that the Department provide laboratory services to itself and the departments of Mental Health, Developmental Disabilities, and Youth Services. Under current law, unchanged by the executive proposed budget, the Department is permitted, but not required, to provide laboratory services to other state, county, local, and private persons that request laboratory services.

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 $1,440,000 for each of FY 2012 and FY 2013.

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 proposed budget is addressing the growth in the institutional inmate population. In FY 2009, there were over 11,900 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 constituted about 46% of the total prisoner intake for that fiscal year, and many of these offenders would, under the executive proposed budget, be eligible candidates for community-based sanctions, which are more cost effective than jails and prisons.

Table 8 below shows the line items that are used to fund this category of 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 2012 and FY 2013 appropriations will be allocated.

Table 8. Executive Budget Recommendation for Parole and Community Services

Fund	ALI and Name		FY 2012	FY 2013
General Revenue Fund (GRF)				
GRF	501405	Halfway House	$43,637,069	$43,622,104
GRF	501407	Community Nonresidential Programs	$25,859,382	$25,839,390
GRF	501408	Community Misdemeanor Programs	$14,906,800	$14,906,800
GRF	501501	Community Residential Programs – CBCF	$62,692,785	$62,477,785
GRF	503321	Parole and Community Operations	$64,891,904	$60,520,574
		General Revenue Fund Subtotal	***$211,987,940***	***$207,366,653***
General Services Fund (GSF) Group				
4L40	501604	Transitional Control	$1,168,843	$1,213,120
5H80	501617	Offender Financial Responsibility	$2,400,000	$2,400,000
		General Services Fund Group Subtotal	**$3,568,843**	**$3,613,120**
Federal Special Revenue Fund (FED) Group				
3230	501619	Federal Grants	$165,096	$168,473
		Federal Special Revenue Fund Subtotal	**$165,096**	**$168,473**
Total Funding: Parole and Community Services			**$215,721,879**	**$211,148,246**

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 2010, through the Bureau of Community Sanctions, the Department contracted with private/not-for-profit organizations to provide a total of 1,695 halfway house beds, serving approximately 6,740 offenders.

The executive recommended appropriation for FY 2012 is $43,637,069, which is about $1,350,626, or 3.0%, more than the estimated FY 2011 expenditure of $42,286,443. The executive recommended FY 2013 appropriation is $43,622,104, which is nearly identical to the FY 2012 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 1,695 halfway house beds serving approximately 6,740 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.

Over the course of this current biennium, the Department canceled the contracts of 5 vendors due to performance issues in the operations of their respective halfway houses. Some of those beds were reallocated to other agencies, but some of the funding was also diverted to cover transitional control expenses. The level of recommended funding for FY 2012 and FY 2013 will support current levels of services and activities.

Permanent Supportive Housing

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 grants funding to 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 85 of these permanent supportive housing units in FY 2010, which served a total of 102 offenders in Cuyahoga, Franklin, Hamilton, Lucas, and Montgomery counties. In FY 2011 through FY 2013, Department staff anticipates allocating funds to maintain the same number of units.

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 or more of temporary transitional housing in independent, nonprofit housing agencies licensed by the Department, until the offender can get a permanent residence reestablished. In FY 2010, the Department's Bureau of Community Sanctions contracted for a total of 61 housing units in Akron, Columbus, Greenville, and Lima that served around 237 offenders. At the executive recommended level of funding, the Department should be able to maintain, or even increase, current levels of service through FY 2013.

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 2010, the Department purchased a total of about 113 slots available for monitoring offenders. These slots typically turnover about five times per year, which equates to a monitoring capacity for about 511 offender placements, at a per placement cost of between $11 and $15 per day depending on the intensity of the supervision. Under the executive recommended budget, the Department projects a similar level of EHM services in FY 2011 through FY 2013. That number, however, could increase, as under the executive proposed budget additional offenders could be released through transitional control step down or as a result of a sentence reduction after serving 85% of their prison term.

The Department has plans for the development of additional halfway house beds that have not received the necessary funding. Ross County hosts the "Chillicothe Reentry Center," a 72-bed facility that will be ready to open sometime in FY 2012. The Department has not allocated any funding from the executive recommended Halfway House appropriation to operate this facility. The Ross Correctional Institution's correctional camp is undergoing renovation and will have enough space to accommodate the reentry center as well as the Department's Ross County Adult Parole Authority Supervision Unit. Siting the parole unit is estimated to 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 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 2010, the available appropriation was sufficient to support 61 programs in 49 counties providing sanctions for nearly 10,735 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 recommended appropriation for FY 2012 is $25,859,382, which is $3,427,815, or 15.3%, more than the estimated FY 2011 expenditure of $22,431,567. The recommended FY 2013 appropriation is slightly lower than the FY 2012 recommendation. Much of this funding increase will be used to assist about 25 counties with pre-sentence investigations.

Pre-Sentence Investigations

A pre-sentence investigation (PSI) report provides information to the court on a defendant's personal history, criminal conduct and any other pertinent details to assist the judge in tailoring the sentence to the individual. PSIs are produced in some counties by the APA, and in some counties, by the common pleas court probation department. The APA currently has 124 positions assigned to complete approximately 14,000 PSIs annually. The Department plans to shift the PSI and report writing function to the counties. Accordingly, they will eliminate 115 APA positions. The Department will provide a subsidy to assist about 25 counties currently dependant on the APA for these reports. The net savings to the Department will be about $8.1 million over the next biennium.

Community Misdemeanor Programs (GRF line item 501408)

This GRF line item's appropriation, which is part of the Department's overall funding for 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 121 programs in 82 counties, and provides alternatives to confinement for around 20,434 offenders each year.

The recommended appropriation for both FY 2012 and FY 2013 is $14,906,800, which is $3,526,558, or 31.0% more than the estimated FY 2011 expenditure of $11,380,242. Much of the funding increase will also be used to assist about 25 counties with PSIs. Some of the additional funding in both of these line items (GRF line items 501407 and 501408) may be used to implement some of the criminal law sentencing revisions in the executive proposed budget involving administration of various probation grants.

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.

The recommended appropriation for FY 2012 is $62,692,785, which is $1,558,989, or 2.5%, less than the estimated FY 2011 expenditure of $64,281,774. The recommended appropriation for FY 2013 is $62,477,785, a slight reduction from the FY 2012 recommendation. The total number of available CBCF beds stands at 2,246, permitting the diversion of approximately 6,079 felony offenders annually with an average length of stay of around four months.

Currently, there are 18 operational CBCFs providing beds to all 88 counties. A new 200 bed facility opened in Cuyahoga County in February 2011, which is notable because this county alone typically makes up around one-fifth, or 20%, of annual prison population intake. The Department also defunded the 55-bed Licking-Muskingum County CBCF for budgetary and performance reasons. Although the loss of the services of this facility affected four counties, other CBCFs are making arrangements to handle offenders from these counties.

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 Services, which provides offender release and community supervision services, jail inspection services, and victim services. The largest component of the program contains the 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 52 counties. Additional areas include the Office of Victim Services and the Bureau of Adult Detention.

In addition to funding the Division of Parole and Community Services, a portion of the line item will pick up some of the costs associated with the Program Management

Services. Of the total amount appropriated for the FY 2012-FY 2013 biennium, $131,981,120, about 95% will be allocated for the Parole and Community Services. The remaining 5% will be allocated for Program Management Services.

FY 2012. Of the line item's total executive recommended appropriation for FY 2012, $64,891,904 will be allocated for Parole and Community Services, as noted in Table 8 above. This allocation is $8,588,355, or 11.7%, less than the estimated FY 2011 allocation of $73,480,259.

FY 2013. Of the line item's total FY 2013 appropriation, $60,520,574 will be allocated for Parole and Community Services. This planned FY 2013 allocation is $4,371,330, or 6.7%, less than the planned FY 2012 allocation.

Each fiscal year's allocation will be used in large to payroll-related expenses and secondarily for supplies and maintenance, equipment, and personal services contracts.

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 supported by this line in the next biennium. There will be some mix of cuts in personnel and other related operating expenses.

Department staff estimates that the executive recommendations will support 731 FTE staff positions in both FY 2012 and FY 2013. Relative to the estimated total number of FY 2011 funded FTEs (874), the Department's estimated total number of FTEs for the next biennium (731) represents a reduction of 143 FTEs, or 16.4%. Of the total staff reduction in this line, 115 FTEs will be the APA personnel eliminated by ending the practice of conducting pre-sentence investigations for the counties.

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 FY 2012 and FY 2013, the executive budget recommends $1,168,843 and $1,213,120, respectively. The appropriated amount in each fiscal year will be allocated as follows: payroll-related expenses, purchased personal services, and maintenance and supplies. Department staff estimates that the executive recommendations will support four FTE staff positions in both FY 2012 and FY 2013, unchanged from FY 2011.

Offender Financial Responsibility (GSF line item 501617)

In addition to funding the Division of Parole and Community Services, a portion of this GSF line item will pick up some of the costs associated with the Institutional Operations. Of the total amount appropriated for the FY 2012-FY 2013 biennium,

$6,000,000, about 80% will be allocated for the Parole and Community Services. The remaining 20% will be allocated for Institutional Operations. The executive budget provides the Department's requested appropriation for this line item, or $3,000,000, in both FY 2012 and FY 2013.

The revenue stream supporting this line item's appropriation consists of 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. A 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 $2 copayment for voluntary sick calls.

Funding Category 3: Program Management Services

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.

Table 9. Executive Budget Recommendations for Program Management Services				
Fund		**ALI and Name**	**FY 2012**	**FY 2013**
General Revenue Fund (GRF)				
GRF	501321	Institutional Operations	$86,384,803	$111,126,362
GRF	502321	Mental Health Services	$1,139,187	$1,099,535
GRF	503321	Parole and Community Operations	$3,305,368	$3,263,274
GRF	504321	Administrative Operations	$21,996,504	$20,085,474
GRF	505321	Institution Medical Services	$2,499,872	$2,431,395
GRF	506321	Institution Education Services	$928,918	$908,544
GRF	507321	Institution Recovery Services	$337,470	$334,916
		General Revenue Fund Subtotal	***$30,293,703***	***$139,249,500***
General Services Fund (GSF) Group				
2000	501607	Ohio Penal Industries	$81,701	$86,869
4S50	501608	Education Services	$395,578	$387,155
5710	501606	Training Academy Receipts	$125,000	$125,000
5L60	501609	Information Technology Services	$600,000	$600,000
		General Services Fund Group Subtotal	***$1,202,279***	***$1,199,024***
Federal Special Revenue Fund (FED) Group				
3230	501619	Federal Grants	$5,305,667	$5,413,870
		Federal Special Revenue Fund Group Subtotal	***$5,305,667***	***$5,413,870***
Total Funding: Program Management Services			**$123,100,068**	**$145,862,394**

Administrative Operations (GRF line item 504321)

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

The executive recommended appropriation for FY 2012 is $21,996,504, which is $184,748, or 0.8%, more than the estimated FY 2011 expenditure of $21,811,756. The executive recommended FY 2013 appropriation is $20,085,474, which is $1,911,030, or 8.7%, less than the FY 2012 recommendation. The decrease in FY 2013 is of a magnitude that will in all likelihood necessitate some mix of cuts in operating expenses, especially payroll. Over 80% of the line item's appropriation is generally allocated for payroll expenses.

Shared Services Initiative. The Department has entered into negotiations with the Department of Youth Services (DYS) to determine whether there are areas in which the two agencies could begin to share administrative services. Although not fully operational, the finalized arrangement will likely result in a reduction of around 20% of the staff (40 employees) supported by this line item, and will save about $2.4 million each fiscal year.

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 $125,000 for each of FY 2012 and FY 2013, all of which is likely to be 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 to each departmental unit that benefits from information technology upgrades and enhancements. The executive budget recommendation provides the Department's requested appropriation of $600,000 for each of FY 2012 and FY 2013, all of which is likely to be allocated for supplies and maintenance.

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 $9,013,558 in FY 2012 and $9,180,703 in FY2013.

In addition to funding the Program Management Services, a portion of the line item will pick up some of the costs associated with Institutional Operations and Parole and Community Services. Of the total amount appropriated for the FY 2012-FY 2013 biennium, $131,981,120, about 60% will be allocated for Program Management Services, about 39% will be allocated for Institutional Operations, and the remaining 1% will be allocated for Parole and Community Services.

The appropriated amount in each fiscal year will be allocated in order to meet obligations related to payroll expenses, purchased personal services, and maintenance and supplies. Department staff estimates that the executive recommendations will support 29 FTE staff positions in both FY 2012 and FY 2013, which is unchanged from FY 2011.

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 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.

Table 10. Executive Budget Recommendation for Debt Service

Fund		ALI and Name	FY 2012	FY 2013
General Revenue Fund (GRF)				
GRF	501406	Lease Rental Payments	$42,863,100	$104,301,500
Total Funding: Debt Service			**$42,863,100**	**$104,301,500**

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 $42,863,100 in FY 2012 and $104,301,500 in FY 2013, amounts deemed sufficient by OBM to pay the Department's bonded debt obligations over the course of the next biennium. The appropriated amount in FY 2012, which is considerably lower than FY 2013, is the result of a debt restructuring plan.

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Department of Rehabilitation and Correction

General Revenue Fund

GRF 501321 Institutional Operations

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$900,406,546	$928,743,747	$768,250,031	$667,111,335	**$909,547,156**	**$866,592,589**
	3.1%	-17.3%	-13.2%	**36.3%**	**-4.7%**

Source: General Revenue Fund

Legal Basis: Section 375.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A., the main operating appropriations act covering FY 1996 and FY 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. During FY 2010 and FY 2011 payroll expenses associated with the line item were partially paid using GRF line item 501620, Institutional Operations-Federal Stimulus, in accordance with the American Recovery and Reinvestment Act (ARRA) of 2009.

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 the 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

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$8,599,255	$8,599,255	$8,599,255	$8,599,255	**$8,599,255**	**$8,599,255**
	0.0%	0.0%	0.0%	**0.0%**	**0.0%**

Source: General Revenue Fund

Legal Basis: Section 375.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 494 of the 109th G.A., effective July 12, 1972)

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. This GRF revenue is actually transferred to, and disbursed from, the Services and Agricultural Fund (Fund 1480).

GRF 501405 Halfway House

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$41,027,909	$41,109,270	$41,142,818	$42,286,443	**$43,637,069**	**$43,622,104**
	0.2%	0.1%	2.8%	**3.2%**	**0.0%**

Source: General Revenue Fund

Legal Basis: Section 375.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 694 of the 114th G.A., the main operating appropriations act covering FY 1982 and FY 1983)

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 purchased 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 2010, the Department's Bureau of Community Sanctions used the line item's appropriation exclusively to contract for a total network of 1,695 halfway house beds statewide with various private, nonprofit agencies. This network of beds served approximately 6,740 offenders annually statewide.

GRF 501406 Lease Rental Payments

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$107,606,100	$109,224,900	$42,919,944	$98,080,200	**$42,863,100**	**$104,301,500**
	1.5%	-60.7%	128.5%	**-56.3%**	**143.3%**

Source: General Revenue Fund

Legal Basis: Section 375.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on August 2, 1982)

Purpose: An ongoing temporary law provision requires the line item's appropriation be used to make debt service payments 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, such as community-based correctional facilities and local jails.

GRF 501407 Community Nonresidential Programs

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$16,451,351	$16,608,669	$21,616,862	$22,431,567	**$25,859,382**	**$25,839,390**
	1.0%	30.2%	3.8%	**15.3%**	**-0.1%**

Source: General Revenue Fund

Legal Basis: Section 375.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 204 of the 113th G.A., the main operating appropriations act covering FY 1970 and FY 1971, as GRF subsidy account 501-506, Community-Based Corrections Program; Am. Sub. H.B. 291 of the 115th G.A., the main operating appropriations act covering FY 1984 and FY 1985, changed the 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 2010, the line item's appropriation was 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 61 community sanctions/diversion programs, with the capacity to serve a total of around 10,735 felony offenders annually in 49 counties.

GRF 501408 Community Misdemeanor Programs

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$9,313,076	$9,313,070	$10,981,499	$11,380,242	**$14,906,800**	**$14,906,800**
	0.0%	17.9%	3.6%	**31.0%**	**0.0%**

Source: General Revenue Fund

Legal Basis: Section 375.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A., the main operating appropriations act covering FY 1996 and FY 1997)

Purpose: The line item's 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 2010, the line item's appropriation was 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 121 community sanctions/diversion programs, with the capacity to serve a total of around 20,434 misdemeanant offenders annually in 82 counties.

GRF 501501 Community Residential Programs - CBCF

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$57,104,132	$57,104,130	$62,517,245	$64,281,774	**$62,692,785**	**$62,477,785**
	0.0%	9.5%	2.8%	**-2.5%**	**-0.3%**

Source: General Revenue Fund

Legal Basis: Section 375.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 191 of the 112th G.A., the main operating appropriations act covering FY 1978 and FY 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 2010, there were 18 operational CBCFs providing beds all 88 counties. The total number of available CBCF beds stood at 2,246, which permitted the diversion of approximately 6,079 felony offenders annually with an average length of stay of around four months.

GRF 501620 Institutional Operations-Federal Stimulus

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$0	$0	$110,029,321	$214,488,988	**$0**	**$0**
	N/A	N/A	94.9%	**-100%**	**N/A**

Source: General Revenue Fund

Legal Basis: Section 375.10 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: The line item's appropriation, which consists of federal funds received by the state for fiscal stabilization and recovery purposes in accordance with the American Recovery and Reinvestment Act (ARRA) of 2009, is intended to assist with the costs of operating prisons.

GRF 502321 Mental Health Services

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$70,274,289	$74,089,111	$70,857,081	$84,462,467	**$58,525,816**	**$51,778,513**
	5.4%	-4.4%	19.2%	**-30.7%**	**-11.5%**

Source: General Revenue Fund

Legal Basis: Section 375.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A., the main operating appropriations act covering FY 1996 and FY 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

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$80,316,063	$81,968,455	$71,624,458	$77,326,155	**$68,197,272**	**$63,783,848**
	2.1%	-12.6%	8.0%	**-11.8%**	**-6.5%**

Source: General Revenue Fund

Legal Basis: Section 375.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A., the main operating appropriations act covering FY 1996 and FY 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

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$27,070,061	$28,766,173	$22,460,445	$21,811,756	**$21,996,504**	**$20,085,474**
	6.3%	-21.9%	-2.9%	**0.8%**	**-8.7%**

Source: General Revenue Fund

Legal Basis: Section 375.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A., the main operating appropriations act covering FY 1996 and FY 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, purchased services, 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

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$198,033,971	$197,430,470	$225,829,929	$239,140,143	**$209,231,014**	**$195,241,961**
	-0.3%	14.4%	5.9%	**-12.5%**	**-6.7%**

Source: General Revenue Fund

Legal Basis: Section 375.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A., the main operating appropriations act covering FY 1998 and FY 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, purchased services, maintenance and supplies, and equipment purchases.

GRF 506321 Institution Education Services

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$23,963,519	$24,510,718	$20,950,540	$23,183,959	**$20,237,576**	**$18,086,492**
	2.3%	-14.5%	10.7%	**-12.7%**	**-10.6%**

Source: General Revenue Fund

Legal Basis: Section 375.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A., the main operating appropriations act covering FY 1998 and FY 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, purchased services, maintenance and supplies, and equipment purchases.

GRF 507321 Institution Recovery Services

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$7,269,155	$7,565,172	$4,865,989	$5,899,110	**$5,786,109**	**$5,375,737**
	4.1%	-35.7%	21.2%	**-1.9%**	**-7.1%**

Source: General Revenue Fund

Legal Basis: Section 375.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A., the main operating appropriations act covering FY 1998 and FY 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, purchased services, maintenance and supplies, and equipment purchases.

General Services Fund Group

1480 501602 Services and Agricultural

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$101,567,979	$108,021,120	$98,474,825	$105,000,000	**$3,579,250**	**$3,584,263**
	6.4%	-8.8%	6.6%	**-96.6%**	**0.1%**

Source: General Services Fund Group: (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 375.10 of Am. Sub. H.B. 1 of the 128th 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

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$32,694,637	$31,000,020	$29,858,168	$34,399,156	**$45,172,184**	**$45,791,729**
	-5.2%	-3.7%	15.2%	**31.3%**	**1.4%**

Source: General Services Fund Group: 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 375.10 of Am. Sub. H.B. 1 of the 128th 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

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$258,338	$146,783	$234,645	$221,315	**$182,723**	**$182,086**
	-43.2%	59.9%	-5.7%	**-17.4%**	**-0.3%**

Source: General Services Fund Group: Rent and utility charges collected from departmental personnel who live in housing under the Department's control

Legal Basis: ORC 5120.22; Section 375.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on February 20, 1973; codified by Am. Sub. H.B. 152 of the 120th G.A., the main operating appropriations act covering FY 1994 and FY 1995)

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.

4B00 501601 Sewer Treatment Services

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$1,709,749	$2,119,559	$1,707,374	$2,310,188	**$2,145,630**	**$2,157,682**
	24.0%	-19.4%	35.3%	**-7.1%**	**0.6%**

Source: General Services Fund Group: (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 4B00; 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 375.10 of Am. Sub. H.B. 1 of the 128th 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

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$13,208,936	$13,261,408	$13,138,244	$14,800,000	**$16,652,286**	**$16,659,901**
	0.4%	-0.9%	12.6%	**12.5%**	**0.0%**

Source: General Services Fund Group: 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 375.10 of Am. Sub. H.B. 1 of the 128th 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.

4L40 501604 Transitional Control

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$1,833,351	$1,071,982	$654,123	$1,063,573	**$1,168,843**	**$1,213,120**
	-41.5%	-39.0%	62.6%	**9.9%**	**3.8%**

Source: General Services Fund Group: 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 375.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A., the main operating appropriations act covering FY 1994 and FY 1995)

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

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$2,237,263	$2,617,703	$2,563,306	$2,836,585	**$2,376,041**	**$2,359,775**
	17.0%	-2.1%	10.7%	**-16.2%**	**-0.7%**

Source: General Services Fund Group: All state, i.e., nonfederal, money received from the Ohio Department of Education

Legal Basis: ORC 5120.091; Section 375.10 of Am. Sub. H.B. 1 of the 128th 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.

5710 501606 Training Academy Receipts

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$33,219	$22,911	$5,671	$50,000	**$125,000**	**$125,000**
	-31.0%	-75.2%	781.6%	**150.0%**	**0.0%**

Source: General Services Fund Group: 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 375.10 of Am. Sub. H.B. 1 of the 128th 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

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$6,095,151	$5,922,574	$5,907,254	$6,300,000	**$6,665,137**	**$6,664,729**
	-2.8%	-0.3%	6.6%	**5.8%**	**0.0%**

Source: General Services Fund Group: Payments collected from entities that receive laboratory services

Legal Basis: ORC 5120.135(C); Section 375.10 of Am. Sub. H.B. 1 of the 128th 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, 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

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$133,777	$99,546	$20,296	$150,000	**$1,440,000**	**$1,440,000**
	-25.6%	-79.6%	639.0%	**860.0%**	**0.0%**

Source: General Services Fund Group: 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 375.10 of Am. Sub. H.B. 1 of the 128th 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

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$1,245,394	$1,400,627	$1,778,732	$1,537,769	**$3,000,000**	**$3,000,000**
	12.5%	27.0%	-13.5%	**95.1%**	**0.0%**

Source: General Services Fund Group: 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 375.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. S.B. 111 of the 122nd G.A.)

Purpose: The Department is statutorily permitted 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

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$787,926	$605,880	$54,296	$150,000	**$600,000**	**$600,000**
	-23.1%	-91.0%	176.3%	**300.0%**	**0.0%**

Source: General Services Fund Group: 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 375.10 of Am. Sub. H.B. 1 of the 128th 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

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$6,436,731	$8,684,131	$7,356,865	$9,248,319	**$9,013,558**	**$9,180,703**
	34.9%	-15.3%	25.7%	**-2.5%**	**1.9%**

Source: Federal Special Revenue Fund Group: 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 16.606, 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 Workplace and Community Transition Training for Incarcerated Individuals)

Legal Basis: Section 375.10 of Am. Sub. H.B. 1 of the 128th 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

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
$7,911,698	$13,102,417	$5,966,957	$0	**$0**	**$0**
	65.6%	-54.5%	-100%	**N/A**	**N/A**

Source: Federal Special Revenue Fund Group: CFDA 16.586, Violent Offender Incarceration and Truth-In-Sentencing (VOI/TIS) Incentive Grants

Legal Basis: Section 375.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A., the main operating appropriations act covering FY 1998 and FY 1999)

Purpose: The line item's appropriation was 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 was some flexibility with the use of this federal money, it was primarily for "bricks-and-mortar" projects, which meant new construction or renovation projects.

From FY 1996 through FY 2001, the last fiscal year for which VOI/TIS funding was available, the Department was awarded a total of $82.2 million. These funds typically covered 90% of a given project's allowable costs, with the recipient required to provide a 10% cash match. The Department was permitted to take up to 3% of the federal award off the top for administrative costs.

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

All VOI/TIS projects were completed by the end of CY 2009 and the grant program has formally ended.

FY 2012 - FY 2013 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

Report For Main Operating Appropriations Bill **Version:** As Introduced

DRC Department of Rehabilitation and Correction

			FY 2010	Estimate FY 2011	Introduced FY 2012	FY 2011 to FY 2012 % Change	Introduced FY 2013	FY 2012 to FY 2013 % Change
GRF	501321	Institutional Operations	$ 768,250,031	$ 667,111,335	$ 909,547,156	36.34%	$ 866,592,589	-4.72%
GRF	501403	Prisoner Compensation	$ 8,599,255	$ 8,599,255	$ 8,599,255	0.00%	$ 8,599,255	0.00%
GRF	501405	Halfway House	$ 41,142,818	$ 42,286,443	$ 43,637,069	3.19%	$ 43,622,104	-0.03%
GRF	501406	Lease Rental Payments	$ 42,919,944	$ 98,080,200	$ 42,863,100	-56.30%	$ 104,301,500	143.34%
GRF	501407	Community Nonresidential Programs	$ 21,616,862	$ 22,431,567	$ 25,859,382	15.28%	$ 25,839,390	-0.08%
GRF	501408	Community Misdemeanor Programs	$ 10,981,499	$ 11,380,242	$ 14,906,800	30.99%	$ 14,906,800	0.00%
GRF	501501	Community Residential Programs - CBCF	$ 62,517,245	$ 64,281,774	$ 62,692,785	-2.47%	$ 62,477,785	-0.34%
GRF	501620	Institutional Operations-Federal Stimulus	$ 110,029,321	$ 214,488,988	$ 0	-100.00%	$ 0	N/A
GRF	502321	Mental Health Services	$ 70,857,081	$ 84,462,467	$ 58,525,816	-30.71%	$ 51,778,513	-11.53%
GRF	503321	Parole and Community Operations	$ 71,624,458	$ 77,326,155	$ 68,197,272	-11.81%	$ 63,783,848	-6.47%
GRF	504321	Administrative Operations	$ 22,460,445	$ 21,811,756	$ 21,996,504	0.85%	$ 20,085,474	-8.69%
GRF	505321	Institution Medical Services	$ 225,829,929	$ 239,140,143	$ 209,231,014	-12.51%	$ 195,241,961	-6.69%
GRF	506321	Institution Education Services	$ 20,950,540	$ 23,183,959	$ 20,237,576	-12.71%	$ 18,086,492	-10.63%
GRF	507321	Institution Recovery Services	$ 4,865,989	$ 5,899,110	$ 5,786,109	-1.92%	$ 5,375,737	-7.09%
		GRF - State	$ 1,372,616,097	$ 1,365,994,406	$ 1,492,079,838	9.23%	$ 1,480,691,448	-0.76%
		GRF - Federal Stimulu s	$ 110,029,321	$ 214,488,988	$ 0	-100.00%	$ 0	N/A
		General Revenue Fund Total	**$ 1,482,645,418**	**$ 1,580,483,394**	**$ 1,492,079,838**	**-5.59%**	**$ 1,480,691,448**	**-0.76%**
1480	501602	Services and Agricultural	$ 98,474,825	$ 105,000,000	$ 3,579,250	-96.59%	$ 3,584,263	0.14%
2000	501607	Ohio Penal Industries	$ 29,858,168	$ 34,399,156	$ 45,172,184	31.32%	$ 45,791,729	1.37%
4830	501605	Property Receipts	$ 234,645	$ 221,315	$ 182,723	-17.44%	$ 182,086	-0.35%
4B00	501601	Sewer Treatment Services	$ 1,707,374	$ 2,310,188	$ 2,145,630	-7.12%	$ 2,157,682	0.56%
4D40	501603	Prisoner Programs	$ 13,138,244	$ 14,800,000	$ 16,652,286	12.52%	$ 16,659,901	0.05%
4L40	501604	Transitional Control	$ 654,123	$ 1,063,573	$ 1,168,843	9.90%	$ 1,213,120	3.79%
4S50	501608	Education Services	$ 2,563,306	$ 2,836,585	$ 2,376,041	-16.24%	$ 2,359,775	-0.68%
5710	501606	Training Academy Receipts	$ 5,671	$ 50,000	$ 125,000	150.00%	$ 125,000	0.00%
5930	501618	Laboratory Services	$ 5,907,254	$ 6,300,000	$ 6,665,137	5.80%	$ 6,664,729	-0.01%
5AF0	501609	State and Non-Federal Awards	$ 20,296	$ 150,000	$ 1,440,000	860.00%	$ 1,440,000	0.00%
5H80	501617	Offender Financial Responsibility	$ 1,778,732	$ 1,537,769	$ 3,000,000	95.09%	$ 3,000,000	0.00%

Line Item Detail by Agency

			FY 2010	Estimate FY 2011	Introduced FY 2012	FY 2011 to FY 2012 % Change	Introduced FY 2013	FY 2012 to FY 2013 % Change
DRC	**Department of Rehabilitation and Correction**							
5L60	501611	Information Technology Services	$ 54,296	$ 150,000	$ 600,000	300.00%	$ 600,000	0.00%
		General Services Fund Group Total	**$ 154,396,936**	**$ 168,818,586**	**$ 83,107,094**	**-50.77%**	**$ 83,778,285**	**0.81%**
3230	501619	Federal Grants	$ 7,356,865	$ 9,248,319	$ 9,013,558	-2.54%	$ 9,180,703	1.85%
3S10	501615	Truth-In-Sentencing Grants	$ 5,966,957	$ 0	$0	N/A	$0	N/A
		Federal Special Revenue Fund Group Total	**$ 13,323,822**	**$ 9,248,319**	**$ 9,013,558**	**-2.54%**	**$ 9,180,703**	**1.85%**
Department of Rehabilitation and Correction Total			**$ 1,650,366,176**	**$ 1,758,550,299**	**$ 1,584,200,490**	**-9.91%**	**$ 1,573,650,436**	**-0.67%**