- One in four state employees works for DRC
- GRF budget bruised: staff, services, and subsidies face reductions
- Privatized prisons online

# Department of Rehabilitation and Correction

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## ROLE

Conceptually and historically, the Department of Rehabilitation and Correction (DRC) can be viewed as the manager of a three-piece felony sanctioning system, with an intake process on the front end, a large physical plant for housing inmates located in the middle, and a release mechanism on the back end.

As its most basic mission, DRC is charged with the control of felony offenders committed to the custody of the state, which includes the provision of housing and inmate programming within a statewide network of prisons, and, following their release from incarceration, controlling and monitoring these offenders through a community supervision system administered by its Adult Parole Authority.

DRC also manages a package of community control sanctions (supervision and control services, halfway house beds, and subsidies) that provide judges with a range of sentencing options intended to reduce or eliminate the time that offenders spend in prison or jail.

| Agency In Brief | | | | | |
|---|---|---|---|---|---|
| Number of Employees | Total Appropriations-All Funds | | GRF Appropriations | | Appropriation Bill(s) |
| | 2002 | 2003 | 2002 | 2003 | |
| 16,033 | $1.6 billion | $1.7 billion | $1.4 billion | $1.5 billion | Am. Sub. H.B. 94 |

## OVERVIEW

Historically, the lion's share of DRC's operating and capital budgets have been devoted toward the building and management of correctional institutions and the inmates who inhabit them. Although this fiscal reality remains largely intact to this day, starting with FY 1994, DRC started to pump a larger percentage of its annual GRF budget into parole and community services. This funding change signaled 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.

## COMMUNITY CONTROL SANCTIONS

If one focuses solely on the GRF side of the department's budget for the period running from FY 1988 through FY 1993, the total amount of GRF funding expended on prison diversion and jail population reduction programs ran in the range of 8 percent to 9 percent annually. Since that time, the amount of GRF money that has been allocated to these community sanctions programs has grown into the 11 percent range. While a funding increase in the range of 2 percent to 3 percent may not seem all that significant, the reader needs to keep in mind that this is in the context of a departmental GRF budget that has grown to be in excess of $1 billion annually.

A footnote to this observation is in order. These percentages somewhat overstate the financial resources spent explicitly on prison diversion and jail population reduction programs, as they also include 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, furloughees, and graduates of the boot camp phase of the Shock Incarceration Program, as well as offenders under post-release control). It should also be noted that, through the parole component of the department's Division of Parole and Community Services, community supervision and control services are provided that directly assist a number of the state's county criminal justice systems.

## GRF BUDGET: A SUMMARY

Table 1, immediately below, captures the GRF parts of the department's FY 2002-2003 biennial operating budget that will fund the following five program series: (1) institutional operations, (2) debt service, (3) community sanction programs, (4) parole services, and (5) central administration. The columns of the table summarize the following fiscal information for each of these five program series: "continuation cost," which is the amount of GRF money that the department calculated it would need in FYs 2002 and 2003 to continue the services that were being delivered or initiated during FY 2001, "program total," which is the total amount of GRF funding appropriated in FYs 2002 and 2003, and "amount below continuation," which is a function of the "program total" minus the "continuation cost."

**Table 1 - GRF Biennial Budget Parts ($ in millions)***

| Program Series | FY 2002 | | | FY 2003 | | |
|---|---|---|---|---|---|---|
| | Continuation Cost | Amount Below Continuation | Program Total | Continuation Cost | Amount Below Continuation | Program Total |
| Institutions | $ 1,092.66 | $ 41.15 | $ 1,051.51 | $ 1,151.35 | $ 48.02 | $ 1,103.33 |
| Debt Service | $ 138.12 | ---- | $ 138.12 | $ 149.65 | ---- | $ 149.65 |
| Community Sanctions | $ 116.75 | $ 6.07 | $ 110.68 | $ 120.25 | $ 8.47 | $ 111.78 |
| Parole Services | $ 77.30 | $ 3.97 | $ 73.33 | $ 82.12 | $ 3.41 | $ 78.71 |
| Administration | $ 28.77 | $ 1.17 | $ 27.60 | $ 30.39 | $ 3.01 | $ 27.38 |
| **GRF Total** | **$1,453.60** | **$52.36** | **$1,401.24** | **$1,533.76** | **$62.91** | **$1,470.85** |

*Detail may not add to totals due to rounding.

As the reader can then see from the table, from the department's perspective, all but one of its program series – debt service – was appropriated a level of GRF funding that was less than its calculated future cost of paying for the level of services that were being performed or initiated in FY 2001. Thus, Table 1 in effect highlights what are GRF funding shortfalls by program series.

The largest of these shortfalls in continuation funding was experienced by the department's institutions program series, which finances the day-to-day operations of the prison system. For the FY 2002-2003 biennium, the institutions program series was appropriated $89.2 million, or 4 percent, less than the department's calculated future cost of day-to-day prison operations.

The community sanctions program series, which includes subsidies distributed to local criminal justice systems, as well as halfway house beds purchased by the state and shared with local sentencing courts felt the second largest continuation-funding shortfall. For the FY 2002-2003 biennium, the community sanctions program series was appropriated $14.5 million, or 6.1 percent, less than the department's calculated future cost of supporting efforts that are intended to reduce prison and jail populations.

These community sanctions programs were among the most affected from the department's various program series, which translated into $14.5 million, or 6.1 percent, less than the department's calculated future cost of doing business.

In addition to its requested level of continuation funding, the department asked for new GRF funding to expand existing services and undertake new initiatives over the course of the FY 2002-2003 biennium, but no such funding was appropriated.

## *SYSTEM GROWTH*

The department's prison system itself has undergone marked growth in the last fifteen years or so. As of the start of FY 1980, this system contained eight correctional institutions and was inhabited by around 14,000 inmates. At the close of FY 2001, the department had 34 correctional institutions, including the Corrections Medical Center, and was managing an inmate population of around 45,260. As of this writing, the department had no intention to build any new correctional facilities. The FY 2002-2003 biennium will be the first since the early 1980s in which no new construction will take place within the prison system. (This heretofore-uninterrupted pattern of institutional growth was part of a dynamic set in motion by the prison construction program that the state embarked on in 1982 with Am. Sub. H.B. 530 of the 114th General Assembly.)

Even without the addition of new correctional facilities, given the number of staff and inmates in the prison system, the department will still experience the fiscal pressures that are a natural consequence of: (1) pay raises and collective bargaining agreements, and (2) inflation on medical, utility, and food costs. A quick scan of the department's current staffing mix suggests that a conservative guess would put the number of employees who are covered by collective bargaining at 85 percent.

For at least the last ten years or so, the vast majority of the department's operating and capital budgets have gone toward supporting this network of state correctional facilities. Since at least FY 1988, the department's day-to-day cost of running prisons has, and will continue to, consume roughly three-quarters of the department's total GRF budget.

## *STAFFING LEVELS*

Table 2 below summarizes the department's staffing picture for the FY 2002-2003 biennium given what we know at this time. The columns display: (1) the various funding streams that support the department's staff payroll (Line Item/Fund), (2) the number of staff positions for which the department requested funding in its FY 2002-2003 biennial budget submission to the Office of Budget and Management that were calculated as being necessary to continue delivering the level of services that were provided, or planned to be initiated, in FY 2001 (Continuation Positions), (3) the number of staff positions that actually appear to be funded in light of the appropriated amounts provided by the FY 2002-2003 biennial operating budget (Funded Positions), and (4) the number of non-funded staff positions, that is staff positions the department requested funding to continue FY 2001 services and initiatives, but for which no funding was in effect appropriated (Non-Funded Positions).

**Table 2 - Department of Rehabilitation and Correction Staffing Levels**

| Line Item/Fund | Continuation Positions | Funded Positions | Non-Funded Positions |
|---|---|---|---|
| 501-321 | 11,981 | 11,648 | 333 |
| 502-321 | 785 | 632 | 153 |
| 503-321 | 1,197 | 1,130 | 67 |
| 504-321 | 340 | 331 | 9 |
| 505-321 | 699 | 589 | 110 |
| 506-321 | 326 | 302 | 24 |
| 507-321 | 104 | 96 | 8 |
| 501-407 | 11 | 11 | 0 |
| **GRF Total** | **15,443** | **14,739** | **704** |
| 148 | 707 | 699 | 8 |
| 200 | 245 | 240 | 5 |
| 323 | 41 | 41 | 0 |
| 4B0 | 14 | 14 | 0 |
| 4D4 | 270 | 240 | 30 |
| 593 | 30 | 30 | 0 |
| 5L6 | 0 | 0 | 0 |
| 4L4 | 2 | 6 | 4 |
| 4S5 | 24 | 24 | 0 |
| 483 | 1 | 1 | 0 |
| **Non-GRF Total** | **1,334** | **1,295** | **39** |
| **Staffing Totals** | **16,777** | **16,034** | **743** |

The key point to extract from this table is that the department's FY 2002-2003 biennial operating budget does not provide the level of funding necessary to cover the calculated future annual payroll cost associated with the 16,777 staff positions it determined would be needed to continue FY 2001 services and initiatives. As a result, the department has made it clear that it will not be able to maintain or continue the services that were delivered, or the initiatives that were undertaken, during FY 2001. Planned expenditures will have to be eliminated, reduced, or delayed, including cutting institutional, parole, and central administration payroll costs, which means fewer staff. This effect will be most noticeable in the area of the department's GRF budget, specifically in the day-to-day costs of institutional operations (prisons), the most expensive component of this corrections agency that accounts for at least 90 percent of its total staff at any given point in time. Cutting payroll costs would presumably involve a mix of: (1) leaving currently authorized, but vacant, staff positions unfilled, (2) not filling, or delays in filling, currently authorized and filled staff positions that subsequently become vacant, (3) offering an early retirement incentive plan, and (4) possible reductions in the size of its labor force through layoffs.

What is not clearly evident from the department's staffing levels, in Table 2 above, is the bigger picture into which these "numbers" fit. As of this writing, of the total number of state employees, 25 percent work for the department, that's one-in-four state employees. An even more striking figure, we believe, is the fact that roughly 13 percent of all state employees are correction officers who work for the department, that's approximately one-in-six state employees.

One should also keep in mind that the department does carry a number of staff positions that are not supported by its GRF payroll. As noted in Table 2 above, the number of these funded non-GRF staff positions totals 1,295. This means that, of the department's 16,034 funded staff positions, over 90 percent are supported by the GRF.

The department's FY 2002-2003 biennial staffing levels do not include the Lake Erie Correctional Institution and the North Coast Correctional Treatment Facility, which are state-owned prisons whose operations have been contracted out to private sector vendors. If those two correctional facilities were not privatized, the department would need to hire approximately 500 additional staff to run those operations.

## *LOCAL GOVERNMENT IMPACT*

The principal local government fiscal impacts generated by the department's budget will be felt through activities and funds handled by the Division of Parole and Community Services. 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 FY 2002-2003 biennial operating budget contains no additional funding, or "new" money, to provide for the disbursement of additional subsidies to local governments. In fact, the department may be forced to cut back on existing subsidy levels, which more than likely would result in reductions to locally provided offender programs and services.

The Division of Parole and Community Services, however, does more than just provide subsidies. The true range of local community control sanctions provided by the division also includes: (1) parole personnel assigned to the Adult Parole Authority who supervise and control felons for various sentencing courts around the state, and (2) state–contracted halfway house beds that are made available to common pleas judges for directly sentencing felons to community control sanctions as opposed to making them a state burden by shipping them into the prison system.

## *INFLATION*

The nature and size of the department's institutional operations – at the end of FY 2001 it was composed of 34 correctional facilities, roughly 45,260 inmates, and more than 14,000 prison staff – make its payroll and maintenance costs especially sensitive to changes in the costs of doing business. 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 an extremely problematic fiscal effect on institutional agency budgets. Inflation has also had a particularly hard impact on the cost and availability of healthcare services delivered in correctional institutions. The FY 2001 inflation rate for medical services, measured by the Consumer Price Index, was 4.6 percent.

Labor shortages are also having an inflationary effect on the provision of dental and pharmacy services. Existing department contracts for healthcare services are not competitive with current market rates. The department's Bureau of Medical Services expects the cost of these contractual services to increase by anywhere from 20 percent to 30 percent when re-bid.

### *PAY RAISES*

The department's GRF supported staff, which totals in excess of 14,700 paid positions, will generate an estimated total FY 2002 payroll expenditure of approximately $900 million and an estimated FY 2003 payroll expenditure of approximately $972 million. It should be clear that any kind of pay raises, in particular those that automatically kick in as a result of collective bargaining agreements, have a significant fiscal effect on the department's bottom line payroll costs, in particular those absorbed by the GRF.

## BUDGET ISSUES

We have conceptually organized our following discussion of DRC's budget into four distinct program areas: (1) institutional operations, (2) parole and community services, (3) central administration, and (4) debt service. Generally, the reader will encounter a narrative built around GRF funding, with selective attention paid to certain departmental non-GRF accounts.

### *PROGRAM AREA: INSTITUTIONAL OPERATIONS*

The Institutional Operations program series consists of programs that provide housing, security, maintenance, food, and support services for offenders who are sentenced to the custody of the department. Our analysis of this program series is organized around a mix of issues, programs, and selected non-GRF revenue streams.

#### Institutional Staffing Plan

Table 3 below summarizes the department's institutional staffing picture for the FY 2002-2003 biennium, given what we know at this time. The columns display: (1) the various GRF line items that support the department's staff payroll (Line Item), (2) the number of staff positions for which the department requested funding in its FY 2002-2003 biennial budget submission to the Office of Budget and Management that were calculated as being necessary to continue delivering the level of institutional services that were provided, or planned to be initiated, in FY 2001 (Continuation Positions), (3) the number of staff positions that actually appear to be funded in light of the appropriated amounts provided by the FY 2002-2003 biennial operating budget (Funded Positions), and (4) the number of non-funded staff positions, that is staff positions the department requested funding to continue FY 2001 institutional services and initiatives, but for which no funding was in effect appropriated (Non-Funded Positions).

**Table 3 - Institutional GRF Staffing Levels**

| Line Item | Continuation Positions | Funded Positions | Non-Funded Positions |
|---|---|---|---|
| 501-321 | 11,981 | 11,648 | 333 |
| 502-321 | 785 | 632 | 153 |
| 505-321 | 699 | 589 | 110 |
| 506-321 | 326 | 302 | 24 |
| 507-321 | 104 | 96 | 8 |
| **GRF Total** | **13,895** | **13,267** | **628** |

What Table 3 shows is that the department's FY 2002-2003 biennial operating budget does not provide the level of appropriations necessary to cover the calculated future annual payroll cost associated with the 13,895 GRF-funded staff positions it determined would be needed to continue FY 2001 services and initiatives. As a result, the department has made it clear that it will not be able to maintain or continue the institutional services that were delivered, or the initiatives that were undertaken, during FY 2001.

Thus the department will have to trim institutional operating costs, which means reductions in personal services, maintenance, and equipment expenses. Since prison operations tend to be labor intensive, payroll will have to be cut. This reduction could occur though any number of mechanisms, including attrition, early retirement buy-outs, and, although probably only as a last resort, layoffs.

### Glouster Substance Abuse Treatment Camp

During FY 2001, the department was scheduled to activate a newly constructed 125-bed substance abuse treatment camp in Glouster (Athens County). The total number of camp staff was expected to be around 50 (24 correction officers, 6 operations, 9 food service, 3 medical services, 6 recovery services, and 2 education services), with all but 9 of those staff funded by the GRF. The total annual GRF cost for this camp, once fully operational, was estimated at $3.0 million. Given the problematic fiscal picture that was developing for state finances in the latter part of FY 2001, the department opted to put activation of the Glouster camp on hold. At this time, it appears highly unlikely that the FY 2002-2003 biennial operating budget provided a level of GRF funding that would permit the department to activate the Glouster camp anytime in the near future.

### Mental Health Services

The Mental Health Services program provides care for inmates with a variety of mental health needs. The service delivery system concept in this program draws heavily from the notion of "clusters" used in community mental health care. All of the department's correctional institutions have been assigned to a cluster, with each cluster, or grouping, responsible for providing a continuum of care ranging from outpatient to residential services to inmates residing within that cluster. Inmates in need of hospitalization are transferred to the department's Oakwood Correctional Facility (Allen County), which currently houses around 190 male and female offenders in need of intensive psychiatric treatment.

The biennial operating budget provides less than the department's requested amount of GRF continuation funding it calculated was necessary to cover the annual operating costs associated with 785 authorized mental health services staff positions (payroll, maintenance, and equipment). As a result, the department will have to trim operational costs financed through GRF line item 501-321, especially in light of the escalating inflationary pressure on healthcare costs that are out of its control.

### Medical Services

The Medical Services program provides primary and screening health care at all correctional institutions, as well as more specialized and acute care provided under a $26 million annual contractual arrangement with The Ohio State University Hospitals.

The biennial operating budget provides less than the department's requested amount of GRF continuation funding it calculated was necessary to cover the annual operating costs associated with 699 authorized medical services staff (payroll, maintenance, and equipment). As a result, the department will have to trim operational costs financed through GRF line item 505-321, especially in light of the escalating inflationary pressure on healthcare costs that are out of its control.

### Education Services

The Education Services program provides educational opportunities for inmates, including adult basic education, high school equivalency, adult high school, vocational education, special education and literacy training, and pre-release programming.

In the GRF component of the biennial operating budget, less than the department's requested amount of GRF continuation funding is provided to cover the annual operating costs associated with 326 authorized education services staff (payroll, maintenance, and equipment). As a result, the department will have to trim operational costs financed through GRF line item 506-321. In addition, the department may reduce its financial commitment to higher education services and programs, but such a decision is somewhere off in the future.

### Recovery Services

The recovery services program provides care for inmates with a variety of alcohol and other drug (AOD) service needs.

In the GRF component of the biennial operating budget, less than the department's requested level of continuation funding is provided to cover the annual operating costs associated with 104 authorized recovery services staff (payroll, maintenance, and equipment). As a result, the department will have to trim operational costs financed through GRF line item 507-321.

### Prisoner Compensation

Inmates who work at jobs other than those associated with the Ohio Penal Industries receive a monthly wage that runs from $16 to $18. This "hierarchy of pay" has been in effect since 1982. The funds to support these payments are drawn from GRF line item 501-403, and it is important to understand that the amount spent annually is a direct function of the number of inmates who are working. As the size of the inmate population has grown, so have the numbers that work, thus spending is driven upward.

The biennial operating budget provides less than the department's requested level of GRF funding for paying inmates and issuing gate money. At this time, the department believes that it can work with this level of funding, without resorting to cutting inmate pay or gate money. The inmate population, as well as the number of offenders being released from prison, has more or less stabilized, thus there is not an ever increasing number of working inmates who would have to be paid or collecting gate money on the way out the prison door.

### Prisoner Programs (Fund 4D4)

The revenue stream deposited into the non-GRF Prisoners Program Fund is used for the costs of construction, goods, and services that directly benefit inmates, as well as part of the cost of prisoner release payments.

The department has, in recent years, utilized a three-pronged strategy to tap into this fund's revenue stream. First, back in FY 1996, the department moved some existing fiscal burdens from the GRF to this non-GRF account. Second, the department has taken to tapping this revenue to undertake an expansion of programming services that are delivered to inmates. Third, this fund is used to assist in financing one-time construction projects, like buildings that will house various inmate programs.

The biennial operating budget continues the heavy tapping of this fund's rather healthy revenue stream. This spending level could become problematic should the revenue stream supporting it (collect telephone calls made by inmates), for whatever reason, weaken. Clearly, such a negative turn would put the department in the position of having to make some difficult decisions regarding resource allocations, particularly in light of the fact that there are, as of this writing, around 178 education services and 56 recovery services personnel paid from this fund.

### Federal Truth-In-Sentencing (Fund 3S1)

Fund 3S1 serves as the depository for an ongoing federal grant that is administered by the department for the general purpose of funding construction or renovation projects that create additional bed space for the housing of violent offenders. A very small amount of this federal money is used to cover the department's administrative expenses, with the very large remainder disbursed as follows: 80 percent to the department, 15 percent to local governments for full-service jail projects, and 5 percent to the Department of Youth Services.

The biennial operating budget provides a level of funding that reflects the amount of this federal money that Ohio will be eligible for and draw down annually. The state cannot simply collect its annual federal award and bank it until it is needed; it can only draw on an awarded amount as it incurs costs. In this sense, it works more like a reimbursement program.

We feel compelled to note the rather notable difference between Fund 3S1's annual appropriation of around $23 million in each of the next two fiscal years when compared to the fact that the size of the federal grant award is expected to be around $15 million annually. The appropriations for FYs 2002 and 2003 represent grant money that the department has accumulated over time, but not yet spent. Those familiar with the dynamics of state capital money know it can take anywhere from three-to-six years to spend from the time at which it was appropriated. How much of this federal capital money will be disbursed in any particular fiscal year is highly uncertain, which means in many ways, setting this fund's appropriation authority involves some educated guesswork.

### Offender Financial Responsibility (Fund 5H8)

Amended Substitute Senate Bill 111 of the 122nd General Assembly permits the department to collect "cost debts" from an offender, 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. Any of these cost debts collected are directed into the Offender Financial Responsibility Fund (Fund 5H8), which the act created, and may be expended for goods and services of the same type as those for which offenders were assessed costs. To date, the only cost debt being collected is a $3 co-payment for voluntary sick calls, which generates about $400,000 annually.

The biennial operating budget basically provides a spending level for Fund 5H8, which will, given the department's current cost collection practice, cover some of the annual operating costs associated with the institutional medical services program.

### Laboratory Services (Fund 593)

The existence of Fund 593 reflects the decision made in the fall of calendar year 1998, by the departments of Rehabilitation and Correction and Mental Health to merge their separate laboratory operations into one unified laboratory under the control of the Department of Rehabilitation and Correction. That arrangement was set further into motion by action of the Controlling Board that created the Laboratory Services Fund in October 1998, and then was codified by Am. Sub. H.B. 850, the capital appropriations act of the 122nd General Assembly. The laboratory is required to provide services to the departments of Rehabilitation and Correction, Mental Health, Mental Retardation and Developmental Disabilities, and Youth Services, and may also provide such services to other state, local, and private entities upon request. The department is required to determine the cost of operating this laboratory operation and charge for the cost of providing laboratory services. The moneys so collected are then deposited into Fund 593 and used to finance the laboratory's operation.

The biennial operating budget sets annual appropriation levels that reflect the amount of revenue that will be needed and available in each of FYs 2002 and 2003 to support the department's expanded laboratory.

## *PROGRAM AREA: PAROLE & COMMUNITY SERVICES*

The mission of the Parole and Community Services program series is to protect Ohio citizens by ensuring appropriate supervision of offenders in community punishments, which are effective and hold offenders accountable. The bulk of the funding for this program series supports state and local efforts for the control and supervision of offenders who have been released from prison or who have been sentenced to community supervision by a local judge.

Two specific groupings within the Parole and Community Services program series – offender release/supervision and community sanctions – will be the subject of focus in the analysis below. The reader should keep in mind the basic distinction between "continuation funding" and "expansion funding." Continuation funding basically represents the amount of money that the department calculated it would take in FYs 2002 and 2003 to continue services that were being delivered during FY 2001. Expansion funding is essentially new money explicitly provided to undertake new initiatives, expand existing services, or hire new staff.

### Offender Release and Supervision

The activities grouped here cover components of the Division of Parole and Community Services that provide offender release and community supervision services, jail inspection services, and victim services. The largest component encompasses activities of the Adult Parole Authority (APA). The APA is responsible for the release of offenders from prison (including operation of the Parole Board) and their supervision in the community thereafter (including offenders placed on parole, post-release control, and transitional control). The APA also provides supplemental or full community control supervision services to a number of counties and prepares pre-sentence investigations for county common pleas courts and offender background investigations on those sentenced to prison.

The biennial operating budget provides less than the GRF continuation funding level that the department calculated would be needed to cover the annual operating costs associated with an authorized staffing level of 1,197 positions (payroll, maintenance, and equipment), supported by line item 503-321, Parole and Community Operations. Around 600 of these staff are parole officers. No GRF expansion funding was provided to undertake new initiatives, expand existing services, or hire any new staff. Thus, reductions in staff, maintenance, and equipment costs will have to be made.

### Community Sanctions

The Community Sanctions grouping contains four sub-programs that provide contract and subsidy dollars intended to ensure that, for the purposes of sanctioning offenders and protecting public safety, the state and local judges have access to a range of appropriate community-based controls as alternatives to prison and jail.

#### *Sub-Program: Halfway Houses*

Through the Halfway House sub-program, the department contracts with public and private agencies for the provision of residential placements for offenders who are: (1) released from prison under the supervision of the Adult Parole Authority, or (2) sentenced into community control by a common pleas court. The annual appropriation levels in the biennial operating budget for this sub-program (line item 501-405) provide the level of GRF funding that the department calculated would be necessary to fund its existing network of 1,575 halfway house beds. Given that the average length of stay in one of these beds is three-to-four months, this network can house anywhere from 4,725 to 6,300 felony offenders annually. The department had also requested GRF expansion funding in order to add 320 new halfway house beds to this network, but that funding was not appropriated.

### *Sub-Program: CBCFs*

The Community-Based Correctional Facilities sub-program provides subsidy funds for the operation of community-based correctional facilities (CBCFs). CBCFs, which can be formed by counties or groups of counties with populations of 200,000 or more, exist for the diversion of nonviolent felony offenders from state prison and are operated by local judicial corrections boards formed by courts of common pleas. The state provides 100 percent of the financing for the construction, renovation, maintenance, and operation of these residential facilities, 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 department's plan calls for there eventually to be 19 CBCFs operational statewide, with the net result being that all of the state's 88 counties will have access to CBCF beds. At the close of FY 2001, there were 18 operational CBCFs statewide. The total number of available CBCF beds stood at 1,891, which allowed for the diversion of approximately 5,673 offenders annually, with an average length of stay of around four months.

The biennial operating budget (line item 501-501) contains less than the amount of GRF continuation funding that the department calculated would be necessary to support the level of services that these 18 CBCFs were providing in FY 2001. The department had also requested GRF expansion funding in order to add 300 new CBCF beds, but that funding was not appropriated. Thus, the department will have to find a way to cut its existing level of CBCF financial assistance in the FY 2002-2003 biennium, which could translate into some mix of fewer beds, lower per diem rates, and programming reductions.

The lone CBCF that is not operational, as of this writing, is a 200-bed facility planned for Cuyahoga County. The county was scheduled to receive capital funding for construction. It is unclear when that CBCF planned for Cuyahoga County will be constructed and operational due to ongoing siting problems. The completion of the project is presently estimated to occur sometime during FY 2003. Getting this site on-line carries significant potential, as felony commitments from Cuyahoga County alone typically make up around 25 percent of annual prison population intake. As a result of the level of GRF funding provided in the biennial operating budget, it now appears very unlikely that the department will build this CBCF anytime in the near future.

### *Sub-Program: Nonresidential Programs*

The Community Nonresidential sub-program provides grants to counties to develop, implement, and operate intensive supervision and other community sanctions programs that divert felony offenders from prison or jail commitments. By the close of FY 2001, this subsidy program was supporting a total of 67 community sanctions programs, serving a total of around 9,625 or more felony offenders annually in 59 counties. The FY 2002-2003 biennial operating budget will not support a continuation of this level of programmatic activity (GRF line item 501-407). As a result, the department will conduct a review of all of the local community nonresidential programs that received funding in FY 2001, with an eye toward selectively eliminating or reducing its financial commitments.

### *Sub-Program: Misdemeanor Programs*

This Community Misdemeanor sub-program is considered a jail population reduction effort, as it targets misdemeanant offenders and diverts them into alternative community control sanctions, most typically intensive supervision or pre-trial diversion, in lieu of confinement in a local jail. By the close of FY 2001, this subsidy program was supporting a total of 100 community sanctions programs, serving a total of around 20,450 misdemeanant offenders annually in 79 counties. The FY 2002-2003 biennial operating budget will not support a continuation of this level of programmatic activity (GRF line item 501-408). As a result, the department will conduct a review of all of the local community misdemeanor programs that received funding in FY 2001, with an eye toward selectively eliminating or reducing its financial commitments.

## *PROGRAM AREA: ADMINISTRATION*

### Program Description

This program essentially guides all of the correctional institutions and provides oversight and coordination for all departmental operations. It includes, but is not limited to, the director's office, human resources, training, legal services, management information systems, and fiscal monitoring and planning. Additionally, the Corrections Training Academy (CTA), located in Pickaway County's Orient Correctional Complex, is part of this program series. The CTA provides pre-service and in-service training to all departmental personnel, as well as other state agency personnel. In a sense, this program is somewhat analogous to what many might refer to as "Central Office."

### Appropriations

The biennial operating budget (GRF line item 504-321) provides less than what the department calculated would be necessary to cover the annual operating costs associated with approximately 340 authorized staff positions (payroll, maintenance, and equipment). The department also requested additional GRF funding in order to hire five new Central Office staff, but that funding was not appropriated. Thus, some reduction in staff, maintenance, and equipment costs will have to be made.

## *PROGRAM AREA: DEBT SERVICE*

### Program Description

This program/line item picks up the state's debt service tab that must be paid to the Ohio Building Authority (OBA) for its obligations incurred as a result of issuing bonds that cover the department's capital appropriations. The appropriation authority and actual spending levels are set and controlled by the Office of Budget and Management (OBM), 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 local projects (community-based correctional facilities and jails).

### Appropriations

Since the start of FY 1991, the General Assembly has authorized departmental capital appropriations that total well in excess of $1.0 billion, which are financed exclusively by bonds issued by the OBA. The cumulative fiscal effect of servicing the obligations that have been issued, as well as those that are expected to be issued in FYs 2002 and 2003, is reflected in the department's steadily rising repayment stream (GRF line item 501-406).

*Line Item Detail by Agency*

*Report For:* **Main Operating Appropriations Bill** *Version:* **Enacted**

## DRC Rehabilitation and Correction, Department of

| | | | FY 1999: | FY 2000: | FY 2001: | FY 2002 Appropriations: | % Change 2001 to 2002: | FY 2003 Appropriations: | % Change 2002 to 2003: |
|---|---|---|---|---|---|---|---|---|---|
| GRF | 501-321 | Institutional Operations | $ 662,038,387 | $ 738,799,160 | $769,736,068 | $ 834,724,490 | 8.44% | $ 877,452,200 | 5.12% |
| GRF | 501-403 | Prisoner Compensation | $ 9,219,590 | $ 9,257,805 | $9,557,832 | $ 8,837,616 | -7.54% | $ 8,837,616 | 0.00% |
| GRF | 501-405 | Halfway House | $ 30,123,253 | $ 31,582,939 | $32,284,782 | $ 34,573,018 | 7.09% | $ 35,673,018 | 3.18% |
| GRF | 501-406 | Lease Rental Payments | $ 110,507,325 | $ 119,182,465 | $127,664,186 | $ 138,116,400 | 8.19% | $ 149,653,700 | 8.35% |
| GRF | 501-407 | Community Nonresidential Programs | $ 16,023,072 | $ 15,893,375 | $16,432,686 | $ 15,150,792 | -7.80% | $ 15,150,792 | 0.00% |
| GRF | 501-408 | Community Misdemeanor Programs | $ 7,360,025 | $ 8,312,570 | $8,603,202 | $ 7,942,211 | -7.68% | $ 7,942,211 | 0.00% |
| GRF | 501-501 | Community Residential Programs - CBC | $ 40,222,801 | $ 47,500,808 | $51,086,493 | $ 53,015,353 | 3.78% | $ 53,015,353 | 0.00% |
| GRF | 502-321 | Mental Health Services | $ 64,139,254 | $ 71,876,584 | $74,520,460 | $ 63,861,558 | -14.30% | $ 67,128,946 | 5.12% |
| GRF | 503-321 | Parole and Community Operations | $ 64,648,153 | $ 71,394,050 | $73,048,840 | $ 73,332,328 | 0.39% | $ 78,711,552 | 7.34% |
| GRF | 504-321 | Administrative Operations | $ 25,881,513 | $ 28,187,877 | $26,570,072 | $ 27,595,593 | 3.86% | $ 27,377,252 | -0.79% |
| GRF | 505-321 | Institution Medical Services | $ 111,279,818 | $ 115,082,680 | $125,746,524 | $ 114,465,573 | -8.97% | $ 118,907,262 | 3.88% |
| GRF | 506-321 | Institution Education Services | $ 19,679,913 | $ 22,609,354 | $21,928,685 | $ 22,981,953 | 4.80% | $ 24,048,209 | 4.64% |
| GRF | 507-321 | Institution Recovery Services | $ 5,067,801 | $ 5,860,100 | $6,778,178 | $ 6,642,352 | -2.00% | $ 6,951,387 | 4.65% |
| **General Revenue Fund Total** | | | **$ 1,166,190,905** | **$ 1,285,539,767** | **$ 1,343,958,008** | **$ 1,401,239,237** | **4.26%** | **$ 1,470,849,498** | **4.97%** |
| 4B0 | 501-601 | Penitentiary Sewer Treatment Facility | $ 1,291,406 | $ 1,334,731 | $1,431,149 | $ 1,535,919 | 7.32% | $ 1,614,079 | 5.09% |
| 4D4 | 501-603 | Prisoner Programs | $ 16,372,326 | $ 19,999,495 | $19,456,358 | $ 21,872,497 | 12.42% | $ 23,135,230 | 5.77% |
| 4L4 | 501-604 | Transitional Control | $ 274,320 | $ 233,160 | $418,814 | $ 401,772 | -4.07% | $ 417,032 | 3.80% |
| 483 | 501-605 | Property Receipts | $ 113,697 | $ 176,774 | $191,892 | $ 361,230 | 88.25% | $ 373,628 | 3.43% |
| 571 | 501-606 | Training Academy Receipts | $ 42,091 | $ 55,474 | $77,811 | $ 71,567 | -8.02% | $ 71,567 | 0.00% |
| 4S5 | 501-608 | Education Services | $ 1,986,556 | $ 2,224,250 | $3,206,233 | $ 3,727,680 | 16.26% | $ 3,894,150 | 4.47% |
| 5L6 | 501-611 | Information Technology Services | ---- | ---- | | $ 5,474,800 | N/A | $ 3,561,670 | -34.94% |
| 4J3 | 501-612 | Mental Health & Substance Abuse Tre | $ 854,901 | $ 0 | | $ 0 | N/A | $ 0 | N/A |
| 5H8 | 501-617 | Offender Financial Responsibility | $ 162,518 | $ 223,462 | $91,720 | $ 435,000 | 374.27% | $ 440,000 | 1.15% |
| 593 | 501-618 | Laboratory Services | ---- | $ 3,219,238 | $3,675,521 | $ 4,277,711 | 16.38% | $ 4,469,231 | 4.48% |
| **General Services Fund Group Total** | | | **$ 21,097,815** | **$ 27,466,584** | **$ 28,549,498** | **$ 38,158,176** | **33.66%** | **$ 37,976,587** | **-0.48%** |
| 3S1 | 501-615 | Truth-In-Sentencing Grants | $ 15,278,575 | $ 14,565,656 | $8,324,309 | $ 22,906,042 | 175.17% | $ 23,432,796 | 2.30% |
| 323 | 501-619 | Federal Grants | $ 6,871,602 | $ 6,269,449 | $8,058,380 | $ 10,246,790 | 27.16% | $ 10,246,790 | 0.00% |
| **Federal Special Revenue Fund Group Total** | | | **$ 22,150,177** | **$ 20,835,105** | **$ 16,382,689** | **$ 33,152,832** | **102.37%** | **$ 33,679,586** | **1.59%** |
| 148 | 501-602 | Services and Agricultural | $ 84,408,988 | $ 87,290,019 | $89,378,911 | $ 95,102,123 | 6.40% | $ 98,634,008 | 3.71% |

## Line Item Detail by Agency

| | | | FY 1999: | FY 2000: | FY 2001: | FY 2002 Appropriations: | % Change 2001 to 2002: | FY 2003 Appropriations: | % Change 2002 to 2003: |
|---|---|---|---|---|---|---|---|---|---|
| **DRC** | **Rehabilitation and Correction, Department of** | | | | | | | | |
| 200 | 501-607 | Ohio Penal Industries | $ 35,539,572 | $ 34,909,601 | $37,497,311 | $ 43,131,254 | 15.02% | $ 44,425,724 | 3.00% |
| **Intragovernmental Service Fund Group Total** | | | **$ 119,948,560** | **$ 122,199,620** | **$ 126,876,222** | **$ 138,233,377** | **8.95%** | **$ 143,059,732** | **3.49%** |
| ***Rehabilitation and Correction, Department of Total*** | | | ***$ 1,329,387,457*** | ***$ 1,456,041,076*** | ***$ 1,515,766,417*** | ***$ 1,610,783,622*** | ***6.27%*** | ***$ 1,685,565,403*** | ***4.64%*** |