- One in four state employees works for DRC
- Likely reductions in staff, services, and subsidies
- Orient mothballed; Lima closure in litigation

Rehabilitation and Correction, Department of

Joseph Rogers, Budget Analyst

ROLE

Conceptually and historically, the Department of Rehabilitation and Correction (DRC) can be viewed as the administrator of a three-stage felony sanctioning system: (1) an intake mechanism on the front end for the processing of offenders into the state's prison system, (2) a large physical plant for housing inmates located in the middle, and (3) an output mechanism on the back end for the release of offenders back into the community.

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

The Department 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 that 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)
	2004	2005	2004	2005	
14,600	$1.63 billion	$1.66 billion	$1.43 billion	$1.45 billion	Am. Sub. H.B. 95

*Employee head count obtained from the Department of Administrative Services (DAS) payroll reports as of June 28, 2003.

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, beginning in FY 1994, the Department started to direct a larger percentage of its annual GRF operating 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 were to focus solely on the GRF side of the Department's operating budget for the period running from FY 1988 through FY 1993, the percentage of total GRF spending allocated for prison diversion and jail population reduction programs ran in the range of 8% to 9% annually. Since that time, the amount of GRF money that has been allocated to these community sanctions programs has moved up into the 13% range.

Keep in mind, however, this percentage actually somewhat overstates the financial resources spent explicitly on prison diversion and jail population reduction programs, as it also includes departmental expenses associated with operating the release component of the state's prison system (the Parole Board and the supervision and residential placement of parolees, those released under transitional control, and graduates of the boot camp phase of intensive program prisons, as well as offenders under post-release control). On the other hand, it should be noted that the parole component of the Department's Division of Parole and Community Services does provide full or supplemental community supervision and control services to a number of counties. More specifically, the Adult Parole Authority (APA) performs full, partial, or supplemental pre-sentence investigations and/or supervision services for 51 of Ohio's 88 counties.

FYS 2002-2003 EXPENDITURE REDUCTIONS

As a result of expenditure reductions instituted over the course of FYs 2002 and 2003, the Department was required to make various spending cuts and implement a number of cost saving measures. Based on information provided by the Department, it took the following notable cost-cutting actions over the course of the FY 2002-2003 biennium:

- A two-year early retirement incentive (ERI) buyout program was in effect from July 2001 through September 2002, producing a net effect of eliminating 291 staff positions. The ERI yielded approximately $17.4 million in annual savings.
- Layoffs and a hiring freeze in effect from January 2001 through July 2002 reduced the number of staff positions by about 1,849.
- In April 2002, the Department closed the Orient Correctional Institution (OCI). Of the more than 400 employees at OCI, 114 were ultimately laid off and the rest moved into other correctional institutions. Approximately 1,500 inmates were moved to other correctional institutions. The closure saved the Department about $3.4 million in FY 2002 and about $25.0 million in FY 2003.
- Numerous inmate dormitories or housing units were closed at various correctional institutions. Each inmate dormitory or housing unit closure resulted in a reduction of staff members, including correction officers and unit managers. These closures saved $882,783 in FY 2002 and generated an estimated savings of $6,001,629 in FY 2003.
- In the spring of 2001, the Department began to cluster medical contracts in an effort to reduce medical services costs. Previously, such contracts were negotiated for 28 correctional institutions individually. As a result of revising the contracting process, the Department reduced the number of institutional contracts from 28 to ten correctional institution clusters and six individual contracting correctional institutions (a total of 16). According to the Department, this revised contracting process has produced a more effective and efficient use of available resources, and is generating an estimated annual savings of $1.4 million.

FY 2004-2005 GRF BIENNIAL OPERATING BUDGET SUMMARY

Table 1, immediately below, captures the GRF components of the Department's FY 2004-2005 biennial operating budget that will fund the following four program areas: (1) institutional operations (Institutions), (2) debt service (Debt Service), (3) parole and community sanction programs (Parole/Community Sanctions), and (4) central administration (Administration). The columns of Table 2 summarize the following fiscal information for each of these four program areas: "continuation cost," which is the amount of GRF money that the Department calculated it would need in FYs 2004 and 2005 to continue the level services that were being delivered or initiated during FY 2003, "appropriated total," which is the amount of GRF money appropriated in each of FYs 2004 and 2005, and "amount below continuation," which is a function of the "appropriated total" minus the "continuation cost."

Table 1: GRF Annual Operating Budget by Program Areas ($ in millions)*

Program Series	FY 2004			FY 2005		
	Continuation Cost	Amount Below Continuation	Appropriated Total	Continuation Cost	Amount Below Continuation	Appropriated Total
Institutions	$1,150.75	$ 77.10	$1,073.65	$1,178.18	$ 87.76	$1,090.42
Debt Service	$ 142.00	----	$ 142.00	$ 146.31	----	$ 146.31
Parole/Community Sanctions	$ 231.46	$ 40.30	$ 191.16	$ 251.01	$ 60.32	$ 190.69
Administration	$ 27.23	$ 0.70	$ 26.53	$ 27.91	$ 0.49	$ 27.42
GRF Totals	**$1,551.44**	**$118.10**	**$1,433.34**	**$1,603.40**	**$148.57**	**$1,454.84**

*Detail may not add to totals due to rounding.

As the reader can see in Table 1 above, from the Department's perspective, all but one of its program areas – debt service – was appropriated a level of annual GRF funding less than its calculated future cost of paying for the level of services that were performed or initiated in FY 2003. Thus, Table 2 in effect highlights what are GRF funding shortfalls by program area.

The largest of these shortfalls in continuation funding was experienced by the Department's Institutions program area, which finances the day-to-day operations of the prison system. For the FY 2004-2005 biennium, the Institutions program area was appropriated a total of $164.86 million, or 7.1%, less than the Department's calculated future cost of day-to-day prison operations.

The Parole/Community Sanctions program area, 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 2004-2005 biennium, the Parole/Community Sanctions program area was appropriated a total of $100.62 million, or 20.9%, less than the Department's calculated future cost of supporting programs and services that are intended to reduce prison and jail populations.

LIMA CORRECTIONAL INSTITUTION CLOSURE

In order to reduce annual GRF expenditures, the Department is planning to close the Lima Correctional Institution. The closure was scheduled for July 1, 2003, so the savings effect will be first realized in FY 2004. The Department does not know precisely how many staff positions the closure will eliminate, as more senior personnel have the opportunity to "bump" into other correctional institutions. The estimated FY 2004 net savings, after the payment of $1.0 million in unemployment compensation, will be approximately $25.0 million. In FY 2005, the estimated annual savings is in the range of $25.0 million to $27.0 million.

As of this writing, the authority of the Governor to close a prison was undergoing a legal challenge and the Lima Correctional Institution had not been closed as scheduled.

ZERO-BASED BUDGETING

Temporary law requires the Department to prepare, with technical assistance to be provided by the Office of Budget and Management (OBM), a full zero-based budget for the FY 2006-2007 biennium. As of this writing, it appears that the one-time expense associated with the preparation of a zero-based budget for the Department and OBM would not exceed minimal. The state expense is probably best viewed as largely an "opportunity cost." In other words, those two state agencies will likely absorb this task within their existing mix of duties and responsibilities, and presumably have to delay as appropriate the performance of some of those other duties and responsibilities (Section 90).

ADMINISTRATIVE RESOLUTION OF SMALL CLAIMS OF INMATES

Under preexisting law, an inmate of a state correctional institution who wanted to pursue a claim against the state for property damage was required to bring a civil action in the Court of Claims, regardless of the size of the claim. The enacted biennial operating budget amended the preexisting law to require that an inmate who has a claim of $300 or less for the loss of or damage to property first attempt to settle the claim through an administrative procedure established by rule by the Director of Rehabilitation and Correction (section 2743.02).

The required administrative procedure creates a duty for the Department, while potentially relieving the Court of Claims of some inmate claims that it might otherwise have had to resolve. According to the Department, the administrative procedure may divert around 180 cases annually from the Court. Currently in cases where the inmate is not indigent, the inmate pays a $25 filing fee in order to file a claim in the Court. If the inmate wins the case, then the Department reimburses the $25 filing fee plus the amount of the claim. The fiscal effect of this administrative procedure on the Department's annual expenditures appears likely to be negligible.

PRISON SYSTEM GROWTH

The size of the Department's prison system has grown in the last fifteen 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 2003, the Department had 33 correctional institutions, including the Corrections Medical Center and two privately operated institutions, and was managing an inmate population totaling around 45,402. The FY 2004-2005 biennium will be the second consecutive two-year operating budget in a time frame dating back to the early 1980s in which no new correctional institutions were constructed and activated. This heretofore-uninterrupted pattern of institutional growth was part of a dynamic set in motion by the prison construction program that the state embarked on in 1982 with the enactment of 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 may still experience the potential fiscal pressures that are a natural consequence of the effects on: (1) pay raises and collective bargaining agreements on payroll expenses, 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 roughly 85%.

For at least the last ten years or so, the vast majority of the Department's capital and operating budgets have gone toward supporting this network of state correctional institutions. Since at least FY 1988, and continuing through the FY 2004-2005 biennium, the percentage of total spending consumed by institutional operations has been, and will continue to be, roughly three-quarters of the Department’s total annual GRF operating budget.

STAFFING LEVEL

Table 2 immediately below summarizes, the Department’s number of authorized GRF-funded staff positions and number of filled GRF-funded staff positions as of June 14, 2003. As one can see, according to DRC figures, the current number of authorized and current number of filled GRF staff positions is in excess of 14,800 and 13,300, respectively. Also of note is the fact that the Department eliminated more than 1,800 staff positions over the course of FYs 2002 and 2003 in response to the ordering of GRF expenditure reductions.

The enacted biennial operating budget provides a level of GRF funding that is below what the Department calculated its future cost of doing FY 2003 business would be in FYs 2004 and 2005. As a result, the Department is unlikely to be able to maintain its FY 2003 level of programs and services over the course of the FY 2004-2005 biennium, which means that it would have to reduce certain operating expenses (payroll, contracts, maintenance, and equipment).

Table 2: DRC’s GRF Staffing Levels as of June 14, 2003

GRF-Funded Staff Positions	Correction Officers	Other Staff	Total Staff
Authorized Number of GRF Staff Positions	7,970	6,839	14,809
Filled Number of GRF Staff Positions	7,391	5,935	13,326
Number of Vacant Authorized Staff Positions	579	904	1,483

Although not pictured in Table 2, it should not be forgotten that the Department does carry a number of staff that are not supported by the GRF payroll. The number of filled non-GRF staff positions totaled 1,090 as of June 14, 2003, which means that over 90% of the Department’s filled staff positions were supported by the GRF.

STATE EMPLOYEE

What is not clearly evident from the Department’s staffing levels in the above table is the bigger picture into which these “numbers” fit. Relative to the number of people employed by the Department in comparison to the total number of state employees, it is probably safe to make the following two observations. First, roughly 25% of all state employees work for the Department, which is one-in-four state employees. Second, approximately 13% of all state employees are correction officers who work for the Department, which is approximately one-in-six state employees.

PRIVATIZED CORRECTIONAL FACILITIES

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

LOCAL GOVERNMENT IMPACT

The principal local fiscal impact generated by the Department's enacted biennial operating budget will be felt through activities and funds handled by the Division of Parole and Community Services. The Division 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.

In the wake of the major restructuring of the state's felony sentencing framework enacted by Am. Sub. S.B. 2 of the 121st General Assembly, the purpose of the Division's community sanctions funding has, theoretically at least, been to reduce prison and jail populations by diverting felony and misdemeanant offenders into alternative community controls.

The Division does, however, more than just provide subsidies. The true range of local community control sanctions provided by the Division also includes: (1) parole officers 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 sentencing them into the prison system.

Overall, with regard to its parole and community sanctions operation, arguably the enacted FY 2004-2005 biennial operating budget contains less GRF moneys than the Department calculated was necessary to fully fund the level of direct supervision and control services and community sanctions programming that was being delivered in FY 2003. This means some reduction in operating expenses and in the level of financial assistance available for certain community sanctions programs, e.g., community non-residential and misdemeanor programs. It also appears safe to say that certain other community sanctions programs, e.g., community-based correctional facilities (CBCFs) and halfway houses, likely has enough GRF funding in each of FYs 2004 and 2005 to expand the level of the number of available beds and treatment services.

CURBING CORRECTIONAL COSTS

There are at least two general strategies that can be followed during the FY 2004-2005 biennium in the continuing efforts of the Department to reduce the institutional operating costs associated with the day-to-day running of a prison system. Those two general strategies are: (1) revenue generation, and (2) expenditure reduction.

Cost Control Strategy 1: Revenue Generation

One general strategy to cut or constrain GRF spending would actually involve cost shifting through revenue generation – the movement of necessary expenses from GRF to non-GRF revenue generating accounts. In point of fact, the Department is already exploiting this cost shifting-revenue generating avenue as evidenced by the manufacture and sale of various goods and services by the Ohio Penal Industries (OPI), as well as commission revenue generated in Fund 4D4 from telephone systems established for the use of inmates.

Along a similar vein, the Department has implemented a services co-payment program requiring a prisoner to make a $3 co-payment when the prisoner initiates a request for medical treatment or other related services. Two potential fiscal effects of such a co-payment include: (1) creating a potential disincentive to use what was previously virtually free-and-unlimited medical care, thus cutting demand and saving GRF-supported medical resources, and (2) generating some amount of non-GRF revenue that can supplement existing medical resources. These co-pays currently generate about $400,000 annually.

In fact, the Department currently has access to a number of statutorily permissible cost mechanisms for recovering various costs from offenders, but their viability as ongoing generators of much in the way of revenue remain unclear and their associated administrative burden in some cases may exceed any benefit gained.

Cost Control Strategy 2: Expenditure Reduction

Regardless of the amount of revenues that can be generated through various institutional programs, the alternative mechanism of cost reduction will continue to be a reality for the Department.

The question is then, how does one constrain prison operation costs? Cost containment strategies can generally be seen as falling into one of three types: (1) front-end diversion devices, (2) back-end release devices, and (3) organizational or managerial controls. The first two types are efforts to restrain growth in prison populations. On the other hand, the third type more or less takes prison population as given and then makes optimal use of available resources.

Front-end diversion devices are basically sentencing alternatives that place an offender under some type of sanction in lieu of incarceration in a correctional facility. The effect is to reduce prison admissions and prison population levels from what they might otherwise have been, which theoretically translates into some form of cost savings. Examples of such programs or actions include community corrections that provide an array of residential and nonresidential sanctions and changing the technical violation criteria that trigger the recommitment of a released offender to prison.

Recidivism is a key variable for understanding cost reduction via the front-end diversion of inmates. The Department feels that, given cost reductions already taken, the greatest opportunity to decrease future institutional expenditures is to provide sufficient inmate programming that reduces the likelihood of recidivism. According to the Department, research indicates strong connections between recovery, education, and skills training programs and levels of recidivism.

The centerpiece of the Department's efforts to reduce recidivism has been the development of "The Ohio Plan for Productive Offender Reentry and Recidivism Reduction." The Ohio Plan is a strategy for providing offenders with necessary treatment, education, and counseling at every stage that the offender is under the custody and control of the Department, from intake through release into the community, in order to assist offenders in being better prepared and able to make the successful transition, or reentry, back into society.

Back-end release devices basically reduce the length of stay for those committed to prison. The effect is to restrain growth in prison population levels from what they might otherwise have been, which theoretically translates into some form of cost savings. Examples of such programs or actions include boot camps, earned credits, furloughs, and electronically monitored early release.

The issue of managerial and organizational controls basically asks the question: what actions can the Department take that will provide cost savings and increase effectiveness in operations? Examples of actions aimed at better management of criminal justice resources include state-of-the-art prison population projection models, offender classification systems, correctional staffing and personnel analysis, and privatization.

INFLATION

The nature and size of the Department's institutional operations – at the end of FY 2003 it was composed of 33 correctional institutions, roughly 45,000 inmates, and 12,000-plus institutional 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 effect on institutional agency budgets.

Inflation has had a particularly notable impact on the range of medical/healthcare services delivered in correctional institutions. The FY 2001 inflation rate for medical/healthcare services, as measured by the Consumer Price Index, was about 4.6%. The Department has estimated that the annual medical/healthcare services inflation rate over FYs 2004 and 2005 will be at least 6% and quite possibly as high as 13%. This anticipated increase in the cost of medical/healthcare services stems from the following types of factors:

- The inmate population is aging and will require more medical/healthcare services.
- There will be an increase in the cost for diagnostic and treatment services for, at minimum, hundreds of inmates carrying the Hepatitis C virus as the result of changes in the recommended protocols by the Centers for Disease Control and Prevention.
- Labor shortages are also having an inflationary effect on the provision of dental and pharmacy services. In an effort to control costs as these contracts are re-bid for FYs 2004 and 2005, the Department has imposed a cap on the amount it is prepared to pay for the delivery of such services.
- The Department expects employee healthcare costs to increase by somewhere between 15% and 19%.

PAY RAISES

The Department's GRF staff, which totaled in excess of 13,300 paid positions as of June 14, 2003, will likely generate an annual payroll expense in excess of $850 million in each of FYs 2004 and 2005. Thus, any kind of pay raises, in particular those that automatically kick in as a result of collective bargaining agreements, have a noticeable fiscal effect on the Department's bottom line payroll costs, in particular those absorbed by the GRF.

VETOED PROVISIONS

Facilities Closure Commission

The Governor vetoed a provision that would have established a procedure for closing a state institutional facility for the purpose of expenditure reductions or budget cuts, including the creation of a Facilities Closure Commission charged with studying and reporting on the matter (sections 107.31 to 107.33 of the Revised Code). The occasional one-time state administrative costs for such a Commission to perform its duties under the procedure appeared unlikely to exceed minimal. The required procedure in and of itself would not have created any immediate and direct local fiscal effects.

Study of Pre-S.B. 2 Offenders

The Governor vetoed a provision that would have required the Parole Board to: (1) review the appropriateness of the length of sentences of current prisoners who were sentenced under the Felony Sentencing Law that was in effect prior to July 1, 1996, (2) determine whether the length of any of those sentences should be adjusted, and (3) submit a report of its findings and recommendations to the General Assembly (Section 154). The Department has been in the process of formally studying and evaluating the sentencing of pre-S.B. 2 inmates in accordance with the ruling made by the Supreme Court of Ohio in *Layne v. Ohio Adult Parole Authority*. Thus, the study requirement would not have created any direct and immediate fiscal effect for the Department.

BUDGET ISSUES

We have conceptually organized our following discussion of the Department's annual operating 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, including expansion amounts, or what is frequently termed, "new money." Also addressed selectively will be certain departmental non-GRF accounts.

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. The analysis of the program area is organized around a mix of issues, programs, and selected non-GRF revenue streams.

Institutional Staffing Plan

Table 4 below shows the number of staff positions for which the Department requested funding (labeled "Continuation Staff"), including correction officers (labeled "COs"). The revenue source that would be financing these personnel is also captured. For GRF-funded institutional staff, the programmatic line item that would support these personnel is noted. For ease of presentation all other institutional staff supported by other revenue streams are grouped under the column labeled "Total non-GRF."

The staff levels in Table 3 below essentially reflect the number of personnel that the Department calculated it would need to employ in order to continue delivering its FY 2003 level of institutional services and programs over the course of the FY 2004-2005 biennium.

Table 3: DRC's Requested Institutional Staffing Levels for FYs 2004 and 2005

Staffing	501-321	502-321	505-321	506-321	507-321	Total GRF	Total non-GRF	Total All Funds
Continuation Staff	11,621	634	580	337	96	13,268	1,300	14,568
COs	7,924	---	---	---	---	7,924	---	7,924
Total Staff	**11,621**	**634**	**580**	**337**	**96**	**13,268**	**1,300**	**14,568**

The enacted FY 2004-2005 biennial operating budget does not provide sufficient funding to cover the future cost of delivering FY 2003 program and service levels. Thus, the Department will have to trim institutional operating costs over the course of the FY 2004-2005 biennium, which means reductions in payroll, maintenance, and equipment expenses. Since the lion's share of the Department's personnel are employed in its institutional program areas, it is likely that any potential Department wide reductions in force would be relatively larger than those that might occur in the Division of Parole and Community Services or Central Office. These reductions could occur though any number or mix of mechanisms, including: (1) an early retirement buyout, such as the one put into place March 1, 2003 for a period of one year, (2) a continued hiring freeze, (3) attrition, and (4) potentially more layoffs.

Glouster Substance Abuse Treatment Camp

During FY 2001, the Department was scheduled to activate the 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, six operations, nine food service, three medical services, six recovery services, and two education services), with all but nine 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 indefinite hold. As of this writing, it appears highly unlikely that the Department will activate the Glouster camp anytime in the near future, if ever.

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 the 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 enacted FY 2004-2005 biennial operating budget provides less than the requested amount of continuation funding to cover the annual operating costs associated with 634 staff positions (payroll, maintenance, and equipment). As a result, the Department will have to trim operational costs financed through GRF line item 502-321, Mental Health Services, especially in light of the inflationary pressure on medical/healthcare costs that are largely out of the Department's 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 under a contractual arrangement with The Ohio State University Hospitals (OSU). In FYs 2002 and 2003, the OSU contract cost approximately $26.0 million each year. For FYs 2004 and 2005, the OSU contract is expected to cost the Department between $27.0 million and $28.0 million annually.

The enacted FY 2004-2005 biennial operating budget provides less than the requested amount of continuation funding to cover the annual operating costs associated with 580 staff (payroll, maintenance, and equipment). As a result, the Department will have to trim operational costs financed through GRF line item 505-321, Institution Medical Services, especially in light of the inflationary pressure on medical/healthcare costs that are largely out of the Department's 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 Department's original biennial budget submission, it requested funding to: (1) continue covering the annual operating costs associated with 337 staff (payroll, maintenance, and equipment), and (2) move the funding source for approximately 200 educational services staff from Fund 4D4, Prisoner Programs, to GRF line item 506-321, Institution Education Services. The enacted FY 2004-2005 biennial operating budget provides noticeably less than the requested level of GRF funding in each fiscal year. As a result, the Department is currently not planning to move any of the 200 educational services staff that it originally sought to transfer from Fund 4D4 to GRF line item 506-321. In addition, the Department may reduce its financial commitment to higher education services and programs, but such a decision has not been made as of this writing.

Recovery Services

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

The enacted FY 2004-2005 biennial operating budget provides less than the Department's requested amount to: (1) continue funding the annual operating costs associated with 96 staff positions (payroll, maintenance, and equipment), and (2) move the funding source for a relatively small number of recovery services staff from Fund 4D4, Prisoner Programs, to GRF line item 507-321. Institution Recovery Services. The Department estimates that the appropriated amount of annual GRF funding level will support approximately 90 staff positions.

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. If the size of the inmate population grows, so do the number of offenders that work, thus total prisoner compensation rises. Similarly, if the size of the inmate population declines, so do the number of offenders that work, thus total prisoner compensation decreases.

The enacted FY 2004-2005 biennial operating budget provides less than the level of annual GRF funding that the Department requested for the purpose of 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.

According to the Department, 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, and so forth 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.

Prisoner Programs (Fund 4D4)

Moneys deposited to the credit of Fund 4D4 are 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 the 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, the fund is used to assist in financing one-time construction projects, like buildings that will house various inmate programs.

The enacted FY 2004-2005 biennial operating budget will continue the heavy tapping of the fund's rather healthy revenue stream. That said, the spending level has become problematic, as expenditures are beginning to exceed the available revenue stream supporting the fund. The revenue stream consists of a commission paid by the equipment provider, MCI WorldCom, to the Department for collect telephone calls made by inmates. The commission paid by MCI WorldCom annually generates about $14.0 million for the Department. When MCI WorldCom recently filed for bankruptcy, the monthly commission payments were interrupted for a period of about two months. Following MCI WorldCom's corporate restructuring, the payments have resumed.

Negative turns in Fund 4D4's cash flow will likely place the Department in the position of having to make some difficult decisions regarding resource allocations, particularly in light of the fact that currently there are approximately 200 education services and 60 recovery services personnel paid from the fund. It also appears that, as a result of the enacted levels of GRF funding contained in the FY 2004 and 2005 biennial operating budget, the Department is unlikely to move many, if any, the 200-plus education and recovery services staff currently paid from Fund 4D4 to GRF line items 506-321 and 507-321. Part of the Department's original FY 2004-2005 biennial operating budget submission included a proposal for additional GRF funding in order to transfer a substantial amount of the payroll costs currently being charged against Fund 4D4, especially those associated with education services staff.

Federal Truth-In-Sentencing (Fund 3S1)

Fund 3S1 basically supports a federal "bricks-and-mortar" program intended generally to fund construction or renovation projects that create additional bed space for the housing of adult and juvenile violent offenders. A very small amount of these federal moneys are used to cover the Department's administrative expenses, with the very large remainder disbursed as follows: 80% to the Department for capital projects, 15% to local governments for full-service jail projects, and 5% to the Department of Youth Services.

The enacted FY 2004-2005 biennial operating budget provides a level of funding that reflects the amount of the 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.

There is also a notable difference between the fund's annual appropriation of around $25.0 million in each FYs 2004 and 2005 when compared to the fact that the annual federal grant award has been in the range of $12.0 million to $16.0 million. The FY 2004 and 2005 appropriations essentially represent grant moneys 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 it from the time at which it was appropriated. How much of these federal capital moneys 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)

The Department is permitted under current law 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) 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 enacted FY 2004-2005 biennial operating budget basically provides annual appropriations 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 Development 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 the laboratory and charge for the cost of providing laboratory services. The moneys so collected are then deposited to the credit of Fund 593 and used to finance the laboratory's operation.

The enacted FY 2004-2005 biennial operating budget sets appropriation levels that reflect the amount of revenue that will be needed and available in each of FYs 2004 and 2005 to support the Department's laboratory.

Plan to Optimize Food Grown at DRC Correctional Institutions and DYS Facilities

The enacted FY 2004-2005 biennial operating budget contains a temporary law provision requiring the directors of Rehabilitation and Correction (DRC), Youth Services (DYS), and Agriculture to develop a plan to optimize the quantity and use of food grown and harvested in state correctional institutions or in secure facilities operated by the Department of Youth Services in the most cost-effective manner and to submit the plan to designated government officials (Section 161).

The Department of Rehabilitation and Correction has already completed a study in conjunction with The Ohio State University that is very similar to the plan required to be developed pursuant to the temporary law provision. Assuming that much of that work is transferable to development of the required plan, then it seems likely that the one-time fiscal burden for the involved state entities would be no more than minimal, if that.

PAROLE AND COMMUNITY SERVICES

The bulk of the funding for the Parole and Community Services program area 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. For the purposes of this analysis, the Parole and Community Services program area has been grouped into two sets of activities: (1) offender release and supervision, and (2) community sanctions.

The reader should keep in mind the basic distinction between "continuation funding" and "expansion funding." Continuation funding basically represents the amount of moneys it will take in FYs 2004 and 2005 to continue services that were being delivered during FY 2003, and to replace some of the treatment programming, eliminated over the course of FYs 2002 and 2003, that was being delivered to offenders as part of community-based correctional facility (CBCF), halfway house, and prison and jail diversion programs. Expansion funding is essentially new moneys explicitly provided to undertake new initiatives, expand existing services, or hire new staff.

Activity 1: Offender Release and Supervision

The activities grouped hereunder 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 of these offender release and supervision activities contains the Adult Parole Authority (APA). The APA is responsible for the release of offenders from prison (including operation of the Parole Board) and their supervision in the community thereafter (including offenders placed on parole, post-release control, and transitional control). The APA also provides: (1) full pre-sentence investigation and supervision services to the courts of common pleas in 46 counties,

(2) supplemental pre-sentence investigation and supervision services to the courts of common pleas in four counties, and (3) pre-sentence investigation services to the courts of common pleas in five counties.

The enacted FY 2004-2005 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 1,242 positions, which includes around 600 parole officers, supported by line item 503-321, Parole and Community Operations. The Department estimates that level of funding appropriated to line item 503-321 will support approximately 1,101 staff in each of FYs 2004 and 2005. As a result, it would appear that the Division will need to reduce, constrain, or delay certain operating costs, in particular payroll expenses through a mix of strategies that could include an early retirement buyout, a hiring freeze, attrition, and potentially more layoffs.

Activity 2: Community Sanctions

The Community Sanctions activities grouped hereunder contain four sub-programs (discussed in more detail below) that provide contract and subsidy moneys 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.

The enacted FY 2004-2005 biennial operating budget contains a temporary law provision in Section 90 requiring the Department, with Controlling Board approval, to transfer in FY 2005 from the unexpended, unobligated GRF appropriations made to the Department for FYs 2004 and 2005 at least $3.25 million in appropriation authority to GRF appropriation item 501-405, Halfway House, and at least $3.25 million in appropriation authority to GRF appropriation item 501-501, Community Residential Programs – CBCF. The fiscal effect of the provision will be to increase the amount of FY 2005 GRF funding available for disbursement on certain community sanctions programs by at least $6.5 million.

Sub-Program 1: Halfway Houses

The Halfway House sub-program, financed through GRF line item 501-405, 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. Under the enacted FY 2004-2005 biennial operating budget, the Halfway House sub-program received less funding than was requested by the Department in both fiscal years. The Department's FY 2004-2005 biennial operating budget request sought funding to maintain an existing network of 1,611 halfway house beds, restore programming that was eliminated due to GRF expenditure reductions instituted over the course of FYs 2002 and 2003, and add 320 new halfway house beds.

As of this writing, in light of the temporary law provision that will increase the FY 2005 appropriation by at least $3.25 million, the Department plans to deploy the amounts appropriated to GRF line item 501-405 pursuant to the enacted FY 2004-2005 biennial operating budget as follows:

- Maintain an existing network of 1,611 halfway house beds
- Complete activation of the Turtle Creek facility in Warren County. When the Department completed construction of the Turtle Creek facility during the FY 2002-2003 biennium, there was only funding available to activate half of the facility's 70 beds. The Department plans to activate the remaining 35 beds sometime during FYs 2004 and 2005.
- Target new halfway house beds in most critical areas, that is locations where the demand for beds exceeds the contracted capacity

- Add 20 halfway house beds in FY 2004, located mostly in the Cleveland area
- Add about 15 halfway house beds in FY 2004 and around 50 more halfway house beds in FY 2005 in the Columbus, Cleveland, and Dayton areas, specifically designed for placement of sex offenders
- Launch what is being termed the "Supportive Living" initiative (discussed in more detail below)
- Expand electronic monitoring as a sanction for approximately 85 additional offenders who violate their rules of supervision

Beginning in FY 2004, the Department plans to launch what it terms the "Supportive Living" initiative, the purpose of which is to foster a more independent living option for non-violent felony offenders whose primary need is housing. Such offenders are not really in need of halfway house services and programming, yet these offenders do need to avoid homelessness and homeless shelters, which the Department feels will increase the likelihood that the offender will return to substance abuse and other destructive types of behavior.

Under the "Supportive Living" initiative, the Department will contract with a property owner to secure a living premises for an offender and then pay that offender's rent for a period of 90 days, after which the offender can remain in the premises provided the offender contracts with or rents the property independently from the owner. The premises will, however, be monitored by a parole officer to ensure that an offender is complying with the conditions of their release into the community.

The "Supportive Living" initiative is a less expensive form of community supervision since the offender does require the intensive level of services and programming typically associated with a stay in a halfway house.

Sub-Program 2: CBCFs

The Community-Based Correctional Facilities sub-program, financed through GRF line item 501-501, provides subsidy funds for 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 local judicial corrections boards formed by courts of common pleas. The state provides 100% 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 overall plan calls for 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 2003, there were 18 operational CBCFs providing beds to 87 of 88 counties. The total number of available CBCF beds stood at 1,869, permitting the diversion of approximately 5,607 felony offenders annually with an average length of stay of around four months.

Under the enacted FY 2004-2005 biennial operating budget, the CBCF sub-program received less funding than was requested by the Department in both fiscal years to maintain an existing network of 1,869 CBCF beds, restore some staff and treatment programs that were eliminated due to GRF expenditure reductions instituted over the course of FYs 2002 and 2003, and activate 300 new CBCF beds. As of this writing, the Department is negotiating with the executive directors of CBCFs and their local judicial corrections boards to determine how the amounts appropriated to line item 501-501 will be distributed in each of

FYs 2004 and 2005, especially in light of the temporary law provision that will increase the line item's FY 2005 appropriation by at least $3.25 million.

The lone remaining CBCF is a 200-bed facility that has been planned for Cuyahoga County. The county has been 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 very uncertain. Getting this site on-line carries notable potential as felony commitments from Cuyahoga County alone typically make up around 25% of annual prison population intake. Regardless of the level of CBCF funding contained in the enacted FY 2004-2005 biennial operating budget, it now appears very unlikely that the Department will build this CBCF anytime in the near future.

Sub-Program 3: Community Nonresidential

The Community Nonresidential sub-program, financed by GRF line item 501-407, 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 end of FY 2003, the line item was supporting a total of 50 community sanctions/diversion programs, with the capacity to serve a total of around 9,100 felony offenders annually in 45 counties.

The enacted FY 2004-2005 biennial operating budget provides less than the requested level of continuation funding, which means that the sub-program's cost will have to be cut. Despite the cut in requested funding, the Department does not plan to reduce the number of these diversion programs. This will mean that the level of annual funding for some of the programs that continue to receive state support will be reduced, which will further curtail the level of treatment services offered to offenders. Additionally, the average caseload for intensive supervision personnel will likely be increased from the current average of about 50 offenders per caseworker to an average of around 80 offenders.

The Department's biennial operating budget request for FYs 2004 and 2005 also included expansion funding for the sub-program to provide substance abuse treatment services for 300 additional offenders in each fiscal year. The expansion in substance abuse treatment services was planned for Ashtabula, Montgomery, and Tuscarawas counties. These moneys were slated to enhance existing program services for offenders. These initiatives will not move forward due to the lack of funding in the FY 2004-2005 biennial operating budget as enacted.

Sub-Program 4: Community Misdemeanor

The Community Misdemeanor sub-program, financed by GRF line item 501-408, 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 end of FY 2003, the line item was supporting a total of 114 community sanctions/diversion programs, with the capacity to serve a total of around 20,100 misdemeanants offenders annually in 79 counties.

The enacted FY 2004-2005 biennial operating budget provides less than the requested level of continuation funding, which means that the sub-program's cost will have to be cut. Despite the cut in requested funding, the Department does not plan to reduce the number of these jail diversion programs. This will mean that the level of annual funding for some of the programs that continue to receive state support will be reduced, which will further curtail the level of treatment services offered to offenders.

The Department's biennial operating budget request for FYs 2004 and 2005 also included expansion funding for the sub-program to start a mental health initiative designed to treat 250 additional misdemeanor offenders in each fiscal year. The counties that were targeted for this expansion in mental health services included Adams, Ashland, Clinton, Cuyahoga, Delaware, Lorain, Scioto, Trumbull, Vinton, and Williams. These initiatives will not move forward due to the lack of funding in the FY 2004-2005 biennial operating budget as enacted.

ADMINISTRATION

Program Description

The 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 the program area. The Corrections Training Academy 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

If one were to compare in each fiscal year what the Department requested for its Administration program area – $27.23 million in FY 2004 and $27.91 million in FY 2005 – and the enacted amount of annual GRF funding – $26.53 million in FY 2004 and $27.42 million in FY 2005 – that negative difference – approximately $700,000 and $500,000 in FYs 2004 and 2005, respectively – reflects the amount below what the Department calculated as being necessary to continue FY 2003 service levels in each of FYs 2004 and 2005. The level of annual GRF funding requested by the Department was intended to cover around 233 staff positions and related operating costs (maintenance and equipment) for the next biennium. As a result of receiving slightly less than that level of funding under the enacted biennial operating budget, in addition to the previously indicated staff reductions, the Department will presumably have to further eliminate, constrain, or delay certain operating costs (payroll, personal services contract, maintenance, and equipment expenses).

There is also around 70 Central Office staff not captured under the Administration program area. These are "programmatic" staff that oversee specific areas of the prison system (e.g., mental health, education, medical, and recovery services). The ongoing annual operating costs associated with those programmatic staff are charged to the appropriate GRF program line item within the Department's Institutional Operations program area, e.g., 502-321, Mental Health Services; 505-321, Institution Medical Services; 506-321, Institution Education Services; or 507-321, Institution Recovery Services

DEBT SERVICE

Program Description

The program 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 level 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

Under the debt service funding level in the enacted biennial operating budget – $142.0 million in FY 2004 and $146.3 million in FY 2005 – the state is expected to be able to meet its legal and financial obligations to the OBA in each of FYs 2004 and 2005.

Since the start of FY 1991, the General Assembly has authorized departmental capital appropriations financed exclusively by OBA bonds totaling well in excess of $1.0 billion. The cumulative fiscal effect of servicing the obligations that have been issued is reflected in the Department's relatively large repayment stream.

Line Item Detail by Agency

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

DRC Rehabilitation and Correction, Department of

Fund	ALI	Line Item	FY 2001:	FY 2002:	FY 2003:	FY 2004 Appropriations:	% Change 2003 to 2004:	FY 2005 Appropriations:	% Change 2004 to 2005:
GRF	501-321	Institutional Operations	$ 769,736,068	$ 807,517,857	$821,564,365	$ 848,631,155	3.29%	$ 861,557,899	1.52%
GRF	501-403	Prisoner Compensation	$ 9,557,832	$ 8,837,616	$8,705,052	$ 8,455,052	-2.87%	$ 8,705,052	2.96%
GRF	501-405	Halfway House	$ 32,284,782	$ 33,465,075	$34,486,762	$ 36,890,139	6.97%	$ 35,579,419	-3.55%
GRF	501-406	Lease Rental Payments	$ 127,664,186	$ 127,002,909	$137,037,256	$ 141,997,000	3.62%	$ 146,307,900	3.04%
GRF	501-407	Community Nonresidential Programs	$ 16,432,686	$ 15,185,040	$14,665,008	$ 15,161,353	3.38%	$ 15,352,814	1.26%
GRF	501-408	Community Misdemeanor Programs	$ 8,603,202	$ 7,940,310	$7,732,928	$ 7,942,211	2.71%	$ 8,041,489	1.25%
GRF	501-501	Community Residential Programs - CB	$ 51,086,493	$ 51,951,350	$51,006,796	$ 53,970,123	5.81%	$ 52,872,875	-2.03%
GRF	502-321	Mental Health Services	$ 74,520,460	$ 63,251,971	$61,867,585	$ 66,802,290	7.98%	$ 68,265,662	2.19%
GRF	503-321	Parole and Community Operations	$ 73,048,840	$ 72,204,086	$73,602,290	$ 77,195,938	4.88%	$ 78,845,845	2.14%
GRF	504-321	Administrative Operations	$ 26,570,072	$ 25,032,287	$25,333,363	$ 26,533,707	4.74%	$ 27,420,848	3.34%
GRF	505-321	Institution Medical Services	$ 125,746,524	$ 108,551,436	$117,336,516	$ 118,406,940	0.91%	$ 120,014,320	1.36%
GRF	506-321	Institution Education Services	$ 21,928,685	$ 22,758,086	$20,966,871	$ 24,335,287	16.07%	$ 24,747,574	1.69%
GRF	507-321	Institution Recovery Services	$ 6,778,178	$ 6,080,682	$6,409,651	$ 7,018,500	9.50%	$ 7,124,516	1.51%
General Revenue Fund Total			**$ 1,343,958,008**	**$ 1,349,778,705**	**$ 1,380,714,443**	**$ 1,433,339,695**	**3.81%**	**$ 1,454,836,213**	**1.50%**
4B0	501-601	Penitentiary Sewer Treatment Facility S	$ 1,431,149	$ 1,403,367	$1,291,877	$ 1,693,129	31.06%	$ 1,758,177	3.84%
4D4	501-603	Prisoner Programs	$ 19,456,358	$ 16,806,997	$15,832,413	$ 20,537,291	29.72%	$ 20,967,703	2.10%
4L4	501-604	Transitional Control	$ 418,814	$ 448,110	$846,381	$ 1,348,740	59.35%	$ 1,593,794	18.17%
483	501-605	Property Receipts	$ 191,892	$ 271,547	$169,013	$ 383,894	127.14%	$ 393,491	2.50%
571	501-606	Training Academy Receipts	$ 77,811	$ 20,411	$59,949	$ 73,356	22.36%	$ 75,190	2.50%
4S5	501-608	Education Services	$ 3,206,233	$ 2,204,249	$1,923,479	$ 4,452,754	131.49%	$ 4,564,072	2.50%
5L6	501-611	Information Technology Services	----	----	$0	$ 3,650,712	N/A	$ 3,741,980	2.50%
5H8	501-617	Offender Financial Responsibility	$ 91,720	$ 79,040	$129,666	$ 1,335,000	929.57%	$ 1,374,020	2.92%
593	501-618	Laboratory Services	$ 3,675,521	$ 4,208,945	$4,179,022	$ 4,707,730	12.65%	$ 4,825,423	2.50%
General Services Fund Group Total			**$ 28,549,498**	**$ 25,442,665**	**$ 24,431,800**	**$ 38,182,606**	**56.28%**	**$ 39,293,850**	**2.91%**
3S1	501-615	Truth-In-Sentencing Grants	$ 8,324,309	$ 2,309,298	$1,584,414	$ 24,604,435	1,452.90%	$ 25,517,173	3.71%
323	501-619	Federal Grants	$ 8,058,380	$ 6,827,082	$4,815,331	$ 10,759,329	123.44%	$ 11,300,335	5.03%
Federal Special Revenue Fund Group Total			**$ 16,382,689**	**$ 9,136,379**	**$ 6,399,745**	**$ 35,363,764**	**452.58%**	**$ 36,817,508**	**4.11%**
148	501-602	Services and Agricultural	$ 89,378,911	$ 86,257,677	$85,713,975	$ 95,207,653	11.08%	$ 95,207,653	0.00%
200	501-607	Ohio Penal Industries	$ 37,497,311	$ 29,678,916	$22,645,087	$ 29,748,175	31.37%	$ 31,491,879	5.86%

Line Item Detail by Agency

	FY 2001:	FY 2002:	FY 2003:	FY 2004 Appropriations:	% Change 2003 to 2004:	FY 2005 Appropriations:	% Change 2004 to 2005:
DRC Rehabilitation and Correction, Department of							
Intragovernmental Service Fund Group Total	$ 126,876,222	$ 115,936,592	$ 108,359,062	$ 124,955,828	15.32%	$ 126,699,532	1.40%
Rehabilitation and Correction, Department of Total	*$ 1,515,766,417*	*$ 1,500,294,342*	*$ 1,519,905,050*	*$ 1,631,841,893*	*7.36%*	*$ 1,657,647,103*	*1.58%*