



BUDGET BRIEFING

Report on Key Issues from the House Appropriations Committee



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Department of Corrections Analysis

As Pennsylvania's inmate population grows, funding the Department of Corrections (DOC) is the commonwealth's third-largest state general fund expense, after Medical Assistance (\$10.56 billion) and pre-K-12 Education (\$9.27 billion). The DOC receives nearly \$1.9 billion, or 6.9 percent of a \$27.2 billion state general fund budget for FY2011/12. This is \$172.7 million, or 10 percent, higher than FY 2010/11 to make up for the loss of \$173 million in American Recovery and Reinvestment Act (ARRA) State Fiscal Stabilization Funds used in the last two budgets to pay salaries for 2,500 correctional officers. In this Budget Briefing we will examine the major components of the DOC budget and explain the cost drivers and cost savings initiatives that affect the bottom line at DOC.

The state-administered correctional system includes 26 prisons 14 community corrections centers, nearly 40 contracted community corrections centers, and a motivational boot camp.

Cost Per Inmate

The cost to house an inmate was \$31,284 in FY 2010/11. In FY 2011/12 the cost to house an inmate is approximately \$33,000 per year. Health care cost per inmate per year is approximately \$4,500 per year.

creating a disincentive for staff to seek management positions.

According to Secretary of Corrections John E. Wetzel's appropriation hearing testimony in March 2011, "the salary compression between managers

Wage Compression

More than 70 percent of the DOC budget pays the salary and benefits for department employees. One issue affecting DOC's budget is the wage compression created over the past several years when managers' wages were frozen, while non-management workers received salary increases

and their subordinates has become one of the most pressing issues facing the DOC. For instance, at the top end of their respective pay scales, a correctional lieutenant's pay is .03 percent higher than sergeant. This compression, which has

Department of Corrections State General Funds

	Available FY 10/11	FY 11/12	Change \$	Percent Change
General Government Operations	\$30,577,000	\$29,679,000	-\$898,000	-2.9%
Inmate Medical Care	\$243,518,000	\$238,810,000	-\$4,708,000	-1.9%
Inmate Education and Training	\$41,434,000	\$39,925,000	-\$1,509,000	-3.6%
State Correctional Institutions	\$1,378,790,000	\$1,558,608,000	\$179,818,000	13.0%
Total	\$1,694,319,000	\$1,867,022,000	\$172,703,000	10.2%

worsened over the past eight years, is resulting in managers purposely taking a demotion to make more money.” According to DOC, it plans to fix the wage compression issue in-house by reducing spending in other areas. This wage compression issue, left unsolved, will result in less qualified people managing our prisons.

Current Inmate Population
As of Aug. 31, 2011 we have 51,393 inmates under DOC jurisdiction.

Inmate Population Growing

According to a Pew Center on the States report called *Prison Count 2010*, for the first time in nearly 40 years, the number of state prisoners in the United States has declined. However, of the five states that had “significant increases” in prison population, Pennsylvania had the third highest increase at 4.3 percent, or 2,122 prisoners.

As Pennsylvania’s inmate population grows, funding the DOC continues to be one of the commonwealth’s more significant expenses. Meanwhile, the number of reported crimes in Pennsylvania is on the decline. Law enforcement reported 931,606 crimes of all types to the Uniform Crime Reporting System in 2010. This represents 7,334 crimes per 100,000 residents; a decrease from the previous year’s total of 956,821 crimes reported.

Crime Index offenses, which are used nationally as the standard for comparison of serious crimes such as murder, manslaughter, rape, robbery and assault, are also on the decline. In 2010, there were 322,314 Crime Index offenses reported and confirmed. Crime Index offenses decreased by 1.2 percent from 2009.

In addition, Part II offenses — such as assault, forgery, embezzlement, vandalism, domestic violence, driving under the influence and other less serious offenses — dropped to 609,273 in 2010; a decrease of 3.4 percent from the Part II offenses reported in 2009.

Statistics clearly show that even though crime rates declined between 2009 and 2010, Pennsylvania’s inmate population continues to grow. As of Aug. 31, 2011 we have 51,393 inmates under DOC jurisdiction. Perpetrators of less serious crimes are filling our prisons and taking bed space from more serious criminals. Currently, the DOC is operating at 116 percent of capacity.

When crime rates are down and the state population is relatively constant, therefore not a factor in inmate population increases, it’s

time to take a look at why our prison population is rising. Some reasons include: more offenders being admitted to prison for less-severe offenses, high recidivism, underutilization of alternative punishment programs, underutilization of alternative courts, an increase in the grading of penalties over the years, and mandatory minimum sentencing.

In October 2009, the Pennsylvania Commission on Sentencing issued a report that recommends:

- Allowing sentencing courts to use existing authorized sentencing options;
- Amending the drug trafficking statute to increase the threshold for cocaine; and
- Repealing the Drug-Free Zone mandatory sentencing legislation, which is irregularly applied and geographically overbroad, in favor of the existing guidelines-based youth and school enhancement.

The study found that neither the length of the sentence nor the imposition of a mandatory minimum alone was related to recidivism. The commission found that the certainty of incarceration may be more important than the duration of confinement.

Population Reduction Initiatives

The State Intermediate Program (SIP) for offenders convicted of drug-related offenses began in May of 2005 and has saved the state approximately \$34 million, graduating 1,000 offenders according to the DOC. A goal of DOC is to increase the number of eligible offenders sentenced to SIP.

Another legislative reform is the Recidivism Risk Reduction Program (RRRI) created in 2008 to help eligible non-violent offenders receive a reduction in their minimum sentence by completing all recommended treatment and education programs and maintaining a positive attitude. More than 1,000 inmates with RRRI sentences have been certified and released between 2008 and the end of 2010. These offenders served significantly less

time in prison than they would have without the RRRRI program, saving the commonwealth nearly \$10,000 each. As of December 2010, the RRRRI program helped reduce the prison population by 647 inmates.

The DOC is working with the Pennsylvania Board of Probation and Parole (PBPP) to implement Act 95 of 2010 which diverts

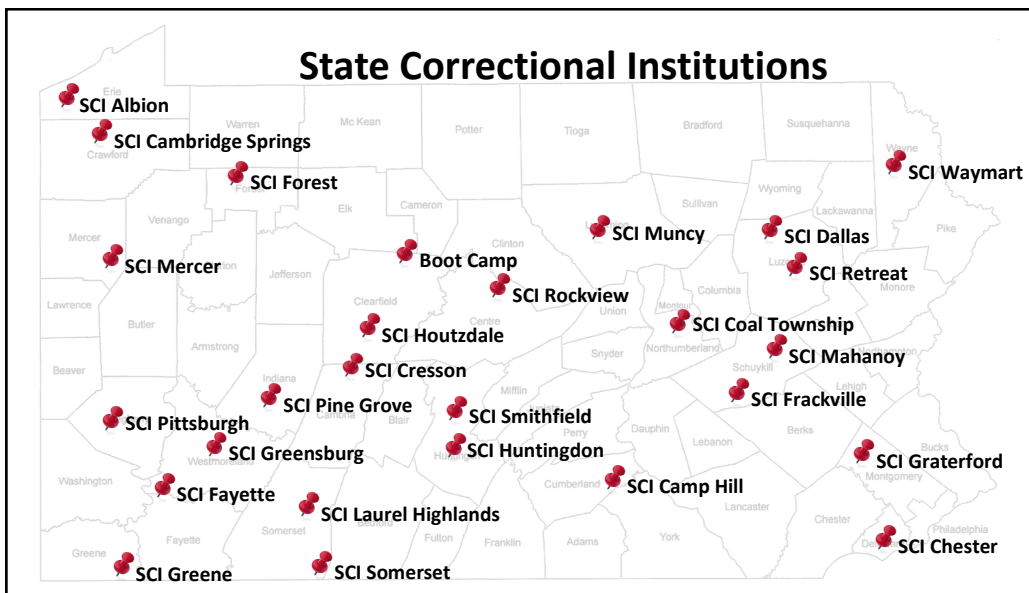
technical parole violators (TPVs) to parole centers (secure community corrections centers). PBPP estimates that approximately 1,000 TPVs per year would be diverted into these programs for up to four months, reducing incarceration time by more than one year. Parole centers are already operating and the diversion rates to date would remove approximately 860 prisoners.

Combined, these three initiatives (SIP, RRRRI and Diversion) should reduce the inmate population to 49,787 by December 2011, according to DOC.

While these legislative changes helped the commonwealth get a handle on its inmate population, other legislative changes may cause numbers to climb. A legislative change that becomes effective in November 2011 will require offenders who have a maximum sentence of two to five years to be incarcerated in state prison. Currently, sentencing judges determine whether to incarcerate an offender in county jail or state prison. DOC officials predict that up to 2,300 more offenders per year will be in a state prison beginning in 2012 because of this change.

Expanding Inmate Housing

DOC is currently at 112.4 percent of operational capacity, or approximately 7,094 inmates beyond what the system was built to hold. The FY 2011/12 budget proposes additional housing to help address this capacity deficit and to bring back more than 998 offenders housed in Virginia. Already, more than 1,100 inmates have been



brought back to Pennsylvania from Michigan. The return of all inmates from out of state will save the commonwealth approximately \$22 million per year. Approximately 560 state inmates are currently housed in county jails.

DOC is adding 1,200 beds in modular housing units that will be completed in 2011. They will be located at State Correctional Institutions (SCI) at Rockview (2 units), Cambridge Springs, Mahanoy, Greensburg, Laurel Highlands, Houtzdale and Pine Grove.

Four more housing units are being constructed with capital bond funds in 2011 to provide 818 more beds at SCI Coal Township (230), Pine Grove (230), Cambridge Springs (230) and Forest (128).

In addition, a new 2,000-bed prison will be constructed on the grounds of SCI Rockview — to be named SCI Benner — and two new 2,000 bed prisons will be built on the grounds of SCI Graterford. In mid-2011, the project at Graterford was out for re-bidding to better meet the needs of the department, including separating medium-security and maximum security inmates and a self-contained female transitional facility. According to DOC, of the 2,668 females incarcerated in SCIs, nearly 800 are from Philadelphia and surrounding counties. Currently, female inmates are housed in Crawford and Lycoming counties. A female transitional facility at Graterford will facilitate the transition of female inmates back into their home communities. Additional changes will include a

100-bed capital case unit and a number of safety and security features.

A proposed new prison in Fayette County was cancelled saving nearly \$200 million in construction costs, and an additional \$50 million per year in operating expenses.

In addition, DOC has leased the former SCI Waynesburg site to provide more inmate beds as future needs require.

Inmate Medical Care

The "Medical Care" line item funds all medical activities in DOC, including the Bureau of Health Care Services.

Inmates are required to pay a \$5 fee for a sick call, non-emergency visits to a physician and for prescriptions. Follow-up visits and prescriptions, routine screenings and emergency care are free. In FY 2011/12, DOC anticipates collecting \$479,000 from inmates as a result of this co-payment fee.

DOC continues to contract with three separate vendors to provide for the physical, mental, and pharmaceutical care of inmates.

According to DOC, Act 22 of 2011 will help save approximately \$10 million per year in inmate medical costs. This savings is the result of limiting provider payment for inpatient services to the Pennsylvania medical assistance rate and by limiting outpatient services to the Medicare rate. Act 22 will also extend medical assistance eligibility to inmates of state or county correctional institutions who meet Pennsylvania's medical assistance eligibility requirements. Federal matching funds will offset state and county costs. The state's share of these funds for inmates in county correctional institutions will be contributed by the inmate's county of residence.

Inmate Education and Training

The Inmate Education and Training line item includes \$39,925,000 for academic education, vocational education, libraries, and administrative functions for all educational activities. This is a reduction of \$1,509,000, or 3.6 percent from FY 2010/11. According to the DOC, they expect to be able to continue to deliver educational programs

without any significant interruption despite the decrease in funding.

The total number of inmates enrolled in the academic education programs during FY 2009/10 was 9,704. It is projected that 9,900 inmates will enroll in academic education programs by the end of FY 2010/11.

During FY 2009/10, 3,488 inmates were enrolled in vocational training programs. DOC expects 3,535 inmates will have participated in vocational training programs in FY 2010/11.

From DOC's inmate profile as of December 2010 there were 48,603 male offenders and 2,716 female offenders. Of the male offenders, 42.8 percent have less than a 12th grade education; 35.8 percent of female offenders have less than a 12th grade education.

DOC's goal is for inmates to achieve a GED or high school diploma and to reduce recidivism rates. The recidivism rate from 2007 is 43.9 percent. This means that within three years of release, 43.9 percent of offenders will end up back in prison.

General Government Operations (Overhead)

The "General Government Operations" (GGO) line item funds the training academy, central administrative office staff and system-wide purchases such as automated technology items. According to DOC, staff are looking at cost savings initiatives to help offset the 2.9 percent, or \$898,000, cut to the GGO line item for FY 2011/12. Cost-savings initiatives include eliminating 23 vacant positions in the GGO appropriation.

House Appropriations Committee (D)

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