

2021 SESSION OPERATING BUDGET AMENDMENT PROPOSAL

OFFERED IN: The House Finance Subcommittee

TO: HB 69 / HB 71

OFFERED BY: Rep. Edgmon

DEPARTMENT: Corrections

APPROPRIATION: Community Residential Centers

ADD INTENT: It is the intent of the legislature that the Department of Corrections renegotiate Community Residential Center contracts to use a flat rate, with the objective of obtaining a lower overall rate. The Department shall provide a report to the Finance Co-Chairs and the Legislative Finance Division no later than December 1, 2021 detailing this effort.

EXPLANATION: The Department currently uses a tiered pricing structure for most CRC contracts, which requires the State to pay a higher daily rate when fewer CRC beds are filled. This frontloads CRC administrative costs an overhead into the State's charges, but the State is not the only client for these CRCs. In recent years, the Department has reduced its usage of CRCs, which means that the State has paid the highest rate possible for those few beds that were utilized. The legislature hopes to see the Department increase its usage of CRCs, and reduce CRC expenditures by renegotiating these rates.

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APPROPRIATION: Health and Rehabilitative Services

ALLOCATION: Physical Health Care

DELETE: (\$4,344.9) Restorative Justice (1171) Other

EXPLANATION: The amount of Restorative Justice funds available for distribution in FY22 is lower than the FY21 amount, necessitating a reduction in this hollow receipt authority. OMB proposed to backfill this shortfall with UGF, but also reported a \$4,000.0 UGF lapse from Physical Health Care in FY20, that is expected to continue into FY21. This decrement will true-up the agency's budget, and the legislature understands that these costs are currently volatile due to the COVID-19 emergency, federal offsets, and fluctuations in the cost of health care costs, and expects to work with the agency in the future to determine a new baseline for funding.