

Department of Corrections
FY24 - Summary of Significant Budget Issues
(\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
1	Administration and Support / Office of the Commissioner	Add Funding to Support DPS Investigation of Crimes Committed by Inmates	\$250.0 Gen Fund (UGF)	\$250.0 Gen Fund (UGF)	The agency reported a need for assistance in the review and investigation of in-custody inmate deaths and other reported crimes within correctional facilities. \$250.0 UGF is added for a reimbursable service agreement (RSA) with the Department of Public Safety to establish and assign a dedicated Alaska State Trooper to investigate in-custody inmate deaths and reported felony and misdemeanor criminal cases within the correctional facilities. This investigator will work in coordination with the Department of Law and the Commissioner's Office to address the backlog of reported criminal cases to ensure timely processing of reported cases, maintain safe and secure facilities, and assist the agency in messaging zero tolerance for criminal behavior while in custody.
2	Administration and Support / Administrative Services	Add Human Resource Technician to Address Agency Recruitment Challenges	n/a	Net Zero	Vetoed Legislative Addition: The legislature provided \$125.0 UGF for a human resources technician to address recruitment challenges. The Governor vetoed the increment to preserve general funds for savings and fiscal stability. Fiscal Analyst Comment: This new position would have assisted the department with recruitment at a time that the Department of Administration (DOA) has been moving previously consolidated recruitment activities back out to the various departments. Recruitment activities and positions were transferred from departments into DOA as part of the previous consolidation. With decentralization these recruitment duties will return to the departments. The department is using existing staffing and financial resources to complete this increase in work.
3	Population Management / Correctional Academy	Increment to Expand Adult Probation Pretrial Officer Academy Supplemental	\$452.8 Gen Fund (UGF)	\$452.8 Gen Fund (UGF)	An FY23 shortfall was projected for the Correctional Academy, which the agency attributed to increased training requirements specific to Pretrial Services, staffing needs for basic academy (correctional and probation officers), and cost increases in supplies, commodities, contractual services, and training curriculum.

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4	Population Management / Institution Director's Office	Increase to Meet Operational Needs	Total: \$17,401.8 Supplemental \$2,000.0 Fed Repts (Fed) \$15,351.8 Gen Fund (UGF) \$50.0 GF/Prgm (DGF)	Total: \$17,401.8 \$2,000.0 Fed Repts (Fed) \$15,351.8 Gen Fund (UGF) \$50.0 GF/Prgm (DGF)	<p>The legislature approved a supplemental request for cost increases which the agency will distribute to various facilities. The agency indicated that "Increased institutional costs are associated with employee overtime and temporary assignments due to position vacancies and leave requirements, move and relocation costs, employee-provided housing, contractor coverage, fuel and utility increases, as well as the increased costs associated with institutional supplies (e.g. food, clothing, bedding, security, uniforms, maintenance and other household institutional needs and related shipping costs)."</p> <p>Cost Increases Ascribed to Each Facility:</p> <p>\$4,622.2 Anchorage Correctional Complex \$ 949.8 Anvil Mountain Correctional Center \$1,603.7 Combined Hiland Mountain Correctional Center \$2,043.5 Fairbanks Correctional Center \$1,837.5 Goose Creek Correctional Center \$ 284.4 Ketchikan Correctional Center \$1,550.5 Lemon Creek Correctional Center \$ 368.5 Matanuska-Susitna Correctional Center \$ 307.0 Spring Creek Correctional Center \$1,793.7 Wildwood Correctional Center \$ 225.2 Yukon-Kuskokwim Correctional Center \$1,038.4 Pt. Mackenzie Correctional Farm \$ 777.4 Institution Director's Office (24 Hour Utilities)</p> <p>Items 4, 6, and 8 are related.</p>
5	Population Management / Inmate Transportation	Increase Funding for Inmate Transportation	n/a	\$525.0 Gen Fund (UGF) IncOTI	<p>In FY22, Lemon Creek Correctional Center (LCCC) incurred significant environmental damage to its structure and foundation. The legislature approved \$525.0 UGF in one-time funding for inmate transportation to other facilities to ensure the safety and security of inmates during repairs.</p> <p>Fiscal Analyst Comment: The legislature approved a related capital project with \$9,500.0 UGF for stabilization and repairs at the Lemon Creek</p>

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5	Population Management / Inmate Transportation	Increase Funding for Inmate Transportation	n/a	\$525.0 Gen Fund (UGF) IncOTI	(continued) Correctional Center. The agency reported that ongoing prisoner transportation expenditures will not be necessary after the facility repairs are complete.
6	Population Management / Various	Increase Restorative Justice Account Funding	\$6,640.6 Rest Just (Other)	\$6,640.6 Rest Just (Other)	<p>The legislature approved an increase in various allocations using \$6,640.6 in Restorative Justice Account funding. Reentry costs continue to increase and are associated with employee overtime, temporary assignments, moving and relocation costs, and the increased cost of supplies (including food, clothing, bedding, security, uniforms, and other related costs). The agency reported a 10 to 15 percent increase in costs due to inflation and the impact of the pandemic on recruitment and retention of qualified staff.</p> <p>Cost Increases Ascribed to Each Facility:</p> <ul style="list-style-type: none"> \$1,594.8 Anchorage Correctional Center \$ 357.6 Anvil Mountain Correctional Center \$ 221.9 Combined Hiland Mt Correctional Center \$ 365.7 Fairbanks Correctional Center \$1,471.0 Goose Creek Correctional Center \$ 217.4 Ketchikan Correctional Center \$1,205.4 Lemon Creek Correctional Center \$ 52.4 Mat-Su Correctional Center \$ 217.7 Palmer Correctional Center \$ 372.1 Spring Creek Correctional Center \$ 211.3 Wildwood Correctional Center \$ 168.6 Yukon-Kuskokwim Correctional Center \$ 184.7 Point MacKenzie Correctional Farm <p>Items 4, 6, and 8 are related.</p> <p>Fiscal Analyst Comment: Some of the increase in Restorative Justice Account funding will likely need to be replaced with UGF in FY25 due to the FY24 PFD amount being lower than the prior year.</p>

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7	Population Management / Pre-Trial Services	Increase to Meet Pre-Trial Services Contractual Obligations Supplemental	\$4,470.8 Gen Fund (UGF)	\$4,470.8 Gen Fund (UGF)	The agency reported an increase in the usage of Pre-Trial EM services during COVID which resulted in an FY22 supplemental. While a decrease in usage was anticipated during FY23 as courts returned to full operations after the pandemic, the agency reports that a slowdown was not realized, and instead that "persons on Pre-Trial EM are receiving 'time served' upon sentencing and are not transitioning to probation as expected" with the end result being more individuals staying on Pre-Trial EM services for longer than anticipated.
8	Population Management / Various	Establish New Allocation for Anticipated Overtime and Incentive Costs Structure	\$7,500.0 Gen Fund (UGF)	\$7,500.0 Gen Fund (UGF)	The Governor proposed increments totaling \$7.5 million of UGF to various institutions to meet the needs of ongoing operational costs and to maintain safe institutional operations. The agency reported challenges in recruiting qualified personnel and the increase in food costs necessitated an emergency food services contract that included personnel, food stocks, and security for the kitchens and dining areas. This increment was intended to impact various allocations based on specific need. The agency reported that the highest priority was funding for overtime and incentives that would make recruitment and retention more effective. The legislature rejected the Governor's proposal to spread out the \$7.5 million and created a new Overtime and Incentive Costs allocation , appropriating the same \$7.5 million to that allocation to allow for comprehensive tracking of costs associated with overtime and incentive activities. Items 4, 6, and 8 are related.
9	Community Residential Centers / Community Residential Centers	Increase to Meet Community Residential Center Bed Contractual Obligations Supplemental	\$4,069.6 Gen Fund (UGF)	\$4,069.6 Gen Fund (UGF)	The agency projected an FY23 shortfall for the contracts that the agency uses to provide services through Community Residential Centers (CRC). The agency manages four five-year contracts (each with staggered term dates) to provide CRC services, and plans on taking next year to review the CRC program. The current budget is higher than the average of the past six years and departmental analysis is necessary to accurately identify what is needed to determine the most appropriate use of community placement options. Contract negotiations and potential operational changes will determine the need for funding in FY24.

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10	Electronic Monitoring / Electronic Monitoring	Increase to Meet GPS Tracking for Community Residential Center Placements Supplemental	Total: \$452.9 \$226.5 Gen Fund (UGF) \$226.4 GF/Prgm (DGF)	Total: \$452.9 \$226.5 Gen Fund (UGF) \$226.4 GF/Prgm (DGF)	The agency reported that Electronic Monitoring (EM) placements increased by 9 percent in FY22, and that in FY23 the cost of devices and monitoring have increased as well. However, the agency projects that the program is likely to grow at a lower rate than the previous two years. The agency states that a significant driver in EM costs was the policy of expanding EM to unsentenced offenders in Community Residential Centers (CRCs). In FY22 the Governor requested \$461.5 UGF to allow EM tracking for 390 CRC residents, and the legislature provided \$261.5 UGF in the base, which was projected at the time to fund EM tracking for approximately 221 CRC residents. DOC has changed its operational policy and will no longer use EM services with this population. This change is expected to result in significant savings and should eliminate the need for future increases.
11	Health and Rehabilitation Services / Physical Health Care	Replace UGF with Restorative Justice Funds Due to Increased Statutory Distribution	Net Zero (\$5,809.6) Gen Fund (UGF) \$5,809.6 Rest Just (Other)	Net Zero (\$5,809.6) Gen Fund (UGF) \$5,809.6 Rest Just (Other)	The amount of Restorative Justice Account funding available for appropriation in FY24 is greater than the FY23 amount due to the legislature appropriating a significantly larger Permanent Fund Dividend in 2022. In FY23, the calculation was based on 7,700 ineligible Alaskans and a \$1,114 dividend for the qualifying 2021 calendar year, and in FY24 it is based on 7,646 ineligible Alaskans and a \$3,284 dividend for the qualifying 2022 calendar year. The calculation outlined under Alaska Statute (AS) 43.23.048 can generate significant volatility for this fund source, as it is based on the number of individuals who are ineligible for a dividend under AS 43.23.005(d) due to their criminal convictions, and the dividend amount that they would have otherwise received. Those forfeited funds are available in the subsequent budget cycle for appropriation to eligible agencies. AS 43.23.048(b) outlines the following purposes and percentages, in priority order: 10%-13%: (Fund Cap) Crime Victims Compensation Fund - (13% in the FY24 enacted budget) 2%-6%: (Leg) Office of Victims' Rights - (4% in the FY24 enacted budget) 1%-3%: (DPS) Nonprofits for services for crime victims and domestic violence and sexual assault programs - (2% in the FY24 enacted budget)

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12	Health and Rehabilitation Services / Physical Health Care	Decrease Funding for Physical Health Care Due to Projected Cost Reduction Implementation	(\$7,500.0) Gen Fund (UGF)	(\$7,500.0) Gen Fund (UGF)	The legislature approved a decrement of \$7,500.0 UGF to the Physical Health Care allocation as the agency reported that cost reduction efforts in FY22 were effective. Cost saving efforts included the following: 1. Implementation and internal operated dialysis center at the Goose Creek Correctional Center. 2. Participation in the federal 340B pharmaceutical pricing program. 3. Hepatitis C price reduction associated with 340B pricing. 4. Claims adjudication contract. 5. Medicaid-covered hospitalizations of offenders. 6. Ongoing negotiated provider agreement discounts. The legislature approved a related FY23 supplemental to delete \$6,000.0 UGF that was projected to lapse due to the cost reduction efforts described above.
13	Recidivism Reduction Grants / Recidivism Reduction Grants	Increase Funding for Reentry Housing	n/a	\$250.0 Gen Fund (UGF)	Partial Veto of Legislative Addition: The legislature proposed \$1,000.0 UGF for funding Reentry Housing. Reentry Housing is a program that helps to stabilize individuals returning to the community after incarceration, reducing the chances of recidivism and associated costs. The Governor vetoed \$750.0 with the explanation that the reduction was to preserve general funds for savings and fiscal stability.