

Legislative Fiscal Analyst's Overview of the Governor's FY2013 Request

Department of Corrections

All Dollars in Thousands

	(GF Only)	Change	% Change	See Note:
FY12 Conference Committee (GF Only)	\$268,186.7			
FY12 Fiscal Notes	-			
CarryForward	-			
Special Appropriations, Multi-Years & Contingents	1,200.0			
Agency Transfers	790.2			
Misc Adjustments	-			
Vetoed	-			
FY12 Management Plan (GF only)	\$270,176.9	\$1,990.2	0.7%	
One-time Items removed	(1,920.0)			
Miscellaneous Adjustments	-			
Short-Term Increments	-			
FY13 Contractual Salary and Health Increases	1,907.5			
FY13 Adjusted Base Budget (GF only)	\$270,164.4	(\$12.5)	0.0%	
Lang/Lang OTIs/MiscAdj/Carryforward/MultiYears/Contingent	-			
FY13 Governor's GF Increments/Decrements/Fund Changes	32,163.8			11
FY13 Governor's Agency Request (GF only)	\$302,328.2	\$32,163.8	11.9%	

FY13 Governor's Increments, Decrements, Fund Changes and Language	FY13 Adjusted Base Budget (GF Only)	FY13 Governor's Request (GF only)	Change from FY13 Adj Base to FY13 Governor's Request	See Note:
Allocation			\$32,163.8	
Information Technology MIS	2,058.4	2,258.4	200.0	9
Out-of-State Contractual	24,074.2	24,534.2	460.0	8
Institution Director's Office	1,157.9	1,203.9	46.0	6
Goose Creek Correctional Center	2,850.4	31,911.6	29,061.2	1
Statewide Probation & Parole	14,732.8	15,071.7	338.9	3
Electronic Monitoring	3,087.5	3,396.6	309.1	4
Community Residential Centers	21,906.8	22,759.5	852.7	7
Behavioral Health Care	6,889.2	7,279.1	389.9	12
Vocational Education Programs	150.0	306.0	156.0	5
Sex Offender Management	2,796.2	3,146.2	350.0	2
Non-General Fund Agency Summary	FY13 Adjusted Base Budget	FY13 Governor's Request	Change from FY13 Adj Base to FY13 Governor's Request	See Note:
Other State Funds (all allocations)	14,318.7	15,024.9	706.2	10, 12
Federal Funds (all allocations)	3,251.0	3,251.0	0.0	
Total Non-General Funds (all allocations)	\$17,569.7	\$18,275.9	\$706.2	
Position Changes (From FY12 Management Plan to Gov)	1,511	1,700	189	
PFT	1,508	1,699	191	1
PPT	3	1	(2)	
Temp	-	-	0	

Governor's Capital Request	State Funds (GF + Other)	Federal Funds	Total	See Note:
Planning and Research	-	-	-	
Maintenance and Repairs	6,000.0	-	6,000.0	
Remodel, Reconstruction and Upgrades	-	-	-	
New Construction and Land Acquisition	-	-	-	
Equipment and Materials	5,000.0	-	5,000.0	
Information Systems and Technology	250.0	-	250.0	
Other	-	-	-	
TOTAL CAPITAL	\$11,250.0	\$0.0	\$11,250.0	

Department of Corrections

The mission of the Department of Corrections (DOC) is to provide secure confinement, reformative programs, and a process of supervised community reintegration to enhance the safety of Alaskan communities. The Department:

- provides secure confinement;
- provides supervised release; and
- provides reformative programs,

The FY13 Department of Corrections general fund operating budget as submitted by the Governor is \$32,163.8 above the FY13 Adjusted Base [\$32,854.7 Unrestricted General Funds (UGF) and a reduction of \$690.9 Designated General Funds (DGF)]. Significant issues are highlighted in the notes below and correspond to the numbers in the last column on the preceding spreadsheet.

NEW PROGRAMS/PROGRAM EXPANSION

- 1. Ramp-up of Goose Creek Correctional Center (GCCC): \$29.1 Million UGF, 192 Positions.** Construction of the new GCCC prison is complete and the Department's next major challenge is to recruit and train sufficient staff to provide support for the 1,019 offenders scheduled to be housed in the facility by the end of FY13 (full institutional capacity is 1,563 beds). Funding and positions are requested for the following:

Personal Services		Contractual Services		Commodities	
Correctional, Probation Officers and Other Staff Positions	\$16.1 million UGF	Utilities, Communications, etc.	\$8.8 million UGF	Office, Institutional, Structural, and Agricultural Supplies	\$4.2 million UGF
62% of projected full cost		50% of projected full cost		100% of projected full cost	

As of December 2011, the FY13 ramp-up plans include:

- Quarter 1: Begin housing of the Special Management Unit (SMU);
- Quarters 2 and 3: Continue SMU housing phase-in and open the General Housing Module A;
- Quarter 4: Initiate transfer of 635 out-of-state offenders from Hudson, Colorado back to Alaska.

Seven of the requested FY13 positions will be dedicated to recruitment and training of staff. Once the ramp-up is complete, these seven positions will become part of the GCCC workforce. The remaining positions needed to fully staff the facility will be requested in FY14 along with the transfer of all remaining out-of state prisoners.

Legislative Fiscal Analyst Comment: Based on the FY13 percentages provided by the Department, an FY14 request for full funding would add \$18.6 million UGF (\$9.8 million for personal services and \$8.8 million for contractual services).

The Department is also requesting \$5 million UGF in the FY13 capital budget to purchase start-up furniture, fixtures, and equipment (FF&E) costs. The Department plans to request an additional \$15 million UGF to pay for remaining FF&E items. Those requests—in the FY14 or FY15 capital budgets—could be less if the project's final contingency balance (currently estimated to be approximately \$3 million) is reappropriated for this purpose.

<u>Goose Creek Correctional Center Bonds - Status as of 12/5/11</u>		
Project Fund/Total Bonds		\$ 240,073.2
Bond Interest Proceeds Available to DOC		\$ 5,575.0
	TOTAL	\$ 245,648.2
Neeser Construction Contract Award & Change Orders		\$(223,468.0)
Water Treatment Facility Land Transfer		\$ (4,476.0)
Honorarium Bid Loser		\$ (400.0)
Permits, Inspections, Fees		\$ (1,000.0)
RISE Alaska Project Mgmt. Contract		\$ (5,000.0)
Alaska Planning & Architect		\$ (2,747.0)
MSB Project Admin & Fees (misc. professional fees)		\$ (1,458.0)
FF& Expenditures to Offset Future Capital (from bond interest)		\$ (4,050.0)
Unobligated Balance of Contingency*		\$ 3,049.2
* a portion of this contingency may be made available to DOC in approximately June 2012		

Legislative Fiscal Analyst Comment: The legislature may wish to request a status report of start-up expenditures at the beginning of the 2013 session. Funding adjustments can be made through the supplemental process if expenditures are not consistent with the amount appropriated this session.

2. **Sex Offender Management Program: \$350.0 UGF.** Funding is requested to expand sex offender management in the following areas:
 - **Bethel: \$150.0 UGF.** Currently, sex offenders who complete residential treatment at the Tundra Center Community Residential Center (TCCRC) in Bethel have limited (if any) options for aftercare or community outpatient treatment. This increment would provide additional support and monitoring for those TCCRC graduates returning to their home villages, in turn lowering the risk of re-offending; and
 - **MatSu Area (3rd Judicial District): \$200.0 UGF.** The Department is concerned that the majority of the state's 600 convicted sex offenders will be released with no tools or skills to minimize recidivism. To address this problem, funding is requested to expand the therapeutic residential sex offender treatment program (currently in place at Lemon Creek Correctional Center) to the MatSu area (the Department has not yet identified which facility) for approximately 30 offenders.
3. **Statewide Probation and Parole – Three Probation Officers to Provide Targeted Supervision of Domestic Violence and Sexual Assault (DVSA) Felons: \$338.9 UGF.** The addition of three dedicated full-time Adult Probation officers in Anchorage, Fairbanks, and Bethel would focus supervision and community reintegration efforts toward DVSA probationers and parolees.
4. **Electronic Monitoring Expansion: \$309.1 DGF.** Increased general fund program receipt authority will support four PFT positions and increase the number of offenders able to participate in the Electronic Monitoring program (approximately 20 in Juneau and 40 in the Anchorage/Palmer area). The Electronic Monitoring (EM) program allows inmates who meet certain requirements to serve time at home. Inmates can maintain employment, access community-based treatment, perform community work service, address medical issues, and attend religious functions. Offender participation fees are based on income and the offender's ability to pay up to \$14.00 per day plus a \$10.00 urinalysis test fee if applicable.

5. **Vocational Education Programs – Expand Education Support and Services: \$156.0 UGF.** To increase the likelihood of employment of incarcerated individuals following release, the Department is requesting funds to expand existing DOC vocational services as well as implement programs in additional facilities. As of 1/5/12, the selection of the additional sites had not been finalized.
6. **Institution Director's Office – Address Increased Prison Population as a Consequence of SB 222: \$46.0 UGF.** As a consequence of the enactment of SB 222 (Ch. 18, SLA 2010), the Department of Public Safety developed an enhanced reporting mechanism and data system to collect and track felony sex offenders. These advancements in the tracking of sex offenders has resulted in an increased number of offenders requiring incarceration by the Department of Corrections. This increment is tied to that increase.

MAINTENANCE OF SERVICES

7. **Community Residential Centers (CRC): \$852.7 UGF.** The Department currently contracts for 789 CRC beds throughout the state (681 regular and 108 per-diem) and these contracts allow for an annual Consumer Price Index (CPI) rate increase. Of the funding requested, \$735.5 would cover the anticipated regular bed rate increases, and \$117.2 would fund the per-diem bed cost increases. Five of the Department's six CRC contracts (Tundra, Seaside, Gastineau, Glendale, and Anchorage Consolidated) are affected by this increase (please note the NorthStar facility in Fairbanks is not included in this request).
8. **Out-of-State Contractual Daily Rate Increase: \$460.0 UGF.** The FY13 out-of-state facility bed rate will increase from \$60.64 to \$61.84 per prisoner, per day. Although significantly less than the current in-state rate of \$136.44 per prisoner, per day (as of 12/31/11), the difference is somewhat misleading as the out-of-state rate excludes travel and health care costs.
Legislative Fiscal Analyst Comment: The increment is based on maintaining the current count of just over 1,000 prisoners in Colorado. It does not adjust for the reduced prisoner count as prisoners are transferred to Goose Creek. It also excludes the transportation costs associated with transferring prisoners to Goose Creek.
9. **Information Technology MIS – Annual Licensing and Support Costs: \$200.0 UGF.** Funding is requested to provide for cost increases associated with contract support, licensing renewals, operating hardware support and renewals, and other information technology (IT) services. The Department provides centralized information technology services to maintain standardization within all the Department's IT areas.
10. **Statewide Probation and Parole – Year Two of Pilot Program for Domestic Violence Misdemeanants: Probationer Accountability with Certain Enforcement (PACE): \$200.0 Inter-Agency Receipts (Other).** The Governor's Office FY13 budget contains \$3 million UGF for funding Domestic Violence and Sexual Assault (DVSA) Prevention Programs in various departments. This I/A request represents the Department of Correction's participation in that initiative to continue supervision of Domestic Violence misdemeanants in Fairbanks (previously, DV misdemeanants were not supervised). Under the PACE model, DV offenders are immediately arrested, brought to court, and sanctioned for any violation of probation conditions. A similar PACE pilot program has been implemented in Anchorage (limited to felony offenders) and has been achieving positive results.
11. **Fund Change/Inmate Physical Health Care: \$1,029.9 UGF from PFD Criminal Funds (DGF).** Permanent Fund Dividend (PFD) Criminal Funds are available for appropriation due to the number of convicted felons and third time misdemeanants who are ineligible

to receive a PFD. Because available funding depends on the amount of PFDs and the number of affected inmates, the amount of available PFD Criminal funds is volatile. For FY13, the Department of Revenue calculated the amount available for appropriation to be \$16.7 million (\$880.5 less than in FY12). That reduction, combined with an additional \$149.4 PFD Criminal funds being appropriated to the Crime Victim Compensation Fund (FY12-\$1.65 million vs. FY13-\$1.8 million), necessitates this fund change in order to maintain services.

12. Mental Health Funding

FY13 will be the fifth year of zero-base budgeting for Mental Health Trust Authority Authorized Receipts (MHTAAR) – meaning that all MHTAAR funding in state agencies is removed from the adjusted base and reconsidered by the Mental Health Trust each fiscal year. Based on recommendations by the Trust, the Department is requesting \$511.5 in MHTAAR funding for FY13 (an increase of \$81.5 over FY12) as well as an increase of \$509.7 GF/MH over the FY12 funding level.

Legislative Fiscal Analyst Comment: DOC processes approximately 36,000 bookings annually; nearly 14,000 of these have a mental health diagnosis. All of the Department's mental health funding is currently allocated to the Inmate Health Care and Offender Habilitation appropriations. There are financial impacts of inmate mental health issues outside of these programs. The subcommittee may wish to work with the Department to ensure that the budget more accurately reflects the type of funding needed to provide mental health services.

ORGANIZATIONAL CHANGES

There are no changes requested.

CAPITAL REQUEST

The agency's \$11.25 million UGF capital budget includes:

- Goose Creek Correctional Center Furniture, Fixtures, and Equipment Startup Costs: \$5 million UGF;
- Deferred Maintenance Projects: \$5 million UGF. This appropriation will fund the most urgent projects on the Department's deferred maintenance list;
- Annual Facilities Maintenance and Repairs: \$1 million UGF; and
- Information Technology MIS/Disaster Recovery Equipment & Novell Replacement Project: \$250.0 UGF.