

**DEPARTMENT OF CORRECTIONS  
FY19 - Increment Status Report**

**Governor's Budget Items Approved as Requested**

Item #	Approp/ Allocation	Description	Amount/Fund Source	Comment	GF Dec?	LFD Question	Agency Comments
1	Population Management/ Various	Reverse a Portion of Projected SB 91 Savings	\$16,490.0 UGF	<p>Per the SB 91 fiscal note, projected savings in FY19 as a result of SB 91 were expected to total \$24.7 million. However, the Governor's FY19 budget reversed \$16.49 million of the projected (but unachieved) savings--leaving materialized savings of only \$8.3 million. The legislature approved the Governor's budget requests to restore unachieved SB 91 savings as follows:</p> <ul style="list-style-type: none"> <li>• <b>Population Management/Various Allocations:</b> Restore \$10,447.6 of the \$18.7 million UGF reductions made to the FY18 budget.</li> <li>• <b>Population Management/Institution Director's Office:</b> Restore \$6,042.4 of unachievable FY19 reductions proposed in SB 91 fiscal notes.</li> </ul> <p><b>Legislative Fiscal Analyst Comment:</b> The legislature also approved \$7.9 million of the Governor's \$10,447.6 FY18 supplemental request (see item 5).</p> <p>The department indicates that if the monthly average population count exceeds the general capacity of 4,644 inmates during FY19, the department will initiate the process of re-opening the Palmer Correctional Center. As of June 30, 2018, there were 4,281 inmates. Startup costs for the Palmer Correction Center are estimated to be about \$7.5 million, plus 50 new positions.</p>		Is the FY19 funding sufficient?	The restoration of \$6,042.4 due to the unachievable FY19 reductions proposed in the SB91 fiscal notes within Population Management/Institution Director's Office provides a sufficient funding level for the current population count.

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2	Health and Rehabilitation Services/ Physical Health Care	Add Authority to Cover Known Shortfalls and Increased Health Care Costs	\$10,341.5 UGF	<p>The Department of Corrections (DOC) is required to provide and pay for health care services for all offenders. According to the department, requested funding is needed to provide the following services:</p> <ul style="list-style-type: none"> <li>• <b>Personal Services: \$2,547.8 UGF.</b> The request includes overtime for 24-hour medical coverage, expanded medical coverage for a detox unit at the women's facility and non-perm sub-fill position costs to cover nursing shortages due to position vacancies.</li> <li>• <b>Services: \$6,418.7 UGF.</b> Funding in the services line includes hospital and doctor's fees, laboratory costs, nursing contracts for provider coverage due to position vacancies and non-institutional medical treatments such as dialysis, chemotherapy, radiation, etc.</li> <li>• <b>Commodities: \$1,375.0 UGF.</b> This shortfall is primarily related to an increase in pharmaceutical costs as well as routine medical supply cost increases. One of the higher cost drugs is used to treat Hepatitis C (\$25,000 per offender for a three month regimen). Approximately 20% of the offender population has Hepatitis C, compared to only 1% of the general population. Currently, treatment is provided to higher risk inmates that, without treatment, would die or rapidly deteriorate.</li> </ul> <p><b>Legislative Fiscal Analyst Comment:</b> DOC received a \$10 million supplemental in FY17 and the legislature approved a FY18 supplemental request for \$10,341.5 (see item 6).</p>		Is the FY19 funding sufficient?	For FY19, Health and Rehabilitative Services was funded to cover expenses consistent with prior year expenditures and should be sufficient. However, unknown medical needs of the populations can result in unexpected costs.