

**DEPARTMENT OF CORRECTIONS**  
**FY2016 HOUSE FINANCE BUDGET SUBCOMMITTEE NARRATIVE REPORT**  
**February 26, 2015**

**SUBCOMMITTEE MEMBERS:**

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Rep. Bryce Edgmon, Chair	Rep. Herron	Rep. Hughes
Rep. Keller	Rep. Lynn	Rep. Drummond
Rep. Tarr		

**RECOMMENDATIONS:**

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The House Finance Budget Subcommittee for the Department of Corrections submits a recommended operating budget for FY2016 to the House Finance Committee as follows:

<b>Fund Source:</b> (dollars are in thousands)	
Unrestricted General Funds (UGF)	\$281,178.0
Designated General Funds (DGF)	27,287.9
Other Funds	14,452.3
Federal Funds	5,481.8
<b>Total</b>	<b>\$328,400.0</b>

The Unrestricted General Fund difference from FY15 Management Plan to the House Subcommittee budget recommendation is a reduction of \$16,476.4 which is a 5.5 percent change.

**Positions:**

Permanent Full-time	1871
Permanent Part-time	0
Temporary	0
<b>Total</b>	<b>1871</b>

## **BUDGET ACTION:**

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The House Finance Budget Subcommittee for the Department of Corrections held seven meetings with the Department. The Subcommittee reviewed the FY2016 budget request and took the following actions:

Accepted the Governor's amended proposal with the exception of a \$4.1 million decrement for projected cost savings in Physical Health Care and a \$2.85 million fund switch from UGF to PFD Criminal Funds. Highlights include:

- **Population Management – Facility Wide, 2% Reduction in Personal Services, (\$3,040.1) 1004 UGF**

Each prison facility is taking a 2% cut in Personal Services due to position vacancies, employee turnover, position reallocations, and reduced overtime.

- **Population Management – Regional and Community Jails, Reduce Funding for 15 Regional and Community Jails, (\$3,203.4) 1004 UGF**

Accepted what was originally a \$10.2 million elimination of these contracts, coupled with a \$7 million restoration amendment to reduce contract funds to 15 regional jails by \$3.2 million. The department will use FY11 contract totals with the communities as a starting base rate.

### **Modified**

1. **Health and Rehabilitation Services – Physical Health Care, Replace UGF with FY16 PFD Criminal Funds, + 12,384.5, 1171 PFD Criminal Funds, (\$12,384.5) 1004 UGF**

Replaced an additional \$2,850,000 of UGF with PFD Criminal Funds. The Governor's original request replaced \$9,534,500. The subcommittee was notified there was an additional \$2,850,000 available for the funding switch.

## Denied

1. **Health and Rehabilitation Services – Physical Health Care, Reduce Authority for Projected Cost Savings Due to Medicaid Expansion (\$4,108.2) 1004 UGF**

This decrement was denied as Medicaid Expansion has not taken place as of this writing. The net effect is an added \$4,108.2 in UGF to Physical Health Care.

## ITEMS OF INTEREST:

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The subcommittee would like the department to work with the Departments of Public Safety, Administration, Law and the Court System to identify solutions to reducing Prisoner Transportation Costs as Community and Regional Jails contracts are re-worked.

The department will begin "ramping down" Palmer Correctional Center and plans to transfer approximately one quarter of its population to either Community Residential Centers or Electronic Monitoring.

Our near-term budget outlook is bleak. The subcommittee understands the difficulties in maintaining reformatory programs along with providing secure confinement while the department looks at reduced budgets. The subcommittee encourages the department to continue providing programs that have proven to reduce recidivism even as our budgets dwindle.

**ATTACHED REPORTS:**

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The House Finance Budget Subcommittee for the Department of Corrections adopts the attached reports:

**2015 Legislative Finance Division Reports – House Structure**

1. Agency Totals – FY2016 Operating Budget
2. Allocation Summary (All Funds)
3. Allocation Summary (GF Only)
4. Transaction Compare between Adjusted Base (16Adj Base) and House Subcommittee (H Sub)
5. Transaction Compare between Governor Amended (Gov Amd) and House Subcommittee (H Sub)
6. Wordage Report – FY2016 Operating Budget

The Budget Action Worksheet is attached for informational purposes.

Respectfully submitted,



Representative Bryce Edgmon, Chair

House Finance Budget Subcommittee for the Department of Corrections