

## **Budget Request FY 2012-2013**

*Secretary John E. Wetzel*

*Pennsylvania Department of Corrections*

*House Appropriations Committee Hearing*

*March 6, 2012*

**"The problems we face today can not be solved at the same level of thinking as they were created." Albert Einstein**

### **Introduction**

Good afternoon, Chairmen Adolph and Markosek, and the members of the House Appropriations Committee. Thank you for the opportunity to discuss the PA Department of Corrections and our 2012-2013 budget request.

This budget represents a road map to reduced corrections spending beginning immediately. It can only be accomplished by us getting better at doing what we do; the DOC and the PBPP improving communication, coordination and cooperation to get better at the "pass off" of offenders from prison to the community; and for us to partner with members of the general assembly to enact evidenced based legislation all of which will lead to our ability to better respond to crime and administer justice in Pennsylvania.

During the 2011/12 FY, the PA DOC has worked diligently to effectively control spending. As we move forward into the 2012/13 FY, we will continue this trend by incorporating several cost saving initiatives that I will discuss with you today. We have also received over 800 cost saving suggestions that were submitted by employees, 230 of which have been coded and assigned to the appropriate divisions within the Department. (It is important to note that many of the suggestions have been incorporated in the cost reductions we have initiated). The mantra of the PA DOC is to "spend money once." In other words, we do not want bad decisions to be made on place of confinement (either under or over incarcerate), which can increase the likelihood that an individual will recidivate. When someone recidivates, we spend money on them more than once. The DOC is committed to pursuing good decisions on place of confinement to maximize our resources initially with the offender and to reduce the likelihood that the offender will recidivate, so that the DOC only needs to utilize resources on each offender one time. A second, but related theme is to turn "tax burdens into tax payers" which we do by providing the more than 90% of offenders who will return to the community meaningful opportunities to address the root causes of their criminality while at the same time increasing their marketable job skills.

By incorporating these cost saving initiatives into our overall budget, we have been able to begin addressing the salary compression that has been an ongoing issue for several years with select corrections managers on the CM pay scale. In addition, as we continue to ultimately work towards reducing our population and expenditures throughout the year, without compromising the safety of staff, inmates and the citizens of Pennsylvania, it is paramount to ensure we look at all avenues to accomplish this goal by continuing to work with our colleagues at the Pennsylvania Board of Probation and Parole (PBPP), district attorneys, legislature, crime victims, and our other criminal justice system partners. Our goal is to operate the state correctional system at or below bed capacity, which represents the optimal number of inmates that each facility can safely manage.

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### **Funding and Changes**

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This budget requests an \$85.4 million increase to continue current programming and pay for things such as pay raises, benefit increases and utility increases. Another \$8.2 million is requested for salary increases for a portion of the corrections managers on the CM pay scale. In order to achieve a no increase budget, a similar amount of savings will be required.

Part of our savings is the return of the Pennsylvania inmates being housed in Virginia. The early spring 2012 return of these inmates will result in an operational savings of \$14.1 million. The budget also maintains funding of \$2.5 million to county jails based on Act 81 of 2008 for placing eligible inmates in county jail work release programs and thus diverting this group of inmates from state incarceration.

### **DOC Initiatives**

- **Four Month Therapeutic Community (TC):** Currently, inmates who are recommended for drug and alcohol treatment undergo a six-month intensive treatment program. No current research suggests that reducing the TC length to 4 months would have an impact on recidivism. Research has shown that the recidivism would not change using a 4-month TC. If we move inmates through treatment faster, we will shorten waiting lists and more inmates will finish treatment and be eligible for parole closer to their minimums than is the case now. This concept would be especially beneficial for our short minimum inmates (those inmates who arrive at our Department with less than one year to serve to their minimum date). The 4-month treatment program will remain consistent overall with the 6-month model.
- **Augmenting SIP with HOPE:** This initiative would use the Hawaii's Opportunity Probation with Enhancement (HOPE) concept with our State Intermediate Punishment (SIP) inmates in phases III and IV. HOPE, which consists of certain and swift sanctions when violations occur, has reduced recidivism up to 50% in other jurisdictions. It consists of certain and swift sanctions when violations occur.
- **Effective Police Practices:** This would require PCCD to offer funding opportunities to local police entities to improve police practices. New York City and Boston had significant crime reduction in the late 90's after implementing strategies such as Operation Cease Fire (the Boston Model).
- **TPV Admissions:** We need to see a reduction in the number of Technical Parole Violators that occupy beds in the DOC. This can be accomplished by a combination of expanding the use of Technical Parole Violation Centers, expanding options for the Board to use in lieu of incarceration at a DOC facility, and doing a better job of delivering programming and the like to those who are violated to get them ready to re-parole in a more expeditious manner.

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- **Veteran's Specific CCC:** The PA DOC will be partnering with the Veteran's Administration whereby the PA DOC will pay for the first 60 days in a Community Corrections Center (CCC), following which eligible offenders will be transferred to an approved Veteran's program and the Veteran's Administration will assume financial responsibility from that time period until their release from the program.
- **Short-Minimum Facilities:** Approximately 1/3 of all new court admissions were short minimum inmates who enter the department with less than 12 months until their parole eligibility date. To most effectively and efficiently address programming needs for these offenders, the Department will dedicate facilities as short minimum facilities with a primary responsibility of ensuring this category of offenders receives and completes programming in an expeditious fashion. Inmates identified as short minimum will receive an expedited and abbreviated classification at the Central Diagnostic and Classification prior to transferring to the short minimum facility for completion of classification and programming. In doing so, the Department will better prepare inmates for parole release and reintegration into the community. PBPP will align their resources also to ensure timely hearings for this challenging population.
- **Justice Reinvestment Initiative:** Shortly after taking office, Governor Corbett, joined by leaders from the judicial and legislative branches, sought and received intensive technical assistance from the US Department of Justice and the PEW Center on the States at no cost to Pennsylvania taxpayers.

The Justice Reinvestment Initiative has three goals:

- 1. Increase Public Safety**
- 2. Hold Offenders Accountable**
- 3. Control Corrections Spending**

Last month, Governor Corbett convened the Justice Reinvestment Working Group to begin reviewing analysis from criminal justice experts at the Council of State Governments Justice Center.

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The outcomes of this project are data-driven policies that reduce corrections spending and reinvest a portion of the savings in parts of the system that can more effectively cut crime and lower recidivism.

Last year, our neighbors in Ohio approved legislation by near-unanimous votes in the Senate and House that is expected to save the state \$46 million in corrections spending by 2015. How? In large part the legislation strengthens the front end of its system, by improving the capacity of effective supervision and programming to hold offenders accountable. This strategy not only avoids significant prison costs down the road but, more importantly, focuses resources in our communities to increase safety today.

States across the country, from Kansas and Texas to Arizona and North Carolina, have used this process to produce results that Pennsylvania, too, can apply to overcome challenges facing our system.

I want to stress that justice reinvestment is a bi-partisan, inter-branch approach – with state and local law enforcement, district attorneys, victim advocates all at the table – designed to produce data-driven and fiscally responsible policies.

### **DOC/PBPP Joint Initiatives**

- **Docket Management:** This joint initiative will prioritize the docket of inmates to be seen by the PBPP and to identify and eliminate redundancies. By doing so, inmates likely to be paroled will be at the top of the docket, increasing number of inmates paroled per month. Often times, inmates who are not appropriate for parole (multiple misconducts, ATA, sentence change, etc.) are on the docket and are not granted parole when there are many others who would likely be granted parole, but are not seen.
- **Parole Release Pending Reductions:** Currently there is a waiting period of 101 days from the time an inmate gets a positive parole action to actual release. We must reduce this time period when possible. In some cases, like sex offenders who have no home plans, it will be not possible. However, many cases are caused by administrative delays.

### **Legislative Recommendations to Reduce Inmate Population**

Legislative initiatives will be important that will endorse continued efforts to reduce the inmate population. These efforts should reinforce what the Department has already championed and accomplished by providing for policies that place the community's safety and the institution's security at the forefront. There is a need to recognize that to divert certain offenders from state incarceration to be treated in the community may be more appropriate. The Department recognizes that once an offender breaks ties and enters state prison, the chances of his/her success upon release decreases. In so doing, we are reducing the need for costly beds for less serious offenders. These beds should be preserved for the more serious and violent offenders. The following initiatives require legislative changes to implement:

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- **Expand RRRI:** SB 100 would expand eligibility of offenders for Recidivism Risk Reduction Incentive Program (RRRI). This is a sentence where an offender can receive a reduced minimum sentence if they comply with treatment recommendations.
- **Expand SIP:** SB 100 would expand eligibility of offenders for the State Intermediate Punishment (SIP) program. SIP is a diversionary program for non-violent offenders with a substance abuse issue.
- **Expand County Intermediate Punishment (CIP):** SB 100 includes language that would expand eligibility for offenders to be sentenced to CIP. It is the same concept as the specialty courts. Most county offenders become state offenders. If the appropriate treatment is provided at the county level, we can reduce numbers of offenders coming to the state.
- **Allow County Time to Count:** Currently, an inmate must serve at least 9 months in the DOC prior to being considered for prerelease into a CCC. Often they have already spent several months in the county before coming to the DOC. Although that county time counts towards their sentence, it does not count towards that 9-month minimum for prerelease consideration. SB 100 would allow that time to count towards the prerelease calculation and subsequently allow us to move more eligible inmates into the community corrections system.
- **Expand Boot Camp to Age 40:** Presently inmates aged 18 to 35 are eligible for boot camp participation. Inmates are automatically paroled upon successful completion of boot camp (6-month program following the DOC selection and classification process.) Increasing the maximum age to 40 would allow for more inmates to participate and complete this program. Legislation required. (SB 100).
- **Counties Using HOPE:** Under SB 100, counties would have the opportunity to implement the HOPE concept. It is not mandatory. Our assumption is that 25% of counties would participate. Requires legislation (SB 100).
- **Deporting Non-Violent Offenders:** Currently there are 265 alien non-violent offenders in the correctional system. In addition, statistics indicate that we receive approximately 65 of these same offenders on an annual basis. The deportation of this group of individuals to their country of origin will reduce the inmate population.
- **Expanded Specialty Courts:** Specialty courts are generally used to divert people from county jails, but diverting them at this level would help reduce numbers because often offenders start as county cases and move on to state cases. These types of courts include mental health courts, drug courts, veterans' courts, etc.

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### **Cost Saving Initiatives**

The Department of Corrections continues to recognize how critical the current fiscal climate is within the Commonwealth of Pennsylvania and persistently works towards looking at cost saving initiatives to alleviate the overall budget at both the institution and Central Office levels. The following initiatives represent cost savings which has resulted in reducing the budget:

- **HB 960 – Health Care Fraud Reform Bill:** The law, signed by Governor Corbett in June 2011, requires that the rate charged for inpatient hospital care for state and county inmates be no more than the Medicaid rate. It also provides that a health care provider of outpatient services not charge the state or county more than what is provided for under the Medicaid program for services to state and county inmates. Another portion of the legislation enables the Department of Public Welfare to seek federal funding for a portion of the Medical Assistance rates for state inmates. This legislation caps the amount providers can bill the DOC for inmate medical costs for inpatient services at Medicaid rates and caps outpatient services at Medicare rates. This law is saving taxpayers and the DOC approximately \$16 million on an annual basis and significantly changed our billing practices with providers. We have also seen a decrease in inmate medical transfers for diversion of care to preferred providers.
- **Electronic On-Line Automated Pharmacy:** In the spring of 2011, the PA DOC and Diamond Pharmacy began implementing an electronic, on-line automated pharmacy program referred to as E-Sapphire. The system includes on-line ordering and refills, electronic medication administration records (MAR's), barcode inventory control reconciliation, medication compliance, on-demand reports and electronic med pass capabilities. All institutions are scheduled to use this program by the fall of 2012. The automation will increase our efficiency in taking orders and updating MAR's.
- **Cancellation of SCI-German Township:** Canceling the construction of SCI German Township has resulted in a \$200 million savings in capital budget funding and stopped a \$60 million increase in annual operating costs beginning in 2014 when the prison was expected to open.
- **Partial Hiring Freeze:** A partial hiring freeze was put into effect on January 4, 2012 by the DOC with the exception of some line corrections officers, CCC monitors, food service instructors and supervisors, and utility plant operators. Continuation of most of this freeze into 2012-13 is expected to result in a savings of \$6,854,000.
- **Change in Law Library Vendor:** The DOC's Bureau of Education replaced the previous law library vendor with the Lexis Nexis system, which provides better services and a cost savings of over \$1 million per year.
- **Food Ticket Initiative:** This initiative was piloted at SCI-Albion, which recognized a significant monthly savings by providing meal tickets to inmates that prevented inmates from passing through the food lines more than one time per meal and enabled DOC to more accurately inventory the amount of food needed for meal preparation. This initiative was expanded to all 26 correctional facilities.

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- **Use of Medicaid Funds in Community AOD Treatment: The DOC contracts for housing and treatment services with private in-patient AOD treatment facilities. We have determined that a number of these placements, especially parolees, qualify for Medicaid assistance to pay for their housing and treatment. In 2011 we saved \$2.8 million from these reimbursements.**

### **Invest Now – Save Later**

- **Program Assessment Study:** This study, to be implemented by July 1, 2012, is intended to streamline assessments, reduce programs and modify program assignment. It is anticipated that the study will result in reduction of programs and/or reduction/elimination of waiting lists. It is also anticipated to reduce classification of inmates from 3 months to 1 month.
- **Supply Change Transformation:** The PA DOC is seeking proposals for a consultant to analyze and work with DOC staff to reduce costs in its transportation, food service and laundry services that details and aligns with the Department's goal and vision. It is anticipated that a 10% cost reduction (\$6 million) will be obtained. A similar change has occurred in the Michigan Department of Corrections.
- **Overtime Management:** We currently budget \$60 million per year for overtime. By contracting with a time and attendance system provider, we can explore a system that allows for both centralized management and calls for overtime that will ultimately eliminate grievances for not properly calling staff for overtime. We anticipate a 10% savings by improved management and reduced errors in processing. There is currently an Overtime Review Committee that has been established to identify and disseminate best practices. We are also undergoing a shift relief/staffing process review.

**Worker's Comp/Heart and Lung Consulting:** Currently Worker's Compensation costs the DOC \$16 million per year. There is a need to ensure case management occurs in specific cases in order to reduce the cost of Worker's Compensation annually.

### **Inmate Population and Capacity Expansion**

The inmate population remained stable through calendar year 2011. On December 31, 2010, population was 51,321 and on December 31, 2011 the total population was 51,638. In November 2011, inmates could no longer be sent to county jails with sentences of two to five years if the jails were over capacity. We expected to receive approximately 100 more inmates per month from this change but have not seen much of an impact in the short time period since the change began.

The Operational Bed Capacity at the end of last year was 49,910, leaving us operating at 4% over capacity. The goal of the Department is to operate the Pennsylvania correctional system at our operational bed capacity, which represents the optimal number of inmates that each facility can house based on housing, availability of inmate employment and/or programming support and facility infrastructure.

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The Department has added 1,200 beds in modular housing units for the expected longer-term growth in our prison population. They are located at Rockview (2 units), Cambridge Springs, Mahanoy, Greensburg, Laurel Highlands, Houtzdale and Pine Grove. All units were completed and occupancy permits were received in 2011.

Four housing units consisting of a total of 818 beds were constructed with capital bond funds. They are located at Coal Township (230 beds), Pine Grove (230 beds), Cambridge Springs (230 beds) and Forest (128 beds). All units are completed with occupancy permits; however, the remaining units at Cambridge Springs (230) & (150) and Forest (96) will not likely open in 2012-13 unless another housing unit is closed at the site.

Construction of a \$200 million, 2,000 bed prison named SCI-Benner Township, located in Centre County is 83% physically complete. This project was delayed due to court challenges in the bidding process and the addition of the construction of the laundry area at the facility. The new institution is projected to open in January 2013; however, the decision to delay the occupancy of SCI-Benner Township until October 2013 will provide a savings of \$15,547,000 in 2012-13. Locating SCI-Benner Township on the existing grounds of SCI-Rockview will enable the two facilities to share warehousing, administrative, and other functions that will reduce costs to taxpayers.

As with SCI-Benner Township, construction of two previously approved replacement institutions for SCI-Graterford in Montgomery County was delayed due to legal challenges with the design-build concept applied during the bidding process. However, the project was rebid and the final execution of the design-build contract was awarded on February 6, 2012 and anticipated completion of the \$400 million facility will be in July 2015. The two newly constructed facilities will contain a 2,000-bed medium security prison and a 2,100-bed maximum security prison for a net gain of 700 beds in excess of the 3,400 bed capacity currently seen at SCI-Graterford. The new construction will enable the deactivation of SCI-Graterford, which was built in the late 1920s, eliminating high costs and related operational challenges associated with maintaining an older institution and circumventing the need to spend more than \$60 million in capital costs to maintain operations at SCI-Graterford over the next decade. The new institutions will utilize a single continuous perimeter fence and common centralized services buildings, which will allow for shared use of some medical, dietary, and administrative programs, and is expected to operate with only a small increase in staff complement. The new construction will effectively pay for itself with a 20-year return on investment due to operational savings associated with running a newer, more efficient prison.

With the large anticipated reduction in the inmate population, the department will need to reduce housing and save staffing costs in order to meet a no increase budget. We will be carefully monitoring the inmate population and closing housing units in our system commensurate with the reduction of the inmate population.



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### **Addressing Pay Compression**

The budget will provide for \$8.2 million to address the pay compression issue for some corrections managers on the CM schedule. The proposal is not yet final but is expected to include Corrections Officer 3 to 5 positions (lieutenants, captains, and majors), unit managers, food service managers, facility maintenance managers and utility plant supervisors. This is the only group across the state where management pay compression has been addressed and is a start in fixing this issue. In order to fund this compression, the money came from administrative savings of \$27.7 million for overtime management, contract savings, partial complement freeze and other areas as well as the initiative savings mentioned previously.

### **Population Dashboard**

In order to allow easy monitoring of progress, the Department will add a population dash board to our website which will not only track population and capacity, but also inmate on staff assault, inmate on inmate assault and overall misconducts.

### **Conclusion**

This budget reflects the Department's commitment to the citizens of Pennsylvania to provide community safety. We define that duty as both protecting the community from the inmates incarcerated in our facilities and by reducing the inmates proclivity to commit crime after incarceration through evidence based programming.

We also are committed to critically analyze our operations to ensure we are exceeding our duties and doing it in the most cost-effective manner possible. Taking a process-based approach, we will examine every aspect of our operation and improve the areas that we need to improve.

Additionally, we stand at the ready to actively participate in an examination of how justice is administered in Pennsylvania, with the goal of reducing crime in PA by collecting good objective data throughout the criminal justice continuum and making sound decisions based on the data. At the same time, this process will allow us to responsibly reduce the inmate population.

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- **Expand RRRI:** SB 100 would expand eligibility of offenders for Recidivism Risk Reduction Incentive Program (RRRI). This is a sentence where an offender can receive a reduced minimum sentence if they comply with treatment recommendations.
- **Expand SIP:** SB 100 would expand eligibility of offenders for the State Intermediate Punishment (SIP) program. SIP is a diversionary program for non-violent offenders with a substance abuse issue.
- **Expand County Intermediate Punishment (CIP):** SB 100 includes language that would expand eligibility for offenders to be sentenced to CIP. It is the same concept as the specialty courts. Most county offenders become state offenders. If the appropriate treatment is provided at the county level, we can reduce numbers of offenders coming to the state.
- **Allow County Time to Count:** Currently, an inmate must serve at least 9 months in the DOC prior to being considered for prerelease into a CCC. Often they have already spent several months in the county before coming to the DOC. Although that county time counts towards their sentence, it does not count towards that 9-month minimum for prerelease consideration. SB 100 would allow that time to count towards the prerelease calculation and subsequently allow us to move more eligible inmates into the community corrections system.
- **Expand Boot Camp to Age 40:** Presently inmates aged 18 to 35 are eligible for boot camp participation. Inmates are automatically paroled upon successful completion of boot camp (6-month program following the DOC selection and classification process.) Increasing the maximum age to 40 would allow for more inmates to participate and complete this program. Legislation required. (SB 100).
- **Counties Using HOPE:** Under SB 100, counties would have the opportunity to implement the HOPE concept. It is not mandatory. Our assumption is that 25% of counties would participate. Requires legislation (SB 100).
- **Deporting Non-Violent Offenders:** Currently there are 265 alien non-violent offenders in the correctional system. In addition, statistics indicate that we receive approximately 65 of these same offenders on an annual basis. The deportation of this group of individuals to their country of origin will reduce the inmate population.
- **Expanded Specialty Courts:** Specialty courts are generally used to divert people from county jails, but diverting them at this level would help reduce numbers because often offenders start as county cases and move on to state cases. These types of courts include mental health courts, drug courts, veterans' courts, etc.

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### **Cost Saving Initiatives**

The Department of Corrections continues to recognize how critical the current fiscal climate is within the Commonwealth of Pennsylvania and persistently works towards looking at cost saving initiatives to alleviate the overall budget at both the institution and Central Office levels. The following initiatives represent cost savings which has resulted in reducing the budget:

- **HB 960 – Health Care Fraud Reform Bill:** The law, signed by Governor Corbett in June 2011, requires that the rate charged for inpatient hospital care for state and county inmates be no more than the Medicaid rate. It also provides that a health care provider of outpatient services not charge the state or county more than what is provided for under the Medicaid program for services to state and county inmates. Another portion of the legislation enables the Department of Public Welfare to seek federal funding for a portion of the Medical Assistance rates for state inmates. This legislation caps the amount providers can bill the DOC for inmate medical costs for inpatient services at Medicaid rates and caps outpatient services at Medicare rates. This law is saving taxpayers and the DOC approximately \$16 million on an annual basis and significantly changed our billing practices with providers. We have also seen a decrease in inmate medical transfers for diversion of care to preferred providers.
- **Electronic On-Line Automated Pharmacy:** In the spring of 2011, the PA DOC and Diamond Pharmacy began implementing an electronic, on-line automated pharmacy program referred to as E-Sapphire. The system includes on-line ordering and refills, electronic medication administration records (MAR's), barcode inventory control reconciliation, medication compliance, on-demand reports and electronic med pass capabilities. All institutions are scheduled to use this program by the fall of 2012. The automation will increase our efficiency in taking orders and updating MAR's.
- **Cancellation of SCI-German Township:** Canceling the construction of SCI German Township has resulted in a \$200 million savings in capital budget funding and stopped a \$60 million increase in annual operating costs beginning in 2014 when the prison was expected to open.
- **Partial Hiring Freeze:** A partial hiring freeze was put into effect on January 4, 2012 by the DOC with the exception of some line corrections officers, CCC monitors, food service instructors and supervisors, and utility plant operators. Continuation of most of this freeze into 2012-13 is expected to result in a savings of \$6,854,000.
- **Change in Law Library Vendor:** The DOC's Bureau of Education replaced the previous law library vendor with the Lexis Nexis system, which provides better services and a cost savings of over \$1 million per year.
- **Food Ticket Initiative:** This initiative was piloted at SCI-Albion, which recognized a significant monthly savings by providing meal tickets to inmates that prevented inmates from passing through the food lines more than one time per meal and enabled DOC to more accurately inventory the amount of food needed for meal preparation. This initiative was expanded to all 26 correctional facilities.

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- **Use of Medicaid Funds in Community AOD Treatment: The DOC contracts for housing and treatment services with private in-patient AOD treatment facilities. We have determined that a number of these placements, especially parolees, qualify for Medicaid assistance to pay for their housing and treatment. In 2011 we saved \$2.8 million from these reimbursements.**

### **Invest Now – Save Later**

- **Program Assessment Study:** This study, to be implemented by July 1, 2012, is intended to streamline assessments, reduce programs and modify program assignment. It is anticipated that the study will result in reduction of programs and/or reduction/elimination of waiting lists. It is also anticipated to reduce classification of inmates from 3 months to 1 month.
- **Supply Change Transformation:** The PA DOC is seeking proposals for a consultant to analyze and work with DOC staff to reduce costs in its transportation, food service and laundry services that details and aligns with the Department's goal and vision. It is anticipated that a 10% cost reduction (\$6 million) will be obtained. A similar change has occurred in the Michigan Department of Corrections.
- **Overtime Management:** We currently budget \$60 million per year for overtime. By contracting with a time and attendance system provider, we can explore a system that allows for both centralized management and calls for overtime that will ultimately eliminate grievances for not properly calling staff for overtime. We anticipate a 10% savings by improved management and reduced errors in processing. There is currently an Overtime Review Committee that has been established to identify and disseminate best practices. We are also undergoing a shift relief/staffing process review.

**Worker's Comp/Heart and Lung Consulting:** Currently Worker's Compensation costs the DOC \$16 million per year. There is a need to ensure case management occurs in specific cases in order to reduce the cost of Worker's Compensation annually.

### **Inmate Population and Capacity Expansion**

The inmate population remained stable through calendar year 2011. On December 31, 2010, population was 51,321 and on December 31, 2011 the total population was 51,638. In November 2011, inmates could no longer be sent to county jails with sentences of two to five years if the jails were over capacity. We expected to receive approximately 100 more inmates per month from this change but have not seen much of an impact in the short time period since the change began.

The Operational Bed Capacity at the end of last year was 49,910, leaving us operating at 4% over capacity. The goal of the Department is to operate the Pennsylvania correctional system at our operational bed capacity, which represents the optimal number of inmates that each facility can house based on housing, availability of inmate employment and/or programming support and facility infrastructure.



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The Department has added 1,200 beds in modular housing units for the expected longer-term growth in our prison population. They are located at Rockview (2 units), Cambridge Springs, Mahanoy, Greensburg, Laurel Highlands, Houtzdale and Pine Grove. All units were completed and occupancy permits were received in 2011.

Four housing units consisting of a total of 818 beds were constructed with capital bond funds. They are located at Coal Township (230 beds), Pine Grove (230 beds), Cambridge Springs (230 beds) and Forest (128 beds). All units are completed with occupancy permits; however, the remaining units at Cambridge Springs (230) & (150) and Forest (96) will not likely open in 2012-13 unless another housing unit is closed at the site.

Construction of a \$200 million, 2,000 bed prison named SCI-Benner Township, located in Centre County is 83% physically complete. This project was delayed due to court challenges in the bidding process and the addition of the construction of the laundry area at the facility. The new institution is projected to open in January 2013; however, the decision to delay the occupancy of SCI-Benner Township until October 2013 will provide a savings of \$15,547,000 in 2012-13. Locating SCI-Benner Township on the existing grounds of SCI-Rockview will enable the two facilities to share warehousing, administrative, and other functions that will reduce costs to taxpayers.

As with SCI-Benner Township, construction of two previously approved replacement institutions for SCI-Graterford in Montgomery County was delayed due to legal challenges with the design-build concept applied during the bidding process. However, the project was rebid and the final execution of the design-build contract was awarded on February 6, 2012 and anticipated completion of the \$400 million facility will be in July 2015. The two newly constructed facilities will contain a 2,000-bed medium security prison and a 2,100-bed maximum security prison for a net gain of 700 beds in excess of the 3,400 bed capacity currently seen at SCI-Graterford. The new construction will enable the deactivation of SCI-Graterford, which was built in the late 1920s, eliminating high costs and related operational challenges associated with maintaining an older institution and circumventing the need to spend more than \$60 million in capital costs to maintain operations at SCI-Graterford over the next decade. The new institutions will utilize a single continuous perimeter fence and common centralized services buildings, which will allow for shared use of some medical, dietary, and administrative programs, and is expected to operate with only a small increase in staff complement. The new construction will effectively pay for itself with a 20-year return on investment due to operational savings associated with running a newer, more efficient prison.

With the large anticipated reduction in the inmate population, the department will need to reduce housing and save staffing costs in order to meet a no increase budget. We will be carefully monitoring the inmate population and closing housing units in our system commensurate with the reduction of the inmate population.

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### **Addressing Pay Compression**

The budget will provide for \$8.2 million to address the pay compression issue for some corrections managers on the CM schedule. The proposal is not yet final but is expected to include Corrections Officer 3 to 5 positions (lieutenants, captains, and majors), unit managers, food service managers, facility maintenance managers and utility plant supervisors. This is the only group across the state where management pay compression has been addressed and is a start in fixing this issue. In order to fund this compression, the money came from administrative savings of \$27.7 million for overtime management, contract savings, partial complement freeze and other areas as well as the initiative savings mentioned previously.

### **Population Dashboard**

In order to allow easy monitoring of progress, the Department will add a population dash board to our website which will not only track population and capacity, but also inmate on staff assault, inmate on inmate assault and overall misconducts.

### **Conclusion**

This budget reflects the Department's commitment to the citizens of Pennsylvania to provide community safety. We define that duty as both protecting the community from the inmates incarcerated in our facilities and by reducing the inmates proclivity to commit crime after incarceration through evidence based programming.

We also are committed to critically analyze our operations to ensure we are exceeding our duties and doing it in the most cost-effective manner possible. Taking a process-based approach, we will examine every aspect of our operation and improve the areas that we need to improve.

Additionally, we stand at the ready to actively participate in an examination of how justice is administered in Pennsylvania, with the goal of reducing crime in PA by collecting good objective data throughout the criminal justice continuum and making sound decisions based on the data. At the same time, this process will allow us to responsibly reduce the inmate population.