

Budget Request FY 2014-2015

Secretary John E. Wetzel

Pennsylvania Department of Corrections

House Appropriations Committee Hearing

February 12, 2014

Introduction

Good Morning, Chairman Adolph, Chairman Markosek, and members of the House Appropriations Committee. Thank you for this opportunity to discuss the 2014-2015 budget request for the Pennsylvania Department of Corrections (DOC).

As Nelson Mandela once said, "After climbing a great hill, one only finds that there are many more hills to climb."

Over the last few years, we've climbed several and have reached the top. One of the steepest peaks we conquered was our ability to slow the rising growth of our inmate population.

When we arrived in 2011, an additional 4,100 beds were planned for expanding our capacity to accommodate an anticipated growth of 3,562 inmates. Through the leadership of Governor Corbett, the excellent work of Pennsylvania DOC staff, and our important partnerships with the General Assembly, district attorneys, and counties, as well as with the Pennsylvania Board of Probation and Parole (PBPP), we've seen our inmate population increase by only 191 inmates over our three years here. This growth average of a mere 64 inmates per year reverses the former trend of unprecedented population growth that we've seen over the past four decades.

Specifically, the Shapp Administration saw an average growth of 147 inmates per year; the Thornburgh Administration, a growth of 971 per year; the Casey Administration, the highest growth of 1,634 inmates per year; the Ridge Administration, a growth of 1,474 per year; and, finally, the Rendell Administration, a growth of 1,404 per year.

As a commonwealth, then, we've literally needed to **add a prison every year and a half**. Now we've been able to clearly alter our pace, anticipating a need to expand capacity **every 30 years or more** – miles of difference from previous administrations. At the same time, we've been able to replace older, inefficient facilities that are inadequate for meeting the needs of modern corrections, with new, efficient capacity that meets the ever challenging new corrections population.

We are in the midst of making a monumental philosophy shift in our corrections system, from one of simply warehousing inmates to one that focuses on performance outcomes. To fulfill Governor Corbett's goal for our system to create a safer Pennsylvania both today and tomorrow, we undertake a two-pronged approach – today and tomorrow.

Focusing on today, we have increased the security staff at our facilities by an average of 6.5 positions per prison, with 14 security positions added to the Bureau of Community Corrections. We have also significantly increased our intelligence gathering infrastructure that led to the formation of Pennsylvania's first security threat group management unit. Additionally, we've made significant improvements to the mental health system, including major improvements in employee training.

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As it relates to a safer Pennsylvania tomorrow, our focus has been placed solely on developing a system that provides offenders with opportunities to address the needs that led them to crime, as well as on systems that support offenders as they return to our communities.

We've literally restructured our entire community corrections system to feature a continuum of care designed around the needs of returning offenders and an emphasis on safer communities. In fact, for the first time in Pennsylvania's corrections history, we've created performance contracts for those who provide residential community corrections services, tying their pay to the recidivism rate of offenders leaving their centers. We then employed this model when we awarded our contract for mental health services, tying incentives and penalties to outcomes for mentally ill offenders.

The "new normal" is to expect the Department of Corrections to CORRECT, and we are well on our way to having a system that reflects this expectation.

We know, however, that more hills stand in front of us this year. To conquer those we must continue climbing and evaluate what we've put in place. We must follow courses that will more effectively operate our agency, emphasize the safety of our community, ensure the safety of our staff and inmates, and steady our compass in a focused direction.

Numerous other changes have occurred in the DOC's scenery over the course of the year, generating improvements in many of our processes. The most significant growth lies in our delivery of mental health services. After much reflection and a closer examination of practices in our correctional facilities, we've implemented fundamental, system-wide changes in how we provide psychological and psychiatric services to state inmates.

Recognizing the need for immediate and improved staff training, we have begun delivering Crisis Intervention Training (CIT), a specialized training comprising 40 hours and focusing on the latest techniques for treating those suffering from mental illness. By the end of 2013, the DOC trained more than 300 employees in the CIT model, and began training regionally in January 2014. By the end of 2014, *all* DOC staff will receive Mental Health First Aid (MHFA) instruction, which comprises eight hours of training in recognition and response to signs and symptoms of mental illness.

Across the board, restructuring our mental health program, from performance measures to training to partnerships with outside agencies, will allow us to best treat, support, and improve outcomes of the mentally ill population. Based on the DOC's need to increase staffing ratios and appropriately treat inmates suffering from serious mental illness, the staffing plan would require a net increase of \$10 million in mental health staffing expenditures. This represents the first phase of staffing increase that will take place over the next three years to support our mental health system as it evolves. Additional personnel would include psychiatrists, licensed psychologists, registered nurse practitioners, and unlicensed psychology service staff. To that end, we are requesting 101 new positions for FY 2014-15 to staff Secure Residential Treatment Units (SRTUs) at seven institutions as part of the mental health review and our intended changes, which would enable us to reach yet another urgent goal.

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Funding and Changes

The DOC is requesting an increase of \$77.4 million in state funds (or a four percent increase) for FY 2014-15. Almost 93 percent of this funding increase is specifically tied to personnel costs.

Regardless of the size of a correctional system, it's only as strong as the staff members who literally risk their lives entering our facilities. Supporting those staff members on a day-to-day basis is critical. While essential, we also have little control over these recurring costs. The increase for FY 2014-15 does not include any possible salary increases for the 11,000 staff members whose labor contract expires June 30, 2014.

The Department is seeking a \$5 million supplemental increase for the medical care appropriation and a \$15 million increase for the State Correctional Institutions appropriation for FY 2013-14. The additional funds are needed to cover mental health changes that are currently being implemented and to cover a larger inmate population since the inmate population reductions have not occurred as quickly as was originally expected and budgeted.

2013 Overall DOC Accomplishments

Over the course of the last year, the DOC has seen numerous accomplishments:

For the Community:

- ***Population Reduction:*** We experienced our largest one-year population drop since 1971 in 2012 and the lowest average growth under any governor since Governor Shaffer in the late 1960s.
- ***Recidivism Study:*** We released a landmark state recidivism study that set a new baseline for recidivism that looked at both prison returns and rearrests, setting a new baseline from which to measure improvements.
- ***Habitat for Humanity:*** The Department has partnered with Habitat for Humanity to have Community Corrections Center (CCC) residents work with the local chapter to benefit those in need.
- ***Inmate Apology Bank:*** The Department has partnered with Office of the Victim Advocate (OVA) to initiate this voluntary program, which provides a way for crime victims to receive an apology from their offender without having direct contact.
- ***Cell Phone Donation:*** The DOC has partnered with the Pennsylvania Coalition Against Domestic Violence by donating 1,100 cell phones confiscated from residents of the DOC's CCCs to HopeLine by Verizon, where they are refurbished at no cost to the DOC or PCCD.

For Our Employees - An Improved System:

- ***System-wide Reforms Initiated:*** We announced system-wide reforms following a July 2013 employee assault at SCI Rockview:
 - Named new superintendents at both SCI Benner Township and SCI Rockview (Prior to the review, one superintendent oversaw both facilities.);
 - Determined that clerk typist posts would be relocated away from inmate housing units system-wide;
 - Determined that all employees not issued radios as part of their duties would be provided with personal duress systems to alert others of emergency situations;
 - Increased accountability measures to monitor the management of prison administration and to ensure that policies are being followed at all times;
 - Implemented new basic training procedures for all new hires to ensure appropriate training is provided in a timely manner;
 - Consulted with the Moss Group, nationally recognized experts in the area of prison assessment. Recommendations resulting from this assessment will be used to further improve safety and operational procedures system-wide.
- ***MHM Services Contract Awarded:*** Awarded a performance-based mental health services contract to MHM Services. As part of this contract, MHM Services will receive financial incentives to:
 - Reduce the number of misconducts for mentally ill offenders.
 - Reduce the number of inmates recommitted to prison Mental Health Units (MHUs).
 - Lower the number of recommitments to prison Residential Treatment Units (RTUs).
- ***Establishment of the Office of Psychology:*** In 2013, the Office of Psychology was established to provide oversight for mental health and psychiatric services. Dr. Robert Marsh, chief of Psychological Services, is responsible for leading and managing the office. This organizational change separates psychology and psychiatry services from the DOC's Bureau of Health Care Services.
- ***Basic Training Program:*** In 2013, we updated our basic training program for orientation, basic training, on-the-job training, and in-service training.
- ***Opening of SCI Benner Township:*** In April 2013, we opened and dedicated SCI Benner Township located in Bellefonte, Centre County.

For Managing Our Inmates:

- ***Transitional Housing Units (THU):*** In 2013, the Department began a THU pilot program at SCIs Albion, Camp Hill, Graterford, and Muncy. In January 2014, THUs began at SCIs Cambridge Springs, Pine Grove, Chester, Mahanoy, Laurel Highlands, and Pittsburgh. The program at the Quehanna Boot Camp was also formally recognized as a THU. The purpose of THUs is to provide reentry services to inmates who will be released to geographic areas near pilot institutions. This will allow inmates to establish contact with services in the communities to which they will return.

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- **Certified Peer Support Specialist Training:** In 2013, we continued to provide Certified Peer Support Specialist training to inmates who assist staff in providing direction to other inmates in a housing unit or treatment program setting. The two-week training consists of 80 hours of instruction, followed by 60 days of on-the-job training in DOC Special Needs Units where most mentally ill inmates are housed.
- **Elimination of Pre-Release:** As a result of the passage of Act 122 of 2012 (Justice Reinvestment Initiative), pre-release consideration was eliminated. Currently, only parolees or State Intermediate Punishment (SIP) offenders are housed in CCCs.
- **Implementation of GIS Mapping:** In 2013, the Department continued to expand its use of Geographic Information System (GIS) technology. Mapping initiatives include recidivism, areas to which former inmates relocate once released, and admission rates of specific groups such as veterans and those with mental health concerns. The Department also began looking at how GIS technology can be implemented to reduce recidivism and to increase the likelihood that inmates will achieve successful reentry into their communities. Our use of GIS to support reentry will take another step forward in early 2014 with the release of a web-based map designed to help inmates and their families connect with the help they need. With information on over 3,000 service resources, this interactive map will help the user locate where they can receive counseling, employment services, health care, and other services in their local communities.
- **Read to Your Child-Grandchild Program:** We reinitiated this reading program designed to increase and foster the relationships between incarcerated individuals and their children and/or grandchildren.
- **Electronic GED Testing:** Over the last year, we prepared for the transition of GED testing from hard copy to Computer-Based Testing. The first electronic testing will occur in March 2014.
- **Veterans' Units:** We began operating housing units called "Veterans' Units" for offenders who previously served in the military. These units operate at SCIs Pittsburgh and Dallas, and one is slated to operate at SCI Camp Hill in 2014. The DOC currently has more than 2,500 offenders who fit into this special population category. The units are intended to assist inmates with reentering society using many of the same workshops implemented in our THUs. This population is given tools to find appropriate housing, obtain jobs, and address family relation issues, as well as to connect with community mental health programs and other services.
- **Community Corrections "Non-Residential" Services:** The DOC has partnered with the Pennsylvania Board of Probation and Parole (PBPP) on newly-established reentry services that include day reporting, housing assistance, mentoring, transitional offender workforce development, family reunification, outpatient alcohol and drug counseling, cognitive behavior interventions and outpatient sex offender treatment. The DOC's Bureau of Community Corrections has implemented non-residential support and wrap-around services across the commonwealth to support offender reintegration into the community.

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- **Second Chance Act Grant:** The Department was the recipient of a one-year, \$60,000 Second Chance Act from the U.S. Department of Justice that will be used to build upon existing recidivism reduction activities in Pennsylvania. It will also be used to establish a statewide coordinated approach to reentry planning to improve offender reentry and reduce Pennsylvania's current overall three-year recidivism rate of 62 percent.
- **Offender Trauma Study:** We participated in an Offender Trauma Study, conducted by Rutgers University and funded by the National Institute of Mental Health (NIMH), to determine the connection between Post Traumatic Stress Disorder (PTSD) and substance abuse disorders. The treatment interventions provided information about this connection, focusing on developing coping skills related to behaviors triggered by reactions to trauma. The men attended groups twice a week for 14 weeks. The study was evaluated for effectiveness and included a six-month follow-up period. At the end of the study, the men who participated in the groups demonstrated improved mental health, self-esteem, resiliency and coping skills. The men reported feeling better able to manage anger and frustration, to better understand their emotional triggers, and to use improved skills for reducing reactivity and responding appropriately to those triggers.
- **Segregation Reduction Project:** The Department entered into a contract with VERA Institute of Justice for a segregation reduction project. Between November 2013 and November 2014, the practices and procedures of eight facilities will be reviewed in an attempt to ensure that we maintain an efficient and effective disciplinary system and are using segregation appropriately.
- **Short-Minimum Facilities:** In 2013, we identified three facilities (SCIs Pittsburgh, Laurel Highlands, and Chester) that would serve as "short-min" facilities to assess and provide programming to those offenders whose minimum sentences are less than one year in order to ensure that their parole occurs in a timely manner.

Cost Savings

The Department continues to analyze agency operations to determine which avenues can provide cost-savings initiatives for a positive impact on our funds. Cost-savings meetings are established at all facilities and submissions are reviewed at the Central Office level for possible implementation of the cost-savings initiative. The following represent cost savings that have occurred during the past budget year:

- **Act 22 of 2011:** Act 22 allows inpatient hospitalization services to be charged at Medicaid rates and outpatient services to be billed at no greater than Medicare rates. This represents our major health care cost savings opportunity. Approximately \$10 million in annual cost savings was realized in FY 2011-12. We are expecting similar savings in FY 2013-14 and an additional savings of \$2.5 million in 2014-15 for inmate inclusion in the Healthy PA program.
- **340-B Drug Purchase Program:** The Department is seeking to partner with a certified 340-B healthcare provider in order to purchase HIV and hepatitis medications at discounted prices. We are optimistic that our recent discussions with providers will allow us to participate

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in this program despite its slow development. We have estimated cost savings at \$2 million for FY 2014-15, which could potentially be greater. Until this program can be developed, our cost for these medications will be reduced by a transfer of \$10 million from the Special Pharmaceutical Benefits program achieved through pharmaceutical rebates.

- **Mental Health Care Contract:** This contract was recently competitively bid and awarded again to MHM; however, the annual increase is limited to only 1.25 percent.
- **Passage of Justice Reinvestment Initiative and Act 122 of 2012:** This initiative will have far reaching and substantial implications for FY 2014-15 and beyond; however, these savings have been slower to materialize than anticipated. Due to the passage of these bills, the framework is in place to realize substantial population reductions that will lead to significant cost savings. The actual savings figures for the Department are still being determined, as part of the savings will be granted to organizations assisting in successful reentry of inmates back into the community, ultimately reducing their likelihood of recidivating.
- **Supply Chain Transformation:** In this area, we are focused on food, laundry, and transportation, and anticipate that the improved efficiencies will bring double-digit savings when completely implemented, totaling more than \$10 million.
- **Time Management and Scheduling Software:** The Department has contracted with Kronos to implement this software and is planning for a pilot program to begin at two of the institutions later this year.

DOC/PBPP Joint Initiatives

PA CAPTOR: The DOC and PBPP have combined information technology services within the Department of Corrections. The implementation of the Corrections and Parole Total Offender Repository (CAPTOR), an offender management system, will cost \$8.1 million for FY 2014-15. The DOC has also recently signed a contract with Microsoft Solutions. The first phase of this project will focus on release planning and replacing PBPP's antiquated system. September 2014 is the anticipated date for the first phase to be completed.

Work to Do

It's a fact that if, as an administration, we had embraced *business as usual*, the DOC population would have continued following its previous population trajectory, experiencing the originally anticipated growth of 3,562 inmates (rather than the 328 we saw over the last three years). This would have likely resulted in \$194 million more in its operating budget in order to sustain such growth. While we were able to prevent this by following a path other than *business as usual*, we still have more heights to climb and more work that remains.

The transformation of our correctional system has indeed begun, but it's begun more slowly than we had hoped, especially as it relates to the juxtaposition of parole violators being placed in

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community corrections. We'll continue to monitor and adjust our system until we reach the top of this hill as well, where we can clearly see our anticipated, lower population levels and farther beyond. We'll also continue to restructure programming and information systems, and map our course with approaches that drive down recidivism, re-arrest of the formerly incarcerated, and ultimately crime rates.

