

LSC Greenbook

Analysis of the Enacted Budget

Department of Rehabilitation and Correction

Joseph Rogers, Senior Budget Analyst
Legislative Service Commission

August 2011

TABLE OF CONTENTS

OVERVIEW	1
Duties and Responsibilities	1
Appropriation Summary	1
Pressures on Cost of Doing Business	2
Cost Control Measures	3
Staffing Levels	5
State Employees	6
Privatized Correctional Institutions	6
Vetoed Provisions	6
Privatized Prison Repurchase Price	6
ANALYSIS OF ENACTED BUDGET	7
Funding Categories	7
Funding Category 1: Institutional Operations	9
Institutional Operations (GRF line item 501321)	10
Prisoner Compensation (GRF line item 501403).....	10
Mental Health Services (GRF line item 502321).....	11
Institution Medical Services (GRF line item 505321)	11
Institution Education Services (GRF line item 506321).....	12
Institution Recovery Services (GRF line item 507321)	12
Services and Agricultural (GSF line item 501602)	13
Ohio Penal Industries (GSF line item 501607).....	13
Property Receipts (GSF line item 501605).....	14
Sewer Treatment Services (GSF line item 501601)	14
Prisoner Programs (GSF line item 501603).....	15
Education Services (GSF line item 501608).....	15
Laboratory Services (GSF line item 501618).....	15
State and Non-Federal Awards (GSF line item 501609)	16
Funding Category 2: Parole and Community Services	17
Halfway House (GRF line item 501405).....	17
Community Nonresidential Programs (GRF line item 501407)	19
Community Misdemeanor Programs (GRF line item 501408)	20
Community Residential Programs – CBCF (GRF line item 501501).....	21
Parole and Community Operations (GRF line item 503321)	21
Transitional Control (GSF line item 501604)	22
Offender Financial Responsibility (GSF line item 501617).....	22

Funding Category 3: Program Management Services 24
 Administrative Operations (GRF line item 504321) 25
 Training Academy Receipts (GSF line item 501606) 25
 Information Technology Services (GSF line item 501611) 25
 Federal Grants (FED line item 501619) 25
Funding Category 4: Debt Service 26
 Lease Rental Payments (GRF line item 501406) 26

ATTACHMENT:

Budget Spreadsheet By Line Item

Department of Rehabilitation and Correction

- Payroll expected to be cut by up to 1,400 or more employees
- Plan: sell five correctional facilities; then buy beds
- Parole operations to trim expenses

OVERVIEW

Duties and Responsibilities

The Department of Rehabilitation and Correction (DRC) can be viewed as the administrator of a felony sanctioning system comprised of three relatively distinct components: (1) reception centers where inmates are assessed and assigned to the appropriate correctional institution, (2) a large, multi-location physical plant in which inmates are housed, secured, and serviced, and (3) a variety of release mechanisms through which inmates are returned to the community and potentially subject to state supervision and control.

As its most basic mission, the Department is charged with the supervision of felony offenders committed to the custody of the state, which includes housing and services provided to them in a statewide network of prisons, and, following their release from incarceration, controlling and monitoring them through a community supervision system administered by the Adult Parole Authority.

Appropriation Summary

Table 1 below summarizes the Department's budget by fund group.

Table 1. Rehabilitation and Correction Appropriations by Fund Group, FY 2012-FY 2013 (Am. Sub. H.B. 153)					
Fund Group	FY 2011*	FY 2012	% change, FY 2011-FY 2012	FY 2013	% change, FY 2012-FY 2013
General Revenue	\$1,487,869,214	\$1,492,079,838	0.3%	\$1,480,691,448	-0.8%
General Services	\$160,290,515	\$73,182,624	-54.3%	\$73,226,655	0.1%
Federal Special Revenue	\$9,133,609	\$9,013,558	-1.3%	\$9,180,703	1.9%
TOTAL	\$1,657,293,338	\$1,574,276,020	-5.0%	\$1,563,098,806	-0.7%

*FY 2011 figures are actual expenditures.

To support the Department's services and activities, the budget provides FY 2012 appropriations totaling \$1,574.3 million, which is \$83.0 million, or 5.0%, below the total FY 2011 expenditures of \$1,657.3 million. For FY 2013, the budget provides appropriations totaling \$1,563.1 million, an amount that is \$11.2 million, or 0.7%, below the total appropriations for FY 2012. It is the Department's contention that, in order to cover projected payroll-related expenses and to continue FY 2011 service levels, it will have to further reduce its number of employees. Department staff has indicated it will most likely be necessary to eliminate around 1,400 currently filled full-time equivalent (FTE) staff positions over the course of the FY 2012-FY 2013 biennium.

One of the notable features of the budget is the lack of any federal economic stimulus-backed GRF funding appropriated for the purpose of bolstering institutional operations. For the just completed FY 2010-FY 2011 biennium, the Department expended federal stimulus-backed GRF funding totaling \$110.0 million in FY 2010 and \$177.5 million in FY 2011.

Pressures on Cost of Doing Business

The nature and size of the Department's institutional operations – at the end of FY 2011 it was composed of 31 correctional facilities, more than 50,500 inmates, and 13,000-plus staff – make its payroll and maintenance costs especially sensitive to changes in the costs of doing business. And in the "prison business" economic pressures always seem to be pushing the costs associated with the delivery of essential goods and services upward (security, medical care, food, clothing, utilities, and so forth). Inflation is not a factor over which the Department has much control and it has the potential to wield a profound fiscal impact on institutional agency budgets.

Population Dynamics. The basic dynamic driving the growth of the Department's inmate population has been the relationship between the intake of new inmates and the release of inmates through a variety of mechanisms. If the inmates entering the prison system noticeably outnumber the inmates leaving the prison system in the same time frame, then the net result is an expansion of the total inmate population.

The Department has experienced significant inmate population growth over the past several years. As of July 2011, Ohio's prison population stood at just over 50,500, which put the entire prison system at about 132% of its rated bed capacity.

A departmental analysis has revealed that, of current intake, nearly half of the inmates had a sentence of less than one year in duration. Empirically, this suggests the possibility that local jails are at capacity and other community-based sanctions are insufficient to handle the volume and nature of felony caseloads processed by the judges of the courts of common pleas. In some local jurisdictions, the state-run prison

system may represent the only viable residential sanctioning option for the courts, even for a stay of relatively short duration.

In response to the record level population growth and the required number of inmate beds, the Department has reactivated all prison pods, wings, and dormitories that had been closed in previous years. The Department currently does not plan any new construction or to reactivate either the Orient Correctional Institution, which closed in 2002, or the Lima Correctional Institution, which closed in 2004. From the Department's perspective, not only would it be extremely costly to reactivate either of those closed correctional institutions, but the budget does not provide enough funding to make such a strategy a viable option at this time.

Medical Services Costs. Inflation has had a particularly notable impact on medical/healthcare services delivered in correctional institutions. One of the key inflationary factors driving up the cost of delivering institutional medical services involves the contract with The Ohio State University (OSU) Medical Center to provide inpatient care. The OSU contract currently accounts for around one-fourth of the Department's annual medical services budget.

Cost Control Measures

As part of the ongoing effort to create efficiencies and reduce costs, the Department will implement several measures to reduce expenses and conform to current budgetary constraints. These measures include, but are not limited to, the items discussed immediately below.

State Facilities Sale. The budget contains interconnected permanent and temporary law provisions authorizing: (1) the sale of five state facilities (four adult correctional institutions and one juvenile correctional facility), and (2) the subsequent contracting by the Department with the purchaser(s) to run the facility or facilities as privately operated prisons. The five facilities proposed for sale are: Lake Erie Correctional Institution, North Coast Correctional Treatment Facility, Grafton Correctional Institution, North Central Correctional Institution, and Marion Juvenile Correctional Facility. The Lake Erie and North Coast correctional institutions are currently being operated on a contractual basis with the Management & Training Corporation, while the Grafton and North Central correctional institutions are publicly operated. The Marion juvenile facility is currently vacant.

The Department believes the sale of these facilities could generate as much as \$200 million in new revenue for the GRF, however, the net one-time gain may be closer to \$75 million when current debt obligations are subtracted from the total sale. The Department does not expect the sale and transfer of operations to be complete until the end of December 2011.

When prison operations are successfully transferred to the vendor(s) they will be required to operate these facilities at a savings rate of at least 5% below the cost of the Department operating a similar institution. The Department expects to save a net amount of approximately \$7.0 million in operating expenses over the FY 2012-FY 2013 biennium. Given the many issues involved in the transition, little in the way of net savings are expected in FY 2012. Ultimately, somewhere between 700 and 750 staff positions would be cut from the Department's payroll, many of whom would, presumably, seek employment with the vendor.

Institutional Consolidations. The Department has consolidated operations of the Corrections Medical Center (CMC) and the Franklin Pre-Release Center (FPRC). CMC is a skilled nursing facility providing healthcare treatment to inmates with serious illnesses, disabilities, or other long-term healthcare needs. FPRC is an intensive program prison emphasizing rigorous specialized alcohol and/or drug abuse treatment services for female offenders. These facilities are adjacent to each other in Franklin County.

The Department also plans to consolidate operations of the Allen Correctional Institution and the Oakwood Correctional Facility, which are also adjacent to each other in Allen County.

These consolidations will allow the Department to eliminate duplicate functions and create administrative efficiencies. As a result of these institutional consolidations, the Department estimates it will cut around 44 staff positions and save \$6.0 million over the two-year biennium.

Prison Camp Closures. The Department is also planning to close the four minimum security camps that are located adjacent to the London, Ross, Toledo, and Trumbull correctional institutions. These camps house lower security inmates who typically take part in various work details outside of a correctional institution's security fence. The inmates staying in the camps will be transferred to the appropriate correctional institution. The closures will create administrative efficiencies, allowing for the cutting of around 74 staff, largely through attrition, and save about \$6.7 million over the biennium.

Food and Pharmacy Operations. Currently, a large percentage of the food and drugs used in institutional operations are purchased through the Ohio Department of Mental Health's Office of Support Services (OSS). Rehabilitation and Correction will explore, possibly in conjunction with The Ohio State University and the Department of Mental Health, ways to gain savings through more effective bulk purchasing. Additionally, Rehabilitation and Correction will make adjustments to menu schedules and food selections in order to improve food cost savings. These changes, along with anticipated restructuring of drug purchases through OSS, are expected to save \$1.0 million in each of FYs 2012 and 2013.

Reduction in Utility Usage. The Department plans to save about \$5.0 million annually from the implementation of a recycling program along with other efficient energy strategies to be implemented at all of the correctional institutions.

Staffing Levels

Table 2 below summarizes the number of staff that the Department paid on the last pay period of FY 2005 through FY 2011. Arguably what stands out from the data is that, over the last four years, the Department, in order to cut expenditures and stay within available appropriations, has reduced its total number of personnel by over 1,400. Under the FY 2012-FY 2013 biennial budget, the Department anticipates trimming up to 1,400 or more additional personnel, as two of its publicly operated correctional institutions are slated for sale (Grafton and North Central) and the available appropriations will require reductions in operating expenses associated with institutional operations, parole and community services, and central administration. The manner in which the resulting cuts in personnel costs will be allocated across the 17 line items that support the Department's operating expenses is uncertain.

Table 2. Rehabilitation and Correction Staffing Levels by Line Item, FY 2005-FY 2011							
Line Item	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
General Revenue Fund (GRF)							
501-321	10,638	10,409	10,559	10,308	9,724	9,579	9,470
501-407	9	9	8	8	8	7	7
502-321	562	537	550	527	487	496	500
503-321	1,059	1,043	1,045	1,003	919	884	846
504-321	252	270	266	264	219	207	185
505-321	482	539	611	682	709	765	794
506-321	344	354	336	295	285	285	254
507-321	84	102	108	83	72	68	74
Non-GRF							
501-601	13	13	12	14	13	15	14
501-602	653	654	645	643	599	564	541
501-603	152	104	80	125	116	120	111
501-604	7	5	4	5	4	3	4
501-607	184	199	199	258	228	192	182
501-608	16	16	18	17	18	16	19
501-619	16	23	20	20	6	18	22
501-605	1	1	1	1	1	1	1
501-618	16	21	24	27	32	30	28
Total GRF	13,430	13,263	13,483	13,170	12,423	12,291	12,130
Total Non-GRF	1,058	1,036	1,003	1,110	1,017	959	922
TOTAL	14,488	14,299	14,486	14,280	13,440	13,250	13,052

State Employees

What is not clearly evident from the Department's staffing levels in the above table is the bigger picture into which these "numbers" fit. Of the total number of state employees, around 25% work for the Department, that is, one in four state employees. Additionally, roughly 13%, or approximately one in six, of all state employees is a correction officer who works for the Department.

Privatized Correctional Institutions

The Department's staffing levels do not include the Lake Erie Correctional Institution and the North Coast Correctional Treatment Facility, which are state-owned correctional institutions whose operations have been contracted out to the Management & Training Corporation. Lake Erie is a 1,380-bed minimum/medium-security correctional institution that houses male inmates. North Coast is a 552-bed correctional institution that serves as a treatment facility for individuals convicted of felony drunk driving charges and minimum-security inmates with a history of substance abuse. If the operation of these two correctional facilities had not been privatized, the Department would have needed approximately 500 total additional employees to run Lake Erie and North Coast.

Vetoed Provisions

Privatized Prison Repurchase Price

The Governor vetoed a provision of the bill that specified, should a vendor that purchased a prison facility from the state attempt to sell that facility in the future, the state has a right of first refusal to repurchase the facility at the price for which it was sold by the state. In his veto message, the Governor noted that "this provision would dramatically decrease the current purchase price of the facility and increase the fees paid by the state for prison management."

ANALYSIS OF ENACTED BUDGET

Funding Categories

This section provides an analysis of each appropriated line item in the Department's FY 2012-FY 2013 biennial budget. In this analysis, the Department's line items are grouped into four funding categories reflecting the focus of its services and activities as follows:

1. Institutional Operations;
2. Parole and Community Services;
3. Program Management Services; and
4. Debt Service.

Table 3 below summarizes the funding levels for each of the four funding categories in FY 2012 and FY 2013.

Table 3. Biennial Budget Appropriations by Funding Category		
Funding Category	FY 2012	FY 2013
Institutional Operations	\$1,193,072,674	\$1,102,273,535
Parole and Community Services	\$215,321,879	\$210,748,246
Program Management Services	\$123,018,367	\$145,775,525
Debt Service	\$42,863,100	\$104,301,500
Total Funding	\$1,574,276,020	\$1,563,098,806

To aid the reader in finding each line item in the analysis, Table 4 on the following page shows the funding category in which it has been placed, listing the line items generally in order within their respective fund groups and funds. This is generally the same order the line items appear in the budget.

Table 4. Categorization of Rehabilitation and Correction Line Items by Funding Category		
Fund	ALI and Name	Funding Category
General Revenue Fund (GRF) Group		
GRF 501321	Institutional Operations	1: Institutional Operations
GRF 501403	Prisoner Compensation	1: Institutional Operations
GRF 501405	Halfway House	2: Parole and Community Services
GRF 501406	Lease Rental Payments	4: Debt Service
GRF 501407	Community Nonresidential Programs	2: Parole and Community Services
GRF 501408	Community Misdemeanor Programs	2: Parole and Community Services
GRF 501501	Community Residential Programs – CBCF	2: Parole and Community Services
GRF 502321	Mental Health Services	1: Institutional Operations
GRF 503321	Parole and Community Operations	2: Parole and Community Services
GRF 504321	Administrative Operations	3: Program Management Services
GRF 505321	Institution Medical Services	1: Institutional Operations
GRF 506321	Institution Education Services	1: Institutional Operations
GRF 507321	Institution Recovery Services	1: Institutional Operations
General Services Fund (GSF) Group		
1480 501602	Services and Agricultural	1: Institutional Operations
2000 501607	Ohio Penal Industries	1: Institutional Operations
4830 501605	Property Receipts	1: Institutional Operations
4B00 501601	Sewer Treatment Services	1: Institutional Operations
4D40 501603	Prisoner Programs	1: Institutional Operations
4L40 501604	Transitional Control	2: Parole and Community Services
4S50 501608	Education Services	1: Institutional Operations
5710 501606	Training Academy Receipts	3: Program Management Services
5930 501618	Laboratory Services	1: Institutional Operations
5AF0 501609	State and Non-Federal Awards	1: Institutional Operations
5H80 501617	Offender Financial Responsibility	2: Parole and Community Services
5L60 501611	Information Technology Services	3: Program Management Services
Federal Special Revenue Fund (FED) Group		
3230 501619	Federal Grants	3: Program Management Services

Funding Category 1: Institutional Operations

This funding category includes the line items that the Department uses to pay for the maintenance of buildings and contents, utilities, support services, and secure supervision for around 50,500 offenders. Institutional operations further include the legal and ethical responsibilities of providing adequate housing, food, clothing, work therapy, and spiritual support to the inmates. Table 5 below shows the line items and funding levels used to pay for these institutional services and activities. It is followed by a discussion of the purpose of each appropriated line item.

Table 5. Appropriations for Institutional Operations				
Fund	ALI and Name		FY 2012	FY 2013
General Revenue Fund (GRF)				
GRF	501321	Institutional Operations*	\$823,162,353	\$755,466,227
GRF	501403	Prisoner Compensation	\$8,599,255	\$8,599,255
GRF	502321	Mental Health Services*	\$57,386,629	\$50,678,978
GRF	505321	Institution Medical Services*	\$206,731,142	\$192,810,566
GRF	506321	Institution Education Services*	\$19,308,658	\$17,177,948
GRF	507321	Institution Recovery Services*	\$5,448,639	\$5,040,821
General Revenue Fund Subtotal			\$1,120,636,676	\$1,029,773,795
General Services Fund (GSF) Group				
1480	501602	Services and Agricultural**	\$3,579,250	\$3,584,263
2000	501607	Ohio Penal Industries**	\$38,000,000	\$38,000,000
4830	501605	Property Receipts	\$182,723	\$182,086
4B00	501601	Sewer Treatment Services	\$2,145,630	\$2,157,682
4D40	501603	Prisoner Programs**	\$14,900,000	\$14,900,000
4S50	501608	Education Services*	\$1,980,463	\$1,972,620
5930	501618	Laboratory Services	\$6,665,137	\$6,664,729
5AF0	501609	State and Non-Federal Awards	\$1,440,000	\$1,440,000
General Services Fund Group Subtotal			\$68,893,203	\$68,901,380
Federal Special Revenue Fund (FED) Group				
3230	501619	Federal Grants*	\$3,542,795	\$3,598,360
Federal Special Revenue Fund Group Subtotal			\$3,542,795	\$3,598,360
Total Funding: Institutional Operations			\$1,193,072,674	\$1,102,273,535

*For these noted line items, the figures in the above table reflect the approximate amount of each fiscal year's appropriation allocated to Institutional Operations. The remainder will be allocated to other funding categories, most likely Program Management.

**A portion of the total appropriation in this line item may be allocated to support other funding categories, most likely Program Management.

Institutional Operations (GRF line item 501321)

GRF line item 501321, Institutional Operations, will be used largely for the daily operation of prisons, more specifically the payroll, purchased personal services, supplies and maintenance, and equipment costs directly associated with facility management, facility maintenance, support services, security, and unit management. (In addition, a portion of the line item is likely to be allocated to pick up some of the operating expenses associated with Funding Category 3: Program Management Services.)

To properly compare this line item's total appropriation for the FY 2012-FY 2013 biennium with the prior FY 2010-FY 2011 biennium requires one to include one-time federal stimulus money that was appropriated generally to support institutional operations and disbursed from GRF line item 501620, Institutional Operations – Federal Stimulus. Between these two GRF line items, a total of \$1,754.9 million was expended for the FY 2010-FY 2011 biennium. For the FY 2012-FY 2013 biennium, the appropriated total is \$1,776.1 million, which is \$21.2 million, or 1.2%, more than was expended for the FY 2010-FY 2011 biennium. The appropriated total consists solely of GRF line item 501321, as there is no more federal stimulus money available to supplement institutional operations.

The Department's perspective is that, although the appropriated total is slightly higher than the amount expended during the prior biennium, it will not be sufficient to cover the future cost of delivering existing program and service levels. As a result, the Department is pursuing a number of initiatives to reduce costs and implement cuts in various operating expenses. One key initiative to reduce expenditures involves either: (1) privatizing the operations of more state correctional institutions or (2) selling certain state correctional institutions and entering into a contract with the buyer(s) for use of the bed space. The further privatization of prison operations, along with any other cutbacks requiring staff reductions, will most likely result, by the end of FY 2013, in the elimination of 400-plus staff positions supported by this line item.

Prisoner Compensation (GRF line item 501403)

This GRF line item provides funds to pay inmates for their work performed while incarcerated. The budget provides an appropriation of \$8,599,255 in each of FYs 2012 and 2013, which is identical to the amount expended in FY 2011 for this purpose.

Inmates perform a variety of jobs and services within correctional institutions, such as food service, maintenance, and clerical work. Monthly inmate pay runs approximately \$18. According to Department staff, the ability to work has to be viewed in light of its positive effects on prison life. Minimally, the ability to work cuts into an inmate's idle time and gives the inmate something to do, which is a valuable prison

management tool. This tool is also a useful way to reward inmates by being able to assign them to better, more highly paid jobs. It also gives them money with which to buy various nonprescription health care, personal hygiene, convenience, and commodity items at their host correctional institution's commissary. The profit on these sales then flows back into each correctional institution for the purchase of goods and services that benefit inmates.

Mental Health Services (GRF line item 502321)

This GRF line item principally pays for the provision of treatment and care to more than 9,000 inmates at any given time with various mental health needs. (In addition, a portion of the line item is likely to be allocated to pick up some of the operating expenses associated with Funding Category 3: Program Management Services.)

For the FY 2012-FY 2013 biennium, the line item is appropriated a total of \$110.3 million, which is \$29.6 million, or 21.1%, less than was expended for the FY 2010-FY 2011 biennium. In light of this funding reduction, as well as changing demographics of inmates with mental health issues and the need to implement a more efficient delivery system, the Department's Bureau of Mental Health Services is planning to reorganize the manner in which its services are delivered to inmates.

Although the proportion of inmates with mental health issues has remained at about 18% for a decade or more, the Department has discerned that the number of inmates with serious mental health issues is down from prior years, and the available treatment capacity (supply) exceeds the need for those services. Reforming mental health services will involve consolidation of residential treatment units (RTUs) and development of more specialized RTUs for treating particular types of mental illnesses. This will allow for cost savings and the possible elimination of between 70 and 80 or so staff positions in the mental health system over the FY 2012-FY 2013 biennium.

Institution Medical Services (GRF line item 505321)

This GRF line item's appropriation is used almost exclusively to pay for the delivery of comprehensive healthcare services by qualified personnel at all correctional institutions, as well as centralized specialty acute and chronic care in affiliation with The Ohio State University Medical Center. Other health services provided on site include optometry, podiatry, dentistry, basic X-ray and laboratory services, nutritional counseling, and education. (In addition, a portion of the line item will likely be allocated to pick up some of the costs associated with Funding Category 3: Program Management Services.)

For the FY 2012-FY 2013 biennium, the line item is appropriated a total of \$404.5 million, which is \$57.4 million, or 12.4%, less than was expended for the FY 2010-FY 2011 biennium. In light of this funding reduction, the Department will pursue

several reforms in the delivery of medical services. The most significant reform involves the current negotiations with The Ohio State University Medical Center to establish Medicaid rates for hospitalization and other services. If successful, the Department expects this reform will result in annual savings of \$10.0 million in the OSU medical services contract for inpatient hospital services. Other medical services reforms include changes in staffing, outsourcing certain services, and reducing the hours of operation at various institutional infirmaries.

As a group, these reforms are expected to save the Department about \$24.0 million over the FY 2012-FY 2013 biennium. Any other necessary medical services spending reductions will presumably come from some mix of cuts in payroll, contracts, and supplies and maintenance.

Institution Education Services (GRF line item 506321)

This GRF line item's appropriation pays for the costs of fulfilling the Department's statutory mandate to establish and operate a school system that is approved and chartered by the Ohio Department of Education and designated as the Ohio Central School System. (In addition to paying for institutional education services, a portion of the line item will likely be allocated to pick up some of the costs associated with Funding Category 3: Program Management Services.)

For the FY 2012-FY 2013 biennium, the line item is appropriated a total of \$38.3 million, which is \$4.3 million, or 10.0%, less than was expended for the FY 2010-FY 2011 biennium. This means that the Department will not be able to maintain current services levels, thus creating the need for some mix of cuts in operating costs, including personnel. The Department will seek to restructure operations of the Ohio Central School System, particularly in areas involving administrative and supervisory staff. The changes will preserve the traditional emphasis on the classroom and alter the manner in which teachers are supervised. There will be fewer administrators and associated support staff. The reduced administrative staff will have more responsibilities and supervise on a regional basis. These reforms are expected to save \$3.0 million over the FY 2012-FY 2013 biennium.

Institution Recovery Services (GRF line item 507321)

This GRF line item's appropriation pays almost exclusively for the provision of a range of alcohol and other drug (AOD) treatment services for inmates under the jurisdiction of the Department. AOD screening is completed for all inmates as part of the mental health screening process. (In addition to paying for institutional recovery services, a portion of the line item will likely be allocated to pick up some of the costs associated with Funding Category 3: Program Management Services.)

For the FY 2012-FY 2013 biennium, the line item is appropriated a total of \$11.2 million, which is around \$564,000, or 5.3%, more than was expended for the FY 2010-FY 2011 biennium. However, Department staff has indicated that this appropriated total, though a slight increase from the total amount expended in the prior biennium, is not likely to be sufficient to maintain existing levels of institutional recovery services. While there will be some mix of cuts in personnel and program services, the Department has not yet finalized any specific plan to reduce operating expenses.

Services and Agricultural (GSF line item 501602)

The budget makes notable changes to this GSF line item's revenue stream and permissible uses as follows:

- Renames the Services and Agricultural Fund (Fund 1480), which supports the line item's appropriation, the Institutional Services Fund;
- Removes the requirement that any money received by the Department for agricultural production be deposited into the renamed Institutional Services Fund and instead requires that such money be deposited into the Ohio Penal Industries Fund (Fund 2000); and
- Changes the statutory purposes for which the money appropriated to this GSF line item may be used generally from operating expenses and capital improvements related to institutional "service industries and agriculture" to operating expenses and capital improvements "used in services provided between institutions."

The practical effect of these statutory changes is a sizeable reduction in the line item's revenue stream and a related narrowing of the purposes for which that money may be appropriated. This can be seen in the dramatic difference between the FY 2010-FY 2011 total expenditures and the FY 2012-FY 2013 total appropriation. For the prior biennium, the line item's expenditures totaled \$200.7 million. For the FY 2012-FY 2013 biennium, the line item's appropriation totals \$7.2 million, which is a \$193.5 million, or 96.4%, reduction from the FY 2010-FY 2011 biennium. A significant portion of the line item's revenues and related expenditure activity will be shifted to Fund 2000 and related GSF line item 501607.

Ohio Penal Industries (GSF line item 501607)

This GSF line item's appropriation, which is supported by money appropriated from the Ohio Penal Industries Fund (Fund 2000), is used to pay for the services and activities of the Ohio Penal Industries (OPI), which operates factories and shops in the state's correctional institutions. In addition, as noted in the immediately preceding discussion of Fund 1480, and related GSF line item 501602, Fund 2000's revenue stream

and permissible uses have been expanded to incorporate money generated from the Department's agricultural operations.

The practical effect of these statutory changes is a notable increase in the line item's revenue stream and a related expansion of the purposes for which that money may be appropriated. This can be seen in the difference between the FY 2010-FY 2011 total expenditures and the FY 2012-FY 2013 total appropriation. For the prior biennium, the line item's expenditures totaled \$60.1 million. For the FY 2012-FY 2013 biennium, the line item's appropriation totals \$76.0 million, which is a \$15.9 million, or 26.5%, increase from the FY 2010-FY 2011 biennium.

Property Receipts (GSF line item 501605)

This GSF line item, which is supported by money appropriated from the Property Receipts Fund (Fund 4830), is statutorily authorized to be used for any expenses necessary for the provision of housing to Department employees, including, but not limited to, expenses for the acquisition, construction, operation, maintenance, repair, reconstruction, or demolition of land and buildings. The revenue stream consists of rent and utility charges collected from departmental personnel who live in housing under the Department's control. The budget expands the revenue stream and uses by:

- Permitting the Department to enter into a lease or agreement with a state agency, political subdivision, or private entity to use property and facilities that are under the jurisdiction of the Department that are not being used by the Department;
- Requiring all money collected for leasing and services performed in accordance with the lease or agreement be deposited into Fund 4830; and
- Requiring money in Fund 4830 to be used for any expenses resulting from the lease or agreement.

For this line item, the budget appropriates \$182,723 in FY 2012 and \$182,086 in FY 2013, amounts that are around 3.0% more than FY 2011 expenditures totaling \$177,632.

Sewer Treatment Services (GSF line item 501601)

This GSF line item's appropriation is statutorily restricted to pay costs associated with operating and maintaining each of the departmental sewage treatment facilities that generate revenue. Revenue is generated from contracts with political subdivisions under which the latter are permitted to tap into a correctional institution's sewage treatment facility. Currently, three institutions – Pickaway, Ross, and Southern Ohio – generate revenue from such contracts.

For this line item, the budget appropriates \$2,145,630 in FY 2012, which is \$399,638, or 22.9%, more than the line item's FY 2011 expenditures of \$1,745,992. The FY 2013 appropriation of \$2,157,682 is just \$12,052, or 0.6%, more than the FY 2012 appropriation. The appropriated amount in each fiscal year is likely to be allocated largely to support payroll-related expenses, maintenance and supplies, and equipment purchases.

Prisoner Programs (GSF line item 501603)

The statutory purposes of this GSF line item's appropriation, which is supported by revenues generated from commissions on telephone systems established for use by prisoners, include: (1) expenses incurred in providing any library, educational, religious, recreational, or pre-release program for the benefits of inmates, (2) prisoner release payments, and (3) purchase of any other goods and services that may provide additional benefit to inmates.

The budget provides this line item with an appropriation of \$14,900,000 in each of FYs 2012 and 2013, an amount that is \$472,384, or 3.1%, lower than the line item's FY 2011 expenditures of \$15,372,384. The appropriated amount in each fiscal year is likely to be allocated largely to support payroll-related expenses, purchased personal services, and maintenance and supplies.

Education Services (GSF line item 501608)

This GSF line item's appropriation, which is supported by cash transfers from the Ohio Department of Education to fund special education, adult high school, vocational education, and GED testing, is statutorily restricted to pay educational expenses incurred by the Department. For these expenses, the budget appropriates \$2,376,041 in FY 2012, which is \$57,486, or 2.4%, less than the line item's FY 2011 expenditures of \$2,433,527. The FY 2013 appropriation is \$2,359,775, which is \$16,266, or about 0.7%, less than the FY 2012 appropriation. The appropriated amount in each fiscal year is likely to be allocated largely to support payroll-related expenses and supplies and maintenance.

Laboratory Services (GSF line item 501618)

This GSF line item's appropriation is used to pay costs of operating the Department's centralized laboratory, including the provision of services to the departments of Rehabilitation and Correction, Mental Health, Developmental Disabilities, and Youth Services, as well as other state, county, local, and private persons that request laboratory services. The line item's revenue stream consists of payments collected from entities that receive laboratory services.

For this line item, the budget appropriates \$6,665,137 in FY 2012, which is \$782,482, or 13.3%, more than the line item's FY 2011 expenditures of \$5,882,655. The FY 2013 appropriation is \$6,664,729, which is just \$408 less than the FY 2012 appropriation. The appropriated amount in each fiscal year is likely to be allocated largely to support payroll-related expenses, purchased personal services, and maintenance and supplies.

Also of note is that the budget changes permanent law to "permit" rather than to "require" that the Department provide laboratory services to itself and the departments of Mental Health, Developmental Disabilities, and Youth Services. The potential fiscal effect on the line item's annual revenue stream and related expenditure activity is uncertain.

State and Non-Federal Awards (GSF line item 501609)

The GSF line item's appropriation is used to expend grants and awards that the Department has received for certain purposes. For these purposes, the budget provides an appropriation of \$1,440,000 in each of FYs 2012 and 2013.

Funding Category 2: Parole and Community Services

This funding category includes the primary sources of money used to pay for the provision of community supervision for felony offenders, jail inspection services, victim services, and programs that fund community correction options to prison and jail. Community Corrections Act (CCA) programs are designed to divert nonviolent offenders away from prisons and jails and into community-based sanctions. The sanctions continuum includes, but is not limited to, electronic house arrest, day reporting, and intensive supervision.

Table 6 below shows the line items that are used to fund this category of services and activities, as well as the enacted funding levels. It is followed by a discussion of the purpose of each appropriated line item.

Table 6. Appropriations for Parole and Community Services				
Fund	ALI and Name		FY 2012	FY 2013
General Revenue Fund (GRF)				
GRF	501405	Halfway House	\$43,637,069	\$43,622,104
GRF	501407	Community Nonresidential Programs	\$25,859,382	\$25,839,390
GRF	501408	Community Misdemeanor Programs	\$14,906,800	\$14,906,800
GRF	501501	Community Residential Programs – CBCF	\$62,692,785	\$62,477,785
GRF	503321	Parole and Community Operations*	\$64,891,904	\$60,520,574
General Revenue Fund Subtotal			\$211,987,940	\$207,366,653
General Services Fund (GSF) Group				
4L40	501604	Transitional Control	\$1,168,843	\$1,213,120
5H80	501617	Offender Financial Responsibility**	\$2,000,000	\$2,000,000
General Services Fund Group Subtotal			\$3,168,843	\$3,213,120
Federal Special Revenue Fund (FED) Group				
3230	501619	Federal Grants*	\$165,096	\$168,473
Federal Special Revenue Fund Subtotal			\$165,096	\$168,473
Total Funding: Parole and Community Services			\$215,321,879	\$210,748,246

*For these noted line items, the figures in the above table reflect the approximate amount of each fiscal year's appropriation allocated to Parole and Community Services. The remainder will be allocated to the Program Management Services and/or Institutional Operations.

**A portion of the total appropriation in this line item may be allocated to Program Management Services and/or Institutional Operations.

Halfway House (GRF line item 501405)

This GRF line item's appropriation is used to pay for the costs of the community residential program that provides supervision and treatment services for offenders released from state prisons, referred by courts of common pleas, or sanctioned because of a violation of conditions of supervision. These services and activities include drug and alcohol treatment, electronic monitoring, job placement, educational programs, and

specialized programs for sex offenders and mentally ill offenders. In FY 2011, through the Bureau of Community Sanctions, the Department contracted with private/not-for-profit organizations to provide a total of 1,695 halfway house beds, serving approximately 6,800 offenders.

For this residential program in FY 2012, the budget appropriates \$43,637,069, which is \$1,528,262, or 3.6%, more than the line item's FY 2011 expenditures of \$42,108,807. The FY 2013 appropriation is \$43,622,104, a roughly \$15,000 reduction from the FY 2012 appropriation. The paragraphs below discuss in more detail the services and activities to be funded from this line item.

Beds

The available GRF funding will support a current network of 1,695 halfway house beds serving approximately 6,740 offenders annually. Halfway house beds turn over approximately every three months, thus a single bed will generally serve four offenders annually. As the Department moves more offenders out of a relatively expensive institutional environment, and into its transitional control program, halfway house beds are, from the Department's perspective, a much more efficient use of scarce budgetary resources.

Permanent Supportive Housing

This program is not a sanction, but a service for offenders and their families that experience chronic homelessness. These offenders may or may not be subject to supervision by the Adult Parole Authority (APA), but typically have some form of disability, mental health and/or substance abuse problem, or other medical problem for which the offender receives ongoing treatment. Under this initiative, subject to eligibility and availability, the offender and his or her family may be placed in a Department-paid apartment unit for a period of around one year. The Department awards funding to the Corporation for Supportive Housing, which in turn subcontracts with building managers and landlords to make units available around the state. The contractor also monitors the offender/tenant to help make sure that the appropriate treatment and rehabilitative services are being delivered.

The Department funded 97 of these permanent supportive housing units in FY 2011, which served a total of 123 offenders in Cuyahoga, Franklin, Hamilton, Lucas, and Montgomery counties. Department staff anticipates allocating funds to maintain the same number of units through FY 2013.

Community Residential Centers

This component of community supervision, formerly known as Independent Housing, is for offenders under the supervision of the APA who do not require expensive treatment services. In response to research which demonstrates that low risk offenders are negatively impacted by being placed in programs with higher risk

offenders, the Department is expanding this type of low risk housing, which has been renamed Community Residential Centers. The most significant immediate issue for these predominantly lower-risk offenders is homelessness. Offenders in this predicament are provided three months or more of temporary transitional housing through independent, nonprofit housing agencies licensed by the Department, until the offender can get a permanent residence reestablished.

In FY 2011, the Department's Bureau of Community Sanctions contracted for a total of 61 community residential center housing units in Akron, Columbus, Greenville, and Lima that served 212 offenders. In FY 2012, the Department plans to expand the number of locations in which these housing units are available, which includes increasing the number of available beds from 61 to 239 and the number of offenders served from 212 to 830.

Electronic Home Monitoring

Electronic home monitoring (EHM) is used for: (1) the step down of inmates transitioning toward release, and (2) as a sanction for technical violations for those inmates who have been released and are under some form of supervision. In FY 2011, the Department purchased a total of about 113 EMH slots. These slots typically turnover about five times per year, which equates to a monitoring capacity for about 612 offender placements, at a per placement cost of between \$11 and \$15 per day depending on the intensity of the supervision. The Department plans to increase the level of EHM services in FYs 2012 and 2013, although the exact magnitude of such an increase is still uncertain.

Community Nonresidential Programs (GRF line item 501407)

This GRF line item's appropriation, which is part of the Department's overall funding for CCA programs, is distributed in the form of grants to counties to operate intensive supervision and other community sanctions programming for felony offenders in lieu of prison or jail commitments. This funding is intended to provide the judges of the courts of common pleas with sentencing alternatives for felony offenders, such as intensive supervision, day reporting, work release, community service, counseling, drug testing, and electronic monitoring. During FY 2011, the line item's available appropriation was sufficient to support 74 programs in 40 counties providing sanctions for nearly 11,349 offenders.

For this line item in FY 2012, the budget appropriates \$25,859,382, which is \$3,573,585, or 16.0%, more than the line item's FY 2011 expenditures of \$22,285,797. The FY 2013 appropriation is \$25,839,390, which is 0.1% less than the FY 2012 appropriation. These appropriated amounts are expected to be sufficient to maintain the FY 2011 funding and sanctioning levels, as well as provide funding for: (1) changing the

manner in which pre-sentence investigation (PSI) reports are prepared, and (2) awarding county probation improvement and incentive grants.

Pre-Sentence Investigations

The Department plans to discontinue the pre-sentence investigation (PSI) report assistance it provides to certain counties. A PSI report provides information to the court on a defendant's personal history, criminal conduct and any other pertinent details to assist the judge in tailoring the sentence to the individual. PSIs are produced in some counties by the APA, and in some counties, by the common pleas court probation department. The Department will provide a subsidy to assist 50 counties currently dependent on the APA for these reports.

Probation Improvement and Incentive Grants

About \$2.5 million of the line item's appropriation in each fiscal year will be allocated for Probation Improvement and Probation Incentive grants, which the Department is required to establish and administer for courts of common pleas that supervise felony offenders. (This is a requirement of the recently enacted Am. Sub. H.B. 86 of the 129th General Assembly.)

The Probation Improvement Grant is for the purpose of providing funding to courts of common pleas probation departments to adopt policies and practices based on the latest research on how to reduce the number of felony offenders on probation supervision who violate the conditions of their supervision.

The Probation Incentive Grant is for the purpose of providing a performance-based level of funding to courts of common pleas probation departments that are successful in reducing the number of felony offenders on probation supervision whose terms of supervision are revoked.

Community Misdemeanor Programs (GRF line item 501408)

This GRF line item's appropriation, which is part of the Department's overall funding for CCA programs, is distributed in the form of grants to counties and cities to operate pre-trial release, probation, or other local programs for misdemeanor offenders in lieu of confinement in jail. Jail diversion programs include, but are not limited to, intensive supervision, standard probation, electronic monitoring, drug testing, day reporting, work release, and community service. During FY 2011, this line item's available appropriation was sufficient to fund 122 programs in 82 counties providing alternatives to confinement for 21,791 offenders.

For this line item in each of FYs 2012 and 2013, the budget appropriates \$14,906,800, an amount that is \$3,577,197, or 31.6%, more than the line item's FY 2011 expenditures of \$11,329,603. It also appears that it is the Department's intention to allocate about \$2.5 million of the line item's appropriation in each fiscal year for the

Probation Improvement and Probation Incentive grants authorized by Am. Sub. H.B. 86. (The purpose of these grants was noted in the immediately preceding discussion of GRF line item 501407, Community Nonresidential Programs.)

Community Residential Programs – CBCF (GRF line item 501501)

This GRF line item's appropriation is used to pay for subsidies that fund the operation of community-based correctional facilities (CBCFs), which can be formed by counties or groups of counties with populations of 200,000 or more. These facilities exist for the diversion of nonviolent felony offenders from state prison and are operated by local facility governing boards, which are advised by local judicial advisory boards.

The budget provides the line item with a FY 2012 appropriation of \$62,692,785, which is \$1,573,906, or 2.5%, less than the line item's FY 2011 expenditures of \$64,266,691. The FY 2013 appropriation is \$62,477,785, a slight reduction from the FY 2012 appropriation. The total number of available CBCF beds stands at 2,276, permitting the diversion of approximately 6,650 felony offenders annually, with an average length of stay of around four months.

Currently, there are 18 operational CBCFs providing beds to all 88 counties. A new 200-bed facility opened in Cuyahoga County in February 2011, which is notable because this county alone typically makes up around one-fifth, or 20%, of annual prison population intake. The Department also defunded the 55-bed Licking-Muskingum County CBCF for budgetary and performance reasons. Although the loss of the services of this facility affected four counties, other CBCFs are making arrangements to handle offenders from these counties.

The state provides 100% of the financing for the construction, renovation, maintenance, and operation of these residential facilities, each of which house up to 200 felony offenders and offer services such as education, job training, and substance abuse treatment as an alternative to incarceration.

Parole and Community Operations (GRF line item 503321)

This GRF line item's appropriation is used largely to pay for the operating expenses of the Department's Division of Parole and Community Services, which provides offender release and community supervision services, jail inspection services, and victim services. The largest component of the program contains the APA. The APA is responsible for the release of offenders from prison (including operation of the Parole Board) and their supervision in the community thereafter (including offenders placed on parole, post-release control, and transitional control). The APA also provides supervision services to the courts of common pleas in 52 counties, but plans to discontinue to the practice of providing pre-sentence investigation and report writing assistance to certain counties. (In addition to funding the Division of Parole and

Community Services, a portion of the line item is likely to be allocated to pick up some of the costs associated with the Program Management Services.)

The budget provides the line item with a FY 2012 appropriation of \$68,197,272, which is \$5,319,226, or 7.3%, less than the line item's FY 2011 expenditures of \$73,516,498. The FY 2013 appropriation is \$63,783,848, which is \$4,413,424, or 6.5%, less than the FY 2012 appropriation. Each fiscal year's allocation will be used largely for payroll-related expenses and secondarily for supplies and maintenance, equipment, and personal services contracts.

As a result of the reduced amounts appropriated in each of FYs 2012 and 2013, the Division of Parole and Community Services will not be able to continue providing the FY 2011 levels of services and activities supported by this line item. There will be some mix of cuts in personnel and other related operating expenses. The number of staff positions to be eliminated is likely to be over 100, with the largest number a direct result of discontinuing the pre-sentence investigation (PSI) report assistance currently being provided to 50 counties.

Transitional Control (GSF line item 501604)

This GSF line item's appropriation is statutorily restricted to paying for costs related to operations of the Department's Transitional Control Program, the purpose of which is to closely monitor a prisoner's adjustment to community supervision during the final 180 days of the prisoner's confinement. For this line item in FYs 2012 and 2013, the budget appropriates \$1,168,843 and \$1,213,120, respectively. The appropriated amount in each fiscal year will be allocated as follows: payroll-related expenses, purchased personal services, and maintenance and supplies. This includes the equivalent of four full-time staff positions (FTEs) in both FY 2012 and FY 2013, unchanged from FY 2011.

Offender Financial Responsibility (GSF line item 501617)

This GSF line item's appropriation is statutorily permitted to be used in support of a wide variety of the Department's services and activities, including institutional operations and community supervision. The budget provides this line item with an appropriation of \$2,000,000 in each of FYs 2012 and 2013. It is likely that most of these appropriated amounts will be allocated in support of the Division of Parole and Community Services, principally to finance community nonresidential and residential program costs. A secondary purpose will be to finance institutional operations costs.

The revenue stream supporting this line item's appropriation consists of all "cost debts" collected by or on behalf of the Department and all money currently in the Department's custody that is applied to satisfy an allowable cost debt. A cost debt is a cost of incarceration or supervision that may be assessed against and collected from an offender as a debt to the state, including, but not limited to, any user fee or copayment

for services, assessments for damage or destruction to institutional property, restitution to another offender or staff member, cost of housing and feeding, cost of supervision, and cost of any ancillary services. Currently, the only cost debt being collected is a \$2 copayment for voluntary sick calls.

Funding Category 3: Program Management Services

This funding category includes line items that pay for the services and activities that provide centralized leadership, oversight, and coordination for all departmental operations. From an organizational purpose, this includes, but is not limited to: Office of the Director, Office of Human Resources (personnel, employee relations, training/assessment center, and labor relations), Public Information Office, Legal Services Division, Office of the Chief Inspector, Office of Prisons, Office of Administration (business administration, penal industries, information and technology services, and construction, activation, and maintenance), and Legislative Office.

Table 7 below shows the 11 line items that are used to fund this category of services and activities, as well as the enacted funding levels. It is followed by a discussion of four of those 11 line items, the primary or exclusive purpose of which is to fund Program Management Services. Of the other seven line items in the table, six are used primarily to fund Institutional Operations and one is used primarily to fund Parole and Community Services.

Table 7. Appropriations for Program Management Services				
Fund	ALI and Name		FY 2012	FY 2013
General Revenue Fund (GRF)				
GRF	501321	Institutional Operations*	\$86,384,803	\$111,126,362
GRF	502321	Mental Health Services*	\$1,139,187	\$1,099,535
GRF	503321	Parole and Community Operations*	\$3,305,368	\$3,263,274
GRF	504321	Administrative Operations	\$21,996,504	\$20,085,474
GRF	505321	Institution Medical Services*	\$2,499,872	\$2,431,395
GRF	506321	Institution Education Services*	\$928,918	\$908,544
GRF	507321	Institution Recovery Services*	\$337,470	\$334,916
General Revenue Fund Subtotal			\$116,592,122	\$139,249,500
General Services Fund (GSF) Group				
4S50	501608	Education Services*	\$395,578	\$387,155
5710	501606	Training Academy Receipts	\$125,000	\$125,000
5L60	501609	Information Technology Services	\$600,000	\$600,000
General Services Fund Group Subtotal			\$1,120,578	\$1,112,155
Federal Special Revenue Fund (FED) Group				
3230	501619	Federal Grants*	\$5,305,667	\$5,413,870
Federal Special Revenue Fund Group Subtotal			\$5,305,667	\$5,413,870
Total Funding: Program Management Services			\$123,018,367	\$145,775,525

* For these noted line items, the figures in the above table reflect the approximate amount of each fiscal year's appropriation allocated to Program Management. The remainder is likely to be allocated largely in support of the Institutional Operations funding category.

Administrative Operations (GRF line item 504321)

This GRF line item's appropriation is used exclusively to pay for the operating expenses of the Department's administrative component, specifically Central Office, which oversees institutional, parole, and community service operations, and the Corrections Training Academy. The budget provides a line item appropriation of \$21,996,504 for FY 2012, which is \$116,134, or 0.5%, more than the line item's FY 2011 expenditures of \$21,880,370. The FY 2013 appropriation is \$20,085,474, which is \$1,911,030, or 8.7%, less than the FY 2012 appropriation. The decrease in FY 2013 is of a magnitude that will in all likelihood necessitate some mix of cuts in operating expenses, especially payroll, which typically constitutes more than 80% of the expenditures from this line item.

Training Academy Receipts (GSF line item 501606)

This GSF line item's appropriation, which is supported by the collection of training charges, is used solely to support the Corrections Training Academy's operating expenses. The Academy is located in Orient, Ohio, and provides instruction to department employees and other law enforcement agencies. The budget provides a line item appropriation of \$125,000 in each of FYs 2012 and 2013, which is \$43,867, or 54.1%, more than the line item's FY 2011 expenditures of \$81,133. Most of these appropriated amounts are likely to be allocated for supplies and maintenance.

Information Technology Services (GSF line item 501611)

This GSF line item's appropriations are used to pay for the multi-year costs associated with information technology (IT) system upgrades and enhancements. Its revenue stream consists of prorated charges assessed to each departmental unit that benefits from information technology upgrades and enhancements. The budget provides a line item appropriation of \$600,000 in each of FYs 2012 and 2013, which is \$77,502, or 14.8%, more than the line item's FY 2011 expenditures of \$522,498. Most of these appropriated amounts are likely to be allocated largely for supplies and maintenance, and equipment.

Federal Grants (FED line item 501619)

This line item's appropriation is used to expend federal grants serving various purposes, mostly in the areas of education, criminal justice, and food and nutrition assistance.

Funding Category 4: Debt Service

This funding category includes money appropriated to retire bond debt related to various capital improvements projects financed through the Adult Correctional Building Fund (Fund 7027). Table 8 below shows the lone line item that is used to make the Department's debt service payments, as well as the funding levels for the biennium. It is then followed by a narrative describing how the appropriated amounts will be used.

Table 8. Appropriations for Debt Service				
Fund	ALI and Name		FY 2012	FY 2013
General Revenue Fund (GRF)				
GRF	501406	Lease Rental Payments	\$42,863,100	\$104,301,500
Total Funding: Debt Service			\$42,863,100	\$104,301,500

Lease Rental Payments (GRF line item 501406)

This GRF line item pays for the state's debt service to the Ohio Building Authority (OBA) for its obligations incurred as a result of issuing bonds that cover the Department's capital appropriations. The money made available as a result of these bonds have financed the design, construction, renovation, and rehabilitation phases of various departmental capital projects, as well as the construction and renovation costs associated with local projects (community-based correctional facilities and jails). The appropriation authority and actual spending levels are set and controlled by the Office of Budget and Management (OBM), and not by DRC.

The budget provides this line item with appropriations of \$42,863,100 in FY 2012 and \$104,301,500 in FY 2013, amounts deemed sufficient by OBM to pay the Department's bonded debt obligations over the course of the biennium. The appropriated amount in FY 2012, which is considerably lower than FY 2013, is the result of a debt restructuring plan.

DRC.docx/lb

FY 2012 - FY 2013 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency					Appropriations	FY 2011 to FY 2012	Appropriations	FY 2012 to FY 2013
			FY 2010	FY 2011	FY 2012	% Change	FY 2013	% Change
Report For Main Operating Appropriations Bill			Version: Enacted					
DRC Department of Rehabilitation and Correction								
GRF	501321	Institutional Operations	\$ 768,250,031	\$ 699,189,271	\$ 909,547,156	30.09%	\$ 866,592,589	-4.72%
GRF	501403	Prisoner Compensation	\$ 8,599,255	\$ 8,599,255	\$ 8,599,255	0.00%	\$ 8,599,255	0.00%
GRF	501405	Halfway House	\$ 41,142,818	\$ 42,108,807	\$ 43,637,069	3.63%	\$ 43,622,104	-0.03%
GRF	501406	Lease Rental Payments	\$ 42,919,944	\$ 34,762,220	\$ 42,863,100	23.30%	\$ 104,301,500	143.34%
GRF	501407	Community Nonresidential Programs	\$ 21,616,862	\$ 22,285,797	\$ 25,859,382	16.04%	\$ 25,839,390	-0.08%
GRF	501408	Community Misdemeanor Programs	\$ 10,981,499	\$ 11,329,603	\$ 14,906,800	31.57%	\$ 14,906,800	0.00%
GRF	501501	Community Residential Programs - CBCF	\$ 62,517,245	\$ 64,266,691	\$ 62,692,785	-2.45%	\$ 62,477,785	-0.34%
GRF	501620	Institutional Operations-Federal Stimulus	\$ 110,029,321	\$ 177,488,988	\$ 0	-100.00%	\$ 0	N/A
GRF	502321	Mental Health Services	\$ 70,857,081	\$ 69,007,001	\$ 58,525,816	-15.19%	\$ 51,778,513	-11.53%
GRF	503321	Parole and Community Operations	\$ 71,624,458	\$ 73,516,498	\$ 68,197,272	-7.24%	\$ 63,783,848	-6.47%
GRF	504321	Administrative Operations	\$ 22,460,445	\$ 21,880,370	\$ 21,996,504	0.53%	\$ 20,085,474	-8.69%
GRF	505321	Institution Medical Services	\$ 225,829,929	\$ 236,073,242	\$ 209,231,014	-11.37%	\$ 195,241,961	-6.69%
GRF	506321	Institution Education Services	\$ 20,950,540	\$ 21,629,402	\$ 20,237,576	-6.43%	\$ 18,086,492	-10.63%
GRF	507321	Institution Recovery Services	\$ 4,865,989	\$ 5,732,069	\$ 5,786,109	0.94%	\$ 5,375,737	-7.09%
GRF - State			\$ 1,372,616,097	\$ 1,310,380,226	\$ 1,492,079,838	13.87%	\$ 1,480,691,448	-0.76%
GRF - Federal Stimulu			\$ 110,029,321	\$ 177,488,988	\$ 0	-100.00%	\$ 0	N/A
General Revenue Fund Total			\$ 1,482,645,418	\$ 1,487,869,214	\$ 1,492,079,838	0.28%	\$ 1,480,691,448	-0.76%
1480	501602	Services and Agricultural	\$ 98,474,825	\$ 102,187,205	\$ 3,579,250	-96.50%	\$ 3,584,263	0.14%
2000	501607	Ohio Penal Industries	\$ 29,858,168	\$ 30,221,316	\$ 38,000,000	25.74%	\$ 38,000,000	0.00%
4830	501605	Property Receipts	\$ 234,645	\$ 177,632	\$ 182,723	2.87%	\$ 182,086	-0.35%
4B00	501601	Sewer Treatment Services	\$ 1,707,374	\$ 1,745,992	\$ 2,145,630	22.89%	\$ 2,157,682	0.56%
4D40	501603	Prisoner Programs	\$ 13,138,244	\$ 15,372,384	\$ 14,900,000	-3.07%	\$ 14,900,000	0.00%
4L40	501604	Transitional Control	\$ 654,123	\$ 546,301	\$ 1,168,843	113.96%	\$ 1,213,120	3.79%
4S50	501608	Education Services	\$ 2,563,306	\$ 2,433,527	\$ 2,376,041	-2.36%	\$ 2,359,775	-0.68%
5710	501606	Training Academy Receipts	\$ 5,671	\$ 81,133	\$ 125,000	54.07%	\$ 125,000	0.00%
5930	501618	Laboratory Services	\$ 5,907,254	\$ 5,882,655	\$ 6,665,137	13.30%	\$ 6,664,729	-0.01%
5AF0	501609	State and Non-Federal Awards	\$ 20,296	\$ 35,500	\$ 1,440,000	3,956.30%	\$ 1,440,000	0.00%
5H80	501617	Offender Financial Responsibility	\$ 1,778,732	\$ 1,084,371	\$ 2,000,000	84.44%	\$ 2,000,000	0.00%

FY 2012 - FY 2013 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	FY 2011	Appropriations FY 2012	FY 2011 to FY 2012 % Change	Appropriations FY 2013	FY 2012 to FY 2013 % Change
DRC Department of Rehabilitation and Correction								
5L60	501611	Information Technology Services	\$ 54,296	\$ 522,498	\$ 600,000	14.83%	\$ 600,000	0.00%
General Services Fund Group Total			\$ 154,396,936	\$ 160,290,515	\$ 73,182,624	-54.34%	\$ 73,226,655	0.06%
3230	501619	Federal Grants	\$ 7,356,865	\$ 9,133,609	\$ 9,013,558	-1.31%	\$ 9,180,703	1.85%
3S10	501615	Truth-In-Sentencing Grants	\$ 5,966,957	\$0	\$ 0	N/A	\$ 0	N/A
Federal Special Revenue Fund Group Total			\$ 13,323,822	\$ 9,133,609	\$ 9,013,558	-1.31%	\$ 9,180,703	1.85%
Department of Rehabilitation and Correction Total			\$ 1,650,366,176	\$ 1,657,293,338	\$ 1,574,276,020	-5.01%	\$ 1,563,098,806	-0.71%