

# Greenbook

## LBO Analysis of Enacted Budget

### Department of Rehabilitation and Correction

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Attachment:

    Appropriation Spreadsheet

# LBO Greenbook

## Department of Rehabilitation and Correction

### Quick look...

- The budget appropriates \$4.7 billion for use by the Department of Rehabilitation and Correction (DRC) during the FY 2024-FY 2025 biennium, of which \$4.4 billion, or 95%, is drawn from the General Revenue Fund (GRF).
- \$75 million in new funding appropriated for project grants for the construction and renovation of county jails.
- As of July 2023, DRC employed 11,103 full-time permanent staff: 5,858 (53%) correction officers, and 565 (5%) parole officers.
- DRC operates a system consisting of 28 correctional facilities that houses a daily population of approximately 44,000 offenders, and manages approximately 25,000 additional offenders who are under community supervision by the Adult Parole Authority.

Fund Group	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
General Revenue (GRF)	\$1,936,525,341	\$2,074,100,446	\$2,161,928,000	\$2,281,770,000
Dedicated Purpose (DPF)	\$38,810,701	\$12,100,019	\$91,520,000	\$16,520,000
Internal Service Activity (ISA)	\$32,922,752	\$38,962,977	\$58,305,000	\$58,305,000
Federal (FED)	\$1,666,559	\$3,950,743	\$3,840,000	\$3,840,000
Total	\$2,009,925,353	\$2,129,114,184	\$2,315,593,000	\$2,360,435,000
% change	--	5.9%	8.8%	1.9%
<i>GRF % change</i>	--	7.1%	4.2%	5.5%

## Overview

### Agency overview

The Department of Rehabilitation and Correction (DRC) can be viewed as the administrator of a felony sanctioning system comprised of four relatively distinct components:

1. Reception centers where inmates are assessed and assigned to the appropriate correctional institution;
2. Institutional operations in which inmates are housed, secured, and support services are offered, including medical/behavioral health and educational services; and
3. Release mechanisms through which inmates are returned to the community and potentially subject to state supervision and control by the Adult Parole Authority (APA).

4. Community control sanctions (supervision and control services, halfway house beds, and grants) that provide judges with a range of sentencing options that reduce or eliminate the time that offenders spend in prison or jail.

Of note relative to DRC's prison system of 28 correctional institutions is the following:

- The North Central Correctional Complex is state-owned, but privately operated by the Management and Training Corporation (MTC).
- The Lake Erie Correction Institution and the Northeast Ohio Correctional Center are both owned and operated by CoreCivic.
- Three institutions house female inmates: the Ohio Reformatory for Women, the Dayton Correctional Institution, and the Northeast Reintegration Center.
- The Corrections Medical Center serves as a medical hospital for males and females.
- The Oakwood Correctional Facility house both males and females in need of intensive psychiatric treatment.
- The Ohio State Penitentiary, located in Youngstown, is Ohio's "supermax" prison.

## Appropriation summary

The budget appropriates \$2.32 billion and \$2.36 billion for FY 2024 and FY 2025, respectively. DRC relies primarily on GRF funding, which constitutes 95% of the funding for the FY 2024-FY 2025 biennium, to manage the offender population of approximately 44,000 within a system of 28 prisons.

Highlights of DRC's biennial appropriation include:

**GRF.** The amount of GRF appropriated for DRC's use increases by \$87.8 million, or 4.2%, in FY 2024, and by \$119.8 million, or 5.5%, in FY 2025. Some of the cost driving factors include: (1) salary and wage, and related payroll and service charge increases, (2) planned filling of vacant and newly created staff positions, (3) staff overtime, (4) inflationary pressures on the cost of contracted goods and services, (5) inmates with chronic diseases, specialty medical and pharmaceutical needs, mental health and addiction problems, and (6) aging prison infrastructure.

**Local Jail Grants.** For FY 2024, \$75 million is appropriated for local jail capital improvements projects meeting certain specified conditions (Fund 5ZQ0 line item 501505, Local Jail Grants). Funding for this new line item is derived from a cash transfer from the FY 2023 ending GRF balance authorized by Section 513.10 of the bill.

## Appropriation by program

Table 1 below shows the appropriations by program: Institutional Operations (including the sub-categories of Medical Services, Mental Health Services, and Education Services), Parole and Community Service Operations (including Residential Programs and Nonresidential Services), Program Management Services, and Debt Service.

Funding Category	FY 2024	% of Total	FY 2025	% of Total
Institutional Operations	\$1,745,352,000	75.4%	\$1,848,078,000	78.3%
Parole and Community Service Operations	\$456,257,000	19.7%	\$401,147,000	17.0%
Program Management Services	\$41,484,000	1.8%	\$42,710,000	1.8%
Debt Service	\$72,500,000	3.1%	\$68,500,000	2.9%
<b>Total</b>	<b>\$2,315,593,000</b>	<b>100.0%</b>	<b>\$2,360,435,000</b>	<b>100.0%</b>

\*Program totals may not match category totals below, as a single line item may fund more than one program.

DRC's programs are summarized as follows:

- **Institutional Operations.** Provides housing, medical services, mental health services, and education services.
- **Parole and Community Service Operations.** Provides both residential and nonresidential supervision of individuals paroled, conditionally pardoned, or conditionally released from state correctional facilities as well as community correction options as alternatives to prison and jail.
- **Program Management Services.** Provides management for all agency services including centralized leadership, oversight, and coordination for all departmental operations.
- **Debt Service.** Repays interest and principal on debt issued by the state for capital improvements.

## Staffing levels

DRC's July 2023 staffing report shows a total of 11,144 staff employees: 5,866, or 52.6%, correction officers; 1,077, or 9.7%, health care staff; and 571, or 5.1%, parole officers. Over 90% of DRC's employees are typically paid with money appropriated from the GRF.

For the FY 2024-FY 2025 biennium, DRC developed plans to fill several hundred vacant staff positions, most notably correction officers, parole officers, and nurses, and to create a few hundred new correction officer, medical/behavioral health, information technology, and education staff positions. The budget does not fund the plan's estimated cost; the manner in which DRC will modify the plan is unclear.

Table 2 below summarizes "vacancies" for correction and parole officers from FY 2019-FY 2022. One can see the change in vacancies from FYs 2019 and 2020 to FYs 2021 and 2022. For example, the total number of vacant correction and parole officer positions increased from 317 (4.33%) in FY 2019 to 933 (12.96%) in FY 2022. The number of vacant correction officer positions rose from 289 in FY 2019 to 849 in FY 2022, an increase of 560 vacant positions, or almost 200%.

<b>Table 2. Correction and Parole Officer Vacancies, FY 2019-FY 2022</b>				
<b>Vacancies</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Total Vacancies (Vacancy Rate)	317 (4.33%)	381 (2.98%)	811 (13.65%)	933 (12.96%)
Correction Officer	289	338	784	849
Parole Officer	28	43	27	84

# Analysis of FY 2024-FY 2025 budget

## Introduction

This section provides an analysis of the funding for each appropriation line item (ALI) in the Department of Rehabilitation and Correction's (DRC) budget. For organizational purposes, these ALIs are grouped into four major categories based on their funding purposes. The analysis for an ALI with a lower category or subcategory designation will appear before that for an ALI with a higher category or subcategory designation. That is, the analysis for an ALI with a category designation of C1:8 will appear before the analysis for an ALI with a category designation of C2:1 and the analysis for an ALI with a category designation of C1:3 will appear before the analysis for an ALI with a category designation of C1:8.

To aid the reader in locating each ALI in the analysis, the following table shows the category in which each ALI has been placed, listing the ALIs in order within their respective fund groups and funds.

In the analysis, each ALI's actual expenditures for FY 2023 and appropriations for FY 2024 and FY 2025 are listed in a table. Following the table, a narrative describes the line item's revenue source(s) and purpose(s).

The narrative is divided into four categories: (1) Institutional Operations, (2) Parole and Community Services, (3) Program Management Services, and (4) Debt Service.

Categorization of DRC's Appropriation Line Items for Analysis of FY 2024-FY 2025 Budget				
Fund	ALI	ALI Name		Category
<b>General Revenue Fund</b>				
GRF	501321	Institutional Operations	1:1	Institutional Operations
GRF	501405	Halfway House	2:1	Parole and Community Services
GRF	501406	Adult Correctional Facilities Lease Rental Bond Payments	4:1	Debt Service
GRF	501407	Community Nonresidential Programs	2:2	Parole and Community Services
GRF	501408	Community Misdemeanor Programs	2:3	Parole and Community Services
GRF	501501	Community Residential Programs – CBCFs	2:4	Parole and Community Services
GRF	503321	Parole and Community Operations	2:5	Parole and Community Services
GRF	504321	Administrative Operations	3:1	Program Management Services
GRF	505321	Institution Medical Services	1:2	Institutional Operations
GRF	506321	Institution Education Services	1:3	Institutional Operations
<b>Dedicated Purpose Fund Group</b>				
4B00	501601	Sewer Treatment Services	1:6	Institutional Operations
4D40	501603	Prisoner Programs	3:2	Program Management Services
4L40	501604	Transitional Control	2:6	Parole and Community Services
4S50	501608	Education Services	1:7	Institutional Operations

Categorization of DRC's Appropriation Line Items for Analysis of FY 2024-FY 2025 Budget				
Fund	ALI	ALI Name		Category
5AF0	501609	State and Non-Federal Awards	3:5	Program Management Services
5H80	501617	Offender Financial Responsibility	2:7	Parole and Community Services
5TZO	501610	Probation Improvement and Incentive Grants	2:8	Parole and Community Services
5ZQ0	501505	Local Jail Grants	2:9	Parole and Community Services
Internal Service Activity Fund Group				
1480	501602	Institutional Services	1:4	Institutional Operations
2000	501607	Ohio Penal Industries	1:5	Institutional Operations
4830	501605	Leased Property Maintenance and Operating	3:3	Program Management Services
5710	501606	Corrections Training Maintenance and Operating	3:4	Program Management Services
5L60	501611	Information Technology Services	3:6	Program Management Services
Federal Fund Group				
3230	501619	Federal Grants	3:7	Program Management Services
3CW0	501622	Federal Equitable Sharing	3:8	Program Management Services

## Category 1: Institutional Operations

This category of appropriation line items provides the funding used by DRC to pay for the maintenance of buildings and contents, utilities, support services, and secure supervision for 44,000 plus inmates. DRC's prison system consists of 28 correctional institutions, three privately operated. A notable component is the Ohio Penal Industries (OPI) that provides job opportunities, work experience, and training for inmates along with offering inmate programming, including self-help, stress management, enhancement of life skills, communication, anger control, and pre-release planning.

### C1:1: Institutional Operations (ALI 501321)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 501321, Institutional Operations	\$1,267,687,395	\$1,317,065,000	\$1,395,734,000
% change	--	3.9%	6.0%

This line item primarily pays for the operation of prisons, including costs directly associated with security, unit management, facility administration and maintenance, and support services. Approximately 75% of the line item's appropriation in each fiscal year is typically expended for personal services, and secondarily, in order of magnitude, supplies and maintenance, and purchased personal services. Historically, around 75% of DRC's staff has been paid from this line item.

The factors that drive the line item's expenses include population changes, aging prison infrastructure, the cost of contracted goods and services, salary and wage increases, and payroll



and service charges. For the FY 2024-FY 2025 biennium, DRC developed plans to fill several hundred vacant correction officer positions, to add up to 150 correction officers for the operation of a special treatment unit/facility, and to add up to ten information technology staff. The budget does not fund the plan's estimated cost; the manner in which DRC will modify the plan is unclear.

A related temporary law provision permits up to \$500,000 in each fiscal year to be used by DRC to support projects connecting rehabilitated citizens with community projects to advance the expedited pardon initiative and to help eligible individuals navigate the process and access clemency.

### **C1:2: Institution Medical Services (ALI 505321)**

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 505321, Institution Medical Services	\$301,293,975	\$332,434,000	\$352,380,000
% change	--	10.3%	6.0%

This line item primarily pays for the following services and activities provided to offenders housed in the state's prison system:

- Medical: Screening services for all medical conditions at reception centers, primary care services at all institutions, short-term acute services at all institutions, and centralized specialty, acute, and chronic care services in affiliation with the Ohio State University Wexner Medical Center (OSUMC).
- Behavioral health: Providing comprehensive outpatient, inpatient residential treatment, intellectual and developmental disability (IDD), sex offender, acute inpatient psychiatric, pre-parole evaluation, peer support, and reentry services.

Of the line item's appropriation in each fiscal year, around 54% is typically expended for personal services and another 35% for supplies and maintenance.

The factors that drive the line item's expenses include population changes, aging prison population with chronic diseases, specialty medical services and pharmaceutical needs, mental health needs exacerbated by the COVID-19 pandemic, the cost of contracted goods and services (notably pharmaceuticals), expansion of the Medication Assisted Treatment (MAT) Program to assist inmates prior to their release, salary and wage increases, and payroll and service charges.

For the FY 2024-FY 2025 biennium, DRC developed plans to fill 60 vacant nurse positions, and to add up to 70 medical/behavioral health staff for the operation of a special treatment unit/facility. The budget does not fund the plan's estimated cost; the manner in which DRC will modify the plan is unclear.

A related ongoing temporary law provision:

- Requires the Ohio State University Medical Center, including the Arthur G. James Cancer Hospital and Richard J. Solove Research Institute and the Richard M. Ross Heart Hospital, at the request of DRC to provide necessary care to persons who are confined in state adult correctional facilities; and

- Requires the provision of necessary inpatient care billed to DRC to be reimbursed at the rate not to exceed the authorized reimbursement rate for the same service established by the Department of Medicaid under the Medicaid Program.

### **C1:3: Institution Education Services (ALI 506321)**

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 506321, Institution Education Services	\$34,956,614	\$41,228,000	\$45,339,000
% change	--	17.9%	10.0%

This line item primarily pays for the costs of fulfilling DRC's statutory mandate to establish and operate a school system that is approved and chartered by the Ohio Department of Education and Workforce and designated as the Ohio Central School System. This includes the provision of basic, vocational, and post-secondary education services. The line item also is used for the cost of providing inmates with reentry services designed to facilitate employment, including career development, career enhancement, job application instruction, and resume workshops. Roughly 80% to 90% of the line item's appropriation in each fiscal year is typically expended for personal services.

The factors that drive the line item's expenses include the cost of contracted goods and services, salary and wage increases, and payroll and service charges. For the FY 2024-FY 2025 biennium, DRC developed plans to fill ten vacant "in demand career jobs" positions, to add 20 workforce development staff positions, and to add three education staff positions for a special treatment unit/facility. The budget does not fund the plan's estimated cost; the manner in which DRC will modify the plan is unclear.

The bill earmarks \$700,000 in FY 2024 for the Ashland University Correctional Education Expansion Program.

### **C1:4: Institutional Services (ALI 501602)**

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
ISA Fund 1480 ALI 501602, Institutional Services	\$2,824,864	\$2,850,000	\$2,850,000
% change	--	0.9%	0.0%

This line item is used principally for costs incurred in providing services between departmental institutions, including the purchase of materials, supplies, and equipment, and the erection and extension of buildings used in these services. It is supported by Fund 1480, which consists of money received by DRC for labor and services performed, including warehouses shared by correction institutions, and litter pickup crews for the Department of Transportation. Between 70% and 80% of the line item's appropriation in each fiscal year is typically expended for supplies and maintenance.

**C1:5: Ohio Penal Industries (ALI 501607)**

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
ISA Fund 2000 ALI 501607, Ohio Penal Industries	\$32,242,507	\$46,515,000	\$46,515,000
% change	--	44.3%	0.0%

This line item supports the Ohio Penal Industries (OPI), which operates factories and shops in the state's correctional institutions. OPI currently operates factories and shops at 12 correctional facilities. OPI products and services include institutional clothing and furniture, construction services/asbestos abatement, janitorial products, metal storage units, tables, print services, license plates, toilet paper, and vehicle services.

The line item is supported by Fund 2000, which consists of money received by DRC from the sale of goods and services by OPI, primarily to state agencies. Around 80% of the line item's appropriation in each fiscal year is typically expended for a mix of personal services and goods and services for resale.

**C1:6: Sewer Treatment Services (ALI 501601)**

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
DPF Fund 4B00 ALI 501601, Sewer Treatment Services	\$884,547	\$600,000	\$600,000
% change	--	-32.2%	0.0%

This line item draws its appropriation from the Correctional Institution Water and Sewage Treatment Facility Services Fund (Fund 4B00), which receives payments for institutional usage of water and/or sewage treatment services and from user contracts with the Chillicothe VA Medical Center and the Union Local School District. Annual revenue has been decreasing, as DRC is operating fewer treatment facilities than in the past. The appropriated funds are used to pay costs associated with operating and maintaining the water or sewage treatment facility. DRC has water and/or sewage treatment facilities at four of its correctional institutions (Chillicothe, Lebanon, Pickaway, and Southeastern). The line item's appropriation in each fiscal year is typically expended for supplies and maintenance.

**C1:7: Education Services (ALI 501608)**

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
DPF Fund 4S50 ALI 501608, Education Services	\$2,131,908	\$4,660,000	\$4,660,000
% change	--	118.6%	0.0%

This line item's appropriation is supported by cash transfers from the Ohio Department of Education and Workforce to support institutional education services, specifically special education, adult high school, vocational education, and GED testing. Historically, approximately

90% of the line item's appropriation in each fiscal year is expended for a mix of personal services and supplies and maintenance.

## Category 2: Parole and Community Services

This funding category includes the appropriations that pay for the provision of community supervision for felony offenders, victim services, and community correction options as alternatives to prison and jail. Community Corrections Act (CCA) programs divert nonviolent offenders away from prisons and jails and into community-based sanctions. The sanction continuum includes electronic house arrest, day reporting, and intensive supervision.

### C2:1: Halfway House (ALI 501405)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 501405, Halfway House	\$69,992,688	\$78,832,000	\$84,676,000
% change	--	12.6%	7.4%

This line item pays 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.

Related temporary law requires DRC, in using the line item's appropriation, to give priority to residential providers that accept and place individuals released from institutions operated by DRC to the supervision of the APA who were previously rejected by all other residential providers.

Halfway house beds turn over approximately every three months, thus a single bed will generally serve four offenders annually. From DRC's perspective, the release of offenders from a relatively expensive institutional environment and into halfway house beds is a more efficient use of available budgetary resources.

In FY 2022, DRC's Bureau of Community Sanctions contracted with 11 nonprofit halfway house agencies for 2,249 beds that served 8,910 offenders, with an average length of stay of 97 days. The line item's FY 2024 and FY 2025 appropriations are expected to maintain this service level plus the addition of 28 new beds for female offenders in Montgomery County.

This line item is also used to fund the following programs:

- Permanent supportive housing:** This 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 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. DRC grants 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. In FY 2022, supportive housing funded 221 beds and served 256 offenders.

- **Community residential centers:** Community residential centers are for offenders under the supervision of the APA who do not require expensive treatment services. 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 in independent, nonprofit housing agencies licensed by DRC, until the offender can get a permanent residence reestablished. In FY 2022, nine agencies provided 230 beds and served 625 offenders.
- **Community Transitional Housing:** This program provides transitional housing and housing support services to adult offenders released by DRC into a monitored environment that allows residents to live independently. The target population consists of offenders released from prison under parole or post-release control supervision who do not have an acceptable home/family placement and who do not qualify for placement in a halfway house, community residential center, or other community housing program. The program provides transitional housing until the offender obtains employment or other stable income and appropriate housing. In FY 2022, eight agencies provided 83 beds and served 359 offenders.
- **Treatment Transfer:** This program provides for a substance use disorder assessment and treatment through a licensed halfway house to help reduce substance abuse relapse and recidivism for offenders convicted of low-level felony, nonviolent offenses. Treatment Transfer offenders that have completed all required programming and are doing well in the program may be stepped down to electronic home monitoring in an appropriate home placement for the remainder of their prison sentence. In FY 2022, eight agencies served 357 offenders.

## C2:2: Community Nonresidential Programs (ALI 501407)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 501407, Community Nonresidential Programs	\$62,185,613	\$68,680,000	\$68,680,000
% change	--	10.4%	0.0%

This line item's appropriation finances all or some portion of the four grant programs described below.

1. **Prison Diversion:** This program awards grants to counties to operate intensive supervision and other community sanctions programming for felony offenders in lieu of prison or jail commitments. In general, the purpose of the community nonresidential program is 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. In FY 2022, 103 programs were funded at a cost of \$25.1 million. The number of offenders served was 11,457 with an average length of stay of 347 days at a cost of \$17.96 per day.

The line item's FY 2024 and FY 2025 appropriations are expected to maintain this service level plus the addition of 28 new beds for female offenders in Montgomery County.

2. **Justice Reinvestment and Incentive Grants (JRIG):** These are competitive, performance-based grants available to courts of common pleas, municipal courts, county probation departments and community-based correctional facilities to adopt evidence-based practices that reduce the number of offenders on probation supervision who violate the conditions of their supervision and potentially are sent to prison. In FY 2022, 38 grants were awarded totaling \$8.2 million, with another 33 grants totaling \$5.0 million funded through Fund 5TZO line item 501610, Probation Improvement and Incentive Grants. The program is not expected to undergo any significant changes over the course of the FY 2024-FY 2025 biennium.
3. **Targeted Community Alternatives to Prison (T-CAP):** This is a voluntary grant program in which counties agree to supervise, treat, and sanction targeted offenders locally using a mix of community-based sanctions that range from supervision and electronic home monitoring to, when deemed necessary, local incarceration, including placement in a Community-based Correctional Facility (CBCF).

Eligible offenders are those sentenced to 12 months or less for nonviolent, nonsex, and nonmandatory fifth degree offenses (F5), and whose criminal history does not include any prior violent felony, sex offense, or fifth degree felony drug trafficking convictions. Many of these offenders have violated the terms of their probation and, under current law, could be sentenced to prison. Starting with FY 2022, the eligible population was expanded to include nonviolent, nonsex fourth degree felons (F4).

For the FY 2022-FY 2023 biennium, 58 counties chose to participate in the T-CAP component serving F5s, with 22 of those counties also agreeing to participate in the F4 component. DRC committed \$49.7 million biennially to fund these grants. The amount allocated for T-CAP will increase in the FY 2024-FY 2025 biennium to add three or more participating counties.

4. **Probation Services:** This program awards grants to counties to fund probation services that otherwise were being supplemented by parole officers of the APA. The purpose is twofold: permit parole officer to more closely supervise higher risk offenders, and decrease the caseloads of parole officers. In the FY 2022-FY 2023 biennium, 32 counties received grants totaling \$14 million.

### **C2:3: Community Misdemeanor Programs (ALI 501408)**

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 501408, Community Misdemeanor Programs	\$9,324,096	\$9,620,000	\$9,620,000
% change	--	3.2%	0.0%

This line item's appropriation is distributed as grants to counties and cities to operate pretrial 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. In FY 2022, this line item supported 79 program grants in 58 counties. A total of 16,071 eligible offenders were diverted to nonresidential programs. The funding levels under the enacted budget are expected to be sufficient to maintain existing service levels.

### **C2:4: Community Residential Programs – CBCFs (ALI 501501)**

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 501501, Community Residential Programs – CBCFs	\$88,835,860	\$94,545,000	\$99,657,200
% change	--	6.4%	5.4%

This line item's appropriation provides subsidies that fund the operation of 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 facility governing boards, which are advised by judicial advisory boards. 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 in state prison.

In FY 2022, this line item funded 2,633 beds in 17 CBCFs serving all 88 counties. A total of 7,644 offenders were served. The average length of stay was 105 days. The line item's FY 2024 and FY 2025 appropriations will maintain that service level plus 24 additional new beds in Wood County.

### **C2:5: Parole and Community Operations (ALI 503321)**

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 503321, Parole and Community Operations	\$107,035,325	\$119,720,000	\$128,654,000
% change	--	11.9%	7.5%

This line item supports the operating expenses of DRC's Division of Parole and Community Services, which provides offender release and community supervision services, community sanctions assistance, and victim services. All of the Division's personnel are paid from this line item, with about 90% of the line item's appropriation typically covering those costs.

The factors primarily driving the line item's expenses include the cost of contracted goods and services, salary and wage increases, and payroll and service charges. DRC expects one-half of the line item's FY 2024 and FY 2025 appropriation increase will be used to fill 80 vacant parole officer positions, 40 in FY 2024 and another 40 in FY 2025.

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 bill earmarks \$500,000 in FY 2024 to be distributed directly to Anchored to Hope to fund a pilot program that will test the effectiveness of providing a full range of treatment services (medically assisted treatment, cognitive behavioral therapy, and behavioral intervention technologies) in reducing the recidivism of offenders in community-based correctional facilities and halfway houses.

The bill also permits DRC to provide \$400,000 in each fiscal year as grants to nonprofit organizations that operate reentry employment programs that meet certain criteria.

### **C2:6: Transitional Control (ALI 501604)**

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
DPF Fund 4L40 ALI 501604, Transitional Control	\$2,363,707	\$2,450,000	\$2,450,000
% change	--	3.7%	0.0%

This line item supports DRC's Transitional Control Program (TCP), the purpose of which is to monitor closely a prisoner's adjustment to community supervision during the final 180 days of the prisoner's confinement. The program is funded with money appropriated from the Transitional Control Fund (Fund 4L40), which consists of fees paid by offenders for reasonable expenses incurred by the Department in supervising or confining the prisoner while in the TCP. The reimbursement rate is an amount up to 25% of the prisoner's total gross income.

The program emphasizes providing offenders with resources for employment, education, vocational training, and treatment so they may more successfully transition back into their communities. In FY 2022, the TCP provided services for 3,913 offenders with an average length of stay of 98 days. Program funding is also allocated from GRF line item 501405, Halfway House. The funding levels under the enacted budget are expected to be sufficient to maintain existing service levels.

### **C2:7: Offender Financial Responsibility (ALI 501617)**

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
DPF Fund 5H80 ALI 501617, Offender Financial Responsibility	\$636,628	\$1,860,000	\$1,860,000
% change	--	192.2%	0.0%

This line item is used principally in DRC's parole and community service operations for nonresidential services and residential programs, and secondarily used in support of institutional operations, most notably medical services. This line item is supported with money appropriated from the Offender Financial Responsibility Fund (Fund 5H80), which consists of inmate user fees or copayments for services, including voluntary sick calls, and community supervision fees, notably for offenders participating in the Treatment Transfer Program.



## C2:8: Probation Improvement and Incentive Grants (ALI 501610)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
DPF Fund 5TZ0 ALI 501610, Probation Improvement and Incentive Grants	\$5,000,000	\$5,250,000	\$5,250,000
% change	--	5.0%	0.0%

This line item supplements DRC's existing Justice Reinvestment and Incentive Grants (JRIG) Program, primarily financed with money appropriated to GRF line item 501407, Community Nonresidential Programs. It is supported with money transferred from the GRF to the Targeted Addiction Program Fund (Fund 5TZ0).<sup>1</sup> Section 512.10 of H.B. 33 authorizes the OBM Director to transfer cash of \$24,235,000 in FY 2024 and \$24,485,000 in FY 2025 from the GRF to Fund 5TZ0.

In FY 2023, the line item funded 33 grants totaling \$5.0 million. The line item's FY 2024 and FY 2025 appropriations will permit DRC to maintain that funding level.

A related temporary law provision requires the line item to be allocated by DRC to municipalities as grants with an emphasis on: (1) providing services to those addicted to opiates and other illegal substances and (2) supplementing the programs and services funded by grants distributed from GRF line item 501407, Community Nonresidential Programs.

## C2:9: Local Jail Grants (ALI 501505)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
DPF Fund 5ZQ0 ALI 501505, Local Jail Grants	\$0	\$75,000,000	\$0
% change	--	N/A	-100.0%

This is a new line item that will fund grants to local jails for construction and renovation projects. Its appropriation is supported by the transfer of up to \$75 million cash from the FY 2023 GRF ending balance to the Local Jail Grants Fund (Fund 5ZQ0), as authorized by Section 513.10 of H.B. 33. Associated temporary law:

- Requires DRC to determine, by July 1, 2024, which counties will receive local jail grant assistance, using a funding formula by which the Department of Taxation ranks counties by their property tax and sales tax revenues and award funding.
- Requires DRC to adopt application guidelines and conduct a needs assessment before determining which counties receive funding.

<sup>1</sup> Fund 5TZ0 also supports line items 336600, Stabilization Centers, and 336643, ADAMHS Boards, used by the Department of Mental Health and Addiction Services, line item 440621, Toxicology Screenings, used by the Department of Health, and line item 600674, Childrens Crisis Care Facilities, used by the Department of Jobs and Family Services.

- Provides that a county's portion of the basic project cost is a percentage equal to the county's percentile ranking pursuant to the funding formula, except that the state must pay at least 25% of the basic project cost.

### Category 3: Program Management Services

This funding category includes line items that pay for operating expenses related to centralized leadership, oversight, and coordination for all departmental operations. This includes the Office of the Director, the Office of Administration (penal industries, construction, activation, and maintenance, and fiscal), communications, legislative services, information technology, research, Corrections Training Academy, labor relations, human resources/personnel, legal services risk management, and offices of Prisons and the Chief Inspector.

#### C3:1: Administrative Operations (ALI 504321)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 504321, Administrative Operations	\$25,800,945	\$27,304,000	\$28,530,000
% change	--	5.8%	4.5%

This line item pays for operating expenses of DRC's administrative component, specifically Central Office, which oversees institutional, parole and community service operations, and the Corrections Training Academy. Nearly the entirety of the line item's appropriation in each fiscal year is used to cover personal services. The factors primarily driving the line item's expenses include the cost of contracted goods and services, salary and wage increases, and payroll and service charges. The line item's FY 2024 and FY 2025 appropriations are expected to be sufficient to support existing services levels, including the payroll costs of 250 staff positions.

#### C3:2: Prisoner Programs (ALI 501603)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
DPF Fund 4D40 ALI 501603, Prisoner Programs	\$270,581	\$400,000	\$400,000
% change	--	47.8%	0.0%

This line item supports institution education and program management services not otherwise funded with GRF. It is supported with money appropriated from the Prisoner Programs Fund (Fund 4D40), which currently consists of commissions from a contract with JPay to provide technologies and services to inmates, including money transfers, e-mail, videograms, video visitations, and music media.<sup>2</sup> The primary expense covered by the appropriation is the cost of supplies and maintenance.

<sup>2</sup> JPay is a private sector corrections-related service provider that contracts with state corrections departments, county jails, and private federal prisons to provide technologies and services including

### C3:3: Leased Property Maintenance and Operating (ALI 501605)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
ISA Fund 4830 ALI 501605, Leased Property Maintenance and Operating	\$2,140,337	\$7,500,000	\$7,500,000
% change	--	250.4%	0.0%

This line item draws its appropriation from the Property Receipts Fund (Fund 4830), which consists of revenue primarily from the sale and leasing of unused farmland, with lesser amounts being generated from rent and utility charges collected from departmental personnel who live in housing under DRC's control. The money appropriated to this line item maintains 17 state employee houses under DRC's control. The appropriated amount in each fiscal year is intended to absorb institutional costs for supplies and maintenance that otherwise would be paid for with money appropriated from the GRF.

Recent revenue gains to Fund 4830 stem from the lease and sale of farmland owned by the Department. Permanent law allows DRC, after meeting the statutorily prescribed expenditure obligations for Fund 4830, to utilize any excess funds for facility maintenance, repair, reconstruction, or demolition of any other facilities or property owned by the Department.

### C3:4: Corrections Training Maintenance and Operating (ALI 501606)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
ISA Fund 5710 ALI 501606, Corrections Training Maintenance and Operating	\$1,095,742	\$940,000	\$940,000
% change	--	-14.2%	0.0%

This line item supports expenses associated with the operation of DRC's Corrections Training Academy (CTA), which provides training to individuals charged with the security of DRC offenders and other law enforcement agencies. The training is provided at its location on the grounds of the Orient Correctional Complex in Pickaway County, as well as other locations.

The source of the line item's appropriation is the Training Academy Receipts Fund (Fund 5710), which consists of charges to train employees of private prison operators and law enforcement, and to provide specialized training to DRC employees on a reimbursement basis. The primary purpose of the appropriation is to cover the cost of supplies and maintenance.

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money transfers, email services, video visitation, and parole and probation payments throughout several states.

**C3:5: State and Non-Federal Awards (ALI 501609)**

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
DPF Fund 5AF0 ALI 501609, State and Non-Federal Awards	\$812,648	\$1,300,000	\$1,300,000
% change	--	60.0%	0.0%

This line item supports various departmental operating expenses. Its appropriation is supported by money appropriated from the State and Non Federal Awards Fund (Fund 5AF0), which consists of revenue collected from scrap and salvage materials sales, recycling and energy conservation programs, and transfers and grants from other state agencies. Revenues have increased recently, in part due to a greater emphasis on recycling in the prisons, and the full implementation of the demand response electric program.<sup>3</sup>

**C3:6: Information Technology Services (ALI 501611)**

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
ISA Fund 5L60 ALI 501611, Information Technology Services	\$659,527	\$500,000	\$500,000
% change	--	24.2%	0.0%

This line item is used to pay for the multi-year costs associated with information technology (IT) system upgrades and enhancements. The source of its appropriation is the Information Technology Services Fund (Fund 5L60), which consists almost entirely of money generated by data processing services. The majority of the money comes from data sharing agreements with the Social Security Administration, which uses the information to stop benefit payments.

**C3:7: Federal Grants (ALI 501619)**

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
FED Fund 3230 ALI 501619, Federal Grants	\$3,942,363	\$3,540,000	\$3,540,000
% change	--	-10.2%	0.0%

This line item is used to disburse various federal grants, directly or indirectly awarded, in support of the Department's institutional, parole, community services, education, and program management operations.

<sup>3</sup> Demand response (also known as load response) is the ability for qualifying end-use commercial customers to reduce their use of electricity when wholesale prices are high or the reliability of the electric grid is threatened. In turn, customers who participate receive discounted rates.

**C3:8: Federal Equitable Sharing (ALI 501622)**

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
FED Fund 3CW0 ALI 501622, Federal Equitable Sharing	\$8,380	\$300,000	\$300,000
% change	--	3,480.2%	0.0%

This line item generally pays operating expenses associated with the APA, specifically training and equipment. It is supported with money appropriated from the Federal Equitable Sharing Fund (Fund 3CW0), which consists of payments the APA receives from the U.S. Department of Justice for participation in operations conducted by the U.S. Marshals Service.

In addition to their regular caseloads, APA parole officers participate in task forces with the Marshals Service to search for and arrest offenders who have evaded supervision and become fugitives. The APA receives a share of any forfeiture that may result from these arrests, which frequently includes the vehicle the offender was using to avoid capture. Any law enforcement agencies that are part of a fugitive capture, along with the APA, are paid shares of the forfeiture based on their level of involvement, as well as any overtime incurred.

**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).

**C4:1: Adult Correctional Facilities Lease Rental Bond Payments (ALI 501406)**

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 501406, Adult Correctional Facilities Lease Rental Bond Payments	\$106,987,936	\$72,500,000	\$68,500,000
% change	--	-32.2%	-5.5%

This line item pays for the state's debt service for its obligations incurred as a result of issuing bonds that cover the DRC'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 the Department.

# FY 2024 - FY 2025 Final Appropriations

# All Fund Groups

Line Item Detail by Agency				Appropriations			FY 2023 to FY 2024	Appropriations	FY 2024 to FY 2025
				FY 2022	FY 2023	FY 2024	% Change	FY 2025	% Change
<b>Report For: Main Operating Appropriations Bill</b>				<b>Version: As Enacted</b>					
<b>DRC Department of Rehabilitation and Correction</b>									
GRF	501321	Institutional Operations	\$ 1,192,283,410	\$ 1,267,687,395	\$ 1,317,065,000	3.90%	\$ 1,395,734,000	5.97%	
GRF	501405	Halfway House	\$ 71,364,771	\$ 69,992,688	\$ 78,832,000	12.63%	\$ 84,676,000	7.41%	
GRF	501406	Adult Correctional Facilities Lease Rental Bond Payments	\$ 70,016,716	\$ 106,987,936	\$ 72,500,000	-32.24%	\$ 68,500,000	-5.52%	
GRF	501407	Community Nonresidential Programs	\$ 66,323,074	\$ 62,185,613	\$ 68,680,000	10.44%	\$ 68,680,000	0.00%	
GRF	501408	Community Misdemeanor Programs	\$ 9,339,652	\$ 9,324,096	\$ 9,620,000	3.17%	\$ 9,620,000	0.00%	
GRF	501501	Community Residential Programs - Community Based Correctional Facilities	\$ 84,757,811	\$ 88,835,860	\$ 94,545,000	6.43%	\$ 99,657,000	5.41%	
GRF	503321	Parole and Community Operations	\$ 96,772,216	\$ 107,035,325	\$ 119,720,000	11.85%	\$ 128,654,000	7.46%	
GRF	504321	Administrative Operations	\$ 25,955,016	\$ 25,800,945	\$ 27,304,000	5.83%	\$ 28,530,000	4.49%	
GRF	505321	Institution Medical Services	\$ 282,243,984	\$ 301,293,975	\$ 332,434,000	10.34%	\$ 352,380,000	6.00%	
GRF	506321	Institution Education Services	\$ 37,468,692	\$ 34,956,614	\$ 41,228,000	17.94%	\$ 45,339,000	9.97%	
<b>General Revenue Fund Total</b>			<b>\$ 1,936,525,341</b>	<b>\$ 2,074,100,446</b>	<b>\$ 2,161,928,000</b>	<b>4.23%</b>	<b>\$ 2,281,770,000</b>	<b>5.54%</b>	
4B00	501601	Sewer Treatment Services	\$ 914,003	\$ 884,547	\$ 600,000	-32.17%	\$ 600,000	0.00%	
4D40	501603	Prisoner Programs	\$ 320,057	\$ 270,581	\$ 400,000	47.83%	\$ 400,000	0.00%	
4L40	501604	Transitional Control	\$ 2,392,913	\$ 2,363,707	\$ 2,450,000	3.65%	\$ 2,450,000	0.00%	
4S50	501608	Education Services	\$ 1,618,143	\$ 2,131,908	\$ 4,660,000	118.58%	\$ 4,660,000	0.00%	
5AF0	501609	State and Non-Federal Awards	\$ 910,117	\$ 812,648	\$ 1,300,000	59.97%	\$ 1,300,000	0.00%	
5CV1	501627	Coronavirus Relief - DRC	\$ 26,167,326	\$ 0	\$ 0	N/A	\$ 0	N/A	
5H80	501617	Offender Financial Responsibility	\$ 1,501,656	\$ 636,628	\$ 1,860,000	192.16%	\$ 1,860,000	0.00%	
5T20	501610	Probation Improvement and Incentive Grants	\$ 4,986,485	\$ 5,000,000	\$ 5,250,000	5.00%	\$ 5,250,000	0.00%	
5ZQ0	501505	Local Jail Grants	\$ 0	\$ 0	\$ 75,000,000	N/A	\$ 0	-100.00%	
<b>Dedicated Purpose Fund Group Total</b>			<b>\$ 38,810,701</b>	<b>\$ 12,100,019</b>	<b>\$ 91,520,000</b>	<b>656.36%</b>	<b>\$ 16,520,000</b>	<b>-81.95%</b>	
1480	501602	Institutional Services	\$ 2,694,585	\$ 2,824,864	\$ 2,850,000	0.89%	\$ 2,850,000	0.00%	
2000	501607	Ohio Penal Industries	\$ 28,589,777	\$ 32,242,507	\$ 46,515,000	44.27%	\$ 46,515,000	0.00%	
4830	501605	Leased Property Maintenance and Operating	\$ 1,303,583	\$ 2,140,337	\$ 7,500,000	250.41%	\$ 7,500,000	0.00%	
5710	501606	Corrections Training Maintenance and Operating	\$ 221,568	\$ 1,095,742	\$ 940,000	-14.21%	\$ 940,000	0.00%	
5L60	501611	Information Technology Services	\$ 113,239	\$ 659,527	\$ 500,000	-24.19%	\$ 500,000	0.00%	
<b>Internal Service Activity Fund Group Total</b>			<b>\$ 32,922,752</b>	<b>\$ 38,962,977</b>	<b>\$ 58,305,000</b>	<b>49.64%</b>	<b>\$ 58,305,000</b>	<b>0.00%</b>	

**FY 2024 - FY 2025 Final Appropriations**

**All Fund Groups**

Line Item Detail by Agency			Appropriations			FY 2023 to FY 2024	Appropriations	FY 2024 to FY 2025
			FY 2022	FY 2023	FY 2024	% Change	FY 2025	% Change
<b>DRC Department of Rehabilitation and Correction</b>								
3230	501619	Federal Grants	\$ 1,665,531	\$ 3,942,363	\$ 3,540,000	-10.21%	\$ 3,540,000	0.00%
3CW0	501622	Federal Equitable Sharing	\$ 1,028	\$ 8,380	\$ 300,000	3,480.15%	\$ 300,000	0.00%
<b>Federal Fund Group Total</b>			<b>\$ 1,666,559</b>	<b>\$ 3,950,743</b>	<b>\$ 3,840,000</b>	<b>-2.80%</b>	<b>\$ 3,840,000</b>	<b>0.00%</b>
<b>Department of Rehabilitation and Correction Total</b>			<b>\$ 2,009,925,353</b>	<b>\$ 2,129,114,184</b>	<b>\$ 2,315,593,000</b>	<b>8.76%</b>	<b>\$ 2,360,435,000</b>	<b>1.94%</b>