

**Testimony before the House Finance and Appropriations Transportation Subcommittee
House Bill 59 (Amstutz) – FY 2014-2015 Biennial Operating Budget
Presented by: Gary C. Mohr, Director
Ohio Department of Rehabilitation and Correction
February 27, 2013**

Good morning Chairman McGregor, Ranking Minority Member Reece, and members of the House Finance and Appropriations Transportation Subcommittee. Thank you for providing me the opportunity to speak before the subcommittee today to discuss the Department of Rehabilitation and Correction (DRC)'s Fiscal Year 2014-15 Executive budget request.

Introduction

As you may know, the Vision of the Department is "To reduce crime in Ohio" and our Mission is "To reduce recidivism among those we touch." I am proud to announce that our latest research data reflects that Ohio's recidivism rate continues to drop, now standing at an all time low of 28.7%, which is significantly below the national average of 43 percent. In cooperation with all of our stakeholders and community partners, we are proud of our achievements, but we are not satisfied.

DRC continues to explore avenues to further decrease the number of offenders who return to prison through implementation of reforms enacted by the legislature in the previous General Assembly in House Bill 86 (sentencing reform) and Senate Bill 337 (collateral sanction reform). Sentencing reforms implemented in House Bill 86, particularly those designed to divert first time property and drug offenders to community sanctions, have had a positive impact in reducing our intake and prison population. This is evidenced by the fact that in early 2011, prior to the passage of House Bill 86, Felony 4 and 5 offenders represented 48% of DRC admissions. For the first 11 months after passage of HB 86, the same category of offenses was reduced to 40% of DRC admissions.

Due to these reforms, I am pleased to report that our population currently stands at 49,924 and has been below 50,000 since January of 2012. However, I am concerned that the declines we have experienced in our intake levels are not as great as we originally projected. For example, intake in calendar 2012 declined by 4%, considerably less than the 10% decline we had anticipated. While sentencing reform was previously projected to drop DRC's population to 47,249 offenders by July of 2015, DRC now estimates the prison population will increase to 50,337. These changes in population numbers have major budgetary and prison management implications and may result in the need to reopen beds which have been closed as the population dropped. The cost of reopening any beds is not budgeted. We are hopeful that the full implementation of back end sentencing reforms enacted in House Bill 86 such as the 80 percent recommendation for judicial release will assist us in managing the prison population and further impact recidivism. We are committed to working with Ohio's courts to provide them with the most accurate and consistent information to facilitate appropriate release decisions.

In conjunction with sentencing reforms, the Department is committed to continuing its investment in community corrections programs. In order to address the projected increase in the prison population, DRC's budget request increases funding by \$8.6 million (6%) in fiscal year 2014 and an additional \$3.9 million (8.5%) in fiscal year 2015 to community programs. This will allow Halfway houses, community-based correctional facilities, prison diversion programs, and jail diversion programs a greater capacity to divert offenders into less expensive, more appropriate settings where they will have access to services

tailored to their needs. The additional funding will also allow us to embark upon a more robust performance-based funding system.

3-Tier Prison System and Violence Reduction

Additionally, implementation of Ohio's 3-Tier Prison System is designed to facilitate the Department's mission of recidivism reduction by treating inmates differently. Those inmates who desire to change their lives will be offered increased opportunities to participate in meaningful pro-social programs that will provide them with a sense of hope. I would like to highlight one of our reintegration programs at the Ohio Reformatory for Women which I believe embodies this approach that will provide offenders a sense of hope for change and allow them to engage in positive pro-social activities that can enhance their rehabilitation.

Conversely, inmates who choose to disrupt prison operations will be placed into controlled environments. These inmates will still be afforded programming opportunities which will allow them to move back up the tier system based on their behavior. As you are aware from my previous testimonies before this committee and before other legislative bodies, violence reduction has been a top agency priority. The House Bill 86 assault report that was recently submitted to legislative leadership highlights that violence levels and security threat group (STG) activity in Ohio's prisons has increased during the time period from 2007 to 2011. The Department has been taking active steps to address these issues of violence including:

- Implementation of the 3-Tier System in all institutions;
- Reinstating unit management in all prisons;
- Revision of the profile for STG inmates;
- Development of new objective security classification instruments for male inmates that places emphasis on younger inmates, active and disruptive STG members, and inmates with recent releases from DRC high security prisons;
- Establishment of a Violence Reduction Steering Committee; and
- More routine reporting of violent, assaultive, and disruptive behavior for use by executive staff, policymakers, and prison line staff.

Calendar 2012 was the first full year of our violence reduction reforms being in place, and the data reflects that because of these initiatives (see attached timeline) we are beginning to see positive results. We have seen a 7.2% reduction in total violent rule infractions, and the number of disturbances involving four or more inmates, as defined by the American Correctional Association, has also decreased. This decrease in disturbances we experienced is primarily in level 1 and 2 open compounds. It is important to note that other measures, such as assault and harassment rule infraction rates have increased in 2012, largely due to putting our disruptive inmates in the more controlled settings within the 3-Tier system. These levels of assault and harassment continue to be one of our primary concerns. Additionally, serious inmate on staff assaults remain too high. This underlines the need for additional measures, one of which will be a recommendation in the very near future for legislation to increase potential prison terms for these offenders.

FY 2014-15 Request Flat-Funded Agency Programs

Overall, the Department's General Revenue Fund budget request is \$1.49 billion in FY 2014, and \$1.48 billion in FY 2015. The agency's request represents little change from the Department's projected FY 2013 expenditures of \$1.48 billion. Excluding debt payments and community corrections, the General Revenue Fund budget for operations will decrease below the FY 2006 appropriation after falling for five of the last six years. DRC currently has just over 11,800 employees. This is the lowest staffing level for the Department since FY 1995, despite the inmate population increasing from approximately 42,000 in FY95 to nearly 50,000 today. As is reflected in the OBM Blue Book, the total number of state employees decreased by 2,003 from July, 2011 through July, 2012. Of those reductions, 1,022 or 51% of all reductions were DRC employees. This is due to the completion of the fifth job abolishment in five years. Though the abolishment has not been finalized, this budget will result in a further reduction in staff by approximately 400 filled positions. DRC will continue to manage within its available resources.

Despite the Department's flat-funding over the biennium, DRC is projecting a \$60 million deficit over the biennium due to projected increases in the number of inmates, health insurance premiums and other payroll changes, and inflation in utilities and medical services. These projected increases will require the Department to implement budgetary cuts and further improve operational efficiencies.

Measures to Increase Operational Efficiencies and Reduce Budget

Office of Correctional Healthcare – One of the major initiatives contained within this budget is to fully implement the Office of Correctional Healthcare, an interdisciplinary, holistic program to serve the medical, mental health, and recovery services needs of inmates. Combining all funding lines will increase flexibility and streamline operations of this office.

Recovery Services – DRC is entering into a memorandum of understanding with the Ohio Department of Mental Health and Addiction Services (ODMHA) to develop a strategic plan to reform recovery services both within the prisons and the community. The partnership with DRC and ODMHA will increase the availability of recovery services. In addition, DRC is committed to creating two additional therapeutic communities within the prison system at Grafton Correctional Institution and at Chillicothe Correctional Institution. These programs have been documented to reduce offender recidivism. This partnership with ODMHA will lead to additional intensive programs and more outpatient services.

Food Service – Over the last year, a joint labor/management committee worked tirelessly to examine costs associated with inmate meals. Their hard work resulted in the inmate cost per meal decreasing from \$1.72 in January 2012 to \$1.58 in December 2012. The realities of the deficit facing our agency require difficult decisions be made. After much deliberation, a Request for Proposal was released for food service operations statewide. It is projected that this action will result in at least \$15 million savings annually. There will also be additional contract monitors to insure compliance with the Heart Healthy menu and all applicable DRC policies, rules, and procedures. The vendor will have a contractual preference to hire impacted DRC staff, buy Ohio produce, and purchase OPI meat and milk products. Opportunities for employment will be made available for qualified staff in the Correction Officer ranks.

Revenue Committee – The Director commissioned a committee to find ways to raise revenue in order to decrease DRC's reliance on general revenue funds. Through creative ideas such as harvesting and selling timber from prison land, assessing fees to private companies to utilize DRC data, asset forfeiture, renting unused prison space to other criminal justice agencies, and peak energy demand response program, the group has generated more than \$2 million in savings.

Laboratory – DRC is exploring whether to continue to operate a stand-alone laboratory or to use a private vendor or the Ohio State University. The laboratory at Franklin Medical Center recently revised prices, which will establish a baseline to compare against when a Request for Proposal is released.

Warehouses – DRC is exploring alternative means of providing warehouses and managing procurement of items that are stored at multiple sites. A Request for Proposal will be released to determine what other options exist and how they would impact DRC staff.

Operation Support Center/Franklin Medical Center Zone B – There are ongoing discussions regarding ways to reduce or eliminate the \$1.14 million annual lease for the Operation Support Center (OSC). The lease can only be extended month-by-month until December, 2013. Staff will be notified as decisions are made regarding relocation. One option that is likely to occur is the closure of the majority of the housing units at Franklin Medical Center Zone B (formerly the Franklin Pre-Release Center) and modify areas in order to provide office space for OSC staff. This would lead to a reduction of staff through attrition.

Other Budget Initiatives

Erasing the Lines and Regionalization – The DRC budget request supports a holistic approach to recidivism reduction which moves towards erasing the traditional lines between prison and parole and community services staff, and moves the agency towards a unified organizational chart encompassed by four regions. This move from a centralized management system to a regionalized format will result in the downsizing of our Operations Support Center as indicated above, placing more staff in the field where they can provide services more directly to our offenders.

Focusing on our Staff – It is our intent this year and in the next biennium to focus on our staff, improving skills and competencies, enhancing workforce development and succession planning, and creating positive work cultures in our facilities to foster our mission. Enhanced quality of life on the job means improved work performance in order to achieve the agency goals and foster our mission. Cultural Assessments of our facilities are the key measurement tool to determine whether we are succeeding in enhancing the quality of life for our staff in the field.

Budget Language

The Executive budget proposal contains language proposals that will merge the existing Prison Labor Advisory Council (PLAC) and newly developed Office of Enterprise Development Advisory Board. The Office of Enterprise Development Advisory Board will encompass the duties currently performed by the Prison Labor Advisory Council, as well as work to increase employment and employability of inmates.

Language has also been developed to provide the authority for the Department of Administrative Services to sell state-owned employee housing. On a property-by-property basis, vacant employee housing will be considered for sale. This will allow the Department to focus on its core mission while not negatively impacting any employees.

Conclusion

While the budget I have presented to you today will present challenges to meet our requested appropriation levels that include job reductions, consolidations, and outsourcing of services, I believe the reforms that we are implementing will allow us to provide services that achieve our agency mission in the most efficient manner possible for the taxpayers of Ohio. I am proud of the nearly 12,000

employees of the Ohio Department of Rehabilitation and Correction and I believe that their hard work and dedication is without parallel. I am also proud of our collaboration with our many community partners and criminal justice stakeholders.

In conclusion, Chairman McGregor, and members of the House Finance and Appropriations Transportation Subcommittee, I urge your support of the proposed Executive Budget contained in House Bill 59. I would now be pleased to answer any questions you might have.