

FY11 House Finance Budget Subcommittee

Department of Corrections

Subcommittee Report for FY11

February 25, 2010

The House Finance Budget Subcommittee for the Department of Corrections submits an operating budget for FY11 to the full House Finance Committee as follows:

| Operating Budget | UGF¹ | DGF² | Other | Other | Total |
|---------------------------------|------------------------|------------------------|---------------------|--------------------|----------------------|
| FY11 Adjusted Base ³ | \$211,724,100 | \$16,153,900 | \$16,174,500 | \$3,003,400 | \$247,055,900 |
| FY11 Gov Amend | \$218,227,200 | \$15,302,400 | \$16,548,500 | \$3,003,400 | \$253,081,500 |
| (HFS) Recommendation | \$217,876,600 | \$15,452,400 | \$16,548,500 | \$3,003,400 | \$252,880,900 |

The Budget Subcommittee recommends an operating budget that authorizes \$350,600 less Undesignated General Funds (UGF) than the FY11 Governor's Amended request. There is no increase in the number of employees authorized. The recommended budget requests a total UGF increment of \$6,152,500 as compared to FY11 Adjusted Base.

Subcommittee Recommendations

The subcommittee held six meetings, reviewed all aspects of the Department of Corrections budget and accepted the following changes:

Population Management

- Reduced an increment of \$1,242,800 in UGF by \$138,500 for operating costs for an 62-bed expansion project that may not be completed by July 1, 2010 at the Wildwood Correctional Center.
- Accepted a One-time Only (OTI) increase of \$300,000 to help staff the old Kodiak Jail until the construction of the new jail is completed.

Community Residential Centers

- Accepted a \$500,000 increment to help fund the 43 Community Residential Center beds that were added last year.

¹ UGF stands for Undesignated General Fund – state revenue with no statutory designation

² DGF stands for Designated General Fund – state revenue with a use designated by statute

³ The Adjusted Base is the starting point for subcommittee discussion of the Governor's request. It removes one-time appropriation, reappropriations, and carryforward of multi-year appropriations. It incorporates the FY11 contractual salary increases. (Source: *Legislative Fiscal Analyst's Overview of the Governor's Request*, Page 16)

- Reduced a request for \$400,000 by \$62,100 to accurately reflect the cost of the annual cost-of-living increase (\$337,900) in the Community Residential Center contracts.

Physical Health Care

- Accepted a fund source change from PFD Criminal Funds to UGF in the amount of \$859,500 due to a decrease in PFD Criminal Funds
- Accepted a \$3,050,800 increment in UGF to help meet the current funding shortfall in health care services. As this increase was added to the base funding, it is expected that the cost containment efforts offered by the Department of Corrections will result in enough saving so that it will not be necessary for the Department to request supplemental funding next year.

24-Hour Institutional Utilities

- A separate Request Delivery Unit (RDU) was created to aggregate all utility costs for all the Department's 24-hour institutions into one appropriation.

Offender Habilitation

- All offender treatment and education programs were combined into one appropriation (RDU) with separate components for each for the following programs: Education, Vocational Education, Domestic Violence, Substance Abuse Treatment, and Sex Offender Management.
- Accepted an increment of \$150,000 to allow the Department to expand a construction apprenticeship program to other correctional institutions; however, the subcommittee changed the fund source from UGF to State Employment Training Program funds (STEP).
- Accepted Intent Language relating to the new appropriation "Offender Habilitation" to read as follows:

It is the intent of the legislature that the Department of Corrections will provide detail information to the legislature on a quarterly basis regarding the success of the Offender Habilitation programs with a strong focus on performance and outcomes.

It was an honor and a privilege to chair the House Finance Budget Subcommittee for the Department of Corrections and I thank everyone who was involved with the process. If you wish a copy of the spreadsheet discussed in subcommittee, please contact my legislative aide, Ms. Sheila Peterson, at 465-4936.

Respectfully Submitted,

Representative Mike Kelly, Chair
House Finance Budget Subcommittee