

DEPARTMENT OF CORRECTIONS

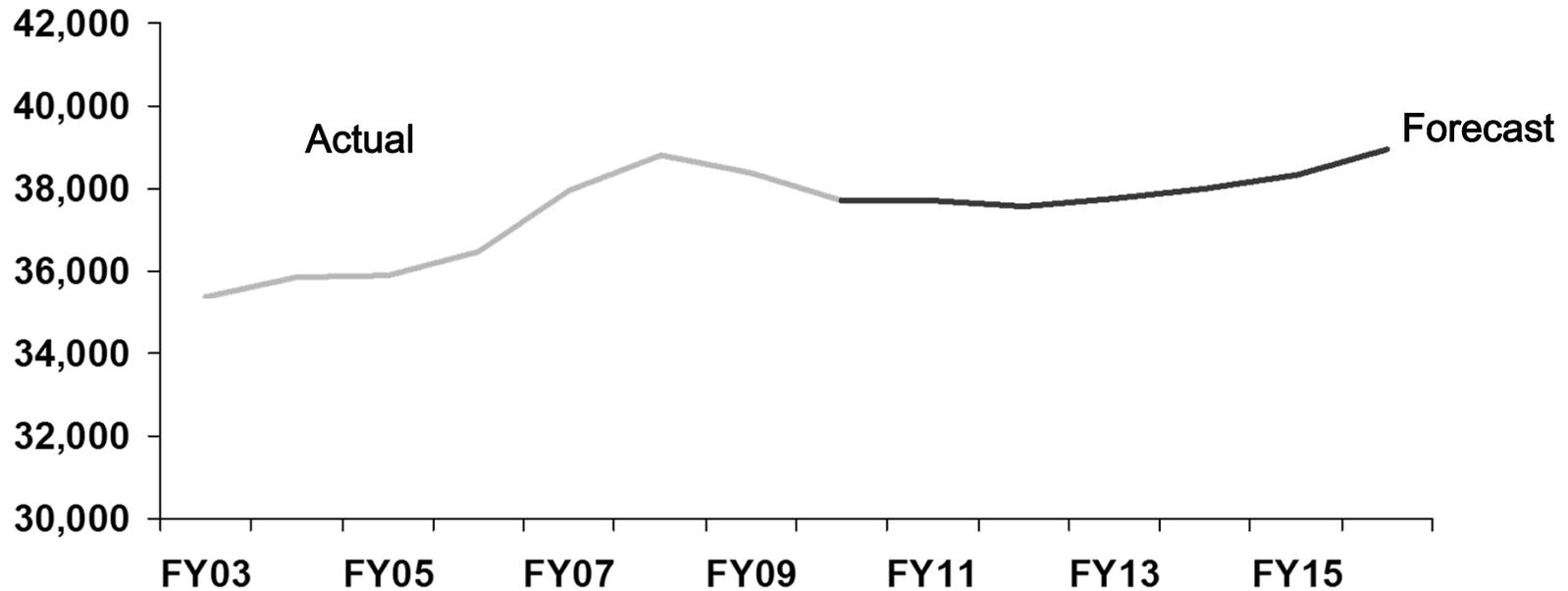


**Presentation to
House Appropriations Committee
October 18, 2010**

State & Local Forecasts

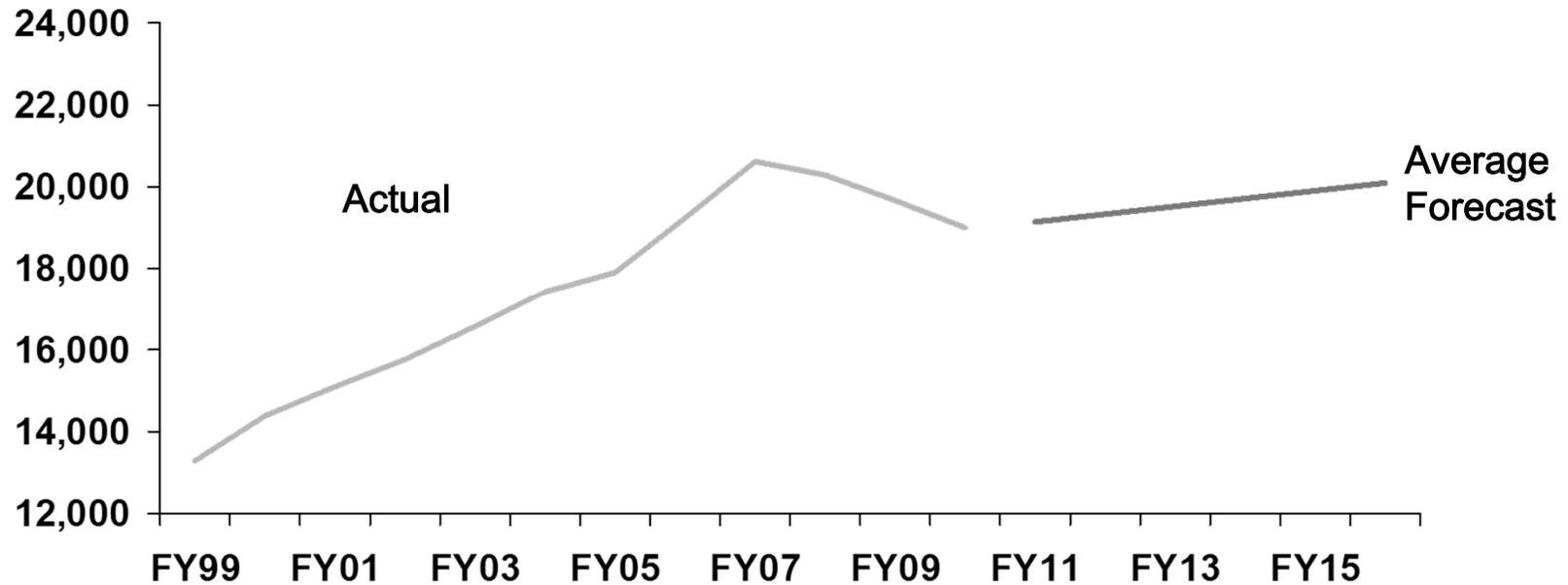
- State Responsible Inmate Forecast
 - Flat with a slight increase in FY15/16
 - Last Year SR forecast - 99% accurate
- Local Responsible Jail Forecast
 - Flat with a slight increase in FY15/16

***State-Responsible Inmate Population Forecast, FY2011-FY2016:
TOTAL Population***



Year	End of FY	Change	Year	DOC	Change
FY03	35,363	3.5%	FY10	37,712	
FY04	35,879	1.5%	FY11	37,707	0.0%
FY05	35,900	0.1%	FY12	37,573	-0.4%
FY06	36,486	1.6%	FY13	37,766	0.5%
FY07	37,957	4.0%	FY14	37,977	0.6%
FY08	38,826	2.3%	FY15	38,341	1.0%
FY09	38,387	-1.1%	FY16	38,947	1.6%
FY10	37,724	-1.7%			
	Avg. growth	1.3%		Avg. growth	0.5%

Local-Responsible Jail Population Forecasts, FY2011-FY2016



Year	FY Avg	Change	Year	DCJS & DPB Avg	Change
FY03	16,575	5.1%	FY11	19,133	0.6%
FY04	17,414	5.1%	FY12	19,339	1.1%
FY05	17,891	2.7%	FY13	19,535	1.0%
FY06	19,233	7.5%	FY14	19,729	1.0%
FY07	20,622	7.2%	FY15	19,922	1.0%
FY08	20,278	-1.7%	FY16	20,116	1.0%
FY09	19,671	-3.0%			
FY10	19,022	-3.3%			
	Avg. growth	2.5%		Avg. growth	0.9%

Bed Situation

- All beds are full
- High level of double bunking
 - 200% at Level 1 and female facilities
 - 172% at Levels 4 and 5
 - 120% at Red Onion
 - Average of 165% across all facilities
- Temporary Emergency Beds are still in use

Bed Situation (con't)

- Green Rock beds leased to Pennsylvania
 - \$20.3M per year
 - \$10M operates St. Brides Phase 2
 - \$10M to General Fund
- Mt. Rogers beds not funded to open
 - \$715,000 per year for mothballing
 - 6 FTE

Decision Making When Closing Is Inevitable to Accommodate a Budget Shortfall

- The Mission of the Facility
- The Age & Condition of the Facility
- Cost of Maintenance & Costs of Repairs
- Operational Costs (per inmate costs for operation)
- Facility Provides Mandated or Specialized Programming
- Availability of Beds at the Appropriate Security Level to Transfer Inmates
- Impact on Staff and Ability to Place
- Balancing the Shortfall with the Facility Costs of Operation
- Local impact, particularly in high unemployment areas

Impact on Local Communities

- Closing a Field Unit = \$3M to \$7M annual operating budget and 45 to 100 positions
(Field Units house 130 to 488 inmates)
- Closing a Major Institution = \$20M+ annual operating budget and 350+ positions
(Major Institutions house 800 to 1,000 inmates)

BUDGET

- **Annual Shortfalls = \$25M (Require Utilization of Turnover and Vacancy)**
 - Information Technology Requirements - \$13.57M
 - Utilities - \$6.76M
 - Gasoline - \$2.89M
 - Probation and Parole Office Leases - \$1.73M

Ongoing FY11 Annual Reductions Enacted by Chapter 874:

- Use Vacancy Savings or Other Efficiencies - \$1.52M
 - This reduction will require further use of Turnover and Vacancy
- Reduce Equipment Funding - \$1.25M
 - This reduction will require further use of Turnover and Vacancy; or
 - Cause further deterioration of the Department's fixed assets

Ongoing FY12 Annual Reductions Enacted by Chapter 874:

- Additional Reductions (Which May Include Closure of One or More Facilities) - \$10.95M
 - Reduction could lead to closure of more beds which would increase State-Responsible Out-of-Compliance Offenders (3,500 – as of October 12, 2010)

Unfunded Increases in FY12 Medical Costs:

- FY12 Funding Removed for Inmate Medical Costs - \$4.7M
- The Department faces approximately \$16.1M in unfunded inmate medical costs in FY12 (includes funding to resolve the removal of \$4.7M listed above)
- Increased costs driven by growth in outpatient medical expenses. The DOC average inmate is older, with more severe medical needs. Inmates entering the system also have more severe medical needs.

Annual Impact of Recent VITA/NG Rate Increase:

- DOC notified July 16th the VITA will increase its annual charges by \$2.42M (13.33% increase)
- While the percentage increase is less than the 15% increase applied to all state agencies, the effect on DOC is enormous (equal to what DOC pays to run a small Field Unit)
- It would take nearly 50 fully fringed Correctional Officer positions to cover this rate increase

Virginia Sickness and Disability Program (VSDP) – Staffing/Budget Issues:

- DOC spent \$6.7M on VSDP in FY10
- It would take nearly 134 fully fringed Correctional Officer positions to cover cost associated with VSDP
- DOC needs improved case management by the third party administrator, UNUM, to ensure employees return to work as promptly as possible

Summary

- Our beds are full
- Our budget has been reduced repeatedly over the last decade
- Decisions on closures are difficult
- Closures have enormous implications