

Department of Corrections



House Appropriations Public Safety Subcommittee January 23, 2014

Harold W. Clarke, Director

Base Budget Shortfalls that Impact Security Operations

- DOC's annual budget (not counting inadequate resources for Education) will begin the fiscal year with a shortfall of approx. **\$32.5M** (equivalent to approximately 650 Correctional Officer positions).
- This includes an “Administrative Efficiency” requirement (Chapter 806, paragraph G, item 471) likely to be \$2.6M.
- DOC's Division of Education begins the fiscal year with a shortfall of approx. \$2.3M which also has to be resolved by maintaining vacancies. This brings the total shortfall to approx. **\$34.8M**.

Base Budget Shortfalls that Impact Security Operations

- Among the items creating the gap are:
 - Information technology, utilities, gasoline, insurances and P&P District office leases.
 - Note: Governor's Introduced Budget proposes \$800,000 in FY15 and FY16 for P&P office leases. However, this still leaves a deficit of \$1.2M for P&P office leases.
- The Department resolves this gap by holding positions vacant.
- While the application of a vacancy rate to meet the shortfall is applied against all functions (excluding medical), Security positions are most adversely impacted because they comprise the majority of DOC's workforce.

Culpeper Correctional Center

- Governor's Introduced Budget for FY15/FY16 provides funding and FTE for DOC to transition Culpeper Juvenile Correctional Center to an adult female correctional center.
- The conversion of this facility is possible due to two trends in correctional populations:
 - The juvenile population continues to trend downward.
 - The adult female population continues to slightly trend upwards.

Culpeper Correctional Center

- While funding provided meets staffing needs, no resources are provided for necessary equipment and upgrades required to operate this location as an adult female correctional center.
- The repurposing of Culpeper Correctional Center will be effective July 1, 2014. DOC did not receive any funds in the current fiscal year to support this effort.

Culpeper Correctional Center

- Governor's Introduced Budget provides funding and positions to:
 - Operate 3 of 5 housing units which will be double bunked; funded at a level of approximately 300 beds
 - Close building #1 at the Virginia Correctional Center for Women and realign approximately 170 offenders from existing DOC female facilities to Culpeper.
 - Intake approximately 130 state-responsible female offenders from local and regional jails into DOC facilities.

Culpeper Correctional Center

- Currently there is no Appropriation Act language or written agreement that identifies equipment or supplies that will be left on site for DOC to utilize.
- Reequipping the facility will be expensive.
- The Director of DJJ has indicated that they plan to leave all existing equipment in place with the exception of vehicles, radios and restraints.
- DOC sent a team of individuals to evaluate equipment and maintenance upgrade requirements last week. The Department anticipates needing approximately \$2.5M in necessary additional equipment and maintenance.

Culpeper Correctional Center

- If DOC cannot be provided additional funds necessary for equipment and maintenance upgrades, savings will be generated by adversely impacting staff employment.
- With adequate funding, the majority of individuals currently working for the DJJ facility will retain their employment working for the DOC (preventing a negative impact on employees, their families and the community).

Privatized Healthcare Services (Provided by Corizon)

- Previous health care cost for 17 of Virginia's facilities totaled \$91 million/year.
- In response to an RFP in 2012, Corizon proposed \$76 million/year for those facilities based on a capitated financial arrangement.
- The contract with Corizon began on May 1, 2013 with a two year term and five (one) year renewal options.
- As a result of the new contract, beginning in FY 2014, the Department's operating budget was reduced by **\$10.2 million**.
- Corizon has indicated the potential loss of between \$7-\$10 million during the first contract year.
- Given the fiscal concerns raised by Corizon to operate within the terms of the existing agreement, the Department plans to initiate a new solicitation in January for health care services.

Medicaid Offender Inpatient Hospital Program

- During the 2013 General Assembly session, a new initiative was implemented to enroll eligible inmates in the Medicaid program for off-site inpatient care, up to the maximum extent permitted under Virginia’s current eligibility standards, effective July 1, 2013.

Current Eligibility Criteria	Financial Requirements
Aged – 65 years and older	\$766 or less per month/assets of \$2,000
Pregnant Women	\$1,274 or less per month/asset requirements not applicable
Disabled – Disability Determination made according to Social Security guidelines	\$766 or less per month/assets of \$2,000

- As a result of this initiative, the Department’s operating budget was reduced by **\$2.7 million**.

Medicaid Expansion

- Virginia's approval of Medicaid Expansion could increase the number of eligible offenders to approximately 24,000 or more.
- If expanded, the Department would recommend that the Department of Medical Assistance Services (DMAS) be identified as the first payee for all offenders for inpatient hospitalization.
- This would eliminate the need for manual retractions of payments currently made by Anthem (the Department's third party administrator) and ensure payment of the co-pay required for each hospital admission.
- Neither the DOC nor DMAS currently has the authority to submit Medicaid applications on behalf of inmates who refuse or are unable to sign the application. Legislative language (Item 384J.2) is currently proposed that would allow the Director, or his designee, to sign the Medicaid application for any offender who refuses or is unable to do so.

Appropriation Act Language Change

- Currently, Item 384.J.1 (page 319) of the Act requires DOC to assume responsibilities that are currently assigned to the Department of Medical Assistance Service (DMAS).
- DOC is not supportive of this language and has provided a copy of recommended changes to the Act which will improve the inmate Medicaid program.

HB 1052: Method of Execution

(Patron: Delegate Jackson Miller)

- This is a procedural bill which will enable the Department to continue to comply with court orders of execution by allowing the Department to substitute an unavailable method of execution with the method that is available.
- If the Director of DOC certifies that lethal injection is not available, the Department would be allowed to use electrocution as the default means of execution.

HB 1052: Method of Execution

(Patron: Delegate Jackson Miller)

- Since 2009 the Department has encountered difficulties accessing drugs for the lethal injection cocktail.
 - Thiopental- production of the drug has been suspended by the manufacturer due to its use in capital punishment.
 - Pentobarbital- has become inaccessible to Departments of Corrections.

HB 1052: Method of Execution

(Patron: Delegate Jackson Miller)

- DOC has attempted to secure alternative drugs but has encountered difficulties attaining alternatives and the drug that DOC currently has (pentobarbital) expired November 30, 2013.
- Without this procedural change, the Department could be faced with an inability to comply with an order of the court where the chosen method is unavailable.

Closing Remarks

- The conversion of the Culpeper facility to an adult female correctional center will provide needed female beds to the DOC while allowing DJJ the opportunity to reorganize operations (with minimal impact on staff and community).
- DOC continues to make extensive efforts to contain cost increases for offender health care even as the population ages and has more chronic medical conditions.
- DOC plans to initiate a new solicitation for privatized health care services. Given the fiscal concerns raised by the current vendor (Corizon), it is highly likely additional resources will be required.
- Language is needed to allow DOC options to carry out court ordered death sentences when the chosen method of execution is not available.