

FY 2019-20 BUDGET

Winter 2019

BUDGET TESTIMONY

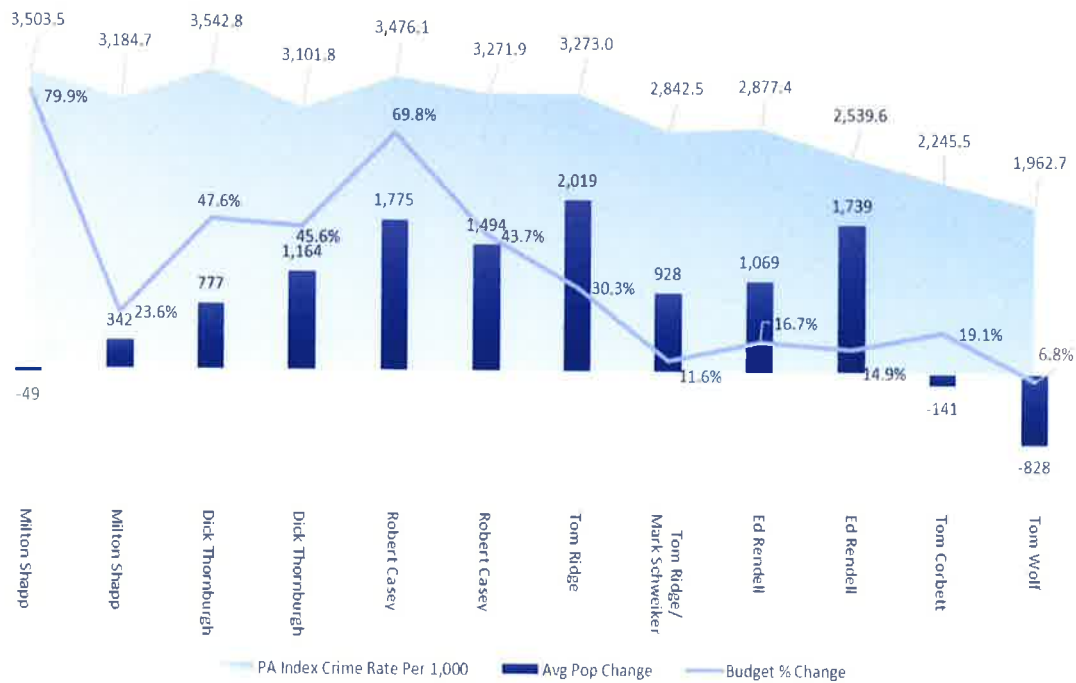
Pennsylvania Department of Corrections
Secretary John E. Wetzel

2018 was one of the most challenging years in the Department's history.

We suffered a tragic loss with the murder of Sgt. Baserman. We addressed this loss by increasing and enhancing our defense tactics training and eliminating Timberland boots. We then moved an entire prison in less than a week from old SCI Graterford to newer, safer SCI Phoenix without an escape. This cost us \$10.5M in overtime, but saved us millions in avoiding an escape—in fact, it cost New York \$23M to catch the fugitive when an inmate escaped. Then after an alarming increase of drugs in our prisons exemplified by a jump of inmate overdoses and staff exposures in July and August, we locked down all of the prisons for 12 days to strategize and quickly implement a plan to block the avenues in which drugs were being introduced into our prisons.

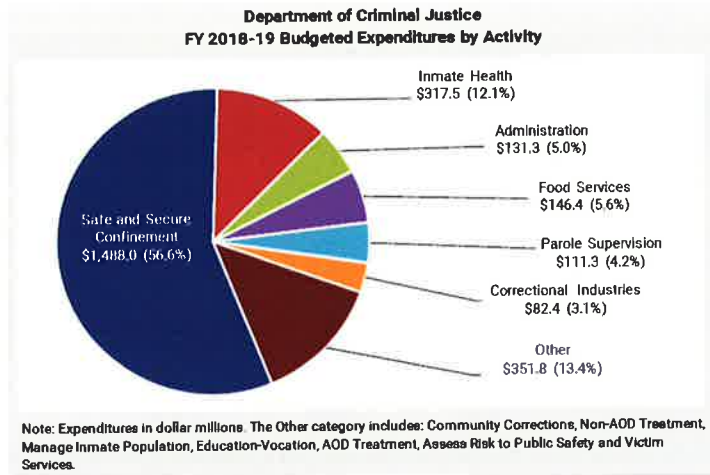
Despite these challenges, and with the unwavering support of Governor Wolf, the Pennsylvania Department of Corrections (DOC) has seen an unprecedented reduction in prison population, as well as a reduction in spending increase all while crime rates in Pennsylvania continue to decline. In fact, the crime rate is at a level **not seen since 1968**. As of December 2018, the DOC population was 47,370 (-2.2%), the **largest one-year population drop in the Department's history**.

**DOC Population , Budget, and PA Index Crime Trends
FY 1971-72 thru FY 2019-20**



PERFORMANCE BASED BUDGETS

- DOC and the Pennsylvania Board of Probation and Parole (PBPP) were part of the first group of agencies to participate in the performance budgeting initiative. DOC and PBPP identified 13 different activities that drive the budget.



- These activities will be tied to outcomes such as recidivism, employment rates, and relapse rates
- The activities were tied to expenditures that hit during each fiscal year

**Department of Criminal Justice
Expenditures by Fiscal Year**

	13-14	14-15	15-16	16-17	17-18	18-19
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditure by Activity						
Manage Inmate Population	\$54.5	\$62.9	\$66.2	\$69.6	\$71.6	\$72.1
Assess Risk to Public Safety	16.2	17.1	17.8	19.1	17.8	18.7
Safe and Secure Confinement	1,194.8	1,306.4	1,354.3	1,442.6	1,424.9	1,488.0
Inmate Health	253.4	250.6	287.3	282.6	301.7	317.5
Food Services	143.6	142.9	144.4	146.1	135.0	146.4
Education-Vocation	46.1	49.9	52.4	53.7	52.4	52.4
Correctional Industries	57.7	64.7	62.2	68.8	76.4	82.4
AOD Treatment	37.0	39.4	37.8	35.9	34.8	35.1
Non-AOD Treatment	63.6	69.3	75.6	79.5	78.7	81.1
Community Corrections	96.5	112.0	117.3	110.7	88.0	90.1
Parole Supervision	95.4	99.1	103.0	112.9	106.2	111.3
Victim Services	1.6	1.8	1.8	2.0	2.4	2.3
Administration	127.4	125.7	133.8	149.6	149.4	131.3
Total	2,188.0	2,342.0	2,454.1	2,573.1	2,539.3	2,628.5
Expenditures by Object						
Personnel Services	\$1,607.2	\$1,742.0	\$1,861.8	\$1,955.1	\$1,970.0	\$2,007.5
Operational Expenses	557.0	592.2	567.7	614.1	587.7	601.9
Grants	15.7	15.0	15.6	15.5	5.0	5.1
Non-Expense Items	8.1	-7.1	9.0	-11.5	-23.4	14.1
Total	2,188.0	2,342.0	2,454.1	2,573.1	2,539.3	2,628.5
Expenditures by Fund						
General Fund	\$2,120.8	\$2,248.3	\$2,381.0	\$2,469.4	\$2,416.6	\$2,539.5
Justice Reinvestment Fund	0.0	0.0	0.0	0.5	2.1	2.2
Manufacturing Fund	57.8	64.7	62.2	68.8	76.4	82.4
Federal Funds	3.9	5.4	5.1	3.4	4.9	4.0
General Fund Augmentations	5.5	23.6	5.7	31.1	39.3	0.5
Total	2,188.0	2,342.0	2,454.1	2,573.1	2,539.3	2,628.5

Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.

State Annual Costs Per Inmate

	FY 2006	FY 2011	FY 2016	AAGR ¹ 2006-11	AAGR ¹ 2011-16
New York	\$42.8	\$54.0	\$66.8	4.8%	4.3%
Maryland	51.8	61.3	73.8	3.4	3.8
Delaware	34.1	39.6	46.8	3.0	3.4
New Jersey	51.9	61.0	70.4	3.3	2.9
Pennsylvania	35.3	37.0	42.7	1.0	2.9
U.S. Average	35.9	40.5	45.4	2.4	2.3
Ohio	32.6	31.9	33.7	-0.5	1.1
West Virginia	37.5	40.4	42.0	1.5	0.8

Note: Dollar amounts in thousands. State operating budgets may include different types of costs which make direct comparison between states inappropriate.

Source: U.S. Census Bureau, Annual Survey of State Government Finances and Bureau of Justice Statistics. Calculations by the IFO.

¹Average annual growth rate.

DRUG INTERDICTION EFFORTS

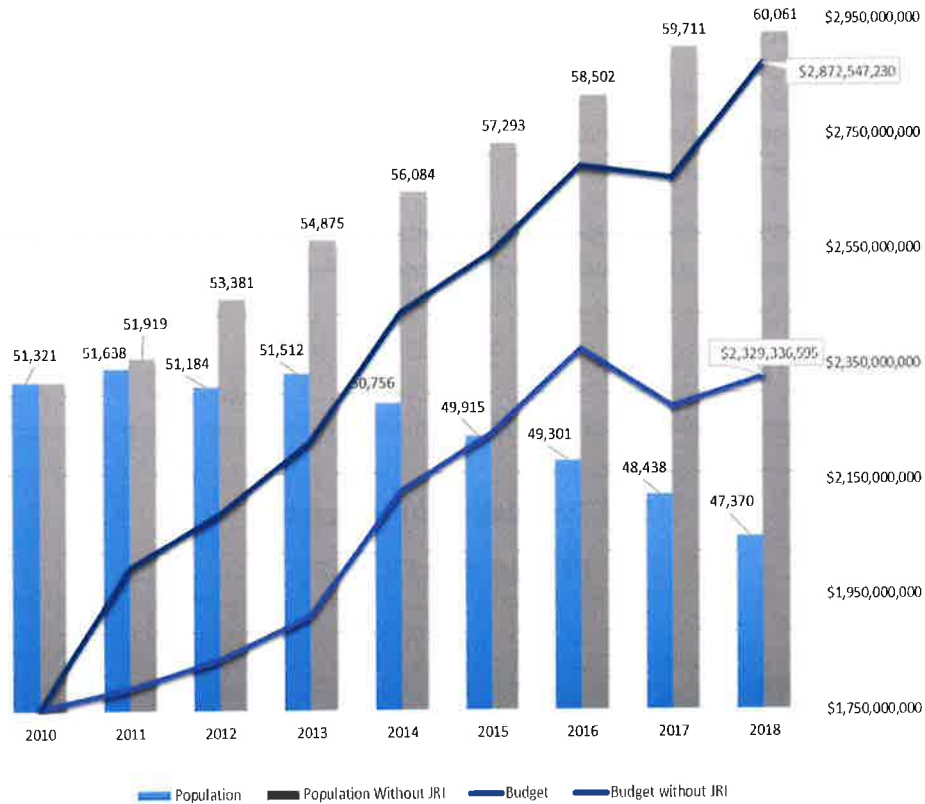
In Summer 2018, there were increasing numbers of DOC staff exposed to unknown drugs entering the prison system. As DOC has a zero-tolerance rule for any drugs entering prison, a statewide lockdown was instituted for 11 days. In those days, a comprehensive plan to deal with all avenues of drug entry was created and immediately put into effect. Some of the solutions were:

- Train ALL DOC staff on the **use of personal protective equipment (PPE)** and procure PPE for all areas
- Procure **body scanners** for each SCI and some community corrections centers
- Contract a third-party vendor to **scan all incoming** inmate mail from family and friends
- Expand the **K9 drug interdiction** unit
- **Increase staffing** in the visiting room
- Suspend the use of vending machines until the body scanners are in place
- Create the **Security Processing Center** for books and packages
- Procure **ion scanners** for both staff and inmates
- Procure **drone detection systems** at each SCI
- Determine **performance indicators** to look at the effects of the drug interdiction efforts
 - ⇒ The rate of inmate drug finds per 1,000 inmates decreased from 5.9 drug finds per 1,000 inmates in August 2018 to 3.4 drug finds per 1,000 inmates in December 2018, a 42% decrease.
 - ⇒ The percent of random inmate drug tests which came up positive for drugs decreased from 1% in August 2018 to 0.9% in December 2018, a 10% decrease.
 - ⇒ Violent incidents per 1,000 inmates decreased from 5.3 violent incidents per 1,000 inmates in August 2018 to 4.2 violent incidents per 1,000 inmates in December 2018, a 21% decrease.

- ⇒ The number of drug-related inmate misconducts issued per 1,000 inmates decreased from 10.4 drug-related misconducts per 1,000 inmates in August 2018 to 5.7 drug-related misconducts per 1,000 inmates in December 2018, a 45% decrease.
- ⇒ The rate per 1,000 inmates of inmate trips to the Emergency Room for exposure to drugs decreased from 0.6 per 1,000 inmates in August 2018 to 0.1 per 1,000 inmates in December 2018, an 83% decrease.
- ⇒ The number of staff sent to the ER for drug exposure decreased from 48 staff in August 2018 to 0 staff in December 2018.

DOC Population and Budget Actual Versus No JRI

FY2010 thru FY2018



JUSTICE REINVESTMENT

- ◆ The significant turning point was the bipartisan support of Act 122 the Justice Reinvestment Initiative (JRI) in 2012. Since June 2012, the Department of Corrections’ inmate population has declined 4,223 in the six and a half years since the implementation of JRI and Act 122.
- ◆ Through JRI efforts and internal efficiencies, we have reduced prison population for 5 consecutive years. As a result of the criminal justice reform efforts implemented in 2012, the prison population is **26.8% lower** than it would have been without JRI. Our budget is **23.3% lower (\$543 M)** than it would have been without JRI.
- ◆ Between 2005 and 2009 our population was growing so rapidly, an estimated 26%, that state prison inmates had to be housed in counties and two other states. In 2010, our prison population was projected to grow to approximately 60,000 inmates by 2018.

JUSTICE REINVESTMENT 2

- ◆ There are three main policy components of the JRI2 proposal which are intended to reduce the DOC population: 1) presumptive parole at the min date for short min, non-violent inmates, 2) redesign and expansion of the SIP program, and 3) use of swift and certain sanctioning among parole violators (aka “quick dips”).
- ◆ These JRI2 policies are projected to reduce the DOC population by approximately 700 inmates by June 2023.
- ◆ Approximately 80% of the population reduction impact is anticipated from the first policy – presumptive parole. The SIP expansion and “quick dips” account for the other 20%.
- ◆ The associated total cost savings for these JRI2 policies is \$48.3M.
- ◆ Approximately half of the cost savings (\$23.8M) are anticipated to be reinvested through FY 2023, into improving the Criminal Justice system, including \$21.8M to be reinvested in county probation.

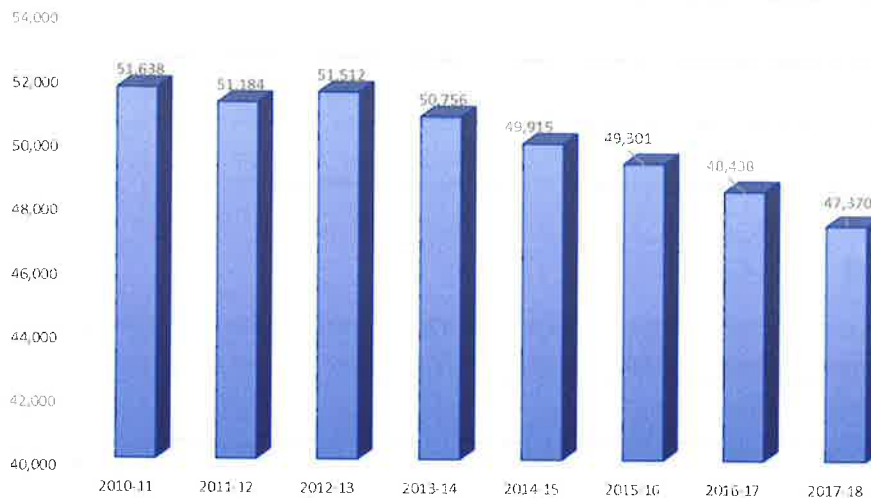
DECREASE IN COURT ADMISSIONS

- ◆ One reason for a decline in court commitments is the invalidation of **certain mandatory minimum sentences**, including mandatory minimum sentences for drug crimes in Pennsylvania following the U.S. Supreme Court decision in 2013 and Pennsylvania Supreme Court decision in 2015.
- ◆ Court commitments may have also declined as a result of smarter approaches to divert low level, non-violent offenders from state prison, and as a result of a continued reduction in crime in Pennsylvania based on the most recent numbers available.

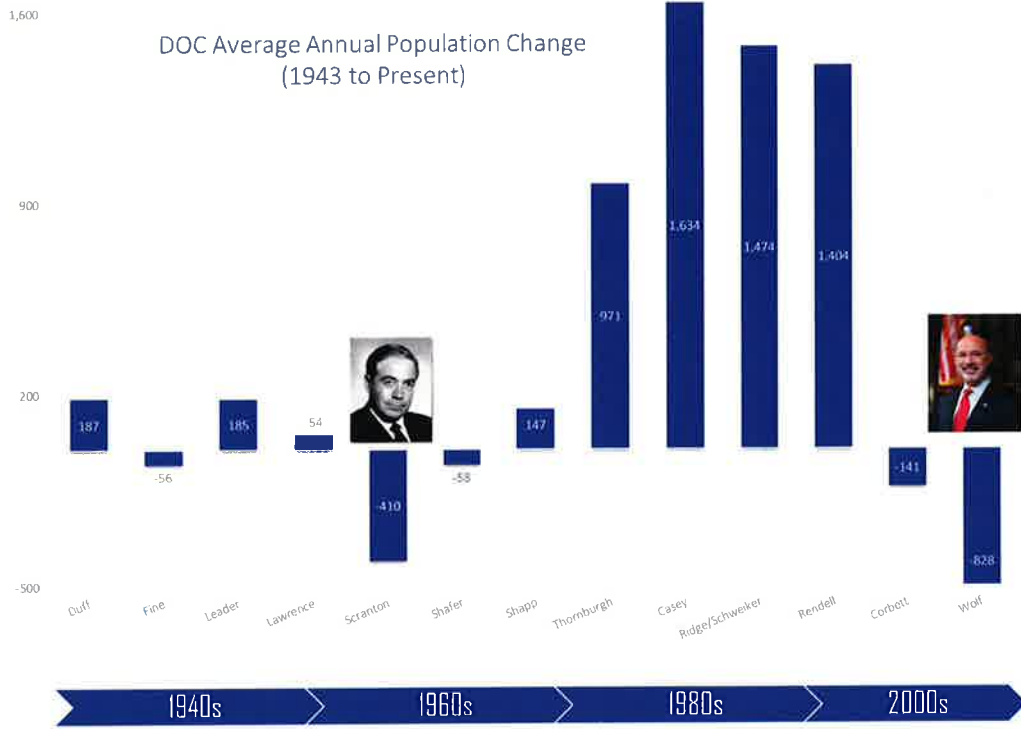
DOC POPULATION REDUCTION

- ◆ The DOC population has steadily declined since FY2012. The most recent year was a drop of more than 1,000, a move unheard of before JRI.

DOC Population in December
FY2010 thru FY2017



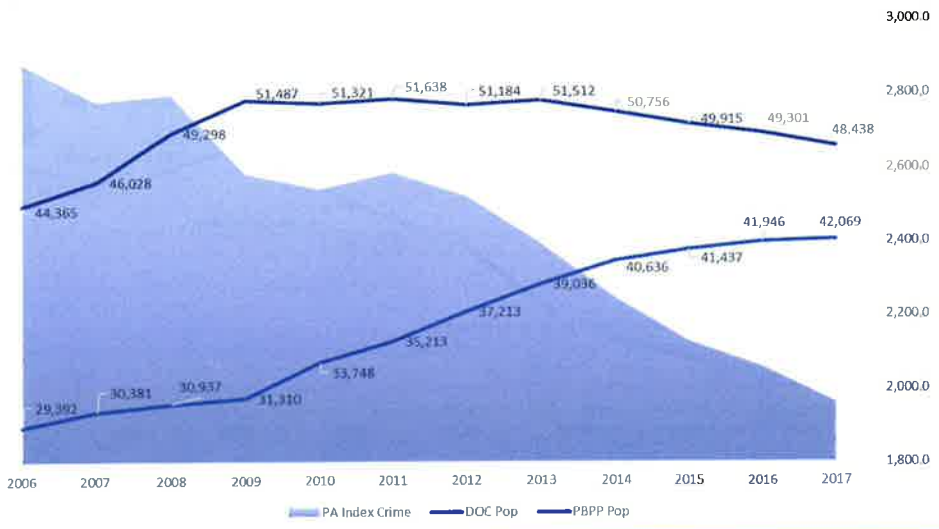
- ◆ The population dropped from its peak of 51,757 in June 2012 to currently 47,406, which is a 4,351 inmate population drop over the last roughly 6.5 years. Approximately 3,350 of this 4,351 inmate reduction occurred under Governor Wolf. We set a target for Wolf’s first term to reduce the inmate population by 2,650 and we are exceeding that target.



CRIME & DOC AND PAROLE POPULATIONS

- ◆ As the DOC population declines and the PBPP population steadily increases, the PA Index crime rate per person drops precipitously.
- ◆ While the DOC inmate population dropped by 5.3% from 2012 to 2017, the Pennsylvania crime rate dropped by more than 18.4% during the same time.

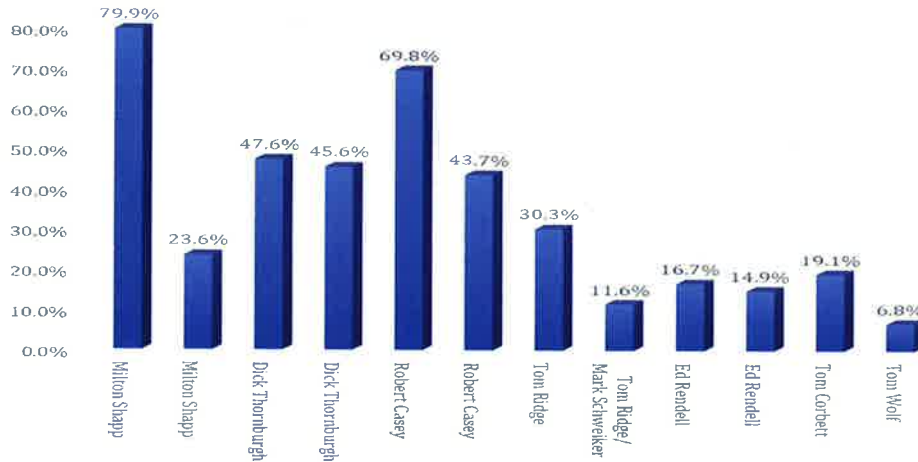
DOC and PBPP Population and PA Index Crime Rate per 100,000 2006 thru 2017



DOC BUDGET STEWARDSHIP

- ◆ The DOC has faced many challenges over the last four years including increasing services to inmates with higher levels of risk, mental health issues, and substance use disorders (SUD). Despite these challenges, the DOC has managed to hold the budget expenditures to **only 6.8% growth** over Governor Wolf's first term, lower than any other governor in over 50 years.

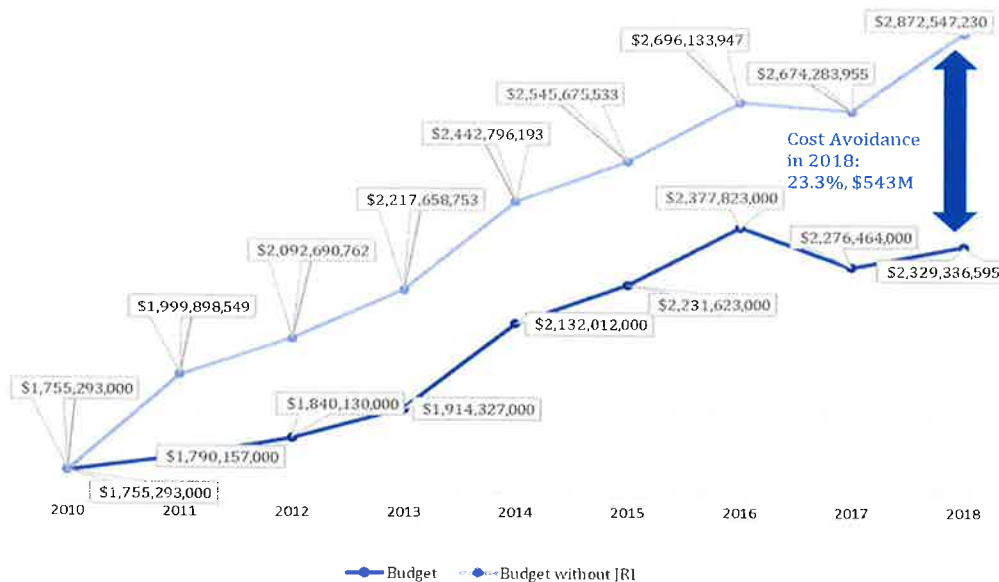
DOC Budget Over the Term Percent Change by Governor



- ◆ Further, we have avoided **over \$543 Million** in budgetary expenditures that would have occurred if the population continued on the pre-JRI trend.

DOC Budget Versus Budget without JRI

FY2011-12 thru FY2018-19



SCI PHOENIX

- ◆ The move from SCI Graterford to SCI Phoenix was a huge success— with no escapes or unexpected occurrences.
- ◆ The newer, safer prison provides health benefits for the staff and inmates alike, as it is a tobacco-free facility.
- ◆ Operating SCI Phoenix will save the DOC approximately \$53.3M in FY19-20 and \$17.2M thereafter.

REDUCING OVERTIME

- ◆ Overtime spending continues to decrease, from \$103.6M in FY 2014-15 to \$93.8M n FY 2017-18.
- ◆ Centralized hiring has reduced corrections officer vacancy rate to less than 1%.
- ◆ The DOC has developed a dashboard as a dynamic management tool that will allow the agency leadership to have real time access to significant overtime drivers and adjust accordingly.

SCI Overtime Report at State Level for pay period up to 2/8/2019

FY18-19 (Pay Period 15)

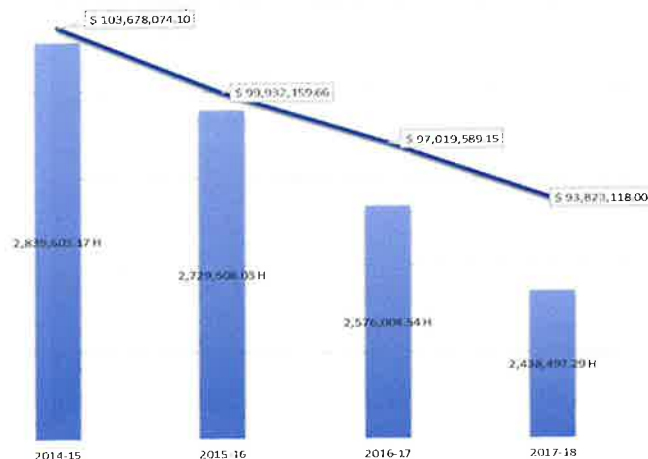
1. Overtime Statistics

Total Overtime Hours		Total Overtime Cost (in \$ thousands)	
This Pay Period	Year to Date	This Pay Period	Year to Date
86,372 (current)	1,395,002	4,268.2 (current)	67,827.7
84,627 (FY17-18) Straight line forecast: 2,418,003	1,119,333 (FY17-18) ▲ UP	4,196.8 (FY17-18) Straight line forecast: 117,566	52,883.5 (FY17-18) ▲ UP



- ◆ The recent drug interdiction efforts have increased overtime by about \$4.6M and the move to Phoenix cost about \$11.4M in overtime. Therefore, the FY18-19 overtime spend is expected to be around \$108M. Without the extra \$15M for these two unique initiatives, the overtime spend would have been flat for the year, despite contractual increases in salaries.

DOC Overtime Cost and Hours FY 2014-15 to FY 2017-18

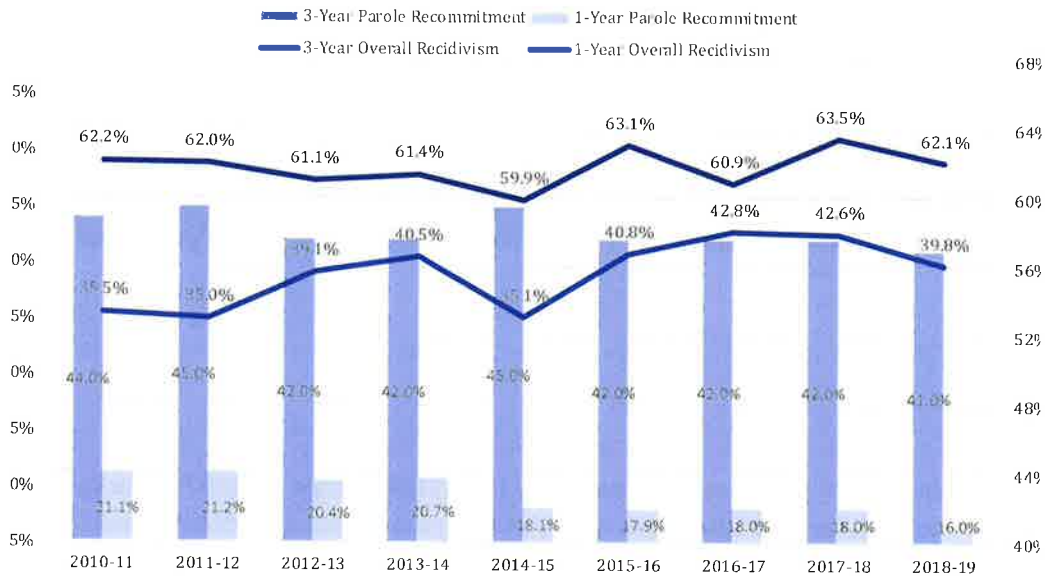


RECIDIVISM & CRIME

- ◆ The percent of parolees who were arrested in a month dropped by 14% from 2017 to 2018. That translates to approximately 79 less parolees who were arrested by the police for a new crime in 2018.
- ◆ Overall Recidivism and Parole Recommitment rates went down in FY17-18 (1- and 3-year).
- ◆ Pennsylvania crime rates continue to decline. In 2017 (the latest official crime statistics available), the crime rate dropped by 4.7% in Pennsylvania, which was 1.4 percentage points more than the nationwide crime drop in 2017.

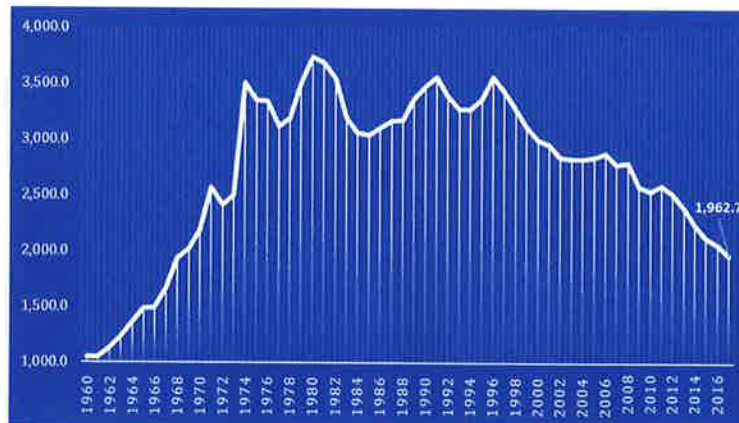
Overall Recidivism and Parole Recommitment Rates

FY2010-11 thru FY18-19



Pennsylvania Index Crime Rates per 100,000

1960 thru 2017



- ◆ Pennsylvania has the 3rd lowest crime rate in this region of the United States (only New Jersey and New York are lower).

	FY 2006	FY 2011	FY 2016	AAGR ² 2006-11	AAGR ² 2011-16
New Jersey	2,663	2,453	1,783	-1.6%	-6.2%
Ohio	4,028	3,663	2,876	-1.9	-4.7
Pennsylvania	2,867	2,577	2,059	-2.1	-4.4
Maryland	4,151	3,346	2,753	-4.2	-3.8
Delaware	4,072	3,967	3,273	-0.5	-3.8
New York	2,514	2,303	1,913	-1.7	-3.6
U.S. Average	3,652	3,190	2,825	-2.7	-2.4
West Virginia	2,886	2,590	2,409	-2.1	-1.4

Source: U.S. Census Bureau and Federal Bureau of Investigation. Calculations by the IFO.

¹Rate of crime occurrences per 100,000 state residents. It includes eight types of crime: willful homicide, forcible rape, robbery, burglary, aggravated assault, larceny over \$50, motor vehicle theft and arson.

²Average annual growth rate.

MEDICAL AND MENTAL HEALTH POPULATIONS

- ◆ As of December 31, 2018, the DOC counted 10,431 inmates over the age of 50, 22.2% of the total inmate population. That percentage has steadily increased since 1995. 82% of those inmates are on medication that costs the DOC \$2.9 million per month. Additionally, we have three special long term care units, combining both skilled and personal care, in which we have 407 male inmates at SCI Laurel Highlands and Waymart, plus 12 female inmates at SCI Muncy.
- ◆ HIV - approximately 518 inmates are currently being served and the program is expected to save the DOC \$4.0 million annually in cost avoidance, and more than \$13.4 million since inception (including FY18-19).
- ◆ Hepatitis C - an expensive treatment program that will increase costs by about \$13.3 million next year. The average cost per inmate for Hepatitis C treatment is \$18,200.
- ◆ Overall, approximately 33.1% of our entire population is being treated for a mental illness. Nearly 30.9% of our male population is actively receiving mental health treatment, with 8.1% (3,512) being diagnosed with a serious mental illness. Among the female population, 68.6% (1,809) are currently receiving treatment and 18.2% are diagnosed with a serious mental illness.

COST SAVINGS

- ◆ The Special Pharmaceutical Benefits Program, which began in FY2015-16 and allows the DOC to procure drugs at reduced prices through the federal program, continues to net increased savings. We estimate our cost avoidance at more than \$4.0M for FY2019-20. This program has saved the DOC \$10.2M since inception.
- ◆ The DOC has also entered an agreement with the Department of Aging to enroll qualified inmates into the Pharmaceutical Assistance Contract for the Elderly (PACE) program resulting in an annual savings of \$3.9M for the DOC in additional rebates from the drug manufacturers.
- ◆ The DOC recently entered into a food contract service to consolidate savings. In FY17-18, the DOC saved approximately \$4.5M.

DOC & PBPP IMPACT THROUGH THE MOU

- ◆ As a result of our MOU between DOC and PBPP, we have been able to combine efforts and cultures to work toward a collective goal of safer Pennsylvania communities and rehabilitated returning citizens.
- ◆ This union provides the opportunity to streamline practices, eliminate duplicative efforts, and ensure a strong reentry structure that will increase reentrant success and reduce recidivism.
- ◆ There is no impact on the independent decision-making of the Parole Board or the Sexual Offenders Assessment Board nor the important work of the Office of Victim Advocate.
- ◆ Impact of the MOU:
 - ◆ The percent of the supervised parole population who recidivate (are rearrested or reincarcerated) in a month has dropped from 1.8% of the parole population in the year before the consolidation, to 1.7% of the parole population since the merger. This translates to approximately 41 less recidivists per month since the merger, or a total of approximately 615 less recidivists in the 15 months since the merger.
 - ◆ On average, there have been 34 less inmates on the parole release pending list each month since the merger
 - ◆ On average, there have been 73 less parole violators returned to DOC custody each month in the first year after the merger compared to the year just prior to the merger. This translates into a total of approximately 873 less parole violator admissions in the first year since the merger.

FIELD SUPERVISION

- ◆ In 2018, parole field services completed the transfer of all paper parolee files into an electronic records management system. By the end of 2018, Parole Field Services has closed two sub-offices and mobilized two parole field units, a third office is projected to close before the end of FY 2018-19. All parole field supervision staff will soon be equipped with data enabled IPADs, which will further assist them in their ability to work mobile.
- ◆ In 2018 Parole Field Services continued to push forward evidence based practices such as Effective Practices In Community Supervision (EPICS). The training teaches the agent how to structure their approach with the parolee in order to address their **specific risks and needs**.
- ◆ The parolee employment rate from **59% in 2017 to 65% in 2018**.
- ◆ Parole Field Services worked throughout 2018 to improve upon their home plan investigation process and utilize diversionary options for parole violations such as treatment and GPS, which in turn reduced the use of Community Corrections beds as well as institutional beds. Parole violator admissions dropped by 575 from 2017 to 2018 accounting for a six percent decrease in parole violator admissions to state correctional institutions. The **home plan approval rate went from 63% in 2017 to 72% in 2018**; timeliness of investigations improved from 90% to 94%.
- ◆ Currently parole agent contact compliance is 98% and testing compliance is 99%.

- ◆ The current agent to parolee ratio is 50:1 for non-specialized caseloads and 71:1 for all caseloads.
- ◆ Parole field services staff worked diligently throughout 2018 to reduce costs, increase quality of work, and make processes more efficient and innovative. Parole field services consistently looked to improve upon the work they were tasked to do and went above and beyond in piloting various projects and testing new methods in order to create efficiencies, save money, and adapt to the ever-changing field of criminal justice through the increased use of technology, statistics, data, and diversionary methods.

BUREAU OF COMMUNITY CORRECTIONS

- ◆ The BCC has started providing basic training to all contracted staff. Trainings are held regionally, thereby removing the need for overnight accommodations and the CCF staff provide their own sustenance. This initiative has a cost avoidance of an estimated \$60,000.00 to \$100,000.00 annually.
- ◆ BCC increased the SIP Non-Residential (NR) program from 107 (21%) to 305 (62%) in 2018. By encouraging/allowing reentrants who had a good reentry plan to and had successfully completed Phase 2 Inpatient to furlough directly home in Phase 3, BCC was able to open up approximately 200 beds for parolees throughout the state. This initiative created a cost avoidance of over \$5 million annually.
- ◆ BCC also repurposed and reused equipment from all over the DOC/PBPP. One of the benefits of the merger is being able to benefit from the PBPP mobile initiative and reduction of offices. With the closure of Chambersburg Sub-Office, SCI Pittsburgh, SCI Graterford and the merger of offices at Tech Park and the ROC, BCC has been able to repurpose and distribute surplus items from these changes to multiple CCC's and Regional Offices. The Video Visitation that was set-up in the BCC Region 1 office was completed with ALL repurposed equipment.

REENTRY

- ◆ All field staff have been trained in EPICS (Effective Practices in Community Supervision) to better equip field agents to deal with troubled offenders. EPICS provides supervision strategies to enable Agents with the ability to engage offenders in positive ways.
- ◆ Cases Not Seen Report- The number of inmates on the Cases Not Seen continues to decrease. From January 2018 until January 2019, the number of cases have decreased from 542 to 439.
- ◆ Employment Initiative – All ASCRA's (Assessment, Sanctioning, and Community Resource Agent) have been trained in either OWDS or RES (Reentry Employment Specialist) and deliver Employment Groups to reentrants to assist with securing and maintaining employment.

IDEA (Innovate, Develop, Experiment, Adapt)

- ◆ Suite of Innovative Initiatives at the DOC:
 - ◆ BetaGov—improve outcomes
 - ◆ Lean—improve processes
 - ◆ GoTime—save money
- ◆ Use these innovative ideas to figure out what works and what doesn't work.
- ◆ Over 300 total ideas have been submitted to the IDEA team; 25 trials completed

RESPONSE TO OPIOID EPIDEMIC

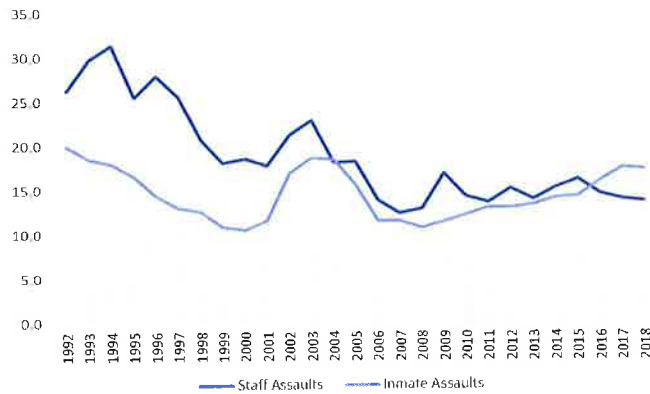
- ◆ Since 2010, the new admissions with an opioid addiction more than doubled.
- ◆ Currently, a quarter of DOC admissions who identify a “drug of choice” indicate heroin or opiate prescription drugs.
- ◆ Vivitrol is currently available at all 25 of our SCIs.
 - ◆ We can now provide up to 3 Vivitrol shots inside the walls. This allows inmates to better manage side effects as they return to their community.
- ◆ Between 2016 and 2018, the DOC has administered over 1,300 Vivitrol shots prior to a reentrants release to the community.
- ◆ DOC has received a \$1M grant to study the effects of providing naloxone upon release to reentrants. This includes a partnership with the Pennsylvania State Policy and New York University.
- ◆ A Sublocade pilot (injectable buprenorphine) will begin at SCI-Muncy in the Spring. This pilot will target inmates in prison for detox.
- ◆ Body Scanners—**Reduced both overdoses (zero) and staff assaults (one) tremendously from 2017 to 2018 at Wernersville.** This successful pilot led to installing body scanners at all SCIs.



VIOLENCE REDUCTION EFFORTS

- ◆ Both staff and inmate assaults were down in 2018 and continue to be much lower than 20 years ago.

Assault Rates per 1,000 Inmates



- ◆ Major staff assaults peaked in August this year (triggering the statewide lockdown). Since the lockdown, both staff assaults and major staff assaults dropped. Assaults include throwing, general assaults, and major assaults. Major assaults occur when a staff member has to go to an outside hospital for treatment of the harm inflicted by the inmate.

2018 Staff Assaults and Major Staff Assaults

