

Office of the
Legislative Fiscal Analyst

FY 2002 Supplemental Budget Recommendations

Joint Appropriations Subcommittee for
Executive Offices and Criminal Justice

Utah Department of Corrections Supplemental Funding Items

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 N/A
- 4.0 History

1.0 Summary: Department of Corrections

Supplemental funding is for any items in the current fiscal year that have funding issues which were not anticipated during the previous Legislative Session. Usually, this is for additional one-time funding for an unexpected expense. The current economic situation in the State makes this year's supplemental recommendations different. Instead of additional funding being recommended, budget reductions will need to be implemented to balance the FY 2002 State budget, given the projected \$202.5 million shortfall.

The Governor anticipated a shortfall early in the fiscal year and requested that agencies "holdback" expenditures at approximately the 2.5 percent level. When it became obvious that the holdback would indeed need to occur, the Governor implemented those holdbacks. The Department of Corrections' General Fund holdbacks totaled \$4,603,700. Following that, the shortfall grew even larger and the Governor requested additional reductions from agencies and suggested using the State's Rainy Day Fund to supplement the difference. The Department of Corrections also provided an additional \$3,915,200 in General Fund holdbacks. However, the current supplemental appropriations recommendations of the Office of the Legislative Fiscal Analyst do not include the use of the Rainy Day Fund.

For FY 2002 the Analyst recommends reducing the current General Fund appropriation for the Department of Corrections by the original \$8,518,900 plus an additional \$1,703,000 for a total General Fund reduction of \$10,243,400.

Virtually all of the budgets are impacted to some degree in these proposed reductions. The Analyst has identified specific programs or functions that could be downsized or eliminated. In addition, several "across-the-board" reductions have been identified. The Analyst has included 10 percent across the board decreases in the General Fund in the following categories: Conventions / Workshops, Data Processing, Entertainment / Receptions, Office Supplies / Equipment, and Travel. For FY 2002, the "across-the-board" reductions were limited to eight months of the year to allow for expenditures made prior to the Legislative Session.

The Department of Corrections, as the adult correctional authority for the State of Utah, has a primary mission of community protection. To accomplish this goal, the Department must develop and provide programs that identify and control the convicted offender's inappropriate behavior, and help the offenders in functioning as law-abiding citizens.

The Table below summarizes the recommended reductions for FY 2002 for the Department of Corrections.

	Analyst FY 2002 Estimated	Analyst FY 2002 Supplemental	Analyst FY 2002 Revised
Financing			
General Fund	183,657,000		183,657,000
General Fund, One-time		(10,243,400)	(10,243,400)
Federal Funds	2,357,000		2,357,000
Dedicated Credits Revenue	19,498,600	(2,100)	19,496,500
GFR - Tobacco Settlement	81,700		81,700
Transfers	226,800		226,800
Transfers - CCJJ	711,300		711,300
Beginning Nonlapsing	2,138,600		2,138,600
Closing Nonlapsing	12,100		12,100
Total	\$208,683,100	(\$10,245,500)	\$198,437,600
Programs			
Administration	8,813,100	(450,500)	8,362,600
Field Operations	39,370,000	(1,341,500)	38,028,500
Institutional Operations	118,757,500	(8,397,900)	110,359,600
Draper Medical Services	18,005,000	(54,000)	17,951,000
Utah Correctional Industries	15,976,900	(1,600)	15,975,300
Jail Reimbursement	7,760,600		7,760,600
Total	\$208,683,100	(\$10,245,500)	\$198,437,600
FTE/Other			
Total FTE	2,318		2,318
Vehicles	299		299

2.0 Issues: Utah Department of Corrections

The following summarizes the total Department of Corrections' recommended reductions, by category.

2.1 Internal Service Fund Rate Changes

As a result of rate changes for services provided by the Department of Administrative Services, the Analyst recommends a one-time supplemental budget reduction of \$23,600, of which \$21,500 is from the General Fund.

General Fund	(\$21,500)
---------------------	-------------------

2.2 Original Governor's Holdbacks

The Department of Corrections made reductions in both the Governor's first round of holdbacks (\$4,603,700) and \$3,915,200 in the second round. These reductions are primarily from the closing of the Promontory Facility (Draper) and the delay in opening the Central Utah Correctional Facility (Gunnison). Of this amount, \$6,541,700 is an ongoing General Fund reduction, while \$1,977,200 is one-time General Fund. Some funds may need to be shifted for the FY 2003 budget to strengthen the Adult Probation and Parole activities that play a key role in managing the overall prison population numbers.

Close Promontory Facility	(\$4,340,200)
Delay Opening Central Utah Corr.'l Facility	(2,900,000)
Nonlapsing Reductions –	
Field Operations & Institutional Operations	(1,041,200)
General Fund	(\$6,304,200)
General Fund - One-Time	(\$1,977,200)

2.3 Across-the-Board Reductions

The Analyst has included ten percent across the board decreases in the General Fund in the following expense categories:

Conventions / Workshops	(\$ 1,900)
Data Processing	(\$138,700)
Entertainment / Receptions	(\$ 1,900)
Office Supplies / Equipment	(\$ 76,700)
Travel	(\$ 18,300)

For the Department of Corrections, these General Fund reductions total \$237,500.

General Fund	(\$237,500)
---------------------	--------------------

2.4 One-Day Furlough

A one-day furlough at the Department of Corrections will save the State \$323,600 in General Funds. There are some unique challenges for the Department of Corrections if this policy is implemented. There are some activities that are done twenty-four hours a day, 365 days a year. A day off without pay does not reduce the work requirement for those staffing the incarceration facilities.

General Fund **(\$323,600)**

2.5 Additional Reduction – Administration Reduction

The Analyst recommends a reduction of Administrative overhead. The prison population has been reduced. This along with required efficiency improvements from the Office of the Executive Director, Department Administration, Division of Institutional Operations Administration and Field Operations Administration can reduce the Department’s administrative expenses.

General Fund **(\$325,000)**

2.6 Additional Reduction – Iron County Facility Operations Reduction

The sale of the State portion of the Iron County Jail is being negotiated and should be finalized by the end of January. Sale of this facility will net the State approximately \$300,000 in operation costs alone for the remainder of FY 2002. Terms of the deal could impact this amount.

General Fund **(\$300,000)**

2.7 Additional Reduction – Program Contracts

Reductions in the prison population create an opportunity to re-evaluate the program contracts within the Department. Certain programs are based on number of participants. These contract amounts can be adjusted during the mid-term period and appropriations reversed. The Department can also re-evaluate this use of contract writers for the pre-sentencing investigation recommendations. These could be done by current probation and parole officers.

General Fund **(\$500,000)**

2.8 Additional Reduction – Nonlapsing Balances

The Institutional Operations and the Field Operations could both be reduced an additional \$127,200 from nonlapsing balances.

General Fund **(\$254,400)**

4.0 Additional Information: Utah Department of Corrections

4.1 Funding History

	1999	2000	2001	2002	Difference
	Actual	Actual	Actual	Revised	2001 to 2002
Financing					
General Fund	150,056,900	161,374,700	173,135,400	183,657,000	10,521,600
General Fund, One-time				(10,243,400)	(10,243,400)
Federal Funds	2,348,800	2,584,700	1,286,500	2,357,000	1,070,500
Dedicated Credits Revenue	15,258,400	16,827,400	15,724,600	19,496,500	3,771,900
GFR - Tobacco Settlement			81,700	81,700	
Transfers		2,943,200		226,800	226,800
Transfers - Commission on Criminal and	933,700	1,201,900	1,878,400	711,300	(1,167,100)
Transfers - Federal		6,300			
Transfers - Other Agencies		838,000			
Transfers - Other Funds		75,000			
Pass-through			29,200		(29,200)
Beginning Nonlapsing	2,543,400	6,211,900	4,058,200	2,138,600	(1,919,600)
Closing Nonlapsing	(6,211,400)	(4,058,200)	(2,026,700)	12,100	2,038,800
Lapsing Balance		(10,600)			
Total	\$164,929,800	\$187,994,300	\$194,167,300	\$198,437,600	\$4,270,300
Programs					
Administration	8,567,000	9,027,000	9,080,500	8,362,600	(717,900)
Field Operations	30,874,600	35,176,400	38,245,700	38,028,500	(217,200)
Institutional Operations	79,178,200	91,374,800	107,851,200	110,359,600	2,508,400
Draper Medical Services	14,604,300	16,242,800	18,714,800	17,951,000	(763,800)
Utah Correctional Industries	12,795,700	14,638,700	12,824,100	15,975,300	3,151,200
Forensics	190,000	190,000	190,000		(190,000)
Jail Reimbursement	7,428,200	7,433,700	7,261,000	7,760,600	499,600
Jail Contracting	11,291,800	13,910,900			
Total	\$164,929,800	\$187,994,300	\$194,167,300	\$198,437,600	\$4,270,300
Expenditures					
Personal Services	97,082,200	107,601,300	116,084,300	121,631,600	5,547,300
In-State Travel	190,800	191,000	246,900	188,600	(58,300)
Out of State Travel	74,300	74,200	84,200	1,541,600	1,457,400
Current Expense	40,030,700	39,050,200	43,463,500	23,078,000	(20,385,500)
DP Current Expense	3,220,700	3,930,600	3,733,700	2,304,700	(1,429,000)
DP Capital Outlay	1,183,100	4,240,100	53,900	14,400	(39,500)
Capital Outlay	3,216,500	463,100	623,500	343,500	(280,000)
Other Charges/Pass Thru	19,931,500	25,164,100	30,186,100	49,335,200	19,149,100
Cost of Goods Sold		7,279,700	(308,800)		308,800
Total	\$164,929,800	\$187,994,300	\$194,167,300	\$198,437,600	\$4,270,300
FTE/Other					
Total FTE	2,234	2,266	2,271	2,318	47
Vehicles			299	299	