



Budget Cuts

Present Challenge to Many *State Correctional Agencies*

By Michele D. Buisch

The fiscal crunch being felt for the third year by most of the country is hitting corrections particularly hard after a decade of get tough public safety measures, including mandatory-minimum sentences, three-strikes laws and increased use of life without parole, resulting in record numbers of inmates.

For the first time, there were more than 2 million inmates being held in local, state and federal correctional facilities last year, according to the Bureau of Justice Statistics. The U.S. prison population grew by 2.6 percent in 2002 — more than twice the 2001 increase of 1.1 percent. However, both increases were less than the average annual growth of 3.6 percent since year-end 1995, reported BJS. In addition, 17 states reported increases of at least 5 percent in their prison populations during 2002. Further, state prisons were operating between 1 percent and 16 percent over capacity at year-end 2002.

While many correctional facilities were taking on more inmates, and the cost of services continued to increase, states were facing record budget shortfalls: approximately \$29 billion during fiscal year 2003 and \$82 billion for fiscal year 2004, according to the National Association of State Budget Officers (NASBO). The shortfalls had a combination of causes, including deteriorating tax bases, rapidly increasing health care costs, and the virtual collapse of capital

gains and corporate profit tax revenues.

This economic downturn is worse than the relatively short-lived recessions experienced in the 1980s and 1990s, said NASBO staff associate Greg Von Behren. The states have “done a lot of things aside from making cuts to deal with the current shortfalls situation. The only problem is now we’re getting into a situation where ... the economic downturn has been prolonged. The impact on states has been prolonged as well,” he said. “They’re exhausting some of the tools that they have used over the past couple of years. ... They’re going to have some tough decisions to make.”

For the most part, the states that have had to cope with budget shortfalls, which represents the majority of the country, have made cuts in all areas without specifically targeting corrections. Although education tends to be the “sacred cow,” some states have even reduced spending in that area, Von Behren said. All state programs “are essentially on the chopping block these days.”

As Thin as They Can Get

State correctional agencies have done a variety of things to contend with smaller budgets and make up for budget shortfalls — doing more with less, as they are often asked to do. However, this time, much greater sacrifice has been called for. Such

cost-cutting measures have been across the board, from reducing the amount of calories in inmate meals to laying off staff.

South Carolina Department of Corrections Director Jon Ozmint said his agency is “as thin as we can get” after three years of budget reductions. Between 2001 and 2003, his agency experienced a 21 percent budget cut totaling \$51 million, while the prison population increased by about 2.5 percent a year.

The agency responded to the decreased funding by driving down inmate costs from the already low \$46 per inmate per day to \$35 and closing two small prisons. Also, due to an “arcane personnel rule” in South Carolina that restricts state agencies from adjusting employee salaries, Ozmint said he was forced to eliminate whole positions, many of which included teachers because of their comparatively higher salaries. As a result, the number of staff has decreased by 1,500 in three years, while the number of inmates has increased by 3,300. “You can only be so efficient. ... It is just difficult to do more than that,” said Ozmint. “In corrections, when we take in a new body, when we grow by 1,200 inmates a year, they don’t go home at 5 o’clock. We don’t have any choice about the services we’re going to provide, and if we don’t watch them, people die.”

Last year, the South Carolina DOC spent \$28 million more than it was

appropriated. And this year, it is on course to spend about \$20 million more than it was appropriated because of additional inmates and rising utility rates and medical costs, Ozmint said. If the department is forced to operate within the budget, three large prisons will have to be closed and 20 percent of the prison population will be triple bunked.

Fortunately, the state Budget and Control Board allowed the DOC to run a deficit last year, and Ozmint is hoping the board will allow it again this year. He believes that the Legislature realized that certain policy decisions concerning criminal justice and public safety mandate that the DOC house increasing numbers of offenders. The alternative to allowing the DOC to run a deficit — closing three prisons and moving about 4,500 inmates — is serious and could result in someone getting hurt or killed, he said, adding, "I don't anticipate that our Budget and Control Board is going to order us to do something that is going to result in the loss of life or limb."

Working closely with state legislators, Texas Department of Criminal Justice (TDCJ) Director Gary Johnson and Chief Financial Officer Brad Livingston had a similar experience that they believe dispelled the perception that because the agency has such a large operating budget there must be all kinds of fat to cut. In fact, before going over the details during the budget process, they were instructed to cut 12.5 percent (\$600 million) from the agency's fiscal year 2004-2005 biennial budget. However, once the key legislators looked at the TDCJ budget in enough depth and saw how the money was being spent, they reduced the amount to be cut to 5 percent (\$240 million). "We have some folks in Austin who have been around for 30 or more years indicating that this is the most difficult and challenging budget environment since World War II," said Livingston, noting that many state agencies were stuck with the 12.5 percent reduction for fiscal year 2004-2005.

A 12.5 percent cut would have been "devastating," Johnson said, and would have meant severe reductions in probation and parole services and the elimination of most

programs. However, the governor and legislative leaders "understood that our mission was too critical to take that deep of a cut," he said, maintaining that the process was still painful, particularly after having to cut \$133 million from the fiscal year 2003 budget.

When the 2003 Texas legislative session opened in January, Johnson and Livingston were told to reduce by August agency expenditures by \$172 million. They were able to cut \$133 million by delaying large capital purchases; implementing a hiring freeze and layoff, which excluded security and parole positions (1,800 positions were eliminated but, due

to the hiring freeze, 50 percent of those staff were placed in vacancies); and reducing by three months the amount of time offenders stay in substance abuse felony punishment centers. The agency also was fortunate in not having to rent additional capacity, thereby saving a significant amount of money that had been set aside for that purpose.

John Shaffer, executive deputy secretary of the Pennsylvania DOC, said his agency also is fortunate to have the support of the governor and state legislators, who recognize the important role corrections has in maintaining public safety. So although the DOC has made \$20 mil-

Booth #358
at Winter ACA

THE ONLY ONLINE DEGREE FOR CORRECTIONS PROFESSIONALS.



The Bachelor of Science Degree in Correctional Administration and Management from Bellevue University is the only online degree developed in partnership with the National Institute of Corrections (NIC), specifically for corrections professionals.

- Earn at least 12 credits for state correctional pre-service training.
- Earn additional credits for state-level law enforcement and military training, too!

Contact Bellevue University today!

877-299-0009

www.bellevue.edu/info/corrections

Real Learning for Real Life.

Bellevue University is accredited by The Higher Learning Commission, a member of the North Central Association of Colleges and Schools (NCA/C&S), 20 North La Salle Street, Suite 2000, Chicago, Illinois 60602-2004. Bellevue University is also a defunctary, state, state, and national or state origin.

lion in cuts during each of the past two fiscal years, it has received sufficient funding to maintain operations, he said.

The agency has absorbed the budget reductions by doing a number of things from “cutting around the edges” by reducing the number of photocopiers, cell phones and pagers to taking more significant steps such as delaying the opening of new facilities. It also has cut 2 percent of staff throughout the entire department; lowered food costs by offering heart-healthy menus with reduced calories and limited portions; reduced the frequency of random drug testing; limited travel; substituted compensatory leave for overtime pay for managerial staff; consolidated services; and as of July it has frozen management staff’s pay. The agency also shifted costs: Instead of using taxpayer money to provide every inmate with 10 free envelopes and stamps each month, the general inmate welfare fund now covers the cost.

The Oklahoma DOC also took a multifaceted approach when it was forced to cut \$25 million from its fiscal year 2002 budget and \$20 million from its fiscal year 2003 budget, which included reducing staff to a 15 percent vacancy rate the first year and a 20 percent rate the second year (except for correctional officers). The agency has not purchased vehicles during the past three years, said Director Ron Ward, nor has it kept up with preventative physical plant maintenance. In addition, Ward made the difficult decision to furlough staff, including himself, for one day in April and one day in May.

Ward said he tried to keep inmate programs as stable as he could because they are key to reducing recidivism. However, he has made sure that the remaining programs meet satisfactory guidelines. Also, operational budgets were cut by 15 percent, forcing staff to scrutinize their spending, even looking at the amount of toilet paper that was being issued to inmates. “It allowed managers to really look at their operations individually,” he said. “I don’t know that there was any entity within our agency that didn’t contribute to helping offset the revenue shortfalls and deficit that we had.”

In Nebraska, a little creativity prevented a major layoff in the Department of Correctional Services after it was confronted with a 10 percent (\$13 million) budget cut during fiscal year 2002 and was forced to close Hastings Correctional Center. The department entered into a contract with the federal government to house federal detainees awaiting trial at the Hastings facility, with the staff and the cost of operations paid for by the federal government, said Jack Falconer, assistant director for administrative services in the Department of Correctional Services. In all, approximately 120 staff members were laid off; however, they were placed in vacancies that existed throughout the department.

“Most state employees, including me and everybody else in Texas and other places, always have felt like state jobs were very secure and sort of immune to economic downturns ... I think this year taught us otherwise.”

Staff Response

For the most part, staff in each agency have been anxious about the budget reductions and the impact on their workplaces and jobs. Although a two-day furlough was difficult for Oklahoma DOC staff, Ward said that they were initially facing six days without pay. But the purchase of a private facility for female offenders saved the agency \$500,000, helping to offset a portion of the deficit. However, for employees, it was still two days too many without pay. There is “a 20 percent [employee] vacancy rate, and then you go in and have to furlough people. That is putting a

tremendous workload on our staff,” Ward said. “But they pulled through like champions and did an excellent job of managing.”

In Texas, staff anxiety led to their paying closer attention to the legislative process than in years past, because they realized the outcome could impact their jobs, Livingston said. “I think people finally realized that ... members of the Legislature, even during a good budget cycle, have very, very difficult choices to make. And just because we think we have a good program does not mean that it will get funded, because we have to compete ... with public education, health and human services, higher education and all those other areas within the budget that are very important,” he said. “So from that standpoint, I think it’s healthy for those in this agency to understand that we’re not out there trying to get money alone. Everyone else is trying to make a pitch for the effectiveness and efficiency of their programs as well.”

Johnson added that there is still concern in Texas about the potential for the budget crisis to worsen. And as a result, he said, state employees seem less complacent and realize that there is a certain level of accountability now. “Most state employees, including me and everybody else in Texas and other places, always have felt like state jobs were very secure and sort of immune to economic downturns,” he said. “I think this year taught us otherwise.”

In Ohio, staff from the Department of Rehabilitation and Correction (DRC) were encouraged to make recommendations on how and where the agency could save money when it faced a \$43 million reduction during fiscal year 2002 and an \$81 million reduction during fiscal year 2003. Allowing staff to participate in the process empowered them so that they were not simply victims of the budget cuts, which helped with morale, said DRC Director Reginald Wilkinson. As a result, many of the changes have been positive, including the reconfiguration of how the agency contracts health care services (clustering them instead of separate contracts for each prison) and the consolidation of services (garages, warehouses). “We’ve been

creative in terms of how we manage,” Wilkinson said. “We may not have cut educational services, but we consolidated how educational services might be delivered.”

Out of Necessity: Higher Efficiency

As in Ohio, however painful the past few years have been for many correctional agencies, administrators took the opportunity during these lean times to become more efficient in their operations.

The South Carolina DOC was only one of two correctional agencies that had not taken advantage of the services provided by the Correctional Learning Network, which is a federally funded distance learning program for incarcerated juveniles and adults, until the agency was faced with budget reductions. On July 1, when inmates who were going to class to earn a GED had no class to attend, administrators had some important decisions to make. “That was the day when we could have either thrown in the towel and quit, or we could decide we’re going to figure out a way to do this cheaper, and if it’s not by the traditional education establishment, then so be it,” Ozmint said, adding that he was determined to get GEDs for inmates. In addition to allowing the agency to eliminate high-salaried positions, the learning network has increased participation in the facilities where it is offered because inmates like the program’s flexibility.

In Kansas, where the DOC experienced a 6 percent (\$13.4 million) cut in fiscal year 2003 and a 3.7 percent (\$8.6 million) cut in fiscal year 2004, the agency eliminated low-performing inmate programs. DOC Secretary Roger Werholtz said that in the future when they have the funds, it will be the programs with the better outcomes that are reinstated. He also wants future vocational programs to train inmates in occupations that are geared more toward what they will need once they are released and to provide them with more marketable skills, rather than focus on what the facilities need inmates to learn to assist with operations.

The budget cuts TDCJ experi-

enced led administrators to think in terms of efficiency. As a result, the agency underwent a fairly significant reorganization, somewhat flattening the organization and eliminating redundancies. “I hope we never have to go through this process again. It certainly was somewhat painful,” Johnson said. “But I think it did in many ways force us to look at the organization in such a critical and in-depth way that is hard to impose on yourself — this type of scrutiny, these types of cuts — without some type of external pressure.”

Falconer agreed that the budget reductions forced the Nebraska Department of Correctional Services to “tighten our belts and be more effective with the resources we do have.” One of the things administrators realized was that 75 percent of expenditures were going toward payroll. And although the agency is designing facilities that are less staff intensive, Falconer believes that it will become more difficult in the future to get state funds for new facilities, and that legislators should be exploring some type of diversion or release program to avoid significant



CSC
CORRECTIONAL
SERVICES
CORPORATION

and you...

**Partners
in Success**

www.correctionalservices.com 1-800-275-3766

budget problems down the road. The experience taught agency administrators that they need to educate those outside the field of corrections about what is going on, he said, adding, "We need to communicate with the public about what prisons are all about."

Looking Ahead

Although the budget reductions have meant greater efficiency in some correctional agencies, many are now operating with "bare bones" or maintenance budgets, with the potential for future cuts still looming large.

If there are additional cuts in Ohio, Wilkinson said agency administrators would have to regroup and consider their shrinking list of options. However, even if there are no additional cuts, he is concerned that the level at which DRC is currently operating will become the "new normal." "In essence, this cut will probably represent what we'll have to live with even if times get better," Wilkinson said. "I don't expect for us to receive any windfall dollars anytime soon, even if the economy improves."

Once the economy does improve, Werholtz fears it will take years for the Kansas DOC to recover because it will be competing with other state agencies for state dollars. "Corrections and offenders are not a very sympathetic population. We have succeeded in keeping them locked up, which is probably the thing that the public is most interested in," he said. "It's that long-range effort to try and change their behavior once they leave our secured facilities and go back into the community where I think there is less buy in that that is a good investment. We've got to build the case again that it is a sound investment of taxpayer dollars."

Ward is worried that the budget troubles experienced by the Oklahoma DOC will have a negative impact on the future work force. Potential employees, as well as those already on the job, have witnessed the significant vacancy rate at the agency and two-day furlough of staff, which has put a tremen-

dous amount of pressure on personnel. Already, there are not as many people taking the test to become DOC employees. Also prolonged deferment of such things as the purchase of vehicles, replacement of equipment and maintenance will have a significant affect on future budgets.

Johnson has the same concerns in Texas, where 25 of the agency's more than 100 facilities were constructed more than 20 years ago, of which 12 were constructed prior to 1920. He said it will be a real challenge for the agency not only to do routine maintenance, which cost \$100 million last year, but in some cases major rehabilitation. There is no money for new construction.

Johnson is uncertain about additional long-term impacts because the cuts have only recently been implemented. However, he is concerned that program changes will affect recidivism rates and that inmate idleness will destabilize facilities since there are not enough programs and jobs.

Further, TDCJ's prison population, which has been relatively stable, with new admissions being offset by releases, is an unpredictable variable. "It is sort of a tenuous balance," Johnson said.

And not just in Texas. Recognizing that fact and that there is no quick fix to the rising cost of incarceration, many state legislatures discussed alternatives to incarceration during their most recent sessions. Legislation was proposed, and some bills were even signed into law. In Nebraska, a law was passed addressing diversion programs on both the front and back ends of incarceration, and in Texas, a new law will send low-level drug and property offenders directly to probation. "We still have some additional challenges over the biennium. I don't think anyone in any state knows what their budget is going to do," Johnson said. "We are certainly not in this adventure alone."

Michele D. Buisch is senior editor of Corrections Today.

We Want To Hear From You

The staff of *Corrections Today* (CT) take pride in knowing that the magazine is a vehicle that not only serves as a premier benefit of being a member of the American Correctional Association, but that it has several columns that allow you to voice your opinion or concerns about issues that are going on in your field. The three columns are: "Letters to the Editor," "A View From the Line," and "Speak Out."

CT's "Letters to the Editor" column is available for you to share your views about a particular subject. Maybe you read an article that really benefited you in your day-to-day job. Or, maybe there was an article where we missed the mark. Either way, we want to hear from you. Also, the column is a way to let us know how we can improve the magazine.

We know that there are many components to the day-to-day regimen of a line officer in corrections. "A View From the Line" is the column for you. We're sure that there are many things that go on that you would like to share with others about the tough job that you do. It may be from a serious or human interest perspective. Either way, we want to know what's happening in your world.

Last, but not least, CT's "Speak Out" column provides those in corrections an avenue to voice their opinions concerning a specific corrections point of view. Everyone has an opinion about something, and corrections is no different.

If you would like to include a submission to any of these columns, or would like to find out more about them, please contact Corrections Today, 4380 Forbes Blvd., Lanham, MD 20706; (301) 918-1800; fax: (301) 918-1886. ♦