

FY 20 16 17

BUDGET
REQUEST

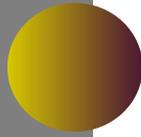
SECRETARY JOHN E. WETZEL AND CHAIRMAN MICHAEL L. GREEN
PENNSYLVANIA DEPARTMENT OF CORRECTIONS AND REHABILITATION
SENATE APPROPRIATIONS COMMITTEE HEARING

F E B R U A R Y

INTRODUCTION	3
ACCOMPLISHMENTS AND GOALS	4
REDUCING PRISON POPULATION	4
REDUCING RECIDIVISM	5
MENTAL HEALTH TREATMENT	7
HEALTH CARE	8
EDUCATION AND TRAINING	9
PRISON RAPE ELIMINATION ACT	10
JUSTICE REINVESTMENT INITIATIVE	10
VETERANS	11
BUREAU OF INFORMATION TECHNOLOGY	11
VIOLENCE REDUCTION	12
FUNDING AND CHANGES	13
GO-TIME	14
CONCLUSION	18

TABLE OF CONTENTS

INTRODUCTION



Good morning, Chairman Browne, Chairman Hughes, and members of the Senate Appropriations Committee.

As you are aware, Governor Wolf's proposed 2016-17 budget presumes the merger of corrections and parole into one unified agency. Consequently, we come before you today as a team to make our 2016-17 budget request for the new Pennsylvania Department of Corrections and Rehabilitation.

This merger, and this proposed budget, does not impact the independent decision-making process of the Parole Board or the important work of the Office of Victim Advocate and the Sex Offenders Assessment Board – other than to provide them with more efficient administrative and technological support services, at a lesser cost.

Individually, our two agencies have made great strides during the past year. Now, we look forward to using our combined resources to develop a continuity of care and services throughout incarceration and parole, with a focus on reducing crime by successfully reintegrating individuals back into society.

When people are successfully reintegrated into society – get jobs, reunite with their families, reconnect with their children, live a life with purpose and integrity – they don't return to prison. The result is safer communities and stronger families, which benefits us all.

As one agency, the department will be able to upgrade outdated technological processes, equipment and decision-making tools, improve communication and scheduling to reduce delays, increase field staff and employ new, research-driven strategies.

By combining our budgets and administrative operations, eliminating redundancies and long-vacant positions, we will save more than \$6.2 million. We expect to save an additional \$4.1 million by instituting a system known as "Swift, Certain & Fair," imposing specific sanctions on a larger number of parole violators for a shorter length of time to be served in a parole violation center or contracted county jail.

We have already initiated many cost-saving initiatives, such as developing on-site medical treatment for prison inmates, consolidating food and other purchases, and buying medicine at reduced prices.

For the second consecutive year, our prison population numbers decreased.

The state's crime rate is down.

We have accomplished much, but we have the opportunity to do better.

As of January 1, we had just under 50,000 individuals in our care and custody.

Seventy percent of them are dealing with some sort of alcohol or drug addiction and about 25 percent have mental health issues.

And 90 percent of all those individuals will be going home someday, a fact we must never forget.

We need to create an environment where these individuals can succeed when they return to their communities.

Right now, there are 31,400 offenders from state prison on supervision.

We need to provide them a place to live, but also teach them how to live correctly and productively in society. We need to not just get them a job, but teach them the value of employment, of providing for themselves and providing for their families.

This is more than our job. This is our responsibility.

Our consistent goal needs to be restoring individuals, giving people a second chance. Because by giving incarcerated individuals a second chance, you're giving a first chance to another group of individuals: the approximately 81,000 Pennsylvania children who have a parent in prison.

Why then do we need more funding if the prison population is decreasing and we are finding new cost saving initiatives?

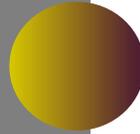
The simple answer is personnel costs.

All the good works we do – better-trained correctional officers and parole agents, educational and vocational courses, additional psychological and medical staff – depend on good people.

We have good people – brave men and women who put their lives on the line every day – and they deserve to be compensated appropriately.

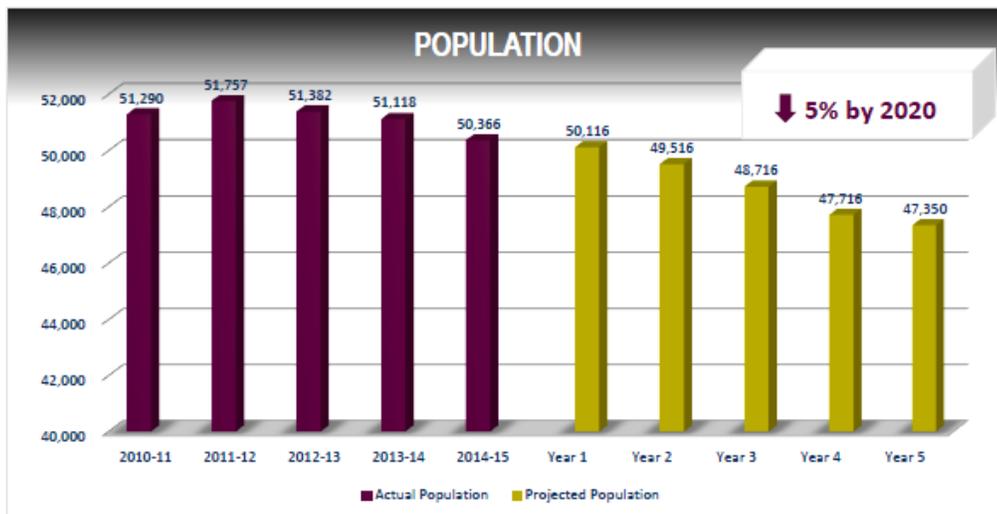
The cost of doing business – salaries, benefits, pensions – combined with federal requirements to improve our methods of treating segregated and mentally ill offenders, as well as preventing and responding to sexual assaults – are not arbitrary expenses, but ones we must accept.

ACCOMPLISHMENTS AND GOALS



■ REDUCING PRISON POPULATION

With fewer people coming into the system, fewer people returning to the system, and a continued level of smart and fair parole releases, our population is declining and we continue to move in the right direction:



- As of January 1, 2016, our prison population had declined. We currently stand at about 49,914 offenders in custody, the lowest it has been since 2009.
- In 2015, the offender population decreased by 842 inmates, which represents the greatest one-year decline in population the last 40 years.
- Between 2005 and 2009 our population was growing so rapidly, an estimated 26 percent, state prison inmates had to be housed in counties and two other states. In 2010, our prison population was projected to grow to approximately 63,000 inmates by 2016.
- We reversed this trend through a combination of internal efficiencies and timely parole action and by 2012 the number of inmates was reduced by 454 individuals. Each subsequent year, the population continued to drop by hundreds.
- As of January 2016, the Pennsylvania Board of Probation and Parole (PBPP) had a total supervised population of 41,333, which includes state-sentenced offenders, county probation and parole and interstate offenders.
- The cost to incarcerate an offender for one year in state prison is \$41,000 compared to \$3,500 - the cost to supervise an offender on parole. Through appropriate parole supervision, rather than incarceration, we continue to save taxpayers' money while ensuring public safety.

Our decreasing inmate population points to the success of the Justice Reinvestment Initiative, performance-based contracts with the Community Corrections Facilities (halfway houses) and new reentry initiatives, such as the Interactive Reentry Map, Transitional Housing Units, and new parole training programs.

The Department of Correction’s (DOC) declining population also reflects effective programing inside the facilities, the number of individuals participating in the State Intermediate Punishment (SIP) program and technical parole violators who are redirected to a community corrections center rather than state prison.

Since 2012, parole process improvements have resulted in a steady decrease in the amount of time for an offender to be released from prison once they reach their minimum sentence date.

In 2015, 13,225 offenders were released to parole supervision. Many factors impact the timing of release, such as a drug screen, payment of victim fees, victim impact education class, registration of sex offenders, the approval of a place to live upon release, and a last minute check for detainers from other jurisdictions. The median number of days from the minimum date to release for offenders who had their initial interview has dropped from seven to three.

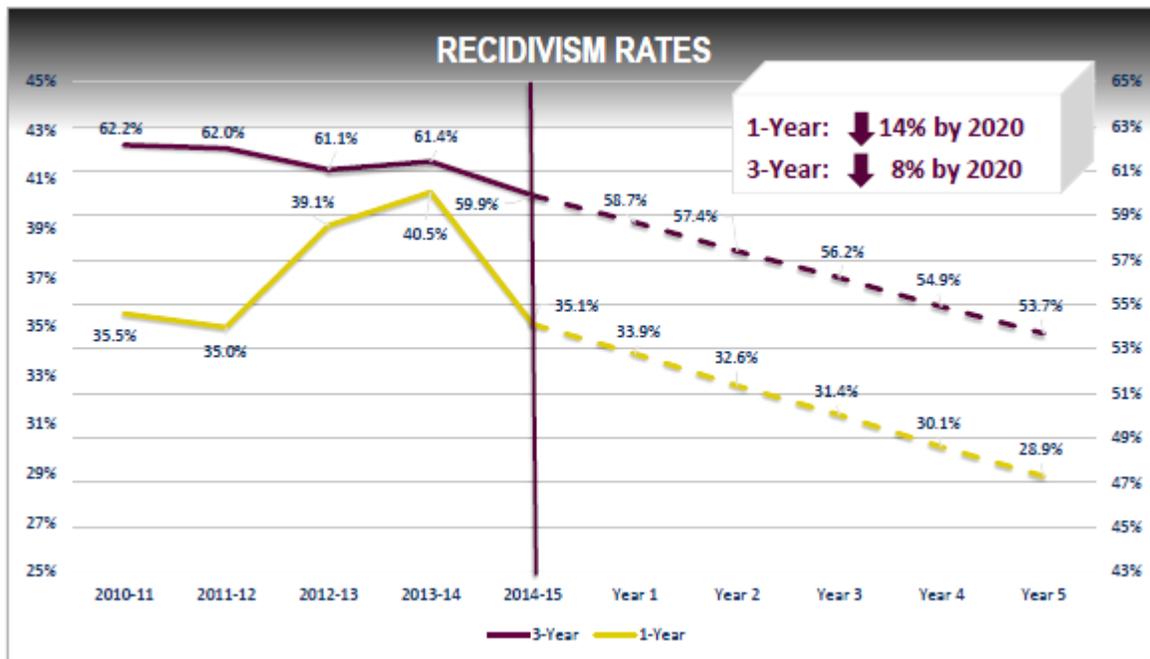
- Releases at the minimum sentence date increased by 12 percentage points (from 15 to 27 percent).
- Releases within one week increased by 16 percentage points (from 51 percent to 67 percent).
- Releases within one month increased by 13 percentage points (from 72 percent to 85 percent).

Certain offenders respond better by remaining close to home within the county criminal justice system. To that end, the DOC developed an initiative with county governments, offering a financial incentive, to divert “short min” inmates—those whose minimum sentence dates are one year or less from their admission date to the DOC—from state incarceration to the county system.

The department’s goal is to run the Pennsylvania correctional system at our operational bed capacity, a total of 48,288, which represents the optimal number of inmates that each facility can accommodate, based on housing, availability of inmate employment and/or programming support and facility infrastructure.

With this merger, we anticipate expediting and targeting programs within the department for the group of offenders likely to be paroled, improving management of the docket and reducing paperwork processes between the agencies.

■ REDUCING RECIDIVISM



For the second time, 2014 marked an overall recidivism reduction of 11.3 percent in the community corrections system, or halfway houses.

A key component of this success is requiring performance-based contracts at these community corrections centers in which vendors are held accountable for the services they provide. This concept earned the DOC's Office of Planning, Research and Statistics the Pioneer Institute's 2015 "Better Government Award."

The three-year recidivism rate for PBPP is 44 percent, down from 52 percent six years ago.

By responding better to offenders' needs while they are in our custody – with issues such as drug or alcohol addiction, deficiencies in education or vocational training – we can prepare incarcerated individuals for a successful return into society while they are on parole supervision and beyond.

To provide more support for returning citizens, the DOC and parole:

- Created guides and interactive maps on the Internet to help them find resources in their home counties for housing, employment, medical and mental health services, as well as legal guidance.
- Partnered with the Department of Health to provide medicine and medical care for ex-offenders, creating a continuity of care for these individuals when they leave prison.
- Partnered with the Department of Transportation, to see that individuals leave prison with state photo identification cards, necessary to access many services.
- Research has shown that effective supervision can reduce recidivism up to 20 percent. Approximately 120 state parole agents, county probation officers and DOC employees completed a specialized training program on how to apply core correctional practices directly in face-to-face contact with an offender. Applying evidence-based practices to supervision contacts is a fairly recent development that can facilitate positive behavioral change.

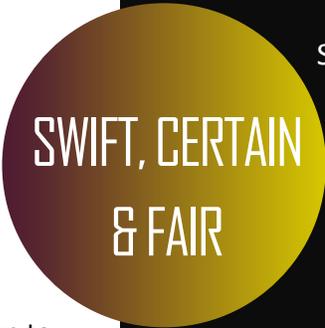
As we all know, convicted parole violators – offenders that commit another crime – are returned to prison. This will not change under the merger. However, we need to target new crime by parolees as a key outcome measure.

What we propose to change is the management of technical parole violators – those persons who do not commit another crime, but still violate conditions of their release, such as a missed appointment, a failed urine test, failure to pay fines or not reporting a change in address. Specifically, we expect to increase accountability of parolees by immediately responding to inappropriate behavior with shock incarceration, known as "Swift, Certain & Fair." This strategy has shown to decrease both future violations and crime.

Remaining intact will be the five categories of violations that result in an offender returning to custody. These include: any violation that is sexual in nature, any violation involving assaultive behavior, any violation involving possession of a weapon, if a parolee has absconded and cannot safely be diverted to a community corrections facility, and, finally, if there exists an identified threat to public safety.

With more than 90 percent of our offenders returning home someday, we must focus our efforts on improving the reentry process and services.

A unified community approach will create a long-term plan for continuity of care for each individual who comes into our corrections system, following through until they complete parole. Instead of passing offenders from one agency to another, we expect a smoother transition by working together for the success of the individual.



Swift, Certain & Fair is a supervision model that delivers immediate, and consistent, but moderate and graduated sanctions for parolees who break the rules. In 2011, Seattle ran a 60-day pilot of the program and the following year, Washington State expanded it to everyone released on state parole, as well as to certain high-risk probationers. In 2015, an independent evaluation of Washington State's SCF parole program found that it reduced recidivism rates by 20 to 30 percent. And it saved money. The report estimated that every dollar spent on SCF saved the Washington State Department of Corrections \$16, which to date has translated into a \$40 million savings. According to the report, 40 jurisdictions across 18 other states have adopted a similar model. A consensus is developing that SCF is a "best practice" model in probation/parole supervision.

It doesn't make sense for all the work we do - the programming, the treatment and education to simply stop at the prison gate. This is about two agencies with the same goal, working together to get better results from the same group of individuals and, ultimately, benefiting us all.

■ MENTAL HEALTH TREATMENT

One-fourth of our overall prison population suffer from some sort of mental health issue. That number has increased by nearly 18 percent in the past 10 years.

Among the female prison population, the number of offenders with mental health issues is nearly 70 percent, an increase of more than 43 percent in the past 10 years.

The U.S. Department of Justice and the Disability Rights Network of Pennsylvania have challenged mental health practices in our correctional system. As a result, the DOC's mental health system recently underwent a major review.

In 2015, the DOC settled a lawsuit with the Disability Rights Network of Pennsylvania, while continuing to improve and enhance services to mentally ill offenders.

To continue to address these concerns, this budget provides funding for additional personnel to lower staffing ratios for inmates with mental illness and provide them with the most appropriate treatment.

In the past year:

- Every employee in the Department of Corrections completed Mental Health First Aid, an emergency mental health training program to help prevent suicides and self-injurious behaviors.
- Corrections staff received Crisis Intervention Team Training to help in their handling of mentally ill offenders, educating them on potential behaviors and skills to de-escalate crisis situations.
- All parole field supervision staff were trained in Mental Health First Aid to understand, recognize and respond to the symptoms of mental illness. This training has also been incorporated into the Basic Training Academy curriculum for all new staff.
- In addition, 10 parole field agent positions developed specialized caseloads to address the unique needs of mentally ill offenders.
- The DOC established an Office of Mental Health Advocate and Psychology Office.
- A number of new diversionary housing units were established in our state prisons to ensure that mentally ill offenders are not placed in restrictive housing units. These Secure Residential Treatment Units provide specialized out-of-cell programs and activities for seriously mentally ill offenders.
- All female offenders undergo a trauma screening upon their reception to prison so that they may receive appropriate follow-up services.
- The State Correctional Institution (SCI) at Graterford was recognized for partnering with the Pennsylvania Commission on Crime and Delinquency and the Brain Injury Association of Pennsylvania in demonstrating the problem of prison inmates with brain injuries. Specifically, inmates were screened for brain injuries. Those determined to have cognitive impairments were given additional assessments and recommendations on how those injuries will impact their reentry, as well as what services may be needed and provided.

With more than 90 percent of our offenders returning home someday,
we must focus our efforts on improving the
reentry process and services.

To continue to build on these system-wide mental health improvements, the DOCR will require a net increase of \$9.8 million for 2016-17 for more psychologists, nurses, social workers and therapeutic staff.

Additionally, \$3.9 million is planned for a new dementia unit to accommodate and serve the needs of this ever-increasing section of the prison population.

By intensifying the training of our staff and increasing the number of psychological professionals in our institutions, we are making a positive difference as well as helping to reduce violence, creating a safer environment for all those who must live and work inside our prisons.

■ HEALTH CARE

Twenty percent of our population is over the age of 50, a number that has almost doubled in the past 10 years. Because inmates age at a rate of five-to-10 years faster than their chronological age, this is considered a senior age group, according to national standards.

- Consequently, we have 240 inmates in personal care (SCIs Laurel Highlands and Waymart) and 165 in skilled care (SCIs Laurel Highlands and Muncy).
- Total medication costs for this age group is almost \$2.1 million annually. A little more than the same total amount spent on medications for the remaining under-50 population.

Two-thirds of our population is coping with drug or alcohol problems.

- This year, we expanded our Medication Assisted Treatment (MAT) program. The goal is to help those with drug addictions curb their physical cravings through medication, while counselors work on the psychological and emotional factors. The goal is to help these individuals have one less barrier as they return to society. Without the addiction, hopefully these individuals will not need to resort to crime, resulting in safer communities.
- Parole agents supervise offenders with heroin and other addictions and at times may encounter an emergency situation. As such, all parole offices have been supplied with Naloxone, the life-saving opioid overdose reversal antidote. Within six months of training parole agents on its use, a parolee's life was saved when an agent administered the drug to him. Agents also educate family members about this important lifesaving resource that is available in the community.

In October 2015, the DOC updated its Hepatitis C policy, which included guidelines for the evaluation and treatment of inmates who have this disease. We estimate 50 patients will be treated annually, prioritizing treatment to those with advanced disease. The estimated cost of treatment is between \$3.5 and \$5 million.

Offenders are tested for sexually transmitted diseases upon entering state prison. Currently there are about 400 cases, with treatment costing about \$1,327 per case.

Following a comprehensive review of off-site trips for inmate medical treatment, the DOC identified several services that could be performed on-site or at nearby correctional facilities, reducing transportation and personnel costs.

For example:

- By establishing a dialysis unit at one of our prisons (SCI Laurel Highlands), we save the cost of transporting offenders to outside medical facilities.
- An on-site oncology treatment at another one of our prisons (SCI Pittsburgh), reduced the costs of transportation for inmates needing chemotherapy.

Our total pharmacy expenses top more than \$40 million by realizing savings through the use of government discount purchasing programs such as the Pharmaceutical Assistance Contract for the Elderly (PACE) and the federal drug discount program.

- The DOC netted further savings by using its status as a covered entity under the Public Health Service Act to obtain HIV and Hepatitis C drugs at reduced prices.
- We also expect to save \$2.5 million annually by utilizing PACE for older offenders' medication and \$4.5 million for discounted medication through our partnership with Temple University Hospital.

EDUCATION AND TRAINING

We believe that education and vocational training are two of our best weapons against recidivism, by helping offenders become more productive citizens when they return to their communities.

More than 81 percent of the prison population reports they have no skills or are unskilled. Recognizing the important role employment serves in recidivism reduction, this year the DOC received a \$1 million grant from the U.S. Department of Education to transform corrections education.

Presently, we have 12,359 inmates in educational programs, 139 of whom earned their high school General Equivalency Diploma (GED), while 8,892 are in academic programs and 3,466 are in vocational programs.

The DOC will deploy a Career Pathways approach to clearly sequence education coursework, training credentials, and work

- More than 81 percent of the prison population reports that they are unskilled or have no skills.
- Educational programs increase employability and reduce recidivism.

EDUCATIONAL HIGHLIGHTS

- DOC has 12,359 inmates in educational programs.
- 139 earned their high school GED, 8,892 are in academic programs, and 3,466 are in our 25 vocational programs.

assignments aligned with employer demands. As a result, state offenders will have a clear understanding of the employment opportunities available to them upon release and be prepared to meet competency and skill needs established by industry.

Funding will also support the use of career readiness and interest assessments to better inform offender education and employment opportunities.

We will also work with other state agencies, including the Departments of Health, Labor & Industry, Education, Agriculture, and Community and Economic Development, as well as local service providers, to establish sustainability in these training areas:

- We presently offer 25 vocational programs that will afford inmates greater prospects for employability and successful reentry into society.
- The optical certification program at SCI Cambridge Springs is the only program of its kind in Pennsylvania to offer certification to graduates, as well as making prescription eyeglasses for the DOC.
- The state has a large-scale laundry operation at SCI Frackville which will be decommissioned when the new laundry operation at SCI Phoenix is operational. This again is a certification program that will help offenders find work after release while providing laundry services for the DOC.
- Commissary operations were centralized at one facility, SCI Mahanoy, teaching offenders warehouse skills, including forklift operation certification.
- One of our vocational programs, the print shop at SCI Huntingdon, recently lost \$1.3 million in revenue, plus jobs for 32 inmate workers and two civilian staffers, with the elimination of the annual state car registration stickers.

The DOC is working with Pennsylvania-based higher education institutions to develop proposals that reduce financial and accessibility barriers to post-secondary education opportunities in a prison setting.

The Second Chance Pell experimental sites initiative by the U.S. Department of Education will designate specific higher education institutions to make available Pell Grant funding to eligible incarcerated individuals. The experiment will examine how access to educational opportunities, as well as evaluate how academic, life and recidivism outcomes are impacted.

In collaboration with the Pennsylvania Department of Education and Department of Human Services, the DOC recently created a Child Resource Center for each state prison visiting room. The display offers informational handouts that explain the variety of resources and services available in Pennsylvania for children and their families, such as Head Start/Early Head Start and Early Intervention programs.

Building on the educational and training skills received in prison, parole agents provide employment groups that help offenders to not only obtain a job but retain a job, one of the biggest challenges to parolees as well as life skills and anger management groups in parole district offices.

- Agents have been trained to provide high quality cognitive behavioral interventions focused on changing the way criminals think. In order to make lasting changes in behavior, offenders must recognize the criminal thinking that has led to poor choices in life.
- An evaluation of these interventions has determined that they are effective in reducing recidivism by 23 percent for high-risk parolees compared to a group of high-risk offenders not receiving this cognitive behavioral programming.

■ PRISON RAPE ELIMINATION ACT

The Prison Rape Elimination Act (PREA), established by the U.S. Department of Justice and signed into law in 2003, is designed to prevent, detect and respond to prison rape. The federal regulations also set minimum standards to prevent, detect and respond to sexual abuse and sexual harassment in a confinement setting.

The Office of the Governor of Pennsylvania has certified an assurance to the Department of Justice to achieve full compliance with the national standards for confinements facilities considered under or on behalf of the State’s executive branch, and is currently progressing toward this goal.

The DOC’s PREA Compliance Unit continues to assist facilities and formally monitor compliance with outstanding issues such as audit schedules, staff training and development, youthful offenders, cross-gender supervision and data management.

To date, 16 prisons and four community corrections centers are fully compliant. All state-operated facilities must have their audits completed by August 2016, the end of the first audit cycle. The department must contract with independent auditors at a rate of about \$5,000 for each facility to determine compliance.

In addition, the DOC, through a Bureau of Justice Assistance, PREA Demonstration Grant, is collaborating with the state juvenile justice system, county jails, and The Moss Group to further understand and develop strategies to address the challenges staff face in providing cross-gender supervision in correctional settings.

The PBPP is in the process of attaining PREA compliance with the “Lock Up” standard for its parole offices across the state. Since October 2015, the PBPP has achieved tremendous results towards prevention planning, response planning, training and education, incident reporting, conduct of investigations, data collection, and audit preparation. Efforts at the PBPP Central Office are driven by a PREA Coordinator, with field supervision staff providing compliance management for their respective “lock ups.”

■ JUSTICE REINVESTMENT INITIATIVE

This year, for the first time, we will reap the benefits of the Justice Reinvestment Initiative – a corrections reform package signed into law in 2012, to enhance operations and reduce corrections spending, with the intention of re-investing a portion of the savings into the front-end of the system.

We anticipate returning approximately 25 percent of those savings, or \$2.9 million, to local criminal justice projects.

In addition, Governor Wolf and a bipartisan group of leaders from all three branches of government recently gathered to launch the latest Justice Reinvestment Initiative which will focus on the front end of the criminal justice system, including sentencing and pretrial policies.

A group of 35 representatives from the executive, legislative, and judicial branches of state and local government, as well as other criminal justice stakeholders, will analyze state and local criminal justice system data. The plan is to develop policy options for introduction in the General Assembly during the 2017 legislative session.

■ VETERANS

Veteran coordinators work with incarcerated veterans to teach, train and educate them about benefits when they are released to increase reentry achievement and mitigate recidivism.

Such efforts include:

- Provide information for medical, psychiatric and social services, including employment and housing upon parole release, as well as short-term case management assistance to staff and incarcerated veterans.
- Locate housing opportunities for hard-to-place veterans coming out of prison.
- Identify speakers and conduct semi-annual informational outreach programs at each facility for incarcerated inmates.
- Trained parole agents on a variety of topics relating to veterans to improve assistance to veterans and a team of agents to work with Veterans Administration (VA) Medical Centers across the state.
- Outreach by parole agents to government and non-governmental organizations that provide support to veterans and their families, and work directly with VA justice outreach specialists to assist veterans with housing, treatment, and other needs.

In Pennsylvania
alone, 3,234
incarcerated
individuals are
veterans.

■ BUREAU OF INFORMATION TECHNOLOGY

The Bureau of Information Technology has embarked on a substantial integration of Corrections and Parole information known as The Corrections and Parole Total Offender Repository (CAPTOR).

This project, which began in fiscal year 2014-15, combines severely outdated systems from both agencies with the goal of seamlessly managing offenders from prison through parole. The new system is critical to the information technology and business needs of both agencies. Without it, the systems which currently support these functions will fail.

BIT is also focused on:

- Modernization of the DOC and the Pennsylvania Board of Probation and Parole (PBPP) systems while concentrating on security and the reusability of services, while increasing data sharing.
- Mobility. We are working to make important information available on multiple devices, including eventually mobile devices, such as could be used by field parole agents.

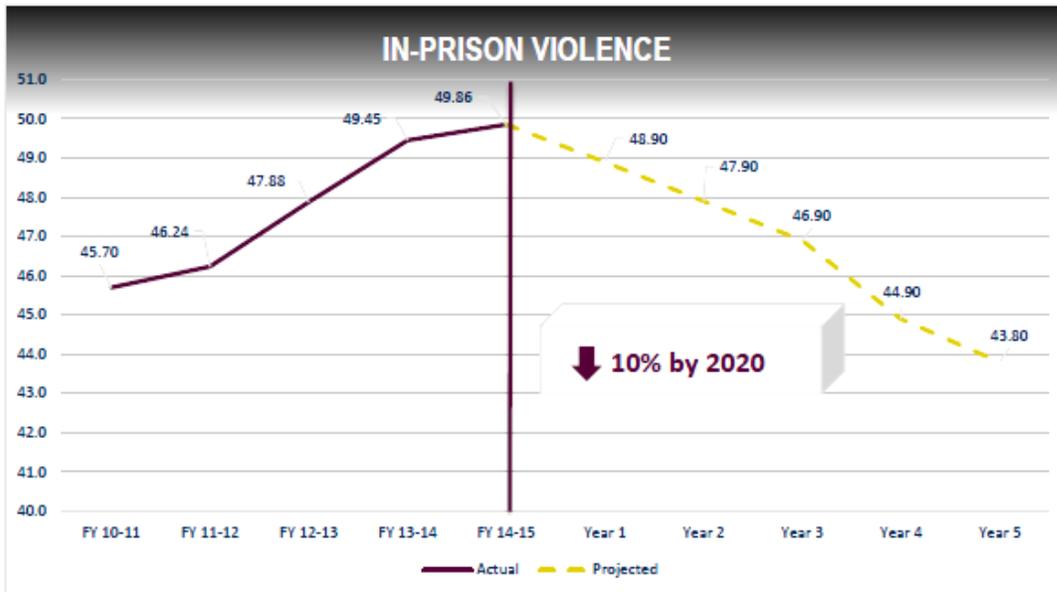
Numerous other initiatives include planning and developing a disaster recovery plan, video archiving and surveillance, enhancing the public inmate locator site, improving technologies at the training academy, and modernizing the education infrastructure and applications to improve efficiency.

VIOLENCE REDUCTION

This year, the DOC initiated a statewide violence reduction task force, comprising leaders in all 26 prisons and the administration, to study our use of restrictive housing, with an end goal to reduce violence in our facilities while also safely reducing the use of restrictive housing where appropriate. At stake is the safety of our co-workers and the offenders.

We want to see improved behaviors and less incidences of violence, be they inmate-on-staff assaults or inmate-on-inmate assaults. Among the topics under review include time-in-cell versus time-out-of-cell, psychological impacts of prolonged isolation, staff rotation, flexible staff scheduling, training needs, mental health, social visits/phone calls, mental illness, juvenile populations and individuals with disabilities.

The entire practice of restrictive housing units can never be eliminated and there will always be individuals who will need to be segregated. But statistics indicate that we overuse restrictive housing and such overuse makes people worse.



Our violence statistics have increased in 2015. Last year, inmate assaults on staff members occurred a total of 801 times, increasing from 729 reports in 2010. During the same time period, there were a total of 705 incidents of inmate-on-inmate assaults, an increase from 620 reports in 2010. The cause of these increases are being explored by the violence reduction task force.

Our goals, through this Violence Reduction Initiative, are to use restrictive housing with more precision, improve outcomes, use less segregation and see less assaults, ultimately reducing our number of violent incidents by 10 percent by 2020.

Through good corrections practices, and by working together, we need to find ways to reduce the use of restrictive housing while reducing violence in our prisons.

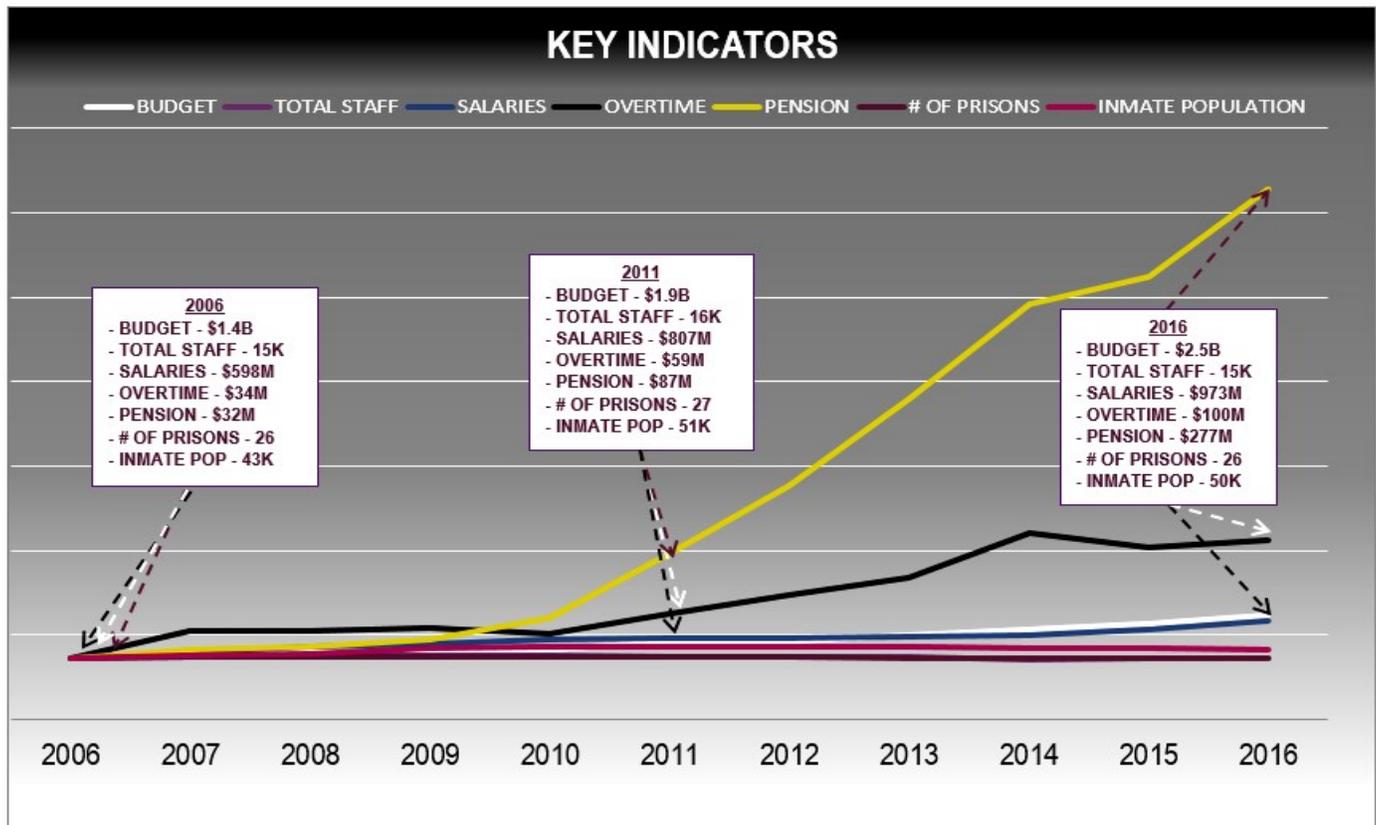
FUNDING AND CHANGES



This budget increases the Department of Corrections and Rehabilitation budget by \$192.3 million, which is an increase of 7.95 percent provided the entire FY2015-16 SCI appropriation is enacted.

Also included in this budget is a \$168 million, or 9.7 percent, increase in personnel costs, mostly because of increased pension costs (an 18.5 percent increase in the age-50 retirement rate and a 17.7 percent increase in the age-60 retirement rates).

The General Government Operations appropriation is increased by 36 percent, reflecting a combination of corrections and parole administrative support staff.



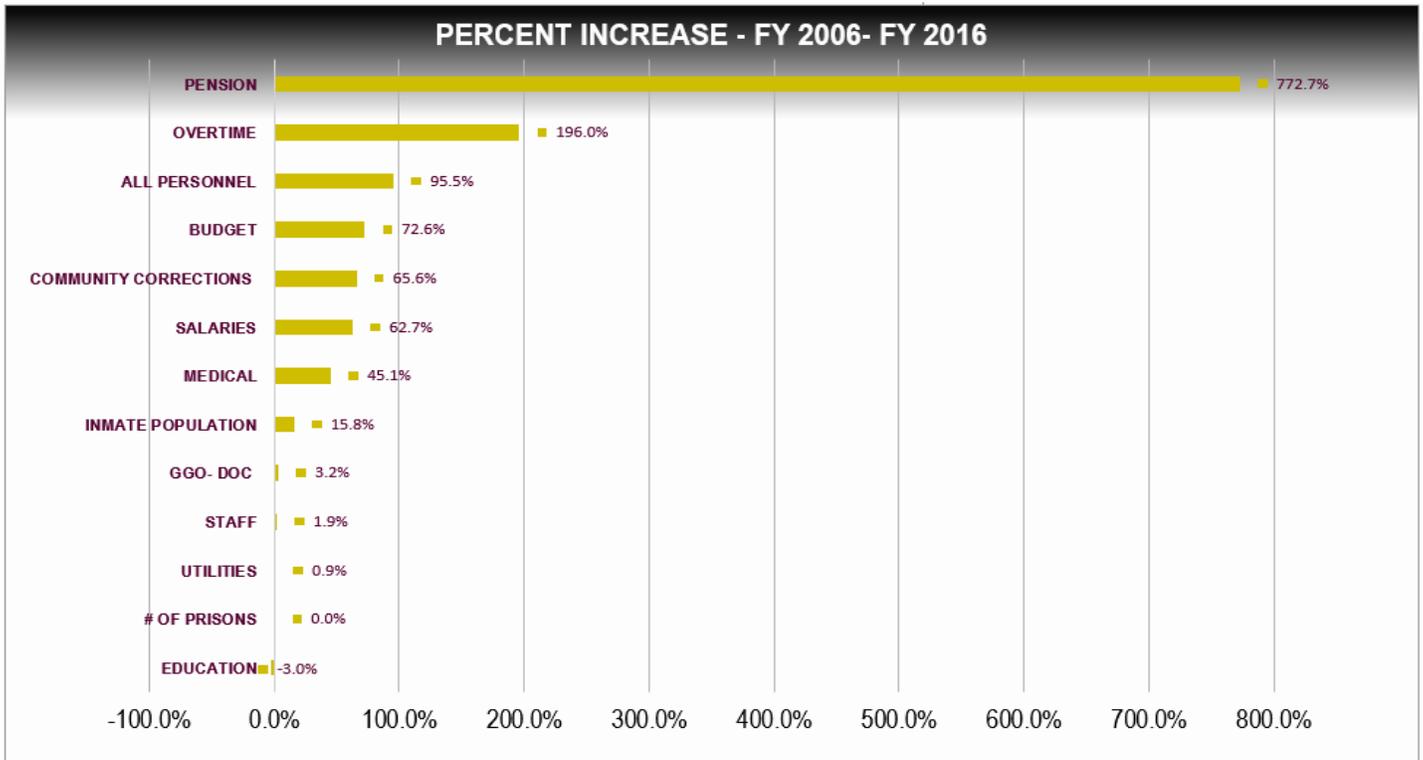
Also, an agreement with the corrections' officers union includes a combined 6 percent increase in the next fiscal year, plus longevity and increments increases that can range from 5 percent to 9 percent. This does not account for any future negotiations with other labor unions.

In total, approximately \$2.0 billion is needed to maintain current staffing and cover increased retirement and benefit costs.

The 2016-17 budget is based on the presumption that we will receive a \$956 million supplemental from last year's budget.

Additionally:

- ▣ Operating and fixed asset budgets were increased by approximately \$5 million to address the maintenance and operation needs of aging institutions.
- ▣ Mandatory overtime for corrections officers, which has nearly doubled in the past two years.
- ▣ Another \$13.7 million is needed for 114 new mental health and service positions and the staffing of a new dementia unit.



GO-TIME

Governor Wolf has made improving government efficiency a top priority, and has tasked his leadership team with reviewing their agencies' operations and pursuing transformational projects that create efficiencies, improve service and generate savings. Additionally, we are working collaboratively to identify opportunities to share services and consolidate operations.

This report includes information on projects being undertaken by the Department of Corrections and Rehabilitation to increase efficiency, produce cost savings, improve employee and citizen engagement, and provide improved customer service.

The Governor's Office of Transformation, Innovation, Management and Efficiency (GO-TIME) has developed a standard methodology for calculating cost savings and has implemented a project management tool to track agency cost savings estimates and monitor the progress of initiatives on a quarterly basis, ensuring that cost savings are accurately captured and savings goals are achieved (See pages 15-16).

Department of Corrections & PA Board of Probation and Parole GO-TIME Projects
As of February 25, 2016

Name	Short Project Description	State	Budget Classification	Planned Start	Planned Finish	Financial Benefit Realization Date	Planned NET Project Savings, \$	Cost Recovery Date	Current FY Td Projected Savings, \$	Current FY Td Estimated Project Exp, \$	Ttl Actual Savings YTD, \$	2016-17 Total Net Savings, \$
Consolidating Medical-related transports	The DOC Bureau of Health Care Services reviewed all off site trips for medical treatment and has identified several services that could be completed on-site or consolidated at one SCI to obtain efficiencies and a cost savings in regard to transportation costs.	In Progress		8/31/2015	12/31/2015	4/1/2016	\$3,097,118.00		\$698,615.00	\$325,000.00	\$0.00	\$762,126.00
Ensuring Post-Release Access to Medication for Offenders Aged 65+	The DOC Bureau of Health Care Services and Diamond Pharmacy Services will establish coverage of the cost of medications for DOC offenders who are 65 and over through the PACE program. Currently there are 1,400 offenders who meet the eligibility criteria for PACE. A recent comparison of medication orders for this population at regular pricing versus PACE pricing estimates a potential annual cost savings of approximately \$2.5 million/annually.	Completed		8/31/2015	9/30/2015	7/1/2015	\$1,576,667.00		\$2,841,667.00	\$733,000.00	\$1,153,174.88	\$2,367,000.00
Financing Energy Efficiency Improvements	The new Guaranteed Energy Savings Contracts are an innovative financing technique that uses cost savings from reduced energy consumption to repay the cost of installing energy conservation measures. Under Pennsylvania's Guaranteed Energy Savings Act, or GESAs, all Pennsylvania government entities are able to enter into Guaranteed Energy Savings Contracts with a prequalified list of Energy Service Companies, or ESCOs. Among the types of projects under GESAs are the installation of energy-efficient lighting and other equipment, water conservation measures and weatherization activities. The PADOC is implementing a GESAs project at State Correctional Institution-Dallas and is exploring opportunities to implement additional GESAs energy efficiency projects at other SCIs across the Commonwealth. The process allows owners to achieve energy savings without up-front capital expenses. The costs of the energy improvements are covered by the performance contractor and reimbursed from the energy savings over a defined time period.	In Progress		8/31/2015	6/30/2017	6/30/2017	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Leveraging Department Purchasing Power	Historically, each State Correctional Institution (SCI) and DOC's Central Office was responsible for their own purchasing activities. The DOC Bureau of Administration recognized the opportunity to consolidate and regionalize purchasing functions, centralize food purchasing and improve operational efficiencies and timeliness for purchases. The DOC is continuing to explore regionalization and/or centralized purchasing at all SCIs, and has released an RFP to solicit vendors to manage the food purchasing statewide.	Not Started		8/31/2015	9/30/2015	7/1/2016	\$26,154,000.00				\$0.00	\$1,500,000.00

Name	Short Project Description	State	Budget Classification	Planned Start Date	Planned Finish Date	Financial Benefit Realization Date	Planned NET Project Savings, \$	Cost Recovery Date	Current FY Td Projected Savings, \$	Current FY Td Estimated Project Exp, \$	Td Actual Savings YTD, \$ 2016-17 Total Net Savings, \$	
Modernizing Offender Health Records	The Electronic Health Record (EHR) will provide a single record that includes all of a patient's health information: a record that is up to date, complete, and accurate. This places providers in all disciplines in a better position to work with their patients to make informed decisions. In a crisis, the EHRs provide instant access to information about a patient's medical history, allergies, and medications. This will enable providers to make decisions sooner, instead of waiting for information from test results, and the ability to better coordinate the care they give. This is especially important if a patient has a serious or chronic medical condition.	In Progress		7/1/2015	4/1/2017	4/1/2017	\$3,276,533.00		\$308,899.00	\$1,387,750.00	\$0.00	-\$509,425.00
Reducing Costs, Reducing Crime	A merger of parole supervision with the DOC will result in eliminating administrative redundancy and overlap as well as maximize field supervision by increasing the number of parole officers. The DOC projects approx. \$10.3m in annual cost savings.	Not Started		7/1/2016	12/31/2016	3/31/2017	\$51,500,000.00		\$0.00	\$0.00	\$0.00	\$10,300,000.00
Reducing Hepatitis C Treatment Costs	Approx. 35% reduction in purchase price for Hepatitis C treatment per patient.	Completed		7/1/2016	6/30/2017		\$8,604,167.00		\$0.00	\$0.00	\$0.00	\$1,604,167.00
Reducing Outpatient Drug Prices (340B)	Section 340B of the Public Health Service Act requires drug manufacturers to provide outpatient drugs to eligible covered entities at significantly reduced prices. The DOC intends to utilize already contracted services to procure outpatient drugs, specifically HIV drugs at this reduced price.	Completed		8/31/2015	9/30/2015	7/1/2015	\$20,803,653.00		\$16,683,333.00	\$13,735,937.00	\$1,410,510.36	\$4,464,068.00
Reducing the State Cost for Medicaid Expansion	Via existing legislation (Act 22), the DOC already utilizes a federal reimbursement for 50% of the state costs associated with an offender's inpatient hospital stay greater than 24 hours. With implementation of full Medicaid expansion in Pennsylvania, the federal share of these inpatient stays for most state funded General Assistance (GA) recipients will increase to 100% for calendar years 2015 and 2016. The federal share will gradually decrease in preceding years as follows: 95% CY2017, 94% CY2018, 93% CY2019 and 90% CY2020 and continuing at this level for future years.	Completed		8/31/2015	9/30/2015	8/1/2015	\$4,233,574.00		\$399,394.00	\$0.00	\$838,020.01	\$958,545.00
Transforming Parole Decision Making	The Board of Probation and Parole uses a paper system for reviewing an offender's case during a parole interview. Through implementation of an electronic system, the decision making process prior, during and after the interview will be streamlined, resulting in decisions being recorded sooner with an estimated savings to taxpayers of \$709k over the next four years.	In Progress	operating	7/1/2015	12/31/2016	4/1/2016	\$271,484.00		\$134,000.00	\$46,597.00	\$0.00	\$102,603.00
Grand Totals							\$129,517,196.00		\$21,066,905.00	\$16,205,284.00	\$3,401,703.25	\$21,549,054.00

Cost savings are categorized as (1) direct dollar savings, (2) productivity savings, (3) increased revenue and (4) cost avoidance. Direct dollar savings may be one-time reductions or ongoing savings. Productivity savings are the estimate of change between current and future processes. Cost avoidance is a reduction in planned or budgeted expenditures resulting from an agency initiative or action. Increased revenues may include new revenue from penalties, fines or fees, or improved cost recoveries. Actual or estimated expenses are subtracted from savings to determine net project savings. Savings within each year are prorated based on the date of project implementation, with project costs taken in full in the year in which they are incurred.

The DOC and PBPP have implemented many cost-saving initiatives in operations costs, such as reducing travel and training for employees, reducing housekeeping, heating, supplies and maintenance expenses, purchasing medicine for inmates at reduced costs and creating consolidated medical services inside the institutions.

Other cost saving initiatives by the DOC and PBPP include:

- Regionalizing state prison purchasing to improve operational efficiencies and timeliness for purchases for food and other items, which will save an estimated \$1.5 million this fiscal year.
- Converting to more efficient energy systems in our prisons resulted in lower heating costs. Natural gas pipelines have now been installed at SCI Camp Hill, SCI Retreat, SCI Dallas, SCI Waymart and the Training Academy.
- Transforming parole decision making from a paper system to an electronic system. By implementing this PBPP GO-TIME initiative, the decision-making process of reviewing an offender's case will be more efficient, resulting in an estimated \$709,000 in savings to the taxpayers over the next four years.

Our success, however, is dependent on the financial support of the state to fully fund these dedicated and specialized staff members, as well as treatment and educational programs, if we want to continue to reduce our prison population.

Corrections has a history of embodying bipartisan policy. We can't choose to take another path now.

Our focus needs to be on the success of these individuals when they leave our custody and return home to their children, their families and their communities – our communities.

This budget assumes we will take the path of a bipartisan budget agreement and invest in our schools and our future.

It provides a clear and responsible path forward, and will, to quote the Governor, support schools that teach, jobs that pay, and a government that works.

Failing to enact this compromise will put us on yet another path that abandons all bipartisanship.

Without it, all our good progress and plans will fail and we will travel down the old path where the solution was simply to build more prisons.

“ Do not go where the path may lead.
Go instead where there is no path
and leave a trail. ”

RALPH WALDO EMERSON

CONCLUSION



Corrections reform needs to begin by acknowledging that an individual's humanity is not diminished by incarceration. We have an opportunity when somebody comes to us, to help that individual become a better person, a better parent, a better employee and a better citizen.

Holding these individuals accountable for their crimes, while creating an environment where they can be restored, is exactly what our system should look like.

As we talk about prison population reduction and recidivism reduction, we need to talk in terms of people – an investment in the people in our custody, in our corrections systems and in our communities.