



**STATE OF INDIANA
Department of Correction**

Indiana Government Center – South

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Edwin G. Buss
Commissioner

November 4, 2010

Mr. Adam Horst
Director, Indiana State Budget Agency
Indiana Statehouse, Room 212
Indianapolis, IN 46204

Re: IDOC Overview - Budget Transmittal Letter
12/13 FY Biennium

Dear Director Horst,

This letter outlines the Indiana Department of Correction's budget request for the biennium beginning July 1, 2011, and ending June 30, 2013. It provides an overview of the Indiana Department of Correction ("IDOC"), including a description of the agency's programs and functions, and details on agency accomplishments and the changes made to improve agency performance and efficiency during the current budget cycle. The letter goes on to outline the challenges that lie ahead and IDOC's objectives for the next biennium.

The Department of Correction Protects All of Us from Serious Criminals

The Mission of the IDOC is to:

*...Advance public safety and successful reentry through dynamic supervision,
programming and partnerships.*

The Structure of the IDOC

The IDOC accomplishes its mission with the help of a team of public servants who operate 15 prisons, 4 work camps, 3 work release centers, and 5 juvenile detention facilities. These facilities house a combined total of 28,479 adult felony offenders and 845 juvenile delinquents. In addition, the Department operates 9 Parole District Offices across the State, whose agents supervise more than 10,800 offenders serving post-incarceration supervision on parole. The IDOC's team of corrections professionals includes approximately 7,180 staff, as well as another 995 contracted employees. The IDOC has also recruited an army of over 5,500 volunteers who donated an aggregate 177,000 hours this past year helping IDOC's program staff reduce and eliminate offender idleness and afford meaningful positive activity in an environment conducive to rehabilitation.

As Commissioner, I am the Chief Executive Officer of the Department of Correction. Those who serve on my Executive Staff include the Deputy Commissioners of Operations and Reentry,

the Executive Director of Juvenile Services, the Chief Financial Officer, our General Legal Counsel, the Executive Director of Research and Technology, the Executive Director of Staff Development and Emergency Response Operations, IDOC's Chief of Communications, as well as my Chief of Staff. All division directors report to a member of my Executive Staff.

For a more in-depth description of the IDOC's divisions refer to IDOC's Annual Report (2009), pages 8-18 found at www.in.gov/idoc/2350.htm.

Function of the IDOC

The IDOC protects Hoosiers in three ways: (1) by ensuring those convicted of serious crimes are removed from the community and not able to reoffend; (2) by affording convicted felons and delinquent youth with evidence-based rehabilitative programs and transitional services designed to increase their likelihood of living a law-abiding lifestyle when they return to the community; and (3) by serving as a deterrent to dissuade some from even considering criminal behavior.

To carry out this public safety mission, the IDOC utilizes a well-defined operational command structure, with divisions that provide specific services to meet one or more elements of the agency's mission.

Containment of Dangerous Criminals

The IDOC has one of the best records in the nation when it comes to containing and controlling serious criminals, and ensuring they do not reoffend in the community during their assigned period of incarceration. In fact, 99.996% of serious felons assigned to a secured prison have not escaped to fugitive status. Of the approximately one-out-of-8,000 maximum or medium-security offenders that do manage to escape, most are apprehended within days of their escape and before they can engage in any serious subsequent criminal behavior.

In addition to providing control and supervision, the Department must maintain conditions of confinement at levels required by law. The Department must provide food (nearly 81,000 meals each day), clothing, medical and mental health care to the entire adult and juvenile offender population.

Decreasing their Likelihood of Reoffending Upon Release

“The penal code shall be founded on the principles of reformation, and not vindictive justice.” Art. I, Section 18 of Indiana's Constitution

Approximately 38% of offenders released from prison return within three years. In 2005, this rate was closer to 39.2%. This difference may seem insignificant, but given the size of the offender population, it equates to hundreds of fewer criminal convictions and tens-of-thousands fewer prison bed days. But there is still room for great improvement.

Reducing recidivism reduces crime. Therefore, those that wish to be “hard on crime” should support evidence-based programs proven to reduce recidivism and increase an offender’s likelihood of successfully transitioning back to their community and taking on a law-abiding lifestyle.

The Indiana Department of Correction is an educational institution that does much more than provide cognitive behavioral programming to thousands of offenders to get them to develop non-criminal thinking patterns and behaviors. In fact, IDOC offers a wide array of educational programs. It offers primary, secondary, and even post-secondary academic education, affording it to thousands of offenders. The IDOC is the largest provider of GEDs and Adult Basic Education (Literacy), and provides a higher proportion of special education to juveniles in primary and secondary education. The agency also provides more vocational apprenticeship certifications than anyone else in the State of Indiana. Unlike other public educational institutions, the purpose of educational programming in IDOC goes beyond simply preparing offenders to be productive members of our community; it also makes them less dangerous.

The IDOC utilizes several core programs in its efforts to rehabilitate offenders, and strives to include one or more of them in every offender’s case management plan as needed. Four of these programs are academic and include adult basic education (literacy), GED, Vocational Certifications, and higher education. In addition to these adult educational programs, all of the nearly 900 juveniles sent to IDOC require education. The IDOC partners with the U.S. Department of Labor to qualify more adult offenders for apprenticeship certificates than any other state in the country. Other core programs include national award-winning substance abuse treatment programs, and nationally recognized faith-based programs. In addition to the core programs, IDOC offers scores of other positive activities for offenders designed to reduce idle time and broaden their perspective and experience away from criminal behavior and thinking.

Challenges Overcome and Accomplishments Made this Biennium

In my 2008 Budget Transmittal letter, I asked for additional funds to accommodate the growing number of offenders, especially high-risk offenders needing to be housed in celled housing units (as opposed to lower-security, dormitory-style settings.) Due to the declining national economy, and the need for Indiana to restrict additional spending, the IDOC was not funded for new housing construction or operations. The challenge that presented itself was one of the most serious in IDOC history. The Department had to find a way to (a) manage record-high offender population levels (b) that are growing at one of the fastest rates in the nation, (c) using existing facility resources, (d) without releasing offenders early, and (e) without allowing conditions of confinement to deteriorate below the standards necessary to ensure institutional safety or compromising on what is expected by law and the citizens of Indiana. To meet this challenge, IDOC launched a never-before-witnessed campaign of new initiatives.

Managing a record-level adult offender population

To manage increasing prison population when there is no additional funding for capacity expansion, it is necessary to (1) increase internal capacity, (2) reduce admissions, or (3) increase releases. The IDOC took measures that affect all three.

Increasing Internal Capacity

A comprehensive series of inter-related initiatives dubbed “Facility Forward” was implemented. This involved changing the missions of five facilities to enhance prison capacity and decrease spending, while still meeting safety and security requirements. Because juvenile populations flattened, while adult offender prison populations continued to rise, the plan was to make best use of available space within existing facilities. The juvenile female population was transferred to a new unit contiguous to the Madison Correctional Facility. This allowed the adult female population to be moved from the crowded Indiana Woman’s Prison site to a more expansive location where the juvenile females once resided. IDOC’s Reentry and Educational Facility was then relocated to the vacated Indianapolis facility to better accommodate those returning to Marion County and surrounding areas following release. The Department’s Industries and Farm Operation’s (PEN Products) corporate headquarters was closed and incorporated with the Indianapolis Reentry and Educational Facility. Likewise, the Indianapolis Parole District Office was also closed and incorporated within existing correctional facilities. Finally, the Indiana Women’s Community Reentry Center was merged to serve out of the new Indianapolis Women’s Prison location. This series of moves realized savings from expired lease agreements, reduced operational costs, and provided the sorely needed additional capacity for medium and maximum-security female offenders.

In conjunction with “Facility Forward” IDOC assembled a working group of trusted and experienced staff to review all facilities to see where additional bed could be placed. In total, 931 additional beds were added to eight existing IDOC facilities.

The classification level of facilities and the factors that go into determining security level of the offender population were revised to ensure the most dangerous offenders are kept in cells, while the least dangerous are managed in less secure facilities such as work camps. This involved some compromise, as good corrections practices would call for many of the higher-level medium security offenders to be housed in cells (which better guards against facility disruption and violence against staff and other offenders), but there are simply not enough celled beds to meet this demand.

Decreasing Admissions

The Department has steadfastly worked to expand the number of low-level felons diverted from prison into community corrections. At the start of the current biennium, the Department provided community corrections grant funding to 74 participating counties. Today, 78 counties participate and several others have asked to participate when additional funds become available.

The Department also examined the number and types of offenders being revoked back to prison from parole. A large portion of these were not for new crimes but for violating conditions of parole (a.k.a. technical violators, for things such as failing to report, and for positive drug screening.) The Department’s Parole Services Division has worked to reduce the rate by which these offenders are being revoked back to prison, by utilizing less restrictive alternative sanctions

for certain technical violators, including more frequent home visits, requiring a greater number of office meetings, and in some cases residential supervision in a local community corrections program. Though the IDOC does not oversee those released on probation, we have worked with several counties through a “Leadership in Action” project that focuses on several reentry initiatives, including looking at reducing the number of probationers being revoked to prison.

Another measure was to send a personal letter to each judge with criminal jurisdiction and each county prosecutor, advising them of the Department’s challenges in managing a growing prison population and asking them to consider local options in lieu of prison where appropriate.

Dependence on county jail holds reached historically high levels in the current biennium. During much of the current year the number of IDOC offenders held in county jails hovered above 2,000 at any given time. But, IDOC has brought this level to less than 1,500 holding beds. This has been accomplished through communications and cooperation with county sheriffs and sentencing judges, and by detailing a staff member to be the Department’s first Executive Liaison for Sheriff and County Jail Operations, to help manage issues relating to this population of jail holds.

Increasing Releases

Since their inception 10 years ago, the statutes that require courts to review prison release for community transition have never been fully utilized. In fact, only about one-of-12 offenders that qualify for the Community Transition Program (CTP) were approved for step-down transition. Two years ago, revised data measures showed the population on CTP hovering at less than 400 offenders. Through renewed efforts, the number of offenders being transitioned from prison through a locally supervised step-down process is now at 650 offenders and growing.

Over the past decade, the number of court-ordered sentence modifications has plummeted. Ten years ago about 12% of offenders released from prison would receive some sort of court-ordered sentence reduction. Today that percentage is closer to 3%. A novel program was piloted at the Branchville Correctional Facility in partnership with the Vanderburgh County Courts and prosecutor. Offenders whose criminal behavior stemmed from substance addiction were afforded an opportunity for modification so long as they proved to successfully participate and graduate from an intensive therapeutic community-model substance abuse treatment program. This has shown so much promise that it is now being conducted at eight facilities, in partnership with 17 county judicial systems.

IDOC staff significantly overhauled the prison disciplinary system to deemphasize credit time sanctions for less serious rule violators. This project also allowed for more time to be restored for subsequent sustained good conduct. Through this effort, more offenders were released closer to their “estimated date of release” as opposed to their “maximum date of release”, which actually allowed for longer periods of post-incarceration supervision for some of these offenders.

Most offenders do not receive the amount of earned credit time they are permitted by law (I.C. 35-50-6-3.3.) To help increase the likelihood of successful transition from prison and to manage the growing population, the Department emphasized greater participation in these core

rehabilitative programs. In fact, last legislative session the IDOC successfully sponsored legislation (SEA 415) that expands the array for earned credit time programs to include our faith-based and character building therapeutic community programs. During the past school year, 1,190 offenders graduated from adult basic education (literacy) programs, 1,593 juvenile and adult offenders received their G.E.D., 1,069 offenders were awarded associate or bachelor degrees, and 1,585 attained a vocational certificate with an additional 422 offenders receiving an Apprenticeship Certification from what is the largest partnership of its kind in the country with the U.S. Department of Labor. Although the statute providing credit from faith-based programs is new, it is projected that approximately 1,200 offenders will earn this credit by the end of FY2011.

The largest of the core rehabilitative programs is substance abuse treatment. Nearly 80% of IDOC's offenders come with a history of substance abuse. Last year, IDOC approved 6,781 awards of earned credit time for offenders that completed one or more phases of the various types of substance abuse treatment programs offered by the Department.

Measures to Reduce Correctional Costs

In order to meet the needs of an expanding prison population and also meet the need to maintain a balanced state budget, the IDOC launched a high-charged campaign to reduce costs. Some of these efforts include:

- Transitioning from a 7 to a 14-day pay calculation cycle to reduce overtime costs;
- Reducing starting pay for correctional officers until they passed their probationary period (usually 6 months) reduced salary expense;
- Consolidating fractured, facility-based vocational education programs to a statewide program in partnership with IVY Tech;
- Decreasing gateage paid to offenders upon release, and successfully proposing a change in law to require them to save a portion of their pay to use at release;
- Adjusting the school year to match the 9.5 month cycle used by other schools;
- Although maintaining custody staffing levels, decreasing many administrative and other positions were vacated through attrition;
- Closing Northeast Juvenile Correctional Facility and consolidating its population and services within other existing units;
- Transferring management of IDOC commissary operations to prison industries (PEN);
- Flat-lining upper management by eliminating Deputy Commissioner of Administration and other administrative positions and consolidated responsibilities among other areas of oversight;
- Consolidating substance abuse treatment services with third-party medical and mental health treatment provider;
- Renegotiating contracts with larger vendors; and
- Returning unused portion of contract dollars that were based on per diems that were never realized because of IDOC's successful efforts described above to reduce intake.

Other Accomplishments Made This Biennium

In addition to maintaining one of the most efficient and effective Departments of Correction in the nation while addressing a larger population, the Department was able to curb costs even more and return millions to the general fund.

In the spirit of doing more with less, the Department was able to achieve several significant achievements:

- For the first time in Indiana, Parole Services received accreditation by the American Correctional Association. This year, auditors from outside Indiana inspected various components of Indiana's 9 district offices, and found they exceeded nationally recognized standards. Indiana is 1 of only 8 states to reach this goal;
- Indiana's prison faith-based housing units known as "P.L.U.S.", or "Purposeful Living Units Serve" received the Offender Program of the Year Award from the American Correctional Chaplains' Association;
- IDOC received the American Correctional Association's Exemplary Offender Program of the Year Award for its Clean Lifestyle is Freed Forever or "C.L.I.F.F." Program, which operates as a therapeutic community substance abuse treatment unit within Indiana's prisons and is dedicated to addressing addiction to methamphetamine;
- After successfully promoting a change in law, the Department graduated Indiana's first Correctional Police Officers. This force will greatly enhance efforts to prevent and enforce crimes within Indiana's prisons.

IDOC's Performance Measures

The highest level performance measures ("Dashboard Indicators") used by the IDOC include two basic measures – the rate of recidivism and the percentage of idle offenders. The key performance indicators that follow include many data points. For example, the number of beds filled; number of employees; staff vacancy rates; number of escapes; number of offenders in community corrections, including the Community Transition Program (CTP); percent of released juveniles with permanent housing arrangements; and the percent of parolees with sustained employment. The list goes on. The Department also measures facility performance metrics. Many of the data elements are incident-driven (e.g. number of assaults, percentage of positive drug screens, etc.) and are reported and compared frequently.

The Department recently rolled out two additional facility-specific measures – (1) facility per diem, and (2) staff-to-offender ratios. We have established benchmarks that relate to each level and type of IDOC facility.

The Department's Objective for the Next Biennium: Ensuring the Best Bang for the Buck

The primary objective of the IDOC will be to address the capacity needs of the Department, especially for the increased percentage of higher-risk adult male offenders requiring more secured (celled) housing unit environments. Projections show the adult male offender population growing from 26,641 offenders in 2010, to 28,773 offenders by 2013. Projections show that

27% or 575 of these new offenders will be high-risk offenders, requiring higher security confinement. The IDOC has no remaining cells in which to house these offenders and they are too dangerous for dormitory housing or community-based alternatives. The vast majority of these high-risk offenders are serving sentences longer than 18 years for more serious felony offenses.

On the other side of the felony spectrum are those sent to the Department of Correction for lower-level felonies and are being given very short periods of incarceration – too short for DOC to do much more than run them through the intake process and then return them home. For example, 1,361 offenders were sent to IDOC last year with less than 30 days to serve. In fact, 2,953 were sent with 60 days to serve and over 4,500 were sent with less than 90 days to serve. These short term offenders cannot be treated the same as the more serious offenders. The treatment and programs must be catered to their very short stays, and in most cases it makes little fiscal sense to transport them to a parent facility only to transport them back home within a few weeks.

To help better define who needs to go to prison, the Department is taking a leading role on working with the Criminal Code Evaluation Commission, and with outside analysts from the Council of State Governments and the PEW Public Safety Performance Project, to review Indiana's sentencing and corrections laws and policies. Through these efforts, the criminal code is undergoing the first extensive review in 35 years. It is anticipated the recommendations from this study, if translated into new laws by our General Assembly, would have a stabilizing impact on DOC's population size. However, it is unclear to what extent these resulting changes might impact IDOC's admissions during the upcoming biennium.

Another primary objective is not only to maintain facility conditions of confinement at levels that meet minimum legal and Constitutional requirements, but to meet nationally recognized standards set out by the American Correctional Association. The goal will be to have all of Indiana's prison and juvenile detention facilities accredited this next biennium. This is an objective only 12 other states have been able to achieve.

For the next biennium, IDOC will refine its performance measures. The Department will begin tracking both average per diems and average staff-to-offender ratios for each facility. Performance targets will be calculated for each facility based on the population they serve to promote an apples-to-apples comparison.

Additional Resources Requested for the FY 12/13 Biennium

The Department has entered into contractual agreements for the provision of certain services. Those services include medical, dental, and food service for all offenders. The payment basis for all of these contractual agreements is directly and proportionately related to the offender population size, and on inflation. As both of those factors increase, the amount of the Department's contractual obligations also increases. To assist with the fulfillment of contractual obligations, the Department has the following additional funding requests:

Contractual Increase for Food Service Contract:

In 2005, the Indiana Department of Correction entered into an agreement with a private vendor for food services for all of the State's correctional facilities. The total cost of the food service contract is expected to rise during the next biennium. One of the major contributing factors of the expected increase is the anticipated rise in the number of offenders during the next biennium.

Title	Fund	FY 2012	FY 2013
Food Service	13430	\$ 2,251,547	\$ 3,846,364

The current annual base cost for offender food services is \$35,394,834.

Contractual Increase for Medical Contracts

Medical services for offenders housed in state correctional facilities are provided by a private vendor. The cost of those basic services is determined on a per diem basis. During the current biennium, the contractual per diem amounts increased. In addition, the Department also anticipates an increase in offender population which will result in an increase in medical costs.

Title	Fund	FY 2012	FY 2013
Medical Services	18790	\$ 4,524,603	\$ 8,842,764

The current annual base cost for offender medical services is \$101,403,632.

Contractual Increases for New Castle Correctional Contract

In 2002, the Department opened the doors on the New Castle Correctional Facility. In 2005, the Department of Correction entered into an agreement with a private vendor for the operation of the New Castle Correctional Facility. Under that contract, remuneration to the vendor is based on a daily offender count (per diem). During the current biennium, the Department's population did not require the full use of the New Castle facility, so the appropriations requested last Session contemplated a phase-in to full operation. Due to the anticipated rise in the offender population, it will be necessary to utilize the entire capacity of the New Castle facility (2,684) during the full course of the next biennium.

The costs of this change package have been calculated using the contractual per diems, with the assumption that the facility will be filled to its capacity throughout the biennium.

Title	Fund	FY 2012	FY 2013
New Castle Correctional	13650	\$660,417	\$1,343,436

The current annual base cost for New Castle Correctional Facility supervision and management is \$33,490,531.

Active Electronic Tracking of Sexually Violent Predators

Indiana law passed during the 2006 session and, following subsequent amendments, made effective July 2010, requires IDOC to place active electronic tracking devices on all offenders defined as sexually violent predators. Because of a separate piece of legislation also passed in 2006, the type and number of offenders defined to be sexually violent predators increased significantly, and the new requirement that they be kept on parole supervision for life would have significant costs relating to this mandate that increase exponentially for years to come.

IDOC’s Research Division has determined that during the next biennium, 1,243 of the sex offenders leaving prison for parole will be defined by law as sexually violent predators. The estimated cost of distributing and maintaining the GPS equipment and providing continuous monitoring and response by staff is estimated to be \$5 million the first year and \$13.5 million the out year. Projections show this reaching \$24.2 million by the end of the fourth year.

Because the Department was not funded to meet this new program, IDOC proposed a resolution to study GPS tracking of sex offenders. The Criminal Law and Sentencing Policy Study Committee reviewed this issue this past summer and fall. This study Committee unanimously recommended a change in law to require GPS tracking only for sex offenders determined to be high risk for committing another sex offense. If this recommendation is accepted into law, the cost of GPS monitoring of sex offenders would be reduced by approximately 80%.

Because of the high cost of this program and the fact it has been reviewed and recommended to change, we estimated two funding options, including a second, more efficient option, which roughly estimates the cost of a discretionary program that would apply to only the highest-risk sex offenders. This second option would require the change in law recommended by the Criminal Law and Sentencing Policy Study Committee.

Title	Fund Center	FY 2012	FY 2013
Electronic Tracking of S.V.P. OPTION 1	13500	\$ 5M	\$ 13.5 M
Electronic Tracking of S.V.P. OPTION 2	13500	\$1.2 M	\$2.4 M

Other Recommended Changes to the 2011 Budget Bill

The instructions for paying per diems to counties for holding IDOC offenders in jail are found in the Budget Bill under the line item: “County Jail Maintenance Contingency Fund.” The instructions tell of a per diem determined by the State Budget Agency, which appears to have remained at \$35 per day for the past 20 years. The instructions also tell that the obligation

begins 5 days from sentencing. The IDOC has experienced increasing problems receiving sentencing documentation required under IC 35-38-1-14 for offenders sentenced to IDOC but maintained in county jails. These required documents include sentencing orders, Abstracts of Judgment and other documentation needed to validate who has been sentenced to the Department and when that sentence commenced. These materials are needed for IDOC to accurately and timely determine who should remain as jail holds, and who should be served at some other IDOC facility. The recommendation is to amend these instructions to require per diems to be paid for holds starting 5 days from the date the IDOC receives all required sentencing documents. A related recommendation would be to offer a stipend to jails for providing programming that would entitle an IDOC inmate help in jail to earned credit time. The stipend could result in a new savings if structured such that it more than offset costs associated with longer stays.

Another recommendation for possible inclusion in the budget bill is language clarifying that judges must order child support payments from parents whose children have been declared delinquent and transferred to the guardianship of the IDOC. This would include procedures for transferring payment to a DOC account dedicated to assisting in the housing and transition of juvenile offenders.

Capital Requests

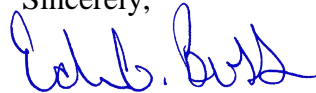
- (1) **Preventive Maintenance = \$10,677,354** –This represents the capital preventive maintenance requests from all the Department’s adult and juvenile facilities, as well as the PEN Products Division. The amount requested reflects a 0% percent increase over the 2003-05, the 2005-07, the 2007-09, and the 2009-2011 appropriation levels.
- (2) **Capital Lease Payments = \$111,977,907**– This represents the cumulative capital bond payments for the five correctional facilities (Wabash Valley CF, Rockville CF, Pendleton Juvenile CF, Miami CF, and the New Castle CF) constructed through bond proceeds administered by the Indiana Finance Authority.
- (3) **R & R/New Construction Projects = \$15,685,500**— The Agency is requesting no new capital in this budget submittal. In keeping with the Agency master plan, several projects previously appropriated but not allotted will be submitted for consideration. These will include functions critical to facility operations such as replacement of locking devices, refurbishment of water systems, and building envelope refurbishment and repair. Each of these projects has already been submitted and approved in previous budgets, but were not allotted due to fiscal constraints.

Detailed information on the Department’s 2012-13 capital budget requests can be found in the capital transmittal letter sent under separate cover.

Total Capital Request = \$138,340,761

My staff and I look forward to cooperating with your Agency to ensure the appropriations received are managed in the most efficient and effective manner for the taxpayers of Indiana.

Sincerely,



Edwin G. Buss
Commissioner

cc: Sebastian Smelko, Policy Adviser for Public Safety, Office of Governor Daniels
Mike Roberts, IDOC Budget Analyst, State Budget Agency