

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 A.M. on February 4, 2005, in Room 514-S of the Capitol.

All members were present except:
Representative Lane- excused

Committee staff present:
J. G. Scott, Legislative Research Department
Amy VanHouse, Legislative Research Department
Reagan Cussimano, Legislative Research Department
Becky Krahl, Legislative Research Department
Matt Spurgin, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:
Patricia Biggs, Director, Kansas Sentencing Commission (KSC)
Roger Werholtz, Secretary, Department of Corrections (DOC)

Others attending:
See attached list.

- Attachment 1 FY 2005 Prison Population Projection, Patricia Biggs, KSC
- Attachment 2 Comparative Prison Data & Facility Capacity, Roger Werholtz, DOC
- Attachment 3 Inmate Healthcare, Roger Werholtz, DOC

Chair Neufeld announced that the Committee meeting on Monday, February 7, 2005, will be cancelled.

Representative Feuerborn moved to introduce legislation concerning the Kansas Judicial Center allowing for donations to be received to fund the placement of the Seal of Justice in the Kansas Supreme Court. The motion was seconded by Representative Landwehr. Motion carried.

HB 2264 is referred to Social Services Budget Committee.

HB 2267 is referred to the Education Budget Committee.

HB 2037, HB 2075, HB 2189, HB 2190, HB 2191 are referred to the sub-committee on Kansas Public Employees Retirement System (KPERs).

Chair Neufeld recognized Patricia Biggs, Director, Kansas Sentencing Commission, who presented testimony on the FY 2005 adult prison population projections and the foundation of prison population (Attachment 1).

Responding to questions from the Committee, Ms. Biggs indicated that 503 prison beds will be freed up as a result of the enactment of **SB 123**. With reference to the revision of projected population numbers, Ms. Biggs stated that it is usually not good policy to recompile projections because they are not accurate, but rather, it is important to examine the data and find the reasons for the inaccuracies to use in future projections. The Committee noted that it is important to have as accurate information as possible for budget planning. Ms. Biggs stated that prison capacity will be at a maximum level in 2007-2009. Because the Department of Corrections is reformatting the custody system, it could be two years before stable custody level projections are available. With reference to the length of stay increase for condition violators, Ms. Biggs noted that part of this problem is caused by the movement of individuals from the county jails to DOC at an earlier date. Ms. Biggs stated that KSC does not, at the present time, have any projections on the number of prisoners with mental illness.

The Chair thanked Ms. Biggs for her testimony before the Committee.

Chairman Neufeld recognized Roger Werholtz, Secretary, Department of Corrections, who presented testimony on the Department of Corrections' response to population projections and facility expansion options submitted to the Legislature in response to **SB 45** (Attachment 2). With reference to out-of-state prison space

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 4, 2005, in Room 514-S of the Capitol.

and Violent Offender Incarceration/Truth in Sentencing (VOI/TIS) funds, Secretary Werholtz noted that provisions of the federal law states that VOI/TIS funds can only be spent for out-of-state higher offender private-run prison space. These funds, were appropriated in the Federal Crime Bill, and were granted to Kansas through FY 2001 and must be expended by the end of FY 2006. The balance of \$841,000 has been structured in DOC's budget and will be re-directed toward day reporting centers in FY 2006 to make sure it is expended before the expenditure authority expires. At the present time, the Department is maintaining a contract with a private Texas facility for extra bed space. They are also looking at extra prison space in Oklahoma; however, no contract has been signed. Mr. Werholtz indicated that the Department is continuing to monitor the Texas facility. The deficiencies that were raised by inmates and their families have primarily been resolved.

Secretary Werholtz stated that the Department is continuing to anticipate an increase in the prison population over the long-term even though there has been some decline over the past several months which had not been predicted. The Secretary noted that the Department is doing research on the cause of the decline; however, several factors that could have an impact include: (1) parole violators have declined; (2) all types of releases have increased; (3) new court commitments have declined; and (4) enactment of **SB 123**.

Secretary Werholtz stated that the primary need for bed space is for medium and maximum adult male offenders. One of the Department's recommendations is for converting one of the maximum security cellhouses at El Dorado to medium security and double cell the inmates. Another recommendation is building a 100-bed minimum security facility at Ellsworth Correctional Facility which would allow approximately 50-60 minimum security male inmates to be moved outside the secure perimeter and replace them with medium security inmates. This would result in the lowest cost to create medium security male beds. There is no money in the Governor's budget for this proposal; however, the Governor has proposed the authorization for the issuance of bonds to begin the design process. One other proposal is by a privately-owned facility at Ellsworth. Secretary Werholtz noted that the last survey of excess county jail beds shows that there are no beds available at the county level for state use.

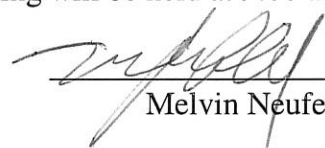
With reference to the prison healthcare contract, Secretary Werholtz advised the Committee that the current six-year prison healthcare contract at a cost of \$28 million is expiring. A new contract is being negotiated at an approximate cost of \$41 million (Attachment 3). The new contract will have the same full coverage, comprehensive specifications as the current contract: all medical, dental, optical, mental health and pharmaceutical services with no deductibles, co-pays, caps or exclusions on services or contractor expenditures. The main difference from the current contract and the new contract allows for an initial three-year term fixed pricing with up to three two-year extensions, with negotiations and mutual agreement of both parties. Responding to a question from the Committee with regard to aging inmates, Secretary Werholtz indicated that the Department has a monitoring contract with the University of Kansas Medical Center to examine the level of care given to elderly inmates. Release of elderly inmates can be made under a functional incapacitation procedure; however, it is rare for inmates to be released under this procedure.

Another difference between the old contract and the new contract involves the purchase of pharmaceutical drug pricing allowing the negotiated pricing in the new contract to be extended to all Kansas governmental agencies. The new negotiated prices are approximately 57 percent of wholesale drug prices. Secretary Werholtz stated that approximately 21 percent of the pharmaceutical drugs used at the prisons are psychotropic drugs.

Responding to a question from the Committee with regard to the number of mental health prisoners in the inmate population, Secretary Werholtz stated that 20-21 percent of the prison population has a mental disorder diagnosis of some significance and is prescribed psychotropic medication. The Department is doing future research on this data as well as looking at facilities, including 25 beds at Larned Correctional Mental Health Facility to house inmates with mental health problems, and find the safest location for the inmate as well as the staff.

Chair Neufeld thanked Secretary Werholtz for his presentation.

The meeting was adjourned at 11:00 a.m. The next meeting will be held at 9:00 a.m. on Tuesday, February 8, 2005.



Melvin Neufeld, Chair

Kansas Sentencing Commission

FY 2005 Prison Population Projection

House Appropriations Committee
February 4, 2005

Patricia Biggs, Executive Director

Foundation of Prison Population Simulation Model

- Two driving factors
 - Admissions
 - Length of Stay
- Monte Carlo Simulation Methodology
 - Probabilistic
 - Simulation of system movement
- Two Sources of information
 - Prior Year's data (actual experience)
 - Assumptions by Consensus Group

**GUIDELINE NEW COMMITMENT ADMISSION
 CHARACTERISTICS - FISCAL YEAR 2004**

ID GROUP	NUMBER ADMITTED	PERCENT ADMITTED	AVERAGE SENTENCE (MONTHS)	JAIL CREDIT (DAYS)	CONDITION PROBATION VIOLATORS (%)	PROBATION VIOLATORS W/NEW SENT (%)
D1	196	5.8%	67.5	182.4	14.8	5.6
D2	80	2.4%	51.9	154.7	28.8	6.3
D3	276	8.2%	28.8	139.5	39.9	3.6
D4	505	15.0%	19.6	138.9	70.9	4.2
N1	81	2.4%	250.1	253.7	6.2	1.2
N2	20	0.6%	152.4	216.5	N/A	10.0
N3	208	6.2%	89.3	192.9	10.6	1.9
N4	61	1.8%	59.7	140.0	8.2	4.9
N5	243	7.2%	54.5	195.8	27.2	6.6
N6	71	2.1%	29.8	197.8	40.8	1.4
N7	517	15.3%	26.3	169.4	61.3	6.2
N8	336	10.0%	16.9	142.7	69.0	6.8
N9	508	15.1%	11.3	131.0	70.7	2.4
N10	215	6.4%	8.3	108.4	66.5	1.9
Off Grid	32	1.0%	-	-	N/A	N/A
Total Guideline	3349	99.4%	93.7	155.4	50.9	4.4
Total Pre-guideline	10	0.3%				
Missing/ Non-grid	10	0.3%				
TOTAL ADMITS	3369	100.0%				

**PRISON POPULATION CHARACTERISTICS
 JUNE 30, 2004**

ID GROUP	PRE-GUIDELINE		GUIDELINE		TOTAL	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
D1	2	0.0%	619	6.8%	621	6.8%
D2	1	0.0%	355	3.9%	356	3.9%
D3	3	0.0%	431	4.7%	434	4.7%
D4	0	0.0%	524	5.7%	524	5.7%
N1	211	2.3%	506	5.5%	717	7.8%
N2	159	1.7%	298	3.3%	457	5.0%
N3	134	1.5%	1136	12.4%	1270	13.9%
N4	14	0.2%	249	2.7%	263	2.9%
N5	30	0.3%	944	10.3%	974	10.6%
N6	1	0.0%	147	1.6%	148	1.6%
N7	3	0.0%	713	7.8%	716	7.8%
N8	0	0.0%	255	2.8%	255	2.8%
N9	0	0.0%	206	2.3%	206	2.3%
N10	0	0.0%	57	0.6%	57	0.6%
OFF GRID	316	3.5%	208	2.3%	524	5.7%
PAROLE CONDITIONAL VIOLATORS	642	7.0%	496	5.4%	1138	12.4%
AGGREGATE SENTENCE	488	5.3%	0	0.0%	488	5.3%
SUBTOTAL	2004	21.9%	7144	78.1%	9148	99.9%
MISSING/NON-GRID					5	0.1%
TOTAL					9153	100.0%

COMPARISON OF GUIDELINE NEW COMMITMENTS BY SEVERITY LEVEL
 ADMISSIONS AND AVERAGE LENGTH OF SENTENCE (LOS)
 FY 2000 THROUGH FY 2004

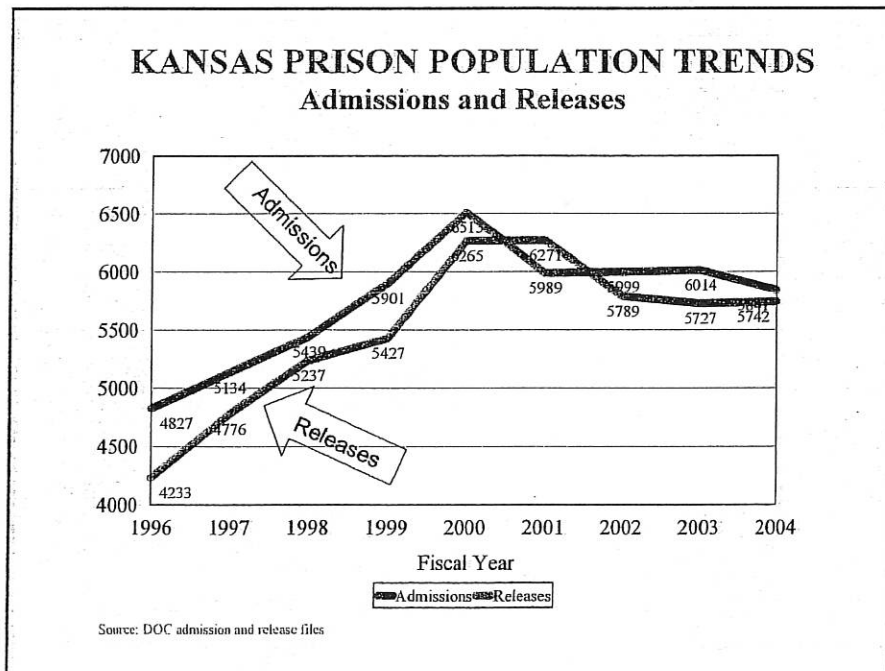
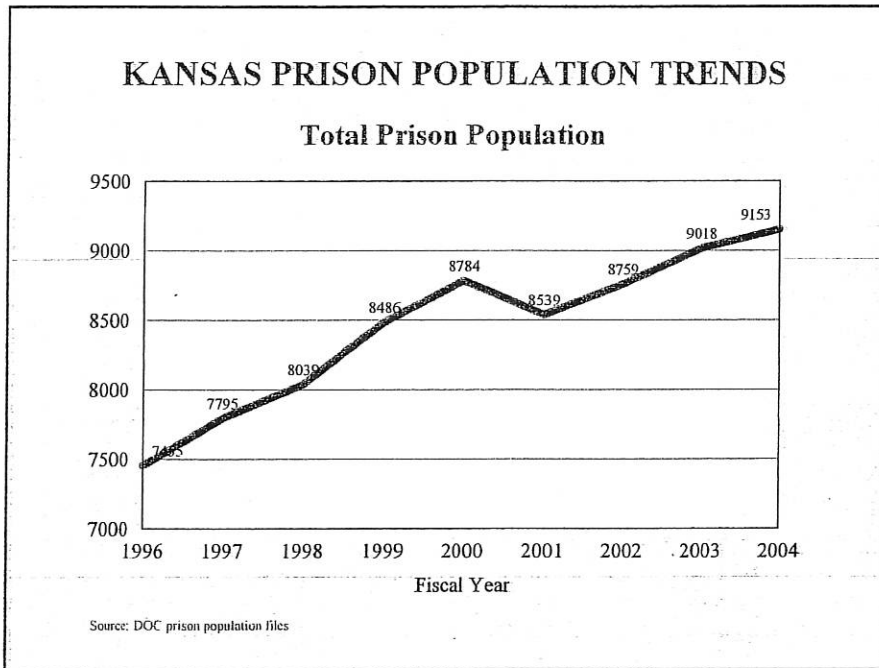
Severity Level	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004	
	Admission Number	LOS in Month	Admission Number	LOS in Month	Admission Number	LOS in Month	Admission Number	LOS in Month	Admission Number	LOS in Month
D1	26	95.8	101	91.6	209	91.1	176	92.7	196	67.5
D2	97	52.3	83	56.2	110	53.1	106	51.5	80	51.9
D3	255	27.1	258	28.1	265	26.8	252	28.1	276	28.8
D4	398	17.8	440	19.5	451	20.0	576	22.8	505	19.6
N1	52	299.0	77	335.0	61	245.7	77	247.9	81	250.1
N2	48	193.4	37	180.1	37	178.8	33	142.4	20	152.4
N3	204	89.8	211	99.4	239	91.2	202	84.7	208	89.3
N4	55	68.0	57	67.8	74	66.5	59	68.8	61	59.7
N5	226	54.0	276	55.7	287	51.6	308	51.4	243	54.5
N6	71	29.9	61	31.2	69	35.0	69	34.5	71	29.8
N7	439	26.4	515	25.5	550	24.0	519	24.5	517	26.3
N8	295	15.5	261	16.3	261	16.0	281	17.4	336	16.9
N9	568	10.5	553	11.2	547	11.1	472	11.5	508	11.3
N10	125	7.0	135	7.8	166	7.4	158	7.3	215	8.3
Total	2859		3065		3326		3288		3317	

Source: DOC admission file.
 Note: Guideline new commitment admissions include new court commitments, probation condition violators and probation violators with new sentence.

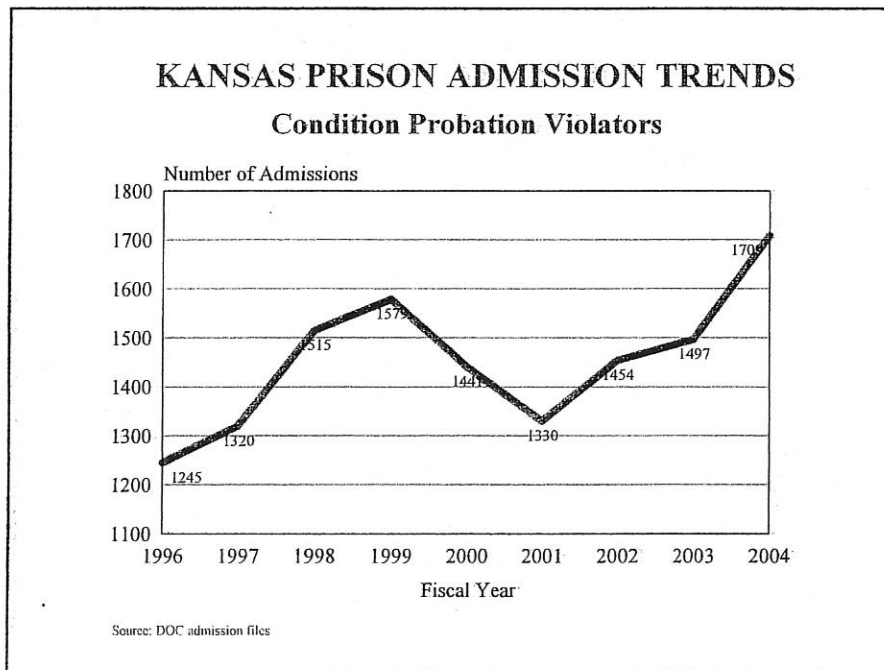
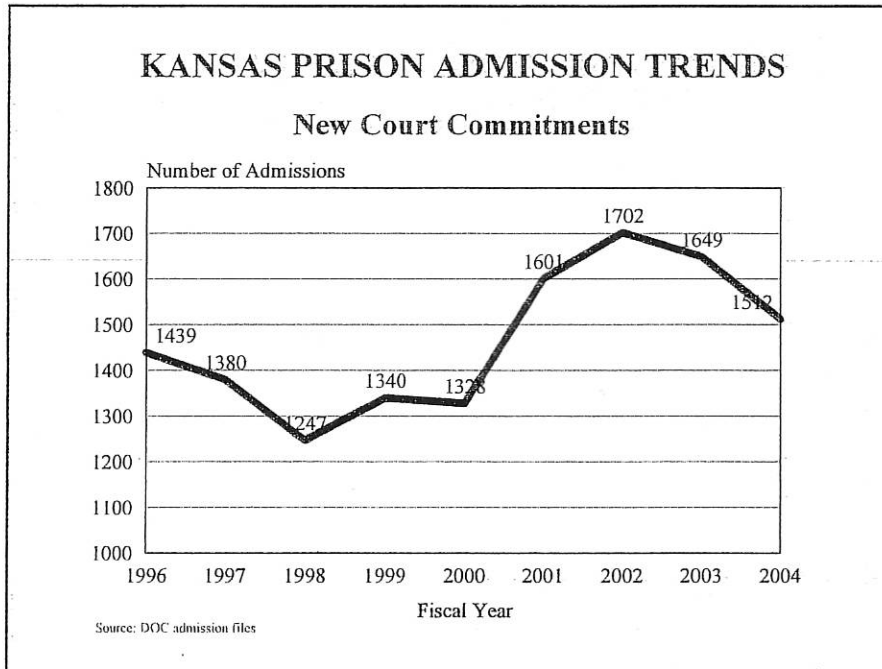
COMPARATIVE ANALYSIS OF
 CONDITION PAROLE/POST RELEASE SUPERVISION VIOLATORS
 BETWEEN FY 2003 AND FY 2004

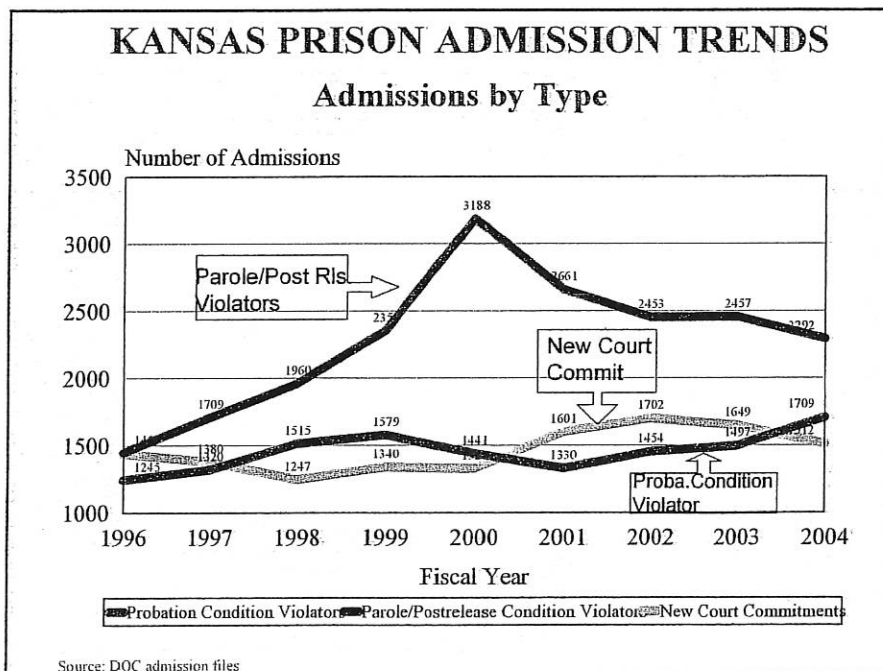
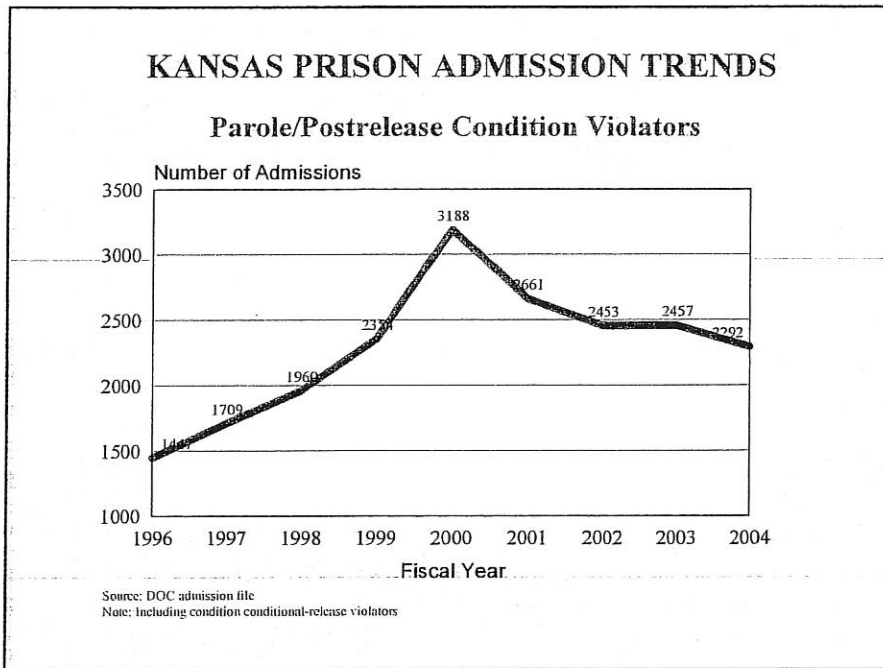
Law	Admission Number				Average Length of Stay in Month			
	FY 2003	FY 2004	# Decrease	% Decrease	FY 2003	FY 2004	# Increase	% Increase
Both/Agg	75	56	-19	-25.3%	10.75	9.38	-1.37	-12.7%
Guideline	1848	1843	-5	-0.3%	3.37	3.73	0.36	10.7%
Pre-guideline	529	393	-136	-25.7%	15.21	16.14	0.93	6.1%
Total	2452	2292	-160	-6.5%				

Source: DOC admission and release files.

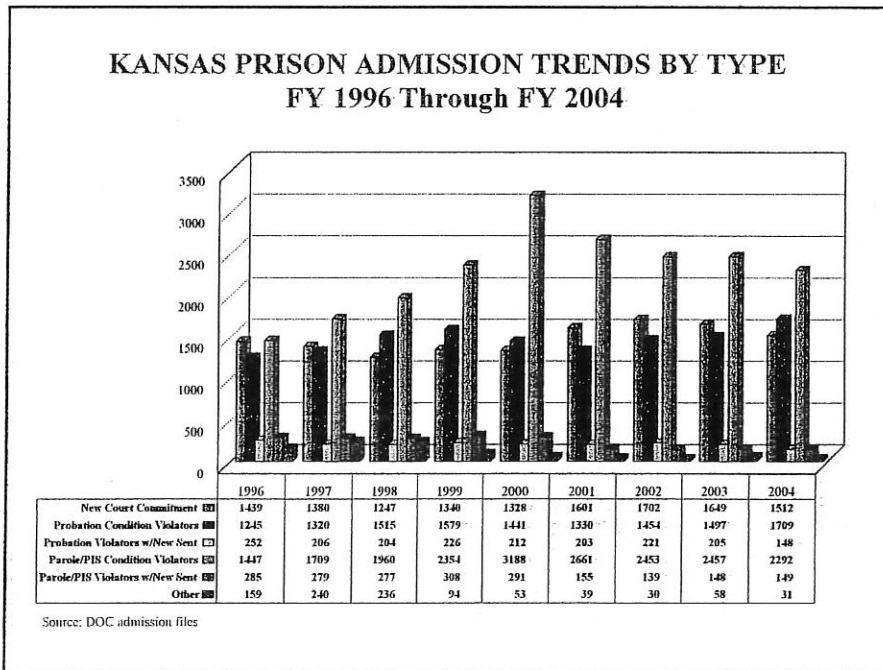
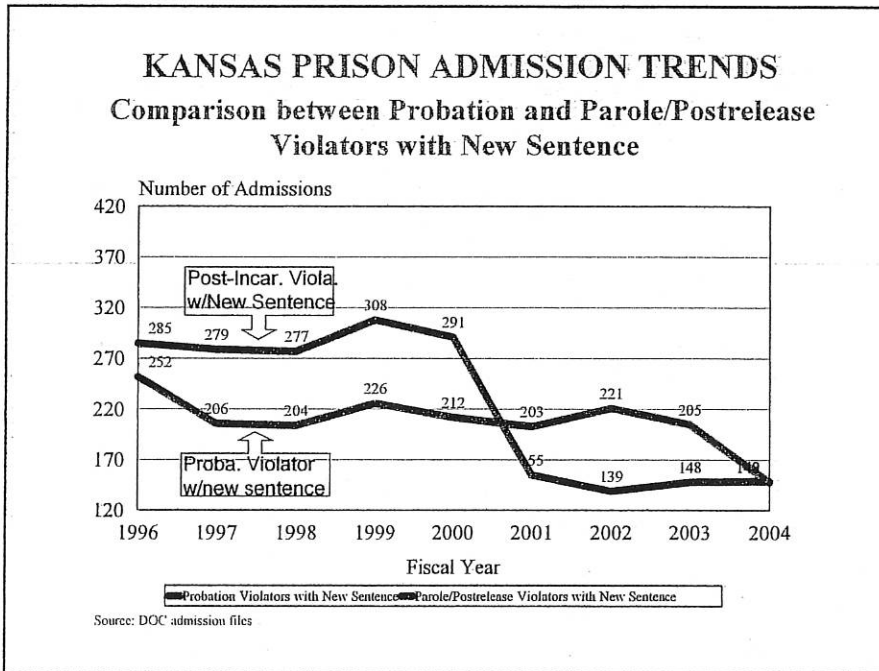


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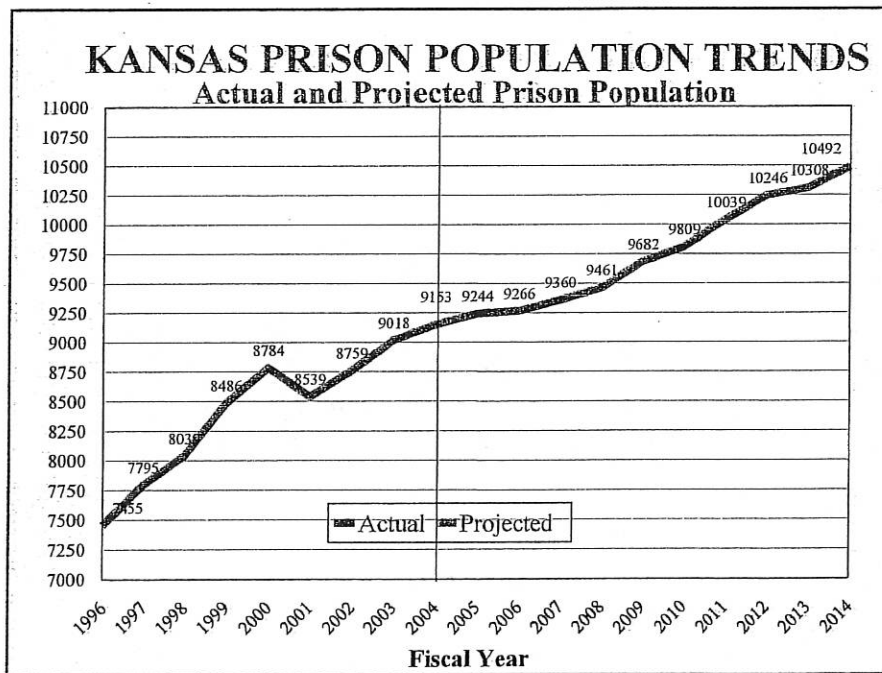


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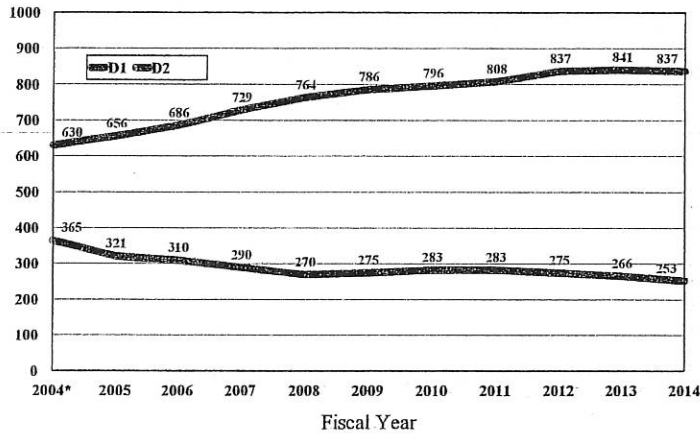
1-7

KANSAS SENTENCING COMMISSION FY 2005 ADULT INMATE PRISON POPULATION PROJECTIONS													D1, N1, N3, Offgrid = 1262/1339=94.25% of projected 10-year growth	
Severity Level	June 30 2004*	June 30 2005	June 30 2006	June 30 2007	June 30 2008	June 30 2009	June 30 2010	June 30 2011	June 30 2012	June 30 2013	June 30 2014	Total # Increase	Percent Increase	
D1	630	656	686	729	764	786	796	808	837	841	837	207	32.9%	
D2	365	321	310	290	270	275	283	283	275	266	253	-112	-30.7%	
D3	440	484	507	520	528	538	569	558	566	564	583	143	32.5%	
D4	530	418	404	412	412	407	402	414	423	413	446	-84	-15.8%	
N1	761	828	890	947	1001	1055	1106	1151	1218	1260	1310	549	72.1%	
N2	482	487	491	489	506	514	521	528	527	527	528	46	9.5%	
N3	1336	1333	1335	1326	1338	1358	1386	1391	1421	1458	1479	143	10.7%	
N4	273	271	285	290	278	284	282	278	278	287	278	5	1.8%	
N5	1010	965	938	937	931	938	940	957	911	924	958	-52	-5.1%	
N6	156	166	149	144	143	155	142	135	132	142	135	-21	-13.5%	
N7	730	756	776	791	793	758	773	787	801	778	772	42	5.8%	
N8	263	293	291	290	283	300	305	316	315	319	323	60	22.8%	
N9	213	285	251	240	260	237	245	256	288	271	267	54	25.4%	
N10	57	82	60	59	48	69	61	66	75	65	69	12	21.1%	
OFF GRID	691	719	755	787	827	865	899	935	975	1013	1054	363	52.5%	
Condition Patrole/PIS Violators	1216	1180	1138	1109	1079	1143	1099	1176	1204	1180	1200	-16	-1.3%	
Total	9153	9244	9266	9360	9461	9682	9809	10039	10246	10308	10492	1339	14.6%	



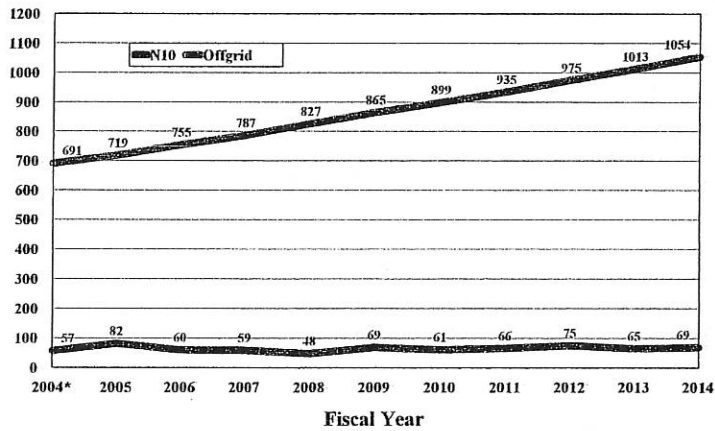
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**PROJECTED BEDSPACE
 DRUG LEVEL 1 AND LEVEL 2 OFFENDERS**



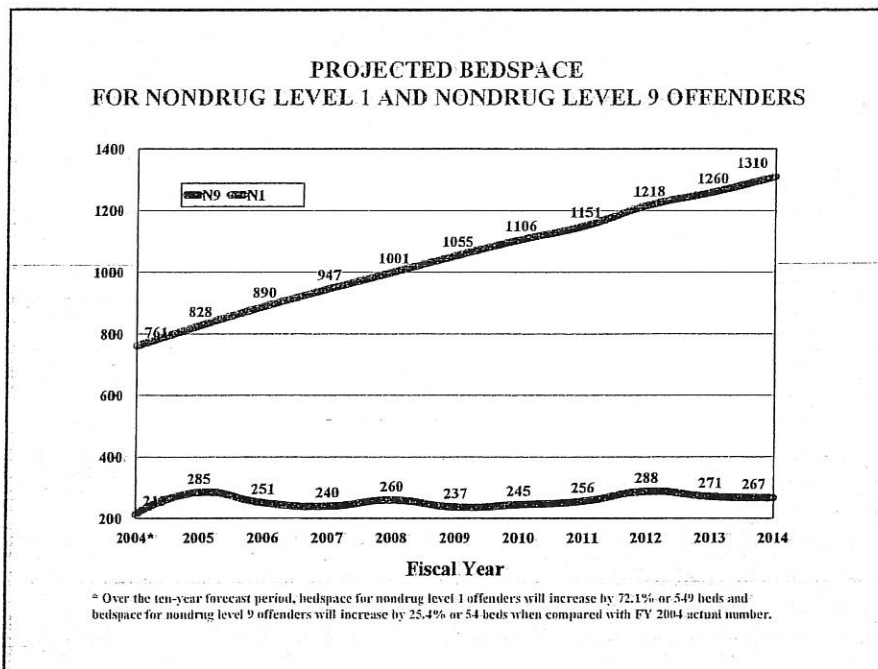
* Over the ten-year forecast period, bedspace for drug level 1 offenders will increase by 32.9% or 207 beds and bedspace for drug level 2 offenders will decrease by 30.7% or 112 beds when compared with FY 2004 actual number.

**PROJECTED BEDSPACE
 OFFGRID AND NONDRUG LEVEL 10 OFFENDERS**



* Over the ten-year forecast period, bedspace for offgrid offenders will increase by 52.5% or 363 beds and bedspace for nondrug level 10 offenders will increase by 12 beds when compared with FY 2004 actual number.

1-9



Model Monitoring

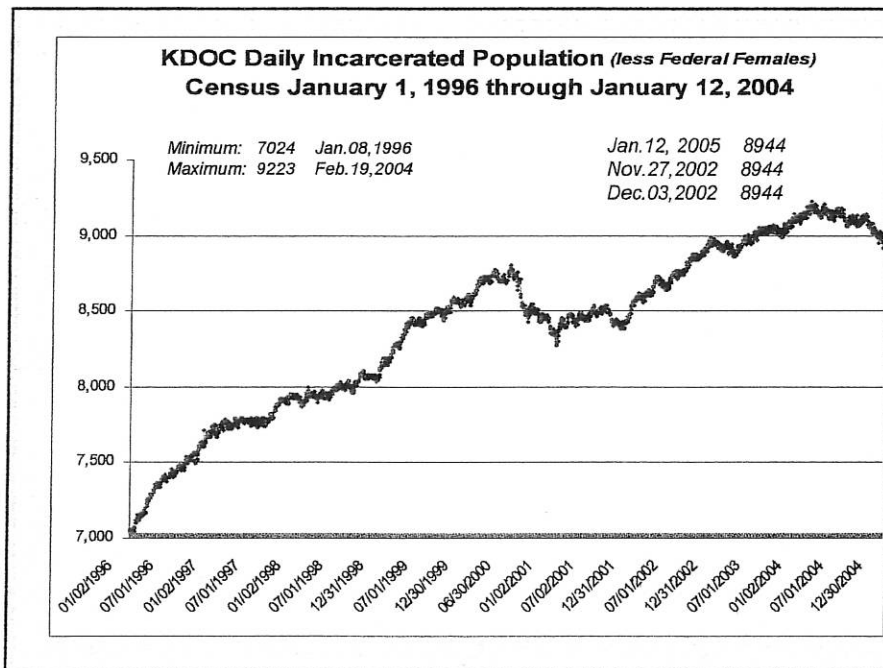
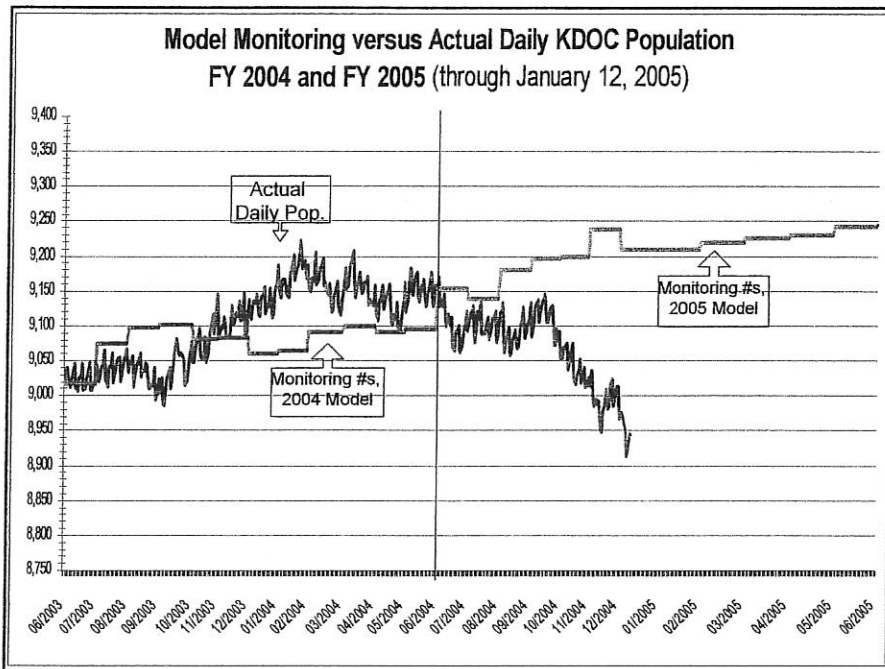
**PRISON POPULATION MONTHLY MONITORING REPORT
 FY 2004 OFFICIAL MODEL**

Month/Year	Projected	Actual	Difference	Percent Error
July 2003	9074	9046	28	0.31%
August 2003	9098	9034	64	0.71%
September 2003	9102	9023	79	0.88%
October 2003	9081	9048	33	0.36%
November 2003	9084	9085	-1	-0.01%
December 2003	9060	9138	-78	-0.85%
January 2004	9065	9155	-90	-0.98%
February 2004	9092	9153	-61	-0.67%
March 2004	9099	9153	-54	-0.59%
April 2004	9092	9117	-25	-0.27%
May 2004	9096	9121	-25	-0.27%
June 2004	9134	9153	-19	-0.21%

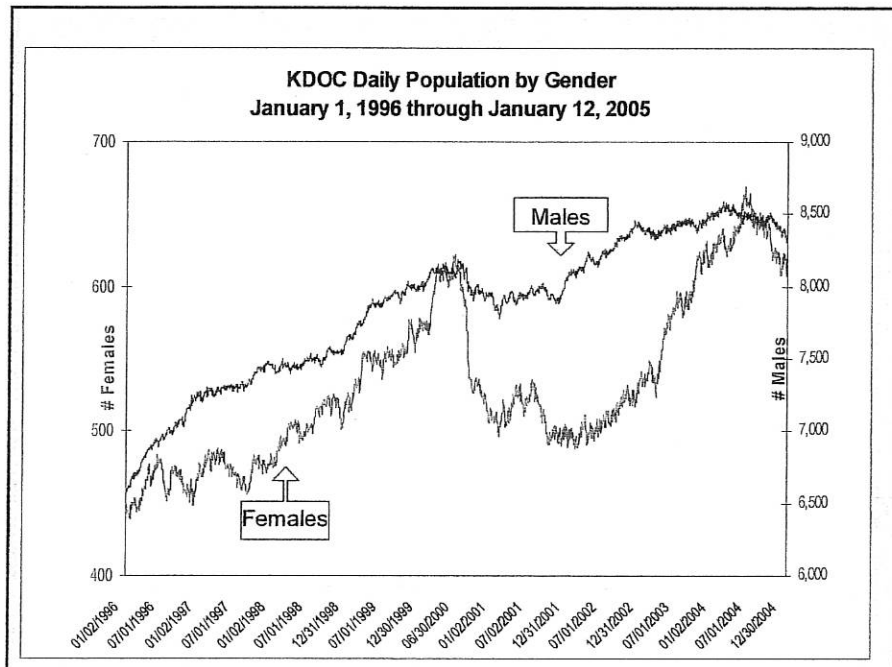
* Federal female inmates housed at Topeka facility are excluded.

**PRISON POPULATION MONTHLY MONITORING REPORT
 FY 2005 OFFICIAL MODEL**

Month/Year	Projected	Actual	Difference	Percent Error
July 2004	9140	9094	46	0.51%
August 2004	9181	9118	63	0.69%
September 2004	9197	9133	64	0.70%
October 2004	9200	9055	145	1.60%
November 2004	9238	9025	213	2.36%
December 2004	9210	8968	242	2.70%
January 2005	9210			
February 2005	9220			
March 2005	9226			
April 2005	9231			
May 2005	9242			
June 2005	9244			

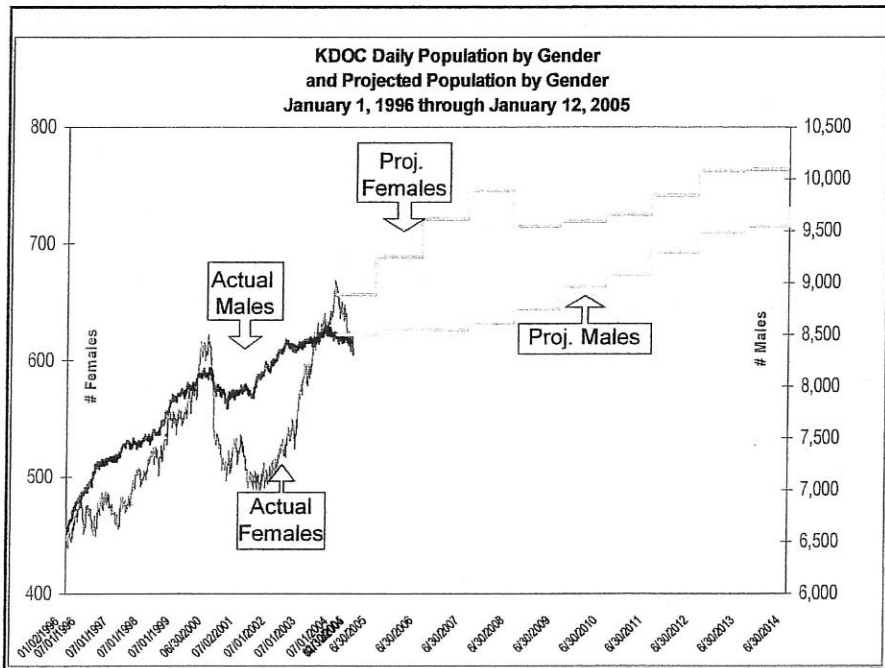


Consideration by Gender



PROJECTED PRISON POPULATION BY GENDER

FISCAL YEAR	MALE	FEMALE	TOTAL
2005	8555	689	9244
2006	8545	721	9266
2007	8615	745	9360
2008	8746	715	9461
2009	8963	719	9682
2010	9084	725	9809
2011	9298	741	10039
2012	9483	763	10246
2013	9544	764	10308
2014	9715	777	10492



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Consideration by Custody

PROJECTED PRISON POPULATION BY CUSTODY CLASSIFICATION

June 30, Each Year	Unclassified	Minimum	Medium	Maximum	Special	Total
2005	188	2990	3731	1488	847	9244
2006	202	3056	3690	1468	850	9266
2007	188	3059	3812	1452	849	9360
2008	185	3122	3823	1477	854	9461
2009	207	3256	3827	1497	895	9682
2010	201	3253	3948	1496	911	9809
2011	221	3343	4003	1562	910	10039
2012	203	3451	4131	1562	899	10246
2013	212	3383	4215	1590	908	10308
2014	194	3452	4283	1592	971	10492

House Appropriations Committee

Feb. 4, 2005

Roger Werholtz, Secretary
Kansas Department of Corrections

2-2

Comparative Data Kansas Corrections

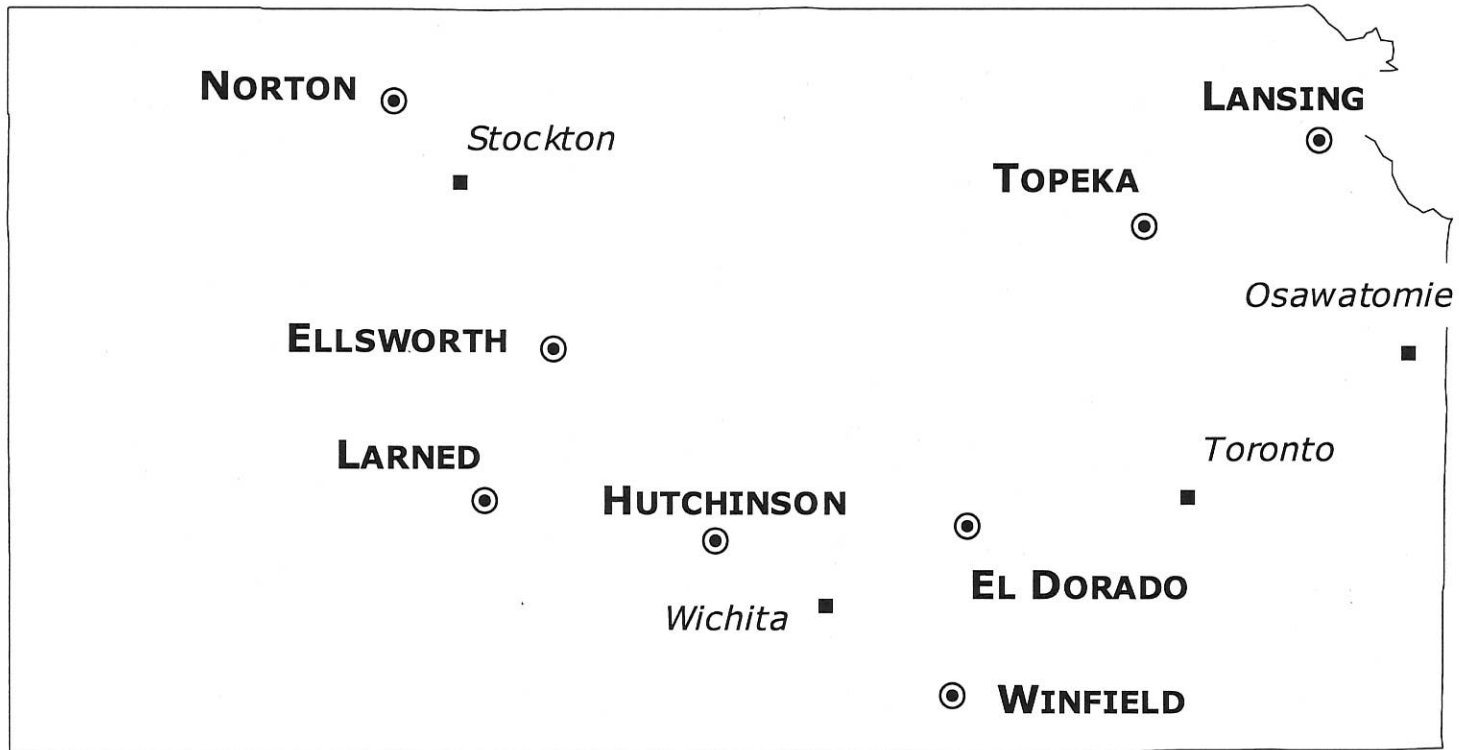
- Kansas ranks 33rd in corrections spending as a percentage of personal income[1]
- Kansas ranks 34th in per capita spending for corrections[2]
- Kansas ranks 15th in state spending on corrections as compared to spending by local units of government[3]
- Kansas ranks 34th in sentenced prisoners under the jurisdiction of state correctional authorities[4]
- Kansas is tied for 35th in the number of women under the jurisdiction of state correctional authorities[5]
- Kansas ranks 45th in terms of the number of persons per 100,000 on probation[6]
- Kansas reported 15,217 adults on probation on Dec. 31, 2002[7]
- Kansas ranks 21st in terms of the number of persons per 100,000 on parole[8]
- Kansas ranks 14th in terms of the percentage of the correctional population (probation, community corrections, prison, parole) that is incarcerated [9]
- The Kansas prison population has grown from 4,538 on June 30, 1985 to 9,251 on Feb. 19, 2004. On Jan. 21, 2005, the population declined to 8,909 but grew to 8,973 on Feb. 2, 2005.[10]
- The Kansas in-state parole caseload increased from 2,762 (6/30/87) to 6,525 (2/21/94) and then declined 3,727 (12/21/01). It has now increased to 5,027 on Jan. 21, 2005. Numbers of parolees supervised out of state through the interstate compact have followed a similar pattern.[11]
- The Kansas Community Corrections Act programs' average daily population increased from 1,672 in 1989 to 5,155 in 1999 and then declined to 4,133 in 2002. It increased to 4,678 as of Sept. 3, 2004.[12]

Comparative Data Kansas Corrections

- [1] Source: U.S. Bureau of Justice Statistics as quoted in Governing Magazine 2003 Source Book.
- [2] Ibid.
- [3] Ibid.
- [4] Bureau of Justice Statistics Bulletin, Prisoners in 2002; July 2003.
- [5] Ibid.
- [6] Bureau of Justice Statistics Bulletin, Probation and Parole in the United States, 2002; Aug. 2003.
- [7] Ibid.
- [8] Ibid.
- [9] Ibid.
- [10] KDOC 2003 Corrections Briefing Report and PGM-POPREP1CBL, 1/21/05
- [11] KDOC PGM-PARPOP1CBL, 1/21/05
- [12] KDOC Community Corrections\history\ADP History.xls DATA

2-4

Location of KDOC Correctional Facilities



CENTRAL UNIT LOCATION

Administrative Subunit Location

2-5

KDOC Facility Capacity by Custody Classification

KDOC CORRECTIONAL CAPACITY

By location, gender and security designation as of December 31, 2004

Facility	Males				Females				Total
	Max	Med	Min	Total	Max	Med	Min	Total	
KDOC									
Lansing	838	943	708	2489					2489
Hutchinson	548	932	288	1768					1768
El Dorado	691	487	172	1350					1350
Norton		539	296	835					835
Ellsworth		794	38	832					832
Topeka				0	49	662		711	711
Winfield			806	806					806
Larned	150		218	368					368
Subtotal KDOC	2227	3695	2526	8448	49	662	0	711	9159
Non-KDOC									
Larned State Hospital	20			20	5			5	25
Labette conservation camp			50	50					50
Female conservation camp				0			17	17	17
Contract jail		6		6					6
*Leased beds		201		201					
Subtotal Non-KDOC	20	207	50	277	5	0	17	22	299
Total Capacity	2247	3902	2576	8725	54	662	17	733	9458

*These beds will be shown in capacity only when resources are budgeted to fund them. The number will vary based on negotiated per diem cost and available funding.

2-6

KDOC Facility Capacity by Gender

Capacity vs. Population 12-31-04		
Facility	December 31, 2004	
	Population	Capacity
Males		
Lansing	2,476	2,489
Hutchinson	1,796	1,768
El Dorado	1,360	1,350
Norton	762	835
Ellsworth	827	832
Topeka	-	-
Winfield	735	806
Larned	331	368
Non-KDOC	61	277
Total Male	8,348	8,725
Females		
Topeka	626	711
Non-KDOC	17	22
Total Female	643	733
Grand Total	8,991	9,458

2-7

Population Projections

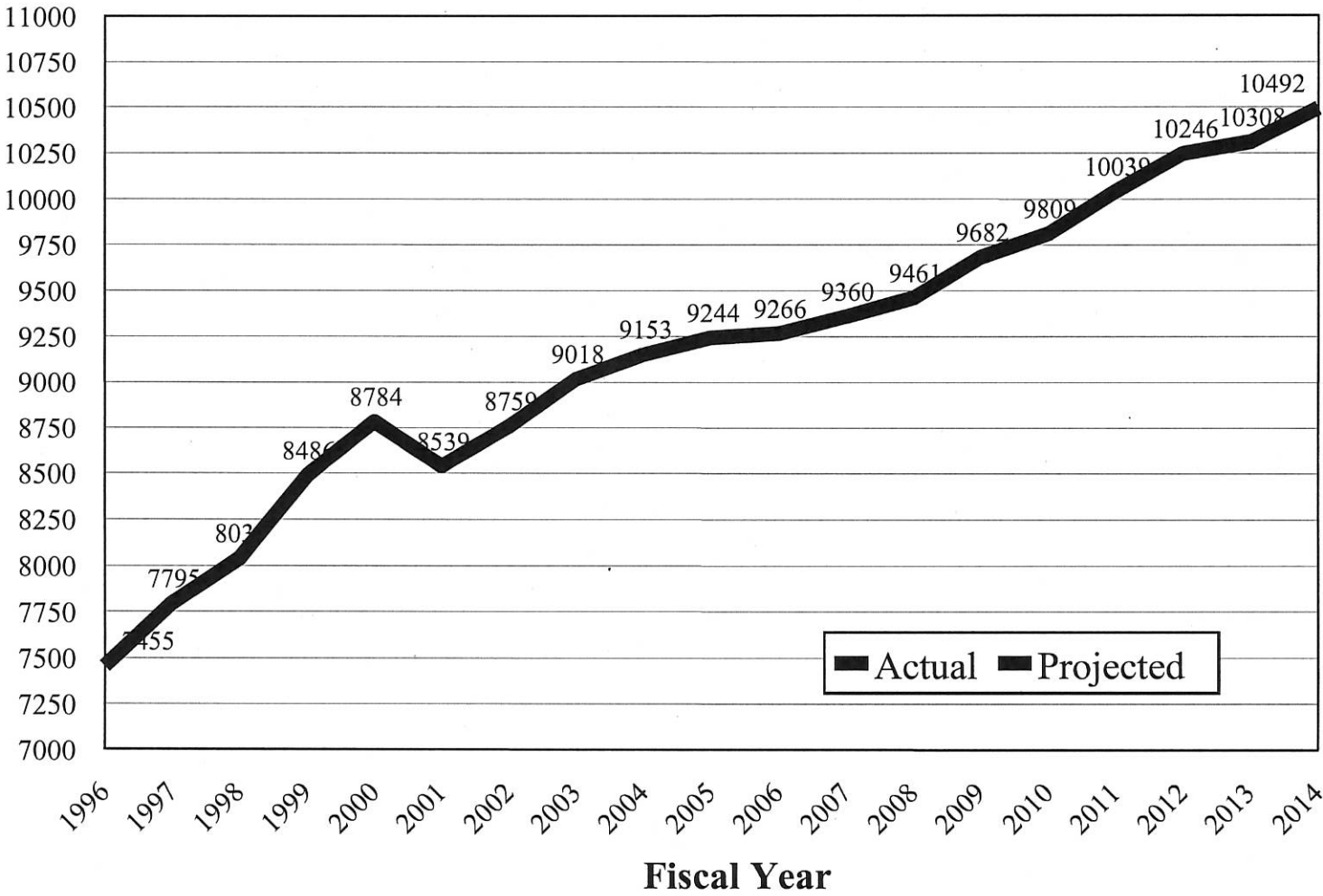
FY 2005 PROJECTIONS COMPARED TO EXISTING POPULATION
Amount of Increase/Decrease from June 30, 2004 Population, by ID Group

ID Group	fiscal year									
	05	06	07	08	09	10	11	12	13	14
Off Grid	28	64	96	136	174	208	244	284	322	363
Non-Drug										
Level 1	67	129	186	240	294	345	390	437	499	549
Level 2	5	9	7	24	32	39	46	45	45	46
Level 3	-3	-1	-10	2	22	50	55	85	122	143
Level 4	-2	12	17	5	11	9	5	5	14	5
Level 5	-45	-72	-73	-79	-72	-70	-53	-99	-86	-52
Level 6	10	-7	-12	-13	-1	-14	-21	-24	-14	-21
Level 7	26	46	61	63	28	43	57	71	48	42
Level 8	30	28	27	20	37	42	53	52	56	60
Level 9	72	38	27	47	24	32	43	75	58	54
Level 10	25	3	2	-9	12	4	9	18	8	12
Drug										
Level D1	26	56	99	134	156	166	178	207	211	207
Level D2	-44	-55	-75	-95	-90	-82	-82	-90	-99	-112
Level D3	44	67	80	88	98	129	118	126	124	143
Level D4	-112	-126	-118	-118	-123	-128	-116	-107	-117	-84
Parole CVs	-36	-78	-107	-137	-73	-117	-40	-12	-36	-16
Total	91	113	207	308	529	656	886	1093	1155	1339

Increase is equal to or greater than 100
 Decrease is equal to or greater than 100

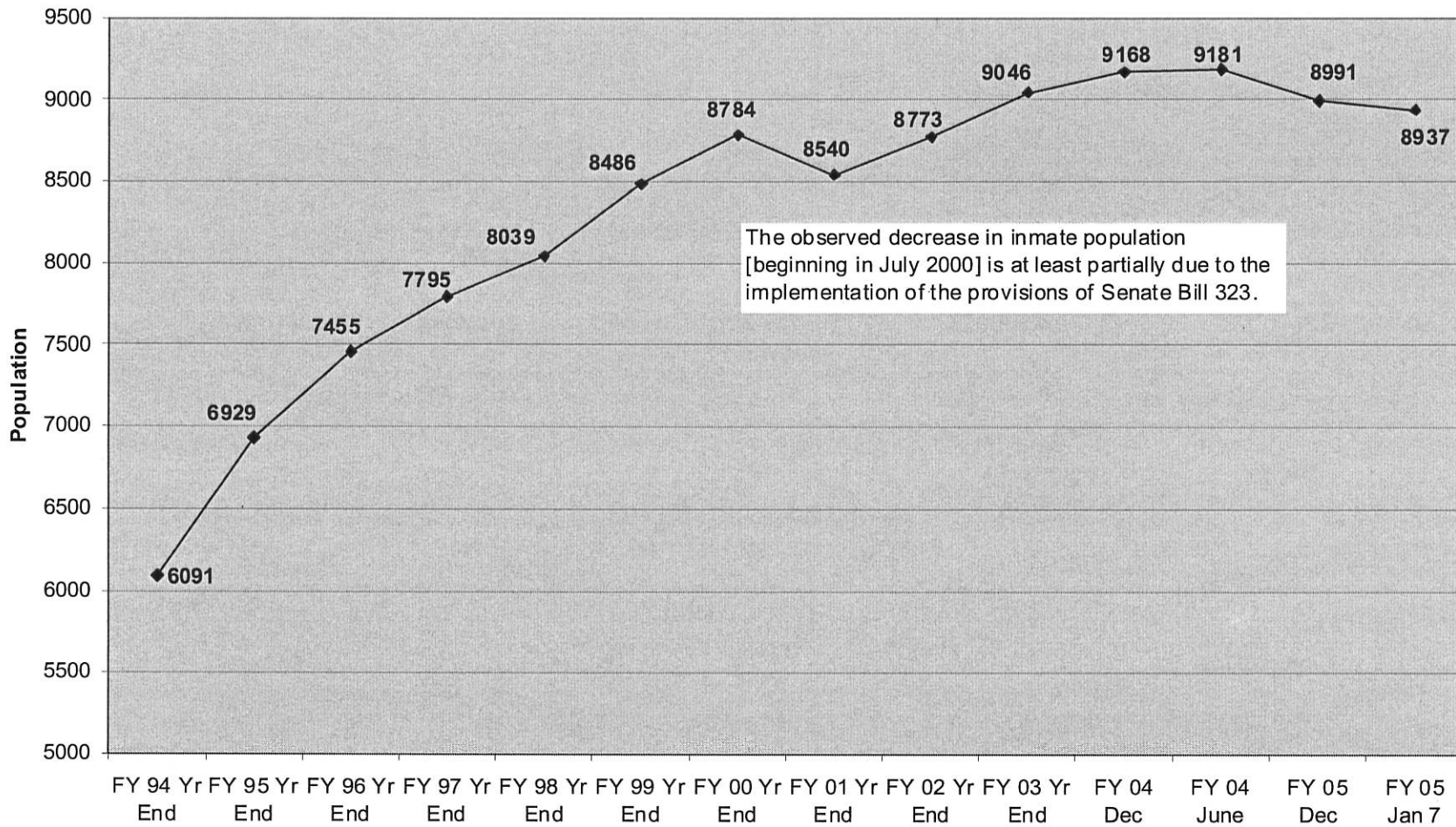
Kansas Prison Population Trends

Actual and Projected Prison Population



Inmate Population

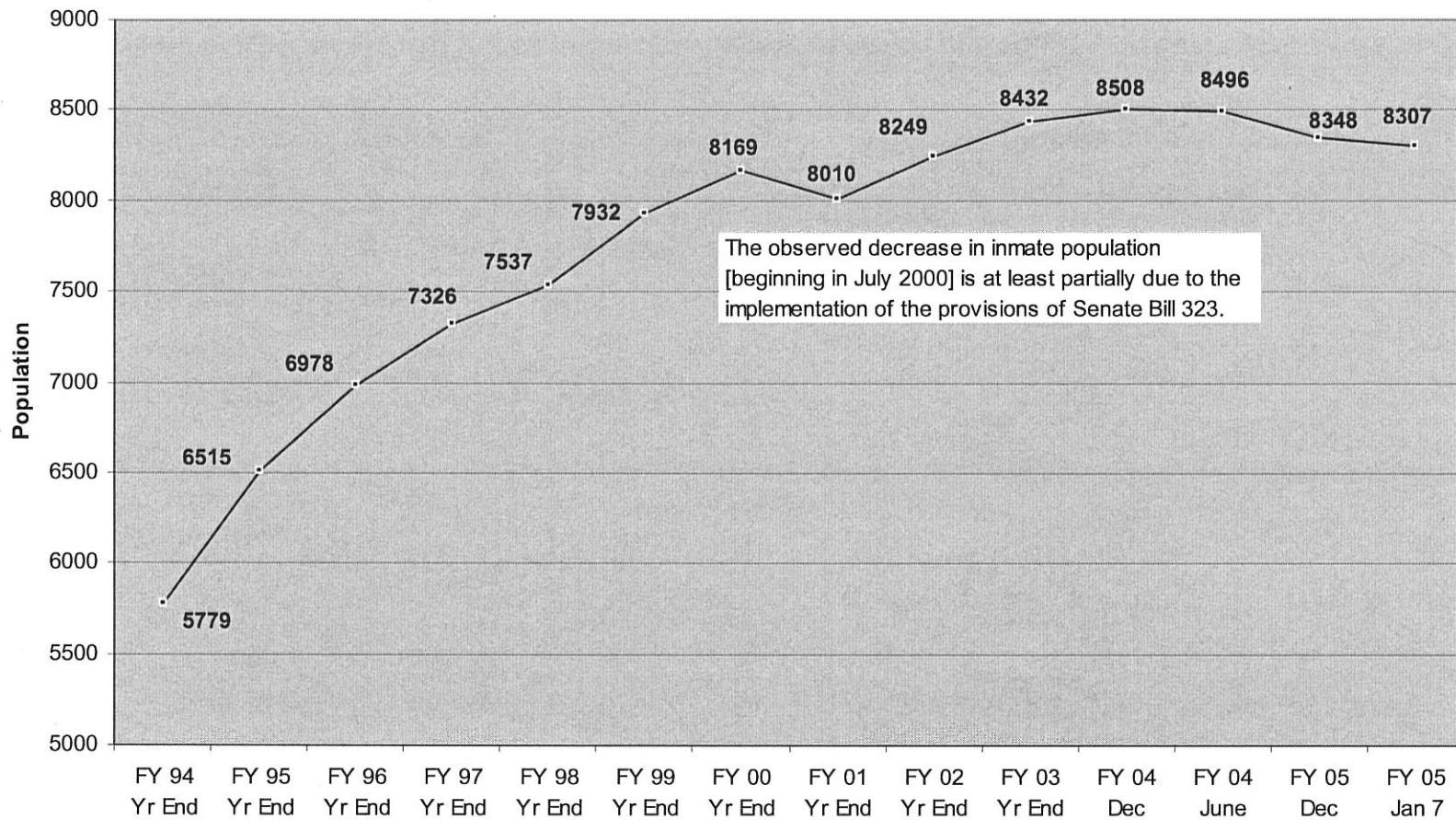
End of Month Inmate Population:
FY 95-05



2-10

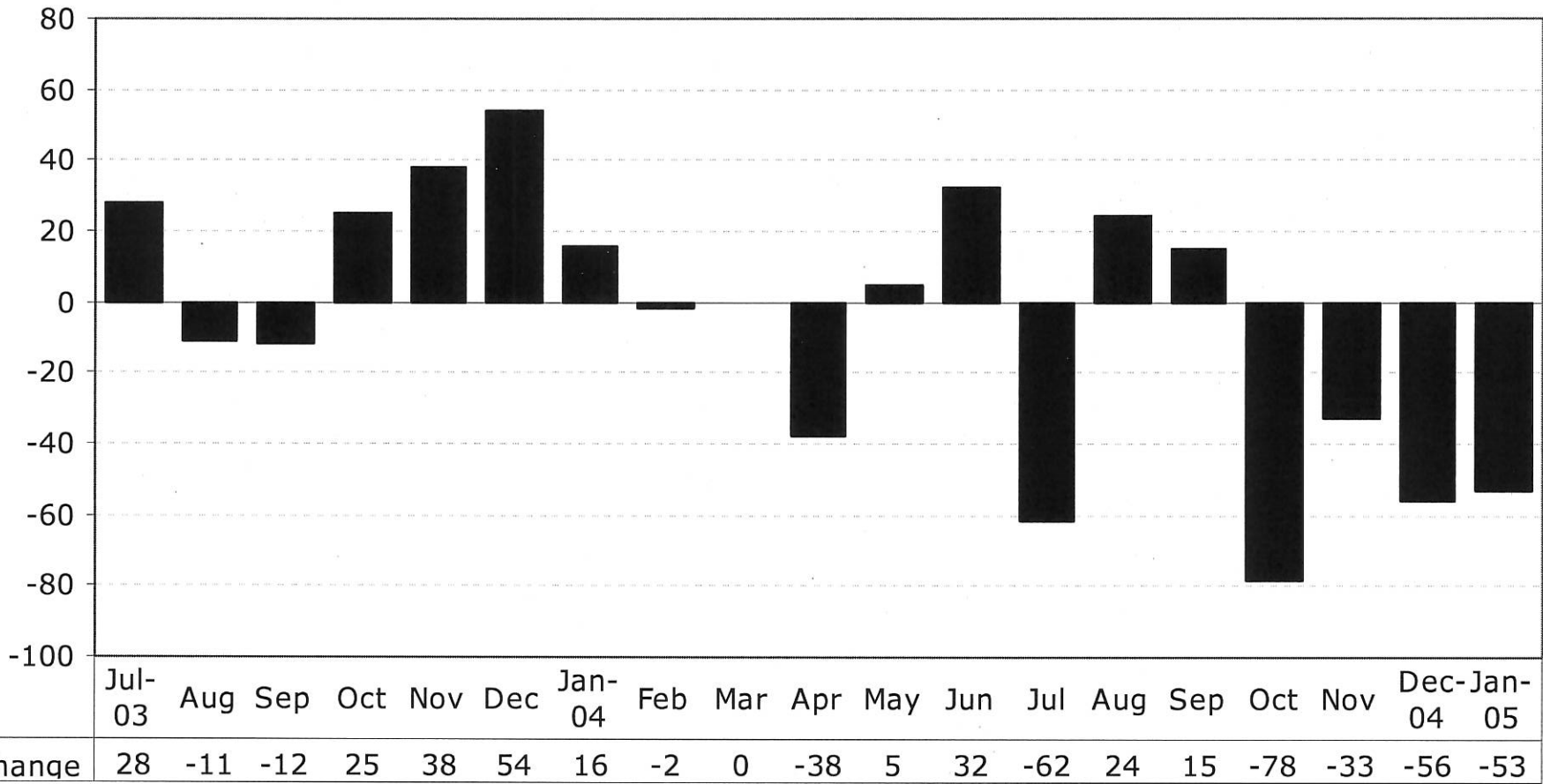
Inmate Population

End of Month Male Inmate Population:
FY 95-05



Change in Month-end Inmate Population During 19-Month Period: July 2003 Through January 2005

2-11



Population	9074	9063	9051	9076	9114	9168	9184	9182	9182	9144	9149	9181	9119	9143	9158	9080	9047	8991	8938
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2-12

Housing Expansion Options

	Estimated Construction Cost	Estimated Const. Cost Per Bed	Estimated Operating Cost	Estimated Cost Per Inmate/Yr	Estimated Cost Per Inmate/Day	Estimated One Time Start up Cost
<u>General Population – Maximum Security</u>						
EDCF – 2 Housing Units 256 Max Beds	\$16,232,800	\$63,409	\$5,930,000	\$23,164	\$63.46	\$829,000
<u>General Population – Medium Security</u>						
EDCF -2 Housing Units 512 Med. Beds	16,232,800	31,705	7,645,000	14,932	40.91	910,000
EDCF-1 Housing Unit 256 Med Beds	9,117,000	35,613	3,841,000	15,004	41.11	507,000
EDCF-Yates Center Unit 500 Med Beds	47,580,100	95,160 *	10,092,000	20,184	55.30	2,498,000
NCF-Stockton Unit 500 Med Beds	48,410,000	96,820 *	10,209,000	20,418	55.94	2,498,000
<u>General Population – Minimum Security</u>						
EDCF- Housing Unit 100 Bed	3,003,800	30,038	1,410,000	14,100	38.63	319,000
ECF- Housing Unit 100 Bed	3,194,800	31,948	1,540,000	15,400	42.19	311,000
NCF-Stockton Unit Expansion 72 Beds	3,325,900	46,193	797,000	11,069	30.33	330,000
EDCF-Toronto Expansion 75 Beds	2,541,400	33,885	975,000	13,000	35.62	325,000
<u>Special Needs – Mental Health</u>						
LCMHF-Housing Unit 256 Med Beds	13,922,600	54,385	3,476,000 **	13,578	37.20	500,000
<u>Special Needs – Medical</u>						
HCF-East Unit 258 Med Beds	5,736,400	22,234	3,068,000	11,891	32.58	400,000
ECF-Century Building 178 Med & 112 Min Beds	6,217,300	21,439	3,937,000	13,576	37.19	719,000
TCF-Housing Unit 200 Med and 40 Work Release Beds	12,300,500	51,252	4,802,000	20,008	54.82	550,000

* Land survey not completed, estimated cost may vary once land survey and subsoil investigation is completed. Project estimated with no work being performed by inmate crews.

**These figures do not include any costs for Larned State Hospital to provide food service, laundry and some utility services.

Privately Submitted Housing Expansions Option

2-13

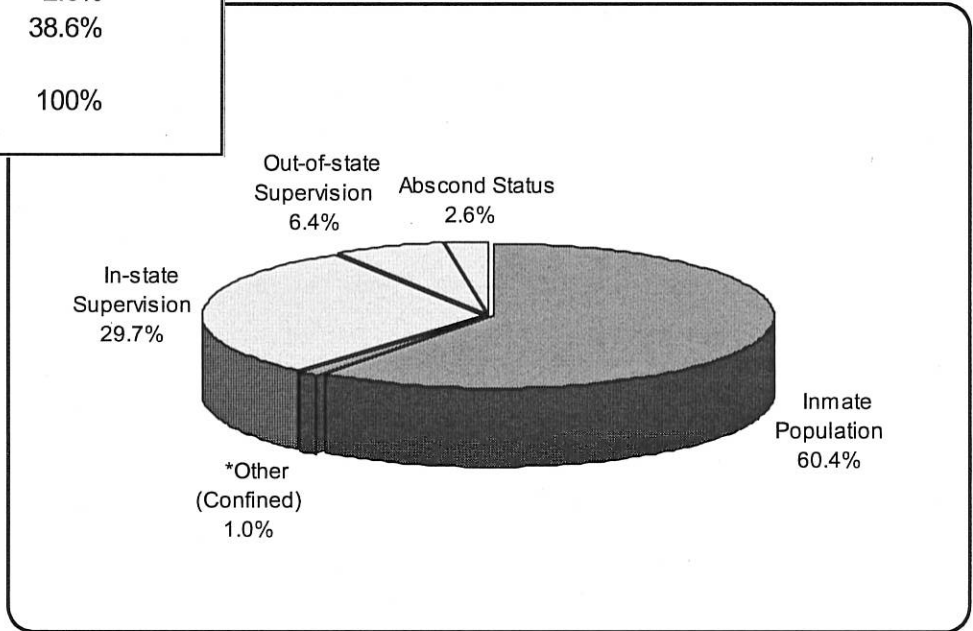
	Estimated Construction Cost	Estimated Const. Cost Per Bed	Estimated Operating Cost	Estimated Cost Per Inmate/Yr	Estimated Cost Per Inmate/Day	Estimated One Time Start up Cost
<u>Special Programs Facility-Ellsworth</u> InnerChange Freedom Initiative 264 Beds	\$7,998,800	\$30,299	\$4,269,000	\$16,170	\$44.30	\$737,000

Offender Population Under Management of the Kansas Department of Corrections: June 30, 2004

2-14

Status of Offenders	Number	Percent of Total
Offenders Confined:		
Inmate Population	9,181	60.4%
*Other (Confined)	150	1.0%
Subtotal	9,331	61.4%
Offenders Not Confined:		
In-state Supervision	4,514	29.7%
Out-of-state Supervision	974	6.4%
Abscond Status	389	2.6%
Subtotal	5,877	38.6%
 Grand Total	 15,208	 100%

* "Other" denotes those confined out-of-state (compacts and in absentia)



Inmate Healthcare Contract: Current Contract Features and Services

- Full coverage, comprehensive services: medical, dental, optical, mental health, and pharmaceutical services
- Contractor accepts full liability and provides full indemnification to state
- Required accreditation by National Commission on Correctional Health Care (NCCCHC)
- No deductibles
- No caps on services or contractor expenditures
- No co-pays from Department. (Inmates pay \$2.00 co-pay for initial sick call visits.)

Inmate Healthcare Contract: Current Contract Features and Services

- No exclusions or exempted services consistent with “Community Standard of Care” approach
- No provision for re-negotiation of costs or contractor early termination
- Medical Services include:
 - ✓ Health screening and assessment,
 - ✓ Off-site services as needed (hospitalization, emergency care, specialty consults, etc.,)
 - ✓ Sick call, Infirmary care and Medication management,
 - ✓ Chronic care, special needs clinics, hospice care
 - ✓ Infection control and Ancillary services (x-ray, laboratory, optometry, etc.,)
 - ✓ Utilization Review to ensure timely access to care,
 - ✓ Electronic Medical Records (EMR), implementation and maintenance

Inmate Healthcare Contract: Current Contract Features and Services

- Dental services include:
 - Dental screenings and examinations and Emergency dental care
 - Dental treatment consistent with maintaining inmate's health status

- Mental Health Services include:
 - Psychological and Psychiatric assessment and diagnosis
 - Medication management
 - Individual and group counseling services
 - Case management and crisis intervention
 - Activity therapy,
 - Release planning for mentally ill offenders
 - Forensic evaluation services.
 - Intake psychological assessment and evaluation services.

3-4

Inmate Healthcare Contract: New Contract Features and Services

- Contract beginning July 1, 2005 will have the same full coverage, comprehensive specifications as the current contract: all medical, dental, optical, mental health and pharmaceutical services with no deductibles, co-pays, caps or exclusions on services or contractor expenditures.
- Major difference from current contract is in the potential contract term: new contract provides for an initial 3-year term with up three two-year extensions, with mutual agreement of both parties. Pricing calls for a firm, fixed pricing for the initial term and firm projections for the extension periods.
- Other significant differences are in provision of performance indicators with penalty clauses and adjusted staffing and services to meet identified gaps in current services.

Inmate Healthcare Contract: New Contract Features and Services

- Extended Pharmaceutical Pricing-CCS and Diamond Pharmaceuticals have agreed to extend discount pricing to all Kansas governmental agencies.
 - County and city governments (jails and detention centers) have access to same bulk pricing as KDOC
 - MMCAP or better pricing at app. 57% of wholesale price (currently many agencies are paying retail price)
 - Administrative and dispensing fees are capped and significantly discounted
 - Assistance with state and federal regulatory compliance on dispensing, administration, and inspections
 - Current counties expressing interest: Sedgwick, Atchison, Reno, Harvey, Crawford
 - Local agencies expressing interest include Emergency Medical Services, county jails, and community mental health centers

Inmate Healthcare Contract Cost Data

- The Department of Health and Human Services said that health care spending shot up 9.3 percent in 2002, the largest increase in 11 years to a total of \$1.55 trillion. That represents an average of \$5,440 for each person in the United States.” -- New York Times, January 9, 2004.
- As a comparison, the annual per inmate cost for FY 2006 is app. \$4445.

Average Costs Per-Inmate-Per-Day (CPIPD) Recent Trends

Sample State financial responsibilities for health care with populations and/or services similar to Kansas. They also represent different service models

- **Kansas** 2005-\$7.91CPIPD - 2006 - \$12.39 CPIPD (Actual)
(Contracted Private Comprehensive-University Monitoring)
- **Missouri** 2005-\$8.15 CPIPD - 2006 - \$12.89 CPIPD (Projected)
(Contracted Private Comprehensive-State Monitoring)
- **Mass.** 2005-\$12.88 CPIPD - 2006 - \$13.69 CPIPD (Actual)
(University model Comprehensive-State Monitoring)
- **Colorado** 2005-\$22.26 CPIPD - 2006 - \$22.44 CPIPD (Actual)
(University model Comprehensive – University Monitoring)
- **Nebraska** 2005-\$8.21 CPIPD - 2006 - \$10.99 CPIPD (Projected)
(Mix State-Private Caps on service risk & No MH costs)
- **Oklahoma** 2005-\$9.34 CPIPD - 2006 - \$9.50 CPIPD (Actual)
(State Run, No MH costs included, does not include 23 FTE Monitors)

Inmate Healthcare Contract Cost Data: Major Cost Drivers

- Staffing
- Pharmaceuticals
- Off-site: Hospitalization and Specialty Services
- Population Increases
- Greater acuity of offender medical/mental health conditions
- Shifts in Treatment, e.g. communicable diseases, HIV, Hepatitis C

3-9

Inmate Healthcare Contract Cost Data: Cost Control Measures

- Telemedicine
- Inmate co-pays
- Privatization of health care
- Disease prevention programs/continuity of care
- Implement Computerized Records Management
- Implement a Managed Care model –;
- Contracting with professional providers
- Consolidation of services where feasible
- Implement system of Utilization Review to ensure pre-authorization of off-site care, etc. –
- Use of medical furloughs or early release –
- Pre-negotiate rates for off-site hospitalization and specialty care; limit charges for institutionalized persons to Medicaid rates