Senate Subcommittee Report

Agency: Department of Corrections **Bill No.** H. Sub. for SB 4 **Bill Sec.** 44

Analyst: Carroll **Analysis Pg. No.** 35 **Budget Page No.** 300

Expenditure Summary	Agency Estimate FY 2015	Governor Recommendation FY 2015	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	$ 169,223,664	$ 166,102,780	$ 0
Other Funds	31,576,005	30,324,328	0
Subtotal	$ 200,799,669	$ 196,427,108	$ 0
Capital Improvements:			
State General Fund	$ 1,515,000	$ 1,295,000	$ 0
Other Funds	12,969,570	12,525,493	0
Subtotal	$ 14,484,570	$ 13,820,493	$ 0
TOTAL	$ 215,284,239	$ 210,247,601	$ 0
FTE positions	320.0	321.0	0.0
Non FTE Uncl. Perm. Pos.	160.0	160.0	0.0
TOTAL	480.0	481.0	0.0

Agency Estimate

The **agency** estimates total expenditures of $215.3 million, including $170.7 million from the State General Fund. The estimate is an increase of $5.1 million, or 2.4 percent, including a State General Fund increase of $2.9, or 1.7 percent, above the FY 2015 approved amount. The estimate includes a supplemental of $194,569, all from the State General Fund, for consolidation of agency email systems into a statewide cloud-based email system. The overall increase is due to increased expenditures for capital improvements for rehabilitation and repair projects and the Governor's December 2014 Allotment that reduced approved State General Fund expenditures, partially offset by decreased sales to other state agencies for Correctional Industries. The estimate includes 320.0 FTE positions, which is an increase of 15.0 FTE positions above the FY 2015 approved amount. The increase in FTE positions is due to 25.0 nursing staff choosing to continue to be state employees rather than switching to the new inmate medical provider, partially offset by the elimination of FTE positions no longer needed. **Absent the supplemental**, the agency estimates $215.1 million, including $170.5 million from the State General Fund.

Governor's Recommendation

The **Governor** recommends total expenditures of $210.2 million, including $167.4 million from the State General Fund. The recommendation is a decrease of $5.0 million, or 2.3 percent, including a State General Fund decrease of $3.3 million, or 2.0 percent below the agency's FY

Senate Ways and Means Committee
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2015 estimate. The Governor's recommendation includes the December 2014 Allotment, a reduction to special revenue funds for reduced KPERS employer contributions for state employee health insurance, transfers to Norton Correctional Facility and Lansing Correctional Facility for increased prison population projections, a reduction in funding for juvenile out-of-home placements caseloads based on consensus estimates, and reduced expenditures for capital improvements from the Correctional Institutions Building Fund based on available cash balances. The recommendation includes 316.0 FTE positions, which is 1.0 more FTE position than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

House Sub. for SB 4

House Sub. for SB 4 adopted the Governor's recommendation for FY 2015.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Department of Corrections **Bill No.** -- **Bill Sec.** --

Analyst: Carroll **Analysis Pg. No.** 35 **Budget Page No.** 300

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	$ 176,853,740	$ 170,072,624	$ 1,000,000
Other Funds	31,668,904	32,007,312	0
Subtotal	$ 208,522,644	$ 202,079,936	$ 1,000,000
Capital Improvements:			
State General Fund	$ 1,375,000	$ 654,150	$ 0
Other Funds	10,712,249	9,822,070	0
Subtotal	$ 12,087,249	$ 10,476,220	$ 0
TOTAL	$ 220,609,893	$ 212,556,156	$ 1,000,000
FTE positions	315.0	316.0	0.0
Non FTE Uncl. Perm. Pos.	165.0	165.0	0.0
TOTAL	480.0	481.0	0.0

Agency Request

The **agency** requests FY 2016 operating expenditures of $208.5 million, including $176.9 million from the State General Fund. The request is an increase of $7.7 million, or 3.8 percent, including a State General Fund increase of $7.6 million, or 4.5 percent, above the FY 2015 estimate. The request includes numerous enhancements totaling $9.7 million, all from the State General Fund. **Absent the enhancements**, the agency requests operating expenditures of $198.8 million, including $167.2 million from the State General Fund. The request is a decrease of $2.0 million, or 1.0 percent, including a State General Fund decrease of $2.0 million, or 1.2 percent, below the FY 2015 estimate. The request includes 315.0 FTE positions, which is 5.0 less FTE positions than the FY 2015 estimate. The decrease is mainly attributable to onetime bonuses made in FY 2015 that do not occur for FY 2016, savings from relocating the Central Office, and the loss of federal funding for out-of-home placements.

The agency requests FY 2016 capital improvement expenditures of $12.1 million, including $1.4 million from the State General Fund. The request is a decrease of $2.4 million, or 16.6 percent, including a State General Fund decrease of $140,000, or 9.2 percent, below the FY 2015 estimate. The decreases are primarily due to completions of major projects in FY 2015 that do not occur for FY 2016.

Governor's Recommendation

The **Governor** recommends FY 2016 operating expenditures of $202.1 million, including $170.1 million from the State General Fund. The recommendation is a decrease of $6.4 million, or 3.1 percent, including a State General Fund decrease of $6.8 million, or 3.8 percent, below the agency's FY 2016 request. The Governor does not recommend the agency's enhancements for fringe benefit shortfalls, increased KPERS employer contributions for parole and juvenile corrections officers, IT equipment and upgrades, and replacement vehicles. The Governor further recommends a 4.0 percent ($306,000) State General Fund reduction to the Administration program, a reduction of $332,532, including $277,598 from the State General Fund, to reduce employer contributions for state employee health insurance, restructuring two bonds for debt service savings, and reduced expenditures for juvenile out-of-home placements caseloads. These reductions in the Governor's recommendation are partially offset by recommending partial funding of the agency's enhancement requests for contract beds, the inmate medical contract, and the food service contract. The recommendation includes 316.0 FTE positions, which is 1.0 more FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

The Governor recommends FY 2016 capital improvement expenditures of $10.5 million, including $654,150 from the State General Fund. The recommendation is a decrease of $1.6 million, or 13.3 percent, including a State General Fund decrease of $720,850, or 52.4 percent, below the agency's FY 2016 request. The decrease is due to reduced expenditures from the Correctional Institutions Building Fund based on available cash balances.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following adjustment:

1. Add $1.0 million, all from the State General Fund, for offender programs.

Senate Subcommittee Report

Agency: Department of Corrections **Bill No.** -- **Bill Sec.** --

Analyst: Carroll **Analysis Pg. No.** 35 **Budget Page No.** 300

Expenditure Summary		Agency Request FY 2017		Governor Recommendation FY 2017		Senate Subcommittee Adjustments
Operating Expenditures:						
State General Fund	$	182,015,466	$	175,101,412	$	1,000,000
Other Funds		30,705,629		31,241,277		0
Subtotal	$	212,721,095	$	206,342,689	$	1,000,000
Capital Improvements:						
State General Fund	$	1,470,000	$	1,470,000	$	0
Other Funds		10,298,794		9,401,936		0
Subtotal	$	11,768,794	$	10,871,936	$	0
TOTAL	$	224,489,889	$	217,214,625	$	1,000,000
FTE positions		316.0		317.0		0.0
Non FTE Uncl. Perm. Pos.		165.0		165.0		0.0
TOTAL		481.0		482.0		0.0

Agency Request

The **agency** requests FY 2017 operating expenditures of $212.7 million, including $182.0 million from the State General Fund. The request is an increase of $4.2 million, or 2.0 percent, including a State General Fund increase of $5.2 million, or 2.9 percent, above the FY 2016 request. The request includes enhancements totaling $14.1 million, all from the State General Fund. **Absent the enhancements**, the agency requests $198.6 million, including $167.9 million from the State General Fund. The request is a decrease of $210,744, or 0.1 percent, below the FY 2016 request less enhancements, partially offset by a State General Fund increase of $752,531, or 0.5 percent. The overall decrease is predominately due to reduced expenditures for the health care contract, food services contract, capital outlay expenditures for Correctional Industries, and Juvenile Accountability Block Grants and Title II funding decreases, partially offset by expenditures associated with a 27th payroll period. The request includes 316.0 FTE positions, which is 1.0 additional FTE position above the FY 2016 request.

The agency requests FY 2017 capital improvements expenditures of $11.8 million, including $1.5 million from the State General Fund. The request is an overall decrease of $318,455, or 2.6 percent, below the FY 2016 request, partially offset by a State General Fund increase of $95,000, or 6.9 percent. The decrease is attributable to reduced rehabilitation and repair expenditures, partially offset by increased debt service principal payments and Correctional Industries capital improvement expenditures.

Governor's Recommendation

The **Governor** recommends FY 2017 operating expenditures of $206.3 million, including $175.1 million from the State General Fund. The recommendation is a decrease of $6.4 million, or 3.0 percent, including a State General Fund decrease of $6.9 million, or 3.8 percent, below the agency's FY 2017 request. The Governor does not recommend the agency's enhancements for fringe benefit shortfalls, increased KPERS employer contributions for parole and juvenile corrections officers, IT equipment and upgrades, and replacement vehicles. The Governor further recommends a 4.0 percent ($306,000) State General Fund reduction to the Administration program, a reduction of $339,257, including $281,563 from the State General Fund, to reduce employer contributions for state employee health insurance, restructuring two bonds for debt service savings, and reduced expenditures for juvenile out-of-home placements caseloads. These reductions in the Governor's recommendation are partially offset by recommending partial funding of the agency's enhancement requests for contract beds, the inmate medical contract, and the food service contract. The recommendation includes 316.0 FTE positions, which is 1.0 more FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

The Governor recommends FY 2017 capital improvement expenditures of $10.9 million, including $1.5 million from the the State General Fund. The recommendation is a decrease of $896,858, or 7.6 percent, below the agency's FY 2017 request. The overall decrease is attributable to reduced expenditures from the Correctional Institutions Building Fund based on available cash balances.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following adjustment:

1. Add $1.0 million, all from the State General Fund, for offender programs.