

NOVEMBER 9, 2009

## DIRECTOR'S NEWS UPDATE



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## BUDGET UPDATE

There has been some media coverage in the past week concerning renewed interest from state leaders in having a special legislative session to address current revenue shortfalls. This comes at a time when more state agencies and at least one university have announced scheduling employee furloughs to respond to these continued monthly budget cuts. Also, an announcement from state leadership this week indicates that current 5% budget cuts will continue through June of 2010. To put this in perspective, the Department of Corrections' total cuts from the monthly 5% will be approximately 22 million dollars.

In an effort to address the aforementioned mandatory budget reductions the department has or will be doing the following:

- Instituted a hiring freeze on most positions
- Offered a voluntary buyout for those retirement eligible
- Eliminated travel unless previously approved or is reimbursed by associations or federal funding
- Utilized canteen and offender phone profits to offset budget cuts
- Reduced all operating budgets by 5%
- Applied equipment and vehicle funds toward monthly 5% cuts
- Applied Fiscal Year 2009 carryover funds to budget reductions
- Cancelled all leadership development classes that cannot be delivered on-site and are not statutorily required
- Reduced correctional officer cadet academy training time from 6 to 4 weeks
- Cancelled the January 2010 CLEET academy
- Reduced private prison and halfway house contracts by 5.5%
- Reduce and/or cancel treatment contracts that are not grant funded
- Cancelling ACA audits that are not already scheduled
- Will be reducing offender pay by 15%

The above is not an exhaustive list but is a sampling of efforts the department has taken thus far to avoid more dire alternatives such as furloughs. The budget cuts are so severe that only savings that are approximately equal to two

million dollars on any given month can eliminate the need to implement furloughs to our budget reduction responses. Therefore, we have been able to delay the possibility of furloughs until March 2010. This date assumes that the 5% monthly reductions in revenue shortfalls do not increase.

Two events could result in eliminating the requirement to furlough. A special legislative session whereas the department is funded an additional 8.5 million dollars would avoid all furloughs. We would continue to require a supplemental to address offender net growth which could be addressed during the regular scheduled legislative session in February 2010.

Second, legislators could wait and address our budget crisis during the regular session. This option is available because our departmental goal was to implement enough budget reductions to at least make it to February 2010 and allow legislators an opportunity to determine if they could assist us with avoiding furloughs.

Our state is in the depths of one of the worst recessions in our nation's history. Be assured that the department has and will continue to do everything possible short of compromising public and employee safety to do our part in balancing the state budget. As always, this office will keep you updated as changes occur.