

Oklahoma
Department of Corrections

Fiscal Year 2014
Budget Request

Approved by the
Board of Corrections
October 30, 2012

Summary

Oklahoma Department of Corrections FY 2014 Appropriation Request

Priority	Item	See Page	Funding Existing Authorized FTE	Personnel Costs	Contract Services	Operating Costs	Total
A	Market Adjustment for Classified Employees	2		\$12,200,000			\$12,200,000
B	Funding for Staffing Adjustments	3	54.0	2,998,533			2,998,533
C	Offender Growth and Per Diem Restoration	4			\$13,697,537	--	13,697,537
D	Operating Costs	5				\$9,313,111	9,313,111
E	Non-Discretionary Increases – Medical Services	7			1,116,000	8,384,000	9,500,000
F	Non-Discretionary Increases – T&RS	10			50,000	1,232,850	1,282,850
G	Efficiency Improvements	13				634,000	634,000
H	Infrastructure and Equipment Improvements	14				9,197,730	9,197,730
I	Improvements to Maintain or Increase Security	17				6,331,100	6,331,100
J	Improvements to Maintain Vehicles	19				810,000	810,000
K	Information Technology/Other Technology Upgrades	20				749,000	749,000
Total Requested Appropriation Increase			54.0	\$15,198,533	\$14,863,537	\$36,651,791	\$66,713,861
FY 2013 Appropriation							\$463,731,068
TOTAL REQUESTED APPROPRIATION FOR FY 2014							\$530,444,929

FY 2014 Budget Request Priority A

A. Item Description

Salary Increase for Classified Employees

B. Cost

5% Market Adjustment Increase for Classified Employees \$12,200,000

Non-competitive hiring rates are affecting the Department of Corrections' ability to recruit and retain employees who are responsible for providing public safety.

Adjust compensation of all classified employees by 5%.

Increase hiring rate for Correctional Officers from \$11.83 / hour to \$14.00 / hour.

Estimated number of classified employees affected - 3,565 FTE dispersed statewide.

Estimated cost is \$12.2 million (inclusive of mandatory benefits).

Total - Classified Pay Raise

\$12,200,000

C. Justification

These funds are needed to retain and recruit staff who are essential to ensuring public safety is not compromised.

FY 2014 Budget Request Priority B

A. Item Description

Necessary staffing for added requirements resulting from HB 3052

B. Cost

Community Corrections

	<u>FTE</u>	
Probation and Parole Officers; Statewide HB 3052 (JRI)	45.0	\$2,522,970
Probation and Parole Team Supervisors; HB 3052 (JRI)	5.0	334,715
Administrative Technicians III; HB 3052 (JRI)	4.0	140,848
Total - Needed to fund existing authorized FTE*	54.0	<u>\$2,998,533</u>

C. Justification

These funds are necessary to meet operational requirements mandated in HB 3052.

*No new FTE authorizations are needed for this request. The request is only for funding to fill FTE positions that are currently vacant.

FY 2014 Budget Request Priority C

A. Item Description

Offender net growth results in contract growth and per diem restoration.

B. Cost

Contracted Beds - Growth

Jail Backup

Additional funding needed for 1,400 bed average \$1,413,507

Private Prison Beds

Jefferson County – Waurika

96 beds Oct. 1, 2012 \$877,968

CCA-Cimarron Corr. Facility

240 beds July 1, 2012 3,857,028

CCA-Cimarron and Davis Corr. Facilities

100 beds Oct. 1, 2012 1,202,019

Additional funding for 436 beds added in FY 2013

\$5,937,015

Annualizing the FY 2013 Supplemental

A supplemental appropriation was requested to increase per diem rates for Private Prisons and Halfway Houses. This request asks for the annualization of that appropriation to continue the per diem increase requested in the supplemental.

\$2,000,000

A supplemental appropriation was requested to address the population growth the Agency is experiencing due to 85% sentencing law and longer sentences. This request asks for annualization of that appropriation to continue the funding needed for added growth.

\$3,787,815

A supplemental appropriation was requested to support the requirements of HB 3052 to provide "intensive programmatic services". This request asks for annualization of that appropriation less one-time costs for facilitator training to continue the funding for programmatic services.

\$559,200

Total – Contract Offender Growth

\$13,697,537

C. Justification

Added growth will require resources necessary to maintain these offenders.

Per diem restoration for private vendors will improve operating capabilities.

FY 2014 Budget Request Priority D

A. Item Description

Operating cost required for 2014 not budgeted in 2013:

B. Cost

<u>Community Corrections</u>	\$600,000
Reoccurring cost due to HB 3052 mandate	
Office space @10.00 sq. ft./150 sq. ft. per officer	
Copy machine leasing @500.00 yr./per location	
Phones, fax, DSL cost 1,000.00 yr./per location	
Office supplies 3.70 per offender	
Safety/drug test supplies 63.00 per officer	
<u>Agency-Wide</u>	
Utilities	\$580,543
Food	832,996
Fuel	198,710
Offender Clothing	4,066,162
Correctional Officer Uniforms	851,200
Office Space Rent Increases	50,000
Bill Johnson Correctional Center Jail Pads and Mattresses	43,500

Operating costs required for 2014 that are not a part of the 2013 budget

Pharmaceutical Contract	\$1,000,000
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There are approximately 1,460 Certified Judgment and Sentence offenders awaiting transfer to ODOC from county jails. Due to the Attorney General's opinion 2011-19, ODOC is required to pay for medical care including prescriptions for those awaiting transfer. The Agency is also anticipating an increase in prescription costs associated with the Justice Reinvestment Act. Currently, the average prescription cost per offender is \$39.03 per month. We are estimating the total annual cost increase to be \$1,000,000.

Transfers (Third Party Payer)	\$1,000,000
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This increase represents payments to health care providers for non-routine care including medical specialty care, hospital admission and hospital emergency care. Offenders included in this category are approximately 1,460 Certified Judgment and Sentence offenders awaiting transfer to ODOC and those

Operating Costs (continued)

qualifying for the Justice Reinvestment Act. Typically, non-routine costs are about one-third the cost of total medical care, which equates to \$1.94 not including pharmaceuticals. We are anticipating the total annual costs to be \$1,000,000.

Joseph Harp CC Infirmery Space Expansion \$90,000

The following items are needed to convert a portion of the J Unit at Joseph Harp CC to infirmery space. The renovation costs will be minimal due to existing space being American Disability Act compliant, and sufficient security cameras in place. Building renovations will only involve the purchase and installation of an observation/pill line window (48" x 72") and related supplies.

Electric Hospital Beds w/mattress and rails - 68 @ \$1,100 ea.	\$74,800
Scale to accommodate wheelchair – 1 @ \$2,000 ea.	2,000
Vital Signs with BP/Pulse Ox/Temperature – 2 @ \$1,200 ea.	2,400
Other small miscellaneous equipment	2,000
Observation/pill line window and supplies	<u>8,800</u>
Total Estimate	\$90,000

Total – Non-Discretionary Increases – Secure Facilities \$9,313,111

C. Justification

These funds are necessary to maintain basic levels of performance and care per statutory and constitutional mandates.

FY 2014 Budget Request Priority E

A. Item Description

Non-Discretionary Increases – Medical Services

B. Cost

Medical Services

Pharmaceutical Contract

\$616,000

The Centers for Medicare and Medicaid (CMS) offer projections for health care expenditures. Long term projections have been generally reliable. The CMS Healthcare Fact Sheet has predicted a rise in pharmaceutical costs of 6.1%. That number has varied over recent years from 6.1 to 6.3%. The lower number was chosen as a more conservative estimate. These numbers reflect national spending trends. The onset of The Affordable Care Act will change this trend nationally, but will not necessarily change trending for ODOC. Additionally, the aging of the offender population is a significant factor connected to pharmaceutical costs. From 2008 to 2012, the percentage of ODOC offenders who are greater than 50 years of age rose from 14.3% to 17.1%. As the offender population ages, costs of age related pharmaceuticals will increase due to increased utilization by older offenders.

Reimbursement to Private Prisons for HIV Medications

\$330,000

Until early 2012, the cost of HIV medications had not been passed on to ODOC by all private prisons. Based upon the monthly reimbursement requests to date from one particular private prison alone, we are projecting an average annual increase of \$255,000, not including anticipated price increases. As of August, 2012 ODOC lists 135 HIV positive offenders, 26 of which are at private prisons and 109 housed in ODOC facilities. This number of offenders is a relatively stable number for ODOC, ranging from about 130 to 150 total HIV positive offenders. Newer combination medications are becoming available, which do gradually drive medication costs higher. As an example, expenditures for one such medication, Atripla, have risen over the past year from \$64,633.00 to \$99,138.00 (a 53.4% increase). Over the past 12 months, total expenditures for HIV medications have risen by 22.9%. The average cost to treat an HIV offender is about \$1,858 per month.

Hepatitis C Drug Cost Increase

\$3,000,000

The treatment of Hepatitis C is evolving in a manner similar to the evolution of HIV treatment in the 1990's. ODOC has partnered with the Nazih Zuhdi Transplant Institute and is conducting telehealth

Medical Services (continued)

sessions for the management of the treatment of Hepatitis C. Hepatology consultations are provided to ODOC at no professional fee. Treatment has become more complex, and more expensive, due to the addition of new treatment medications. Many other new medications are in the pipeline and are expected to come to market rapidly over the next few years. Therefore, the treatment of a single patient for Hepatitis C is estimated to cost \$150,000 annually. PharmaCorr, the ODOC pharmacy vendor, reports that other states they have under contract are treating Hepatitis C in varying numbers, but all in numbers greater than ODOC has treated over the past year. Approximately 20 offender patients under treatment would be consistent with a Corrections standard of care at this time. As newer medications and classes of medications become available, the community and corrections standard of care for Hepatitis C is likely to drive toward increased numbers of ODOC patients receiving treatment. Though the cost of treatment is high, the cost of care for a patient with end stage liver disease is estimated to be approximately \$300,000. Hepatitis C can progress to end stage liver disease over 20 to 30 years. The Centers for Disease Control estimate that up to 30% of all offenders are Hepatitis C infected.

Medical and Dental Supplies \$40,000

This request is based upon continuing cost increases on disposable and durable medical equipment, such as syringes, needles, catheters, wound dressing, swabs, wrist splint, walkers, vital sign monitors, wheelchairs, etc. The CMS Healthcare Fact Sheet has predicted a 10.8 % rise in disposable supply costs and 9.6% increase in durable medical equipment costs.

Eyeglasses \$14,000

Due to the aging offender population, costs to provide eyewear increased 25% in FY12 and it is anticipated these costs will continue to rise. From 2008 to 2012, the percentage of ODOC offenders who are greater than 50 years of age rose from 14.3% to 17.1%.

Transfers (Third Party Payer) \$3,000,000

Payment to health care providers including hospitals, radiologists, physicians, renal services, ambulance services, and others was underfunded by approximately \$4,000,000 in the FY13 work program due to budget cuts. In anticipation of a savings due to the passing of 2011 legislative session statutory changes in OS57 § 627 which pays non-network providers Medicaid rates, we anticipate this funding to be less.

Medical Services (continued)

Morton Comprehensive Health Services \$500,000

ODOC is responsible for providing adequate health care services to an increasing population of approximately 450 half-way house offenders in the Tulsa area. Morton Comprehensive Health Services is a federally qualified health clinic that provides complete medical, mental health, dental and optometric services for these offenders.

Additions Required for FY 2014 that are not part of the FY 2013 Budget

Lindsay Municipal Hospital \$2,000,000

Lindsay Municipal Hospital reduced their administrative fee from 10% to 7% through August 2012 due to DOC budget cuts. However, the administrative fee recently increased to 8% for a three year period. The additional increase equates to over \$70,000 per year. In addition, Medicare and Medicaid medical care inflation rates project a 10 year average medical cost increase of 6.1%. Even though Medicaid reimbursements are expected to continue, additional funds are needed for the added services of the orthopedic clinic and surgical care at Lindsay Hospital. These services were implemented in FY 2012 and are increasing due to the successful reduction of the backlog of orthopedic cases at OU. The FY 2012 Lindsey Municipal Hospital average inpatient cost per day is \$857.93 compared to network hospital inpatient cost per day of \$1,499 per the Kaiser Family Foundation.

Total – Non-Discretionary Increases – Medical Services \$9,500,000

C. Justification

These funds are necessary to maintain a sustained level of performance and constitutionally compliant care.

FY 2014 Budget Request Priority F

A. Item Description

Restart of reduced or eliminated programs –
Treatment & Rehabilitative Services

B. Cost

Programs

The items below were cut from the prior year Programs budget. To allow for reinstatement of offender programs, purchase of curriculum, and site visits to provide ongoing oversight of programmatic needs, the following is needed:

Treatment & Reentry Program Training and Program Evaluations \$100,000

Funding will be used for Reentry Training for unit managers, case managers and security staff and a contract for outside Program Evaluators to assess agency programs.

John Lilley Correctional Center Substance Abuse Program \$420,850

These funds would allow ODOC to reinstate the Substance Abuse Treatment Program at JLCC to provide four continuous groups of ten offenders per group on a four month rotation. The reinstatement of this program would provide treatment to approximately 240 offenders annually.

General Operating Expense \$100,000

To provide funds for programmatic curriculum to include Substance Abuse Treatment, Faith and Character, Thinking for a Change, Associates for Success, and Victims Impact.

Male Medium Security Substance Abuse Treatment Expansion \$250,000

Funds will be used to develop a 4-6 month substance abuse treatment programming for male offenders discharging from medium security. These funds would provide treatment for approximately 100 offenders annually.

Sex Offender Treatment \$125,000

Supplies and materials and technology needed for reinstatement of sex offender treatment programs at one minimum and one medium security facility.

Treatment & Rehabilitative Services (continued)

Education

Operational requirements that have been adversely affected by cost increases

General Operating Expenses \$90,500

Additional funding is needed to cover the increased costs of General Education Degree (GED) testing. The price quote provided for the 2013 GED tests is \$78.00 each compared to our current cost of \$26.50. The ODOC Education Unit administers 1,000 annually. The quoted price includes a discount for the agency, as the public rate may exceed \$120.00. Total \$30,000.

Additional funding is needed to cover expenses for leisure library and office supplies. Leisure library access is available in all minimum, medium and maximum state facilities which provide offenders with recreational and educational reading material. The annual purchase of newspapers, magazines, books, and other library supplies provides the offenders with a variety of reading material. Total \$60,500.

Operating costs required for FY 2014 that are not part of the FY 2013 budget:

Professional Services \$50,000

To provide funding for temporary staff providing data entry of Statewide GED's and administration of The Adult Basic Education (TABE) testing at Lexington Assessment and Reception Center.

Maintenance and Repair Expense \$6,000

Additional funding for repair of aging scantron machines; these are located at 17 education units to scan and score TABE testing.

General Operating Expense \$60,500

Additional funding to cover expenses for office supplies, school supplies, etc. for all educational facilities. Also to provide funding for offender testing material as required by State Statute.

Treatment & Rehabilitative Services (continued)

Administration

Career Tech

\$80,000

Restore funds due to prior year budget cuts to increase Career Tech programs at Elk City's Construction Technology program and Clara Waters Community Corrections Center Career Guidance & Development program. These funds will provide 20 additional slots each, as the programs are currently at half capacity.

Total – Non-Discretionary Increases – T&RS

\$1,282,850

C. Justification

These funds are necessary to maintain a sustained level of performance.

FY 2014 Budget Request Priority G

A. Item Description

Efficiency Improvements

B. Cost

Community Corrections

Expand program and treatment capabilities:

Parole conditions treatment for substance abuse/mental health \$350,000

Community Sex Offender Treatment 250,000

Substance Abuse & Alcohol Treatment Program at Union City CCC due to HB 3052 (JRI) 34,000

\$634,000

Total – Efficiency Improvements

\$634,000

C. Justification

These funds are necessary to improve recidivism rates and provide enhanced levels of public safety.

FY 2014 Budget Request Priority H

A. Item Description

Infrastructure and Equipment Improvements

B. Cost

Community Corrections

Equipment Replacement

Walk-in Refrigerators/Freezers for 10 Facilities	\$100,000
Kitchen appliances for all facilities	245,000

Community Corrections and Field Operations

Infrastructure

Electrical project at Elk City CWC	\$150,000	
Frederick heat pump project	50,000	
HVAC project at Elk City CWC	50,000	
Window project at Elk City CWC	<u>10,000</u>	
		\$260,000

Roof Repair

Kate Barnard CCC (Formerly Hillside CCC)	\$262,500	
Mabel Bassett all housing and original buildings	2,557,800	
Enid CCC	75,000	
Oklahoma City CCC	75,000	
Eddie Warrior CC	583,800	
Jim Hamilton CC	177,300	
William Key CC	<u>25,000</u>	
		\$3,756,400

Water and Waste Water Systems

Oklahoma State Reformatory water tower & water related upgrades	\$1,300,000	
Jess Dunn CC water tower renovation and painting	126,000	
Joseph Harp CC lagoon aerator	7,500	
Joseph Harp CC irrigation cannon	15,000	
Eddie Warrior CC sewer grinder (Muffin Monster)	26,250	
Kate Barnard CCC sewer system replacement	220,000	
Jackie Brannon CC sewer grinder	25,000	
Howard McLeod CC sewer grinder	25,000	
Jim Hamilton CC sewer grinder	25,000	
Joseph Harp CC, Dick Conner CC and Oklahoma State Reformatory sewer grinders	150,000	
JLCC Sewage lagoon land application pump system	95,000	
Mack Alford CC lift-station pumps	11,000	
Mack Alford CC grinders	36,000	
Mack Alford CC irrigation pump and pipe	25,000	
Mack Alford CC aerators for lagoon	<u>14,000</u>	
		\$2,100,570

Infrastructure and Equipment Improvements (continued)

Field Operations

Kitchen

Oklahoma State Penitentiary replace boiler in kitchen	\$80,000	
Lexington A&R Center replace boilers (3)	360,000	
Dick Conner CC replace (2) boilers	206,230	
Howard McLeod CC steam kettles (2)	25,000	
Howard McLeod CC Hobart floor mixer	16,000	
Howard McLeod CC heavy duty hot food tables (2)	11,200	
Kate Barnard CCC freezer (Formerly Hillside CCC)	18,000	
Kate Barnard CCC refrigerators (2)	21,500	
Howard McLeod CC walk-in freezer	20,000	
Mack Alford CC miscellaneous kitchen equipment	75,000	
Howard McLeod CC walk-in freezer for warehouse	<u>34,500</u>	
		\$867,430

Laundry

Howard McLeod CC laundry steam boiler	63,000	
Kate Barnard CCC commercial washers (2)	16,000	
John Lilley CC large commercial washer	<u>28,000</u>	
		\$107,000

Heat and Air

William Key CC steam pipe repairs	27,000	
John Lilley CC hot water tanks (4)	22,000	
John Lilley CC Port-A-Cool fans (6)	19,200	
Eddie Warrior CC air condition gymnasium/visiting room	26,250	
Mabel Bassett CC replace heat exchange	31,000	
Mabel Bassett CC replace air conditioning units (33) at \$15,000	495,000	
Mabel Bassett CC replace air conditioning units (8) at \$5,000	40,000	
Kate Barnard CCC replace HVAC system	50,000	
Jackie Brannon CC "C" unit heat/cool	262,500	
William Key CC cooling tower/chiller	200,000	
Oklahoma State Reformatory air conditioner units (9)	<u>27,000</u>	
		\$1,199,950

Infrastructure and Equipment Improvements (continued)

Other Repairs and Equipment

Howard McLeod CC ice machines (3)	\$20,100	
Howard McLeod CC generators	60,000	
Lexington A&R Center emergency generator	42,000	
William Key CC generator hook-up	28,000	
Bill Johnson CC renovate housing unit 1	16,500	
Bill Johnson CC tractor with attachments	18,000	
Joseph Harp CC backhoe	50,000	
Jim Hamilton CC door replacement	81,600	
Joseph Harp CC control room electrical panel	25,000	
Mack Alford CC parking lot resurface	<u>220,000</u>	
		\$561,200

Total – Infrastructure and Equipment Improvements **\$9,197,730**

C. Justification

Maintaining facilities and minor capital improvements are necessary to sustain operational effectiveness and efficiency.

FY 2014 Budget Request Priority I

A. Item Description

Security Needs

B. Cost

Community Corrections

Key watch system for 10 facilities	\$70,000	
Camera systems for 10 facilities	<u>50,000</u>	\$120,000

Mental Health

\$90,000

To provide funds to add sixteen (16) safe cells. Three at Mabel Bassett CC, two at Oklahoma State Penitentiary and Oklahoma State Reformatory, and one at Bill Johnson CC, Dick Conner CC, Eddie Warrior CC, Howard McLeod CC, James Crabtree CC, Jess Dunn CC, John Lilley CC, Lexington A&R Center and William Key CC. Since 2006, there has been a 55% increase of offenders in DOC who have a serious mental illness. Although there are 10 more safe cells at JHCC, there are 2649 more mental health level B offenders throughout the system who are at risk for a crisis that would require a safe cell, but due to their mental health level, would not be appropriate for transfer to Joseph Harp CC.

Field Operations

Cameras & Surveillance

Kate Barnard CCC upgrade security cameras (formally Hillside CCC)	\$50,000	
Jess Dunn CC upgrade security camera system	275,000	
Jim Hamilton CC security camera system	135,000	
John Lilley CC security camera system	78,000	
Joseph Harp CC security camera upgrade	40,000	
Lexington A&R Center security camera upgrade	150,000	
Oklahoma State Reformatory security camera upgrade	84,000	
Mabel Bassett CC CCTV upgrade and expansion	82,000	
Lindsay Hospital surveillance equipment	87,000	
Jess Dunn CC upgrade security surveillance-replace (3) DVRs	18,000	
William Key CC security camera upgrade	375,000	
Bill Johnson CC security cameras	<u>27,700</u>	\$1,401,700

Lock Replacement

Mack Alford CC pneumatic lock replacement	\$1,225,000	
James Crabtree CC pneumatic lock replacement	<u>1,225,000</u>	\$2,450,000

Security Needs (continued)

Fire Alarms and Lighting

William Key CC fire alarm	\$90,000	
Oklahoma State Penitentiary fire alarm replacement	100,000	
Mabel Bassett CC replace perimeter lighting	126,000	
William Key CC security lighting	<u>25,000</u>	
		\$341,000

Other Security Needs

Mabel Bassett CC facility wide intercom replacement	\$420,000	
William Key CC VOIP telephone upgrade	49,000	
William Key CC replace security door and frames	36,000	
William Key CC fencing	850,000	
Oklahoma State reformatory replace security gate controls	25,400	
Joseph Harp CC stun fence	450,000	
Joseph Harp CC & Oklahoma State Reformatory replacement of obsolete "Key Watch"	85,000	
Joseph Harp CC thermal imaging	<u>13,000</u>	
		\$1,928,400

Total – Security Needs

\$6,331,100

C. Justification

Funds for security are necessary to maintain a safe operating environment.

FY 2014 Budget Request Priority J

A. Item Description

Vehicle Needs

B. Cost

Internal Affairs

Emergency response vehicles (5)	\$125,000	
Emergency equipment per vehicle (\$5,000)	<u>25,000</u>	
		\$150,000

Community Corrections

Vans (1 per each community correction center And community work center) (20)	\$440,000	
Sedans (2 per district) (12)	<u>220,000</u>	
		\$660,000

Type	Count	Miles Driven By Type	Vehicles >100,000	Vehicles >150,000	Vehicles >200,000
Sedans	392	2,330,910	93	59	12
Vans	352	3,034,353	89	61	37
Pickups	194	874,698	53	38	21
Utility Trucks	31	205,304	10	4	4
Others	90	586,205	24	7	19
Buses	27	174,255	5	5	8
Total	1,086	7,205,725	274	174	101

Total – Vehicle Needs

\$810,000

C. Justification

These vehicles are necessary to improve operational capabilities.

FY 2014 Budget Request Priority K

A. Item Description

Information Technology/Other Technology infrastructure and upgrades

B. Cost

Community Corrections

Computers and software leases (125) \$185,000

Mental Health

Telemedicine Polycom Conversion \$14,000

The conversion of seven (7) webcam units to polycom units to improve the quality of psychiatric care to offenders at remote locations

Field Operations

Computer and printer upgrade \$550,000

Total – Technology Upgrades and Infrastructure \$749,000

C. Justification

Funding of technology infrastructure will be necessary to keep technical systems sustained and operational, as well as continues expansion of technology in remote facilities.