

OCTOBER 15, 2009

DIRECTOR'S  
NEWS UPDATE



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## OCTOBER REVENUE SHORTFALL

As you may now be aware, the state has declared another revenue shortfall which has resulted in a third consecutive monthly mandatory 5% reduction to agency budgets. As several state agencies are announcing furloughs the Department of Corrections continues to enact and pursue all other possible options. As with previous updates on revenue shortfalls and subsequent budget reductions, this update is to advise you of how your agency will respond and reduce budgets accordingly.

The agency is responding to the current revenue shortfall by reducing private prison and halfway house daily per diem rates by approximately 5%. These reductions are effective November 1, 2009, and will go through June, 2010, unless the agency receives additional funding in February through the legislative process.

I expect that the state will continue to experience revenue shortfalls and we will be requested to take at a minimum an additional 5% reduction

each month. Each reduction is approximately two million dollars for our agency. Our goal is not to furlough and not to reduce the number of employees any further as we are currently at 77% of our authorized employees. Assuming the monthly reductions are no more than 5%, the agency should be able to make it to February without enacting the aforementioned budget reducing measures. It is believed that the agency will receive some budgetary relief when the legislative session begins in February.

I also wanted to take a moment and say thank you to all agency employees as we continue to work together as a team to weather this long term recession. The economy has been difficult for all citizens of Oklahoma and we as public servants are also having to face the reality of revenue declines and the cascading effect that this has in perpetuating the recession. As always, I will keep you advised of any additional changes.