

May 21, 2010

DIRECTOR'S NEWS UPDATE



Budget Update FY 2011

As you may be aware the Fiscal Year 2011 budget which begins July 1, 2010 has been agreed upon by legislative leadership.

The Department of Corrections budget received an additional 3% reduction which represents a 14 million dollar reduction from the already reduced 2010 budget. The department started FY 2010 with an appropriation of 503 million dollars and was subsequently reduced by 26.7 million in mandatory reductions. Also the department had to make budget adjustments to address 15 million dollars in unfunded mandates thereby increasing actual budget reductions of FY 2010 to 41.7 million dollars. Those unfunded mandates include the department's share of increased cost for employees, retirement contribution increases, employee benefit allowance, net offender growth, changes in county jail reimbursement and a host of inflationary items.

Now for FY 2011 the department has additional adjustments that will increase the 3% (14 million dollar) reductions. Those items include 2 million dollars for increased retirement contributions, 4 million in increased employee benefit allowances, 6 million in offender growth which is currently at a net increase in the past 12 months of 708, and 21 million dollars in

items that were used to balance the FY 2010 budget that will not be available in FY 2011.

In summation the department has taken approximately 41.7 million dollars in adjustments for FY 2010. The department under the current proposed budget for FY 2011 will have to adjust approximately 46 million dollars to file a balanced budget. This would be a combined total of 87.7 million dollars in adjustments since July 1, 2009.

Options to address the FY 2011 budget reductions and adjustments are being analyzed. The department will be requesting a supplemental in an effort to address a large portion of the reductions. Our offender net growth makes us unique when compared to other state agencies; which justifies a supplemental request. Also, the department has been very proactive in cost saving measures: VOBO's, hiring freeze, closing training academies, and a host of other measures. In other words, we have virtually cut budgets as much as they can be cut.

As always this office will keep you updated. Your dedication, perseverance and the sacrifice you make as public servants is unparalleled and is greatly appreciated.