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TO: Senator Jane Ranum

FROM: Chris Turner, Senate Research (651/296-4350) *CT*

DATE: January 12, 2004

RE: Budget Cuts: Department of Corrections Agency-Wide and
Department of Public Safety Grant Programs

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Pursuant to your request, I reviewed the 2001, 2002, and 2003 criminal justice appropriation bills (covering fiscal years 2002, 2003, 2004, and 2005). The following cuts were made to the Department of Corrections (DOC) and to grant programs administered by the Department of Public Safety.

Note on methodology: The cuts and budget tails are aggregated against the fiscal year 2002 base budget. In other words, the totals represent cuts from what would have been appropriated if the budget process was on "auto-pilot" since 2001. The table does not include the \$13 million in one-time spending in fiscal year 2003 as a result of the Anti-Terrorism bill passed by the 2002 Legislature, nor does it include the governor's one-time fiscal year 2003 unallotments.

KEY:

DOC Inst	Department of Corrections Institutions
DOC Comm	Department of Corrections Community Services
DOC Man	Department of Corrections Management Services
DOC Juv	Department of Corrections Juvenile Services
DPS CVSG	Dept. of Public Safety Crime Victim Services Center Grants
DPS LECG	Dept. of Public Safety Law Enforcement of Community Grants

**Budget Cuts, Corrections and Public Safety
Summary by Legislative Session
(numbers in thousands)**

<u>Session Dept./Division</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>TOTAL</u>
2001 Session					
DOC Inst	\$ 6,937	\$ 11,499	\$ 11,499	\$ 11,499	\$ 41,434
<u>DOC Comm</u>	<u>1,485</u>	<u>1,400</u>	<u>1,400</u>	<u>1,400</u>	<u>5,685</u>
2001 TOTAL	8,422	12,899	12,899	12,899	47,119
2002 Session					
DOC Inst	5,200	1,750	8,145	8,145	23,240
DOC Comm		7,948	6,748	6,748	21,444
DOC Man		300	300	300	900
<u>DOC Juv</u>		<u>115</u>	<u>115</u>	<u>115</u>	<u>345</u>
DOC TOTAL	5,200	10,113	15,308	15,308	45,929
DPS CVSC	384	1,368	2,600	2,600	6,952
<u>DPS LECG</u>	<u>1,634</u>	<u>685</u>	<u>749</u>	<u>749</u>	<u>3,817</u>
DPS TOTAL	2,018	2,053	3,349	3,349	10,769
2002 TOTAL	7,218	12,166	18,657	18,657	56,698
2003 Session					
DOC Inst			9,533	16,937	26,470
DOC Comm			10,693	10,694	21,387
DOC Man			2,196	2,196	4,392
<u>DOC Juv</u>			<u>606</u>	<u>606</u>	<u>1,212</u>
DOC TOTAL			23,028	30,433	53,461
CPS CVSC			4,530	4,746	9,276
<u>DPS LECG</u>			<u>2,173</u>	<u>2,178</u>	<u>4,351</u>
DPS TOTAL			6,703	6,924	13,627
2003 TOTAL			29,731	37,357	67,088
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Grand Total	\$ 15,640	\$ 25,065	\$ 61,287	\$ 68,913	\$ 170,905
<hr/>					

**Aggregate Budget Cuts, Corrections and Public Safety
Summary
(numbers in thousands)**

<u>Dept./Division</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>TOTAL</u>
DOC Inst	\$ 12,137	\$ 13,249	\$ 29,177	\$ 36,581	\$ 91,144
DOC Comm	1,485	9,348	18,841	18,842	48,516
DOC Man		300	2,496	2,496	5,292
<u>DOC Juv</u>		<u>115</u>	<u>721</u>	<u>721</u>	<u>1,557</u>
DOC Total	13,622	23,012	51,235	58,640	146,509
DPS CVCS	384	1,368	7,130	7,346	16,228
<u>DPS LECG</u>	<u>1,634</u>	<u>685</u>	<u>2,922</u>	<u>2,927</u>	<u>8,168</u>
DPS Total	2,018	2,053	10,052	10,273	24,396
Grand Total	\$ 15,640	\$ 25,065	\$ 61,287	\$ 68,913	\$ 170,905

As you can see, the cuts made over the last three legislative sessions are substantial. The \$36.6 million aggregate cut to DOC Institutions in fiscal year 2005 is particularly steep. For comparison, the fiscal year 2005 operating budget of MCF-Stillwater is \$37.8 million. By absorbing prison caseload increases without corresponding funding increases in the 2002-03 biennium, and having budgeted to do the same for the 2004-05 biennium, the DOC has cut operational funding of its institutional budget the equivalent of the operating budget of its flagship close security prison.

DOC Community Service cuts include a five percent reduction for all "core" grants and functions, which include state and county probation officer services and Community Correction Act grants to counties. Supervision of convicted felons by state and county agents received an annual cut of \$3.7 million in fiscal year 2004.

In addition, the following 12 DOC funded grant programs were eliminated altogether.

<u>Program</u>	<u>Annual Cost (in thousands)</u>
Adult Women Grants	\$ 227
Amicus Grants	92
Community Corrections Center Grants	178
Regional Corrections Center Grants	126
Juvenile Restitution Grants	229
Extended Juvenile Jurisdiction Grants	730
Continuum of Care Grants	920
DWI Repeat Offender Program Grants	243
Sex Offender Reimbursement Grants	295
Juvenile Female Grants	112
Juvenile Residential Treatment Grants	2,745
American Indian Program Grants	550
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TOTAL	\$ 6,447
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Department of Public Safety Grant programs were cut an aggregate of \$24.4 million from fiscal year 2002 to fiscal year 2005, with an aggregated base cut for fiscal year 2006 of approximately \$10.3 million. Roughly two-thirds of this cut is to Crime Victim Services Center Grant programs, including grants for battered women shelters, sexual assault, and general crime victims.

Finally, although housed in the E-12 Education Budget, Violence Prevention Education Grants, funded since 1992 at \$1,450,000 annually, were eliminated in the 2004-05 biennium, as were After-School Enrichment Grants, with an annual base appropriation of \$4.8 million.

I hope this information is useful. Please let me know if I can be of further assistance.

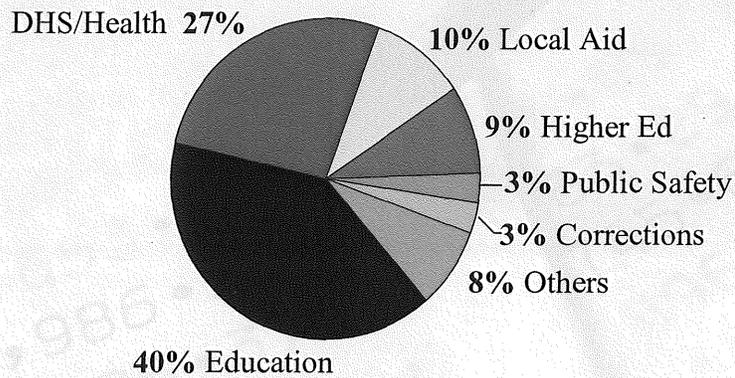
CT:vs

Department of Corrections

Facility Division
Budget Overview
FY 2006-07



Minnesota General Fund Spending FY06-07 Proposed Budget



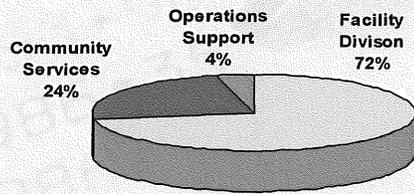
Corrections is 3 percent of Minnesota's State Budget



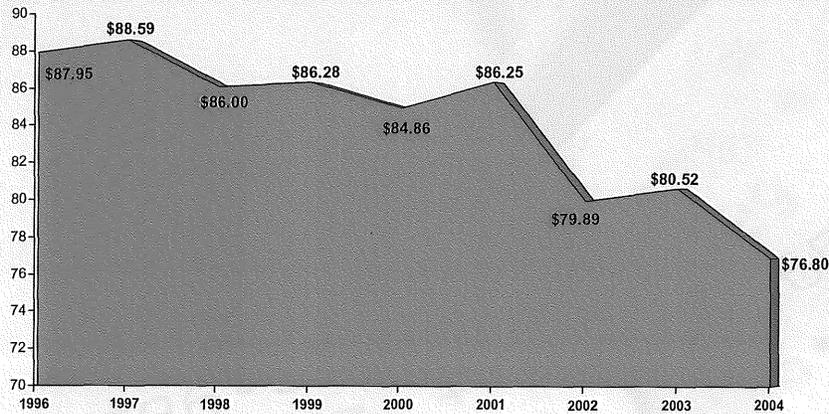
Biennial Budget General Fund Comparisons

	<u>FY 04-05</u>	<u>FY 06-07</u> (includes change items)
Facility Division	\$506,617	\$592,508
Community Services	\$189,981	\$200,999
Operations Support	\$31,187	\$30,696
Total	\$727,785	\$824,203 (13% increase)

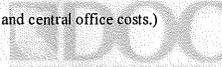
FY 06-07



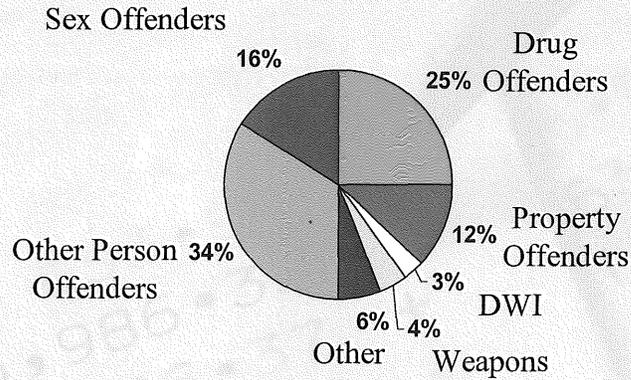
Minnesota Department of Corrections Facility Per Diem 1996 - 2004



- The 2004 per diem is \$76.80
- Between 1996-2004 the per diem decreased 12.5%
- If per diem kept pace with inflation, it would be \$106.47 (CPI = 21.06%)
- Per M.S.241.018 the total per diem is \$91.78 (This includes capital and central office costs.)



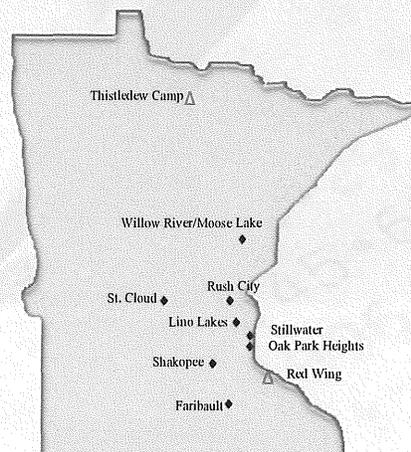
Prison Offender July 1, 2004 Profile Level of Offense



Facility Division

Facility Division

- 8 adult prisons with varying security classifications
- 2 juvenile facilities
 - Over 8,333 inmates
 - Provide work, treatment, education, and transition programs
 - Healthcare



Adult Facilities

Facility	Capacity	Custody Level	Programs
Oak Park Heights	452	Maximum (5)	Industry, Education, Mental Health
St. Cloud	1,050	Close (4)	Industry, Education, CD Treatment
Stillwater	1,393	Close (4)	Industry, Education, CD Treatment
Rush City	1,015	Close (4)	Industry, Education
Shakopee	483	All Levels	Industry, Education, Sex Offender and CD Treatment, Mental Health
Faribault	1,226	Medium (3)	Industry, Education, CD Treatment, G
Lino Lakes	1,257	Medium (3)	Education, Sex Offender and CD Treatment
Moose Lake	1,034	Medium (3)	Industry, Education, Sex Offender and CD Treatment
Challenge Incarceration Program	90 male 24 female	Minimum	Education, CD Treatment

Juvenile Facilities

- **Red Wing** (capacity 130)
 - Education
 - Sex Offender Treatment
 - CD Treatment
 - Mental Health Unit
 - Transitional Services
- **Thistledeew Camp** (capacity 60)
 - Three-month Residential Program
 - Three-week Wilderness Program
 - Education
 - Methamphetamine Program
 - Transitional Services

MINNCOR

- Industry Program Services - safety, security and workforce skill development
- Self-Sufficient and Growing Business (no state subsidy)
- Products and Services for Government and Private Industry Organizations
 - Design, fabrication, assembly, packaging and installation
- MINNCOR 2004 Profile
 - \$30 mm in Sales Revenue
 - \$2.5 mm in Net Profit
 - 1,050 Inmates Assigned to 25 Business Unit Operations
 - 85+ Operating Partnerships with Private Sector Businesses

Education

Education includes Adult Basic Education, special education, high school diploma, GED, Vocational, parenting, critical thinking skills, and transitional programming.

- Education Statistics (February 2005)
 - 1,714 offenders served in education each day
 - 4,813 offenders participate in education throughout a quarter
 - 5,597 offenders have a verified high school diploma or GED
 - 738 offenders are enrolled in post-secondary education
 - 70% of offender at intake read below the 10th grade level

FY05 Education Budget = \$6.2 million (General Fund)

Sex Offender Treatment Program

Lino Lakes	Shakopee	Moose Lake	Red Wing (juvenile)
Sex Offender Treatment Program (SOTP) 190 beds	Sex Offender programming 6-8 beds	MN Sex Offender Program (MSOP) 50 beds	Sex offender programming 26 beds
Intensive, residential treatment programming lasting 18 months to 2 years	Outpatient, group-based with adjunct services as required.	Operated by DHS, providing intensive residential services to high risk, high needs offenders	Intensive, residential treatment programming

FY05 Sex Offender Treatment Budget = \$1.9 million

Chemical Dependency Treatment

Lino Lakes	Stillwater	Faribault	St. Cloud	Shakopee	Challenge Incarceration Program	Red Wing (juvenile)	Thistledeew Camp (juvenile)
450-460 beds	36 beds	106 beds	28 beds	32 beds	90 beds	60 beds	14 beds

Provide chemical dependency assessments for all offenders.

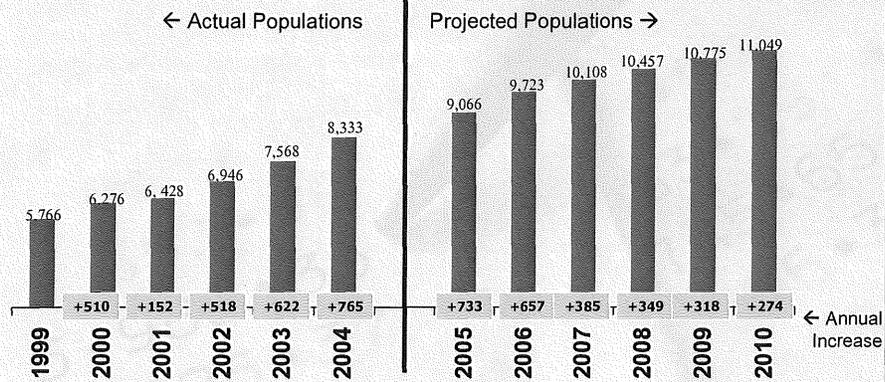
Treatment programs vary in length ranging from short, medium and long-term.

Specialized programs for offenders with mental illness and for sex offenders.

Utilize psycho educational modules and group psychotherapy.

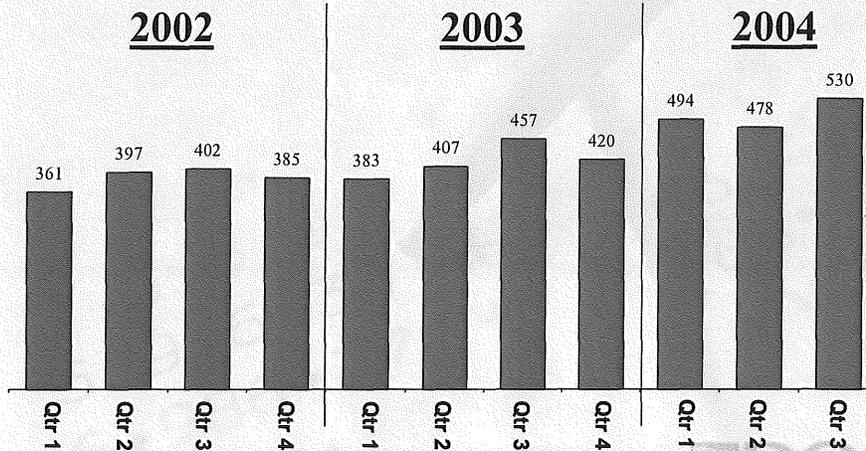
FY05 Chemical Dependency Treatment Budget = \$2.6 million

Adult Prison Population



* Actual prison population include those housed in a DOC facility or contracted to be housed in a local jail/private facility.

Release Returns Admissions



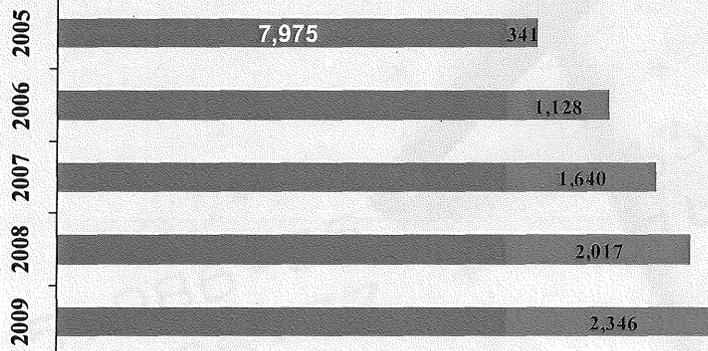
Population Base Adjustment

- **Inmate population base adjustment - \$71.206 million biennially** (currently included in forecast)
 - FY06 \$28.759 million (1,128 offenders at \$69.85 per bed)
 - FY07 \$42.447 million (1,640 offenders at \$70.91 per bed)



Prison Population Base Adjustment

Average Prison Population Increase	FY06	FY07	FY08	FY09
Total	1,128	1,640	2,017	2,346



■ Funded Beds ■ Unfunded Beds



**Total added to base budget - \$1.22 million annually
(\$2.44 million biennially)**

- \$700,000 – health services
- \$190,000 – *provide timely revocation hearings (3 FTE)*
- \$330,000 – *enhance the civil review commitment process
(5 FTE)*

DOC

**Health Services - \$3.402 million annually (\$6.8
million biennially)**

- \$1.2 million - operating supplies and equipment for on-site medical treatment
- \$900,000 - employee salaries and benefits
- \$500,000 - contracted medical services and major medical expense
- \$200,000 - increased methamphetamine population with a multitude of health and behavior concerns
- \$920,000 - replace federally funded chemical dependency positions (14 FTE). Grant funding was eliminated from the federal budget. These positions provide chemical dependency treatment at six correctional facilities

DOC

Drivers of Health Care Costs

Hepatitis C	In 2004 there were 2,400 new cases of Hep C reported in Minnesota, 5% (125) were from the DOC. 18% – 20% of DOC population is estimated to be Hep C positive
HIV	4,900 persons living with HIV in MN in 2003 (.096% of the population) 40 offenders living with HIV in MN state prisons in 2003 (.5% of the prison population)
Dialysis	The DOC currently has 7 offenders receiving dialysis for renal failure.
Metamphetamine Use	Exacerbates existing mental health problems Major dental problems (estimated \$5,000 per "meth mouth")
Prescription medications	DOC spent \$2.97 million FY 03 and \$3.2 million in FY 04. On target for spending \$3.4 million in FY 05. 33% of the total dollars spent on prescription drugs is for psychotropic medications. However, psychotropic medications only account for 13% of all medications purchased. 20% – 25% of adult males are on psychotropic medications, 40% females and 57% juvenile males. This compares to 8.3% of all adults nationwide who have a serious mental illness.

Health Care Population Comparisons

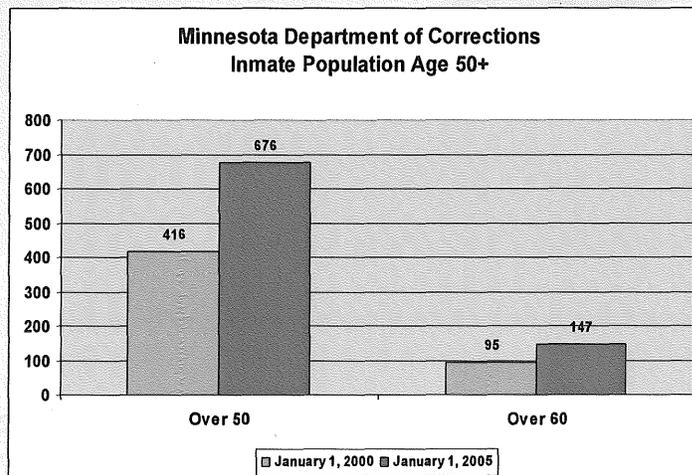
	MN Prison Population	MN Population
HIV	.5%	.09%
Hep C	18 –20% estimated	1.8%
Diabetes	11%	6.2%
Mental Illness	20 – 25% of adult males 40% of females 57% of juvenile males	8.3% nationwide

Cost and Population Changes

- 45% increase in DOC population over the last 5 years
- Private health insurance premiums increased an average annual increase of 11.8% per month between 2000 and 2003
- Medicaid increased an average of 8% per year between 2000 and 2003 in monthly spending per enrollee
- *During the same time frame the DOC monthly spending per enrollee only increased an average of 4.5% per year*



Aging Offender Population

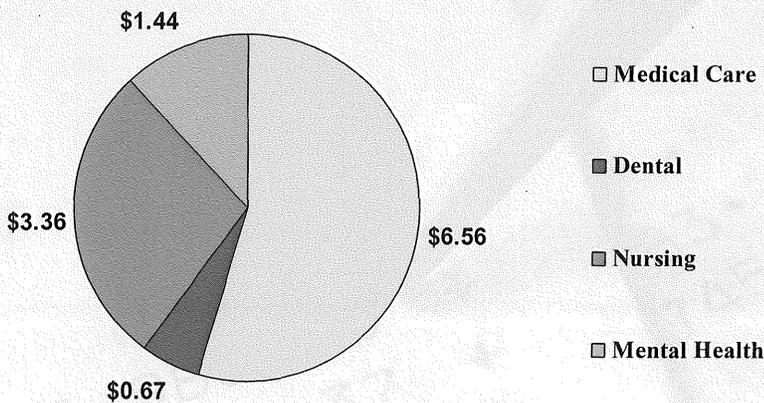


Health Services Capacities

Mental Health	Transitional Care Unit	Linden Unit	Dental
MCF-OPH 48 beds MCF-SHK 8 beds MCF-RW 7-10 beds	MCF-OPH 40 beds	MCF-FRB 100 beds	Provided at all facilities
Residential treatment units. Medication management, evaluation and assessment.	Provides pre/post surgical care, hospice care, wound care and IV therapy.	Houses geriatric population, and provides nursing home level of care.	Target emergent and urgent care.
Supportive living services for severely mentally ill provided at all security levels.	Negative air flow cells for infectious disease control.	Working on programming for offenders with dementia.	Routine only provided after 12 months of incarceration and reaching top of centralized waiting list.



Health Services Per Diem by Service Type



Total FY05 Health Services Budget = \$35.936 million
Health Services per diem = \$12.03



Change Item
Sex Offender Treatment

**Sex offender treatment - \$3.1 million annually
(\$6.2 million biennially)**

- \$350,000 - grant funding to counties for reimbursement of sex offender assessments as required by M.S. 609.3452, Subd. 1
- \$1,250,000 - treatment for sex offenders on supervised release, including polygraph testing
- \$1,000,000 - treatment and transitional services for sex offenders in prison. Treatment program will have 40 –50 treatment beds (7 FTE) This will provide funding for a psychologist services supervisor, three mental health discharge planners and two psychologists (6 FTE)
- \$500,000 – supportive transitional services contracted with private vendors for housing search assistance, employment counseling assistance, support groups in the community, and community education efforts (1 FTE)

DOC

Change Item
Sex Offender Enforcement

**Sex offender enforcement - \$3.402 million
annually (\$6.804 million biennially)**

- \$1.8 million - increase Intensive Supervised Release (ISR) services (18 agents).
- \$162,000 - provide global positioning satellite (GPS) monitoring for the most serious sex offenders on supervised release.
- \$1.37 million - provide housing options for sex offenders to allow for maximum community surveillance and supervision.
- \$70,000 - provide aggressive tracking and apprehension of Level III sex offenders (1 FTE).

DOC

Sex Offender & Methamphetamine Sentencing Change Item

- Request of \$1.5 million in FY06 and \$3.3 million in FY07 to provide correctional resources related to the proposed sentencing changes.



The Department of Corrections is committed to find creative ways to do our part in addressing the state's budget deficit while maintaining core correctional functions and enhancing public safety.



Sara Benzkofer - BCA Agent deployment: Meth and POR

From: "Finney, Linda" <LFinney@mail1.dps.state.mn.us>
To: <sen.jane.ranum@senate.mn>, <Andrea.sternberg@senate.mn>
Date: 3/1/2005 10:50:48 AM
Subject: BCA Agent deployment: Meth and POR
CC: "Ellison, Mary" <Mary.Ellison@state.mn.us>, "OMalley, Tim" <TOMALLEY@mail1.dps.state.mn.us>

Senator Ranum,

In response to your inquiry yesterday regarding how we plan to utilize the agents being requested for these two programs, here's a brief overview of our intent:

10 Meth agents – Our plans are to deploy all ten agents in Greater Minnesota. Their focus will be Meth investigations and violent crimes that are frequently associated with this drug. Their role is to work with locals for a more coordinated and comprehensive approach to curbing the crime associated with this scourge. In this effort agents will continue to work and share information with the gang strike force members and others. As an example, the BCA has been in discussions with the Gang Strike Force in the planning of an enhanced computerized case management system that will be utilized by gang strike force and others throughout the state. The bureau agents will be an integral part of this endeavor. In terms of the violence, we know that many of the homicides that are an offshoot of Meth related conspiracies are gang related. Our bureau agents have in the past and will continue to share information and work collaboratively to resolve these offenses.

3 POR agents – Our plans are to utilize these agents to work with law enforcement, Community Corrections, and State Probation to keep track of those offenders that are most difficult to monitor (i.e. homeless, registrants from other states, non-compliant offenders). This includes making sure that locals (to include probation) are well informed about the requirements of the laws impacting POR, and work with them in implementing those requirements. They will be responsible for working in the field, coordinating the efforts of local law enforcement and probation in a variety of strategies that will allow them effectively track all offenders required to register. This will include more proactive surveillance of high-risk offenders to help prevent and curtail recidivism for this group. These activities will require close coordination with community and state probation.

Please let me know if you have other questions related to these initiatives.
Thanks for your continued interest and support

*Linda S. Finney, Superintendent
Minnesota Bureau of Criminal Apprehension
(651) 793-1000 or (651) 793-7000*

Minnesota Department of Corrections

By the Numbers

Agency Statistics

- 3,740 employees
- 10 wardens (6 men, 4 women)
- 10 correctional facilities (7 adult male, 1 adult female, 2 juvenile)
- 8,333 inmates (7,843 men, 490 women)
- 118 juveniles (113 boys, 5 girls)
- 18,273 probationers (14,287 men, 3,986 women)
- 2,423 supervised releasees
- Over 95% of inmates will return to the community upon completion of court-ordered prison time
- In a three-year follow-up study, one-third (33%) of all adult offenders released from a Minnesota prison were convicted of a new felony. Offenders returning to prison with a new felony commitment within those same three years totaled 23%.

National Rankings

- 21st in state population and 32nd lowest in crime rate (2000)
- 46th lowest in per capita spending on corrections at \$83, compared to \$135 nationally
- 49th in incarceration rate, locking up fewer inmates than any other state except Maine
- 14% inmate idleness compared to 40% national average

Commitment to Public Safety

- 366 fugitives apprehended by DOC law enforcement unit
- 2,068 release revocations
- 4 visits per week required by Intensive Supervision Agents
- Assisted outside law enforcement agencies with 80 cases
- 400 entries to Gang Strike Force database

Offender Accountability

- \$448,472 collected for victim restitution
- \$145,120 child support
- \$683,915 cost of confinement
- \$501,906 supervision fees collected by agents

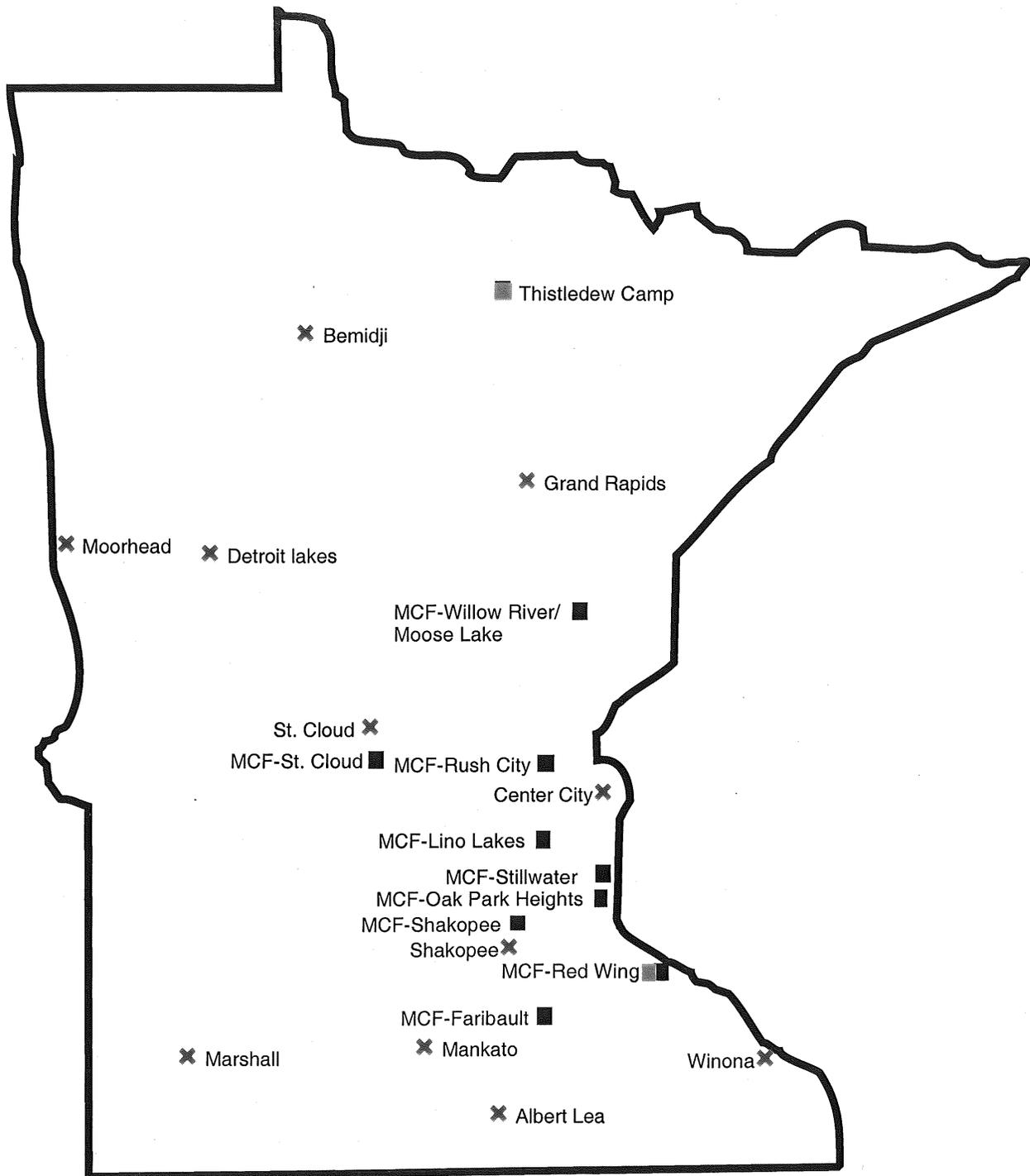
Success Stories

- 2,200 books distributed to children of offenders through Reading is Fundamental Program
- 650 inmate GEDs earned
- 962 offenders completed vocational program
- 44 houses built by Institution/Community Work Crew offenders
- 7.7 million inmate hours worked
- Sentencing to Service crews made available to communities to assist with disaster assistance
- Foundation established to solicit private donations to provide higher education opportunities for offenders
- Approximately 150 inmates positively impacted by InnerChange Freedom Initiative faith-based reentry program
- 372,587 bed space days saved by Challenge Incarceration Program (CIP) from five years of CIP participants (1998-2002)

System Self-Sufficiency

- Majority of cleaning and food service functions performed by inmates
- Processing surcharge for money sent to inmates
- 100% of education tutors are inmates
- 100% of canteen system overhead and security covered by inmate canteen receipts
- 100% of inmate-generated phone revenue directed toward inmate activities
- Security positions reduced by K Building design at Lino Lakes facility

*All numbers are as of 7/1/04
or for FY04, unless noted.*



- **Adult prison** - Houses adult males and females (separately) committed by the courts.
- **Juvenile facility** - Houses juveniles committed by the courts or placed by a correctional or community agency.
- × **District field office** - Responsible for community supervision of offenders on probation, supervised release, and/or parole. There are a number of supervision offices within each district.