

Cutting Costs: How States are Addressing Corrections Budget Shortfalls

In November, 2008 the Association of State Correctional Administrators (ASCA) profiled state actions for managing corrections costs in light of the current fiscal crisis. This document provides a categorical listing of these savings measures as reported by the states.¹ Although neither the ASCA nor the National Governors Association Center for Best Practices has yet analyzed these measures to assess their full impact, we are making this information available to inform your discussions of cost savings measures during this very difficult fiscal climate.

Except as otherwise noted, each initiative was reported to ASCA by a single state but may well be underway in other states.

Creative Measures

- Rented out training beds at the residential training academy to other state agencies.
- Hired tattoo artist (pilot program) for female facilities with the goal of reducing and avoiding medical costs associated with transmission of HIV and Hepatitis C from “prison” tattoos.
- Working more closely with Immigration and Customs Enforcement to speed deportation when appropriate.

Energy Savings

- Retrofitted facilities for greater energy efficiency.
- Bundling utilities to reduce costs.
- More exacting auditing of invoices and bills.
- Reverse-auctioning utilities.
- Installed capacitors to monitor the use of utilities.
- Installed windmills and solar panels.
- Using methane from a local landfill to produce electricity for three institutions.
- Switched to an ozone water system.

Facility/Staff Reduction

- Closed a female camp.
- Scheduled closure of oldest state prison, which will result in lay-offs for about 1/3 of that prison’s staff.
- Terminated 2,300 staff positions to avoid reducing custody staff. Remaining staff members have increased responsibilities.

¹ Due to the urgency of the fiscal crisis in the states, state names have been redacted so that this information can be disseminated immediately.

- One state refused to cut training and reentry dollars, after evaluating the deficiency of any short term benefit compared to long term detriments
- Decreased gun-tower and armed rover staff from round-the-clock to only during times of movement at a savings of several million dollars.

Food Savings

- Considering contracting for privately operated food- and medical services.
- Shifted prison populations so that populations are more efficiently aligned with facilities and facility staff.
- Reduced religious menus and special menus to save on food costs.

Fund Shifting

- Moved general fund dollars to bond funds, which freed \$40 million.

Legislation

- Enacted legislation that retroactively doubles good time credits for non-violent offenders.
- Increased the number of full-time employees to reduce the expense of overtime.
- Proposed legislation (still pending) to implement a twenty-five to fifty-cent fee on all alcoholic beverages at the time of sale to support corrections costs.

Medical Savings

- Converted medical files to electronic format, which involved an initial expense but was followed by increased efficiency, decreases in duplicative tests and medication, and affordable information sharing.
- Hired private company to work as intermediary between the DOC and health care providers, which increased efficiency by eliminating communication errors.
- Centralized inmate medical records.
- Ordering pharmaceuticals exclusively through a state hospital to take advantage of 340(b) pharmaceutical costs savings, which state says are available only to state hospitals. This also precludes reimbursement to doctors who overcharge (negligently or intentionally).
- Developing a “central-fill” pharmacy in partnership with the state veteran’s association, which has huge dispensing capacities and reduces costs by decreasing the number of pharmacists required to serve inmate populations. (2 states, one state has already implemented “central fill” which allows 24,000 inmates to be completely serviced by only six pharmacists and three pharmacy technicians).
- Use state medical schools to provide medical care to inmates (six states).

Operational Savings

- Allowing telecommuting for assessment staff (who write reports) as well as work from alternative locations, including state office sites closer to the employee's home to save travel reimbursement costs.
- Allowing telecommuting for probation officers. Although this involved an initial expense (outfitting officers with laptop computers), the program has been very successful.
- Implemented 4-day workweeks for non-security staff, which has saved costs and improved employee morale.
- Converted personnel files from paper to electronic format. This has reduced administrative costs and will be replicated for inmate files in the near future.
- Increased use of electronic monitoring for non-violent, non-sex offenders as an alternative to incarceration.
- Installed time clocks to reduce staff tardiness and favoritism, which had previously resulted in tardiness forgiveness. (Another state is monitoring staff more closely to ensure that all staff are working 8 hours per day, and not taking long lunch breaks or work breaks).
- Contracted for private facilities with similar programming at a 10% savings.
- Considering work-furlough for staff. If implemented, the program will involve one unpaid day off each quarter. Expected savings are \$10 million every two years. (Another state has implemented a similar program with five furlough days per year, four of which are set at the employees discretion and one of which is scheduled by the state. Initial employee concerns were abated by satisfaction with time off, and a clear expression of the alternative -- layoffs). (A third state implemented a similar program with no adverse effect on operations). (A fourth state proposed 12 furlough days over 18 months for all state employees. The proposal failed, and now the state is implementing significant layoffs).
- Reviewed all staff positions, including custodial positions.

Shortened Sentences

- Pardoning more non-violent offenders.
- Awarding earned credits for inmates without disciplinary issues every three months.
- Reducing supervision requirements for non-violent offenders.