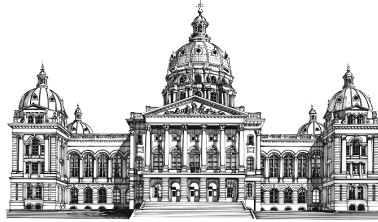

Iowa Legislative Services Agency Fiscal Services

Dennis Prouty
(515) 281-5279
FAX 281-8451



State Capitol
Des Moines, IA 50319
October 27, 2004

Overview of the State Corrections System

ISSUE

This *Issue Review* provides an overview of Iowa's corrections system, offender population growth, and the impact on the State's budget.

AFFECTED AGENCIES

Department of Corrections (DOC)
Community-Based Corrections (CBC)
Board of Parole
Judicial Branch
Attorney General's Office
State Public Defender's Office

CODE AUTHORITY

Chapters 13, 13B, 602, 701 through 728 (Iowa Criminal Code), 904, 904A, 905

BACKGROUND

According to the Vera Institute of Justice, from 1980 to 2001, corrections spending at all levels of government increased 760.0%, to almost \$60.0 billion in 2001. Federal corrections spending increased 1,200.0% over the same period, to approximately \$5.1 billion. State spending increased by approximately 793.0%, while local government expenditures increased 626.0%.

Iowa's corrections spending from the General Fund reached \$253.0 million in FY 2001, an increase of 614.1% from FY 1980. Over the same period, the offender population increased 167.7%, to 35,183 offenders at the end of FY 2001. The offender population has risen steadily over the years, with the number of offenders under correctional supervision at 37,931 at the end of FY 2004. **Attachment 1** provides details regarding Iowa's offender population.

According to the National Conference of State Legislatures (NCSL), average state corrections spending as a percent of total General Fund expenditures have increased from 4.3% in FY 1990 to 6.1% in FY 2003, an increase of 41.8%. Iowa's corrections expenditures have

increased from 3.5% of total General Fund spending in FY 1990 to 5.4% of total General Fund expenditures in FY 2003, an increase of 54.3%.

The offender population is expected to continue to increase, which will drive demand for additional financial resources within the corrections system. The Criminal and Juvenile Justice Planning Division (CJJP) of the Department of Human Rights prepared a prison population forecast that adjusts for the recent departmental policy changes and projects prison population growth through FY 2014. If current offender behavior and justice system trends remain unchanged, the prison population is expected to be approximately 10,582 inmates by June 30, 2014, an increase of 1,971 inmates or 22.9% over the next 10 years.

The CJJPD does not forecast the CBC populations. The following information was prepared using average annual percentage growth rates. The average annual growth rate for the CBC population since FY 1994 (10-year average) has been 5.5%, and since FY 1989, the growth rate has averaged 4.7% (15-year average). Using these average annual rates of growth, the CBC population will be approximately 53,000 offenders by the end of FY 2014, an increase of 23,680 offenders, or 80.8%.

CURRENT SITUATION

Due to budget shortfalls in recent years, states have either slowed the growth of or reduced spending on corrections systems. Eleven states reduced appropriations to corrections systems from FY 2003 to FY 2004, including Alaska, California, Delaware, Georgia, Maryland, New Jersey, New York, Mississippi, Oklahoma, Oregon, and Texas. **Attachment 2** is a summary provided by the NCSL.

Iowa reduced General Fund appropriations to the DOC \$10.0 million (4.0%) in FY 2002 and an additional \$206,000 (0.1%) in FY 2003. However, corrections spending in Iowa is increasing again, with \$22.5 million (9.3%) added to the corrections system in FY 2004 and \$5.7 million (2.2%) added in FY 2005. The majority of the increases were to operate additional beds and to partially fund salary increases. Spending on corrections is projected to continue increasing due to:

- The projected increase in the offender population.
- The need to fund operating costs of the 170-bed Special Needs Unit at the Iowa Medical Classification Center at Oakdale. The facility is being constructed pursuant to a federal court order and is projected to open in FY 2007.
- The increased cost of medical care. The Prison System spent \$4.1 million on prescription drugs and biological medications in FY 2004, an increase of \$3.7 million (831.3%) over the last 10 years.

BUDGET IMPACT

According to the CJJPD preliminary prison population forecast, the Prison System will be operating at 143.3% of design capacity by the end of FY 2014. According to the DOC, for every 1,000 increase in the prison population, a new 800-bed prison will need to be constructed. This assumes each prison will operate at 125.0% of design capacity. If the prison population reaches 10,582 offenders, three new 800-bed prisons will need to be built at an estimated construction cost of \$50.0 million for each prison (\$150.0 million total). Each prison will incur ongoing estimated annual operating costs of approximately \$28.0 million, or \$84.0 million annually for all three new prisons. If

three new prisons are built and the population reaches 10,582 offenders, the Prison System will be operating at 108.2% of design capacity.

If the CBC population reaches 53,000 offenders in 10 years, the General Fund appropriation will need to increase in order to maintain the current level of service. Assuming the budget will increase at the same rate as the CBC offender population, by FY 2014, the CBC District Departments will need a budget of approximately \$92.6 million, an increase of \$31.6 million (51.8%) compared to the estimated net FY 2005 General Fund appropriation.

ALTERNATIVES

Several states have amended sentencing laws to reduce overcrowded prisons or slow the increase of state spending on corrections systems. The General Assembly may wish to consider the following policy options:

- Repeal or reduce mandatory minimum terms.
- Ease habitual offender laws.
- Expand early release or parole eligibility.
- Implement medical parole for certain offenders.
- Enhance judicial discretion in criminal sentencing.
- Expand drug treatment availability.
- Establish a Sentencing Commission.
- Increase alternatives to prison for technical violators.
- Create emergency release mechanisms.

All alternatives previously listed will require additional resources for the DOC and/or the CBC District Departments. The alternatives, however, may slow the rate of growth in corrections spending or provide a method of future cost avoidance. As stated above, the potential future operating costs of Iowa's current system would increase approximately \$84.0 million annually if three additional prisons are constructed. However, adoption of some or all of the alternatives listed previously may result in costs that are substantially less than that amount.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

Iowa Corrections Population

FY	Prisons	CBCs*	Total
1978	2,110	9,288	11,398
1979	2,174	9,788	11,962
1980	2,276	10,865	13,141
1981	2,446	11,358	13,804
1982	2,646	12,598	15,244
1983	2,684	14,230	16,914
1984	2,597	14,622	17,219
1985	2,635	14,990	17,625
1986	2,722	14,944	17,666
1987	2,789	16,325	19,114
1988	2,890	16,574	19,464
1989	3,322	17,599	20,921
1990	3,842	16,905	20,747
1991	4,077	16,348	20,425
1992	4,485	17,684	22,169
1993	4,695	18,467	23,162
1994	5,089	18,860	23,949
1995	5,692	18,887	24,579
1996	6,176	19,749	25,925
1997	6,636	20,934	27,570
1998	7,431	23,059	30,490
1999	7,231	24,722	31,953
2000	7,646	26,910	34,556
2001	8,101	27,082	35,183
2002	8,172	26,459	34,631
2003	8,395	27,531	35,926
2004	8,611	29,320	37,931

*CBC: Community-Based Corrections

Source: Iowa Department of Corrections



NATIONAL CONFERENCE of STATE LEGISLATURES

The Forum for America's Ideas

Corrections Spending in States FY 03 to 04 and Related Policy Actions

December 2003

Corrections spending continues to decline in states as many face severe budget shortfalls for the third straight year.

Budget data gathered by NCSL's Fiscal Affairs Program at about midyear show corrections budgets growing only by about 0.8 percent from 2003 to 2004 fiscal years. In FY 02 to 03 growth in corrections spending was 2.6 percent. The average, annual percentage change from 1992 through 2002 was 8.4 percent.

Eleven of 49 states have actual reductions in corrections dollars from FY 03 to FY 04. Those are: Alaska, California, Delaware, Georgia, Maryland, New Jersey, New York, Mississippi, Oklahoma, Oregon and Texas.

Steps being taken to accommodate budget cuts include:

Alaska reduced the corrections budget by 4.2 percent by reducing contracts for education programs, and via an expected increase in numbers of inmates going to an out-of-state, private facility.

California made modest administrative policy changes to reduce inmate populations and parolee return to custody, for a reported 3.3 percent decline in spending.

Georgia's 1.2 percent reduction in spending was achieved by closing a couple facilities and moving those prisoners to other prisons; and in delaying openings of other planned facilities. Staff also are being furloughed one day every other month to trim the budget.

Maryland reduced their corrections budget by 0.6 percent by eliminating about 265 vacant correctional officer and administrative positions.

New Jersey's corrections budget was reduced by a small margin, 0.1 percent from FY03 to 04. The current fiscal year budget is without a one-time settlement payment seen in 03 spending; and the state plans to move prisoners who have been housed in modular units at a South Jersey prison to other facilities, to community placements or short-term county placements. The modular units are reportedly at the end of their useful life.

In **New York**, which has seen modest declines in prison populations, about 1.3 percent was trimmed from the FY03 to 04 budget with personnel savings on 492 open positions, 344 correctional officer staff and the others various administrative or program positions.

Mississippi reported an 8.1 percent reduction in spending from FY03 to 04, however that is considered an under-funded figure that likely will require a deficit request. The state did close one private facility, moving those prisoners to other facilities.

Oklahoma was able to trim the corrections budget by about 1.8 percent as a result of contract deficits and by holding some prisoners who were in private facilities in county jails, where beds are available and less per day.

Oregon, with the largest corrections budget reduction reported at minus 11.5 percent, is using federal Jobs and Growth Tax Relief Reconciliation Act of 2003 dollars for correctional programs. This resulted in state general fund corrections savings of about \$58 million. The adopted budget also relies on hiring delays, personnel reduction, no inflation allowance and educational program cuts, according to legislative fiscal staff.

Texas reduced its Department of Criminal Justice budget by about 5.8 percent, with loss of nearly 1,800 administrative and non-security unit positions. The position cuts included accounting, attorney, clerical, human resources positions, and also included some mail, agricultural and rehabilitative staff at prison units. Security and supervision positions were not reduced as a result of spending reductions. There also were some contractual cost reductions in the managed health care for prisoners; and, as throughout state agencies, tight restrictions on capital spending.

Even states without actual declines in budget numbers are seeing the growth significantly reduced over previous, better budget years. At least 20 states report holding corrections spending in check to help balance FY04 budgets.

South Carolina reports a 2.4 percent budget increase for corrections in FY04, but estimates that the agency will run a deficit. In **Rhode Island**, slight population reductions helped offset medical costs increase, for corrections growth of 2.9 percent. **Idaho** also reports slowing inmate population growth, and a corrections appropriation of just 2.8 percent in FY04 over 03. **Nevada** expects modest annual growth in the prison population, and budgeted for 5.7 percent increase in corrections spending in FY04. A new women's dorm is to open in **Louisiana** in late 2003, contributing to an appropriation increase for corrections in FY04 of 4.6 percent.

More significant increases were accommodated with difficulty in other states. A 12.9 percent increase was budgeted in **Arkansas** to deal with inmate health care cost increases and backlog of state inmates in county jails. Florida saw 6.6 percent budget growth, due to increasing prison populations. **Hawaii's** corrections budget was up 6 percent for FY04 as a result of collective bargaining increases, while small reductions were made in staff travel and overtime.

The opening of a new facility to replace an old one closing impacted **Vermont's** 11 percent increase in corrections spending budgeted for FY04. The new prison is expected to reduce overcrowding and the need for out-of-state beds. **Connecticut** also struggles with prison overcrowding, and saw a 7 percent increase in corrections spending for FY04. In the special session budget bill, lawmakers OK'd sending additional prisoners out-of-state, and administratively merged the Board of Paroles and Board of Pardons under the Department of Corrections in a cost-savings move. An Alternatives to Incarceration Advisory Committee, also established in special session, will be at work to consider feasibility and effectiveness of various alternatives to incarceration to reduce the prison population.

Dwindling dollars are prompting corrections and sentencing policy changes in other states. State actions this year that have among objectives to curtail prison growth include:

Lawmakers in *Arizona* created a drug offender transition program and will allow three-month advanced release for selected offenders to participate in the program.

A drug court act in *Arkansas* will divert certain non-violent offenders to treatment. Another act puts class A and B controlled substance felonies in the target group for placement in a community corrections facility.

Colorado reduced felony levels and penalties for schedule I and II controlled substances and for possessing small amounts of certain substances. The legislation also places prison savings as a result of the reduced sentences in a newly created Drug Offender Treatment Fund.

Delaware reduced mandatory minimum sentences for many drug possession and trafficking offenses; while increasing the minimum sentence for many violent offenses.

Kansas lawmakers this year revised sentencing guidelines for certain offenders convicted of drug possession, establishing non-prison, treatment sanctions for some determined by a court to not put the public at risk.

Indiana legislation provides for community-based treatment or services in lieu of incarceration for persons with mental illness or an addictive disorder. A “forensic diversion program” is being developed for this population.

Iowa law will allow motions to reopen sentences to consider parole eligibility for persons sentenced under 85-percent-of-sentence required terms. The law also eliminates the mandatory, five-year sentence for specified class D substance abuse felonies, making those subject to an indeterminate term determined by the court, as are other felonies in that class.

An act in *Louisiana* will allow inmates who have served at least 20 years under a controlled substance conviction to be eligible for evaluation of their risk of danger if released from prison. While it exempts those with convictions for crimes of violence, it will potentially allow release of other offenders who are serving life sentences for drug crimes. Another act allows judicial districts to establish job intervention programs for non-violent first offenders as an alternative to incarceration or other sanctions.

A *Maine* law expands circumstances in which courts may deviate from mandatory minimum sentences to include defendants who have a prior criminal history.

In *Maryland*, legislation enacted legislation to give courts more discretion to impose inpatient drug or alcohol treatment or home detention as a condition of probation or suspended sentence.

Mississippi has not yet passed legislation, but similarly is reconsidering some 85-percent-of sentence requirements, according to budget staff. A 2001 enactment allowed non-violent, first offenders to be considered for parole, Expanding this to other categories of offenders is under review and likely will be taken up in 2004.

In *Missouri* legislation gives judges discretion to depart from sentencing guidelines and order offender treatment, community service and restitution, and residential and nonresidential programs. Other actions allow release of offenders to probation following 12 to 24 months of prison-based alcohol or drug treatment; and the Department of Corrections may make a binding recommendation to the court that non-violent offenders who have served 120 days of a sentence may serve the remainder of the sentence in the community.

Nebraska established a Community Corrections Act, to provide for community placements for certain felons as alternatives to incarceration.

Under new law in *Nevada*, courts will have discretion to impose probation for certain low-levels felonies committed by persons on parole or under community supervision.

In *North Dakota*, an enactment exempts from laws providing mandatory prison terms for armed offenders whose convicted of simple possession of marijuana.

An act in *South Dakota* establishes that a mandatory minimum sentence for marijuana possession requires intent to distribute the substance.

And in *Washington*, courts will be allowed to impose community custody in lieu of up to a one-year jail sentence, with assessment and supervision provided.

Other actions in states in 2003 began administrative changes to accommodate policy changes, or called for sentencing policy studies. *Alabama* lawmakers created a Community Corrections Division within the Department of Corrections, which will be responsible for establishing and maintaining programs. An enactment in Kentucky charges the Corrections Commission with developing and implementing a statewide plan for community corrections, with the objective of reducing state expenditures. In addition to *Connecticut*, *Indiana*, *New Hampshire* and *South Carolina* are other states that will study sentencing and prison population management as a result of 2003 actions.

This information was collected and reported by the National Conference of State Legislatures, Denver, Colo. NCSL's Criminal Justice Program Director is Donna Lyons. Arturo Perez, Program Principal, handles state budget issues. For more information, contact the Denver office at 303-364-7700 or email cj-info@ncsl.org.