



State Prison System Budget

ISSUE

This **Issue Review** examines the prison system FY 2010 budget; including receipts and expenditures, average annual costs, personnel, and inmate assaults.

AFFECTED AGENCIES

Department of Corrections

CODE AUTHORITY

Chapter 904

BACKGROUND

State appropriations to the Department of Corrections (DOC) are approximately 6.2% of the overall General Fund budget. Total appropriations (General Fund and federal stimulus funds) to the DOC for operating costs are approximately \$342.7 million in FY 2010. Of that amount, \$258.2 million (75.3%) is for the prison system, \$77.0 million (22.5%) is for Community-Based Corrections (CBC), and \$7.5 million (2.2%) is for general administration and accounts managed by the Central Office. This **Issue Review** focuses on the prison system and the FY 2010 budget. For historical information, please refer to the [Combined Report on the Institutions Under the Control of the Iowa Department of Corrections for FY 2009](#) issued by the Auditor of State.

Senate File 2366 (FY 2010 Appropriations Adjustments Act) provided supplemental appropriations to each of the nine prisons operated by the DOC. The Act also allowed the ending balance of the General Fund appropriation to carry forward and be used in FY 2011. There were no FY 2010 General Fund reversions. Below is a brief description of each prison.

Fort Madison. The Iowa State Penitentiary at Fort Madison was built in 1839. The current capacity is 900 beds. This reflects the closure of Farms One and Three (loss of 180 minimum-security beds) in July 2010, and changes based on the audit conducted by the DOC in the first quarter of FY 2011. There are 748 maximum-security beds (including the Clinical Care Unit) plus the 152-bed minimum-security John Bennett Facility.

The prison houses general population male offenders. The FY 2010 budget was \$43.6 million and 482.5 FTE positions. The average population was 1,055 offenders (117.2% of capacity)

and the average annual cost per offender is estimated to be \$40,598. The prison carried forward \$760,751 to FY 2011. The actual FTE positions used by the facility were 480.4, or 99.6% of the amount budgeted.

The General Assembly authorized the replacement of the maximum-security prison “inside the walls” during the 2008 Legislative Session. For more information, see the [Issue Review, Corrections Construction and Capacity](#) issued by the LSA.

Anamosa. The Anamosa State Penitentiary was built in 1872 and houses general population male offenders. The budget provides operating funds for the 911-bed medium-security facility in Anamosa and the 88-bed minimum-security facility at the Luster Heights Prison Camp. The FY 2010 budget was \$31.5 million and 355.0 FTE positions. The average population was 1,110 offenders (111.1% of capacity) and the average annual cost per inmate is estimated to be \$27,876. The prison carried forward \$520,369 to FY 2011. The actual FTE positions used by the facility were 318.9, or 89.8% of the amount budgeted.

Oakdale. The Iowa Medical and Classification Center at Oakdale was built in 1969 and serves as the reception center for both male and female offenders. The current capacity is 585 medium-security beds. The prison includes reception beds for offenders first entering the prison system, a forensic psychiatric hospital, a special needs unit for mentally ill offenders, a medical facility for offenders requiring care at University of Iowa Hospitals and Clinics, general population beds, and a 30-bed women’s unit. The FY 2010 budget was \$57.4 million and 564.5 FTE positions. The budget includes funds for medical staff as well as the centralized pharmacy. The average population was 918 offenders (156.9% of capacity) and the average annual cost per inmate is estimated to be \$60,860. The prison carried forward \$1,509,081 to FY 2011. The actual FTE positions used by the facility were 536.2, or 95.0% of the amount of time budgeted.

The costs for this facility are significantly higher compared to the other eight institutions due to the unique services it provides (concentration of medical and pharmacy costs, centralized intake and assessment). Consolidating these costs at one location is more efficient for the prison system as a whole.

Newton. The Newton Correctional Facility was built in 1965 (252-bed minimum-security unit) and 1998 (762-bed medium-security unit). The facility serves general population offenders and offenders in prerelease status in the minimum-security unit. The FY 2010 budget was \$27.2 million and 312.0 FTE positions. The average population was 1,136 offenders (112.0% of capacity) and the average annual cost per inmate is estimated to be \$23,884. The facility carried forward \$36,914 to FY 2011. The actual FTE positions used by the facility were 304.5, or 97.6% of the amount budgeted.

Mount Pleasant. The Mount Pleasant Correctional Facility was built in 1860 and is a shared campus with the Mount Pleasant Mental Health Institute under the control of the Department of Human Services (DHS). The DOC and the DHS share services for cost efficiency. Certain costs are split between the DOC and DHS budgets. These costs include administration, business office, personnel, maintenance, laundry, dietary, and certain professional programs.

A portion of the campus was repurposed as a prison in 1976. The 874-bed medium-security prison houses male offenders (774 beds) and female offenders (100 beds). The women’s unit serves as a Special Needs Unit for mentally ill offenders. The prison is the primary location for treatment and housing of males convicted of sex offenses, and also provides substance abuse treatment. The FY 2010 budget was \$26.2 million and 300.3 FTE positions. The average population was 976 offenders (111.7% of capacity) and the average annual cost per inmate is

estimated to be \$26,784. The prison carried forward \$35,820 to FY 2011. The actual FTE positions used by the facility were 285.2, or 95.0% of the amount budgeted.

Rockwell City. The North Central Correctional Facility at Rockwell City was built in 1918 and served as the State's first separate prison for women. Female offenders were housed at Anamosa before Rockwell City opened. After 1982, the 245-bed minimum-security facility began serving male offenders close to release. The FY 2010 budget was \$9.4 million and 106.0 FTE positions. The average population was 494 offenders (201.6% of capacity) and the average annual cost per inmate is estimated to be \$19,059. The facility carried forward \$145 to FY 2011. The actual FTE positions used by the facility were 99.6, or 94.0% of the amount budgeted.

Clarinda. The current Clarinda Correctional Facility was built in 1996 and is co-located with the Clarinda Mental Health Institute under the control of the DHS. Certain costs are split between the DOC and DHS budgets. These costs include administration, business office, personnel, maintenance, laundry, dietary, and certain professional programs.

The 975-bed prison includes 750 medium-security beds and 225 minimum-security beds (Clarinda Lodge). The prison is the primary location for treatment and housing of males assessed with special needs. The assessment includes both behavioral and intellectual needs. The prison also offers substance abuse treatment licensed through the Department of Public Health. The prison's FY 2010 budget was \$25.9 million and 277.2 FTE positions. The average population was 973 offenders (99.8% of capacity) and the average annual cost per inmate is estimated to be \$26,292. The prison carried forward \$337,828 to FY 2011. The actual FTE positions used by the facility were 267.2, or 96.4% of the amount budgeted.

Mitchellville. The Iowa Correctional Institution for Women (ICIW) at Mitchellville was built in 1954 and was originally a training school for girls. The women were transferred from Rockwell City to this location in 1982. The 455-bed prison includes all ranges of security classifications, plus a minimum-outs program (housed and work outside the security fence). The FY 2010 budget was \$15.6 million and 191.0 FTE positions. The average population was 540 offenders (118.7% of capacity) and the average annual cost per inmate is estimated to be \$28,660. The prison carried forward \$166,634 to FY 2011. The actual FTE positions used by the facility were 171.4, or 89.7% of the amount budgeted.

The General Assembly authorized the replacement and addition of beds at Mitchellville during the 2008 Legislative Session. For more information, see the *Issue Review*, [Corrections Construction and Capacity](#) issued by the LSA.

Fort Dodge. The Fort Dodge Correctional Facility was built in 1998 and serves general population inmates with an emphasis on youthful offenders. It is a 1,162-bed medium-security prison. The FY 2010 budget was \$29.2 million and 319.0 FTE positions. The average population was 1,183 offenders (101.8% of capacity) and the average annual cost per inmate is estimated to be \$24,482. The prison carried forward \$195,885 to FY 2011. The actual FTE positions used by the facility were 303.1, or 95.0% of the amount of time budgeted.

CURRENT SITUATION**Receipts**

In FY 2010, total receipts for the prison system were \$265.9 million, a decrease of \$12.8 million (4.6%) compared to FY 2009. State appropriations (General Fund and federal stimulus funds) make up the majority of receipts (\$258.2 million or 97.1% in FY 2010) and most of the \$12.8 million decrease. Other receipts (\$7.7 million in FY 2010) include routine maintenance funds appropriated by the Transportation, Infrastructure, and Capitals Appropriation Subcommittee, fees for housing federal prisoners, pay for stay (6.0% surcharge on the amount spent by the offender; this surcharge is imposed on expenses for commissary, copies, and orders placed with mail order vendors), receipts from agencies for community service work crews, and offender deductions for private sector employment. There is also a contract with the Clarinda Academy to offset the shared costs of operating the campus.

Expenditures

Table 1 indicates that total expenditures for FY 2010 are \$262.3 million for the institutions, a decrease of \$14.0 million (5.1%) compared to FY 2009. There was no General Fund reversion and the balance brought forward to FY 2011 is \$3.6 million.

Of the amount expended for FY 2010, 80.5% was spent on personnel; 13.1% on food, clothing, and medical expenses; 2.7% on equipment and maintenance; and 3.7% on other support items. All categories of expenditures decreased in comparison to FY 2009.

Table 1: Prison Expenditures by Type of Expense

	Actual FY 2005	Actual FY 2006	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010
	(1)	(2)	(3)	(4)	(5)	(6)
Personnel	\$ 169,996,866	\$ 182,488,525	\$ 191,648,618	\$ 212,102,423	\$ 218,122,130	\$ 211,065,965
Food, Clothing, Medical	29,029,710	30,557,993	34,758,989	40,721,200	39,447,744	34,289,443
Equipment and Maintenance	6,376,946	5,891,873	8,264,384	8,824,592	8,829,393	7,145,687
Other	7,403,911	9,044,354	10,293,036	10,348,655	9,897,844	9,816,369
Total Expenditures	\$ 212,807,433	\$ 227,982,745	\$ 244,965,027	\$ 271,996,870	\$ 276,297,111	\$ 262,317,464

ISSUES**Personnel Costs and FTE Positions**

Personnel costs are approximately 80.0% of the budget in any given year; approximately 55.0% of the costs are related to security staff. Security staff as a percentage of FTE positions varies across the prison system depending on security level. Fort Madison has the most security staff as a percentage of payroll, while Oakdale has the least.

As indicated in **Table 2**, the FY 2010 personnel services costs were \$211.10 million, a decrease of \$7.1 million (3.2%) compared to FY 2009. The decrease is due to the budget changes that occurred in FY 2010, such as across-the-board reductions and not funding salary adjustment. The DOC did not fill at least 220 vacant positions and eliminated 62 positions in the institutions due to budget reductions in FY 2010. The institutions used 2,766.3 FTE positions in FY 2010, or 95.3% of the amount budgeted. This is a decrease of 192.3 FTE positions (6.5%) compared to FY 2009.

Table 2: Personnel Services Data

	Actual FY 2005 (1)	Actual FY 2006 (2)	Actual FY 2007 (3)	Actual FY 2008 (4)	Actual FY 2009 (5)	Actual FY 2010 (6)
Personnel Services	\$ 168,316,422	\$ 180,935,689	\$ 191,648,619	\$ 212,102,423	\$ 218,122,130	\$ 211,065,965
Personnel Services % Budget	79.0%	79.3%	78.2%	78.0%	78.3%	79.4%
Overtime	\$ 2,999,387	\$ 4,404,515	\$ 5,610,993	\$ 6,514,267	\$ 5,316,989	\$ 5,150,802
Overtime % of Payroll	1.8%	2.4%	2.9%	3.1%	2.4%	2.4%
FTE	2,680.37	2,735.94	2,751.08	2,956.04	2,958.57	2,766.30
Correctional Officers (COs)	1,485.68	1,507.50	1,527.33	1,620.43	1,594.28	1,507.56
COs as % of FTE	55.4%	55.1%	55.5%	54.8%	53.9%	54.5%

Staffing peaked in FY 2009 at 2,958.6 FTE positions, while overtime peaked in FY 2008 at \$6.5 million. **Table 3** shows how staffing relates to the average daily prison population. Note that the FY 2010 average daily population decreased by 327 offenders (3.7%) compared to FY 2009. However, from FY 2005 through FY 2010, the average daily population increased by 1,848 offenders (28.3%). During the same period, FTE positions increased by 85.9 (3.2%). Correctional officer position utilization increased by 21.9 FTE positions (1.5%).

Table 3: Comparison of Staffing and Prison Population

	Actual FY 2005 (1)	Actual FY 2006 (2)	Actual FY 2007 (3)	Actual FY 2008 (4)	Actual FY 2009 (5)	Actual FY 2010 (6)
FTE Positions	2,680.4	2,735.9	2,751.1	2,956.0	2,958.6	2,766.3
Correctional Officers	1,485.7	1,507.5	1,527.3	1,620.4	1,594.3	1,507.6
Average Daily Population	6,537	8,704	8,873	8,765	8,712	8,385

Staffing continues to decrease in FY 2011, with a decrease of 337 paid staff (11.0%) from July 2009 (start of FY 2010) to July 2010 (start of FY 2011). The institutions eliminated 290 authorized but unfunded FTE positions when the budgets were revised at the start of FY 2011. Additionally, the institutions budgeted a vacancy factor of \$4.3 million in FY 2011 and this equates to approximately 72 positions (assumes an average salary cost of \$60,000) that must remain vacant due to a lack of salary funds.

Overtime

As indicated in **Table 2**, overtime costs peaked in FY 2008 at \$6.5 million. This was 3.1% of payroll costs. The DOC's goal is to manage overtime at 2.0% of payroll. **Table 4** below shows overtime in relation to overcrowding. Overtime does not appear to be related to overcrowding. Overtime costs peaked in FY 2008 while overcrowding peaked in FY 2007.

Table 4: Comparison of Overtime and Prison Population

	Actual FY 2005 (1)	Actual FY 2006 (2)	Actual FY 2007 (3)	Actual FY 2008 (4)	Actual FY 2009 (5)	Actual FY 2010 (6)
Total Budget	\$ 212,941,289	\$ 228,029,277	\$ 245,117,735	\$ 272,065,399	\$ 278,714,420	\$ 265,880,890
Overtime as % of Payroll	1.8%	2.4%	2.9%	3.1%	2.4%	2.4%
Average Daily Population	6,537	8,704	8,873	8,765	8,712	8,385
Population as % of Capacity	93.5%	120.2%	122.3%	118.2%	117.5%	113.1%

Table 4 shows how overtime relates to the total budget and offender population. Overtime reached a record high (\$6.5 million) in FY 2008 after the offender population peaked in FY 2007 and before the budget reached a historical high of \$278.7 million in FY 2009. Overtime costs do not appear to be significantly related to the average daily population or the budget.

Inmate Assaults

Table 5 shows data regarding offender assaults on staff or other offenders. There is a lack of comparable data to make conclusions or correlations. The DOC revised its disciplinary reporting system (Critical Incident Reports) during the last 18 months, so the data regarding assaults is not comparable across fiscal years. Before mid-FY 2009, definitions, protocols, and practices for reporting incidents were not uniform within and between the nine institutions. The DOC streamlined the process and trained staff on reports, definitions, and data entry so that incidents are reported consistently across the institutions.

Table 5: Comparison of Staffing and Assaults

	Actual FY 2005	Actual FY 2006	Actual FY 2007	Actual FY 2008	Actual FY 2009	Est. Net FY 2010
	(1)	(2)	(3)	(4)	(5)	(6)
FTE Positions	2,680.37	2,735.94	2,751.08	2,956.04	2,958.57	2,766.30
Correctional Officers (COs)	1,485.68	1,507.50	1,527.33	1,620.43	1,594.28	1,507.56
COs as % of FTE Positions	55.4%	55.1%	55.5%	54.8%	53.9%	54.5%
Total Inmate Assaults	355	266	278	298	342	257

BUDGET IMPACT

Management of overtime costs is a significant variable for cost containment. The DOC continues to monitor overtime costs with the goal of no more than 2.0% of total payroll costs. The DOC reviews Critical Incident Reports daily to provide a safe and secure environment for offenders and staff.

The DOC has implemented cost containment efforts, such as centralizing offender records and banking, improving jail credit recovery, implementing a master menu for offenders, and e-learning for staff. The DOC is currently implementing a centralized pharmacy. The DOC focuses on evidence-based practices and eliminates or revises offender programs that have proven to be ineffective in reducing recidivism.

While the prison population varies daily, it has been trending upward. For example, the prison population was 8,384 offenders on September 29, 2009, and 8,730 on September 29, 2010.

The Criminal and Juvenile Justice Planning Division (CJJPD) of the Department of Human Rights provides an annual 10-year prison population forecast. If policies and practices remain the same, the prison population is projected to reach approximately 9,025 offenders by FY 2019 (as forecasted in November 2009). This is approximately 119.8% of actual capacity. For more information regarding capacity, see the *Issue Review*, [Corrections Construction and Capacity](#) issued by the LSA.

The prison population forecast does project a growth of approximately 5.0% in the prison population in the next ten years. This growth will drive demand for additional resources for prison system expenditures, including staff, food and clothing, utilities, medical and pharmacy, and equipment and maintenance.

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