

**Louisiana Department of Public Safety & Corrections –
Corrections Services**



**Report to The Commissioner of Administration
And The
Joint Legislative Committee on the Budget
Regarding
Calculated Savings Realized from Criminal Justice Reform
for Fiscal Year 2018**

July 9, 2018

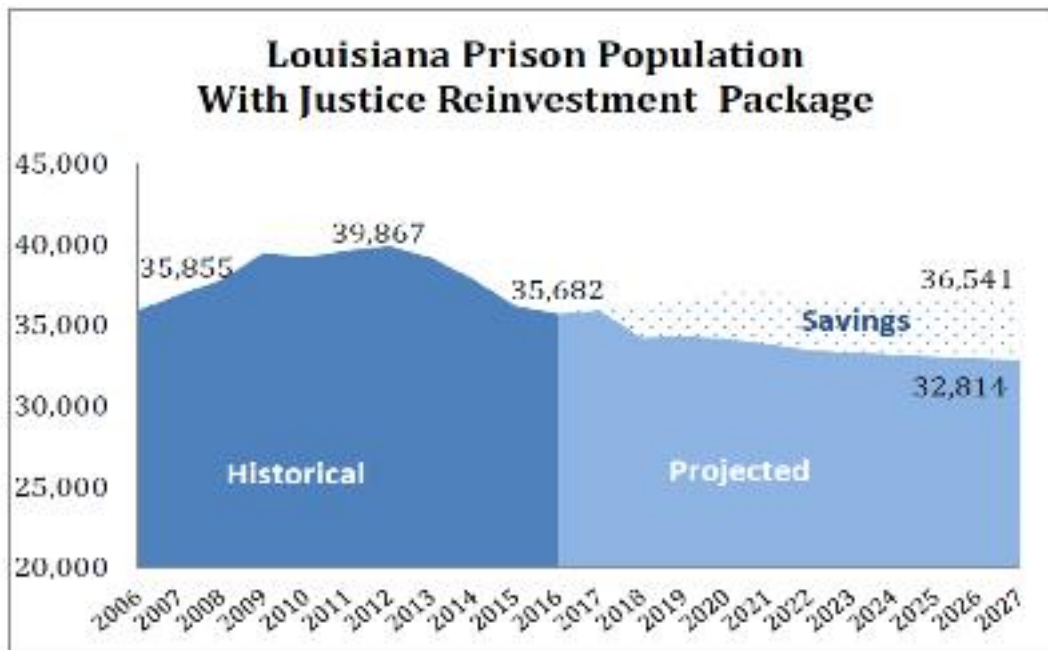
PURPOSE

The submittal of this report by the Department of Public Safety & Correction—Corrections Services (DPS&C-CS) is in compliance with LRS 15:827.3(A), which states in part, “At the end of each fiscal year, the Department of Public Safety and Corrections shall provide to the commissioner of administration and to the Joint Legislative Committee on the Budget a statement of calculated annual savings realized as a result of reforms to the criminal justice system.”

METHODOLOGY FOR CALCULATING SAVINGS

Pursuant to the work done by PEW in conjunction with the Louisiana Justice Reinvestment Task Force, the savings realized from criminal justice reforms are calculated as follows:

1. PEW predicted a monthly baseline population should the State continue as usual and not enact criminal justice reforms. The baseline population predicted by PEW was 35,919 at the end of October, 2017 and would gradually increase over the ensuing 116 months to 36,541 at the end of Fiscal Year 2027, resulting in an increase of 622 offenders.
2. Subsequent to the implementation of the criminal justice reforms, the DPS&C-CS would compile ACTUAL end-of-month population reports
3. At the end of each month, DPS&C-CS compares the predicted baseline population against the actual post-implementation population, with the difference between the two constituting a reduction in the population and the basis for the savings (graphically detailed below)



4. The actual monthly savings are then calculated by multiplying the difference between the baseline population and the actual population by the local level per diem of \$24.39 per offender per day and then multiplying by the number of days in the month. Calculations use the local level per diem as all population decreases were assumed to be at the local level. PEW's original predicted savings for Fiscal Year 2017-2018 based on the methodology above was:

MONTH	PROJECTED			
	PEW PROJECTED BASELINE POPULATION	PROJECTED POST-CJR POPULATION	DIFFERENCE	SAVINGS
October-17	35919	35919	0	\$0
November-17	36005	36004	1	\$749
December-17	36142	35878	264	\$204,191
January-18	36175	35505	670	\$518,212
February-18	36259	35272	987	\$689,518
March-18	36334	35071	1263	\$976,867
April-18	36271	34715	1556	\$1,164,666
May-18	36253	34590	1663	\$1,286,247
June-18	36236	34472	1764	\$1,320,354
TOTAL				\$6,160,804

5. The savings are then rolled up at the end of a fiscal year. Over the nine year and eight-month horizon analysis (reforms were implemented on November 1, 2017), PEW predicted annual savings as follows:

Date	Baseline Prison Population	Savings from baseline	Prison Population with JRTF	TOTAL
Jun-18	36,236	1764	34472	\$6,160,804
Jun-19	36,397	2304	34093	\$18,716,198
Jun-20	36,898	2676	34222	\$22,278,179
Jun-21	36,967	3065	33902	\$25,839,936
Jun-22	36,919	3333	33586	\$28,586,251
Jun-23	36,865	3498	33368	\$30,528,277
Jun-24	36,829	3611	33219	\$31,807,122
Jun-25	36,746	3663	33083	\$32,539,109
Jun-26	36,657	3703	32954	\$32,920,665
Jun-27	36,541	3727	32814	\$33,176,870
				\$262,553,411

CALCULATED SAVINGS FOR FISCAL YEAR 2017-2018

The calculated savings based on the methodology above are:

MONTH	BASELINE POPULATION (a)	POST-CJR POPULATION	STATE INST (BACK OUT OF SAVINGS) (b)	TOTAL DIFFERENCE	DIFFERENCE LESS STATE	SAVINGS
October-17	35961	35961	0	0	0	\$0
November-17	36047	33968	-478	2079	1601	\$1,171,452
December-17	36184	33739	-564	2445	1881	\$1,422,205
January-18	36217	33487	-540	2730	2190	\$1,655,837
February-18	36301	33389	-307	2912	2605	\$1,779,007
March-18	36376	33269	-281	3107	2826	\$2,136,710
April-18	36313	33417	-368	2896	2528	\$1,849,738
May-18	36295	33425	-361	2870	2509	\$1,897,030
June-18	36278	33186	-353	3092	2739	\$2,004,126
TOTAL						\$13,916,105

(a) The baseline population was adjusted to reflect the actual population at the end of October, 2017

(b) Due to the number of releases in November, 2017, beds became vacant at the State level and are backed out of the savings calculation

CALCULATED SAVINGS FOR FISCAL YEAR 2017-2018 WITHOUT PEW PROJECTED GROWTH

As noted above, PEW predicted an increase in the offender population had the State taken no action towards criminal justice reform. This projected increase in turn has a material effect on the calculated savings. However, applying a projected growth in the calculation essentially amounts to contingency budgeting/funding. Appropriately, the baseline population should be adjusted to the actual population on October 31, 2017, which was 35,961 offenders. The final calculated savings based on the methodology above and using the static population as the baseline are:

MONTH	BASELINE POPULATION	POST-CJR POPULATION	STATE INST (BACK OUT OF SAVINGS)	TOTAL DIFFERENCE	DIFFERENCE LESS STATE	SAVINGS
October-17	35961	35961	0	0	0	\$0
November-17	35961	33968	-478	1993	1515	\$1,108,526
December-17	35961	33739	-564	2222	1658	\$1,253,597
January-18	35961	33487	-540	2474	1934	\$1,462,278
February-18	35961	33389	-307	2572	2265	\$1,546,814
March-18	35961	33269	-281	2692	2411	\$1,822,933
April-18	35961	33417	-368	2544	2176	\$1,592,179
May-18	35961	33425	-361	2536	2175	\$1,644,496
June-18	35961	33186	-353	2775	2422	\$1,772,177
TOTAL						\$12,203,000

BONA FIDE OBLIGATION: 70% OF CALCULATED SAVINGS

LRS 15:827.3(A) & (B) goes on to state:

“A. ... For Fiscal Year 2017-2018, seventy percent of the savings shall be deemed a bona fide obligation of the state and shall be allocated by the department according to Subsection B of this Section. For Fiscal Year 2018-2019 and each fiscal year thereafter, fifty percent of the annual savings shall be deemed a bona fide obligation of the state and shall be allocated by the department according to Subsection B of this Section and twenty percent of the annual savings shall be deemed a bona fide obligation of the state and shall be allocated by the department for juvenile justice initiatives and programs.

B. The amount deemed to be a bona fide obligation pursuant to the provisions of Subsection A of this Section, except for the portion required to be allocated by the department for juvenile justice initiatives and programs, shall be allocated as follows:

- (1) Thirty percent shall be allocated to the Department of Public Safety and Corrections to award incentive grants to parishes, judicial districts, and nonprofit community partner organizations to expand evidence-backed prison alternatives and reduce admissions to the state prison system.
- (2) Twenty percent shall be allocated to the Louisiana Commission on Law Enforcement and the Administration of Criminal Justice to award competitive grants for victim services, including but not limited to victim safety assessments and safety planning, trauma-informed treatment and services for victims and survivors, shelters and transitional housing for domestic violence victims and their children, batterers' intervention programming, and victim-focused education and training for justice system professionals.
- (3) The remainder shall be allocated to the Department of Public Safety and Corrections for targeted investments in reentry services, community supervision, educational and vocational programming, transitional work programs, and contracts with parish jails and other local facilities that house state inmates to incentivize expansion of recidivism reduction programming and treatment services.”

Per LRS 15:827.3(A) & (B), 70% of the calculated savings of \$12.203 million for FY 2017-2018 to be deemed a bona fide obligation is \$8.542 million. This bona fide obligation is to be applied in Fiscal Year 2018-2019 and allocated based on the following table:

MONTH	TOTAL CALC. SAVINGS	70% BONA FIDE OBLIGATION FOR JUSTICE RE-INVESTMENT			
		TOTAL BONA FIDE OBLIG.	30% Grants	20% LCLE Victims Serv	50% DOC Inv
October-17	\$0	\$0	\$0	\$0	\$0
November-17	\$1,108,526	\$775,968	\$232,790	\$155,194	\$387,984
December-17	\$1,253,597	\$877,518	\$263,255	\$175,504	\$438,759
January-18	\$1,462,278	\$1,023,595	\$307,078	\$204,719	\$511,797
February-18	\$1,546,814	\$1,082,770	\$324,831	\$216,554	\$541,385
March-18	\$1,822,933	\$1,276,053	\$382,816	\$255,211	\$638,027
April-18	\$1,592,179	\$1,114,525	\$334,358	\$222,905	\$557,263
May-18	\$1,644,496	\$1,151,147	\$345,344	\$230,229	\$575,574
June-18	\$1,772,177	\$1,240,524	\$372,157	\$248,105	\$620,262
	\$12,203,000	\$8,542,100	\$2,562,630	\$1,708,420	\$4,271,050

BONA FIDE OBLIGATION AND THE BUDGET FOR LOCAL HOUSING OF STATE OFFENDERS (LHSAO)

The calculated savings and subsequent bona fide obligation are based on the local level per diem paid to Sheriff's and operators for housing State offenders. The source of funding for these payments is Schedule 20-451 of the Appropriations Bill, Local Housing of State Adult Offenders (LHSAO). With the savings calculated based on the population decrease at the local level, the source of the cash surplus needed to satisfy the bona fide obligation portion of the calculated savings is the LHSAO program.

Historically the LHSAO budget is consistently under-appropriated at the beginning of the fiscal year and depends upon a supplemental budget appropriation at the end of the fiscal year in order to satisfy all commitments. Fiscal Year 2017-2018 was no different. Through a combination of "rolling over" the previous fiscal year debt and the placement of additional offenders at the local level due to the conversion of the Allen Correctional Center, the program was initially placed in a deficit position. And although additional appropriations were added via a Mid-Year BA7 and the Supplemental Bill, Act 59 of the 2018 Regular Session, the program was still not adequately funded to offset the rollover and additional offenders.

As of the June 15, 2018, letter to the Joint Legislative Committee on the Budget, The FY 2017-2018 projected expenditures for the Local Housing of State Adult Offenders are approximately \$181.8 million based on an appropriation of \$189.7 million, or a projected surplus of \$7.95 million. As of the submittal of this report and based on the current cash surplus, approximately \$7.95 million will be carried forward to be used for the bona fide obligation for reinvestment. The projected surplus is still subject to change. The cash surplus will be finalized prior to the August, 2018, meeting of the Joint Legislative Committee on the Budget after the final FY 2017-2018 invoices have been processed.

Should there not be an adequate final cash balance at the end of Fiscal Year 2017-2018, **the remaining balance of approximately \$592,000 is still a bona fide obligation of the State** and should be funded through future appropriations, potentially via the supplemental budget act of the 2019 Regular Legislative Session.