

**PHILADELPHIA PRISON SYSTEM
FISCAL YEAR 2015 BUDGET TESTIMONY
APRIL 9, 2014**

DEPARTMENT MISSION AND FUNCTION

The Philadelphia Prison System (PPS) provides Adult and Juvenile detention and sentenced inmate confinement services to the City and County of Philadelphia. The PPS manages six major and four satellite facilities supervising an average daily inmate population of approximately nine thousand inmates. Our mission is to:

...provide a secure correctional environment that adequately detains persons accused or convicted of illegal acts; to provide programs, services, and supervision in a safe, lawful, clean, humane environment; and to prepare incarcerated persons for reentry into society.

PPS provides the majority of these services within its main complex located at 7979 thru 8301 State Road, in Northeast Philadelphia. Administrative Offices, Intake processing, Business management, food service, medical, Information technology and maintenance operations are headquartered there.

While through the first half of FY14, our daily inmate population averaged 9,028 inmates, we are happy to report that we have seen a significant decline in the average inmate daily population during our most recent reporting period from January through March 2014, declining slightly below 8,600 inmates. We are hopeful this trend will continue and that our average daily inmate population may dip further to 8,500 for the remaining three months of the fiscal year. The inmate population is largely out of our control and is mainly affected by the following key factors: crime rate, arrest rate, sentencing, the number of days pretrial inmates are awaiting hearings, bench warrants and the bail set.

PROPOSED BUDGET HIGHLIGHTS/FUNDING REQUEST

For FY15 the Prisons Department is requesting a total \$240,163,028. This request represents a \$3.4 million dollar decrease from our current estimated FY14 obligations. The reductions were taken as the result of a projected decline in overtime costs and outside housing contracts.

The budget includes new or increased allocations for the following:

- 100 new two way radio units and peripherals (\$471,429)
- A scheduled increase in the cost of inmate meals provided by ARAMARK Correctional Services (\$354,454)
- An increase in the cost of the medical services contract for inmates (\$433,924)
- Maintenance of the automated victim notification services provided by the Prisons known as SAVIN (\$98,437).

**PHILADELPHIA PRISONS SYSTEM
BUDGET SUMMARY AND OTHER BUDGET DRIVERS**

Financial Summary by Class - General Fund

	Fiscal 2013 Actual Obligations	Fiscal 2014 Original Appropriations	Fiscal 2014 Estimated Obligations	Fiscal 2015 Proposed Appropriations	Difference FY14 - FY15
Class 100 - Employee Compensation	\$130,057,320	\$128,556,476	\$131,056,476	\$128,556,476	(\$2,500,000)
Class 200 - Purchase of Services	\$105,447,458	\$104,177,807	\$106,419,807	\$105,064,622	(\$1,355,185)
Class 300 - Materials and Supplies	\$4,122,389	\$4,304,128	\$4,304,128	\$4,304,128	\$0
Class 400 - Equipment	\$646,043	\$464,616	\$464,616	\$936,045	\$471,429
Class 500 - Contributions	\$2,385,603	\$1,301,757	\$1,301,757	\$1,301,757	\$0
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0
TOTAL	\$242,658,813	\$238,804,784	\$243,546,784	\$240,163,028	(\$3,383,756)

Staff Demographics Summary*

	Total	Minority	White	Female
Full-Time Staff	2299	85%	15%	48%
Executive Staff	14	50%	50%	29%
Average Salary - Executive Staff	\$99,748	\$97,095	\$102,400	\$92,769
Median Salary - Executive Staff	\$95,267	\$95,267	\$95,267	\$95,167

Employment Levels*

	Budgeted	Approved	Filled
Full-Time Positions	2310	2310	2299
Part-Time Positions	0	0	0
Executive Positions	14	14	14

Contracts Summary*

	FY09	FY10	FY11	FY12	FY13	FY14*
Total amount of contracts	\$92,777,927	\$88,617,891	\$88,816,627	\$90,272,673	\$91,499,753	\$60,999,835
Total amount to M/W/DBE	\$27,102,595	\$26,366,955	\$23,979,949	\$20,431,677	\$20,249,799	\$15,249,959
Participation Rate	29%	30%	27%	23%	22%	25%

*As of December 2013

**PHILADELPHIA PRISON SYSTEM
PERFORMANCE, CHALLENGES AND INITIATIVES**

DEPARTMENT PERFORMANCE (OPERATIONS)

The Department continues to monitor the performance measures of sentenced inmate program participation and Intake processing times. The Department reports on the following performance measures in the Quarterly City Manager’s Report and the Five Year Financial and Strategic Plan:

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Percent of sentenced inmates provided with the opportunity to participate in a vocational, training, educational and/or treatment program during confinement	57.0%	75.0%	73.0%	-2.7%	74.0%	74.7%	0.9%	80.0%	80.0%
Percent of newly admitted inmates that are processed and housed within 24 hours of admission	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%
Re-incarceration Rate - 1 year**	40.1%	39.9%	41.6%	4.3%	41.4%	35.4%	-14.5%	40.0%	40.0%
Re-incarceration Rate - 2 year**	52.7%	51.8%	51.6%	-0.4%	51.3%	N/A	N/A	52.0%	52.0%
Re-incarceration Rate - 3 year**	58.5%	57.2%	N/A	N/A	N/A	N/A	N/A	58.0%	58.0%

** Re-incarceration rates are calculated based on the release date of an inmate. For example, the 1 year recidivism rate in FY12 is based on inmates released in 2011.

Since FY08, the Department has significantly increased the percent of sentenced inmates provided with an opportunity to participate in a vocational, training, educational and vocational and/or treatments programs during confinement. Nonetheless, the PPS has flattened out in its performance on this measure, showing slight declines between FY12 and FY13 and in the first half of FY14. The increase in the prison population has filled bed space normally reserved for general population inmates, resulting in a larger population of inmates who do not participate, such as individuals who are in special management programs (for example, disciplinary, administrative segregation, protective custody or are severely mentally unstable) or are waiting to be placed or transferred to an appropriate facility. In addition the PPS is in the process of reallocating program staff to make additional program slots available. The Department has continued to process 100% of newly admitted inmates within 24 hours of admission and aims to maintain this performance in FY13 and FY14. Re-incarceration rates have improved slightly since 2008. It is important to note that there is a significant lag in the data; the one year re-incarceration in FY13 is the percentage of inmates released in FY12 who returned to prison within one year of release. The three year re-incarceration rate for FY12 reflects the outcomes of inmates released in FY09. The three year re-incarceration rate has fallen slightly from a baseline of 58.5% in FY08 to 58.2% in FY12. The one-year re-incarceration rate was 40.6% in FY08 and improved very slightly to 39.9% in FY12. Although it rose to 41.6% in FY13, it has dropped significantly to 35.4% for the first half of FY14.

Program participation is considered an important factor in recidivism reduction. Overall 75% of sentenced inmates are enrolled in a vocational, therapeutic or job assignment program. While this level has plateaued over the last two years, we are seeking ways to boost it even higher. In FY15 a tally of pretrial inmates enrolled in programming will begin.

Efficient Intake processing is vital to the adjustment of inmates to incarceration. The high percentage of mentally ill, chronically ill and addicted persons in custody requires immediate attention to medical and behavioral health needs. We have established benchmarks limits of four hours for medical screening and 24 hour complete processing on admission. The 24 hour deadline has been met consistently over the last year.

As a result of consistent hiring and coupled with the gradual population reduction, the use of overtime has declined 10% percent thus far in FY14.

DEPARTMENT CHALLENGES

Any substantial rise or fall in the Prisons population presents the greatest challenge. Population increases cause increased overtime, medical, food and supply costs. Since our facilities operate close to or at capacity, a rise causes an additional reliance on contracted housing. PPS currently has approximately 400 inmates housed in contracted facilities. Population increases also reduce the ability to provide suitable areas for programming to inmates.

On the other hand significant decreases in the inmate census also provide challenges. While declines in population reduce operational and contract costs, they also require the redeployment of staff and housing changes for inmates. Since inmates are placed in facilities by custody level, sometimes a reduction of one population subset, like sentenced inmates does not offer similar savings as would another such as pre trial inmates. Likewise declines often require the relocation of programs which can create delays in service delivery.

Thus far in FY14 the population which was approximately 9,000 from June to January has declined to approximately 8,600. The trend is caused by an overall reduction in admissions and a significant decrease in those held on bench warrants.

Over the last five years the population has gone from nearly ten thousand in FY09 to a subsequent low of seven thousand five hundred in FY11 and back to nine thousand this year.

STAFFING LEVELS

As the result of a concerted hiring program, the PPS has reached its budgeted staffing level for Correctional Officers and security supervisors during FY14. Over the course of the year so far 125 employees have been hired for various positions ranging from stone mason to Social Services manager. While the need for second language specialists has not presented a problem, the number of Hispanic inmates in custody is now the second largest ethnic group. In FY15 a class of bilingual Hispanic correctional officers will be hired to provide each facility with an increased cadre of bilingual staff. Tables showing the race and gender of FY14 new hires and contractor employees are enclosed at the end of the testimony.

PAST INITIATIVES

The two way radio system upgrade in progress for nearly three years is complete. All Prisons facilities and mobile units have the interoperability to communicate system wide. One hundred additional units are being purchased in FY15. This additional supply will equip all officer posts and on duty supervisors.

CURRENT INITIATIVES

The first milestone of the Inmate Electronic Medical Record project is complete. Electronic records are in use for all female inmates. The system will be initiated in the male facilities in May of 2014 and full deployment is anticipated by the end of calendar 2014.

NEW INITIATIVES

- Expansion of College Classes - The Philadelphia Community College Reach program which provides credit classes and re-entry services to inmates is now in its third year. Until now the program served only male inmates at the Cambria Community Center. In January the program was initiated at the Riverside Correctional Facility to enroll female inmates as well.
- Orchard Project - To expand the Prisons Horticulture and City Harvest programs, a plot of land on the grounds of the Philadelphia Industrial Correctional Center has been set aside to cultivate fruit trees. The orchard will be tended by inmates trained in the Horticulture program administered by the Pennsylvania Horticulture Society.
- Resource Centers - Limited Internet Access will be provided to inmates seeking community services, employment or educational opportunities through Resource Centers located in all six major correctional facilities.
- Video Visitation - A pilot to provide video visitation at the Curran Fromhold facility will begin this calendar year. While video visitation will not entirely replace in person visits, it will provide an alternative to reduce waiting time and allow visitors the convenience to visit remotely.
- Medicaid Enrollment - MA coverage for chronically ill inmates, effective at the time of release and afterwards has been shown to reduce recidivism, so the Prisons is going to complete applications for medical assistance as part of the discharge planning for the chronically ill. This program will begin during the 2014 calendar year.

OTHER BUDGETARY IMPACTS

FEDERAL AND STATE (WHERE APPLICABLE)

The Prisons behavioral health program receives a contribution of \$3 million annually in State funds from the Department of Behavioral Health to offset the treatment costs for behavioral health. If the subsidy is reduced there will be a reduction in clinical staff, less therapeutic interventions (individual counseling and group therapy) and a heavier reliance on medication to manage symptoms of mental illness. The contract cost for behavioral healthcare is \$9,075,000.

CONTRACTING EXPERIENCE

M/W/DBE Participation on Large Contracts

FY14 Contracts

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DBE Participation Achieved	\$ Value of M/W/DBE Participation	Total % and \$ Value Participation - All DSBEs	Living Wage Compliant?
Keefe Commissary Network	Commissary Services	\$0	01/09/11	03/01/13	MBE:Best Efforts	20%	\$1,000,000.00		yes
					WBE:Best Efforts	10%	\$500,000.00	30%	yes
					DSBE:Best Efforts	%	\$0.00	\$2,652,534	yes
Aramark Food Services	Inmate Food Services	\$14,178,172	04/09/13	07/01/13	MBE: 20-25%	18%	\$2,515,000.00		yes
					WBE: 5-10%	7%	\$900,000.00	25%	yes
					DSBE:Best Efforts	%	\$0.00	\$3,415,000	yes
US Facilities, Inc.	Facilities Management	\$10,523,140	02/06/10	04/01/13	MBE: 10-20%	100%	\$10,523,140.00		yes
					WBE: 5-10%	0%	\$0.00	100%	yes
					DSBE:Best Efforts	0%	\$0.00	\$10,523,140	yes
Corizon Health, Inc.	Physical Health Care Services	\$42,834,447	06/07/12	03/01/13	MBE: 20-25%	13%	\$2,248,062.00		yes
					WBE: 5-10%	58%	\$9,886,647.00	71%	yes
					DSBE:Best Efforts	0%	\$0.00	\$12,134,709	yes
MHM Correctional Services	Mental Health Care Services	\$9,075,951	06/07/12	03/01/13	MBE: 20-25%	2%	\$97,000.00		yes
					WBE: 5-10%	0%	\$0.00	2%	yes
					DSBE:Best Efforts	0%	\$0.00	\$97,000	yes

DEPARTMENT EMPLOYEE DATA

Staff Demographics

Full-Time Staff

Executive Staff

	Male	Female	Male	Female
Total	1200	1099	10	4
% of Total	52%	48%	71%	29%
	African-American	African-American	African-American	African-American
Total	732	918	4	3
% of Total	32%	40%	29%	21%
	White	White	White	White
Total	251	104	6	1
% of Total	11%	5%	43%	7%
	Hispanic	Hispanic	Hispanic	Hispanic
Total	95	65	0	0
% of Total	4%	3%	0%	0%
	Asian	Asian	Asian	Asian
Total	113	5	0	0
% of Total	5%	0%	0%	0%
	Other	Other	Other	Other
Total	9	7	0	0
% of Total	0%	0%	0%	0%
	Bi-lingual	Bi-lingual	Bi-lingual	Bi-lingual
Total	119	54	0	0
% of Total	5%	2%	0%	0%

PHILADELPHIA PRISONS SYSTEM

CONTRACTING EXPERIENCE

M/W/DBE Participation on Large Contracts

FY13 Contracts

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DBE Participation Achieved	\$ Value of M/W/DBE Participation	Total % and \$ Value Participation - All DSBEs	Living Wage Compliant?
Keefe Commissary Group	Commissary Services	\$0	1/19/11	3/1/11	MBE: WBE: DSBE:	20% 10% %	\$ 1,000,000.00 \$ 500,000.00	30% \$ 1,500,000.00	yes yes yes
Aramark Food Services	Inmate Food Services	\$14,100,000	2/19/09	5/1/09	MBE: WBE: DSBE:	4% 21% %	\$533,400 \$3,022,600	25% \$3,556,000	yes yes yes
US Facilities, Inc.	Facilities Management	\$10,523,140	2/6/10	4/1/10	MBE: WBE: DSBE:	100% % %	\$10,523,140	100% \$10,523,140	yes yes yes
Corizon Health, Inc.	Physical Health Care Services	\$42,752,693	6/19/08	9/1/09	MBE: WBE: DSBE:	6% 22% %	\$2,537,068 \$9,368,189	28% \$11,905,257	yes yes yes
MHM Correctional Services	Mental Health Care Services	\$9,075,951	6/19/08	9/1/09	MBE: WBE: DSBE:	1% % %	\$97,000	1% \$97,000	yes yes yes

M/W/DBE Participation on Large Contracts

FY12 Contracts

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DBE Participation Achieved	\$ Value of M/W/DBE Participation	Total % and \$ Value Participation - All DSBEs	Living Wage Compliant?
Keefe Commissary Group	Commissary Services	\$0	1/19/11	3/1/11	MBE: WBE: DSBE:	20% 10% %	\$1,000,000 \$500,000	30% \$1,500,000	yes yes yes
Aramark Food Services	Inmate Food Services	\$12,730,779	2/19/09	5/1/09	MBE: WBE: DSBE:	20% 10% %	\$2,540,000 \$1,270,000	30% \$3,810,000	yes yes yes
US Facilities, Inc.	Facilities Management	\$10,272,943	2/6/10	4/1/10	MBE: WBE: DSBE:	100% % %	\$10,272,943	100% \$10,272,943	yes yes yes
Corizon Health, Inc.	Physical Health Care Services	\$40,965,696	6/19/08	11/1/08	MBE: WBE: DSBE:	6% 9% %	\$2,260,540 \$3,640,410	14% \$5,900,950	yes yes yes
MHM Correctional Services	Mental Health Care Services	\$8,345,768	6/19/08	4/1/09	MBE: WBE: DSBE:	1% % %	\$50,000	1% \$50,000	yes yes yes

**PHIALDELPHIA PRISON SYSTEM
(Contract employee demographics)**

STAFFING DEMOGRAPHICS - FULL TIME STAFF		Male	Female		Afric-Am	White	Hispanic	Asian	Other	Foreign Born	Bi-Lingual
Total No. of Full-Time Staff	Total:	9	3	6	9	0	0	0	0	0	0
	Keefe Commissary Network	100.00%	33.33%	66.67%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
STAFFING DEMOGRAPHICS - FULL TIME STAFF		Male	Female		Afric-Am	White	Hispanic	Asian	Other	Foreign Born	Bi-Lingual
Total No. of Full-Time Staff	Total:	131	52	79	106	8	8	8	1	0	8
	Aramark Correctional Food Service	100.00%	39.69%	60.31%	80.92%	6.11%	6.11%	6.11%	0.94%	0.00%	6.11%
STAFFING DEMOGRAPHICS - FULL TIME STAFF		Male	Female		Afric-Am	White	Hispanic	Asian	Other	Foreign Born	Bi-Lingual
Total No. of Full-Time Staff	Total:	65	62	3	6	52	0	6	1	0	1
	US Facilities, Inc.	100.00%	95.38%	4.62%	9.23%	80.00%	0.00%	9.23%	1.54%	0.00%	1.54%
STAFFING DEMOGRAPHICS - FULL TIME STAFF		Male	Female		Afric-Am	White	Hispanic	Asian	Other	Foreign Born	Bi-Lingual
Total No. of Full-Time Staff	Total:	182	43	139	98	64	3	16	1	5	6
	Corizon Health Care	100.00%	23.63%	76.37%	53.85%	35.16%	1.65%	8.79%	0.55%	2.75%	3.33%
STAFFING DEMOGRAPHICS - FULL TIME STAFF		Male	Female		Afric-Am	White	Hispanic	Asian	Other	Foreign Born	Bi-Lingual
Total No. of Full-Time Staff	Total:	102	32	70	35	52	8	7	0	2	0
	MHM	100.00%	31.37%	68.63%	34.31%	50.98%	11.43%	6.86%	0.00%	1.96%	0.00%
	TOTALS	489	192	297	254	176	19	37	3	7	15

PHILADELPHIA PRISON SYSTEM
(New Hires by position / Race / Gender FY14)

Employees indicating a second language.

- o Malay = 2
- o Spanish = 1

TITLE	Asian		Black		Hispanic		White		Other	
	M	F	M	F	M	F	M	F	M	F
Correctional Officer	13	1	32	35	2	0	9	6	0	0
Bldg. Maintenance Eng	1	0	0	0	0	0	0	0	0	0
Industries Supervisor	0	0	1	1	0	0	0	0	0	0
Inmate Computer Based Education Instructor	0	0	2	3	1	0	1	1	0	0
Prison HVAC Mechanic	0	0	0	0	0	0	1	0	0	0
Prison Trades Worker 1	0	0	0	0	0	0	1	0	0	0
Secretary	0	0	0	2	0	1	0	0	0	0
Social Services Manager 1	1	0	2	7	0	0	0	0	0	0
Social Services Manager 2	0	0	0	1	0	0	0	0	0	0
TOTAL New Hires =125	15	1	37	49	3	1	12	7	0	0