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Fair and Equitable: a new community corrections formula

Executive Summary
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Prepared for the 1996 Minnesota Legislature
by the Working Group on Community Corrections

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Executive Summary

The Working Group on Community Corrections' aim was to create a formula for distributing dollars to Community Corrections Act (CCA) counties which would be more fair and equitable than the current formula. The group identified five criteria for accomplishing its goal:

1. Fact finding - a critique of the current formula.
2. Principles for a new formula.
3. Measures of a county's need and it's ability to pay.
4. Weighting of the measurements.
5. Holding harmless the impact of the new formula.

Critique of the current formula

The current CCA formula has been in existence for over 22 years. The assumptions used in that formula are no longer valid today. For example, it factors in \$350 for each felon under supervision - costs are well beyond \$350 today. Additionally, the formula is complicated to the point where few individuals understand what is being reimbursed or why. Our analysis showed that - despite the complex mathematics of the formula - 99% of CCA distribution is determined by a county's population. Given that the formula so closely matches population, it is evident that little factoring of a county's court services burden is measured.

Principles for a new formula

The working group proceeded first by establishing principles for how state money would be distributed. It is important in distributing money to pay attention the goal of the CCA and adhering to principles that make community corrections better for counties and the people of Minnesota. The working group selected five principles from which to create a new formula. One, base distribution on demonstrated need. Two, require a local match. Three, keep it simple. Four, base factors on measurable, multi-year indicators. Five, encourage multi-county collaboration.

Measures

The recommended formula balances a county's court services burden (need) with its revenue raising capacity (ability to pay). The working group selected five 'need' measures and one 'ability to pay' measure to accomplish those goals. To determine need, no one measure accurately described the burden to a county. Thus, a combination of five key areas of the criminal justice

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system was selected to more accurately tell the whole story. In addition the working group strived to select factors which not only report on past criminal justice information, but some which also predict, to some extent, future correctional burden. The five measurements to indicate a county's need are:

1. Part I arrests
2. Juvenile apprehensions - part I and part II
3. Felony sentences handled locally
4. Adult gross misdemeanor cases filed
5. Target population

To indicate a county's ability to pay only **Adjusted Net Tax Capacity (ANTC)** was selected. ANTC measures all of the taxable property wealth in a county and adjusts it for different assessment practices. The work group found this to be the most accurate and reliable data available on a county government's financial resources.

Weighting of Measures

All five measures of need are weighted equally. The factors are mean more taken as whole than separately. Each factor is a piece of the corrections system that when weighted equally with the others provides a reliable picture of a county's correctional need. ANTC, as the sole ability to pay measurement, is divided into need by the mathematics of the formula. An analysis of the formula shows need weighted over ability to pay in a ratio of three to one, which reflects the working group's principles that the formula be closely related to need.

Hold Harmless

The formula recommendations contained in this report correct the problems of the current CCA formula. By doing so it creates a radically different distribution of dollars. Although, that distribution is a more fair and equitable distribution of funds, it is not appropriate to ask counties to absorb a new formula all at once. Without the hold harmless, some counties would lose over half of their CCA dollars. In smaller counties, with just a few staff people, the problems would be insurmountable. The two-part hold harmless recommendation below sets the CCA on a new course, but avoids an abrupt alteration of the way any county currently delivers its services.

One, no county shall receive less aid than it did in FY 1996. Two, new money will be distributed according to the new formula.

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