

EXECUTIVE SUMMARY

of the
REPORT TO THE 1981 MINNESOTA LEGISLATURE
RECOMMENDATIONS CONCERNING THE FINANCING OF
CORRECTIONAL SERVICES IN MINNESOTA

Submitted by:

Committee to Study the Financing of Correctional Services
and the
Community Corrections Act in Minnesota

Author: Shirlene A. Fairburn, J.D.
Project Director/Staff to
Committee

*Pursuant to 1980 Laws, ch 614, sec 183
which extended due date for report
mandated by 1979 Laws, c 336, s 4, sd4
due date Jan 1, 1981..recd 3/30/81*

EXECUTIVE SUMMARY

SUMMARY OF RESEARCH FINDINGS AND RECOMMENDATIONS

The Community Corrections Act (CCA) Funding Study examined the adequacy of the funding of community corrections in Minnesota, and the equity, or lack thereof, of the current CCA subsidy formula which determines the dollar amount of the State CCA subsidy eligibility for each of the eighty-seven Minnesota counties. The major funding-related issues studied were:

- The amount of the total CCA subsidy for all 87 Minnesota counties, including a study of the history of the CCA to determine by what means the original (1973) CCA subsidy of \$15 million for 87 counties was selected.
- The original (1973) objectives of the CCA.
- The impact of inflation on the state CCA subsidy and whether state inflationary increases thereto have kept pace with the actual inflation rate.
- The history and intended purpose of the present CCA subsidy formula, and whether the formula accomplishes its intended purposes. Does it equitably distribute state CCA funds to the counties?
- Alternative subsidy formulae evaluated in terms of ability to ensure an equitable distribution of the state CCA subsidy.
- Various incentives and disincentives intended to:
 - encourage counties to begin participation in the CCA, and
 - encourage participating counties to strive to attain objectives of the CCA.

- Impact of sentencing guidelines which went into effect on May 1, 1980.

Community corrections expenditures were collected for the twelve presently participating CCA Areas and *estimated* for the other sixty non-CCA counties,¹ the sum constituting "total *minimum estimated* community corrections needs for eighty-seven counties for CY1980." Numerous formulae factors and combinations thereof were studied, with the goal of developing a more equitable CCA subsidy formula. Various inflation indices were studied along with the impact of inflation on community corrections costs. Unmet community corrections needs were examined through a survey of community corrections professionals in the twelve CCA Areas. The Committee sought and received input from many professionals in the field.

The major findings of the study were:

- That three factors in the current CCA subsidy formula, *per capita income*, *per capita taxable value* (of real property), and *correctional expenditures*, do not with reasonable accuracy and fairness measure correctional need or ability of counties to obtain revenue to pay for their own correctional needs.
- That, of numerous factors studied by the Committee, the three factors which most fairly and accurately measure correctional need are *number of district court convictions*, *juvenile population*, and *total county population*.
- That no factor presently exists which will with reasonable accuracy and fairness measure ability of counties to obtain revenue to pay for their own correctional needs.
- That four currently participating CCA Areas would suffer decreases in CCA subsidy eligibility as a

¹ Assuming the 60 non-CCA counties were participating in the CCA in CY1980.

- result of implementation of the new CCA subsidy formula recommended by the Committee, necessitating the adoption of a hold harmless provision to avoid jeopardizing established operating community corrections programs.
- That state funding for community corrections is inadequate.
- That the issues of inadequate state funding of community corrections, unmet community corrections needs in the counties, and the proportionate share of community corrections costs paid by the state need further study by the Legislature.
- That inflation has eroded the value of the state CCA subsidy and that inflationary increases in the subsidy have not kept pace with the actual rate of inflation.
- That the deduction of chargebacks from counties CCA subsidies causes severe hardships to the CCA Areas and is one of the major reasons cited by non-CCA counties for not participating in the CCA.
- That some CCA Areas are capable of maintaining quality training, education, information, and evaluation systems with the expenditure of less than ten percent of their state CCA subsidy.
- That some of the original objectives of the CCA have proven to be unrealistic, and that a new set of objectives for the CCA should therefore be adopted.
- That incentives are needed to bring new counties into the CCA and to assist participating CCA Areas to achieve the objectives of the CCA.

Based on said findings, the following recommendations are respectfully submitted to the State Legislature by the CCA Funding Committee:

CCA SUBSIDY FORMULA RECOMMENDATIONS

1. That the CCA subsidy formula currently in use be eliminated and that the new CCA subsidy formula described in this report be implemented for use in fiscal year 1982 provided the *hold harmless provision* described in this report be adopted by the State Legislature at the same time the new subsidy formula is enacted into law.

2. That, as applied to the twelve currently participating CCA Areas, the said *hold harmless provision* be implemented over a four-year period, beginning with fiscal year 1982, with the result that each of the twelve currently participating CCA Areas will be limited: (1) in 1982, to realizing 25% of its gain or suffering 25% of its loss which results from implementation of the new subsidy formula; (2) in 1983, to realizing 50% of its gain or suffering 50% of its loss; (3) in 1984, to realizing 75% of its gain or suffering 75% of its loss; and (4) in 1985, each Area will realize 100% of its gain or suffer 100% of its loss, *the hold harmless provision having no effect upon the 60 non-CCA counties.*
3. That the appropriation for the state CCA subsidy for the currently participating twelve CCA Areas be increased for fiscal years 1982, 1983, 1984, and 1985, in an amount equal to the *net gain* (in each year) to the twelve Areas (after application of said *hold harmless provision*), said net gain resulting from implementation of the new subsidy formula.
4. That, to prevent large fluctuations in counties' CCA subsidy eligibility from year to year, the data for one of the factors in the recommended new CCA subsidy formula, *number of offenders convicted of crimes in state district court*, be averaged over a period of three years as soon as data is available for a three-year period from the Minnesota Supreme Court's State Justice Information System (S.J.I.S.).
5. That in each fiscal year 1982 through 1985 CCA subsidy eligibility under the new formula for each of the 87 counties be computed using the latest available data to measure the three factors in the new formula.
6. That in each fiscal year 1982 through 1985 CCA subsidy eligibility under the current formula for each of the 27 CCA counties be computed using the data employed by the DOC in FY1982 to measure the factors in the current formula. Said computations will be based upon the dollar amount of the total CCA subsidy eligibility for 87 counties for the current fiscal year (including the inflationary increase for that year).

STATE CCA FUNDING RECOMMENDATIONS

1. That at this time, solely because of the state budget deficit projected for fiscal year 1981, the Committee does not recommend an *immediate* increase in state CCA funding (state CCA subsidy to 87 counties); that the total state CCA subsidy for 87 counties be maintained at the present level--\$23,656,244 for fiscal year 1981--plus inflationary increases each year in subsequent fiscal years.

2. That the State Legislature conduct further study of unmet correctional needs in the 12 currently participating CCA Areas and the proportionate share of correctional expenditures paid by the state, historically and currently, in both the current CCA, and non-CCA, counties. The Legislature, in determining the proportionate share of total community corrections costs to be paid by the state, should also study and compare the proportionate share paid by the state for other local services such as social services and education.
3. That the total state CCA subsidy for 87 counties continue to be increased each year to account for the impact of inflation on community corrections costs; and that the yearly inflationary increase in said state CCA subsidy be calculated by using the inflation rate determined by the price index, *Government Purchased Goods and Services*. This is the inflation rate which the State Department of Finance directed state agencies to use in developing their budget requests for the 1981-83 biennium.
4. That the rider to an appropriation bill, Session Laws 1980, Chapter 614, Section 28, Part (c), which provides for the elimination of adult chargebacks for adults sentenced to the Commissioner of Corrections for crimes committed on or after January 1, 1981, be enacted into permanent law by the Legislature prior to the expiration of the rider in July, 1981; and that the Legislature not reduce state CCA funding as a result of said elimination of adult chargebacks, in order to ensure that all local correctional services presently provided will continue to be maintained.
5. That the State should acknowledge responsibility for juveniles who have committed serious offenses by establishing chargeable and non-chargeable categories for juveniles committed to the Commissioner of Corrections. The Juvenile Release Guidelines developed by the Department of Corrections could provide the basis for said juvenile categories.
6. That a rider to an appropriation bill, Session Laws 1979, Chapter 336, Section 4, Subdivision 4, which provide, "No less than the equivalent of four percent of the appropriation made for the Community Corrections Act may be expended for evaluation", be enacted into permanent law by the Legislature prior to the expiration of the rider in July, 1981.

That the requirement that each CCA Area spend 5% of its state CCA subsidy for training and education, and 4% for information systems and evaluation should be retained. However, the CCA should provide that the Department of Corrections shall promulgate guidelines therefor, and that DOC shall have the discretion to waive said percentage spending requirements if CCA Areas meet said guidelines although spending less than the stated percentages.

7. That the CCA should provide incentives to county participation in the Act such that all counties would be encouraged to voluntarily participate by 1985, and incentives to promote achievement of the objectives of the Act by participating counties.

RECOMMENDATIONS ON APPROPRIATE OBJECTIVES OF THE CCA

That the Legislature adopt the following list as appropriate and realistic objectives of the CCA and that a statement of said objectives be included in the Act:

1. To develop a state/county cooperative relationship in which the CCA Area becomes the prime service provider and the state assumes the role of providing supportive services and institutional programs for the habitual or dangerous offender.
2. To provide a financial subsidy for improvement of the quality, quantity, and range of correctional services at the local level within legislatively mandated standards.
3. To permit each CCA Area to define its own correctional needs, and to develop programs/services to satisfy those locally defined needs.
4. To increase community involvement; for example: to increase citizen, official and agency participation.
5. To encourage the development and maintenance of innovative community corrections programs consistent with the efficient use of correctional dollars and effective protection of society.
6. To equalize availability of resources to offenders.
7. To make community corrections accessible to all counties.
8. To encourage efficiency and effectiveness by coordinating corrections and the supportive financial resources at the local level.

INCENTIVES TO PARTICIPATION IN THE CCA
AND TO PROMOTE ACHIEVEMENT OF THE OBJECTIVES
OF THE ACT BY PARTICIPATING COUNTIES

Previously mentioned incentives to participation in the CCA are:

1. Elimination of adult chargebacks;
2. Establishing chargeable and nonchargeable categories for juvenile offenders;
3. Annual inflationary increases in the state CCA subsidy;
4. More flexible guidelines for the spending requirements for training and education, and information systems and evaluation; and
5. If further study by the Legislature of unmet community corrections needs and the proportionate share of community corrections funding paid by the state indicates that unmet community corrections needs exist, an increase in the total state CCA subsidy for 87 counties when state budgetary considerations permit. The financial incentive of increased subsidies would in all probability bring in new counties.

Additional incentives to participation of new counties in the CCA are:

6. For counties whose subsidy eligibility would increase under it, the implementation of the new CCA subsidy formula recommended by the Committee; and
7. For the DOC to increase efforts to promote the CCA and encourage non-CCA counties to begin participation.

Incentives to promote achievement of the objectives of the CCA by participating counties are:

8. To reevaluate the original objectives of the CCA, some of which are no longer appropriate, and to adopt more realistic and appropriate objectives; and
9. For the DOC to provide more and better technical assistance to CCA Areas in formulating their annual comprehensive plans, particularly their first plan, and in developing training and education, information and evaluation systems, and community corrections/programs services. A comprehensive corrections information systems should be

developed to provide a pool of valuable information for use by all community corrections systems.

The Committee recommends that all of the incentives described above be implemented either through appropriate legislation or DOC rules or guidelines.