

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA
**APPROPRIATIONS SUBCOMMITTEE ON CRIMINAL AND
 CIVIL JUSTICE**
Senator Bradley, Chair
Senator Joyner, Vice Chair

MEETING DATE: Wednesday, September 25, 2013
TIME: 9:00 —11:00 a.m.
PLACE: Mallory Horne Committee Room, 37 Senate Office Building

MEMBERS: Senator Bradley, Chair; Senator Joyner, Vice Chair; Senators Altman, Braynon, Clemens, Dean, Diaz de la Portilla, Flores, Garcia, Grimsley, Hays, Smith, and Soto

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
	Department of Corrections		Discussed
		<ul style="list-style-type: none"> - Provide update on legislative funding provided during the 2013 session to address the Fiscal Year 2012-2013 budget shortfalls - Provide update on legislative funding provided to address the Fiscal Year 2013-2014 projected budget deficit - Discuss the department's actions that contributed to its budget deficits and the corrective measures that have been implemented - Discuss preliminary estimates of any projected shortfalls for Fiscal Year 2013-2014, Fiscal Year 2014-2015, and Fiscal Year 2015-2016 and the department's plan to address these deficits with no additional funding - Provide estimate on any anticipated savings from the health services outsourcing initiative for the next three years - Provide update on the electronic time and attendance system and its ranking as a Legislative Budget Request issue 	
	Other Related Meeting Documents		

Department of Corrections



FY 2013-14

**Senate Appropriations Subcommittee
on Criminal and Civil Justice**

September 25, 2013

Michael D. Crews, Secretary

Funding Provided During 2013 Session to Address FY 12-13 Shortfalls



Projected Deficit November 2012	\$119M
Hiring Freeze Non-Certified Staff	
8% LAPSE for Certified Staff	
Community Corrections Vehicle Pilot	
Lease Consolidations	
Projected Deficit for FY 2012-13	\$88.7M
Legislative Back of Bill Funding	
Restore Privatization of State Operated Facilities	\$10.9M
Increase in CJEC Projections	\$ 8.3M
Restore Privatization of Health Services Operations	\$14.1M
Projected Health Care Shortfall	<u>\$10.0M</u>
	\$43.3M
FY 2012-13 Carry Forward	\$45.4M

Funding Provided During 2013 Session to Address FY 13-14 Shortfalls



FY 2012-13 Carry Forward **\$45.4M**

FY 2013-14 Funding

Region IV Privatization	\$10.9M
Prison Salary LAPSE Reduction	\$13.7M
Operational Support	\$ 3.0M
Restore Staff Reductions	\$ 6.7M
Health Services Privatization Contract	\$ 4.8M
Restore Health Services	\$ 1.7M
CJEC	\$11.1M

FY 2013-14 Projected Deficit **TBD**

Contributing Factors to Deficit



- Region IV Privatization
- Delay in Health Services Outsourcing
- Lack of Health Services Utilization Management
- Delayed Prison Closings
- Bid Protests
- FTE Reductions related to Consolidation
- Overtime Costs
- 12 Hour Shifts

Preliminary Estimates of Projected Shortfalls



- Initial projections for FY 13-14 will be available the second week of October.
- FY 13-14, FY 14-15, FY 15-16 shortfalls.

Funding Provided in FY 13-14 for Health Services Outsourcing, Pharmaceuticals and Contract Oversight



Appropriation	\$358.5M
Projected Expenditures:	
DC Operation (7/1-10/13)	\$ 60.4M
Wexford	\$ 48.2M
Corizon	\$178.0M
Pharmaceuticals/Staff	\$ 67.5M
Contract Monitoring/Oversight	<u>\$ 4.4M</u>
	\$358.5M
FY 12-13 Carry Forward	\$ 20.3M

Final transition to privatized operations began September 8th and is expected to be completed by October 13th.

- Legal Challenges – Outsourcing (9 month delay)
 - 9/14/12 Labor unions file petition
 - 12/4/12 2nd Judicial Circuit Court enjoins Department from implementing Corizon contract
 - 6/5/13 1st District Court of Appeals reverses order of enjoinderment

Health Services Cost Reductions – FY 12/13



- Community Hospital and Physician Charges – net reduction of \$4.5M
 - DOC Savings - \$8.2M
 - Community Hospital - \$6M; Physician Charges - \$2.2M
 - Due to Enhanced Utilization Management
 - Less Wexford Off-Site care expense of \$3.7M for Q4 FY 12/13
- Pharmaceuticals
 - \$8.0M in savings vs. FY 11/12
 - Includes full statewide implementation of 340b Specialty Care Program (total of \$18.9M in cost avoidance)
 - \$3.5M from mental health formulary revisions
 - \$1.4M from inhaler initiatives

Timekeeping

- Department released Request for Information (RFI) on July 30, 2013. Thirteen responses were received.
- Department conducted site visits at Alabama DOC facilities.
- Place holder will be submitted in FY 14-15 LBR.
- Additional information will be provided as the Department reviews RFI's.



Department of Corrections



Questions

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

9/26/13
Meeting Date

Topic Corrections

Bill Number _____
(if applicable)

Name Mike Crews

Amendment Barcode _____
(if applicable)

Job Title Secretary

Address 501 S Calhoun St.

Phone 717-3030

Tallahassee FL 32399
City State Zip

E-mail Crews.Mike@mail.de.state.fl.us

Speaking: For Against Information

Representing Dept. of Corrections

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

CourtSmart Tag Report

Room: LL 37
Caption: Appropriations Subs. on Criminal & Civil Justice

Case:

Type:
Judge:

Started: 9/25/2013 9:04:50 AM
Ends: 9/25/2013 10:43:31 AM **Length:** 01:38:42

9:04:52 AM Roll call
9:06:23 AM Secretary Crews recognized
9:06:41 AM Department of Corrections-will speak about budget for FY 2013-14, Thank you for all your help with the budget for last year.
9:09:49 AM Funding the legislature provided for 2012-Continue to have a deficit by the department is making adjustments.
9:10:59 AM Hiring freeze, 51 vehicles fixed and sent out to community corrections offices to reduce cost in travel. 50% cut in cost of trav.
9:12:30 AM Lease consolidations have happened. Contracts were looked at and rebid contract for paper goods saving \$850,000.
9:14:05 AM Pest control services were brought in-house saved \$264,000. Dishwashers out, 3 bay sinks in.
9:15:06 AM Senator Hays - Pest control can be done by inmates instead of officers.
9:15:44 AM Senator Dean - Federal standards of conduct and protection of inmates they may not be able to do such as pest control.
9:16:38 AM Inmates are now making clothes instead of buying. Electricity being saved by hanging clothes to dry.
9:17:45 AM Sec. Crews now explaining the budget.
9:20:50 AM The department is having a retention problem. We are not even maintaining.
9:22:23 AM Sen. Bradley-Florida State Prison was given a morale boost. Liberty Correctional are having trouble finding staff.
9:23:25 AM What can we do as the Legislature to help Liberty Correctional? Sec. Crews-larger areas lose staff to local agencies-salary
9:25:18 AM Rural counties have trouble with applicant pools. Department now has a recruitment center.
9:26:20 AM Senator Dean-Secretary and leaders should be able to rely upon the Leg. to require critical info about salary schedules.
9:27:52 AM Senator Altman-Are private providers having the same problem keeping staff? They do not seem to have the same issues.
9:29:07 AM Senator Soto-Projected deficit about 50 million? If you close the gap would that cover current expenses only?
9:31:07 AM Senator Hays-Review of salary assessment. Encourage members of committee to visit facilities in districts.
9:32:29 AM Sec. Crews-There is a report that looks at different elements regarding agencies in State. Might be a good starting point.
9:37:21 AM Operational support-\$3 million.
9:38:36 AM Sen. Bradley-SEGIC discussion
9:41:48 AM Contributing factors for the deficit-region IV privatization, delay in health outsourcing, lack of health services utilization
9:52:13 AM delayed prison closings-19 closed. Moving forward with closings. Bid protest-this is a priority for the Department.
9:53:13 AM Sen. Bradley-What is the status of the food service program? Contract due to expire April 2014-Looking at new contracts
9:59:07 AM FTE reductions related to consolidation, overtime costs and 12 hour shifts - Sen. Bradley-how much has expenditures
10:00:07 AM been reduced from 2007 to the most recent budget? Will get back with answer.
10:05:34 AM Reviewing budget on health services. Senator Hays-wants to meet with the Sec. and doctor regarding healthcare.
10:07:57 AM What changes have we made to stop the waste?
10:12:04 AM Senator Altman-Retention vs. Private Retention. Continue to look at partnering with private sector.
10:17:07 AM Senator Clemens-Largest driver of costs is prison population? Mandatory minimums?
10:18:20 AM Senator Dean-Private healthcare is totally different than what the State can offer. 85% rule is the law and the Sec. has to
10:19:21 AM adhere to that.
10:22:28 AM Senator Soto-Maximum security prisons-are they equally distributed between public and private, what

about health?

10:26:10 AM Senator Joyner-Thank you Sen. Soto for those questions. Must be an apples to apples comparison.

10:27:25 AM The private companies take what inmates are given to them so it is not cherry picking according to Sec. Crews

10:28:43 AM Senator Joyner-Do you receive any of the funds generated by telephone usage and canteens? Indirectly yes to general

10:29:30 AM government funds. Please put those two issues on another agenda to discuss.

10:30:36 AM Senator Bradley-Electronic time and attendance in the Dept. of Corrections-This has been an issue for the last three years.

10:34:54 AM Senator Soto-Procurement forms-are you utilizing those forms? Dept. is still in discussions.

10:35:52 AM Senator Hays-Thank Sec. Crews and his team for responding to all my inquiries for their promptness and professionalism.

10:37:10 AM Leader Smith-Electronic Time Sheets-What is the problem getting this done? No appropriations for the first two years.

10:38:41 AM Needs to be funded. 2014-15 is projected to have fun to move forward with the system.

10:41:52 AM Closing remarks-Thank the legislature for giving support for the Dept. of Corrections and listening to us.

10:42:57 AM The Dept. of Corrections is moving in the right direction due to the men and women working for the Dept.

10:43:19 AM Senator Joyner moves we rise.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Appropriations Subcommittee on Criminal and Civil Justice
Appropriations Subcommittee on Finance and Tax
Banking and Insurance
Children, Families, and Elder Affairs
Ethics and Elections
Rules
Transportation

JOINT COMMITTEE:

Joint Committee on Administrative Procedures

SENATOR MIGUEL DIAZ de la PORTILLA

40th District

September 26, 2013

The Honorable Rob Bradley
Chairman
Appropriations Subcommittee on Criminal and Civil Justice

Via email

Dear Chariman Bradley:

Due to a scheduling problem, I was unable to attend the Wednesday meeting of the Appropriations Subcommittee on Criminal and Civil Justice.

I respectfully request that I be excused from the meeting. Thank you for your Consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Miguel Diaz de la Portilla", written over a horizontal line.

Miguel Diaz de la Portilla
Senator, District 40

Cc: Ms. Michelle Sanders, Committee Administrative Assistant

REPLY TO:

- 2100 Coral Way, Suite 505, Miami, Florida 33145 (305) 643-7200
- 312 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5040

Senate's Website: www.flsenate.gov

DON GAETZ
President of the Senate

GARRETT RICHTER
President Pro Tempore