

**ANALYSIS OF THE NEW JERSEY BUDGET**

**DEPARTMENT OF CORRECTIONS  
STATE PAROLE BOARD**

**FISCAL YEAR**

**2018-2019**

# NEW JERSEY STATE LEGISLATURE

## SENATE BUDGET AND APPROPRIATIONS COMMITTEE

**Paul A. Sarlo** (D), 36th District (Parts of Bergen and Passaic), *Chair*  
**Brian P. Stack** (D), 33rd District (Part of Hudson), *Vice-Chair*  
**Dawn Marie Addiego** (R), 8th District (Parts of Atlantic, Burlington and Camden)  
**Anthony R. Bucco** (R), 25th District (Parts of Morris and Somerset)  
**Nilsa Cruz-Perez** (D), 5th District (Parts of Camden and Gloucester)  
**Sandra B. Cunningham** (D), 31st District (Part of Hudson)  
**Patrick J. Diegnan Jr.** (D), 18th District (Part of Middlesex)  
**Linda R. Greenstein** (D), 14th District (Parts of Mercer and Middlesex)  
**Declan O'Scanlon, Jr.** (R), 13th District (Part of Monmouth)  
**Steven V. Oroho** (R), 24th District (All of Sussex, and parts of Morris and Warren)  
**M. Teresa Ruiz** (D), 29th District (Part of Essex)  
**Troy Singleton** (D), 7th District (Part of Burlington)  
**Samuel D. Thompson** (R), 12th District (Parts of Burlington, Middlesex, Monmouth and Ocean)

## GENERAL ASSEMBLY BUDGET COMMITTEE

**Eliana Pintor Marin** (D), 29th District (Part of Essex), *Chair*  
**John J. Burzichelli** (D), 3rd District (All of Salem, parts of Cumberland and Gloucester), *Vice-Chair*  
**Daniel R. Benson** (D), 14th District (Parts of Mercer and Middlesex)  
**Robert D. Clifton** (R), 12th District (Parts of Burlington, Middlesex, Monmouth and Ocean)  
**John DiMaio** (R), 23rd District (Parts of Hunterdon, Somerset and Warren)  
**Gordon M. Johnson** (D), 37th District (Part of Bergen)  
**Patricia Egan Jones** (D), 5th District (Parts of Camden and Gloucester)  
**John F. McKeon** (D), 27th District (Parts of Essex and Morris)  
**Raj Mukherji** (D), 33rd District (Part of Hudson)  
**Nancy F. Munoz** (R), 21st District (Parts of Morris, Somerset and Union)  
**Carol A. Murphy** (D), 7th District (Part of Burlington)  
**Edward H. Thomson** (R), 30th District (Parts of Monmouth and Ocean)  
**Benjie E. Wimberly** (D), 35th District (Parts of Bergen and Passaic)

## OFFICE OF LEGISLATIVE SERVICES

**Frank W. Haines III**, *Legislative Budget and Finance Officer*  
**Thomas Koenig**, *Assistant Legislative Budget and Finance Officer*

**Marvin W. Jiggetts**, *Director, Central Staff*  
**Patricia K. Nagle**, *Section Chief, Judiciary Section*

This report was prepared by the Judiciary Section of the Office of Legislative Services under the direction of the Legislative Budget and Finance Officer. The primary author was Anne Raughley.

Questions or comments may be directed to the OLS Judiciary Section (Tel: 609-847-3865) or the Legislative Budget and Finance Office (Tel: 609-847-3105).

# DEPARTMENT OF CORRECTIONS AND STATE PAROLE BOARD

Budget Pages..... C-4, C-10, C-16, C-23, D-63 to D-82,  
G-3, G-4

## **Fiscal Summary (\$000)**

	Expended FY 2017	Adjusted Appropriation FY 2018	Recommended FY 2019	Percent Change 2018-19
State Budgeted	\$1,040,186	\$1,072,126	\$1,070,042	( .2%)
Federal Funds	9,142	8,482	8,038	( 5.2%)
<u>Other</u>	<u>47,690</u>	<u>49,591</u>	<u>49,976</u>	<u>.8%</u>
Grand Total	\$1,097,018	\$1,130,199	\$1,128,056	( .2%)

## **Personnel Summary - Positions By Funding Source**

	Actual FY 2017	Revised FY 2018	Funded FY 2019	Percent Change 2018-19
State	8,140	8,175	8,184	.1%
Federal	20	18	18	—
<u>Other</u>	<u>199</u>	<u>171</u>	<u>187</u>	<u>9.4%</u>
Total Positions	8,359	8,364	8,389	.2%

FY 2017 (as of December) and revised FY 2018 (as of January) personnel data reflect actual payroll counts. FY 2019 data reflect the number of positions funded.

Link to Website: <http://www.njleg.state.nj.us/legislativepub/finance.asp>

## Highlights

- According to the Department of Corrections' (DOC) monthly Summary of Residents, Admissions and Releases report, as of December 31, 2017, there were 19,488 State sentenced inmates housed in State and county correctional facilities and halfway house placements, 184 or 0.09 percent fewer inmates than the number housed on December 31, 2016. Of this amount, 16,723 inmates were housed in DOC facilities, 2,679 were housed in various community based residential facilities, and 86 were housed in the county jails.
- The Department of Corrections' and the State Parole Board's combined FY 2019 State Budgeted recommendations total \$1.07 billion, which is about \$2.08 million or 0.2 percent less than the FY 2018 adjusted appropriation of \$1.072 billion.

### DEPARTMENT OF CORRECTIONS

- FY 2019 funding for institutional operations is recommended at \$791.478 million, \$8.118 million or 1.0 percent more than the FY 2018 adjusted appropriation of \$783.360 million. The cost of contracted services provided to the institutions is projected to increase by \$6.2 million from the anticipated increase in the State's minimum wage. The cost of contracted inmate medical services is projected to increase by \$1.864 million.
- Funding for the Civilly Committed Sexual Offender Program also increases in FY 2019 due to the impact of the anticipated minimum wage hike, by \$646,000. Unlike State-sentenced prison inmates, residents of the facility are considered patients, and are entitled to minimum wage for their work.
- The Governor's FY 2019 Budget recommendation for the Purchase of Community Services totals \$67 million, \$1.5 million more than the FY 2018 adjusted appropriation. The recommendation includes an increase of \$2.54 million resulting from the anticipated increase in the State's minimum wage offset by a \$1 million reduction reflecting the current placement level. FY 2019 budget evaluation data (page D-74) indicate that the department anticipates supporting 2,642 bed spaces in community settings, the same number as in FY 2018.
- The Governor's FY 2019 budget recommends the elimination of \$2.5 million in funding for Union County Inmate Rehabilitation Services. The appropriation defrayed the county's cost of diverting county inmates to private residential treatment facilities.
- The FY 2019 Budget does not continue \$5.2 million in FY 2018 supplemental appropriations for institution-based anti-opioid programs for staff training and inmate treatment. These funds were to train DOC custody staff in the administration of Narcan; provide customized 20-hour workshops to staff at Mid-State and Edna Mahon correctional facilities related to treatment and drug diversion; provide each staff member and released inmate with a dose of Narcan; and conduct a pilot Medication-Assisted Treatment (MAT) program for 200 inmates that included pre-release treatment and post-release services.

## Highlights (Cont'd)

- \$4 million in supplemental FY 2018 Grant in Aid funding for county MAT treatment programs is not recommended for continuation in FY 2019. According to the department's second quarter spending plan and budget information, \$1.7 million of the \$4 million appropriated for grants the counties was distributed to 10 counties. The remaining \$2.3 million will remain undistributed.

## STATE PAROLE BOARD

- The State Parole Board (SPB) is recommended to receive \$61.27 million in Direct State Services funding in FY 2019, the same amount as that appropriated in FY 2018. The SPB anticipates that it will supervise 15,827 parolees during FY 2019, 16 more than the number supervised during FY 2018.
- Grant in Aid funding for parolee community programs is recommended to total \$35.274 million in FY 2019, a \$608,000 decrease that is caused by a shift of \$2 million in costs to the Workforce Development Partnership Fund and an increase of \$1.392 million to fund the impact of the anticipated increase in the minimum wage on contracts with community service providers. Budget evaluation data indicates that these programs will provide services to 7,400 parolees in FY 2019.

### Background Paper

- Inmate Population

p. 13

**Fiscal and Personnel Summary**

**AGENCY FUNDING BY SOURCE OF FUNDS (\$000)**

	Expended FY 2017	Adj. Approp. FY 2018	Recom. FY 2019	Percent Change	
				2017-19	2018-19
<b>General Fund</b>					
Direct State Services	\$913,577	\$936,465	\$940,149	2.9%	0.4%
Grants-In-Aid	104,069	113,161	109,893	5.6%	(2.9%)
State Aid	0	0	0	0.0%	0.0%
Capital Construction	120	0	0	(100.0%)	0.0%
Debt Service	0	0	0	0.0%	0.0%
<b>Sub-Total</b>	<b>\$1,017,766</b>	<b>\$1,049,626</b>	<b>\$1,050,042</b>	<b>3.2%</b>	<b>0.0%</b>
<b>Property Tax Relief Fund</b>					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	22,420	22,500	20,000	(10.8%)	(11.1%)
<b>Sub-Total</b>	<b>\$22,420</b>	<b>\$22,500</b>	<b>\$20,000</b>	<b>(10.8%)</b>	<b>(11.1%)</b>
<b>Casino Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Casino Control Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>State Total</b>	<b>\$1,040,186</b>	<b>\$1,072,126</b>	<b>\$1,070,042</b>	<b>2.9%</b>	<b>(0.2%)</b>
<b>Federal Funds</b>	<b>\$9,142</b>	<b>\$8,482</b>	<b>\$8,038</b>	<b>(12.1%)</b>	<b>(5.2%)</b>
<b>Other Funds</b>	<b>\$47,690</b>	<b>\$49,591</b>	<b>\$49,976</b>	<b>4.8%</b>	<b>0.8%</b>
<b>Grand Total</b>	<b>\$1,097,018</b>	<b>\$1,130,199</b>	<b>\$1,128,056</b>	<b>2.8%</b>	<b>(0.2%)</b>

**PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE**

	Actual FY 2017	Revised FY 2018	Funded FY 2019	Percent Change	
				2017-19	2018-19
State	8,140	8,175	8,184	0.5%	0.1%
Federal	20	18	18	(10.0%)	0.0%
All Other	199	171	187	(6.0%)	9.4%
<b>Total Positions</b>	<b>8,232</b>	<b>8,240</b>	<b>8,260</b>	<b>0.3%</b>	<b>0.2%</b>

FY 2017 (as of December) and revised FY 2018 (as of January) personnel data reflect actual payroll counts. FY 2019 data reflect the number of positions funded.

**AFFIRMATIVE ACTION DATA**

Total Minority Percent					
Department of Corrections	45.9%	48.3%	N/A	---	---
State Parole Board	29.3%	28.5%	N/A	---	---

**Significant Changes/New Programs (\$000)**

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
--------------------	---------------------------------------	----------------------------------	--------------------------------	---------------------------------	------------------------------

**DETENTION AND REHABILITATION**

**DIRECT STATE SERVICES**

<b>Services Other Than Personal</b>	<b>\$155,161</b>	<b>\$162,633</b>	<b>\$7,472</b>	<b>4.8%</b>	<b>D-73</b>
-------------------------------------	------------------	------------------	----------------	-------------	-------------

The appropriation for Services Other Than Personal consists mostly of the costs of providing medical services to inmates in State correctional facilities. It also consists of costs paid to private vendors and contractors for services such waste removal and pest control services. According to the Office of Management and Budget (OMB), there are two key factors causing increases in these costs. First, an additional \$6.24 million is due to the impact on the cost of contracted services from the anticipated increase in the State’s minimum wage. Second, \$1.864 million is for inmate health care costs. According to OMB, the renewed contract with Rutgers University Correctional Health Care includes an increase in overhead charges. The FY 2019 level of funding also reflects a decrease of \$630,000 described by OMB as a technical reallocation.

**SPECIAL PURPOSE**

<b>Civilly Committed Sexual Offender Program</b>	<b>\$31,903</b>	<b>\$32,549</b>	<b>\$646</b>	<b>2.0%</b>	<b>D-73</b>
--	-----------------	-----------------	--------------	-------------	-------------

The recommended increase in this account will fund the impact of the anticipated increase in the State’s minimum wage on resident wages. State sentenced prison inmates receive wages that are below the minimum wage. However, residents of the Civilly Committed Sexual Offender Facility are considered patients, and not inmates, and are entitled to minimum wage. Budget evaluation data indicates that the facility will house a total of 490 residents in FY 2019, the same as the number housed in FY 2018.

**FEDERAL FUNDS**

<b>Institutional Care and Treatment</b>	<b>\$191</b>	<b>\$0</b>	<b>(\$191)</b>	<b>(100.0%)</b>	<b>D-73</b>
---	--------------	------------	----------------	-----------------	-------------

Funding within this account constitutes the Individuals with Disabilities Education Act Part B grant, for educational services to eligible inmates at youth correctional facilities. Beginning in FY 2019, funding for this program will be budgeted centrally within the Department of Education and transferred to correctional facility accounts after the start of the fiscal year.

**Significant Changes/New Programs (\$000) (Cont'd)**

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
--------------------	---------------------------------------	----------------------------------	--------------------------------	---------------------------------	------------------------------

**SYSTEM WIDE PROGRAM SUPPORT**

**DIRECT STATE SERVICES**

	<b>\$42,604</b>				
<b>Salaries and Wages</b>	<b>S \$2,400</b>	<b>\$42,604</b>	<b>(\$2,400)</b>	<b>(5.3%)</b>	<b>D-75</b>

The FY 2018 adjusted appropriation includes two supplemental appropriations of \$1.2 million each in support of the former governor’s anti-opioid initiative, which are not continued in FY 2019. One appropriation was to train department inmate custody staff in administering Narcan, to provide one dose to each staff member for emergency use and to provide one dose to each inmate being released from custody. The other appropriation was to fund a pilot program of medication-assisted treatment for 200 inmates with opioid use disorders. Participants were to be in a six-month program monitored by clinical staff for treatment effectiveness.

	<b>\$12,678</b>				
<b>Services Other Than Personal</b>	<b>S \$2,800</b>	<b>\$13,444</b>	<b>(\$2,034)</b>	<b>(13.1%)</b>	<b>D-75</b>

The FY 2018 adjusted appropriation includes two supplemental appropriations totaling \$2.8 million in support of the former governor’s anti-opioid Initiative which are not continued in FY 2019. One appropriation, for \$2 million, was to provide customized 20-hour workshops through Rutgers University to train staff at Mid-State and Edna Mahan correctional facilities in treatment, drug diversion and other topics relevant to conducting substance abuse programs. The second appropriation, for \$800,000, was to provide navigator services through Rutgers University Correctional Health Care to transition the participants in the medication-assisted treatment pilot program to a community provider for continued post-release treatment.

Also, two items of increase totaling \$766,000 are added to this account. The first item, in the amount of \$136,000, supports the increased cost of inmate health care under the renewed health care contract. The second item, in the amount of \$630,000, is described by OMB as a technical reallocation, for unspecified costs.

**GRANTS IN AID**

**Purchase of Service for Inmates Incarcerated in County Penal Facilities**

	<b>\$1,820</b>	<b>\$1,620</b>	<b>(\$200)</b>	<b>(11.0%)</b>	<b>D-75</b>
--	----------------	----------------	----------------	----------------	-------------

The reduction in this account reflects the continuing decline in reliance on county facilities to house State sentenced inmates. According to the department’s FY 2018 second quarter spending plan, the department will end the year with a surplus of \$204,000 in this account. FY



**Significant Changes/New Programs (\$000) (Cont'd)**

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
--------------------	---------------------------------	----------------------------	--------------------------	---------------------------	------------------------

2019 budget evaluation data (page D-74) indicates that the department anticipates housing 175 State sentenced inmates in county correctional facilities, the same number as in FY 2018.

<b>Purchase of Community Services</b>	<b>\$65,459</b>	<b>\$66,999</b>	<b>\$1,540</b>	<b>2.4%</b>	<b>D-75</b>
---	-----------------	-----------------	----------------	-------------	-------------

The recommended increase in this appropriation is the net impact of two changes. First, additional provider costs of \$2.54 million are expected to result from the anticipated increase in the State's minimum wage. Second, the cost of placements is projected to be \$1 million less than the FY 2018 budgeted amount. Although FY 2019 budget evaluation data (page D-74) indicate the program will support 2,642 bed spaces in community settings, the same number as in FY 2018, the current year cost is below the amount budgeted by \$900,000.

<b>County Jail Medication-Assisted Treatment (MAT) Grants</b>	<b>\$ 4,000</b>	<b>\$0</b>	<b>(\$4,000)</b>	<b>(100.0%)</b>	<b>D-76</b>
---	-----------------	------------	------------------	-----------------	-------------

The FY 2018 supplemental appropriation of \$4 million was to fund grants awarded to county jails to fund Medication Assisted Treatment (MAT) programs for inmates with substance use disorders. The grants were part of a package of anti-opioid initiatives introduced in September, 2017. The grant funding is designed to promote clinical stability and effective recovery processes for inmates prior to release from incarceration. Grants were available to counties proposing programs that demonstrated need for treatment and compliance with department medical, training and administration standards. The minimum grant was \$50,000, the maximum \$200,000.

According to the DOC second quarter spending plan and other fiscal information, about \$1.7 million was awarded to 10 counties (Bergen, \$171,000; Burlington, \$200,000; Camden, \$200,000; Hudson, \$200,000; Middlesex, \$180,000; Passaic, \$200,000; Salem, \$200,000; Somerset, \$75,000; Union, \$200,000, and Warren, \$84,600). The \$2.3 million balance was placed in reserve by OMB and is scheduled to be lapsed at the end of FY 2018.

**STATE AID**

<b>Union County Inmate Rehabilitation Services (PTRF)</b>	<b>\$2,500</b>	<b>\$0</b>	<b>(\$2,500)</b>	<b>(100.0%)</b>	<b>D-76</b>
---	----------------	------------	------------------	-----------------	-------------

This program, which was previously in the Department of Human Services, Division of Addiction Services budget was transferred to the Department of Corrections during FY 2010. It is not recommended for continuation in FY 2019. The appropriation defrayed the county's cost of diverting county inmates to private residential treatment facilities. This appropriation, which was eliminated by the Governor in the FY 2018 budget, was restored by the Legislature during the FY 2018 appropriations process. The county has received only about \$1.1 million from the grant as of May 10, 2018, and has not received the full grant in the any of the five fiscal years

**Significant Changes/New Programs (\$000) (Cont'd)**

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
--------------------	---------------------------------	----------------------------	--------------------------	---------------------------	------------------------

prior to FY 2018, due to its inability to identify enough inmates requiring treatment services to utilize the available funding. It is unclear how many inmates will not receive services in the absence of this grant.

**ALL OTHER FUNDS**

**Institutional Program Support**

	<b>\$0</b>	<b>\$446</b>	<b>\$446</b>	<b>—</b>	<b>D-76</b>
--	------------	--------------	--------------	----------	-------------

This budget line reflects new FY 2019 budget language (page D-77) that appropriates up to \$446,000 from the Workforce Development Partnership (WDP) Fund for the Pre-Release Employment Navigation and Re-Entry Services Program to fund employment-related services and assistance to individuals in State custody.

The WDP program, which is funded through a dedicated assessment on workers and their employers, is a component in the State’s effort to train workers and job seekers and to help individuals move from welfare to work.

**PAROLE**

**GRANTS-IN-AID**

**Re-Entry Substance Abuse Program**

	<b>\$11,389</b>	<b>\$11,695</b>	<b>\$306</b>	<b>2.7%</b>	<b>D-79</b>
--	-----------------	-----------------	--------------	-------------	-------------

The FY 2019 recommendation for the Re-Entry Substance Abuse Program (RESAP) represents the impact on provider costs of the anticipated increase in the minimum wage.

As a step-down from incarceration, RESAP provides supportive residential services to parolees transitioning to the community and requiring substance abuse programming. RESAP also offers a structured alternative to re-incarceration for parolees who have violated the conditions of their parole and experienced a substance abuse relapse.

Budget evaluation data indicate that program will support 1,300 placements in contracted bed spaces in FY 2019, the same number as in FY 2018. The OLS notes that the FY 2018 appropriation amount above is revised upward from the original appropriation of \$7.889 million to reflect estimated FY 2018 costs, as placements have exceeded original estimates by 200.

**Significant Changes/New Programs (\$000) (Cont'd)**

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<b>Mutual Agreement Program (MAP)</b>	<b>\$4,618</b>	<b>\$4,797</b>	<b>\$179</b>	<b>3.9%</b>	<b>D-79</b>

The FY 2019 recommendation for the Mutual Agreement Program (MAP) represents the impact on provider costs of the anticipated increase in the minimum wage.

MAP provides beds in private community based treatment facilities for parolees. It is designed for individuals who are require substance abuse treatment and provides an alternative to incarceration. MAP facilities provide a highly structured therapeutic environment, which introduces intensive therapy for behavioral and psychological problems related to addiction. Therapeutic treatment activities include group and individual counseling; cognitive behavioral intervention; encounter and peer group interaction; family counseling; life skills training; relapse prevention and drug testing, all with the purpose of behavior modification. MAP also offers licensed treatment facilities to provide services for those who require outpatient and intensive outpatient substance abuse counseling.

Budget evaluation data indicate that program will make 3,300 placements in FY 2019, the same number as in FY 2018.

<b>Community Resource Center Program (CRC)</b>	<b>\$12,391</b>	<b>\$10,833</b>	<b>(\$1,558)</b>	<b>(12.6%)</b>	<b>D-79</b>
--	-----------------	-----------------	------------------	----------------	-------------

The FY 2019 recommendation for the Community Resource Program (CRC) results from two factors: the elimination of \$2 million in funding for the Parolee Employment Placement Program, which will be replaced by funds from the Workforce Development Partnership Fund; and an increase of \$442,000 for the impact on provider costs of the anticipated increase in the minimum wage.

Community Resource Centers are non-residential programs that provide a number of services to male and female offenders. In addition, CRC programs also provide "step down" services for offenders transitioning from residential community programs. CRCs are operational seven days per week to provide offenders with the appropriate level of services to aid with their successful community adjustment. CRC Programs provide the following services: life skills development; stress and anger reduction; job readiness skills; employment counseling and placement; academic assistance; money management; family intervention; parenting skills; mental health referrals; and the development of housing resources for offenders.

Budget evaluation data indicate that program will support 1,850 placements in 525 contracted service slots in FY 2019, 50 fewer than the revised FY 2018 number of 1,900. The OLS notes that the FY 2018 appropriation amount above is revised upward from the original appropriation of \$11.381 million to reflect estimated FY 2018 costs, as placements have exceeded original estimates by 150.

**Significant Changes/New Programs (\$000) (Cont'd)**

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<b>Stages to Enhance Parolee Success Program (STEPS)</b>	<b>\$7,484</b>	<b>\$7,949</b>	<b>\$465</b>	<b>6.2%</b>	<b>D-79</b>

The FY 2019 recommendation for the Stages to Enhance Parolee Success (STEPS) Program represents the impact on provider costs of the anticipated increase in the minimum wage.

As a step-down from incarceration, STEPS provides supportive residential services to parolees transitioning to the community. In addition, STEPS offers a structured alternative to re-incarceration for parolees who have violated the conditions of their parole.

FY 2019 budget evaluation data (page D-78) indicates that the program will support 950 placements in 468 contracted bed spaces, up 50 from the revised FY 2018 number of 900. The OLS notes that the FY 2018 appropriation amount above is revised downward from the original appropriation of \$11.994 million to reflect estimated FY 2018 costs, as placements have fallen short of the original estimate by 250.

**CENTRAL PLANNING, DIRECTION AND MANAGEMENT**

**ALL OTHER FUNDS**

<b>Administration and Support Services</b>	<b>\$2,491</b>	<b>\$2,258</b>	<b>(\$233)</b>	<b>(9.4%)</b>	<b>D-81</b>
--	----------------	----------------	----------------	---------------	-------------

The All Other Funds line item consists of funding awarded to the institutions under “The State Facilities Education Act of 1979” (P.L.1979, c.207). Funds for this program are provided through the Department of Education and based on an annual pupil count that is conducted on the last school day prior to October 16th for the following school year. Eligible student offenders are 20 years of age or younger on July 1, enrolled in education programs, and do not yet possess a high school diploma or equivalent. Funds are distributed proportionally based on each facility's pupil count after adjustments are made for central office educational support services, various special services and other contingencies.

## Significant Language Changes

### Wagner Youth Correctional Facility Upholstery Program

Deletion

2018 Handbook: p. B-39  
2019 Budget: p. N/A

~~Receipts from the Upholstery Program at the Albert C. Wagner Youth Correctional Facility, and any unexpended balance at the end of the preceding fiscal year are appropriated for the operation of the program with surplus funds being credited to the institution's Inmate Welfare Fund, subject to the approval of the Director of the Division of Budget and Accounting.~~

#### Explanation

*According to the Office of Management and Budget, the department decided to discontinue the upholstery program and replace with a C-Tech cabling installation training system after a review of the top 50 high demand and high wage occupations. This language is thus no longer required.*

### Pre-Release Employment Navigation and Re-Entry Services Program

Addition

2018 Handbook: p. --  
2019 Budget: p. D-77

Notwithstanding the provisions of any law or regulation to the contrary, in addition to the amounts hereinabove appropriated for Institutional Program Support, an amount not to exceed \$446,000 is appropriated from the Workforce Development Partnership Fund for the Pre-Release Employment Navigation and Re-Entry Services Program for the purpose of funding employment-related services and assistance to individuals in State custody, upon the recommendation of the Commissioner of Corrections and subject to the approval of the Director of the Division of Budget and Accounting.

#### Explanation

*This new language provides funding from the Workforce Development Partnership Fund (WDPF) for the Pre-Release Employment Navigation and Re-Entry Services Program, for employment-related services and assistance to individuals in State custody.*

*The WDPF, which is funded through a dedicated assessment on workers and their employers, is a component in the State's effort to train workers and job seekers and to help individuals move from welfare to work. In addition, the customized training segment of the WDP program provides matching grants to employers to upgrade the skills of their workforce and provides funding to prepare New Jersey's workforce for emerging industries.*

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.  
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

## Significant Language Changes (Cont'd)

### Parolee Employment Services Funding

Deletion

2018 Handbook: p. B-42  
2019 Budget: p. N/A

~~Of the amounts hereinabove appropriated for the Community Resource Center Program (CRC), an amount not to exceed \$3,000,000 may be transferred to the Department of Labor and Workforce Development, Employment and Training Services Program, for parolee employment services from contracted providers, subject to the approval of the Director of the Division of Budget and Accounting.~~

### Explanation

*The deleted language authorized the transfer of up to \$3 million from the Community Resource Center Program appropriation of \$11.381 million (adjusted by the department to \$12.391 million to reflect revised parolee community program placements) to the Department of Labor and Workforce (DOLWD) for parolee employment services from providers contracted by the DOLWD, i.e., employers that agree to provide employment. The FY 2019 Budget reduces the Community Resource Center Program appropriation by \$2 million, which will be replaced by a \$2 million allocation from the Workforce Development Partnership Fund to continue these services (see budget language on Pg. D-240). This language is thus no longer required.*

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.  
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

## Background Paper: Inmate Population

### Summary

New Jersey's adult and young adult State prison population steadily increased through the 1980's and into the 1990's. Commencing with the year 2000, prison population growth abated as inmate populations decreased, providing some relief to the Department of Corrections (DOC). Concurrently, the makeup of the prison population began shifting from primarily violent offenders to primarily non-violent offenders with an increasing number of drug offenders. Growing use of alternatives to incarceration, drug treatment and parole programs reversed this trend and violent offenders are again the major population cohort within the State's prisons. The imposition of mandatory minimum sentences has resulted in an increase in the number of inmates who are 50 years of age or older, which may be the beginning of a trend toward a more elderly prison population.

The FY 2009 closure of Riverfront State Prison has highlighted the State's focus on reducing the State prison population in favor of lower cost alternatives to incarceration and expanded parole programs. The imposition of the drug court program, expanded parole programs and other alternatives to incarceration have contributed to the reduction in the State's prison population and the number of drug offenders sentenced to a custodial term.

The decline in the State sentenced prison population has provided the department with the flexibility to close facilities and to shift inmates among facilities in order to perform facility renovations. During FY 2015, the department began this process by closing Mid-State Correctional facility and transferring all inmates to other institutions within the DOC to allow for the complete renovation of that facility. Upon the completion of the work at Mid-State, the department reopened it as a drug treatment facility in the spring of 2017 with an operational bed space capacity of 696 beds. As of December, 2017, the facility housed 685 inmates. In FY 2018 the department closed 250 bed spaces located at a satellite wing of Bayside State Prison at Ancora State Hospital.

### Introduction

The DOC is responsible for custody, care, discipline, training and treatment of persons committed to State correctional institutions, as well as for those individuals under community supervision or on parole.

The department has under its jurisdiction 13 institutions: one reception center, eight housing adult male offenders, one of which is dedicated to the treatment and rehabilitation of sex offenders, and another designated as a drug treatment facility; one housing adult female offenders; and three housing youthful offenders. Additionally, the department is responsible for housing offenders who have completed their term of incarceration but who have been classified as sexually violent predators, are considered to be a danger to the public and have been involuntarily committed to a separate facility specifically designated for this population. While the Department of Corrections is responsible for housing and providing security for these individuals, they are not considered inmates. The Department of Human Services is responsible for treatment services.

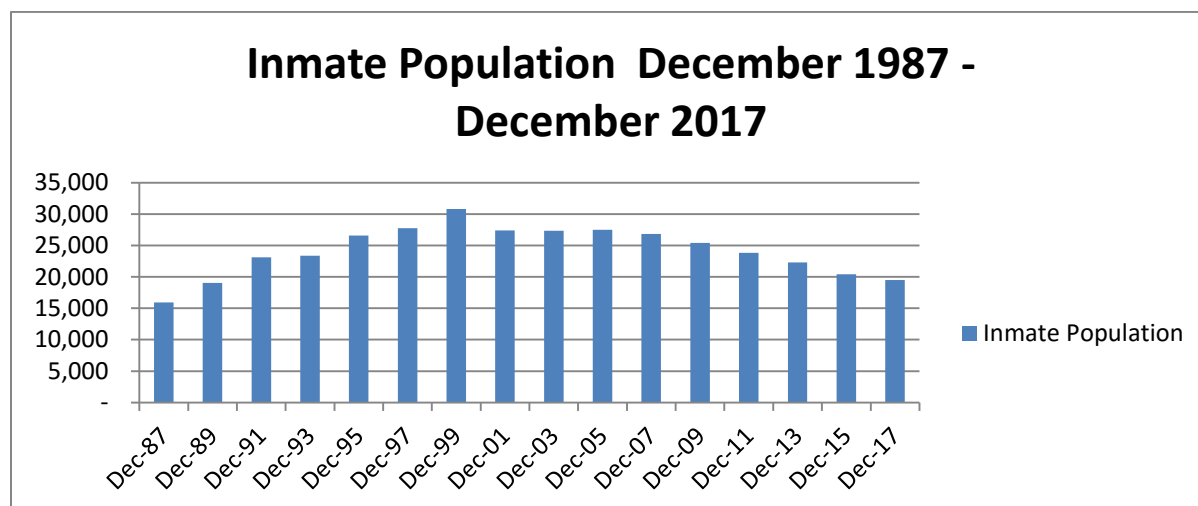
In addition to the State-run institutions, the Department of Corrections houses inmates in county jails and in various alternatives to incarceration. These placements serve two

## Background Paper: Inmate Population (Cont'd)

functions: to prevent overcrowding within the State operated facilities, and to provide various treatment and educational services to State sentenced inmates to help smooth the transition back to society at the end of the inmate's term of incarceration.

### Prison Population Changes

The following chart tracks the number of inmates in the State's custody from the late 1980's through 2017. On December 31, 1987, the Department of Corrections housed 15,945 adult and young adult State sentenced inmates in State and county correctional facilities and in various community based halfway house facilities. By December 31, 1999, the high point in the State prison population, the number of State sentenced inmates nearly doubled, totaling 30,818. On December 31, 2017 the State sentenced prison population totaled 19,488 inmates, 11,330 inmates fewer than the number housed in 1999, a decline of about 22 percent, but still about 15.3 percent more inmates than those housed in 1987.



Source: New Jersey Department of Corrections, "Residents, Admissions and Releases" report, issued monthly by the Division of Policy Analysis and Planning.

The inmate population growth during the 1990's was due primarily to the enactment of various laws that prescribed new and longer sentences for various drug offenses, drug related criminal activity and violent crimes. In addition, minimum mandatory sentences imposed on several offenses required longer prison stays for convicted offenders. Finally, statutes mandating stiffer parole eligibility criteria served to keep offenders incarcerated longer, swelling the State prison population.

The reductions in the State sentenced prison population after 2000 can be attributed to the Division of Parole's expansion of various alternatives to incarceration and its efforts to increase staff to facilitate the reduction of backlog of inmates awaiting parole hearings. The Statewide expansion of the Drug Court program and the Judiciary's Intensive Supervision program have also contributed to the reduction in the State prison population. The enactment of P.L.2012, c.23 which provides for the phased in implementation of mandatory drug court for



## Background Paper: Inmate Population (Cont'd)

drug offenders will likely contribute to further reduction of drug offenders housed in the State correctional facilities and the overall number of inmates in the State prison system.

According to the FY 2019 budget evaluation data, a total of 4,500 offenders have successfully completed the drug court program since 2002. The re-arrest rate in New Jersey for drug court graduates for indictable crimes within three years of graduation is currently 19 percent. The re-conviction rate in New Jersey for drug court graduates within three years of graduation for new indictable crimes is 7.1 percent. This compares to 2011 data provided by the NJ Department of Corrections in conjunction with the State Parole Board and the Juvenile Justice Commission indicating that the overall re-arrest rate for DOC inmates within three years of release totaled 52.7 percent, and the re-conviction rate was 39.8 percent (Release Outcome 2011: A Three-Year Follow-up).

The decline in the State sentenced prison population has provided the department with the flexibility to shift inmates among facilities in order to undertake renovations. During FY 2015, the department began this process by transferring all inmates from Mid-State Correctional Facility to other institutions within the DOC to allow for the complete renovation of that facility. With the renovation complete, the facility has an operational bed-space capacity of 696 beds. As of December, 2017, the facility housed 685 inmates. In FY 2018 the department closed 250 bed spaces located at a satellite wing of Bayside State Prison at Ancora State Hospital.

### Offender Characteristics

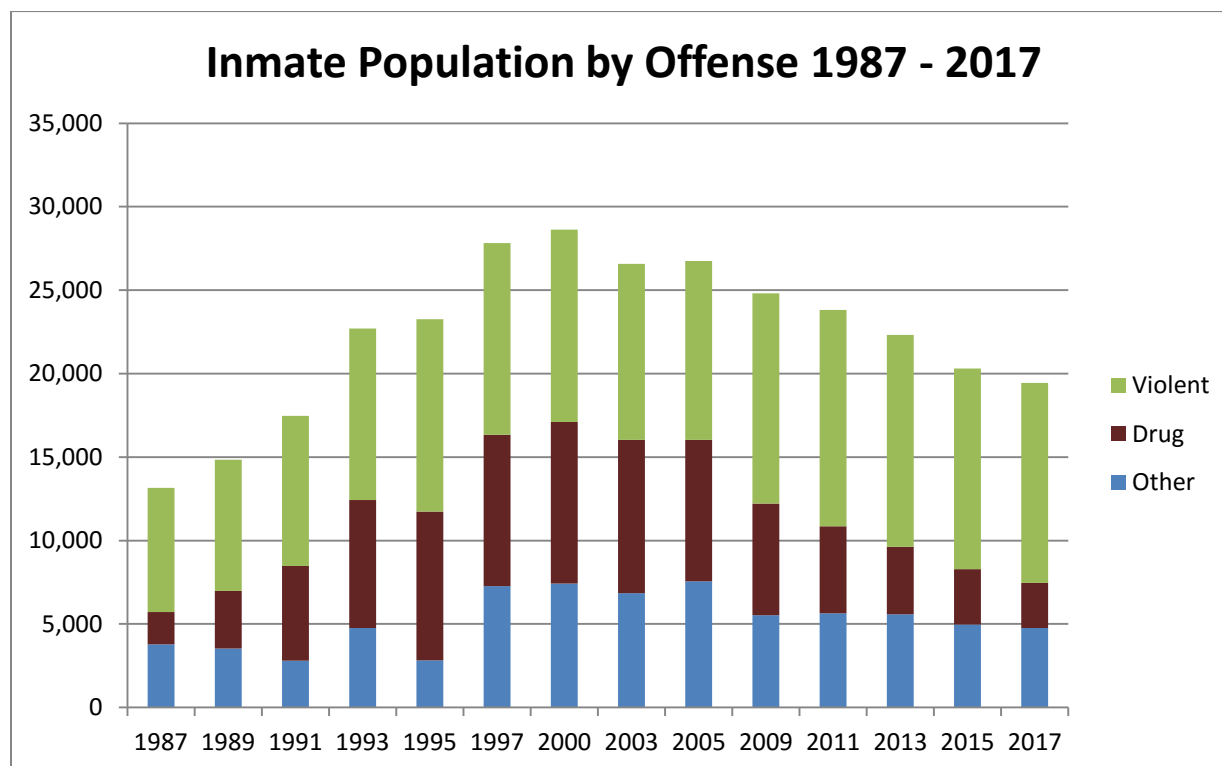
Over time, the makeup of the State sentenced prison population began to show a disproportionate increase in the number of drug offenses over the increase in violent crime. For example on December 31, 1986, a total of 11 percent of the State prison population were drug offenders. Another 61 percent were convicted of violent crimes, while the remaining 28 percent were convicted of all other types of crimes. In January, 1998 drug offenders accounted for 34 percent of the total prison population, the proportion of violent offenders declined to 40 percent, and those convicted of other offenses totaled 26 percent of the inmate population.

After rising significantly from 1986 to 1998, the number of imprisoned drug offenders began declining as a result of the State's use of alternative programs such as drug court, which provides treatment rather than incarceration for non-violent drug offenders. The enactment of P.L.2012, c.23, expanding mandatory drug courts Statewide over five years may have contributed to recent reductions in the drug offender population.

As of December 2017, the number of inmates convicted of violent crimes has risen back to 62 percent of the State sentenced prison population. Another 14 percent of the State prison population consisted of drug offenders and the remaining 24 percent were convicted of all other types of crimes. The number of offenders incarcerated for drug offenses is now only 26 percent of the peak reached in 1998 and is nearly level to the population of drug offenders that pre-dates the criminal code and sentencing revisions that caused the population to surge in the 1990's

The following chart illustrates to makeup of the State sentenced prison population by offense since 1987.

**Background Paper: Inmate Population (Cont'd)**



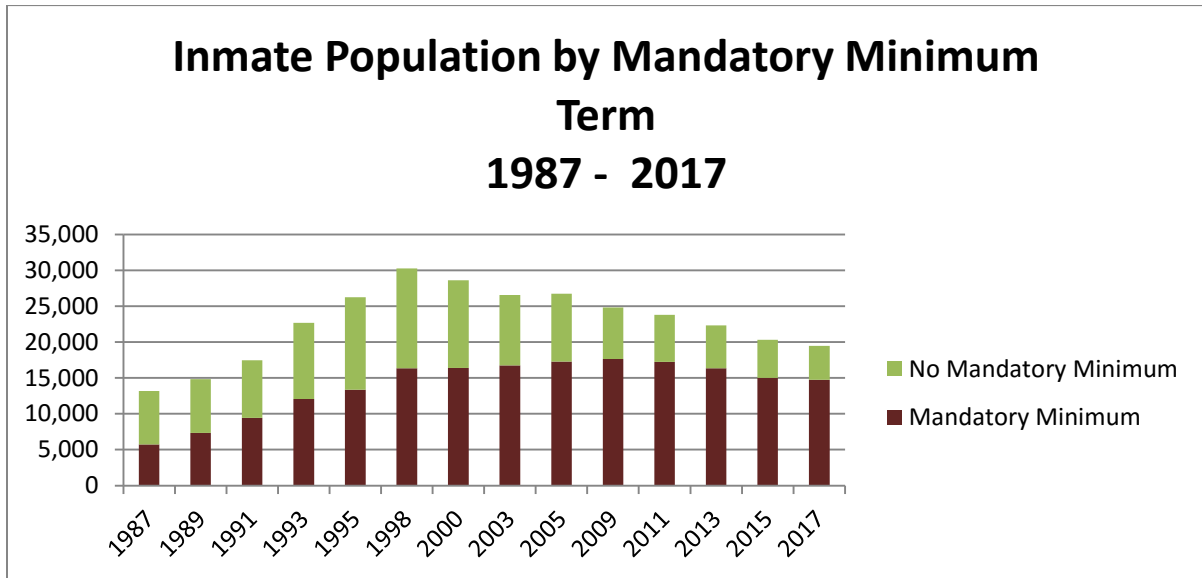
Source: New Jersey Department of Corrections, "Offender Characteristics Report", issued by the Division of Policy Analysis and Planning.

**Mandatory Minimum Sentences**

During the 1980's and into the 1990's, the Legislature's efforts to reduce and punish crime in New Jersey included enacting statutes imposing mandatory minimum sentences on individuals convicted of certain crimes. Under a mandatory minimum term, an inmate must serve a specified minimum amount of time in prison before becoming eligible for parole. Prior to the enactment of these laws, convicted offenders generally served from one-third to one-half of the sentence imposed due to time and work credits earned while incarcerated and the parole process.

The following chart illustrates that since 1987, the number of inmates serving mandatory minimum terms generally grew at a greater pace than the total number of inmates in the correctional population. Since 1998 the number serving non-mandatory minimum sentences has declined steeply. In 1987, about 43 percent of the State's total adult population was serving mandatory minimum terms. By 2017 this proportion totaled 76 percent of the inmate population. One factor contributing to the increasing percentage of inmates serving mandatory minimum terms is the State's focus on making alternative to incarceration programs available to those offenders convicted of offenses not requiring mandatory sentencing, thus decreasing this portion of the population.

**Background Paper: Inmate Population (Cont'd)**



Source: New Jersey Department of Corrections, "Offender Characteristics Report", issued by the Division of Policy Analysis and Planning.

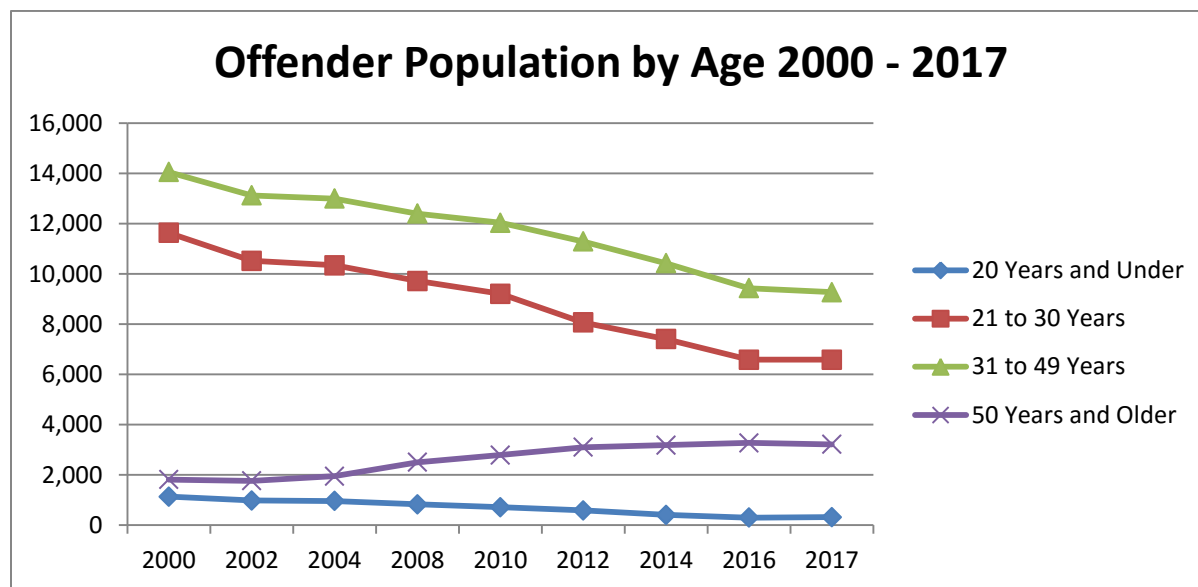
**Aging Prison Population**

While the size of the State’s prison population declined since the 1999 peak, mandatory minimum sentences have contributed to demographic shifts within this population. Absent parole opportunities for offenders serving mandatory minimum sentences, their longer prison stays have resulted in an increase in the number of inmates who are more than 50 years of age.

According to the New Jersey Department of Corrections’ Offender Characteristics Reports, on December 31, 1992 the number of offenders aged between 21 to 30 years old, the largest sector of the prison population at that time, totaled 10,431 inmates, or 49.1 percent of the prison population. Inmates aged 50 years and over totaled only 894, or 4.2 percent of the population. By December 2017, demographics shifted such that the largest population group included inmates ranging in age from 31 to 49 years of age, totaling 9,270 individuals, or 47.8 percent of the State prison population. The number of 21 to 30 year old offenders totaled 6,583 or 34 percent of the prison population and the number of offenders age 50+ totaled 3,216 inmates or 16.6 percent of the prison population. Inmates aged less than 20 years old totaled 319, or 1.6 percent of the State prison population.

The following chart illustrates the trend toward an older prison population. Within an overall population decline, the number and proportion of inmates aged 31 through 49 has become the largest age cohort. The offender population 50 years of age and older is the only of these four age cohorts to have increased in the past decade.

**Background Paper: Inmate Population (Cont'd)**



Source: New Jersey Department of Corrections, "Offender Characteristics Report", issued by the Division of Policy Analysis and Planning.

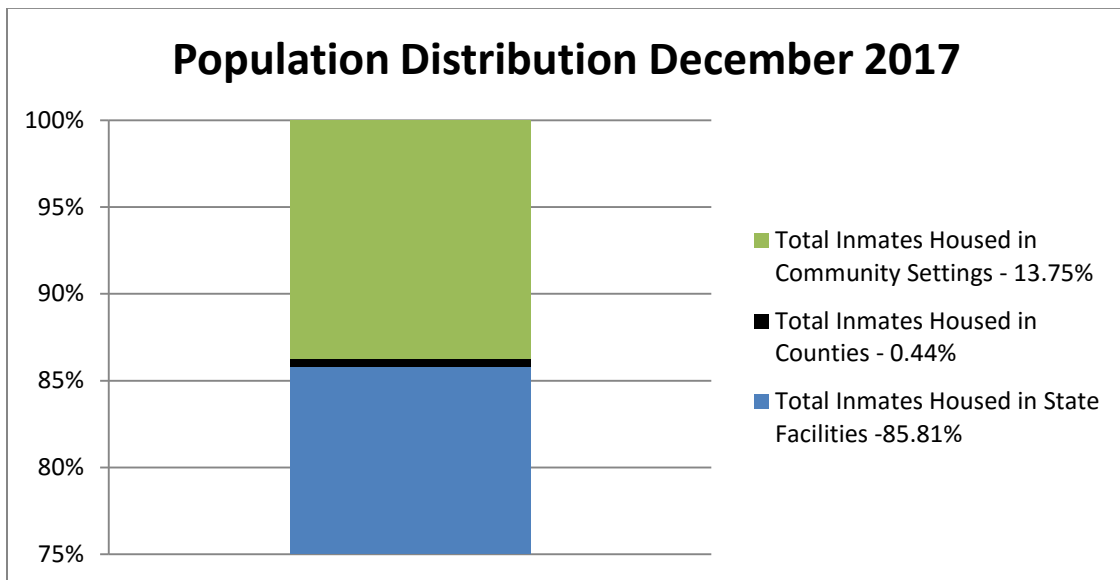
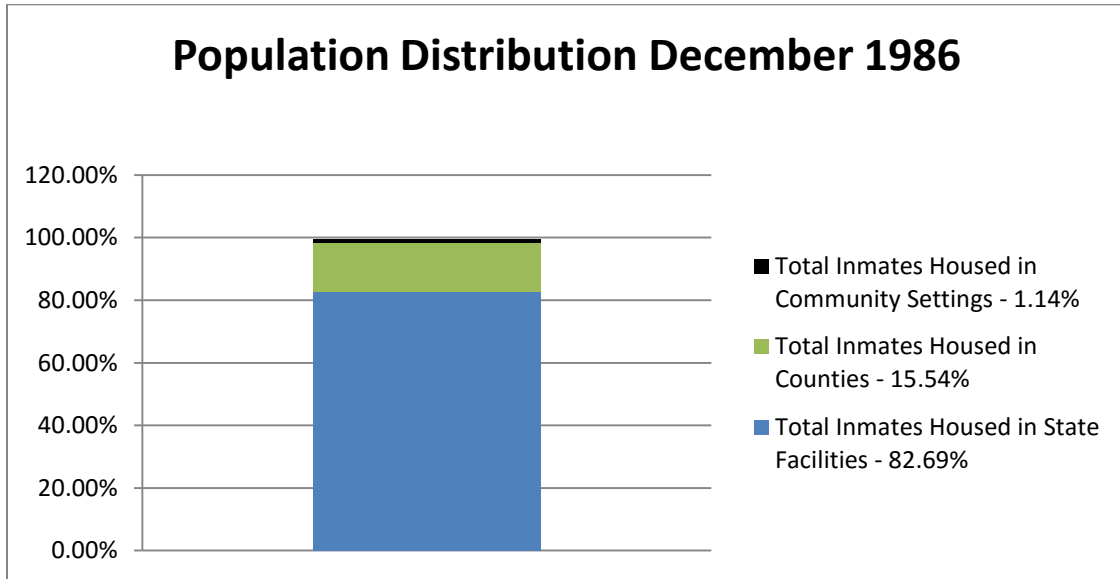
**Alternative Housing Options**

As the DOC's prison population grew during the 1980's and 1990's, the department faced the task of acquiring secure housing to meet its mandate to house the State's convicted offenders. In response, the DOC enlisted county jails and expanded its use of community based halfway houses and treatment facilities and various alternatives to incarceration. More recently, continuing trends show the department is placing more reliance on halfway house alternatives than on county facilities as a housing option. County jails remain one facet of the department's overall housing strategy but have become significantly less important.

In December 1986, while the Department of Corrections had a total of 14,346 inmates, of which, 11,937, or 83 percent, were housed in State facilities. Of the remaining number, 2,244 (16 percent) were housed in county facilities and 165 (1 percent) were housed in community settings (which includes both community based treatment centers and alternatives to incarceration). In December 2017, the number of State sentenced inmates totaled 19,488. The number housed in State facilities totaled 16,723 inmates, comprising 85.8 percent of the prison population. The number of county placements dwindled to 86 (0.44 percent), and the number of community placements totaled 2,679 (13.75 percent). The increasing use of community placements reflects the State's attempt during the past several years to reduce the number of inmates housed in the counties as well as an effort to expand the use of alternatives to incarceration. In FY 2019, the State projects that the number of inmates housed in county jails will total 175, while community placements are estimated to total 2,642. Still, the vast majority of inmates will reside in State facilities (16,666), the most expensive form of confinement.

### Background Paper: Inmate Population (Cont'd)

The following charts illustrate the shift in the use of county facilities and the department's increasing reliance on community based alternatives to incarceration.



Source: New Jersey Department of Corrections, "Residents, Admissions and Releases" report, issued monthly by the Division of Policy Analysis and Planning.

# OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services provides nonpartisan assistance to the State Legislature in the areas of legal, fiscal, research, bill drafting, committee staffing and administrative services. It operates under the jurisdiction of the Legislative Services Commission, a bipartisan body consisting of eight members of each House. The Executive Director supervises and directs the Office of Legislative Services.

The Legislative Budget and Finance Officer is the chief fiscal officer for the Legislature. The Legislative Budget and Finance Officer collects and presents fiscal information for the Legislature; serves as Secretary to the Joint Budget Oversight Committee; attends upon the Appropriations Committees during review of the Governor's Budget recommendations; reports on such matters as the committees or Legislature may direct; administers the fiscal note process and has statutory responsibilities for the review of appropriations transfers and other State fiscal transactions.

The Office of Legislative Services Central Staff provides a variety of legal, fiscal, research and administrative services to individual legislators, legislative officers, legislative committees and commissions, and partisan staff. The central staff is organized under the Central Management Unit into ten subject area sections. Each section, under a section chief, includes legal, fiscal, and research staff for the standing reference committees of the Legislature and, upon request, to special commissions created by the Legislature. The central staff assists the Legislative Budget and Finance Officer in providing services to the Appropriations Committees during the budget review process.

Individuals wishing information and committee schedules on the FY 2019 budget are encouraged to contact:

**Legislative Budget and Finance Office  
State House Annex  
Room 140 PO Box 068  
Trenton, NJ 08625  
(609) 847-3105 • Fax (609) 777-2442**