

Best Practices in Corrections Inmate Cost Management and Fiscal Planning

A Report to the Mississippi Legislature
Report #692
October 4, 2023



PEER Committee

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About PEER:

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker of the House and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms, with one Senator and one Representative appointed from each of the U.S. Congressional Districts and three at-large members appointed from each house. Committee officers are elected by the membership, with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

Mississippi's constitution gives the Legislature broad power to conduct examinations and investigations. PEER is authorized by law to review any public entity, including contractors supported in whole or in part by public funds, and to address any issues that may require legislative action. PEER has statutory access to all state and local records and has subpoena power to compel testimony or the production of documents.

PEER provides a variety of services to the Legislature, including program evaluations, economy and efficiency reviews, financial audits, limited scope evaluations, fiscal notes, and other governmental research and assistance. The Committee identifies inefficiency or ineffectiveness or a failure to accomplish legislative objectives, and makes recommendations for redefinition, redirection, redistribution and/or restructuring of Mississippi government. As directed by and subject to the prior approval of the PEER Committee, the Committee's professional staff executes audit and evaluation projects obtaining information and developing options for consideration by the Committee. The PEER Committee releases reports to the Legislature, Governor, Lieutenant Governor, the agency examined, and the general public.

The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.



Joint Legislative Committee on Performance Evaluation and Expenditure Review

PEER Committee

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October 4, 2023

Honorable Tate Reeves, Governor

Honorable Delbert Hosemann, Lieutenant Governor

Honorable Philip Gunn, Speaker of the House

Members of the Mississippi State Legislature

On October 4, 2023, the PEER Committee authorized release of the report titled ***Best Practices in Corrections Inmate Cost Management and Fiscal Planning***.

Senators

Charles Younger
Vice Chair

Sollie Norwood
Secretary

Kevin Blackwell

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Representative Jerry Turner, Chair

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This report does not recommend increased funding or additional staff.

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CONCLUSION: PEER evaluated the Mississippi Department of Corrections's (MDOC) budgeting process and identified corrections inmate cost management and fiscal planning best practices. MDOC's lack of foundational models, documentation, transparency, and continuity of knowledge represent a failure to adhere to best practices. Adherence to fiscal planning best practices and use of an updated inmate population growth model would improve the Department's ability to develop and implement its annual budget.



BACKGROUND

The PEER Committee, under its authority granted by MISS. CODE ANN. § 5-3-51 (1972) et seq., authorized a review of best practices in inmate cost management and fiscal planning. This review is based on legislators' concerns regarding budgeting in the Mississippi Department of Corrections (MDOC).

PEER limited its review of MDOC's inmate management and fiscal planning to the overall policies, SOPs, and processes. PEER did not audit financial reports or financial information or perform any statistical review of MDOC's actual implementation of cost-per-day or population growth models on a facility level.

MDOC's budget request cycle reveals a consistent use of additional appropriations requests. PEER compiled the previous six years of budget request information to clarify trends within MDOC's broad budgetary practices as related to the Department's inmate cost management and fiscal planning processes, all of which contribute to the reliance on additional appropriations.

MDOC's largest additional appropriation request occurred in FY 2023, totaling \$28,336,356 all related to medical services contracts.



KEY FINDINGS

- **From FY 2018 to FY 2023, MDOC requested an additional appropriation in all years except for FY 2022, with an average additional appropriation request of \$15,389,360.**
From FYs 2018 to 2023, MDOC's average requested budget was \$379,060,017, with 2019 having the lowest request at \$355,426,382 and 2021 having the highest at \$419,110,853. In all years examined, the Legislature issued MDOC a legislative appropriation less than the agency's requested amount, with an average difference of \$28,125,393.17, representing a 7% difference between the average requested amount and the average legislative appropriation.
- **In all years examined except FY 2022, MDOC requested an additional appropriation to address contractual services in one, some, or all of the following categories: medical services contracts, private prison contracts, regional facility contracts, and local facility contracts.**
In no year did the original appropriations and additional appropriations total an amount equal to MDOC's original request.
- **MDOC's actual expenditures fall well below the total appropriated amount, with the largest difference of \$6,682,568.**
In 2018, MDOC had a remaining fund balance of \$6,682,568. This was the largest remaining fund balance of all years examined. The lowest remaining fund balance was in FY 2019, with a remaining balance of \$3,150,770.
- **Out of the State General Fund, the Legislature provided MDOC a total of \$405,228,240 for support and maintenance. Out of the special funds, MDOC was provided a total of \$28,516,738 for defraying expenses.**
Of the total amount in general funding (\$405,728,240) provided by the Legislature to MDOC, approximately 60% (\$243,160,080) was utilized for support and maintenance to operate its state, county/regional, and private correctional facilities. Of the total amount in special funding (\$28,516,738), \$5,532,593 was utilized for defraying the expenses for only three of MDOC's facilities (i.e., South, Central, and Parchman).
- **MDOC's fiscal planning process lacks transparency, foundational models, and inter-departmental continuity.**
This contributes to a lack of clarity within MDOC's budgetary decisions and fiscal planning and MDOC's reliance on additional appropriation requests.

Corrections Inmate Cost Management Best Practices

PEER gathered applicable best practices from various professional organizations.

1. Ensure efficacy and effectiveness of programs.
2. Ensure consistent program implementation.
3. Focus programs on reducing recidivism where possible.
4. Ensure proper management and examination of all policies and procedures.
5. Ensure good fiscal control at all levels.

Fiscal Planning Best Practices

PEER gathered fiscal planning best practices.

1. Ensure that the financial process is transparent, auditable, and repeatable.
2. Institutionalize good financial management policies.
3. Have a clear, detailed mission for all financial planning.
4. Focus on long-term strategic planning.
5. Maintain detailed budget practice documents.
6. Maintain a consistent process of internal assessment.

MDOC Policies and Standard Operating Procedures

Of the 392 policies adopted by MDOC, 158 or 43.30%, have an effective date prior to August 2013. 113 of the 240 standard operating practices (SOPs) MDOC adopted, 47.08%, have an effective date prior to August 2013. MDOC's lack of updates to its policies and SOPs represents a failure to perform annual examinations recommended in best practices. It is also recommended that the Department make all policies available online in order to increase transparency and consistent operations.

According to correspondence with MDOC staff, the Department is currently undergoing a project to update and ensure the efficacy of all policies and SOPs.

MDOC Inmate Management Processes

In accordance with MDOC's SOPs for admission of offenders remanded to custody, the admission process is designed to maintain an efficient and effective method to receive offenders. Inmates transferred from other institutions within the correctional system receive an orientation to the new institution. Except in unusual circumstances, orientation for inmates transferred from another institution within the system is completed within seven calendar days after admission. In accordance with MDOC's policies for inmate transfers, the aim is to maximize resources by effectively managing the transfer of inmates between prisons safely, humanely, and securely, while minimizing risk to inmates, staff, and the general public.



RECOMMENDATIONS

1. Because MDOC's fiscal planning processes lack transparency and documentation, the Department should create documentation related to the details of the fiscal planning process.
 - a. Produce detailed internal processes guides that will aid employees in ensuring fiscal planning processes are completed in an auditable, transparent manner.
2. Both because the current population model is no longer applicable and because the ten-year time period is at an end, MDOC should develop a new population growth model and monthly review report process into the process in order to ensure continued applicability.
 - a. MDOC should also consider basing the review and application of this model off of the Arkansas Department of Correction's proven model and review process.
3. MDOC should continue its plan to review all current policies and SOPs.
4. In order to increase transparency and accountability within the standards of best practices, MDOC should continue its plan to post all unrestricted policies online on the Department's website once they are updated and confirmed.

Best Practices for Inmate Cost Management and Corrections Fiscal Planning

Introduction

Authority

The PEER Committee, under its authority granted by MISS. CODE ANN. § 5-3-51 (1972) et seq., authorized a review of best practices in inmate cost management and fiscal planning. This review is based on legislators' concerns regarding budgeting in the Mississippi Department of Corrections (MDOC).

Scope and Purpose

In conducting this review, PEER sought to answer the following questions:

- What are the current best practices for inmate cost management and fiscal planning?
- What is MDOC's current fiscal planning process?
- What is MDOC's method for inmate cost management projections?
- What is the status of MDOC's current policies and standard operating procedures (SOPs)?

Method

To conduct this analysis, PEER:

- interviewed MDOC staff and financial contractors;
- researched documentation provided by the American Correctional Association, the Government Finance Officers Association, and state correctional agencies to determine best practices;
- conducted surveys of 12 other states, including Alabama, Arkansas, California, Connecticut, Florida, Georgia, Louisiana, Minnesota, New York, South Carolina, Tennessee, Texas, regarding best practices and operations; and,
- examined the previous six years of MDOC's appropriations, additional appropriations, and expenses in order to identify significant patterns within the budgeting process.

Scope Limitation

PEER limited its review of MDOC's inmate management and fiscal planning to the overall policies, SOPs, and processes. PEER did not audit financial reports or financial information or perform any statistical review of MDOC's actual implementation of cost-per-day or population growth models on a facility level.

Background: MDOC's Annual Budget Request Cycle

This chapter sought to address the following topics:

- trends within MDOC's annual budget request cycle;
- trends within additional appropriation requests; and,
- the relationship between MDOC's appropriations and expenditures.

Trends within MDOC's Budget Request Cycle

From FY 2018 to FY 2023, MDOC requested an additional appropriation in all years except for FY 2022, with an average additional appropriation request of \$15,389,360.

Mississippi's annual budget request cycle begins in June, when agencies are required to begin entering their next fiscal year budget request utilizing the Legislative Budget Office's (LBO) Online Budget Request System (OBRS), and ends the following May, when the LBO Session Summaries and the Joint Legislative Budget Committee's (JLBC) Appropriation Bulletins are published. Throughout this process, state agencies are expected to maintain rigorous financial documents in order to provide LBO and the JLBC with accurate and complete information. MDOC's budget request cycle reveals a consistent use of additional appropriations requests. PEER compiled the previous six years of budget request information in order to clarify trends within MDOC's broad budgetary practices as related to the Department's inmate cost management and fiscal planning processes, all of which contribute to the reliance on additional appropriations.

From FY 2018 to FY 2023, MDOC's average requested budget was \$379,060,017, with 2019 having the lowest request at \$355,426,382 and 2021 having the highest at \$419,110,853. In all years examined, the Legislature issued MDOC a legislative appropriation less than the agency's requested amount, with an average difference of \$28,125,393.17, representing a 7% difference between the average requested amount and the average legislative appropriation. See Exhibit 1 on page 3 for all requested funds and appropriations. In MDOC's budget requests submitted to LBO, the highest budgetary category is contractual services, accounting for the largest percentage of funds in all years. These contractual services include the four main cost drivers of MDOC budgeting: medical services contracts, private prison contracts, regional facilities contracts, and local facility contracts.

Exhibit 1: Requested Funds and General Appropriations, FY 2018 through FY 2023

YEAR	REQUESTED FUNDS	GENERAL APPROPRIATIONS
2018	\$356,415,089	\$332,125,588
2019	\$355,426,382	\$339,028,080
2020	\$365,278,941	\$338,384,557
2021	\$419,110,853	\$355,670,924
2022	\$367,776,348	\$351,186,177
2023	\$410,352,489	\$389,214,426

SOURCE: MDOC Budget Requests, 2017 through 2022.

Trends within Additional Appropriation Requests

In all years examined except FY 2022, MDOC requested an additional appropriation to address contractual services in one, some, or all of the following categories: medical services contracts, private prison contracts, regional facility contracts, and local facility contracts.

MDOC’s largest additional appropriation request occurred in FY 2023, totaling \$28,336,356 all related to medical services contracts.

In all years except for FY 2022, MDOC requested an additional appropriation to address shortfalls within contractual services.¹ In no year did the original appropriations and additional appropriations total an amount equal to MDOC’s original request. MDOC received a \$21,670,702 additional appropriation in 2021 and a \$28,336,356 additional appropriation in 2023. These

two years represent the two largest additional appropriations issued within the six years examined. Of the four core cost drivers, medical contracts is the only one which appears in all five of the examined additional appropriations requests. A total amount of \$47,516,293 was requested in additional medical requests, \$23,856,997 of which was requested in 2023. See Exhibit 2 on page 4 for all additional appropriations requests.

¹“Additional appropriation” references any appropriation issued to MDOC by the Legislature outside of the Department’s original appropriated amount. All of MDOC’s examined additional appropriations represent the creation of a deficit, which is defined as an instance where operations have created more obligations than the agency has remaining funds.

Exhibit 2: Additional Appropriations, FY 2018 to FY 2023

YEAR	ADDITIONAL APPROPRIATION REQUEST
2018	\$3,555,592-Medical Contracts \$3,555,593-Private Prisons Total: \$7,111,185
2019	\$7,629,362-Medical Contracts Total: \$7,629,362
2020	\$4,239,367-Medical Contracts \$7,957,795-Private Prisons Total: \$12,199,196
2021	\$8,225,975-Medical Contracts \$5,507,734-Private Prisons \$5,310,823-Regional Facilities \$2,626,170-Local Support Total: \$21,670,702
2022	None Requested
2023	\$23,865,997-Medical Contracts \$2,873,765-Private Prisons \$1,596,594-Regional Facilities Total: \$28,336,356

SOURCE: Legislative Budget Bulletins, 2018 through 2023.

Relationship between MDOC’s Appropriations and Expenditures

MDOC’s actual expenditures fall well below the total appropriated amount, with the largest difference of \$6,682,568.

For FY 2018 through FY 2021, PEER examined the actual reported expenditures of MDOC in comparison with requested and total appropriated amounts.² In 2018, MDOC had a remaining fund balance of \$6,682,568. This was the largest remaining fund balance of all years examined. The lowest remaining fund balance was in FY 2019, with a remaining balance of \$3,150,770. It is not explained within budget requests or other analyzed documents whether or not these remaining balances are related to additional appropriations payments or primary budgeted amounts. See Exhibit 3 on page 5 for data regarding additional appropriations, actual expenditures, and remaining fund balances.

² Total actual expenses are not available for FY 2022 and FY 2023 at the time of writing but are not examined due to the likelihood of significant lapse period changes, which are budgetary expenditures that occur during the transitional period between fiscal years. Expenditures are also not considered complete and accurate until two fiscal years have passed.

Exhibit 3: Remaining Funds, FY 2018 to FY 2021

YEAR	APPROPRIATED FUNDS	ADDITIONAL FUNDS	TOTAL	ACTUAL EXPENDITURE	REMAINING FUNDS
2018	\$332,125,588	\$3,555,592-Medical Contracts \$3,555,593-Private Prisons Total Deficit: \$7,111,185	\$339,236,773	\$332,554,205	\$6,682,568
2019	\$339,028,080	\$7,629,362-Medical Contracts	\$346,657,442	\$343,506,672	\$3,150,770
2020	\$338,384,557	\$4,239,367-Medical Contracts \$7,957,795-Private Prisons Total Deficit: \$12,197,162	\$350,581,719	\$347,322,023	\$3,259,696
2021	\$355,670,924	\$8,225,975-Medical Contracts \$5,507,734-Private Prisons \$5,310,823-Regional Facilities \$2,626,170-Local Support Total Deficit: \$16,359,879	\$372,030,803	\$365,434,943	\$6,595,860

SOURCE: Legislative Budget Bulletins, 2018 through 2023; MDOC Budget Requests, 2017 through 2022; MDOC MAGIC Expenditure Report.

Best Practices

This chapter sought to address the following:

- the best practices for corrections inmate cost management and fiscal planning.

Best Practices for Corrections Inmate Cost Management and Fiscal Planning

A combination of corrections industry and governmental budgeting best practices provides a broad system of guidelines to aid in MDOC's inmate cost management and fiscal planning.

Based on the trends expressed within MDOC's annual budget request cycles, PEER sought to compile a list of applicable and relevant best practices related to mechanisms of inmate cost management and fiscal planning management. These best practices address a number of possible concerns related to MDOC's internal processes. Where applicable, best practices adherences and deviations are noted throughout the report.

Corrections Inmate Cost Management Best Practices

PEER gathered applicable best practices from various professional organizations. The American Correctional Association (ACA) and the Correctional Institute of Texas served as the two central sources for corrections industry best practices.³ Supplementary information was gathered from internal sources produced by both the Arkansas Division of Corrections and the Connecticut Department of Corrections.⁴

The following is a list of best practices related to inmate cost management:

1. Ensure efficacy and effectiveness of programs:
 - Ensure all programs are useful and effective and attempt, where possible, to streamline programs. Non-effective programs waste funds and time.
2. Ensure consistent program implementation:
 - Through adherence to competency, organization, and leadership drivers, create performance assessments that lead to consistent and improved program outcomes.

³ ACA is the nationwide corrections institution accreditation entity. The ACA maintains standards that state correctional agencies must meet in order to receive ACA accreditation. The Correctional Institute of Texas is Texas's statewide corrections research entity, who performs consistent auditing of not only the Texas Corrections landscape but also national trends.

⁴ Arkansas's population projection model is utilized as an example due to its high accuracy, and Connecticut's policy transparency process is utilized due to its policy of maintaining digital public access on its main agency website.

- Competency: Programs are carried out in a consistent manner.
 - Organization: Programs and related processes are well organized and easily comprehensible.
 - Leadership: Programs are led with clear objectives towards implementation.
3. Focus programs on reducing recidivism where possible:⁵
 - Reducing recidivism through effective programs reduces overall prison and jail populations, reducing long-term costs.
 - Model all programs on the Risk-Need-Responsivity model to ensure applicability and a reduced waste of resources.
 - Risk: Program matched offender with treatment that addresses level of reoffending risk (e.g., high, low).
 - Need: Program addresses crime-related needs of offender.
 - Responsivity: Program matches the skills and learning abilities of offender.
 4. Ensure proper management and examination of all policies and procedures.
 - Policies and procedures for general operation should be available to the public.
 - Policies and procedures should be evaluated annually to ensure consistent and effective operations.
 5. Ensure good fiscal control at all levels.
 - Implement clear, detailed budget plans.
 - Provide for a system of accessible, regular review.
 - Provide for a regular auditing process.

Fiscal Planning Best Practices

PEER gathered fiscal planning best practices from the Government Finance Officer Association and the National Advisory Council on State and Local Budgeting.

The following is a list of best practices related to fiscal planning:

1. Ensure that the financial process is transparent, auditable, and repeatable.
 - All parts of the financial planning process should be easily auditable and repeatable in order to ensure accuracy of the budget and continued efficacy.
 - Documentation should be easily accessible for both internal and external audits.
2. Institutionalize good financial management policies.
 - Adopt and integrate detailed financial policies to ensure continuity of operations throughout staff and administration changes.

⁵ Recidivism reduction refers to programs and policies within corrections management meant to reduce the likelihood of a prisoner reoffending following release.

- Policies should be regularly maintained and kept in good standing.
- 3. Have a clear, detailed mission for all financial planning.
 - Clear intent ensures equitable implementations of policy.
- 4. Focus on long-term strategic planning.
 - Financial policies should all, where possible and applicable, aid the long-term planning and projections of budgetary processes.
 - Long-term perspective is considered paramount for good, accurate budgeting practices.
- 5. Maintain detailed budget practice documents.
 - These should describe all aspects of the budget process in concise manners.
 - Documents should be kept together, with multiple copies in multiple locations to ensure ease of access for all relevant employees.
- 6. Maintain a consistent process of internal assessment:
 - Assessments should examine fiscal processes in order to identify issues and quickly resolve them in order to prevent cycles of negative fiscal outcomes.

Status of MDOC's Current Policies and SOPs

This chapter sought to address the following:

- differences between policies and SOPs; and,
- current status of policies and SOPs.

Differences between Policies and SOPs

Policies dictate the established method of operations, and SOPs are designed to govern internal implementation of policies.

MDOC has produced and operates on 392 different policies and an accompanying 240 SOPs that direct the specific action to accomplish those policies. These policies and SOPs are derived from recommendations from the ACA, corrections best practices, and the experiences and expertise of MDOC.

Contained within MDOC's policies are procedures and actionable steps that MDOC should take in the day-to-day operations of the agency. These operations range from how MDOC is to formulate budgets and administer office activities to how and what services are to be provided to offenders while in the custody of MDOC.

Key Terms:

- **Policies:** Principles that establish the method of operation for MDOC as required by law, ACA practices, and acceptable professional correctional practices.
- **SOPs:** "Standard Operating Procedures" are specific plans of action designed to implement established policies.

Current Status of Policies and SOPs

43.30% of all policies and 47.08% of all SOPs utilized by MDOC have not been updated in 10 years.

Of the 392 policies adopted by MDOC, 158 or 43.30%, have an effective date prior to August 2013. Of the 240 SOPs MDOC adopted, 113 or 47.08%, have an effective date prior to August 2013.⁶

Best practices recommend that the department make all policies available online in order to increase transparency and consistent operations.

MDOC's lack of updates to its policies and SOPs represents a failure to perform annual examinations recommended in best practices. It is also recommended that the Department make all policies available online in order to increase

⁶ The effective date of policies and SOPs does not represent a total lack of examination from MDOC, but it does represent the year of origin for these policies and procedures.

transparency and consistent operations. None of MDOC's internal policies are available to the public on the Department's website. However, some policies are available through the Secretary of State's website.

Apart from representing a deviation from corrections best practices, failing to regularly update agency operational procedure guidelines limits the ability of MDOC to incorporate new methods and processes that have been shown to produce positive results in other correctional systems. Policies must be updated regularly in order to stay current with accepted (both by industry practice and statutory/legal developments) standard practices of offender treatment and facility operations.

MDOC's Efforts to Update Policies

According to correspondence with MDOC staff, the Department is currently undergoing a project to update and ensure the efficacy of all policies and SOPs. MDOC staff states that the Department is "actively in the process of completing a review of all policies and procedures" to ensure that all policies and SOPs meet industry and national standards. The Department also notes intentions to post all policies online as they are updated.

MDOC's Inmate Management Processes

This chapter sought to address the following:

- the processes for facility fund allocation;
- current outstanding debts to private facilities;
- the inmate admission process;
- the inmate transfer process;
- private facilities contracts; and,
- the population growth projection process.

Process for Facility Fund Allocation

Of the total amount in general funding (\$405,228,240) provided by the Legislature to MDOC in FY 2023, approximately 60% (\$243,160,080) was utilized for support and maintenance to operate its state, county/regional, and private correctional facilities.

2023 Allocations by Facility

The Mississippi Legislature enacted Senate Bill 3011, 2023 Regular Session, which made an appropriation for provisions of MDOC for fiscal year 2024. Out of the State General Fund, the Legislature provided MDOC a total of \$405,228,240 for support and maintenance. Out of the special funds, MDOC was provided a total of \$28,516,738 for defraying expenses. In this S.B. 3011, the Legislature authorized MDOC to manage, budget, and allocate funds accordingly and gave the Commissioner of MDOC the authority to:

- transfer spending authority between and within budgets, both positions and funds, in an amount not to exceed twenty-five percent (25%) of the full authorized budget;
- transfer cash from one budgeted account to another under the control of MDOC. The purpose of this authority is to use available cash reserves more efficiently; and,
- amend, extend, and/or renew the term of any lease agreement or any inmate housing agreement in connection with a correctional facility.

Of the total amount in general funding (\$405,728,240) provided by the Legislature to MDOC, approximately 60% (\$243,160,080) was utilized for support and maintenance to operate its state, county/regional, and private correctional facilities. Of the total amount in special funding (\$28,516,738), \$5,532,593 was utilized for defraying the expenses for only three of MDOC's facilities (i.e., South, Central, and Parchman).

Exhibit 4 on page 12 presents MDOC's allocation of funding by correctional facility and facility type from FY 2023 through FY 2024. Of the total amount in special funding (\$28,516,738), 19%

(5,532,593) was utilized for defraying the expenses for only three of MDOC's facilities. Further, Exhibit 4 shows the total dollar amount (\$248,692,673) allocated in general and special funding to MDOC for its correctional facilities for FY 2024.

Exhibit 4: Allocation of Funding by Correctional Facility and Facility Type from FY 2023 to FY 2024

Facility	Facility Type	State General Fund (\$)	Special Fund (\$)	Total (\$)
Delta	State-operated	5,815,337	0	5,815,337
Walnut Grove	State-operated	11,296,316	0	11,296,316
Marshall County	State-operated	11,536,415	0	11,536,415
South Mississippi	State-operated	26,089,379	1,491,612.00	27,580,991
Central Mississippi	State-operated	34,362,342	1,571,321.00	35,933,663
Parchman	State-operated	38,441,885	2,469,660.00	40,911,545
County/Regional	County-operated	48,234,109	0	48,234,109
Private	Privately-operated	67,384,297	0	67,384,297
Total		243,160,080	5,532,593	248,692,673

NOTE: County/Regional and Private categories include all facilities under that designation.

SOURCE: Mississippi State Legislature. Senate Bill 3011, Regular Session 2023.

Current Outstanding Debts to Private Facilities

On July 29, 2016, MDOC entered into its fourth lease purchase agreement through the issuance of the Series 2016 Bonds for a total principal amount of \$107,255,000 in connection with its East Mississippi and Walnut Grove correctional facilities.

On July 29, 2016, MDOC entered into its fourth lease purchase agreement through the issuance of the Series 2016 Bonds for a total principal amount of \$107,255,000 in connection with its East Mississippi Correctional Facility (EMCF) and Walnut Grove Correctional Facility. It is important to note that MDOC closed Walnut Grove, which was privately operated, in September 2016, and reopened it in November 2021 as a state-operated facility. The closure of the Walnut Grove facility did not terminate the lease or the obligation of MDOC to make loan payments under the lease. MDOC utilized funds under the Series 2016 Bonds to refund a portion of the outstanding amount of \$93,580,000 in connection with MDOC's Walnut Grove Youth Refunding Bonds Project (Series 2010C Bonds), a portion of the outstanding amount of \$68,830,000 in connection with MDOC's EMCF Refunding Bonds Project (Series 2010D Bonds), and for paying the costs of issuance of the

Series 2016 Bonds.⁷

Exhibit 5 on page 13 shows the principal amount and interest rate range for the Series 2016 Bonds in connection with MDOC’s EMCF and Walnut Grove correctional facilities beginning August 1, 2017, through the maturity date of August 1, 2027. As shown in Exhibit 5, MDOC was issued four special obligation bonds (taxable and tax exempt) under the Series 2016 Bonds. The taxable bonds have longer schedule of payments (i.e., August 2017 through 2027) with lower interest rates, while the tax-exempt bonds have shorter schedule of payments (i.e., August 2024 through 2027) with higher interest rates. The itemized schedule of payments for the Series 2016 Bonds was not included in Exhibit 5, and the principal amount listed is aggregated for each of the four special obligation bonds.

Exhibit 5: MDOC’s EMCF and Walnut Grove Correctional Facility Refunding Bonds Project from August 1, 2017, through August 1, 2027

Correctional Facility	Special Obligations Bond	Type of Bond	Interest Rate Range (%)	Principal Amount (\$)
Walnut Grove	Series 2016A	Tax-exempt	2.000-5.000	34,995,000
Walnut Grove	Series 2016B	Taxable	1.098-2.543	26,235,000
EMCF	Series 2016C	Tax-exempt	2.000-5.000	25,685,000
EMCF	Series 2016D	Taxable	1.098-2.543	20,340,000
Total Principal Amount				107,255,000

SOURCE: Mississippi Department of Corrections Official Financial Statement, 2023.

Inmate Admission Process

In accordance with MDOC’s SOPs for admission of offenders remanded to custody, the admission process is designed to maintain an efficient and effective method to receive offenders.

It should be noted that MDOC’s admission SOPs consist of seven performance standards for adult correctional institutions to be achieved and maintained through ACA accreditation. The performance standards are:

1. Delinquent offenders and youths do not reside in the institution;
2. The institution provides for thorough cleaning and disinfecting of inmate clothing;
3. All processes are provided for within admission policies;
4. Policy requires a written admission report for all new admissions;

⁷ Refunding bonds are debts that were reissued with the purpose of issuing debt at a lower rate, reducing the overall debt amount.

5. Policy provides for consistent admissions program for new inmates;
6. A risk assessment is conducted for each offender within 48 hours of admittance; and,
7. The offenders' legal commitment authority is documented through court order, statute, or compact.

The admission process is conducted at the Reception and Classification Center housed at the Central Mississippi Correctional Facility. This is where most offenders (with the exception of confinement in a maximum-security unit) entering into MDOC custody are held before being placed at permanent unit assignments. The Center's primary functions are processing, evaluating, and classifying offenders remanded to MDOC custody. These SOPs are consistent with the corrections inmate cost management best practices.

Inmate Transfer Process

Inmates transferred from other institutions within the correctional system receive an orientation to the new institution. Except in unusual circumstances, orientation for inmates transferred from another institution within the system is completed within seven calendar days after admission.

In accordance with MDOC's policies for inmate transfers, the aim is to maximize resources by effectively managing the transfer of inmates between prisons safely, humanely, and securely, while minimizing risk to inmates, staff, and the general public. Inmates transferred from other institutions within the correctional system receive an orientation to the new institution. Except in unusual circumstances, orientation for inmates transferred from another institution within the system is completed within seven calendar days after admission.

Best practices recommend that all practices should address an inmate's risk, need, and responsivity.

Reasons for inmate transfers from other institutions range from:

- reducing the likelihood of reoffending by the inmate;
- rehabilitation of the inmate;
- reintegration into the community on release;
- reducing the risk of self-harm;
- providing medical care; and,
- granting request by an inmate for transfer.

This process of ensuring that transfers are in good standing with the needs of the inmate represent a direct adherence to best practice expectations that all practices should address an inmate's risk, need, and responsivity.

Private Facilities Contracts

Of MDOC's 23 correctional facilities, the two privately-operated facilities have a combined bed capacity of 2,322, which accounts for only 12% of inmates housed in private prisons as compared to the 88% housed at state and county/regional-operated correctional facilities. Contracts for private facilities are prepared through the Department's cost-per-day model.

MISS. CODE ANN. § 47-5-1211(3) (a) (1972) states:

No contract for private incarceration shall be entered into unless the cost of the private operation, including the state's cost for monitoring the private operation, offers a cost savings of at least ten percent (10%) to the Department of Corrections for at least the same level and quality of service offered by the Department of Corrections.

Of MDOC's 23 correctional facilities, the two privately-operated facilities have a combined bed capacity of 2,322, which accounts for only 12% of inmates housed in private facilities as compared to the 63% of inmates housed in state facilities and 25% housed in county/regional-operated facilities.

Currently, of MDOC's correctional facilities (i.e., state, county/regional, and private), only two are privately-operated (i.e., East Mississippi and Wilkinson County) and require contract negotiations for facility operation. In order to adhere to the legislative statute on contracts for private incarceration, MDOC utilizes a cost-per-day model to negotiate private prison contracts to determine cost to operate its two private facilities. The cost-per-day model is calculated based on average daily costs per inmate for a model facility. According to PEER Report #679 *Mississippi Department of Corrections' FY 2022 Cost Per Inmate Day* (December 22, 2022), the total per day cost to operate the two private correctional facilities was \$59.24 per offender. The cost-per-day model includes allocated parole, operating, personnel, food, medical, and utilities costs. The cost-per-day model excludes capital expenditure, capital improvement, and debt service costs as well as construction and renovation of facilities.

Population Growth Projection Process

MDOC has developed an annual inmate population projection model that utilizes statistical prediction methods and assumptions as laid out by national best practices and scholastic recommendations. MDOC has policies and procedures to ensure that the projection model is maintained and updated to accurately represent potential future inmate populations, but those policies have not produced an accurate model.

In October 2013, MDOC commissioned a report titled the *Mississippi Department of Corrections Ten-Year Adult Secure Population Projection 2014–2024*. The report, produced by the JFA Institute, summarized projections of male and female inmates through the year 2023, recent offender trends, and an explanation of primary assumption of the projection model.⁸ The forecast was completed

⁸ The JFA Institute is a criminal justice research firm which performs research and projection modeling for 23 states.

using Wizard projection software, a computerized simulation model that mimics the flow of offenders through the state's prison system over a ten-year forecast and produces monthly projections.

Model Overview

External Factors:
Factors such as demographics, socioeconomic, and crime trends.

Internal Factors:
The various decision points within the criminal justice system that cumulatively determine prison admissions and length of stay.

Included in the projection is a review of data that has a direct and indirect impact on prison population growth. Generally, this data falls into two major categories: external and internal factors. External factors include demographic, socioeconomic status, and crime trends that produce arrests, and offenders' initial entry into the criminal justice process. Criminologists have documented certain segments of the population as having higher rates or chances of becoming involved in crime, being arrested, and incarcerated. This is known as the "at-risk" population, which generally consists of younger males. MDOC's model

assumes high crime rate ages are 15 to 25, and the high adult incarceration rate ages are between 18 and 35. When the at-risk population is expected to increase in a jurisdiction, one can also expect some additional pressure on criminal justice resources, if all conditions remain equal. The model then assumes that an increase of this population also represents a likely increase in surrounding correctional facility populations.

Internal factors are the various decision points within the criminal justice system that cumulatively determine prison admissions and length of stay. These decisions begin with police and end with correctional officials who, within the context of the court-imposed sentences, have the authority to release, recommit, grant, and restore a wide array of good time credits, and offer programs that may reduce recidivism. These internal factors capture the three basic avenues for incarceration: a person directly sentenced by the courts to a prison term (new court commitments), an offender failed to complete his or her term of probation and are now being sentenced to prison for a deviation or new crime, and an offender failed his or her term of parole, post-release supervision, or any other form of conditional release and are being returned to prison for a new crime or a technical deviation. These issues relate to assumptions surrounding likely recidivism and make assumptions based on recidivism rates to aid in predicting facility population fluctuations.

Factors included in the internal factor category range from sentence lengths, serving times, limitation on eligibility for parole and good time credits, and legislative and policy changes. Included in the 2013 Report were legislative updates from the 2008 Legislative Session, no other updates have been included.

MDOC Policy Regarding the Model

MDOC Policy 10-03 outlines the requirements of the annual prison population projection. This policy requires that the Policy, Planning, Research, and Evaluation (PPRE) department provide annual updates that reflect inmate population projections based on correctional trends in order to accurately prepare for MDOC housing needs. This calculation includes, but is not limited to inmate admissions, inmate releases, custody populations, Parole Board hearings, and alternative release programs. Additionally, the PPRE coordinates with central records and management information systems to quantify any legislative impact on those statistical assumptions.

The policy also states that PPRE will produce a report known as the Monthly Simulation Data Analysis that reflects oversight of data integrity and data extraction for the purpose of determining a running

total that will provide a greater understanding of nuances in population trends and statistical abnormalities.

Additionally, PPRE should generate a biannual comparative report consisting of both actual and projected population data to ensure greater year-end simulation model validity. This document should be referred to as the *Biannual Comparative Report*. As defined by MDOC, the *Biannual Comparative Report* is a PPRE report generated six months prior to July 15 that enables MDOC to adjust its population projections.

MDOC Current Usage of the Model

According to information provided by the Department and correspondence with MDOC staff, MDOC only utilizes the population model for broad population considerations and does not make use of it for regular budgetary purposes. MDOC stated that “the projection numbers are too high to be practical for budgeting purposes.” As a result, the model projection does not play a large role in the budgetary or offender capacity planning process.

MDOC’s treatment of this model represents a deviation from best practices that dictate the Department should ensure that all programs are consistently implemented according to policy. The failure of MDOC to abide by Policy 10-03 has resulted in the inmate population projection model diverging from actual MDOC population statistics. Specifically, by not updating and incorporating new population data into the forecast, the prison population projection model still:

- assumes the sentence group composition of future annual new court commitments are still based on FY 2013 figures;
- assumes future parole grant rates will reflect rates observed from April 2012 through March 2013;
- assumes parole, Intensive Supervision Program, and Earned Release Supervision revocation rates will remain at levels reported in FY 2013; and,
- assumes over the forecast period that new commitments are projected to remain stable over the 10-year horizon.

These assumptions, which still remain components of the forecast model, discount recent legislative and policy changes made to parole and release programs including: the Mississippi Earned Parole Eligibility Act of 2021 (S.B. 2795), changes made by the Corrections and Criminal Justice Oversight Task Force of 2014 (H.B. 585), and the restructuring of the Parole Board membership and its effects on parole rates. S.B. 2795 increased parole eligibility, decreasing the overall expected prison population, and H.B. 585 created a statewide focus on recidivism reduction, which also decreased expected prison populations. These changes dramatically altered criminal justice in Mississippi. Using a projection model that originated in 2013 will ultimately disrupt predicted prison population assumptions.

Analysis of the listed prison population projections from the *Mississippi Department of Corrections Ten-Year Adult Secure Population Projection 2014–2024* showed the forecast models overestimated actual prison populations. The overestimation of prison populations by the forecast model limits the predictability and ultimately the usefulness of the report. Had MDOC adhered to figures identified in the population projection model, the agency may have sought unneeded funding or incurred unneeded expenses for a prison population that never materialized. The lack of predictability from the projection model limits the ability of MDOC to accurately plan for and address

for future agency needs, such as facility expansions or closures, offender medical service needs, and budget preparation.

For example, MDOC’s prison population forecast model predicted that the total offender population (male and female) held within MDOC facilities for the month of July 2023 would range from a low of 22,839 individuals (Low Scenario Assumption Model) to a high of 24,361 individuals (Base Projection). However, MDOC’s Monthly Fact Sheet for July 2023 states that total housing capacity for the state was only 21,991 beds. Relying on the forecast model as currently constructed would have resulted in MDOC planning for and over-requesting funds by 848 to 2,370 offenders. See Exhibit 6 on page 18.

Exhibit 6: Comparison of Projected versus Actual Prison Populations

Test Group	Projected Population	Actual Population	Difference	Percent Difference (%)
Total Mississippi Prison Population	3,156,054	2,940,057	215,997	7
FY 2021 Prison Population	22,892*	18,849	4,043	18
July 2023 Monthly Prisoner Count	22,839*	21,465	1,374	6

*Projected population based on conservative assumptions in the model.

SOURCE: Analysis of Mississippi Department of Corrections Ten-Year Adult Secure Population Projection 2014 to 2024.

Overview of MDOC's Fiscal Planning Process

This chapter sought to address the following:

- representation of fiscal planning within MDOC's Policies and SOPs; and,
- the actual execution of fiscal planning within MDOC.

Representation of Fiscal Planning within MDOC's Policies and SOPs

MDOC's budgetary process is represented within both its Policies and SOPs and is consistent with the ACA's minimal expectations.

MDOC's Policies and SOPs meet the ACA's expectations.

MDOC's current Policies and SOPs address its fiscal planning and budgeting processes in accordance with the ACA's expectations. MDOC establishes language that requires the Deputy Commissioner of Administration and Finance to formulate long-range goals and implementation guides and review the policies annually.⁹ Processes are internalized on a facility level as well.

MDOC has SOPs detailing specific financial processes such as procurement and fiscal authority reports. The relationship between departmental budgeting and facility funds is codified in MDOC policies.¹⁰

All processes meet the ACA's required minimum expectations as well as established industry-wide best practices; however, these policies and SOPs do not provide further information about the actual implementation of the policies. In order to gain further clarification on these processes, PEER interviewed key personnel at MDOC regarding the Department's execution of these fiscal policies.

Actual Execution of Fiscal Planning within MDOC

MDOC's fiscal planning process lacks transparency, foundational models, and inter-departmental continuity. This contributes to a lack of clarity within MDOC's budgetary decisions and fiscal planning and MDOC's reliance on additional appropriation requests.

MDOC's Policies and SOPs give an overview of fiscal and budgetary processes, but do not specify individual steps that should be taken or outcomes that should be achieved. For example, the fiscal

⁹ It should be noted that the annual review of these policies does not dictate that they are updated.

¹⁰ MDOC SOP 35-01-01 covers all aspects of MDOC's detailed fiscal process.

planning process represented in the policies and SOPs requires preparation of long-term goals and review processes but does not specify what the goals or processes should be.

In order to provide further clarification to MDOC's budgetary decision-making outside of these processes, PEER inquired regarding the MDOC's fiscal planning processes and the Department's utilization of foundational analytical models.¹¹ PEER examined three core measures of budgetary planning:

- overall fiscal planning processes;
- foundational cost management models; and,
- continuity of knowledge.

These three core measures are all consistent with identified best practices.

MDOC's Performance: Three Core Measures Examination

Overall Fiscal Planning:

MDOC Policy 01-06 and Policy 01-09 address the Department's need for long-term financial planning and the budgetary chain of command, but neither the policies themselves, nor any related SOPs, establish the actual processes through which planning is undertaken or the techniques to be utilized. When PEER inquired about additional documentation MDOC maintained in relation to these processes, the Department stated that no fiscal planning documents outside of its standard policies and SOPs are maintained.

Three Core Measures:

- Overall Fiscal Planning
- Foundational Models
- Continuity of Knowledge

Best practices recommend detailed budget practice documents should be maintained and accessible within the Department.

While Policy 01-06 and Policy 01-09 represent a technical adherence to the ACA's expected standards, this lack of further documentation is a deviation from best practices, which state that detailed budget practice documents should be

maintained and accessible within the Department. While policies are textually established which show a chain of command and internal expectation of process, the Department does not appear to maintain documentation on the actual execution steps. This overall lack of expanded policy documentation also extends further into MDOC's fiscal planning process, and represent failures in the Department's budgetary process, rooted in the deviation of fiscal planning best practices.

For example, best practices state that departments should institutionalize good financial management policies, adopting policies which contain multiple levels of review and self-assessment to ensure continuity of operations across the staff. If MDOC does not maintain any additional fiscal or budgetary process documentation, a reasonable person could assume that these unrepresented processes are not institutionalized, leading to inconsistencies budget operations.

Further examples of this are found within the Department's management and utilization of cost management models.

¹¹ Foundational analytical models are statistical analysis models that projects the costs of operation and other major financial factors.

Foundational Cost Management Models:

MDOC's four core cost drivers, medical and facility contracts (private, regional, and local), are directly linked to the utilization and examination of foundational cost management models, such as cost-per-day analysis and population projection model. Therefore, these models are paramount to the Department's implementation of best practices, which state that the Department should focus on long-term strategic planning wherever possible. While MDOC policy does address the need for long-term planning, PEER inquired specifically about information related to cost-per-day and population models in order to provide clarity on the Department's processes.

When requested, MDOC provided expenditure information for all prisons (i.e., state, county, regional and private) calculated utilizing the cost-per-day model developed in the joint partnership between MDOC, PEER, and FORVIS LLP.¹² This cost-per-day formula was developed for and is utilized in internal cost assessment on a facility level and negotiations on private prison contracts. When asked, MDOC stated that this cost-per-day model is not utilized for budgetary planning purposes and that the Department does not maintain any unique or modified cost-per-day models for the purpose of fiscal planning.

MDOC has a 10-year population growth projection and policies that dictate a required regular review and update of the model, but the model is not currently utilized. MDOC did not provide this model when documentation related to financial planning was requested.

For more information see pages 16 through 18.

PEER staff discovered the model when exploring population models of other states and requested that MDOC provide PEER with the most recent versions of the model and all relevant documentation. When the model was provided, MDOC staff noted that it is not used in any financial planning or budgeting processes due to its severe inaccuracy.

MDOC's population model states an estimated 24,361 inmates for 2023, but MDOC states its current bed capacity is 21,991.

The model, which was developed in 2012 and implemented beginning in 2013, has not been updated since development, and because of this, the projections presented for 2023 are outside of the Department's current total bed capacity. This represents a failure of adherence to best practices related to focusing on long-term strategic planning, but also a more specific failure to ensure an internal assessment for all fiscal processes. As a replacement for the 10-year population projection, MDOC noted that it currently utilizes a combination of the current population, an estimate of the upcoming year, and total beds to formulate projections for current budgeting needs. This information is only utilized to calculate the upcoming year's expected population and is not utilized for any long-term planning purposes. MDOC maintains no other models for long-term financial planning.

For more information see Appendix A on page 25

While it is correct that the model's projections for current years is too high for practical purposes, this is the result of the Department's failure to update the model and ensure its efficacy and not the model itself. States that have implemented similarly structured models and maintained them as expected have proven that these models can maintain useful accuracy, and in turn aid corrections agencies greatly in the budgeting process.

For example, the Arkansas Department of Corrections maintains a similarly structured model, which has consistently remained within 3% accuracy as of 2022. Accuracy of the projections were tracked

¹² FORVIS is a financial professional services firm located in Jackson, Mississippi.

from June 2021 to August 2022 by comparing projected totals with the actual counts of male and female inmates. The total prison population forecast had an average percent difference of 1.8% per month during the entire tracking period. National standards set acceptable error at 2.0%.

MDOC's failure to maintain its model in this way has direct influence on the Department's budgeting for the four core cost drivers. Contracts related to inmate management have a direct impact on the cost of contracts, and a working, utilized population model would provide significant aid to the Department in preparing and negotiating these contracts. These core cost drivers are the persistent explanation for the Department's need for additional appropriations, and a maintained model the Department could potentially reduce needed additional appropriations to a more accurate estimate.

- MDOC's Main Cost Drivers:
1. Medical Services Contracts
 2. Private Prisons Contracts
 3. Regional Facility Contracts
 4. Local Facility Contracts

Continuity of Knowledge:

It is important that MDOC maintain a transparent, auditable system through inner-departmental continuity of knowledge. Employees who are responsible for aspects of fiscal planning processes should all have access to similar scopes of knowledge, and that knowledge should be documented and maintained in an easily accessible manner. In order to assess MDOC's adherence with best practices related to continuity of knowledge and transparency, PEER interviewed MDOC financial contractors in addition to communicating with MDOC staff in order to compare descriptions of the MDOC budgetary planning and inmate cost management process. PEER asked all parties for any information available on the Department's fiscal planning process.

While all parties discussed the difficulty the Department (and the industry as a whole) has projecting inmate population growth and the costs of medical services contracts, no party was able to provide any additional detailed information on the Department's fiscal planning process. Across all interviews and additional communications, it became clear that MDOC's process is largely obscured due to unclear origins of legacy policies and generally opaque budgeting processes.

Best practices recommend that the process should be transparent, auditable, and repeatable.

The operation of MDOC's fiscal planning as an internal process dependent on individual employee knowledge of legacy processes is a clear deviation of multiple best practices, but most notably best practices which state that the process

should be transparent, auditable, and repeatable. A transparent and repeatable process is the cornerstone of fiscal planning, and a process built on a standard of transparency will inherently possess good continuity of knowledge. As it currently stands, it would be logical to assume that if relevant knowledgeable personnel were to exit MDOC, further dissolution of the fiscal planning process would occur. A reliance on transparent and auditable processes would alleviate any potential issues, especially if it is ensured that all relevant personnel has access to all relevant information.

While the Department's lack of fiscal planning transparency and continuity of knowledge cannot be shown to have a direct impact on the agency's reliance on additional appropriations, an increased focus on documenting the Department's planning process and providing pathways for both internal and external audits would aid the Department in providing clear, detailed explanations for additional requests. An increased focus on continuity of knowledge would provide MDOC with an inner-

departmental understanding of all financial planning processes and decisions, increasing the auditability of their processes and ensuring that they are repeatable by multiple employees.

Recommendations

1. Because MDOC's fiscal planning processes lack transparency and documentation, the Department should create documentation related to the details of the fiscal planning process.
 - a. MDOC should produce detailed internal processes guides that will aid employees in ensuring fiscal planning processes are completed in an auditable, transparent manner.
2. Both because the current population model is no longer applicable and because the ten-year time period is at an end, MDOC should develop a new population growth model and monthly review report process into the process in order to ensure continued applicability.
 - a. MDOC should also consider basing the review and application of this model off of the Arkansas Department of Correction's proven model and review process.
3. MDOC should continue its plan to review all current policies and SOPs.
4. In order to increase transparency and accountability within the standards of best practices, MDOC should continue its plan to post all unrestricted policies online on the Department's website once they are updated and confirmed.

Appendix A: Arkansas Population Projection Model Details

A notable feature of the simulation model is that it tracks rated capacity of the inmate population which, in conjunction with Arkansas Department of Corrections, gives the Arkansas Board of Corrections the ability to effect policy, through Emergency Powers Act, whereby measures can be taken if the prison population exceeds 98% of capacity or if the county jail backlog exceeds 500 inmates. This policy has been tracked by this model for over a decade.

Additionally, ADOC requested a forecast report for the elderly inmate population noting that attention to this population is important because aging inmates are costlier to incarcerate due to increased medical needs. Elderly inmates sentenced to longer sentences contribute to bed stagnation over time as the beds utilized for this group do not turn over quickly.

Overall, the forecast reports produced under the simulation model is expected to account for shorter sentencing for offenders cycling faster through the system, stacking effect of lifers, and release restricted offenders with long length of stays. The ADOC projected inmate populations for the period 2022 to 2032 are as follows:

- At the end of December 2032 19,766 offenders are projected to be under the jurisdiction of the ADOC;
- At the end of 2021, the inmate prison population was 17,000. Under the projection, the population is projected to increase to 17,318 inmates at the end of 2022 and then to increase to 18,549 in 2027. The projected growth represents average annual increases of 1.3 percent per year through the year 2032; and,
- Under the projections, the male inmate population is projected to grow an annual average of 1.4 percent between 2022 and 2032 while the female inmate populations are projected to grow an average of 0.8 per year.

SOURCE: Arkansas Department of Corrections, *10-Year Adult Secure Population Projections, 2022-2032*.

Agency Response



**STATE OF MISSISSIPPI
DEPARTMENT OF CORRECTIONS
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COMMISSIONER**

September 28, 2023

James F. (Ted) Booth, Executive Director
Joint Committee on Performance Evaluation and Expenditure Review (PEER)
P. O. Box 1204
Jackson, Mississippi 39215-1204

Re: PEER Best Practices for Inmate Cost Management and Corrections Fiscal Planning

Dear Director Booth:

Please accept this correspondence as the response of the Mississippi Department of Corrections (MDOC) to the formal report titled, "Best Practices for Inmate Cost Management and Corrections Fiscal Planning" recently prepared by PEER staff. We appreciate the opportunity to submit a written response to the report for the Committee's consideration. The response is respectfully submitted in hope of offering a more complete view of inmate cost management and fiscal planning at the Mississippi Department of Corrections.

**RESPONSE OF MISSISSIPPI DEPARTMENT OF CORRECTIONS (MDOC) TO PEER
REPORT ON BEST PRACTICES FOR INMATE COST MANAGEMENT AND
CORRECTIONS FISCAL PLANNING**

Responses to Specific PEER Findings and Recommendations

PEER Finding p. 3:

From FY 2018 to FY 2023, MDOC requested a supplemental appropriation in all years except for FY 2022, with an average supplemental appropriation request of \$15,389,360.

MDOC Response:

MDOC would like to clarify that the agency's budget procedures are not at fault for the reliance on deficit appropriations. The report initially attributes the reliance on deficits to MDOC's budget practices, but subsequently, it highlights a significant underfunding issue by the legislature, with a \$28 million shortfall compared to MDOC's budget request. This inconsistency appears to suggest two potential causes for the deficit appropriations: (1) MDOC's budget practices, and/or (2) legislative underfunding.

MDOC has diligently adhered to sound budgetary procedures. However, it is clear from the report that the substantial underfunding by the legislature has played a pivotal role in the need for deficit appropriations. MDOC remains committed to fiscal responsibility and will continue



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working collaboratively with the legislature to ensure budgetary alignment and mitigate reliance on deficit appropriations.

PEER Finding p. 5:

MDOC's actual expenditures fall well below the total appropriated amount, with the largest difference of \$6,682,568.

MDOC Response:

MDOC is dedicated to responsible financial management and strives to ensure efficient use of allocated funds. The presence of unexpended funds is a result of a cautious approach to budget execution, where we prioritize cost-effective operations and contingency planning to maintain fiscal stability.

The primary cause of the discrepancies noted are due to appropriation allocation of special funds without a designated funding source to cover the appropriated amounts. Example: The Central Office special fund appropriations can be \$5 million, but only have the means to generate \$1 million. That would lead to \$4 million of the appropriations not expended.

PEER Recommendation #1:

Because MDOC's fiscal planning processes lack transparency and documentation, the Department should create documentation related to the details of the fiscal planning process.

- a. *Produce detailed internal processes guides that will aid employees in ensuring fiscal planning processes are completed in an auditable, transparent manner.*

MDOC Response:

MDOC would like to clarify that a comprehensive documentation system for its fiscal planning process has been maintained. This documentation includes detailed file folders and supporting materials for all budget requests submitted to the Legislative Budget Office (LBO) for budget approval. This practice has been in place consistently and serves as a robust foundation for our budgetary procedures.

However, we recognize the importance of enhancing transparency and providing a more extensive internal guide for our fiscal planning process. While our current documentation practices have been effective, we acknowledge that an internal guide can provide additional



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clarity and ensure that our fiscal planning process remains well-documented and easily accessible to all.

PEER Recommendation #2:

Both because the current population model is no longer applicable and because the ten-year time period is at an end, MDOC should develop a new population growth model and monthly review report process into the process in order to ensure continued applicability.

- a. *MDOC should also consider basing the review and application of this model off of the Arkansas Department of Correction's proven model and review process.*

MDOC Response:

MDOC will review the current policy regarding annual population projections in order to assess whether the policy should be revised or eliminated. This will be based on a comparative review of various projection models, including the Arkansas Department of Correction's model, and their applicability to MDOC's annual budgetary request.

PEER Finding p. 10:

43.30% of all policies and 47.08% of all SOPs utilized by MDOC have not been updated in 10 years.

MDOC Response:

MDOC would like to reiterate the PEER statement in footnote 6 on p. 11 which states that "The effective date of policies and SOPs does not represent a total lack of examination from MDOC, but it does represent the year of origin for these policies and procedures." MDOC updates their policies and procedures to reflect revisions to the American Correctional Association (ACA) standards or when experience necessitates a change, which does not equate to an update of all policies. The age of a policy is not indicative of an outdated policy or procedure.

PEER Recommendation #3:

MDOC should continue its plan to review all current policies and SOPs.

MDOC Response:



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MDOC would like to clarify that a process is currently in place for the review of policies and procedures. The standard operating procedure specifically states the following:

The Policy, Planning, Research and Evaluation (PPRE) department will be the Commissioner's designee responsible for the issuance and management of agency policies, procedures and forms to include:

- *Revisions*
- *Eliminating Redundancy*
- *Coordinating meetings when problems arise*
- *Ensuring MDOC Policy/SOP are reviewed and updated annually*
- *Update MDOC MISNET site*
- *Distribution*
- *Archival management of signed, original policies and procedures*

PEER staff were provided with all MDOC policies and standard operating procedures, which included the information outlined above. According to the PPRE Director, the Commissioner reviewed/approved 30 policies and 42 standard operating procedures, as well as implemented 3 new policies and 2 standard operating procedures during the last fiscal year. The project that is currently underway and referenced in this recommendation provides a more in-depth policy analysis than the existing process.

PEER Recommendation #4:

In order to increase transparency and accountability within the standards of best practices, MDOC should continue its plan to post all unrestricted policies online on the Department's website once they are updated and confirmed.

MDOC Response:

MDOC is guided by the standards established by the ACA. Specifically, standard number 5-ACI-1A-12 states that "The policies and procedures for operating and maintaining the institution and its satellites are specified in a manual that is accessible to all employees and the public. This manual is reviewed at least annually and updated as needed." In addition, standard number 5-ACI-1A-06 promotes the participation of related community agencies in policy development. MDOC currently has a policy in place to address these standards, which states that "The Commissioner or designees will establish detailed instructions for the day-to-day operations of the agency. The policy manual will be available to all employees to ensure consistency in operations and will be reviewed at least annually by the Commissioner or designees." The existing policy does not address public availability as described in the ACA standards.



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COMMISSIONER

As noted by PEER staff, a portion of MDOC policies and procedures are currently available in the Administrative Code which can be found on the Secretary of State's website. In addition, the "Inmate Handbook" is available on the MDOC website and covers the following topics: Admission, Orientation, and Classification; Programs; Inmate Employment and Job Assignment; Medical, Dental, and Mental Health Services; Release or Discharge from Confinement; Rights, Responsibilities, and Regulations; Prison Rape Elimination Act of 2003; Inmate Legal Assistance Program; Rule Violations; and Inmate Accounts. However, MDOC acknowledges that all unrestricted policies and procedures are not currently available to the public. Therefore, as part of the policy analysis referenced in recommendation 3, MDOC will continue its plan to follow the Secretary of State's guidelines for publication of unrestricted policies and procedures that are currently not available in the Administrative Code in order to satisfy the standards established by the ACA to promote public participation and access.

In closing, while we agree that there are opportunities to improve MDOC's inmate cost management and fiscal planning processes, there are other factors that should be taken into consideration when evaluating historical data, such as leadership changes, a global pandemic, and inflation. It should also be noted, that neither the Deputy Commissioner of Finance and Administration nor the Chief Financial Officer were interviewed by PEER staff during this evaluation even though they are responsible for execution of the budgetary process.

Thank you again for allowing us to review the report and provide a response. As stated above, we are committed to improving the transparency of MDOC and will continue to adhere to sound budgetary procedures. We appreciate your recommendations toward improving oversight of MDOC inmate cost management and corrections fiscal planning.

Sincerely,

Burl Cain
Commissioner

James F. (Ted) Booth, Executive Director

Reapportionment

Ben Collins

Administration

Kirby Arinder

Stephanie Harris

Gale Taylor

Quality Assurance and Reporting

Tracy Bobo

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