

**Attachment C**

**FY17 Budget**

Executive Office for Administration and Finance

SHERIFFS' FUNDING FORMULA

March 2016

PCG/Human Services

*Public Focus Proven Results*



# Executive Office for Administration & Finance

Sheriffs' Funding Formula

March 2016

PCG | *Human Services*  
Public Focus. Proven Results.™

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## INTRODUCTION

Outside Section 172 of the Fiscal Year 2016 General Appropriation Act (GAA)<sup>1</sup>, called for the Executive Office for Administration & Finance (A&F) to contract with a consultant to develop a funding formula for the 14 county sheriffs' departments. A&F engaged Public Consulting Group (PCG) to develop the formula. As required by the language, the formula was to be developed using actual data from the sheriffs, while considering the number of inmates served, current staffing levels, and significant operating cost drivers for each of the sheriffs. This document summarizes the final report presented by PCG to A&F, the Senate and House Committees on Ways & Means, and the Massachusetts Sheriffs' Association (MSA) in March 2016.

In submitting this final report, PCG would like to acknowledge the cooperation and assistance of all 14 Sheriffs and their executive staff, as well as the MSA. Their time and assistance in collecting data and welcoming PCG staff onsite to speak with staff was critical in the completion of this effort.

## METHODOLOGY

In October 2015, PCG began a multi-phase process in creating a funding formula for the county sheriff departments. A kickoff meeting was held where stakeholders, including representatives from A&F, the MSA, sheriffs and members of their executive staff, and PCG, met to discuss project goals and outcomes. Of the 14 counties in Massachusetts, the funding formula focused on the 13 Sheriffs that operate correctional facilities.

Following the project kickoff meeting, PCG began a series of six (6) site visits in a collaborative effort with the Massachusetts Sheriffs' Association. Visits were conducted with staff at sheriff offices in: Middlesex, Essex, Suffolk, Hampden, Barnstable, and Worcester. The PCG team met with the Sheriff, Special Sheriff and/or members of the executive staff at each site to further discuss their needs and tour department facilities.

PCG also collected Fiscal Year (FY) 2013, 2014, and 2015 cost and data reports from each sheriff's office to conduct a detailed analysis on total operational costs, including staffing/personnel costs, fixed costs, inmate counts, and staffing full time equivalents (FTEs). Each sheriff's submission was collected by MSA and submitted to PCG. A&F also provided PCG with historical expenditure data for each sheriff office from FY 2014 and 2015. Furthermore, the MSA provided PCG with a monthly snapshot of the total county correction population by classification level for each county from FY 2013 through September 2016.

## FINDINGS

After discussions with staff during site visits, and a detailed analysis of the spending and inmate data provided by each sheriff, PCG identified a number of critical findings that informed our development of the funding formula:

### **SHERIFF OPERATING (NON-PERSONNEL) COSTS ARE IN LINE WITH NATIONAL AVERAGES.**

Personnel represent the greatest expense for correctional institutions. According to the National Institute of Corrections (NIC)<sup>2</sup> and a number of other sources, including the Vera Institute of Justice<sup>3</sup>, corrections agencies dedicate 70% to 80% of their budget for staffing costs including salaries and benefits. The remaining 20-30% of expenditures are used to fund healthcare, food, clothing, administration, and other operating costs.

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<sup>1</sup> Massachusetts FY16 General Appropriations Act. [http://www.mass.gov/bb/gaa/fy2016/os\\_16/h172.htm](http://www.mass.gov/bb/gaa/fy2016/os_16/h172.htm)

<sup>2</sup> National Institute of Corrections. Resource Guide for Jail Administrators. <http://static.nicic.gov/Library/020030.pdf>

<sup>3</sup> Vera Institute of Justice. The Price of Jails: Measuring the Taxpayer Cost of Local Incarceration (2015). <http://www.vera.org/sites/default/files/resources/downloads/price-of-jails.pdf>

Our analysis found that currently the sheriffs' offices are almost all within this range, ranging from 69% to 83%. On average, 77% of the sheriffs' budgets were spent on personnel, with the remaining 23% funding operating expenses.

**THERE IS A WIDE VARIANCE IN KEY COST AND OPERATING METRICS AMONG THE SHERIFFS.** Our analysis showed a wide variance in key costs metrics amongst sheriffs, even when comparing counties of similar sizes and inmate counts. As shown on slide 6 of the report, significant variances can be seen in key funding and staffing metrics:

Metric	Inmate to Staff Ratio	Total Costs per Inmate	Staffing Costs per Inmate
Statewide Average	1.84	\$53,837	\$40,982
Highest	2.86	\$72,092	\$57,798
Lowest	1.21	\$34,431	\$26,443

In developing the formula, we sought a more even distribution of funding across the sheriffs' departments that would minimize these variances.

**COUNTY INMATE COUNTS HAVE DECLINED.** A review of 2013-2016 inmate counts (slide 7) found a decline in inmate populations over the last three years. Despite a population decrease of just over 14% during that period, state funding for sheriffs has increased by nearly 10% over those same three fiscal years. Though we are not suggesting a specific dollar increase or decrease for every inmate added or removed from the jails, the formula does seek to tie jail funding to the inmate censuses more directly than the existing financial structure.

**MASSACHUSETTS SHERIFFS HAVE LOWER INMATE TO STAFF RATIOS THAN THE NATIONAL AVERAGE.** While there is no definitive national study that recommends a specific inmate to staff ratio for correctional facilities, research from the Bureau of Justice Statistics (BJS), and confirmed by the Vera Institute of Justice, shows that nationally jails average ratios of about 1 staff to approximately 3 inmates<sup>4</sup>.

Report	Staff Ratio
Massachusetts Staff to Inmate Ratio (Sheriff's Data)	1: 1.84
BJS Report: BJS Census of Jail Facilities, 2006 (2011)	1: 2.9 to 3.3
Vera Institute of Justice Report: The Price of Jails: Measuring the Taxpayer Cost of Local Incarceration (2015)	1: 3.3

In Massachusetts, the average is 1.84 inmates per each employee (slide 8).

The lower ratio holds when looking specifically at Correctional Officers (slide 9), who in Massachusetts supervise 2.48 inmates on average, whereas comparable states' ratios in the northeast region range from 2.36 (Maine) - 4.49 (Pennsylvania).<sup>5</sup>

State	*Inmate Count	*Correctional Officers	CO to Inmate Ratio
Maine	1,750	740	1: 2.36
Massachusetts	10,350	4,170	1: 2.48
New York	26,950	10,670	1: 2.53
New Hampshire	1,837	607	1: 3.02

<sup>4</sup> BJS Census of Jail Facilities, 2006 (2011). <http://www.bjs.gov/content/pub/pdf/cjf06.pdf>

<sup>5</sup> BJS Census of Jails: Population Changes, 1999-2013 (2015). <http://www.bjs.gov/content/pub/pdf/cjpc9913.pdf>

State	*Inmate Count	*Correctional Officers	CO to Inmate Ratio
New Jersey	15,235	4,060	1: 3.75
Pennsylvania	36,720	8,180	1: 4.49

\* Estimated based upon facility response rate

Source: Bureau of Justice Statistics Census of Jails: Population Changes, 2013 (December 2015 Report)

As noted earlier, staffing costs drive the vast majority of sheriffs' budgets and addressing variances in these ratios across the 14 sheriff's departments represents an opportunity to create a more balanced funding structure that maintains a high level of service to the community, provides a higher level of services to the inmate population, and creates a safer work environment for jail staff.

**MASSACHUSETTS SHERIFFS HAVE LOW STAFF TO SUPERVISOR RATIOS.** In reviewing the ratio of staff to supervisors in each of the facilities, we found that many sheriffs have a higher number of high ranking supervisors. (slide 11). While our research did not identify a consistent recommendation for correctional facilities, studies in the public safety, probation, and corrections field typically recommend a "span of control" for supervisors of between 5-7 subordinates.<sup>6</sup>

While the sheriffs fall very close to this range for the ratio of Correctional Officers to Sergeants, the top end of the chain of command shows ratios as low as 1.58 (Lieutenants to Sergeants) and 1.87 (Captains to Lieutenants).

## FORMULA DESIGN

As a result of these findings, which demonstrate that there is an opportunity to rationalize staffing within jails while maintaining acceptable levels of operational spending, PCG sought to develop a formula that more consistently distributed funding based on current staffing, inmate counts, and funding. Our analysis showed that the system could not stand an immediate decrease of more than 40% of the staffing and funding associated with an immediate move to the national average 3:1 staffing ratios (slides 12-14), but rather seeks to fund sheriffs based on current inmate counts and staffing needs.

While no formula can completely account for the unique contractual obligations due to various collective bargaining units, the varying age, make up, and condition of county jails, or the varying set of services offered by the 14 individually elected sheriffs, this formula is designed to provide a baseline for the departments to maintain their core functions, as well as inmate and staff safety levels, while continuing to provide the high level of service expected by their surrounding communities.

Each of the calculation steps are described below and can be reviewed on slide 17 of our final report, as well as in the accompanying template used to complete each of the described calculations.

**Group sheriffs based on inmate counts.** After collecting the cost reports and completing a detailed analysis of the expenditure data, PCG grouped correctional facilities together into peer groups based on their average daily inmate count:

- Tier 1: Berkshire, Franklin, and Hampshire Counties.
- Tier 2: Barnstable and Norfolk Counties.
- Tier 3: Plymouth, Worcester, Middlesex, and Bristol Counties.

<sup>6</sup> National Institute of Corrections. The Importance of a Low Span of Control in Effective Implementation of Evidence Based Probation and Parole Practices (2010). <http://static.nicic.gov/Library/024881.pdf>

- Tier 4: Suffolk, Hampden, and Essex County.

Please note that Dukes County was excluded from this analysis due to the small average daily inmate count (19 inmates) and operating budget.

**Calculate revised staffing costs.** Staffing costs were then calculated based upon each tier's aggregate inmate to staff ratio. After calculating the tier's aggregate inmate to staff ratio, that ratio was applied to each county's inmate count to determine the number of staff for each county. Finally, total personnel costs were determined by multiplying that number of staff by the average cost per FTE for that county. Once calculated, this determines a revised staffing budget for each county based on its tier's aggregate inmate to staff ratio and using the sheriff's actual costs per employee.

**Calculate operating costs using statewide average of 23% of total budget.** As noted earlier, we found the 23% of average sheriff's budgets spent on operational costs were in line with national data. As a result, the formula maintains that ratio and sets aside 23% of total funding for operational costs. In order to then distribute those fixed cost dollars to each county proportionally, we apportioned the dollars based upon inmate count. For example, if County A's average daily inmate count represents 12% of the total statewide average daily inmate count, then County A received 12% of the available fixed cost dollars.

The above two rules, Staffing Cost calculations and Fixed Cost calculations, ultimately determine if a county is currently Over or Under the formula; meaning that their current funding level is either greater or less than the funding level calculated by the formula. This determination then impacts decisions that A&F or the Ways & Means Committees will make regarding increases or decreases in funding.

It is important to note that the formula described above has been built to be flexible in order to allow for changing cost drivers to be considered into the calculation. The template has functionality which allows the formula to be adjusted for:

- Increases or decreases in inmate counts;
- Changes in average FTE costs (as a result of Collective Bargaining or other wage growth);
- State budget conditions; and
- Hold harmless initiatives to avoid cuts to all or individual sheriffs.

## **BUDGET OPTIONS**

PCG ran a set of budget options that applied various budget scenarios to the sheriffs using the formula as a basis for the application of funding increases or decreases. As displayed on slides 18-21, projections were completed showing county sheriff funding assuming:

- A 3.5% increase in total sheriff funding, apportioned according to the formula;
- A 3.5% increase in total sheriff funding, with a 2% reduction apportioned to sheriffs Under the formula;
- A 2% decrease in sheriff funding, apportioned from sheriffs Over the formula only; and
- Level funding in FY17, with a 1% reduction applied to sheriffs Over the formula reapportioned to departments Under the formula.

These scenarios are presented to illustrate how the formula can be applied in conjunction with budget models in order to determine funding levels for each of the individual sheriff departments.



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