



**National Institute of Corrections
Advisory Board Public Hearing,
August 22-23, 2012**

*Balancing Fiscal Challenges, Performance-Based Budgeting,
and Public Safety*

Record of Meeting

**Prepared by
The Moss Group, Inc.
under Cooperative Agreement 11AD12GKH7**

National Institute of Corrections

Morris Thigpen
Director

Christopher Innes
Chief

Diane Williams
Chair, NIC Advisory Board

Max Williams
Subcommittee Chair, NIC Advisory Board

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U.S. Department of Justice
National Institute of Corrections
320 First Street, N.W.
Washington, D.C. 20534

Record of Meeting
NIC Advisory Board Public Hearing
U.S. Department of Justice
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***Balancing Fiscal Challenges, Performance-
Based Budgeting, and Public Safety***

U.S. Department of Justice
National Institute of Corrections

November 13, 2012

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About the NIC Advisory Board

The National Institute of Correction's Advisory Board is a 16-member panel appointed by the Attorney General to advise and assist NIC in performing its mission. The current board was sworn in by Attorney General Eric Holder in March, 2011. NIC Advisory Boards periodically organize public hearings to explore important topics of concern to corrections professionals and decision makers.

The following are the current NIC Advisory Board members:

- Norman A. Carlson, Former Director, Federal Bureau of Prisons
- Stanley D. Glanz, Sheriff, Tulsa County, Oklahoma
- James B. Jacobs, Professor, New York University School of Law
- Gary L. Raney, Sheriff, Ada County, Idaho
- Anne K. Seymour, Victim Advocate, Washington, DC
- Susan Weld Shaffer, Director, District of Columbia Pretrial Services Agency
- Arthur M. Wallenstein, Director, Montgomery County Department of Correction and Rehabilitation, Maryland
- Reginald A. Wilkinson, President, Ohio College Access Network
- Diane Williams, President/CEO, Safer Foundation, Chicago, Illinois
- Max Williams, Director, Oregon Department of Corrections



Purpose of the NIC Advisory Board Public Hearing

The NIC Advisory Board seeks to expand its understanding of critical topics in corrections to enhance knowledge and practice in the field. For this public hearing, the board selected the topic of cost containment and balancing fiscal challenges, performance-based budget and public safety due to its broad impact on corrections and the significant reductions that many agencies are facing. Advisory Board hearings are held for the purposes of:

1. Educating the National Institute of Corrections Advisory Board about important trends in corrections-related policy, programs, and practices.
2. Providing the National Institute of Corrections with input and advice from the field that can be integrated into the Institute's vision and strategic plan.
3. Helping the National Institute of Corrections in achieving a high level of excellence in identifying and meeting the needs of the field of corrections.



About the Hearing

The hearing on balancing fiscal challenges, performance-based budgeting, and public safety was held on August 22 and 23, 2012 in Washington, DC at the Department of Justice. During the two-day hearing, 24 witnesses representing the corrections field, including policy makers, mental health experts, external stakeholders, academia, and experts in the field, were selected to provide their perspectives. The panels covered the following topic areas:

- The Fiscal Costs of Corrections in the United States
- Outcome-based Budgeting: Process and Practice
- Cost-Effective Strategies for Meeting Policy Requirements and Legislative Mandates
- Reengineering Population Management
- Budgetary Approaches to Providing Services for Offender Health Care
- Innovative Cost Saving Strategies
- Opportunity versus Obligations
- Capability and Capacity: Understanding NIC's Delivery of Services

NIC Director, Morris Thigpen, commenced the Hearing by recognizing the diversity of experience and knowledge of the witnesses that would inform the Hearing and provide NIC with greater depth of understanding in the area of fiscal challenges within corrections.

Diane Williams, CEO of Safer Foundation and Chair of the NIC Advisory Board, corroborated Director Thigpen's sentiments and emphasized that the objective of the hearing was to provide NIC with information that will inform NIC's efforts in providing assistance to the field in the area of cost containment. She stated that the budget demands in the corrections field are very different than what correctional agencies have experienced in the past. While demands continue to be placed on public safety institutions, there is not adequate funding available to meet those demands. Ms. Williams stated that over the next two days the NIC Advisory Board would listen for solutions and ideas that will assist NIC in moving forward. Max Williams, sub-committee chair of the Hearing, welcomed the group and moderated the two-day event.

Below is the list of the 24 witnesses who testified at the hearing:

- Franklin Amanat, Esq., Assistant United States Attorney in the Eastern District of New York
- J. John Ashe, Superintendent of the Hampden County Correctional Center
- Dr. James Austin, President, JFA Institute
- Madeline "Mimi" Carter, Principal, Center for Effective Public Policy
- Jim Cosby, Chief, Community Services Division, National Institute of Corrections

- Dr. Jim Degroot, Mental Health Director, Georgia Department of Corrections
- Adam Gelb, Director, Public Safety Performance Project, Pew Center on the States
- James A. Gondles, Executive Director, American Correctional Association
- Stan Hilkey, Sheriff, Mesa County Sheriff's Department
- Dr. Christopher Innes, Chief, Research and Information Services, National Institute of Corrections
- Michael Jacobson, President and Director, Vera Institute
- Captain A. Martin Johnston, R.Ph., Chief, Pharmacy Logistic Support, U.S. Public Health Service, Federal Bureau of Prisons
- Dr. Newton Kendig, Assistant Director, Health Services Division, Federal Bureau of Prisons
- Theresa Lantz, Consultant, Retired Commissioner of Connecticut
- Dr. Mary Livers, Deputy Secretary, Louisiana Office of Juvenile Justice
- Sandra Matheson, Director, Office of Victim/Witness Assistance
- Gary Mohr, Director, Ohio Department of Rehabilitation and Correction
- Ed Monahan, Chair, American Council of Defenders, Kentucky Public Advocate, Department of Public Advocacy
- Joseph Ponte, Commissioner, Maine Department of Corrections
- Brian Sigriz, Director of State Fiscal Studies, National Association of State Budget Officers (NASBO)
- Mindy Tarlow, Executive Director and Chief Executive Officer, Center for Employment Opportunities
- Gary VanLandingham, Director, Results First, Pew Center on the State
- Bernard Warner, Secretary of Corrections, Washington State Department of Corrections
- Dr. Reginald Wilkinson, President and CEO of the Ohio College Access Network
- Karen Wilson, Partner, PricewaterhouseCoopers



Hearing Agenda

Wednesday, August 22, 2012

8:30-8:40	Welcome and Introductory Remarks	Diane Williams , Chair, NIC Advisory Board; President and CEO, <i>Safer Foundation</i>
8:40-8:50	Statement from Director Samuels	Charles E. Samuels , Director <i>Federal Bureau of Prisons</i>
8:50-9:00	Statement from Director Thigpen	Morris Thigpen , Director <i>National Institute of Corrections</i>
9:00-9:10	Panel Kick-off	Max Williams , NIC Advisory Board; President and CEO, <i>The Oregon Community Foundation</i>
9:10-10:40	Briefing on the Fiscal Costs of Corrections in the United States	Dr. Reginald Wilkinson , President <i>Ohio College Access Network</i> Dr. Mary Livers , Deputy Secretary <i>Louisiana Office of Juvenile Justice</i> James A. Gondles , Executive Director <i>American Correctional Association</i> Adam Gelb , Director, Public Safety Performance Project, <i>Pew Center on the States</i>
10:40-11:00	Break	
11:00-12:30	Outcome-based Budgeting: Process and Practice	Chris Innes , Chief, Research and Information Services, <i>National Institute of Corrections</i> Brian Sigriz , Director of State Fiscal Services, <i>National Association of State Budget Officers</i> Karen Wilson , Partner <i>PricewaterhouseCoopers</i> Theresa Lantz , Consultant, Retired Commissioner of Connecticut
12:30-1:30	Lunch – Justice Café	
1:30-2:30	Cost-Effective Strategies for Meeting Policy Requirements and Legislative Mandates	Franklin Amanat, Esq. , Supervisory Assistant United States Attorney and Deputy Chief, Civil Division, <i>U.S. Attorney’s Office Eastern District of New York</i> Gary Mohr , Director <i>Ohio Department of Rehabilitation and Correction</i>
2:30-2:45	Break	
2:45-4:15	Reengineering Population Management	Michael Jacobson , President and Director <i>Vera Institute</i> Dr. James Austin , President <i>JFA Institute</i> Ed Monahan , Public Advocate <i>Kentucky Department of Public Advocacy</i> Stan Hilkey , Sheriff <i>Mesa County Sheriff’s Department</i>
4:15-4:30	Closing Comments	Diane Williams , Chair, NIC Advisory Board Max Williams , NIC Advisory Board

Thursday, August 23, 2012

8:30-8:40	Welcome and Recap of Day 1	Diane Williams , Chair, NIC Advisory Board; President and CEO, <i>Safer Foundation</i> Max Williams , NIC Advisory Board; President and CEO, <i>The Oregon Community Foundation</i>
8:40-10:15	Budgetary Approaches to Providing Services for Offender Health Care	Dr. Newton Kendig , Assistant Director, Health Services Division, <i>Federal Bureau of Prisons</i> Dr. Jim Degroot , Mental Health Director <i>Georgia Department of Corrections</i> Joseph Ponte , Commissioner <i>Maine Department of Corrections</i> J. John Ashe , Superintendent <i>Hampden County Correctional Center</i>
10:15-10:35	Break	
10:35-12:00	Innovative Cost-Saving Strategies	Captain A. Martin Johnston , Chief Pharmacy Logistics Support <i>Federal Bureau of Prisons</i> Bernard Warner , Secretary <i>Washington State Department of Corrections</i> Gary VanLandingham , Director, Results First, <i>Pew Center on the States</i>
12:00-1:00	Lunch	
1:00-2:00	Opportunity versus Obligations	Madeline “Mimi” Carter , Principal <i>The Center for Effective Public Policy</i> Sandra Matheson , Director <i>State Office of Victim/Witness Assistance</i> Mindy Tarlow , Chief Executive Officer <i>Center for Employment Opportunities</i>
2:00-2:15	Break	
2:15-2:45	Capability and Capacity: Understanding NIC’s Delivery of Services	Jim Cosby , Chief, Community Services Division, <i>National Institute of Corrections</i>
2:45-3:15	Identifying and Responding to the Future Cost Needs of Corrections in the United States	Diane Williams , Chair, NIC Advisory Board
3:15	Closing	Diane Williams , Chair, NIC Advisory Board Morris Thigpen , Director <i>National Institute of Corrections</i>



TRANSCRIPT OF TESTIMONY

WELCOME AND INTRODUCTORY REMARKS

DIANE WILLIAMS: Good morning and welcome. We are pleased that each of you could join us this morning. We think it's a very important session that will take place over the next couple of days and we're delighted that you could come to provide input as well as to listen today, for some of you, and provide input at a later point in time. For those of you that I've not met, my name is Diane Williams and I have the honor of chairing the National Institute of Corrections Advisory Board. I do that with the people that you see sitting at these two rows, a wonderful group of people who really care about the work in which we're involved. We have a number of other members who I don't see at these two tables this morning who represent various federal agencies, again, with vested interest in the kind of work that we do.

We know that those of you who have come to present today have lots of things on your plate and that there are a lot of other places that you could have been today, so we appreciate the value that you place on this work and your contribution to the work as well. I'm assuming that many of you know the National Institute of Corrections fairly well, but I think it's important to note that we are in fact a sixteen-member panel appointed by the Attorney General to advise and assist the Institute in performing its mission. The sixteen-member advisory panel was established by enabling legislation, public law 93-415 to provide policy direction to the Institute. The current board was sworn in by Attorney General Eric Holder in March, 2011. We have staggered terms so you'll see some of us come off and others come on and those kinds of things over time.

We have held hearings a number of times over the years. The purpose of the hearings is to really inform NIC staff so that in fact the work that they do can be relevant to the field, so rather -- this is not a hearing that is just for the sake of recording information that will go on a shelf. Instead, what will happen is the information that we are able to garner today and tomorrow will be reviewed by the board, it will be reviewed by staff at NIC and we will jointly work towards providing support to the field around this particularly important topic of cost containment. Some of you may have participated in other hearings. We have held hearings on mental health, we've had hearings on culture, and we've taken a look at California and other places: what's going on in those places, how they are improving systems, and the kind of challenges that they're facing in the process of doing that? And again, just as that information was converted into learning opportunities, so will this information be converted.

What we know that the field is facing today is budget demands that are very different than budget demands have been for a very long time. There are many demands being placed on public safety institutions, and not a lot of new dollars flowing in to meet those demands. We know that health care costs are rising significantly and that when we look at the different populations that we're serving, we have a fairly large aging population that has a very high

cost associated with serving it. What we see is that people are building partnerships and coalitions in an effort to address mass incarceration and the rising costs that we're all facing. Our discussions over the next two days will offer, in some cases, a clearer definition of these problems. We will look at what the problem is in lots of different ways, but more importantly, we will look at how people are addressing some of those problems and hopefully learn from that so that even more people will have the benefit of that learning.

I don't want to spend a lot of time with you this morning; I'd rather have an opportunity to hear the speakers. I do think it's important to note that we have a committee that has been working on this extremely hard. We have both staff and board members that have been very busy on this topic and Max Williams is the chair of that committee, so I will turn the microphone over to Max and hopefully he won't have telephone interference.

MAX WILLIAMS: Good morning, everyone. It's really my pleasure to be here as the vice chair of the National Institute of Corrections Advisory Board. In this hearing, I think I play the role more like vice principal. So it's going to be my responsibility to try to make sure that we run the sessions appropriately on time and to moderate the discussion.

This two-tiered approach that we have, with the two tables, is a little unconventional for a typical hearing environment, but I appreciate being able to see the hands of all my other fellow Advisory Committee members who are sitting in front of us. I do want to take a moment just to acknowledge and thank Director Samuels from the Federal Bureau of Prisons who's spending the day with us today and supports strongly the work of NIC. We deeply appreciate his presence and also Director Thigpen, the NIC Director who's on the panel and at the table here with Diane and me. A couple of comments: as you heard we've all been asked to speak into the microphone so if the presenters at the table will move the microphone close to them at the time they present, it would be appreciated. I've been informed that at the back table, at the registration table, there is a photo release form and we've all been asked to sign this release form, particularly panelists and advisory committee members, to ensure that those photos can be used in appropriate NIC publications. So if you'd take the time to do that during the break, we would appreciate it.

I have a couple of other initial comments. All unescorted badged attendees must be escorted by a DOJ federal employee. If you leave the building, you must be processed through the regular visitor entrance. The first break in our day today has been extended to twenty minutes to allow guests to visit the Justice Cafe, located in the basement of this building. I encourage you if you don't know where that is to get directions, or you might end up in another room you don't want to be in. Restrooms are located nearby and if you just ask someone out at the registration table, they'll be able to direct you to the restrooms.

Some of the presentations throughout the hearing will be presented via PowerPoint. The screens will be in use so you may look at the monitors overhead for ease of viewing. And there are some kiosks, or some material set up in the back of the room that can demonstrate a few of the NIC services and we hope you have time to look at those. So my intent will be to introduce all the panelists, but we won't be doing a full reading of each of their

biographies. I believe in your materials you have access to those, so I'll make a few introductory comments about each of the panelists and introduce the initial panel. And with that I want to ensure that either Morris, or Director Samuels, if you have anything you want to add before we get started?

DIRECTOR THIGPEN: Not at this point.

MAX WILLIAMS: Director Samuels?

DIRECTOR SAMUELS: Yes. Good morning, Madame Chair and members of the Advisory Board for the National Institute of Corrections and everyone joining us this morning. I appreciate the invitation to appear before you today as part of this panel to discuss the importance of cost containment in the field of corrections and in the Federal Bureau of Prisons specifically. Throughout the history of the Federal Bureau of Prisons, the agency has been committed to the dual mission of keeping offenders confined in prisons that are safe, secure, and humane, and providing opportunities for prisoners to prepare themselves for a productive life when they are released. The agency has had great success on both fronts measured by key indicators such as escapes, disturbances, homicides, and serious assaults where all are either rare or infrequent events and a rate of recidivism that is significantly lower than the rates for large states as reported by the Bureau of Justice Statistics. Put simply, our job is to help inmates be prepared to succeed upon release to ensure they do not return to prison. To achieve that, reentry preparation in the Bureau begins on the first day of incarceration and we've had that belief since our existence in the early thirties.

Our core programs, including federal prison industries, occupational and vocational training, education, and cognitive behavioral treatment such as our residential drug abuse program, have been proven to reduce recidivism and reached the largest number of federal inmates. Attorney General Holder has made clear his strong commitment to reentry as a critical component of public safety. The Attorney General's Federal Interagency Reentry Council was established to coordinate federal reentry efforts to promote three goals: first, enhancing community safety by reducing recidivism and further victimization; second, helping those returning from prison become productive citizens; and lastly, saving taxpayer dollars by lowering the direct and indirect cost of incarceration. The leadership this council provides should improve coordination of our national efforts across agencies and facilitate access to services ultimately improving our effectiveness.

I share the Attorney General's commitment to reentry. From the onset of my term as Director, I've made reentry a major focus of my administration. Enhancing and expanding inmate opportunities is a critical component of reentry. We are reviewing existing programming efforts to ensure we are using the most effective programs for reentry preparation, and we are standardizing career resource centers agency-wide so inmates have access to the same resources to help them prepare for employment. All BOP staff are full engaged and supportive of the reentry process. In order to most efficiently promote reentry, we need to involve the community to help ensure ex-offenders have the support, the care, guidance, supervision and whatever resources they need to succeed when they are

released from our custody. Partnerships and collaborative efforts are underway with agencies at all levels of government; federal, state, county and local.

We are partnering with the U.S. Courts Office of Probation and Pretrial Services, the Social Security Administration, the Veterans Administration and others to expedite processing applications so inmates have the kinds of benefits they need when they are ready to transition. We are partnering with state departments of motor vehicles to assist inmates in securing driver's licenses or identification cards and with state employment agencies to get inmate resumes loaded into their systems and facilitate inmates' job searches. We continue to develop contacts nationally and within our local communities that assist in connecting releasing offenders with the resources they need to succeed. But there are many challenges ahead with regard to reducing recidivism and protecting the public. First and foremost are the very real budget constraints on all federal government agencies. For the Bureau the challenges are acute, because unlike most state governments, we have very little control over the factors that drive the size of our inmate population, the number of prosecutions yielding a sentence of incarceration, and the length of those sentences.

With about 70% of our budget funding staff positions, it is clear the only way to significantly decrease our costs is to decrease the number of inmates entering our system or the length of time to which they are sentenced. We are often asked to evaluate projects that would allow us to release relatively small numbers of additional inmates each year. While all of these concepts are important to consider, they will not have a significant impact upon our staffing and therefore our costs. Quite candidly, initiatives that result in the release of smaller number of inmates will not resolve the fiscal challenges that we currently face. Absent meaningful sentencing reform, our population and therefore our costs are projected to continue to increase as our facilities become more and more crowded. Approximately 81% of the Bureau's total population, which is roughly 218,000, is housed in our facilities while the balance is confined in contract facilities.

Despite our use of privatized facilities to help with population management, our institutions are crowded and our staff are stretched very thin. Between FY 2001 and FY 2010, we averaged an increase in population of 6,400 inmates per year. In FY 2011, we grew by 7,541. Today we have 218,364 inmates in 117 institutions compared to 24,640 inmates in 41 institutions in 1980. Our inmate population has increased 783% since 1980. I think it's also important to note that in 1980, we could run the entire Bureau of Prisons for little more than \$330 million. In today's dollars, to build a new facility, we would spend more than that. Nationwide, Bureau institutions are at 38% above rated capacity with high and medium security institutions at 48 percent above capacity. Our staff-to-inmate ratio, the measure of the number of staff available to supervise the inmate population in one of our facilities, has increased to a level significantly higher than comparable state prison systems. Research has demonstrated that an increase in crowding and the staff-to-inmate ratio are both correlated with an increase in prison violence. These factors also decrease our ability to prepare inmates for reentry which in turn increases the potential for recidivism.

To give you a sense of what Federal Corrections costs, the Bureau's daily total cost per inmate in FY 2007 was \$68.28. In FY 2011, the total had climbed to \$79.16 per inmate. That increase of \$10.36 per person may not seem like much at first to most, but when one considers the size of our inmate population, the result is that our per capita obligations grew from almost \$4.4 billion to more than \$5.5 billion in four years alone. The Bureau continues to critically review all prisons, procedures and practices to ensure we're using the most cost-efficient and effective strategies to accomplish our mission. Last year alone, numerous cost reduction initiatives were implemented in Bureau offices and institutions across the nation. These range from reducing printing costs by publishing materials electronically to implementing extensive energy conservation measures that are projected to significantly reduce costs for many years. We're doing the best we can to meet our mission but we need to be vigilant in identifying opportunities for improvement and advancement.

I feel privileged to lead an outstanding workforce of professionals who rise to help the agency successfully manage whatever challenges it has encountered. Before I close, I would like to thank NIC Director Morris Thigpen and staff at NIC and The Moss Group for putting this hearing together to discuss such an important topic. The entire field of corrections relies on NIC to be a center of learning, innovation, and leadership that shapes and advances effective correctional practices in public policy throughout the country. NIC is also known for developing workable solutions to some of the more complex problems in corrections. NIC makes our jobs easier by offering quality training, support, technical assistance and even public forums for hearings like this.

I'm confident the Bureau and state and local correctional systems and law enforcement entities throughout the nation will continue to greatly benefit from NIC's expertise, services, and resources in the years to come. Opportunities like today's hearing on the impact of cost containment can stimulate ideas, energize efforts and focus attention in such a way that it ultimately makes a difference to public safety. As correctional leaders, professionals, practitioners, educators, and stakeholders, we must take full advantage of these events to share and learn from one other. The more we know about what is happening in other jurisdictions across the country and more importantly, what shows promise or has been successfully implemented, the better decisions we can make. In these tight economic times, it benefits all of us to share strategies that maximize our performance through effective resource allocation. I believe it is possible to gain additional efficiencies and I look forward to sharing with my staff what I learn from this hearing in order to help us further improve our operations in reentry outcomes. I know we are in this together. When ex-offenders are released into our communities, we want to provide as many resources as possible to ensure they succeed. We want to wisely use the tax dollars that are funding these services. We have a vested interest in ensuring that funding is used to its fullest advantage to generate the best results.

Again, thank you for the invitation to participate in this panel. I look forward to what the next couple of days will offer. If you have ideas about areas where we can partner with the Bureau of Prisons to more effectively reduce recidivism, reduce costs, or be more effective in providing programs and services to prisoners, please let me know, and I welcome your input. Thank you.

DIANE WILLIAMS: Thank you.

MAX WILLIAMS: Thank you very much Director Samuels. I think you've done a marvelous job in sort of framing the conversation for us as we begin our panel today. It is, I think, a reaction to the challenge that corrections has faced over most of the last decade that has caused the NIC Advisory Board to choose this subject matter for the purpose of these hearings. As you well-framed it, at the federal level I believe that almost every state and even local jurisdiction could come forward and show comparable statistics to the impact that the changing nature of corrections has had in their jurisdictions. And the challenges that corrections administrators face as they begin to try to lead in an environment where there is significant resource challenges, rising populations, and rising costs, the NIC Advisory Board is hopeful today that as we listen to the presentations and the testimony, we'll learn information that will allow us to advise the National Institute of Corrections in how best to serve professionals in the field and various jurisdictions in dealing with these issues as we move forward. Hopefully there'll be some new ideas and some new conversation today that will inform us of that.

I'm told that we may have some special guests here as well, during the day or tomorrow: two staff from Senator Dick Durbin's office, Mara Silver, and Gabe Broughten, and Simone de la Rosario who is with Northwestern University, and then also some visitors from Japan who may be with us over the course of the next two days to learn more about how we approach this issue. Again, before we move to the panel, Director Thigpen, if you have anything you want to add in framing the conversation before we move forward, I'd like to give you that opportunity.

DIRECTOR THIGPEN: Thank you very much, Max. First of all, I think I would be derelict if I did not, in addition to welcoming all of you and thanking you for being here to also give some credit to those who have played such a major role in putting this hearing together. I want to personally thank Sherry Carroll of the NIC staff who has worked tirelessly in working on this, along with Donna Deutsch and Andie Moss of The Moss Group. Together, I think that you will find through the two days that they've really done an excellent job in all of the various arrangements. We've got a very nice place to have the hearing. We struggled with that, believe it or not for a little while, but thanks to DOJ for allowing us to use this space.

I also want to thank all of the panelists that are here. The Advisory Board itself has put some work in bringing those panelists together, each of them had various areas that they were working on and I think they've done an excellent job in terms of the number of folks, and the quality of folks we have here and the testimony that you will be hearing. As was mentioned, this is the second hearing of this present Advisory Board. The first one was held back in November; we were on the campus at Stanford University in the law school, and the focus of that one was shifting the focus to reshape our thinking toward performance-based outcomes. For your information, a summary of that hearing and the actual testimony is available on the NIC website and for those of you that are interested, you may want to take a look at that. Our theme for this hearing is called balancing fiscal challenges, performance-based budgeting and public safety.

The question obviously comes up, why is NIC holding this hearing? I think some of that has already been addressed. Obviously it is very much on the radar as we look across the country today. It's previously been said, whether you're at a county level or state level or at the national level, there is very much concern about how costs are increasing and how rapidly they continue to go up. The federal government and Congress certainly have looked at this as an issue. I think it was back on August 1st that the Senate Judiciary Committee held a hearing in looking at the cost of incarceration. And I think for us at NIC, the bottom line question is, is there a role for NIC as we look at this issue? I've had a chance to review the written testimony for this hearing. I think over the next two days we will be challenged by the various panelist's presentations to think about the direction in which this country is moving. What can we do to ensure that we maintain public safety at a time of diminishing resources? This task will not be easy. I think we must consider how effective our present approaches are. Given the fact we will be required to operate with less funds for a significant time into the future, how responsible is it, with limited resources, to have the highest per capita incarceration rate in the entire world? What about our length of sentences that have already been mentioned? There is much here to be discussed.

As I thought about this today, there is a story that comes to my mind that sort of points out our task for the next two days. It seems that this gentleman was having trouble in his backyard being invaded by porcupines. He didn't know quite how to handle it, or know what to do. Every time he turned his dogs out into the backyard, they came back with quails in their back. So he went across and talked to an old neighbor, and he says, you know, I've got to find some way of handling this, do you have any suggestions? And he said, yeah, let me offer one, and said, go out and find you a number three tub. Take it out in the yard. Creep up on those porcupines, and put that tub over them. Okay. Well, what's the next move? Sit on the tub and ponder what your next move is. That's sort of where we are, I think, today. We're going to have a lot of good information and we will have a chance to ponder what our next move is. Thank you.

MAX WILLIAMS: Thank you Morris, very much for that. And I think that's a metaphor that I bet we'll have repeated multiple times now, throughout our panels in the next two days. Well, at this time we're going to begin our first panel. The objective of this panel is to give an outline and an overview of the current state of corrections and the economic forecast for the field.

We have four panelists that are well-known to those of us in corrections from around the country based on their experience and their involvement in trying to address some of the most critical issues that are facing the field today. Hopefully we're going to get a bit of an update about how organizations are responding over the last two-to-three years regarding these ongoing concerns and financial forecasts. So let me introduce briefly our panel members. First we'll hear from Dr. Reggie Wilkinson, who's also a member of the NIC Advisory Board. He's currently the President and CEO of the Ohio College Access Network, formerly the Executive Director of the Business Alliance on Higher Education and the Economy in Ohio. But for many years was the head of the State of Ohio Department of Rehabilitation and Corrections, and has been associated with that department since 1973. He's

a past ASCA President, very active in the ACA and many other corrections-related organizations, and has done much in his efforts around scholarly work associated with the corrections field.

Second, we're going to get to hear from Dr. Mary Livers. Mary is from Shreveport, Louisiana. She has served in three separate state corrections departments with the Arkansas, the Oklahoma, and the Maryland Department of Corrections, where she was an Assistant Secretary for Operations of Public Safety and Corrections with oversight of corrections, probation and parole and the Baltimore City Jail. Currently, she is the Deputy Secretary of the Office of Juvenile Justice in the state of Louisiana. We're going to get to hear from Jim Gondles. Jim is the eighth Executive Director of the American Correctional Association, but the only one that I've ever known, and I would say that's true for many of us in corrections. He served as the full-time Executive Director designee from October of 1990 until 1991 when he was named the Executive Director and is a well-known face and influence in corrections with his involvement at ACA.

And then finally, we have Adam Gelb, who is the Director of The Pew Center on the State's Public Safety Performance Project. Many of us are aware of Pew's long involvement in these issues and their work associated with justice reinvestment and the role that they've played in helping frame these conversations in a number of states throughout the country and at the national level. As the project lead, Adam oversees Pew's assistance to the states seeking a greater public safety return on their corrections spending and he supervises these various outreach and research efforts in these states. So, again I would refer you all to the biographical information on each of our speakers; my introductions have not done their experience justice, but I hope gives you a brief framework for who these individuals are and what they bring to the table. We'll hear from each of them for approximately 15 minutes apiece, following which we'll have an open discussion among the Advisory Board with questions and answers for our speaker which I'll attempt to moderate. So with that I'll turn it over to Reggie Wilkinson.

PANEL 1 – Briefing on the Fiscal Costs of Corrections in the United States

Panelists: Dr. Reginald Wilkinson, President, Ohio College Access Network
Dr. Mary Livers, Deputy Secretary, Louisiana Office of Juvenile Justice
James. A. Gondles, Executive Director, American Correctional Association
Adam Gelb, Director, Public Safety Performance Project, Pew Center on the States

Each panelist's submitted testimony is located in Appendix B, except for Reggie Wilkinson's whose remarks follow below.

REGGIE WILKINSON: Thanks Max. Good morning NIC Board Members, fellow panelists and guests, and Morris, I'll be the first to jump on your metaphor. I don't think we have either porcupines or number three tubs in Ohio, although I did see one of those - I think it's the tin tubs - in Georgia when I went to visit my grandmother once upon a time. I'm pleased to provide opening comments and I do mean opening, making way for the testimonies of this first panel of distinguished experts and it is correct, we very carefully chose the persons that we wanted to be panelists on all of the panels that you'll hear from over the course of the next couple of days. But I'm particularly pleased that when we call persons to participate on the panel, they eagerly accepted and this panel is no exception. Certainly the theme of this hearing, Balancing Fiscal Challenges, Performance-Based Budgeting, and Public Safety is why we are here. We can't lose sight of the fact that this challenge is something that's very, very dear to anybody who has ever been involved in trying to manage a corrections agency.

But don't be fooled, the challenges that we're talking about today are not specific to corrections. You name the area; education, healthcare, transportation, agriculture, business, and the list continues, and each face many, many issues related to how to manage their individual and collective fiscal challenges. Much of my time now is spent in the education world and believe me, it is not easy when we're talking about school funding formulas, when we're talking about affordability in higher education, in college tuitions and all the issues related to managing the world of education. It's very, very difficult and a challenging concern for administrators in just about every sector of government. So no matter the discipline, government is ripe for new, innovative cost containment and fiscal management strategies. I often say that what we're missing in government is the science of managing budgets of fiscal responsibility. So if there is one thing that we need to learn, we need to learn that there is a science that can be adapted by persons who manage very large corrections budgets that will aid them in being efficient and responsible with those dollars.

When I was head of the corrections agency in Ohio, one-fourth of all the persons who worked in state government in the executive branch worked for the Department of Corrections. That's a travesty in my mind of the highest proportions which means that we had a larger percentage of the state budget than most agencies did. And it was all general revenue budget for the most part and not dollars that were generated by fees of various sorts that

other agencies had the pleasure of receiving. There are specific areas in corrections that can benefit by benchmarking existing efforts that work. And by creating new innovations, these areas include but are not limited to security, offender programming, training, institution and community corrections, juvenile corrections, probation and parole, healthcare including physical and mental healthcare, pretrial and detention, victim's involvement and awareness, outsourcing, construction and other capital projects. You can fill in the gaps with the areas that I did not mention. I'm going to go back to one of those bullets: outsourcing. It's interesting that when the private sector, so-called privatizes they call it outsourcing, but when government does it, we call it privatizing. To me there's a dichotomy there. Why isn't what we do just outsourcing the way the private sector would do? Somehow or another, privatization in some respects has gotten a bad name, you know because of the notion of privatizing. We have always privatized efforts in corrections, but its taken on a different tone and I think we need to think about how we perceive the kind of work that we do and what we're responsible for in that area.

Similar to what Max and Morris have mentioned, I'm personally pleased that the NIC Advisory Board has taken on this project. We're doing the right thing on two fronts: We're having this hearing in the first place to identify fiscal gaps and potential solutions to those gaps by listening to the various and sundry testimonies that we will have the pleasure of participating in over the course of these two days; and then, we're going to ask NIC, and this is no small task, ask NIC to distill the contents of this hearing which might lead to practical applications for correctional administrators around the country to adopt. As you are well aware, managing fiscal challenges is not a new notion. We've been trying to manage challenges with budgets for as long as I can remember and for as long as there have been challenges with budgets. But why the emphasis now? In my lifetime, I've not seen the need being as great as it is now. Certainly that presents a big, big challenge for anybody who has to be responsible for asking for money from the legislatures from different legislative bodies. Second, it can get worse. It might get worse before it gets better. It might not ever get better than what it is right now. So the fiscal issues and budgetary concerns might be worse in the very, very near future. But what supersedes these two issues for me is that it is simply the right thing to do. Whether the economy is good or bad, we should do all that we can to make sure that we manage the dollars that we have in the best way possible. We are entrusted with the responsibility of perpetuating good government practices. It's what the public wants, it's what they deserve, and we should give it to those persons who supply those tax dollars for us to do our jobs well.

But in some cases there's no need to reinvent the wheel. I guarantee that there are stellar examples that are worthy of replication; there are intrajurisdictional as well as interagency. I'm sure we will hear about some of these examples today and tomorrow. No doubt that there are a multitude of challenges that we will not hear from today and tomorrow. That might be a subject of how we move forward with the responsibility that NIC has taken on. We should not expect a magic bullet or an overnight solution to a complicated condition. This complicated condition I'm calling fiscalitis. We should be measured in our deliberations to avoid snake oil solutions to possible cures. Seat-of-the-pants management doesn't work here. It will take a commitment and validated strategies to make an empirical dent in the fiscal challenge fabric. It is necessary to duly document replicable fiscal practices. Then it will be necessary to formulate those practices into practical applications. That will be a tough part of what we do.

How do we distill what we hear and know to do something that can be used by that correction officer, by that parole officer, by that institutional superintendent or warden or that supervisor of a parole and probation region. It will then be necessary to formulate those practices in a way that will also facilitate cost savings.

Most importantly, communicating those proven practices will be absolutely necessary. This is already begun somewhat with the NIC Cost Containment Online Resource Center that you will hear about shortly. There will be a presentation from NIC and Chris Innis and others about the Cost Containment Center that is already online. Each jurisdiction is unique with its own fiscal purchasing and fiscal management practices. This should not prevent us from sharing generic versions of our findings. So that means despite the differences that agencies have, there is something in what we find that can be adopted by each of the jurisdictions who might be able to benefit from our findings. I often hear that government should be more like the private sector. I'm here to say in some cases this is correct. In other cases it isn't. If we can adapt private sector strategies, I'm all for it. But we should not throw the baby out with the bathwater either. The truth is, public and private sectors can play in the same sandbox. So there are a lot of public sector practices that are stellar and should be replicated. There are private sector practices that we can adopt. But in any case, to me the collective partnering between the public and private sectors -- and that includes the non-profit sector, by the way -- should be a part of our agenda.

I have been a student of the private sector strategies for a long time, such as Total Quality Management -- W. Edwards Deming is the so-called guru of TQM -- Management By Objectives, and that takes us back a couple decades, but MBO is a big part of what the private sector has used for many years and process improvement concepts. We certainly adapted some of those in Ohio. In fact, when I was Director, Ohio adopted something we called Quality Services through Partnership. This was the whole state. And I implemented something called Ohio Quality Corrections. Another very popular and successful strategy that's being used by the private sector today and adopted now by some non-profit sector is Six Sigma so there are strategies that are proven that very well could be part of a government agenda. I'm winding down my comments now, but one notion I must get across: Any fiscal reformation that takes place needs to include leadership, middle management and line staff. If you don't have employee buy-in, regardless of the sector in corrections, you won't be able to achieve the various and sundry changes that might be necessary, especially as it relates to managing budgets. This is often referred to as Employee-Participatory Management. I think it's very crucial to any kind of positive change that needs to take place. Therefore, creating a culture of efficiency is not only realized when we adopt sound fiscal and budget management processes, it is also achieved when we accomplish the inalienable goals of our profession: recidivism and crime reduction, safe and humane conditions for staff and offenders alike, rehabilitation and treatment, academic achievement and career development, successful reentry modalities, victims and survivor safety, sentencing reform, research and evaluation and more.

I want to end my comments with a couple quotes from this book. Under intense fiscal pressure, state and local leaders had no choice but to change the way they did business. Mayors and Governors embraced private-sector partnerships, developed alternative ways to deliver services, cities fostered competition between service

providers and invented new budget systems. Public managers began to speak of enterprise management and learning organizations, and self-reliant cities. States began to restructure their most expensive public systems: education, healthcare, and welfare. George Voinovich, Republican governor of Ohio said in his inaugural address, "Gone are the days when public sector officials are measured by how much they spend on a problem. The new realities dictate that public officials are now judged by whether they can work harder and smarter, and do more with less." This book is Reinventing Government. It was published in 1992. This quote was in 1991. So it reemphasizes my notion that this is not a new problem. And by the way, I highly recommend that we all reread Reinventing Government, because it really addresses some of the same kinds of concerns that we have now. So the adage that there's nothing new under the sun might be very well true for our case as well. Thank you very much.

Dr. Mary Livers – see Testimony in Appendix B

James Gondles - see Testimony in Appendix B

Adam Gelb – see Testimony in Appendix B

MAX WILLIAMS: Great thank you very much, Adam and all the panel members, for really a great introduction to the subject matter that we're going to be covering here over the next two days. It's now an opportunity to open it up for panel members, or for Advisory Board members to ask questions. Go ahead with the first question, Dr. Jacobs.

DR. JAMES JACOBS: So it's easy and the tendency is to talk about, well costs are high, and the way to reduce the costs is to get sentencing reform and to just reduce the number of inmates. All of us know that there are a lot of steps in between. I think Dr. Livers pointed that out very well, so just because we reduce the number of inmates doesn't mean we reduce the number of costs, the amount of costs. For one thing, we're already overcrowded and it takes a certain number of staff members to operate an institution, so we reduce inmates. You may not be able to reduce any staff and even if you reduce a lot in sentencing, you're going to have to start to close institutions, and close a lot of institutions. We've built a very large penal infrastructure and to go about dismantling that infrastructure would be a huge, huge project, and it would take decades to do. It wouldn't be easy and it's the kind of long-term issue that the NIC should be very much thinking about. I'm sure everybody realizes that's something that you can't say, tomorrow we'll just start dismantling the system. And also, even if you could close prisons, it doesn't mean you'd reduce all the costs. You've still got the pension costs and in some cases you have collective bargaining agreements. It's not easy to reduce all the costs.

So it's interesting in trying to get a handle on the budget, to think about what kind of costs are fixed, what kind of costs are discretionary, and which are the ones that are likely to be on the radar screen for being cut. There are going to be a limited number of discretionary costs - there are going to be training and programs and a lot of the innovative stuff that goes on corrections. So another big issue for the NIC in these troubled times is thinking about what happens to those discretionary costs and what happens to training, what happens to programs. I mean how does the correctional infrastructure live through these very difficult times? What are the challenges that are going to be faced on the ground? Facing running institutions with layoffs, facing running community corrections with less

money, less training, less opportunity for discretionary programs. So I think those things need to be discussed. You said, Mr. Gelb, something like 10 percent reduction in recidivism will knock 10% off the \$52 billion. I mean we've got to get beyond that kind of thinking. We also need to think about what are there other drivers of cost, and even if you could reduce all of the costs which would be enormously exciting for the taxpayers, I can see the politicians come out and say, well-done, and you know what the result is? Your correctional budget will now be reduced by 50%, we're not going to give you the same amount for 50,000 prisoners that we gave you for 100,000 prisoners, what are you out your mind?

You're now reduced to half and so corrections would be in the same box as it was before. It'd be nice if you say "Well, we'll just take the money that we saved and we'll put it in another area". We'll do better services, but is that going to happen? Maybe that speaks to your point about building strong correctional constituencies, professional constituencies for good correctional practice. But all those things are tough, and they're all going to be major challenges going forward for the NIC.

MAX WILLIAMS: And do you -- Dr. Jacobs, do you want them to respond?

DR. JAMES JACOBS: I'd like to hear from Dr. Livers.

DR. MARY LIVERS: I think your point is well taken sir, in that it is incredibly challenging for administrators to deal with the immediate directive to reduce our budgets. And like I said earlier, the structural changes usually come a year, two years later. The work that the Pew Center is doing with these states is excellent work, but it takes time and coalitions and lots of collaboration to get that done and it does get done and there will be improvements.

In the meantime, we're dealing with what do we do now. And so it's down to the tough choices, it's down to what do we need to do to make sure that we meet the mission. And I think as long as administrators just keep the mission in mind and make those transformational-type adjustments to get through this period and beyond, that's the only thing that administrators can do. And so they do that by involving staff; they do that by reaching out to other people who can help us get that done, give us some good advice, give us some tools to be able to do it, but it is extremely challenging and everything you said is on point.

REGGIE WILKINSON: If I could maybe -- I want to specifically address Dr. Jacobs' issue about fixed and variable costs. I recall while dedicating two different prisons in Northern Ohio, I spoke in front of a crowd of people who were very anxious to see the prison built and told them that these are recession-proof jobs. Well, there's no such thing anymore.

Nothing is sacred in corrections; just about everything is variable anymore, including the pension plans. There's all kind of pension reform going on now. You name the area; even collective bargaining issues are different than they were once upon a time. You know, training now, people are adjusting, but I don't think have adjusted well

enough to doing a lot of online training. NIC can play a major role with E-learning and digital learning and blended learning, rather than the traditional method where everybody has to go to the academy, everybody has to be in front of an instructor in order to learn. Well, the dynamics of that is training, and it is taking place now, but it isn't taking place quick enough. And so those are the kind of things that I think we can help with, along the way. And there is a need to train. I think Dr. Livers mentioned earlier to have persons who are proficient, and I love this terminology, in financial literacy as it relates to budgeting and managing systems. I think this can make a big difference.

MAX WILLIAMS: Adam?

ADAM GELB: Right, I'd certainly like to acknowledge the fixed versus variable cost issue and that it is really dangerous to dangle in front of policymakers in a live situation and to state the notion that if you start any of these things, that a recidivism reduction of X amount is actually going to produce some theoretical savings; that if a lot of other things don't happen, will not actually be produced.

Think about trying to convince somebody to say start a drug court, and say that if we do this and divert these people into a drug court, we're going to save this many dollars down the line, when in fact, what might happen is you divert those hundred people into a drug court and the parole board just decides, well, we're going to keep these violent offenders we still have in here to 87% of their sentence, instead of 85 and it evaporates. There is no real savings. So your point is well-taken, but I would just try to be a little bit more optimistic about what we see going around the country and the level of sophistication of the conversations that are happening and the realization that in fact the population, the size of the overall population does drive the costs, where are mostly driven, as Dr. Livers said by the personnel costs and that if you don't really attack the population drivers in a big way, you're not ever going to get beyond the marginal costs and tinkering. I guess I would just throw out quickly as a suggestion something we've been thinking as a project a lot more about lately that might be something worth discussing further with NIC is to help state policymakers envision ways that they can transition some of the towns, particularly the smaller rural towns that are economically dependent on those prisons, help them envision a transition to a different state.

DR. JAMES JACOBS: Can I just share a quick follow-up with my point? In framing the issue, it's just becoming clearer that there are really two very, at least, basic conversations. I mean, one is for the society looking at, look at the cost of corrections and what are we getting out of it and so forth. That's an important conversation, it's one that Pew is very much a part of and you don't want to cut expenditures on corrections. Another conversation is what goes on in the Departments of Corrections? And that's a very separate issue.

How are we going to adjust to -- you know, we've lived through a period of growth and expansion, how do you adjust to growth and expansion? There are a lot of hard issues there. But how would you adjust to reductions, and caps, and freezing, and layoffs, and closing institutions and a changing political environment which is hostile to spending money in corrections and where there are a lot of other needs. This would be a hard period for corrections.

There can be a lot of demoralization if you have no salary increases for four or five years, where people are getting laid off all the time, where their jobs are insecure. I mean this is not a happy moment for a corrections department, even if it's a very happy and celebratory moment for the nation as a whole.

MAX WILLIAMS: We had a question from Sheriff Raney, and then one from Director Thigpen.

SHERIFF RANEY: Thank you Mr. Gondles. You have such a unique perspective on comparative systems across the country and across the world. We've begun to blur the lines a little bit between jails and prisons in the United States, and I have what I think is going to be a two-part question. Do you think we should continue to blur those lines?

JAMES GONDLES: You know I used to be a Sheriff. I don't know. I guess I've never really thought much about changing the system within the country. There are systems of course that are blended; Rhode Island comes to mind immediately, or Hawaii. And they seem to work well, they seem to work as well as other states, so I think it would be dependent upon what the counties and people want to do.

I do think this though: I think that jails and county government as it is today is very archaic, and it needs to be looked at much more closely and perhaps more use of regional facilities, regional jails for several counties should be looked at by many states.

SHERIFF RANEY: So a slightly different follow-up question: What would NIC's role be in establishing those regional facilities? There are a few models out there that could make it happen; what could NIC do to further that?

JIM GONDLES: Well the first thing is they'd need to put on very thick armor, because the National Sheriff's Association will probably come after them tooth and toenail. But I think looking at states like Virginia which has moved, not totally, but to a regional jail concept would help. My native state of Oklahoma probably ought to be doing that as well. And they're not. There are 77 counties in the state of Oklahoma and I think there's probably still 77 jails. It's not a good use of public funds, I don't believe. And I think NIC, if the Board decided to do that would be taking a leaded edge, but it will be fraught with politics.

SHERIFF RANEY: Thank you.

MAX WILLIAMS: Morris, and then Art.

DIRECTOR THIGPEN: One of the things, it seems to me that we can take some pride in is the fact that we've reached a point now where we're not seeing additional beds constructed across the state and there is significant savings as a result of that. So I think there is some progress that has been made there, and we know that the overall

population continues to grow and we talk often in terms of per capita, but that translates into additional numbers if your population is increasing.

The other thing that comes immediately to my mind, I don't want to jump in on an area that Director Samuels might want to respond to, but I think about, in terms of the Federal Bureau of Prisons, and the percentage of inmate population that is housed there for various drug offenses and the whole question with some changes that could occur in some of the sentencing structure that could occur right now that could result in some significant lowering of population, I think within the Bureau.

DIRECTOR SAMUELS: Yes, I concur with Morris regarding that. I think everyone's aware of the fact that a significant number within the Bureau of Prisons who have been sentenced to relative drug offenses is a very large part of our population. However, I mean these are issues that I think we will know are societal issues and where we want to go with that. But if we were to have any type of change relative to the types of sentencing for those offenses, it would drastically reduce our population in a significant manner. And I think not just with the Bureau, but I think even with state systems as well.

MAX WILLIAMS: Good, thank you.

JAMES GONDLES: It's interesting when I looked at other countries, and I mentioned the United Kingdom first, they have a tendency -- I hope there are no British in the room -- to follow America a year or two, or three, or a decade later. And the significant increase in their prison population is because they're beginning to lock up drug users, or drug offenders. Not very many other countries in the world are doing that, but the United Kingdom happens to be one.

MAX WILLIAMS: Mr. Wallenstein.

MR. WALLENSTEIN: Adam, the macro information that you've presented and that your organization has been developing has really enriched a whole new discussion and debate. And, I hope your funding continues and that the work continues, because it's positive. There are a couple of issues that were raised. This issue of state verses county is most likely just an antiquated debate that has its history and sheriffs of the past and the state and what have you. The fact is those lines have been blurred for a long time.

We're the major provider for the Bureau of Corrections of Community Correctional Services in Maryland and Northern Virginia. So they have no problem using county jails. County jails do an incredibly good job on reentry. States use county jails, not just to back up prisoners for whom they would prefer not to take. So my guess is while the debate is going on aggregate data, and macro data, we should be taking a look at how the lines have become blurred. And why shouldn't county jails take over populations that the states have traditionally worked and move the resources to the counties? It isn't simply an issue of getting bigger and smaller, it's where can you be most

effective? And there are some states now trying to sort of maneuver to move and push back certain populations into the counties. Well, if your level of analysis though becomes part of it so it isn't just some political issue, I think there's potential for enormous gains.

Still maintaining good public policy that Jim Jacobs has always urged upon us, don't get funny with this stuff, all right? A whole lot of dangerous people are no longer being properly supervised. More than likely, more than ever before, data is flowing that was never developed in the past. Part of that relates to grant money, to Second Chance, to a whole range of issues. We need to keep that going. I would also urge that groups like yours open up a little bit and bring the counties into the discussion, because we're already dealing with an enormous number of state prisoners. And of course everyone who's in the state has started in the county. So there's most likely several issues at hand, and I don't want to belabor the point. There's how to improve our microbudgeting at the local level to become more effective.

There are also whole changes in public policy. Where can we diminish sentences? Because the length just doesn't make any sense whatsoever. And I do think groups like NSA, and the ACA, and AJA, and what have you, need to come to the table and start talking about how we can blur the traditional lines and let the money be most effectively used where the most bang for the buck can be generated. Please keep your work as paramount as it has been, because I think it's been enormously positive improvement. And the other last point: The model that's been developed by the federal reentry policy counsel -- for which I just commend the Justice Department, for bringing that about -- has now translated it's work down the into many local jurisdictions. So part of this debate is how to take what's new and then how do you market it at the local level so it's not just the topic of conference discussion, but becomes really part of the agenda of public policy.

REGGIE WILKINSON: Well just to remind you of the testimony we received in California from Secretary Matt Cate, and Dr. Joan Petersilia about how the state prisoners in the largest state corrections system are devolving to the county level. And that's, you know, I'm sure a major complication, but I applaud them for at least recognizing that, local government can play a big role in helping to manage a bigger problem.

MAX WILLIAMS: Mrs. Shaffer.

SUSAN SHAFFER: I just wanted to add on to that. I think for Mr. Gelb, and Mr. Gondles particularly, but based in part on what Dr. Wilkinson was just mentioning, I was going to mention California and reinvestment. And that is something that blurring the lines - you're talking about between state and counties, but it also goes to that issue of the front end of the system, and now California's having to look at risk assessment to see what they do with the pretrial people, as you know who encompass the large majority of most of our jails, and looking at the cost savings there: whether that same analysis, you know, what it costs for a probationer versus prison time, what it costs for someone on pretrial release verses jail time. There's a whole arena I don't think Pew has gotten into so much, but inevitably it may be drawn into by virtue of this blending. So I'm just curious if you are doing some work or if ACA

is in looking at cost-benefit analysis of that kind of front-end decision-making about who should be in our jails. As you know many people are there just on money bonds they can't meet, absolutely nothing to do with public safety, and the cost savings that would accrue if those people could be more effectively assessed for risk, and managed in the community. Is anybody looking at that particularly as part of this?

ADAM GELB: Sure, just quickly, I'm constantly reminded by my boss and my boss's boss that we're the Pew Center on the States, not the Pew Center on the Counties and as much as we try to explain that, this is a very fluid and integrated system. My wrist still bears a few scars from this. That said, you know, our work inevitably has, in some of the states -- and when I say our, I mean our writ large with the CSG Justice Center, and the Bureau Institute of Justice and various other partners to include a number of local issues as they flow from the state issues, but perhaps more importantly, the Bureau of Justice Assistance, I think as many of you know has a local Justice Reinvestment Initiative that the urban institute is also involved in and other partners and I'm hopeful that that will start to address at least from this perspective some of those issues.

If I can just throw in, I know Mr. Wallenstein you had encouraged us to focus on the more micro and detailed-level issues, but I just wanted to throw out as we've been talking on this panel that this is setting the big picture for the rest of the couple days of testimony here that those of us who do tend to focus on the big picture and state level and national issues are scratching our heads and wondering what BJS is going to be doing about the California Realignment and the fact that California prisons are going to show a drop of 20, 25, wherever they're going to be here, it's going to look like there's been this big drop in the national prison population if you just look at it the same way as you did before. When in fact, as we know a lot of those people are still going to be behind bars and sentenced to more than a year, and are we going to have to, even at just this very basic level, let alone how are you going to provide adequate services to people in jails that are not constructed for longer-term stays and so on, just even at that very simple level, the shift is going to cause some interesting issues.

ART WALLENSTEIN: I think what my colleague and I are both really excited about is the level of analysis that you're doing at the state level should be translated into relationships with local government. And of course what Susie's also talking about is this enormous area of pretrial which carries with it unbelievable potential for responsible population reduction should now enter full force into this debate and discussion. These are just additional components. The country is so used to looking at post-sentence options and the post-conviction side that now's a very good time to toss in the pretrial area. Most likely given our ability to analyze data, and the interest that's been developed in our profession all of a sudden in the last five years, perhaps since Second Chance, whatever, it's an excellent time to engage it.

MAX WILLIAMS: I know Dr. Livers would like to respond and I think Norm. I saw you move the microphone which I believe is indicating that you have a question. Is that right? All right. So Dr. Livers and then Mr. Carlson.

DR. MARY LIVERS: If I could just change the topic for a minute and I guess offer some hope to everybody that is here, because I spent thirty-some-odd years working mainly in the adult system, and now that I'm working in the juvenile system I think -- and I know mainly NIC has been focused on providing services to the adult system, jails, and so forth but -- in the juvenile system, the kind of reforms that we're looking at right now, talking about for the adult system, has been going on in the juvenile justice system for the last ten years. And just to give an example, and again, I'm offering I guess a little glimmer of hope, that if it can be done in the juvenile system, then perhaps it can be moved on into bigger arenas. I know there's more support to do it with juveniles than there is with adult offenders.

There's more of a punitive attitude toward adult offenders, but just in Louisiana, at one time we incarcerated 2,000 youth across the state. Today we have less than 500 in secure care. Most of the services that we provide are to youth that are in the community and by the way -- and Louisiana is not unique in that, other states are doing this across the United States, in terms of juvenile justice reform -- it starts with that risk assessment. And working with the judiciary and the DAs to be able to say to work in collaboration with the public defenders, the DA, our staff, and the judge, to say what is the risk level of this youth and where should they be to get those kind of services? So, based on that, only the youth that are extreme risk end up being in secure care. So most of the services can be provided in the community and you match and their need to services in the community. And so I guess if we're talking about real reform movement, that it has taken place, it's not perfect, but there is really good movement in the juvenile justice area and because of this crisis that we have with the fiscal situation at hand, these kind of reforms -- not all of them certainly, but -- some of them can be put in place for, I believe, the system at large. So I guess I just want to offer that as some hope.

MAX WILLIAMS: Great. Thank you. Norm.

NORMAN CARLSON: Can I just ask you, when you reduced from 2,000 to 500, what's happened to the budget in the juvenile area?

DR. MARY LIVERS: We didn't get to keep the money that was appropriated. We had a \$41 million reduction over the last four years, but we still have less than 500 youth in secure care, and we're still able to have a caseload size which is enviable for anybody, which is about 20 youth to one probation officer in the community. So based on that we're able to really do some evidence best practices with our caseloads, we're able to move youth, reduce their risk and get them out of supervision quicker with the cooperation of the judges. So it's possible, it's hard work, but I think those type of transformational opportunities exist right now.

MAX WILLIAMS: Thanks. Mr. Carlson.

NORMAN CARLSON: I want to commend the panel. They did an excellent job of setting the stage for our hearings today, raised a number of issues. One of those that I heard come through loud and clear was the fact that in

essence, the key driver to the budgetary crisis is how many people go to prison and how long they stay. I mean that seems to be the one focal point of most of the discussions. Unfortunately, that is really the purview of the legislative and the judicial branch. We represent, most of us at least, the executive branch of government or did represent the executive branch. I just wonder how are we going to convince our partners in the other two branches of government; a) that this is a crisis for the field of corrections, and; b) what they could do, or what we could do collaboratively to try to resolve some of these conflicts?

ADAM GELB: Sure. I think it's happening, and as Dr. Livers said, the juvenile system is a little bit ahead in some respects. But across the country, I would say that at this point, more than half -- and if you think back at that map -- more than half of the states have taken some significant step at this point to try to look at their sentencing in corrections laws and policies and figure out how to change direction. I guess, to put a couple pieces together here in why I said earlier that we think that this is a new normal, rather than a tap on the breaks necessarily, that maybe we'll get right back on the same track when and if the economy starts to recover and the budget pressure gets off. Right? That's, I mean, that's the \$64,000 question here, is; we've gone like this, and now we're doing like this and are we going to just go right back on the same track?

And the way we look at it, the answer seems to be "no" for the following reasons: one, we know so much more today than we did 25, 30, 35 years ago about what works to stop the cycle of recidivism, and I hope our project is having some help, helping you all and others in the field bring that knowledge to policymakers. That they understand now a little bit better -- and even though half of them were new, the last crop of state legislators came in, I think half of state legislatures has been replaced in the past two elections, so it's a constant battle -- but they more and more understand now what risk assessment is, that it exists, and that we've gotten better about sorting high from medium from low-risk offenders. We don't have any crystal balls and there's no perfect way to predict human behavior but to understand that there are sophisticated and more increasingly sophisticated tools to do that. They understand that we have supervision technology that didn't exist 25 years ago that can help correctional authorities monitor the whereabouts and activities of offenders, and they're starting to begin -- I always kind of kick myself when I use the word cognitive behavioral therapy in front of our legislative audiences -- but they understand that we know more. It's a very sexy term. We understand better how to change behavior, what programs work and don't work and we sort of combine risk assessment with supervision technology and behavior change strategies that if we do this stuff, and we do it well and we see as a project a real goal of educating policymakers about those things, that they'll have more confidence and hopefully translate that into policy direction.

You also have the whole move to reinventing government that Dr. Wilkinson talked about. We really see that as a driving force here. The leaders, the champions, I won't speak for rank-and-file legislators, but there are leaders and champions in each state. We just had reforms this year in Georgia, in Oklahoma, in Missouri and Hawaii this year with significant packages of reform. Each had a legislator who really sees legislators in taking champion roles in saying again this is not about chest-thumping and demonstrating we're tough on crime. My responsibility here is to reinvent government and get better results with taxpayer dollars. Then you see the public opinion piece,

and I think the more awareness is that the public is not only willing, but actually eager for change here. Those are some of the ingredients I think that we see too.

REGGIE WILKINSON: Real quickly on your question, Norm. I've brought this up with the Advisory Board before. Historically, the National Institute of Corrections has played a servicing role to the jurisdictions across the country and have pretty much existed, from the federal perspective under the radar, under the political radar in some respects. You know, with President George W. Bush and 2004 State of the Union address that America is the land of the second chance. To me that gave permission for the federal government to play an advocacy role, and an educational role, with regard to the kind of things that we know work. Some would tend to say, you know well this is a soft on crime approach, well that's hogwash. It is a smart-on-crime approach. So, at some point we need to do more introspection, even within NIC regarding a role that we can play to help push these informational kinds of things to jurisdictions before they make decisions -- even if it's the legislature -- that will hurt the states.

MAX WILLIAMS: And on that note Board members, and panelists, we're going to end this part of our session. Thank you panelists very much, it was excellent. We'll take a break. Please have the next panel back and in your seats ready to begin promptly at 11:00 a.m.

PANEL 2 – Outcome-based Budgeting: Process and Practice

Panelists: Dr. Christopher Innes, Chief, Research & Information Systems, NIC
Brian Sigritz, Director of State Fiscal Services, National Association of State Budget Officers
Karen Wilson, Partner, PricewaterhouseCoopers,
Theresa Lance, Consultant, Retired Commissioner of Connecticut

See each Panelist's testimony in Appendix B.

MAX WILLIAMS: Great, thank you very much Theresa. We appreciate the presentation of all the panel members. Our first question will come from our Chair.

DIANE WILLIAMS: Thank you. As always you guys were wonderful in providing information but I thought it was great to see the NIC work integrated in the comments that you had to make as well. I know that the NIC Staff works extremely hard to get those things right, and to get them to the people that need them in the recognized format, so it's nice to hear the integration of that. So here's my question. I'm from the State of Illinois. In Illinois we have a major undertaking around budgeting for results and trying to figure out what that means to all state agencies and obviously Corrections is one of those state agencies that we're taking a look at.

So we've had lots of people make comments, gather information and try to figure this thing out. I'm wondering if there's someplace where a state or a correctional system has taken this to the level of implementation, what specifically are they doing? How are they measuring things? How are they determining where the money's going to be allocated, because the underlying concept of course is, you give the money to the places that are going to generate results. And so, I'm wondering what that looks like in reality.

THERESA LANTZ: I haven't really seen it done quite to what -- I know in my experience with states and also in Connecticut is we're all on that same type of initiative, but there was no consistency across agencies as to how to apply it. We'd go before the legislators and we'd give testimony, and they were into results-based accountability. Nobody knew what the hell that was, quite frankly. And we would go in and we would try and testify and try to meet what we thought their expectation was, but I'm not even sure if they knew what their expectation was. So for me, as a practitioner in the field, it seems -- this seems so much easier, to be able to do this process and then hand it over to them and then say, "I think this is what you really want, because it gives you results, and you can work it through."

We'd been piloting this in a couple of systems right now, so we're still waiting to get some results out of them. They've got a change initiative, one of them is definitely cost-containment, because it has to do with reducing

offenders, a specific number of offenders, and they're in the process of incorporating that and implementing that. So, I'm really going to be interested, they have till 2013 -- June, I think of 2013 -- to reduce their population by actually over 10 percent, which I think is pretty high. But they're working on it, and I think they're going to make great strides. They've already made some strides; we can already see some changes. So I don't know if that helps.

KAREN WILSON: Could I add just a couple of things to that? So this notion of performance-budgeting, or results-based budgeting, that's when I think it's increasingly important to help the people that are trying to make those trade-off decisions really understand fixed and variable. Because it's an uphill battle, but you may have to educate -- look, these are the fixed costs that we need to budget for that we have just to have this operation at all. The cost associated with the infrastructure that we have built that do not rise and fall based on our inmate population or any other cost-driver. These are the costs that we have to sustain this infrastructure, whether it's your physical plant infrastructure, or the system costs. These are the variable costs that we have to budget for that assume a certain throughput, or a certain population, or a certain whatever that driver is that you've been working with. So that's important to understand.

So if the inmate population goes up or down, this set of costs may go up or down, but this set of costs won't. This set of costs exists no matter what. And then the other thing I would say, if you get the opportunity to introduce this notion of risk, risk is really the flipside of results so you're being asked to say, what is the budget that you need for this set of results, if you get the opportunity to flip that around and say, okay, these are the results we think we can accomplish, but these are the risks that we will incur if we don't have this level of budget, I think that's an important concept that sometimes gets left out of performance-based budgeting or results-based budgeting when I've seen public entities take that on.

MAX WILLIAMS: Excellent.

BRIAN SIGRITZ: Sorry, real quick. Specifically related to corrections with performance-based budgeting, I know the Council of State Governments has a justice center which they've dealt a lot with, I believe they've worked with Adam from Pew, still here, but yeah, they've done a lot of work on tracking different states, have really tried to do some budgeting for results and whatever as far as the corrections side. It's definitely an issue that continues to come up with budget officers. A lot of times when a new governor comes in, they try to implement a new, performance-based budgeting system, or budgeting for results, it's called a lot of different terms.

Yeah, there's been some successes in the states. Overall I think one issue we see a lot of times is you can collect as much data as you want, but we don't always see it translated into funding decisions for numerous different factors. The politics come into play, different demands and everything, so, states have done a lot of work increasing collecting data and moving towards these performance-based budgeting ideas, but unfortunately we don't always see it translate into how the funding decisions are being made.

DR. CHRIS INNES: If I may, on that last issue. NIC has really been involved in those systems for decades now, it's not just in the last couple of years that -- with the Culture Project, or the Apex Project, or the Cost-Containment that we started getting into this. This goes back, really it's been a common theme with NIC for a long time, the local system's efforts, the coordinating council efforts, so you know I can give kudos to NIC for things they did before I got there without it being self-serving, and I think that this is one of the things about the organization and the history of the organization, is that they consistently have picked on this area of not just treating each little problem as a separate issue and everything that I think that we've been able to build on over the last few years, the foundation for that has really been laid over a much longer period of NIC's work.

MAX WILLIAMS: Sheriff Glanz.

SHERIFF GLANZ: Yeah, thank you. Theresa, if I may, I'm Sheriff Glanz from Tulsa, and my jail administrator is real active with NIC and we've used this process and we recently went from eight-hour shifts to twelve-hour shifts. We were able to save 40 positions, which really cut our personnel costs, but some of the things that I've worried about is how do you measure the culture?

THERESA LANTZ: Right.

SHERIFF GLANZ: We went from a workgroup where people were intermingled amongst the entire agency and now we have four distinct groups and I'm really worried about the culture and what that does to the workgroup. We look at things like overtime and sick days and things like that -- so, I'd just like to know if you can give me some examples.

THERESA LANTZ: Well, sure. I think the culture is -- I would look at climate first, and see what some of the things are that have changed. Have you noticed any changes in sick time? Have you noticed any changes in some of the grievances, disagreements among staff -- you can look at some of the climate things that you might be able to affect and influence right away, you might -- you know it's really good when you're talking, when you're going to make changes like that to find out what is it that the staff -- what's the effect of what has been done on the staff? And the offenders as well. Because the offenders are going to go the way the staff goes. If the staff are not that happy, then the offenders, you can expect that the offenders are going to be affected as well by that. So I think there are a number of things you can do; you can do surveys, you can do focus groups, you can do general climate issues and look at some of those indicators that you were talking about to see, like sick time, comp time.

We know sick time and comp time are mostly generated by dissatisfaction with the job, not necessarily an injury. So have those risen? Grievances through the union, and labor if you have that, and things like that. But there are some assessments that you can do. NIC does have some tools that are available to help you, and I know that Chris and the rest of the staff at NIC have got some ways that you can assess, and then it's not just assessing though. It's really looking at what can you do to mitigate or improve; mitigate the negative and enhance the culture itself.

SHERIFF GLANZ: We've done surveys with the staff as well as the inmates and everyone really seems to like it, but I worry about fatigue.

THERESA LANTZ: Fatigue? Yeah, and that's when you look at your sick time, your injury, your worker's comp, and you know check it out. I know some systems looked at it and did not go with it because they were worried about those issues. So I think that there are some things that you can do to assess it, and I know that you, by the time you leave here you are going to have some contact about some culture assessments and some ways and opportunities for you to enhance and mitigate that. Culture is one of the domains and so when you look at that before you implement, you start to pick it up as to -- what do we need to do?

We need to make sure the staff feels appreciated. And at the same time we need to be sensitive to the staff; we may need to restrict their overtime. It's really tough to do when you're working 12 hours to do overtime. So there may be a cost effect that's negative to the staff because they could make overtime more. You eliminate it because of the 12 hours, you've mitigated the ability for them to make overtime.

SHERIFF GLANZ: Financially it's been real positive, but I just worry about the culture, as far as the staff and the organization.

THERESA LANTZ: I wouldn't worry about it. If the loss is -- any kind of change has a -- needs a benefit, a rationale, and you need to acknowledge what the loss is. And you have to acknowledge that that might be a major issue is that there's not an ability to make overtime.

SHERIFF GLANZ: Thank you.

MAX WILLIAMS: Well, we're not exactly sure -- I think they've turned the sound off and we're still getting the feedback, so we're not exactly sure what this is. I don't imagine there are a lot of radios that get used in Washington, D.C. that might bleed over a PA system somewhere. So one of the things we thought is instead of continuing questioning with this sort of disturbance is we'll break early for lunch. We'll come back ten minutes early which would mean that it's 12:00; we'll come back at 1:20. I would ask the panel, if they could, to be available to let us finish up our questions.

LUNCH BREAK

MAX WILLIAMS: Right, so they should keep their phones off, right? Yes. We've made that -- yes, we've made that -- but apparently there was a whole other issue, but I think we're good. So, Advisory Board members, what we'll do, is we'll just take a few minutes here to ask any follow-up questions either to Chris or Theresa. Our other two panelists had afternoon commitments and weren't able to stay. So this is your opportunity if there are any

follow-up questions to the remarks that we have just had before we broke for lunch. Are there any questions? Well, you know you put that lunch break in there, and everybody forgets what they were talking about. Theresa and I had a chance to chat just briefly, and I knew Karen was going to have to leave, and I posed the question to Karen about whether or not this model in the Cost-Containment Center's approach, does it require the entire system to be engaged in the effort, or can it be incremental; one institution, one operating unit inside the agency? You want to maybe just respond briefly to that?

THERESA LANTZ: Sure, the systems approach can be used on any level. It can be used at a facility-level, in a unit in a particular facility, the public safety domains, the public safety change-management process, those things, the cost containment. The good thing about it is that if you are just looking for resources in one particular area, maybe you want to know how to develop a communication plan. You can go right into the resource, right online and it will tell you how to write and how to draft, and implement and market an effective communication plan for a change strategy that you want to implement.

So, you can use it as a resource in all different kinds of ways. APEX especially has a tremendous resource directory full of intervention strategies, processes, and they're all tied into the public safety model domains, as well as the change management, so you can clearly use it. When I think of cost containment though, I do, and you know I'm thinking on a much broader scale, where people in our position would have to do a systems approach, or a system-wide change effort, therefore, that's I think the duty of the model. But it can be used on any micro level as well.

MAX WILLIAMS: The reason I sort of wanted to bring that point out is: I feel sometimes, at least in my prior experience running an agency myself, that there were times when you could get the agency to the edge of what I would refer to as project fatigue, where you were doing so much, and trying to do so much that you could sometimes get them to the point where, if you added one more thing, you were going to tip them the other direction. And what I like about the flexibility of the cost-containment model that you will have worked on with NIC to develop, is it allows an agency leader to go to an organization and say, "You know, this may be more than we want to tackle as an entire organization, but I have one warden or superintendent that I really think could lead the way working within that one institution, or I have one operating unit inside the department where I'd like to pilot these approaches and this model, to see how it works in that particular area, and then roll it out more broadly after the fact.

THERESA LANTZ: Oh, absolutely.

MAX WILLIAMS: -- and I think it's designed so well to be used at whatever level the organization feels like they can embrace. That's one of the great values of it, so I appreciate you responding. Jim.

DR. JAMES JACOBS: You're going to need an effective leadership, obviously, to implement this model.

THERESA LANTZ: I think anybody can lead this -- a warden could certainly learn this very easily, and implement it at the facility level. I think the value of having leadership, obviously, do it, is that it helps them prepare for any contingencies and plan for any issues. If they have an initiative that they want to implement, if they run it through the models -- the cost containment or any of the models -- it does give them that systems approach so they can plan contingencies in the event that -- that'll know ahead of time, it gets rid of those unintended consequences that we talk about.

I was not the accountant, but I knew what I was going to have to do, or knew what I needed to do, and I was more of the process of, how do I implement it? How do I plan it? How do I implement it? How do I communicate it? And, how do I sustain it? I was more into the process of it, but my fiscal staff are the ones that told me, you know, how could I gain the best effective economy of scale. I just knew what I was interested in is, how does it roll out, and can I roll it out in such a way that it not only gets me the economy that I'm looking for, the benefit, but it also hopefully enhances my operations.

DR. JAMES JACOBS: Well, I'm just wondering to what extent the turnover among commissioners and directors is a real impediment to this kind of systematic process. Before you answer that I want to put in just another question for Chris and then you can both deal with it, and I think that is; is there a red line on this cost containment below which the correctional department cannot function adequately? And, where the bells and whistles go off because of the fixed-costs and so forth, below which you can't do more with less, and what happens as we approach -- or will we approach. Our discussion went on as if, well, there is no such line, but obviously there is a line below which the situation is critical but not desperate. Yes, we're in desperate situation and we know what that line is, and what happens as we approach it.

THERESA LANTZ: I think Karen raised that when she talked about risk. The way I look at it, is if you go through the model, and you come up with, and you see that the initiative is going to affect the mission of the agency -- and the fundamental mission of our agency is public safety, and the safety of our staff, and the safety of offenders under our supervision -- if there's going to be that kind of a conflict, you have to resolve that before you do anything. You do have to assess what type of risk.

Is there a bottom line? I've heard of these lines, and -- we can't cut any more, we just can't do it -- I don't take that posture because of process management. You have to look at the way we do our business, how we do our business as opposed to what do we do. So for instance, we know that there are transportation costs, okay. Well, we've got to get this offender to this place at this time. Well, guess what? We introduced videoconferencing, the arraignment and the court hearing can be done at the facility level, and we never have to put the inmate on the bus. We changed a process, a work process, and that changed that, and so we were able to meet that.

What you have to do is think outside the box as to what processes can we change that might enhance things; parole board hearings now are being done through video. We're not transporting inmates anymore to parole

hearings. They're doing it through the videoconferencing and that saved a ton of money in transportation costs. And in vehicle maintenance and in staff time and in public safety, and everything else. So there are some ways you can think differently about the basic fundamental processes that we do, that we think are tradition. So we do them because we've always done them, and we've trained our staff to do them, and we're comfortable with them. Sometimes if you just sit around and talk about it, how can we do this better, you find ways to improve it. And a lot of the jail systems, obviously, that I've been to around the country, they're doing video-visitation. They're not pulling the inmate out of the housing unit. They're not even doing searches on the visitors. They go into the lobby, into a room, they get on the camera, they're visiting with him or her in the cell block. There are no shakedowns -- I mean think about -- and yet we're meeting the visitation requirements. So I think there are ways that you can come to economy through technology and changing processes.

MAX WILLIAMS: And we'll now move on to our third panel. If we could ask our panelists to come forward.

PANEL 3 – Cost-effective Strategies for Meeting Policy Requirements and Legislative Mandates

Panelists: Franklin Amanat, Esq, Supervisory Assistant United States Attorney and Deputy Chief, Civil Division, U.S. Attorney's Office Eastern District of New York
Gary Mohr, Director, Ohio Department of Rehabilitation and Correction

See each Panelist's testimony in Appendix B.

MAX WILLIAMS: That was great, Gary and Frank as well, really rich in content. I'm going to use the Chair's prerogative, and we're going to shave a little time off the break that is scheduled to occur right after this so we allow the Board to have an opportunity for questions. Board Members, particularly given that all we've got is about 5 minutes for questions, I'd ask you to target your questions very, very specifically and avoid necessarily providing our reaction to the remarks, which we'll have a chance to do at some point later in the proceedings. Are there questions? Yes, Mr. Wallenstein.

ART WALLENSTEIN: Frank, is that appropriate?

FRANKLIN AMANAT, ESQ: Sure.

ART WALLENSTEIN: Alright, very good. The question: The one standard that appears to have the greatest amount of further work to be done is audit. Could you comment generally on audit, given the fact that there's about 5,000-6,000 facilities in the country who would be the subject of audit, and how you perceived it would proceed.

FRANKLIN AMANAT, ESQ: Yes, the audit standard was fleshed out quite a bit from the proposed rule to the final rule, and -- I should say audit standards, there's more than one -- it provides for a comprehensive system by which, essentially agencies, primarily state Departments of Correction for example or county equivalents would retain the services of independent auditors who would then audit facilities for compliance with the PREA standards. There is additional work that needs to be done. The department is going to set up a committee -- or a working group, I don't know exactly what it's going to be called -- of individuals who will help to develop an audit instrument as well as a set of policies and procedures with regard to the certification of auditors.

So then we expect that system will be set up in the coming months, after which a solicitation will be sent out for individuals who wish to apply to become auditors to obtain their certifications and then once they obtain their certifications, the department will be involved in helping to provide training and guidance as to how to audit function will be performed. And then as is set forth in the standards themselves, once audits are completed, there is

a process by which auditors will issue their reports and facilities who contest the reports will then have a process by which they can either address the issues raised by the auditors, or appeal them if they decide that's appropriate.

MAX WILLIAMS: Okay.

FRANKLIN AMANAT, ESQ: Does that answer your question?

MAX WILLIAMS: That's all the time on that question we're going to have. I'd encourage you at the break to pursue. I'm going to be a little bit more of a taskmaster here; I want to make sure that there aren't any other questions that the committee has for Gary before we close.

ANNE SEYMOUR: I just have a comment. I love your vision and mission statement: Reduce crime, reduce recidivism. How simple is that? And to have a corrections agency have those guiding statements is just, it's a breath of fresh air, so thank you for sharing that.

MAX WILLIAMS: Gary, my brief question for those of us who've sort of watched from afar: Has the sale of the institution and the operational contract, has that generally worked about the way you thought it would have or has it been more problematic?

GARY MOHR: No, it's worked very well and the theme is, we measure exactly what we measure in our state system and we expect them to perform, so it has gone very well. We did not -- we literally, only have two private facilities, which is exactly what we had when I came in. Now, they're different, and we did sell one, so we did the right thing and we didn't do it just to privatize; we did it because we assessed the individual proposals, and it made financial and operational sense and it's been a wonderful partnership and we're all getting better.

MAX WILLIAMS: That's great. I appreciate that. What I would encourage the two panelists to do, and we very much appreciate your time is, if you could make yourself available during the break so Advisory Board members can pursue any questions they weren't able to get is answered. At this time we're going to take our break, we're going to cut it by five minutes, well maybe a little more than five minutes and we're going to ask everybody to return so we can stay on schedule at 2:45.

PANEL 4 – Reengineering Population Management

Panelists: Michael Jacobson, President and Director, Vera Institute
Dr. James Austin, President, JFA Institute
Ed Monahan, Public Advocate, Kentucky Department of Public Advocacy
Stan Hilkey, Sheriff, Mesa County Sheriff's Department

See each Panelist's testimony in Appendix B.

MAX WILLIAMS: Great, thank you very much Sheriff, and I appreciated the entire panel. It was a very interesting conversation. We have somewhere in the neighborhood of 15 to 18 minutes for questions by the Board, for these panel members before we finish the day with a few closing comments and prepare for tomorrow. So, panelists, we'll start with Reggie, and then with Jim.

REGGIE WILKINSON: These were four very impressive testimonies. Two very quick questions for Dr. Austin, and Mr. Monahan: Jim, I know one of your major works has to do with population forecasting, but you're also very much involved in risk assessments and classification, and all that. Can you say a little bit about how that fits in to anything related to cost savings with prison management with the issues that relate to costs, and I'll just ask Mr. Monahan quickly the question, too; You mentioned about your defense-based alternatives, it sounds like prosecutorial diversion programs, court diversion programs and how does all that fit in?

I mean, it would be good to have an umbrella of all of these non-prison diversion programs, non-jail diversion programs that it would seem to me fall under an umbrella where if everybody was working together then it would tend to make sense to do so.

DR. JAMES AUSTIN: Well, there have been a lot of advances in risk-assessment, and in some regards we've gone off the deep end on this thing, but what's been valuable on cost savings is that we've constantly identified large pockets of the correctional population that require no supervision, no services, they can be left alone. They can be punished, they got arrested, they got sanctioned, they got sentenced, but to intervene with them does not help them, so that's been a big plus, and that's been a big improvement. The other thing I would just have to speak on is that correctional assistance parole boards are really important here for the states that still have indeterminate sentencing.

They are now increasingly using risk assessment, which is adjusting the length of stay, improving the length of stay issue, I've talked about. I have to say this one thing though: the one thing that strikes me is just something I think the field needs to get on top of. There is this continued lagging of getting people out on time. It's amazing when you start looking at it. We just did a study in Texas, and the average time for people to get out once they've been paroled is in the neighborhood of eight to 12 months. So, there is tremendous efficiency there, but the

risk assessment starts the ball rolling, and we clearly have these pockets we don't do anything with. On the high end, those are the people you can throw the kitchen sink at and have a very good impact on their recidivism rates. So, that's the trick here.

ED MONAHAN: I appreciate the question. One of the defense-based alternative sentencing social worker programs that we have in Kentucky is masters level social workers taking people that we know are going to prison if something doesn't happen. These are not people that prosecutors are going to divert. These are not people judges are going to let out. These are people that we know from our experience are going to go to prison. With the substance abuse, a mental illness or a juvenile, and the attorney hands it off to a masters level social worker who then starts to -- in the attorney client privilege, use motivational interviewing to bring a guy that may not be so willing to be connected with his behavior, and what he needs to do to have an option here other than prison, and invite him to come along.

These are social workers that have this skill; we lawyers don't have it. They have all this network. They then begin -- we only let them handle seventy to a hundred cases a year - they begin to create an individual plan for this individual in the community. They work with all their social worker connections, and they find a placement that's individual-based. They then go to a judge, and they present this, and 85 percent of these proposals are being accepted by judges, and welcomed by prosecutors. The President of the Commonwealth Attorneys Association, Chris Coron in Kentucky, and he and I don't see eye-to-eye on much, but he sits at meetings, public like this, and he says things like; "Today, I talked more to Keta than I talked to my own staff." Keta is our social worker. He's trying to find a placement for somebody that he's fine with not going to prison; he's a prosecutor publicly endorsing this.

The Kentucky Chamber of Commerce came and testified at my budget review subcommittee on our budget and said - they don't testify on line-items you know -- they want corrections costs brought down. They sat with me and said, fund the alternative sentencing social worker program so we can reduce prison costs and, I get asked the question sometimes, why would we give social workers to public defenders when we've given probation and parole officers and social services kind of folks to correctional system? And those are important, I'm glad that the correctional system has those, but then there are the rest of the clients that aren't going to have any proposal made for them unless the person in the system, the public defender who has the responsibility to try to get the best outcome for the client, does something. And we have this beautiful thing called the attorney-client privilege, where we can have frank conversations.

We don't wear guns around our waist. We are the people in the system the defendants know are going to be most for them than anybody else. We've got a little more leverage. We can do things with clients other people can't do, and guess what? When they go -- if they get this option and they go into the community, inevitably there's going to be that moment when they don't think they can comply with the treatment, and we're there to say you can do it. We're not there to say we have identified a technical violation, come back to prison. And so, think of a problem, a

nasty, wicked problem. Maybe we're spending too much on corrections as an example. And you say, who are the people who can do something beyond what's being done now, that have an interest in doing it? You'd show up at the public defender's door, and you'd say, get more alternative sentencing social workers so we can make the progress that but for you, do this, we're not going to make because we don't have people in the system that have this incentive, this passion, this desire to create something that currently doesn't exist beyond what's -- my last comment.

I have a friend that works at IBM. I said, what do you do Ray? He said, "I'm a project director." Ray, what's a project director do? "Well, don't you understand Ed? IBM wants to make money on these printers, and we got manufacturing, we got development, we got sales, and they all don't work together well. But the company comes to me and says, you're the project director on printer number 7, and on April 15th, this printer is going to be out the door, and we're going to me making money on it. And your job is to get everybody to do their jobs so this happens. That's what an alternative sentencing social worker does in a system that doesn't operate like a system very often. It says, we can do something by getting this person out of the correctional system, judge.

I pray, literally, that the National Institute of Corrections Advisory Board calls the criminal justice system to do more alternative sentencing social worker programs through public defenders, and you dare states not to take you up on it. By incentivizing it. You'd do it on 85 percent parole eligibility, the federal government does. You'd do it on getting DUI convictions from .10 down to .08, or you'd lose all this federal money. Do it to get public defenders at first appearances; demand that they do active pretrial release advocacy, and that they have these programs on alternative sentences incorporated into there so we can save money and increase public safety in a way that, as good as everybody else in the system, it's not going to happen without this extra push.

MAX WILLIAMS: Thank you Mr. Monahan, Jim.

DR. JAMES JACOBS: There are very good reasons to reduce jail and prison populations, just the overcrowding, the human suffering, the shifting of people, the counter productiveness of it, but I'm thinking about cost savings, and keep coming back to that. And you reduce population you save money; I don't get it exactly, how that's going to happen. Am I right in thinking that the mechanism is only reducing the number of people on the payroll and my question is to Mr. Hilkey, I think you said that you got rid of 30 staff, and you didn't say out of how many staff, and can you reduce below that?

There must be some minimum number of people that are necessary beyond which it doesn't matter how many detainees are in there, you still have to have your staff. And I think the same question really goes to Jim Austin, you can reduce the length of stay, you can make the prisons more comfortable and better-run, but is it really going to reduce costs? I hope you'll let the shoe drop, and tell us in California reducing from 160,000 to 120,000, have they reduced costs? By what percent? There's a good example. That's a fantastic reduction of people, have they reduced costs? And if the answer is no, I think we've got to get beyond just saying reduce people, reduce costs, end of story.

DR. MICHAEL JACOBSEN: So, let me take that, Dr. Jacobs.

DR. JAMES JACOBS: Thank you, I appreciate that.

DR. MICHAEL JACOBSEN: So, let's take an obvious example like New York City, right? New York City used to have in 1995, give or take an average daily population of about 23,000 inmates. Today it's less than 12,000 for a variety of reasons of how that happened. The system is essentially half the size it used to be.

New York City also has roughly 3,000 to 3,500 fewer correctional officers than it did in those years, so huge cost savings. There's a variety of ways to save money in correctional systems, and it's true, it is largely about personnel, since that's what makes up 90% of the costs in these systems. Even before you lose people, there are all sorts of structural overtime you can save before you even get to personnel savings. I mean the trick in these systems is to be able to initially close housing areas, close pods, and ultimately close prisons. That's what New York -- New York State recently closed seven prisons. So you can -- it's very hard year-to-year to see a significant decrease in costs, because even if your population goes down by whatever, you know 300, and you can close several housing areas, your year-to-year expenses just in the form of correctional officer contracts, heat, light, and power, that stuffs going to go up, but the fact of the matter -- so if you look at the bottom line, in a system that's shrinking in just one year, well you're getting significant marginal savings.

The bottom line budget may go up, but for a budget person that's savings. That's real money, because instead of spending \$400 million, you would have been spending \$430 million, or whatever it's going to be. Those aren't opportunity savings, they're not theoretical savings, those are real budget savings. The key is, to the extent you have an efficient system that starts to drop its population -- and it can first start closing housing areas, closing pods, and then the place you want to get to is closing entire prisons. You never save on average cost, because that includes all the administrative staff. You save marginal costs, but marginal consists in systems -- the fully-loaded cost in New York State for example, is \$60,000 a prison bed. You're never going to save \$60,000 a prison bed even if you shrink it by half. But you'll save \$40,000 a prison bed for every prison you close.

So, I don't know what the California savings is, but there's no way that those budget officials are not going to squeeze out a significant amount of savings, whether it's overtime or attrition-savings you capture by not back-filling classes of correctional officers. You can reconcile what those savings are, even if on the bottom line, year-to-year you don't see savings. You will get savings if there are people running a system who know how to squeeze them out.

DR. JAMES AUSTIN: My point would be, to really having cost-savings we have to start really reducing the population significantly, not marginally, and right now it's not dropping that much. It's stabilizing itself; it's not going very far. So, this is my challenge to all of us. Is California is just moving the problem around? Yeah, there's

some savings, but the state is still bankrupt, you know. And if you look at the crime rate, there is no basis, from a scientific point of view to have a prison population of 160,000 people.

DR. JAMES JACOBS: Has the California Department of Corrections, has its budget gone down?

DR. JAMES AUSTIN: Well, their budget has gone down, but the state is sending money to the counties to house their people.

MAX WILLIAMS: Right and I do think we can talk about this in a little, but I do appreciate the point, and I think we need to remember, there's savings, and then there's avoided costs. And you have acknowledge both of them, I think, in the model when you're projecting large increases that you are able to avoid by policy changes. There is the avoided cost that a legislature or a budget agency might have to address, but that doesn't necessarily result in a dollar-for-dollar savings on the agency's next biennial budget. I want to give, because he was asked specifically, I want to give Sheriff Hilkey a brief chance to respond to that, and then Director Thigpen has a question.

SHERIFF HILKEY: Sure, and I won't try to re-echo what was already said. You know there are challenges in trying to reduce costs unless you do close housing units, but our point is just what you said, sir, about some cost avoidance as well. It's a long-term endeavor. A lot of what we talk about is on the back-end of the system. There's a lot of rich work to be done on the front-end of the system as well, making sure that you are spending costs on the right people, and spending less on low-risk people -- we have, just as an example for two different facility design issues, we've avoided costs.

I took over with money to build a new jail pod in my jail, and we said, you know this is the wrong kind of space to build. You can build programs that operate on a daily basis much cheaper than in jail, and we built a treatment center that is county-run, and county-funded, and it is cheaper to run than a jail. Knowing what I know now, I'm so glad that we didn't go ahead and build that jail bed space. We're going through a remodel right now. I'm creating more space in the booking area specifically to allow for more interaction and more rich interaction with pretrial services with the inmates there so that we can really hit our pretrial population as well. So it's about future cost-avoidance for us, as much as anything else.

MAX WILLIAMS: Thank you. Director Thigpen?

DIRECTOR THIGPEN: Just an observation, tell me, if you've had that much impact, Ed Monahan, I'm wondering if we're not, shouldn't keep you on the road a little bit more. Maybe make some real changes. Jim, you and Mike both talked about numerous reforms that you feel like are needed and are taking place in a number of places across the country. I can remember from our own experience, sometimes in trying to feel like we had made some success in a couple of states where I worked, and then all of a sudden, out of one of those reforms that you had put in place, you have a horrible violent crime to occur, and you get this kneejerk reaction.

I guess the question is, from your experiences, do you feel like from a public standpoint, from a legislative standpoint that we've developed a greater tolerance that we're not going to be a hundred percent correct, and there will be some errors, and there will be some failures?

DR. JAMES AUSTIN: I think because the crime rate's so low, we have more tolerance now. I think people feel safer -- I know myself, personally, and in the public polls, the crime issue is way down on the public's concern -- so, there's more room now, I think to understand that. This is the hard thing, because right now, horrible things are happening under our current policies; people are coming out of prison, and killing people.

If you change the length of stay, that's going to continue, except now we've got a person who would've come out -- would've been incarcerated had that law not passed -- and so the blame is put on the law, and says that law change actually resulted in this person being killed. And that's a tough thing to fight, but the reality is: Changing that length of stay does not change the probabilities of something bad like that happening, it's just a fact of life. It's like, people go to hospitals -- there was an article in the USA Today, 30,000 people a year are dying in the hospitals because they get infections in the hospitals. Well, do people stop going to hospitals? No. Is that horrible? Yes. Do we try to minimize it? Yes. But we don't stop people from going to hospitals.

So ultimately, we have to rise above that and recognize that crime rates and your possibly being killed, raped, assaulted, is a factor of a lot of other things besides when a parole board decides to release someone or not, whether or not a person gets a sentence or probation term, whether or not they get put on a program or not. So to blame it all on that particular law, I think, is unfair, and hopefully we can rise above it.

SHERIFF HILKEY: Director, may I answer that as well? I wanted to share a local experience where I found that to be different. We had a pretrial release of a person that got out on supervision, and then committed a murder. And I think in any other environment, there would have been a lot of influence with regards to this one thing happening, and anecdotally everybody reacting to it, but, we're now in this world that we didn't used to be in, with regards to having data. We were never a data-driven community before, and when that happened, we were able to produce this data. It gave all of us that talked about this, or had to react to it in the community a whole other voice that we never used to have.

And when we talk about all the successes that we have on pretrial supervision and the ability to have efficiencies within our system, it certainly doesn't minimize the pain of another murder in the community, but it neutralizes the conversation back to a data-driven decision that has some common sense within it. And if you're the family member of a victim, that's not what you want to hear, but from the public, community-talk standpoint, having this other side of something in your head to talk about with data changes that conversation, and I don't think that used to be the case.

MAX WILLIAMS: Ms. Seymour, were you signaling that you had a question?

ANNE SEYMOUR: I was just going to comment. I'm glad you said that, because I was going to respond to Jim as well. I think the length of sentence data are just really, really important, and I wanted to kinda help my -- I'm a victim advocate -- my field understand that more. But there are so many survivors who, for them it's not just the length of stay; they want punishment. And so, you're just going to have to recognize that, and just validate that those people are -- they have a reason for feeling that way.

MAX WILLIAMS: Well, I want to again ask you to join me in thanking this panel for their very rich presentation. We appreciate that very much. A few closing comments. We again want to thank Sherry, The Moss Group, Donna, and certainly the panelists that have taken the time out of their busy professional lives to come and speak to the Advisory Board today. Those who have chosen to be observers, and listen to this information -- I think it's been a day where we've learned a lot, and we've added, I think, to the material that we have to consider as we think about how to advise NIC, and NIC staff in trying to address these important trends. We certainly want to thank Director Samuels from the Federal Bureau of Prisons for being with us, and sitting through the session with us today. And with that, I will hand the microphone back for some closing comments to our illustrious Chairwoman.

DIANE WILLIAMS: Thank you, Max. And let me just echo my thanks to everybody that played a role in making today as valuable as it has been. In some cases we might say we've heard some of this before, because we have been paying attention to some of these things for a while now, but putting it all together in the context of today, and having the first panel reinforce the pain of it all, recognizing that when we talked about Illinois and thinking about cost today, it's not the \$1.7 billion that we're really paying for our prison system today, for the corrections system today, and that that's kind of indicative of what's going on around the country. To remember Reggie's admonishment that we're not to become, what's the word? Fiscalistic?

REGGIE WILKINSON: Fiscalitis.

DIANE WILLIAMS: Ficalitis. At any rate, so to feel the pain and also to be offered the suggestions and the comments. I certainly heard suggestions around alternatives that perhaps NIC can help to get spread across the country, can help to be built upon, if you will, and replicated in other places. Things for us to think about in terms of what role we can play. It would be wonderful to have a magic pill, and just to pass that magic pill out everywhere, and have it all be okay, and we know we're never going to get to that point. But, as I listen to today's testimony, I did hear some things that we can think about, and I think about Mary saying that she had a 25% reduction in her budget, a 22% reduction in staffing levels, and that she needed help with RFPs and RFIs and other kinds of things, but meanwhile, she also found a way to have effective case-management levels.

She found a way to work with the juveniles in her system more effectively than she was doing before, and I think that's something we really need to pay attention to. There are things that have, if you will, good things that

have come out of the pain that we've been feeling that we can have a positive impact in other areas. I heard a lot of things over the course of the day. I really was interested in the -- Jim Gondles talked about 71% of the convictions in Germany are treated with fines, as opposed to incarceration. So it was sort of interesting to think about the other systems that are out there, and what they are doing. I have to say in Chicago we finally did something right. We are now not incarcerating people, or arresting people for low levels of marijuana. We are now ticketing them for low levels of marijuana.

So, we're doing different things in different places that I think again, sharing the information, sharing the implementation process in other places can help move, if you will, the needle in the direction that we want it to be moved. So I thank everybody who was here today who played a role in our getting started on this discussion, and I look forward to tomorrow where we'll hear even more from other people.

MAX WILLIAMS: Thank you. We will begin again tomorrow morning at 8:30, recognizing that we all have to -- or at least most of us have to -- clear security to get into the building and that takes a bit of time. We would encourage you to provide yourself enough time to make that happen and be back in the hearing room and ready to begin at 8:30. We have four very exciting panels that we think, again, will add to the value as we move forward. And with that, I just want to make sure that neither Director Samuels nor Director Thigpen have any closing comments that they'd like to make.

DIRECTOR THIGPEN: I have one question, Donna, can folks leave these notebooks here, or do we need to take everything with us?

DONNA DEUTSCH: No, you can leave them here.

MAX WILLIAMS: It was most of the Advisory Board's workout plan today to hike back to the hotel with these notebooks. So from a heart-health standpoint you should take the notebook with you. Otherwise, with that, we're adjourned for the day, and thank you for your attention.

Day 2 Introductory Remarks

MAX WILLIAMS: Welcome to the second day of the National Institute of Corrections Advisory Board hearings. We appreciate those of you who are joining us today for the first time, and those who are returning from what was a very productive day of hearings yesterday. I'm Max Williams; I'm the Vice-Chair of the Advisory Board and have been moderating our hearing session. I just have a couple of housekeeping matters before I turn it over to our Chair, Diane Williams for a few opening comments. During the breaks, guests are encouraged to visit the section in the back of the room, where three computers are set up. NIC staff are prepared to demonstrate NIC services, which include the NIC website, and information center, the learning center that hosts virtual courses and DVDs with Thinking for a Change and Motivational Interviewing.

DOJ employees are working on adjusting the temperature and lighting for today's sessions to make it more comfortable, and of course we had lots of strange noises all during the day yesterday coming from both the PA system, and I think the air conditioning. We hope things will be a little quieter today.

I'm to remind everyone that all of the testimonies from the hearing will be available online at www.NICIC.gov shortly following the hearing, and all panelists, if you have not yet signed that information release form, please see Susan Powell at the back of the room in order that that can be signed, which will allow us to put your panel testimony on NIC's website. With that, I'm going to turn it over to Diane Williams for a few opening comments and certainly will allow Director Thigpen, and Director Samuels to have a few opening comments as well this morning, before we get started.

DIANE WILLIAMS: Good morning. For those of you that didn't have the pleasure of being here yesterday, it was a phenomenal day. We heard from, and I wanted to list the names for you just really quickly, so you'll know what you missed. We heard from obviously Director Samuels and Thigpen, and we also heard from Dr. Wilkinson, Dr. Livers, Jim Gondles, Adam Gelb, Chris Innes, Brian Sigriz, Karen Wilson, Theresa Lantz, Franklin Amanat, Gary Mohr, Michael Jacobsen, Dr. Austin, Ed Monahan, and Stan Hilkey. And I would tell you that every single one of them gave us information that I believe will be very valuable in the work that NIC does going forward in time.

We had some reminders, but we certainly had an opportunity to learn about some experiments and some new programs that are going on in different places that may well have, if you will, a place around the country, as opposed to one geography. And so we are excited about what we learned yesterday, and excited about what we're going to hear today. I was also really impressed yesterday with the way everybody is accessing NIC resources. The people who were panelists yesterday talked about the models that they're employing that were built by NIC. They talked about what they were replicating in their areas, what they were applying that they'd learned and either gathered from the NIC website or from the NIC staff and it really is a reminder for me and I think the rest of the

Board members, just how important the work that NIC does is for the field. And that's its purpose. Its purpose is to help those in those jurisdictions around the country that need help in the field of corrections.

We heard about how effective the use of technology is when we talk about cost-containment, and NIC is certainly a leader in utilizing that technology to ensure that people are learning without all of the associated costs that we once experienced. And so I thought yesterday was just phenomenal. You'll have to be sure to read the testimony, if you weren't here to hear it and I look forward again to today, knowing that we will be just as impressed with what we're going to hear today. And with that, I'm going to ask Director Samuels if he'd like to make any comments this morning.

DIRECTOR SAMUELS: Yes, Madam Chair. I also echo your comments; yesterday was very productive and enlightening in a number of ways. I think it's very important, and I think we're all tasked with trying to do our very best when we are looking out for the taxpayers in reference to dollars, and I think many of the conversations that took place yesterday planted a lot of good seeds of thought, you know, for information relative to how we should do it, and I think as practitioners, many of us who are responsible for the day-to-day operations of these environments, that we're doing everything we can to work within our organizations as well as out. And I think the approach that was taken with many of the conversations really laid a good foundation on how we should go about doing everything that's needed.

I know there were many references made to the magic pill, you know, being maybe needed on occasion for some of this, but I think if we really take the time, and really look at the research and that's one thing that I took away yesterday, that you have to follow the data and ensure that with that you're making very good decisions within the organizations and applying it effectively. So I'm looking forward to the discussions that will take place today with the various panels and I appreciate, again, everyone who took the time to prepare for the hearing, and I think we will get a lot out of it. So I just wanted to commend everyone. Thanks.

MAX WILLIAMS: Morris?

DIRECTOR THIGPEN: I don't know that there is much I can add to that, other than again to say to each of you how much we appreciate you being here. I know we've got folks that traveled all the way from Washington State in for testimony today. We had folks yesterday from a wide range of locations, so thank you for taking the time and I say Washington, we're also going coast-to-coast today because we go from Washington state to Maine before the day's over. So we're covering the entire United States before the days over today. But thank all of you for being here. I think it was an excellent session, and certainly looking at the list of folks that are going to be offering comments today, I do think we've got another very informative day ahead of us. So we still have much to sit on that tub and ponder about.

MAX WILLIAMS: Well, first I want to point out that I'm from the state of Oregon which is actually as far away as the state of Washington and I don't remember Morris mentioning yesterday at all how far I traveled in order to get here, so I'm a little concerned about that. (Laughter) I was under the tub. I want to introduce our first panel for the morning, and would encourage them to, as we do this introduction, please come forward and take your seats at the tables set up for panelists. Panel number five -- the fifth panel of the hearings is titled, Budgetary Approaches to Providing Services for Offender Healthcare.

The origin of this decision to include this in a cost-containment set of hearings was really I think the Advisory Board committee that worked on arranging these hearings felt strongly that the impact of both healthcare, and mental health in conversations of cost-containment were essential to have at this level and hopefully in an effort to provide some guidance to the Advisory Board about how we might assist NIC going forward in providing the best and clearest direction to the field on these issues. So we're very happy to have this panel, and to have the quality of the individuals we do today to present. The objective is to highlight what is driving costs in the offender healthcare services arena. How much of the budget does it consume, and what are the characteristics within these special populations that need to be addressed? So allow me to introduce the panelists: Dr. Newton Kendig, Assistant Director of the Health Services Division for the Federal Bureau of Prisons; Dr. Jim Degroot, Mental Health Director for the Georgia Department of Corrections; Joseph Ponte, Commissioner of the Maine Department of Corrections; and Jay Ashe, Superintendent of Hampden County Correctional Center.

PANEL 5 – Budgetary Approaches to Providing Services for Offender Health Care

Panelists: Dr. Newton Kendig, Assistant Director, Health Services Division, Federal Bureau of Prison
Dr. Jim DeGroot, Mental Health Director, Georgia Department of Corrections
Joseph Ponte, Commissioner, Maine Department of Corrections
J. John Ashe, Superintendent, Hampden County Correctional Center

See each Panelist's testimony in Appendix B.

MAX WILLIAMS: Thank you very much superintendent. We now have a few minutes for the Board to ask this panel questions, so we'll entertain questions. Yes, Madame Chair.

DIANE WILLIAMS: Thank you to each of you for your presentations, they were all informative. I'm interested, Dr. Kendig, in your discussion you talked about making determinations about what you would cover, and the kinds of services that you would not cover, and I'm curious to know what the ' would not cover' services are.

DR. NEWTON KENDIG: In our policy, we differentiate between elective care and medically necessary care. And so for our pretrial, short-term inmates, we would not provide elective care but obviously all inmates get emergent care and chronic diseases treated. We also have a category called medically-unnecessary care and cosmetic surgery would fall into that category, and there are other things that are probably more borderline. We have a category called extraordinary care, and that requires a multidisciplinary ethics committee to review. An example for that would be organ transplants.

The area, I think, that is most challenging is the orthopedics, the imaging, the areas where there might be some controversy over whether something is warranted or not, and we use evidence-based medicine, and the literature to help drive that, and there are some tools that we use for utilization review to help differentiate what is indicated and what isn't. And then our scope of services for chronic disease really does hone in on what we think the evidence shows works and so we'd go to the literature to determine when do you treat a patient for Hepatitis C and when don't you? And that's all very carefully articulated in our clinical practice guidelines.

MAX WILLIAMS: Norm?

DIANE WILLIAMS: I think Jim wants to follow-up.

DR. JIM DEGROOT: Let me just mention the one strategy I talked about, the first strategy in terms of cost avoidance in physical healthcare was healthcare benefit plan. This is very similar to what you're talking about, and I

gave a copy to Donna, where it looks at what services are covered and what services are excluded, and there's a summary -- the first two pages -- and what you mention, very similar, what we exclude. Very similar to your summary of benefits, what you get from your healthcare plan.

MAX WILLIAMS: Yes.

DR. NEWTON KENDIG: I just -- can I just make one quick point? I think it's important to realize that a lot of healthcare plans in this country don't cover mental health, they don't cover dental, they don't cover eye care. There are a lot of health plan benefits that we will might have that don't cover all that. In corrections we have to cover all that.

MAX WILLIAMS: So, Norm and then Susie and then Ann.

NORMAN CARLSON: Just two quick questions: Number one, you read in the paper, at least I've read recently that -- end of life care is a substantial driver of healthcare costs nationally, is that true in prisons as well? And then second to that, do many inmates have a living will or any other type of legal document that precisely describes what they expect or what their desires are? That's the first question; the second relates to Dr. Degroot's comment about mental healthcare. I interpreted from what you said that it's almost like a field of dreams, the more you build these programs -- the facilities, the programs, the activities -- the more judges are willing or apt to send people to those facilities, that they probably would not ordinarily send to prison. Is that what you were trying to convey?

DR. JIM DEGROOT: I'm not sure I'd call it field of dreams, but --

NORMAN CARLSON: -- oh, I'm using that as an analogy.

DR. JIM DEGROOT: Right. No doubt if you build it they'll come. If you build prisons, they'll be filled. The more mental health services we provide, the more inmates we're going to receive. Instead, I was trying to focus on the gaps in mental health services in the community. Like I said, Georgia has a critical shortage of mid and upper-level mental healthcare providers. As a result, especially in the rural areas, we have counties where there's no mental health provider, no mid or upper-level provider.

A lot of these people don't have transportation; they can't drive to receive the services. Through the Medical College, we're trying to use telemedicine, telemental health to get to these people, but still, it's very difficult. So the judges, they feel their hands are tied, they need help for these people and they know they're going to get help if they come to the jails and the prison.

SUSAN SHAFFER: That leads, really, to my question, Dr. Degroot. What is telemental health? I'm sorry, I didn't understand that concept. If you could explain.

DR. JIM DEGROOT: Okay. We have telepsychiatry and telemental health. Telepsychiatry -- well, let me first of all say we average about 1,300 contacts a month in telepsychiatry, telemental health. Telepsychiatry is primarily medication management. It's med-reviews. Telemental health involves counseling, a master degree licensed, master degree counselors, and psychologists, PhD psychologists and it also involves an assessment.

We have prisons located in rural Georgia, just like what Dr. Kendig was talking about. We don't say where the prisons are going to be built; it's hard to staff them and when there's a crisis, especially middle of the night, we have capability for telemental health, telemedicine, whatever and it's portable, so these machines, these instruments can be taken to whatever unit and we have docs on call all the time who can make an assessment and if need be move the inmate immediately.

SUSAN SHAFFER: And my second question, to any of you really, the recommendations you have about better collaboration between the institution and the community. Particularly with mental health services, we certainly see, and I'm more familiar with the District of Columbia, but for instance because of budget concerns, DOC will give thirty days' worth of medication, psychiatric medication, to an inmate who's leaving, and then he immediately -- I know it's also the criminogenic factors, it's not just mental health, but nonetheless that combination, not having the appropriate meds, or even being sent to a substance abuse treatment facility without the appropriate mental health meds to continue to stabilize him, they are too discerning to actually get the medication at the mental health -- anyway, there's just not that, I don't see that collaboration going on between the community mental health services and the institute.

The same thing applies to people, you mentioned this, people coming into the institution and losing their SSI, or whatever, and then it has to start all over again so they don't have the benefits. It just seems somebody, I don't know if it's NIC, but someone's got to take a look at this to see nationally what recommendations we can make to further this collaboration.

DR. JIM DEGROOT: It's definitely a fragmented system; there's no doubt we're all dealing with the same cohort: homelessness, these are the people who are homeless. They end up in state hospitals, they end up in the jails, and some of them end up in the prisons and they're cycling, and they're consuming a lot of resources. Georgia, for better or for worse, Department of Justice came in and was looking at the Department of Mental Health, the Department of Behavioral Health because there were so many people dying in the state hospitals. So right now they are under an MOA and they're being audited and part of the MOA is to work with jails and prisons on reentry initiatives. So we're getting good collaboration now with the Department of Behavioral Health.

Also, we're working closely with advocacy groups like NAMI, and getting grants through Bristol Myers-Squibb, a few million dollar grant that the state matches a certain percent to develop reentry programs. Reentry from state hospitals back into the community and reentry from jails and prisons, back into the community. And it appears

the key is case management, case navigators. Case navigators at different levels to include peers, to include family, to include professionals. And we're using cell phones so we can keep in touch with these people. Now, this is for seriously mentally ill people who get disorganized very fast, confused, and through no fault of their own often are revoked and end up coming back in. We're trying to divert that revocation.

In fact one of the initiatives we're looking at now in collaboration with the Department of Behavioral Health is setting up a probation behavioral stabilization facility. We did a study last year on revocations and by far mentally ill were disproportionately represented. And that's the story nationwide; revocations are very high for mentally ill. So, we're collaborating with DBH, who is going to both fund one facility for the time being, and the seriously mentally ill, who end up having problems getting their medications, are homeless, and just get themselves in the deep end of the pool, we're going to bring them to a 200 bed facility. So it's going to be staffed heavily, it's a big investment. But by and large the governor seems to be supporting it because it's the right thing to do, first of all, and secondly, I think it is going to make a big difference in who we receive.

MAX WILLIAMS: Ms. Seymour and then Director Thigpen.

ANNE SEYMOUR: Thank you. Well I have so many questions, but I think I'll ask one and then Morris.

MAX WILLIAMS: That would be good.

ANNE SEYMOUR: Okay. I'll ask about universal healthcare. I was intrigued with what you said about the Massachusetts health enrollment. Inmates go into it upon release, and it saved you \$500,000 a year? So that's just an example, but rumor has it that we're going to have universal healthcare around the country. Have you all given thought to the impact?

JOHN ASHE: ... predecessor to that. And they bring up good points about the medication. We give out, every prison or jail hands them a pack going out the door, but why do that if there's not a connection, definitely going to have an appointment. Our thing is to follow up and make sure they get to that appointment and that gets renewed in the community by the mental health.

ANNE SEYMOUR: You enroll them; you make sure they're enrolled in the program --

JOHN ASHE: That's right.

ANNE SEYMOUR: -- as part of their reentry.

JOHN ASHE: That's right and they already met their doctor when they're with us and we know that appointment's going to happen. We're tied to their families if there's anything there to do. One of the things on the Affordable Act

that I hear is that substance abuse which was mentioned, co-occurring is your major issue with all of us, mentioned the personality disorder, substance abuse and behavior health are going to be joined together under the Affordable Act. That would be a boost for a lot of the problems that you've heard this morning, okay.

ANNE SEYMOUR: So, thinking ahead, is that nationally -- is that going to have an impact on top containment?

JOHN ASHE: Well, depending on where we go with that. But it definitely is a big plus to that. But I say watch that medical care, and I think it's been highlighted by the doctors and all. The continuum -- I always say, why even start the medication if it's not going to be continued. They're going to go out and -- that's why we have the aftercare program - we're going to make sure they show up to all their appointments, their jobs, their housing. That's all we're spending our money on. We will -- our mission, like recidivism is you gotta be really something to deserve an 80 square-foot cell, and not be in the community while you're in our custody.

MAX WILLIAMS: Director Thigpen.

DIRECTOR THIGPEN: Listening to this, and going back to some of the remarks that were made yesterday, it seems to me that we may likely see a dilemma in healthcare that is greater magnified than any other area of our operations. From this standpoint, everything we heard yesterday, we talked about in terms of resources that certainly, the anticipation is those resources are going to decrease. We know on the other hand from everything we hear that healthcare costs are rising quicker than most any other area of our operations.

So I guess the question becomes: If you are running a jail or a prison system, or whatever, how are you going to deal with the fact that resources are going up, healthcare costs are getting greater. Healthcare is not something that you can make an adjustment in, like some states have done where they may have dropped some of their programming or cut some of the other things that they're doing. How are we going to balance all of that? Seems to me there's a tremendous dilemma ahead of us.

MAX WILLIAMS: I think that was more of a statement than a question. Yes, how will we solve this intractable problem gentlemen? I think that's the question that Morris was asking. Commissioner Ponte, I seem to recall that shortly after you came on board, along with taking a firm hand on your healthcare costs, you had a fairly significant movement of moving high mental health inmates out of your secure, segregated environments, and I'd be interested to know whether or not you felt like that's been a successful implementation, both in the operation of your facilities, but has it lowered your costs considering how expensive those high secure custody beds are? Or have you had to actually sort of double down on your investment in mental health services to that population?

JOSEPH PONTE: It actually had a positive impact everywhere. We had about a 32-bed mental health unit that was filled with inmates when we started this program which really was focused on treatment. So we put some additional mental health people in there, and did some of the pieces as the state hospital in Maine does. So we met

with them, and we formulated our program based on what they were doing with mentally-ill offenders, because a lot of our inmates cycle through that system like that. And today we have three inmates in a 32-bed unit, the mental health unit.

So it really did focus on the treatment of the inmate, and getting them back into the population, stable, rather than keeping them in the mental health unit. So we had three inmates where that unit was full, when we started to focus on inmates in segregation. So you get a mentally-ill inmate in segregation, and he does something that they'll tend to do, he gets written up, he gets another 30 days, and before you know it he's got a year before he'll ever get out, and they can't rationalize a week or a day, so it really helped us clean that piece out completely, just about. And then start looking seriously at who needed to be in segregation, and focus on those that needed that type of security. There are about 80 beds that are sitting there that are just unused today as a result of that.

MAX WILLIAMS: So, can I follow-up on that? I know that a number of states, as they've tried to address a similar sort of an issue, have sometimes ran afoul of the custody staff who feel like the mental health offenders getting some sort of a differential treatment from the average inmate, who for that same behavior would land in segregation. Have you had to address that issue at all with your staff in Maine?

JOSEPH PONTE: It's a big issue. It's a constant issue. We're having a doctor from Connecticut come up next week just on that premise, because basically what they say and what we've learned is that you throw out the normal corrections book in dealing with these type of individuals. And you need to have a program that deals specifically with these manipulating, mentally-ill inmates, and not -- you know, you don't write them up, you don't lock them up, it's not the right approach.

So, it's been a struggle. We've taught people for 30 or 40 years to do security this way, and now we're telling them with this inmate, let's do something different, so it's a bit of a struggle.

MAX WILLIAMS: Right, right. I appreciate that. Art had a question, but I'm going to yield to Director Thigpen who wishes to rephrase his question into something that perhaps will illicit more of a response.

DIRECTOR THIGPEN: Okay. Really, I guess, all I'm asking is, as you look at what is taking place, do you think there's going to continue to be room to reduce healthcare costs at a time when the budgets are still going down? Or are we going to see that it's going to be necessary to eliminate other types of costs within a system because we just can't continue to reduce the costs of healthcare? That's the question I'm asking.

DR. NEWTON KENDIG: I don't think it will be possible to reduce costs. I think the challenge will be, how much can you contain them? And I do think that new technologies can be used to contain costs. I just think, as I tried to highlight at the end that it's an unprecedented time in medicine, because the technologies are just exploding. And genomics is not cheap. I mean, screening a patient for their risk of cancer, which is becoming almost commonplace

in certain cancers is very expensive. So I think it's going to be very difficult to reduce costs. It's just going to be how much can we contain them, and I think there are some really innovative things we can do to contain them.

MAX WILLIAMS: Dr. Kendig, on that point, and then Dr. Degroot, I'll let you respond as well. Do you see a point at which the community standard, which may be for you and I to get genomics screening, and all this work, at some point ever being applied differently to offenders in the system? In other words, at some point where technology gets to the point where you can do all of this genomic screening that there could be a point at which where, if that is potentially the community standard of the community, it might be differently applied to those in prison? Do you ever think we'll revisit that from a public health or legal standpoint, or medical standpoint?

DR. NEWTON KENDIG: I really think that Hepatitis C is going to be the first thing that we face where the courts and, where the three branches of government are going to be challenged, because I don't see -- if universal treatment of Hep C, so every patient would recommended to be treated, if that becomes the standard of care, I don't see how correctional systems are going to be able to pay for that. So then the question becomes, if it goes to the courts, what will the judiciary branch rule? I think it's going to be the first challenge.

For genomics, I think eventually it will get less expensive, but the courts have never said, you know that if it's a standard of care that you don't need to do it in corrections, and I think that would be a leap. Right now, for example, the U.S. Preventative Task Force recommends that women with certain hereditary risks are screened genomically for their risk of breast cancer, and the treatment is to offer prophylactic mastectomy. So that is a current recommendation right now, and that's a very expensive screening. That's just the tip of the iceberg. It's going to become routine for cancers in the future, that we screen people for their risk.

MAX WILLIAMS: Dr. Degroot and then Art.

DR. JIM DEGROOT: Trying to answer your question, I'm thinking we have to look at it in the larger perspective instead of just correctional healthcare. This is really a question of public healthcare. Public healthcare is going to bear the burden of these costs. Right now we're beginning to see it with federally-funded programs. For example, North Carolina seems to have figured out a way to tap into Medicaid funds when an inmate goes into the hospital. Two weeks ago, myself and some of our team met with leadership in North Carolina trying to figure out how to do this in Georgia.

Now you can call this shifting costs, maybe it is from corrections to Medicaid, and then we often shift to Medicare with our elderly population with they're released. We come back to Georgia, meet with Department of Community Health, and it's unclear if we're going to be able to do anything until 2014 when we see what direction Affordable Care is going. But I think it's important to look at it from 50,000 feet up instead of closer to the ground. It's a much bigger question than just the cost of correctional healthcare. I think it's going to be shared by Medicare and Medicaid.

ART WALLENSTEIN: Let me take a very quick shot at responding to our executive director's question. The four of you were incredibly consistent in your responses, quite a change from the past that no one suggested moving responsibility elsewhere. Corrections firmly owns this responsibility, no matter what happens with the Affordable Care Act. We're coming up on 40 years since Justice Marshall wrote *Estelle vs. Gamble* that established an irrevocable minimum.

If you're going to run a correctional system in this country, you'll provide a community standard of healthcare, or you will not provide a correctional system. And I think we now accept that. So we look for ways to improve technology as you suggested, and that will develop over time. I think what's happened is, we're absolutely clear in the profession now. We will provide a community standard of healthcare, end of discussion on that issue, it will not go elsewhere. Now we look for the best practices, perhaps to limit growth, but we own it, and we're doing it better, and better all the time.

DR. JAMES JACOBS: I guess that a law professor can't help but intervene a bit here. I think that, as I remember that decision, it said it was a violation of the Eighth Amendment's cruel and unusual punishment to have deliberate indifference to a prisoner's health. I mean, that's quite different than saying that whatever was the recommended standard of treatment in the community has to be translated dot for dot into the prisons, seems to me.

ART WALLENSTEIN: The good professor will go back and read the decision tonight on the internet. Marshall was crystal-clear. You must do it, all right? And it's evolved. And I just think what I'm left with is how consistent all four of you have been. It's our responsibility, and it will not go away.

MAX WILLIAMS: Any other -- we've got about one minute if there's anyone who wants to -- I'm not sure this panel's capable of answering a question in a minute, but if there is a question, and no offense intended by that, it's a complicated subject. If there are any other questions? If not, we'll pause here, and let's thank our panel for the very in-depth -- (Applause) Thank you very, very much. It was a very interesting session. We'll now take a break from 10:15, and we'll resume promptly at 10:35, with panel number six.

PANEL 6 – Innovative Cost-Saving Strategies

Panelists: Captain A. Martin Johnston, Chief Pharmacy Logistics Support, Federal Bureau Of Prison
Bernard Warner, Secretary, Washington State Department of Corrections
Gary VanLandingham, Director, Results First, Pew Center on the States
Ashley, Results First, Pew Center on the States

See each Panelist's testimony in Appendix B.

MAX WILLIAMS: Great. Thank you both, Gary and Ashley for that presentation. At this time, Board members, we'll open it up to questions. Yes, Reggie.

REGGIE WILKINSON: What percentage of the Bureau's formulary is brand vs. generic?

CAPTAIN MARTIN JOHNSTON: I don't have hard data on that, but I would -- just shooting from the hip, I would probably say, you know in the neighborhood of 30% is brand.

REGGIE WILKINSON: 70% is generic?

CAPTAIN MARTIN JOHNSTON: Yeah.

REGGIE WILKINSON: Can your clinicians prescribe medications that are not on the formulary?

CAPTAIN MARTIN JOHNSTON: They can. Now that's to the non-formulary process I talked about. The formulary should, for medications that frequently come up as being requested, we have specific criteria, what criteria has to be met before it will be approved. And then we do have embedded in our electronic health record an approval process where the requesting provider requests the medication, then it's reviewed by the local pharmacists, which is then sent to the Regional Medical Director for his comments and review, and then the central office pharmacist, and then finally the central office physician has final approval authority. So it is an in-depth process, and it works. So they can use medications that are off the formulary.

REGGIE WILKINSON: I just know other jurisdictions are looking closely at that, including the Minnesota multi-state organization that is looking at purchasing in volume so you can reduce your reliance on brand, which is obviously more expensive than the generic versions.

CAPTAIN MARTIN JOHNSTON: Right.

REGGIE WILKINSON: The group that you talked about where you got together with other pharmaceutical administrators across the state, across the country, are they talking about these kinds of things?

CAPTAIN MARTIN JOHNSTON: Yes, we are. And we've looked at the possible of trying to collaborate on some purchasing. We don't know how much the Bureau can participate in that, but we can certainly help. As I mentioned, every jurisdiction has its own procurement regulations and so that makes it difficult to collaborate that way, but certainly the coalition is in its infancy state. So we're still pursuing and talking and trying to figure out what we can do, and what we can't do. There's certainly lots and lots of potential there for us.

REGGIE WILKINSON: \$260 billion is a lot of money.

MAX WILLIAMS: Yes, Art and then Susie. Alright, Susie then Art.

SUSAN SHAFFER: For Secretary Warner, I'm interested in the savings used through your Hope model. And I don't know if that's pretrial probation, and parolees, but I'm interested in two things; one, if that population is all-encompassed in that Hope model, and also; when you say you reduced the violators that would have got them back to local jails by 50%, and that led to a savings of almost \$36 million. How do you determine that cost saving? Is that units of the jail you closed?

BERNARD WARNER: So the population under community supervision is about 60% and come directly from the courts, so it's more of a probation model, and 40% are those who are released from prison. So it's a blended system. None of it would be pretrial; they would all be under the jurisdiction of the court. And our savings, we contract offer jail beds by \$85 a day, and in some cases we had to make some guarantees of beds and so it was a very expensive proposition. What we've been able to do is just through paying for an actual bed-day, renegotiate all of our contracts. So the savings are in real dollars by reducing the contracted amount.

ART WALLENSTEIN: Gary, and Ashley, let me push you a little bit further. You mentioned the word county, so I'd like to ask specifically what you are doing as of course the states have been your primary focus, and what can NIC do to encourage Pew to look at this model as it relates to potential use in the counties.

GARY VANLANDINGHAM: Currently our county discussions have focused largely in California because of the criminal justice reform initiative which passed there which placed tremendous new responsibilities on the counties. So we'll be going out next month to talk to them, and see whether we think it's feasible to come up with a version of the model which can help them help all the counties determine what are the best mix of programs that they could administer for their new responsibilities and help make sure that they're making the best choices they can on that. We've had some preliminary discussions with a couple of other jurisdictions.

We think that it is feasible to develop a version of the model that would look at the counties; we just haven't gotten there yet. But we are, right now, engaged in the strategic planning process to look at how far we can take the model, what are the best options we have before us, and that is one of the things we're thinking about.

ART WALLENSTEIN: Hopefully NIC can encourage you to push forward and look at some of the counties.

DIRECTOR THIGPEN: In terms, Gary, of the work that you're doing, once you've run this analysis, and you have this data, how do you bring that into getting legislative bodies, who often have to take some action to implement some of the things, how do you bring them into the process?

GARY VANLANDINGHAM: That's a critical point. Our goal in states is two-fold. One is to help them technically get the model operational to gather and analyze the data necessary so that when they push the button, the model's able to spit out the results. But I think the point you hit is very much in our second goal in the states which is to effectively link this work to the state's policy-makers. And we do that in a couple of ways; we're requiring states to make a high level leadership commitment before we start working with them, so we're looking for the governor or the legislative presiding officers, or ideally both, to invite us into the state and to make that commitment going in.

We're also working with states to set up a policy-steering committee of high-ranking officials, ideally again of both legislative and executive branch officials who can basically bird-dog this process, make sure that the implementation team has the priority for this work to make sure it's happening, but also to help build them as champions of this work as people who understand this. Then we're also working to make sure that this information is being brought forward, so in most of the states we're working with, we've made presentations to appropriation committees, briefed individual members on it. This is one of the things that also gets into the discussions we have with states on where do you place this model? It can be placed in a variety of places. In some areas we're working with departments of corrections. The advantage there is that they're closer to the data that's needed to operate the model. The challenge is that they're not as close to policy-makers as in New Mexico where we're working directly with the appropriation committee staff.

So that is something that we're working with, but that is something that we're focusing on from day one in our engagements with states, is to make sure that this information is brought effectively to members, and then they will do with it as they do.

MAX WILLIAMS: Can I just ask, as a follow-up to that question. Bernie, you obviously are now deep in a state over your career that's had a lot of experience using the lists of data which form the model which Pew is helping expand. I was involved at the Oregon level for a period of time trying to, with Greg Prince and others, trying to build that model there. How long do you feel like it took your legislative policy-makers to develop the muscle of relying on that data in their policy-making decisions?

BERNARD WARNER: As I said earlier, one of the benefits that Washington has is there are -- in some cases benefits -- no term limits, and so you have consistency in leadership. I think it was really starting in the mid-90s, it started with the juvenile system and some of the outcomes that were reported. It took some time to see the correlation between that policy decision and the outcomes and reducing recidivism. It's not a short-term -- you know, in my two-year or four-year term -- solution. I think it has to be something where people build it into more of a long-term policy issue. But it's probably a decade from when you start making those decisions, you implement programs and you actually track recidivism for a number of years after release.

MAX WILLIAMS: Just as a quick follow-up to your presentation. Being your neighbor, I've watched and experienced simultaneously some of the same sort of reductions. The data you've reflected, however, demonstrates really tremendous results overall for the department. So if you're sitting from maybe a little bit of distance as a policy-maker, you'll say well, you know this economic downturn is a hard thing, but maybe it was really a good thing.

We've got a much more efficient Washington Department of Corrections, and they're still producing really excellent results after having been beating with a stick for four-to-six years from a budget decline. What's the most difficult thing you feel like you've had to give up that's going to have the biggest impact on your outcomes?

BERNARD WARNER: Well, I think some of it's around culture of staff and, while they're resilient and have really withstood a lot of change, I think that they're a little tired, and want some stability in the system. I think actually -- and if I could, I'm not sure if Mr. Clark is still here but -- the benefit that these budget cuts have is that it motivates staff to do things that outside of a budget struggle they never would have done. And we've been trying to relook at how we deal with violations in community corrections for a number of years.

The governor had two policy initiatives, two budget initiatives, the last special session. One was early release. And it shocked people that she was saying a hundred and fifty day across the board release from everyone in prisons. I had fortunately only one hearing to go to where I had to present that, because it was not very popular with anyone. And the second was around community corrections reform. And I don't think without having some pressure that community corrections might go away, because I think people don't often recognize the value of what we do in the community as opposed to the bricks and mortar of prisons.

So I think it provided some permission to really reform. I think probably, to answer your question, what I worry most about is, we're seeing things that we have built over time and in dealing with violence in our institutions that when you should have more opportunity to move offenders around based on codefendants, medical needs, custody needs, and you don't have that flexibility, then violence goes up and we're seeing that uptick. So as the system becomes much more compact, we're starting to see signs of that.

MAX WILLIAMS: Okay, great. I saw some hands down here. Norm, did you have a question?

NORMAN CARLSON: Just one question, quick one. What about the judiciary, how are they involved in this process? They are obviously key players and it sounds like most of this is done by the executive and the legislative branches. The judges do the sentencing, how are they involved, and what is their reaction?

GARY VANLANDINGHAM: In the states that we're working with, we really are trying to reach out to all three branches, because as in the case of Washington, what we're really trying to do is to build a culture of evidence into states, and everybody has to be on board with that. Judges have to understand the decisions they make have long-term fiscal implications for the state, and also understand what safety implications are of their decisions. The legislature needs to understand what the implications of their appropriations are, and the executive needs to understand how to use the discretion that they have. So I think getting everybody on board with this approach is critical to its long-term success.

CAPTAIN MARTIN JOHNSTON: I would add that it requires a lot of education, and when you use terms like risk to reoffend, and you use evidence-based corrections, and you talk about risk-need assessments, not everyone has a common understanding of what that means. Particularly in the courts when you look at sentencing options, the more they understand around what the evidence is around an actuary analysis of risk to reoffend, what evidence-based programs mean then you'll get more support from the judiciary.

NORMAN CARLSON: It seems that they'd be critical. Because without their support, I think it's very likely that the programs will not exist very long.

MAX WILLIAMS: Any other questions? Oh, yes, I apologize. Morris.

DIRECTOR THIGPEN: I guess as I listen again, Gary, to the work that you all are doing, would there been value if there was an opportunity provided for y'all to introduce this concept across the country to the directors of corrections, for example? Or do you feel like your own outreach program is sufficient? Maybe you're not ready for that sort of exposure, so, a number of questions in that.

GARY VANLANDINGHAM: We would love opportunities to talk to a wide range of states and to bring them information about this initiative. We are doing presentations to policy-maker forums like the National Conference of State Legislatures, and other forums like this. But we think this is something that everybody needs to understand, that this is an approach which we hope an increasing number of states and hopefully eventually counties, and possibly the federal government can all join at some point.

So we would welcome opportunities to present to departments of corrections, and other key stakeholders in this, because this is something that even in the states we're working with, there's a tremendous need to educate all

the stakeholders about this approach and build a culture of, let's look at the data and the evidence to make your strategic decisions, because I think that is the way that we can deal with the fiscal situation we're going to find ourselves in for at least the medium term.

MAX WILLIAMS: I can just say that from experience in Oregon, although I still think we have a long way to go, it is a powerful tool for comparative policy analysis. It allows you to project out what the potential financial impact would be, taking into consideration increased or decreased amounts of victimization, increased or decreased amounts of prison and jail beds, increased and decreased amounts of particular program offerings, and so when you're responding to a legislative policy idea that almost always includes additional expenses associated with prison, it's a more refined model than just saying it's this number of beds times this many more days in prison times this much more money.

This really allows you to say, but your alternative to that might be instead of doing this program, and using this many additional beds, you can invest in these particular interventions that have an overall net reduction in costs by, and in reduced victimization -- I mean it really is a powerful tool if you can get people to really want to both use and rely on the data, and take some of the emotion out of the argument, which I think is the challenge that we're always facing. Bernie you had a response, and then the Sheriff.

BERNARD WARNER: Just a follow-up. When you asked about the risk of these changes and I just wanted to highlight on the community corrections, that I think we just have to be careful about rushing to implement even proven models and on such a large scale that we don't do it with the kind of quality that we need to. And so our reengineering community corrections, as much as I think that we can take what research has been done around the country, and in our own pilot, that was a small, 80 parolees in Seattle, and because there's an opportunity to save \$36 million, it's now bringing it to scale state-wide, and when you do that and people are trying to do it from just a cost efficiency, than you have to just be very careful that you don't compromise the program when you do it.

MAX WILLIAMS: Excellent. Sheriff Raney.

SHERIFF RANEY: Mine's really furtherance of an answer more than a question, to Morris and Norm's question. So you saw that Idaho is one of the states up there, and I've been fairly intimately involved in it. The judges were not resistant at all. They want to do the right thing, they often don't know what that is, and they welcomed it. Our largest resistance came from the prosecuting attorneys because they thought that that was going to hamstring their ability to argue for a tougher sentence and part of that was personality-driven by the representative in Idaho, but that was by far our greatest resistance, and continues to be to this point for a number of reasons, but it's going well.

GARY VANLANDINGHAM: And one thing I think comes from that is that the model predicts not only the fiscal impacts but the crime impacts of various program investments, and sentencing changes, so that does bring the prosecutor's value of reducing crime deliberately to the table. And I think that's an educational process that they can

realize that this has a consideration of one of the fundamental things that it brings to discussions and hopefully that can help assuage their concerns.

MAX WILLIAMS: The difficulty, I think, of having all of this data is that it often turns policy-makers into feeling like they're the Board of Directors at Ford Motor Company examining the impact of the Pinto, when they can see the fact that they're going to make a choice, and even though it's a good choice, and it's a cost-effective choice, and it's a smart policy choice, it's still going to have an impact on increasing some number of victims as a result of the decision. It puts them in that really uncomfortable spot.

So, there's some of them frankly that I have worked with that have just as soon not know the data. They'd prefer to react on the emotional side of the equation, because the data makes them feel like they're in some ways more accountable of knowing what they're actually voting on, which maybe says something more broadly about our system. Any more questions for this panel? Yes, let's thank our panel for their presentations. We are going to adjourn for lunch. The Advisory Board will be having a working lunch in an anteroom off of the cafeteria. Donna will direct us once we get our trays where we're supposed to go. So, we'll now be adjourned and we'll reconvene promptly at 1:00.

PANEL 7 – Opportunity versus Obligations

Panelists: Madeline “Mimi” Carter, Principal, The Center for Effective Public Policy
Sandra Matheson, Director, State Office of Victim/Witness Assistance
Mindy Tarlow, Chief Executive Officer, Center for Employment Opportunities

See each Panelist’s testimony in Appendix B.

MAX WILLIAMS: Great, thank you very much Mindy.

MINDY TARLOW: There were no bells, or anything.

MAX WILLIAMS: No bells. Is the board -- we got a bit of a late start into this session, so we're going to move into the questions. We're going to eat a little bit into our break, and we'll just take a little bit of a shorter break. So, I want to, with that, open it up to Board members to ask this panel questions. Art.

ART WALLENSTEIN: Mindy, you reiterated several times that it was prison beds, alright. Could you discuss what the implication would be for jail beds for people leaving local correctional facilities?

MINDY TARLOW: Yes, and I'm so glad you asked that and -- that's a very, very important point. In fact, the impact on jail in the CEO evaluation was actually higher over the three-year-period than the impact on prison, and I want to say a couple interesting things about that; one, it's still true though, that the prison impact really drove the savings. You know we had a very big prison impact in the first year and that carried us all the way through in terms of the dollar saved, but the jail savings came in close second, and in fact, the impact on returns-to-jail had a greater statistical significance than the impact on returns-to-prison, but remember we aren't serving people who are coming home from jail.

I think that that's what's interesting, that we're serving parolees who are coming home from prison systems, and keeping them from going back to prison, and to jail.

MAX WILLIAMS: Great. Anne.

ANNE SEYMOUR: I'm going to quote Mindy, but open this up to all three of you. You said, "An economic crisis can spur action, and partnerships." We've learned -- this hearing has been fabulous for me, but I learned if you don't live in North Dakota, your suffering budget problems across the country. My question to the panel is: If we go back to the days where we're not having budget cutbacks, and there is an influx, are we going to go back to the old way of doing business, or do you see the use of technology and partnerships, justice reinvestment, and the work you're doing, is that going to be the trend in the future? A little quick discussion on that, anybody.

MINDY TARLOW: I can start by saying I think -- what I'm seeing happening right now are genuine systems changes. So let's just use the client-matching thing as an example. Let's say a year from now there's an actual tool in place where people are more rationally connecting people as they leave prison to employment programs. I think once something is embedded in a system, then it can outlive both the people involved and outlive the economic environment. So I think it's all about systems improvements, and I think once those are in place, if they're working I think they'll stay in place.

MIMI CARTER: I would share that point of view. The EBDM initiative was not driven by economics. It was driven, and I think has been carried by individuals who believe that we can do better in our systems, and have better outcomes. The fact that we can also save resources, or use resources more effectively is a bonus prize, but I think the driver here is a dissatisfaction with the recidivism rate we've been experiencing nationally for decades.

SANDRA MATHESON: I agree with both of you. I think that the whole issue of institutionalizing and making change, I think -- just like Victim's Services within the Department of Corrections is now institutionalized and there's very few department of corrections that do not have that service. I think the fact that we're doing things in a different way, saving money is going to stay. I don't see it changing, and I see it being the way to do things in the future.

MAX WILLIAMS: I have a quick question, and then Jim has a question, and I know the Chair has a question. One of the challenges, I think, and this is more general to all the programs that the three of you operate, is that we hear repeatedly, tremendous evidence of really powerful pilot work that's being done, all over the country. I think one of the great opportunities to serve on this Advisory Board is we're exposed to those great pilot projects.

What I struggled with, even in my own organization was to take something that was a great pilot project, and figure out how to scale it up in a meaningful way. And I think we heard Bernie talk about this. So, I'm interested if any of you, with the projects you've been working on, maybe particularly you Mimi at the Center. If you're doing anything around this concept of the science of implementation, and how do you get organizations to -- I struggle sometimes to find anything that we've scaled-up in a serious way other than maybe immunization real well in this country -- and so I'd like to -- seat belts maybe, I mean you could come up with a few public health issues -- but I'd just be interested in your reaction to that.

MIMI CARTER: Sure, and you're exactly right. We do have a lot of science around implementation-failure. We understand very specifically what leads to implementation-failure, and part of the NIC initiative has been to bring that science to these seven sites. In February we convened a workshop for two days in Aurora, and the focus of the workshop was preventing implementation-failure, so we've brought the researchers who understand this to these sites and have been working very specifically on strategic pilots that are then brought to scale in very deliberate

kinds of ways. So, I think we have a really good model for that and I think you're going to see some scaled efforts that are really working.

MINDY TARLOW: I think one thing -- I mentioned the Social Innovation Fund before. I think that's part of its mandate. The point of the Federal Social Innovation Fund is to take projects that work, and bring them to scale and I think the community that the Social Innovation Fund has created, part of its mandate, the federal leadership of that program is to build best practice around scale, even defining scale. You know it's one of those words that I think means different things to different people. So, I think part of the SIF's approach and reason for being is to address your point exactly.

MAX WILLIAMS: Yeah, thank you. I believe that that's an area where NIC can continue it to play a significant role for the field, is in figuring out how to take good ideas that we see operating in isolation, and helping organizations and jurisdictions figure out how to bring them to scale. Jim.

DR. JAMES JACOBS: So, what's the role, if any, of work preparation and training programs inside prisons. I've always thought that was a very problematic area. People get into those programs years before they get out, and they get training that's no longer relevant to the economy, and is that an area where we could save money just by shutting all that stuff down?

MINDY TARLOW: I think there's a lot of effort going -- I think it's an excellent observation and I think there's a lot of effort going on to try to modernize what's happening inside prison systems. New York is one example, the Work For Success initiative I referred to earlier is focusing on in-prison vocational services, making sure that any training programs are happening as close to release as possible, that they're relevant to the current labor market, and that they're -- not just the training programs themselves, but also all the other work assignments that happen inside prison and trying to make those more like a real job on the outside. You know having the same sort of demands, maybe even having to apply like as if it were for a real job. I think there's a real effort around trying, just to your point, to modernize what's happening, and make sure that it's relevant to the outside.

DR. JAMES JACOBS: I was really struck by the fact that the prisons are not really set up to adapt quickly and flexibly to new occupations. They don't have physical plants, and they don't have the vocational infrastructure to do that. It's always seemed to me like it would be better to concentrate that somewhere else and probably right at the point where people are getting out.

MINDY TARLOW: Yeah.

DR. JAMES JACOBS: But are you building -- do you find that in placing people you're building on their experience of training inside prison, or is that irrelevant?

MINDY TARLOW: No, I think it's quite relevant. I think we try to use, when we're building a resume for someone, we're using every experience we can. If they got part way towards a GED while in prison, terrific. If they were working in the kitchen, great. My employer was the State of New York during this period of time. If they have any certifications at all, whether it's basic job readiness, or whether it's skill-specific, we use everything single thing that we can get our hands on.

DR. JAMES JACOBS: But that sounds kind of cynical, I mean just a way of building a resume. Are these programs actually adding to human capital? Or are they just a resume builder?

MINDY TARLOW: Right. I think when somebody has a certificate in a relevant field, I think it really helps them get a job. Just one brief example, there's a facility in New York that has an eyeglass repair program. Everyone who gets through that program now comes to our organization. We've placed every single one of them. So, there are, to your point earlier, when you have an occupational certificate in a relevant field, it really matters in terms of getting placed.

DIANE WILLIAMS: Can I comment on that as well. I would tell you we have two reactions from employers. There are those employers who are absolutely looking for somebody with that specific training, to place them in that specific job. And there are other employers that say simply having that makes a difference in them making a hiring decision, because that person has actually demonstrated some sort of discipline in learning and acquiring a certain certificate and they consider them a higher-value, or a higher likely to succeed candidate than others.

MINDY TARLOW: Right, because they seemed more motivated. Just to take any sting out of having seemed cynical, I think one of the things that employers struggle with is seeing gaps in resumes. And so I just that it's really important to be filling those gaps in resumes with things that are relevant.

MAX WILLIAMS: Yes, you have a question Madam Chair.

DIANE WILLIAMS: I do. I actually have two questions, and so as person in an organization that provides services to people with criminal records, as Mindy said those who are coming home recently, and those who have been home for a while I can understand the potential value of having Victim's Advocates participate in that work. As a victim of a crime, I can understand the hesitance in some cases to do that, but I really believe that if we in fact could blend those, that we would have a much better recidivism rate. We would have a much better success rate, and we'd have a much better healing rate, if we could do those things.

I'm wondering Sandra, how would you suggest we think about that? How would you suggest we think about making that happen? And then Mindy, I'm going to ask you my question now too, and you guys can answer. I'm also curious -- you've done a lot of work with NIC, and this is obviously a hearing with the intention of the NIC learning things that we can then help the field with, so given where we started, our work with NIC all those years

ago when John Moore had us hooked into this stuff, and it was very different than it is today -- what would you have NIC think about as it relates to employment for people with criminal records in our plan today?

SANDRA MATHESON: I think that there are a couple of programs that already exist that are building the bridges between working with the founders, and working with victims, and one is certainly restitution, and the paying back of what is owed. And the other is -- one of the programs is the Victim-Offender Dialogue, where victims can actually request to sit down with their perpetrator and actually have a discussion, and it works even with violent offenders.

It's a long preparation, it's a year-long preparation and has to be victim-centered, and there's a lot of preparation and expectations, but I think what we've seen with those that have gone through that program is a real sense of when you sit down and you see a violent crime victim sitting across from the person that victimized them, and discussing it with them, the impact it can have on both parties is incredible and I think that there's a lot of opportunities to take those types of programs, and enhance them and to expand upon them.

DIANE WILLIAMS: I don't want to put you on the spot today, and maybe we could have a conversation in the future, but I was actually thinking about it in the sense of we have in our organization a number of advisory groups. We have different organizations that work with us from a mentoring perspective, and that do all kinds of things. So I really wasn't looking for how do we match the offender and the victim -- that were, you know, a part of the same crime scenario, but really -- how do we reduce the number of victims in the future by integrating this work in a different way. So maybe we can talk about that off-line, but I think it's something to think about.

MINDY TARLOW: I want to join that conversation.

DIANE WILLIAMS: I knew you would.

MAX WILLIAMS: Mindy, yes. Your response?

MINDY TARLOW: I'm really excited about the work that we're doing with the white paper that's going to come out later this Fall and I think New York is an example of this, just bringing together really for the first time this issue of risk principals and the science involved in that and actually marrying that to a similar or analogous distribution of need and risk in the employment arena, and putting those two things together. And I think NIC could play a very powerful role in that, with corrections jurisdictions, but also just in general.

When I go around the country, most people say, "Yeah, that employment thing. Yeah, employment would be really good." And there's no thinking about, well, for who, and what would it look like, and when, because that, to me is the fundamental learning that I've come to over this last -- I'm looking that Diane, we don't look a day older though Diane.

DIANE WILLIAME: Seventeen years.

MINDY TARLOW: We've been doing this forever. I think that's really the essence of it, is this: Marrying risk principals, and marrying the analogue in the employment world together.

MAX WILLIAMS: Reggie will be our final question. And then we'll have to close and then move on to our break.

REGGIE WILKINSON: Yeah, I'm thinking maybe particularly Mimi and Mindy -- there's some alliteration there -- I'm thinking about your right services, right person, right time stuff, it's not as easy as it sounds to accomplish that and I'm thinking in particular about -- with respect to Jim's question -- about the employment services, employment training that happens inside correctional institutions. There's no money to have the latest auto mechanics (inaudible) training that you'd get if you went to a community college. And sometimes it's not even a fault of the corrections system. If we are having barber training, cosmetology-training programs, and state government has a provision in its revised code saying that if you've committed a felony offense, you can't get a license in these areas.

So sometimes government is its own worst enemy with respect to the kind of employment that we want to see happen. So the advocacy needs to be not just with the institutions who have custody of the persons who are our clients, but we also simultaneously, and parallel to all that need to let the government know that these collateral punishments and sanctions need to be done away with unless there is a nexus to the crime and that person's particular behavior, so hopefully that's on the agenda as well.

MINDY TARLOW: Yes, well certainly. I could not agree more. There is a parallel legislative strategy to all of the things that we have been talking about that are trying to both to reduce occupational bans, reduce licensure bans, because some of them -- the barber one is the one everybody, you know --

REGGIE WILKINSON: There are almost 400 of those sanctions --

MINDY TARLOW: Exactly. There are many, many, many others. And I do think that we are hurting ourselves by limiting opportunities for folks, and that that absolutely needs to change and it's starting to in different parts of the country.

MIMI CARTER: I would just say to that statement, Reggie, that what you're doing is pointing to the need for high-level analysis of what it is that we're trying to achieve, and then what are the barriers to getting there, and unraveling those, which is why we have to have all of these stakeholders involved in our local communities, even though we are focusing on justice systems, they are bringing in folks from other areas, behavioral health, and employment and education, and so on, because these problems are so intertwined.

MAX WILLIAMS: Thank you very much. Let's thank this panel for their presentations. We are well into our break time, but we are going to extend the break to 2:25, so you have a little less than ten minutes to use the restroom, and reassemble, and we'll begin promptly at 2:25.

PANEL 8 – Capability and Capacity: Understanding NIC’s Delivery of Services

Panelist: Jim Cosby, Chief, Community Services Division, NIC

See Jim Cosby’s testimony in Appendix B.

DIANE WILLIAMS: I think Jim’s comments were very tied to the future needs of corrections, and trying to find ways to effectively address those needs while managing costs to the best of our ability. So we are behind in our schedule, but I will take two questions if we have a couple of questions from the Advisory Board. Gary.

SHERIFF RANEY: So Jim, over lunch and since then it's what do we tackle next?

JIM COSBY: What do we tackle next? Well, I think the implementation science is really critical to what we're doing. The projects that we have underway with EBDM as an example, the TPC, TJC, all those things really are about collaboration. They're about getting local stakeholders together to decide really what they want to do, and how they want to do business as far as criminal justice practice in their local community is concerned. But often times, and I can speak from my own experience as well, often times we get the expert syndrome. You know, that expert's somebody from at least 50 miles away, they carry the briefcase. They come in and they tell you what to do and then they leave.

SHERIFF RANEY: Well that's the Advisory Board.

JIM COSBY: (Laughter)

DIANE WILLIAMS: That's just the Sheriff.

JIM COSBY: I didn't say that now, I didn't say that. But I think often times the practitioner is then left with, Wow, how do I do this? What's my next step? How do I carry this out? And I think, really, where we have seen significant changes are in the efforts like EBDM and especially in combination with JR where there is a sustained effort at a targeted effort at the local level or even, I believe, at the state-wide level. I think it can be done at the state-wide level.

I believe it can be scaled up, but you have to have those key players in agreement about what they want to do. But still, the implementation, and how things are done, and having that ability to follow-up behind that effort, to make sure you're still on track using the data, quality assurance mechanisms, audits, and all of those things that go along with it, I believe, are critical. And I think that's an area where we really can help the field.

DIANE WILLIAMS: Any other questions?

ANNE SEYMOUR: I just want to say thank you for recognizing the NIC staff. I left when you said you thought it was a huge staff. Y'all are huge, and you do huge accomplishments, and I don't think our staff gets enough kudos from the Director and yourself, and everybody. And I just thank you for recognizing that and I hope everyone else does as well, because you're awesome.

JIM COSBY: You're very welcome. Thank you.

DIANE WILLIAMS: I would agree. And I just want to second the concept about implementation. It's come up a number of times over the last couple of day, and it comes up in my everyday work all the time, because we have lots of ideas. We have people who can create models and to somebody else's point, sometimes implement them in small ways. But when it comes to implementing things in larger venues, then we're not always as successful as we'd like to be. And so I think focusing on implementation is right on from my perspective. And so I look forward to the work that we're **going to** do. I think this has been a phenomenal two days. As I said a bit ago --

SHERIFF GLANZ: I think one of the most important things we do is our networking.

DIANE WILLIAMS: Absolutely.

SHERIFF GLANZ: With the major jail network, we have learned more about new procedures and process than any other place. When you bring those professionals together from all over the United States, those network I think are probably one of the most valuable things that we do besides the research that we're doing.

JIM COSBY: Oh, I concur. I mean, it literally helped me tremendously. From going as a regional director to a state-wide director where the responsibilities were broader and looking at the bigger picture, I invariably got help there and not only that, not at the meetings, but there's a networking that goes on after the meetings. You've got somebody you can pick up and call when you make those networking acquaintances.

SHERIFF GLANZ: Like you say, when there's a new procedure, someone's already done it, or someone has the experience and that's very valuable.

JIM COSBY: Absolutely.

Closing

DIANE WILLIAMS: So I could list the many things that I see as themes throughout this, and obviously implementation is one. I won't list them all, but we certainly heard about a number of models that we should find a way to help replicate in other places. So whether we're thinking about the Washington model for looking at evaluations and those kinds of things whether we're talking as we did a little bit earlier today about how to close a prison. Because we keep talking about looking at length of stay and the number of people going to prison and the requirement for us to close a prison, if we really are going to realize any sort of savings associated with that. So we've got a full list, and still building off the kinds of ideas and things that have come out of these two days.

Things that we can think about going forward: I'm looking forward to finding time to actually sit down with everybody and prioritize those things, because as many as we might list, we're not naive enough to think that you can implement all of those in a relatively short timeframe. We need to prioritize them and timeline what it is that we want to do. But we've gotten a lot out of these two days to think about in that regard. I want to make sure I thank everybody that had anything to do with putting this together. I thank the Advisory Board for pushing to have these hearings, because we could have said with budget crunches and the rest of those kinds of things, Morris and Director Samuels could have said, "Let's just not do those" but these are so helpful in thinking about this work and figuring out how to be who we need to be to the field.

And so I thank Morris, I thank Director Samuels, I thank the NIC staff, and I thank Andie, Donna, everybody who touched this, and I have a special thank you to Sherry, who stayed in touch with all of us and made sure that we didn't drop the ball with all the things we had going on. So, with that, I want to give Morris some time. I want to give the Director some time, and I know that Andie has something that she'd like to say. Can we start with you Director?

DIRECTOR SAMUELS: Yes, and I also want to echo and thank you, Madam Chair, and the entire Advisory Board, as well as the staff, NIC, and their leadership of Morris, and The Moss Group for helping us with this. I know immediately after my appointment as Director, I attended my first Advisory Board meeting, and I was told of the importance and the need to do this. And I can tell you the last two days, it has been very, very beneficial to me and I think for this country that we have this type of conversation. And I'd like to follow-up on Morris's statement about the number three tub. I think we have all these ideas, and all of these issues, which, I'm the type of individual, and I know from what I've seen with many of my colleagues that we want to move beyond just brainstorming, and actually have some action that works. And I agree Madam Chair that we need to get together and really list out the priorities, and start moving in that direction.

And I do appreciate also all of the individuals who came in with presentations. I know everybody's busy -- and the presenters, the information was so powerful. It has my head spinning, which I know when I get back my

staff are probably going to say, "Where's all this coming from?" But I want to curl up with my manual here, and really go through it and look at the good information that was provided. And this was my first hearing as Director, and I think it's also very appropriate to acknowledge Morris, because this will be his last hearing. I definitely wanted to publicly thank Morris for all the contributions that he's made, and there will be many other opportunities for me to do this, and I would be the first to say that, again, since assuming the position of Director.

I've always been in awe of NIC, and I've been a product of the training through the executive training that was provided to me early on in my career through NIC and just having the opportunity to witness by traveling around the country, attending ACA, and different forums, and you constantly hear how everybody says that they really appreciate the great work that NIC provides and I would say Jim, you're right. You would think that there's an army of staff with the responsibility that NIC provides to this country, but I think with the centralization of the resources, when we talk about budgeting and savings, that I do believe that NIC, for this country, provides a significant amount of savings. Because if you think about all of the training, and everything that's provided, if you had to duplicate that for all the 50 states, you're talking a significant amount of money. So I applaud all the staff that work within NIC, and with all of our partners out there who really do a great job, and Morris, I know a lot of that is attributed to your leadership the past 18 years. And I just personally wanted to tell you that I appreciate you.

DIRECTOR THIGPEN: Thank you Director. You know much has been mentioned in many of the presentations about collaboration, and certainly I think some of the things that Jim has presented are certainly true in terms of our organization. But much of what we do accomplish would not occur without the help of other agencies. I wanted to recognize a couple of folks that have been here who represent, really the agency within DOJ that we most collaborate with; Marlene Beckman has been here out of the Office of Justice Programs, Gary Dennis, I think has slipped out, but he's been here for all of the sessions, and certainly without the ability to collaborate with them on many of these efforts, we would not be successful, so thank you for being here and participating. Obviously, I think all the thank yous, I could go back through those, it's not necessary. One thing that I do want to mention and recognize, Sherry Carroll was mentioned a while ago. Sherry has worked tirelessly on this and other efforts, several projects that she's been involved with have been mentioned in the presentations.

Unfortunately, Sherry is going to be leaving us fairly soon to transfer over to the Bureau of Prisons to work in the Program Review Division. It's going to be a loss for us, but certainly I think this is an opportunity for her, and Sherry, stand up for a minute let us thank you for all of your work. The final thing that I would say is, everyone has mentioned, there's been an awful lot of excellent information that has been presented these last two days. I would think as each of us go back, and do sit on that tub and ponder a bit about what's been said that it's going to, I hope, initiate some other thoughts that you might have that you could share with us.

I would invite anybody here in the audience that has had the opportunity to be here, to hear these presentations, if there are things that come to mind after you return back home that you think would be helpful to us as we look to try to continue to find ways that NIC can advance this great system that we work in, I would invite you

to do that. I would appreciate you sending them on to me. I certainly will see that they get distributed among our staff. But I would be disappointed if we're not stimulated as we go back home for some further thinking about some things that may come from this. So thank all of you for being here, it's been great. Thank you so much. I'm sorry we didn't get to express our thanks to Max our thanks for the way he moderated these sessions, but have a safe trip back, thanks again for coming in and being with us.

DIANE WILLIAMS: We have just a word from Andie I think, too.

ANDIE MOSS: Oh, I hate to go after two directors but -- and there have been so many thank yous -- but we just want to, on behalf The Moss Group thank the Advisory Board at NIC for the opportunity to be involved in these sessions. I want to particularly thank Chris and Sherry for their guidance, having gone through this and really all of the staff at NIC, having to help, and be in the hallways, and joke about it, and be comfortable with it, and they've just been terrific. And the presenters really, the level of preparation that people did, we're very aware of that and it made such a difference so we thank everybody for that. And especially, I know it's self-serving, but I want to thank Donna because she's really been impressive as well.

DIANE WILLIAMS: Okay, this is the final thank you. We hope that everybody travels safely if you have to travel far, and again thank you for all the input and all the work.