



Hamilton County Administrator's Office

Interdepartmental Memorandum

To: Board of County Commissioners

From: Patrick Thompson, County Administrator

Cc: Simon Leis, Jr., Sheriff
Mark Mallory, Mayor, City of Cincinnati
Honorable Nathaniel Jones

Date: February 12, 2007

Re: Comprehensive Corrections and Rehabilitation Program

Purpose

The purpose of this report is to update the Commissioners on several aspects of the Hamilton County Corrections and Rehabilitation Program (HCCRP) and to recommend potential solutions to improve the criminal justice system by reducing recidivism, enhancing public safety and providing adequate jail space. This project is a significant undertaking for Hamilton County and, if approached in a comprehensive and deliberate process, it will result in a criminal justice system that benefits generations to come. The recommendations in this report are a work in progress and are intended to give the Commissioners a framework to discuss this issue's many interrelated components. The report includes the following sections.

- I. Background
- II. Corrections and Rehabilitation Program
- III. Public Safety Enhancements
- IV. Facility Assessments
- V. Facility Options
- VI. Site Selection
- VII. Funding Alternatives
- VIII. County Administrator's Recommendations
- IX. Next Steps

This report provides an update at a critical time. Statutory requirements call for a decision by the Commissioners concerning the potential for a sales tax increase in the coming weeks. The Hamilton County Criminal Justice Commission recently held its first organizational meeting. Additionally, public input on the preferred jail site is underway. Our approach for this stage in the development of the HCCRP and

alternatives to the jail overcrowding issue is to adhere to the policy framework approved by board resolution on January 31, 2007 (Attachment A). This framework calls for a comprehensive solution to addressing the County's jail overcrowding to include identifying and implementing programs and treatment options to reduce recidivism across the entire criminal justice system, developing corrections facilities that meet applicable building standards and accounting for the full operating costs of any new facility.

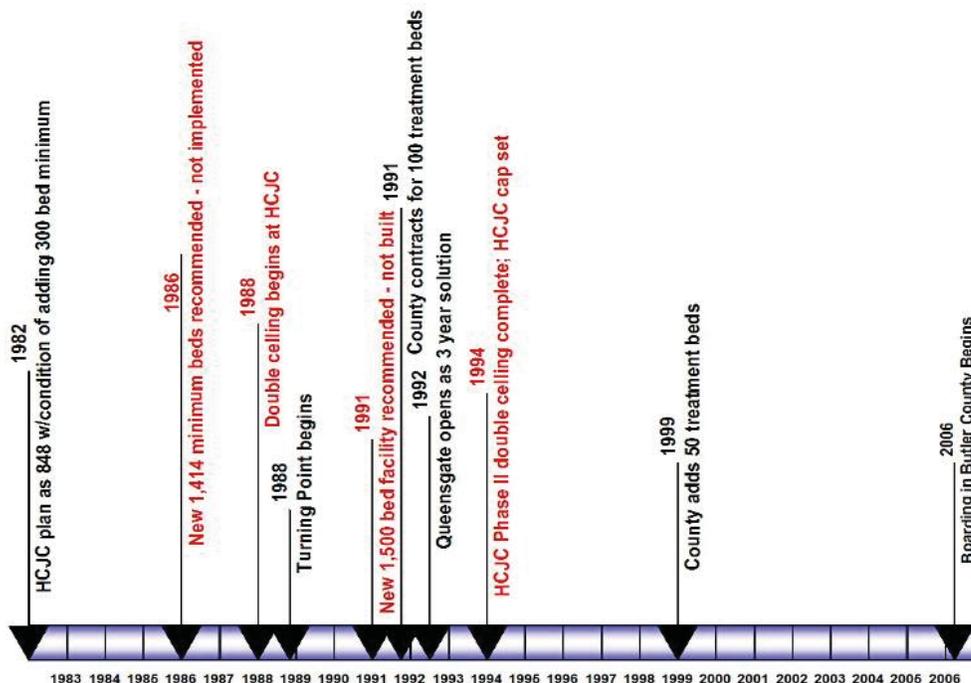
I. Background

For the benefit of the new Board of County Commissioners and for the public for which this report may serve as the first informative contact with this complex issue, it is important to understand the nature of the County's justice system and associated jail problem and the exhaustive efforts of the past two years. Only by understanding this issue's many facets can an informed recommendation be made. At its core essence, the County's jail problem is not having enough beds due to the increasing incarceration and recidivism rates; having the wrong types of beds as the inmate population becomes more in need of programs for substance abuse and mental health services in a custodial environment; and operating facilities that average 70-years old which do not meet applicable building codes, correctional facility standards and operating procedures of a modern corrections operation. Additionally, jail space concerns are influenced by uncoordinated treatment and diversion programs in other areas of the county's criminal justice system.

Hamilton County Correctional Master Plan

The County jail problem is not new. Graphic I below shows a timeline of the County's past efforts to address the increasing need for jail beds. As with any major undertaking, careful and deliberate planning lays the groundwork for a successful project.

Graphic I: Hamilton County Jail Milestones



Hamilton County began this latest project by engaging the services of Voorhis & Associates in the summer of 2005. The Hamilton County Correctional Master Plan was presented to the Commissioners in January 2006. (Executive Summary Attachment B). The entire Correctional Master Plan report and associated documents are available on the County's website.

It is important to note that the Correctional Master Plan includes the following key sections:

- A review of the County's inmate diversion, alternative sentencing, and treatment programs;
- A physical assessment of the County's four corrections facilities (of which only one is County owned); and
- A projection for inmate populations for a 30-year period.

These sections are mentioned because we have been working since November 2006 to refine the work of the original Correctional Master Plan to account for more recent data, conduct more thorough facility reviews, and to fully estimate operating costs for a suite of scenarios for a new facility/facilities. In many ways, this report is an update of the Correctional Master Plan.

The Correctional Master Plan was the foundation for the initial recommendation for a 1,800 bed jail facility located near downtown Cincinnati. This recommendation was the basis for several previous proposals to fund the construction of a new facility. These proposals are not described in this report; however, Section VII of this report will review the funding proposal submitted to the voters this past November to provide a contrasting perspective to the County Administrator's recommended funding approach described in Section VIII of this report.

Corrections Review Task Force

During the summer of 2006, Commissioner DeWine led an effort to examine the County's jail problem and the Correctional Master Plan from a criminal justice systems perspective. The charge for the Corrections Review Task Force and its membership is included in Attachment C. The Task Force engaged the services of the Vera Institute of Justice. The Vera Institute specializes in assessing criminal justice systems which for the County included the interaction of the corrections system and the judicial administration system. The Vera Institute concluded that if the County did not initiate a comprehensive review of the entire criminal justice system, the proposed 1,800 bed jail would be needed, and the County would need additional beds within 15-20 years.

The Corrections Review Task Force divided its efforts into a treatment subcommittee and a cost subcommittee. The treatment subcommittee reviewed the County's efforts to treat inmates including mental health, substance abuse, life skills, and education. It also examined diversion programs. The cost subcommittee assessed the entire lifecycle costs (operating and capital) for the Correctional Master Plan recommended facility. It also examined two alternatives to the recommended facility. Both proved to be more costly over a 30-year period. These alternatives are discussed in greater detail in Section V of this report.

A key recommendation of the task force was establishing an ongoing criminal justice coordinating entity to ensure all aspects of the system are integrated. The entire Corrections Review Task Force report, including the Vera report and reports by the two subcommittees are available on the county website.

Hamilton County Criminal Justice Commission

Building off the Corrections Review Task Force recommendations, on January 31, 2007, the Commissioners approved the creation of the Hamilton County Criminal Justice Commission (“HCCJC”). Its charge is to “evaluate, monitor and make appropriate recommendations to the public, and to local and county elected officials and public safety officials, on laws, policies and practices that promote public safety, reduce recidivism and improve the efficiency and cost-effectiveness of the county’s criminal justice system.” The Board of County Commissioners resolution creating the HCCJC and its current membership roster are included in Attachment D. Though the HCCJC just held its first organizational meeting on February 7th, the Vera Institute has been engaged to perform the following tasks in the near term:

- Determine if the existing treatment programs provided at the secure Turning Point and Reading Road facilities would continue their success within a new jail facility; and
- To develop a strategic planning process to help the HCCJC organize its efforts to begin the process of assessing existing program and treatment efforts and developing additional programs to reduce the County’s recidivism rate.

The Commissioners will receive periodic updates from HCCJC as it organizes and commences its work. In the coming months, the efforts of HCCJC may impact the recommendations in this report. Their work will be integral to the success of improving the criminal justice system and ensuring whatever new jail facility is built becomes part of a comprehensive, permanent solution.

II. Corrections and Rehabilitation Program

The Corrections and Rehabilitation Program refers to the types of programs, services and facilities for inmates and other persons who come in contact with the criminal justice system. The Program accounts for differences in gender, medical needs, treatment programs and inmate classification (i.e., security level). The Corrections Program determines the size and type of programming and services that indirectly influence the type and size of a jail facility. It should be noted that much of the current jail problem is associated with the inefficiencies of operating multiple facilities over 70-years old. The Program that will evolve over the coming months and years under the guidance of the Hamilton County Criminal Justice Commission will ensure that any new facility does not need expanding in the future.

Attachment E provides a listing of the continuum of treatment/programming options currently available for persons entering the County’s justice system. The treatment and program options for the County fall into the following categories:

- Community-Based (i.e., outpatient treatment programs);
- Supervised Community-Based (i.e., Mentally Disoriented Offender Unit);
- Monitored Community-Based (i.e., Day Reporting);
- Community Residential (i.e., Crossroads); and
- Custodial (i.e., Justice Center, Queensgate, Reading Rd., Turning Point, Butler County, River City).

Experts agree that the County has established a comprehensive menu of programs to help persons avoid jail time and to re-integrate into the community. The amount of funding associated with these programs is hard to determine because in many cases the costs are paid by the defendant or by a non-profit

organization. The Criminal Justice Commission will examine all existing programs for effectiveness and coordination. What is known is that in 2006 the Sheriff's Office expended nearly \$50 million to house inmates in four aging facilities. If a permanent solution is not developed, these costs will only increase.

The important work of the HCCJC and the periodic review and assessment of the effectiveness of existing programs should reduce the current 70% recidivism rate for persons entering the justice system. Near-term actions recommended to have an immediate impact include:

1. Establishing three additional satellite probation offices to allow probation officers to have more frequent contact with probationers as well as allow probationers to avoid travel to downtown. The estimated annual cost of this effort is \$750,000. The target for this effort is to divert 50 inmates per month.
2. Begin a re-entry demonstration project that coordinates the efforts of the jail, pretrial services and the central clinic staff to track and assess progress for inmates coming through the justice system. The estimated cost of this effort is \$440,000 annually. The target for effort is to divert 50 inmates per month.
3. Provide additional mental health services funding to assess and provide case management services for inmates in need of mental health services to ensure these vulnerable inmates receive appropriate treatment within the appropriate facility. The estimated cost of this effort is \$300,000.
4. I am recommending that the Program include \$5,000,000 as a placeholder to fund additional program and treatment enhancements via the efforts of the HCCJC.

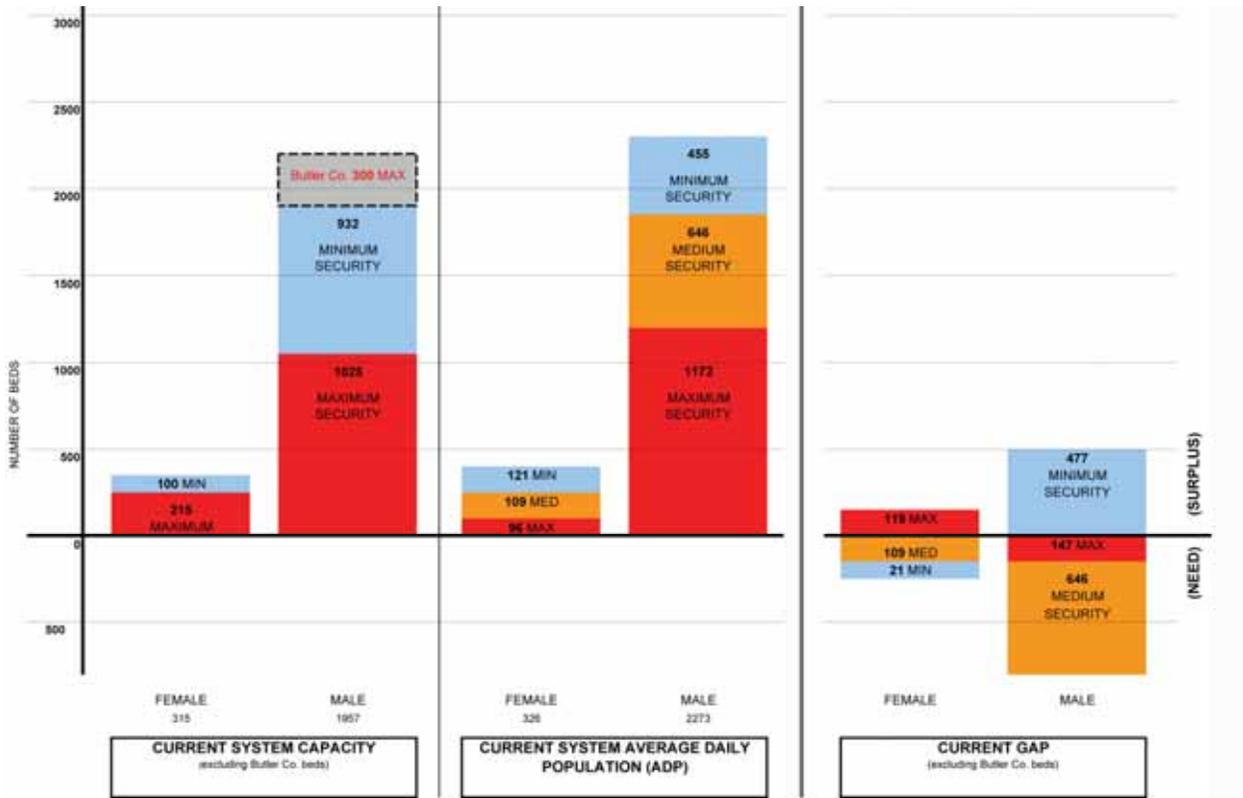
While these represent additional costs for the Corrections and Rehabilitation Program, it is anticipated that through the ongoing efforts of the HCCJC opportunities for enhancing programs as well as opportunities to redirect existing funding to these promising efforts will be identified.

Any projections for the size of a new jail facility must project a recidivism rate. The County's 70% recidivism rate is comparatively high and unless it is reduced, there will always be pressures to build additional jail space.

The Correctional Master Plan describes the methodology for estimating future inmate populations. Estimating future inmate populations is a difficult task because of the many jurisdictions involved. The Hamilton County jail provides detention services to many law enforcement agencies. Laws and ordinances in those jurisdictions impact the amount of jail space needed. Mandatory sentencing requirements from the state and sentencing practices of local judges can impact the need for jail beds and treatment programs. For the purposes of the Correctional Master Plan, it is assumed that changes across the entire criminal justice system will reduce the County's current recidivism rate from 70% and allow the County to build a facility for a 30-year period, but using inmate projections through the year 2020. To the extent that recidivism is not reduced and other reforms in the County justice system are not undertaken in the coming years, additional jail space will be required after 2020.

Graphic II provides a summary of the current inmate population compared to the existing facilities security classifications. It is clear from this presentation that the County is critically short of medium security as well as female jail beds.

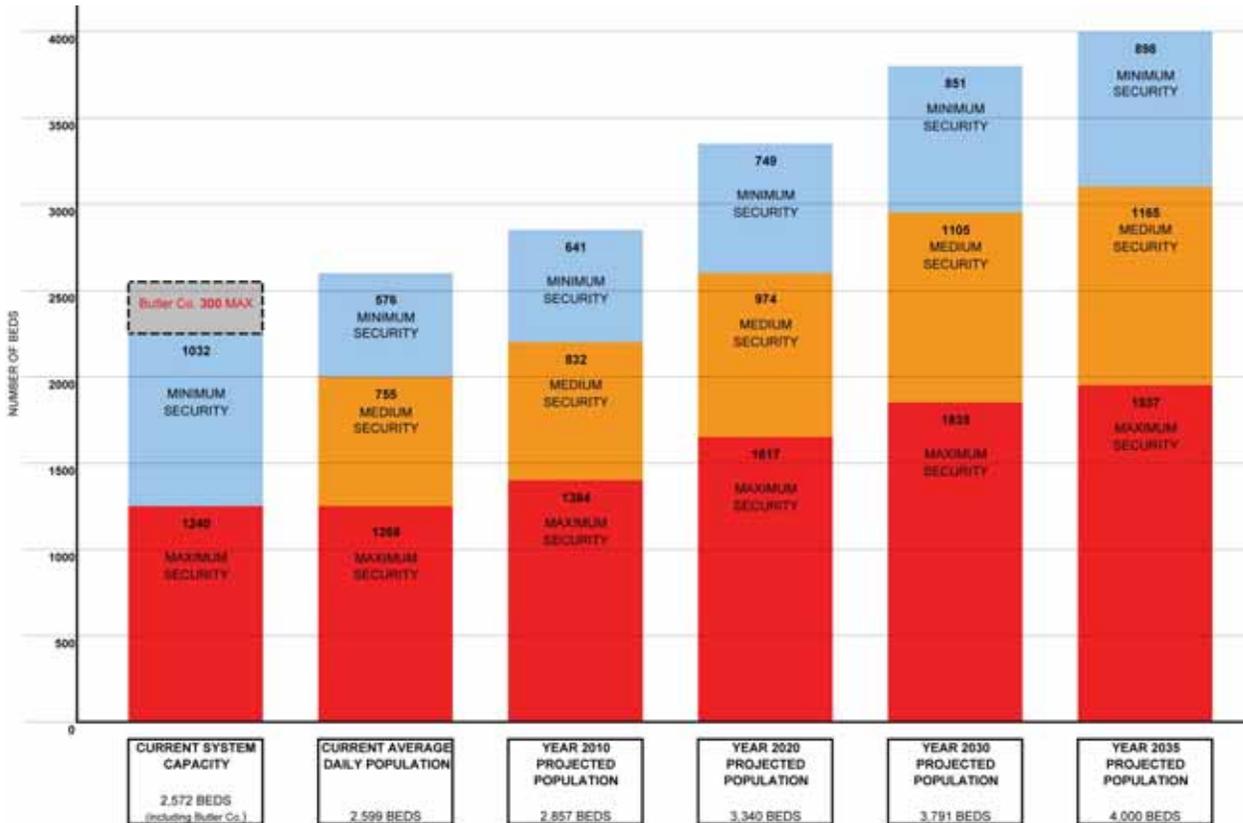
Graphic II: Current Inmate Population Compared to Current Facilities



The current shortage of total beds and specific types of beds will grow based on current incarceration and recidivism rates. The following graphic shows the projected growth in the inmate population through the year 2035. Please note that the boarding of inmates at Butler County is counted as a current facility for purposes of the these presentations, but the data indicating gaps in the County’s jail system (Graphic IV) exclude Butler County because boarding inmates in another jurisdiction is not practical long-term and the availability of the Butler County jail beds in the future is unknown.

These projections are updated from the Correctional Master Plan to account for 2005 and 2006 data. Based on the additional data, the projected need is greater than the original Correctional Master Plan by approximately 300 jail beds.

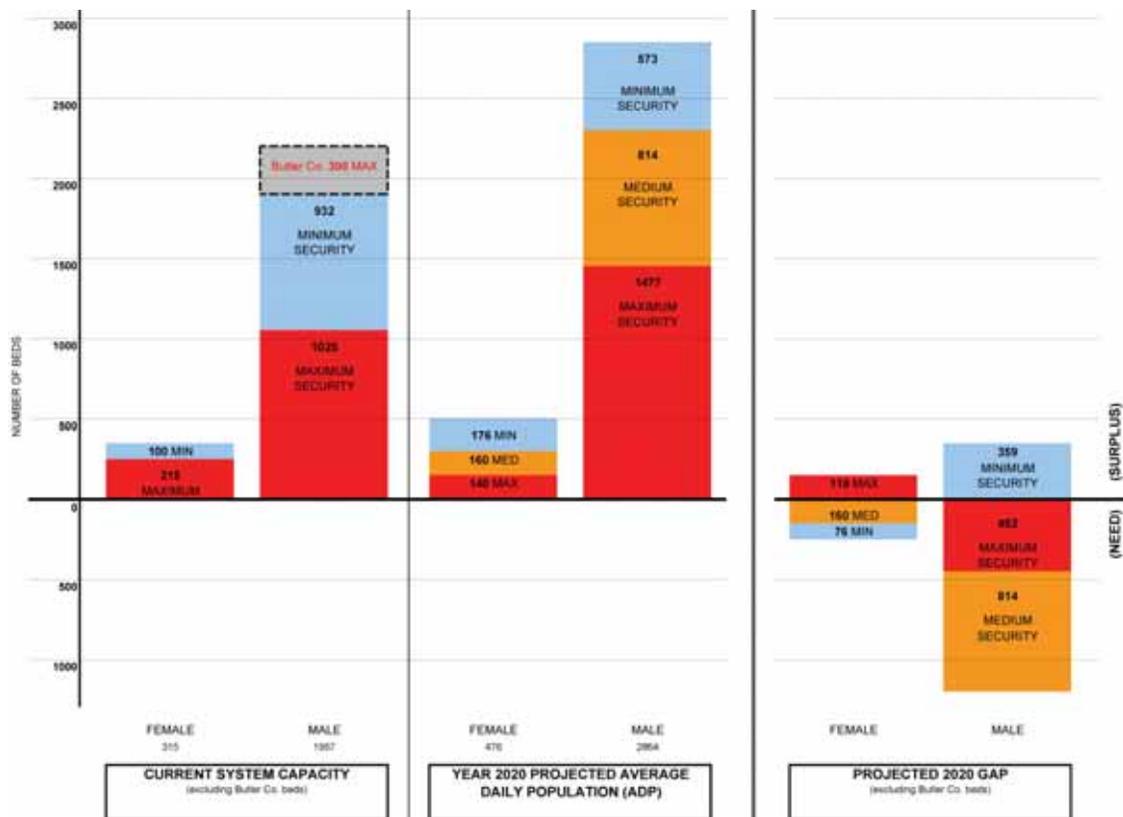
Graphic III: Inmate Projections



This revised inmate population projection indicates a need for 3,340 jail beds by the year 2020 and 4,000 jail beds in 2035, an increase over the current capacity of 2,272 jail beds of 1,068 and 1,728 jail beds, respectively.

Graphic IV shows the projected inmate population for females and males for the year 2020 compared to the current facilities. The resulting gaps in specific types of beds will help guide any new facility configurations.

Graphic IV: Year 2020 Inmate Projections Compared to Existing Facilities



Combined with the need to replace and consolidate three existing obsolete facilities totaling 1,032 jail beds, a new jail would be 2,100 beds using the inmate projection through the year 2020 or 2,760 beds using the inmate projection through the year 2035.

The jail facility scenarios presented later in this report recommend a 1,800 bed facility for a total of 768 net new jail beds. While this is less than the revised inmate population projections, the efforts of the HCCJC will be instrumental in reducing the need for new jail space in the future.

This projection method is valid for determining jail facility size given known incarceration rates, existing and prior year inmate profiles, current sentencing practices, and available inmate programs. This approach and methodology is being independently verified by the corrections planning firm Carter Goble Lee.

An alternative projection method would be to review the type of populations coming into the justice system to determine if alternatives to incarceration are viable. This approach, at a macro level, may assist in determining a comprehensive approach to the entire justice system to minimize future jail needs, but existing programs need to be assessed and better integrated first.

Going forward, the program enhancements previously noted will be supplemented with additional programs and alternatives that need to be developed, implemented, and assessed within the County's justice system. It is the charge of the HCCJC to perform these tasks to ensure the useful life of any new jail is prolonged, and the need for future additional jail beds is minimized. Attachment F provides an updated analysis of the projected inmate population.

III. Public Safety Enhancements

A comprehensive approach to improving the criminal justice system and reducing recidivism will also include additional law enforcement efforts. Recommendations concerning enhanced law enforcement include:

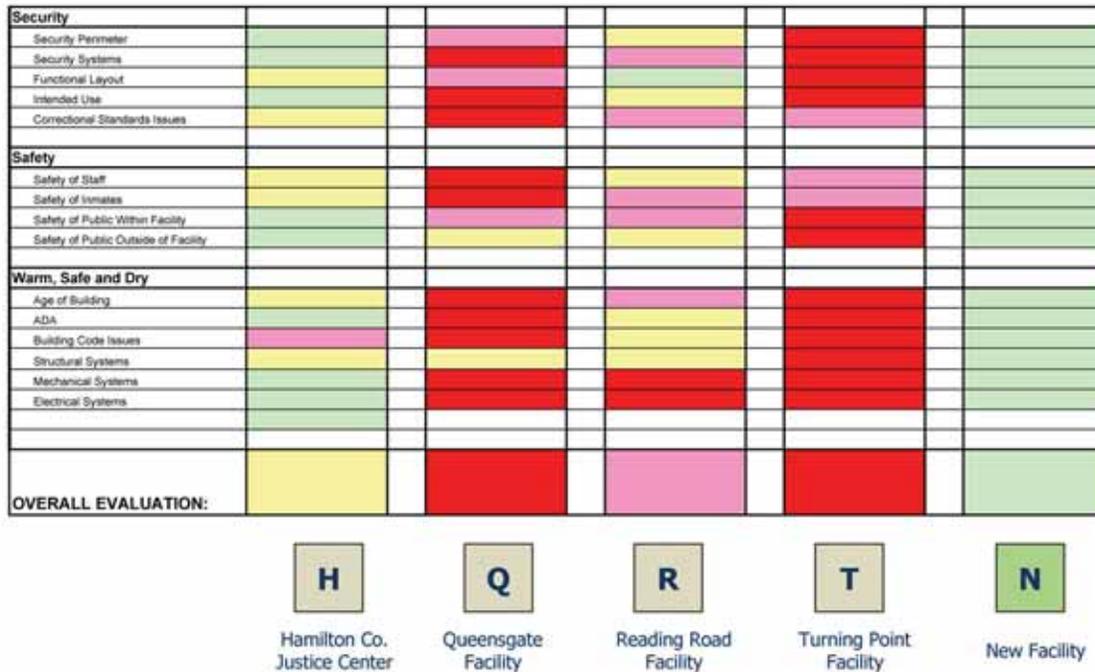
- A. Continue and expand the Sheriff Office patrols. These supplemental patrols were begun as a pilot program in 2006 within the City of Cincinnati's Over-the-Rhine (OTR) community. Based on the OTR success these patrols should be expanded to additional neighborhoods throughout the county. With additional special patrol teams, the Sheriff's Office will have the flexibility to move these resources around the county for focused law enforcement efforts. The estimated annual cost of these patrols is \$3,000,000.
- B. Expand the Project Disarm effort to prosecute gun offenders under federal laws that provide for longer federal sentences. In conjunction with the Prosecutor's Office and the United States Attorney, it is estimated that two additional positions within the Prosecutor's Office would be required at annual cost of \$200,000.
- C. Additional analysis capability within the Coroner's Office. The recommended 2007 budget includes funding for an additional DNA analyst, Firearms Examiner, and a Drug Analyst.
- D. Additional investigative resources within the Prosecutor's Office. The recommended 2007 budget includes an increase in the work hours for the major crimes investigators within the Prosecutor's Office.
- E. The recommended 2007 budget includes an additional position in the Sheriff's Office to address a backlog in felony warrants.
- F. The County and City will coordinate enforcement and prosecutorial efforts.

IV. Facility Assessments

The Correctional Master Plan provides a facility assessment for each of the four facilities that comprise the County's corrections system. The efforts of last year have been recently updated in greater detail to assess adherence to building codes, Ohio Department of Rehabilitation and Corrections - Bureau of Adult Detention standards, and Sheriff's Office operating standards.

The County contracted with two architectural engineering firms to conduct these assessments. The facility system assessments (i.e., major systems such as structural, roof, heating and cooling, etc.) were conducted by Cole + Russell Architects and the security and detention standards assessments were conducted by PSA Dewberry. As shown in Graphic V, there are significant shortfalls with three of the facilities used by the County.

Graphic V: Existing Facility Assessment



Key: Green = Good
 Yellow = Moderate
 Pink = Poor
 Red = Problematic

The Queensgate, Reading Road, and Turning Point facilities account for 1,032 beds in the entire 2,274 bed system. Knowing the detailed condition of these facilities allowed Cole Russell/PSA Dewberry to develop cost estimates to bring these facilities up to applicable building code and corrections standards. Once these cost estimates were developed, facility options could be developed and compared. Section V provides options based on these latest efforts as well as the options considered in the summer and fall of 2006. The comprehensive facility assessment summary report is provided in Attachment F.

V. Facility Options

Over the past 18 months, many facility options were considered to address the County's jail overcrowding issue. These options were primarily developed to reduce the capital costs of the proposed facility in the Correctional Master Plan. These options did not consider the entire criminal justice system interaction. It should be noted that the Correctional Master Plan did examine three facility options. These options were more of a factor of location as opposed to type or size of facility. The Correctional Master Plan options included; 1) adjacent to the Justice Center, 2) close proximity to downtown; and 3) further out in the County. The near downtown option was the most cost effective based on higher estimated construction costs associated with building adjacent to the existing Justice Center and transportation costs associated with a facility further out in the County. A detailed review of Correctional Master Plan building options is available on the County website.

Based on the initial recommendations of the Correctional Master Plan, Commissioners asked for additional options. Commissioner Heimlich requested a cost study of building a 1,800 bed jail facility adjacent to the

Justice Center based on a similar 1996 proposal developed by the architectural firm URS Inc. Voorhis Associates and URS collaborated to update the 1996 plan and assess the operational and construction risks of this option. It was determined that the operational impact and cost of constructing a 16-story jail in the central business district was cost and risk prohibitive. The complete report on this option is available on the County website.

During this same time period, Commissioner DeWine asked that County Administration work with Corrections Corporation of America (CCA) to develop options for a 1,200 bed jail. CCA is the current owner of the Queensgate building that the County operates and leases for approximately \$2,000,000 per year. The following options were presented to CCA for response.

- Build a 400 bed jail annex at Queensgate with the following sub-options:
 - Queensgate condition and use remains unchanged;
 - CCA operates Queensgate in its existing condition;
 - Remodel Queensgate, CCA operates the annex. The county continues to operate Queensgate. The justice center continues to support Queensgate (food, laundry);
 - Remodel Queensgate, CCA operates the annex and Queensgate, HCJC continues to support Queensgate;
 - Remodel Queensgate, CCA operates the annex, and new facility provides support services to Queensgate; and
 - Remodel Queensgate, CCA operates the annex and Queensgate, new facility provides support services to Queensgate.
- Build a 1,200 bed jail (site unknown)...county would operate.
- Build and operate a 1,200 bed jail (site unknown), CCA operates the facility.
- Other innovative CCA solutions.

CCA provided cost estimates for the option that would remodel Queensgate and build a 400 bed jail annex that would support Queensgate. CCA would operate both facilities with a 30-year operating agreement. Based on the information CCA provided, it was determined to be less expensive for the County to build and operate the 1,200 bed jail option. CCA did not include land acquisition costs for property adjacent (the old Hudepohl site) to the Queensgate building. The CCA proposal was not cost effective and there were significant risks identified in trying to remodel the 100-year Queensgate building while fully occupied. Land availability, demolition costs and environmental remedial costs would introduce additional cost and risk.

As part of the work efforts of the Jail Task Force, the 30-year life-cycle costs for the following three options were compared:

- Correctional Master Plan Recommendation – new 1,800 bed facility operated by the County;
- Queensgate renovated and the Justice Center expanded with the County continuing to operate all facilities; and
- Queensgate renovated and expanded by 800 beds with CCA operating both facilities.

The Correctional Master Plan recommendation is the most cost effective option from a 30-year perspective. This was included in the Task Force report. The analysis of these options is provided in the Jail Task Force cost subcommittee report which is available on the County website.

Building off these previous efforts, combined with the recently completed detailed facility assessments, the following scenarios were developed in January 2007.

Graphic VI: Current Facility Options Under Review

	CURRENT	SCENARIO 1	SCENARIO 2	SCENARIO 3	SCENARIO 4	SCENARIO 5
Hamilton Co. Justice Center	H	H	H	H	H	H
Queensgate Facility	Q	Q	Q	Q	Q	Q
Reading Road Facility	R	R	R	R	R	R
Turning Point Facility	T	T	T	T	T	T
New Facility		N	N	N	N	N
Butler Co.	B	B	B	B	B	B

NOTE: The dashed boxes represent facilities that would not be used in a particular scenario.

These scenarios range from leaving all current facilities open (with required renovations) to building a new consolidated jail as recommended in the Correctional Master Plan (scenario 5). Scenario 4 is similar to scenario 5, but is based on the higher inmate projection and would result in a 2,100 bed jail facility.

Cost estimates, capital and operating, were developed for each scenario. As shown in Table I there is an important distinction between operating costs for multiple facilities versus a new consolidated facility. Though the capital costs are higher initially, the operational efficiencies realized with a consolidated facility exceed the higher initial capital costs over a 30-year period. The difference in annual operating costs is the primary reason for the cost differential over a 30-year period — not the up front capital costs. Additional cost estimated information on these scenarios is provided in Attachment F.

Table I: Capital and Operating Costs

		Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Beds	New	1,492 beds	1,972 beds	1,576 beds	2,176 beds	1,804 beds
	Total	3,518 beds	3,422 beds	3,392 beds	3,416 beds	3,044 beds
Capital Cost	New	\$183,541,025	\$207,675,643	\$188,620,198	\$218,146,655	\$198,335,450
	Renovations	\$57,673,716	\$13,056,500	\$46,689,916	\$2,072,700	\$2,072,700
	Total	\$241,214,741	\$220,732,143	\$235,310,114	\$220,219,355	\$200,408,150
Operational Cost	New	\$22,726,600	\$18,345,300	\$20,764,600	\$18,464,800	\$13,912,800
	Lease	\$2,685,317	\$442,015	\$2,243,302	\$ 0	\$ 0
	Current	\$45,214,700	\$45,214,700	\$45,214,700	\$45,214,700	\$45,214,700
	Annual	\$70,626,617	\$64,002,015	\$68,222,602	\$63,679,500	\$59,127,500
Un-inflated Life Cycle Cost (30-Year)		\$2,360,013,000	\$2,140,793,000	\$2,281,988,000	\$2,130,604,000	\$1,974,233,000
Facility Diagrams		H Q R T N				

NOTE: The dashed boxes represent facilities that would not be used in a particular scenario.

In addition to these scenarios, the County is working with CCA to provide an alternate solution in light of the recent detailed facility assessment of the CCA-owned Queensgate. It is anticipated that the CCA solution will include a proposal to build, own, and operate a new facility for the County. Based on a recently completed similar CCA facility in Florida and associated operating pricing model, it is not likely that this proposal will be as cost effective as a county built, owned, and operated facility. We will continue to work with CCA to refine their efforts.

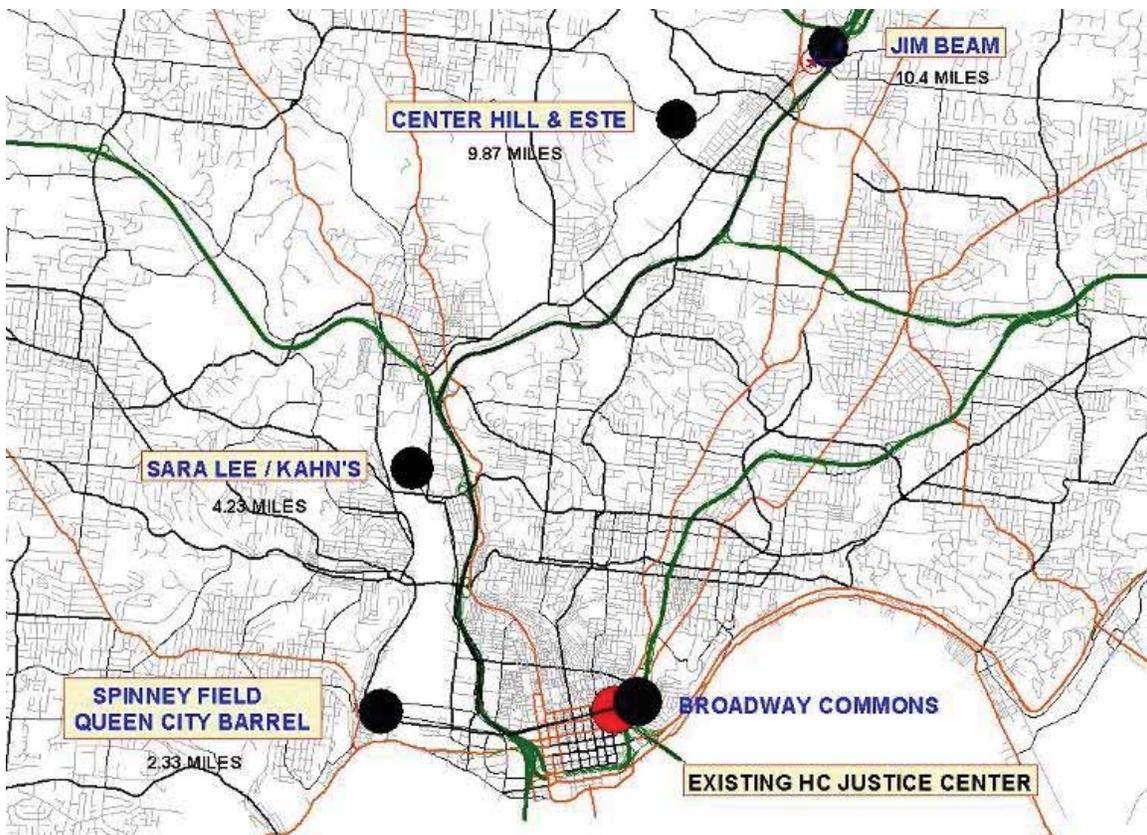
Finally, the Cincinnati City Council has proposed the use of temporary structures as an alternative to sending inmates to Butler County. County Administration will work with the City to evaluate this proposal. The proposed City Council motion is included in Attachment G.

VI. Site Selection

County Administration has been working for several months concerning the identification and assessment of potential jail sites. Five sites were identified for review. These include:

- The former Queen City Barrel site
- The former Center Hill Landfill site
- The former Sara Lee/Kahn's site in Camp Washington
- A site near Paddock Rd. and I-75 (Jim Beam site)
- Broadway Commons

Graphic VII: Potential Jail Sites Assessed



The County established detailed criteria for assessing these sites, including proximity to the Justice Center, cost, potential for expansion, neighborhood characteristics, etc. The following table summarizes the site assessment.

Table II: Potential Jail Site Assessment

	BROADWAY COMMONS	CENTER HILL & ESTE	SARA LEE	SPINNEY FIELD/QUEEN CITY BARREL
OPERATIONAL PROXIMITY				
ACCESS				
ACREAGE				
EXPANSION POTENTIAL				
TOPOGRAPHY				
ENVIRONMENTAL				
GEOLOGY				
FLOOD PLAIN				
AVAILABILITY - IMPACT ON SCHEDULE				
SITE CONSOLIDATION ISSUES				
UTILITY LIMITATIONS				
COST OF PROPERTY				
VALUE OF LATENT LIABILITIES RELATED TO CONTAMINATION				
SITE IMPACTS ON PROGRAM				
SITE IMPACTS ON DESIGN				
SITE DRIVEN PREMIUMS				
CITY ISSUES / ZONING				
LAND USE COMPATIBILITY				
NEIGHBORHOOD RESIST.				
HIGHEST & BEST USE				
LEGEND				
Favorable				
Neutral / Requires More Study				
Unfavorable				
Problematic				

Based on this assessment, the Sara Lee/Kahn's site is the preferred location of any new jail facility. The community leaders in Camp Washington were briefed and a public input process is underway. An initial environmental assessment has been performed by the Sara Lee Corporation. The County is conducting additional environmental studies of the site at the County's expense. The Commissioners will be updated as these efforts continue.

VII. Funding Alternatives

The County's comprehensive response to reduce crime and recidivism will require significant resources. Resources are required for operating costs of additional treatment and diversion programs as well as the construction and operation of a new jail facility.

In June 2006, County Administration provided a report for possible funding sources for the construction and operation of a new jail. The funding sources were assessed based on the County's ability to legally implement the source without a change in the Ohio Revised Code, the revenue generating capacity of the source, and other factors. Table III shows the funding sources considered for capital construction and Table IV shows funding sources considered for operations.

Table III – Potential Capital Funding Sources

<i>Funding Source</i>	<i>Comment</i>	<i>Advantages</i>	<i>Disadvantages</i>
County Sales Tax	Increase the current sales tax rate in some increment from 6.5% to 7.0%. Each 0.25% generates approximately \$32M annually.	51 of 88 counties are already at 6.75% or higher. Could be set as ending date certain. Approximately 45% of the burden to non-county residents.	Revenue has been relatively flat for 5 years.
Jail Property Tax Levy	A property tax-based levy on the fall ballot. Sized to reflect cost estimate and financing approach.	Could be structured to end date certain.	Adds an additional levy on an already uncompetitive property tax structure.
Per Household Assessment Requires ORC change	Similar to storm water assessment per property. Assessment would be determined by ultimate cost estimate and financing.	Does not require voter approval. Could be structured to target jurisdictions with high arrest rates.	Very visible on tax bill. Individual jurisdictions may change arrest procedures or establish relationships with other jails (if legally possible).
Federal “Cap Funds”	U.S. Marshals Service (USMS) capital funding to assist local jails that house federal prisoners. Local support ranges from \$100,000 to \$2-3 million.	May be able to develop a long-term guaranteed housing agreement.	The CAP Funds program has not been funded in several years in the federal budget. USMS is requesting additional funding in 2008 for CAP.
Federal Earmark	Request an earmark in the federal appropriations process via our congressional delegation.	Does not require a local match.	Uncertain success and the length of time to get the federal budget approved.
State DRC Grant	The Department of Rehabilitation & Correction (DRC) has in the past provided funding assistance (grants) to local jails.	Does not require a local match. Butler County received \$10M in 1999.	Uncertain success given the tight state budget. State capital resources are scarce.
City Contribution	The City would provide an annual contribution to offset the construction of the facility.	Recognizes that the City is a major consumer of jail services.	Singles out the City.

The general fund budget stabilization fund and the sale of County property are not included as funding sources. As reported to the Commissioners in December 2006, the general fund balance was significantly reduced in 2006 to pay the legal settlement concerning the Coroner's Office and to support the Butler County inmate boarding and the Over-the-Rhine patrols. The current Commissioner policy concerning fund balance is 20% of recurring expenditures. The estimated 2006 year-end fund balance was 7.7% of recurring expenditures. Use of the general fund balance for this effort is not recommended.

Concerning the sale of County property, the Competition and Efficiency Committee and staff have examined the County's real estate portfolio. There are no land parcels of significance to market that would serve as a significant funding source for a project of this magnitude. The proceeds from the 2006 sale of the Education Services Building are included as a revenue in the County Administrator's recommended 2007 budget.

The ballot initiative in November 2006 included a ¼% increase in the County sales tax for a period of 10 years with a partially offsetting property tax rebate. This would have financed the construction of a new facility but not additional programming or facility operating costs. It included the proceeds from the lease and sale of the county-owned Drake Hospital. The Drake resources are still a viable resource for the construction of any new facility.

Table IV – Potential Operating Funding Sources

<i>Source</i>	<i>Comment</i>	<i>Advantages</i>	<i>Disadvantages</i>
Booking Fee Requires ORC change – currently set at \$5 per the ORC	A \$5 fee included in current court fees.	The users help pay for the operations.	Court fees and fines are not a consistent revenue sources because they are waived at the discretion of the judges and associated collection challenges.
City Contribution	The City of Cincinnati would provide an annual contribution to offset operating costs.	Recognizes that the City is a major consumer of jail services. Specifically, 56% of all arrests.	Singles out the City.
Per diem rates for housing federal prisoners: U.S. Marshals Service (USMS)	Inter-governmental Agreement (IGA) for up to 200 federal inmates per year for 5 years. Current max is 35 inmates.	No cost to the county, provides for immediate use upon completion of the new facility.	Results in an effective reduction in net additional beds from 800 to 635 for the term of the 5-year agreement.
Sheriff Asset Forfeiture Funding	The Sheriff Department maintains asset forfeiture accounts for various sheriff enforcement actions.	A non-tax.	Not a reliable funding stream. Somewhat restricted use and exclusive control of the Sheriff. Not a significant source of funding.
Court Fines and Fees	Set by ORC and applied by Judges.	Users would be shouldering some of the cost to build.	Court fees and fines are not a consistent revenue sources because they are waived at the discretion of the judges and associated collection challenges.
Expenditure Reductions	Reprioritize expenditures across the entire Hamilton County general fund budget.	Sets funding priority.	Each reduction will have a constituent base to challenge the reduction.
Program Efficiencies	Efforts to provide services for less cost.	Demonstrates good stewardship of limited resources.	Not a consistent funding stream and may be better suited to improved capacity and productivity as opposed to redirecting resources.

Various sin taxes (alcohol and tobacco taxes) were considered as well, but these would require state legislature approval. The Commissioners may still want to pursue this option as supplemental funding, but is not recommended for the near-term funding plan.

The County Administrator recommended a 2007 general fund budget totaling \$255 million included some difficult expenditure reductions to balance the 2007 budget. Major reductions to the general fund for treatment programs as well as constructing and operating a new jail are not practical. This is not to say that targeted county services or programs may not be eliminated, and/or savings achieved through on-going management efficiencies to assist in the comprehensive corrections and rehabilitation program, but as the leading or even major funding source it is not practical.

Current Board of County Commissioners policy concerning taxation limits the growth of property taxes to the rate of inflation. A comparison to neighboring jurisdictions shows the County's property taxation is higher. A property tax levy is not recommended. Comparison to other jurisdictions should be more than

just property tax. For example, after accounting for the County's sales tax dedicated for the stadiums, Hamilton County's sales tax rate going to the general fund is less than our neighboring jurisdictions. In developing financing recommendations, County Administration selected funding sources that would help avoid debt service costs and provide maximum flexibility to the Commissioners. We also considered funding approaches that would avoid a permanent increase in taxes; however, prudent fiscal policy calls for a recurring revenue source for a recurring cost.

County Administration's recommendation to fund the comprehensive corrections and rehabilitation program is for a short-term (5-year) increase of the sales tax rate of $\frac{1}{2}\%$, (6.5% to 7%) and a permanent $\frac{1}{4}\%$ increase to 6.75% after the initial 5 years.

This funding plan will support the aforementioned program and treatment enhancements, the additional law enforcement efforts, the construction and operation of a 1,800 bed jail, and the renovation of the Justice Center in 10-15 years. Attachment H provides the assumptions supporting this recommendation. The associated funding model has been reviewed and approved by the County's financial advisor, Public Financial Management Inc.

VIII. County Administrator's Recommendations

While additional work is still in progress concerning program development and the Criminal Justice Commission is just beginning their important work, the County Administration makes the following recommendations to the Commissioners:

- Programming & Treatment Enhancements:
 - Create three additional satellite probation offices.
 - Implement a re-entry demonstration project to track and assess inmate progress.
 - Expand inmate mental health services and case management.
 - Establish a \$5 million placeholder to provide additional program enhancements.
- Law Enforcement Enhancements:
 - Continue and expand Sheriff Office targeted patrols throughout the County.
 - Expand Project Disarm to prosecute more gun offenders under federal court.
 - Add three new analyst positions to the Coroner's Office.
 - Increase investigative hours for Prosecutor Office investigators.
 - Add a position to address a felony warrant backlog.
- Jail Facility & Site:
 - Build a 1,800 bed jail at the preferred site in Camp Washington
 - Close Queensgate, Reading Rd. and Turning Point facilities.
 - Build core support functions in new jail to plan for potential future expansion.
- Funding Mechanism:
 - Dedicated proceeds from the Drake lease and sale to the jail construction project.
 - Increase the County's permissive sales tax rate by $\frac{1}{2}\%$ for a period of five years to avoid debt service costs for construction.
 - Reduce the $\frac{1}{2}\%$ sales tax increase to a $\frac{1}{4}\%$ increase after five years to fund the ongoing program, treatment, and operating costs of the new jail.

IX. Next Steps

This report serves as a major update of efforts to date. Work continues on the Hamilton County Criminal Justice Commission, the site assessment, cost estimates, program development, facility assessments, and financing options.

I look forward to working with the Commissioners in finalizing a program to the citizens of Hamilton County to address comprehensively the crime and recidivism issues in Hamilton County.

Attachments:

- A. Resolution Establishing Policy Goals for the Comprehensive Corrections and Rehabilitation Program.
- B. Correctional Master Plan Executive Summary.
- C. Resolution Establishing the Corrections Review Task Force.
- D. Resolution from the Hamilton County Criminal Justice Commission.
- E. Continuum of Current Treatment/Program Options.
- F. Inmate Projection Update/Facilities Assessment/Jail Facility Scenarios.
- G. Proposed City of Cincinnati Motion Concerning Temporary Jail Structures.
- H. Corrections and Rehabilitation Funding Model Assumptions.

Please see the county website for additional documents concerning this important issue to the County.

<http://www.hamiltoncountyohio.gov/administrator/bsi/jail.asp>