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State of Illinois
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September 23, 2008

MEMORANDUM

TO: The Honorable Rod Blagojevich, Governor, State of Illinois
The Honorable Emil Jones, Jr., President of the Senate
The Honorable Michael Madigan, Speaker of the House of Representatives
The Honorable Frank Watson, Minority Leader of the Senate
The Honorable Tom Cross, Minority Leader of the House of Representatives
The Honorable Jesse White, Secretary of State
Roger E. Walker, Jr., Director Illinois Department of Corrections

RE: Advisory Opinion of the Commission on Government Forecasting and Accountability regarding the Closure of Pontiac Correctional Center

The Commission met on September 16, 2008 at 3:00pm to hear additional information on the proposed closure of Pontiac Correctional Center and to decide to accept or reject the recommendation made by the Illinois Department of Corrections to close the Pontiac Correctional Center. The Commission voted unanimously (9-0) to reject the recommendation to close the Pontiac Correctional Center in Pontiac, Illinois. A copy of the motion to reject the recommendation for closure and the vote tally is attached.

BACKGROUND:

The Commission on Government Forecasting and Accountability is responsible for the oversight set forth in the State Facility Closure Act (30 ILCS 608). On May 6, 2008 the Department of Corrections sent official notice to the Commission that the Pontiac Correctional Center facility located at 700 West Lincoln Street, Pontiac Illinois would be closed. The State Facility Closure Act states that "In the case of a proposed closure of: (i) a prison, youth center, work camp, or work release center operated by the Department of Corrections; (ii) a school, mental health center, or center for the

developmentally disabled operated by the Department of Human Services; or (iii) a residential facility operated by the Department of Veterans' Affairs, the Commission must require the executive branch officers to file a recommendation for closure." On May 20, 2008 the Commission requested that the Department of Corrections file a recommendation for closure with the Commission. The statutory deadline for receipt of the required "recommendation for closure" was July 2, 2007. The Department of Corrections filed the "recommendation for closure" on July 15, 2008, nine working days after the statutory deadline for filing.

The Commission is required, when a recommendation for closure is requested, to have a hearing within twenty-five miles of the facility that is being closed. The Commission held the required hearing on August 20, 2008 at 5:00pm at Pontiac Community High School. The hearing was attended by an estimated 1500 citizens. During that hearing, testimony was heard from the Department of Corrections and various opponents of the closure including elected officials, union representatives, associations, organizations, prison staff and citizens.

FISCAL ISSUES:

The Commission in its review of the proposed closure of Pontiac Correctional Center examined the fiscal impacts on the State that would be realized if the closure was initiated. The FY 2009 State budget (P.A 95-0734) appropriates \$58.9 million for the operations at Pontiac Correctional Center. Likewise, \$10.5 million is appropriated for the operation of Thomson Correctional Center. The Department, in its recommendation states that, "IDOC believes that closing Pontiac Correctional Center and transferring funds appropriated for Pontiac Correctional Center to open and operate the vacant state of the art facility at Thomson, is the best available option for maximizing efficiencies." The Commission believes that monies already appropriated to Pontiac Correctional Center in the FY 2009 budget can not be used for operations of another correctional center without approval of the General Assembly. The Department of Corrections testified that the current Thomson appropriation, as well as, a \$12 million lump sum appropriation would be adequate to support operations at Thomson for the remaining portion of the fiscal year. Public Act 95-0734, states that the lump sum referenced by the Department to be used for Thomson's operational costs is for the purpose of "front-line staff". The Commission believes that the lump sum appropriation specified by the Department of Corrections to be utilized as an additional means to open Thomson Correctional Center was not intended to be used for that purpose, but for general staffing inadequacies that exist throughout the penal system. Not using the funds to hire needed "front line staff" for correctional facilities will result in mandatory overtime and safety concerns at other facilities operated by the Department of Corrections.

The Commission, prior to the Pontiac closure notice, had been in discussions with the Department of Corrections regarding Stateville Correctional Center in Joliet, Illinois. During those discussions, Commission members were told that the closure of Stateville

Correctional Center would save the State over \$40 million a year. In contrast, the closure of Pontiac Correctional Center is estimated to save the State approximately \$3.6 million or (.0125% of the proposed General Revenue Fund spending in the FY 2009 budget). Shortly, after the closure of Stateville was announced the Department of Corrections reversed its course of action and announced the closure of Pontiac Correctional Center. During testimony the Department of Corrections could not provide acceptable reasoning for the shift in focus from Stateville to Pontiac. The lack of specificity, coupled with the clear contrast in overall savings potential between Stateville and Pontiac Correctional Centers, negates the argument by the Department of Corrections that the closure of Pontiac Correctional Center is the proper course of action.

According to documentation provided to the Commission, Pontiac Correctional Center has received over \$27.3 million in capital improvements over the last several years. The results of these improvements have maintained Pontiac Correctional Center's effectiveness as a maximum security unit. The Commission questions why significant capital improvements were made at the Pontiac Correctional Facility if it was the Department's intention to close this facility.

The Department of Corrections, in testimony taken on August 20, 2008, stated that the relocation plan for Pontiac begins with the transfer of approximately 800 inmates to Thomson Correctional Center. The remaining 800 would then be relocated to various facilities throughout the Department of Corrections. According to the Department of Corrections Quarterly Report to the Legislature dated April 1, 2008, there are currently 45,251 inmates in the Illinois prison system. The Department's current rated capacity is a projected 34,539. Therefore, according the Department of Corrections, the Illinois prison system is operating at 131% capacity. The current maximum security prison population is 9,008, according to the most recent Department report to the General Assembly. The Department of Corrections website lists the total capacity for the State's maximum security prisons at 5,202. Utilizing these figures, the current maximum security population is 178% of capacity. The Department has not provided any specific details involving the logistical aspects of the planned transfer. The Commission feels that the safety of prison staff and the inmates themselves are paramount to any decision reached by the Department of Corrections. Thomson was constructed in 2001 as a means to alleviate prison capacity issues that plague the Illinois prison system. It was not the intended purpose of Thomson Correctional Center to serve as an alternative to any of the State's current maximum security facilities.

ECONOMIC ISSUES:

The Commission contracted with the Rural Economic Technical Assistance Center (RETAC) to conduct an economic analysis for the proposed closure of Pontiac Correctional Center. Examining the 15 county regions that would be affected by the closure of Pontiac Correctional Center, it was reported that there would be an annual loss of economic output of -\$54.4 million. The Department of Corrections also

requested that the RETAC conduct an economic analysis regarding the economic affects on Thomson and the surrounding area, should this closure move forward. To enhance the study, RETAC also examined differing assumptions regarding employee residency and economic behavior. Since Thomson is located near the Illinois/Iowa border, RETAC provided assumptions based upon 100% to 75% of the total economic impacts being within Illinois. The study found that if 100% of the newly generated economic gains were realized with Illinois, the Thomson area would see an annual gain in economic output of \$47.5 million. However, if only 75% of the overall economic benefits assumed as a result of this closure take place within Illinois, Thomson will see a total annual gain of \$37.2 million. Comparing the gains experienced in the Thomson area, with the losses that will be experienced in the Pontiac study set, the overall impacts of the move will result in a -\$6.9 to -\$17.2 million in overall economic activity. This overall loss in economic activity creates additional concern about a proposed plan that will save the State only \$3.6 million annually, in a \$30 billion annual operations budget, but would devastate Livingston and other counties surrounding the prison.

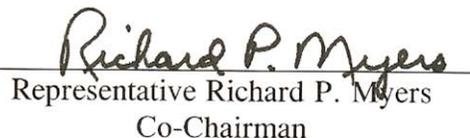
CONCLUSION:

The Commission has thoroughly examined the reported impacts, both economically and fiscally, of the plan to close Pontiac Correctional Center. The loss of -\$54.4 million in economic output in the Pontiac area, coupled with assumed net statewide losses of -\$6.9 to -\$17.2 million in economic output, establish legitimate concerns as to whether the costs outweigh the benefits of moving forward with this proposal. The Department of Corrections has testified that the employees at Pontiac do a remarkable job protecting the citizens of Illinois from some of the most dangerous inmates our State prison system. Displacing these 569 employees in an effort to save \$3.6 million or .0125% of the State's General Funds budget is not an acceptable course of action.

At a Commission hearing on September 16, 2008, several members stated that after listening to more than five hours of testimony concerning the closure of the Pontiac Correctional Center that the Department had not presented testimony to justify closing of the facility. A copy of the motion and the roll-call vote are attached as part of the Commission's opinion.



Senator Jeffrey M. Schoenberg
Co-Chairman



Representative Richard P. Myers
Co-Chairman

**OFFICIAL MOTION TO NOT ACCEPT RECOMMENDATION FOR CLOSURE
OF THE PONTIAC CORRECTIONAL FACILITY IN PONTIAC, IL**

Pursuant to the State Facility Closure Act (30 ILCS 608), after hearing testimony regarding the proposed closure of the Pontiac Correctional Center in Pontiac, Illinois, *I move that the Commission on Government Forecasting and Accountability not accept the recommendation for closure submitted by the Illinois Department of Corrections regarding Pontiac Correctional Center.* Furthermore, the Commission shall formally file the advisory opinion to not accept the recommendation for closure with the Department of Corrections, the Governor, the General Assembly, and the Index Department of the Office of the Secretary of State on or by September 24, 2008.

Motion: Senator Bill Brady

Motion Second: Representative Patricia Bellock

Roll Call: 9-0

**COMMISSION MEMBERS ROLL-CALL
PONTIAC CORRECTIONAL CENTER
FACILITY CLOSURE HEARING
Tuesday, September 16, 2008 – 3:00 p.m.
James R. Thompson Center – Chicago, Illinois and
CDB Conference Room, Springfield, IL**

	ATTENDANCE		V O T E		
	Present	Absent	YES	NO	Present
Representative Patricia Bellock (R)	✓		✓		
Senator Bill Brady (R)	✓		✓		
Senator Don Harmon (D)	✓		✓		
Representative Frank Mautino (D)		✓			
Representative Robert Molaro (D)	✓		✓		
Representative Richard Myers (R)	✓		✓		
Representative Elaine Nekritz (D)	✓		✓		
Representative Raymond Poe (R)	✓		✓		
Senator Christine Radogno (R)	✓		✓		
Senator Jeffrey Schoenberg (D)	✓		✓		
Senator David Syverson (R)		✓			
Senator Donne Trotter (D)		✓			
Attendance / Vote	9	3	9	-	-

*Senator Rutherford in attendance
Rep. Cuetta in attendance*