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December 14, 2023

The Honorable Christian McDaniel, Chairman
Senate Appropriation and Revenue Committee
The Honorable Jason Petrie, Chairman
House Appropriations and Revenue Committee
Legislative Research Commission
Capitol Annex
Frankfort, Kentucky 40601

Dear Senator McDaniel, Representative Petrie, and Members of the Committee:

The Office of State Budget Director is providing the attached Inmate Population Forecast for the 2024-2026 fiscal biennium which includes a summary overview and the key assumptions used in the development of the forecast. The forecast estimates a nearly 6 percent growth in the felon population over the biennium.

If you have any questions, please let me know. Thank you.

Sincerely,

John T. Hicks,
Deputy State Budget Director

Prison Population Forecast – FY 2024 – 2026

Overview

The prison population forecast is the result of a consensus process between the Office of State Budget Director, the Department of Corrections (DOC), and members of the Justice Cabinet.

The Department of Corrections provides OSBD with the historical, raw data files for the admission, release, and stock populations for previous fiscal years. In addition, the parole hearing files and the resulting outcome for the previous fiscal years are provided for those inmates having a parole hearing.

Utilizing the data files, OSBD constructs a model describing the characteristics of the current prison population. The characteristics of key importance are: type of crime, length of sentence, time until a parole hearing, time served, jail or parole credit, and the probability of the parole hearing outcome. These characteristics allow for the modeling of the current prison population and the expected time until release for the current population.

The final component of the forecast is the forecasted number of new prisoners and the associated characteristics of the new prisoners. The resulting forecasted admissions are expected to be distributed among crime types and have similar overall characteristics of the more recent historical data.

The finalized projections from OSBD were presented to the Department of Corrections, and a consensus process between the Department of Corrections and the Office of State Budget Director was used to determine the final forecast of the prison population projections. Based on their extensive experience and programmatic knowledge, the Department of Corrections finalized the population forecast taking into consideration the continued effectiveness of the parole supervision credit, alternative sentencing programs, and the expectation of future admissions.

Prison Population Forecast – FY 2024 – 2026 – Average Daily Population

Month	FY2024	FY2025	FY2026
July	19,611	20,232	20,775
August	19,636	20,293	20,841
September	19,670	20,324	20,874
October	19,784	20,424	20,983
November	19,980	20,596	21,170
December	19,954	20,573	21,146
January	19,892	20,519	21,086
February	19,979	20,595	21,169
March	20,082	20,685	21,267
April	20,154	20,749	21,336
May	20,299	20,876	21,474
June	20,433	20,993	21,602

Key Assumptions

- **The changes observed during the COVID-19 public health emergency have reversed in overall trends in terms of admission types. The practice of using the recent, average trends as the base assumptions in the forecast is continued in the current forecast.**

  The COVID-19 pandemic impacted law enforcement, the courts, and the Department of Corrections in numerous ways. The recent data shows an increase in the proportion of admissions that are New Commitments and a continued decline in admissions resulting from individuals being returned from supervision or returned from mandatory reentry supervision.

  In terms of the associated crime types, drug and property crimes have continued to decline as a proportion of admissions. However, violent crimes and those crimes classified as other violent crimes have increased as a proportion of admissions. While less numerous than drug and property crimes, these crime types are associated with more severe sentences and result in longer periods of incarceration than drug and property crimes.

  The overall mix of admission and crime types varied by fiscal year, as can be seen in the charts below:

Admission Type - By FY

FY	New Commitment	Probation Revocation	Returned from MRS	Returned from Supervision	Total
2019	7290 (36.30%)	4763 (23.70%)	1300 (6.50%)	6421 (32.00%)	20065 (100.00%)
2020	5830 (36.10%)	3942 (24.40%)	1117 (6.90%)	4936 (30.60%)	16136 (100.00%)
2021	3887 (32.50%)	3289 (27.50%)	796 (6.60%)	3809 (31.80%)	11970 (100.00%)
2022	6172 (41.50%)	3637 (24.40%)	750 (5.00%)	4141 (27.80%)	14883 (100.00%)
2023	6169 (41.00%)	3853 (25.60%)	864 (5.70%)	3958 (26.30%)	15039 (100.00%)
Total	29348 (37.60%)	19484 (24.90%)	4827 (6.20%)	23265 (29.80%)	78093 (100.00%)

Admission Crime Type - By FY

FY	Drug	Public Nuisance	Other Violent	Property	Sex	Violent	Total
2019	8182 (40.8%)	3081 (15.4%)	1438 (7.2%)	5368 (26.8%)	435 (2.2%)	920 (4.6%)	20065 (100%)
2020	6689 (41.5%)	2472 (15.3%)	1178 (7.3%)	4264 (26.4%)	415 (2.6%)	644 (4.0%)	16136 (100%)
2021	4930 (41.2%)	1867 (15.6%)	1072 (9.0%)	2898 (24.2%)	361 (3.0%)	481 (4.0%)	11970 (100%)
2022	5981 (40.2%)	2290 (15.4%)	1482 (10.0%)	3383 (22.7%)	575 (3.9%)	734 (4.9%)	14883 (100%)
2023	6090 (40.5%)	2283 (15.2%)	1521 (10.1%)	3362 (22.4%)	549 (3.7%)	784 (5.2%)	15039 (100%)
Total	31872 (40.8%)	11993 (15.4%)	6691 (8.6%)	19275 (24.7%)	2335 (3.0%)	3563 (4.6%)	78093 (100%)

The recent data has shown a significant change in the types of releases and the length of incarceration associated with the different crime types.

In the previous history of the prison population forecast, parole was consistently the most common way an individual was released from custody, followed by a release to supervision as the second most common form exiting the prison system.

The recent data indicates that the increased number of releases associated with Mandatory Release Supervision, awarded goodtime and educational credits, and fewer admissions associated with being returned from supervision have all resulted in Parole being reduced as the method of release for a significant number of felons. The number of individuals completing their sentence and being discharged or released to Mandatory Release Supervision have become the most common form of release from the direct supervision of the prison system.

Release Type - By FY

FY	Paroled		Release to Supervision		Discharged		MRS	
2019	5363	27.4%	5129	26.2%	4680	23.9%	4186	21.4%
2020	4677	23.5%	4575	23.0%	4420	22.2%	4564	22.9%
2021	4170	30.3%	2864	20.8%	2608	18.9%	3433	24.9%
2022	4189	27.0%	3286	21.2%	3937	25.4%	3920	25.3%
2023	3745	25.1%	3024	20.3%	4019	26.9%	4000	26.8%

Additionally, the average length of incarceration across the most common crime types have decreased significantly in the recent fiscal years. Across all crime types, with the exception of sex related offences, the weighted, average length of incarceration has declined by approximately 15%. The decline in the average length of incarceration in drug and property crimes will result in a significant reduction in the average daily population of the felon population as more than 50% of admissions are associated with these crime types.

Length of Incarceration (months) - By Crime Type

FY	Drug	Property	Violent	Other Violent	Sex	All Crimes
2021	12.1	16.3	68.1	20.5	64.3	19.2
2022	11.2	15.2	69.4	17.1	67.3	18.2
2023	10.1	13.9	66.9	15.1	68.1	16.3

- **A key assumption in the prison population forecast is the continuation of the parole grant rate and actions of the parole board.**

One of the most significant variables effecting the prison population in the Commonwealth is the action of the parole board. The parole board has three choices when hearing a prisoner's case: grant parole, defer to the next hearing, or order the prisoner to complete their sentence. The current base history period of FY19-FY23 has seen an overall decline in the granting of parole, as average grant rate has fallen below 40% across all crime types. During FY 16-17, the parole board had become less conservative and the overall grant rate had risen to approximately 53% from the average of 48% in FY 15-16. However, this is significantly lower than the 61% grant rate observed in FY 14-15.

In FY19-FY22, parole was the most common release type among the felon population, representing approximately 30% of all releases. However, in FY23,

Parole has fallen to the third most common release type at 25%, after Discharges and Mandatory Release Supervision.

As discussed above, the recent data indicates that Parole has been reduced as the method of release for a significant number of felons. The result has been a relative increase in the risk level/offense severity index for those inmates being reviewed for parole and a relative decrease in parole grant rate associated with the inmate classifications.
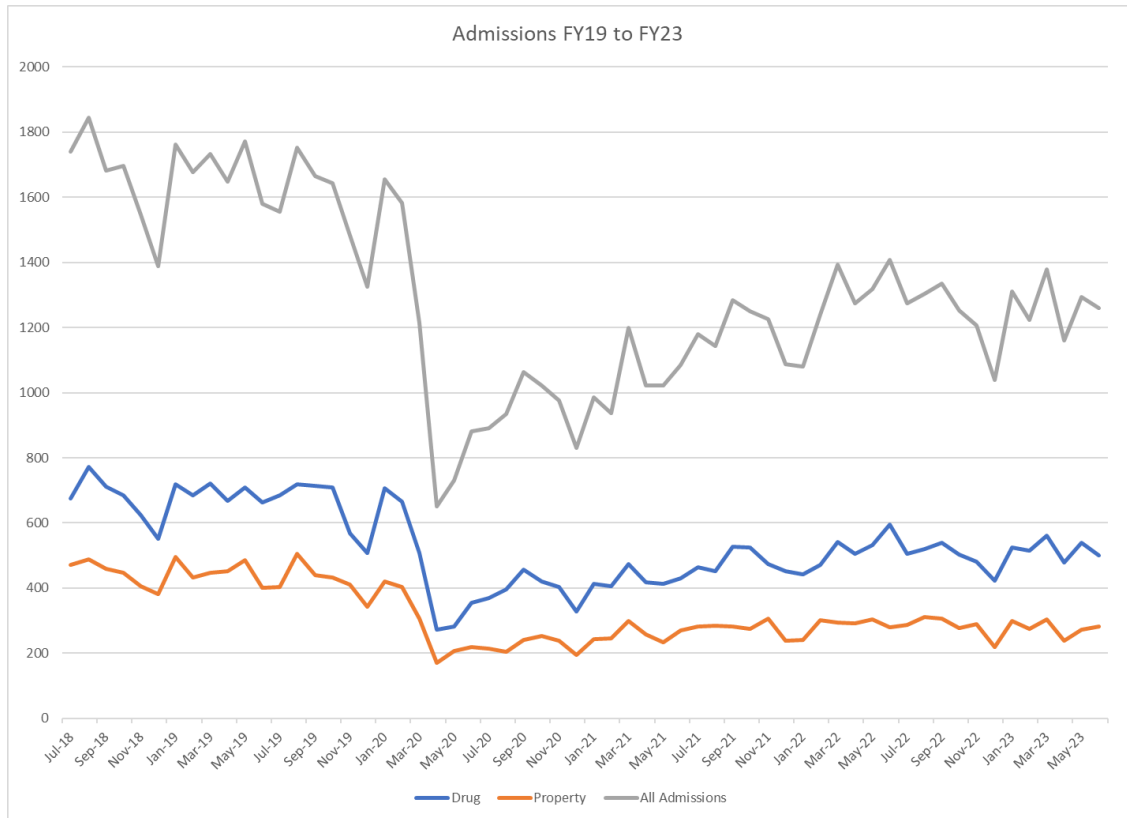
The current, consensus forecast assumes an overall parole grant rate of 35.3%. The forecast uses specific grant rate assumptions for each crime type, and the recent historical average was used for each major crime type:

Crime Type	Grant Rate
Drug	40.5%
Property	34.7%
Public Order	30.8%
Violent	29.2%
Other Violent	18.6%
Sex	13.2%

- **A key assumption in the prison population forecast is the forecasted admissions across crime types.**
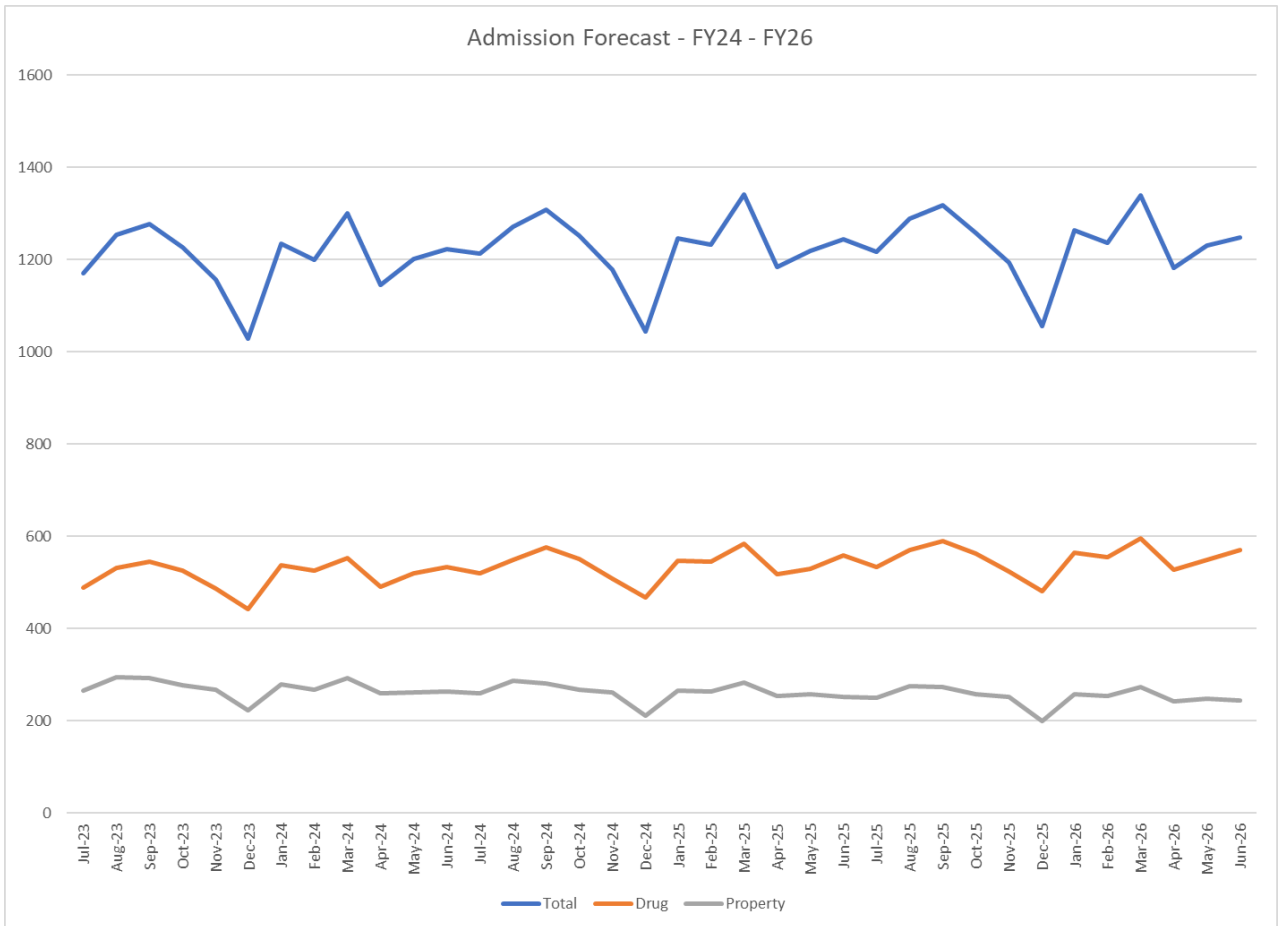
The prison population forecast is composed of six crime types, utilizing the Department of Corrections classification of Kentucky Penal Codes into the categories of: Drug, Property, Violent, Sex Offence, Other Property, and Other Violent Crimes. These groups are further classified into New Commitments, Probation Revocations, Returned from Supervision, and Returned from Mandatory Release Supervision (MRS).

The overall number of admissions had been declining before the COVID-19 pandemic began. However, overall admissions declined significantly as the pandemic began in March/April of 2020. The data for all admissions and the category of drug and property crimes is graphed below:

Admissions FY19 to FY23

Since April of 2020, admissions have been increasing, as the criminal justice system returned to normal. However, the growth in overall admissions has been growing faster than the two largest crime types, drug and property crimes. The overall growth rates have tempered in the last two fiscal years, admissions have grown by less than 2% year over year.

Using a combination of time series analysis, economic variables, and in consultation with the Department of Corrections and the Justice Cabinet, the forecasted admissions reflect compound annual growth rates that assume more tempered growth in the later fiscal years.

Admission Forecast - FY24 - FY26

Additional Assumptions

- Admissions will occur on a uniform nature across the days of the month, and the average individual admission in a month results in approximately a 0.5 Average Daily Population per month.

- Releases will occur primarily in the first 7-10 calendar days of each month, and the average individual release in a month results in approximately 0.25 ADP per month.