

**Q00Q
Operations**
Department of Public Safety and Correctional Services

Operating Budget Data

(\$ in Thousands)

	<u>FY 14 Actual</u>	<u>FY 15 Working</u>	<u>FY 16 Allowance</u>	<u>FY 15-16 Change</u>	<u>% Change Prior Year</u>
General Fund	\$986,800	\$1,014,325	\$1,063,467	\$49,142	4.8%
Deficiencies and Reductions	0	12,800	-18,774	-31,574	
Adjusted General Fund	\$986,800	\$1,027,125	\$1,044,693	\$17,568	1.7%
Special Fund	13,598	13,978	13,457	-521	-3.7%
Deficiencies and Reductions	0	0	-234	-234	
Adjusted Special Fund	\$13,598	\$13,978	\$13,222	-\$755	-5.4%
Federal Fund	24,806	24,951	26,286	1,335	5.3%
Deficiencies and Reductions	0	0	-437	-437	
Adjusted Federal Fund	\$24,806	\$24,951	\$25,849	\$898	3.6%
Reimbursable Fund	3,446	3,552	3,768	216	6.1%
Adjusted Reimbursable Fund	\$3,446	\$3,552	\$3,768	\$216	6.1%
Adjusted Grand Total	\$1,028,649	\$1,069,606	\$1,087,533	\$17,927	1.7%

Note: The fiscal 2015 working appropriation reflects deficiencies and the Board of Public Works reductions to the extent that they can be identified by program. The fiscal 2016 allowance reflects back of the bill and contingent reductions to the extent that they can be identified by program.

- Fiscal 2015 deficiency appropriations for the Department of Public Safety and Correctional Services (DPSCS) Operations function total \$12.8 million in general funds. These funds are provided to support employee overtime and inmate expenses, such as food, medical, and utility costs.

Note: Numbers may not sum to total due to rounding.

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- The \$17.6 million increase in general funds is primarily driven by personnel expenses, partially offset by decreases for facility enhancements and utilities.
- The \$755,000 reduction in special funds is largely attributed to a decrease in Inmate Welfare Funds associated with the privatization of commissary operations.
- Federal funds increase by 3.6%, or \$898,000. This reflects an increase in federal funding from the U.S. Marshal for operation of the Chesapeake Detention Facility in Baltimore City.

Personnel Data

	<u>FY 14 Actual</u>	<u>FY 15 Working</u>	<u>FY 16 Allowance</u>	<u>FY 15-16 Change</u>
Regular Positions	9,477.10	9,552.10	9,549.10	-3.00
Contractual FTEs	<u>146.85</u>	<u>196.64</u>	<u>195.69</u>	<u>-0.95</u>
Total Personnel	9,623.95	9,748.74	9,744.79	-3.95

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	375.33	3.95%
Positions and Percentage Vacant as of 1/1/15	538.50	5.64%

- The fiscal 2016 allowance includes a reduction of 3 vacant positions from the Drinking Driver Monitor Program.
- At the beginning of calendar 2015, DPSCS had 163 vacancies beyond what is needed to meet its 3.95% budgeted turnover for fiscal 2016.

Analysis in Brief

Major Trends

Pretrial Release Services Program: Between fiscal 2005 and 2014, pretrial investigations declined by more than 21,500, or 49.6%. On average, the Pretrial Release Services Program (PRSP) receives 4,950 cases annually and supervises approximately 1,200 defendants in any given fiscal year. PRSP staff has been successful in meeting the goals of having 4.0% or less of its population arrested on new charges while under supervision and having 8.0% or less of the population fail to appear for required court dates.

Facility Security: Overall, inmate assaults in correctional facilities decreased by 15.3%, and those in detention facilities decreased by 4.3% in fiscal 2014. However, the detainee-on-staff assault rate increased for the second consecutive year to 5.09 assaults per 100 offenders in fiscal 2014. The correctional inmate-on-inmate assault rate of 3.58 assaults per 100 offenders reflects the fifth consecutive year of decline and a 10-year low for this measure. The number of inmates who escape is relatively small in comparison to inmates who walk off; however, with a goal of having no inmate escape each year, DPSCS has failed to meet its target in all but 1 of the past 12 years. The presence of contraband increased significantly in fiscal 2014, primarily due to recovered weapons and drugs. **The department should identify how many inmates who have escaped or walked off in fiscal 2014 are still at large. The department should also provide fiscal 2015 year-to-date data for escapes and walk offs, including the status of those offenders. Furthermore, the department should discuss what additional actions have been taken or will be taken to avoid similar escapes and walk offs in the future. The department should also comment on the anticipated timeframe for the new dog detector handlers to begin facility scans, and the expected change in contraband finds in future years.**

Supervision Performance: In recent years, the department's supervision outcomes concerning offender employment and substance abuse treatment have been just shy of its targets. The North Region has consistently performed above targets, while the Central Region's performance has lagged behind. Although the department has met its target of having the percent of cases under supervision closed due to revocation for a new offense below fiscal 2011 levels for the past three years, fiscal 2014 saw a notable increase in revocations from fiscal 2013 for all types of cases. The North Region had the highest percent of parole, probation, and mandatory release cases revoked for a new offense in fiscal 2014. **The department should comment on whether there are certain characteristics of each region that affect supervision case closure outcomes and revocations for new offenses.**

Issues

Correctional Facility Security Issues and Upgrades: Since corruption issues at Baltimore City Detention Center (BCDC) were made public in April 2013, nearly \$23.4 million has been provided to improve security and staffing within the department. Approximately \$7.7 million has been expended to upgrade security cameras, implement cell phone managed access systems, and install x-ray machines and metal detectors. Slightly more than \$6.5 million has been provided in fiscal 2014 and 2015 to

enhance correctional officer staffing, establish a pre-employment polygraph unit, expand the Canine Unit to detect contraband, and enhance the Intelligence and Investigative Division. However, funding included in the fiscal 2015 working appropriation and the fiscal 2016 allowance that has not yet been encumbered may be at risk of being removed as part of the department's 2% general fund cost containment reductions. **The department should comment on the prioritization and financial feasibility of security and staffing enhancements planned to take place in fiscal 2015 and 2016. The department should also comment on the estimated cost of increasing in-service training at the Baltimore Central Booking and Intake Center and BCDC and whether, absent in-service training increases at other State facilities, this could be achieved with current resources.**

Correctional Facility Audits: The Maryland Commission on Correctional Standards (MCCS) has been auditing adult State and local facilities since its establishment in 1980. Although there is some overlap between MCCS and American Correctional Association (ACA) standards, MCCS audits focus more on facility tours and employee interviews to ensure that documentation reflects actual practice. All facilities must eventually meet 100% compliance with MCCS standards. Of facilities audited in fiscal 2014, one-third were found compliant at the initial audit. With the exception of BCDC, all facilities had an initial audit compliancy rating above 90%. **DPSCS should comment on actions taken to correct audit noncompliance issues at BCDC.**

Dorsey Run Correctional Facility: Phase II of the Dorsey Run Correctional Facility (DRCF) is scheduled to open at the end of fiscal 2016. Although options have been identified, the department has yet to firmly identify how it will operate the new facility. **The Department of Legislative Services recommends restricting funds for operation of DRCF Phase II until the department submits a report outlining an updated facility plan.**

New Hepatitis C Prescription Treatments: In recent years, a wide variety of new treatments have become available to treat Hepatitis C with varying degrees of effectiveness and side effects. The emergence of three breakthrough drug treatments, Sovaldi, Harvoni, and the Viekera Pak, offer the promise of high rates of cure with limited side effects. However, the cost of treatment is at least double that of DPSCS's current standard Hepatitis C treatment. **DPSCS should comment on how many inmates it expects will receive the new treatments annually and the associated increase for inmate pharmaceutical costs. The department should also comment on the status of rebidding the inmate pharmacy contract, and the opportunity for discounts for Hepatitis C treatments.**

Recommended Actions

1. Add language deleting positions to align vacancies with budgeted turnover.
2. Add language expressing legislative intent that the Department of Public Safety and Correctional Services submit a biannual staffing assessment.
3. Add language restricting funds for operation of Dorsey Run Correctional Facility Phase II pending an updated facilities plan.

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Operating Budget Analysis

Program Description

The Department of Public Safety and Correctional Services (DPSCS) Operations has been created through a departmental reorganization to establish three regions within the State (North, Central, and South) for the purposes of creating a regional approach to providing all inmate-related functions, such as incarceration, probation, parole, and reentry into society. The services previously delivered by the Division of Correction, the Patuxent Institution, the Division of Parole and Probation, and the Division of Pretrial Detention and Services are now provided under each region in an attempt to keep inmates in one region as they move within the DPSCS system. The counties in each region are listed below:

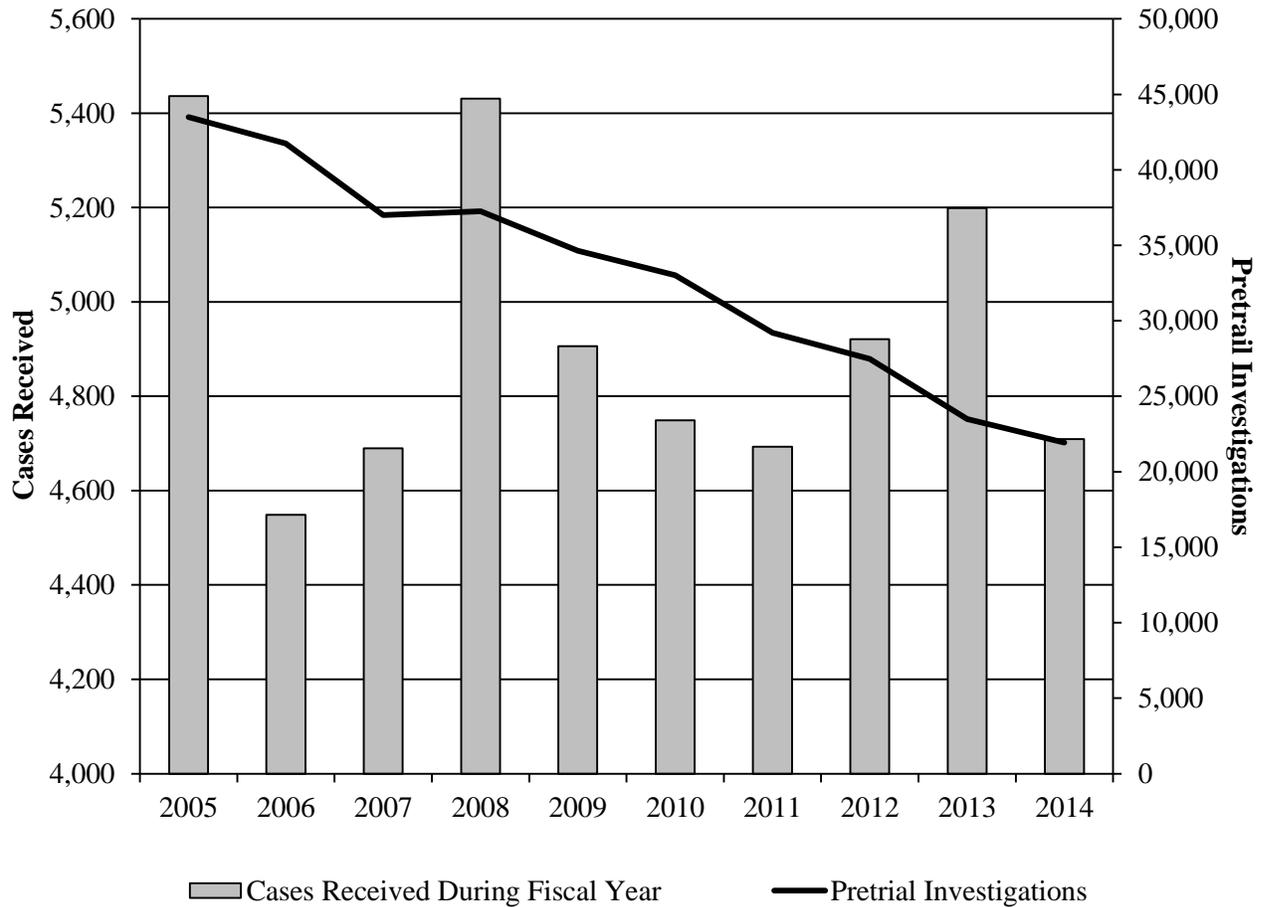
- North Region: Allegany, Carroll, Frederick, Garrett, Harford, Howard, Montgomery, and Washington;
- Central Region: Baltimore and Baltimore City; and
- South Region: Anne Arundel, Calvert, Caroline, Cecil, Charles, Dorchester, Kent, Prince George's, Queen Anne's, Somerset, St. Mary's, Talbot, Wicomico, and Worcester.

Performance Analysis: Managing for Results

1. Pretrial Release Services Program

The Pretrial Release Services Program (PRSP) interviews, investigates, and presents recommendations to Baltimore City courts concerning the pretrial release of individuals accused of crimes in Baltimore. The PRSP also supervises defendants released on personal recognizance or conditional bail as ordered by the court. As shown in **Exhibit 1**, the number of pretrial investigations has declined dramatically over the past decade, consistent with a decline in arrests and bookings over the same time period. Between fiscal 2005 and 2014, investigations declined by more than 21,500, or 49.6%. The decline did not translate to fewer cases referred for supervision. Since peaking at 5,431 in fiscal 2008, the number of cases received annually has remained between 4,600 and 5,200. On average, the PRSP receives 4,950 cases annually and supervises approximately 1,200 defendants in any given fiscal year.

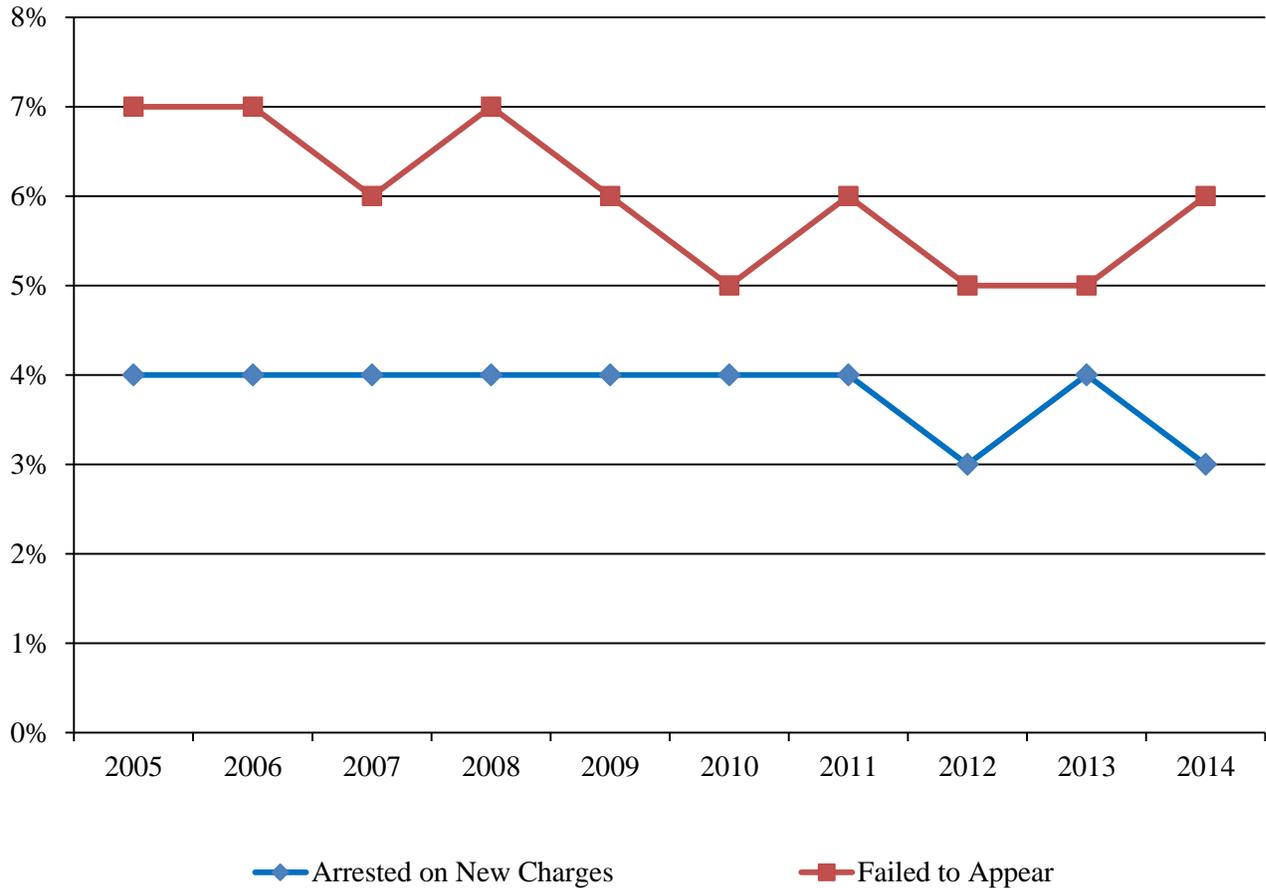
**Exhibit 1
Pretrial Release Services Program
Workload Trends
Fiscal 2005-2014**



Source: Department of Public Safety and Correctional Services

The purpose of the PRSP is to ensure that pretrial defendants released into the community comply with bail conditions, do not engage in criminal activity while on release, and appear for court when required. **Exhibit 2** shows that the PRSP staff has been successful in meeting the goals of having 4% or less of its population arrested on new charges while under supervision and having 8% or less of the population fail to appear for required court dates. The PRSP met both of these goals in all of the past 10 years.

Exhibit 2
Pretrial Release Service Program
Performance Measures
Fiscal 2005-2014



Source: Department of Public Safety and Correctional Services

2. Facility Security

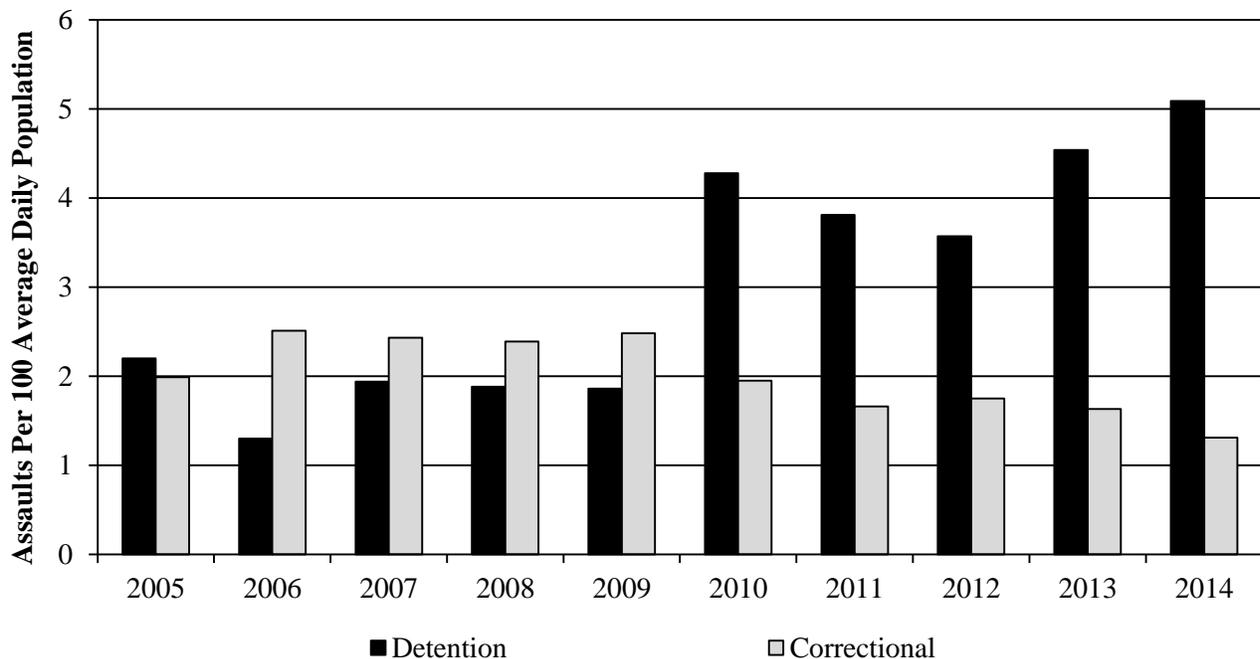
Maintaining secure facilities is of utmost importance in fulfilling the department’s mission to provide public safety to the citizens of Maryland and the general public. Achievement of this goal includes limiting instances of assault on both staff and offenders, prohibiting the ability for an inmate to escape or walk off from a place of confinement, and controlling the presence of contraband.

Assaults

DPSCS Operations reports the rate of assaults on correctional inmates, detainees, and staff per 100 offenders, in order to measure the department’s ability to maintain safe institutions. The goal is to have correctional inmate-on-staff and inmate-on-inmate assault rates at or below 1.63 and 4.14 assaults per 100 offenders, respectively. The detainee assault rates should be at or below 4.54 assaults on staff and 13.17 assaults on detainees. Overall, inmate assaults in correctional facilities decreased by 15.3%, and those in detention facilities decreased by 4.3%, compared to fiscal 2013.

As shown in **Exhibit 3**, in fiscal 2010, the detainee-on-staff assault rate increased significantly due to improved reporting. Prior to 2010, this assault rate was likely underreported. For the second consecutive year, the detainee-on-staff assault rate increased significantly, first from 3.57 to 4.54 assaults per 100 offenders between fiscal 2012 and 2013, and then to 5.09 in fiscal 2014. The Baltimore City Detention Center (BCDC) and the Baltimore Central Booking and Intake Center (BCBIC) saw an increase in less serious offender-on-staff assaults in fiscal 2014; however, both facilities report 0.00 more serious offender-on-staff assaults per 100 offenders for that year.

Exhibit 3
Offender-on-staff Assaults
Fiscal 2005-2014



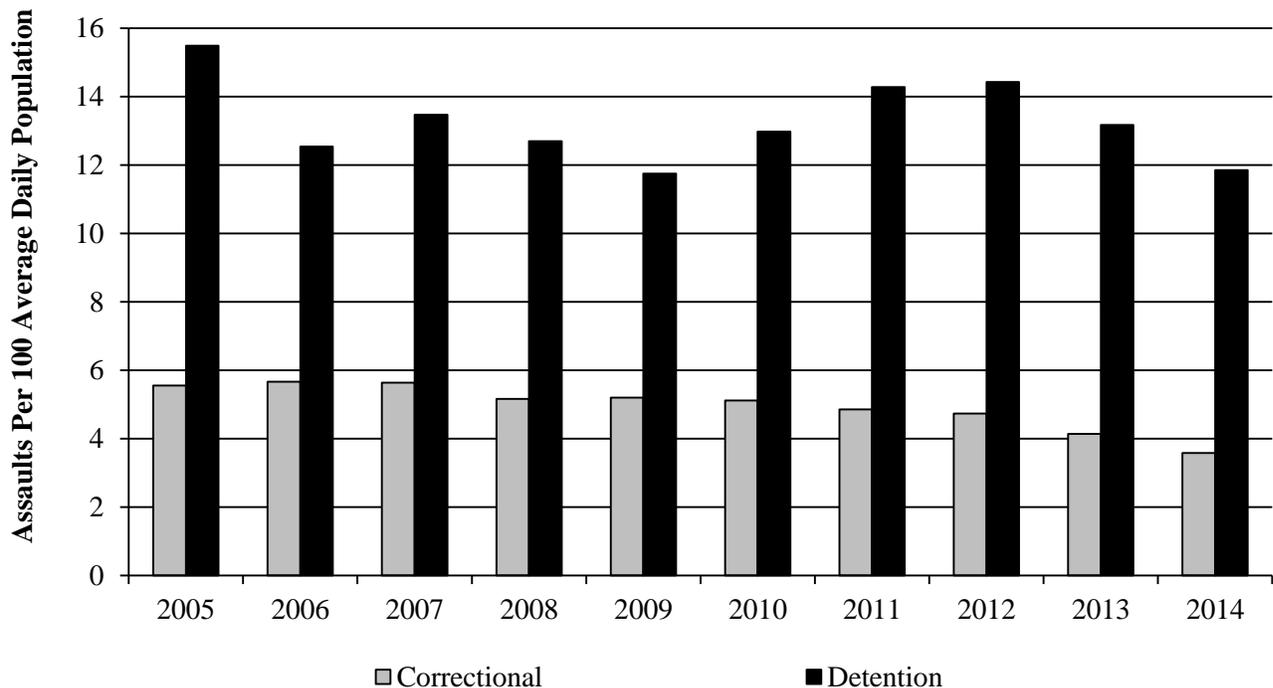
Source: Department of Public Safety and Correctional Services

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The correctional inmate-on-staff assault rate declined in fiscal 2014 to 1.31 assaults per 100 offenders. Although serious assaults were a minimal part of the overall assault rate in fiscal 2014, there was a slight increase in the rate of serious assaults on staff for the Central Region. The vast majority of assaults on staff in correctional facilities were of a less serious nature. The South Region, which experienced an increase in assaults in fiscal 2013 related to gang activity, reports a decrease in assaults for fiscal 2014. The Central and North Regions experienced slight increases in the less serious assault rate in fiscal 2014.

Exhibit 4 shows that offenders assault other offenders at a much higher rate than they assault staff, and offenders in detention facilities commit assaults even more often than inmates in correctional facilities. The fiscal 2014 correctional inmate-on-inmate assault rate of 3.58 assaults per 100 offenders reflects the fifth consecutive year of decline for this measure. The inmate-on-inmate assault rate is at its lowest level in a decade. The detainee-on-detainee assault rate also declined in fiscal 2014, to 11.85 assaults per 100 offenders, but this was following a two-year spike in fiscal 2011 and 2012 to more than 14.0 assaults per 100 offenders.

Exhibit 4
Offender-on-offender Assaults
Fiscal 2005-2014

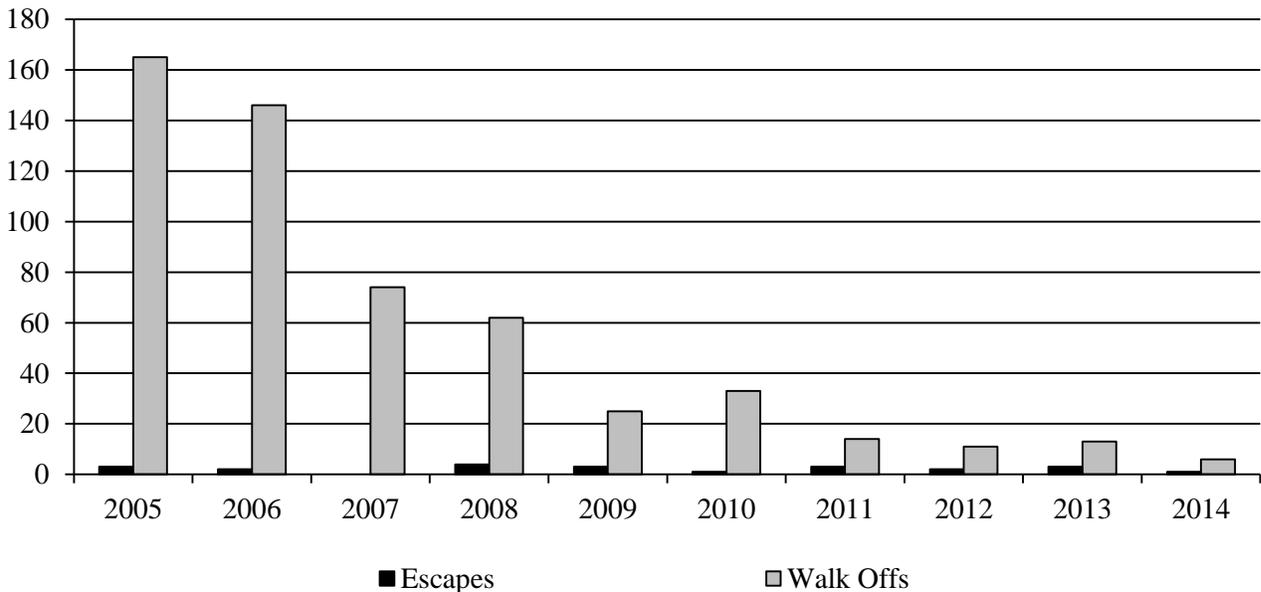


Source: Department of Public Safety and Correctional Services

Escapes and Walk Offs

Exhibit 5 shows the number of inmates who have escaped or walked off each year since fiscal 2005. An escape is an unauthorized departure from within the secure perimeter of any correctional facility, regardless of the security level, or while being escorted or transported in restraints. A walk off is an inmate classified as pre-release or minimum security who is not in restraints with or without direct supervision, and who makes an unauthorized departure from a pre-release security facility, during an authorized activity in the community, or while on a work detail outside the secure perimeter of a correctional facility. The goal is to have no inmates escape and less than 11 inmates walk off each year.

Exhibit 5
Escapes and Walk Offs
Fiscal 2005-2014



Source: Department of Public Safety and Correctional Services

The number of inmates who escape is relatively small in comparison to inmates who walk off; however, with a goal of having no inmate escape each year, DPSCS has failed to meet its target in all but 1 of the past 10 years. In fiscal 2014, one inmate escaped from a DPSCS facility in the South Region. In the same year, six inmates walked off while in DPSCS custody. This is a relatively small number in comparison to inmate walk offs prior to fiscal 2006, when more than 100 inmates would walk off from DPSCS facilities annually. Fiscal 2014 reflects a decrease in walk offs compared to fiscal 2013 and the lowest number of walk offs in more than a decade. Historically, DPSCS has seen

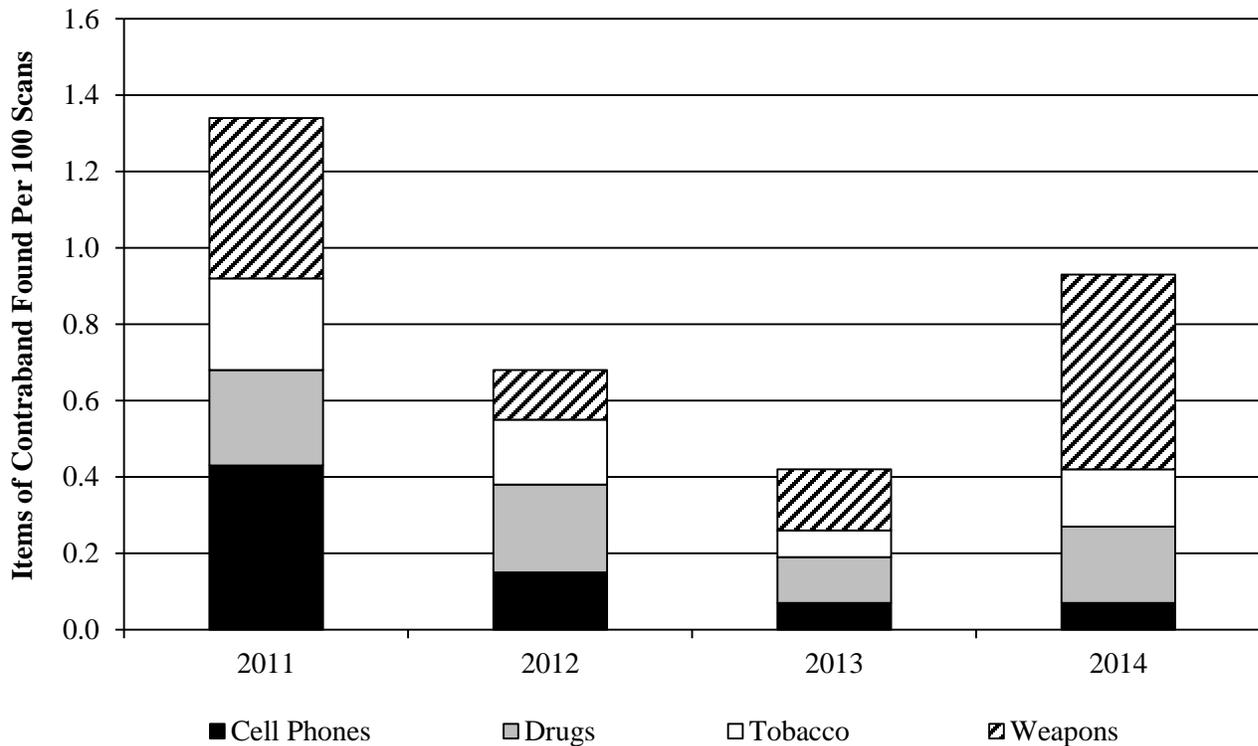
an increased number of walk offs in the South Region at facilities lacking proper perimeter security. The department increased yard rounds in two of the pre-release facilities that do not have perimeter fencing, which resulted in a positive reduction in the number of walk offs.

The agency should identify how many inmates who have escaped or walked off in fiscal 2014 are still at large. The department should also provide fiscal 2015 year-to-date data for escapes and walk offs, including the status of those offenders. Furthermore, the agency should discuss what additional actions may have been taken or will be taken to avoid similar escapes and walk offs in the future.

Contraband

Exhibit 6 provides data measuring the presence of contraband in DPSCS facilities found by the Canine Unit since fiscal 2011. The department reports this measure as the rate of items found per 100 scans conducted by the Canine Unit. Between fiscal 2011 and 2013, the overall rate of contraband finds decreased from 1.34 to 0.42 items per 100 scans. However, the rate of contraband finds increased significantly in fiscal 2014, to 0.93 items per 100 scans overall. The majority of items found in fiscal 2014 were weapons and drugs. The department attributes the increased finds to enhanced search techniques and increased use of intelligence and phone monitoring capabilities, which have allowed the Canine Unit to conduct fewer scans leading to an increased number of recoveries. The rate of cell phone finds remained stable in fiscal 2014 at 0.07 per 100 scans. As was to be expected, the rate of cell phone finds declined in the Central Region from 0.33 in fiscal 2013 to 0.13 in fiscal 2014 as a result of implementation of managed access systems at Baltimore facilities. In fiscal 2015, the department received funding and positions for seven detector dog handlers. The department reports that these positions have been filled and the associated academy class is underway. **The department should comment on the anticipated timeframe for the new dog handlers to begin facility scans and the expected change in contraband finds in future years.**

**Exhibit 6
Presence of Contraband in Departmental Facilities
Fiscal 2011-2014**

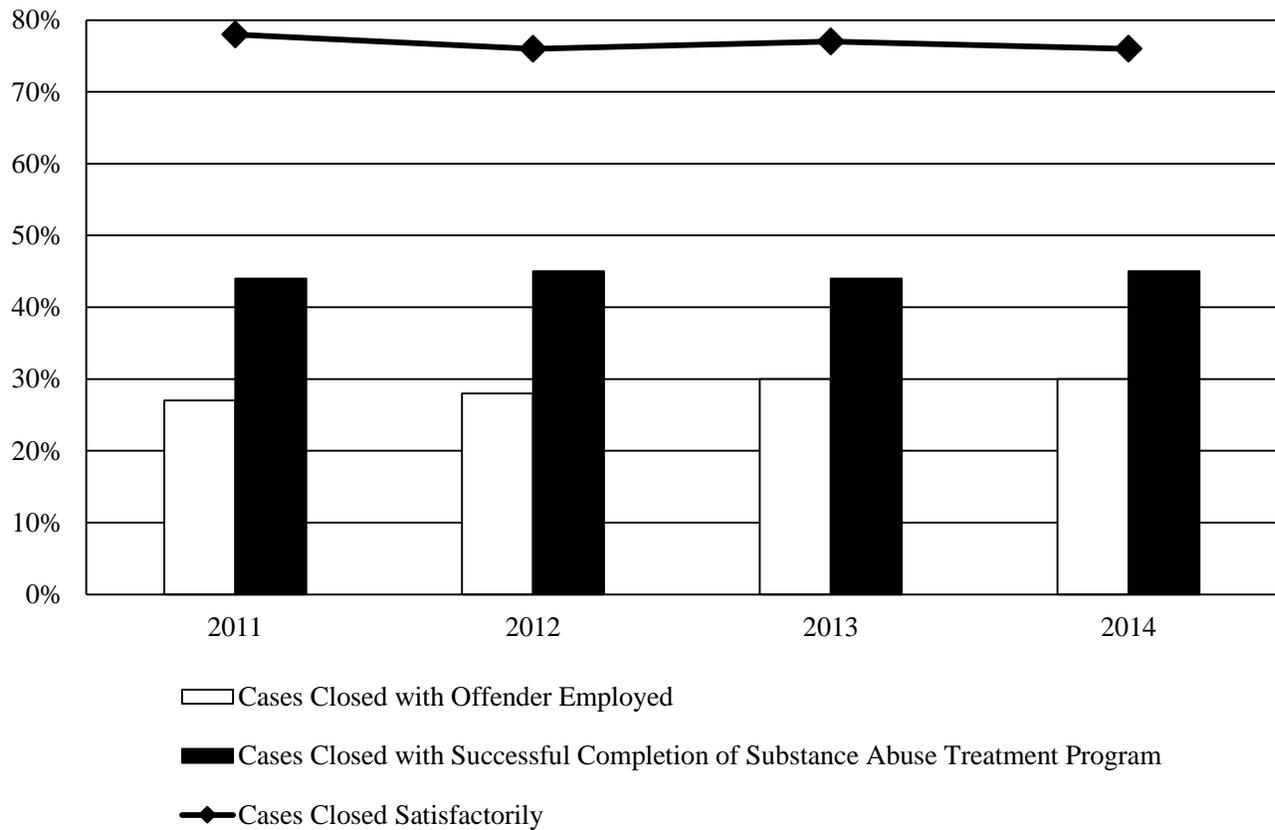


Source: Department of Public Safety and Correctional Services

3. Supervision Performance

A key component of the mission for the regional Divisions of Parole and Probation within DPSCS Operations is to keep Maryland communities safe by providing comprehensive case management and intervention strategies in order to help offenders maintain compliance and successfully transition to living in the community. To measure the agency’s performance in providing these services, **Exhibit 7** shows the percent of offenders who are employed at case closing, have satisfactorily completed substance abuse treatment at case closing, and who have had their case closed in satisfactory status. The department’s target is to have at least 31% of offenders employed, 46% having completed substance abuse treatment, and 77% in satisfactory status at the time of case closing.

**Exhibit 7
Supervision Case Closures
Fiscal 2011-2014**



Source: Department of Public Safety and Correctional Services

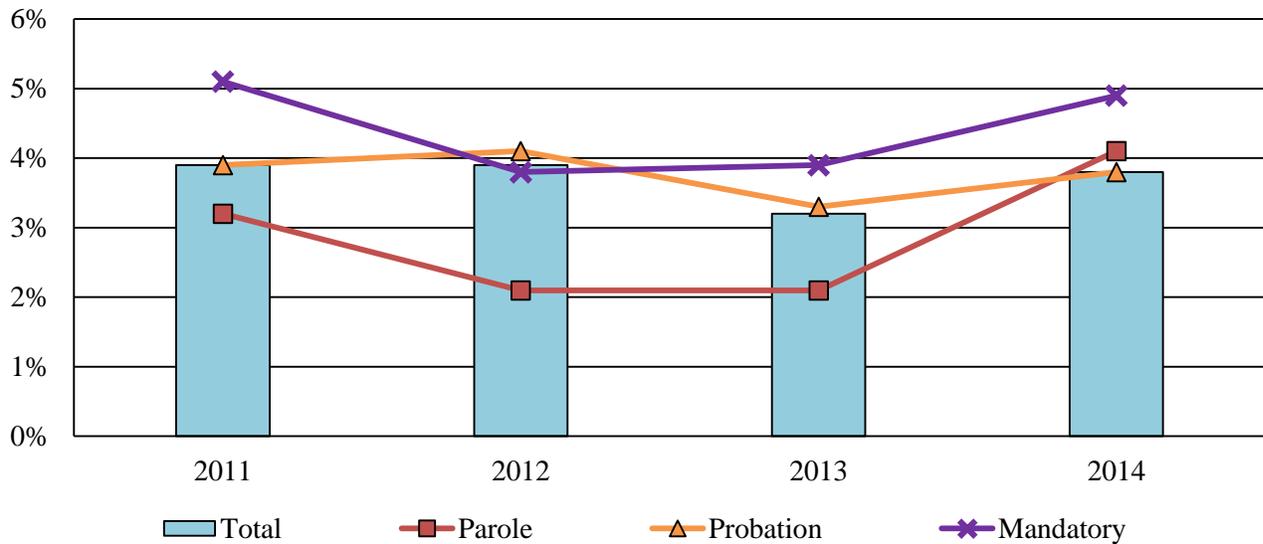
The department was unable to meet all three targets in fiscal 2014. Only 76% of cases closed in fiscal 2014 were closed in a satisfactory status. While this is just shy of the 77% target, it does reflect a slight decrease from fiscal 2013. The percent of cases closed where an offender had satisfactorily completed substance abuse treatment increased by one percentage point from fiscal 2013, to 45%, also just shy of the 46% target. In addition, the percent of offenders employed at the time of case closing remained stable in fiscal 2014 at 30%, one percentage point below the 31% target. In recent years, the department has noted that the employment target has been particularly challenging due to the economic downturn, which has made it difficult for the offender population to compete for the same employment opportunities as others without criminal records.

A comparison by region indicates that the North Region has consistently exceeded the offender substance abuse and employment targets. The South Region has met or exceeded the substance abuse

target in two of the four most recent years, including fiscal 2014, and met the employment target in fiscal 2013, though it fell just short of the target in fiscal 2014. The Central Region has consistently lagged behind the other two regions, sometimes performing as much as 10 percentage points below the target. The department attributes this to the fact that, of the three regions, the Central Region supervises the highest overall number of offenders, the highest number of Violence Prevention Initiative offenders, and has the highest proportion of technical violators.

Exhibit 8 shows the percent of supervision cases closed due to revocation for a new offense. Overall, the department has met its target of having the percent of cases under supervision closed due to revocation for a new offense below fiscal 2011 levels for the past three years. However, fiscal 2014 saw a notable increase in revocations from fiscal 2013 for all types of cases. Parole revocations increased 2 percentage points to 4.1% in fiscal 2014, the highest percent of new offense revocations since prior to fiscal 2011. The percent of mandatory supervision release cases revoked for new offenses reflects the majority of revocations and also increased by 1 percentage point, to 4.9%. The North Region had the highest percent of parole, probation, and mandatory release cases revoked for a new offense in fiscal 2014.

Exhibit 8
Division of Parole and Probation
Cases Closed Due to Revocation for New Offense
Fiscal 2011-2014



Source: Department of Public Safety and Correctional Services

The department should comment on whether there are certain characteristics of each region that affect supervision case closure outcomes and revocations for new offenses.

Fiscal 2015 Actions

Proposed Deficiency

Fiscal 2015 deficiency appropriations for DPSCS Operations total \$12.8 million in general funds. These include the following items:

- \$3.0 million to support custodial employee overtime;
- \$6.5 million to cover increased inmate medical costs;
- \$1.8 million to cover the increased cost of food purchases; and
- \$1.5 million to cover the increased cost of utilities.

Cost Containment

As shown in **Exhibit 9**, DPSCS has one 2% across-the-board general fund reduction totaling \$23.5 million in fiscal 2015. If allocated proportionally, DPSCS Operations’ share of the reduction will be \$20.5 million.

**Exhibit 9
Fiscal 2015 Reconciliation
(\$ in Thousands)**

<u>Action</u>	<u>Description</u>	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Legislative Appropriation with Budget Amendments		\$1,014,325	\$13,978	\$24,951	\$3,552	\$1,056,806
Working Appropriation		\$1,014,325	\$13,978	\$24,951	\$3,552	\$1,056,806
January BPW Across the Board	This unit is part of the Department of Public Safety and Correctional Services which received a 2.0% across-the-board general fund reduction totaling \$23.5 million. If allocated proportionally, it would equal \$20.5 million in this program.					

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<u>Action</u>	<u>Description</u>	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Deficiency Appropriations		12,800	0	0	0	12,800
Total Actions since January 2015		\$12,800	\$0	\$0	\$0	\$12,800
Adjusted Working Appropriation		\$1,027,125	\$13,978	\$24,951	\$3,552	\$1,069,606

Source: Department of Legislative Services

Proposed Budget

As seen in **Exhibit 10**, the fiscal 2016 allowance for DPSCS Operations increases by \$17.9 million, or 1.7%, when compared to the fiscal 2015 working appropriation, accounting for fiscal 2015 deficiency appropriations and fiscal 2016 back of the bill reductions for personnel.

**Exhibit 10
Proposed Budget
DPSCS – Operations
(\$ in Thousands)**

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2014 Actual	\$986,800	\$13,598	\$24,806	\$3,446	\$1,028,649
Fiscal 2015 Working Appropriation	1,027,125	13,978	24,951	3,552	1,069,606
Fiscal 2016 Allowance	<u>1,044,693</u>	<u>13,222</u>	<u>25,849</u>	<u>3,768</u>	<u>1,087,533</u>
Fiscal 2015-2016 Amt. Change	\$17,568	-\$755	\$898	\$216	\$17,927
Fiscal 2015-2016 Percent Change	1.7%	-5.4%	3.6%	6.1%	1.7%

Where It Goes:

Personnel Expenses

Increments and general salary increase annualization (prior to cost containment).....	9,427
Section 20: Abolition of prior year 2% general salary increase.....	-10,857
Section 21: Abolition of employee increments.....	-8,588
Employee and retiree health insurance.....	23,908
Employee retirement system.....	7,289
Workers' compensation premium assessment.....	1,000
Turnover adjustments.....	1,630
Abolished positions.....	-432

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Where It Goes:

Other fringe benefit adjustments.....	241
Facility Enhancements	
Building/road repairs and maintenance.....	-263
Cell phone managed access systems implemented at BCBIC and MRDCC	-7,180
Inmate Expenses	
Inmate medical expenses.....	3,785
Inmate food purchases	600
Contractual food services for Baltimore facilities.....	-643
Fuel and utilities.....	-668
Other Changes	
Inmate wages.....	-324
Inmate Welfare Fund purchases.....	-797
Other	-201
Total	\$17,927

BCBIC: Baltimore Central Booking and Intake Center
MRDCC: Maryland Reception, Diagnostics, and Classification Center

Note: Numbers may not sum to total due to rounding. The fiscal 2015 working appropriation reflects deficiencies and the Board of Public Works reductions to the extent that they can be identified by program. The fiscal 2016 allowance reflects back of the bill and contingent reductions to the extent that they can be identified by program.

Personnel

Personnel expenses increase by \$23.6 million. This includes a decrease of over \$400,000 for employee overtime, when accounting for the \$3.0 million fiscal 2015 deficiency appropriation. The agency receives an additional \$23.9 million for employee and retiree health insurance and \$7.3 million for the employee retirement system. At the beginning of calendar 2015, DPSCS Operations had more than 160.0 vacancies beyond what is needed to meet its 3.95% budgeted turnover for fiscal 2016. Correctional officer positions account for 60.4%, or 325.0, of the 538.5 vacancies. Community supervision agent positions account for only 7.4%, or 40.0, of the vacancies.

Having more positions vacant than what is required to meet budgeted turnover provides the department with additional personnel funding beyond what is needed to fund salaries and fringe benefits for existing employees. As DPSCS is habitually underfunded with regard to employee overtime, inmate medical expenses, and other variable costs, the department often uses this additional funding to offset these deficiencies. However, this does not reflect accurate budgeting and misrepresents the department's need with respect to these underfunded areas. If additional funds are needed for overtime or other operating expenses, adequate appropriations should be provided in those areas, not provided through the use of funded vacancies.

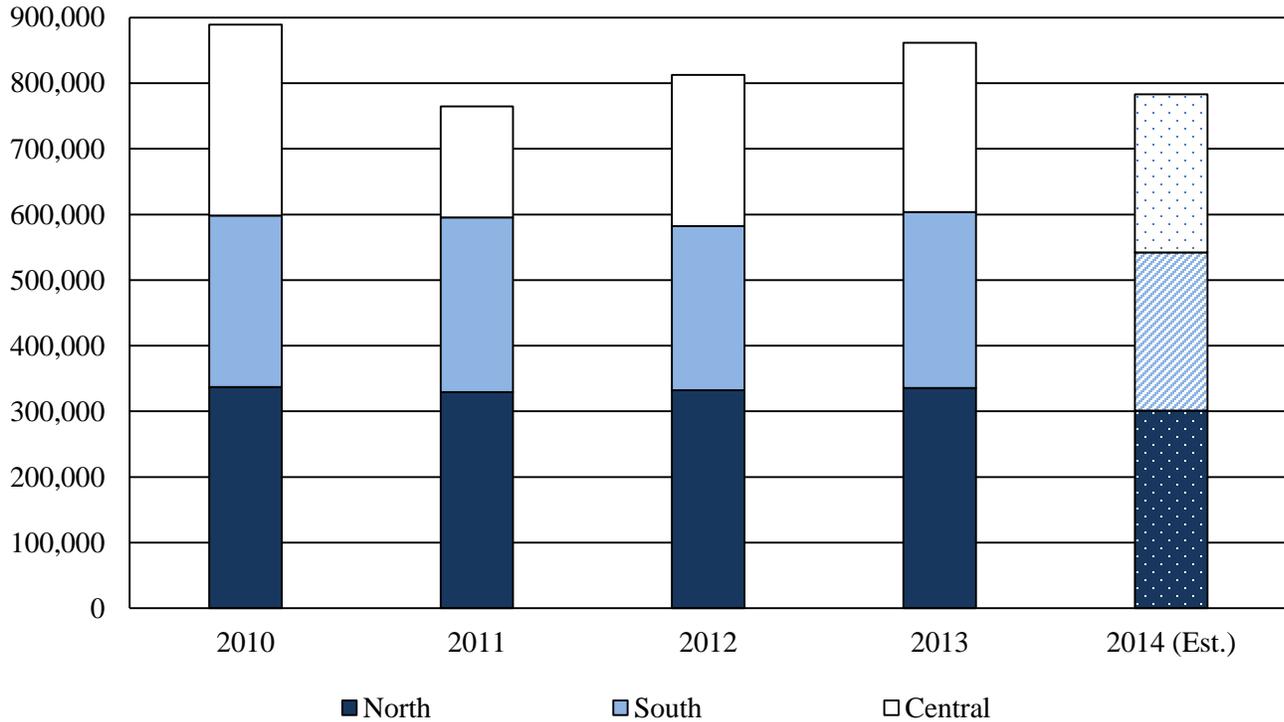
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In fiscal 2015 and 2016, the department's high vacancy rate will likely also be used to fulfill at least part of the 2% general fund reductions. Departmentwide, general fund salaries and personnel benefits account for \$846.5 million, or 68.7% of the department's general fund allowance. Many of the department's general fund expenditures, such as inmate medical costs (\$174.4 million fiscal 2016 allowance) and food purchases and services (\$38.3 million fiscal 2016 allowance), in addition to mandated appropriations, cannot be reduced as part of the 2% across-the-board reductions. This leaves personnel expenses as not only the department's largest general fund expenditure by a wide margin, but also a slightly more flexible area of spending, relatively speaking. **As such, the Department of Legislative Services (DLS) recommends that the departmentwide DPSCS regular position complement be reduced by 50 positions to better align vacancies with budgeted turnover.**

As previously discussed, three Drinking Driver Monitor Program (DDMP) monitor positions are abolished in fiscal 2016 in an effort to reduce DDMP operating expenditures, as special fund revenues from the DDMP fee are no longer adequate to fully fund the program's operations. The abolition of these positions results in a \$432,000 decrease. The fiscal 2016 allowance does not include funding for 100 new correctional officers, as the legislature requested in fiscal 2015 budget bill language. However the provision of the new correctional officers in the allowance would have been inconsistent with the more recent recommendation of the Spending Affordability Committee (SAC) that, given the State's fiscal condition, the State should not create additional positions.

The department's August 2010 staffing analysis submitted to the General Assembly identified the need for an additional 377 regular positions statewide (364 nonsupervisory and 13 supervisory) to provide the minimum standard of staffing. The initial request for DPSCS to conduct the staffing analysis in 2010 also required the department to submit revised staffing assessments every two years. In January 2014, DPSCS submitted an analysis indicating that the department needed 523 additional positions to minimally staff its facilities. The increased number of positions was attributable to increased use of sick leave between calendar 2011 and 2012, as shown in **Exhibit 11**, as well as the implementation of five administrative days in lieu of employee furloughs. Sick leave use increased again in calendar 2013 but is estimated to decrease in 2014. Additionally, with operation of Dorsey Run Correctional Facility (DRCF) Phase II and the Youth Detention Center quickly approaching, the department's staffing needs are anticipated to change. **DLS recommends adding language requiring the department to submit an updated staffing assessment indicating the minimal number of positions needed to safely staff the facilities and reduce the use of Special Assignment Posts (SAP), which significantly contribute to overtime spending, as well as the ideal number of positions needed in order to address all operational requirements without the need to collapse posts or excessively use SAPs.**

**Exhibit 11
DPSCS Departmental Facilities
Sick Leave Hours Used
Calendar 2010-2014 Est.**



DPSCS: Department of Public Safety and Correctional Services

Source: Department of Public Safety and Correctional Services

Facility Enhancements

The allowance decreases by \$7.4 million for facility enhancements. In fiscal 2015, nearly \$7.2 million is provided to implement cell phone managed access systems at the Maryland Reception, Diagnostic, and Classification Center (MRDCC) and BCBIC. A similar system was implemented in fiscal 2013 at the Metropolitan Transition Center (MTC), and in fiscal 2014 at BCDC. The funding in fiscal 2015 would expand managed access systems to nearly all facilities within the Baltimore City Correctional Complex (BCCC). No additional funding is provided in fiscal 2016 to expand managed access to additional facilities. The remaining decrease for facility enhancements is associated with removal of funds for specific facility repair and maintenance projects.

Inmate Expenses

The fiscal 2016 allowance for inmate medical care is approximately \$176.5 million, an increase of nearly \$3.8 million from the working appropriation, when adjusting for the fiscal 2015 deficiency appropriation of \$6.5 million. The growth is, in part, due to inflation increases but in recent years has also been attributed to increased pharmacy costs resulting from delays in awarding a new contract. Unlike recent years, the fiscal 2016 allowance does allow for additional growth when compared to the most recent expenditure projections for fiscal 2015.

Accounting for the \$1.8 million fiscal 2015 deficiency appropriation, the allowance for inmate food supply purchases increases by \$600,000 in fiscal 2016, providing \$26.8 million for this purpose. Historically, food costs have increased by at least 8% annually, indicating that the allowance, although increased slightly from the working appropriation, may still be about \$2.0 million below the necessary funding level based on fiscal 2014 actual expenditures of \$25.5 million.

Fuel and utility expenses decrease by \$668,000, or 1.3%, in fiscal 2016. The \$49.1 million allowance reflects a decline of \$3.8 million, or 7.2%, when compared to fiscal 2014 actual expenditures. The largest fuel and utility decrease is \$1.4 million for electricity. Combined, decreases for oil, natural gas/propane, and steam total \$2.3 million. Also of note is a decrease of \$827,000 for the department's energy conservation loan repayments. These decreases are slightly offset by an increase of \$896,000 for Maryland Environmental Service charges. Fuel and utilities, therefore, are also likely underfunded in the allowance.

Other Changes

Other changes of note in the allowance include reductions for inmate wages and Inmate Welfare Fund purchases. Non-Maryland Correctional Enterprise inmate wages decrease by \$324,000 based on prior year actuals and the declining inmate population. The allowance for Inmate Welfare Fund purchases is reduced by \$797,000 from the allowance as a result of the department's adjustment for the privatization of commissary services. Under the previous model, which was phased out beginning in June 2013, each facility independently operated a commissary for its inmates. This required each facility to purchase goods for resale and essentially operate a small store within the facility for the sale of goods to inmates. With the privatized contract, the vendor is responsible for providing commissary goods and delivering those goods to inmates and offenders in all DPSCS facilities. The contract specifies that the State receives \$0.38 per inmate per day in revenue from the vendor. All revenue from commissary operations goes to the Inmate Welfare Fund, which is used to purchase goods and services that are beneficial to the general inmate population. These expenditures can include educational or recreational equipment, medical supplies, repairs to damaged property, indigent inmate welfare packages, *etc.*

Cost Containment

DPSCS Operations has two fiscal 2016 across-the-board reductions for personnel: \$10.9 million to remove the fiscal 2015 cost-of-living adjustment (COLA) and \$8.6 million to remove increments from the allowance. Additionally, DPSCS has a 2% across-the-board general fund reduction totaling \$24.4 million. Should the department allocate this reduction proportionally, DPSCS Operations' share will be \$21.0 million.

Issues

1. Correctional Facility Security Issues and Upgrades

On April 23, 2013, a federal grand jury returned an indictment charging 25 individuals including inmates and 13 correctional officers employed by DPSCS, with conspiring to run operations of the Black Guerilla Family (BGF) gang inside BCDC and related facilities. Charges included racketeering, drug distribution, money laundering, victim and witness retaliation, bribery, and extortion. According to the indictment, correctional officers helped leaders of the BGF smuggle cell phones, drugs, and other contraband into State correctional facilities.

Since the issues at BCDC were made public, \$23.4 million has been provided to improve security and staffing within the department. However, due to the fiscal condition of the State, the department has begun to reconsider whether it will be able to implement projects associated with funding in fiscal 2015 and 2016 as planned. **Exhibit 12** outlines fiscal 2013 and 2014 expenditures, as well as fiscal 2015 working appropriation and 2016 allowance funding associated with security and staffing improvements.

Exhibit 12
Department of Public Safety and Correctional Services
Improvement to Security and Staffing
Fiscal 2013-2016
(\$ in Thousands)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Facilities				
Upgrade security cameras statewide	\$300	\$555	\$788	\$1,288
Cell phone managed access systems	2,000	4,200	7,180	
X-ray machines/metal detectors installed statewide	600			
Total Facility Improvements	\$2,900	\$4,755	\$7,968	\$1,288
Staffing				
Polygraph Unit created for pre-employment examinations		\$347		
Intelligence and Investigative Division operations enhanced and expanded		1,037		
Employee relations unit staff to address the Correctional Officers' Bill of Rights cases		182		
100 correctional officers positions added to personnel complement			\$4,200	
Canine Unit expanded to detect contraband			593	
Centralized hiring unit staff to conduct background checks			152	
Total Staffing Enhancements		\$1,566	\$4,945	
Total Improvements to Security and Staffing	\$2,900	\$6,321	\$12,913	\$1,288

Source: Department of Public Safety and Correctional Services

Security Enhancements

In fiscal 2013 and 2014, a total of \$7.7 million was spent to upgrade security within DPSCS facilities. Approximately \$2.3 million was provided in fiscal 2013 to upgrade the security camera system at BCDC and implement a managed access system for cell phone detection at MTC. The department also purchased nine x-ray machines and 27 metal detectors to be implemented at various facilities across the State. Fiscal 2014 deficiency appropriations provided \$4.8 million to upgrade a security camera and video recording system at BCBIC and expand managed access to BCDC. Funding was also provided in fiscal 2014 deficiencies and the fiscal 2015 appropriation to purchase and maintain keyword recognition software to assist with intelligence gathering and allow for the efficient monitoring of inmate phone calls. However the department did not purchase the software, and therefore cancelled the fiscal 2014 funds and withdrew the fiscal 2015 appropriation.

In the fiscal 2015 working appropriation, the department has \$8.0 million to upgrade security cameras statewide and implement managed access systems at BCBIC and MRDCC. At this time, the department has encumbered some of the funding associated with security camera upgrades for projects at eight facilities. The department has not yet awarded a contract to install managed access systems at BCBIC and MRDCC. Although the department planned to further expand managed access systems to two additional facilities in fiscal 2016, funding is not included in the allowance. A total of \$1.3 million is included in the allowance for security camera upgrades and replacements.

Staffing Enhancements

With regard to staffing, the department received \$1.6 million in fiscal 2014 deficiency appropriations to fund the reclassification of existing vacancies to provide additional staff to address an anticipated increase in workload from Correctional Officers' Bill of Rights cases, create a Polygraph Unit to conduct pre-employment polygraph examinations on custodial employees, and enhance staffing and expand the role for the Intelligence and Investigative Division. The department reports that 2 of 6 positions in the Polygraph Unit have been filled, and the remaining positions will be filled after the department develops new specifications for the position classifications. In fiscal 2015, the department received 109 new positions and \$5.5 million in associated funding to improve security within the facilities. This includes the provision of 100 correctional officers to begin to address significant staffing deficiencies in all of the department's facilities, 7 detector dog handlers, and 6 dogs to expand the detection of contraband, and 2 positions within the Centralized Hiring Unit to provide more comprehensive background checks for correctional applicants. The department reports that positions within the Centralized Hiring Unit and the Canine Unit have been filled, and an academy class for new Canine Unit recruits is currently underway. Although fiscal 2015 budget bill language expressed the legislature's intent that the department add 100 new correctional officers each year until reaching a specified total, the allowance does not include additional funding or correctional officer positions. This is consistent with the more recent recommendation of SAC that, given the State's fiscal condition, the State should not create additional positions.

Correctional Officer In-service Training

Not noted in Exhibit 12 is overtime funding associated with the department's plan to phase in an increase for correctional officer in-service training. In its review of DPSCS training requirements, a common concern brought to the attention of the Special Joint Commission on Public Safety and Security in State and Local Correctional Facilities was the lack of ongoing training provided to correctional staff. Currently, the department requires 18 hours of in-service training annually, although the nationally recognized standard from the American Correctional Association (ACA) requires 40 hours annually. The correctional training curriculum was altered in calendar 2012 to include the topic of fraternization, however, the current level of training is still insufficient, particularly in light of the department's expressed intentions, and the Special Joint Commission's recommendation, to eventually achieve ACA accreditation at each of its facilities. The commission recommended that DPSCS increase the annual in-service training requirement for correctional staff to 40 hours annually, specifying that the implementation should occur as quickly as is feasible and be pursued independent of achieving ACA accreditation.

DPSCS developed a plan to gradually increase in-service training to 40 hours for all certified staff over five years. Six facilities provided 40 hours of in-service training in calendar 2014 as part of the phased plan. An additional five facilities were slated to increase training in calendar 2015, three in calendar 2016, and finally, BCDC and BCBIC in calendar 2017. Last year, the Maryland General Assembly adopted committee narrative expressing intent that DPSCS make increasing in-service training for custodial employees a priority at facilities located in Baltimore City; specifically that increased training should be provided at BCDC and BCBIC by the end of fiscal 2016. However, in light of the general fund reductions that the department faces in fiscal 2015 and 2016, the department now must reconsider whether it is financially feasible for the in-service training schedule to move forward as planned. The department's four ACA-accredited facilities are expected to continue providing 40 hours of in-service training annually in order to maintain accreditation, but all other facilities may return to 18 hours annually.

The department should comment on the prioritization and financial feasibility of security and staffing enhancements planned to take place in fiscal 2015 and 2016. The department should also comment on the estimated cost of increasing in-service training at BCBIC and BCDC and whether, absent in-service training increases at other State facilities, this could be achieved with current resources.

2. Correctional Facility Audits

The fiscal 2014 *Joint Chairmen's Report* directed DPSCS to submit a report evaluating the standards used by the Maryland Commission on Correction Standards (MCCS) compared to those used by ACA for accreditation, including a discussion of facility compliance, methods to align correctional standards, and the potential to limit advance notice given to facilities prior to audits. The requested report was submitted in December 2014.

MCCS Auditing

MCCS has been auditing adult State and local facilities since its establishment in 1980. Commission staff, assisted by duly authorized inspectors, conduct formal audits on a three-year rotating basis to identify deficiencies, suggest corrective action plans, and provide technical assistance as needed. Due to the level of preparation and organization that facilities must complete prior to audits, particularly in regard to documentation, MCCS provides 60-day advance notice of audits to facilities. All Maryland State correctional standards, which fall into eight main disciplines, are mandatory and require 100% compliance from State and local correctional facilities. Should a facility be found less than 100% compliant upon completion of the initial audit, MCCS conducts a second monitoring visit within six months. If a facility is found to still be noncompliant after the monitoring visit, additional actions are taken to bring the facility into full compliance. All facilities are to be in full compliance within one year of approval of a compliance plan.

MCCS correctional standards are intended to provide facilities with a template for best practices for correctional operations. While correctional facilities must have written policies and procedures to address certain elements of each standard, there is flexibility in the acceptable policies and procedures in order to allow for different facility layouts, areas of concern, or other variables. Therefore, MCCS feels that the standards are appropriately aligned at all correctional facilities. However, in accordance with Chapters 142 and 143 of 2014, MCCS is in the process of reviewing its current standards and proposed revisions to adopt and enact new standards. MCCS expects to vote on standards modifications and recommendations in spring 2015. MCCS reports that its auditing process differs from that of ACA in that MCCS focuses far more on facility tours and employee interviews to ensure that documentation reflects actual practice. Both MCCS and ACA audit processes include review of documentation and files to verify policy and procedure.

MCCS Audit Compliance

MCCS audited 21 facilities in fiscal 2014, including 10 State facilities, 10 local facilities, and 1 private facility. Of the 21 facilities, 7 were found 100% compliant at the initial audit, 3 were found 100% compliant after a monitoring visit, and at the time of the report, the remaining 11 had a monitoring visit scheduled. With the exception of BCDC, all facilities had an initial audit compliancy rate above 90%. BCDC's audit resulted in a compliancy rate of 75%, primarily as a result of missing documentation. The facility's sprinkler system issues also contributed to the low compliancy rating. **Exhibit 13** further details MCCS audit performance by region for four disciplines of correctional standards.

The department should comment on actions taken to correct audit noncompliance issues at BCDC.

Exhibit 13
Maryland Commission on Correctional Standards
Initial Audit Compliance by Region
Fiscal 2011-2014

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Security Standards				
North	97%	98%	88%	97%
South	98%	99%	100%	100%
Central	100%	97%	n/a	90%
Medical, Dental, and Mental Health Standards				
North	97%	95%	100%	100%
South	98%	98%	83%	93%
Central	97%	98%	n/a	89%
Food Service Standards				
North	100%	100%	100%	100%
South	100%	100%	100%	100%
Central	100%	100%	n/a	95%
Housing and Sanitation Standards				
North	100%	88%	100%	100%
South	96%	93%	100%	100%
Central	94%	89%	n/a	77%

Source: Maryland Commission on Correctional Standards

ACA Accreditation Auditing

The State currently has four facilities accredited by ACA: the Eastern Correctional Institution (ECI), Western Correctional Institution, Chesapeake Detention Facility (CDF), and most recently, the Roxbury Correctional Institution. At the time of the report, four additional facilities were scheduled to undergo the accreditation process in calendar 2015, however, due to the fiscal climate, the department reports that it is reevaluating the accreditation schedule. The estimated cost of accrediting the four facilities in calendar 2015 is \$53,800.

3. Dorsey Run Correctional Facility

To address the need for minimum security beds, DPSCS entered into an agreement with the U.S. Marshals Service to operate the CDF (formerly the Maryland Correctional Adjustment Center) as a 500-bed federal detention center, in exchange for operating funds for the detention center and \$20 million in federal funding to be used toward construction of a new State facility.

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DRCF is located within the Jessup Correctional Complex on a parcel of land between the former site of the Maryland House of Correction and the now closed Jessup Pre-Release Unit (JPRU). The project consists of two compounds and is being constructed in two phases. Each phase consists of two two-story, 280-bed dormitory style housing units; a support services building; a strip search room; recreation yard; parking lot; and a perimeter security system with sallyport, utilities, and lighting. In total, the project will provide 1,120 new minimum security beds. The total estimated cost of the project is \$55.1 million, up significantly from the \$46.6 million estimate when the project was first funded in the 2009 session.

Phase I is complete and was occupied by inmates previously housed at JPRU beginning in November 2013. The operating costs associated with the first compound were funded by closing the JPRU facility and transferring all staff, inmates, and appropriations to the new DRCF. The Maryland Consolidated Capital Bond Loan bill of 2015 provides \$3.5 million to complete construction of Phase II and equip the facility in fiscal 2016.

The project is being constructed utilizing a design/build methodology. The contract for Phase II was awarded in December 2013. Construction of the project began in July 2014 and is estimated to require 18 months to complete. DPSCS currently anticipates the project being ready for occupancy by the end of fiscal 2016. Once complete, the department estimates that Phase II will require 109 positions and \$6.1 million in the first fiscal year for operation. The facility operating costs for an entire fiscal year total \$8.9 million, beginning in fiscal 2017.

The department's 2013 facilities master plan indicates that construction of DRCF will allow the vacating of the Jail Industries (JI) building located in BCCC, which contains dormitory-style housing. The department's long-term plan for the JI building is demolition after construction of the new men's detention center and replacement with a parking garage for staff and visitors, with a start date beyond fiscal 2028. However, the department has indicated that the plan to shift the JI building population to DRCF Phase II was included in the 2013 facilities master plan in error.

The department previously indicated that the opening of DRCF Phase II was intended to eliminate temporary nonconventional beds. Another option that has more recently been identified is to shift operation from Brockbridge Correctional Facility (BCF) to DRCF once Phase II opens. BCF had an average daily population of 447 in fiscal 2014. The facility serves as a hub for the Maryland Correctional Pre-Release Services and houses a central kitchen and warehouse that other nearby facilities depend on. The kitchen and warehouse were both renovated within the past 10 years at a total cost of \$9.3 million in general obligation bonds.

DLS recommends restricting funds for operation of DRCF Phase II until the department submits a report outlining an updated facility plan.

4. New Hepatitis C Prescription Treatments

Hepatitis C and Treatment Options

According to the federal Centers for Disease Control, Hepatitis C is a contagious liver disease that ranges in severity from a mild illness lasting a few weeks to a serious, lifelong illness that attacks the liver. It results from infection with the Hepatitis C virus (HCV), which is spread primarily through contact with the blood of an infected person. HCV can be either “acute” or “chronic.” Acute HCV infection is a short-term illness that occurs within the first six months after someone is exposed to the virus. For most people (80% to 85%), acute infection leads to chronic infection. Chronic HCV infection is a long-term illness that occurs when the virus remains in a person’s body. HCV infection can last a lifetime and lead to serious liver problems, including cirrhosis or liver cancer.

DPSCS first began providing HCV therapy in 2006. HCV treatment for Maryland State correctional inmates is reviewed and approved by a panel of professionals that includes an infectious disease specialist, clinical pharmacologists, a psychiatrist, statewide and regional medical directors, infectious disease nurses, and DPSCS nurse consultants. The panel convenes weekly and typically reviews 10 to 15 HCV cases each meeting. Similar to many other correctional systems, most Maryland correctional HCV patients are currently treated with pegylated interferon (Pegasys) and Ribavirin based on genotype for a 48-week treatment period. This treatment is not a cure and has many side effects. Inmates known to be HCV positive, regardless of the stage of the infection, are enrolled in a chronic care clinic that does evaluations every 90 days.

In recent years a wide variety of new treatments have become available to treat HCV, with various degrees of effectiveness and side effects. Most dramatically, the emergence of three breakthrough drug treatments, Sovaldi, Harvoni, and the Viekera Pak, offer the promise of high rates of cure with limited side effects. Indeed, cure rates are reported as high as 94% for individuals with advanced liver disease. However, the cost of a single 12-week course of treatment for Sovaldi for example, can be as high as \$85,000. That cost has fueled significant debate among State Medicaid programs, correctional programs, and the federal government about whether and how to cover the cost of treatment.

Prescription Costs

In fiscal 2014, the department spent a total of \$3.9 million on Hepatitis C treatments. The typical treatment provided to Hepatitis C positive inmates in a combination of Pegasys and Ribavirin for 48 weeks, at a cost of \$41,763, excluding lab costs for the treatment duration. Of the department’s fiscal 2014 population, 9.2% was HCV positive, and 4.3% of the HCV positive inmate population received treatment. The department is currently treating one HIV positive inmate with the 24-week Harvoni treatment at a cost of \$185,000. The cost of the new prescription treatments, which at the cheapest rates are more than double the cost of the current standard treatment, are outlined in **Exhibit 14**. Treatment for just a few inmates would quickly add up to a significant amount.

Exhibit 14
Hepatitis C Treatment

<u>Treatment</u>	<u>Duration</u>	<u>Cost</u>
Pagasys/Ribavirin*	48 weeks	\$41,763
Viekira Pak	12 weeks	81,651
	24 weeks	163,584
Sovaldi	12 weeks	82,461
	24 weeks	164,922
Harvoni	12 weeks	92,610
	24 weeks	185,220

*Currently, this is the typical treatment prescribed by the Department of Public Safety and Correctional Services medical panel.

Source: Department of Public Safety and Correctional Services

While upfront costs are certainly high, there are potentially long-term savings from averting end-stage liver disease. However, those savings may not be realized for many years based on the progression of the disease and may not be realized at all by DPSCS depending on the length of incarceration. Certainly, from a public health standpoint, correctional settings are somewhat ideal for HCV treatment due to the higher concentration of infection and the likelihood inmates will eventually return to the community. As of October 2014, 88.9% of the incarcerated population had a sentence less than life.

Concerning pharmaceutical costs, DPSCS has been engaged in an extraordinarily lengthy procurement for a new inmate pharmacy contract. The initial term of the existing contract with Correct Rx, a Maryland-based institutional pharmaceutical provider, was June 30, 2005, through June 30, 2007, with three one-year renewal options. In December 2011, DPSCS recommended award of the contract to an out-of-state vendor in the face of a protest from the current vendor. The recommendation was denied by the Board of Public Works, and in January 2013, the Board of Contract Appeals denied the department's motion for reconsideration. DPSCS has been granted multiple contract extensions, with the current contract set to expire in June 2015.

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DPSCS should comment on how many inmates it expects will receive the new treatments and the associated increase for inmate pharmaceutical costs. The department should also comment on the status of rebidding the inmate pharmacy contract, and the opportunity for discounts for Hepatitis C treatments.

Recommended Actions

1. Add the following language to the general fund appropriation:

Provided that 50 General Fund positions shall be abolished as of July 1, 2015.

Explanation: This action deletes 50 positions within the Department of Public Safety and Correctional Services as of July 1, 2015. The department currently has well over the necessary number of vacancies needed to meet fiscal 2016 turnover. This action will better align actual vacant positions with the department’s turnover requirements. The language only abolishes the positions. The funding for the positions remains in the budget for use toward fulfilling cost containment reductions.

2. Add the following language to the general fund appropriation:

Provided that the Department of Public Safety and Correctional Services (DPSCS) shall regularly conduct a new post-by-post security staffing analysis for each of its custodial agents in order to identify the actual number of regular positions needed to safely and securely staff the State’s correctional institutions. DPSCS shall provide a written report to the budget committees no later than December 1, 2015, with bi-annual submissions thereafter, summarizing the results of the analysis and explaining the need for any staffing changes resulting from the staffing analysis or changes in policy that require the use of additional positions. The budget committees shall have 45 days to review and comment following receipt of the report.

Explanation: This action requires DPSCS to regularly conduct a post-by-post security staffing analysis and submit a summary report to the budget committees no later than December 1, 2015, explaining the need for any increases in staffing. Providing proper staffing can have an impact on the amount of overtime used by the custodial agencies. Over the past decade, the department has increased its use of temporary posts filled with overtime in order to implement policies designed to improve safety and security in the facilities. After careful review, it appears that the majority of these temporary posts should actually be permanent positions. Conducting regular staffing assessments should assist the department and the General Assembly in monitoring the staffing and overtime situation in the State’s correctional and detention facilities.

Information Request	Author	Due Date
Staffing analysis	DPSCS	December 1, 2015

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3. Add the following language:

Provided that no funds within this budget may be expended for operations at Dorsey Run Correctional Facility (DRCF) Phase II until a report outlining a department facility plan is submitted to the budget committees. The report shall contain future uses, including plans for renovation, demolition, or upgrade, as well as anticipated changes in the future operating cost, of DRCF, Brockbridge Correctional Facility, the Jail Industries building, and any other facilities affected by the opening of DRCF Phase II. Upon receipt, the budget committees shall have 45 days to review and comment.

Explanation: The department has not yet identified a plan for staffing, populating, or operating DRCF Phase II, which is scheduled to become operational at the end of fiscal 2016. The language restricts the use of funds for DRCF Phase II until a report outlining a facility plan is submitted to the budget committees. The submitted report should specifically address the future uses, including plans for renovation, demolition, or upgrade, as well as anticipated changes in the future operating cost, of DRCF, Brockbridge Correctional Facility, the Jail Industries building, and any other facilities affected by the opening of DRCF Phase II.

Information Request	Author	Due Date
Department facility plan	Department of Public Safety and Correctional Services	45 days prior to release of funds

Current and Prior Year Budgets

Current and Prior Year Budgets DPSCS Operations (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2014					
Legislative Appropriation	\$964,514	\$28,697	\$23,858	\$3,938	\$1,021,008
Deficiency Appropriation	37,821	0	0	0	37,821
Budget Amendments	-12,615	-1,707	1,343	185	-12,794
Reversions and Cancellations	-2,920	-13,392	-395	-677	-17,385
Actual Expenditures	\$986,800	\$13,598	\$24,806	\$3,446	\$1,028,649
Fiscal 2015					
Legislative Appropriation	\$1,021,676	\$13,914	\$24,819	\$3,552	\$1,063,961
Cost Containment	0	0	0	0	0
Budget Amendments	5,449	64	132	0	5,644
Working Appropriation	\$1,027,125	\$13,978	\$24,951	\$3,552	\$1,069,606

Note: Numbers may not sum to total due to rounding. The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies.

Fiscal 2014

In fiscal 2014, the total budget for DPSCS Operations increased by \$7.6 million from the legislative appropriation, largely due to general fund increases. DPSCS Operations' general fund budget was increased by a total of \$22.3 million. Deficiency appropriations added \$37.8 million. Among other items, the deficiency appropriations funded:

- \$9.0 million to support custodial employee overtime;
- \$10.8 million to cover inmate variable costs associated with a higher inmate population than is currently budgeted in fiscal 2014 and the increased cost of food purchases. Approximately \$8.5 million of the deficiency was needed because DPSCS misestimated the number of offenders who would be released in fiscal 2014 under its now defunct Earned Release Policy. The fiscal 2014 budget was created using the assumption that the department would release an additional 1,200 offenders under the policy. The eligible population proved to be considerably smaller than anticipated; as such, the fiscal 2014 population was approximately 900 to 1,000 higher than budgeted;
- \$5.6 million for contractual inmate pharmacy services. The department struggled to award a new pharmacy contract, which resulted in multiple contract extensions with the current vendor;
- \$4.7 million to implement a cell phone managed-access system at BCDC.; and
- \$400,000 to cover a shortfall in DDMP revenues.

Budget amendments allocating funds for the general salary increase added a total of \$11.4 million to the agency's budget. These increases are partially offset by DPSCS Operations' share of the statewide reductions for health (\$16.8 million) and retirement (\$8.8 million). The general fund budget for the administration decreased by an additional \$2.9 million due to reversions, primarily for vacancies.

Special funds for DPSCS Operations decreased by a net \$15.1 million, largely due to cancelled funds associated with the privatization of commissary operations. Commissary privatization was phased in during fiscal 2014, and all commissaries were privatized by December 2013. Additionally, a budget amendment decreased the agency's special funds by \$1.7 million in order to reallocate special funds to the Office of the Secretary, Information Technology and Communications Division so that increased revenue from criminal record checks could be used to fund related expenditures as incurred, and reallocate funds as a result of the commissary privatization.

DPSCS Operations' federal fund budget increased by just under \$1 million, primarily due to a budget amendment adding unappropriated fund revenue for the State Criminal Alien Assistance Program at ECI and reimbursements from the Department of Justice, U.S. Marshal for CDF and BCDC.

Fiscal 2015

The agency’s fiscal 2015 working appropriation has increased by \$5.6 million, largely due to general fund budget amendments allocating the fiscal 2015 annual salary review and a COLA totaling a combined \$5.4 million.

**Object/Fund Difference Report
DPSCS – Operations**

<u>Object/Fund</u>	<u>FY 14 Actual</u>	<u>FY 15 Working Appropriation</u>	<u>FY 16 Allowance</u>	<u>FY 15 - FY 16 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	9,477.10	9,552.10	9,549.10	-3.00	0%
02 Contractual	146.85	196.64	195.69	-0.95	-0.5%
Total Positions	9,623.95	9,748.74	9,744.79	-3.95	0%
Objects					
01 Salaries and Wages	\$ 703,171,759	\$ 738,437,635	\$ 784,500,068	\$ 46,062,433	6.2%
02 Technical and Spec. Fees	4,675,045	4,888,731	4,161,270	-727,461	-14.9%
03 Communication	2,899,115	2,502,595	2,567,929	65,334	2.6%
04 Travel	284,473	265,050	256,350	-8,700	-3.3%
06 Fuel and Utilities	52,868,810	48,227,087	49,058,631	831,544	1.7%
07 Motor Vehicles	2,200,566	2,593,915	2,637,004	43,089	1.7%
08 Contractual Services	198,478,281	199,556,009	207,027,503	7,471,494	3.7%
09 Supplies and Materials	45,046,784	41,497,264	43,638,731	2,141,467	5.2%
10 Equipment – Replacement	930,460	297,053	330,729	33,676	11.3%
11 Equipment – Additional	5,166,329	4,175,677	0	-4,175,677	-100.0%
12 Grants, Subsidies, and Contributions	6,736,060	8,244,663	7,124,075	-1,120,588	-13.6%
13 Fixed Charges	4,774,988	5,109,260	4,927,535	-181,725	-3.6%
14 Land and Structures	1,416,686	1,010,800	748,000	-262,800	-26.0%
Total Objects	\$ 1,028,649,356	\$ 1,056,805,739	\$ 1,106,977,825	\$ 50,172,086	4.7%
Funds					
01 General Fund	\$ 986,800,188	\$ 1,014,325,253	\$ 1,063,467,081	\$ 49,141,828	4.8%
03 Special Fund	13,597,887	13,977,582	13,456,659	-520,923	-3.7%
05 Federal Fund	24,805,514	24,951,251	26,285,941	1,334,690	5.3%
09 Reimbursable Fund	3,445,767	3,551,653	3,768,144	216,491	6.1%
Total Funds	\$ 1,028,649,356	\$ 1,056,805,739	\$ 1,106,977,825	\$ 50,172,086	4.7%

Note: The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies. The fiscal 2016 allowance does not reflect contingent or across-the-board reductions.

**Fiscal Summary
DPSCS – Operations**

<u>Program/Unit</u>	<u>FY 14 Actual</u>	<u>FY 15 Wrk Approp</u>	<u>FY 16 Allowance</u>	<u>Change</u>	<u>FY 15 - FY 16 % Change</u>
01 General Administration	\$ 3,358,233	\$ 3,727,115	\$ 3,917,261	\$ 190,146	5.1%
01 MD Correctional Institution Hagerstown	67,478,984	70,785,262	71,863,022	1,077,760	1.5%
02 MD Correctional Training Center	71,687,742	72,598,503	77,105,171	4,506,668	6.2%
03 Roxbury Correctional Institution	49,676,952	50,516,710	54,127,355	3,610,645	7.1%
04 Western Correctional Institution	55,635,756	55,340,283	59,070,776	3,730,493	6.7%
05 North Branch Correctional Institution	56,112,914	57,970,806	63,381,952	5,411,146	9.3%
06 Patuxent Institution	50,088,000	51,485,504	53,909,571	2,424,067	4.7%
01 Parole and Probation – North Region Operations	19,332,472	20,061,849	21,417,359	1,355,510	6.8%
01 General Administration	6,104,072	6,469,119	6,905,060	435,941	6.7%
01 Jessup Correctional Institution	69,648,447	68,238,658	73,807,929	5,569,271	8.2%
02 MD Correctional Institution Jessup	39,593,934	40,164,558	42,486,616	2,322,058	5.8%
03 MD Correctional Institution for Women	36,703,297	38,386,808	40,250,615	1,863,807	4.9%
04 Brockbridge Correctional Institution	23,328,867	23,087,242	24,776,440	1,689,198	7.3%
05 Jessup Pre-Release Unit	6,745,186	0	0	0	0%
06 Southern Pre-Release Unit	5,184,470	5,287,679	5,735,429	447,750	8.5%
07 Eastern Pre-Release Unit	5,559,536	5,520,589	5,865,966	345,377	6.3%
08 Eastern Correctional Institution	106,383,783	106,912,512	113,675,987	6,763,475	6.3%
09 Dorsey Run Correctional Facility	10,695,124	17,390,894	19,539,587	2,148,693	12.4%
01 Parole and Probation – South Region Operations	24,695,947	26,758,591	27,663,495	904,904	3.4%
01 General Administration	4,074,963	4,293,833	4,345,983	52,150	1.2%
01 Metropolitan Transition Center	39,414,854	41,664,050	45,128,462	3,464,412	8.3%
02 MD Reception, Diagnosis and Classification Center	34,464,111	39,359,734	37,056,020	-2,303,714	-5.9%
03 Baltimore Pre-release Unit	5,537,357	5,290,738	0	-5,290,738	-100.0%
04 Baltimore City Correctional Center	14,122,385	14,407,179	15,059,873	652,694	4.5%
05 Central Maryland Correctional Facility	14,101,282	14,875,983	15,890,322	1,014,339	6.8%
01 Parole and Probation – Central Region Operations	37,158,047	38,243,481	40,307,182	2,063,701	5.4%
02 Pretrial Release Services	5,769,488	6,004,708	6,334,869	330,161	5.5%
01 Chesapeake Detention Facility	22,016,576	23,085,902	24,916,941	1,831,039	7.9%

0000 – DPSCS – Operations

Appendix 3

<u>Program/Unit</u>	<u>FY 14 Actual</u>	<u>FY 15 Wrk Approp</u>	<u>FY 16 Allowance</u>	<u>Change</u>	<u>FY 15 - FY 16 % Change</u>
03 Baltimore City Detention Center	86,405,685	85,770,788	90,087,088	4,316,300	5.0%
04 Central Booking and Intake Facility	57,570,892	63,106,661	62,351,494	-755,167	-1.2%
Total Expenditures	\$ 1,028,649,356	\$ 1,056,805,739	\$ 1,106,977,825	\$ 50,172,086	4.7%
General Fund	\$ 986,800,188	\$ 1,014,325,253	\$ 1,063,467,081	\$ 49,141,828	4.8%
Special Fund	13,597,887	13,977,582	13,456,659	-520,923	-3.7%
Federal Fund	24,805,514	24,951,251	26,285,941	1,334,690	5.3%
Total Appropriations	\$ 1,025,203,589	\$ 1,053,254,086	\$ 1,103,209,681	\$ 49,955,595	4.7%
Reimbursable Fund	\$ 3,445,767	\$ 3,551,653	\$ 3,768,144	\$ 216,491	6.1%
Total Funds	\$ 1,028,649,356	\$ 1,056,805,739	\$ 1,106,977,825	\$ 50,172,086	4.7%

Note: The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies. The fiscal 2016 allowance does not reflect contingent or across-the-board reductions