
Department of Public Safety and Correctional Services Fiscal 2017 Budget Overview

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

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Q00
Department of Public Safety and Correctional Services
Fiscal 2017 Budget Overview

Agency Description

The Department of Public Safety and Correctional Services (DPSCS) helps to keep Maryland communities safe and provides services to victims of crime. The department strives to ensure the safety, security, and well-being of defendants and offenders under its supervision and to provide criminal justice agencies with access to timely, accurate information about defendants and offenders.

Departmental Reorganization

Shortly after the start of fiscal 2016, DPSCS implemented a departmentwide reorganization. Between approximately September 2012 and April 2015, the department's functional units (parole and probation, corrections, and detention) were organized regionally in an effort to improve successful offender re-entry and lower recidivism. However, the department has now returned to its former organizational structure of individual agencies for each function, which includes the Division of Correction (DOC), the Division of Parole and Probation (DPP), the Patuxent Institution, and the Division of Pretrial Detention (DPD). Maryland Correctional Enterprises (MCE) is now organized within DOC, and the Warrant Apprehension Unit (previously under the Office of the Deputy Secretary for Operations) is organized within DPP. Other units, boards, and commissions remain largely unaffected by the reorganization.

Fiscal 2016

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Deficiencies

There are 16 deficiency appropriations, which add a net \$31.9 million in general funds to the fiscal 2016 working appropriation. The deficiencies are outlined in **Exhibit 1** and will be discussed in further detail in their respective agency analyses.

Fiscal 2016 deficiency appropriations for DPSCS include nearly \$6.7 million in general funds to implement cell phone managed access systems at the Baltimore Central Booking and Intake Center (BCBIC) and the Maryland Reception, Diagnostic, and Classification Center (MRDCC). The department originally received funding to expand implementation of cell phone managed access to these facilities in the fiscal 2015 legislative appropriation, in accordance with a recommendation from the 2013 Special Joint Commission on Public Safety and Security in State and Local Correctional Facilities. However, the funding was removed as part of the department's fiscal 2015 2% general fund reduction.

Exhibit 1
Fiscal 2016 Deficiency Appropriations

<u>Item</u>	<u>Funding</u>
Custodial employee overtime	\$13,186,951
Cell phone managed access systems at BCBIC and MRDCC	6,680,000
Emergency maintenance and powerplant upgrades	5,102,565
Replacement radio system at BCBIC	3,050,000
Accrued leave payout	2,900,000
Replacement and purchase of food service vehicles	1,006,845
Total Fiscal 2016 Deficiencies	\$31,926,361

BCBIC: Baltimore Center Booking and Intake Center

MRDCC: Maryland Reception, Diagnostic, and Classification Center

Source: Department of Legislative Services; State Budget

Cost Containment

The department's fiscal 2016 legislative appropriation included a 2% across-the-board general fund reduction totaling \$24.4 million. The department allocated the reduction in the following ways:

- \$6.0 million for increased vacancies;
- \$5.6 million for reduced inmate medical and food costs associated with a decreasing inmate population;
- \$4.5 million for elimination of roll call and implementation of a 10-hour correctional officer shift;
- \$2.4 million for salary savings associated with a 50-position reduction;
- \$1.9 million for savings in maintenance, overtime, and other costs associated with the closure of the Baltimore City Men's Detention Center (MDC);

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- \$1.6 million for reclassification of vacant positions and elimination of contractual full-time equivalents (FTE);
- \$1.5 million for revised lease-financing schedules for information technology (IT) and dietary equipment;
- \$500,000 for expiration of the Public Safety Compact; and
- \$400,000 for delayed enhancements to the electronic medical records system.

The department was unable to meet the January 2016 schedule set by the Department of Budget and Management for negotiating the elimination of roll call and the implementation of a 10-hour correctional officer shift. The implementation of a 10-hour shift would also require legislation, which to date has not been introduced. All \$4.5 million in anticipated overtime savings is returned to the department as part of the fiscal 2016 overtime deficiency appropriation of \$13.2 million. The department also received deficiencies for overtime and facility maintenance, negating the \$1.9 million in anticipated savings associated with the closure of MDC. **The department should comment on whether it still plans to pursue negotiations related to eliminating roll call and implementing an extended shift in facilities.**

Fiscal 2017

The department's fiscal 2017 allowance totals just more than \$1.4 billion after adjusting for a fiscal 2017 across-the-board reduction for health insurance. Approximately 87.0% of the department's allowance is general funds. In comparison to the fiscal 2016 working appropriation, accounting for the \$31.9 million in deficiencies, the allowance reflects growth of 1.6%. Absent the fiscal 2016 deficiencies, the department's fiscal 2017 allowance reflects growth of approximately \$54.7 million, or 4.0%.

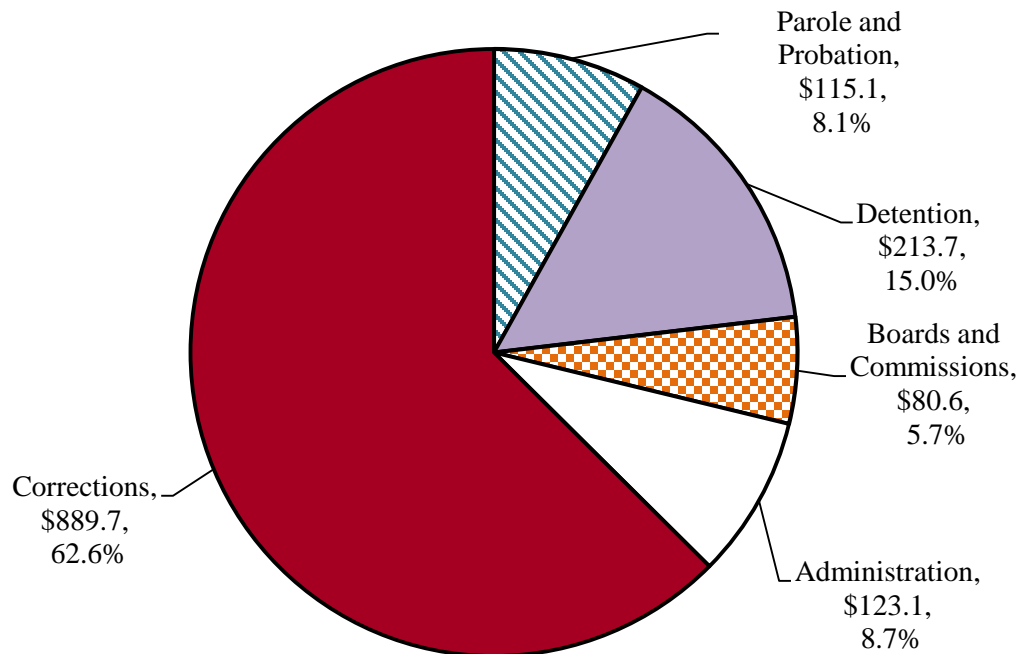
Budget Overview

DPSCS can be categorized into five functional areas: administration, boards and commissions, detention, corrections, and parole and probation. As seen in **Exhibit 2**, the largest functional unit is the corrections function, which is responsible for the physical confinement and control of inmates incarcerated by Maryland's judicial system and includes the operation of 18 State prison facilities. The corrections function also includes the MCE, as well as the Security Operations Unit within the Office of the Deputy Secretary for Operations. The corrections function accounts for 62.6%, or \$889.7 million, of the department's \$1.4 billion fiscal 2017 allowance.

The next largest functional area is the detention function, which is responsible for everyone arrested in Baltimore City or arrested on a warrant from Baltimore City, as well as operation of the federal Chesapeake Detention Facility (CDF), for which the State receives federal

reimbursement. It includes CDF, BCBIC, the Baltimore Pretrial Complex (BPC, formerly the Baltimore City Detention Center (BCDC)), and the Metropolitan Transition Center (MTC). Operation of these detention facilities accounts for 15%, or \$213.7 million, of the department's allowance in fiscal 2017.

Exhibit 2
Fiscal 2017 Allowance by Function
(\$ in Millions)



Source: Department of Legislative Services; State Budget

The parole and probation function includes the Pretrial Release Services Program, the Central Home Detention Unit, the Warrant Apprehension Unit, and the regional units responsible for supervising offenders under criminal supervision via probation or parole, and individuals assigned to the Drinking Driving Monitor Program (DDMP). The parole and probation function's fiscal 2017 allowance is \$115.1 million, or 8.1%, of the total DPSCS allowance.

The administrative function accounts for 8.7% of the department's fiscal 2017 allowance and is composed of most of the units within the Office of the Secretary, including the Intelligence and Investigative Division, General Administration, Capital and Facilities Management, and the IT and Communications Division. The administration function also includes units within the

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Office of the Deputy Secretary for Operations, as well as General Administration units for the DOC and DPD. The administrative units coordinate and support the activities of the other functions. The administrative function's fiscal 2017 allowance is \$123.1 million.

The final functional area is the boards and commissions function, which includes the Criminal Injuries Compensation Board (CICB), the Maryland Parole Commission (MPC), the Inmate Grievance Office (IGO), the Emergency Number Systems Board (ENSB), the Maryland Commission on Correctional Standards (MCCS), and the Police and Correctional Training Commissions (PCTC). CICB, IGO, and ENSB receive the majority of their operating revenue from special funds. CICB provides the administrative support to victims who wish to be compensated for injuries and damages sustained as a result of criminal activity. MPC hears cases for parole release and revocation and is authorized to parole inmates sentenced to a term of confinement of six months or more. ENSB develops policy and provides financial support for the State's 9-1-1 emergency system. MCCS develops and audits compliance with the standards for all public and private correctional and detention facilities in the State. PCTC develops the training standards for all law enforcement and correctional officers in the State. The boards and commissions' functional area aggregate fiscal 2017 allowance is approximately \$80.6 million, or 5.7% of the total DPSCS allowance.

Exhibit 3 provides an overview of the fiscal 2017 allowance by agency compared to the fiscal 2016 working appropriation. The most significant dollar increase occurs in DOC, although the actual percentage growth is minimal. The allowance for DPD decreases by \$17.0 million, or 6.1%, from the working appropriation largely due to the removal of one-time deficiency appropriations. The allowance for DPP increases by \$6.2 million in comparison to fiscal 2016 spending, almost entirely as a result of personnel expenses.

The total general fund appropriation for the department reflects growth of \$17.7 million, or 1.5%. Absent the fiscal 2016 deficiency appropriations and including the fiscal 2017 across-the-board health insurance reduction, general fund growth is 4.5%. Given that more than four-fifths of the department's operations are funded via general funds, this reflects minimal growth in fiscal 2017 and suggests likelihood for underfunding in the Governor's allowance.

The department's special fund appropriation increases by 0.7%, or \$1 million. This increase is largely driven by personnel and miscellaneous spending increases within MCE, which is a self-sustaining agency.

The \$3.8 million (13%) increase in federal funds is primarily driven by grant funding for a new major IT project to replace the Computerized Criminal History system, as well as additional federal revenue for the operation of CDF in Baltimore City. This facility houses federal detainees awaiting trial in Maryland and is operated by the State on behalf of the federal government.

Exhibit 3
DPSCS – Total Funds by Program
Fiscal 2016-2017

	Working Approp. 2016	Deficiencies 2016	Revised Working Approp. 2016	Allowance 2017	\$ Change 2016-17	% Change 2016-17
Operating Programs						
DPSCS						
Administration	\$199,718,356	\$3,728,163	\$203,446,519	\$204,672,678	\$1,226,159	0.6%
Division of Correction	728,383,762	4,719,798	733,103,560	762,167,966	29,064,406	4.0%
Parole Commission	5,924,710		5,924,710	5,948,171	23,461	0.4%
Patuxent Institution	52,074,911		52,074,911	54,735,690	2,660,779	5.1%
Inmate Grievance Office	1,081,869		1,081,869	1,162,349	80,480	7.4%
Police/Correctional Training Commissions	10,388,928		10,388,928	10,719,151	330,223	3.2%
Criminal Injuries Compensation Board	5,196,273		5,196,273	5,250,766	54,493	1.0%
Maryland Commission on Correctional Standards	531,104		531,104	558,683	27,579	5.2%
Division of Parole and Probation	108,553,567		108,553,567	114,777,978	6,224,411	5.7%
Division of Pretrial Detention	252,223,629	23,478,400	275,702,029	258,751,815	-16,950,214	-6.1%
Total	\$1,364,077,109	\$31,926,361	\$1,396,003,470	\$1,418,745,247	\$22,741,777	1.6%
Funds						
General Fund	\$1,185,099,329	\$31,926,361	\$1,217,025,690	\$1,234,735,495	\$17,709,805	1.5%
Special Fund	143,739,050		143,739,050	144,781,898	1,042,848	0.7%
Federal Fund	29,149,767		29,149,767	32,946,201	3,796,434	13.0%
Reimbursable Fund	6,088,963		6,088,963	6,281,654	192,691	3.2%
Total	\$1,364,077,109	\$31,926,361	\$1,396,003,470	\$1,418,745,248	\$22,741,778	1.6%

Note: One across-the-board reduction is made to spending for statewide employee health insurance costs.

Source: Department of Public Safety and Correctional Services, Governor's Budget Books, Fiscal 2017

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Exhibit 4 provides additional detail on how the department’s operating expenses in the fiscal 2017 allowance increase by \$22.7 million, when adjusted for the fiscal 2016 deficiency appropriations and fiscal 2017 back of the bill reductions.

Personnel expenses increase by a net \$29.3 million. Employee and retiree health insurance accounts for most of the increase, at \$18.2 million, followed by the employee retirement system at \$15.1 million. These increases are partially offset by reductions for accrued leave payouts and custodial overtime. Employee overtime decreases by \$4.0 million in the allowance, when accounting for the \$13.2 million fiscal 2016 deficiency. A total of 11 vacant positions are either abolished or transferred to other Executive Branch agencies in the allowance, accounting for a decrease of \$865,000.

The department’s allowance includes three areas of new funding, including \$1 million in general funds to implement three recommendations of the Lieutenant Governor’s Heroin and Opioid Emergency Task Force, another \$1 million in general funds to install drone detection software at two correctional facilities, and funds for partial year operation of the new Baltimore City Youth Detention Center (YDC). The allowance does not include additional positions for the operation of the new Baltimore City YDC, but does include a total of \$777,000 for operational costs, primarily consisting of utilities and supply and material purchases.

Exhibit 4
Proposed Budget
DPSCS – Budget Overview
(\$ in Thousands)

Where It Goes:

Personnel Expenses

Employee and retiree health insurance	\$18,211
Employee retirement system.....	15,066
Turnover	6,145
Abolished/transferred positions	-865
Workers’ compensation premium assessment.....	-1,826
Accrued leave payouts	-2,900
Employee overtime.....	-4,030
Other fringe benefit adjustments	-454

Information Technology

Computerized criminal history replacement (Major IT Project)	2,300
MCE Enterprise Resource Program (Major IT Project)	750
IT contracts	673

Heroin and Opioid Emergency Task Force Recommendations

Day reporting center in Baltimore City	540
Outpatient addictions aftercare at MTC	358
Expansion of segregated addictions program	138

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Where It Goes:

Inmate Variable Costs

Inmate medical expenses	2,507
Inmate food purchases and contractual food services	-1,479

Facility Operation, Maintenance, and Security

Fuel and utilities	1,160
Drone detection systems at ECI and WCI	1,000
Partial year operation of new Baltimore City Youth Detention Center	777
Replacement radio system at BCBIC	-3,050
Facility repairs and maintenance	-4,545
Cell phone managed access systems at BCBIC and MRDCC	-6,680

Other

MCE supply and material purchases	2,172
Contractual full-time equivalents	297
Vehicle replacements and purchases	-1,125
Emergency Number System Board grants (county fee)	-2,500
Other	103

Total **\$22,742**

BCBIC: Baltimore Central Booking and Intake Center

ECI: Eastern Correctional Institution

IT: information technology

MCE: Maryland Correctional Enterprises

MTC: Metropolitan Transition Center

MRDCC: Maryland Reception Diagnostic and Classification Center

WCI: Western Correctional Institution

Note: The fiscal 2016 working appropriation reflects deficiencies. The fiscal 2017 allowance reflects back of the bill and contingent reductions to the extent that they can be identified by program.

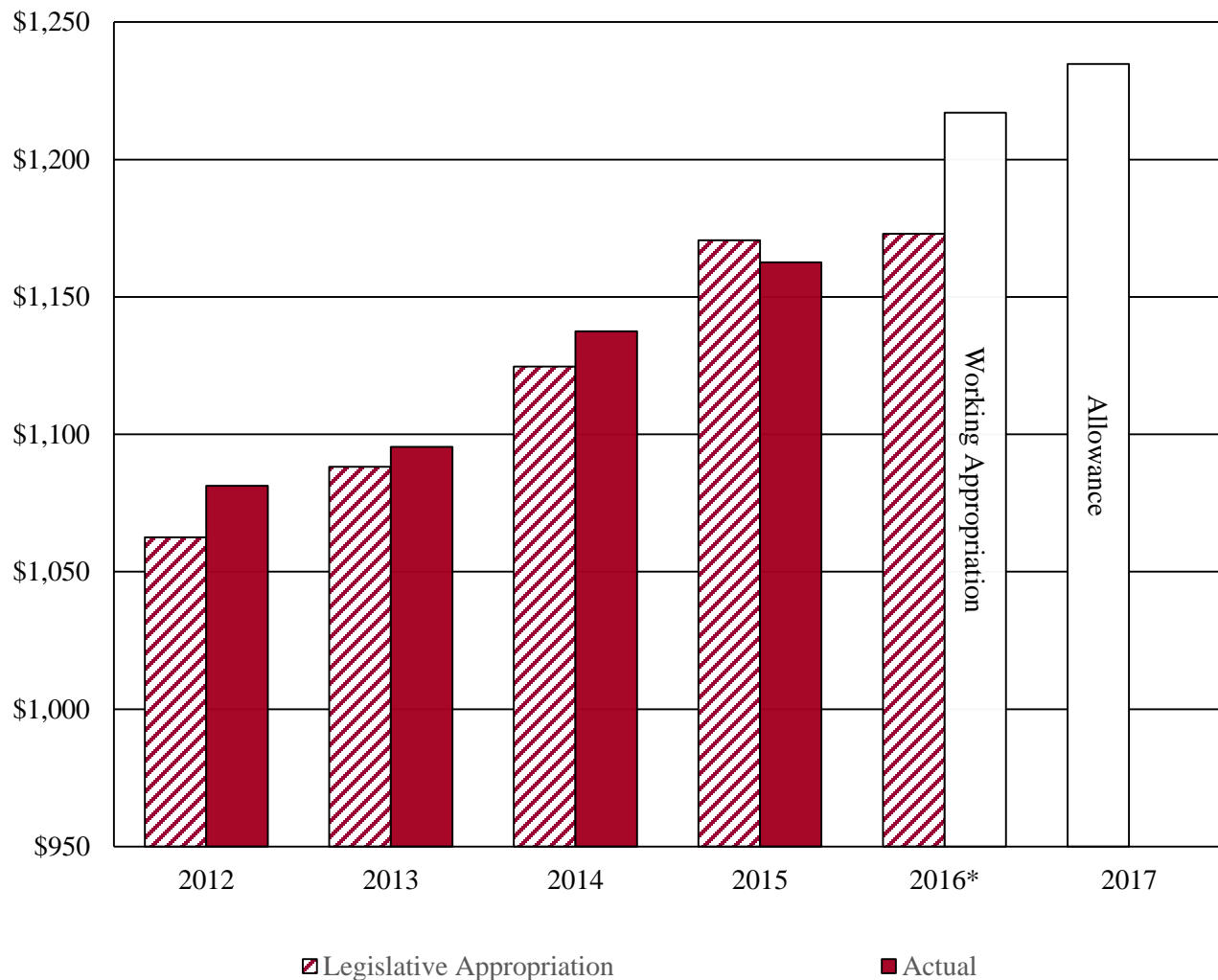
Underfunding Concerns

Exhibit 5 compares the department's actual general fund expenditures versus the legislative appropriation for the past six fiscal years. On average, general funds account for 85% of the department's budget. General fund deficiencies were provided in each of the past five fiscal years, with the gap between the legislative appropriation and actual expenditures, and therefore, the size of the deficiency generally growing.

Fiscal 2015 was the first year since fiscal 2011 that actual spending was below the legislative appropriation. Although this may be attributable to the department's fiscal 2015 2% general fund reduction of \$23.5 million, Exhibit 5 shows that the department's actual spending was only \$8.0 million below the legislative appropriation. Additionally, funding for one-time general fund reductions that were made in order to meet the 2% reduction goal, such as the \$7.2 million for implementing cell phone

managed access systems in Baltimore City facilities, has been appropriated to the department since the close of fiscal 2015. The fiscal 2016 working appropriation for general funds exceeds the legislative appropriation by \$44.0 million when adjusting for fiscal 2016 deficiencies, negating the \$24.4 million 2% reduction applied in the legislative appropriation.

Exhibit 5
Six-year Underfunding Trend
Fiscal 2012-2017
(\$ in Millions)

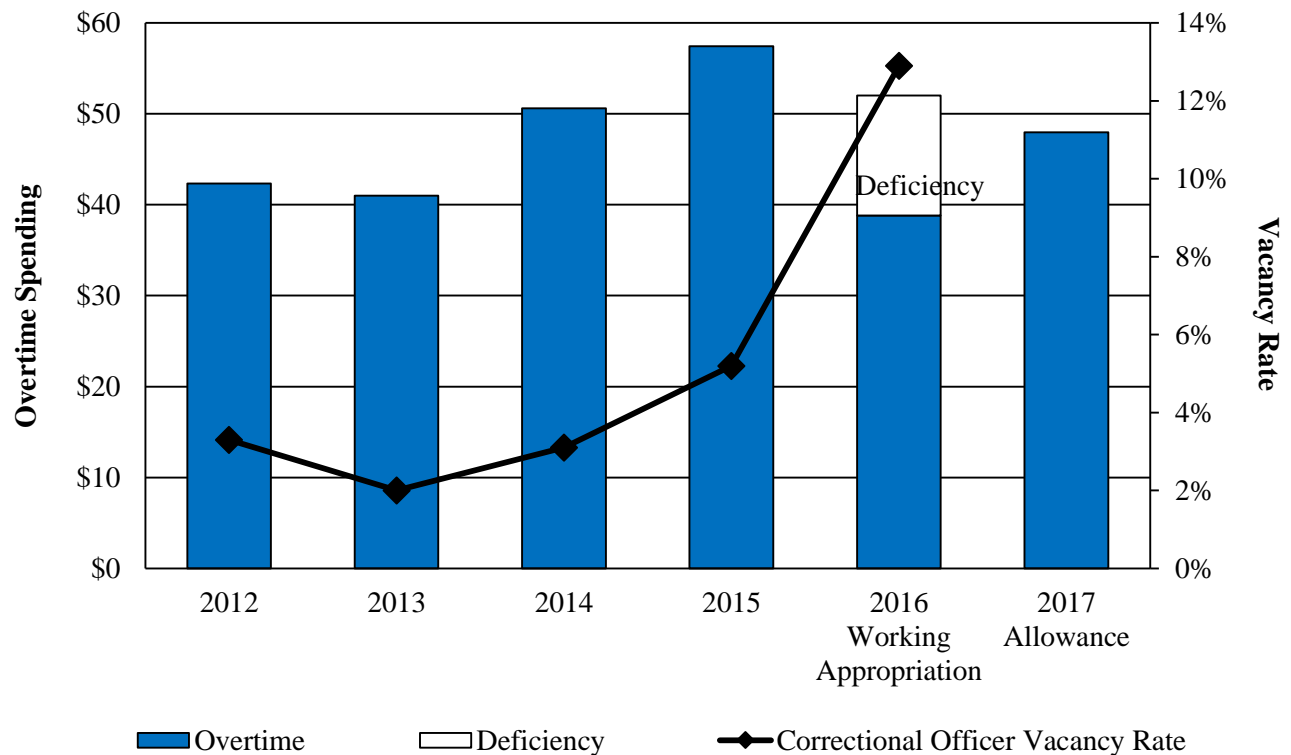


* Working Appropriation includes deficiencies

Source: Department of Legislative Services; Department of Budget and Management

One habitual area of underfunding within the department’s budget is employee overtime. **Exhibit 6** shows DPSCS employee overtime spending from fiscal 2012 through the fiscal 2017 allowance overlaid with the correctional officer vacancy rate. Overtime expenses totaled \$41.0 million in fiscal 2013, the lowest it has been in the past four years. Although overtime decreased slightly between fiscal 2012 and 2013 by \$1.3 million, or 3.1%, the \$9.0 million deficiency in fiscal 2014 and continued increase in overtime spending in fiscal 2015 demonstrated that the reduction was unsustainable. With the fiscal 2016 deficiency, the fiscal 2016 overtime budget reflects a decline of 9.5%, or \$5.4 million from fiscal 2015 spending. This is surprising given the department’s increasing vacancy rate over the past couple of years, as well as the implementation of increased annual in-service training hours for correctional officers. The fiscal 2017 allowance includes even less funding for overtime than fiscal 2015 actual spending, by nearly \$9.5 million, or 16.5%. Employee overtime is likely again underfunded in both the working appropriation and the allowance.

Exhibit 6
DPSCS – Employee Overtime
Fiscal 2012-2017
(\$ in Millions)



DPSCS: Department of Public Safety and Correctional Services

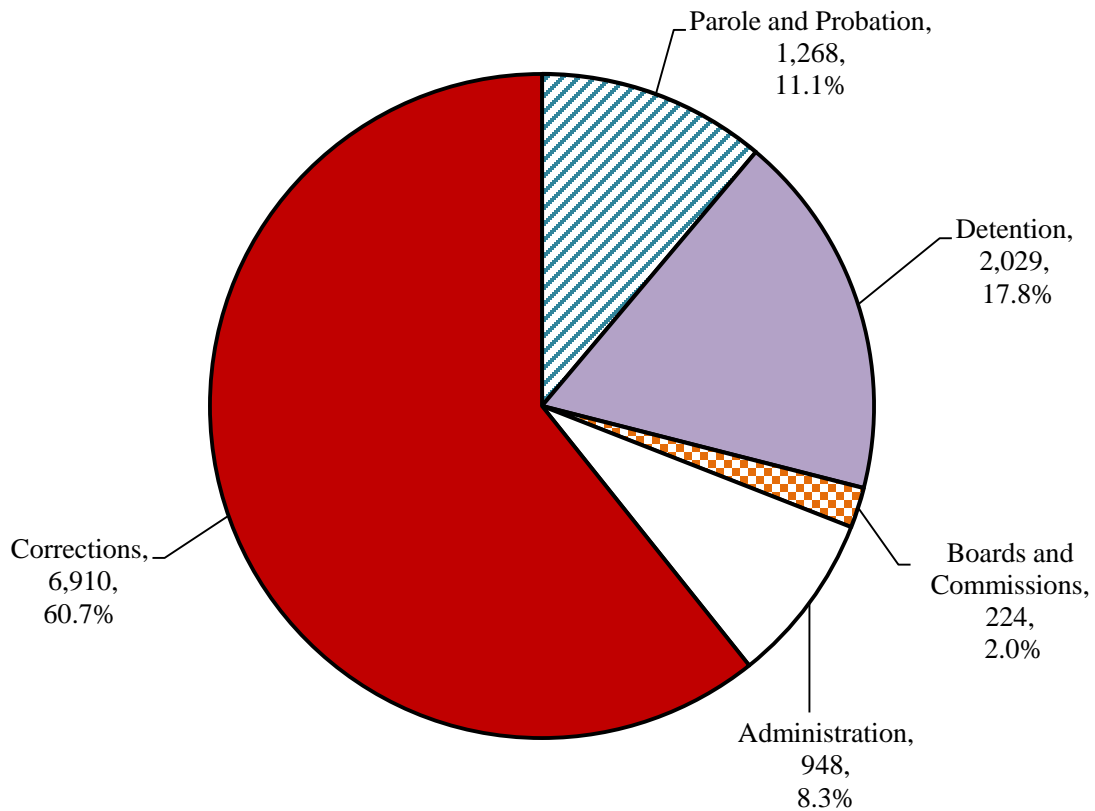
Note: Vacancy data is from January of each fiscal year.

Source: Department of Public Safety and Correctional Services

Staffing Overview

Exhibit 7 illustrates the department’s fiscal 2017 regular position complement delineated into each of the five functional areas. Since the delivery of correctional services is very staff intensive, the position complement closely mirrors departmental spending. The corrections function accounts for 60.7% of all DPSCS personnel with 6,910 regular positions. The detention function has 17.8% of the department’s employees. The parole and probation function has 11.1% of all employees, despite accounting for only 8.0% of the fiscal 2017 allowance. Personnel in the department’s administrative units make up 8.3% of the position complement, with 948 positions. The boards and commissions function requires only 2.0% of the department’s personnel but 5.7% of its budget.

Exhibit 7
DPSCS – Regular Position Complement by Function
Fiscal 2017



DPSCS: Department of Public Safety and Correctional Services

Source: Department of Public Safety and Correctional Services

Exhibit 8 provides additional detail on the regular position complement by agency, providing the net impact of position changes in fiscal 2015 through 2017. As a whole, the fiscal 2017 allowance reduces DPSCS by 11 regular positions from the fiscal 2016 working appropriation. Eight of these positions come from the Administration, primarily as a result of vacant positions transferred to the Department of Information Technology as part of the statewide consolidation of information technology services. The remaining 3 positions are from DPP; 2 DDMP positions and 1 program manager position are abolished. Between fiscal 2015 and the fiscal 2017 allowance, however, DPSCS positions decline by an additional net of 43 positions, primarily due to the legislative reduction of 50 positions in order to generate part of the 2% general fund reduction. The department reduced these positions largely from vacant entry level correctional positions.

Exhibit 8
DPSCS – Regular Positions by Program
Fiscal 2015-2017

	Actual 2015	Wrkg Approp. 2016	Change 2015-16	% Change 2015-16	Allowance 2017	Change 2016-17	% Change 2016-17
<u>Operating Programs</u>							
DPSCS							
Administration	1,054.5	1,054.5	0.0	0.0%	1,046.5	-8.0	-0.8%
Division of Correction	5,848.5	5,816.5	-32.0	-0.5%	5,816.5	0.0	0.0%
Parole Commission	72.0	72.0	0.0	0.0%	72.0	0.0	0.0%
Patuxent Institution	458.0	457.0	-1.0	-0.2%	457.0	0.0	0.0%
Inmate Grievance Office	7.0	7.0	0.0	0.0%	7.0	0.0	0.0%
Police/Correctional Training Commissions	94.8	94.8	0.0	0.0%	94.8	0.0	0.0%
Criminal Injuries Compensation Board	11.0	11.0	0.0	0.0%	11.0	0.0	0.0%
Maryland Commission on Correctional Standards	4.0	4.0	0.0	0.0%	4.0	0.0	0.0%
Division of Parole and Probation	1,204.0	1,201.0	-3.0	-0.2%	1,198.0	-3.0	-0.2%
Division of Pretrial Detention	2,314.6	2,307.6	-7.0	-0.3%	2,307.6	0.0	0.0%
Total	11,068.4	11,025.4	-43.0	-0.4%	11,014.4	-11.0	-0.1%

DPSCS: Department of Public Safety and Correctional Services

Source: Department of Public Safety and Correctional Services; Governor's Budget Books, Fiscal 2017

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The entire department's contractual FTE complement decreases in fiscal 2017 by 2.7 FTEs, as shown in **Exhibit 9**. However, DPSCS gained a net 100.2 contractual FTEs between fiscal 2015 and the fiscal 2017 allowance. The department's fiscal 2016 legislative appropriation increased contractual FTEs by less than 5.0, meaning the department has since added more than 95.0 contractual FTEs. These positions are largely focused in DPD, which gained approximately 85.0 contractual FTEs in the 2016 working appropriation over the legislative appropriation as a result of terminating contractual food service in Baltimore City and providing the service in-house in September 2015. DPSCS Administration also gained nearly 12.0 contractual FTEs in the 2016 working appropriation.

Exhibit 9
DPSCS – Contractual FTEs by Program
Fiscal 2015-2017

	<u>Actual</u> <u>2015</u>	<u>Wrkg</u> <u>Approp.</u> <u>2016</u>	<u>Change</u> <u>2015-16</u>	<u>%</u> <u>Change</u> <u>2015-16</u>	<u>Allowance</u> <u>2017</u>	<u>Change</u> <u>2016-17</u>	<u>%</u> <u>Change</u> <u>2016-17</u>
<u>Operating Programs</u>							
DPSCS							
Administration	80.9	92.8	11.9	14.7%	92.8	0.0	0.0%
Division of Correction	45.6	45.4	0.2	3.1%	45.4	0.0	0.0%
Parole Commission	2.1	1.8	-0.3	-13.8%	1.8	0.0	0.0%
Patuxent Institution	2.2	2.3	0.1	6.4%	2.3	0.0	0.0%
Inmate Grievance Office	0.5	1.6	1.1	41.5%	0.8	-0.9	-54.3%
Police/Correctional Training Commissions	20.1	20.5	0.4	2.0%	20.5	0.0	0.0%
Criminal Injuries Compensation Board	3.0	4.3	1.3	43.9%	4.3	0.0	0.0%
Maryland Commission on Correctional Standards	2.5	3.2	0.7	26.1%	3.2	0.0	0.0%
Division of Parole and Probation	68.6	69.6	1.0	1.4%	69.6	0.0	0.0%
Division of Pretrial Detention	40.2	125.5	85.3	207.9%	123.6	-1.8	-1.5%
Total	265.6	366.9	101.3	37.9%	364.1	-2.7	-0.7%

DPSCS: Department of Public Safety and Correctional Services
FTEs: full-time equivalents

Source: Department of Public Safety and Correctional Services; Governor's Budget Books, Fiscal 2017

Across-the-board Reductions

The fiscal 2017 budget bill includes an across-the-board reduction for employee health insurance, based on a revised estimate of the amount of funding needed. This department's share of these reductions is \$3.3 million in general funds, \$78,308 in special funds, and \$65,485 in federal funds. There is an additional across-the-board reduction to abolish positions statewide, but the amounts have not been allocated by agency.

Issues

1. Justice Reinvestment Coordinating Council

Background

In January 2010, the Council of State Governments (CSG) Justice Center, in partnership with the Pew Center on the States, the Federal Bureau of Justice Assistance, and the Public Welfare Foundation, hosted a national summit on justice reinvestment. According to CSG, “[j]ustice reinvestment is a data-driven approach to improve public safety, reduce corrections and related criminal justice spending, and reinvest savings in strategies that decrease crime and reduce recidivism.” The Justice Reinvestment Initiative (JRI) was brought to Maryland by Chapter 42 of 2015, an emergency measure that established Maryland’s Justice Reinvestment Coordinating Council (JRCC) in the Governor’s Office of Crime Control and Prevention (GOCCP). JRCC was tasked with (1) convening an advisory stakeholder group including organizations with expertise in certain criminal justice issues; (2) conducting roundtable discussions to seek public input; (3) using a data-driven approach, develop a statewide framework of sentencing and corrections policies to further reduce the State’s incarcerated population, reduce spending on corrections, and reinvest in strategies to increase public safety and reduce recidivism; and (4) requesting technical assistance from the CSG Justice Center and the Public Safety Performance Project of Pew to develop the policy framework. The council’s December 2015 final report includes several recommendations relating to DPSCS operations and offender populations.

Recommendations and Population Projections

The council reviewed State criminal justice data and research on sentencing and corrections practices in order to develop policy recommendations. Based on its review and research, the council developed 19 recommendations and six reinvestment strategies. Recommendations include:

- sentencing reform for drug possession and felony theft;
- expansion of earned compliance credits and in-prison good behavior/incentive credits;
- expansion of alternatives to incarceration and alternative dispute resolution;
- implementation of a validated risk and needs assessment tool for supervision;
- swift, certain, and proportional sanctions for violations of probation and parole;
- focus of parole hearings on serious, violent offenders and noncompliance nonviolent offenders;
- expansion of eligibility and use of geriatric and medical parole;

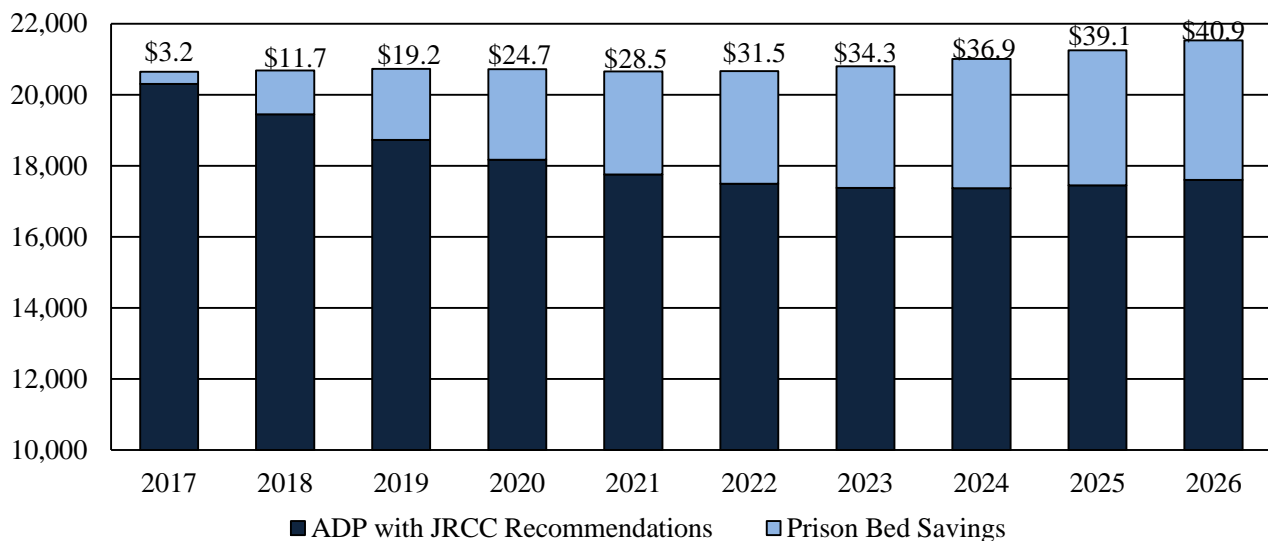
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- creation of a performance-incentive grant program for local correctional systems; and
- establishment of an oversight council to track performance.

The council's reinvestment priorities include substance abuse and mental health treatment, a county performance-incentive grant, restitution collection processes for victims of crime, reentry initiatives, beds for medical parolees, and training for criminal justice decision makers. Many of the council's recommendations relating to DPSCS operations could be implemented without legislation. **DPSCS should comment on whether it has begun, or has plans to begin, implementing any JRCC recommendations.**

CSG and the Pew Charitable Trusts, which provided technical support to Maryland's JRCC, project that if implemented, Maryland's justice reinvestment package would result in prison bed savings of \$3.2 million in the first year, and escalating amounts in each year thereafter as shown in **Exhibit 10**. Prison bed savings were calculated using the difference between the projected State prison average daily population (ADP) in future years without any reform and the projected prison ADP with implementation of all reforms recommended by JRCC. The difference in the ADP projections was then multiplied by the inmate variable cost (which largely consists of inmate medical and food costs), adjusted in the out-years for inflation. The projection with reforms shows the ADP reaching a minimum of about 17,400 offenders in fiscal 2023, and then rising slightly through fiscal 2026. Without reforms, the projection shows the ADP will decrease minimally through fiscal 2021, before beginning to increase again.

Exhibit 10
JRCC Projected ADP Savings
Fiscal 2017-2026



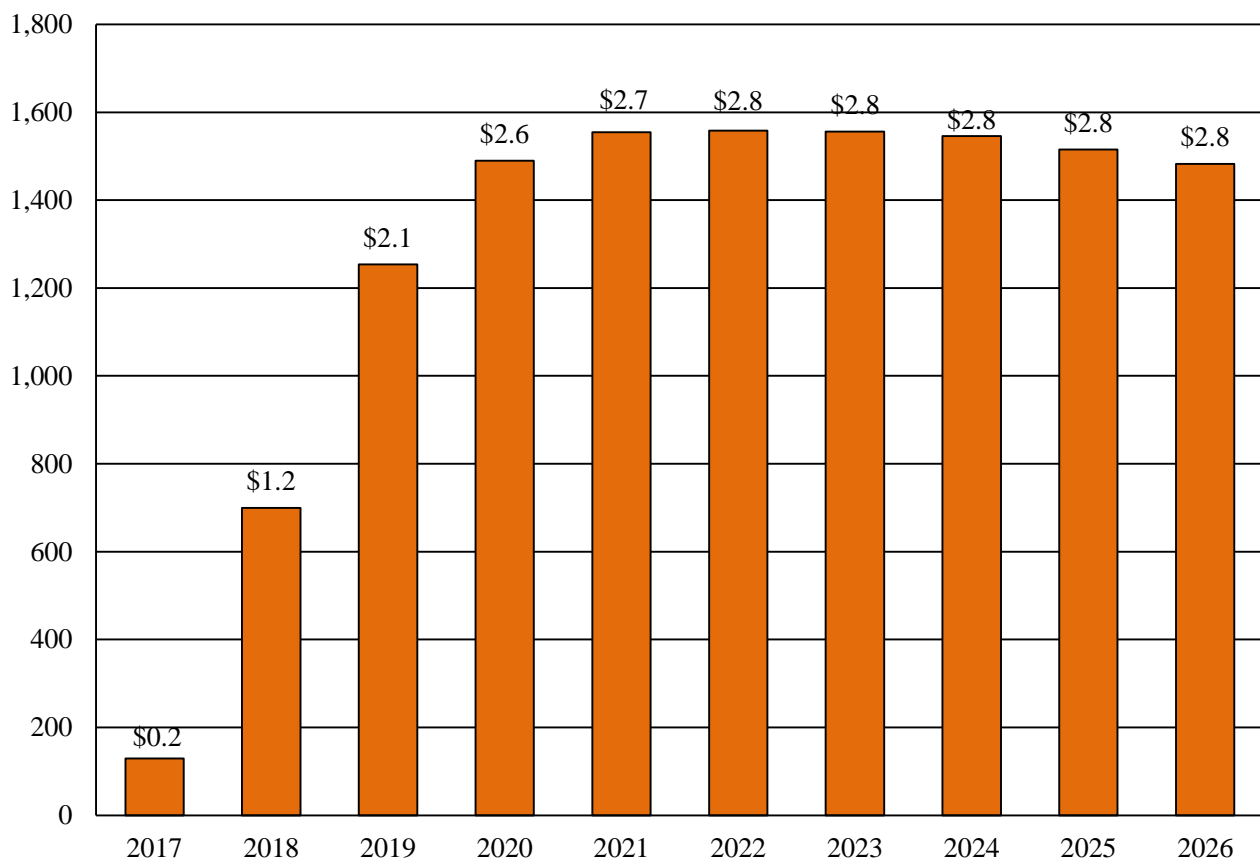
ADP: Average Daily Population

JRCC: Justice Reinvestment Coordinating Council

Source: Justice Reinvestment Coordinating Council

Part of the reform efforts to shift offenders out of incarceration would also increase the offender population under criminal supervision. The supervision population projections were not completed with and without reforms, but instead estimate the number of additional offenders that would be under supervision each year through fiscal 2026 with implementation of the reform package. These estimates, and corresponding costs (based on the average cost of supervision) are shown in **Exhibit 11**. Unlike the average variable cost used to project prison bed savings, the average cost of supervision includes all supervision spending, which is largely made up of personnel costs. Estimates indicate that the reforms would increase the number of offenders by a maximum of just under 1,600 in fiscal 2022. This is almost 50% of the prison bed savings projected for that same year.

Exhibit 11
JRCC Estimated Increase in Offenders Under Supervision
Fiscal 2017-2026
(\$ in Millions)



Source: Justice Reinvestment Coordinating Council

Justice Reinvestment in Other States

CSG has been involved in developing JRI strategies for 24 states, 11 of which are currently planning or implementing strategies. Additional states have planned or implemented JRI strategies with assistance from organizations other than CSG. The Urban Institute, in partnership with the U.S. Bureau of Justice Assistance, published a report in January 2014 entitled *Justice Reinvestment Initiative State Assessment Report*, which reviews the status of JRI strategies implemented in 17 states.

The Urban Institute reported that of eight states that had policies in effect for at least one year, two states exceeded their offender population reduction projections, three states met their population projections, and three states did not meet their population reduction goals. The success in meeting population projection goals directly correlates to whether states achieve the predicted savings. Hawaii, for example, implemented JRI in July 2012 and saw only about half of the predicted reductions in the prison population through calendar 2013 that was estimated. Kentucky implemented JRI in March 2011. The population initially increased above the projected baseline population (without JRI), before beginning to return to the population level prior to JRI in calendar 2013. North Carolina's JRI, implemented in December 2011, was more successful and the state saw a decline in the prison population below the JRI projection through calendar 2013. The Urban Institute attributed the varying results to post-JRI policy changes that diminished or negated JRI strategies, as well as implementation challenges.

The Urban Institute report also compared the success states had in reinvesting savings as initially planned. Some states, such as Hawaii and South Dakota, chose to invest anticipated savings at the start of JRI implementation. Other states calculated savings to be reinvested after implementation of strategies. The Urban Institute notes that for some states, identifying savings for reinvestments has been challenging. For example, New Hampshire accrued \$225,000 in fiscal 2012 savings that were deposited in the general fund and were not reinvested in public safety priorities. A couple of states, including Oregon and Pennsylvania, have created JRI funds or accounts in an attempt to separate out JRI funds.

Areas of Concern

The final JRCC report includes recommendations that DPSCS should take certain actions that would require some amount of funding, such as conduct substance abuse screenings or assessments on all drug possession offenders, develop an automated application for the tracking and awarding of earned compliance credits, and handle an increased criminal supervision population. The report does not identify a potential source of revenue or a funding mechanism to enable the department to achieve these goals, and the Governor's allowance does not include any funding to implement JRCC recommendations. Without funding to begin implementation of recommendations, the State likely will not realize the prison bed or cost aversion savings as projected. This is particularly troubling given that DPSCS is a habitually underfunded department.

Additionally, the JRCC cost estimates for the increased number of offenders under supervision shown in Exhibit 11 likely do not reflect the true cost need. The average cost of supervision used for the estimate includes all supervision spending, which is primarily personnel costs. A December 2015

DPSCS Parole and Probation Agent Workload Study conducted by the University of Baltimore Schaefer Center for Public Policy found that the department is understaffed by at least 100 supervision agents to handle the current caseload. The cost of the increased supervision staff is not reflected in the JRCC supervision cost estimate; therefore, the JRCC supervision cost estimate is likely too low. **DPSCS should comment on the additional resources it would need in order to comply with JRCC recommendations.**

The council's recommendations to reinvest funding identified as savings could also be dangerous for DPSCS. The savings identified are the result of costs averted due to fewer offenders entering State prison facilities. There is no way of accurately identifying how many individuals would have entered the prison system without reforms, or how many individuals did not enter the prison system because of reforms. The JRCC savings are more accurately described as cost avoidance. Any reduction made to DPSCS's budget due to anticipated cost avoidance from reforms has the potential to exacerbate the department's underfunding issues. **The Department of Legislative Services (DLS) warns against preparing future budgets based on the assumption that savings will be realized.**

2. Staffing Plan

Correctional Officer Staffing Needs in Facilities

Pursuant to committee narrative in the 2015 *Joint Chairmen's Report*, in January 2016, DPSCS submitted a biannual post-by-post staffing analysis identifying the minimal number of positions needed to safely and securely staff the State's correctional and detention institutions. The department identified 6,422 regular positions (5,719 nonsupervisory and 703 supervisory) in State correctional and Baltimore City detention facilities. According to its analysis, the department needs an additional 455 regular positions to achieve the minimum standard of staffing.

This is the third staffing analysis DPSCS has submitted since fiscal 2010. In fiscal 2010, DPSCS identified the need for an additional 377 regular positions statewide (364 nonsupervisory and 13 supervisory) to provide the minimum standard of staffing and 833 regular positions statewide (766 nonsupervisory and 67 supervisory) to achieve the ideal standard of staffing. The General Assembly's fiscal 2014 budget bill language directed the Administration to provide DPSCS with the 377 additional correctional officer positions needed to minimally staff the State correctional facilities at a rate of 100 per year, beginning in fiscal 2015. In January 2014, DPSCS submitted its second biannual staffing analysis to the budget committees, indicating the department needed 523 additional positions (146 positions over the amount identified in fiscal 2010) to minimally staff its facilities.

The number of positions required to staff facilities has fluctuated based on the number of Special Assignment Posts (SAP) and the departmental relief factor. The relief factor is the multiplier used by the department to determine the number of permanent staff positions required for appropriate coverage of a post for a given year. When the department is determining its necessary security position complement, it must inflate the number beyond the number of identified posts in order to account for all of the variables that may result in the need for more than one employee to staff a post. This can

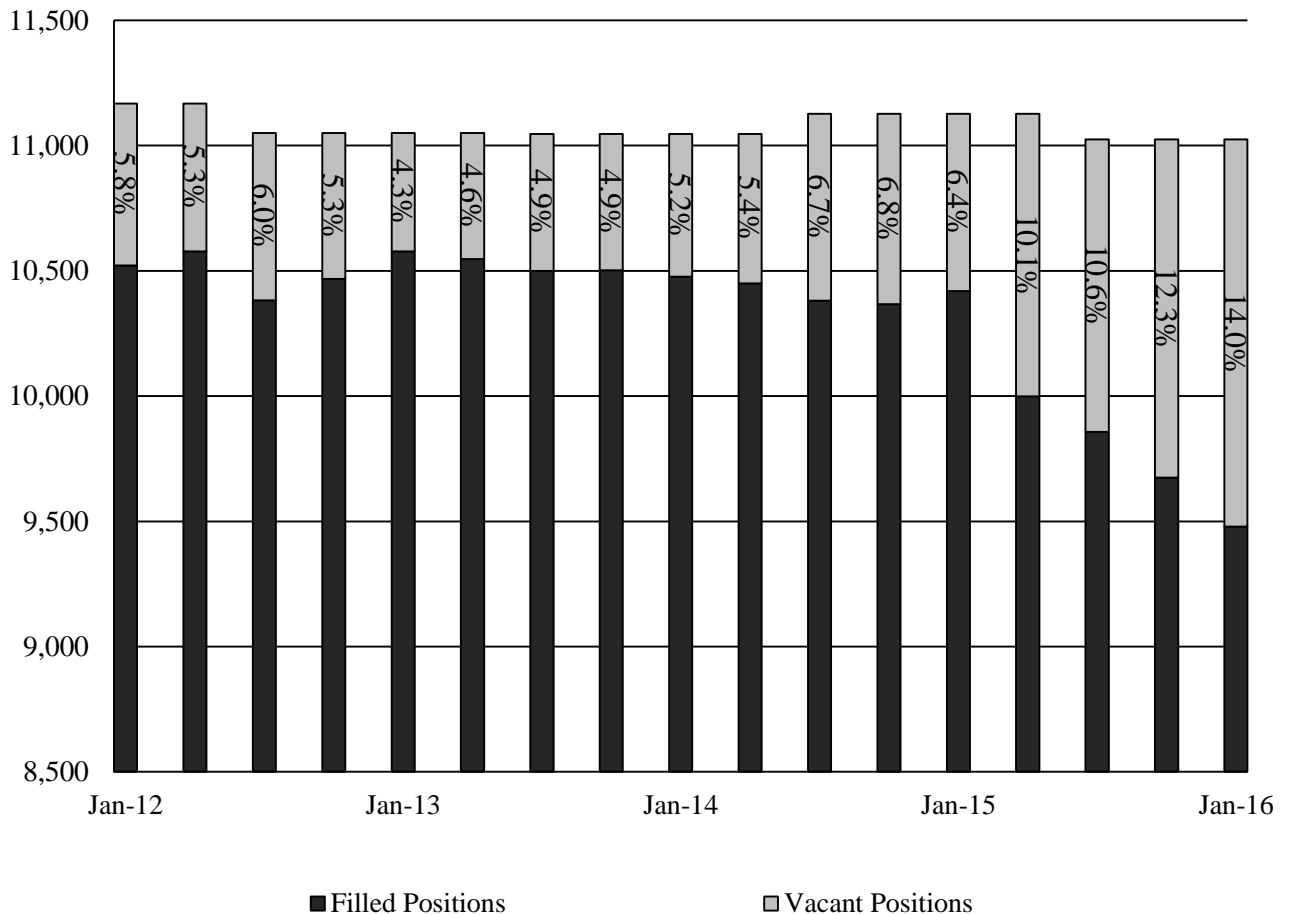
include weekends; sick, annual, and administrative leave; and training. A higher relief factor because an employee is unavailable for work means more positions are required to cover those posts.

The department's relief factor increased between the fiscal 2014 and 2016 staffing analyses due to an increase in unavailable for work categories, including sick leave, compensatory leave, annual leave, and personal leave usage, as well as the departmentwide increase in training hours. Concurrently, DOC decreased its utilization of SAPs by 68 posts. Some of this decrease was the result of temporary posts no longer needed for the Maryland House of Correction deconstruction project. The department has also closed the Baltimore Pre-Release Unit, the Baltimore City MDC, and the Jessup Pre-Release Unit (JPRU), and opened part of the Dorsey Run Correctional Facility since the last staffing analysis, which affected the number of SAPs utilized.

Vacancies

Although the number of additional positions needed to safely staff facilities decreased between fiscal 2014 and 2016, the number of authorized regular positions assigned to correctional and detention facilities also decreased during that time period by 85 positions. Additionally, the quarterly departmentwide vacancy rate has generally increased over the past three years, from a low of under 5% in January 2013 to more than tripling by January 2016, as shown in **Exhibit 12**. The number of filled correctional officer positions has decreased by more than 700, from 6,879 in January 2013 to 6,158 in January 2016, as shown in **Exhibit 13**. The fiscal 2017 allowance includes an across-the-board reduction to abolish 657 positions statewide. The amounts have not been allocated by agency. Due to the high number of vacancies DPSCS currently has, it is likely that a large amount of the positions to be abolished will be reduced from DPSCS.

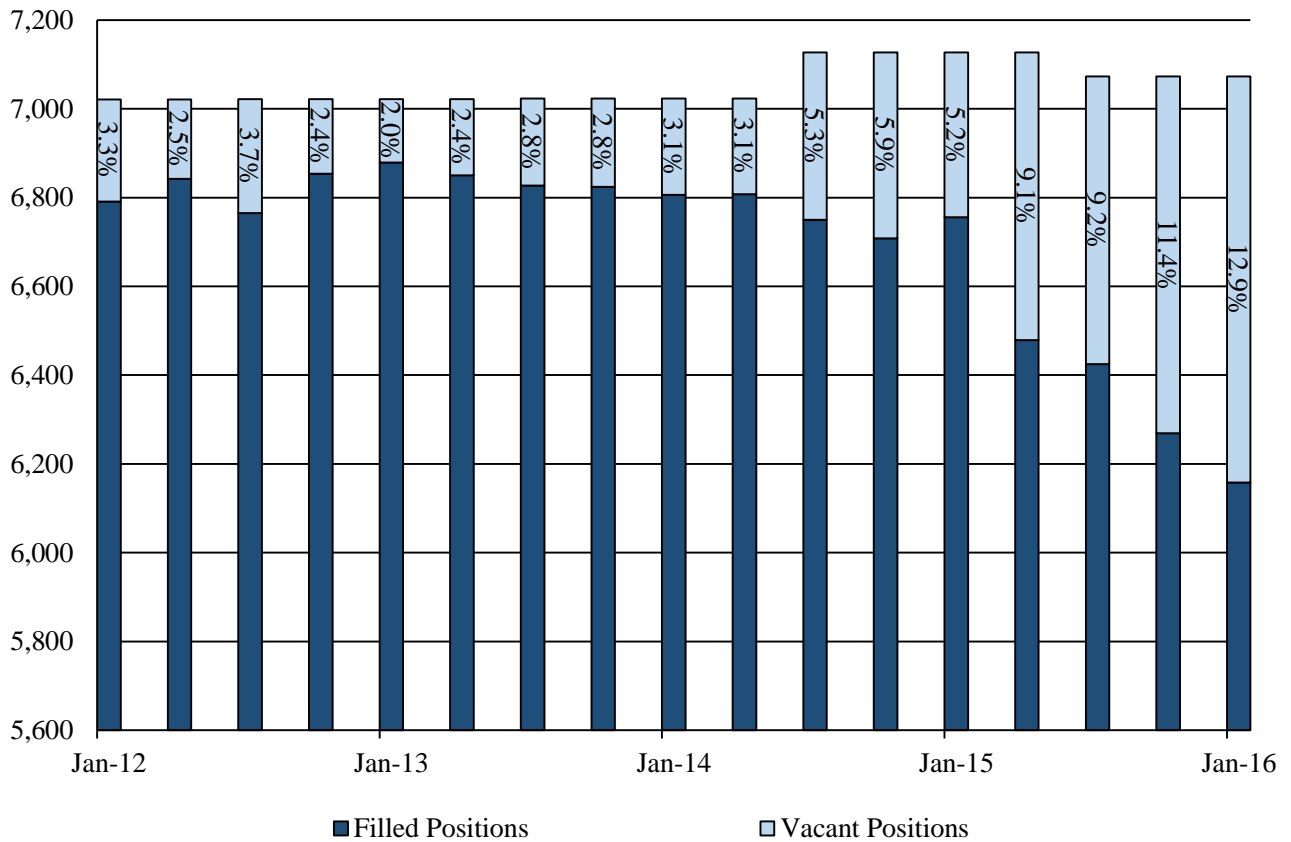
Exhibit 12
DPSCS – Quarterly Positions and Vacancies
January 2012 – January 2016



DPSCS: Department of Public Safety and Correctional Services

Source: Department of Legislative Services; Department of Budget and Management

Exhibit 13
DPSCS – Quarterly Correctional Officers Positions and Vacancies
January 2012 – January 2016



DPSCS: Department of Public Safety and Correctional Services

Source: Department of Legislative Services; Department of Budget and Management

Baltimore Region

The January 2016 staffing analysis also includes details of the department's revised Baltimore City staffing plan, which reflects the closure of the MDC and the reassignment of pretrial inmates to other facilities in the Baltimore region. DPSCS identified 166 positions in MTC and the former BCDC (portions of which are now part of BPC) that could be reassigned. Of those, 51 positions have already been reallocated to other Baltimore City facilities. Additionally, the department has identified 155 vacant positions within the newly formed DPD that have been frozen for reallocation. Excluding the 51 positions that have already been reassigned from MTC and BCDC to other Baltimore

facilities, the department has identified 270 regular positions in Baltimore City facilities that can be moved to other functions.

DPSCS plans to reallocate the largest number of positions to support operation of food services in Baltimore City (140 positions), the provision of which was moved from a contractual basis to an in-house service in September 2015, and the operation of the second Dorsey Run Correctional Facility (DRCF) compound (118 positions), scheduled to open in fiscal 2017. DPSCS plans to reallocate smaller amounts of positions to operations at the Maryland Correctional Institution – Hagerstown (7 positions) and the Internal Investigation Division (5 positions).

Currently, DPSCS is operating Baltimore City food services with contractual staff, some of whom were hired from the previous contractual food service provider. Most dietary officers at facilities aside from those in Baltimore City are regular, not contractual, positions. DOC facilities and the Patuxent Institution have an average of one nonsupervisory dietary correctional officer position per 78 inmates. The facilities that now comprise DPD in Baltimore City had an average daily population of 5,226. In order to reach a ratio of 80 offenders per nonsupervisory dietary position, the region only needs a total of 65 positions. However, the Baltimore City region will not be able to rely on inmate labor for food service as much as other regions because of the transient nature of the detention population. **DLS recommends adding budget language limiting the number of correctional officer positions that may be reclassified to 80.**

3. Departmental Facilities Plan

Dorsey Run Correctional Facility

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. The department is completing the project in two phases, each consisting 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 at a cost of \$55.1 million, \$20.0 million of which is federal funding.

Phase I is complete and was occupied by inmates previously housed at JPRU 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. Construction of the second phase of the project began in July 2014 and the department estimates the compound will be ready for occupancy by the end of the current fiscal year. Although DRCF was originally intended to eliminate temporary nonconventional beds, it will now be used to allow the department to shift inmates out of Baltimore City while constructing the new Baltimore City jail. The new DRCF compound will be staffed with correctional officer positions previously assigned to Baltimore City facilities.

During the 2015 legislative session, the budget committees added budget bill language restricting funds for operation of DRCF Phase II until the department submitted a report outlining an

updated facility plan. **The budget committees are in receipt of the facility plan, and DLS recommends releasing the associated restricted funds for operation of DRCF Phase II.**

Baltimore City

Men's Detention Center

Between July and August 2015, DPSCS depopulated the Baltimore City MDC and transferred detainees to other State correctional and detention facilities. As a result, the department adjusted the missions of facilities in Baltimore City in order to absorb the shift of the detention population.

All six DPSCS facilities in Baltimore City, half of which previously housed only sentenced inmates, are now organized within DPD. The depopulation of MDC did not substantially affect the federal CDF, BCBIC, or the Baltimore City Correctional Center (BCCC). Most of the 764 detainees depopulated from MDC were transferred to MRDCC, or other buildings that now comprise BPC, formerly BCDC. A small amount of detainees were also relocated to MTC to perform dietary work.

DPSCS also orchestrated the transfer of 832 sentenced inmates between facilities across the State in order to depopulate MDC, transfer the pretrial population from MDC to housing separated from the sentenced inmate population, and maintain comparable programming for transferred inmates. Short-term sentenced inmates were primarily transferred to other buildings that now comprise BPC. Sentenced inmates previously housed at MTC (581 inmates) were transferred to facilities in Jessup and Hagerstown, as well as BCCC and MRDCC. Smaller numbers of sentenced inmates were also transferred from Brockbridge Correctional Facility in Jessup and BCCC to various facilities across the State.

Prior to the depopulation of MDC, parole violators from the Baltimore City region were held at MRDCC. Seventy-eight parole violators were moved to facilities in Hagerstown and Jessup while others remained in the city. Parole violators held in Baltimore City are now held at MTC.

Youth Detention Center

The new Baltimore City YDC is scheduled to open partway through fiscal 2017. The new facility will have 60 beds for youth charged as adults in the Maryland Criminal Justice System and was designed to remedy issues with the previous facility not meeting U.S. Department of Justice sight and sound separation and program and educational space requirements for youth charged as adults. Once YDC construction is complete, the youth population will be relocated from the BPC Wyatt Building, where they are currently detained. The allowance does not include funding for additional positions to operate the facility, but does include about \$777,000 for operational costs.

Recommended Actions

1. Add the following language:

Provided that no more than 80 correctional officer positions may be reclassified in this appropriation.

Explanation: This action is intended to limit the number of correctional officer positions that can be reclassified, primarily for dietary service in Baltimore City facilities.

Current and Prior Year Budgets

Current and Prior Year Budgets Department of Public Safety and Correctional Services (\$ in Thousands)					
	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2015					
Legislative Appropriation	\$1,170,635	\$140,763	\$27,293	\$6,356	\$1,345,048
Deficiency Appropriation	12,800	400	0	0	13,200
Cost Containment	-24,188	0	0	0	-24,188
Budget Amendments	15,072	1,676	563	838	18,149
Reversions and Cancellations	-11,690	-13,613	-954	-1,145	-27,403
Actual Expenditures	\$1,162,630	\$129,226	\$26,902	\$6,049	\$1,324,806
Fiscal 2016					
Legislative Appropriation	\$1,173,019	\$143,255	\$28,584	\$6,036	\$1,350,894
Budget Amendments	12,080	484	566	53	13,183
Working Appropriation	\$1,185,099	\$143,739	\$29,150	\$6,089	\$1,364,077

Note: The fiscal 2016 working appropriation does not include deficiencies or reversions. Numbers may not sum to total due to rounding.

Fiscal 2015

General Fund

General fund spending for fiscal 2015 was approximately \$1.2 billion, a decrease of \$8.0 million from the legislative appropriation. Cost containment actions approved by the Board of Public Works in July 2014 and January 2015 reduced the department's general fund appropriation by a combined \$24.2 million. These reductions were more than offset by deficiency appropriations of \$12.8 million and budget amendments totaling \$15.1 million. DPSCS received general fund deficiency appropriations for inmate medical (\$6.5 million), custodial overtime (\$3.0 million), food purchases (\$1.8 million), and utilities (\$1.5 million). The department's fiscal 2015 general fund budget amendments primarily allocated funding for the cost-of-living adjustment (COLA) and annual salary review (\$6.3 million), and employee overtime (\$10.0 million), as well as a \$1.5 million reduction for the Voluntary Separation Program. The department reverted nearly \$11.7 million in general funds, largely for inmate wages, vacant positions, utilities, and food purchases. The department also reverted \$3.5 million for health insurance, \$413,000 for the over-accrual of inmate medical funds in prior years, and \$300,000 for IT contracts.

Special Fund

Fiscal 2015 special fund expenditures totaled \$129.2 million, reflecting an \$11.5 million decrease from the legislative appropriation. The special fund appropriation was increased by a \$400,000 deficiency appropriation for vehicle purchases, as well as \$1.7 million in budget amendments. The department's fiscal 2015 budget amendments appropriated funding for the COLA (\$243,000), increased revenue from criminal record checks (\$1.1 million), and funding for activities related to the spring 2015 unrest in Baltimore City (\$320,000). DPSCS canceled a total of \$13.6 million in special funds, \$11.1 million of which was due to the timing of projects related to the 9-1-1 Emergency Fund. Canceled funds roll over to the fiscal 2016 appropriation for the 9-1-1 fund. Other unexpended funds resulting in the cancellation of funds included the Inmate Welfare Fund, MCE, CICB fees, and the DDMP.

Federal Fund

The department's fiscal 2015 federal fund appropriation totaled \$26.9 million, a decrease of nearly \$400,000 from the legislative appropriation. Federal funds increased \$563,000 due to two budget amendments. Approximately \$133,000 was provided to fund a COLA and \$430,000 was the result of increased reimbursement from the U.S. Department of Justice for housing federal prisoners in CDF. Federal fund cancellations totaled 954,000. Most notably, the department cancelled \$361,000 from the CICB, which receives federal funds to assist victims of crime, \$271,000 from CDF, which houses federal detainees, and \$250,000 from the Police and Correctional Training Commissions, which receive federal funds for participation from federal agencies.

Reimbursable Fund

Reimbursable funds decreased by \$308,000 from the legislative appropriation, with actual expenditures totaling \$6.0 million. Eight budget amendments increased the legislative appropriation by a total of \$838,000, all of which was funding for grants the department received from the GOCCP for activities such as polygraph examiner training, cell phone interdiction and intelligence gathering, and cross-jurisdictional record sharing. Cancellations for reimbursable funds totaled \$1.1 million, largely due to the appropriation for projects within the IT and Communications Division exceeding actual funds expended.

Fiscal 2016

The fiscal 2016 working appropriation has increased by \$13.2 million from the legislative appropriation. The general fund increase of \$12.1 million, special fund increase of \$484,000, and federal fund increase of \$266,000 are largely attributable to a budget amendment restoring employee salaries. Federal funds increased an additional \$300,000 as a result of a federal grant to support a criminal record IT project.