

**Q00A**  
**Administration**  
Department of Public Safety and Correctional Services

***Operating Budget Data***

(\$ in Thousands)

	<b><u>FY 15</u></b> <b><u>Actual</u></b>	<b><u>FY 16</u></b> <b><u>Working</u></b>	<b><u>FY 17</u></b> <b><u>Allowance</u></b>	<b><u>FY 16-17</u></b> <b><u>Change</u></b>	<b><u>% Change</u></b> <b><u>Prior Year</u></b>
General Fund	\$119,066	\$129,575	\$133,532	\$3,957	3.1%
Deficiencies and Reductions	0	3,728	-316	-4,044	
<b>Adjusted General Fund</b>	<b>\$119,066</b>	<b>\$133,304</b>	<b>\$133,217</b>	<b>-\$87</b>	<b>-0.1%</b>
Special Fund	55,105	67,292	65,189	-2,103	-3.1%
Deficiencies and Reductions	0	0	-2	-2	
<b>Adjusted Special Fund</b>	<b>\$55,105</b>	<b>\$67,292</b>	<b>\$65,187</b>	<b>-\$2,105</b>	<b>-3.1%</b>
Federal Fund	577	1,200	4,600	3,400	283.3%
<b>Adjusted Federal Fund</b>	<b>\$577</b>	<b>\$1,200</b>	<b>\$4,600</b>	<b>\$3,400</b>	<b>283.3%</b>
Reimbursable Fund	2,018	1,651	1,669	18	1.1%
<b>Adjusted Reimbursable Fund</b>	<b>\$2,018</b>	<b>\$1,651</b>	<b>\$1,669</b>	<b>\$18</b>	<b>1.1%</b>
<b>Adjusted Grand Total</b>	<b>\$176,768</b>	<b>\$203,447</b>	<b>\$204,673</b>	<b>\$1,226</b>	<b>0.6%</b>

- The Office of Deputy Secretary for Operations has two fiscal 2016 general fund deficiency appropriations: \$2.9 million for accrued leave payouts and \$828,000 for replacement vehicles.
- When accounting for the fiscal 2016 deficiencies and the fiscal 2017 across-the-board reduction for health insurance, the Department of Public Safety and Correctional Services (DPSCS) Administration's fiscal 2017 general fund allowance decreases by \$87,000, or 0.1%, under the working appropriation, primarily due to the removal of one-time deficiency appropriations and regular positions transferred out of the department.
- The Administration's fiscal 2017 special fund allowance decreases by \$2.1 million, or 3.1%, under the working appropriation, largely due to a reduction in Emergency Number System Board grants.

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

For further information contact: Hannah E. Dier

Phone: (410) 946-5530

- The fiscal 2017 federal fund allowance for the Administration increases by \$3.4 million over the working appropriation, to \$4.6 million, primarily as a result of increased grant funding for a Computerized Criminal History project.

## ***Personnel Data***

	<b><u>FY 15 Actual</u></b>	<b><u>FY 16 Working</u></b>	<b><u>FY 17 Allowance</u></b>	<b><u>FY 16-17 Change</u></b>
Regular Positions	1,054.50	1,054.50	1,046.50	-8.00
Contractual FTEs	<u>80.88</u>	<u>92.75</u>	<u>92.75</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>1,135.38</b>	<b>1,147.25</b>	<b>1,139.25</b>	<b>-8.00</b>

### ***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions

41.55                      3.97%

Positions and Percentage Vacant as of 12/31/15

166.50                      15.79%

- The Administration's fiscal 2017 personnel allowance decreased by 8.0 regular positions from the fiscal 2016 working appropriation. Seven of these positions are removed from the department's Information Technology (IT) and Communications Division for the statewide consolidation of IT services. The remaining position is transferred from the Office of the Deputy Secretary of Operations to the Department of Disabilities.
- As of the end of calendar 2015, the Administration had 166.5 positions vacant, more than four times what is needed on average to meet budgeted turnover. The unit with the largest number of vacancies is Security Operations, which provides canine interdiction, intelligence, and other special operations for high risk transports, courtroom security, and disturbance responses. Fifty of the vacancies within Security Operations are for correctional officer positions. Vacancies within General Administration units account for an additional 38.5 positions, while 39 positions are related to information technology functions. **DPSCS should comment on the effect the high vacancy rate has had on its ability to carry out its mission, as well as the plan to fill vacant positions.**
- Between fiscal 2015 and the fiscal 2016 working appropriation, the Administration gained almost 12.0 contractual full-time equivalents. Nearly all of the increases occurred in the Office of the Secretary for various functions including fiscal, human resources, information technology, and capital project support.

## *Analysis in Brief*

---

### **Major Trends**

**Polygraph Unit:** Pursuant to Chapter 407 of 2015, DPSCS is now required to polygraph all correctional officer applicants. Over a three-month period beginning in September 2015, the Internal Investigation Division administered 125 polygraph exams to detective, polygrapher, and correctional officer applicants. **DPSCS should comment on whether the addition of the polygraph examination in the application process has affected its ability to fill vacant correctional officer positions in a timely fashion.**

**Commitment Unit:** The number of incorrectly released offenders increased for the second year in a row, to seven offenders in fiscal 2015. **DPSCS should comment on whether all incorrectly released offenders have been returned to custody and the steps taken to avoid similar mistakes in the future.**

**Canine Contraband Finds:** The rate of contraband finds by the Canine Unit significantly increased between fiscal 2013 and 2015, from 0.42 to 1.09 finds per 100 scans. Although cell phone finds accounted for more than half of all finds in fiscal 2013, they account for less than 5% of all finds in fiscal 2015.

### **Issues**

**Inmate Banking Accounts:** DPSCS has had a history of audit findings related to unreconciled inmate banking accounts. The current statewide unreconciled amount is down significantly from the \$309,000 amount identified during the 2011 Office of Legislative Audits report, yet an unreconciled balance remains, and the department's reconciliations have not been completed at regular intervals and are not up to date. **DPSCS should comment on the status of actions taken to correct the reconciliation of accounts. The Department of Legislative Services recommends adding budget bill language restricting \$100,000 in general funds until DPSCS submits quarterly reconciliation reports beginning in July 2016, including indication of corrective actions to be taken for any identified differences.**

**Offender Case Management System:** A variety of issues relating to accuracy, reliability, and use of the department's Offender Case Management System have been documented in recent audit reports, as well as a Parole and Probation Agent Workload Study conducted by the University of Baltimore Schaefer Center for Public Policy. **DPSCS should comment on improvements that need to be made in order to allow for efficient use of the system and whether the department can accomplish necessary modifications with existing resources.**

**Computerized Criminal History Major IT Project:** The Governor's allowance includes \$2.3 million in one-time federal grant funding to begin planning the new Computerized Criminal History project.

*Q00A – DPSCS – Administration*

The department will need general fund appropriations totaling \$5 million in future years to complete the project. **DPSCS should comment on the need for and timeliness of this project.**

**Recommended Actions**

1. Add language restricting funds until submission of monthly inmate banking account reconciliation reports.

**Q00A**  
**Administration**  
**Department of Public Safety and Correctional Services**

## ***Operating Budget Analysis***

---

### **Program Description**

The Department of Public Safety and Correctional Services (DPSCS) Administration includes the functions within the Office of the Secretary and the Office of the Deputy Secretary for Operations. The Office of the Secretary provides overall policy and operational direction and coordination for the activities of the operating units of the department. It establishes policy, sets priorities, and provides central support services and oversight for the constituent agencies. The office administers the State's emergency numbers program and plans, develops, and implements the capital program for the department's custody facilities. Additionally, it is responsible for maintaining the Criminal Justice Information System that State, local, and federal law enforcement rely on for accurate and timely information. The Deputy Secretary for Operations is responsible for the oversight of the three main functions: corrections, parole and probation, and pretrial detention. This unit is responsible for the coordination of all departmental programs and services, including the operations of the canine, central transportation, and Central Home Detention units.

### **Performance Analysis: Managing for Results**

#### **1. Polygraph Unit**

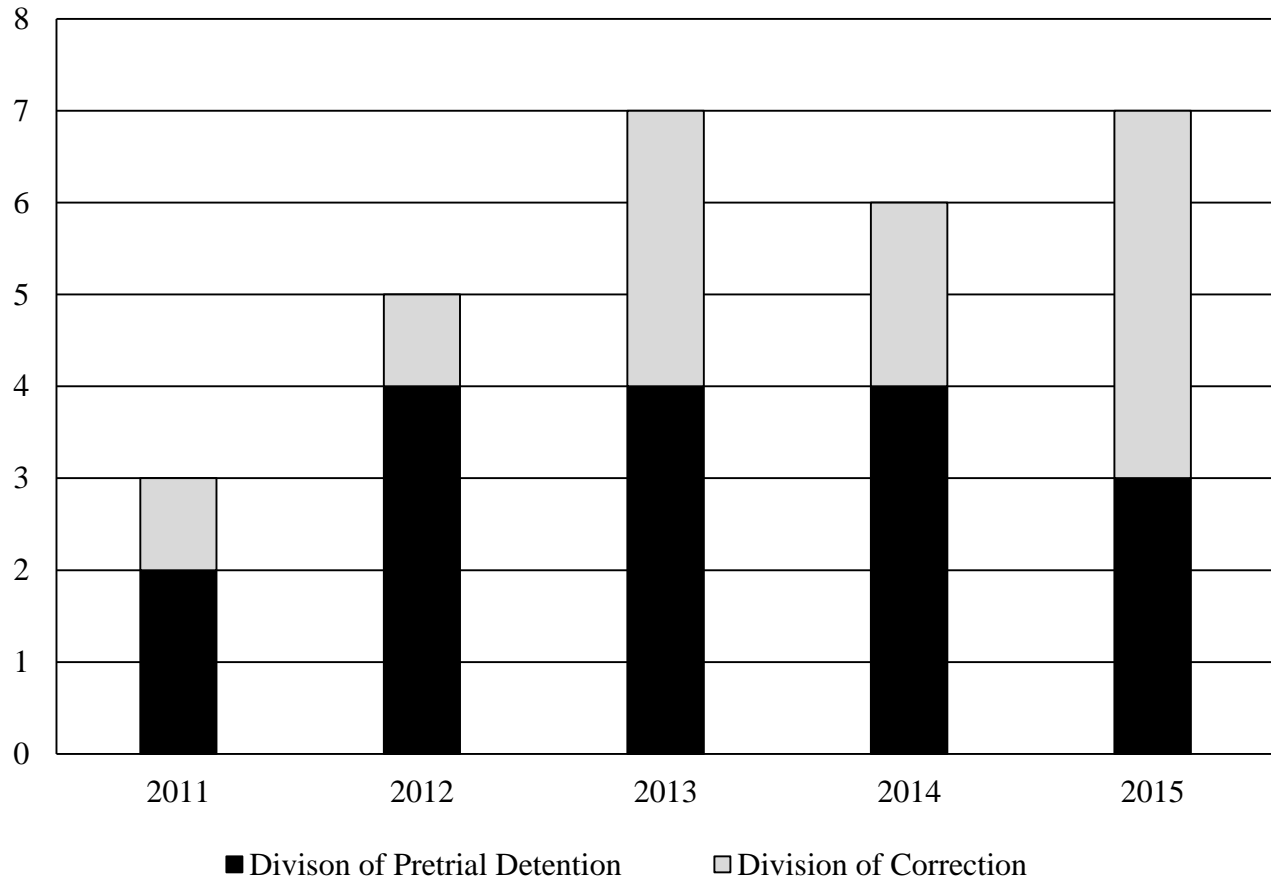
Chapter 407 of 2015 requires DPSCS to polygraph all correctional officer applicants. The department initially received a fiscal 2014 appropriation of \$347,000 to establish a Polygraph Unit for pre-employment examinations. However, at the time of the 2015 DPSCS legislative budget hearings, the department had only filled 2 of 6 positions within the unit. As of January 2016, all 6 polygrapher positions are filled, and the unit began administering examinations in early September 2015. Correctional officer applicants are polygraph-tested at the end of the application process. Prior to the polygraph examination, the department gathers information about applicants through a correctional officer examination; drug, criminal history, and inmate contact screening; fingerprinting; reference and employment checks; neighborhood visits; and physical and psychological examinations and evaluations.

Between September 9, 2015, and November 20, 2015, 125 examinations were administered (including retests and supplemental tests) to 99 applicants, only 55 of whom were correctional officer applicants. As of November 20, 2015, 24 correctional officer applicants had passed the polygraph examination, for a pass rate of 43.6%. **DPSCS should comment on whether the addition of the polygraph examination in the application process has affected its ability to fill vacant correctional officer positions in a timely fashion.**

## 2. Commitment Unit

Maintaining the security of the offenders under the department’s supervision is an integral part of the DPSCS mission. To that end, DPSCS tries to ensure that no sentenced inmate or pretrial detainee within a DPSCS facility is incorrectly released. The responsibility for meeting this goal falls within the Commitment Unit. **Exhibit 1** illustrates that the number of incorrectly released offenders more than doubled between fiscal 2011 and 2013 and has remained at least above six since then. Four of the fiscal 2015 incorrect releases occurred with inmates under Division of Correction jurisdiction, while three were offenders under Division of Pretrial Detention jurisdiction.

**Exhibit 1**  
**Erroneous Releases**  
**Fiscal 2011-2015**

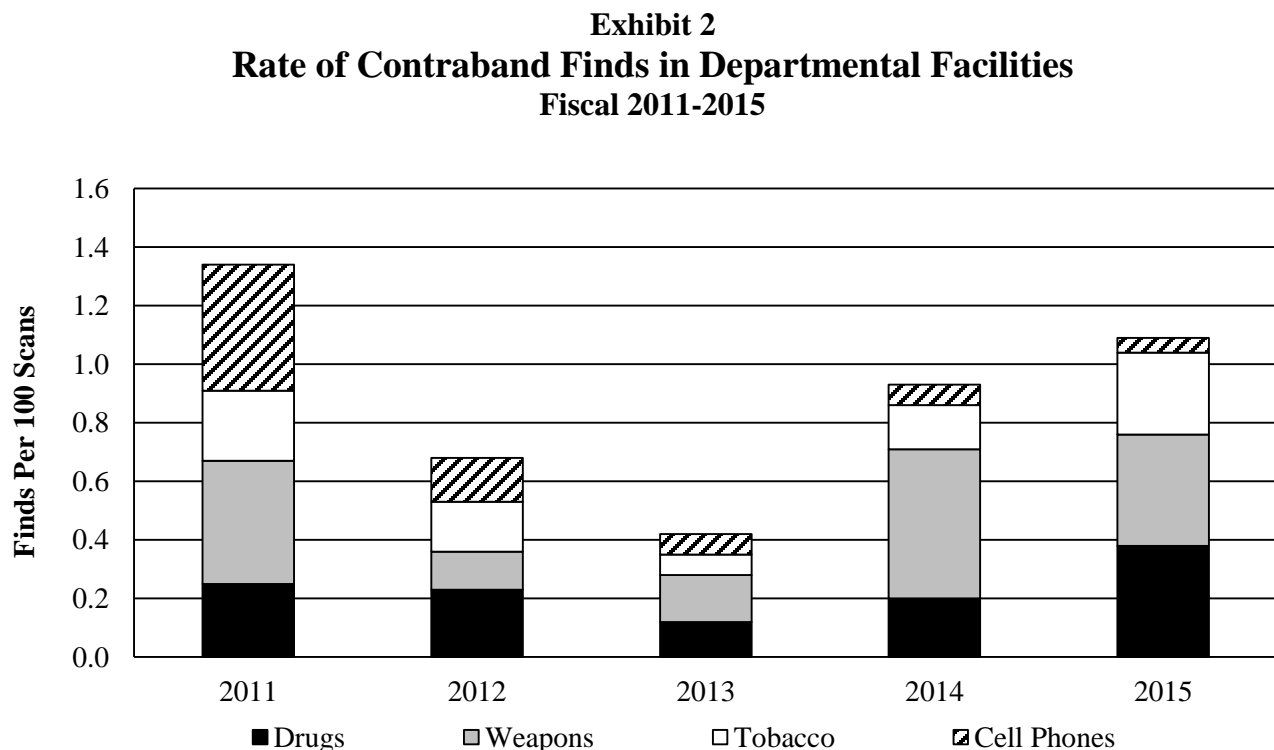


Source: Managing for Results, Department of Public Safety and Correctional Services

A November Office of Legislative Audits (OLA) report of the DPSCS Office of the Secretary and Other Units found that DPSCS did not ensure inmate release date information was properly transferred from the previous Offender-Based State Correctional Information System (OBSCIS) I to the new Offender Case Management System (OCMS). OCMS was implemented as the official record for State-sentenced inmate release date information in August 2014. **DPSCS should comment on whether all incorrectly released offenders have been returned to custody and the steps taken to avoid similar mistakes in the future.**

### 3. Canine Contraband Finds

**Exhibit 2** 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, and then again in fiscal 2015, to 1.09 items per 100 scans. In the past couple of years, the department has enhanced search techniques and increased its use of intelligence and phone monitoring, allowing the Canine Unit to conduct fewer scans leading to increased recoveries.



Source: Managing for Results, Department of Public Safety and Correctional Services

In addition to the overall rate of finds, the composition of the total finds has changed. Weapon and drug finds made up just more than one-third of all finds each in fiscal 2015, although weapon finds decreased and drug finds increased from the prior year. In fiscal 2011, cell phone finds made up almost one-third of total finds; however, cell phone finds only accounted for less than 5% of all finds in fiscal 2015. The decrease in cell phone finds is likely attributable to the fiscal 2014 implementation of cell phone managed access systems in Baltimore City facilities. The DPSCS Division of Pretrial Detention receives a fiscal 2016 deficiency appropriation to implement cell phone managed access systems at two additional facilities in Baltimore, which should further decrease cell phone finds at those facilities.

## **Fiscal 2016 Actions**

### **Proposed Deficiency**

The fiscal 2017 allowance includes two fiscal 2016 general fund deficiency appropriations totaling \$3.7 million for the Office of the Deputy Secretary for Operations. A \$2.9 million deficiency is provided to fund accrued leave payouts, and \$828,000 is provided for vehicle replacements. Aging vehicles will be replaced within multiple units of the department, including the Division of Parole and Probation, the Canine Unit, the Internal Investigation Division, and the Division of Correction.

### **Proposed Budget**

As seen in **Exhibit 3**, the Governor's fiscal 2017 allowance for the DPSCS Administration increases by \$1.2 million, or less than 1.0%. This increase takes into account the previously discussed fiscal 2016 deficiency appropriations, as well as the fiscal 2017 across-the-board reduction for health insurance.

**Exhibit 3**  
**Proposed Budget**  
**DPSCS – Administration**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
Fiscal 2015 Actual	\$119,066	\$55,105	\$577	\$2,018	\$176,768
Fiscal 2016 Working Appropriation	133,304	67,292	1,200	1,651	203,447
Fiscal 2017 Allowance	<u>133,217</u>	<u>65,187</u>	<u>4,600</u>	<u>1,669</u>	<u>204,673</u>
Fiscal 2016-2017 Amount Change	-\$87	-\$2,105	\$3,400	\$18	\$1,226
Fiscal 2016-2017 Percent Change	-0.1%	-3.1%	283.3%	1.1%	0.6%

**Where It Goes:****Personnel Expenses**

Employee retirement system.....	\$1,523
Turnover .....	1,486
Employee and retiree health insurance .....	1,121
Overtime .....	223
Reclassification .....	-60
Workers' compensation premium assessment .....	-486
Abolished/transferred positions .....	-585
Accrued leave payouts .....	-2,900
Other fringe benefit adjustments.....	-4

**Other Changes**

Computerized Criminal History Major Information Technology (IT) Project .....	2,300
Maryland Correctional Enterprises Enterprise Resource Program Major IT Project .....	750
IT contracts .....	673
Contractual full-time equivalents.....	569
Non-Department of General Services rent.....	118
Vehicle replacements and purchases .....	-973
Emergency Number System Board grants (county fee).....	-2,500
Other .....	-29

<b>Total</b>	<b>\$1,226</b>
--------------	----------------

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

## **Personnel and Full-time Equivalents**

Personnel expenses increase by a net of \$318,000 once adjusted for fiscal 2016 deficiencies and the fiscal 2017 across-the-board health insurance reduction. Increases of \$1.5 million for the employee retirement system, \$1.5 million for turnover adjustments, and \$1.1 million for employee and retiree health insurance are offset by decreases of \$486,000 for the workers' compensation premium assessment, \$585,000 for abolished and transferred positions, and \$2.9 million for accrued leave payouts. Employee overtime increases by \$223,000. The largest user of overtime within DPSCS Administration is Security Operations, which includes the Canine Unit and Central Transportation Unit, with \$2.3 million budgeted for overtime in the allowance. The next largest user is the Central Home Detention Unit, at \$300,000 in the allowance. The allowance for the Department of Budget and Management also includes funding for employee increments. A general fund amount of \$1.4 million and a special fund amount of \$279,000 will be transferred by budget amendment to DPSCS to allocate funding for increments.

Funding for full-time equivalents (FTE) increases by \$569,000 in the allowance. Contractual turnover expectancy and health insurance increase by \$371,000 and \$197,000, respectively. The adjustment made for contractual turnover in the allowance accounts for an increased number of contractual FTEs that did not receive additional funding in the working appropriation. Fiscal 2017 will be the first year that contractual FTEs receive health insurance, which accounts for the \$197,000 increase in the allowance.

## **Other Changes**

Within the Office of the Secretary, the department receives an additional \$3.1 million in fiscal 2017 for two Major Information Technology (IT) Projects. The Maryland Correctional Enterprises (MCE) Enterprise Resource Planning project, which is ongoing, will revise and update the MCE backend processes, aging financial, and manufacturing IT infrastructure. The Computerized Criminal History project, funded entirely with one-time federal grant funding in the fiscal 2017 allowance, will replace two legacy data systems with more updated technology in order to enhance information sharing and improve offender management efficiency and effectiveness. The project is discussed in more detail in the Issues section of this analysis.

The allowance reflects a decrease of \$2.5 million for special fund reimbursements to local jurisdictions from the Emergency Number System Board for 9-1-1 system enhancements and 9-1-1 center operating costs. The revenue for the grants is derived from a fee applied to telephone subscribers' monthly statements. The allowance for the local reimbursements decreases from the working appropriation to coincide with an expected decrease in revenue.

Funding for vehicle replacements and purchases decreases by \$973,000 in the allowance, largely due to the removal of the fiscal 2016 \$828,000 general fund deficiency to replace vehicles within the Office of the Deputy Secretary for Operations.

## Issues

---

### 1. Inmate Banking Accounts

DPSCS maintains inmate funds, which are nonbudgeted funds initially deposited with the State Treasurer and recorded in the inmate's personal account on the Maryland Offender Banking System (MOBS) II. MOBS II replaced the department's former inmate account system, MOBS, in August 2014. MOBS II serves as a record of each inmate's account activity, including funds received and disbursed, as well as the available balance. Inmate funds can be saved, provided directly to inmates in certain circumstances such as upon their release, or inmates can direct the institutions to disburse these funds to third parties.

The DPSCS finance offices have had a history of issues related to the reconciliation of inmate banking accounts. The most recent OLA audit reports, issued according to the department's previous regional organization, were issued in May through October 2015. Two of these audit reports, for the Central and South Regions, indicated that the respective finance offices had not fully reconciled inmate fund records with the corresponding records maintained by the Comptroller of Maryland. OLA's most recent reviews of inmate fund reconciliations disclosed consistent positive and negative reconciliations totaling to an approximate aggregate of \$120,000. Since the South Region audit report was released in October 2015, the unreconciled amount for the Jessup Office decreased by \$100,000 following the transfer of funds restricted by the legislature for the purpose of reconciling inmate banking accounts. The department has also identified an additional positive balance of approximately \$9,500. The current net departmentwide unreconciled amount stands at \$10,723, as shown in **Exhibit 4**.

---

#### Exhibit 4 Department of Public Safety and Correctional Services Unreconciled Inmate Banking Funds

Financial Office	Unreconciled Funds
Jessup Office	-\$181,974
Eastern Correctional Institution Office	73,487*
Central Region Office	-2,236
<b>Net Total</b>	<b>-\$110,723</b>
Transfer of funds pursuant to fiscal 2015 budget bill language	\$100,000
<b>Adjusted Net Total</b>	<b>-\$10,723</b>

\*The unreconciled amount indicated in the most recent audit report covering the Eastern Correctional Institution Office indicates an unreconciled amount of about \$64,000. Since the release of the audit report, the Department of Public Safety and Correctional Services has identified an additional unreconciled amount of about \$9,500.

Source: Office of Legislative Audits; Department of Public Safety and Correctional Services

---

Although this is a relatively small amount, this is not the first time that audit findings have indicated unreconciled inmate fund records. OLA has noted unreconciled accounts for the Eastern Correctional Institution finance office in its six preceding audit reports of the former Eastern Shore Region. OLA commented on the unreconciled accounts for the Jessup finance office in the preceding audit reports of the Central Region Finance Office (CRFO) and the Jessup Region. In the August 2012 audit report of CRFO, OLA reported that the MOBS balance exceeded the related Comptroller's balance by approximately \$309,000 in June 2011. This unreconciled amount increased to \$382,000 in May 2013 but then decreased to the \$182,000 figure in the most recent Central Region audit report following the transfer of \$200,000 from the DPSCS administrative appropriation to the Comptroller's inmate funds account in accordance with fiscal 2014 budget bill language. Prior to the creation of CRFO, unreconciled amounts appeared in three preceding audit reports of the former Baltimore Region dating back to 2002. The most recent audits of the North, South, and Central Regions also indicate that financial offices had not timely reconciled the inmate fund records with the Comptroller's corresponding records (North), lacked certain critical controls over inmate fund transactions and records (North and South), and had not adequately verified that certain cash receipts were deposited (Central).

DPSCS is in the midst of centralizing the regional finance offices and plans to have all regions reconciled by June 2016, as indicated in the responses to the South and North Region audit reports. Additionally, DPSCS will complete reconciliations on a monthly, as opposed to quarterly, basis. The department also will be testing a MOBS/Financial Management Information System interface project that is expected to simplify and expedite the reconciliation project. **DPSCS should comment on the status of actions taken to correct the reconciliation of accounts.**

**The Department of Legislative Services recommends adding budget bill language restricting \$100,000 in general funds until DPSCS submits monthly reconciliation reports beginning in July 2016, including indication of corrective actions to be taken for any identified differences.**

## **2. Offender Case Management System**

OCMS is the DPSCS integrated offender case management information system. There are several modules, including case planning, booking, community supervision, corrections, and pretrial and detention services. OCMS takes the place of multiple independent systems, and the increased information flow is intended to allow the department to build case plans and update them throughout an offender's incarceration period through his or her community supervision, providing case managers and supervision agents with a comprehensive history as the offender reenters society.

OCMS is a commercial off-the-shelf solution with significant configuration and customization to support Maryland's process and statutes. After continued delays, the production phase of the project began at the end of 2012, and implementation was completed in August 2014. The total project cost was approximately \$16 million.

## **Accuracy, Reliability, and Use Issues**

Recently, a range of issues regarding the accuracy, reliability, and ease of use for OCMS have been documented in OLA reports as well as a Parole and Probation Agent Workload Study conducted by the University of Baltimore Schaefer Center for Public Policy. The issues that have been raised include:

- inadequate training and outdated operations manuals;
- lack of interface between OCMS and other existing systems, such as OBSCIS II, necessitating additional data entry to complete tasks as well as leading to errors from data entry;
- insufficient procedures and controls over user access;
- improperly transferred data from OBSCIS I to OCMS, resulting in discrepancies with inmate release dates;
- inability to generate key information and alerts for supervision cases; and
- difficulty generating regular annual and quarterly population reports.

The Division of Parole and Probation (DPP) workload study goes so far as to note that OCMS is “the most significant impediment to agent effectiveness.” Agents involved in the study reported missing information, outdated offender details, and inaccurate lists of assigned cases. Many agents in the study indicated utilizing self-developed supplemental work aids in Excel, other office software, or on paper in order to track their caseload and required tasks.

## **Status of Modifications and Enhancements**

The OCMS maintenance and modifications contract totals \$7.0 million between December 2013 and November 2018. The department also has 1 contractual program manager assigned to OCMS. Annual appropriations for OCMS maintenance and modifications total just over \$1.5 million in the working appropriation and the allowance.

DPSCS formed a workgroup shortly after implementation of OCMS to review user change requests and recommend and oversee implementation efforts. Since the system went live in August 2014, DPSCS has implemented 11 system enhancements (6 for the Division of Correction, 4 for Arrest and Booking, and 1 for DPP) to add functionalities, improve error/bug repair and handling, and improve cross-platform compatibility and user experience. The department has an additional 21 change notes in production for a variety of modifications.

**DPSCS should comment on improvements that still need to be made in order to allow for efficient use of the system and whether the department can accomplish necessary modifications with existing resources.**

### **3. Computerized Criminal History Major IT Project**

The Governor's allowance includes \$2.3 million in federal funds to begin planning for a new Major IT Project to implement a Computerized Criminal History (CCH) system. According to the department's December 2015 Information Technology Project Request (ITPR), the project will replace two legacy data systems – the Identification/Index and Arrest Disposition Reporting mainframe systems – with a commercial off-the-shelf package. The project is intended to improve the efficiency and effectiveness of criminal history records systems, accommodate growth, eliminate redundant data and systems, and increase automation. CCH will provide support and data for several agencies within DPSCS, as well as local and federal law enforcement, State's Attorneys, and prosecutors. The ITPR indicates a five-year schedule for completing the project. December 2015 was the first time the department submitted an ITPR for this project.

The source of the funding included in the fiscal 2017 allowance to begin the project is a grant from the National Instant Criminal Background Check System (NICS) Act Record Improvement Program (NARIP), which is administered by the U.S. Department of Justice, Bureau of Justice Statistics. NARIP grants are intended to improve records available to NICS for firearms purchases by helping states improve completeness, automation, and transmittal of records to state and federal systems. The department's estimated project cost for the life of the project is outlined in **Exhibit 5**. Although the department has obtained grant funding to start the project, the project will need to be funded with general funds through the Major IT Development Project Fund in future years, bringing the general fund total to just more than \$5 million. **DPSCS should comment on the need for and timeliness of this project.**

**Exhibit 5**  
**Computerized Criminal History Major IT Project**  
**Summary of Estimated Project Spending**  
**Fiscal 2017-2020**  
**(\$ in Thousands)**

	<u><b>2017</b></u>	<u><b>2018</b></u>	<u><b>2019</b></u>	<u><b>2020</b></u>	<u><b>Total</b></u>
<b>Project Phase</b>					
Initiation	\$2,320				\$2,320
System Concept Design		\$520			520
Planning		520			520
Requirements Analysis		520			520
Design			\$520		520
Development			520		520
Integration and Testing			520		520
Implementation				\$1,040	1,040
Operations and Maintenance				520	520
Independent Verification and Validation	116	78	78	78	350
<b>Total</b>	<b>\$2,436</b>	<b>\$1,638</b>	<b>\$1,638</b>	<b>\$1,638</b>	<b>\$7,350</b>
<b>Fund Type</b>					
MITDPF		\$1,560	\$1,560	\$1,560	\$4,680
Project Oversight	116	78	78	78	350
Federal	2,320				2,320
<b>Total</b>	<b>\$2,436</b>	<b>\$1,638</b>	<b>\$1,638</b>	<b>\$1,638</b>	<b>\$7,350</b>

IT: information technology

MITDPF: Major Information Technology Development Plan Fund

Source: Information Technology Project Request, December 2015

---

## ***Recommended Actions***

---

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

.provided that \$100,000 of this appropriation made for the purpose of general administration may not be expended until the Department of Public Safety and Correctional Services submits monthly inmate banking account reconciliation reports, including indication of corrective actions to be taken for any identified differences, to the budget committees. Monthly reports shall be submitted by the first of each month, beginning on July 1, 2016 and ending May 1, 2017. Funds shall not be released until all 11 reports have been received. The budget committees shall have 45 days from receipt of the final report to review and comment. Funds restricted pending the receipt of the reports may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the reports are not submitted to the budget committees.

**Explanation:** The Department of Public Safety and Correctional Services (DPSCS) has had a history of audit findings relating to unreconciled inmate banking accounts, most recently documented in the May through October 2015 Office of Legislative Audits reports for regional DPSCS operations. This language restricts administrative funds pending receipt of monthly reconciliation reports in order to verify that DPSCS reconciles accounts on a regular basis.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Monthly inmate banking account reconciliation reports	DPSCS	By the first of each month, beginning July 1, 2016, and ending May 1, 2017.

## ***Audit Findings***

---

Audit Period for Last Audit:	December 19,2011 – October 20, 2014
Issue Date:	November 2015
Number of Findings:	9
Number of Repeat Findings:	2
% of Repeat Findings:	22%
Rating: (if applicable)	n/a

- Finding 1:** The structure of an inmate services procurement may have limited competition, and the procurement improperly included items available for a provider with procurement preference.
- Finding 2:** Interagency agreements enabled the office to augment its staff beyond its budgeted positions and enhance related salaries.
- Finding 3:** Liquidated damages were not always assessed for an inmate mental health care contract, and contract changes were authorized without timely Board of Public Works approval.
- Finding 4:** The office did not ensure that certain information was properly transferred to its new Offender Case Management System.
- Finding 5:** Personally identifiable information was not appropriately safeguarded.
- Finding 6:** Account, password, and monitoring controls were not sufficient.
- Finding 7:** **The cash balance of fines, costs, fees, and restitution was not adequately reconciled with the corresponding balance on the State’s records.**
- Finding 8:** The office had not established adequate procedures and controls over certain critical transactions.
- Finding 9:** **Information technology equipment was not adequately controlled and accounted for.**

\*Bold denotes item repeated in full or part from preceding audit report.

## Major Information Technology Projects

### Department of Public Safety and Correctional Services Computerized Criminal History

Project Status <sup>1</sup>	Planning.			New/Ongoing Project:		New.		
Project Description:	This initiative will replace two legacy data systems, including the Identification/Index and Arrest Disposition Reporting mainframe systems, with more up-to-date technologies such as .NET Framework and contemporary relational databases.							
Project Business Goals:	This initiative supports the following Department of Public Safety and Correctional Services (DPSCS) goals: a solution whose basic core capabilities address, at a minimum, the needs for all the following functions: (a) good management; and (b) safe communities. With this project, DPSCS will be able to meet legislative and information requirements, improve offender management efficiency and effectiveness through integrated data, and control the quality and cost of services provided.							
Estimated Total Project Cost <sup>1</sup> :	\$7,350,000			Estimated Planning Project Cost <sup>1</sup> :				
Project Start Date:	October 2015			Projected Completion Date:		December 2020		
Schedule Status:	No reported changes in the project schedule.							
Cost Status:	The Governor’s fiscal 2017 allowance includes \$2.3 million in federal funds for this project, about \$136,000 below the department’s projected spending for that year. Federal funds may not be available for this project in future years.							
Scope Status:	No reported changes in the project scope.							
Identifiable Risks:	Currently, the greatest identifiable risk for this project is the funding source. Although the department obtained one-time federal grant funding to begin the project in fiscal 2017, the department indicated in its December 2015 information technology (IT) project request form that the remaining \$5.1 million needed to complete the project will need to be funded from the Major IT Development Project Fund.							
Fiscal Year Funding (\$ in Thousands)	Prior Years	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Balance to Complete	Total
Personnel Services	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Professional and Outside Services	0.0	2,436.0	1,638.0	1,638.0	1,638.0	0.0	0.0	7,350.0
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	\$0.0	\$2,436.0	\$1,638.0	\$1,638.0	\$1,638.0	\$0.0	\$0.0	\$7,350.0

<sup>1</sup> Initially, an agency submits a Project Planning Request. After the requirements analysis has been completed and a project has completed all of the planning required through Phase Four of the Systems Development Lifecycle (Requirements Analysis), including a baseline budget and schedule, the agency may submit a Project Implementation Request and begin designing and developing the project when the request is approved. For planning projects, costs are estimated through planning phases. Implementation projects are required to have total development costs.

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

<u>Object/Fund</u>	<u>FY 15 Actual</u>	<u>FY 16 Working Appropriation</u>	<u>FY 17 Allowance</u>	<u>FY 16 - FY 17 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	1,054.50	1,054.50	1,046.50	-8.00	-0.8%
02 Contractual	80.88	92.75	92.75	0.00	0%
<b>Total Positions</b>	<b>1,135.38</b>	<b>1,147.25</b>	<b>1,139.25</b>	<b>-8.00</b>	<b>-0.7%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 80,400,531	\$ 89,119,501	\$ 92,655,277	\$ 3,535,776	4.0%
02 Technical and Spec. Fees	3,365,796	3,361,942	3,931,261	569,319	16.9%
03 Communication	3,068,656	3,329,749	2,703,931	-625,818	-18.8%
04 Travel	160,518	213,915	186,500	-27,415	-12.8%
06 Fuel and Utilities	308,805	357,900	318,150	-39,750	-11.1%
07 Motor Vehicles	1,467,692	1,532,971	1,564,874	31,903	2.1%
08 Contractual Services	28,437,723	32,113,679	32,984,943	871,264	2.7%
09 Supplies and Materials	1,881,919	1,105,400	1,273,300	167,900	15.2%
10 Equipment – Replacement	3,866,458	3,232,510	6,279,258	3,046,748	94.3%
11 Equipment – Additional	491,680	425,000	425,000	0	0%
12 Grants, Subsidies, and Contributions	50,393,728	62,068,810	59,418,500	-2,650,310	-4.3%
13 Fixed Charges	2,924,207	2,856,979	3,249,416	392,437	13.7%
<b>Total Objects</b>	<b>\$ 176,767,713</b>	<b>\$ 199,718,356</b>	<b>\$ 204,990,410</b>	<b>\$ 5,272,054</b>	<b>2.6%</b>
<b>Funds</b>					
01 General Fund	\$ 119,066,342	\$ 129,575,390	\$ 133,532,252	\$ 3,956,862	3.1%
03 Special Fund	55,105,392	67,291,902	65,188,930	-2,102,972	-3.1%
05 Federal Fund	577,490	1,200,000	4,600,000	3,400,000	283.3%
09 Reimbursable Fund	2,018,489	1,651,064	1,669,228	18,164	1.1%
<b>Total Funds</b>	<b>\$ 176,767,713</b>	<b>\$ 199,718,356</b>	<b>\$ 204,990,410</b>	<b>\$ 5,272,054</b>	<b>2.6%</b>

Note: The fiscal 2016 appropriation does not include deficiencies. The fiscal 2017 allowance does not include contingent reductions.

**Fiscal Summary  
DPSCS – Administration**

<u>Program/Unit</u>	<u>FY 15 Actual</u>	<u>FY 16 Wrk Approp</u>	<u>FY 17 Allowance</u>	<u>Change</u>	<u>FY 16 - FY 17 % Change</u>
01 Office of the Secretary	\$ 125,623,569	\$ 143,969,367	\$ 148,237,822	\$ 4,268,455	3.0%
02 Deputy Secretary for Operations	51,144,144	55,748,989	56,752,588	1,003,599	1.8%
<b>Total Expenditures</b>	<b>\$ 176,767,713</b>	<b>\$ 199,718,356</b>	<b>\$ 204,990,410</b>	<b>\$ 5,272,054</b>	<b>2.6%</b>
General Fund	\$ 119,066,342	\$ 129,575,390	\$ 133,532,252	\$ 3,956,862	3.1%
Special Fund	55,105,392	67,291,902	65,188,930	-2,102,972	-3.1%
Federal Fund	577,490	1,200,000	4,600,000	3,400,000	283.3%
<b>Total Appropriations</b>	<b>\$ 174,749,224</b>	<b>\$ 198,067,292</b>	<b>\$ 203,321,182</b>	<b>\$ 5,253,890</b>	<b>2.7%</b>
Reimbursable Fund	\$ 2,018,489	\$ 1,651,064	\$ 1,669,228	\$ 18,164	1.1%
<b>Total Funds</b>	<b>\$ 176,767,713</b>	<b>\$ 199,718,356</b>	<b>\$ 204,990,410</b>	<b>\$ 5,272,054</b>	<b>2.6%</b>

Note: The fiscal 2016 appropriation does not include deficiencies. The fiscal 2017 allowance does not include contingent reductions.