

Q00A00
Office of the Secretary
Department of Public Safety and Correctional Services

Operating Budget Data

(\$ in Thousands)

	<u>FY 02</u> <u>Actual</u>	<u>FY 03</u> <u>Working</u>	<u>FY 04</u> <u>Allowance</u>	<u>FY 03 - 04</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$53,588	\$40,508	\$45,187	\$4,679	11.6%
FY 2003 Cost Containment	0	-574	0	574	-100.0%
Contingent & Back of Bill Reductions	0	-29	-124	-95	325.9%
Adjusted General Funds	\$53,588	\$39,905	\$45,063	\$5,158	12.9%
Special Funds	40,984	40,393	40,281	-113	-0.3%
Contingent & Back of Bill Reductions	0	-1	-1	1	-60.1%
Adjusted Special Funds	\$40,984	\$40,392	\$40,280	-\$112	-0.3%
Federal Funds	212	1,984	939	-1,045	-52.7%
Adjusted Federal Funds	\$212	\$1,984	\$939	-\$1,045	-52.7%
Reimbursable Funds	2,931	4,338	2,093	-2,245	-51.8%
Adjusted Reimbursable Funds	\$2,931	\$4,338	\$2,093	-\$2,245	-51.8%
Adjusted Grand Total	\$97,716	\$86,619	\$88,375	\$1,756	2.0%

- There is a \$3.5 million increase in special fund grants by the 9-1-1 Emergency Number Systems.
- There is a net \$3.7 million decrease in contractual services.
- There is a decrease of \$1.1 million in federal funds from a National Criminal History Improvement Project grant.
- There is a net decrease of approximately \$3.2 million in special funds from the Major Information Technology Development Projects Fund for several projects.
- There is a net decrease of approximately \$2.1 million of reimbursable funds from the Governor's Office of Crime Control and Prevention grant funding.

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

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Personnel Data

	<u>FY 02</u> <u>Actual</u>	<u>FY 03</u> <u>Working</u>	<u>FY 04</u> <u>Allowance</u>	<u>Change</u>
Regular Positions	474.00	474.00	471.00	-3.00
Contractual FTEs	67.79	161.49	148.01	-13.48
Total Personnel	541.79	635.49	619.01	-16.48

Vacancy Data: Regular Positions

Budgeted Turnover: FY 04	45.03	9.56%
Positions Vacant as of 12/31/02	58.0	12.24%

Analysis in Brief

Issues

Information Technology and Efficiency: Given fiscal limitations, the department must find alternatives to large scale information technology projects to increase efficiency.

Consolidation of the 9-1-1 Emergency Number System and Maryland Institute for Emergency Medical Services System: The 9-1-1 Emergency Number System could be consolidated with the Maryland Institute for Emergency Medical Services System to leverage the synergy of missions and synthesis of resources.

Recommended Actions

1. Adopt committee narrative requesting a report on the Implementation of the Information Technology Efficiency Team.

Operating Budget Analysis

Program Description

The Office of the Secretary coordinates the activities of the Department of Public Safety and Correctional Services (DPSCS). The agency is responsible for the policies and direction of the department. The office also coordinates State prison and pretrial detention and capital and maintenance projects. Additionally, the office administers the State's 9-1-1 trust fund, certifies local jail construction projects, and runs the Sex Offender Notification program. The Office of Information Technology and Communications Division (IT&CD), within the Office of the Secretary, is responsible for developing and integrating a department-wide system for sharing data within DPSCS units as well as interoperability with outside agencies.

Fiscal 2003 Actions

Proposed Budget Reconciliation Act Will Utilize Fund Balances from 9-1-1 Emergency Number Trust Fund

The Budget Reconciliation and Financing Act of 2003 proposes transferring \$5.0 million from the 9-1-1 trust fund to the general fund in fiscal 2003. There are two components of the fund: (1) charges that local jurisdictions are imposed for phone bills that are collected by the State and passed through for local operations, and (2) a 10 cent surcharge that goes into a State fund for enhancing a 9-1-1 system, mandated equipment, or equipment required by the Emergency Number Board. The transfer of funds would come from the State 10 cent portion. As of January 13, 2003, the fund's unencumbered balance is approximately \$5.7 million.

Cost Containment

The fiscal 2003 working appropriation for the Office of the Secretary includes a \$573,524 reduction in cost containment. The Secretary has accommodated the majority of the cost containment by postponing State Use Industries maintenance projects. Fiscal 2003 cost containment reflects the reversion of appropriations to support free transit ridership for State employees, contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2003.

Governor's Proposed Budget

In the Governor's allowance, the Office of the Secretary has received a net increase of approximately \$1.8 million over the fiscal 2003 working appropriation. General funds increase approximately \$5.2 million. The increase is due primarily to growth in health insurance costs, salaries, and lower turnover expectancy (\$1.9 million) combined with the need to supplement funds for commitments that were previously funded with special funds (\$2.1 million).

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The fiscal 2004 allowance for the Office of the Secretary also contains a reduction in the reliance on special fund revenue of approximately \$0.1 million. The reduction is based on an increase of approximately \$3.5 million in the 9-1-1 Emergency Systems revenue offset by a decrease of approximately \$3.2 million and \$0.5 million in special funds from the Major Information Technology Development Projects Fund for several projects and services rendered to non-state entities, respectively.

In federal funds, a net decrease of approximately \$1.1 million is attributed to a reduction in funds from National Criminal History Improvement Project grants offset by small increases in other grants. Reimbursable fund revenue was reduced by approximately \$2.2 million. This reduction is primarily explained by a decrease of approximately \$2.1 million in grants from the Governor’s Office of Crime Control and Prevention for contractual services relating to information technology.

As shown in **Exhibit 1** significant changes by object class include \$3.6 million decrease in contractual services; \$3.5 million increase in grants; and \$1.6 million increase in salary and wages.

Exhibit 1

**Governor’s Proposed Budget
Office of the Secretary
(\$ in Thousands)**

	<u>FY 02 Actual</u>	<u>FY 03 Approp.</u>	<u>FY 04 Allowance</u>	<u>FY 03 –04 Change</u>	<u>% Change Prior Year</u>
General Funds	\$53,588	\$40,508	\$45,187	\$4,679	11.6%
FY 2003 Cost Containment	0	-574	0	574	-100.0%
Contingent & Back of Bill Reductions	0	-29	-124	-95	325.9%
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Where It Goes:

Personnel Expenses

Abolished/transferred positions.....	-\$152
Reduced turnover/cost containment restoration	1,047

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Where It Goes:

Employee and retiree health insurance	879
Other fringe benefit adjustments	-215

Other Changes

Decrease in contractual services	-3,667
9-1-1 increase	3,503
Other adjustments	361

Total **\$1,756**

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

The department should be prepared to discuss the operational impact of the Governor’s allowance.

Issues

1. Information Technology and Efficiency

As part of the department's reorganization plan, the Office of the Secretary took on the planning responsibility to create a new correctional information technology system. This task grew out of recognition of increasing demand on the department's current systems and the increasing difficulties in meeting user needs. A number of critical systems are currently housed on the department's aging mainframe and are written in an older programming language. As a result, the Office of the Secretary assessed all current systems and developed an information technology master plan that addresses system inadequacies and defines implementation strategies and costs for each project.

The Office of the Secretary is currently managing five major information technology (IT) projects: NCIC 2000 (access to the federal government database), Maryland Statewide Warrant System (MSWS), Maryland Integrated Offender Management System (MIOMS), the Arrest Booking System (ABS), and a departmental wide area network. The department maintains 56 current databases, 16 of which are deemed critical (with 24 x 7 support). The department's transition includes making the current and future systems user friendly for a constituency at different stages of technological readiness. The progress on the department's IT efforts are stymied by the recent decrease in available State funds. The only major IT project that has been funded in the Governor's fiscal 2004 allowance is NCIC 2000, which is a federal requirement.

Many organizations both public and private have increased productivity and reduced costs by implementing office automation programs. Simple upgrades have been shown to streamline processes and decrease personnel requirements.

DPSCS has planned and is in the initial stages of implementing major technology overhauls, which when completed will revolutionize its current operational model. For example, MIOMS will automate offender case records. MIOMS represents a fundamental shift in tracking data, managing offenders, and creating a seamless criminal justice information system. Unfortunately, the austere fiscal circumstances have pushed full implementation of the MIOMS project off several years. However, there may be an interim solution, which would prepare DPSCS units for the sweeping changes of MIOMS while at the same time achieving incremental benefits and cost savings from automating some of the current processes.

It is possible that a small IT team within the Office of the Secretary whose sole focus was automating some current processes could provide department-wide cost savings as well as prepare the units for the MIOMS transition. Examples of the processes that the team could enhance include:

- developing unit-centered databases which meet strict data portability requirements;
- developing a fax distribution system which would cut down the number of hours that are spent faxing documents;
- installing and configuring impact printers which would cut down on the number of hours spent typing

documents;

- automating logical tasks (e.g., calculation of release dates) which would eliminate the hours associated with those tasks; and
- developing an interim system for document management utilizing electronic storage techniques/mediums.

While DPSCS has indicated that the limitations of the current system are based on individual units developing their own "stove pipe" mini-systems, the IT team's enhancements would not have similar limitations. The team's activities would be coordinated through the Office of the Secretary, and each enhancement would have to be consistent with the overarching technology master plan. Additionally, the team should not engage in enhancements that exceed a certain dollar amount. Further, given data portability and system connectivity advancements, the likelihood that transferring information into major IT projects or that the enhancements will not be able to be integrated into the department's major IT programs is significantly decreased.

The department should be prepared to discuss its current office automation practices and policies. DLS recommends the adoption of committee narrative requesting that DPSCS report to the committees on the status and activities of the recommended IT Efficiency Team.

2. Consolidation of the 9-1-1 Emergency Number System and the Maryland Institute for Emergency Medical Services System

The 9-1-1 Emergency Number System's (911 System) function is incongruent with the core business activities of DPSCS. The primary function of DPSCS is to ensure public safety through incarcerating and supervising offenders. A corollary to that function is to provide support services to law enforcement to aid in the apprehension of alleged offenders. The other boards and commissions that fall under DPSCS's umbrella focus primarily on corrections in some manner. Even DPSCS's major information technology efforts revolve around incarceration and supervision.

The 911 System, which is governed by the Emergency Number Systems Board, is more closely aligned with the Maryland Institute for Emergency Medical Services System (MIEMSS), which is governed by the Emergency Medical Services Board. The 911 System is more focused on providing the infrastructure and capacity for emergency personnel in local jurisdictions than detecting and monitoring offenders. The 911 System is also focused on supporting technological advancements to provide enhanced emergency services to those in need. MIEMSS has an established relationship and presence in the local jurisdictions. It also currently provides the infrastructure for distribution of funds to the local jurisdictions.

Currently, administrative costs associated with the 911 System are approximately \$0.3 million. Although the savings from consolidating the two agencies would be modest, the synergy of missions and synthesis of resources would be more compatible than the current arrangement. A consolidated approach would also result in better prioritization of funding for emergency systems' needs. Currently, the Emergency Medical Services Fund receives approximately \$49 million annually from registration fees. The

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State portion of the 9-1-1 fund revenue is approximately \$5.6 million. Furthermore, a consolidated board would be in a position to consider the full scope of emergency services in Maryland when making policy decisions.

DLS recommends that consideration be given to consolidating the functions of the 9-1-1 Emergency Number System and MIEMSS under one governing board through separate legislation.

Recommended Actions

1. Adopt the following narrative:

Report on the Implementation of the Information Technology Efficiency Team: The committees are concerned about the efficient use of information technology and human resources in the Department of Public Safety and Correctional Services (DPSCS). DPSCS, with the advice and consultation of the State Chief Information Officer, should submit a report by October 1, 2003, that addresses the creation of a team within the Information Technology and Communications Division that will be charged with developing and implementing office automation, information technology, and information process enhancements. The report should state:

- qualifications of the team members;
- types of projects on which they will work;
- costs of the team;
- guidelines to ensure that team activities are consistent with the DPSCS master plan; and
- potential cost savings of proposed enhancements.

Information Request	Author	Due Date
Report on the Implementation Information Technology Efficiency Team	DPSCS	October 1, 2003

Current and Prior Year Budgets

Current and Prior Year Budgets Office of the Secretary (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2002					
Legislative Appropriation	\$51,565	\$33,289	\$309	\$762	\$85,925
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	2,402	8,285	1,824	3,103	15,614
Reversions and Cancellations	-378	-590	-1,921	-934	-3,823
Actual Expenditures	\$53,588	\$40,984	\$212	\$2,931	\$97,716
Fiscal 2003					
Legislative Appropriation	\$40,420	\$37,168	\$231	\$4,189	\$82,008
Budget Amendments	-515	3,224	1,753	149	4,611
Working Appropriation	\$39,905	\$40,392	\$1,984	\$4,338	\$86,619

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

Fiscal 2002

The fiscal 2002 actual expenditures reflect total amendments of \$7.7 million. Special funds in the amount of \$2.3 million were amended from the Information Technology Investment Fund (ITIF) to support information technology upgrades. Additional special funds in the amount of \$4.5 million were amended to reflect higher attainment of revenue from the 9-1-1 Trust Fund. Additional federal funds in the amount of \$1.8 million were from various grants from the U.S. Department of Justice. Reimbursable funds in the amount of \$3.1 million reflect grants from the Governor’s Office of Crime Control and Prevention relating to enhancement of the “Proactive Community Supervision” project. General funds in the amount of approximately \$2.1 million were transferred from other units to close out fiscal 2002.

Fiscal 2003

Special funds in the amount of \$2 million were amended from the ITIF to support the rollout of DPSCS’ network project. Federal funds in the amount of \$2.0 million were amended in a grant for the implementation of the Maryland Criminal History Improvement Program which were offset by reductions in other federal funds.

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Appendix 2

**Object/Fund Difference Report
DPSCS – Office of the Secretary**

<u>Object/Fund</u>	<u>FY 03</u>		<u>FY 04</u> <u>Allowance</u>	<u>FY 03 – FY 04</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
	<u>FY 02</u> <u>Actual</u>	<u>Working</u> <u>Appropriation</u>			
Positions					
01 Regular	474.00	474.00	471.00	- 3.00	- 0.6%
02 Contractual	67.79	161.49	148.01	- 13.48	- 8.3%
Total Positions	541.79	635.49	619.01	- 16.48	- 2.6%
Objects					
01 Salaries and Wages	\$ 27,351,118	\$ 24,873,970	\$ 26,461,874	\$ 1,587,904	6.4%
02 Technical & Spec Fees	3,181,499	4,356,297	4,515,921	159,624	3.7%
03 Communication	3,120,140	2,876,019	3,187,256	311,237	10.8%
04 Travel	165,931	128,676	114,567	- 14,109	- 11.0%
06 Fuel & Utilities	122,154	173,658	122,500	- 51,158	- 29.5%
07 Motor Vehicles	173,919	106,636	86,911	- 19,725	- 18.5%
08 Contractual Services	18,959,796	15,441,386	11,764,311	- 3,677,075	- 23.8%
09 Supplies & Materials	1,382,590	1,059,721	1,221,176	161,455	15.2%
10 Equip - Replacement	1,107,309	1,126,383	1,136,222	9,839	0.9%
11 Equip - Additional	6,631,668	3,442,769	2,785,359	- 657,410	- 19.1%
12 Grants, Subsidies, Contr.	34,211,261	32,227,057	35,730,600	3,503,543	10.9%
13 Fixed Charges	1,308,163	1,410,743	1,373,119	- 37,624	- 2.7%
Total Objects	\$ 97,715,548	\$ 87,223,315	\$ 88,499,816	\$ 1,276,501	1.5%
Funds					
01 General Fund	\$ 53,588,444	\$ 40,508,014	\$ 45,187,488	\$ 4,679,474	11.6%
03 Special Fund	40,983,670	40,393,385	40,280,652	- 112,733	- 0.3%
05 Federal Fund	212,294	1,983,959	938,912	- 1,045,047	- 52.7%
09 Reimbursable Fund	2,931,140	4,337,957	2,092,764	- 2,245,193	- 51.8%
Total Funds	\$ 97,715,548	\$ 87,223,315	\$ 88,499,816	\$ 1,276,501	1.5%

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.

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Fiscal Summary
DPSCS – Office of the Secretary

<u>Unit/Program</u>	<u>FY 02 Actual</u>	<u>FY 03</u>		<u>FY 02 – FY 03 % Change</u>	<u>FY 04 Allowance</u>	<u>FY 03 – FY 04 % Change</u>
		<u>Legislative Appropriation</u>	<u>Working Appropriation</u>			
01 General Administration	\$ 19,594,555	\$ 15,822,375	\$ 16,288,954	- 16.9%	\$ 17,439,572	7.1%
02 Information Technology and Communications Division	34,096,023	28,926,615	31,047,343	- 8.9%	29,335,112	- 5.5%
03 Internal Investigation Unit	1,575,689	1,517,528	1,498,799	- 4.9%	1,539,030	2.7%
04 9-1-1 Emergency Number Systems	34,054,467	32,059,771	32,059,771	- 5.9%	35,635,574	11.2%
06 Division of Capital Construction and Facilities Ma	2,151,807	2,150,722	2,147,354	- 0.2%	2,094,084	- 2.5%
07 Division Of Facilities Maintenance	6,243,007	1,530,625	4,181,094	- 33.0%	2,456,444	- 41.2%
Total Expenditures	\$ 97,715,548	\$ 82,007,636	\$ 87,223,315	- 10.7%	\$ 88,499,816	1.5%
General Fund	\$ 53,588,444	\$ 40,419,892	\$ 40,508,014	- 24.4%	\$ 45,187,488	11.6%
Special Fund	40,983,670	37,168,162	40,393,385	- 1.4%	40,280,652	- 0.3%
Federal Fund	212,294	230,625	1,983,959	834.5%	938,912	- 52.7%
Total Appropriations	\$ 94,784,408	\$ 77,818,679	\$ 82,885,358	- 12.6%	\$ 86,407,052	4.2%
Reimbursable Fund	\$ 2,931,140	\$ 4,188,957	\$ 4,337,957	48.0%	\$ 2,092,764	- 51.8%
Total Funds	\$ 97,715,548	\$ 82,007,636	\$ 87,223,315	- 10.7%	\$ 88,499,816	1.5%

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.