Q00C02
Division of Parole and Probation
Department of Public Safety and Correctional Services

Operating Budget Data

($ in Thousands)

	FY 04 Actual	FY 05 Working	FY 06 Allowance	FY 05-06 Change	% Change Prior Year
General Fund	$76,358	$82,031	$76,079	-$5,953	-7.3%
Special Fund	93	99	8,352	8,253	8313.0%
Federal Fund	86	0	0	0	
Reimbursable Fund	1,575	2,411	796	-1,615	-67.0%
Total Funds	**$78,113**	**$84,541**	**$85,227**	**$685**	**0.8%**
Contingent & Back of Bill Reductions			-448	-448	
Adjusted Total	**$78,113**	**$84,541**	**$84,778**	**$237**	**0.3%**

- There is an approximately $8.3 million increase in special funds for the Drinking Driver Monitor Program (DDMP) contingent on a proposed fee increase in the budget reconciliation and financing legislation.

- There is a decrease of approximately $6 million of general funds resulting from decreases in the DDMP, Supervision of Substance Abusing Offenders, and general administration which are slightly offset by an increase for the Criminal Supervision and Investigation unit.

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

For further information contact: Keri Beth Cain Phone: (410) 946-5530

Personnel Data

	FY 04 Actual	FY 05 Working	FY 06 Allowance	FY 05-06 Change
Regular Positions	1,306.00	1,295.00	1,272.00	-23.00
Contractual FTEs	64.75	148.70	138.70	-10.00
Total Personnel	**1,370.75**	**1,443.70**	**1,410.70**	**-33.00**

Vacancy Data: Regular Positions

Turnover, Excluding New Positions		75.05	5.90%
Positions Vacant as of 12/31/04		99.50	7.68%

- The division's regular personnel complement is reduced by 23 positions. These positions are currently vacant.
- After controlling for the 23 abolished positions the division's vacancy rate is 6.0%.

Analysis in Brief

Issues

Increased Probation Supervision Fee: The Division of Parole and Probation (DPP) plans to increase the fee for probation supervisees in DPP from $25 a month to $40 a month. **The division should be prepared to discuss the collection rate for supervision fees and its plans regarding the collection of past-due fees.**

New Drinking Driver Monitor Program Fee: The division plans to impose a $45 monthly program fee for DDMP participants. **The division should be prepared to comment on the expected collection rate for the program fee and the expected revenue. The division should be prepared to discuss the impact of the fund shift on the continuity of service provided in the DDMP.**

Recommended Actions

		Funds
1.	Amend the budget bill language to reduce the contingent general fund appropriation.	
2.	Cut allowance for purchase of replacement vehicles.	$ 61,584
3.	Reduce contingent appropriation for purchase of new vehicles.	307,420
4.	Adopt committee narrative requesting the Office of Legislative Audits to conduct a performance audit of collection rates for supervision fees.	
	Total Reductions	**$ 369,004**

Updates

Vehicle Fleet: The Department of Budget and Management submitted a report in response to a request in the 2004 *Joint Chairmen's Report* regarding the condition of the division's vehicle fleet.

Q00C02

Division of Parole and Probation

Department of Public Safety and Correctional Services

Operating Budget Analysis

Program Description

The Division of Parole and Probation (DPP) provides offender supervision and investigation services. DPP's largest workload involves the supervision of probationers assigned to the division by the courts. DPP also supervises inmates released on parole by the Parole Commission or released from the Division of Correction because of mandatory release. The Drinking Driver Monitor Program (DDMP) supervises offenders sentenced by the courts to probation for driving while intoxicated (DWI) or driving under the influence (DUI). DPP also monitors offenders in the Correctional Options Program, which diverts offenders from the prison system whose criminal acts result from drug abuse.

Performance Analysis: Managing for Results

As shown in **Exhibit 1**, the number of offenders under criminal supervision has decreased slightly at the end of fiscal 2004. However, the figures have increased by 6.48%, or 3,051 offenders, between fiscal 1996 and 2004. **The department should be prepared to discuss the impact of the personnel cuts on caseload projections.**

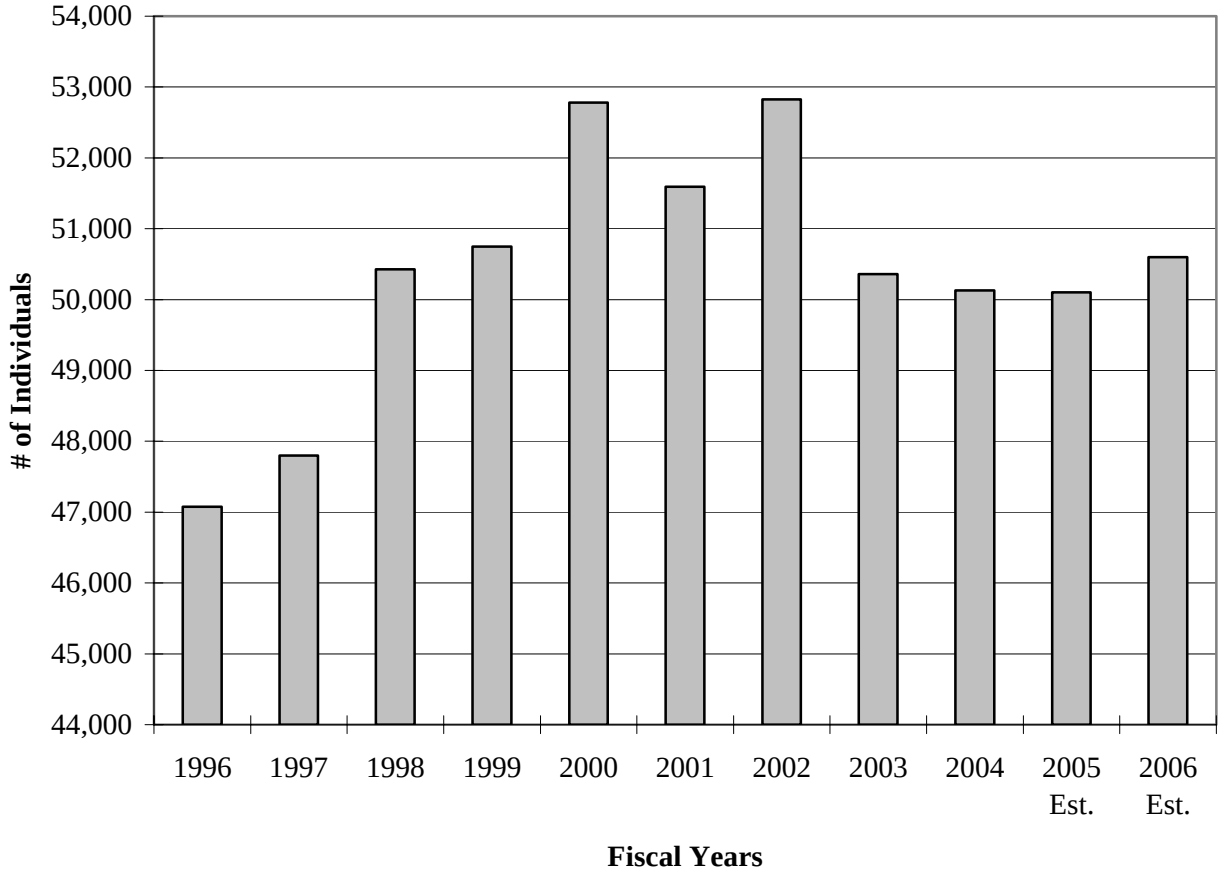
The DDMP provides a specialized probation service to DWI and DUI offenders. The program attempts to reduce revocations for new DWI and DUI offenses during the period of probation. **Exhibit 2** shows the number of cases under supervision in the DDMP at the end of the fiscal year. Participation rates have been on the decline though the department expects the rates stabilize in fiscal 2005 and 2006.

Governor's Proposed Budget

As seen in **Exhibit 3**, the Governor's fiscal 2006 allowance increases by approximately $237,000, or 0.3%.

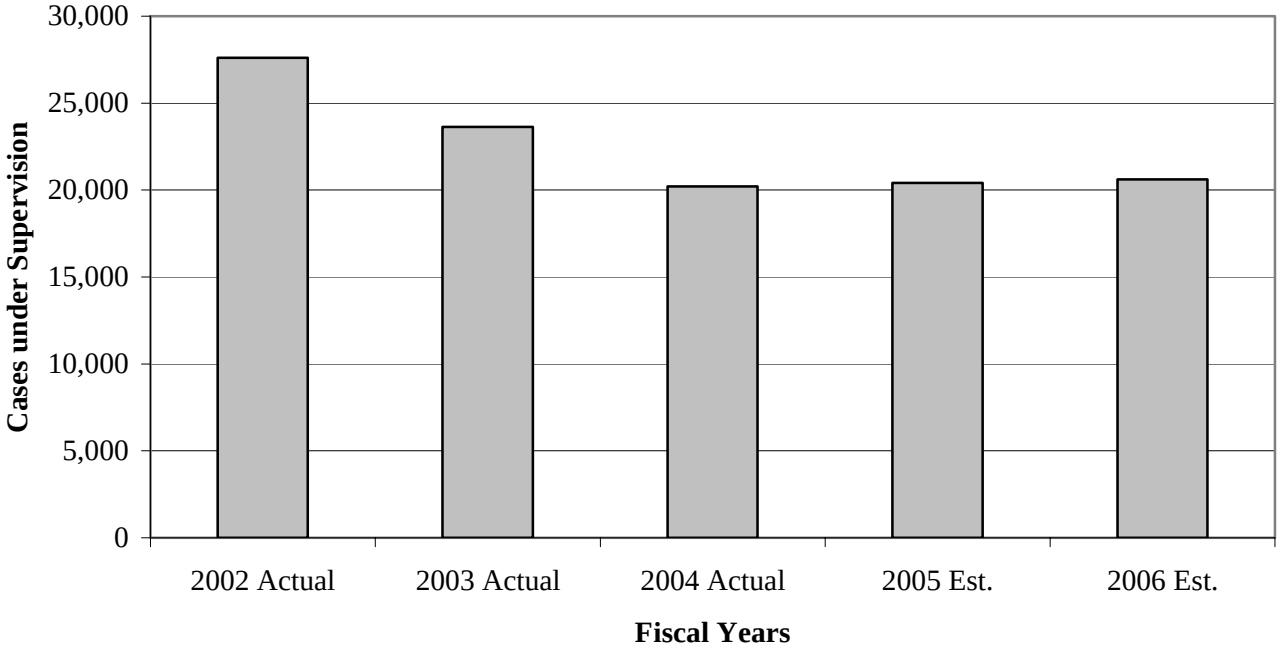
The allowance for general administration decreases by approximately $375,000. This is primarily the result of the nearly $655,000 Community Service Grant program moving from DPP to the Governor's Office of Crime Control and Prevention (GOCCP). This decrease is offset by increases in salary increments and a reduction in turnover expectancy.

Exhibit 1
Number of Individuals under Criminal Supervision at the End of the Fiscal Year
Fiscal 1996 – 2006



Source: Department of Public Safety and Correctional Services

Exhibit 2
DDMP Cases under Supervision at End of Fiscal Year
Fiscal 2002 – 2006



Source: Department of Public Safety and Correctional Services

Exhibit 3
Governor's Proposed Budget
Division of Parole and Probation
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Reimbursable Fund	Total
2005 Working Appropriation	$82,031	$99	$2,411	$84,541
2006 Governor's Allowance	76,079	8,352	796	85,227
Contingent & Back of Bill Reductions	-448	0	0	-448
Adjusted Allowance	**$75,630**	**$8,352**	**$796**	**$84,778**
Amount Change	-$6,401	$8,253	-$1,615	$237
Percent Change	-7.8%	8313.0%	-67.0%	0.3%

Where It Goes:

Personnel Expenses	
Increments and other compensation	$1,395
Retirement contribution cost increase	597
Other fringe benefit adjustments	487
Abolished/transferred positions	-1,158
Turnover adjustments	-521
Employee and retiree health insurance	-287
Other Changes	
Motor vehicles – purchase replacement and additional	298
Communication expenditures	239
Contractual services (laboratory and security)	225
Rent	203
Grants moved to GOCCP	-655
Reduction in special payments payroll	-214
Increase in contractual turnover expectancy	-209
Reduction in in-state travel	-112
Reduced expenditures for data processing equipment	-102
Increased fuel and utility costs	47
Other	4
Total	**$237**

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

In the Criminal Supervision and Investigation area, general funds increase by approximately $2.8 million. The increase is due in part to the continuation of the Warrant Apprehension Unit and Proactive Community Supervision grant programs. There is also an increase of $307,420 for additional motor vehicles, contingent upon the enactment of the increased monthly probation fee. There is a $544,000 increase for salaries and wages (including $432,000 of the deferred compensation match). The remaining increase is attributable to rising expenses for communications, office supplies, and rent, based on prior year actual expenditures. Eighteen of the 23 abolished positions in the fiscal 2006 allowance are located in the Criminal Supervision and Investigation area. Of the 18 positions, 15 are parole and probation agent positions, and 3 are secretarial.

Reimbursable funds for Criminal Supervision and Investigation decrease by approximately $1.6 million. This decrease is the result of three grants previously funded through the GOCCP which are being discontinued.

The DDMP has no general funds in the fiscal 2006 allowance. Instead, the program has an $8.3 million contingent special fund allowance. This is an approximately $184,000 increase in the overall allowance for the DDMP, driven by increases in salaries, wages, and rent.

The allowance for Supervision of Substance Abusing Offenders is down $311,000 in fiscal 2006. Approximately $206,000 is attributable to the reduction of 2.0 full-time equivalent (FTE) vacant contractual positions and an increase in budgeted turnover. There is also a $50,000 decrease in routine travel. These decreases are unlikely to have a significant impact on the program since available funding in the fiscal 2006 allowance is consistent with prior actual expenditures. Two of the abolished regular positions are located in Supervision of Substance Abusing Offenders. Both positions are for parole and probation agents.

In the Collaborative Supervision and Focused Enforcement program, the fiscal 2006 allowance has an increase of $112,000, due to increments and turnover adjustments.

The remaining three abolished positions are located in the Correctional Option Program. All three positions are for parole and probation agents.

The general fund allowance for Urinalysis and Treatment Services decreases by approximately $166,000. This is the net result of a $394,000 decrease due to the abolition of 1.0 FTE vacant contractual position and increases in budgeted turnover, which is offset in part by a $290,000 increase for enhanced drug testing which is contingent upon the enactment of the increased monthly probation fee.

Contingent Actions

The fiscal 2006 allowance reflects the elimination of $448,224 (subobject 0172), the appropriation for matching employee deferred compensation contributions up to $600, contingent upon enactment of a provision in budget reconciliation legislation.

As noted, there are two appropriations that are contingent upon the enactment of fee increases in budget reconciliation legislation. This includes $598,000 in general funds for additional motor vehicles and drug testing, and $8.3 million in special funds for the entire DDMP. The Administration assumes $1.3 million in general funds in its revenue forecast from the increase in probation fees.

Issues

1. Increased Probation Supervision Fee

DPP plans to increase the fee for probation supervisees from $25 a month to $40 a month. Parole supervisees already pay $40 per month. The division expects to raise approximately $1.3 million in general funds from this increase, of which $598,000 is tied to a general fund contingent appropriation. The division plans to use the contingent funds for the purchase of additional motor vehicles and for enhanced drug testing. The division plans to purchase 26 standard State sedans in order to reduce the need for DPP employees to use personal vehicles for DPP business. The increased funds for drug testing will allow for more frequent testing of supervisees. Currently, agents can only request seven tests per month to be divided among their entire caseload. Additionally, costs for in-house urinalysis testing have risen.

The division does not have data on how many offenders currently pay the existing fee. The Department of Legislative Services (DLS) has historically had difficulty identifying collection rates for supervisees. However, the division has based revenue estimates on a 50% collection rate. The division calculated this rate based on the number of offenders ordered to pay the monthly supervision fee and what the estimated collections should be, compared to what is actually collected. The division's Managing for Results data estimates that there will be 116,900 cases under probation supervision in fiscal 2006, though the division may exempt some supervisees from all or part of the fees if the supervisee can demonstrate a financial hardship – usually inability to obtain employment, student status, disability, or dependents. However, the division does not maintain income and employment data on offenders in its database, so it is difficult to gauge how many supervisees might qualify for an exemption.

The division should be prepared to comment on the practicality of a 50% collection rate and how realistic it is to expect to raise $1.3 million in general funds from a $15 increase in probation fees. DLS recommends that the Office of Legislative Audits (OLA) conduct a performance audit in the Division of Parole and Probation to determine the supervision fee collection rate.

In the fiscal audit published by OLA in January 2005, one of the findings was that "the division did not refer certain unpaid fines, costs, and fees to the Department of Budget and Management's (DBM) Central Collection Unit." The courts should have been notified of any fines, costs, or fees which were unpaid upon termination of the offenders' probation or parole periods. These unpaid obligations can be significant. For instance, according to the audit report, unpaid fines and costs for cases closed during fiscal 2003 totaled almost $4.6 million. In May 2004, DPSCS began referring unpaid fines and costs to the DBM Central Collection Unit for cases in which the courts or the Maryland Parole Commission had ordered referrals since September 2002. However, the referral of court-ordered fees has not begun.

The division should be prepared to discuss its plans regarding amounts ordered to be paid prior to September 2002. The division should also comment on its plans regarding the collection of court-ordered fees.

2. New Drinking Driver Monitor Program Fee

In the DDMP, the division plans to impose a $45 monthly program fee. This fee will be assessed in addition to the DPP monthly supervision fee that all probationers pay. The program fees would be used to establish a DDMP Fund with the aim of making the DDMP fully fee-supported.

Currently, DDMP supervisees pay the monthly DPP supervision fee, and the court may also order the offender to pay fines, costs, public defender fees, testing fees, and the Law Enforcement Training fee. Supervisees can also be required to pay restitution to the victims of crime. DPP is authorized to charge a 2% administrative fee based on the total restitution amount for collecting the restitution. With the exception of the 2% of the restitution that is paid to DPP, all money collected goes to the general fund.

In anticipation of the creation of the DDMP fund, no general funds are included in the fiscal 2006 allowance. Instead, $8.3 million in contingent special funds were included pending the fee increase. Typically, a fee proposal would make the general fund reduction contingent upon the enactment of the new fee. Because there are no general funds appropriated for the DDMP, if the program fee fails to be enacted, the program will be unfunded.

DLS has identified the following options for action by the legislature regarding the DDMP: (1) to approve the budget financing act provisions that establish the fee and create the DDMP fund; (2) to fail to approve the provisions and leave the program with no funding source; and (3) to pass legislation mandating that the Governor fund the DDMP at a certain general fund level in future years.

The division should be prepared to comment on the feasibility of collecting $8.3 million from the $45 DDMP monthly program fee. The division should be prepared to discuss the impact of the fund shift on the continuity of service provided in the DDMP.

Recommended Actions

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

   , provided that ~~$598,000~~ $290,580 of this appropriation is contingent upon the enactment of legislation to increase to $40 the monthly supervision fee for probationary offenders.

   Explanation: This is a technical amendment to change the amount of the contingent appropriation. The change reflects a $307,420 recommended reduction to the Governor's allowance, originally allocated for the purchase of new vehicles.

		Amount Reduction	
2.	Cut allowance for purchase of replacement vehicles. The Department of Legislative Services recommends that the division distribute untraceable tags to its employees to use on their private vehicles, thus reducing safety concerns associated with the use of personal vehicles for Parole and Probation work.	$ 61,584	GF
3.	Reduce the contingent appropriation for the purchase of new vehicles tied to the probation supervision fee increase.	307,420	GF

4. Adopt the following narrative:

   Collection Rates for Supervision Fees: The committees are concerned that the Division of Parole and Probation is not adequately collecting supervision fees. The committees direct that the Office of Legislative Audits conduct a performance audit of collection rates for parolees, probationers, and Drinking Driver Monitor Program participants for the period of fiscal 2002 through 2004. The report shall be provided by December 1, 2005.

Information Request	Author	Due Date
Report on collection rates for parolees, probationers, and DDMP for fiscal 2002 through 2004	Office of Legislative Audits	December 1, 2005

Total General Fund Reductions **$ 369,004**

Updates

1. Vehicle Fleet

In the 2004 *Joint Chairmen's Report* (JCR), the budget committees requested that DBM submit a report on the condition and usage of DPP's vehicle fleet. At the appropriate time, DBM submitted a report entitled "An Analysis of the Division of Parole and Probation Vehicle Fleet."

- ***Background and Condition of the DPP Fleet:*** DPP has a fleet of 134 vehicles dispersed among 47 locations. Of these vehicles, 16 are law enforcement sedans, which are primarily used by the officers in the sworn warrant units. Only three vehicles among the 134 are assigned to individual drivers based upon official mileage accumulation. DBM compared the condition of Type 1 standard sedans in the DPP fleet to Type 1 sedans across the statewide fleet. **Exhibit 4** shows this comparison.

  As seen in Exhibit 4, differences in age and mileage are not significant. The DPP sedans averaged approximately 9,500 miles during fiscal 2004 as compared with 10,700 miles for sedans in the statewide fleet. For those vehicles disposed of during fiscal 2004, the average age of the DPP sedan was 6 months older than sedans statewide (8.8 years as compared to 8.3 years). As a result, the average lifetime mileage accumulated was slightly less for DPP sedans (approximately 99,000 as compared to 106,750).

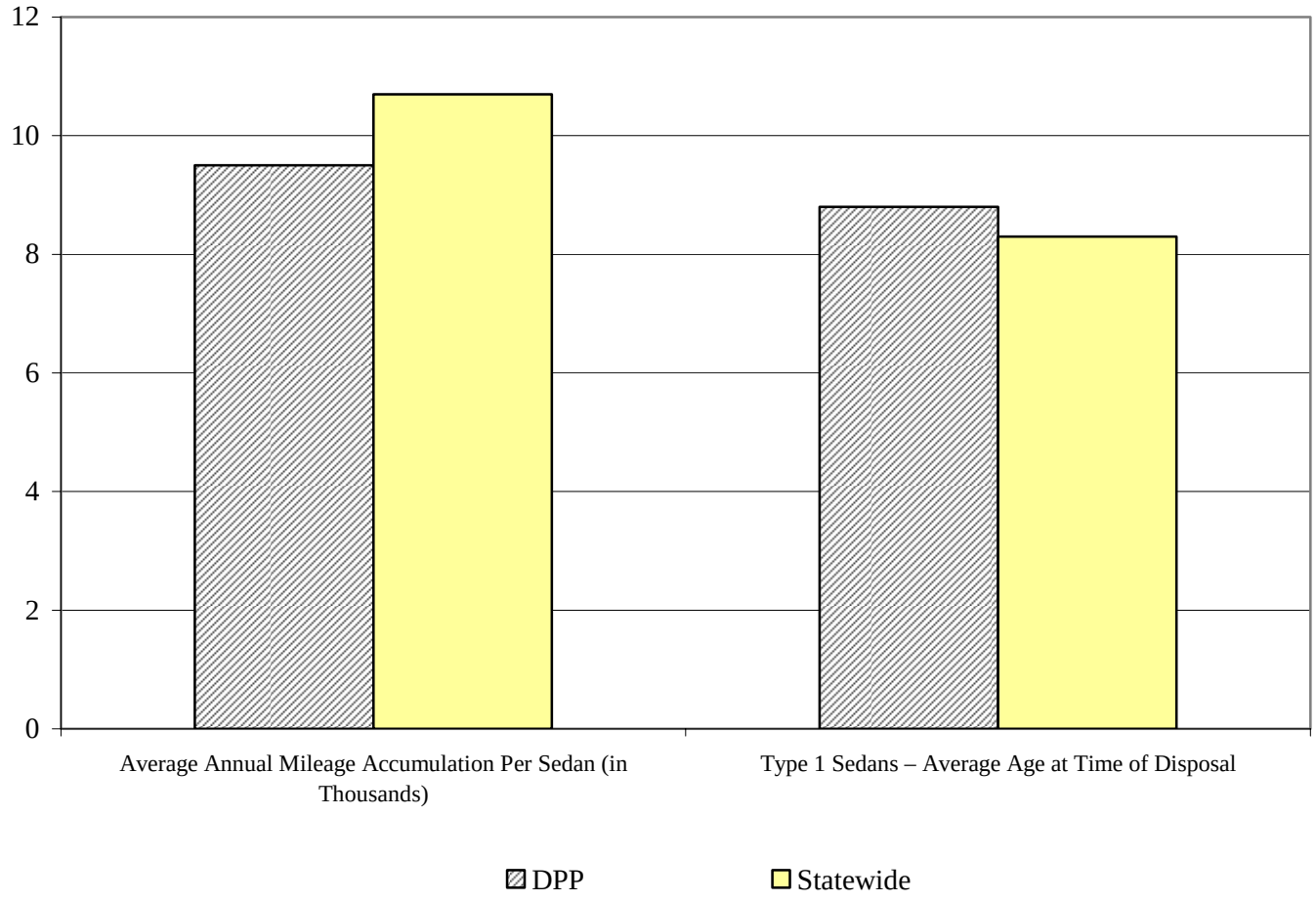
- ***Vehicle Policy:*** In order to effectively and efficiently manage the DPP fleet and remain in compliance with State fleet policy, DPP addresses State vehicle usage in the division's *Supervisor's Manual*. DPP policies establish the following priorities for vehicle access: (1) employees transporting prisoners; and (2) employees on official business who are traveling the greatest distance.

- ***Vehicle Usage Patterns among Other States:*** DBM researched 15 other states to learn about their vehicle usage patterns for DPP operations. Some states provide no state vehicles and require agents to drive their personal vehicles while other states provide one state vehicle for each agent. The remaining states provide pool vehicles for agent use.

- ***Potential Impact of Continued Use of Vehicles and Policies on Safety:*** DBM states that the present condition of the DPP fleet does not pose a threat to employees' or public safety. DBM states that in order to maintain a dependable fleet, DPP should adopt a systematic vehicle replacement cycle that would replace approximately 13 vehicles a year.

- ***Recommendations to Improve Safety When Using a Personal Vehicle:*** The survey of other states did not show personal safety to be an issue of significant concern where personal vehicles were used to conduct State business, and data concerning personal safety issues in Maryland is strictly anecdotal and cannot be directly traced to DPP clients. However, one state does issue

Exhibit 4
Performance Analysis of Type 1 Sedans
DPP versus Statewide Fleet Usage Patterns



Source: Department of Public Safety and Correctional Services

confidential, untraceable tags to agents for their personal vehicles that are used to conduct state business. DBM urges DPP to explore the possibility of issuing confidential, untraceable tags as a way to increase agent safety. DBM further recommends that DPP should include personal safety instruction in their 10-week agency training course.

Appendix 1

Current and Prior Year Budgets

Current and Prior Year Budgets
Division of Parole and Probation
($ in Thousands)

	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2004					
Legislative Appropriation	$81,421	$100	$121	$2,245	$83,887
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	-3,205	0	0	0	-3,205
Cost Containment	0	0	0	0	0
Reversions and Cancellations	-1,857	-7	-35	-670	-2,569
Actual Expenditures	**$76,358**	**$93**	**$86**	**$1,575**	**$78,113**
Fiscal 2005					
Legislative Appropriation	$80,980	$99	$0	$932	$82,011
Budget Amendments	1,051	0	0	1,479	2,530
Working Appropriation	**$82,031**	**$99**	**$0**	**$2,411**	**$84,541**

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

Fiscal 2004

- General fund spending was reduced by approximately $3.2 million through an amendment that redistributed the funds to other agencies within DPSCS, in order to align the general fund appropriation with actual expenditures. Of that, approximately $2.6 million was cuts to salaries, wages, and fringe benefits.

- The reversion of approximately $1.8 million of general funds is attributable to mandatory reversions for unspent employee and retiree health insurance that was overbudgeted.

- The department cancelled approximately $670,000 of reimbursable funds when certain grants were not awarded at the appropriated levels.

Fiscal 2005

- The general fund spending was increased by approximately $1 million through the cost-of-living adjustment amendment. Funds had been budgeted for all agencies in the Department of Budget and Management, and were subsequently reallocated.

- The reimbursable fund spending was increased by approximately $1.5 million through amendment. The funding is from various grants sponsored by the GOCCP.

Appendix 2

Audit Findings

Audit Period for Last Audit:	January 18, 2001 – February 11, 2004
Issue Date:	January 2005
Number of Findings:	6
Number of Repeat Findings:	1
% of Repeat Findings:	17%

Finding 1: Deposit verification procedures were not adequate.

Finding 2: **Reconciliations of cash balances to the State Comptroller's records were not reviewed and approved by supervisory personnel, and an unreconciled difference of approximately $585,000 has gone unresolved since June 2002.**

Finding 3: The Division did not refer certain unpaid fines, costs, and fees to DBM's Central Collection Unit.

Finding 4: The review process for a critical security report was inadequate.

Finding 5: Certain audit reporting deficiencies could restrict management's ability to adequately monitor functions performed by the division's field offices.

Finding 6: Controls over changes made to critical offender financial data were not sufficient.

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

Object/Fund Difference Report
DPSCS – Division of Parole and Probation

Object/Fund	FY04 Actual	FY05 Working Appropriation	FY06 Allowance	FY05 - FY06 Amount Change	Percent Change
Positions					
01 Regular	1306.00	1295.00	1272.00	-23.00	-1.8%
02 Contractual	64.75	148.70	138.70	-10.00	-6.7%
Total Positions	**1370.75**	**1443.70**	**1410.70**	**-33.00**	**-2.3%**
Objects					
01 Salaries and Wages	$ 64,283,561	$ 69,815,561	$ 70,776,565	$ 961,004	1.4%
02 Technical & Spec Fees	2,248,503	3,255,707	2,815,665	-440,042	-13.5%
03 Communication	1,415,623	1,184,213	1,423,158	238,945	20.2%
04 Travel	457,418	602,800	491,100	-111,700	-18.5%
06 Fuel & Utilities	136,476	89,300	136,500	47,200	52.9%
07 Motor Vehicles	375,980	394,405	694,411	300,006	76.1%
08 Contractual Services	3,769,451	3,380,092	3,604,972	224,880	6.7%
09 Supplies & Materials	1,041,567	1,068,345	1,087,221	18,876	1.8%
10 Equip - Replacement	12,867	25,442	25,442	0	0%
11 Equip - Additional	311,380	111,006	9,000	-102,006	-91.9%
12 Grants, Subsidies, and Contributions	658,698	654,830	0	-654,830	-100.0%
13 Fixed Charges	3,401,563	3,959,509	4,162,532	203,023	5.1%
Total Objects	**$ 78,113,087**	**$ 84,541,210**	**$ 85,226,566**	**$ 685,356**	**0.8%**
Funds					
01 General Fund	$ 76,358,416	$ 82,031,183	$ 76,078,628	-$ 5,952,555	-7.3%
03 Special Fund	93,208	99,273	8,351,830	8,252,557	8313.0%
05 Federal Fund	86,394	0	0	0	0.0%
09 Reimbursable Fund	1,575,069	2,410,754	796,108	-1,614,646	-67.0%
Total Funds	**$ 78,113,087**	**$ 84,541,210**	**$ 85,226,566**	**$ 685,356**	**0.8%**

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.

Fiscal Summary
DPSCS – Division of Parole and Probation

Program/Unit	FY04 Actual	FY05 Wrk Approp	FY06 Allowance	Change	FY05 - FY06 % Change
01 General Administration	$ 3,532,244	$ 4,717,002	$ 4,341,674	-$ 375,328	-8.0%
02 Field Operations	74,580,843	79,824,208	80,884,892	1,060,684	1.3%
Total Expenditures	**$ 78,113,087**	**$ 84,541,210**	**$ 85,226,566**	**$ 685,356**	**0.8%**
General Fund	$ 76,358,416	$ 82,031,183	$ 76,078,628	-$ 5,952,555	-7.3%
Special Fund	93,208	99,273	8,351,830	8,252,557	8313.0%
Federal Fund	86,394	0	0	0	0.0%
Total Appropriations	**$ 76,538,018**	**$ 82,130,456**	**$ 84,430,458**	**$ 2,300,002**	**2.8%**
Reimbursable Fund	$ 1,575,069	$ 2,410,754	$ 796,108	-$ 1,614,646	-67.0%
Total Funds	**$ 78,113,087**	**$ 84,541,210**	**$ 85,226,566**	**$ 685,356**	**0.8%**

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.