

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

Operating Budget Data

(\$ in Thousands)

	FY 05	FY 06	FY 07	FY 06-07	% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Fund	\$81,422	\$76,704	\$81,935	\$5,231	6.8%
Special Fund	101	8,352	8,675	323	3.9%
Reimbursable Fund	<u>1,612</u>	<u>796</u>	<u>462</u>	<u>-334</u>	<u>-41.9%</u>
Total Funds	\$83,134	\$85,852	\$91,072	\$5,220	6.1%

- The approximately \$5.2 million general fund increase may be attributed to increases for salaries and wages, grants, vehicle purchase, laboratory testing, and decreased insurance costs.
- The approximately \$334,000 decrease in reimbursable funds is due to decreases in management studies and consultants and telecommunications lines.

Personnel Data

	FY 05	FY 06	FY 07	FY 06-07
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	1,295.00	1,253.50	1,255.50	2.00
Contractual FTEs	<u>82.95</u>	<u>136.70</u>	<u>139.70</u>	<u>3.00</u>
Total Personnel	1,377.95	1,390.20	1,395.20	5.00

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	82.24	6.55%
Positions Vacant as of 12/31/05	111.00	8.86%

- The fiscal 2007 allowance includes three new parole and probation agent positions in the Field Operations unit offset by one abolished administrative position. The division has also added three new contractual full-time equivalents (FTEs). The new regular and new contractual FTEs are all for the expansion of the Collaborative Supervision and Focused Enforcement program.

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

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Analysis in Brief

Issues

Collection Rate for Division of Parole and Probation Fees: In response to a request from the budget committees, the Office of Legislative Audits (OLA) studied and reported on supervision fee collection rates. The audit report found that parolees are the least likely to pay supervision fees while Drinking Driver Monitor Program (DDMP) participants pay at the highest rate. **The department should be prepared to present an updated estimate of how much revenue the increase in the supervision fee will generate, based on the collection rate determined by the Office of Legislative Audits. The Division of Parole and Probation should be prepared to discuss its plans regarding the reevaluation of its estimation methodology.**

Drinking Driver Monitor Program Fee: During the 2005 legislative session, a program fee was created with the aim of making the DDMP fully fee-supported. **The department should be prepared to comment on DDMP program fee collections year-to-date and should provide an estimate for total fee revenues for fiscal 2006.**

Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Delete grant for Baltimore Re-entry Employment Center.	\$ 500,000	
2. Delete three new positions and associated funds.	102,316	3.0
3. Adopt committee narrative directing the Division of Parole and Probation to evaluate and report on their information technology needs in reference to case management and fee collection tracking.		
Total Reductions	\$ 602,316	3.0

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

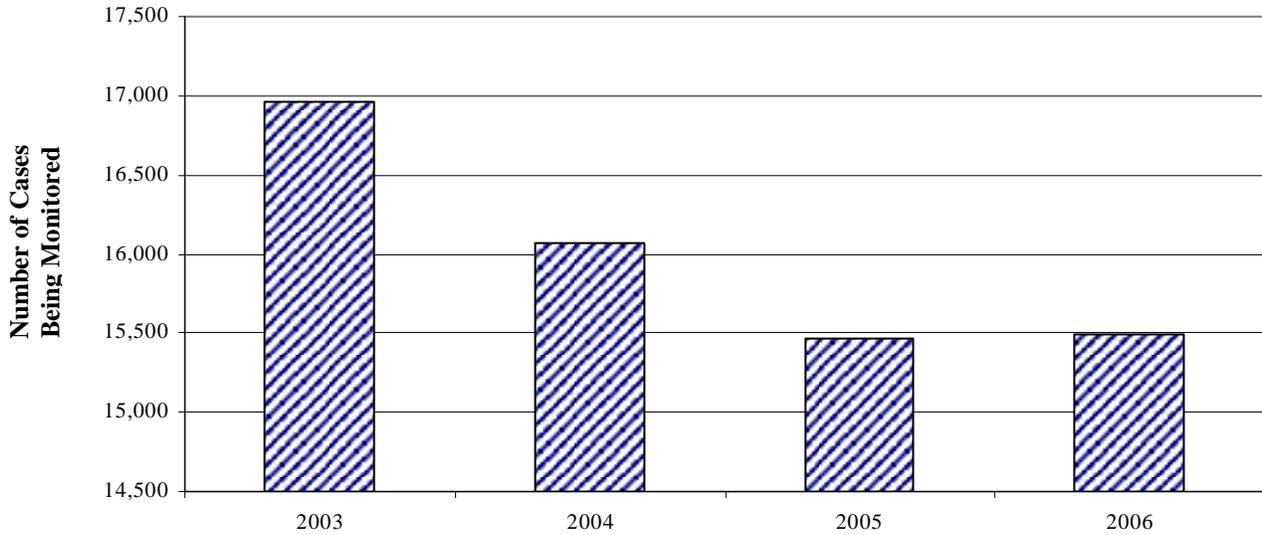
The DDMP supervises offenders sentenced by the courts to probation for DWI or DUI. **Exhibit 1** shows the number of active cases under the supervision of the DDMP program. Active participation declined by 8.6% between fiscal 2003 and 2005. In the 2005 session, the legislature authorized a new program fee for DDMP participants. **The department should be prepared to discuss its revenue forecasts in light of declining participation.**

One objective the division has set forth is to have the percentage of cases where the offenders had satisfactorily completed substance abuse treatment programs when the case was closed by a Proactive Community Supervision (PCS) Office increase by one percentage point over the previous fiscal year, starting in fiscal 2005. As **Exhibit 2** shows, the division has successfully achieved this objective since fiscal 2004. **However, the division should be prepared to discuss what measures are taken to increase the percentage of participants who complete substance abuse treatment. The division should also address why the goals for increased participation are not more ambitious.**

DPP does not currently have the ability to track recidivism rates for specific programs. **The department should be prepared to comment on whether or not the new Offender Case Management System will allow them to track recidivism rates by program. DLS recommends that the system include the ability to track recidivism rates by program and that this information be included in future Managing for Results submissions once it is available.**

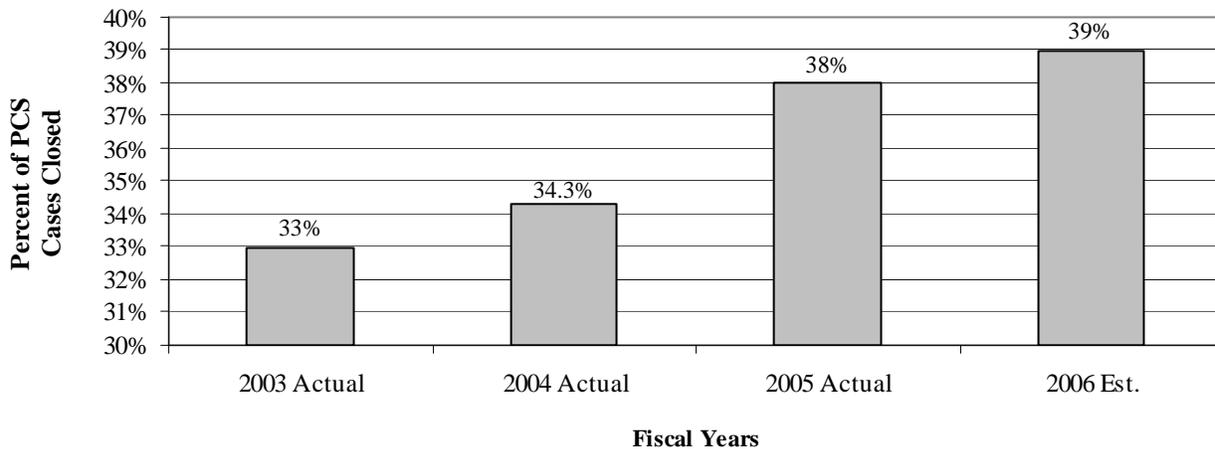
The number of cases under DPP oversight has grown by 10,182 offenders, or 7.6% since fiscal 1998. **Exhibit 3** charts the growth in the number of cases of parolees, probationers, mandatory supervisions, and the total population under DPP supervision. Some offenders may have multiple cases under supervision, so the numbers do not accurately reflect the number of individuals under DPP supervision.

Exhibit 1
Drinking Driver Monitor Program Participation



Source: Department of Public Safety and Correctional Services

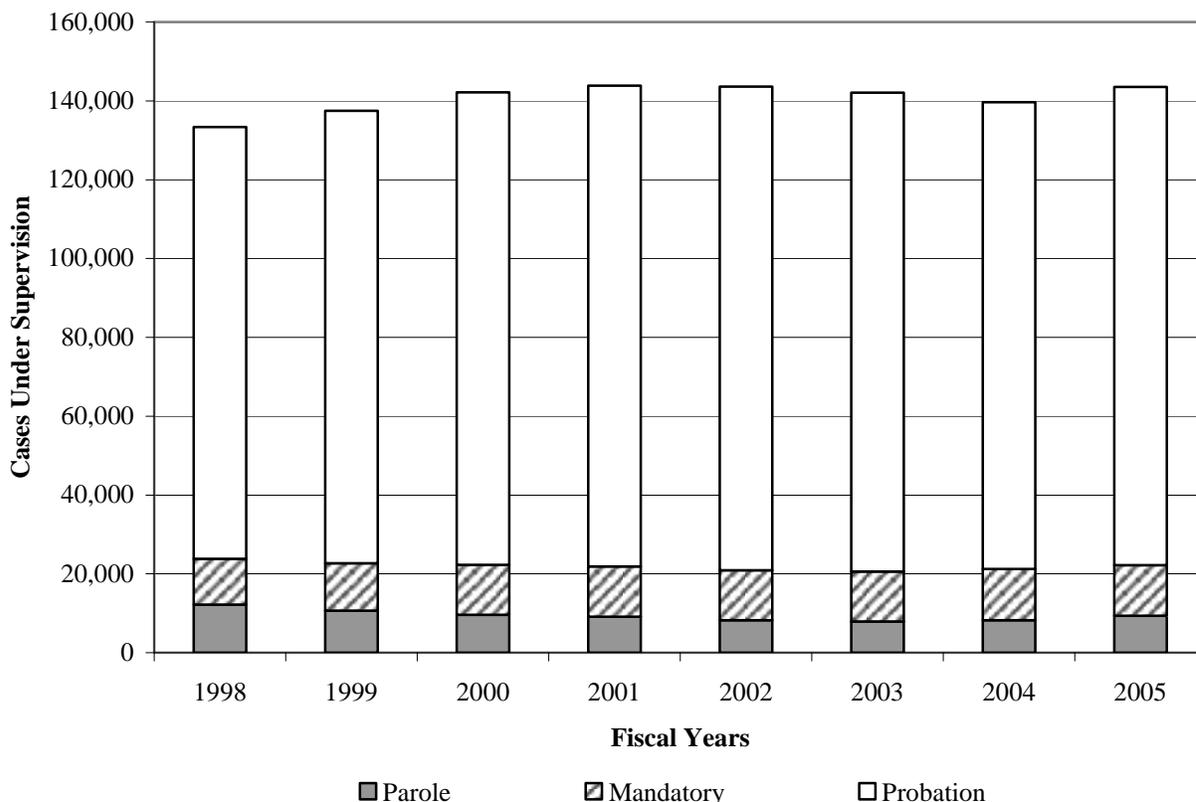
Exhibit 2
Offenders Successfully Completing Substance Abuse Programs



PSC – Proactive Community Supervision

Source: Department of Public Safety and Correctional Services

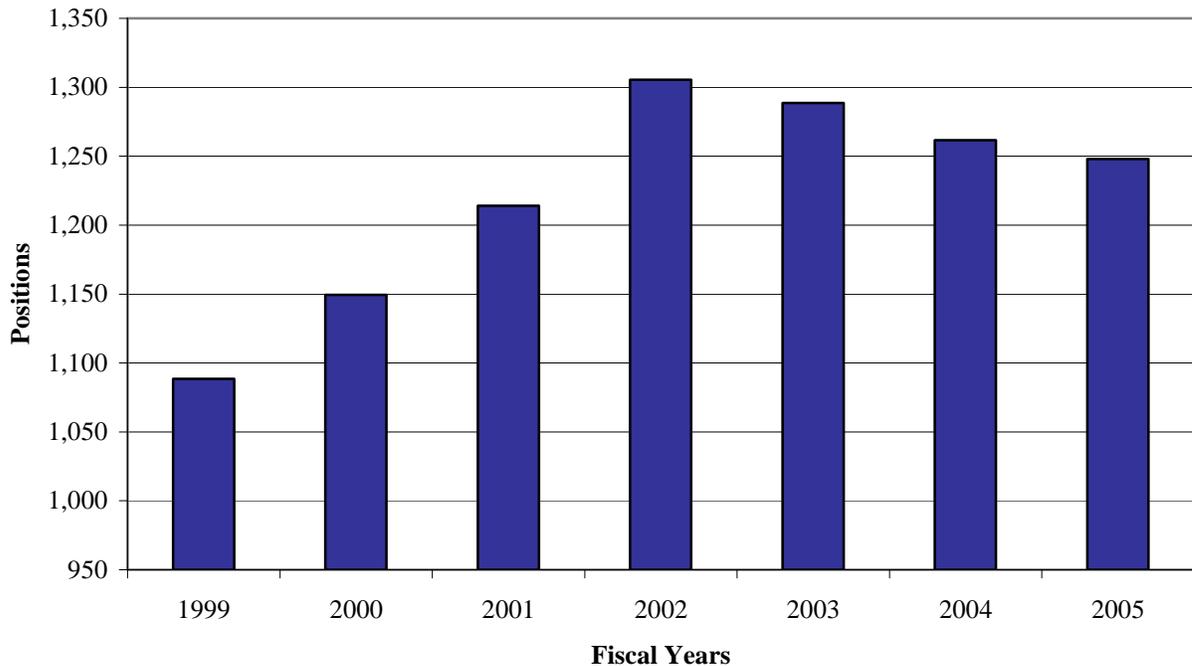
**Exhibit 3
Cases Under Supervision**



Source: Department of Public Safety and Correctional Services

At the same time that the number of cases under DPP supervision has increased, the number of positions in the field operations unit has also increased overall. However, in the most recent years, the number of supervisees has remained relatively stable but very close to the peak numbers seen in fiscal 2001. **Exhibit 4** shows that there was a significant increase in field operations positions between fiscal 2001 and 2002, but since fiscal 2002, the number of authorized field operations positions has decreased by 57.5 positions, or approximately 4.4%. **The department should be prepared to discuss agent caseloads and how those caseloads compare to nationally recommended caseload levels. The department should further be prepared to discuss future plans for caseload management – be it hiring of more agents, the implementation of new technology, or some other strategy.**

Exhibit 4
Field Operations Authorized Positions



Source: Governor's Budget Books

Fiscal 2006 Actions

Personnel

As a result of across-the-board position abolitions in the 2005 legislative session, DPP lost 12.0 PINs. In addition to this, prior to the end of fiscal 2005, the Department of Public Safety and Correctional Services (DPSCS) transferred 8.0 PINs out of DPP (positions went to Patuxent Institution, the Division of Pretrial Detention and Services, and the Office of the Secretary). During fiscal 2006 the department added 1.5 PINs to DPP. **Exhibit 5** shows these changes. **The department should be prepared to discuss the impact of the PIN reduction on DPP operations.**

**Exhibit 5
PIN Changes**

<u>Allowance FY 2006</u>	<u>Across-the-board Abolitions</u>	<u>Transfers (Prior to 6/30/05)</u>	<u>Changes to Work. Approp.</u>	<u>Work. Approp. FY 2006</u>
1,272.0	-12.0	-8.0	1.5	1,253.5

Source: Department of Public Safety and Correctional Services

Governor's Proposed Budget

As seen in **Exhibit 6**, the Governor's fiscal 2007 allowance for DPP increases by approximately \$5.2 million, or 6.1%. The allowance includes increases for drug testing, vehicle purchases, equipment for a staff safety initiative, and a grant for a non-state run re-entry program.

The allowance for General Administration increases by approximately \$381,000, or 8.7%. Salaries and wages (\$227,000) and a \$500,000 grant to support the operational costs of the Re-Entry Employment Center in northwest Baltimore City account for most of the increase. The Re-Entry Employment Center currently receives funding from the Abell Foundation and Baltimore City and is expected to serve approximately 1,800 inmates seeking employment in fiscal 2006. State participation would allow the center to double its enrollment. The increase is offset by decreased expenditures for insurance coverage (\$234,000), contractual services including office assistance (\$64,000), and communications including capital lease telecommunications (\$61,000).

In the Criminal Supervision and Investigation area, the allowance increases by approximately \$3.3 million. Approximately \$2.9 million of the increase is for salaries and wages. Some of the increase is also due to a staff safety initiative that includes funds for protective vests and cell phones. There are also funds for the purchase of 28 replacement vehicles and 28 new vehicles. The new vehicles are for the continuation of a multi-year initiative begun in fiscal 2006 to increase the DPP fleet by 131 vehicles. The remaining increase is the net result of increases for in-state travel for routine operations based on prior year spending and a decrease in spending for management studies due to a reduction in the amount of available grant funding.

The DDMP has an increase of approximately \$313,000 in the fiscal 2007 allowance. All the funds in the allowance for the DDMP are special funds generated from the DDMP program fee adopted in the 2005 session. Approximately \$295,000 of the increase is for salaries and wages. There is also a \$19,000 increase for office assistance, based on prior year actual spending.

The allowance for the Collaborative Supervision and Focused Enforcement program increases by approximately \$447,000. The increase is largely due to the proposed staff expansion, which results in an approximately \$137,000 increase for salaries and wages and approximately \$137,000 for

Exhibit 6
Governor's Proposed Budget
DPSCS – Division of Parole and Probation
(\$ in Thousands)

How Much It Grows:	General <u>Fund</u>	Special <u>Fund</u>	Reimb. <u>Fund</u>	<u>Total</u>
2006 Working Appropriation	\$76,704	\$8,352	\$796	\$85,852
2007 Governor's Allowance	<u>81,935</u>	<u>8,675</u>	<u>462</u>	<u>91,072</u>
Amount Change	\$5,231	\$323	-\$334	\$5,220
Percent Change	6.8%	3.9%	-41.9%	6.1%

Where It Goes:

Personnel Expenses

New positions	\$102
Employee and retiree health insurance	3,210
Increments and other compensation	1,279
Retirement	693
Deferred compensation.....	147
Workers' compensation premium assessment	34
Abolished/transferred positions	-36
Overtime	-61
Turnover adjustments	-1,137
Other fringe benefit adjustments	-31

Other Changes

Grant for Re-Entry Employment Center in Baltimore City.....	500
Laboratory costs for drug tests	368
Vehicle purchase (28 replacement sedans and 28 new sedans).....	244
Equipment (security vests for staff safety initiative).....	178
In-state routine operations	106
Rent.....	49
Management studies and consultants.....	-202
Insurance.....	-234
Other	11

Total	\$5,220
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Note: Numbers may not sum to total due to rounding.

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contractual payroll. This money funds three new full-time equivalent (FTE) positions and three new contractual FTE positions. The remaining increase is the net result of increases for consultants (\$100,000), and office and computer equipment (\$70,000) and decreases in communications spending.

The allowance for Urinalysis and Treatment Services increases by approximately \$406,000. The majority of this increase is for drug testing materials and purchase of care services. The cost for reagents used in drug testing increased from \$1.00 to \$2.50 for a five-drug test in the most recent departmental contract. The department estimates that it will conduct 485,000 tests at the Guilford Avenue lab in fiscal 2007.

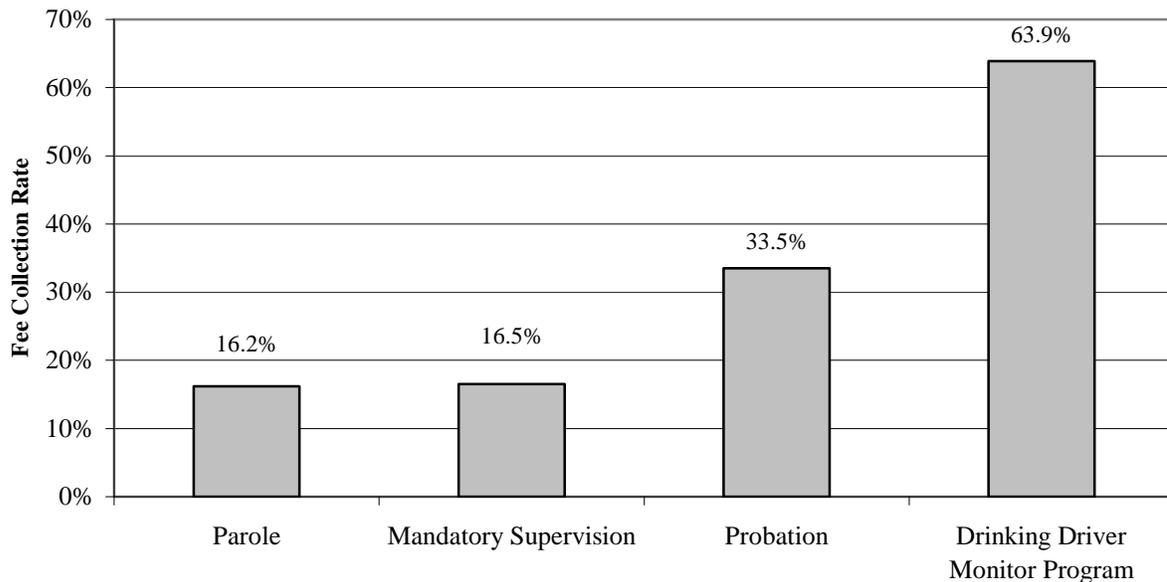
Issues

1. Collection Rate for Division of Parole and Probation Fees

In the 2005 *Joint Chairmen’s Report*, the budget committees requested that the Department of Legislative Services’ (DLS) Office of Legislative Audits (OLA) review and submit a report on the collection rates for DPP fees. OLA prepared and submitted a report entitled *Department of Public Safety and Correctional Services Division of Parole and Probation Supervision Fee Collection Rates*.

The review attempted to determine DPP’s collection rates for the three-year period ending June 30, 2004. It was not possible to reliably calculate a historically accurate collection rate for active cases because they often remain open for many years, and the supervision fees may not be collected until the end of the supervision period. As such, the examination was limited to the historical collection during the lifetime of any case closed during the three years of the audit period. Also, since unpaid fines, costs, and fees are referred by DPP to the Department of Budget and Management’s (DBM) Central Collection Unit (CCU) for collection assistance, the audit included CCU recoveries in the collection rates. **Exhibit 7** shows the collection rates for DPP’s four types of cases.

Exhibit 7
Fee Collection Rates
Fiscal 2002 - 2004



Source: Office of Legislative Audits

Parole and Mandatory Supervision Fees

The audit report found that parolees are the least likely to pay supervision fees. The collection rate among parolees was 16.2%. Those under mandatory supervision pay at only a slightly higher rate – 16.5%. Offenders are released on mandatory supervision after they have served out the length of their sentence less the diminution credits for confinement they have earned.

Probation Fees

Probationers pay their supervision fees at a rate of 33.5%. The audit reports that DPP used a flawed estimation methodology when the division estimated its probationer supervision fee collection rate at 50%. The estimated 50% rate is the rate that was presented to the budget committees during the 2005 session. When estimating the collection rate for probationer supervision fees, the rate was based on data from three case types (probation, parole, and mandatory supervision cases). Also, DPP used actual fee collections from both open and closed cases in its estimate.

Using the collection rate estimate of 50%, DPP asserted that a \$15 increase in the monthly probationer supervision fee would generate \$709,635 in additional revenue during fiscal 2006 and \$1.3 million in fiscal 2007. **The department should be prepared to present an updated estimate of how much revenue the increase in the supervision fee will generate, based on the collection rate determined by OLA.**

OLA's review recommended that DPP reevaluate its estimation methodology to improve the accuracy of supervision fee collection rate estimates. DPP agreed to the recommended action in its response to the audit findings. **DPP should be prepared to discuss its plans regarding the reevaluation of its estimation methodology.**

Drinking Driver Monitor Program Fees

Participants in the DDMP paid their fees at a rate of 63.9%.

Offender Based State Correctional Information System Flaws

The report found that, although historical collection data for supervision fees existed in the Offender Based State Correctional Information System (OBSCIS), there were no OBSCIS reports available with sufficient specificity to determine fee collection rates. As such, DPP is unable to easily determine fee collection rates. This also results in management being unable to monitor collection rates and detect unusual fluctuations in a timely manner. The audit also determined that similar collection reports for other imposed costs such as restitution, fines and courts costs were also not available from OBSCIS.

OLA recommended in its report that the department determine the feasibility of developing reports which could be used by DPP to periodically monitor the payment plan collection rates. DPP agreed with the need to monitor collections, but reports that OBSCIS does not have the ability to

produce the needed reports to evaluate payments by category. OBSCIS is over 20 years old and was not originally designed for managing billing or accounts receivable. **DLS recommends that DPP study and evaluate its information technology needs as they pertain to both supervision and collections data and report to the committees at the conclusion of its evaluation.**

2. Drinking Driver Monitor Program Fees

In the DDMP, the legislature authorized a \$45 per month program fee during the 2005 legislative session. The fee is assessed in addition to the \$40 DPP monthly supervision fee that all probationers pay. The program fee was levied with the aim of making the DDMP fully fee-supported. To this end, no general funds were available for the DDMP program for fiscal 2006.

The committees were concerned about the ability of DPP to generate enough revenue to adequately fund the DDMP. As such, the committees approved budget bill language encouraging the Governor to provide a deficiency appropriation if the revenues generated were not adequate to cover operating expenses.

The supervision fee collection rate for DDMP participants was evaluated by OLA in its audit of all DPP collection rates. The collection rate for DDMP participants was found to be 63.9%.

The department reports that, between July 1, 2005, and mid-December 2005, it had collected \$3,075,351.61 from the DDMP program fee. The fiscal 2006 allowance, which is entirely funded by the program fee, was \$8,251,830. Based on year-to-date collections (through mid-December), the revenues should only total approximately \$6.7 million for the full year, a difference of approximately \$1.5 million.

The department should be prepared to comment on DDMP program fee collections year-to-date and should provide an estimate for total fee revenues for fiscal 2006.

Recommended Actions

	<u>Amount Reduction</u>		<u>Position Reduction</u>
1. Delete grant for Baltimore Re-entry Employment Center. The center is currently funded by Baltimore City and the Abell Foundation. State funding would allow the center to double its enrollment. The services offered by the center are already offered through various programs elsewhere in the Department of Public Safety and Correctional Services.	\$ 500,000	GF	
2. Delete three new positions and associated funds. The fiscal 2007 allowance turnover rate for the Department of Public Safety and Correctional Services (DPSCS) is 6.6%, which necessitates that 749 positions be held vacant. As of January 1, 2006, DPSCS had 1,049 vacancies or 300 more vacancies than are needed to meet turnover. This action would delete three new positions and associated funds. Existing PINs can be converted to fulfill the intended function.	102,316	GF	3.0
3. Adopt the following narrative:			

Case Management and Fee Collection Information Technology Needs: The committees are concerned that the technology that the Division of Parole and Probation is using for case management and fee collection tracking purposes is inadequate. The committees direct that the Department of Public Safety and Correctional Services (DPSCS) evaluate and report on their information technology needs to improve case management and supervision fee collection tracking. The report shall be provided by December 1, 2006.

Information Request	Author	Due Date
Report on case management and fee collection information technology needs	DPSCS	December 1, 2006
Total General Fund Reductions		\$ 602,316
		3.0

Current and Prior Year Budgets

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

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2005					
Legislative Appropriation	\$80,980	\$99	\$0	\$932	\$82,011
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	734	10	0	1,479	2,223
Reversions and Cancellations	-293	-9	0	-799	-1,101
Actual Expenditures	\$81,422	\$101	\$0	\$1,612	\$83,134
Fiscal 2006					
Legislative Appropriation	\$75,916	\$8,352	\$0	\$796	\$85,064
Budget Amendments	788	0	0	0	788
Working Appropriation	\$76,704	\$8,352	\$0	\$796	\$85,852

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

Fiscal 2005

General fund spending for fiscal 2005 was approximately \$81.4 million.

- Budget amendments increased the appropriation by approximately \$734,000. The \$752 cost-of-living adjustment (COLA) amendment added approximately \$1.1 million to the legislative appropriation. The appropriation was reduced by approximately \$317,000 as part a departmentwide amendment that realigned funds in accordance with actual expenditures.
- The division cancelled approximately \$293,000 of funds designated for employee and retiree health insurance.

Reimbursable fund spending totaled approximately \$1.6 million.

- Budget amendments increased the appropriation by approximately \$1.5 million. The funds were transferred from the Governor’s Office of Crime Control and Prevention for two separate grants – “Proactive Community Supervision” and “Warrant Apprehension Unit.”
- The division cancelled approximately \$799,000 of unexpended grant funds.

Fiscal 2006

The general fund working appropriation for fiscal 2006 is approximately \$76.7 million. This includes an approximately \$788,000 increase from the 1.5% COLA budget amendment.

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%
Rating: (if applicable)	n/a

- 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**

<u>Object/Fund</u>	<u>FY05 Actual</u>	<u>FY06 Working Appropriation</u>	<u>FY07 Allowance</u>	<u>FY06 - FY07 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	1295.00	1253.50	1255.50	2.00	0.2%
02 Contractual	82.95	136.70	139.70	3.00	2.2%
Total Positions	1377.95	1390.20	1395.20	5.00	0.4%
Objects					
01 Salaries and Wages	\$ 68,853,274	\$ 71,331,812	\$ 75,531,794	\$ 4,199,982	5.9%
02 Technical & Spec Fees	2,370,366	2,800,218	2,704,177	-96,041	-3.4%
03 Communication	1,445,212	1,407,328	1,405,892	-1,436	-0.1%
04 Travel	584,082	478,300	591,250	112,950	23.6%
06 Fuel & Utilities	154,892	136,500	163,600	27,100	19.9%
07 Motor Vehicles	469,512	685,873	988,006	302,133	44.1%
08 Contractual Services	3,056,742	3,459,253	3,240,677	-218,576	-6.3%
09 Supplies & Materials	1,401,123	1,355,721	1,736,050	380,329	28.1%
10 Equip - Replacement	107,751	25,442	26,000	558	2.2%
11 Equip - Additional	134,542	9,000	206,874	197,874	2198.6%
12 Grants, Subsidies, and Contributions	659,155	0	500,000	500,000	N/A
13 Fixed Charges	3,897,610	4,162,532	3,977,238	-185,294	-4.5%
Total Objects	\$ 83,134,261	\$ 85,851,979	\$ 91,071,558	\$ 5,219,579	6.1%
Funds					
01 General Fund	\$ 81,421,588	\$ 76,704,041	\$ 81,934,786	\$ 5,230,745	6.8%
03 Special Fund	100,575	8,351,830	8,674,553	322,723	3.9%
09 Reimbursable Fund	1,612,098	796,108	462,219	-333,889	-41.9%
Total Funds	\$ 83,134,261	\$ 85,851,979	\$ 91,071,558	\$ 5,219,579	6.1%

Note: The fiscal 2006 appropriation does not include deficiencies, and the fiscal 2007 allowance does not reflect contingent reductions.

Fiscal Summary
DPSCS – Division of Parole and Probation

<u>Program/Unit</u>	<u>FY05 Actual</u>	<u>FY06 Wrk Approp</u>	<u>FY07 Allowance</u>	<u>Change</u>	<u>FY06 - FY07 % Change</u>
01 General Administration	\$ 4,535,795	\$ 4,368,574	\$ 4,749,451	\$ 380,877	8.7%
02 Field Operations	78,598,466	81,483,405	86,322,107	4,838,702	5.9%
Total Expenditures	\$ 83,134,261	\$ 85,851,979	\$ 91,071,558	\$ 5,219,579	6.1%
General Fund	\$ 81,421,588	\$ 76,704,041	\$ 81,934,786	\$ 5,230,745	6.8%
Special Fund	100,575	8,351,830	8,674,553	322,723	3.9%
Total Appropriations	\$ 81,522,163	\$ 85,055,871	\$ 90,609,339	\$ 5,553,468	6.5%
Reimbursable Fund	\$ 1,612,098	\$ 796,108	\$ 462,219	-\$ 333,889	-41.9%
Total Funds	\$ 83,134,261	\$ 85,851,979	\$ 91,071,558	\$ 5,219,579	6.1%

Note: The fiscal 2006 appropriation does not include deficiencies, and the fiscal 2007 allowance does not reflect contingent reductions.