

Q00G00
Police and Correctional Training Commissions
 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	\$816	\$49	\$7,313	\$7,265	14,928.9%
Special Fund	5,955	8,067	303	-7,764	-96.3%
Reimbursable Fund	<u>375</u>	<u>280</u>	<u>524</u>	<u>245</u>	<u>87.5%</u>
Total Funds	\$7,146	\$8,395	\$8,140	-\$255	-3.0%

- During the 2005 legislative session, the committees eliminated the special fund and directed those revenues to the general fund. The sizable general fund increase and special fund decrease reflect this change.

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	76.00	79.00	78.00	-1.00
Contractual FTEs	<u>18.84</u>	<u>43.80</u>	<u>43.57</u>	<u>-0.23</u>
Total Personnel	94.84	122.80	121.57	-1.23

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	4.29	5.50%
Positions Vacant as of 12/31/05	5.00	6.33%

- The allowance reflects one abolished administrative position in General Administration. The position was abolished because a Department of Budget and Management study determined that two positions had similar duties.

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

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Analysis in Brief

Issues

Police and Correctional Training Commissions Funding: Reimbursable funds comprise \$524,390 in the fiscal 2007 allowance. This amount includes \$240,352 from the Maryland State Police (MSP) for the use of the Public Safety Education Training Center. **The Department of Legislative Services (DLS) recommends that the reimbursable fund revenue from the Maryland State Police (MSP) be deleted. DLS further recommends the addition of budget bill language expressing the intent of the legislature that Police and Correctional Training Commissions (PCTC) not receive reimbursable fund appropriations from MSP, but that those funds needed to recover the costs associated with facilities usage by MSP come from the general fund.**

Special Review Conducted by Office of Legislative Audits: The Office of Legislative Audits received an allegation of possible circumvention of State retirement law through its fraud hotline. The caller alleged that a State retiree was improperly receiving retirement benefit payments while continuing to work for PCTC. **PCTC should be prepared to discuss the current status of the position in question. DLS recommends that budget bill language be added that requires PCTC to submit all Memoranda of Understanding with local government entities to the budget committees and DLS.**

Recommended Actions

Funds

1. Add language restricting the ability of PCTC to enter into Memoranda of Understanding with local government entities.
2. Add budget bill language to reduce the reimbursable fund appropriation.

Updates

Woodstock Property Status: The Department of Public Safety and Correctional Services was prohibited from spending funds to maintain the Woodstock property and was directed to initiate surplus proceedings.

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Police and Correctional Training Commissions
Department of Public Safety and Correctional Services

Operating Budget Analysis

Program Description

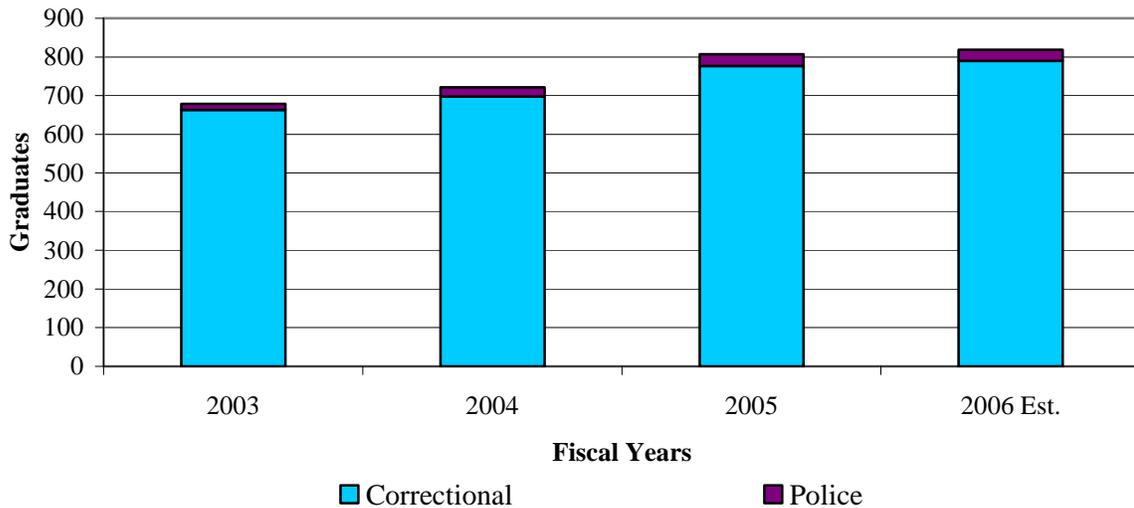
The Police and Correctional Training Commissions (PCTC) provide staffing and administrative services to two separate and distinct commissions. The Police Training Commission prescribes minimum police selection and training standards for entrance, in-services, and advanced levels for all police officers serving the State, county, and municipal agencies in Maryland. The Correctional Training Commission prescribes minimum selection and training standards for parole and probation, juvenile justice, and correctional personnel serving in State and county agencies. Both commissions also train police and correctional officers for the State, county, and municipal agencies. All State, county, municipal police, and correctional officers are certified by the agency to ensure that they meet the agency's specified standards. The agency also provides firearms safety, crime prevention, and drug resistance education programs to Maryland businesses, schools, and citizens.

PCTC also operates the new Public Safety Education and Training Center. The training center is designed to enhance the efforts of certified academies and in-service training programs by providing specialized training facilities and curricula. The training center opened during fiscal 2005.

Performance Analysis: Managing for Results

PCTC not only supports the function of the commissions in developing and enforcing training standards but also provides direct training for correctional and police officers. **Exhibit 1** shows the number of people who have graduated from entrance-level training for both jobs. As you can see in Exhibit 1, the overall number of graduates has been steadily growing over the last several years, increasing by approximately 18.9% between fiscal 2003 and 2005. Those going through police training comprise only about 3.2% of the graduates from fiscal 2003 to 2005.

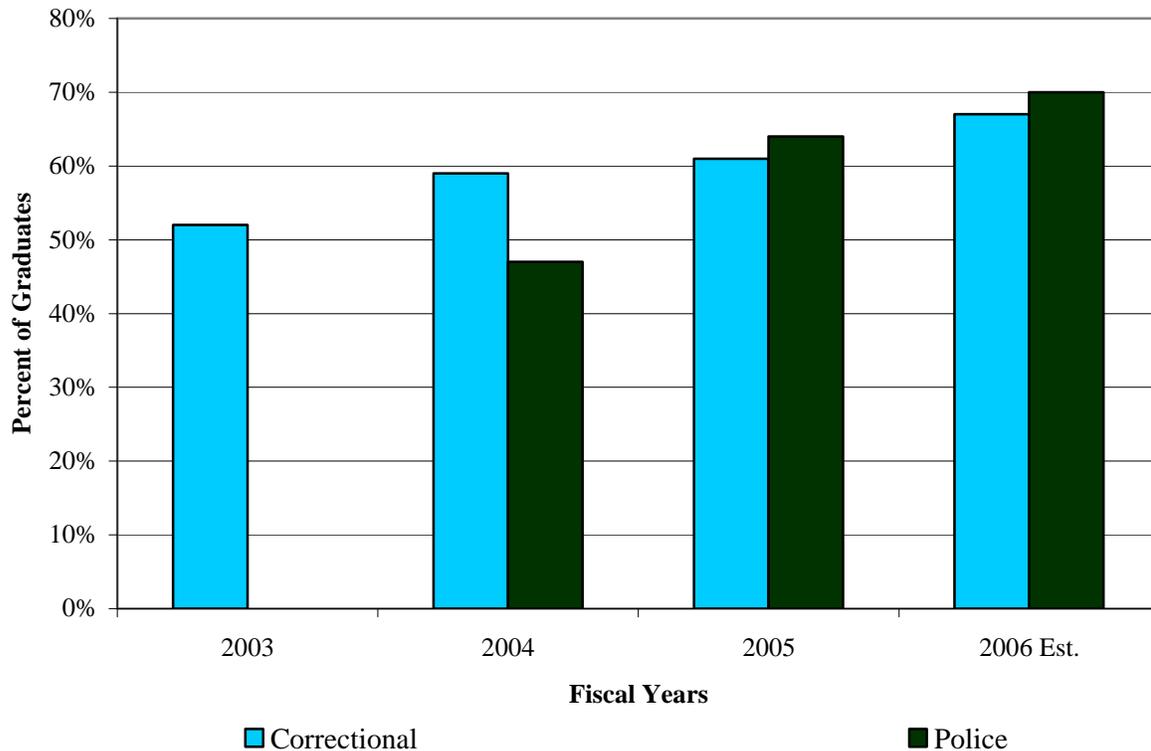
Exhibit 1
Number of Graduates
Correctional and Police Entrance – Level Training
Fiscal 2003 – 2006



Source: Department of Public Safety and Correctional Services

One way the commission measures its effectiveness at training competent correctional and police officers is the percentage of trainees who are rated professionally competent on the job. Professionally competent implies the ability, as determined by a work supervisor, to perform the essential job functions with minimal supervision after four to six weeks actually spent on the job. **Exhibit 2** shows the percentage of correctional officers and police officers that have been rated as professionally competent. There is no competency rating data available for police officers for fiscal 2003. The commission has set a goal to increase the number of graduates rated competent by 10% over the previous year. **The commission should be prepared to discuss how reasonable its objective to increase the number of graduates rated competent by 10% over the previous year is. The commission should be prepared to discuss what measures it is taking to improve the professional competency of its graduates.**

Exhibit 2
Percent of Graduates Rated as Professionally Competent on the Job
Fiscal 2003 – 2006



Source: Department of Public Safety and Correctional Services

Governor's Proposed Budget

As shown in **Exhibit 3**, the fiscal 2007 allowance decreases approximately \$255,000, or a 3.0% decrease from the fiscal 2006 working appropriation. The decrease is the net result of several changes. There are increases for salaries and wages (\$360,000), repairs and maintenance funds for lead removal from the bullet traps (\$300,000), and a new contract for the HVAC system at the Public Safety Education Training Center (\$86,000). These increases are offset by decreases for building and household supplies (\$379,000), contractual turnover (\$321,000), electricity (\$118,000), and education/training grants sponsored by the Governor's Office of Crime Control and Prevention (\$115,000).

Exhibit 3
Governor's Proposed Budget
DPSCS Police and Correctional Training Commissions
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Reimb. Fund	Total
2006 Working Appropriation	\$49	\$8,067	\$280	\$8,395
2007 Governor's Allowance	<u>7,313</u>	<u>303</u>	<u>524</u>	<u>8,140</u>
Amount Change	\$7,265	-\$7,764	\$245	-\$255
Percent Change	14928.9%	-96.3%	87.5%	-3.0%

Where It Goes:

Personnel Expenses

Abolished/transferred positions	-\$56
Increments and other compensation.....	94
Employee and retiree health insurance	214
Retirement.....	31
Deferred compensation	7
Turnover adjustments.....	69
Other fringe benefit adjustments.....	1

Other Changes

Repairs and maintenance – lead removal from bullet trap.....	300
Building maintenance and repair – HVAC system.....	86
Data processing and office equipment	-41
Reduction in GOCCP education/training grants.....	-115
Electricity.....	-118
Contractual turnover	-321
Building and household supplies	-379
Telephone.....	-28
Other	1

Total **-\$255**

GOCCP: Governor's Office of Crime Control and Prevention

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

Issues

1. Police and Correctional Training Commissions Funding

During the 2005 legislative session, the committees eliminated the special fund and directed those revenues to the general fund. As such, nearly 90% of the funding for PCTC is comprised of general funds in the fiscal 2007 allowance. The remaining funding is divided between special and reimbursable funds.

Special funds, which total \$302,500, are collected largely from local government agencies. Included in this is \$220,000 from registration fees for training courses, \$20,000 for lodging fees, \$60,000 from sales of the Digest of Criminal Laws and \$2,500 in gifts, to be used as matching funds for the Governor's Office of Crime Control Prevention grants.

Reimbursable funds comprise \$524,390 in the fiscal 2007 allowance. These revenues are similar to those paid by local government entities. However, this amount includes \$240,352 from the Maryland State Police (MSP) for the use of the Public Safety Education Training Center (PSETC).

When the PSETC was originally planned, MSP was one of the core constituents of the project. The construction plan included space for MSP entrance and in-service training and separate dormitory space. As such, MSP committed to transferring its entire training program and staff to the new facility and recognized that PCTC would have all responsibility for overall facility administration and operations.

The training facility was constructed using special funds generated by District Court fine revenues. The special fund was continued for operational costs until last year, when it was eliminated and the revenues were directed to the general fund. At the same time, the legislature approved a \$2.50 increase in District Court fines.

Included with all capital requests is an operating budget impact statement. PCTC did not include any cost recovery from other agencies other than direct recovery of trainee meal costs in its operating budget impact statements. MSP advises that during the period from fiscal 1994 through the completion of construction in fiscal 2005 there was no discussion of charging MSP for the use of the facility.

Though housed in the Department of Public Safety and Correctional Services (DPSCS), PCTC is responsible for developing standards for MSP officers and correctional officers alike. It was intended to centralize training practices in the State. Given this mission, PCTC should be funded entirely from the general fund, and should not be receiving appropriations from the Maryland State Police for the operational costs of the PSETC.

The Department of Legislative Services (DLS) recommends that the reimbursable fund revenue from the MSP be deleted. DLS further recommends the addition of budget bill language expressing the intent of the legislature that PCTC not receive reimbursable fund

revenue from MSP, but that those funds needed to recover the costs associated with facilities usage by MSP come from the general fund.

2. Special Review Conducted by Office of Legislative Audits

The Office of Legislative Audits (OLA) received an allegation of possible circumvention of State retirement law through its fraud hotline. The caller alleged that a State retiree was improperly receiving retirement benefit payments while continuing to work for PCTC. OLA undertook a review to determine if the allegation was valid. The review was conducted primarily during June and July 2005.

Since 1999, PCTC has entered into annual Memoranda of Understanding (MOU) with a local government entity's community college to assist with its training efforts. Under the MOU, the local government entity was to provide a training coordinator, review training curriculum, and provide classroom facilities on an as-needed basis. The training coordinator position was filled by an individual who retired from DPSCS in 1997.

State law permits individuals who have retired from any of the State's retirement or pension systems to accept employment with a State agency or other participating employer. Retirement benefits are reduced, however, if an individual is employed by the same employer from which the individual retired. For purposes of this reduction, the State is generally considered as one employer for all of its units and departments. Individuals who exceed their earning limitations will have their retirement benefits reduced by the amount of the excess earnings, up to the full amount of the retirement benefits.

OLA found that the salary of an employee who worked full-time at PCTC was primarily paid by a local government entity. It appears that this employment arrangement, which had been in effect for about six years, was an attempt to circumvent earnings limitations imposed by State retirement law. The retiree in question worked full-time at PCTC and was under the direct supervision of PCTC's Deputy Director. The retiree indicated that he had no working relationship with the local government entity. This statement was confirmed by a management official of that entity.

OLA consulted the Office of the Attorney General and learned that, while this employment arrangement does not specifically violate any provisions of the State retirement law, it does appear to violate the spirit and intent of that law. Had the retiree been compensated entirely by PCTC, the retiree's benefits would have been reduced in accordance with the earnings limitation provision of State retirement law.

Additionally, although the MOU outlined some general responsibilities of the local government entity, the specific services to be provided by that entity were not described in the MOU, and neither PCTC nor management personnel of that entity could explain how the total amount of the MOU was determined. Also, the local government entity submitted equal quarterly billings which lacked detail. The total amount paid to the local government entity during fiscal 2005 exceeded the

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amount PCTC reimbursed the entity for the retiree's salary, and neither PCTC nor management of that entity could explain what the additional amounts paid represented.

OLA recommended that the retiree's salary be paid entirely by PCTC and that any future MOUs should clearly define the services to be provided and require detailed billing statements.

PCTC accepted these recommendations and terminated its MOU with the local government entity effective December 31, 2005. The position was to be expanded to a contractual full-time equivalent (FTE) and PCTC would be fully responsible for funding the FTE. PCTC also agreed to have future MOUs clearly delineate the services to be provided and require detailed billing statements.

PCTC should be prepared to discuss the current status of the position in question. DLS recommends that budget bill language be added that requires PCTC to submit all Memoranda of Understanding with local government entities to the budget committees and DLS.

Recommended Actions

1. Add the following language:

Provided that the Police and Correctional Training Commissions may not enter into a Memorandum of Understanding (MOU) with a local government entity or expend funds to support a MOU with a local government entity, unless copies of the approved agreement are submitted to the budget committees and the Department of Legislative Services. The budget committees shall have 45 days to review and comment on the MOUs.

Explanation: This language modifies the process by which the Police and Correctional Training Commissions (PCTC) can enter into a Memorandum of Understanding (MOU) with a local government entity. It is being included in response to a special review conducted by the Office of Legislative Audits that suggested that a MOU was being used to circumvent the intent of State retirement laws.

Information Request	Author	Due Date
Memoranda of Understanding with local government entities	PCTC	Prior to agreement

2. Add the following language:

Provided that the authorization to expend reimbursable funds for Q00G00.01 is reduced by \$240,352, the amount of revenues the department expected from the Department of State Police for use of the Public Safety Education Training Center. It is the intent of the General Assembly that the costs of the Public Safety Education Training Center be funded entirely from the General Fund, not appropriations from other State agencies.

Explanation:

This language reduces the authorization to spend reimbursable funds for the Police and Correctional Training Commissions (PCTC). Though housed in DPSCS, PCTC is responsible for developing standards for Maryland State Police officers and correctional officers alike. Given this, PCTC should be funded entirely from the general fund, and should not be receiving appropriations from the Maryland State Police for the operational costs of the Public Safety Education Training Center. The department should seek a deficiency appropriation from the general fund to account for the reduced reimbursable funds.

Updates

1. Woodstock Property Status

The General Assembly prohibited DPSCS from expending State funds for the maintenance of the Woodstock property after January 2006 and directed the department to initiate the procedures necessary to declare the property surplus and dispose of it. The Woodstock property was formerly used for the Correctional Training Academy, but once the Public Safety Education Training Center opened, the property was going to be used by the department for internal training and staff development.

The department advises that the building was shut down for operations as of January 21, 2006. DPSCS has referred the property to the Maryland Department of Planning (MDP). MDP has initiated the clearinghouse process and distributed letters to Baltimore County and several State agencies making them aware of the property's availability. MDP expects to finish the clearinghouse process by the end of February 2006. DPSCS will continue to incur minimal expenditures to maintain the property in working order (i.e. heat the building to keep pipes from freezing) until the building is removed from its custody.

Current and Prior Year Budgets

Current and Prior Year Budgets Police and Correctional Training Commissions (\$ 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	\$835	\$6,803	\$0	\$205	\$7,843
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	19	0	0	170	189
Reversions and Cancellations	-37	-847	0	0	-884
Actual Expenditures	\$816	\$5,955	\$0	\$375	\$7,146
Fiscal 2006					
Legislative Appropriation	\$49	\$7,316	\$0	\$280	\$7,645
Budget Amendments	0	751	0	0	751
Working Appropriation	\$49	\$8,067	\$0	\$280	\$8,395

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

Fiscal 2005

Special Fund spending in fiscal 2005 was approximately \$6 million. The department cancelled approximately \$847,000. Within that, approximately \$501,000 was the result of under-attainment of estimated revenue from local government participation, and the remaining approximately \$356,000 was from the Law Enforcement Training Fund, which was carried forward in the fund.

Reimbursable fund spending was approximately \$375,000, which included two amendments totaling almost \$170,000. One amendment, for approximately \$80,000, was to transfer funds from the Governor's Office of Crime Control and Prevention for a grant entitled "Community Safety Team Resource Unit." The remaining \$90,000 was from revenues generated from various State agencies who sent employees to classes at PCTC.

Fiscal 2006

The special fund working appropriation for fiscal 2006 is approximately \$8.1 million. This includes a budget amendment for approximately \$751,000 that increased the appropriation in accordance with actions taken by the General Assembly.

At the 2005 session, legislation to increase the fee to support the Law Enforcement and Correctional Training Fund included a \$751,000 general fund contingent reduction, and approved the corresponding special fund increase. However, the budget bill did not include the special fund contingent increase. As such, this budget amendment increased the special fund appropriation.

Audit Findings

Audit Period for Last Audit:	March 27, 2000 – May 27, 2003
Issue Date:	February 2004
Number of Findings:	0
Number of Repeat Findings:	n/a
% of Repeat Findings:	n/a
Rating: (if applicable)	n/a

PCTC is included in the audit of the Department of Public Safety and Correctional Services Office of the Secretary. The most recent audit of the Office of the Secretary did not disclose any significant deficiencies in the design or operation of the commissions' internal control or any significant noncompliance with applicable laws, rules, or regulations.

**Object/Fund Difference Report
DPSCS – Police and Correctional Training Commissions**

<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	76.00	79.00	78.00	-1.00	-1.3%
02 Contractual	18.84	43.80	43.57	-0.23	-0.5%
Total Positions	94.84	122.80	121.57	-1.23	-1.0%
Objects					
01 Salaries and Wages	\$ 4,028,740	\$ 4,340,527	\$ 4,700,039	\$ 359,512	8.3%
02 Technical & Spec Fees	746,762	1,309,559	988,601	-320,958	-24.5%
03 Communication	144,556	180,802	145,387	-35,415	-19.6%
04 Travel	68,027	79,707	70,700	-9,007	-11.3%
06 Fuel & Utilities	493,175	729,231	610,850	-118,381	-16.2%
07 Motor Vehicles	121,976	100,155	62,800	-37,355	-37.3%
08 Contractual Services	984,588	794,287	1,104,335	310,048	39.0%
09 Supplies & Materials	256,877	640,358	308,550	-331,808	-51.8%
10 Equip - Replacement	71,956	50,480	9,412	-41,068	-81.4%
11 Equip - Additional	171,455	42,885	0	-42,885	-100.0%
12 Grants, Subsidies, and Contributions	37,413	100,000	100,000	0	0%
13 Fixed Charges	10,956	27,191	39,435	12,244	45.0%
14 Land & Structures	9,950	0	0	0	0.0%
Total Objects	\$ 7,146,431	\$ 8,395,182	\$ 8,140,109	-\$ 255,073	-3.0%
Funds					
01 General Fund	\$ 816,181	\$ 48,661	\$ 7,313,219	\$ 7,264,558	14928.9%
03 Special Fund	5,955,322	8,066,786	302,500	-7,764,286	-96.3%
09 Reimbursable Fund	374,928	279,735	524,390	244,655	87.5%
Total Funds	\$ 7,146,431	\$ 8,395,182	\$ 8,140,109	-\$ 255,073	-3.0%

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

