

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

Operating Budget Data

(\$ in Thousands)

	<u>FY 07</u> <u>Actual</u>	<u>FY 08</u> <u>Working</u>	<u>FY 09</u> <u>Allowance</u>	<u>FY 08-09</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$61,945	\$61,411	\$64,613	\$3,202	5.2%
Special Fund	68,978	64,179	66,276	2,097	3.3%
Federal Fund	604	940	945	4	0.5%
Reimbursable Fund	<u>1,837</u>	<u>2,067</u>	<u>2,312</u>	<u>245</u>	<u>11.8%</u>
Total Funds	\$133,364	\$128,598	\$134,146	\$5,548	4.3%

- One fiscal 2008 deficiency appropriation totaling approximately \$4.4 million provides additional funding for the public safety death benefits for survivors of military and public safety personnel killed in the line of duty.
- The fiscal 2009 allowance increases approximately \$5.5 million, or 4.3%. Absent health insurance and Other Post Employment Benefits (OPEB) funding, which distorts year-to-year comparisons, however, fiscal 2009 budget growth is approximately \$2.5 million, or 2.0%. This is largely attributable to increased 9-1-1 pass-through funding to the counties, an audit of service providers by the Emergency Number Systems Board, and inclusion of internal investigators in the Law Enforcement Officer Pension System.

Personnel Data

	<u>FY 07</u> <u>Actual</u>	<u>FY 08</u> <u>Working</u>	<u>FY 09</u> <u>Allowance</u>	<u>FY 08-09</u> <u>Change</u>
Regular Positions	534.00	543.50	542.50	-1.00
Contractual FTEs	<u>76.52</u>	<u>116.04</u>	<u>114.04</u>	<u>-2.00</u>
Total Personnel	610.52	659.54	656.54	-3.00

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	26.42	4.87%
Positions Vacant as of 12/31/07	57.00	10.49%

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

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- The allowance abolishes one accountant position in the General Administration unit as a result of cost containment. The two abolished contractual full-time equivalents are a budgeting error, and therefore, the agency’s contractual personnel complement does not change.

Analysis in Brief

Issues

Evaluating Oversight by Inmate Treatment Services: The substantial cost increases seen in the past two years have leveled off since the ramp-up phase has concluded and an acceptable level of inmate medical care is currently being provided. The department has implemented a number of databases and oversight systems to address some key issues found in an audit conducted by the Office of Legislative Audits (OLA). Some concern still exists with the lack of a formal staffing assessment for contractual healthcare staff, the delay in implementing the Electronic Patient Health Records (EPHR) system, and the continued lack of oversight for rising secondary care costs. **The Department of Public Safety and Correctional Services should address why a more formal staffing plan cannot be created; how many and which facilities are currently using a fully operational EPHR system and what is the new timeline for complete implementation to the entire department; and what is being done to ensure proper utilization and review of secondary care. The Department of Legislative Services recommends the committees submit semi-regular requests to OLA for performance audits of the inmate healthcare system, anticipating the first review to begin in fall of fiscal 2009.**

Recommended Actions

	<u>Funds</u>
1. Increase turnover expectancy to better reflect current and historical vacancy trends.	\$ 538,077
Total Reductions	\$ 538,077

Updates

Hepatitis C Prevention and Treatment: A Joint Chairmen’s Report response submitted in July 2007 has concluded that under the new inmate medical contracts, every inmate entering the prison system receives educational material about preventing, testing for, and treating Hepatitis C. The department anticipates a 10% growth in the number of individuals tested, enrolled in chronic care, and receiving treatment over the next three years largely due to increased interest in being tested.

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Professional Development and Training Division: During the 2007 session, an issue arose regarding whether the creation of the Professional Development and Training Division (PDTD) within the Office of the Secretary was a duplication of services provided by the Police and Correctional Training Commission (PCTC). PDTD received approval for reorganization in March 2007 from the Department of Budget and Management, and a fiscal 2008 budget amendment transferred funds and positions that were previously budgeted within PCTC and the Division of Correction. Fiscal 2007 saw PDTD graduate 2 entry-level parole and probation classes and 17 entry-level correctional classes. While PCTC and PDTD collaborate to provide specialized training courses and share use of the Public Safety Education and Training Center, there does not appear to be any duplication of services or redundancy of resources between the two agencies.

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

Operating Budget Analysis

Program Description

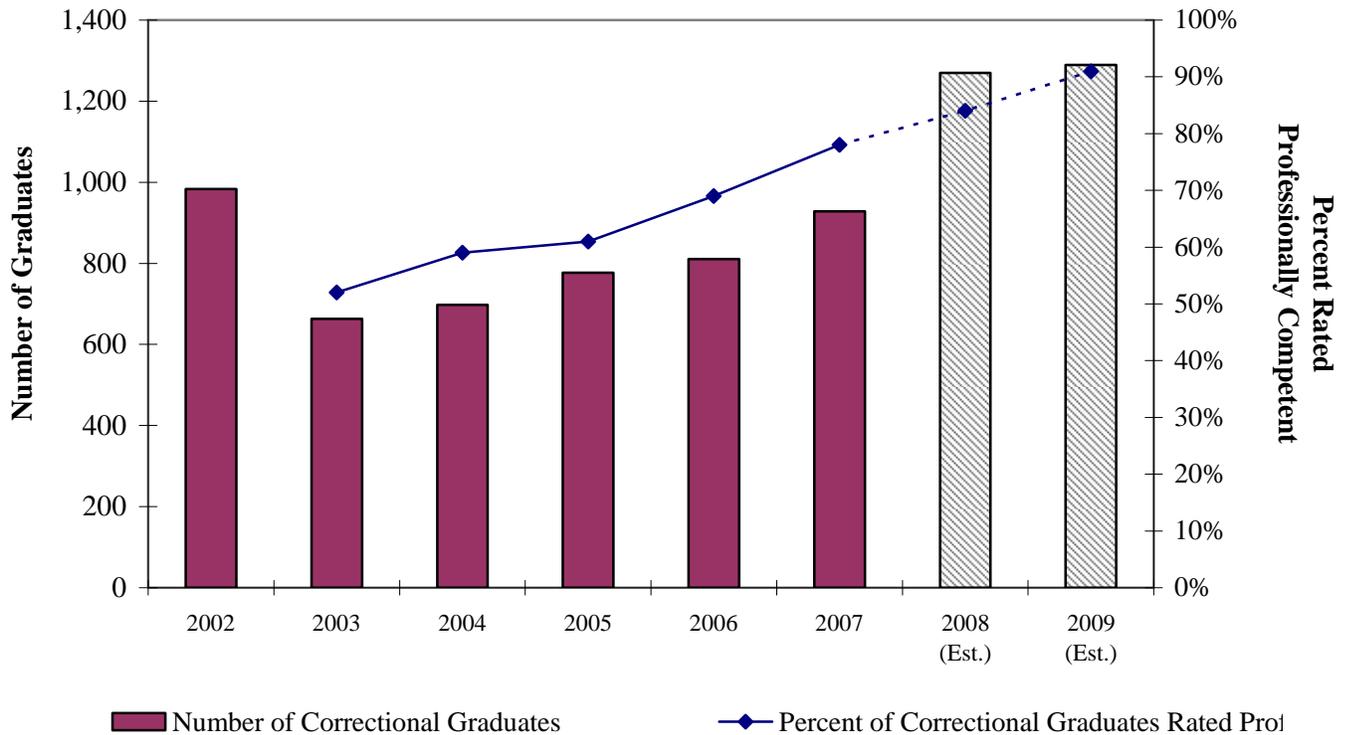
The Office of the Secretary provides overall policy and operational direction and coordination for the activities of the operating units of the department. It establishes policy, sets priorities, and provides central support services and oversight for the constituent agencies. The office administers the State's emergency numbers program and plans, develops, and implements the capital program for the department's custody facilities. Additionally, it is responsible for maintaining the Criminal Justice Information System which State, local, and federal law enforcement rely on for accurate and timely information. The Office of Treatment Services is responsible for the provision of treatment to offenders under the control and custody of the department. This includes oversight of all medical, mental, social work, and substance abuse treatment services, in addition to administration of the Patuxent Institution. The Professional Development and Training Division (PDTD) is responsible for developing a highly trained and professional workforce within the department through the provision of cohesive training policies and programs, ranging from correctional entry-level training through executive and leadership development.

Performance Analysis: Managing for Results

PDTD was created in February 2006 in an effort to centralize and consolidate training programs throughout the department, including entry-level correctional officer training which was originally under the oversight of the Correctional Training Commission (CTC). Fiscal 2007 was the first year for PDTD to deliver entry-level training for both correctional officers and parole and probation agents. **Exhibit 1** reflects the number of correctional entry-level graduates and the percent of graduates rated professionally competent by their supervisors after six months on the job. This measure was adapted from the CTC's original performance measures. Graduation rates and job competency ratings for parole and probation agents are new performance measures starting this year.

The number of correctional entry-level graduates increased 22.3% from 663 graduates in fiscal 2003 to 811 in fiscal 2006. The percent of those graduates rated professionally competent after six months on the job increased approximately 32.7% over the same time period. A total of 928 graduates were trained in fiscal 2007, of which 550 were trained by PDTD. The reported 78% of graduates rated professionally competent is based on 40 responses the division received from the 62 competency surveys it sent out. This reflects a 13% increase in the number of professionally competent graduates between fiscal 2006 and 2007 but is based on a relatively small portion of the total graduate population. The exhibit also reveals that PDTD is anticipating the number of correctional entry-level graduates to increase by more than 340 between fiscal 2007 and 2008.

Exhibit 1
Professional Development and Training Division
Correctional Entry-level Training Statistics
Fiscal 2002-2009 Estimate



Source: Department of Public Safety and Correctional Services

The department should be prepared to explain why so few surveys were sent out in fiscal 2007 in relation to the total number of graduates. Also, the department should be prepared to discuss why it is expecting a nearly 37% increase in the number of graduates for fiscal 2008 and comment on whether PDTD has the resources necessary to handle such a significant increase.

The information displayed in Exhibit 1 includes a performance measure previously used by the CTC, which continues to report the same data for police entry-level graduates. While the competency level of entry-level graduates is a good measure and should continue to be reported, PDTD is also responsible for administering a variety of other training programs, none of which are represented by this measure. Concern was raised during the 2007 session that the creation of PDTD would result in an overlap of training services provided. Based on the only performance measure

reported for the department, it is unclear what training PDTD is providing beyond entry-level training for correctional officers and parole and probation agents. **The department should provide a list of those courses offered through PDTD that differ from training offered by the training commissions. The Department of Legislative Services (DLS) also recommends that PDTD report the participation in these other training programs and develop additional measures to capture the quality of the training services to be included in the fiscal 2010 Managing for Results data.**

Fiscal 2008 Actions

Proposed Deficiency

The Office of the Secretary has one deficiency appropriation for approximately \$4.4 million in general funds to provide additional funding for the public safety death benefits awarded to survivors of military and public safety personnel killed in the line of duty, bringing the total fiscal 2008 appropriation to \$6.6 million. The department estimates 20 military deaths and 10 public safety deaths eligible to receive the benefits in fiscal 2008. This is in addition to the remaining 59 military casualties that occurred prior to fiscal 2008 that are potentially eligible to receive funding. Anticipated funding is budgeted based on the list of casualties with ties to Maryland maintained by the Maryland Department of Veterans Affairs. According to current casualty estimates, this deficiency appropriation should be sufficient to cover all claims through fiscal 2008.

Governor's Proposed Budget

As shown in **Exhibit 2**, the Governor's fiscal 2009 allowance increases approximately \$5.5 million, or 4.3%, from the fiscal 2008 working appropriation. Absent health insurance and Other Post Employment Benefits (OPEB) funding, which distorts year-to-year comparisons, actual fiscal 2009 budget growth is approximately \$2.5 million, or 2.0%. Approximately 95.5% of the growth is attributable to increases in general and special funds.

Overall, personnel expenses increase throughout the agency by \$3.6 million, accounting for 64.7% of the total agency growth in fiscal 2009. Absent health insurance and OPEB funding, personnel costs increase approximately \$490,000, or 1.3%. A \$381,000 increase in retirement funding reflecting the inclusion of Internal Investigation Unit investigators in the Law Enforcement Officers Pension System contributes to this increase.

Exhibit 2
Governor’s Proposed Budget
DPSCS – Office of the Secretary
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
2008 Working Appropriation	\$61,411	\$64,179	\$940	\$2,067	\$128,598
2009 Governor’s Allowance	<u>64,613</u>	<u>66,276</u>	<u>945</u>	<u>2,312</u>	<u>134,146</u>
Amount Change	\$3,202	\$2,097	\$4	\$245	\$5,548
Percent Change	5.2%	3.3%	0.5%	11.8%	4.3%

Where It Goes:

Personnel Expenses

Abolished/transferred positions	-\$49
Increments and other compensation	606
Employee and retiree health insurance	1,209
Health Insurance – reduce long-term Other Post Employment Benefits liability.....	1,899
Fiscal 2008 Budget Section 45 – one-time hiring freeze	116
Internal Investigative Unit participation in Law Enforcement Officer Pension System	381
Turnover adjustments	-533
Other fringe benefit adjustments	-42

Other Changes

Increased 9-1-1 pass-through funding to counties	1,615
Increased advertising expenditures associated with entry-level correctional officer recruitment.....	87
Mandatory Emergency Number Systems Board audit of service providers.....	500
Reduction in Information Technology and Communication Division application software due to cost containment	-200
Other	-41

Total **\$5,548**

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

Outside of personnel expenditures, the fiscal 2009 allowance includes \$500,000 for the Emergency Number Systems Board to conduct an audit of telephone service providers in order to assure accurate collection of 9-1-1 fees, in addition to receiving \$1.6 million for increased 9-1-1 pass-through funding for the counties. An \$86,000 increase in the General Administration Unit is for

increased advertising expenses as a result of more aggressive recruitment for entry-level correctional personnel.

The increases in the allowance are offset by a \$200,000 reduction for computer software purchases within the Information Technology and Communication Division (ITCD) as part of cost containment and a \$76,000 reduction in the cost of courier services for the General Administration Unit. The department had contracted with the Department of General Services (DGS) to provide particular courier service route for fiscal 2008 but cancelled the contract for fiscal 2009 due to the excessive cost. The Office of the Secretary has taken on responsibility for the route. Although this results in a slight increase in the cost of routine travel, it is still considerably less than the cost of the DGS contract.

Impact of Cost Containment

Cost containment actions in the fiscal 2009 allowance include a \$200,000 reduction in general funds used to purchase computer software for personal computers and services within ITCD. The budget also reflects the abolishment of one accountant position as a result of cost containment actions. However, the abolished position will actually be a reduction taken within the Division of Correction (DOC) Headquarters, as it was a position transferred from the Office of the Secretary after the budget had been submitted. Therefore, the loss of the position is actually a reduction in administrative support staff for DOC, and there is no impact to the Office of the Secretary.

Major Information Technology Development Projects

The Department of Public Safety and Correctional Services (DPSCS) has one project, the Offender Case Management System (OCMS), that receives \$5.2 million from the Major Information Technology Project Development (MITPD) fund in fiscal 2009. MITDP are projects that are expected to cost more than \$1 million or those that support a critical business function associated with the public health, education, safety, or financial well-being of the citizens of Maryland. These funds will be transferred from the Office of Information Technology to DPSCS in accordance with the oversight responsibilities of the Department of Budget and Management (DBM).

The OCMS, when complete, will allow the department to manage offender information from pre-trial through the parole and probation stages of the criminal justice system. When DPSCS first requested funding for the system in fiscal 2006, it was estimated to be a three-year project with a total project cost of \$3.7 million. In fiscal 2007, the time-frame for implementation increased to four years, with a total project cost of \$4.6 million. The current request is for \$5.2 million, with a total project cost of \$30.0 million. The final appropriation would be requested in fiscal 2011, increasing the implementation time-frame to six years.

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Since fiscal 1999, DPSCS has acknowledged the problems and inefficiencies with its current patchwork information technology (IT) system. Over the past decade, however, the department has made no progress in developing a coordinated and cohesive IT system. The original discussion of a Correctional Information System (CIS) in fiscal 1999 is conceptually the same project as the OCMS; however, since 1999 the department has only completed individualized upgrades and installments to the current disjointed system. The current OCMS project will be further discussed in the DBM Office of Information Technology budget, but significant concern exists about the substantial cost increase and additional time needed to implement the current project. **DPSCS should be prepared to comment on what advances have been made since fiscal 1999 to develop an IT system linking case management from arrest through community supervision. DPSCS should also discuss the reasons for the delay in implementation and substantial cost increase for the OCMS.**

Issues

1. Evaluating Oversight by Inmate Treatment Services

The Office of Treatment Services is responsible for the provision of medical, mental health, behavioral modification, substance abuse, and social services to the inmate and detainee populations. This responsibility includes oversight of the inmate medical contracts. Given the Board of Public Works' approval of the first of three one-year renewal options for the inmate medical contracts in June 2007, it appears the department intends to maintain the current format for providing inmate treatment services. Spending for the inmate medical contracts in fiscal 2009 is approximately \$148 million, reflecting a 5.4% increase from the fiscal 2008 working appropriation. The substantial cost increases seen in the past years have leveled off since the ramp-up phase has concluded and an acceptable level of inmate medical care is currently being provided. However, there are still a number of issues the department should be addressing with regard to oversight of the inmate medical contracts and the efficiency of all treatment services provided to the inmates.

Areas of Progress

Oversight of inmate healthcare has been an ongoing concern, regardless of the type of system in place. In February 2007, the Office of Legislative Audits presented the most recent performance audit of the newest inmate healthcare system implemented in fiscal 2006. Concern was found with the verification and efficiency of contractor staffing, the inadequate monitoring of contractually required procedures, and the unreliable coordination between contractors in producing, delivering, and sharing patient health information. **Exhibit 3** lists the audit findings and provides a status update on what the department has done to address each concern as of November 2007.

Exhibit 3 Update of OLA Performance Audit on Inmate Healthcare

OLA Audit Finding

DPSCS Status Update

Sufficiency of Contractor Staffing

- | | |
|--|--|
| (1) Required staffing levels were not being met. | January 2008 – Implementing audit sampling system to periodically check contractor billing documents and employee sign-in/out logs to verify staffing. |
| (2) Time records were not being verified by the Office of Inmate Health Services (OIHS), and employees were deviating from approved work schedules with authorization. | May 2008 – Implementation of a database to review time records and compliance with pre-approved work schedules. OIHS intends to recoup or deny payment for hours provided over the authorized amount and for any unapproved work schedule adjustments that cannot be properly documented as necessary. |

OLA Audit Finding

DPSCS Status Update

- (3) No formal staffing assessment has been conducted to ensure current required staff levels are adequate.

Too many complicated and unstable factors affect staffing, and therefore, an accurate staffing pattern cannot be developed in order to conduct a formal staff assessment.

Monitoring Service Delivery Requirements

- (1) Baltimore City arrestees were not receiving medical exams within seven days of arrest.
- (2) OIHS was not ensuring contractor compliance in addressing treatment needs of chronic care inmates.
- (3) Required methadone detoxification program had not been implemented, despite its requirement in the contract.
- (4) OIHS was not properly identifying and recording significant healthcare violations and performance deficiencies; nor was it assessing liquidated damages.

February 2007 – Implemented review of weekly logs documenting completed medical exams, investigation occurs for any arrestees exceeding seven day limit. Liquidated damages are to be assessed for all delays not related to court dates, custody procedures, or systemic problems beyond contractor control.

February 2008 – Implementation of database for tracking inmate compliance with chronic care and follow-up appointment participation.

December 2007 – Meeting held with State and federal agencies to review applications and supporting materials. Staff training is in progress.

OIHS has developed a tracking system to identify contractor deficiencies and liquidated damages.

Contractor Coordination Concerns

- (1) After two years and \$2.7 million, the Electronic Patient Health Records system is not fully implemented and operational.
- (2) Specific weaknesses in coordination among contractors included the unavailability of medical records for use by the mental health contractor and the lack of peer reviews of secondary care providers by the utilization management (UM) contractor.

Problems occurred with reconciling data from multiple systems and eliminating duplicative inmate information. Electronic Medical Administration Record software will be implemented by April 2008. Additional facilities and software continue to be added.

A new director of Medical Records has been hired by the medical contractor to focus on ensuring medical records are complete, accurate, and available to all contractors. The UM contractor has provided peer review information on secondary care providers.

OLA: Office of Legislative Audits

DPSCS: Department of Public Safety and Correctional Services

Source: Department of Public Safety and Correctional Services

The department has made some progress in developing additional oversight procedures in order to monitor contractor compliance. In terms of contractor staffing, the Office of Inmate Health Services (OIHS) is now reviewing sign-in logs and time records through electronic databases, intending to recoup payment for unauthorized hours. With regard to oversight of contractor service delivery, databases have been established to ensure arrestees, chronic care patients, and inmates requesting a sick call are receiving proper medical attention within the contractually allotted time frame. The department is also in the final review stages for implementing the required methadone detoxification program. In addition, DPSCS' participation in StateStat, administered through the Governor's Office, has contributed significantly to the proper gathering, monitoring, and reporting of inmate treatment data.

Areas for Additional Improvement

With regard to staffing concerns, the auditors suggested OIHS determine the appropriate contractor staffing levels needed to provide all required services to inmates through development of a formal staffing assessment. In its status update, DPSCS has said that there are too many unstable variables that affect staffing, and therefore, an accurate staffing plan cannot be developed. However, required staffing levels, developed by the current contractors as part of the bid process, do exist within the contracts. Correctional officer staffing may also change based on a number of similarly unstable variables (*e.g.*, population size, correctional management practices, outbreaks or population management problems, etc.), yet the department has developed a staffing assessment tool for that employee population. **DPSCS should explain in further detail how the current required staffing levels were developed and why a more formal staffing plan cannot be created.**

After two years and \$2.7 million, the Electronic Patient Health Records (EPHR) system has not been fully implemented. According to the department, the reason for the delay has been the substantial reconciliation of multiple data systems and elimination of duplicative inmate names, identification numbers, etc. The most recent software addition to the system will be the Electronic Medication Administration Record, which is to be implemented by April 2008. **The department should be prepared to provide a more in-depth response regarding the status of the system including how many and which facilities are currently using a fully operation EPHR system; what is the new timeline for completion of implementation to the entire department; who currently has access to the system and how is access being monitored to maintain security; and what is the status of the system implementation in terms of compliance with the contract.**

In their review, the auditors found that chronic care patients were not always receiving the treatment needed, that the utilization management (UM) contractor had not provided peer reviews assessing the quality of care provided by secondary care providers, and that the number of emergency room admissions without required documentation to determine whether the emergency room visit was preventable were not being submitted. **DPSCS should be prepared to comment on what is being done to ensure (1) proper utilization of secondary and pharmaceutical costs by the other healthcare contractors; and (2) proper review of the UM contractor's review of secondary care costs. Also, given the recent escape of an inmate from Laurel Regional Hospital, the department should comment on its procedures for handling and controlling inmates while**

utilizing secondary care facilities and if the hospital’s decision to not accept inmates except in emergency situations will impact medical costs and procedures.

Given the consistency of the concerns regarding oversight of inmate healthcare, DLS recommends the committees submit semi-regular requests to OLA for performance audits of the inmate healthcare system, anticipating first review to begin in the fall of fiscal 2009.

Recommended Actions

	<u>Amount Reduction</u>	
1. Increase the turnover expectancy from 4.87% to 6.5%. The current vacancy rate is 10.49%. This may be artificially high due to the hiring freeze; however, since 2003 the department has been averaging a vacancy rate of 9.4%.	\$ 538,077	GF
Total General Fund Reductions	\$ 538,077	

Updates

1. Hepatitis C Prevention and Treatment

During the 2007 session, the committees restricted \$100,000 until the department provided a report on the progress that had been made in Hepatitis C prevention and treatment within the correctional system. The report was to specifically address the methodology for providing education and treatment, the number of inmates that had been tested, educated, and treated in the last three years, and the department's planned goals and strategies for Hepatitis C Virus diagnosis, education, and treatment for the next three years.

Methodology

In identifying the methodology used for educating and treating inmates, the department provided a detailed five-step protocol on the management of Hepatitis C infection in Maryland inmates, in addition to examples of various evaluation work sheets, consent forms, and patient information materials. The report outlines how all inmates, including those housed at the Baltimore City Detention Center, receive educational materials regarding both Hepatitis C and HIV during intake at the various facilities. After receiving the materials, inmates make the determination as to whether they believe they are at risk for having contracted the disease and whether they would like to be further educated on risk and prevention issues, in addition to beginning the treatment assessment process.

Inmate Participation Statistics

Prior to July 2005, the start of the new inmate health care contracts, treatment for Hepatitis C was not a requirement in the contracts of the health care providers. Reluctance on the part of the contractors coupled with the difficult and time-consuming assessment process, resulted in treatment for individuals with Hepatitis C on a case-by-case basis, with no formal management system. As such, very few individuals were treated, and the department is not able to supply any accurate data.

Under the current inmate medical contracts, Hepatitis C treatment is required, and the department is able to maintain more accurate records of how many individuals are educated, tested, and treated for the virus. According to the report, every person entering the Central Booking and Intake Facility in Baltimore City received educational material. Since July 2005, over 150,000 arrestees and 30,000 individuals entering the State prison system have received this information. **Exhibit 4** shows how many individuals in the State prison system have continued with further education and treatment for fiscal 2007, in addition to the estimates for the next three fiscal years.

Exhibit 4
Inmates Receiving Hepatitis C Education and Treatment

	<u>2007</u> <u>Actual</u>	<u>2008</u> <u>Est.</u>	<u>2009</u> <u>Est.</u>	<u>2010</u> <u>Est.</u>
Receiving Education	15,785	16,000	16,000	16,000
Enrollment in Chronic Care	1,846	2,031	2,234	2,457
Tested for Hepatitis C	748	823	905	996
Initiating Treatment	59	65	71	79

Source: Department of Public Safety and Correctional Services

Future Growth

Given a stable intake population into the prison facilities, the department anticipates a 10% growth in the number of individuals tested, enrolled in chronic care, and receiving treatment over the next three years. The department anticipates the growth being attributable to inmates developing an increased interest in being tested and treated as more individuals are seen going through the process and the public becomes more educated on the disease.

2. Professional Development and Training Division

The purpose of PDTD is to coordinate and integrate training throughout DPSCS. During the 2007 session, however, concern existed that the creation of PDTD provided duplicative training services with those provided by the already established Police and Correctional Training Commissions.

History

Prior to the development of PDTD, training had been managed at the division level. DOC had a central training unit and training officers within each institution. Patuxent Institution had a training officer, and the Division of Pretrial Detention and Services and Division of Parole and Probation each had their own training units. According to DPSCS, this decentralized structure was fragmented and produced inconsistent training. In addition to providing a duplication of efforts and inefficient use of resources within each training unit, it also prohibited interdepartmental training of staff across the divisions. PDTD was created to address these concerns.

PDTD Responsibilities

PDTD was created with the mission to provide comprehensive and integrated training for all agencies within the department to staff at all levels. PDTD conducts entry-level orientation and operates three entry-level academies for training correctional officers, institutional personnel, parole and probation agents, and drinking driver monitors. The division is also responsible for overseeing the annual mandatory training requirements needed to maintain certification and offers professional development opportunities and specialized training courses for both mandated and non-mandated staff.

Status Update

PDTD was established within the Office of the Secretary in 2004, officially created by Secretary's Directive in February 2006, and received DBM approval for administratively reorganizing in March 2007. A fiscal 2008 budget amendment transferred approximately \$2.4 million and 26 positions to PDTD. Funding and positions came from already established training resources within the Office of the Secretary, DOC resources from the regional training units, and resources from PCTC who had previously been responsible for operating the entry-level correctional training.

Fiscal 2007 was PDTD's first full year of providing entry-level training for parole and probation agents, including drinking driver monitors. PDTD graduated two classes, training a total of 89 individuals. The division also graduated its first correctional entry-level class in November 2006. With the transfer of funds and staffing, the department assures that there is a clear distinction in the roles and responsibilities of PDTD and PCTC. PDTD concentrates its efforts on providing training to DPSCS employees only, and PCTC acts as a regulatory body and provides training for local and State law enforcement and correctional agencies that do not have the resources to provide training. However, all PDTD training programs and DPSCS employees are still certified under PCTC standards, and PCTC, through the operation of the Public Safety Education and Training Center, still provides classroom, office, and residential space for PDTD use.

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 2007					
Legislative Appropriation	\$68,840	\$58,762	\$472	\$1,875	\$129,949
Deficiency Appropriation	6,438	6,400	0	0	12,838
Budget Amendments	-13,332	5,360	848	301	-6,823
Reversions and Cancellations	-1	-1,544	-717	-339	-2,601
Actual Expenditures	\$61,945	\$68,978	\$603	\$1,837	\$133,363
Fiscal 2008					
Legislative Appropriation	\$59,312	\$63,867	\$940	\$1,322	\$125,441
Cost Containment	0	0	0	0	0
Budget Amendments	2,099	312	0	745	3,156
Working Appropriation	\$61,411	\$64,179	\$940	\$2,067	\$128,597

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

Fiscal 2007

General fund spending for fiscal 2007 was approximately \$61.9 million. This was a decrease of approximately \$6.9 million from the legislative appropriation.

- Deficiency appropriations totaled approximately \$6.4 million, of which \$5.3 million was for the expansion of the public safety death benefit to included members of the armed services who are killed in Afghanistan or Iraq. The other deficiencies included \$1.1 million for the continued replacement of IT equipment and \$38,000 for the purchase of a replacement vehicle for use by the Internal Investigation Unit.
- Budget amendments reduced the legislative appropriation by approximately \$13.3 million. This change was largely due to a \$12.6 million decrease resulting from cost containment actions taken by the Board of Public Works to eliminate excess health insurance savings, and a \$2.5 million decrease for the realignment of funds within the department in accordance with actual expenditures. These reductions were offset by a \$1.1 million increase for correctional officer reclassifications and salary adjustments, in addition to reallocating health insurance funds from the closing of the Maryland House of Correction. The creation of PDTD transferred \$341,000 from DOC and \$155,000 from the PCTC. The Office of the Secretary also received approximately \$436,000 as part of the cost-of-living adjustment (COLA) amendment that was centrally budgeted in DBM.

Special fund spending for fiscal 2007 was approximately \$69.0 million, an increase of approximately \$10.2 million over the legislative appropriation.

- A large portion of the increase is attributable to a deficiency appropriation for \$6.4 million to reflect an increase in the pass-through funds from the 9-1-1 surcharge collected by the State for the counties.
- Budget amendments increased the appropriation by approximately \$5.4 million. The MITDP received a \$4.5 million increase to fund infrastructure stabilization, the National Crime Information Center 2000, and Network LiveScan. The remaining increase includes an additional \$850,000 from fees for conducting criminal record checks and approximately \$33,000 for COLAs.
- Approximately \$1.5 million of special funds was cancelled, the majority of which (\$1.1 million) was due to less than anticipated revenues for the 9-1-1 Trust Fund. An additional \$400,000 was due to cancelled retirement benefits.

Federal fund spending for fiscal 2007 was approximately \$603,000, an increase of approximately \$131,000 over the legislative appropriation.

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- The \$848,000 in federal fund budget amendments was used to fund various projects in the Information Technology and Communications Division (ITCD). Approximately \$618,000 was from a U.S. Department of Justice grant to replace the manual system used to investigate sexual assault and misconduct with an automated system. The remaining \$230,000 was used to continue improvements to the criminal history computer systems used by the department.
- The Office of the Secretary cancelled approximately \$717,000 in federal funds related to the National Criminal History Improvement grants within ITCD and the Prison Rape Elimination Act grant. These are large multiyear projects, which are continuing into fiscal 2008. Given the long lead time between procurement and actual payment, accurate estimating can be difficult, and thus these funds are cancelled and reappropriated for use in the next fiscal year.

Reimbursable fund expenditures totaled approximately \$1.8 million for fiscal 2007.

- Budget amendments increased the appropriation by approximately \$301,000. These amendments reflected grant funds budgeted for various IT projects in the department.
- The department cancelled approximately \$339,000 in unused appropriations largely because of less than anticipated expenditures for fingerprinting services for the Department of Juvenile Services and Maryland Emergency Management Agency Hazmat drivers.

Fiscal 2008

The general fund working appropriation for fiscal 2008 is approximately \$61.4 million. This includes a \$486,000 increase for COLAs and an additional \$509,000 due to a reallocation of funding from closing the Maryland House of Correction (MHC). The largest increase is a \$1.1 million transfer of funds from DOC and the Police and Correctional Training Commissions to reflect the creation of PDTD within the Office of the Secretary.

The fiscal 2008 special fund working appropriation is approximately \$64.1 million, an increase of approximately \$312,000 over the legislative appropriation. This increase reflects an increase of \$106,000 for COLAs and an additional \$206,000 from the reallocation of funds from the closing of the MHC. The reallocated MHC funds are being used to extend the contract for inmate legal services.

The reimbursable fund working appropriation is approximately \$2.1 million. The \$745,000 increase is attributable to a budget amendment to provide funding to support contractual employees used to support capital projects throughout the department.

Audit Findings

Audit Period for Last Audit:	May 28, 2003 – June 30, 2006
Issue Date:	February 2007
Number of Findings:	9
Number of Repeat Findings:	1
% of Repeat Findings:	11%
Rating: (if applicable)	n/a

- Finding 1:** The office did not adequately review invoices from the contractors providing inmate health services to ensure that only appropriate payments were made.
- Finding 2:** The office reimbursed contractors for certain items purchased under the terms of the inmate health services contracts without ensuring that the items had been received.
- Finding 3:** The office had not determined whether the contractors providing inmate health services had complied with the contract provisions for identifying third-party payments.
- Finding 4:** The office had not established procedures to verify the propriety of the 9-1-1 Trust Fund fees remitted by the service carriers operating in the State.
- Finding 5:** The office had not established adequate controls over Criminal Justice information system cash receipts.
- Finding 6:** Non-cash credit transactions were not always properly supported.
- Finding 7:** Access controls over a database that contained fingerprint images for law enforcement purposes need improvement.
- Finding 8:** The office had not established sufficient controls over corporate purchasing cards.
- Finding 9:** **An independent control account was not maintained by the office for computer equipment and the results of the physical inventories of such equipment were not reconciled to the related detail records.**

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

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

<u>Object/Fund</u>	<u>FY07 Actual</u>	<u>FY08 Working Appropriation</u>	<u>FY09 Allowance</u>	<u>FY08-FY09 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	534.00	543.50	542.50	-1.00	-0.2%
02 Contractual	76.52	116.04	114.04	-2.00	-1.7%
Total Positions	610.52	659.54	656.54	-3.00	-0.5%
Objects					
01 Salaries and Wages	\$ 35,315,930	\$ 37,282,154	\$ 40,869,226	\$ 3,587,072	9.6%
02 Technical and Spec. Fees	2,867,084	3,519,522	3,699,781	180,259	5.1%
03 Communication	2,106,566	2,054,737	2,321,357	266,620	13.0%
04 Travel	306,968	287,424	308,484	21,060	7.3%
06 Fuel and Utilities	67,078	95,831	88,861	-6,970	-7.3%
07 Motor Vehicles	617,539	362,769	260,616	-102,153	-28.2%
08 Contractual Services	17,584,900	17,690,613	17,754,242	63,629	0.4%
09 Supplies and Materials	1,174,080	1,160,226	814,676	-345,550	-29.8%
10 Equipment –Replacement	1,780,025	2,873,697	3,273,897	400,200	13.9%
11 Equipment – Additional	4,944,335	1,737,491	1,546,369	-191,122	-11.0%
12 Grants, Subsidies, and Contributions	63,902,169	59,265,290	60,880,290	1,615,000	2.7%
13 Fixed Charges	1,951,032	2,268,274	2,328,057	59,783	2.6%
14 Land and Structures	746,748	0	0	0	0.0%
Total Objects	\$ 133,364,454	\$ 128,598,028	\$ 134,145,856	\$ 5,547,828	4.3%
Funds					
01 General Fund	\$ 61,945,309	\$ 61,411,255	\$ 64,613,453	\$ 3,202,198	5.2%
03 Special Fund	68,978,379	64,179,408	66,275,922	2,096,514	3.3%
05 Federal Fund	603,706	940,318	944,611	4,293	0.5%
09 Reimbursable Fund	1,837,060	2,067,047	2,311,870	244,823	11.8%
Total Funds	\$ 133,364,454	\$ 128,598,028	\$ 134,145,856	\$ 5,547,828	4.3%

Note: The fiscal 2008 appropriation does not include deficiencies.

**Fiscal Summary
DPSCS – Office of the Secretary**

<u>Program/Unit</u>	<u>FY07 Actual</u>	<u>FY08 Wrk Approp</u>	<u>FY09 Allowance</u>	<u>Change</u>	<u>FY08-FY09 % Change</u>
01 General Administration Unit	\$ 23,301,123	\$ 21,991,952	\$ 22,771,833	\$ 779,881	3.5%
02 Information Technology and Communications Division	37,515,535	37,462,521	39,045,663	1,583,142	4.2%
03 Internal Investigation Unit	2,100,459	2,056,713	2,499,738	443,025	21.5%
04 9-1-1 Emergency Number Systems	58,215,831	57,425,792	59,542,231	2,116,439	3.7%
06 Division of Capital Construction and Facilities Maintenance	1,999,497	2,655,590	2,687,089	31,499	1.2%
07 Major Information Technology Development Projects	4,499,440	0	0	0	0%
08 Office of Treatment Services	4,157,712	4,568,810	4,845,644	276,834	6.1%
09 Professional Development and Training Division	1,574,857	2,436,650	2,753,658	317,008	13.0%
Total Expenditures	\$ 133,364,454	\$ 128,598,028	\$ 134,145,856	\$ 5,547,828	4.3%
General Fund	\$ 61,945,309	\$ 61,411,255	\$ 64,613,453	\$ 3,202,198	5.2%
Special Fund	68,978,379	64,179,408	66,275,922	2,096,514	3.3%
Federal Fund	603,706	940,318	944,611	4,293	0.5%
Total Appropriations	\$ 131,527,394	\$ 126,530,981	\$ 131,833,986	\$ 5,303,005	4.2%
Reimbursable Fund	\$ 1,837,060	\$ 2,067,047	\$ 2,311,870	\$ 244,823	11.8%
Total Funds	\$ 133,364,454	\$ 128,598,028	\$ 134,145,856	\$ 5,547,828	4.3%

Note: The fiscal 2008 appropriation does not include deficiencies.