

Q00C02
Division of Parole and Probation
 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	\$89,344	\$93,177	\$104,727	\$11,551	12.4%
Special Fund	6,758	8,573	6,896	-1,677	-19.6%
Reimbursable Fund	<u>226</u>	<u>393</u>	<u>286</u>	<u>-107</u>	<u>-27.2%</u>
Total Funds	\$96,328	\$102,142	\$111,909	\$9,767	9.6%

- One fiscal 2008 deficiency appropriation provides a \$1.5 million increase in general funds and a corresponding decrease in special funds due to shortfalls in the collection of Drinking Driver Monitor Program fees.
- The fiscal 2009 allowance reflects an increase of \$9.8 million, or 9.6%. The underlying budget change, absent health insurance and Other Post Employment Benefits funding which distorts year-to-year comparisons, is \$1.6 million, or 1.7%. Nearly all of the increase is found in personnel expense growth.

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	1,341.50	1,356.00	1,408.00	52.00
Contractual FTEs	<u>99.13</u>	<u>130.90</u>	<u>130.90</u>	<u>0.00</u>
Total Personnel	1,440.63	1,486.90	1,538.90	52.00

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	89.41	6.35%
Positions Vacant as of 12/31/07	194.5	14.34%

- The fiscal 2009 allowance includes a net increase of 52 new positions. The abolishment of 1 vacant Administrator position in the Drinking Driver Monitor Program due to cost containment is offset by 46 new parole and probation agent and 7 new field supervisor positions associated with the implementation of the Violence Prevention Initiative.

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

For further information contact: Rebecca J. Moore

Phone: (410) 946-5530

Analysis in Brief

Issues

Impact of Technical Violators on the Correctional and Community Supervision Systems: Technical violators are offenders on parole or probation who are returned to prison for violating the conditions of supervision, as opposed to committing a new offense. Intakes into the Division of Correction (DOC) because of returns from parole have increased considerably. Until participating in StateStat in 2007, the Division of Parole and Probation (DPP) was not tracking revocations for technical violations versus commission of a new offense. Preliminary data reports indicate technical violators are a significant portion of total revocations. **The agency should comment on what operational and fiscal impact technical violators are having on the prison population. The Department of Legislative Services (DLS) recommends that DPP delineate between revocations for technical violations and for new offenses in its Managing for Results measures.**

Creating a Comprehensive Community Corrections System: Through a fiscal 2008 budget amendment, DPP created the Community Surveillance and Enforcement Program as the first step in creating a more comprehensive community corrections system that coordinates transition from prison to the community and provides intermediate sanctions for offenders at risk of violating the terms of supervision. The second phase of implementing the community corrections system requires the transfer of the pre-release system and halfway houses from the DOC to DPP. The agency is still waiting for approval from the Department of Budget and Management, and little detail has been provided to the General Assembly about the reorganization. **DLS recommends that DPP submit a comprehensive report on the creation of a community corrections system, specifically providing a timeline for implementation, an explanation of operational changes to both DOC and DPP, and the potential for cost increases or savings by moving to this new supervision system.**

Funding the Drinking Driver Monitor Program: Despite implementation of a Drinking Driver Monitor Program special fund fee, at least \$1 million in general funds has been needed annually to support the program. Legislation has been introduced to increase the fee from \$45 to \$55 per month. It is unclear how this increase will affect collection rates. **DPSCS should be prepared to comment on how the fee increase will impact the participants' ability to pay and whether the assumed 73% collection rate is realistic.**

Recommended Actions

	<u>Positions</u>
1. Add language to delete 53 new positions.	
2. Delete 53 new positions.	53.0
3. Add language prohibiting the expenditure of funds within the Division of Parole and Probation relating to the implementation of the Baltimore Phase of the community corrections reorganization.	
Total Reductions	53.0

Q00C02 – DPSCS – Division of Parole and Probation

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

Operating Budget Analysis

Program Description

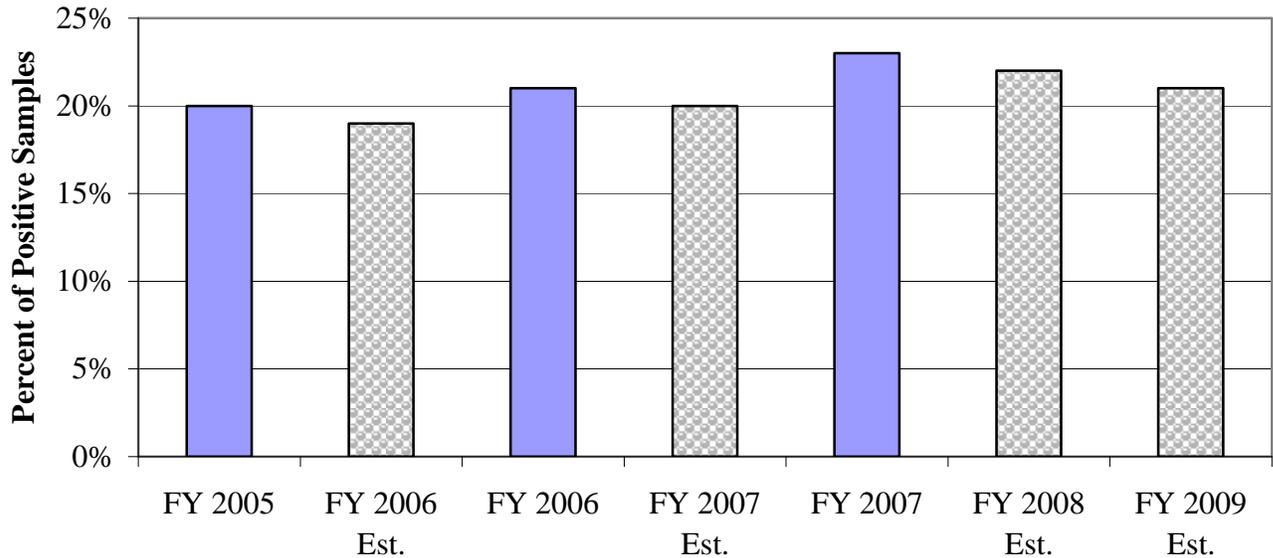
The Division of Parole and Probation (DPP) provides offender supervision and investigation services. DPP's largest workload involves the supervision of probationers assigned to the division by the courts. DPP also supervises inmates released on parole by the parole commission or released from the Division of Correction (DOC) because of mandatory release. Offenders can also be placed under DPP supervision through assignment by drug courts. 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 supervises offenders in the Correctional Options Program, which diverts offenders from the prison system whose criminal acts result from drug abuse. In addition, as of fiscal 2008, the division has created the Community Surveillance and Enforcement Program (CSEP) to provide an alternative to incarceration for eligible offenders through the use of electronic monitoring and case management services. This new program includes the Central Home Detention Unit (CHDU) and the Warrant Apprehension Unit.

Performance Analysis: Managing for Results

Approximately 50% of offenders placed under the division's supervision have conditions for substance abuse treatment. Substance abuse among the population being supervised is an important risk factor. As such, DPP implemented a performance measure to help determine the effectiveness of intervention strategies geared to reducing or eliminating the use of illegal substances. If assessed properly, the results of regular drug testing can aid DPP in determining which offenders need treatment and whether that treatment is being effective, thus allowing for the better allocation of resources.

Using fiscal 2005 as a base year, the department set a target of reducing the percentage of offender urine samples testing positive by one percentage point from the previous fiscal year. **Exhibit 1** reveals the division's lack of progress toward its goal. Since fiscal 2005, the percent of offenders testing positive has increased from 20% to 23% in fiscal 2007. Current estimates for fiscal 2008 and 2009 have the division meeting its goal and reducing the percentage of positive tests by one percentage point. **Given that the percentage has increased, rather than declined or remained stable, the division should comment on the likelihood of meeting the target for fiscal 2008 and 2009 and whether the current performance measures provide accurate data. The division should also discuss how the results of these measures are being utilized to provide more effective treatment and supervision for offenders with substance abuse treatment needs.**

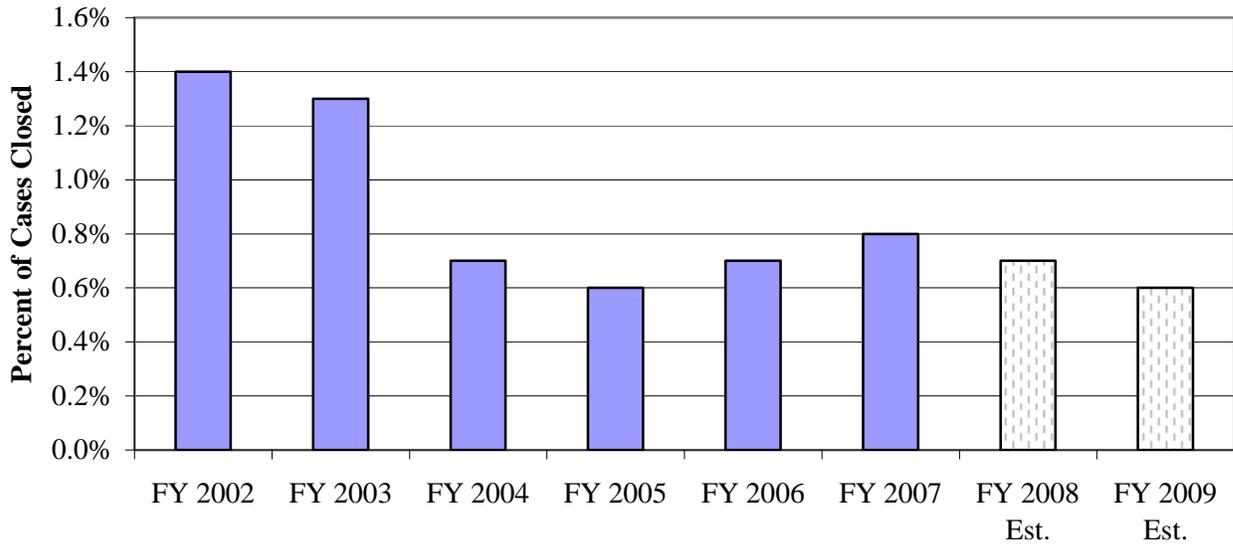
Exhibit 1
Division of Parole and Probation
Percent of Offender Urine Samples Testing Positive



Source: Department of Public Safety and Correctional Services

DDMP is a specialized supervision program for persons convicted of drunk or drugged driving offenses. The program emphasizes abstinence from alcohol and other drugs, alcohol education and treatment, and rehabilitation. Offenders may be referred to the program through the courts or the Motor Vehicle Administration as a condition for reinstating a motor vehicle license after it has been suspended or revoked. One objective the division has set forth is to reduce by one-tenth of a percentage point the percentage of DDMP cases closed due to revocation for a new DWI/DUI offense. **Exhibit 2** shows the division’s success in decreasing the percent of revocations from 1.4% in fiscal 2002 to 0.6% in fiscal 2005. Since fiscal 2005, however, the percentage of revocations has increased from 0.6% to 0.8%. An Office of Legislative Audits (OLA) report from April 2007 found that court-ordered ignition interlock systems were not always being installed or properly monitored. Although it is rather successful to have only 255 cases revoked out of 33,600 monitored, **the division should be prepared to comment on why the percent of revocations is increasing and what steps are being taken to achieve the targeted rate of reduction. In addition, DPP should specifically address whether the lack of use and monitoring of ignition interlock systems contributed to the increase in revocations for new DUI/DWI offenses, and what has been done to address the audit finding.**

Exhibit 2
Drinking Driver Monitor Program
Percent of Cases Closed Due to Revocation for New DUI/DWI Offense



Source: Department of Public Safety and Correctional Services

Fiscal 2008 Actions

Proposed Deficiency

The allowance includes one fiscal 2008 deficiency appropriation which provides a \$1.5 million increase in general funds and corresponding decrease in special fund expenditures due to shortfalls in the collection of DDMP fees.

Governor's Proposed Budget

As seen in **Exhibit 3**, the Governor's fiscal 2009 allowance for DPP increases by approximately \$9.8 million, or 9.6%. Personnel expenses account for a net \$9.7 million, which includes an \$85,000 increase for overtime spending associated with supervising home detention offenders.

Exhibit 3
Governor’s Proposed Budget
DPSCS – Division of Parole and Probation
(\$ in Thousands)

How Much It Grows:	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Reimb.</u> <u>Fund</u>	<u>Total</u>
2008 Working Appropriation	\$93,177	\$8,573	\$393	\$102,142
2009 Governor’s Allowance	<u>104,727</u>	<u>6,896</u>	<u>286</u>	<u>111,909</u>
Amount Change	\$11,551	-\$1,677	-\$107	\$9,767
Percent Change	12.4%	-19.6%	-27.2%	9.6%

Where It Goes:

Personnel Expenses

New positions	\$2,071
Increments and other compensation	1,449
Overtime earnings.....	85
Health insurance – pay-as-you-go costs	2,730
Health Insurance – reduce long-term Other Post Employment Benefits liability.....	4,921
Fiscal 2008 Budget Section 45 – one-time hiring freeze savings.....	327
Turnover adjustments	-1,883
Other fringe benefit adjustments	42

Other Changes

GPS monitoring of high risk offenders supervised under Violence Prevention Unit (VPU)	240
Inmate medical expenses for Central Home Detention Unit offenders	80
Rent increase associated with additional office space for VPU agents	80
Net Reduction in the purchase of additional office equipment.....	-278
Decrease in laboratory supplies	-110
Other	13

Total **\$9,767**

GPS: Global Position Satellite

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

Q00C02 – DPSCS – Division of Parole and Probation

Increases for personnel expenses, the Violence Prevention Initiative (VPI), and an \$80,000 increase for inmate medical expense associated with the transfer of the Central Home Detention Unit, are offset by a reduction in office equipment purchases and a decrease in laboratory supplies for drug testing. The fiscal 2008 allowance included approximately \$539,000 for additional office equipment because the agency moved to five new offices. Despite the funding needed to equip the office space for the new VPI positions, there is still a net reduction of \$278,000 for office equipment purchases.

Although funding for drug testing supplies declines by approximately \$110,000, this is actually an increase of \$345,000 over the fiscal 2007 actual expenditures. An increase in the cost of reagents and an expansion in the number of individuals tested is the reason for the increase in spending over fiscal 2007. The slight reduction from fiscal 2008 is to bring spending more in line with the actual number of anticipated tests to be conducted.

Violence Prevention Initiative

The fiscal 2009 allowance includes \$3.1 million to fully implement the statewide VPI. VPI is a statewide program to identify offenders whose risk factors and criminal histories indicate a propensity for violence and then provide those offenders with enhanced supervision. The initiative was implemented in Baltimore City in July 2007 and throughout the State in August 2007.

Every offender who is assigned to supervision with the division is screened for referral to VPI. Offenders are assessed according to the following risk factors and criteria:

- If the offender meets the criteria set forth in (a), (b), and (c) or meets (a) and (b) and has been the victim of a shooting, the offender must be referred to VPI:
 - (a) 29 years or younger;
 - (b) current offense is for felony drug; felony assault; armed robbery; possession of handgun; carjacking; kidnapping, or murder;
 - (c) has seven or more prior arrests – including juvenile arrests;
- Certification as a high ranking gang member;
- Release to parole from administrative segregation and/or assaulted staff or inmates resulting in serious injury while incarcerated;
- Recommendation for placement in VPI by DOC, Maryland Parole Commission, DPP, police department, or State's Attorney.

Currently VPI cases total 1,219 statewide, of which 957 are in the Violence Prevention Unit in Baltimore City. Baltimore City currently has 3 entire units, consisting of 18 agents, dedicated to the supervision of VPI cases. An additional 7 agents in other jurisdictions have caseloads exclusively consisting of VPI cases. These jurisdictions are Catonsville, Essex, Dundalk, Annapolis, Glen Burnie, and two in Prince George's County. When a VPI case is identified in a jurisdiction which has no dedicated VPI agent, the case gets absorbed into a caseload of mixed intensive supervision cases.

Q00C02 – DPSCS – Division of Parole and Probation

Approximately \$2.1 million in total funding for VPI is for 53 new positions, which includes 46 parole and probation agents and 7 field supervisors. The new positions will reduce the current caseload ratio from 50 cases per agent to approximately 30 cases per agent. The 30:1 ratio was the ideal caseload ratio established based on review of other states providing similar supervision programs. In addition to the new positions, approximately \$240,000 is included for global position satellite monitoring of VPI offenders, and an additional \$320,000 is requested for office equipment and rental space for the new positions.

Personnel

DPP's fiscal 2009 turnover rate is 6.35%, which more closely reflects historical trends and requires the division to have approximately 89 positions vacant. This is an increase of the current fiscal 2008 working appropriation turnover rate of 4.09%. As such, the agency's allowance is reduced by approximately \$1.9 million. DPP currently has 194 vacancies, of which 118 are parole and probation agent and field supervisor positions. According to the agency, the high number of vacancies is a result of the hiring freeze. DPP has applied to the Department of Budget and Management (DBM) for a blanket exemption, which would allow the agency to fill the vacant agent and field supervisor positions in the current fiscal year. In addition, the allowance includes \$2.1 million to fund 53 new agent and supervisor positions for VPI. Given the average vacancy rate for the agency since 2003 has been approximately 10.04%, concern exists that DPP might not actually be able to fill all of its current vacancies, in addition to filling the requested new positions.

In recognizing the agency's need to reduce caseload ratios, **the Department of Legislative Services (DLS) recommends deleting the 53 new positions but leaving the funding in order to allow the agency to use the \$2.1 million to fill current vacancies.**

Impact of Cost Containment

The elimination of one vacant Administrator position within DDMP and a \$50,000 reduction in funding for office supplies are the result of cost containment. According to DPP, the reduction in supply funding will impact administrative support for the Violence Prevention, Warrant Apprehension, and Sex Offender Units.

Fiscal 2009 Contingent Reductions

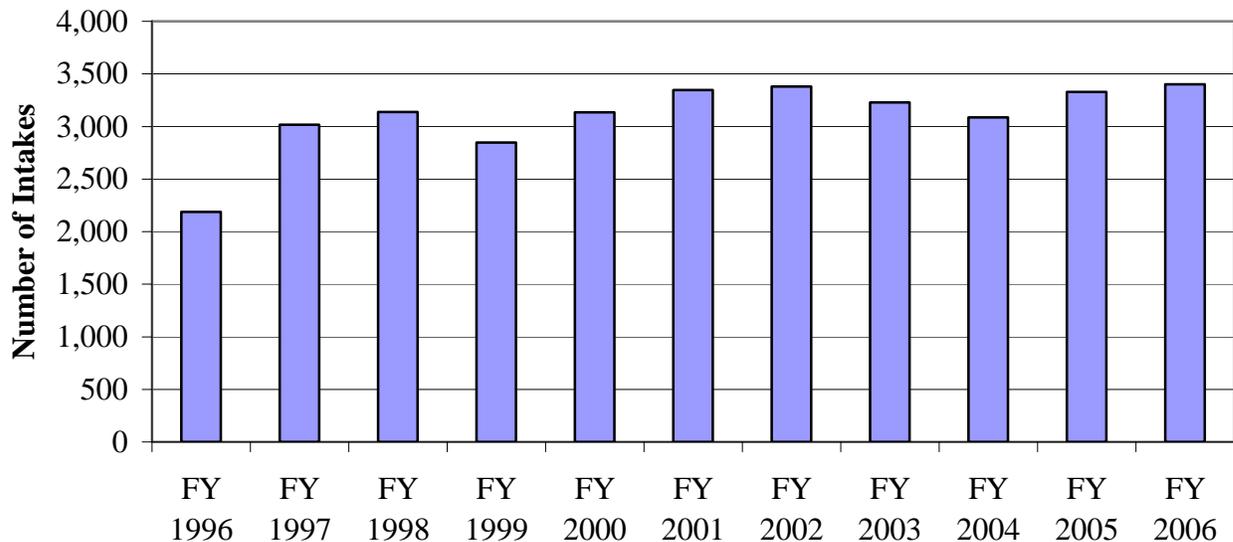
The fiscal 2009 budget bill includes a \$1.4 million contingent general fund reduction for DPP. The reduction is contingent on the enactment of legislation increasing the monthly fee for DDMP by \$10 per month. Currently DDMP participants are required to pay a \$45 monthly fee, in addition to the \$40 monthly supervision fee assessed to all DPP supervisees. Enactment of the legislation would increase the DDMP program fee from \$45 to \$55 per month. Coupled with the \$40 monthly supervision fee, the legislation would increase total DDMP participant payments to \$95 per month.

Issues

1. Impact of Technical Violators on the Correctional and Community Supervision Systems

Growth in the prison population over the past three decades has not been the result of increasing crime rates so much as it has been due to stricter sentencing and release policies applied by all levels of government. **Exhibit 4** shows the growth in the number of intakes into DOC due to a revocation of parole. From fiscal 1996 to 2006, intakes returned from parole increased 55.3%, from 2,189 to 3,400. Some studies have indicated that a significant number of returns to prison are for violating the conditions of parole or probation, as opposed to committing a new crime while under supervision. This population is often referred to as “technical violators.”

Exhibit 4
Division of Correction Intakes Due to Parole Revocation



Source: Department of Public Safety and Correctional Services; Inmate Characteristics Report

Research indicates that intensive supervision for low-risk offenders can actually raise the risk of recidivism because minor violations, such as missing a treatment session or not updating a change of address, could ultimately result in a revocation and return to prison. Return to prison for technical violations in many cases is a more costly than necessary form of intervention for an offender who has violated the terms of supervision but does not appear to be a threat to society. In many states across the country, technical parole and probation violators are significantly contributing to increases in the prison population.

In Maryland, as seen in Exhibit 4, the data illustrates an increase in the number of returns from parole, however, it does not delineate returns for new offenses or for technical violations. Until recently, DPP was not tracking the reasons for revocations; therefore, there is no way to know historically what impact technical violators have had on the correctional system. Participation in StateStat, through the Governor's Office, has required the division to report the number of revocations for technical violations and for new offenses. Preliminary data collection reveals that for both parole/mandatory release and probation/probation before judgment cases, the number of revocations for technical violations exceeds the number revoked for new offenses.

According to StateStat data reported by calendar year through November 2007, the average number of technical parole/mandatory release revocations per month was 48, as opposed to 46 revocations per month for new offenses. With regard to probation cases, the average number of monthly technical revocations was 436, compared to 286 for new offenses. This information provides an early indication that technical violators are having an impact on the prison population in Maryland, and that DPP should be identifying the types of revocations for both parole and probation, in order to understand the fiscal impact technical violators are having on the correctional system.

DPP should be prepared to comment on what intermediate sanctions may currently be applied before the decision is made to revoke parole or probation status. The agency should also comment on what operational and fiscal impact technical violators are having on the prison population.

Now that the agency is collecting this information, DLS recommends that DPP delineate between revocations for technical violations and for new offenses in its Managing for Results measures.

2. Creating a Comprehensive Community Corrections System

The department's move toward a community corrections system was first mentioned as part of its plan to provide more coordinated and comprehensive reentry services to pre-release and recently released offenders, as outlined in the *2007 Joint Chairmen's Report on the Fiscal Impact of Expanding Reentry Services to all Pre-release Inmates*. According to the department, the benefits of transferring oversight of the pre-release system from DOC to DPP are twofold.

- First, it would assist offenders in their transition from prison to the community. Having the pre-release offenders and the community supervision offenders within DPP allows the same agency to coordinate the treatment, occupational, academic, and identification services received prior to release and in the community after release.
- Second, by joining a correctional component with a supervision component, it expands the options for assessing intermediate sanctions, instead of engaging in the formal revocation process when it may not be necessary. For example, a supervisee who tests positive for drugs, but is otherwise adhering to the conditions of supervision, could be picked up by a parole and probation agent and be required to spend 15 or more days in a pre-release facility to receive additional treatment and then continue with the supervision.

Current Efforts

A fiscal 2008 budget amendment transferred approximately \$8.6 million and 99 regular and 18 contractual positions to create CSEP within DPP. In an effort to increase efficiency and coordination among all community related enforcement services, CSEP joins the Central Home Detention Unit, which was formerly part of DOC, and the Warrant Apprehension Unit, previously housed under a different subprogram within DPP, into its own program. The combination of these functions facilitates the sharing of related duties, responsibilities, and equipment, in addition to centralizing training needs. The new program is reflected in the fiscal 2009 allowance for DPP, with a budget of \$9.3 million.

Future Plans

Creation of CSEP is the first step in the department's plans to implement a comprehensive community corrections system designed to reduce recidivism for offenders in pre-trial, incarceration, and community supervision status. The second phase, known as the Baltimore Phase, involves DPP assuming management of DOC pre-release facilities and halfway houses. Oversight of the halfway houses began on January 1, 2008, with the Baltimore Pre-release Unit and the Baltimore Pre-release Unit for Women to follow. Completion of this phase would significantly alter the State's current model for operating the custodial and supervision functions. **The Department of Public Safety and Correctional Services (DPSCS) should be prepared to comment on which, if any, states have adopted a similar community corrections model and what research has been done to assess the success of those systems.**

Issues

This program represents a significant shift in departmental operations. Little information is available with regard to the reorganization, and DPP is still awaiting approval of the reorganization from DBM. All of the details involved in the transfer of custodial institutions to a supervision agency have not been made clear, including:

- whether it will increase costs by providing additional transition services to more inmates;
- whether the security of the custodial facilities will be maintained by having increased inmate turnover through application of intermediate sanctions;
- whether operations within the facilities will change;
- a timeline for the transition;
- whether DPP will supervise hiring, training, and assignment of correctional officers and other custodial functions; and
- how this shift will affect DPSCS' entire management of custodial personnel and policies.

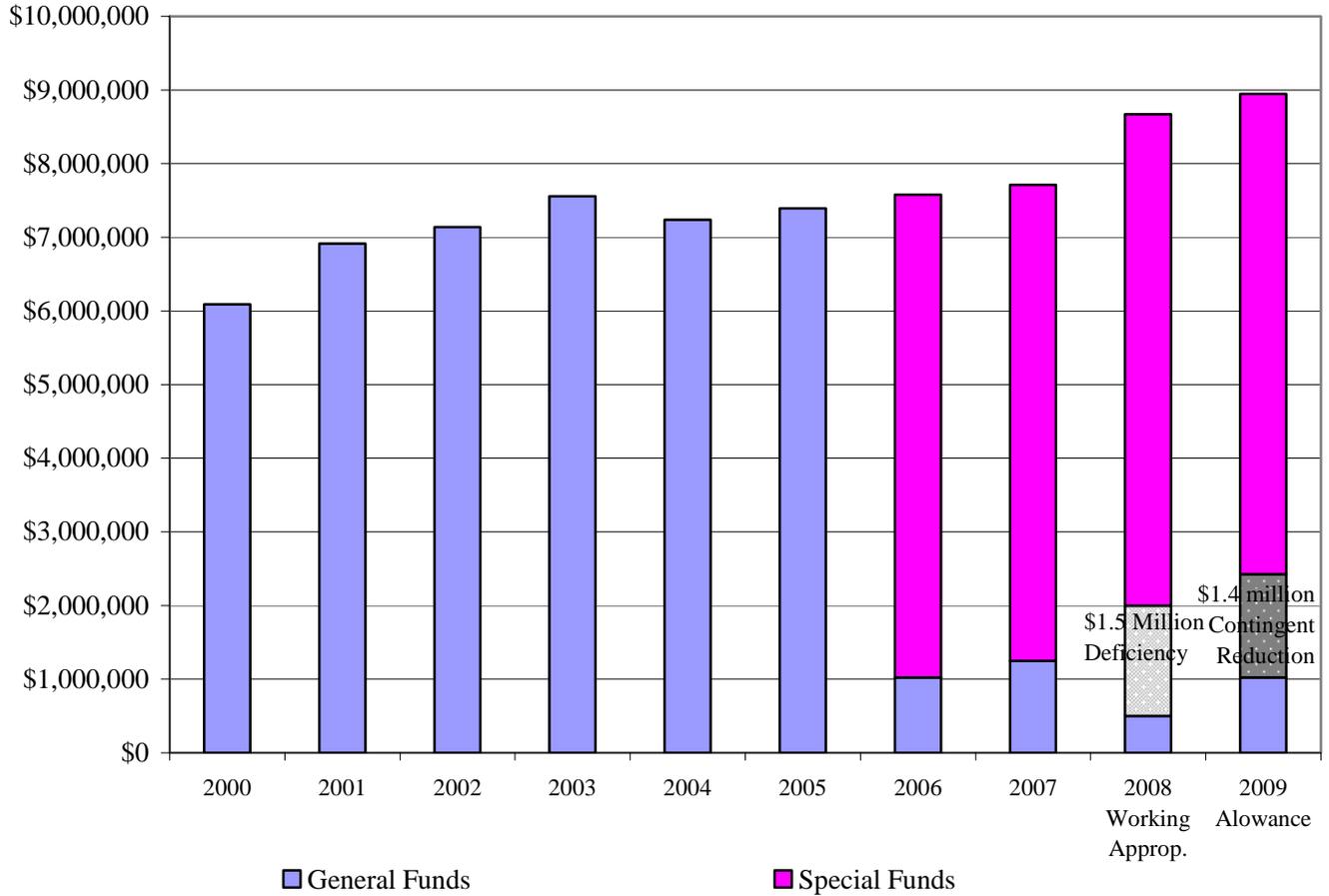
DLS recommends DPP submit a comprehensive report on the creation of a community corrections system, addressing all of the concerns discussed above, and specifically identifying a timeline for implementation, an explanation of operational changes to both DOC and DPP, and the potential for cost increases or savings by moving to this new supervision system.

3. Funding the Drinking Driver Monitor Program

The DDMP program fee was created through legislation in fiscal 2006 as a special fund to help support the operations of the program. **Exhibit 5** illustrates the funding stream for DDMP since fiscal 2000. Since implementation of the fee, the special funds collected have funded the majority of the program's operations. On average, \$6.5 million in special funds is collected annually. However, the program's operating budget expends approximately \$8.2 million. A \$1.0 million general fund deficiency was needed in fiscal 2006 and deficiencies of \$1.5 million have been needed for both fiscal 2007 and 2008.

The \$1.4 million reduction in general funds is based on a special fund increase of the same amount generated through the increase in the DDMP program fee. The current general fund appropriation in the fiscal 2009 allowance for DDMP is \$2.4 million. Even with the fee increase, the program would still require approximately \$1.0 million in general funds. The estimated amount generated assumes a 73% collection rate, which was the rate of collection for fiscal 2007. A 2005 OLA audit estimated DDMP collection rates to be 63.9%. It is unclear how the increase might affect the rate of collection for either the DDMP program fee or the supervision fee. Since the DDMP program fee is not court-ordered, it cannot be waived. However, the \$40 monthly supervision fee is court-imposed, and in fiscal 2006, DPP estimated it was waived in approximately 46% of DDMP cases. **DPP should be prepared to discuss if, and how, it anticipates the fee increase to impact the general and special fund revenue generated through fee collection, specifically addressing the likelihood of achieving a 73% collection rate with the \$55 fee. DPSCS should comment on the impact the increase will have on the offenders' ability to pay.**

**Exhibit 5
Drinking Driver Monitor Program Funding
Fiscal 2000-2009**



Source: Governor’s Budget Books, Fiscal 2000-2009

Recommended Actions

1. Add the following language:

Provided that 53.0 regular positions shall be reduced from the Division of Parole and Probation budget.

Explanation: The action deletes the new positions in the Division of Parole and Probation but leaves in place the approximately \$2.1 million to fund the positions. The agency currently has 194 vacancies, of which 118 are parole and probation agent and field supervisor positions. It is not certain that the agency will be able to fill such a high number of vacancies by the end of fiscal 2008. Leaving the funding allows the division to fill more of its current vacancies in fiscal 2009 in order to reduce caseload ratios instead of receiving additional positions and maintaining a higher vacancy rate to meet budgeted turnover requirements.

Position Reduction

2. Delete the 53 new positions included in the Division of Parole and Probation. The agency currently has 194 positions vacant, of which 118 are parole and probation agents and field supervisors. This action will reduce the positions but leave the funding, which allows the agency to fill more of its current vacancies in order to reduce caseload ratios. 53.0

3. Add the following language:

Provided that no funds in the budget may be expended to implement the Baltimore Phase of the community corrections reorganization, which involves transferring management of pre-release facilities from the Division of Correction (DOC) to the Division of Parole and Probation (DPP), until a report is submitted to the budget committees providing significant detail about the reorganization. The report shall include:

- (1) a timeline for implementing each stage of the reorganization;
- (2) an explanation of how transition is to occur;
- (3) a description of any operational changes to DOC and DPP;
- (4) a review of how other states have implemented and operated a similar community corrections system and what success has been had;

Q00C02 – DPSCS – Division of Parole and Probation

- (5) a detailed explanation of who will be responsible for hiring, training, and assigning both the custodial and supervision staff under the community corrections system and how those two functions will interact; and
- (6) a fiscal analysis of the potential cost increases or savings generated by transitioning to the new system.

The report should also specifically address the fiscal and operational costs and benefits the new system will have on technical parole and probation violators. The report shall be submitted no later than July 30, 2008. The budget committees shall have 45 days to review and comment on this report.

Explanation: DPP has begun the process of creating a community corrections system designed to enhance the coordination and provision of reentry services for pre-release and recently released offenders with little input from the General Assembly. The plan involves a significant shift in the way operations are currently conducted both within DOC and DPP. This action prohibits DPP from spending any funds associated with the next phase of the community corrections reorganization until the agency can provide a significant amount of detail regarding how the reorganization will work and its benefits to pre-release and recently released offenders.

Information Request	Author	Due Date
Report on Creating a More Comprehensive Community Corrections System	DPSCS	July 30, 2008

**Position
Reduction**

53.0

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 2007					
Legislative Appropriation	\$81,026	\$8,564	\$0	\$462	\$90,052
Deficiency Appropriation	1,534	-1,500	0	0	34
Budget Amendments	6,784	334	0	0	7,118
Reversions and Cancellations	0	-640	0	-236	-876
Actual Expenditures	\$89,344	\$6,758	\$0	\$226	\$96,328
Fiscal 2008					
Legislative Appropriation	\$84,999	\$8,173	\$0	\$393	\$93,565
Cost Containment	0	0	0	0	0
Budget Amendments	8,178	400	0	0	8,578
Working Appropriation	\$93,177	\$8,573	\$0	\$393	\$102,143

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

Fiscal 2007

General fund spending for fiscal 2007 was approximately \$89.3 million, an increase of \$8.3 million over the legislative appropriation.

- An approximately \$1.5 million deficiency appropriation was needed to cover shortfalls in the collection of fees used to support the Drinking Driver Monitor Program.
- Budget amendments increased the appropriation by approximately \$632,000. A \$571,000 decrease due to the realignment of general funds throughout the department to meet actual expenditures was offset by a \$1.2 million increase from the cost-of-living adjustment amendment that was budgeted centrally in the Department of Budget and Management.
- The fiscal 2007 general fund appropriation reflects an increase of approximately \$6.2 million to reflect the creation of CSEP. Actual expenditures from CHDU and DPP Warrant Apprehension Unit were transferred to CSEP to accurately reflect spending for the new program.

Special fund expenditures totaled approximately \$6.8 million in fiscal 2007, a decrease of approximately \$1.8 million below the legislative appropriation.

- DPP's attempt to fund DDMP solely through program fees fell short by approximately \$1.5 million. As a result, there was a deficiency appropriation which increased general funds and decreased special funds by \$1.5 million correspondingly due to the underattainment of revenue from the DDMP fees.
- The cost-of-living adjustment amendment increased the appropriation by approximately \$142,000.
- An increase of approximately \$200,000 reflects the increase in fees collected by CHDU, which was transferred to DPP from DOC.
- The division also cancelled approximately \$640,000 due to the underattainment of revenue from the DDMP fees.

Reimbursable fund spending in fiscal 2007 was approximately \$226,000.

- The division cancelled approximately \$236,000 of unexpended grant funds.

Fiscal 2008

The general fund working appropriation is approximately \$93.2 million, including an additional \$6.6 million for the creation of CSEP and \$1.2 million for the cost-of-living adjustment.

The special fund working appropriation is \$8.6 million, including an \$118,000 increase for the cost-of-living adjustment and an additional \$280,000 from the creation of CSEP. The creation of the program involved transferring the Central Home Detention Unit from DOC. The special fund increase reflects the transfer of the home detention fees collected from the inmates.

Audit Findings

Audit Period for Last Audit:	February 12, 2004 – October 31, 2006
Issue Date:	April 2007
Number of Findings:	5
Number of Repeat Findings:	2
% of Repeat Findings:	40 %
Rating: (if applicable)	n/a

- Finding 1:*** DPP did not ensure that ignition interlock devices were installed on offender vehicles and that monitoring reports were obtained.
- Finding 2:*** DDMP fees have not covered operating costs and sufficient action was not taken to minimize operating deficits.
- Finding 3:*** **Certain audit reporting deficiencies reduced management’s ability to monitor field offices.**
- Finding 4:*** **The review process for a critical security report was inadequate.**
- Finding 5:*** A \$10 million cash balance reconciling item identified in March 2005 has not been resolved as of October 2006.

*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>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	1,341.50	1,356.00	1,408.00	52.00	3.8%
02 Contractual	99.13	130.90	130.90	0	0%
Total Positions	1,440.63	1,486.90	1,538.90	52.00	3.5%
Objects					
01 Salaries and Wages	\$ 79,374,966	\$ 83,029,328	\$ 92,771,205	\$ 9,741,877	11.7%
02 Technical and Special Fees	3,008,212	3,033,898	3,101,844	67,946	2.2%
03 Communication	1,323,088	1,237,922	1,223,308	-14,614	-1.2%
04 Travel	449,726	521,400	519,150	-2,250	-0.4%
06 Fuel and Utilities	234,625	207,072	209,572	2,500	1.2%
07 Motor Vehicles	1,343,969	926,041	912,279	-13,762	-1.5%
08 Contractual Services	5,113,509	6,231,005	6,561,360	330,355	5.3%
09 Supplies and Materials	1,020,465	1,451,900	1,285,433	-166,467	-11.5%
10 Equipment – Replacement	21,290	37,671	29,063	-8,608	-22.9%
11 Equipment – Additional	254,422	539,104	260,900	-278,204	-51.6%
12 Grants, Subsidies, and Contributions	500,000	500,000	500,000	0	0%
13 Fixed Charges	3,683,349	4,426,669	4,534,879	108,210	2.4%
Total Objects	\$ 96,327,621	\$ 102,142,010	\$ 111,908,993	\$ 9,766,983	9.6%
Funds					
01 General Fund	\$ 89,343,951	\$ 93,176,606	\$ 104,727,215	\$ 11,550,609	12.4%
03 Special Fund	6,757,614	8,572,670	6,895,941	-1,676,729	-19.6%
09 Reimbursable Fund	226,056	392,734	285,837	-106,897	-27.2%
Total Funds	\$ 96,327,621	\$ 102,142,010	\$ 111,908,993	\$ 9,766,983	9.6%

Note: The fiscal 2008 appropriation does not include deficiencies.

Fiscal Summary
DPSCS – Division of Parole and Probation

<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	\$ 4,766,337	\$ 4,736,127	\$ 5,104,179	\$ 368,052	7.8%
02 Field Operations	83,668,845	88,761,760	97,516,566	8,754,806	9.9%
03 Community Surveillance and Enforcement Program	7,892,439	8,644,123	9,288,248	644,125	7.5%
Total Expenditures	\$ 96,327,621	\$ 102,142,010	\$ 111,908,993	\$ 9,766,983	9.6%
General Fund	\$ 89,343,951	\$ 93,176,606	\$ 104,727,215	\$ 11,550,609	12.4%
Special Fund	6,757,614	8,572,670	6,895,941	-1,676,729	-19.6%
Total Appropriations	\$ 96,101,565	\$ 101,749,276	\$ 111,623,156	\$ 9,873,880	9.7%
Reimbursable Fund	\$ 226,056	\$ 392,734	\$ 285,837	-\$ 106,897	-27.2%
Total Funds	\$ 96,327,621	\$ 102,142,010	\$ 111,908,993	\$ 9,766,983	9.6%

Note: The fiscal 2008 appropriation does not include deficiencies.