

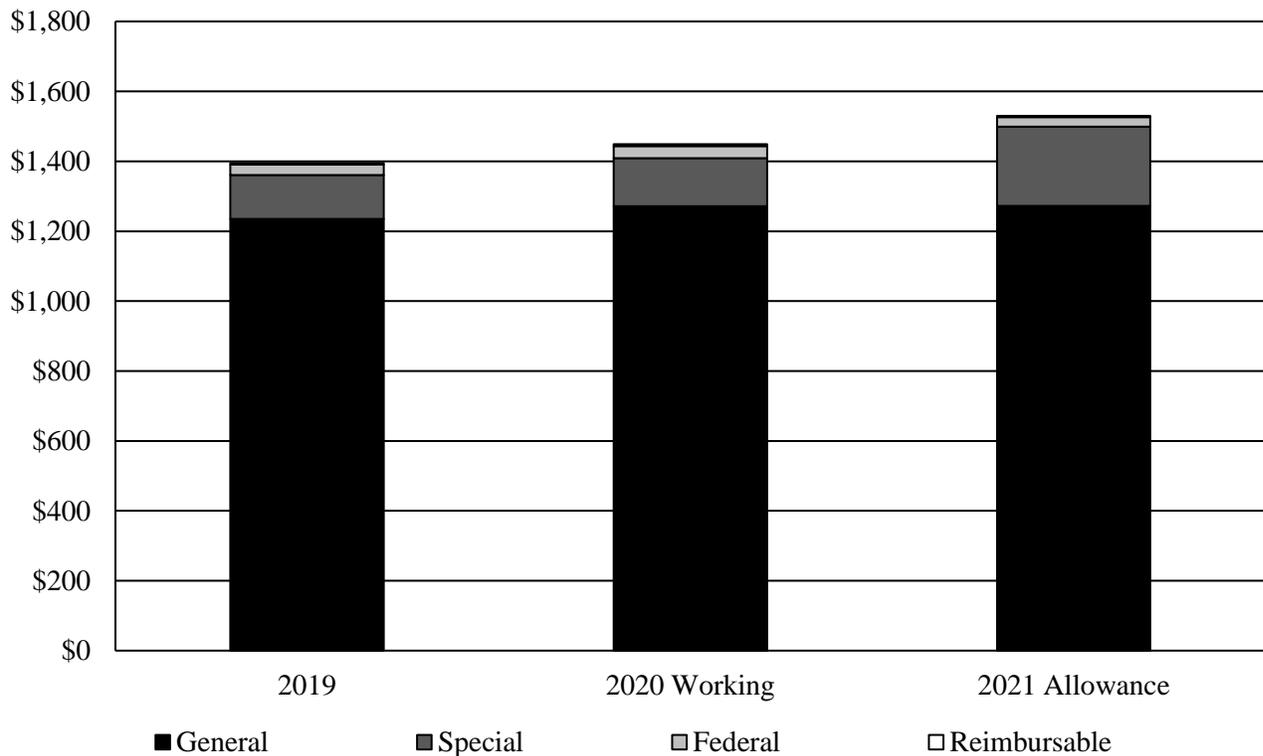
Q00
Department of Public Safety and Correctional Services
Fiscal 2021 Budget Overview

Executive Summary

The Department of Public Safety and Correctional Services (DPSCS) is a principal department of State government, responsible for operating 18 correctional facilities throughout the State and 4 detention facilities in Baltimore City whose combined fiscal 2019 average daily population (ADP) is approximately 20,717 offenders. In addition, the department supervises offenders on parole and probation. Currently, DPSCS has a budget allowance of over \$1.5 billion and 10,140 authorized positions that account for approximately 12% of the total State workforce and 6% of all general fund expenditures.

Operating Budget Summary

Fiscal 2021 Budget Increases by \$81.5 Million or 5.6% to \$1.53 Billion
(\$ in Millions)



Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

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- ***Overtime Spending Increases to \$150 Million:*** Correctional officers continue to work more overtime due to high vacancies.
- ***9-1-1 Grants More Than Double:*** Changes to the State and local 9-1-1 fee structure account for an additional \$88.7 million in special funds.

Key Observations

- ***Overall DPSCS Caseloads Continue to Decline:*** Total ADP of correctional and detention supervision declines 2% in fiscal 2019 for an overall drop of nearly 20% since fiscal 2011. Community supervision caseloads appear to stall.
- ***Total DPSCS Employment Drops Below 8,000:*** Trends in vacancies across all classifications continue through the end of the second quarter of fiscal 2020.
- ***Justice Reinvestment Act (JRA) Savings Total \$1.3 Million:*** Cost avoidance due to fewer days served by JRA recipients was calculated to be approximately \$1 million in the second year of implementation.

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Operating Budget Analysis

Program Description

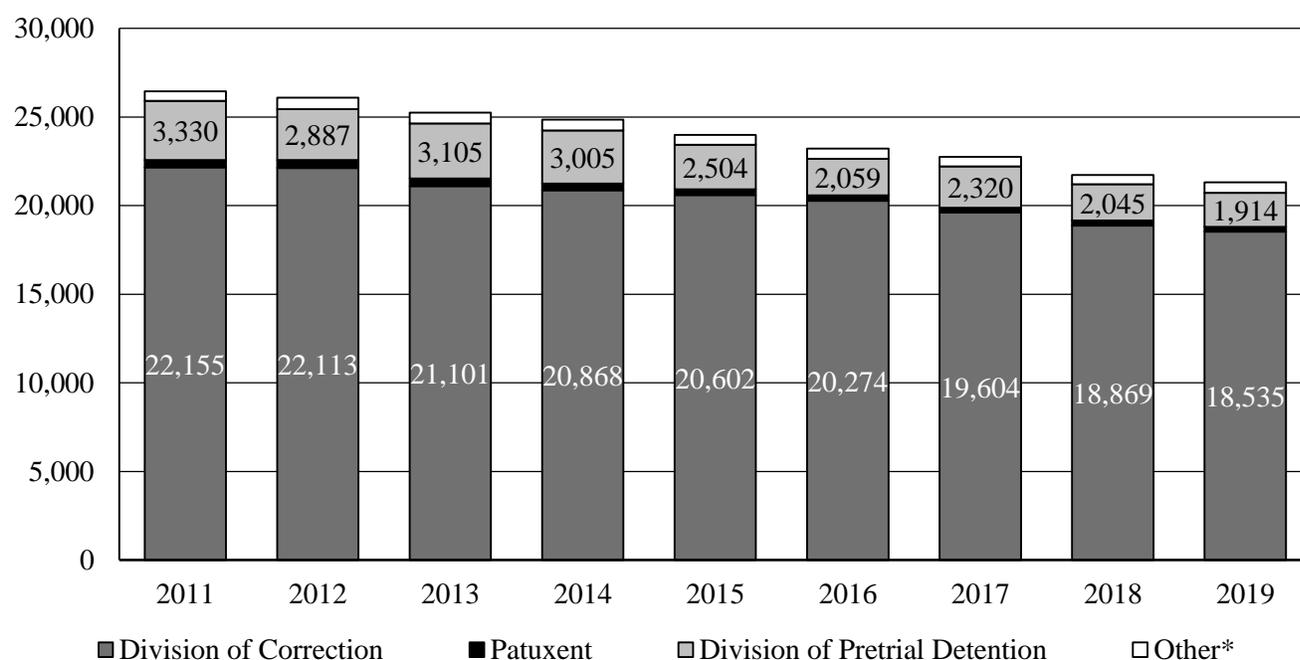
The Department of Public Safety and Correctional Services (DPSCS) helps keep Maryland communities safe and provides services to victims of crime. The department strives to ensure the safety, security, and well-being of defendants and offenders under its supervision and to provide criminal justice agencies with access to timely, accurate information about defendants and offenders.

Performance Analysis: Managing for Results

1. State Prison and Jail Populations Continue to Decline

Exhibit 1 shows the average daily population (ADP) of prisoners and detainees in DPSCS custody since fiscal 2011. Overall, the number of individuals who are incarcerated under State jurisdiction continues to decrease, reflecting national trends of lower crime, arrests, and commitments. The ADP of detainees in Baltimore City, offenders in State prisons, and others, including federal prisoners at the Chesapeake Detention Facility (CDF), declined by 5,144 offenders, or 19.4%, between fiscal 2011 and 2019. In fiscal 2017, the State prisoner population decreased to below 20,000 for the first time since the 1990s, and in fiscal 2019, the Baltimore City detainee population dropped to below 2,000 for the first time since the 1990s.

**Exhibit 1
Incarcerated Offenders – Average Daily Population
Fiscal 2011-2019**



* “Other” includes federal prisoners held at the Chesapeake Detention Facility and offenders in local jails awaiting transfer to the Department of Public Safety and Correctional Services.

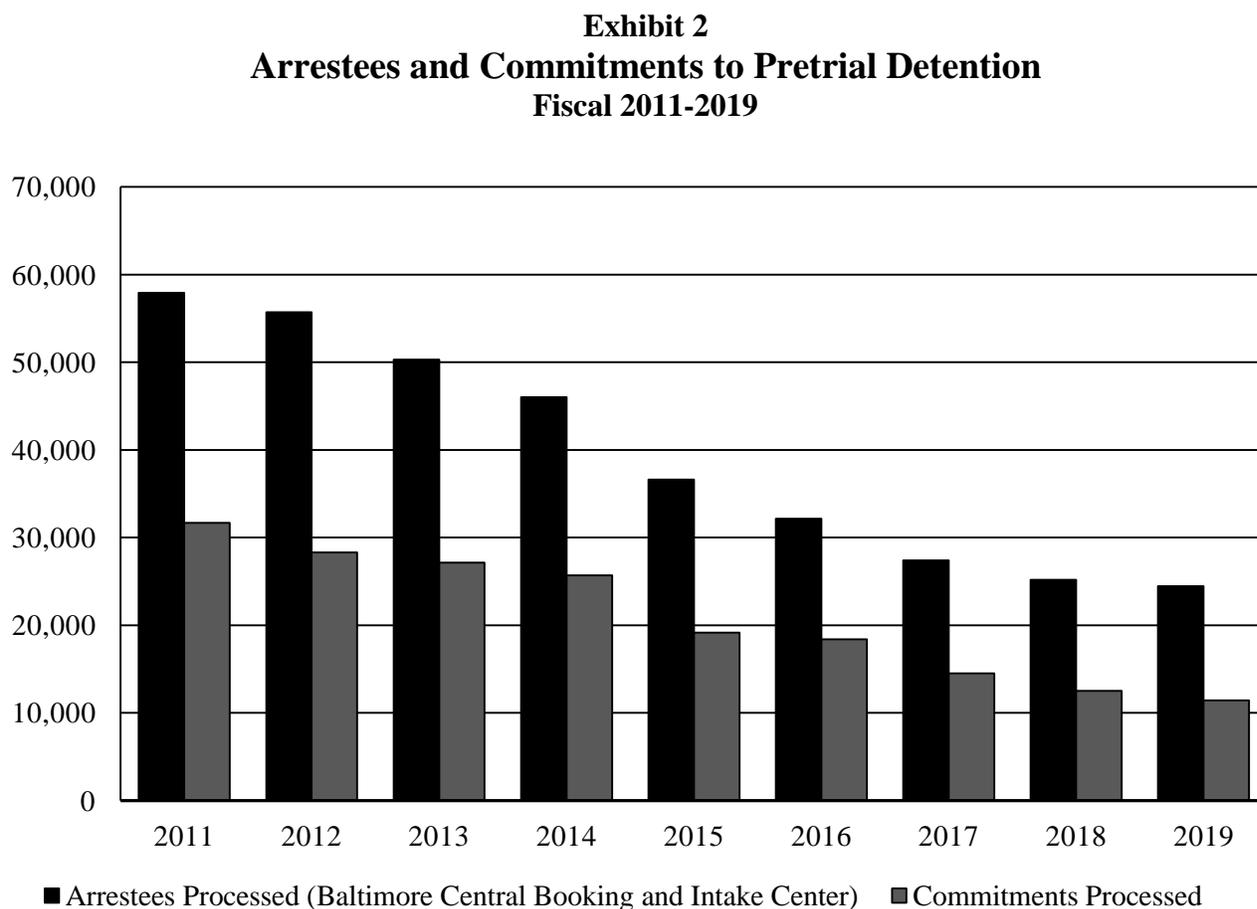
Source: Managing for Results, Department of Public Safety and Correctional Services

Inmate Population Statistics, Fiscal 2019:

- 18,803 State prisoners were sentenced and incarcerated;
- 2,339 offenders were held in pretrial detention (1,914 local, 425 federal);
- Eastern Correctional Institution held the largest percentage of sentenced offenders (17.2%); and
- Baltimore Central Booking and Intake Center (BCBIC) held the largest percentage of detainees (32%).

2. Baltimore City Arrest and Detention Totals Continue to Decline

Exhibit 2 shows arrestees processed and the number of arrestees committed to pretrial detention in Baltimore City from fiscal 2011 to 2019.



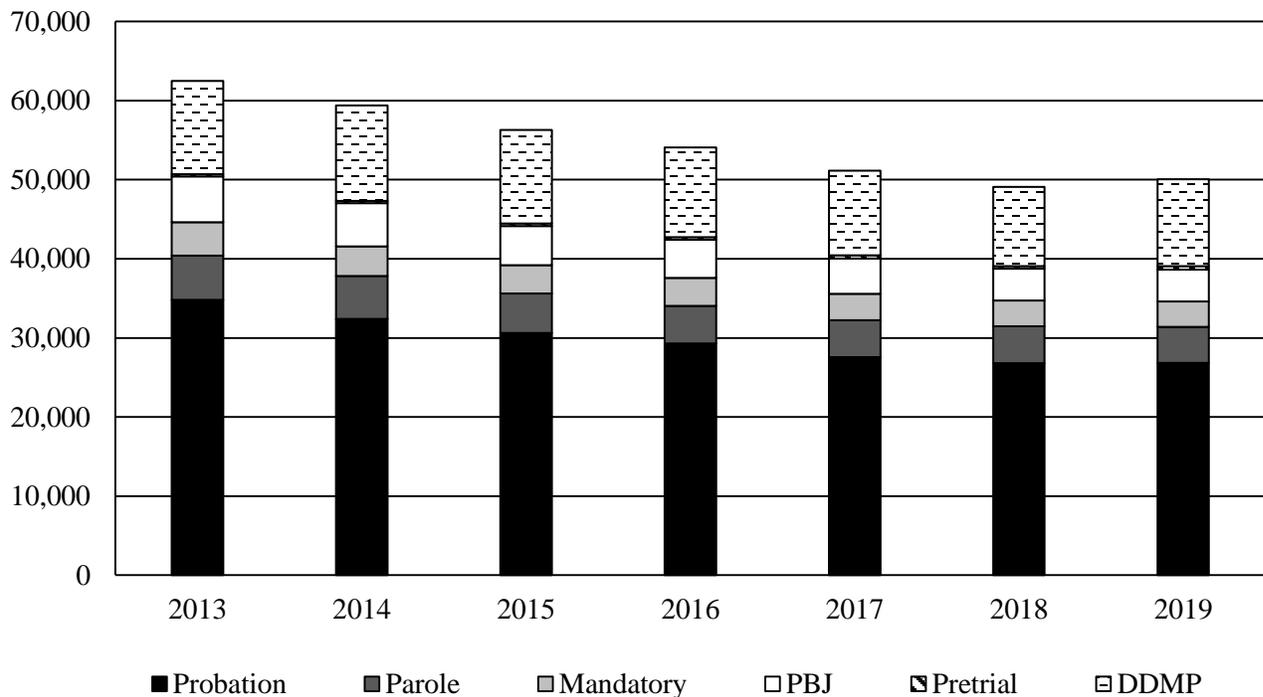
Source: Managing for Results, Department of Public Safety and Correctional Services

- **Baltimore Arrests Decline 58% Since 2011:** About 58,000 individuals were arrested and processed in fiscal 2011; in fiscal 2019, just over 24,450 were arrested.
- **Baltimore Arrestees Committed to Detention Decrease 64% Since 2011:** Approximately 31,700 arrestees were admitted to pretrial detention in fiscal 2011; in fiscal 2019, it was 11,422, a 64% decline from fiscal 2011.
- 47% of arrestees were committed to pretrial detention in fiscal 2019 – lower than the range of 50% to 57% since fiscal 2011.

3. Community Supervision Cases Begin to Stabilize

In terms of the department’s community supervision programs (parole and probation), declines in cases under supervision and active cases appear to have slowed or stopped in fiscal 2019. **Exhibit 3** depicts the total number of active cases under community supervision that includes parole, probation, probation before judgment, pretrial supervision, and mandatory supervision cases.

Exhibit 3
Parole and Probation Active Cases
Fiscal 2013-2019



DDMP: Drinking Driver Monitor Program
 Mandatory: Mandatory Supervision
 PBJ: Probation Before Judgment
 Pretrial: Pretrial Supervision

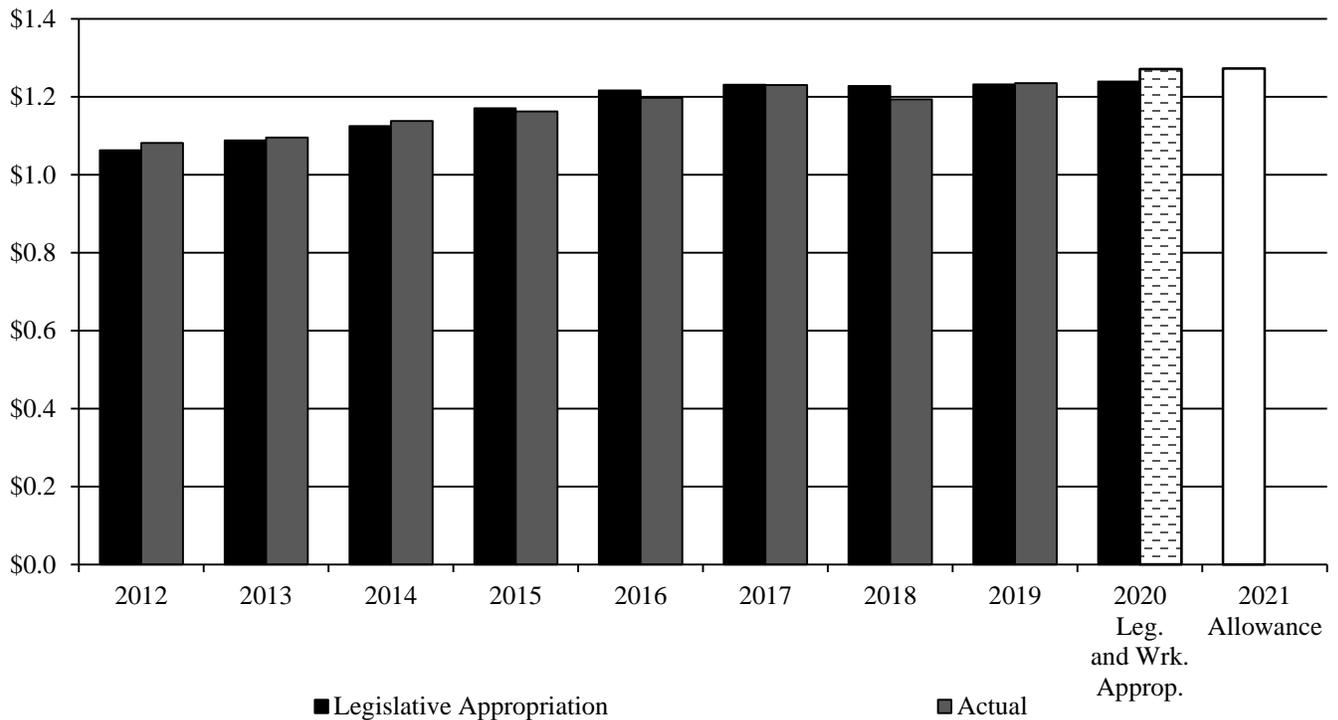
Source: Department of Public Safety and Correctional Services

Since the most recent peak in fiscal 2013, cases under criminal supervision have fallen by 23%. During the same timeframe, Drinking Driver Monitor Program (DDMP) cases decreased by 7%. However, from fiscal 2018 to 2019, DDMP cases increased by 10% and criminal cases stayed the same. Overall, the Division of Parole and Probation supervised 39,057 active criminal supervision cases and 11,005 DDMP cases in fiscal 2019 – a 2% increase from the previous fiscal year.

Fiscal 2019

Actual spending in fiscal 2019 increased \$3.5 million from the legislative appropriation, largely attributable to higher than expected overtime costs. **Exhibit 4** shows DPSCS general fund actual spending compared to the respective legislative appropriation since fiscal 2015. Due to increasing vacancy rates, inmate population declines, and cost containment measures taken by the State, actual spending was lower than the appropriation from fiscal 2015 to 2018. Earlier, from fiscal 2012 to 2014, departmental spending exceeded its legislative appropriation by an average of \$13 million.

Exhibit 4
Actual versus Appropriated Spending – General Funds
Fiscal 2012-2021
(\$ in Billions)



Source: Department of Public Safety and Correctional Services; Department of Legislative Services

Fiscal 2020

Proposed Deficiency

There are two deficiency appropriations for fiscal 2020 that increase the appropriation: \$974,000 to fund a study on the costs associated with full compliance with the Americans with Disabilities Act; and \$5.9 million to support the Correctional Officer Retention Incentive Bonus. This bonus program would allow the department to disburse up to \$37,500 over the course of four years to correctional officers (CO) in order to retain those who are eligible for retirement. Funds for the bonus program are currently budgeted within the Department of Budget and Management (DBM) and will be transferred to DPSCS by budget amendment.

Assumed Reversion

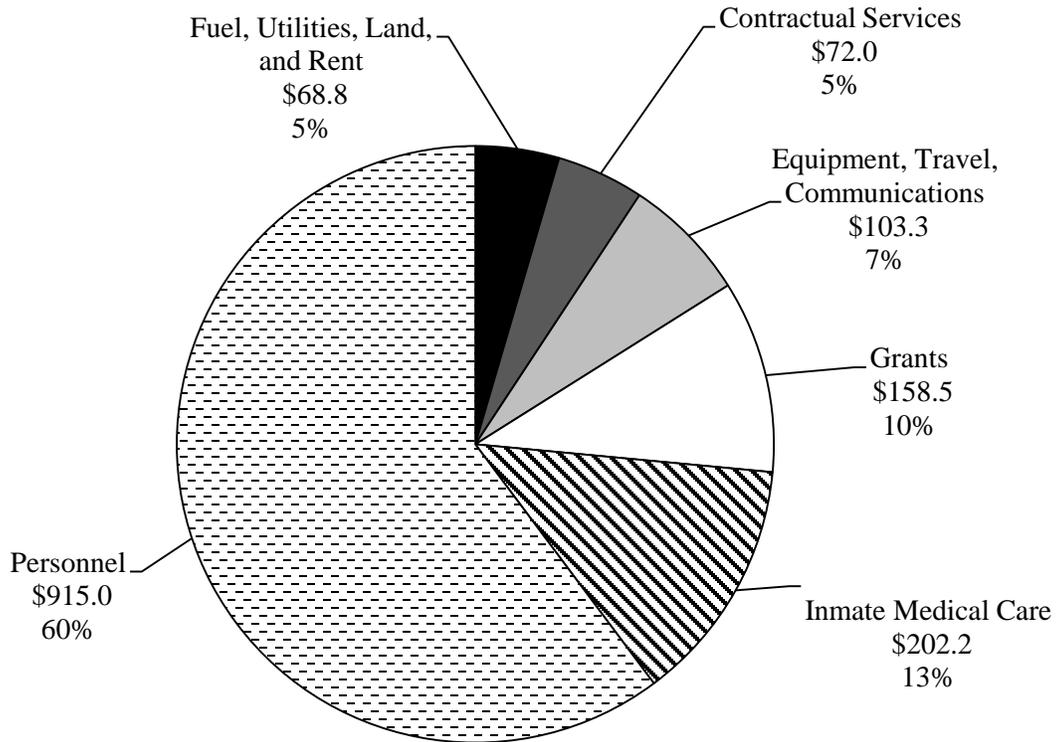
Additionally, the Administration’s budget plan assumes that \$7.5 million in funds restricted for legislative priorities in fiscal 2020 will not be released and will revert to the General Fund at the end of the fiscal year. The reverted funds were restricted to provide \$7 million in CO salary enhancements and a \$500,000 staffing study of the department’s administrative, correctional, and detention functions.

Fiscal 2021

Overview of Agency Spending

The DPSCS allowance for fiscal 2021 is approximately \$1.53 billion after adjusting for statewide salary actions. The allowance is primarily used to pay personnel costs (\$915 million), mainly salaries and wages. Of this amount, 16%, or \$149.8 million, goes toward overtime costs related to the department’s large number of CO vacancies. The remaining areas of major spending are inmate medical care (\$202.2 million), supplies and materials (\$81.4 million), contractual services (about \$72 million mainly related to key security and information technology (IT) projects), and funds for grants/contributions (\$158.5 million in mostly special funds) that include 9-1-1-related grants, inmate welfare funds, and payments to local jails for housing State prisoners. **Exhibit 5** displays the fiscal 2021 allowance categorized by major spending areas.

Exhibit 5
Overview of Agency Spending by Purpose
Fiscal 2021 Allowance
(\$ in Millions)

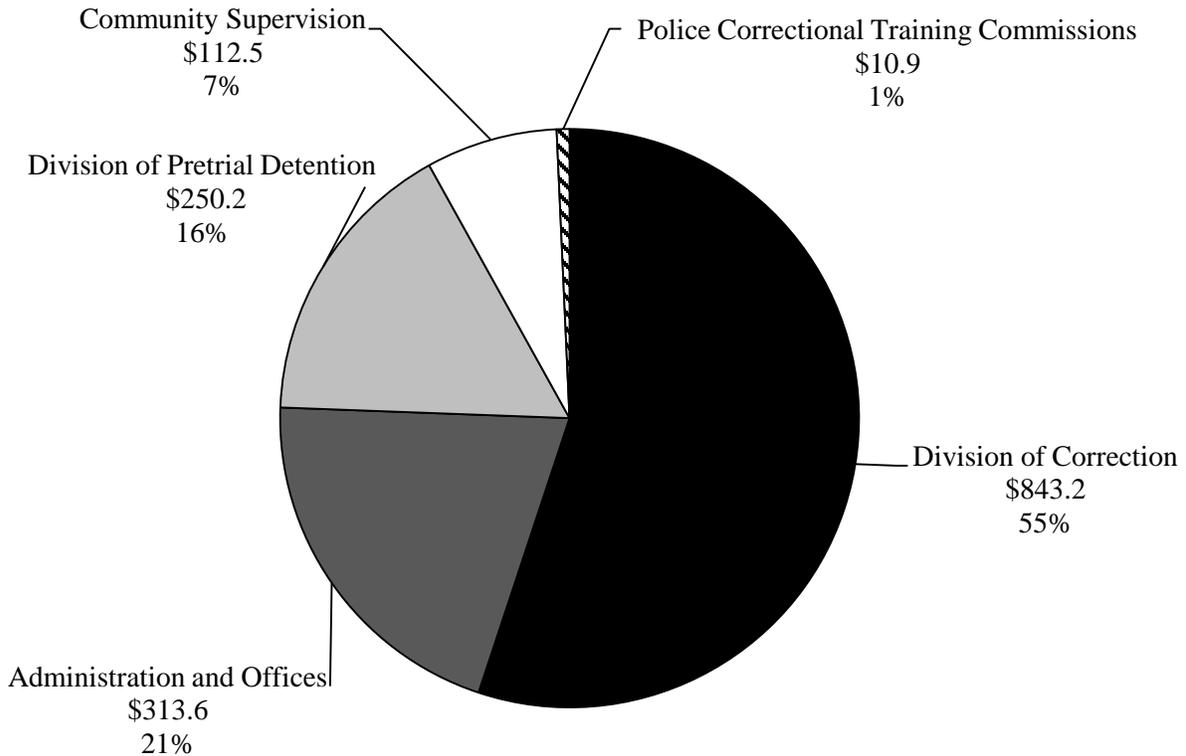


Source: Governor’s Proposed Budget

Spending by Departmental Function

Exhibit 6 allocates the fiscal 2021 budget between the primary functional units of DPSCS.

Exhibit 6
Overview of Agency Spending by Function
Fiscal 2021 Allowance
(\$ in Millions)



Source: Governor’s Proposed Budget; Department of Legislative Services

Corrections includes the Division of Correction (DOC); the Patuxent Institution; and Maryland Correctional Enterprises (MCE), the prison industry arm of the division. Corrections, which is responsible for the physical confinement and control of inmates incarcerated by Maryland’s judicial system, operates 18 State prisons. The DOC fiscal 2021 allowance is approximately \$843.2 million, or 55.1%, of the total DPSCS allowance.

Administration and Offices now make up the second largest functional area, consisting of several oversight units and independent agencies. Capital and Facilities Management, General Administration, the Intelligence and Investigative Division, and the Information Technology and Communications Division (ITCD) are included within DPSCS headquarters, as well as the consolidated Administrative Services Program consisting of Human Resources, Procurement, Fiscal, Budget, Regulation and Policy Coordination, and Grants/Statistical Analysis. The Emergency Number Systems Board (ENSB), Inmate Grievance Office (IGO), and Maryland Commission on Correctional Standards (MCCS) are independent agencies included in the discussion of the

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Administration budget. ENSB develops policy and provides financial support to the State's 9-1-1 emergency system, IGO has jurisdiction over all inmate grievances against DPSCS, and MCCA develops and audits compliance with standards for all correctional and detention facilities in the State. The Administration and Offices fiscal 2021 allowance is \$313.6 million, or 20.5%, of the total DPSCS allowance.

The Division of Pretrial Detention (DPD) is the third largest functional area and is responsible for all offenders arrested in Baltimore City, as well as those held on warrants from Baltimore City. Federal prisoners held at the CDF are also under DPD's purview. Facilities include CDF, BCBIC, the Youth Detention Center, and the Metropolitan Transition Center. The DPD fiscal 2021 allowance is approximately \$250.2 million, or 16.3%, of the total DPSCS allowance.

Community Supervision has four main units – the Maryland Parole Commission (MPC), the Central Home Detention Unit, the Warrant Apprehension Unit, and the regional office units that conduct criminal supervision of offenders on parole or probation or who are assigned to DDMP. The Community Supervision fiscal 2021 allowance is \$112.5 million, or 7.3%, of the total DPSCS allowance.

The Police and Correctional Training Commissions (PCTC) develop the training standards for all law enforcement and COs in the State and are the smallest function within DPSCS. PCTC's fiscal 2021 allowance is \$10.9 million, or 0.7%, of the total DPSCS allowance.

Spending by Fund Source

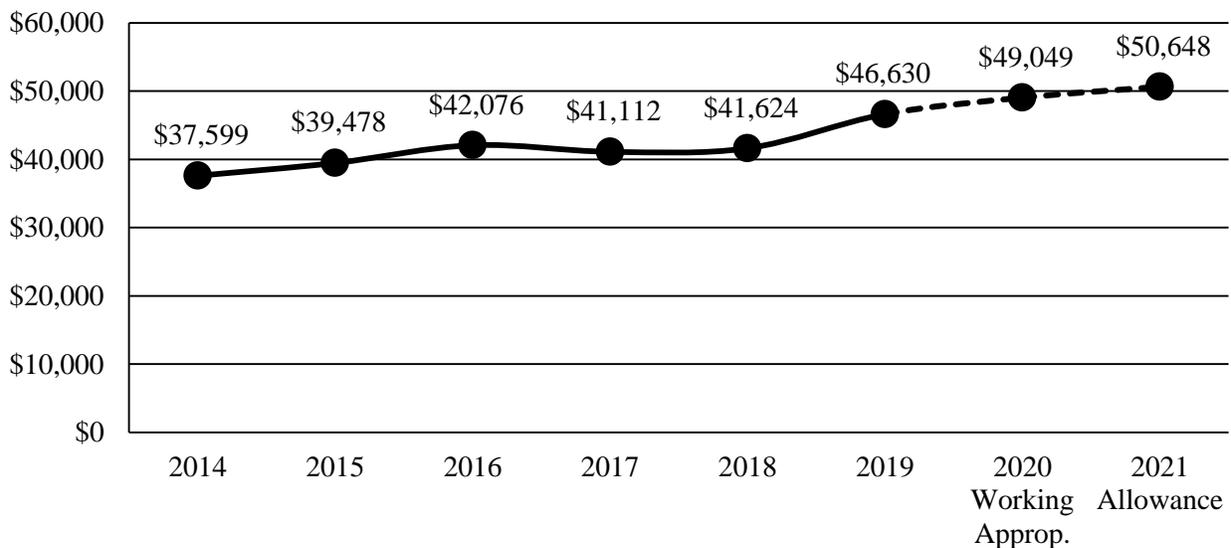
- **General Funds (\$1.27 Billion):** Increase by \$1.52 million, or 0.1%, over the fiscal 2020 working appropriation. Changes to personnel costs, including increased turnover expectancy, cost-of-living adjustments (COLA), and employee bonus programs accounted for about a \$5.2 million decrease, while nonpersonnel costs primarily related to health care, facility renovations, and Criminal Justice Information System support increased by about \$6.8 million.
- **Special Funds (\$226.5 Million):** Increase by \$88.8 million, or 64.4%, over the fiscal 2020 working appropriation. Fund increases are almost entirely due to statutory changes in the 9-1-1 fee structure. DDMP fee collections caused about a \$1.3 million decrease in special funds.
- **Federal Funds (\$26.7 Million):** Decrease by \$8 million, or 23%, from the fiscal 2020 working appropriation, mainly due to major IT projects reaching the end stage of implementation, including the Computerized Criminal History Project for criminal recordkeeping, the Maryland Automated Fingerprint Identification System Replacement, and the MCE Enterprise Resource Planning Implementation Project.

Prison Cost Per Inmate Increases 12%

The average cost per inmate (or annual cost per capita) is the total amount that DPSCS spends on inmates in State prisons. These costs include both fixed and variable costs and account for services

in a wide variety of categories, including administration, custodial, dietary/food, laundry/uniforms, medical, religious, and other expenses from substance use disorder treatment to other forms of therapy. **Exhibit 7** shows the department’s cost per inmate. After a two-year stall in growth, the cost per inmate increased 12% in fiscal 2019 to \$46,630, driven by large increases in health care costs, employee compensation enhancements, and overtime spending. Additionally, the fiscal 2020 working appropriation and fiscal 2021 allowance raise this spending rate even more, reaching \$50,000 per inmate if ADP continues to decline at a rate of 3% per year on average.

Exhibit 7
Average Cost Per Inmate
Fiscal 2014-2021 Allowance



Source: Governor’s Proposed Budget; Department of Legislative Services

Proposed Budget Change

Overall funding grew \$81.5 million, or 5.6%, compared to the fiscal 2020 working appropriation. General funds, federal funds, and reimbursable funds decrease, while special funds increase, making up about 15% of total spending compared to about 10% of the fiscal 2020 working appropriation. Overall, the vast majority of the allowance is in general funds (83%).

While overall budget increases in fiscal 2021, when special fund increases related to changes in 9-1-1 fees are removed, the allowance decreases by \$7.2 million, or -0.5%. **Exhibit 8** provides detail on the department’s fiscal 2021 allowance increase of \$81.5 million and the changes to particular programs and spending initiatives.

Exhibit 8
Proposed Budget
Department of Public Safety and Correctional Services
(\$ in Millions)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2020 Working Appropriation	\$1,271.1	\$137.7	\$34.8	\$5.3	\$1,448.9
Fiscal 2021 Allowance	<u>1,272.7</u>	<u>226.5</u>	<u>26.7</u>	<u>4.5</u>	<u>1,530.4</u>
Fiscal 2020-2021 Amount Change	\$1.5	\$88.8	-\$8.0	-\$0.7	\$81.5
Fiscal 2020-2021 Percent Change	0.1%	64.4%	-23.1%	-13.6%	5.6%

Where It Goes:

Personnel Expenses

	Change
Fiscal 2021 2% COLA	\$5,735
Retirement contributions	4,618
Regular earnings	2,119
Net annualization of fiscal 2020 1% COLA.....	836
Overtime earnings	522
SLEOLA 4% salary increase	437
Employee bonuses	150
Other fringe benefits.....	-216
Social Security contributions.....	-450
Turnover adjustments	-2,484
Correctional Officer Retention Incentive Bonus	-3,188
Workers' compensation insurance	-3,742
Employee and retiree health insurance premiums	-11,723

Correctional and Detention Facility Operations

Clinical and medical services	7,024
Plant operation and maintenance	6,009
Substance abuse treatment.....	1,069
General administration for facilities	490
Security operations	74
Pretrial release services	-13
Intake services	-67
Classification, education and religious services	-406
Custodial care	-471
Dietary services	-1,517

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Where It Goes:	<u>Change</u>
One-time critical maintenance funding	-3,000
Nonpersonnel costs associated with closure of the Brockbridge Correctional Facility	-8,488
Community Supervision Operations	
Warrant Apprehension Unit	53
Criminal Supervision and Investigation Program	25
Drug testing and treatment services	9
Division of Parole and Probation administration	-207
IT Expenses	
Criminal Justice Information Systems support.....	2,631
PCTC Learning Management System replacement.....	1,000
MCE Enterprise Resource Planning Implementation Project	750
IT and Communications Division	15
One-time federal funding for Computerized Criminal History Replacement	-2,000
One-time federal funding for MAFIS replacement	-3,450
Administration Expenses	
9-1-1 local fee pass-through	45,066
State grants for Next Generation 9-1-1 and ENSB administration.....	43,641
MCE administration	1,934
Intelligence and Investigative Division	79
MPC administration	17
MCCS administration.....	2
IGO administration.....	-110
PCTC administration.....	-198
Central Home Detention Unit.....	-227
DPSCS headquarters administration	-831
Total	\$81,517

COLA: cost-of-living adjustment
 DPSCS: Department of Public Safety and Correctional Services
 ENSB: Emergency Number Systems Board
 IGO: Inmate Grievance Office
 IT: information technology
 MAFIS: Maryland Automated Fingerprint Identification System
 MCCS: Maryland Commission on Correctional Standards
 MCE: Maryland Correctional Enterprises
 MPC: Maryland Parole Commission
 PCTC: Police and Correctional Training Commissions
 SLEOLA: State Law Enforcement Officers Labor Alliance

Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

Custody Expenses Decline Amid Lower ADP

Exhibit 8 shows a largely programmatic breakdown of budgetary changes in the fiscal 2021 allowance compared to the adjusted fiscal 2020 working appropriation. The largest change is in the ENSB budget, which increases \$88.7 million in special funds collected through the State and local 9-1-1 fee. Chapter 301 of 2019 doubled the State and local 9-1-1 fees and began assessing the fee on each phone line on a customer's account rather than once per customer account. General administrative costs (nonpersonnel) for DPSCS headquarters, independent agencies, and functional divisions increase by nearly \$0.9 million. IT spending decreases by a net \$1 million due to several major IT projects reaching the end of the funding phase and entering the final stretches of implementation. Nonpersonnel spending associated with the community supervision function decreases by about \$147,000, reflecting lower caseloads for the Central Home Detention Unit.

When operational subprograms within correctional and detention facilities are examined, considerable changes in inmate health care (\$7 million increase) and spending on facility improvements (\$3 million) are largely offset by decreases in food costs (-\$1.5 million) attributable to lower ADP and the closure of the Brockbridge Correctional Facility (-\$8.4 million).

Personnel Budget Changes Substantially from Legislative Appropriation

Changes to the personnel budget are substantial in the working appropriation and the allowance. In recent years, budgeted turnover did not keep pace with actual vacancies, causing large salary surpluses that were expended on other priorities via budget amendment. The legislative appropriation for fiscal 2020 required about 1,271 vacancies to meet budgeted turnover despite having over 2,000 vacancies across the department. The working appropriation has increased that expectancy to about 1,700 necessary vacancies with the actual vacancy rate remaining above 2,000. Regular earnings increased by \$35 million, and overtime increased by \$27 million from the legislative to the working appropriation, mostly due to compensation enhancements that increased base wages and total earnings.

From fiscal 2020 to 2021, these changes carry over, making the overall change appear smaller than in reality. The turnover rate was increased marginally, causing a budget decrease of \$1.7 million. Exhibit 8 shows that decreases in health insurance and workers' compensation insurance premiums removed about \$15.6 million from the budget. Regular earnings decreased by \$4.9 million largely due to the department employing fewer COs than in the past. Further discussion of departmental vacancies can be found in the Issues section of this analysis.

Compensation enhancements from an annualized fiscal 2020 1% salary increase (excluding most COs due to the American Federation of State, County and Municipal Employees (AFSCME) being omitted), a 2% fiscal 2021 salary increase, and a 4% State Law Enforcement Officers Labor Alliance salary increase added \$7 million to the budget compared to the working appropriation. These actions come with the caveat that \$7 million in personnel funds restricted for the purpose of increasing CO salaries in fiscal 2020 will not be released by the Governor, reducing the impact of these salary increases on CO retention. Other employees in the department will not be affected by this planned reversion.

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A new employee bonus program adds \$5.9 million to the fiscal 2020 working appropriation but is reduced to \$2.7 million in fiscal 2021, accounting for an overall \$3.2 million year-to-year decrease. The deficiency funds are currently budgeted within DBM. Other employee bonuses, like the new hire bonus and referral bonus, receive \$150,000 in the fiscal 2021 allowance based on actual utilization.

Personnel Data

	<u>FY 19</u> <u>Actual</u>	<u>FY 20</u> <u>Working</u>	<u>FY 21</u> <u>Allowance</u>	<u>FY 20-21</u> <u>Change</u>
Regular Positions	10,414.40	10,139.40	10,139.40	0
Contractual FTEs	<u>190.61</u>	<u>360.16</u>	<u>337.58</u>	-22.58

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies	1,743.87	17.2%
Positions and Percentage Vacant as of 12/31/19	2,179.00	21.5%

Vacancies Above Turnover 435.13

- The fiscal 2021 budget allowance requires DPSCS to identify and abolish 521 vacant positions. These cuts will come from hard-to-fill areas, and the associated salary savings will be used to support overtime increases and bonus programs. The total amount saved will depend on the base salary of each vacant position. Using the departmental average, 521 positions correspond to about \$35.7 million.
- Abolishing 521 regular positions will reduce overall positions to 9,618, a 5.4% decrease from fiscal 2020. This adjustment will also bring the number of currently vacant positions closer to the turnover expectancy for future budgets, which stands at 17% for the fiscal 2021 allowance.

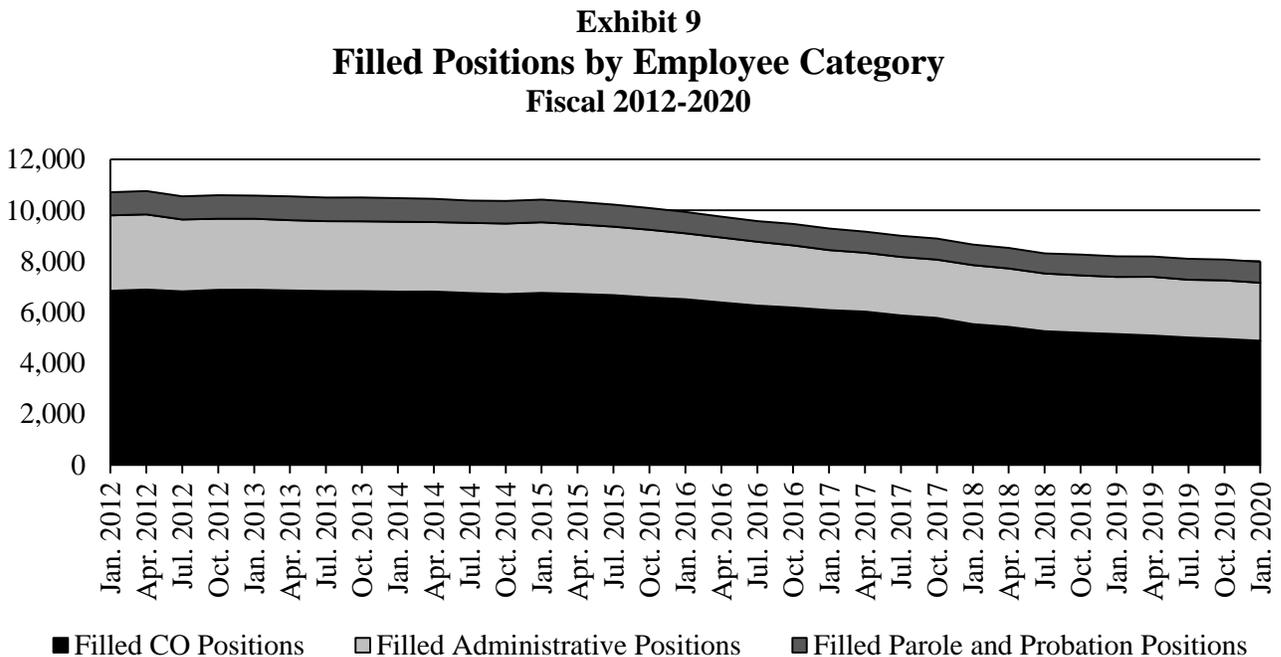
Issues

1. Overview of Departmentwide Staffing Shortages

DPSCS has struggled since fiscal 2015 to maintain adequate staffing levels in its facilities and administrative units. Vacancy rates for staff not dedicated to the direct supervision of inmates, detainees, or offenders in the community (referred to as “administrative” employees) are currently about 25%. This is a small decline from the past two fiscal years, but administrative vacancies remain concerningly elevated. CO positions are currently 20% vacant, while parole and probation agent positions are 11% vacant.

Operating without a fifth of the necessary CO staff and without a quarter of administrative staff means that programs, policies, and reforms enacted by the legislature cannot be implemented to their fullest degree. For instance, high vacancies for COs mean that the remaining officers are overworked and undervigilant, risking safety and leaving less time to attend to the many needs of offenders in custody. Vacancies in other areas have hampered the department’s ability to maintain fiscal compliance, implement major IT projects, and process applications to fill positions.

Exhibit 9 shows filled positions since fiscal 2012.



CO: correctional officer

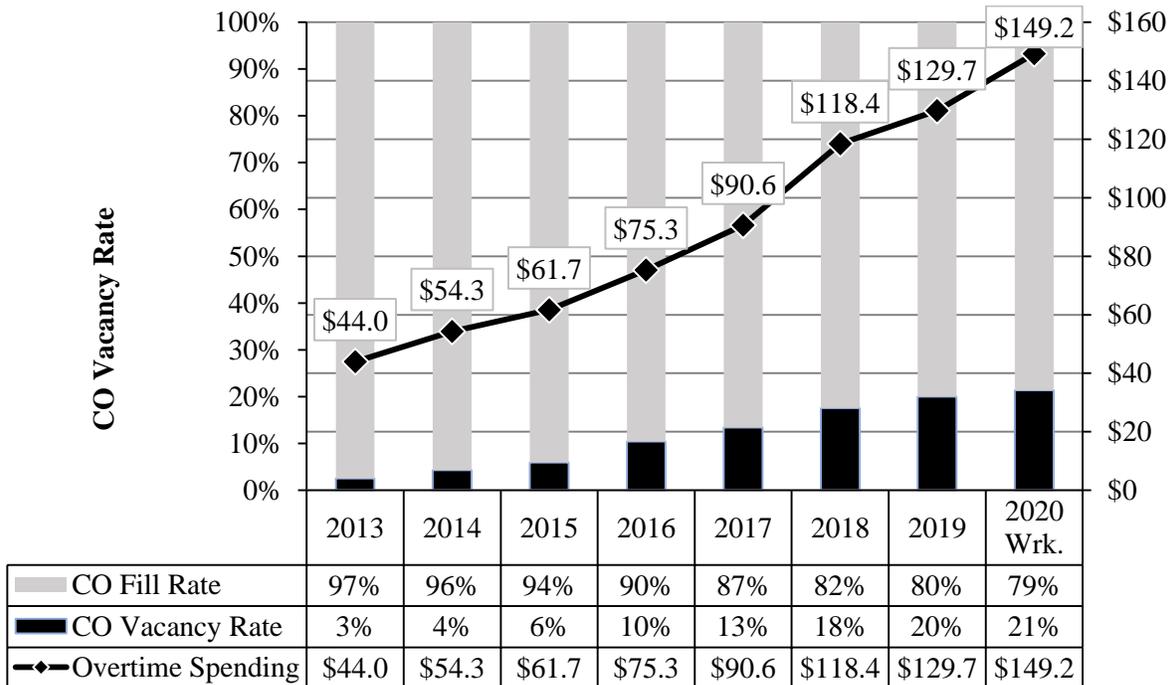
Source: Department of Public Safety and Correctional Services; Department of Legislative Services

DPSCS lost 2,736 positions from January 2012 to January 2020, equivalent to an average of 342 positions lost each year. This rate was higher from January 2015 to January 2019, when 557 positions were lost on average each year. In 2019, DPSCS only lost 218 filled positions, a small improvement over past years. Still, this brings the total number of filled positions in the entire department to just under 8,000 for the first time in recent history. Filled positions in total have decreased 26% since January 2012.

Overtime Costs

The effect of these high vacancies can be seen directly reflected in overtime expenditures. In fiscal 2013, the year vacancies began rising, overtime expenses totaled \$44 million. In the fiscal 2020 working appropriation, that amount is \$150 million, a 240% increase in just 7 years. For each percentage point increase in the CO vacancy rate, overtime increased \$5.2 million during this period. **Exhibit 10** shows overtime costs in relation to the CO vacancy rate.

Exhibit 10
Overtime Expenditures and Correctional Officer Vacancy Rate
Fiscal 2013-2020
(\$ in Millions)



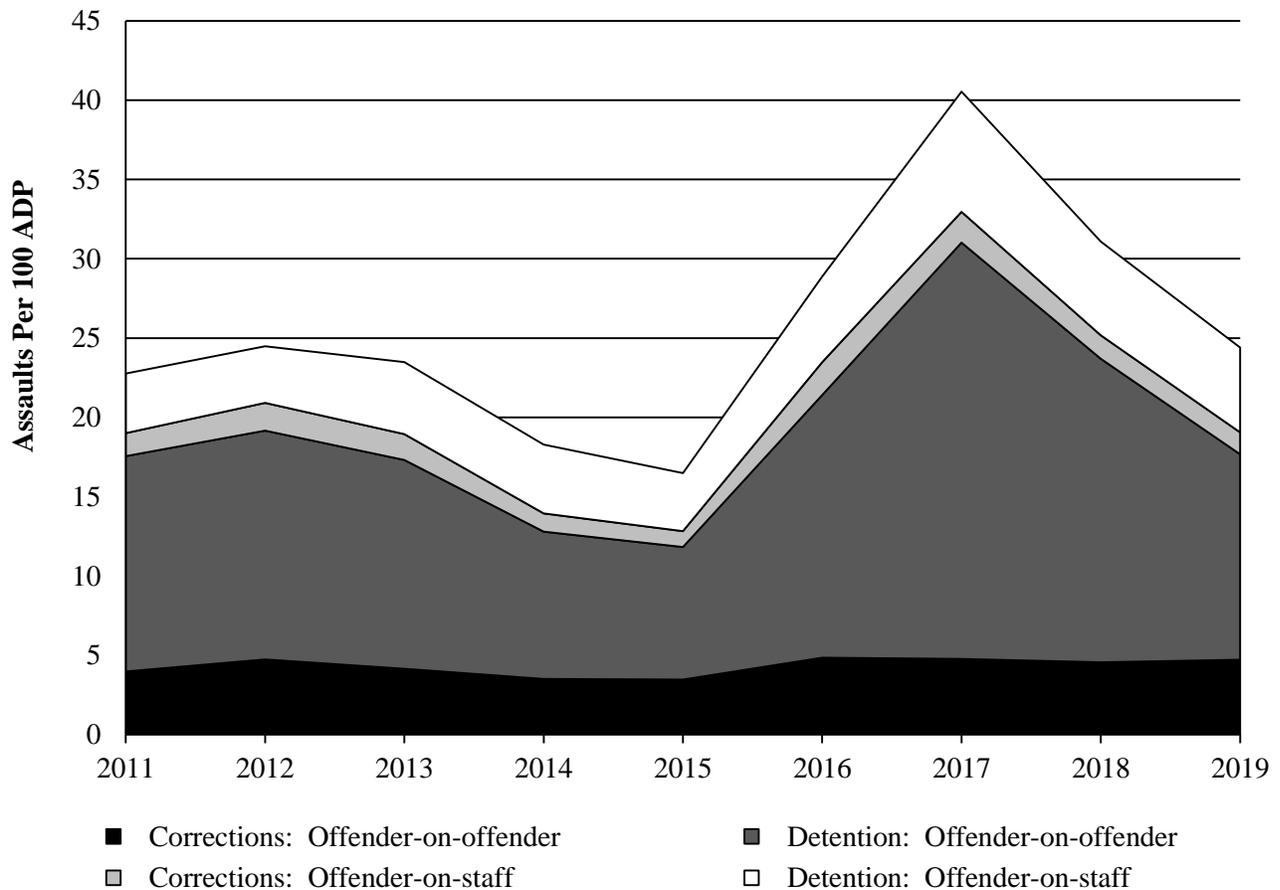
CO: correctional officer

Note: Fiscal 2013-2018 adjusted by 7.3% to account for Social Security costs assessed on overtime.

Source: Department of Public Safety and Correctional Services; Department of Legislative Services

Excessive overtime usage is not only concerning due to the budget, but it reflects a normalization of unhealthy and unsafe conditions for officers, administrative staff, volunteers, and particularly individuals in custody. Assault rates within DPSCS facilities were elevated during fiscal 2016, 2017, and 2018, especially offender-on-offender assaults within DPD facilities. DPD facilities require heightened supervision and peaked at 26.3 offender-on-offender assaults and 7.6 offender-on-staff assaults per 100 inmates in fiscal 2017. **Exhibit 11** shows that assault rates have declined in fiscal 2018 and 2019 but remain higher than rates from fiscal 2013 to 2015.

Exhibit 11
Assaults on Staff and Offenders Per 100 ADP
Fiscal 2011-2019



ADP: average daily population

Source: Managing For Results, Department of Public Safety and Correctional Services

Other States

CO staffing crises have manifested in many states in recent years. Unfortunately, high CO vacancies have allowed deadly situations to arise for inmates and staff. A few of these violent episodes are listed below.

- **January 2020:** Five inmate deaths resulted from gang-related rioting in three Mississippi prisons operating with 40% to 50% CO vacancies.
- **April 2019:** One CO death resulted from uprisings related to living conditions and long periods of lock down in North Carolina prisons operating with 17% CO vacancies.
- **February 2019:** An emergency related to serious CO staffing shortages was declared in Kansas. Four riots occurred in Kansas correctional facilities from June 2017 to November 2018.
- **April 2018:** Seven inmate deaths occurred due to gang-related rioting in a South Carolina prison operating with 25% CO vacancies.
- **February 2017:** One CO death resulted from uprisings related to poor living conditions in a Delaware prison operating with 10% to 20% CO vacancies.

Salary Increases

Substantial actions have been taken to combat DPSCS vacancies through compensation enhancements, particularly for COs. State employees received a 2% COLA in January 2019, a 0.5% COLA in April 2019, a 3% COLA in July 2019, and a 1% COLA in January 2020 (the fiscal 2020 1% COLA excludes COs because AFSCME was not included in this agreement). A new salary schedule was created for COs starting in July 2019 that further increased salaries 4%, totaling a 9.5% salary increase from January 2019 to January 2020 for COs and a 6.5% increase for administrative positions. An additional 2% COLA for all State employees is included in the fiscal 2021 allowance.

Recent Bonus Programs

A bonus of \$2,000 is offered to new hires that attend the academy, while a \$3,000 bonus is offered to COs who complete the probationary period and demonstrate satisfactory performance. Both bonuses are also available to experienced COs who return to the department following six months of separation. In the first full year of implementation, 210 recruits utilized the \$2,000 incentive, while 60 new COs utilized the \$3,000 incentive. In total, DPSCS disbursed 364 New Hire Program bonuses as of October 2019.

Regarding existing employees, the department is now able to offer SmartWork Program tuition benefits to support their own or their child's postsecondary education. In addition, COs with high performance have been eligible to receive a \$750 retention and attendance bonus. The department

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disbursed nearly \$30,000 through the bonus program to approximately 40 COs between the fourth quarter of fiscal 2018 and the first quarter of fiscal 2020. While this bonus was recently discontinued, a \$500 bonus for referral of a successful CO candidate is still offered to the entire department and has been utilized six times since implementation in fiscal 2018.

The two bonus programs targeted at existing employees were utilized less than expected considering the department employs over 8,000 individuals, including just under 5,000 COs. This data suggest that few COs are performing at a high level, and few COs would recommend their job to a family member or acquaintance. From July 2017 to October 2019, over 1,100 COs separated from the department: 45% retired; 34% resigned; 7% resigned without proper notice; 5% were terminated; and 9% separated for other reasons.

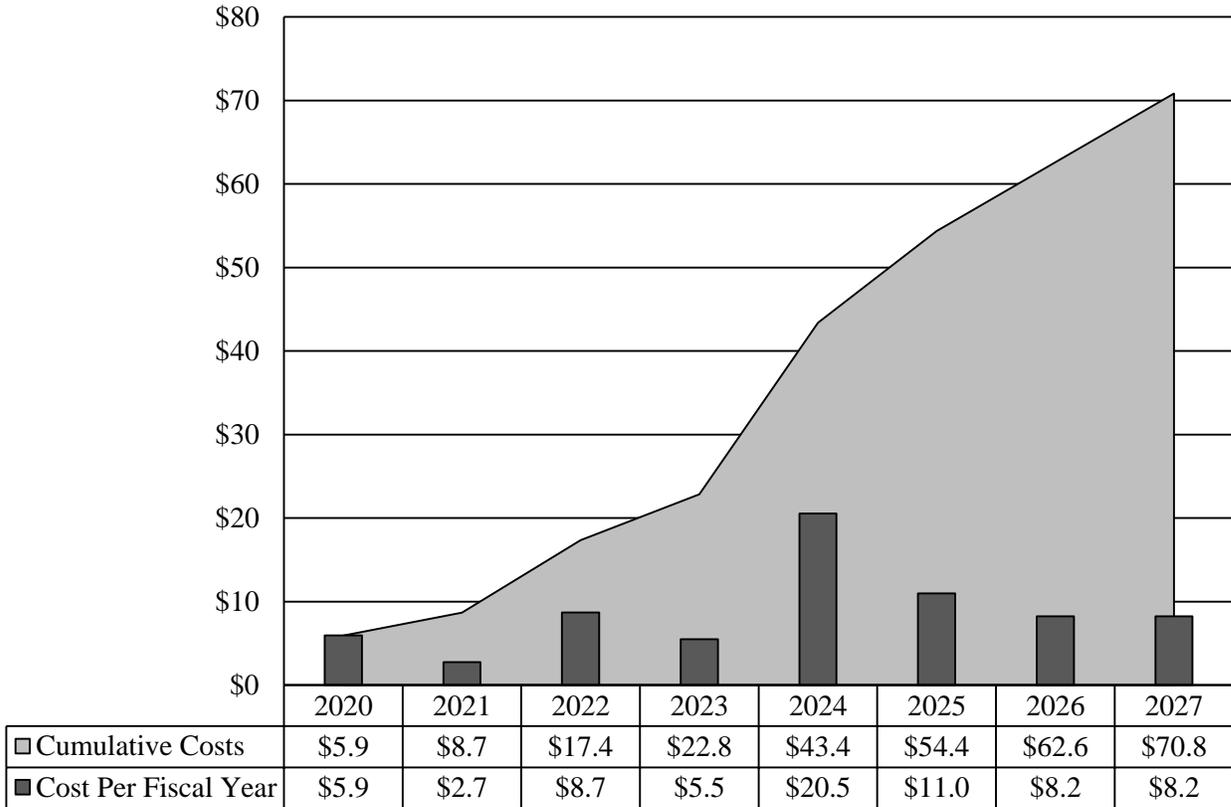
New Bonus Program for Retirement-eligible COs

From January 2020 to June 2023, DPSCS will administer a new CO Incentive Program. COs who are eligible to retire can qualify to receive up to \$37,500 to continue working for four years. Those that sign onto the bonus program will receive \$7,500 upfront, another \$7,500 halfway through, and the final \$22,500 after completion of their fourth year in the program.

A fiscal 2020 deficiency of \$5.9 million will fund 791 sign-on bonuses out of an estimated 1,200 eligible officers. This initial number of recipients is higher than the number that will be newly qualified each year due to the fact that a proportion of COs already remain in DPSCS employment after their retirement eligibility date. Between 200 and 500 COs retire each year. The fiscal 2021 allowance includes only \$2.7 million, indicating a more realistic estimate for new participants each year to be around 366.

Total costs depend on overall eligibility each year and the proportion of COs that sign on and stay all four years of the program. The fiscal 2020 deficiency supports 791 sign-on bonuses that would total about \$29.7 million by fiscal 2024 if each CO completes the program. The costs associated with the 366 COs that could sign on in fiscal 2021 would total \$13.7 million by 2025. Projected costs are shown in **Exhibit 12**. Assuming full utilization of this bonus program, cumulative costs total just over \$70 million by fiscal 2027.

**Exhibit 12
Retention Incentive Bonus Program – Projected Costs
Fiscal 2020-2027
(\$ in Millions)**



Source: Governor’s Fiscal 2021 Budget Books; Department of Public Safety and Correctional Services; Department of Legislative Services

DPSCS should provide the budget committees an estimate for total expected payouts through this bonus program and how that cost compares to potential overtime savings.

Recruitment Initiatives

In addition to the previously mentioned bonus programs, DPSCS has also substantially modified CO recruitment processes in the following ways:

- moved from an independently scored test to a written assessment scored in-house;
- reduced testing times from three hours to one hour;

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- reduced scoring times from three weeks to one day;
- reduced average application processing times from 11 to 5 months in calendar 2019; and
- reduced the time that candidates must wait to retake the assessment from 365 days to 90 days.

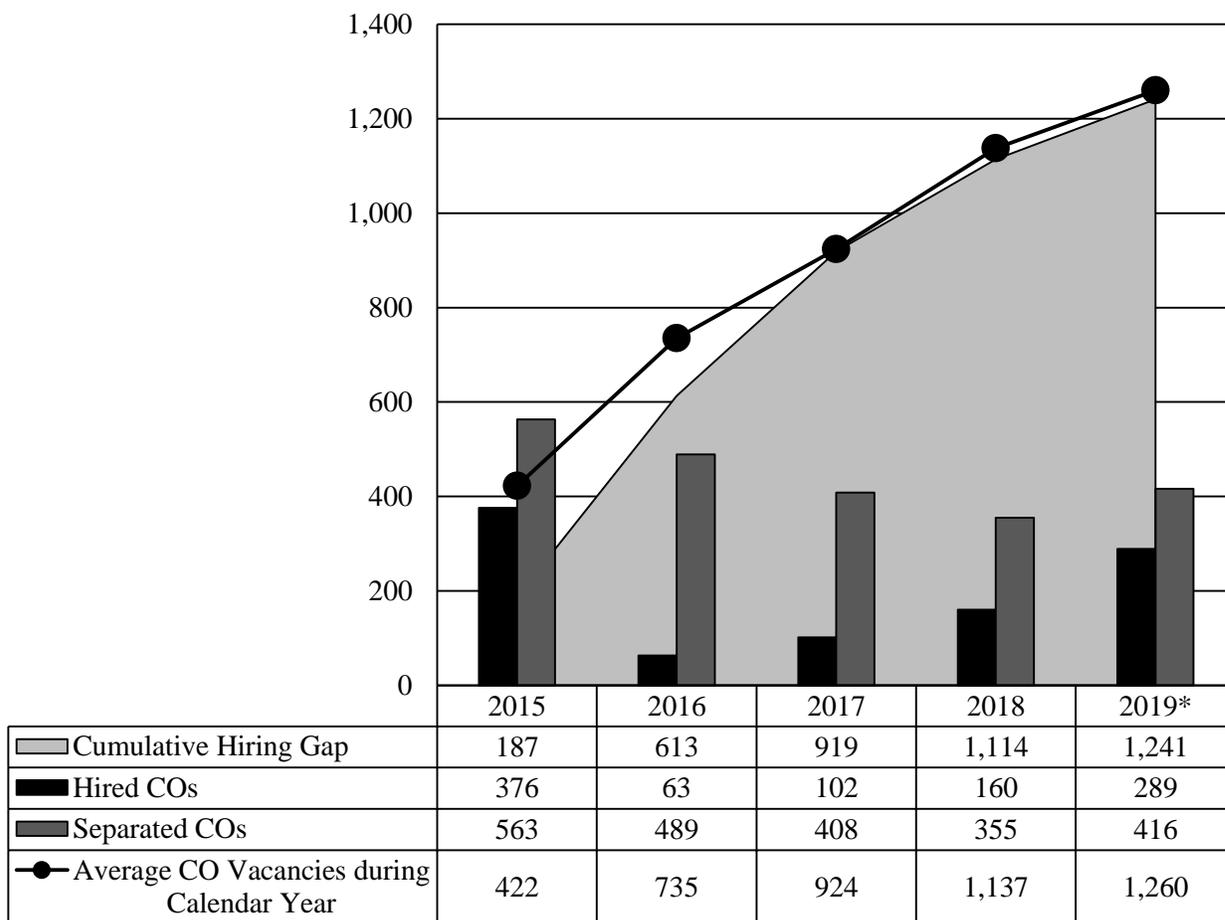
Additionally, DPSCS increased the field staff dedicated to CO recruitment from 3 to 5 employees. This has allowed the department to attend over 150 job fairs and community engagement events in calendar 2019, coinciding with efforts to revamp recruitment materials and improve the department's reputation. Similarly, the department has found success in single-day hiring events. These events combine the application, interview, and assessment process into one day or weekend, allowing a conditional offer to be issued that day and connections to be made between candidates and current employees. DPSCS indicates that seven such events have been held or will be held by the end of 2019. The first event held in Frederick spanned three days and resulted in 110 conditional offers issued, pending background investigations.

The Correctional Officer Cadet program was an attempt to increase the candidate pool by creating a path for those under the age 21 to begin their career and transition to a full officer. Fiscal 2018 was the first year of implementation, with 1,235 applicants but only 3 hired cadets. No cadets have transitioned to COs as of January 2020, though 1 cadet is eligible to advance during fiscal 2021. The department has suspended the program pending review to ensure this process is a worthwhile pipeline for CO recruitment.

Future Steps

While DPSCS has made moderate and commendable improvements in regard to CO hiring compared to recent years, the department must further enhance recruitment and retention to bring about substantive decreases in overall vacancies and overtime expenditures. The number of new CO hires has increased slightly year-over-year since the trough in 2016 but remains below the attrition rate, resulting in a growing hiring gap as shown in **Exhibit 13**.

Exhibit 13
Correctional Officer Cumulative Hiring Gap
Calendar 2015-2019



CO: correctional officer

* Fiscal 2019 hiring and separations data based on currently available statistics.

Source: Department of Public Safety and Correctional Services; Department of Legislative Services

To fill the existing 1,324 CO vacancies and reduce the overreliance on overtime, DPSCS must not only bridge the gap between hiring and attrition but post consecutive years of hiring above the attrition rate. **In the interest of lowering overtime costs and improving the working conditions for all individuals in DPSCS employment or custody, the department should identify realistic hiring goals for COs and overall positions in fiscal 2020, 2021, and 2022.**

2. The Justice Reinvestment Act Two-year Implementation Update

The Justice Reinvestment Act (JRA), is the State’s primary statute addressing criminal justice reform. The JRA includes policy changes designed to reduce prison populations and correctional spending and reinvest the savings in programs that reduce recidivism. The JRA became effective on October 1, 2017, and as a result, has produced one year of data as well as significant changes in sentencing, parole, and treatment options for offenders.

Exhibit 14 displays all of the major JRA provisions, their definitions, and all current actions taken regarding them.

Exhibit 14
Justice Reinvestment Act – Status Updates
October 2017 to October 2019

	<u>Results</u>	<u>First Year</u>	<u>Second Year</u>	<u>All Years</u>
Administrative Release: Allows inmates convicted of certain nonviolent offenses (after October 1, 2017) to be released on parole after serving one-fourth of their sentence. Victims are notified of the early release and can request a regular parole hearing.	Screened	700	752	1,452
	Ineligible	550	637	1,187
	Eligible	150	115	265
Geriatric Parole: Offenders age 60 and up who were sentenced under Section 14-101 of the Criminal Law Article (and convicted of more than one violent crime, and have served at least 15 years) can petition for geriatric parole.	Screened	31	10	41
	Ineligible	31	9	40
	Eligible	0	1	1
Medical Parole: Inmates or their advocates can petition to be released if they are chronically debilitated or incapacitated and are physically incapable of presenting a danger to society. The Governor has 180 days to deny any approved request.	Screened	61	36	97
	Ineligible	18	3	21
	Eligible	17	17	34*
	Denied	25	17	42
Division of Parole and Probation (DPP) Graduated Sanctions: DPP Supervision Agents use a matrix to determine the proper sanction against an offender who has violated parole. Noncustodial (non-jail) sanctions are considered. Revocation caps limit the length of incarceration time imposed for violations of parole or probation to: 15, 30, or 45 days, respectively, for the first, second, and third violation. Technical violations do not involve arrest, summons, or willfully evading parole/probation supervision.	Received Sanctions	1,365	1,120	2,485
Diminution Credits: Expands offender eligibility to earn diminution credits, how many credits can be earned, and for what reasons. Inmate programs eligible for credits has been expanded.	Received Credits	431	429	860
Earned Compliance Credits: The Justice Reinvestment Act allows individuals on probation and parole to earn credits to reduce their supervision, and now requires DPP to automatically transfer nonviolent offenders (who have earned enough credits to satisfy their supervision term) to unsupervised probation or parole, where they will not be required to report regularly or pay supervision fees.	Eligible Cases	84,676	111,086	n/a
	Cases Receiving Credits	69,091	46,231	n/a
Certificates of Rehabilitation: Allows nonviolent offenders to apply for a certificate of completion to restore their rights to obtain certain professional certifications.	Applied	7	9	16
	Denied	3	3	6
	Approved	3	6	9

* 23 of the total 34 eligible inmates have been released, 8 have passed away, and 3 await release plans or review.

Source: Department of Public Safety and Correctional Services; Department of Legislative Services

Estimated Two-year JRA Cost Savings: \$1.3 Million

Estimating the impact of the JRA on the DPSCS budget and operations is difficult and has been stated as such in the past by the department as well as in other states and jurisdictions where similar legislation was enacted. However, because the JRA is designed to further reduce inmate populations and apply those savings (from fewer inmates), estimated cost savings can be quantified in terms of cost avoidance. In other words, as specific inmates have reduced sentence time due to JRA provisions, administrators can determine exactly how many fewer days inmates are serving and calculate the savings to the State.

In this context, variable costs are those specific costs to DPSCS that are impacted the most by a change in inmate population, such as food, medical, laundry/uniform expenses, *etc.* In fiscal 2019, the inmate variable cost was \$8,591 per offender per year or \$23.54 per day. Overall, DPSCS determined the following for the second year of JRA implementation.

- ***Administrative Release:*** Resulted in 21,779 fewer days served by inmates.
- ***Diminution Credits:*** Resulted in 17,893 fewer days served by inmates.
- ***Medical Parole:*** Resulted in 1,460 fewer days served by inmates.
- ***Total Days Avoided:*** 41,132 fewer days served.
- ***JRA Cost Savings:*** \$23.54 (daily inmate rate) multiplied by 41,132 equals \$968,236.

The fiscal 2021 allowance for the Governor’s Office of Crime Prevention, Youth, and Victim Services (formerly the Governor’s Office of Crime Control and Prevention) includes \$5.3 million in grant funding to local jurisdictions through the Performance Incentive Grant Fund.

Appendix 1
2019 Joint Chairmen’s Report Responses from Agency

The 2019 *Joint Chairmen’s Report* (JCR) requested that the Department of Public Safety and Correctional Services prepare three reports. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Justice Reinvestment Act (JRA) Report:*** The Department of Public Safety and Correctional Services (DPSCS) provided an update on the implementation of the JRA including the number of offenders petitioning and approved for JRA provisions and the annual JRA cost avoidance estimate. Further information regarding the JRA can be found in the Issues section of this analysis.

- ***Inmate Medical Hepatitis C Virus (HCV) Report:*** Of the 2,170 inmates screened for the Hepatitis C virus in fiscal 2019, 660 tested positive, 536 received treatment, and 153 were cured without relapse or reinfection. Medication prices are negotiated by the pharmacy services provider on behalf of DPSCS; treatment costs totaled \$11.4 million in fiscal 2019. The medical vendor offers HIV testing and information to each inmate upon intake, but HCV screening occurs when individuals are identified as high-risk, request testing, or present with abnormal liver function. The medical vendor is contractually obligated to continue to track and report HCV and other infectious disease data.

- ***Position Abolishments and Reclassifications Report:*** Of 402 vacant positions abolished or externally transferred since fiscal 2019, 317 were correctional officers (CO). 582 positions were realigned internally to reflect the new Administrative Services budgetary unit, the closure of Baltimore Pretrial Complex, and establishment of regional transportation operations at Eastern Correctional Institution and Western Correctional Institution. Of these realignments, 20 CO regular positions were lost primarily due to reclassifications in the investigation division. DPSCS reports that operations were not affected; these changes primarily brought the budgetary allotment of personnel in line with operational practice.

**Appendix 2
Object/Fund Difference Report
Department of Public Safety and Correctional Services**

<u>Object/Fund</u>	FY 20		FY 21 <u>Allowance</u>	FY 20 - FY 21 <u>Amount Change</u>	Percent <u>Change</u>
	FY 19 <u>Actual</u>	Working <u>Appropriation</u>			
Positions					
01 Regular	10,414.40	10,139.40	10,139.40	0	0%
02 Contractual	<u>190.61</u>	<u>360.16</u>	<u>337.58</u>	<u>-22.58</u>	<u>-6.3%</u>
Total Positions	10,605.01	10,459.56	10,476.98	-22.58	-2.2%
Objects					
01 Salaries and Wages	\$ 896,297,960	\$ 923,924,721	\$ 904,418,508	\$ -19,506,213	-2.1%
02 Technical and Spec. Fees	8,400,933	9,666,917	9,272,277	-394,640	-4.1%
03 Communication	6,377,571	4,569,002	5,862,684	1,293,682	28.3%
04 Travel	601,436	609,918	645,820	35,902	5.9%
06 Fuel and Utilities	45,841,122	52,219,390	48,965,746	-3,253,644	-6.2%
07 Motor Vehicles	6,214,262	6,704,484	7,064,456	359,972	5.4%
08 Contractual Services	250,845,178	275,616,458	274,162,798	-1,453,660	-0.5%
09 Supplies and Materials	81,126,707	82,840,820	81,377,736	-1,463,084	-1.8%
10 Equipment – Replacement	11,462,528	7,132,133	9,002,759	1,870,626	26.2%
11 Equipment – Additional	4,067,146	757,165	606,250	-150,915	-19.9%
12 Grants, Subsidies, and Contributions	66,655,621	70,753,725	158,542,086	87,788,361	124.1%
13 Fixed Charges	9,439,673	10,349,198	10,823,005	473,807	4.6%
14 Land and Structures	7,872,140	3,495,000	9,066,000	5,571,000	159.4%
Total Objects	\$ 1,395,202,277	\$ 1,448,638,931	\$ 1,519,810,125	\$ 71,171,194	4.9%
Funds					
01 General Fund	\$ 1,235,273,101	\$ 1,270,936,612	\$ 1,262,461,342	\$ -8,475,270	-0.7%
03 Special Fund	125,740,049	137,672,718	226,203,484	88,530,766	64.3%
05 Federal Fund	29,290,817	34,766,014	26,597,589	-8,168,425	-23.5%
09 Reimbursable Fund	\$ 4,898,310	\$ 5,263,587	\$ 4,547,710	\$ -715,877	-13.6%
Total Funds	\$ 1,395,202,277	\$ 1,448,638,931	\$ 1,519,810,125	\$ 71,171,194	4.9%

Note: The fiscal 2020 appropriation does not include deficiencies, planned reversions, or general salary increases. The fiscal 2021 allowance does not include contingent reductions or general salary increases.