

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 756 (Prince George's County Delegation)

Appropriations

**Prince George's County - Detention Center - Transfer to State
PG 308-98**

This bill transfers the Prince George's County Detention Center to the jurisdiction of the Division of Pretrial Detention and Services in the Department of Public Safety and Correctional Services. This bill is effective June 1, 1999.

Fiscal Summary

State Effect: General fund expenditures could increase by an estimated \$27.8 million beginning in FY 2000. Federal fund revenues could increase by \$2.7 million beginning in FY 2000; general fund revenues would not be affected. Out-years reflect inflation, but do not necessarily reflect all potential future expenditure adjustments such as capital costs.

(in millions)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
FF Revenues	2.7	2.8	2.9	3.0	3.0
GF Expenditures	30.5	31.5	32.4	33.3	34.4
Net Effect	\$(27.8)	\$(28.7)	\$(29.5)	\$(30.3)	\$(31.4)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds; PD - per diem

Local Effect: County revenues could decrease by \$4.3 million and county expenditures could decrease by \$32.1 million in FY 2000.

Small Business Effect: None.

Fiscal Analysis

Bill Summary: This bill transfers the Prince George's County Detention Center to the jurisdiction of the Division of Pretrial Detention and Services in the Department of Public Safety and Correctional Services effective June 1, 1999. The Division of Pretrial Detention and Services would have the same authority regarding the custody of its inmates and the operation of the detention center as the Division of Correction and sheriffs have regarding their inmates and operations. The detention center would be headed by a warden appointed by the Commissioner of Pretrial Detention and Services. Any person committed or transferred to the detention center as of July 1, 1999 is committed to the custody of the commissioner.

On July 1, 1999, title to and possession of all records concerning inmates housed as of that date at the Prince George's County Detention Center must be transferred to the warden of the new detention center. Any other records must be preserved by the county for at least five years and should be made available upon request to State personnel.

Further, the bill transfers the employees of the Prince George's County Detention Center to State employment without diminution of salary or benefits. Any salary increases received after January 31, 1999, or attributable to an employee's anniversary date of employment, promotions before March 30, 1999, or promotions to fill vacancies must be recognized by the Division of Pretrial Detention and Services. Beginning January 1, 2000, an employee's years of service with the county will be added to the employee's years of service with the State to determine annual leave and seniority.

The Department of Budget and Management is required to classify the former county positions in the skilled or professional service on or before December 31, 1999. The newly classified positions shall continue without further examination and have all the rights of the class to which the positions are allocated.

Former Prince George's County Detention Center officers and employees who accept employment with the Division of Pretrial Detention and Services on July 1, 1999, will receive a maximum of 40 days of sick leave and seven days of annual leave from the State, to the extent earned and unused as county employees. Prince George's County will be responsible for paying every former officer and employee any earned and unused sick and annual leave that is not provided by the State on or before December 31, 1999.

The Secretary of the Department of Public Safety and Correctional Services and Prince George's County must enter into an agreement effective July 1, 1999, to transfer all the rights, title, and interest of the property, assets, licenses, and credits of the Prince George's County Detention Center to the State. The Secretary may assume, in writing, such liabilities and obligations of Prince George's County that are consistent with the laws and regulations of the State.

Before July 1, 1999, the Secretary may assume by written agreement as assignee, any procurement or construction contract entered into by or on behalf of the Prince George's County Detention Center prior to June 1, 1999 regardless of whether the contracts conform to State requirements. After August 31, 1999, such contracts must be according to the State Finance and Procurement Article.

State Revenues: Prince George's County annually receives a subsidy from the federal government for housing federal prisoners in the Prince George's County Detention Center. If the State assumes responsibility for the detention center, State revenues could increase by an estimated \$2,700,000 in fiscal 2000, as the State would also assume the revenues derived from the federal payments for housing the federal prisoners in the detention facility. The amount of the payments is dependent upon the number and duration of federal prisoners housed in a particular year.

State Expenditures: General fund expenditures could increase by an estimated \$27,836,566 in fiscal 2000. This estimate reflects the costs of transferring the Prince George's County Detention Center employees to the State system. It includes salaries of \$17,615,833, fringe benefits, and ongoing operating expenses. This estimate does not include expenditures for items such as pension plans, capital improvements, or personnel training. The information and assumptions used in calculating the estimate are stated below:

- 424 full-time positions (332 correctional officers and 92 full-time civilians) and eight part-time positions;
- salary estimates for fiscal 2000 based upon the approved compensation appropriation for fiscal 1998;
- State prisoners are also housed in the detention facility while awaiting trial or extradition. In fiscal 1996, the per diem rate that the State would pay Prince George's County for these inmates was \$55.60. The State liability owed to Prince George's County for fiscal 1996 was \$1.6 million. The State would no longer have to pay a per diem for these inmates if it took over the detention center;
- general debt service costs are \$2.4 million; and
- operating expenses (except debt service) are \$6,541,819 from the general fund.

Salaries and Fringe Benefits	\$23,168,379
General Debt Services	2,400,000
Operating Expenses	6,541,819

Salaries and Fringe Benefits	\$23,168,379
State Per Diem Liability	(1,573,632)
Federal Reimbursements	(2,700,000)
Total FY 2000 Net State Expenditures	\$27,836,566

Future year expenditures reflect (1) salaries with 3.5% annual increases and 3% employee turnover; and (2) 2% annual increases in ongoing operating expenses.

The Division of Correction estimates that 300 of the sentenced offenders in the Prince George's County Detention Center may be transferred to a Division of Correction (DOC) facility as a result of this bill. The Department of Legislative Services advises that the bill commits the sentenced offenders in the Prince George's County Detention Center to the jurisdiction of the Commissioner of Correction, not necessarily to a DOC facility. The bill is silent as to whether the sentenced offenders would be transferred to a DOC facility, or remain in the Prince George's County Detention Center.

Although persons sentenced to the State's jurisdiction are generally incarcerated in a DOC facility, some offenders remain in a local detention center if the sentence is for one year or less. Where the inmate would be located would not materially affect State expenditures as the State would be supporting both the DOC facility and the Prince George's County Detention Center.

It should be noted that the transfer of the Prince George's County Detention Center to the Division of Pretrial Detention and Services may produce significant expenditures to the State that cannot be reliably calculated at this time. For instance:

- The fiscal 1998 capital budget request includes funding for a \$13.6 million 192-bed expansion of the detention center. The facility will include a central booking facility. If the State takes over the Prince George's County Detention Center, the legislation would require the State to pay the \$4.9 million county share of the construction costs, and any additional operating costs that would be associated with it.

- The operating capacity of the detention facility is 1,140 inmates. The average daily inmate population of the facility in fiscal 1996 was 1,250.
- The bill does not specify whether the county employees will remain in the Prince George's County pension system, be placed in the State employees' pension system, or given the option. Under either system, it is assumed the State will be required to contribute.
- The health services may not satisfy current State health code standards and may require extensive renovations.
- The utility systems must be able to cooperate with existing State systems. Any existing, long-term obligations established with utility companies may need to be expressly transferred to the State.

Local Revenues: Prince George's County revenues would decrease by an estimated total of \$4,273,632 in fiscal 2000 as a result of transferring federal subsidies (\$2,700,000) associated with the Prince George's County Detention Center to the State, and the county no longer receiving the State payment (\$1,573,632) for State prisoners housed in the detention center.

It should be noted that when the State took over the Baltimore City Detention Center, it was relieved of paying State police aid to Baltimore City. As this bill is silent as to whether the State funds for Prince George's County would be terminated, it is assumed that the county and its municipalities would continue to receive the funding. It is estimated that the county would receive \$12,855,203 in fiscal 2000 in State police aid. Approximately \$11.4 million of the State police aid would go to the county, and the remaining \$2.5 million would go to the municipalities.

Local Expenditures: Prince George's County expenditures would decrease by an estimated \$32,110,198 in fiscal 2000 as a result of transferring employees and certain operating and debt service expenses to the State.

Information Source(s): Department of Public Safety and Correctional Services (Division of Correction), Prince George's County, Department of Legislative Services

Fiscal Note History: First Reader - March 1, 1998

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