

Department of Legislative Services
 Maryland General Assembly
 2021 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1337

(Delegate Proctor)

Judiciary

Inmate Training and Job Act of 2021

This bill establishes the Inmate Training and Job Pilot Program at specified institutions of postsecondary education to provide educational and vocational training opportunities for inmates in the nine months preceding their release. The Maryland Higher Education Commission (MHEC) and each participating institution must administer the program in cooperation with the Division of Correction (DOC) at the Department of Public Safety and Correctional Services (DPSCS). Each institution’s program must have an individualized plan for success, a professor or other staff member serving as the primary contact for program participants, and at least three students serving as program mentors. Program participants must take virtual courses that are credit bearing and count toward a degree, certificate, or license. The bill establishes various reporting and information collection requirements to track program participation and outcomes. The Governor must include in the annual budget bill an appropriation for the pilot program in the amount of \$125,000 in fiscal 2023, \$137,500 in fiscal 2024, and \$151,250 in fiscal 2025 and 2026. **The bill takes effect July 1, 2021, and terminates June 30, 2028.**

Fiscal Summary

State Effect: No effect in FY 2022. General fund expenditures increase by \$125,000 in FY 2023, \$137,500 in FY 2024, and \$151,250 in FY 2025 and 2026 to implement the pilot program. MHEC and DPSCS expenditures may increase further in FY 2023 through 2026 to cover costs associated with the program, as discussed below. Higher education revenues and expenditures may increase minimally (not shown below). **This bill establishes a mandated appropriation from FY 2023 through 2026.**

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	125,000	137,500	151,300	151,300
Net Effect	\$0	(\$125,000)	(\$137,500)	(\$151,300)	(\$151,300)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary:

Program Administration

The Commissioner of Correction within DPSCS must adopt regulations to implement the Inmate Training and Job Pilot Program; those regulations must set terms of deduction for pilot program participation and, if appropriate, include provisions governing the work release of program participants.

The bill establishes pilot programs at Bowie State University (BSU), Coppin State University, Morgan State University (MSU), and the University of Maryland Eastern Shore (UMES). Additionally, MHEC may establish additional pilot programs at other institutions of postsecondary education through a memorandum of understanding.

Primary Contact Responsibilities

Each pilot program's individualized plan must specify a staff member at the institution who serves as the primary contact responsible for each inmate's participation and education in the program. The primary contact must meet with participating inmates regularly throughout their participation in the pilot program and ensure the inmates are enrolled in appropriate courses that work with the inmates' schedules. Courses must be credit bearing and lead to a degree or an industry-recognized certificate or license. All courses must be virtual and are subject to regulations adopted by the Commissioner of Correction at DPSCS.

The primary contact must also select at least three student mentors who are (1) at least 18 years old; (2) enrolled in the institution of postsecondary education; and (3) enrolled as a junior or senior if the pilot program is located at a four-year institution. Student mentor participants must receive course credit and a small stipend from the pilot program.

Additional Program Requirements

MHEC must establish a hotline to connect program participants to counseling and job services. If participants desire such aid, MHEC must facilitate contact between each program participant and a nonprofit organization in the community where the

participant plans to reside (after release) whose mission includes aid with job placement, housing services, or counseling services. Also, MHEC must encourage former program participants to serve as contacts for future participants.

Funding

The Governor must include in the annual budget bill an appropriation for the pilot program in the amount of \$125,000 in fiscal 2023, \$137,500 in fiscal 2024, and \$151,250 in fiscal 2025 and 2026. Funding must be provided to MHEC for the costs associated with program administration, including a designated employee who is responsible for the administration of the pilot program, grants made to participating institutions (an institution must enroll at least 10 inmates to qualify for an allocation of funds), and stipends for student mentors. Additionally, funding must be provided to DOC within DPSCS to cover costs associated with program administration, including a designated employee.

Reporting

Each program participant must agree to provide MHEC with regular updates for two years regarding employment, future postsecondary enrollments, and any licensure or certification.

Each president (or other governing entity) of each participating institution must submit a report to MHEC on the number of enrolled inmates in the current academic year on or before December 15 each year from 2022 through 2026. On the basis of this data, MHEC must prorate funding to each participating postsecondary institution based on the number of participating inmates.

By July 1, 2024, and July 1, 2028, MHEC – in consultation with DOC – must submit an interim report and a final report, respectively, to the Governor and the General Assembly on the progress of the program. These reports must include program participant information on (1) courses enrolled in; (2) post-confinement employment; (3) post-confinement continuing education; and (4) post-confinement certification or licensure.

Current Law: The Maryland Department of Labor (MDL) Division of Workforce Development and Adult Learning (DWDAL), in conjunction with DPSCS, oversees inmate training, education, and job programs with similar features to those proposed in the bill.

Diminution Credits

Generally, inmates sentenced to a State correctional facility are entitled to earn diminution of confinement credits to reduce the lengths of their incarcerations.

Diminution credits are deducted from an inmate's "term of confinement," which is defined as (1) the length of the sentence, for a single sentence or (2) the period from the first day of the sentence that begins first through the last day of the sentence that ends last, for concurrent sentences, partially concurrent sentences, consecutive sentences, or a combination of concurrent and consecutive sentences.

Diminution credits are made for good conduct, work tasks, education, and special projects or programs.

Office of Correctional Education

DWDAL's Office of Correctional Education provides 25 career training opportunities "behind the fence." Offerings vary by institution but include training in automotive skills, barbering, construction, and welding. All occupational courses lead to a portable, industry-recognized credential that contribute to an inmate's employability after release.

In addition to occupational programming, the Office of Correctional Education oversees academic and transitional courses throughout Maryland's prisons. Academic programming includes GED preparation ahead of earning a Maryland high school diploma and English as a second language courses. Prior to release, inmates may complete transitional courses to ease their reentrance to society. These offerings include classes in parenting, employment readiness, financial literacy, and life skills.

Second Chance Pell Program

Incarcerated individuals in DPSCS facilities who have earned a GED or high school diploma are given an extended opportunity to access support for postsecondary education through the Second Chance Pell Program, overseen by DPSCS. The program allows incarcerated individuals to receive federal funding to enroll in postsecondary programs offered by local colleges and universities or distance learning providers. Maryland has a total of six higher education institutions providing services to the incarcerated population and is working on expanding the Second Chance Pell Program throughout the State. Both BSU and UMES were selected to participate in the federal Second Chance Pell experiment. Another postsecondary program, the Goucher College Prison Education Partnership, offers college courses to individuals at certain DPSCS facilities, and approximately 130 students enroll each year with Goucher; over the years, students have pursued nearly 200 classes.

State Fiscal Effect: General fund expenditures increase in fiscal 2023 through 2026 due to the mandated appropriations required by the bill: \$125,000 in fiscal 2023; \$137,500 in fiscal 2024; and \$151,250 in fiscal 2025 and 2026. These funds must be used by MHEC and DPSCS to administer the program, as discussed below. Depending on the number and

size of the pilot program sites, expenditures may be greater than the mandated appropriation in any year, as discussed further below.

Administrative Staff

MHEC has determined that one regular half-time position is needed to implement the bill. Similarly, DPSCS has determined that one regular full-time position is needed to implement the bill. However, the Department of Legislative Services (DLS) advises that the added responsibilities incurred by this legislation are not permanent and, thus, may be performed by contractual employees. Accordingly, this estimate reflects the cost of hiring two contractual employees, one part-time in MHEC and one part-time in DPSCS (since MHEC is primarily responsible for implementing the pilot program, DLS advises that a half-time position in DPSCS should be sufficient) to administer the program. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Half-time Contractual Positions	2.0
Salaries and Fringe Benefits	\$52,059
One-time Start-up Costs	10,180
Ongoing Operating Expenses	<u>1,310</u>
Total FY 2023 State Staffing Expenditures	\$63,549

Future year expenditures reflect annual increases and ongoing operating expenses through fiscal 2026.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act.

Student Mentor Compensation, Hotline, Nonprofit Connection, Grants, and Other Costs

MHEC expenditures increase minimally to cover costs for student mentor compensation, depending on the level of compensation set and the number of student mentors in a given year. The program must maintain three student mentors at each pilot site for a total of 12 student mentors. If MHEC sets the stipend for mentor participation at \$250, expenditures would, therefore, increase by \$3,000 annually for mentors at the four institutions required to participate in the program. The participating institutions can likely arrange for mentors to receive course credit with existing resources.

MHEC expenditures also increase to provide a hotline for program participants and to connect inmates who complete the program with specified nonprofit organizations. Given the small pilot program size, administrative staff for the program can likely set up the hotline and make connections to the specified types of nonprofit organizations. If the

program expands significantly beyond 40 to 50 participants in total each year (a likely level of participation given the four required pilot sites and the threshold of 10 participants at a pilot program for the institution to receive a grant), expenditures and workload required to staff the hotline and make connections to nonprofits in communities where the participants plan to reside will likewise significantly expand.

MHEC expenditures increase further to provide grants to participating postsecondary institutions to help cover costs associated with the program in proportion to the number of inmates in each institution's program. Costs to participating institutions may include appointing staff to serve as a coordinator and the creation of individualized plans.

DPSCS advises that the virtual nature of some courses may be a significant barrier. The department advises that it will need to acquire new computer equipment and additional access points for inmate participation in virtual coursework. DLS advises that, given the likely limited scope of the pilot program, costs to provide the limited pool of pilot program participants (likely about 40 to 50 program participants across all four required participating institutions each year) access to needed technology and the Internet can be accomplished with existing resources. MDL advises that, in conjunction with DPSCS, the department currently provide 87 tablets to correctional institutions for use in educational programming. However, should the pilot program expand, costs to provide appropriate Internet access and devices to additional program participants will be significant.

After administrative costs, the residual mandated funding available to cover mentor compensation, hotline, nonprofit connection, and grants to postsecondary institutions totals \$61,451 in fiscal 2023, \$82,631 in fiscal 2024, \$94,282 in fiscal 2025, and \$92,389 in fiscal 2026. These amounts are likely able to cover pilot program costs for four sites and approximately 40 to 50 participants each year. To the extent the pilot program is larger or costs are higher than anticipated, general fund expenditures may exceed the total amount mandated in the bill.

MHEC, DPSCS, and postsecondary institutions can comply with the bill's reporting requirements with existing resources.

The University System of Maryland advises that the bill would have no fiscal impact. DLS advises that the bill likely requires some expenditures relating to designating a staff coordinator and enrolling additional inmates in courses at participating universities. However, funding from grants given by MHEC should be sufficient to cover costs. MSU advises expenditures increase to launch the pilot program. DLS concurs with this assessment but similarly advises grant funds from MHEC should offset most direct costs to MSU. To the extent participating institutions already enroll inmates in courses, some expenditures relating to program administration may be mitigated.

Offsetting Expenditure Reductions

To the extent program participants are eligible for work release or diminution of confinement credits, DPSCS expenditures decrease, potentially by a significant amount. The DPSCS Division of Financial Services estimates that, excluding overhead, the average cost of housing a new State inmate, including variable health care costs, is approximately \$716 per month. Excluding all health care, the average variable cost of housing a new State inmate is approximately \$195 per month. DLS advises that exact savings will depend on the number of program participants and the amount by which DPSCS elects to reduce the length of incarceration among program participants. If the program were to have 40 participants (10 at each participating postsecondary institution) and all program participants received four months of diminution credits from participating in the program, total expenditures from variable health care and housing would decrease by approximately \$114,560 for that cohort of 40 students. However, DPSCS advises that the nine-month window before a program participant's release is insufficient time for meaningful participation since program participants may be eligible for diminution of confinement credits. DPSCS advises that program participants will, in all probability, spend only approximately four months in the program.

If the program is successful in reducing recidivism and assisting formerly incarcerated individuals in obtaining the skills, certificates, and knowledge needed to be successful in the labor market, additional reductions in State expenditures may result. However, without information regarding the specific makeup and outcomes of program participants, exact savings estimates are difficult to quantify.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 800 (Senator Patterson) - Education, Health, and Environmental Affairs.

Information Source(s): Maryland Higher Education Commission; University System of Maryland; Morgan State University; Maryland Department of Labor; Department of Public Safety and Correctional Services; Department of Legislative Services

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