

**Q00B00**  
**Division of Correction**  
Department of Public Safety and Correctional Services

***Operating Budget Data***

(\$ in Thousands)

	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 05-06</b>	<b>% Change</b>
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>	<b><u>Prior Year</u></b>
General Fund	\$494,660	\$518,216	\$550,110	\$31,894	6.2%
Special Fund	50,737	57,035	55,873	-1,161	-2.0%
Federal Fund	6,975	4,898	9,050	4,152	84.8%
Reimbursable Fund	<u>5,197</u>	<u>6,283</u>	<u>5,843</u>	<u>-440</u>	<u>-7.0%</u>
<b>Total Funds</b>	<b>\$557,569</b>	<b>\$586,432</b>	<b>\$620,876</b>	<b>\$34,445</b>	<b>5.9%</b>
Contingent & Back of Bill Reductions			-684	-684	
<b>Adjusted Total</b>	<b>\$557,569</b>	<b>\$586,432</b>	<b>\$620,193</b>	<b>\$33,761</b>	<b>5.8%</b>

- The \$33.8 million increase in the fiscal 2006 allowance includes approximately \$9.9 million for the inmate medical contract and \$10.2 million for the opening of North Branch Correctional Institution (NBCI). The remaining increase is due largely to personnel expenses, education grants, and rising fuel and utility costs.
- There is a fiscal 2005 deficiency request for a total of \$21.3 million. The appropriation is for payments to local jails for housing inmates with short-term sentences. Approximately \$14.6 million of this amount is for prior years.
- Adjusting for the new facility, inmate medical contract, and the deficiency, the underlying growth in the allowance is 1.2%.

***Personnel Data***

	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 05-06</b>
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>
Regular Positions	7,268.50	7,218.50	7,395.50	177.00
Contractual FTEs	<u>40.34</u>	<u>75.34</u>	<u>69.68</u>	<u>-5.66</u>
<b>Total Personnel</b>	<b>7,308.84</b>	<b>7,293.84</b>	<b>7,465.18</b>	<b>171.34</b>

***Vacancy Data: Regular Positions***

Turnover, Excluding New Positions	349.07	4.72%
Positions Vacant as of 12/31/04	486.00	6.73%

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

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- The division's regular personnel complement increases by 177 positions. NBCI has an increase of 192 positions in the 2006 allowance. The Maryland Correctional Institution – Hagerstown is reducing its positions count by 9, and the Canine Operations Unit is reducing its complement by 6.

## *Analysis in Brief*

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### **Issues**

***Project Reentry Enforcement Services Targeting Addition, Rehabilitation, and Treatment (RESTART):*** In November 2003, the Department of Public Safety and Correctional Services (DPSCS) announced a philosophical shift from a system that focuses on confinement and control to one that focuses on rehabilitation and cognitive restructuring. DPSCS launched the program at two pilot sites in January 2005. **The department should be prepared to discuss the progress made in implementing RESTART at the two pilot sites, as well as any plans for expansion. The department should be prepared to comment on why they failed to seek authorization from the General Assembly for faith-based components of the RESTART program. The department should be prepared to comment on why its budget includes funds for educational programs for the RESTART pilot programs in light of the clearly expressed legislative intent that MSDE provide these services.**

***Local Jail Reimbursements:*** Inmates sentenced to a term of incarceration of less than 12 months are placed in a local correctional facility. To compensate the local jurisdictions for part of the operating cost for offenders sentenced between 3 and 12 months, the counties are reimbursed for operating expenses, which are paid through the Division of Correction's budget. **In light of the 2004 Budget Reconciliation and Financing Act provision requiring the evaluation of recent fiscal years liability in order to offer an allowance based on a good-faith estimate, the department should be prepared to comment on why funding for local jail reimbursements will actually decrease between fiscal 2005 and 2006, once the deficiency appropriation is accounted for.**

***Sick Leave Incentive Program:*** In 2000 a program was created to reduce the number of sick leave hours used and, in turn, reduce the need for overtime expenditures. **The Sick Leave Incentive program has failed to meet its objectives of reducing sick leave usage at the pilot sites. As such, the Department of Legislative Services recommends eliminating the Sick Leave Incentive Program.**

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**Recommended Actions**

	<u><b>Funds</b></u>
1. Add budget bill language restricting the use of funds for education programs.	
2. Add budget bill language restricting funds for the RESTART program.	
3. Reduce appropriation for cell phone expenditures.	\$ 30,000
4. Reduce appropriation for in-state travel.	11,436
5. Reduce appropriation for vehicle replacement.	100,000
6. Eliminate funding for the Sick Leave Incentive Program.	358,502
7. Reduce deficiency appropriation.	1,100,000
<b>Total Reductions to Fiscal 2005 Deficiency Appropriation</b>	<b>\$ 1,100,000</b>
<b>Total Reductions to Allowance</b>	<b>\$ 499,938</b>

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**Q00B00**  
**Division of Correction**  
**Department of Public Safety and Correctional**

***Operating Budget Analysis***

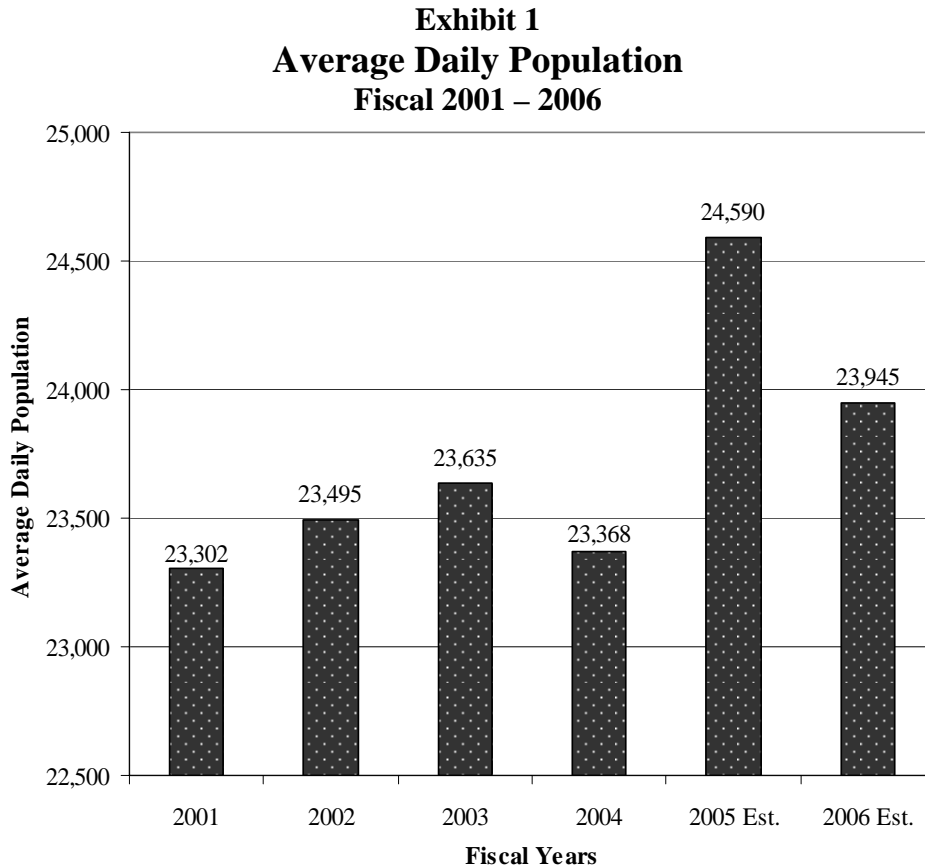
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**Program Description**

The Division of Correction (DOC) supervises the operation of State correctional institutions in accordance with applicable State and federal law. The division provides public safety and victim services through information sharing and the supervision of defendants and offenders located in the community, in places of safe, secure, and humane confinement.

**Performance Analysis: Managing for Results**

As seen in **Exhibit 1**, the average daily population (ADP) in fiscal 2004 increased by just 66 inmates over fiscal 2001 numbers. However, the fiscal 2004 ADP also demonstrates a drop from the high in fiscal 2003. Over the same period, the number of inmate assaults on both staff and fellow inmates has increased.



Source: Department of Public Safety and Correctional Services

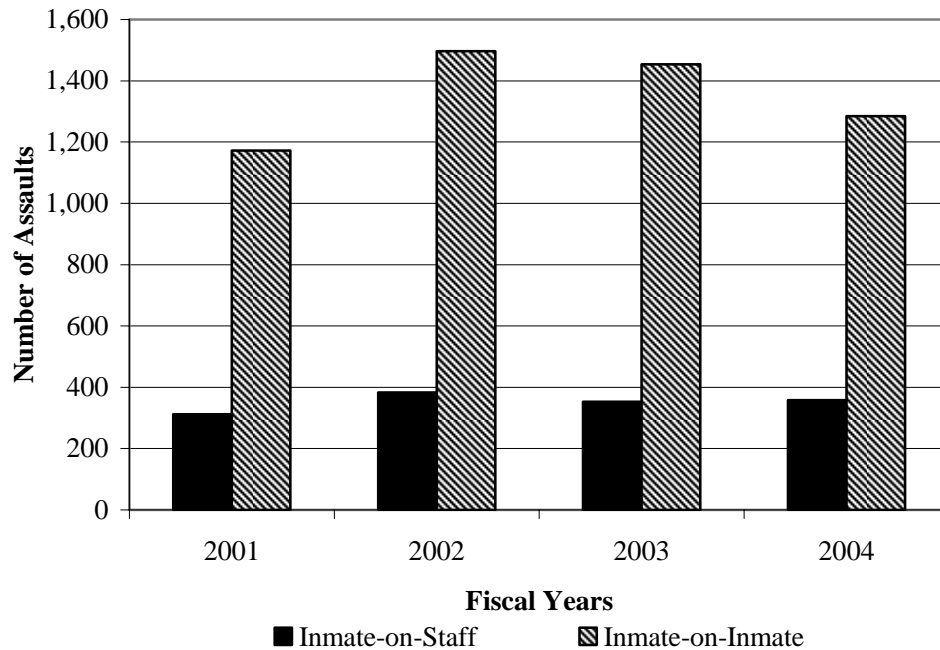
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**Exhibit 2** shows the number of inmate-on-staff and inmate-on-inmate assaults. The number of inmate-on-staff assaults increased by 14.7% between fiscal 2001 and 2004, but most of that increase occurred between fiscal 2001 and 2002, when assaults jumped by 22.8%. Since fiscal 2002, inmate-on-staff assaults have actually declined by 6.5%. A similar trend is found in the number of inmate-on-inmate assaults. Overall, since fiscal 2001, assaults have increased by 9.6%, with the upsurge appearing between fiscal 2001 and 2002, when assaults increased by 27.7%. Since fiscal 2002, the number of assaults on fellow inmates actually declined by 14.2%. **The department should be prepared to comment on what factors led to the increase in the number of assaults in fiscal 2002, and what measures have been implemented in their efforts to reduce the number of assaults on both staff and inmates.**

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**Exhibit 2**  
**Number of Assaults by Inmates**  
**Fiscal 2001 – 2004**



Source: Department of Public Safety and Correctional Services

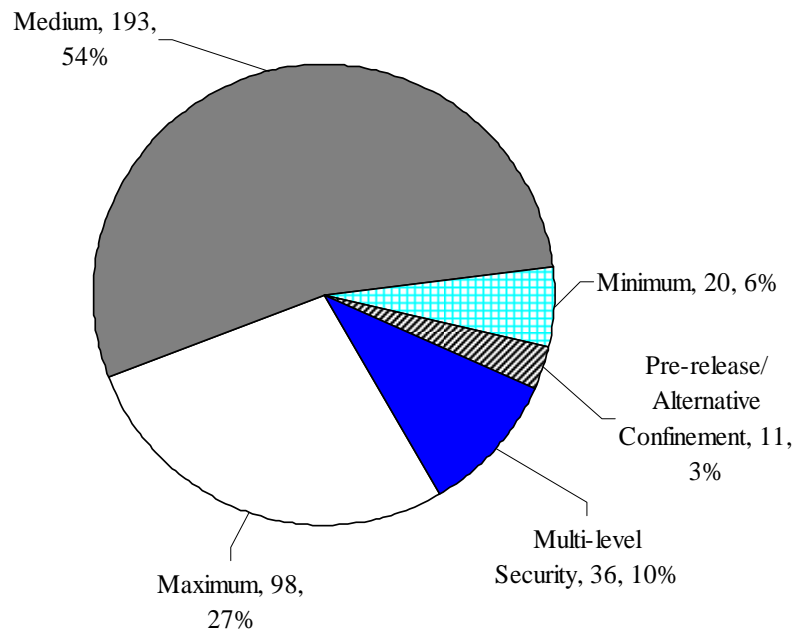
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**Exhibit 3** shows the number of inmate-on-staff assaults in fiscal 2004 by security level. **Exhibit 4** shows the distribution of the DOC population in fiscal 2004 by security level. The majority of the assaults (193 or 54%) occurred in medium security institutions, where approximately 57% of the DOC population is housed. The maximum security population comprises approximately 13% of the total DOC population and accounted for 27% of the assaults.

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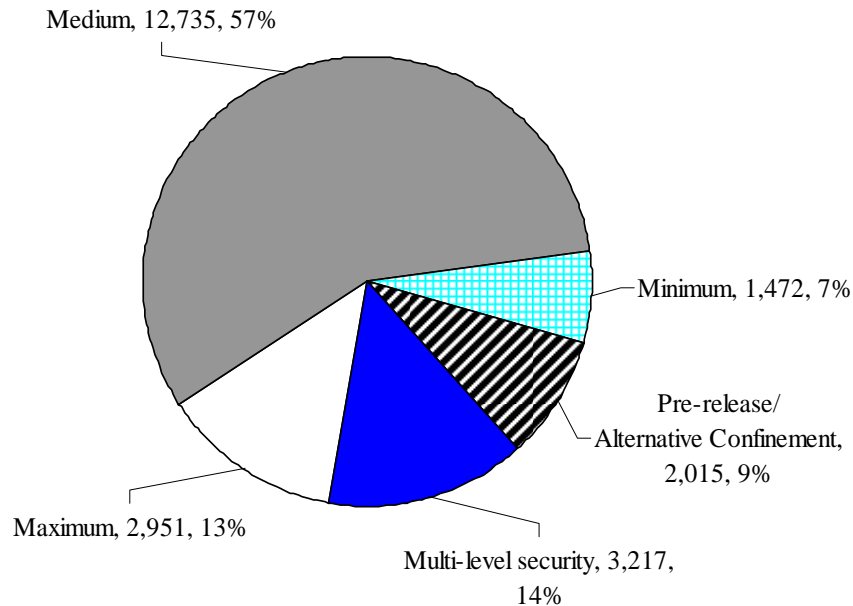
**Exhibit 3**  
**Number of Inmate-on-Staff Assaults by Security Level**  
**Fiscal 2004**



Source: Department of Public Safety and Correctional Services

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**Exhibit 4**  
**Average Daily Population by Security Level**  
**Fiscal 2004**

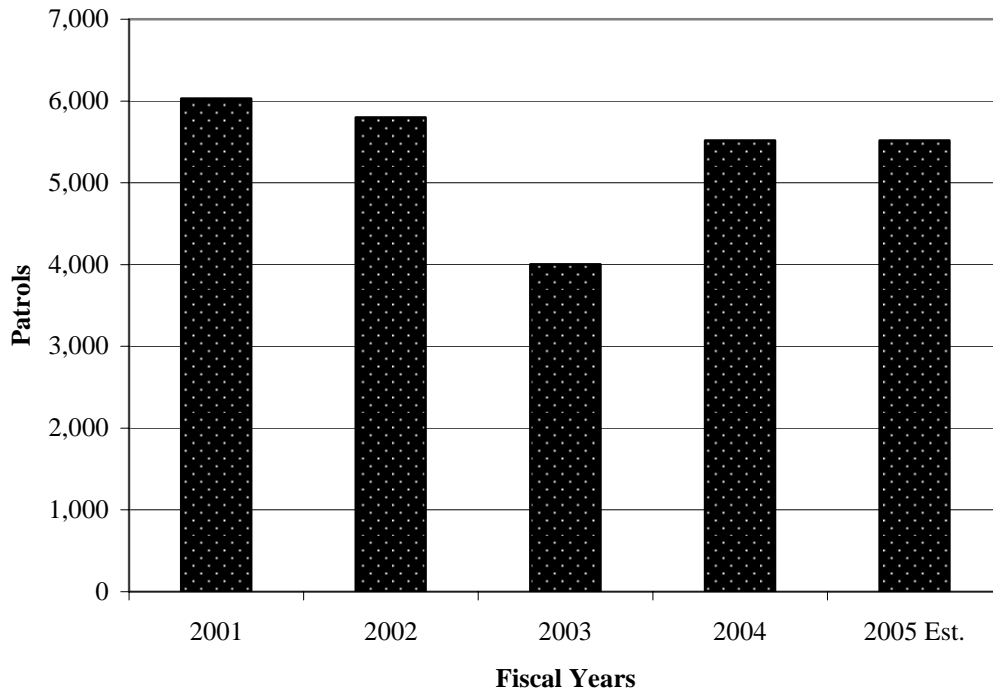


Source: Department of Public Safety and Correctional Services

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The Canine Operations Unit serves to enhance institutional security by providing trained dogs and handlers for drug detection and response to institutional events at State correctional facilities. **Exhibit 5** shows the number of patrols conducted by the Canine Operations Unit across DOC. The number of patrols declined by 8.5% between fiscal 2001 and 2004. **Exhibit 6** shows the number of dog drug scans conducted. The number of drug scans declined 41% between fiscal 2001 and 2004. The fiscal 2006 allowance for the Canine Operations Unit declines by approximately \$416,000 from the fiscal 2005 working appropriation, and the personnel complement is reduced by six full-time equivalent positions. **The department should be prepared to comment on the role of the Canine Operations Unit within the institutions, and how the funding reductions and reduced personnel will impact security at DOC institutions.**

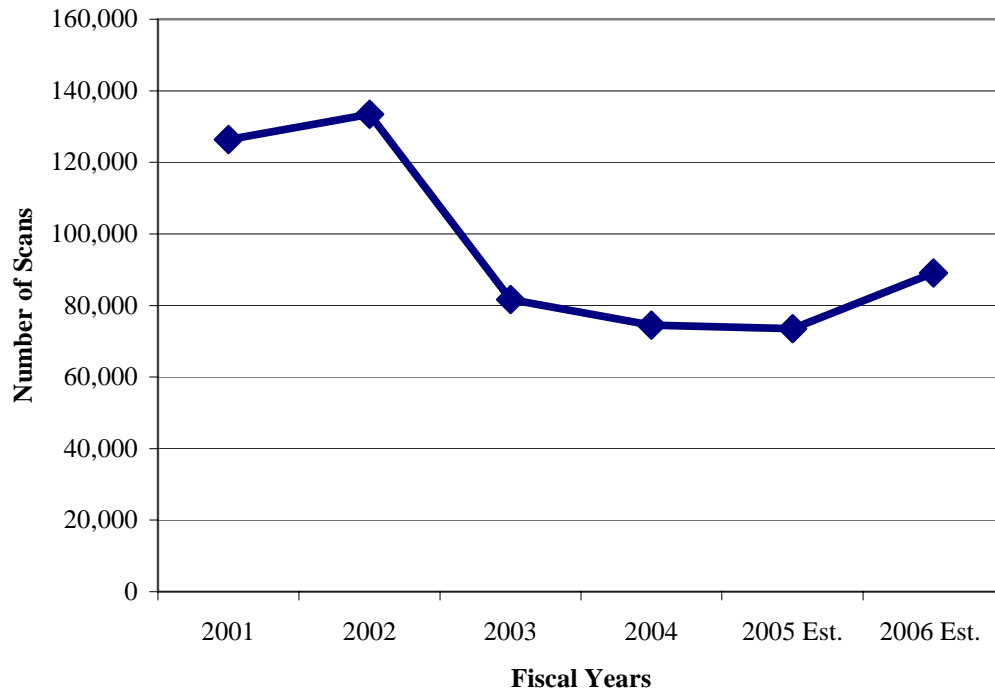
**Exhibit 5  
Canine Operations Unit  
Number of Patrols Conducted  
Fiscal 2001 – 2005**



Source: Department of Public Safety and Correctional Services

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**Exhibit 6**  
**Canine Operations Unit**  
**Number of Dog Drug Scans Conducted**  
**Fiscal 2001 - 2006**



Source: Department of Public Safety and Correctional Services

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## **Fiscal 2005 Actions**

### **Proposed Deficiency**

The fiscal 2006 allowance provides for a total deficiency appropriation of \$21,289,500. This appropriation provides money for payments to local jails (HB 474 of 1986) for housing inmates with sentences of more than 3 months but not more than 12 months. Of this amount, \$14,593,236 is necessary to cover the accumulated shortfall through fiscal 2004. The remaining funds (\$6,696,264) are for fiscal 2005.

**Governor's Proposed Budget**

**Exhibit 7** shows that the fiscal 2006 allowance increases by approximately \$33.8 million, or 5.8% above the fiscal 2005 working appropriation.

**Exhibit 7  
Governor's Proposed Budget  
Division of Correction  
(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Reimb. Fund</b>	<b>Total</b>
2005 Working Appropriation	\$518,216	\$57,035	\$4,898	\$6,283	\$586,432
2006 Governor's Allowance	550,110	55,873	9,050	5,843	620,876
Contingent Reductions	<u>-615</u>	<u>-69</u>	<u>0</u>	<u>0</u>	<u>-684</u>
<b>Adjusted Allowance</b>	<b>\$549,495</b>	<b>\$55,805</b>	<b>\$9,050</b>	<b>\$5,843</b>	<b>\$620,193</b>
Amount Change	\$31,279	-\$1,230	\$4,152	-\$440	\$33,761
Percent Change	6.0%	-2.2%	84.8%	-7.0%	5.8%

**Where It Goes:**

**Personnel Expenses**

Abolished/transferred positions.....	-\$732
Increments and other compensation .....	7,035
Employee and retiree health insurance.....	-2,278
Retirement contribution cost increase .....	2,279
Turnover adjustments .....	-8,703
Workers' compensation.....	2,648
Other fringe benefit adjustments .....	164

**Other Changes**

Inmate Medical Contract .....	9,895
Northbranch Correctional Institution opening (192 new positions, utilities, motor vehicles, supplies and materials, and equipment).....	10,167
Local jail reimbursements .....	6,400
Utilities and fuel .....	3,574
Contractual services (security services, repairs and maintenance, and RESTART therapeutic communities) .....	2,574
Motor vehicles (purchase of 66 replacement vehicles) .....	1,492
Other .....	-754

**Total** **\$33,761**

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

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The largest increase, \$9,894,808 is for the inmate medical contract. Other non-medical contractual services increase by approximately \$2.6 million. Included in this is:

- a \$532,522 increase for equipment repairs and maintenance;
- a \$183,589 increase for building and road repairs and maintenance;
- a \$100,000 increase for purchase of care services. This encompasses reimbursable fund grants for the Trauma, Addiction, Mental Health, and Recovery project and the Maryland Reentry Partnership, and assessments for drug treatment needs at the Maryland Reception, Diagnostic and Classification Center;
- a \$260,386 increase for education and training contracts. The \$2 million worth of contracts includes a total of \$1.2 million for inmate educational programs for Project Reentry Enforcement Services Targeting Addition, Rehabilitation, and Treatment (RESTART) and \$737,000 for inmate education programs at non-RESTART institutions (through contracts with local community colleges in supplement to education programs provided by the Maryland State Department of Education (MSDE));
- a \$927,141 increase for security services. Most of this allowance is for reimbursements to local jurisdictions for housing inmates sentenced to DOC at local correctional facilities (the local jurisdictions are compensated for housing inmates from the time of sentencing until the time of transport to a DOC facility); and
- a \$526,672 increase for other contractual services non-Data Processing. A total of \$2 million is in the allowance for therapeutic communities associated with RESTART at the Maryland Correctional Training Center (MCTC) and at the Maryland Correctional Institution for Women (MCI-W). This category also includes funds for contractual prerelease services, State Use Industries expenses, and payments to the federal government for housing a DOC inmate at a federal facility.

Personnel expenses increase by approximately \$8 million. This is largely the result of the 192 new positions for North Branch Correctional Institution (\$7.6 million). The remaining increase is the net result of increases for increments, workers compensation, and retirement contributions, which were offset in part by decreases for employee and retiree health insurance, increased turnover expectancy and the reduction for the abolished positions.

The allowance provides for a \$6.4 million increase for local jail reimbursements. This money is for payments to local jurisdictions under Section 9-402 of the Correctional Services Article (HB 474 payments).

The remaining increase is attributable to increasing fuel and utility costs (\$4.3 million) and expenditures for 66 replacement vehicles (\$1.6 million).

The fiscal 2006 allowance provides for \$11,241,486 for overtime expenditures. This is a decrease of \$1.6 million from the fiscal 2005 working appropriation.

## **Little Growth in Underlying Budget Could Mean Fiscal 2006 Budget Is Underfunded**

As Exhibit 7 shows, the fiscal 2006 allowance is \$33 million higher than the fiscal 2005 working appropriation; however, this increase includes \$10.2 million for opening NBCI and a \$10.0 million increase associated with the new inmate medical contract. In addition, the fiscal 2005 working does not include the fiscal 2005 share of the local jail reimbursement deficiency, which is \$6.7 million. Adjusting for these items, the budget grows approximately \$7 million, or 1.2%. **Exhibit 8** details the underlying growth in the fiscal 2006 allowance compared to the fiscal 2005 working appropriation.

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### **Exhibit 8 Budget Growth Excluding One-time Increases**

Personnel Expenses	\$413
Utilities and Fuel	3,574
Contractual Services	2,574
Motor Vehicles	1,492
Local Jail Reimbursements	-300
Other	-754
<b>Total</b>	<b>\$6,999</b>
<b>% Increase</b>	<b>1.2%</b>

Source: Department of Public Safety and Correctional Services

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The essentially flat growth in the DOC allowance could reflect optimistic assumptions regarding overtime and local jail reimbursements. In addition, the budgeted amount for the inmate medical contract is lower than previous DPSCS estimates.

### **Overtime**

The fiscal 2006 allowance reduces overtime by \$1.6 million from the fiscal 2005 working appropriation. Based on historical trends and year-to-date expenditures, the Department of Legislative Services (DLS) believes overtime expenditures are underfunded in the allowance by as much as \$2.7 million.

### **Local Jails**

Once the deficiency appropriation is accounted for, the allowance for HB 474 payments actually declines in fiscal 2006 by approximately \$300,000. Average growth in these payments over the past six years has been approximately 13%.

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**Inmate Medical Contract**

The \$9.9 million increase for the inmate medical contract may be inadequate to address the expected costs of the contract. Based on previous DPSCS estimates, the increase could be closer to \$18 million.

Taking all of the above issues into account, the DOC budget could be underfunded by at least \$14 million. Additionally, the DOC budget incorporates enhanced funding for the RESTART program. **The department should be prepared to address each of the concerns raised by DLS regarding potential underfunding in the DOC allowance.**

**Contingent Actions**

The fiscal 2006 allowance reflects the elimination of \$683,503 (subobject 0172), the appropriation for matching employee deferred compensation contributions up to \$600, contingent upon enactment of a provision in budget reconciliation legislation.

## *Issues*

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### **1. Project Reentry Enforcement Services Targeting Addiction, Rehabilitation, and Treatment (RESTART)**

In November 2003, the Department of Public Safety and Correctional Services (DPSCS) announced a philosophical shift from a system that focuses on confinement and control to one that focuses on rehabilitation and cognitive restructuring. While DPSCS has always offered some rehabilitative programming, the department has decided that increasing the amount and quality available will help combat rising recidivism rates.

The department launched the program at two pilot sites in January 2005. The two pilot sites are the Maryland Correctional Training Center (MCTC) in Hagerstown and the Maryland Correctional Institution for Women (MCI-W) in Jessup. MCTC is a medium-security institution, and MCI-W is a multi-level security institution.

Fiscal 2005 budget bill language restricted \$1.2 million in general funds contingent upon the department submitting a report on the planned programs addressing addiction, rehabilitation, and treatment of inmates in State custody. In May 2004, the department submitted a report entitled “Responses to Inquiries Relating to Implementation of the RESTART (Reentry Enforcement Services Targeting Addictions, Rehabilitation and Treatment) Philosophy.” Following further correspondence, the budget committees held a hearing on September 8, 2004. The \$1.2 million of general funds were released subject to continued monitoring following that hearing.

In addition to the \$1.2 million in general funds, the department was authorized to convert up to 50 correctional officer positions to program personnel positions to aid the RESTART effort.

**The department should be prepared to discuss the progress made in implementing RESTART at the two pilot sites, as well as any plans for expansion.**

The fiscal 2006 allowance includes a total of \$5.2 million for the two RESTART pilot programs. This includes approximately \$1.2 million for education programs, \$2 million for the therapeutic communities at the two pilot sites, and associated personnel expenses. The department expects that a total of 1,814 inmates, or about 8% of the DOC population, will participate in RESTART in fiscal 2006. Of that total, 890 are at MCTC and the remaining 924 are at MCI-W.

In fiscal 2004, DPSCS estimated that the cost of a division-wide roll-out of RESTART would cost approximately \$9.2 million. **The division should be prepared to comment on its projected division-wide roll-out costs in light of the fact that the division is spending \$5.2 million to run RESTART at only two institutions.**

## **Faith-based Elements**

There are several faith-based elements within RESTART. These programs include a Christian life-skills program called Right of Passage, a Christian self-discovery program based on the book, A Purpose Driven Life, and other programs under development that can be adapted for all faiths. According to the department, there are no general funds being expended for these programs, but rather they are funded by grants and awards from outside organizations. DLS sought the advice from the Attorney General regarding the constitutionality of the faith-based components of RESTART. The Attorney General concluded that if no State funds are expended for the faith-based components, and if the program is voluntary, then it is constitutional.

Section 41 of the 2004 budget bill contained the following language:

AND BE IT FURTHER ENACTED, That no funds in this budget may be expended pursuant to, or in furtherance of, any policy, program, or office, so named or otherwise, to purposefully promote or facilitate the participation of faith-based organizations in State programs providing health, social, educational or other community services, unless that policy, program, or office is specifically authorized by an Act of the 2004 General Assembly.

This language prohibited spending for faith-based policies, programs, or offices unless specifically authorized by the General Assembly. **The department should be prepared to comment on why they failed to seek authorization from the General Assembly for faith-based components of the RESTART program.**

## **Correctional Education**

The fiscal 2006 allowance includes \$1.2 million of general funds for RESTART inmate educational programs and \$22,400 of reimbursable funds for a grant program entitled “Providing a Continuum of Care: From Intake to the Community” through the Governor’s Office of Crime Control and Prevention. In the 2004 budget act, the department was restricted from providing educational services for the RESTART pilot programs, but was authorized to transfer funds to the Maryland State Department of Education. **The department should be prepared to comment on why its budget includes funds for educational programs for the RESTART pilot programs in light of the clearly expressed legislative intent that MSDE provide these services.**

## **2. Local Jail Reimbursements**

Inmates with sentences of more than three months but not more than 12 months are required to be housed in local detention centers. Local jurisdictions are reimbursed for operating expenses, which are paid through DOC’s budget. These payments are commonly referred to as HB 474 payments, for the legislation in 1986 that created the program.

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The department pays the local jurisdictions' estimated payments each quarter during the fiscal year. At the conclusion of the fiscal year, the department audits the local jurisdictions' records to determine the actual liability. The department must reimburse the local jurisdictions for any unpaid liability by September following the close of the fiscal year. The department's appropriation for reimbursements has been insufficient to meet liabilities, which has led to deficits.

In an effort to address the deficits, the legislature added the following language to the budget bill:

It is the intent of the General Assembly that the Governor fully fund the reimbursement payments to local correctional facilities in accordance with Sections 9-402 et. Seq. of the Correctional Services Article. The General Assembly believes that failure to provide adequate funding for the State's liability is tantamount to providing an unbalanced budget in violation of the State's constitutional requirements.

The General Assembly also included a provision in the Budget Reconciliation and Financing Act (BRFA) of 2004 to address the underfunding of the liability. The language specified action that the Governor must take if the September reimbursement payment to local jurisdictions does not fully compensate a county for the actual required reimbursement for the prior fiscal year, or if the September payment totals more than one-fourth the total appropriation for the previous fiscal year. It stated that the Governor should include a deficiency appropriation in the following year's budget to provide the additional funds needed and should review the expenditure trends and factors influencing the payment for the two most recent fiscal years prior to including an appropriation sufficient to cover a good-faith estimate of the expected costs.

The fiscal 2006 allowance provides for a deficiency appropriation for fiscal 2005 in the amount of \$21,289,500. Of that amount, \$14.6 million is to pay the accumulated shortfall through fiscal 2004. The remaining \$6.7 million is for the fiscal 2005 shortfall. This amount brings the total amount budgeted for local jail reimbursements in fiscal 2005 to \$23.2 million. The allowance has \$22.9 million budgeted for these payments for fiscal 2006.

**Exhibit 9** shows the growth in the department's liability between fiscal 2000 and 2005. **In light of the 2004 BRFA provision requiring the evaluation of recent fiscal years liability in order to offer an allowance based on a good-faith estimate, the department should be prepared to comment on why funding for local jail reimbursements will actually decrease between fiscal 2005 and 2006, once the deficiency appropriation is accounted for.**

**Exhibit 9**  
**Departmental Liabilities – HB 474**  
**Fiscal 2000 – 2006**

	<u>Liability</u>	<u>Growth from Previous Fiscal Year</u>
FY 2000	\$13,117,344	n/a
FY 2001	15,528,466	18.38%
FY 2002	16,441,614	5.88%
FY 2003	20,883,795	27.02%
FY 2004	22,516,086	7.82%
FY 2005 est.	23,167,251	2.89%
<b>Growth FY 2000-2005</b>	<b>\$10,049,907</b>	<b>76.62%</b>
FY 2006 Allowance	22,870,987	-1.28%

Source: Department of Public Safety and Correctional Services

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### **3. Sick Leave Incentive Program**

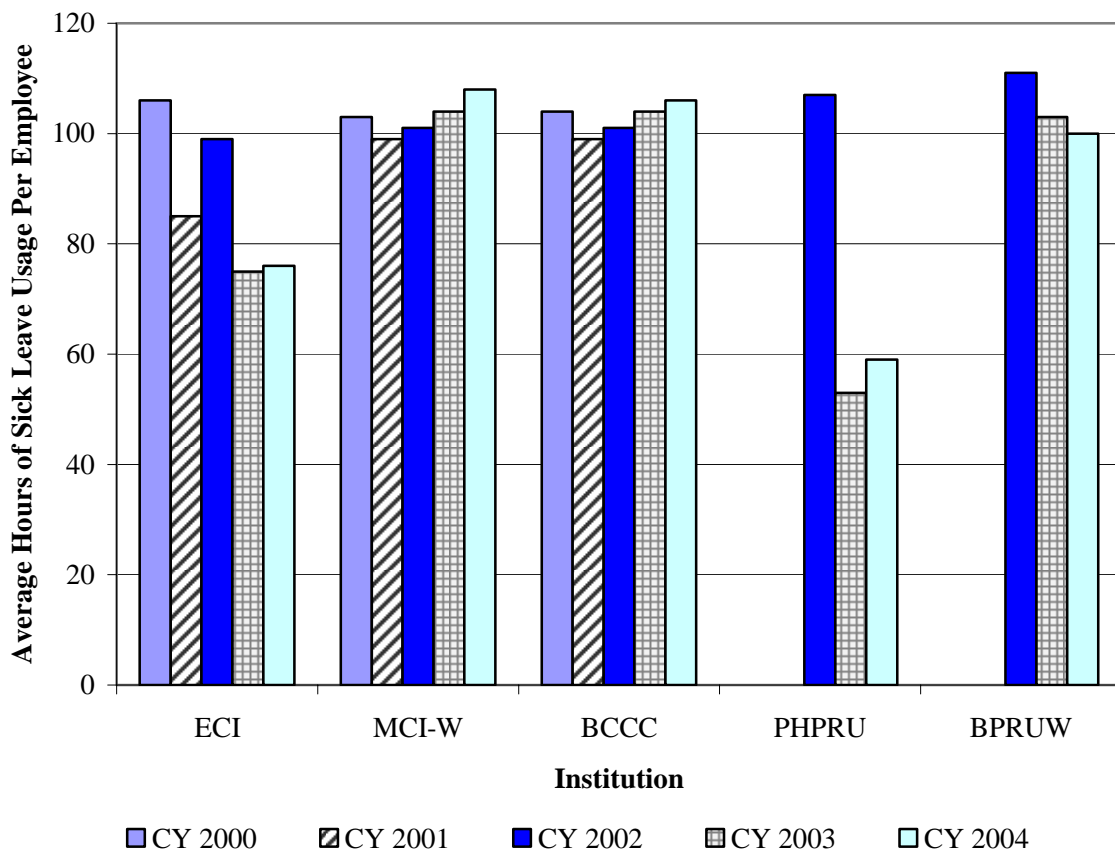
The Sick Leave Incentive Program, which allows for payment for unused sick leave was created in Chapter 179, Acts of 2000. The program was created to reduce the number of sick leave hours used, and, in turn, reduce the need for overtime expenditures. Employees who have used less than 40 hours of sick leave during the calendar year and have a sick leave balance of at least 240 hours on December 31 are eligible to participate in the program. Employees may be paid for up to 40 hours of sick leave per calendar year if they have used no more than 40 hours of sick leave and meet the minimum balance requirement of 240 hours. Employees may be paid for up to 56 hours if they have used no more than 24 hours of sick leave. After payment is received, the employee must still maintain a sick leave balance of at least 240 hours. Leave that is used for a death in the immediate family, that is donated through the Employee-to-Employee Leave Donation Program or the State Employees' Leave Bank, or that is taken in accordance with the Family and Medical Leave Act does not qualify as sick leave usage under this program.

The program was first initiated at three pilot sites in DPSCS in calendar 2001 – the medium-security Eastern Correctional Institution (ECI), the maximum-security MCI-W, and the Baltimore City Correctional Center (BCCC) Pre-Release Facility. In calendar 2002, DPSCS added two additional institutions – the Poplar Hill Pre-Release Unit (PHPRU) and the Baltimore Pre-Release Unit for Women (BPRUW).

The first reports of the sick leave incentive pilot program showed promising results. DBM was required to provide a status report on the program by February 1, 2005. At the appropriate time, DBM submitted a report that detailed employee eligibility, sick leave utilization at the participating

institutions and sick leave utilization at similar, non-participating institutions. **Exhibit 10** details the sick leave usage at the five participating institutions. Sick leave usage varied widely over the pilot period. All the participating institutions demonstrated a drop in sick leave usage during their first year of participation in the pilot program, but results have been inconsistent since. **Exhibit 11** details the sick leave usage at similar non-participating institutions.

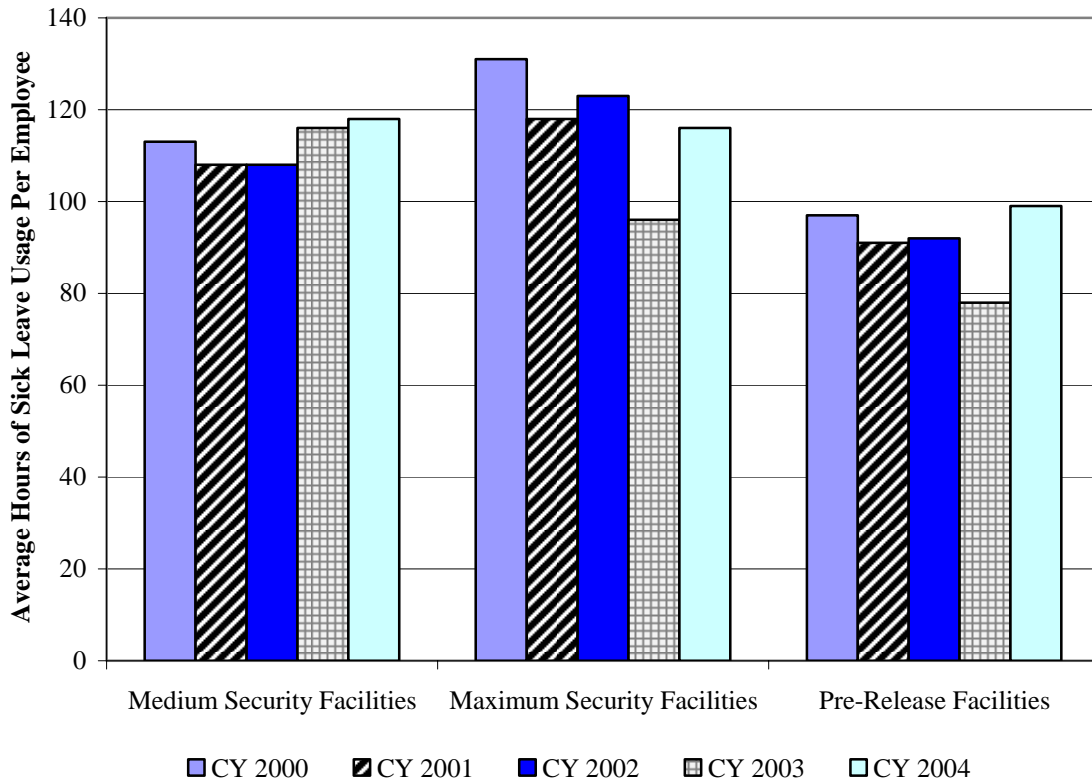
**Exhibit 10  
Participating Institutions  
Sick Leave Pilot Program  
Calendar 2000 – 2004**



BCCC = Baltimore City Correctional Center  
 BPRUW = Baltimore Pre-Release Unit for Women  
 ECI = Eastern Correctional Institute  
 MCI-W = Maryland Correctional Institution for Women  
 PPHRU = Poplar Hill Pre-Release Unit

Source: Department of Budget and Management

**Exhibit 11**  
**Non-participating Institutions**  
**Sick Leave Pilot Program**  
**Calendar 2000 – 2004**



Source: Department of Budget and Management

## Recommended Actions

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1. Add the following language:

Provided that, the department may not expend funds for educational services in support of RESTART pilot programs or any other education programs. The department is authorized to transfer by budget amendment funds designated for the RESTART pilot programs and other education programs to the Maryland State Department of Education, Division of Correctional Education, for the provision of educational services for the RESTART pilot programs and other education programs in the Department of Public Safety and Correctional Services.

**Explanation:** The General Assembly has expressed its intent that the Maryland State Department of Education (MSDE) provide all educational services at correctional institutions managed by the Department of Public Safety and Correctional Services (DPSCS). This language restricts DPSCS from expending funds for education programs at Division of Correction institutions. The language instead allows DPSCS to transfer education funding to MSDE for the provision of educational services in correctional institutions.

2. Add the following language:

Provided that, the department may only expend funds allocated for RESTART programs at the Maryland Correctional Training Center and the Maryland Correctional Institution for Women.

**Explanation:** The General Assembly has expressed concern about the RESTART program expanding to more sites before the General Assembly has had time to evaluate its success. This language prohibits expansion by restricting funds allocated for RESTART programs to be spent only at the two pilot sites.

- |  | <b><u>Amount<br/>Reduction</u></b> |    |
|--|------------------------------------|----|
| 3. Reduce appropriation for cell phone expenditures. Even with the \$30,000 reduction, there is still an increase of nearly 9% over the fiscal 2005 working appropriation. | \$ 30,000                          | GF |
| 4. Reduce appropriation for in-state travel to match fiscal 2004 expenditures.   | 11,436                             | GF |

*Q00B00 – DPSCS – Division of Correction*

5.	Reduce appropriation for vehicle replacement. The fiscal 2006 allowance provides funds for the replacement of 66 vehicles. This reduction will still allow the department to replace those vehicles that are inoperable or that exceed 10 years of age and have 100,000 miles.	100,000	GF
6.	Eliminate funding for the Sick Leave Incentive Program. The program has failed to obtain its objectives and should be discontinued.	358,502	GF
7.	Reduce deficiency appropriation. In fiscal 2004, the department used a budget amendment to transfer \$3.2 million from the Division of Parole and Probation because actual vacancy rates were higher than budgeted. The Division of Parole and Probation vacancy rates also exceed budgeted turnover in fiscal 2005. The Department of Legislative Services recommends that the department transfer the excess funds in the Division of Parole and Probation to cover the remaining deficiency.	1,100,000	GF
	<b>Total Reductions to Fiscal 2005 Deficiency</b>	<b>\$ 1,100,000</b>	<b>GF</b>
	<b>Total General Fund Reductions to Allowance</b>	<b>\$ 499,938</b>	

## *Current and Prior Year Budgets*

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### Current and Prior Year Budgets Division of Correction (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
<b>Fiscal 2004</b>					
Legislative Appropriation	\$511,474	\$55,808	\$4,900	\$5,934	\$578,116
Deficiency Appropriation	1,971	0	0	0	1,971
Budget Amendments	-4,241	120	2,759	250	-1,112
Cost Containment	-2,660	0	0	0	-2,660
Reversions and Cancellations	-11,883	-5,191	-684	-988	-18,746
<b>Actual Expenditures</b>	<b>\$494,660</b>	<b>\$50,737</b>	<b>\$6,975</b>	<b>\$5,197</b>	<b>\$557,569</b>
<b>Fiscal 2005</b>					
Legislative Appropriation	\$512,851	\$57,035	\$4,898	\$5,510	\$580,294
Budget Amendments	5,365	0	0	773	6,138
<b>Working Appropriation</b>	<b>\$518,216</b>	<b>\$57,035</b>	<b>\$4,898</b>	<b>\$6,283</b>	<b>\$586,432</b>

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*Q00B00 – DPSCS – Division of Correction*

**Fiscal 2004**

As detailed below, DOC received deficiency appropriations of \$1,971,141 for fiscal 2004.

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**General Funds Deficiency Appropriations**

<u>Facility</u>	<u>Amount</u>	<u>Rationale</u>
Maryland House of Correction	\$303,532	Increases in utility costs
Maryland House of Correction	687,635	Increased cost of the inmate medical contract related to the increase in the consumer price index
Metropolitan Transition Center	408,074	Increases in utility costs
Maryland Correctional Institution – Hagerstown	571,900	Increases in utility costs
<b>Total</b>	<b>\$1,971,141</b>	

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- The department used an amendment to redistribute approximately \$4.2 million of general funds to other agencies within DPSCS, including the Office of the Secretary and Pretrial and Detention Services, in order to align the general fund appropriation with actual expenditures.
- General funds were decreased by approximately \$2.7 million due to cost containment actions under the provisions of Section 7-213(a) of the State Finance and Procurement Article (Budget Amendment No. 37-04).
- The reversion of approximately \$11.9 million in general funds is attributable to mandatory reversions for unspent employee and retiree health insurance that was overbudgeted.
- The department cancelled approximately \$5.2 million of special funds from the Inmate Welfare Fund.
- Through an amendment the department received an approximately \$1.8 million increase in federal funds as reimbursement from the Federal Marshal for housing federal prisoners. The department also received an additional \$949,327 in additional federal funds as compensation for the costs of housing undocumented criminal aliens.

*Q00B00 – DPSCS – Division of Correction*

**Fiscal 2005**

- The general fund spending was increased through amendments by approximately \$5.4 million. Of that, there was an approximately \$5.6 million increase through the cost-of-living adjustment amendment. Funds had been budgeted for all agencies in the Department of Budget and Management and were subsequently reallocated. Approximately \$264,000 was transferred from the Division of Correction to the State Department of Education, Division of Correctional Education for educational services in support of the RESTART pilot programs.

## ***Audit Findings Jessup Region***

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Audit Period for Last Audit:	July 1, 2000 – November 4, 2003
Issue Date:	April 2004
Number of Findings:	5
Number of Repeat Findings:	3
% of Repeat Findings:	60%

**Finding 1:** The region had not established proper internal controls over the processing of disbursement transactions.

**Finding 2:** Equipment records were not adequately maintained.

**Finding 3:** The region had not established proper controls over materials and supplies, including storeroom record keeping and inventory procedures.

**Finding 4:** Proper internal control had not been established over adjustments to the region's payroll.

**Finding 5:** The region had not established proper internal controls over inmate fund disbursements.

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

**Object/Fund Difference Report  
DPSCS – Division of Correction**

<u>Object/Fund</u>	<u>FY04 Actual</u>	<u>FY05 Working Appropriation</u>	<u>FY06 Allowance</u>	<u>FY05 - FY06 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	7268.50	7218.50	7395.50	177.00	2.5%
02 Contractual	40.34	75.34	69.68	-5.66	-7.5%
<b>Total Positions</b>	<b>7308.84</b>	<b>7293.84</b>	<b>7465.18</b>	<b>171.34</b>	<b>2.3%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 370,955,926	\$ 390,515,420	\$ 399,163,820	\$ 8,648,400	2.2%
02 Technical & Spec Fees	1,226,003	1,478,766	1,568,446	89,680	6.1%
03 Communication	1,990,653	1,837,828	2,129,782	291,954	15.9%
04 Travel	203,031	169,941	205,651	35,710	21.0%
06 Fuel & Utilities	26,600,914	24,359,956	28,627,684	4,267,728	17.5%
07 Motor Vehicles	2,692,286	2,164,196	3,715,126	1,550,930	71.7%
08 Contractual Services	68,988,248	75,669,731	88,167,340	12,497,609	16.5%
09 Supplies & Materials	48,671,395	52,304,547	52,248,824	-55,723	-0.1%
10 Equip - Replacement	141,893	499,432	364,962	-134,470	-26.9%
11 Equip - Additional	710,782	416,611	811,210	394,599	94.7%
12 Grants, Subsidies, and Contributions	33,991,674	35,041,273	41,654,339	6,613,066	18.9%
13 Fixed Charges	1,358,174	1,474,190	2,219,248	745,058	50.5%
14 Land & Structures	37,973	500,000	0	-500,000	-100.0%
<b>Total Objects</b>	<b>\$ 557,568,952</b>	<b>\$ 586,431,891</b>	<b>\$ 620,876,432</b>	<b>\$ 34,444,541</b>	<b>5.9%</b>
<b>Funds</b>					
01 General Fund	\$ 494,660,421	\$ 518,215,892	\$ 550,110,083	\$ 31,894,191	6.2%
03 Special Fund	50,736,846	57,034,890	55,873,498	-1,161,392	-2.0%
05 Federal Fund	6,975,171	4,897,952	9,050,000	4,152,048	84.8%
09 Reimbursable Fund	5,196,514	6,283,157	5,842,851	-440,306	-7.0%
<b>Total Funds</b>	<b>\$ 557,568,952</b>	<b>\$ 586,431,891</b>	<b>\$ 620,876,432</b>	<b>\$ 34,444,541</b>	<b>5.9%</b>

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.

**Fiscal Summary  
DPSCS – Division of Correction**

<u>Program/Unit</u>	<u>FY04 Actual</u>	<u>FY05 Wrk Approp</u>	<u>FY06 Allowance</u>	<u>Change</u>	<u>FY05 - FY06 % Change</u>
01 General Administration	\$ 5,723,381	\$ 7,012,894	\$ 8,638,069	\$ 1,625,175	23.2%
02 Classification, Education & Religious Services	21,575,260	21,282,122	28,110,268	6,828,146	32.1%
03 Canine Operations	1,751,014	1,945,189	1,528,681	-416,508	-21.4%
01 Maryland House of Correction	33,260,730	35,974,245	34,941,737	-1,032,508	-2.9%
02 Maryland House of Correction Annex	33,117,203	34,159,275	35,116,853	957,578	2.8%
03 Maryland Correctional Institution - Jessup	24,531,359	25,103,500	26,427,931	1,324,431	5.3%
01 Metropolitan Transition Center	35,710,835	36,896,539	35,291,608	-1,604,931	-4.3%
03 Maryland Correctional Adjustment Center	14,212,785	15,329,711	16,073,931	744,220	4.9%
04 Maryland Reception, Diagnostic, and Classification	28,604,972	29,571,343	30,806,029	1,234,686	4.2%
05 Baltimore Pre-Release Unit	3,463,358	3,260,229	3,744,771	484,542	14.9%
06 Home Detention Unit	4,818,688	5,368,606	5,231,566	-137,040	-2.6%
07 Baltimore City Correctional Center	8,588,760	8,743,069	9,997,040	1,253,971	14.3%
01 Maryland Correctional Institution - Hagerstown	43,940,452	47,037,161	46,048,066	-989,095	-2.1%
02 Maryland Correctional Training Center	44,756,397	46,982,083	51,533,872	4,551,789	9.7%
03 Roxbury Correctional Institution	32,074,944	33,633,643	35,315,895	1,682,252	5.0%
01 Maryland Correctional Institution for Women	19,721,254	20,323,174	22,915,510	2,592,336	12.8%
02 Pre-Release Unit for Women	4,435,694	4,044,836	5,018,353	973,517	24.1%
01 General Administration	6,011,170	6,538,678	7,083,402	544,724	8.3%
02 Brockbridge Correctional Facility	12,228,747	12,879,195	12,833,954	-45,241	-0.4%
03 Jessup Pre-Release Unit	10,936,609	10,961,123	11,353,867	392,744	3.6%
05 Southern Maryland Pre-Release Unit	3,145,040	3,228,928	3,403,779	174,851	5.4%
06 Eastern Pre-Release Unit	3,185,069	3,051,036	3,489,087	438,051	14.4%
11 Central Laundry Facility	9,890,728	9,331,686	10,599,738	1,268,052	13.6%
12 Toulson Boot Camp	7,762,704	7,737,497	8,602,393	864,896	11.2%
01 Eastern Correctional Institution	64,077,412	68,410,550	69,512,561	1,102,011	1.6%
02 Poplar Hill Pre-Release Unit	3,076,127	3,329,542	3,419,982	90,440	2.7%
01 Western Correctional Institution	36,893,479	38,345,867	38,973,424	627,557	1.6%
02 North Branch Correctional Institution	6,068,426	6,690,405	16,857,001	10,166,596	152.0%
01 State Use Industries	34,006,355	39,259,765	38,007,064	-1,252,701	-3.2%
<b>Total Expenditures</b>	<b>\$ 557,568,952</b>	<b>\$ 586,431,891</b>	<b>\$ 620,876,432</b>	<b>\$ 34,444,541</b>	<b>5.9%</b>

General Fund	\$ 494,660,421	\$ 518,215,892	\$ 550,110,083	\$ 31,894,191	6.2%
Special Fund	50,736,846	57,034,890	55,873,498	-1,161,392	-2.0%
Federal Fund	6,975,171	4,897,952	9,050,000	4,152,048	84.8%
<b>Total Appropriations</b>	<b>\$ 552,372,438</b>	<b>\$ 580,148,734</b>	<b>\$ 615,033,581</b>	<b>\$ 34,884,847</b>	<b>6.0%</b>
Reimbursable Fund	\$ 5,196,514	\$ 6,283,157	\$ 5,842,851	-\$ 440,306	-7.0%
<b>Total Funds</b>	<b>\$ 557,568,952</b>	<b>\$ 586,431,891</b>	<b>\$ 620,876,432</b>	<b>\$ 34,444,541</b>	<b>5.9%</b>

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.