

Q00D00
Patuxent Institution
Department of Public Safety and Correctional Services

Operating Budget Data

(\$ in Thousands)

	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Working</u>	<u>FY 07</u> <u>Allowance</u>	<u>FY 06-07</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$33,204	\$34,528	\$37,988	\$3,460	10.0%
Special Fund	430	464	463	-1	-0.2%
Reimbursable Fund	<u>559</u>	<u>890</u>	<u>843</u>	<u>-46</u>	<u>-5.2%</u>
Total Funds	\$34,193	\$35,881	\$39,294	\$3,412	9.5%

- The approximately \$3.5 million general fund increase can be largely attributed to increases for employee and retiree health insurance, increments, overtime, and retirement.
- There is an increase of \$973,000 for the inmate medical contract.
- Patuxent is outsourcing two substance abuse programs that were previously staffed by contractual employees. As such, contractual payroll is decreasing by approximately \$1 million dollars and purchase of care services are increasing by approximately \$982,000.

Personnel Data

	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Working</u>	<u>FY 07</u> <u>Allowance</u>	<u>FY 06-07</u> <u>Change</u>
Regular Positions	494.50	496.50	496.50	0.00
Contractual FTEs	<u>11.57</u>	<u>40.35</u>	<u>0.80</u>	<u>-39.55</u>
Total Personnel	506.07	536.85	497.30	-39.55

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	29.39	5.92%
Positions Vacant as of 12/31/05	34.00	6.85%

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

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- Contractual full-time equivalents that previously provided treatment services for the Residential Substance Abuse Treatment program and the Regimented Offender Treatment Center program have been deleted because a vendor contract for those services will be awarded in March 2006.

Analysis in Brief

Issues

Redesigned Correctional Education Program: In the 2005 *Joint Chairmen’s Report*, the budget committees requested that the Maryland State Department of Education and the Department of Public Safety and Correctional Services jointly submit a report on the changes to the correctional education program at the Patuxent Institution. **The department should be prepared to discuss the impact of the transition to contractual staff on educational service delivery at Patuxent. The department should be prepared to discuss current enrollment figures, and provide estimates for full-year participation for fiscal 2006. The department should be prepared to discuss the ability of the new standards to accurately evaluate the correctional education program at Patuxent.**

Recommended Actions

1. Concur with Governor’s allowance.

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Operating Budget Analysis

Program Description

Patuxent Institution is a maximum security, treatment-oriented correctional facility that provides remediation services to male and female offenders. The institution also addresses the needs of mentally ill offenders throughout the correctional system. Patuxent Institution's remaining population is comprised of inmates from the Division of Correction (DOC). Additionally, the institution operates a Re-Entry Facility in Baltimore City to assist certain offenders' return to society.

Performance Analysis: Managing for Results

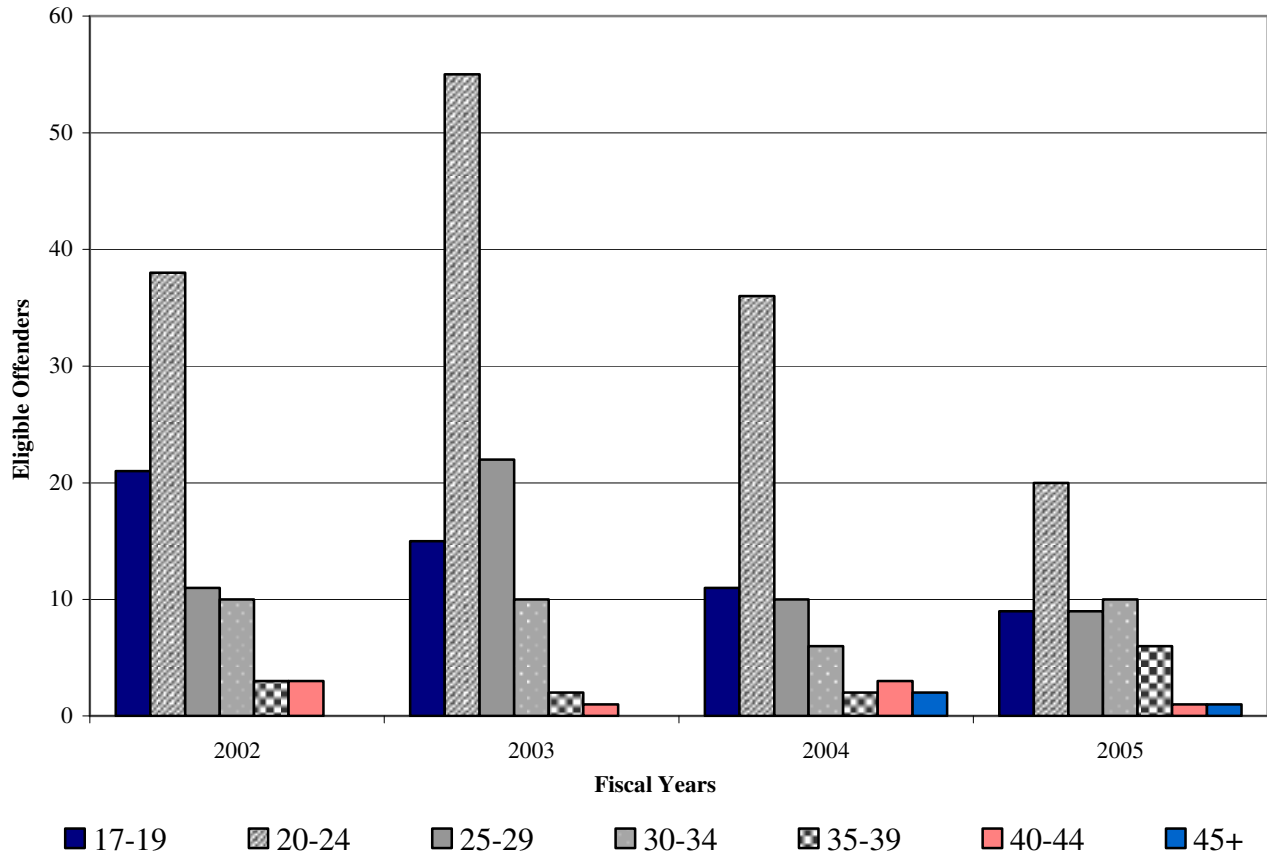
The criteria for admission to Patuxent's Eligible Persons Program and Youth Program are very similar. For both programs the inmate must have been convicted of a crime and have at least a three-year sentence, must have an intellectual impairment or emotional unbalance, and must be likely to respond favorably to the programs and services provided at Patuxent. The Youth Program further requires that offenders be under age 21 years at the time of sentencing and be referred by the court at the time of sentencing.

Offenders must undergo an extensive six-month evaluation process in order to determine eligibility for admission to Patuxent programs. A team composed of psychiatrists, psychologists, and social workers conduct a thorough review of the offender's social, physical, and mental status. At the conclusion of the evaluation, the team makes a recommendation as to whether or not the offender is eligible for the referred treatment program. Offenders found eligible remain at Patuxent for treatment, while those found non-eligible are returned to the custody of DOC.

Patuxent's population tends to be youthful. **Exhibit 1** shows the ages of eligible offenders at the time of evaluation. The majority of the eligible offenders were between 20 and 24 years of age at the time of their evaluation. Over the last four years, over 80% of the eligible offenders were under the age of 30 at the time of their evaluation.

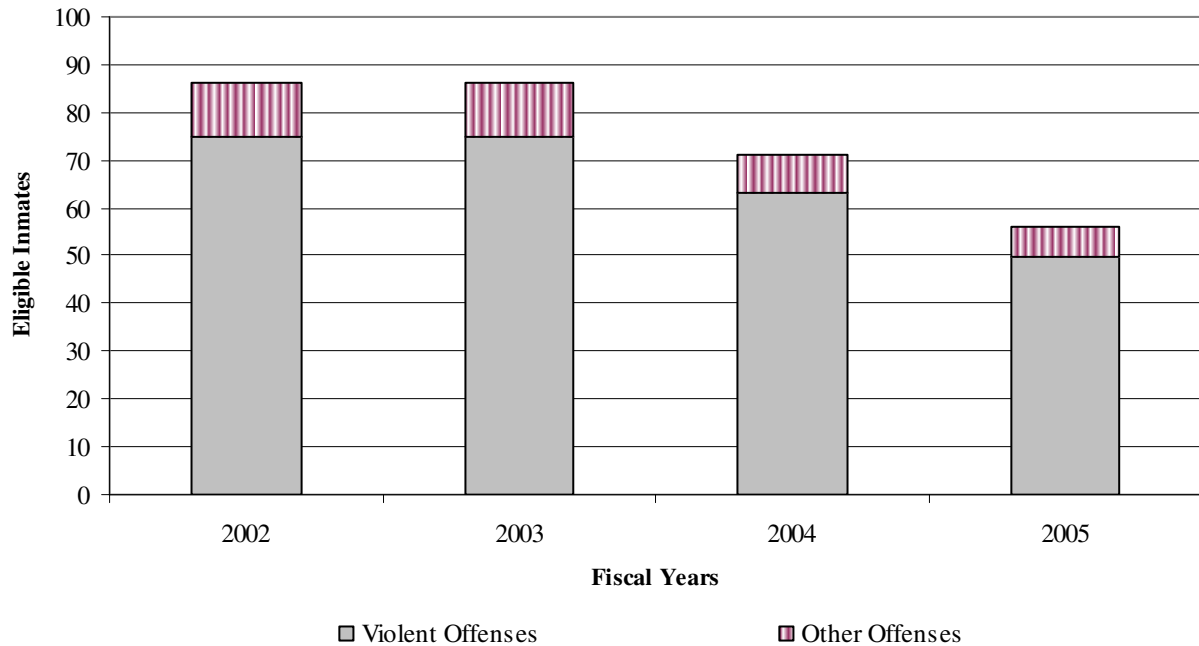
Exhibit 2 shows the most serious offenses committed by offenders evaluated for Patuxent Institution programs. For the majority of the offenders, the most serious offense they committed was a violent one. Violent offenses include homicide, robbery, sexual assault, or other assault. Other crimes may include drug crimes (possession and distribution), burglary, arson, and larceny.

Exhibit 1
Age of Eligible Offenders at Time of Evaluation
Fiscal 2002 – 2005



Source: Patuxent Institution Annual Reports, 2002 – 2005

Exhibit 2
Most Serious Offense Committed by Offenders
Fiscal 2002 – 2005



Source: Patuxent Institution Annual Reports, 2002 – 2005

Governor's Proposed Budget

As shown in **Exhibit 3**, the Governor's fiscal 2007 allowance increases by approximately \$3.4 million, or 9.5% from the fiscal 2006 working appropriation. Approximately \$2.1 million of the increase is for salaries and wages, including \$1.5 million for employee and retiree health insurance. Other increases can be attributed to the inmate medical contract (\$973,000) and utilities (\$348,000).

The allowance also reflects the outsourcing of two substance abuse programs that have been staffed by contractual employees. Consequently, the contractual payroll decreases by about \$1 million and purchase of care services increase by approximately \$982,000. The \$982,000 funds a vendor contract for treatment services for the Residential Substance Abuse Treatment (RSAT) and the Regimented Offender Treatment Center (ROTC) programs that will be awarded in March 2006. The department has had difficulty recruiting and retaining employees for the RSAT and ROTC

Exhibit 3
Governor's Proposed Budget
DPSCS – Patuxent Institution
(\$ in Thousands)

How Much It Grows:	General <u>Fund</u>	Special <u>Fund</u>	Reimbursable <u>Fund</u>	<u>Total</u>
2006 Working Appropriation	\$34,528	\$464	\$890	\$35,881
2007 Governor's Allowance	<u>37,988</u>	<u>463</u>	<u>843</u>	<u>39,294</u>
Amount Change	\$3,460	-\$1	-\$46	\$3,412
Percent Change	10.0%	-0.2%	-5.2%	9.5%

Where It Goes:

Personnel Expenses

Increments and other compensation	\$495
Employee and retiree health insurance	1,462
Workers' compensation premium assessment	57
Turnover adjustments	-401
Retirement	243
Overtime	255
Other fringe benefit adjustments	25

Other Changes

Switch to private provider for substance abuse treatment services	-55
Utilities	348
Inmate medical contract.....	973
Other	10

Total **\$3,412**

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

programs, since the positions were contractual and did not provide employee benefits. The department states that the move to a private provider should allow for complete staffing and also will allow the programs to adhere to Alcohol and Drug Abuse Administration regulations. This move to a private provider eliminates the need for 39.55 contractual positions for a net decrease of approximately \$55,000. **The department should be prepared to discuss how the two programs being outsourced will be evaluated, specifically, any performance measures that are being included in the contract.**

Issues

1. Redesigned Correctional Education Program

In the 2005 *Joint Chairmen's Report*, the budget committees requested that the Maryland State Department of Education (MSDE) and the Department of Public Safety and Correctional Services (DPSCS) jointly submit a report on the changes to the correctional education program at the Patuxent Institution. The departments submitted a report entitled *Redesigned Correctional Education Program for the Patuxent Institution*.

History

MSDE has provided educational services to incarcerated populations in Maryland for over 25 years. The Correctional Education (CE) program is held to performance standards set by the Educational Coordinating Council for Correctional Institutions. The performance standards for the CE program include student attendance; dropout rates; basic, intermediate, and advanced literacy completions; occupational completions; high school completions; and General Education Diploma (GED) pass rates. According to MSDE, the educational program at Patuxent has failed to meet most of those standards for many years.

As part of the Governor's Strategic Budgeting evaluation for fiscal 2006, MSDE reviewed the performance of all CE schools. MSDE concluded that the resources dedicated to CE at Patuxent were not being put to their best use. As a result of this evaluation, MSDE decided to scale back the CE at Patuxent as of July 1, 2005.

DPSCS expressed concerns about the reduction in the education program at Patuxent. The department argued that the failure of the Patuxent program to achieve MSDE standards is not a result of inmates failing to gain an education, but rather a result of their limited ability to move through the program fast enough. DPSCS further argued that Patuxent inmates participating in the education program are generally serving long sentences, so the speed with which they complete the program is not relevant to the inmate's ultimate remediation.

The Report

MSDE and DPSCS worked together to reconfigure the educational program offered at Patuxent. The result is an educational program that should offer students educational programming and ensure that legal mandates are met. Program components include:

- special education services and programs for students under 21 years of age;
- occupational offerings in information technology skills;
- post-secondary programs offered through distance learning;

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- instructional services to women that will include access to occupational programs;
- expanded educational programming offered during both day and evening hours; and
- continuing provision of library services to meet legal requirements.

There will be several staffing changes to accommodate the redesigned program. **Exhibit 4** shows these changes. Overall there will be more staff, with 12 staff members working in the redesigned program compared to 9.5 under the old program. However, there will be a shift to relying on contractual staff rather than regular staff. The change to offering courses primarily at night means that there are no regular 40-hour-per-week positions available, so MSDE decided full-time PINs were inappropriate. Given the youthfulness of the Patuxent population (see Exhibit 1), it is important to note that the special education services have not been affected by this transition – Patuxent has retained its one regular special education teacher. **The department should be prepared to discuss the impact of the transition to contractual staff on educational service delivery at Patuxent.**

**Exhibit 4
Staffing Changes
Correctional Education Program**

<u>Position</u>	<u>Old</u>	<u>Redesigned</u>
Principal	1.0	0.5
Teacher Supervisor	0.0	1.0
Office Secretary	0.5	0.5
Librarian	0.5	0.5
CE Academic Teachers	4.0	1.0
Contractual Academic Teachers	0.0	4.5
CE Special Educaton Teachers	1.0	1.0
CE Occupational Teachers	2.0	0.0
Contractual Occupational Teachers	0.0	2.5
Advanced Education Teachers	0.5	0.5
Total	9.5	12.0

Source: Department of Public Safety and Correctional Services; Maryland State Department of Education

The additional teachers should allow for higher enrollment. **Exhibit 5** shows the maximum enrollment capacity for each type of student. As shown in the exhibit, the maximum capacity has increased from 208 to 290 students. **The department should be prepared to discuss current enrollment figures and provide estimates for full-year participation for fiscal 2006.**

Exhibit 5
Enrollment Capacity
Correctional Education Program

	<u>Old</u>	<u>Redesigned</u>
Academic	94	150
Occupational	66	80
Advanced Educational	48	60
Total	208	290

Source: Department of Public Safety and Correctional Services; Maryland State Department of Education

The Correctional Education Accountability Program will be used to evaluate the effectiveness of the Correctional Education Program Design at the Patuxent Institution. Standards have been established for student attendance; drop-out rates; basic, intermediate, and advanced literary completions; occupational completions; high school completions; and GED pass rates. **Exhibit 6** shows the standards for “Satisfactory” and “Excellent” ratings. **The department should be prepared to discuss the ability of these standards to accurately evaluate the correctional education program at Patuxent.**

Exhibit 6
Standards of Performance
Correctional Education Program

	<u>Satisfactory</u>	<u>Excellent</u>
Attendance	94%	96%
Drop-out Rate	3%	1.25%
GED Passing Rate	60%	70%
Number of High School Completions	July 1 GED Enrollment x 1.25	July 1 GED Enrollment x 1.5
Number of Advanced Literacy Certificates	July 1 Advanced Enrollment x 1.25	July 1 Advanced Enrollment x 1.5
Number of Intermediate Literacy Certificates	July 1 Intermediate Enrollment x 1.25	July 1 Intermediate Enrollment x 1.5
Number of Basic Literacy Certificates	July 1 Literacy Enrollment	July 1 Literacy Enrollment x 1.1
Number of Occupational Completions	July 1 Occupational Enrollment x 1.25	July 1 Occupational Enrollment x 1.5

Source: Department of Public Safety and Correctional Services; Maryland State Department of Education

Recommended Actions

1. Concur with Governor's allowance.

Current and Prior Year Budgets

Current and Prior Year Budgets Patuxent Institution (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2005					
Legislative Appropriation	\$32,975	\$470	\$0	\$1,321	\$34,766
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	277	0	0	0	277
Reversions and Cancellations	-48	-40	0	-762	-850
Actual Expenditures	\$33,204	\$430	\$0	\$559	\$34,193
Fiscal 2006					
Legislative Appropriation	\$34,209	\$464	\$0	\$890	\$35,563
Budget Amendments	319	0	0	0	319
Working Appropriation	\$34,528	\$464	\$0	\$890	\$35,881

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

Fiscal 2005

General fund spending for fiscal 2005 was approximately \$33.2 million.

- Budget amendments increased the appropriation by approximately \$277,000. This was the net result of an approximately \$403,000 increase from the cost-of-living adjustment (COLA) amendment and a \$126,000 decrease as a part of a department-wide amendment to realign funds in accordance with actual expenditures.
- Approximately \$48,000 of employee and retiree health insurance funds reverted.

Reimbursable fund spending was approximately \$559,000. This includes the cancellation of approximately \$762,000 of unexpended grant funds.

Fiscal 2006

The general fund working appropriation for fiscal 2006 is approximately \$34.5 million. This includes an approximately \$319,000 increase to the legislative appropriation from the COLA budget amendment.

Audit Findings

Audit Period for Last Audit:	November 8, 1999 – June 30, 2002
Issue Date:	December 2002
Number of Findings:	6
Number of Repeat Findings:	3
% of Repeat Findings:	50%
Rating: (if applicable)	n/a

Finding 1: **Proper internal controls were not established over certain purchasing and disbursement transactions.**

Finding 2: Adequate controls were not established to ensure that all recorded cash receipts were subsequently deposited. In addition, access to certain collections was not properly restricted.

Finding 3: **The institutions lacked adequate controls and record keeping procedures over dietary and maintenance supplies inventories.**

Finding 4: Equipment records were not adequately maintained and physical inventories of equipment were not properly completed.

Finding 5: **Access to blank checks used to process inmate fund disbursements was not adequately restricted. In addition, account balances were not properly reconciled with the State Comptroller’s records.**

Finding 6: Adjustments to the institutions’ payrolls were not adequately verified.

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

**Object/Fund Difference Report
DPSCS – Patuxent Institution**

<u>Object/Fund</u>	<u>FY05 Actual</u>	<u>FY06 Working Appropriation</u>	<u>FY07 Allowance</u>	<u>FY06 - FY07 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	494.50	496.50	496.50	0	0%
02 Contractual	11.57	40.35	0.80	-39.55	-98.0%
Total Positions	506.07	536.85	497.30	-39.55	-7.4%
Objects					
01 Salaries and Wages	\$ 26,763,492	\$ 28,264,282	\$ 30,399,891	\$ 2,135,609	7.6%
02 Technical & Spec Fees	489,857	1,103,249	65,823	-1,037,426	-94.0%
03 Communication	81,871	94,052	64,952	-29,100	-30.9%
04 Travel	23,199	23,900	7,000	-16,900	-70.7%
06 Fuel & Utilities	1,878,192	1,571,347	1,919,803	348,456	22.2%
07 Motor Vehicles	121,912	84,213	127,808	43,595	51.8%
08 Contractual Services	2,730,896	2,796,229	4,750,801	1,954,572	69.9%
09 Supplies & Materials	1,393,637	1,285,411	1,299,778	14,367	1.1%
10 Equip - Replacement	8,133	24,580	24,580	0	0%
11 Equip - Additional	81,744	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	547,628	561,100	555,800	-5,300	-0.9%
13 Fixed Charges	72,716	72,835	77,407	4,572	6.3%
Total Objects	\$ 34,193,277	\$ 35,881,198	\$ 39,293,643	\$ 3,412,445	9.5%
Funds					
01 General Fund	\$ 33,203,755	\$ 34,527,661	\$ 37,987,599	\$ 3,459,938	10.0%
03 Special Fund	430,221	463,876	462,823	-1,053	-0.2%
09 Reimbursable Fund	559,301	889,661	843,221	-46,440	-5.2%
Total Funds	\$ 34,193,277	\$ 35,881,198	\$ 39,293,643	\$ 3,412,445	9.5%

Note: The fiscal 2006 appropriation does not include deficiencies, and the fiscal 2007 allowance does not reflect contingent reductions.