
Department of Public Safety and Correctional Services Fiscal 2007 Budget Overview

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

February 2006

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

For further information contact: Keri Beth Cain

Phone: (410) 946-5530

Analysis of the FY 2007 Maryland Executive Budget, 2006

Q00 – DPSCS – Fiscal 2007 Budget Overview

The Department of Public Safety and Correctional Services (DPSCS) helps to keep Maryland communities safe and provides services to the 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.

Fiscal 2006 Deficiencies

- There are five deficiency appropriations totaling \$25,101,533 for fiscal 2006. Approximately \$1.6 million is in the Office of the Secretary for interest payments to a former inmate medical care contractor. The remaining approximately \$23.5 million of deficiency appropriations are in the Division of Correction (DOC). Of this amount, \$522,000 is in the General Administration unit for services for incarcerated women with babies. \$4 million is to address the increasing costs of natural gas and electricity, and \$1 million is for fuel oil needed to operate the institutions. The final \$18 million provides funding for the costs of the inmate medical contract that exceed the fiscal 2006 working appropriation.
- The Governor has also included funds in the Department of Budget and Management (DBM) for a proposed correctional officer recruitment and retention program. The initiative includes salary increases for all correctional officers, higher entry-level salaries, hiring bonuses, and performance-based retention bonuses. The Governor has provided a \$15.5 million deficiency appropriation to fund the program for the last half of fiscal 2006 and approximately \$32.3 million in the fiscal 2007 allowance to continue the program.

Fiscal 2007 Allowance

As seen in **Exhibit 1**, the DPSCS fiscal 2007 operating budget allowance is approximately \$1.1 billion, which is an increase of approximately \$93.6 million, or 9.2% over the fiscal 2006 working appropriation. **Exhibit 2** shows that approximately 85.7% of the department's budget is derived from general funds, 12.5% from special funds, and the remaining 1.8% is comprised of federal and reimbursable funds. **Exhibit 3** shows how the allowance is distributed among the department's various agencies.

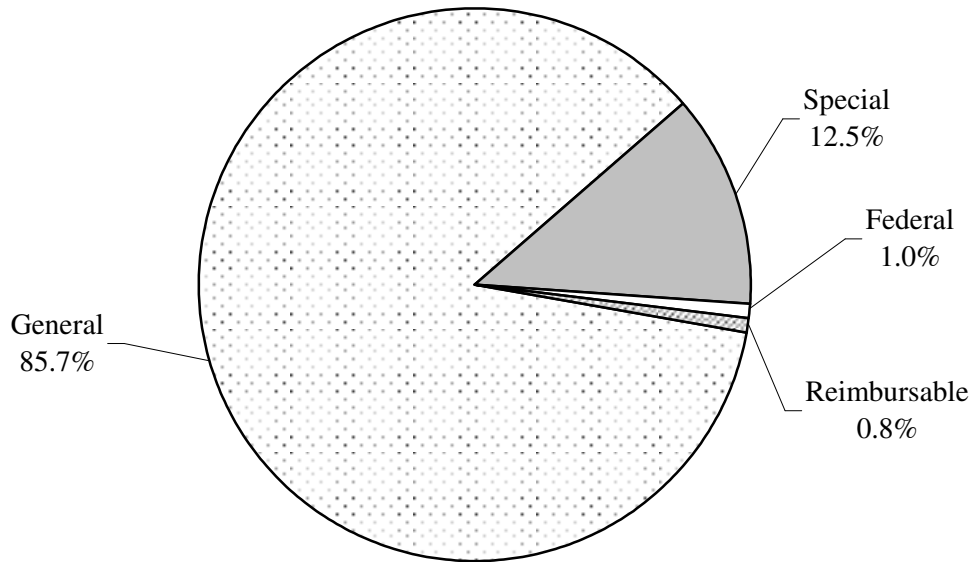
- The largest change, an increase of approximately \$79.9 million, is in DOC. Approximately \$38.9 million is for salaries and wages, including \$20 million for employee and retiree health insurance and \$15.3 million for custodial overtime. Approximately \$26.9 million is for increases to the inmate medical contract. Another \$6.1 million of the increase is for utilities, based on prior year actual expenditures and anticipated fiscal 2007 requirements. The remaining increase can be attributed to Maryland Correctional Enterprises (MCE) – for 13 new positions for the takeover of the laundry operations and the State's Quick Copy operation (formerly operated by the Department of General Services.)

Exhibit 1
Department of Public Safety and Correctional Service Budget Overview
Total Funds by Program
Fiscal 2006 – 2007

	Working Appropriation <u>FY 2006</u>	Allowance <u>FY 2007</u>	Change <u>FY 06 - 07</u>	% Change <u>FY 06 - 07</u>
Operating Programs				
Office of the Secretary	\$122,672	\$116,419	-\$6,253	-5.1%
Division of Correction	622,870	702,746	79,877	12.8%
Parole Commission	4,720	4,800	80	1.7%
Division of Parole and Probation	85,852	91,072	5,220	6.1%
Patuxent Institution	35,881	39,294	3,412	9.5%
Inmate Grievance Office	598	643	45	7.6%
Police/Correctional Training Comms.	8,395	8,140	-255	-3.0%
Criminal Injuries Compensation Board	5,607	6,096	490	8.7%
MD Commission on Correctional Stds.	516	486	-30	-5.9%
Div. of Pretrial Detention and Services	125,944	136,993	11,049	8.8%
Total	\$1,013,056	\$1,106,690	\$93,634	9.2%
Funds				
General Fund	\$846,957	\$948,486	\$101,529	12.0%
Special Fund	139,435	138,758	-677	-0.5%
Federal Fund	11,971	10,830	-1,141	-9.5%
Reimbursable Fund	14,692	8,616	-6,076	-41.4%
Total	\$1,013,056	\$1,106,690	\$93,634	9.2%
PAYGO Program				
Office of the Secretary PAYGO	\$37,915	\$0	-\$37,915	n/a
Funds				
Special	\$37,915	\$0	-\$37,915	n/a

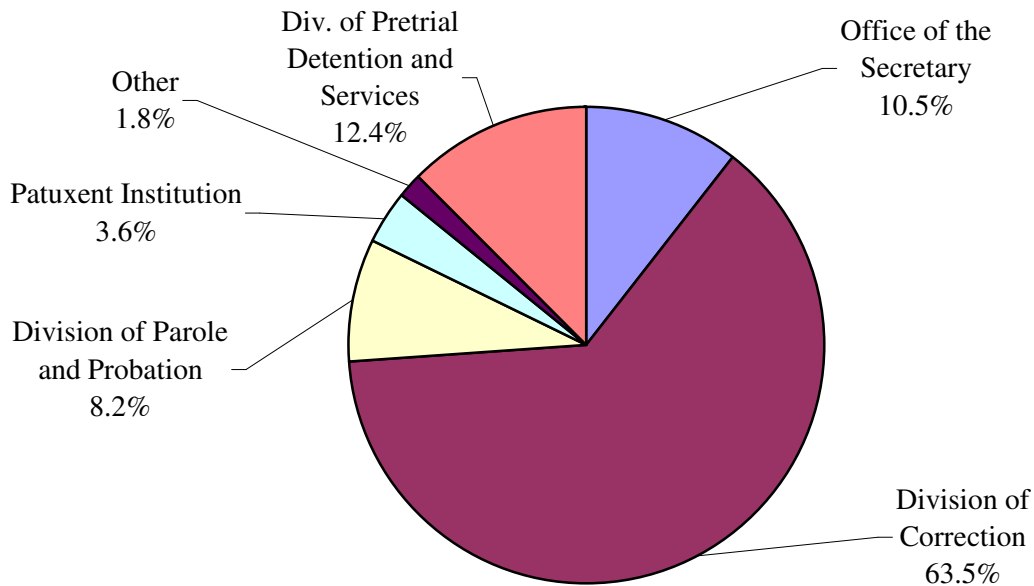
Source: Department of Public Safety and Correctional Services

Exhibit 2
Department of Public Safety and Correctional Services Budget Overview
Fiscal 2007 Allowance by Funds



Source: Department of Public Safety and Correctional Services

Exhibit 3
Department of Public Safety and Correctional Services Budget Overview
Fiscal 2007 Allowance by Agency



Source: Department of Public Safety and Correctional Services

- The next largest change, an increase of approximately \$11 million, is in the Division of Pretrial Detention and Services (DPDS). Approximately \$12.2 million is for salaries and wages, including approximately \$5.6 million for employee and retiree health insurance and \$2.6 million for custodial overtime. Spending for the inmate medical contract actually decreased by approximately \$2.6 million, based on past expenditures for health care.
- The Division of Parole and Probation has an increase of approximately \$5.2 million. The largest part of the increase is approximately \$4.2 million for salaries and wages, including \$3.2 million for employee and retiree health insurance, and \$450,000 for 3 new regular positions and 3 new contractual positions for the expansion of the Collaborative Supervision and Focused Enforcement (CSAFE) program.

Q00 – DPSCS – Fiscal 2007 Budget Overview

- The Patuxent Institution has an increase of approximately \$3.4 million. Of this, approximately \$2.1 million of the increase is for salaries and wages, including \$1.5 million for employee and retiree health insurance and \$255,000 for custodial overtime. Another \$1.1 million of the increase is for vendor contracts for treatment services for the Residential Substance Abuse Treatment (RSAT) program and the Regimented Offender Treatment Center (ROTC). Approximately \$988,000 is for increases in the inmate medical contract. These increases are slightly offset by an approximately \$1.1 million decrease in spending for contractual employees (39.55 full-time equivalent contractual positions have been abolished in the allowance).
- The Office of the Secretary decreases \$6.3 million in the fiscal 2007 allowance. The decrease can be attributed to reductions in the Information Technology and Communications Division and Major Information Technology Projects Division. Many of these projects are instead funded through the Major Information Technology Development Project Fund (MITDPF) through DBM.
- The Inmate Grievance Office has an increase of approximately \$45,000. This increase is due to increases in salaries and wages and contractual services for administrative hearings.
- The allowance for the Maryland Commission on Correctional Standards (MCCS) decreases approximately \$30,000 from the fiscal 2006 working appropriation. This decrease is attributable to decreases in turnover expectancy and contractual turnover expectancy.
- Overall, the allowance includes approximately \$110.1 million for the inmate medical contract. This is an increase of approximately \$25 million over the fiscal 2006 working appropriation. However, once the \$18 million deficiency is accounted for, the increase is actually only about \$7 million, or 6.8% between fiscal 2006 and fiscal 2007.
- The department has proposed to expand the Reentry Enforcement Services Targeting Addiction, Rehabilitation, and Treatment (RESTART) to the prerelease system during fiscal 2007. As such, the fiscal 2007 allowance includes an approximately \$542,000 increase. This increase is entirely for the expansion of the program – there is no increase in the allowance for the original two pilot sites.

Exhibit 4 shows that the department's personnel complement has grown by 26 regular positions, or 0.2%. The majority of the growth can be attributed to DOC, which increased its personnel complement by 25 regular positions. The proposed expansion of RESTART into the prerelease system accounts for 13 of the new positions, and the proposed expansion of MCE accounts for another 13 new positions, while one maintenance position was abolished.

The department's contractual positions have been reduced by 7.8%, or 36 full-time equivalents. The Patuxent Institution had its contractual employee workforce reduced by 39 positions; the positions will no longer be needed once the vendor contract for treatment services in the RSAT and ROTC programs is awarded. The Division of Parole and Probation gained 3 contractual positions for the proposed expansion of the CSAFE program.

Exhibit 4
Department of Public Safety and Correctional Services Budget Overview
Fiscal 2006 – 2007

Regular Positions by Program

	Working			
	Appropriation	Allowance	Change	% Change
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 06 - 07</u>	<u>FY 06 - 07</u>
Operating Programs				
Office of the Secretary	492.0	491.0	-1.0	-0.2%
Division of Correction	7,309.5	7,334.5	25.0	0.3%
Parole Commission	76.0	78.0	2.0	2.6%
Division of Parole and Probation	1,253.5	1,255.5	2.0	0.2%
Patuxent Institution	496.5	496.5	0.0	0.0%
Inmate Grievance Office	6.0	6.0	0.0	0.0%
Police/Correctional Training Comms.	79.0	78.0	-1.0	-1.3%
Criminal Injuries Compensation Board	7.0	7.0	0.0	0.0%
MD Commission on Correctional Stds.	6.0	6.0	0.0	0.0%
Div. of Pretrial Detention and Services	1,553.0	1,552.0	-1.0	-0.1%
Total	11,278.5	11,304.5	26.0	0.2%

Contractual Positions by Program

	Working			
	Appropriation	Allowance	Change	% Change
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 06 - 07</u>	<u>FY 06 - 07</u>
Operating Programs				
Office of the Secretary	131.3	131.3	-0.1	0.0%
Division of Correction	71.1	71.0	-0.1	-0.1%
Parole Commission	2.0	2.0	0.0	0.0%
Division of Parole and Probation	136.7	139.7	3.0	2.2%
Patuxent Institution	40.4	0.8	-39.6	-98.0%
Inmate Grievance Office	1.0	1.0	0.0	0.0%
Police/Correctional Training Comms.	43.8	43.6	-0.2	0.5%
Criminal Injuries Compensation Board	9.1	9.1	0.0	0.0%
MD Commission on Correctional Stds.	2.0	2.0	0.0	0.0%
Div. of Pretrial Detention and Services	25.0	25.0	0.0	0.0%
Total	462.4	425.5	-36.9	-8.0%

Source: Department of Public Safety and Correctional Services

Analysis in Brief

Department Caseload Trends

A large portion of expenditures is tied to caseload trends. Public Safety caseload trends include arrests, local jail populations, the number of probationers and parolees, and average daily population at correctional institutions.

Issues

Unnecessary Vacancies: The department currently has 300 more vacancies than it needs to meet budgeted turnover. **In light of the number of unnecessary vacancies in the department, the Department of Legislative Services (DLS) recommends that the 31 new positions and associated funds be deleted.**

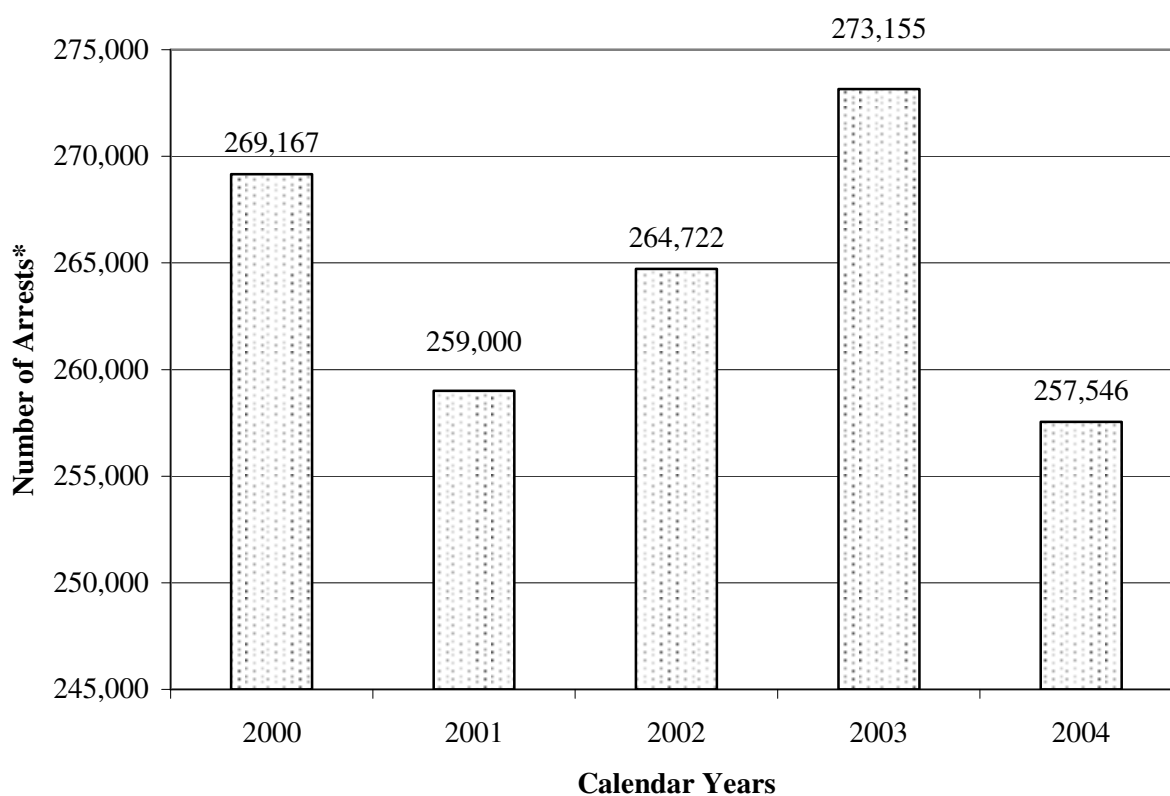
Fiscal 2005 Closeout: The department was required to submit a report on the fiscal 2005 general fund closeout in response to significant movement of funds by budget amendment in fiscal 2004. **Given these repeated transfers, the departments should be prepared to discuss the reliability of its budget proposal for DPDS for fiscal 2006 and 2007. The department should be prepared to discuss what adjustments have been made to the fiscal 2007 allowance to prevent the same employee and retiree health care funds reversions from occurring again.**

Department Caseload Trends

Arrest Rates

The Maryland Uniform Crime Reporting Program collects monthly reports of people arrested statewide. Arrest information can be useful as providing an index for measuring the involvement in criminal acts. **Exhibit 5** shows arrest trends in the State. During calendar 2004, the most recent year for which there is data, there were 257,546 adult arrests. This is a decrease of approximately 5.7% from the calendar 2003 arrest totals and is the lowest arrest total in five years. As you can see, arrests had been steadily climbing since 2001 until the drop in 2004.

Exhibit 5
Arrest Figures
Calendar 2000 – 2004



*Part I and Part II crimes. Figures are for total arrests, not individuals arrested as an individual may be arrested several times.

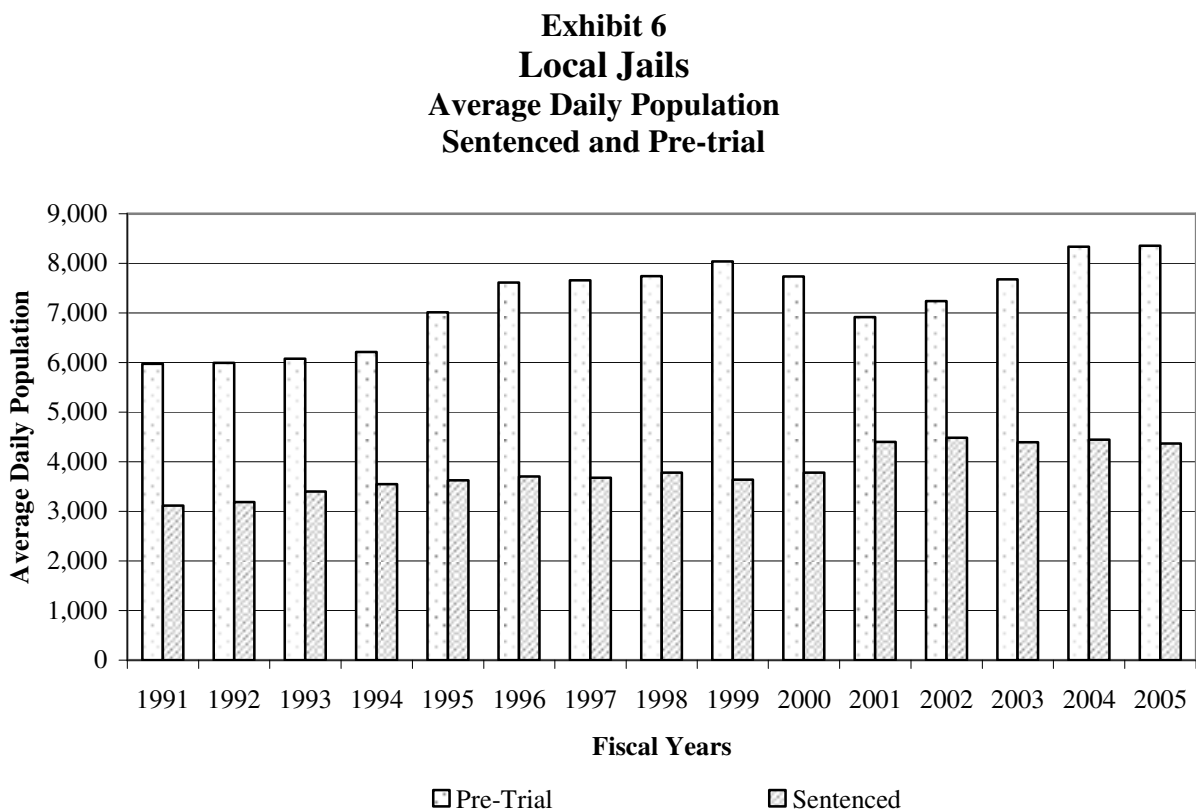
Source: Uniform Crime Report

Local Jails

Every county operates a local detention center with the exception of Baltimore City, which is managed by DPSCS. These facilities house detainees awaiting trial and sentenced inmates. Some counties also house federal detainees awaiting trial or transfer.

DPSCS reimburses the counties for housing short-sentenced inmates in the local facilities. The State also participates in the funding of local jail capital projects.

Local jail populations for both sentenced inmates and pre-trial detainees have grown significantly in the last 15 years. **Exhibit 6** shows the growth for both populations within local jails since fiscal 1991. Pre-trial detainees make up the majority of the local jail populations. Since fiscal 1991 the number of pre-trial detainees in the custody of the local jails has increased by 2,382 detainees, or 39.9%. During that same time period, the number of sentenced inmates in local jail facilities has increased by 1,255 inmates, or 40.3%. However, the number of sentenced inmates has decreased slightly (about 2.6%) since fiscal 2002. Though the number of arrests statewide did drop for calendar 2004, there was no corresponding drop in local jail populations.



Source: Local Jails (reported to the Department of Public Safety and Correctional Services)

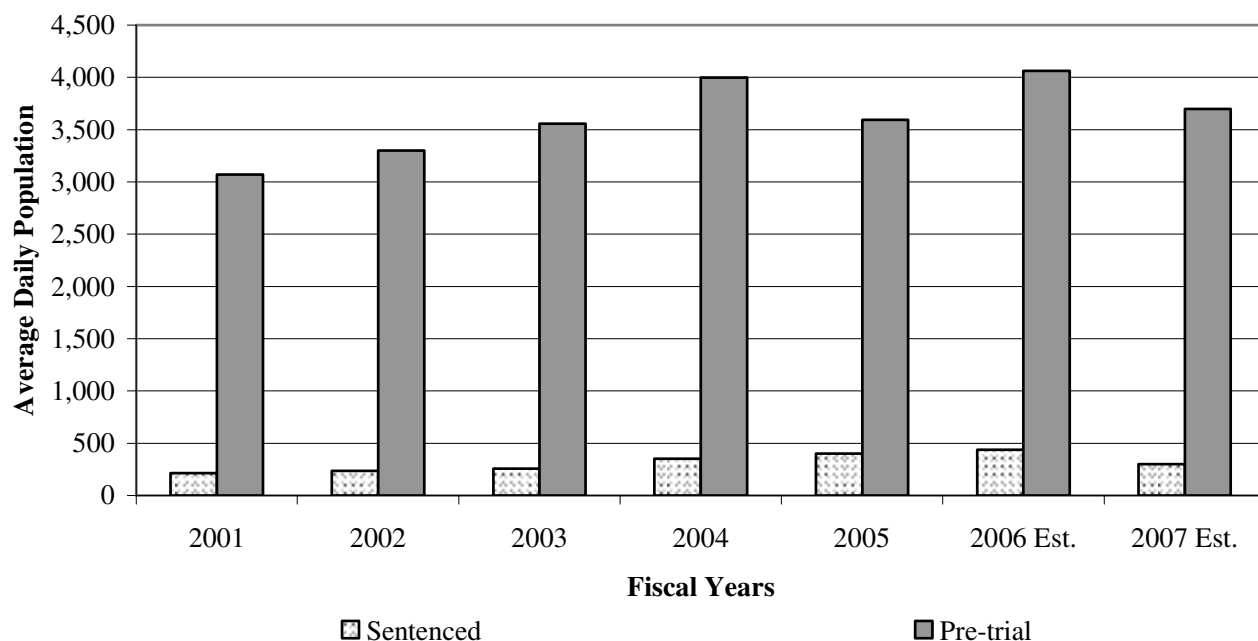
Division of Pretrial Detention and Services

DPDS has jurisdiction over three agencies: the Baltimore Central Booking and Intake Center (BCBIC), the Baltimore City Detention Center, and the Pretrial Release Services Program. The scope of these agencies includes the booking and processing of Baltimore City arrestees, housing detainees awaiting trial, community supervision, and the assessment of risk classification for bail review.

The Governor’s fiscal 2007 allowance for DPDS is approximately \$137 million. This is an increase of approximately \$11.0 million, or 8.8% over the fiscal 2006 working appropriation. DPDS’ budget comprises approximately 12.4% of the total DPSCS fiscal 2007 allowance.

The population of DPDS continues to grow. **Exhibit 7** tracks the changes in the DPDS population. Between fiscal 2001 and 2005, the average daily population grew by 712 detainees and inmates, or 21.7%. However, the population has declined since its high of 4,351 in fiscal 2004 to 3,999 in fiscal 2005.

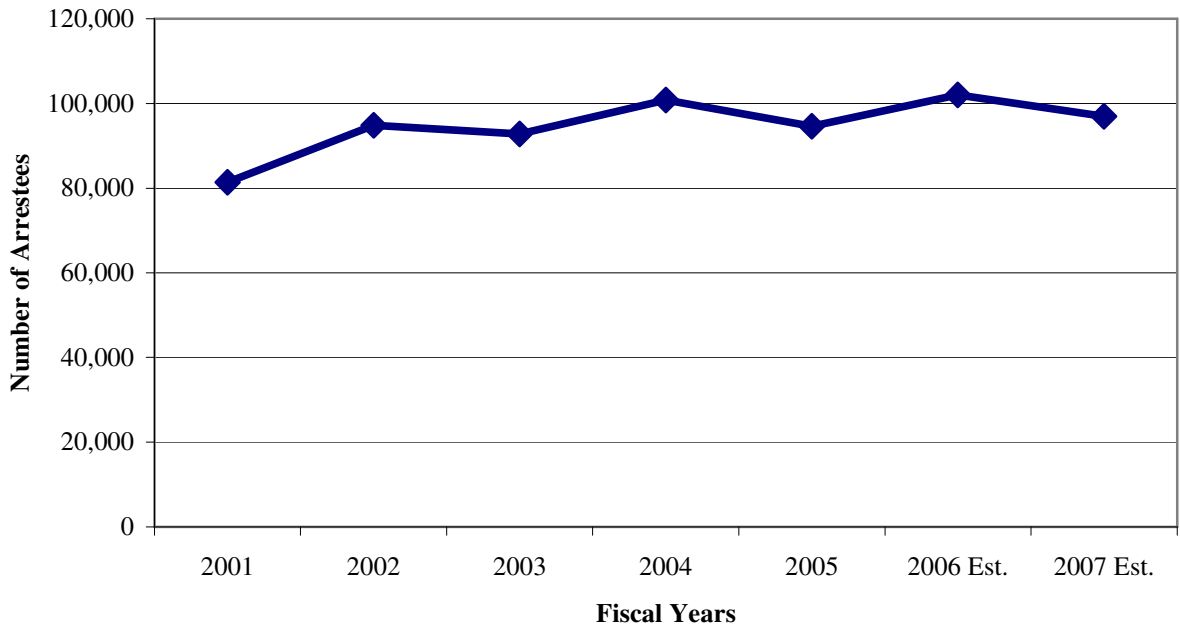
Exhibit 7
Division of Pretrial Detention and Services
Average Daily Population



Source: Department of Public Safety and Correctional Services

Exhibit 8 shows the number of arrestees that have been processed each year at BCBIC since fiscal 2001. BCBIC was originally opened in fiscal 1996 and was expected to process 45,000 to 65,000 arrestees per year. The facility saw a high of 100,848 arrestees go through its doors in fiscal 2004. In fiscal 2005 this declined slightly to 94,659 arrestees. This decline in arrestees corresponds to the statewide decrease in arrests (see Exhibit 5) in calendar 2004. However, even the fiscal 2005 numbers are an increase of 16.3%, or 13,243 arrestees over fiscal 2001.

Exhibit 8
Baltimore Central Booking and Intake Center
Arrestees Processed Per Year



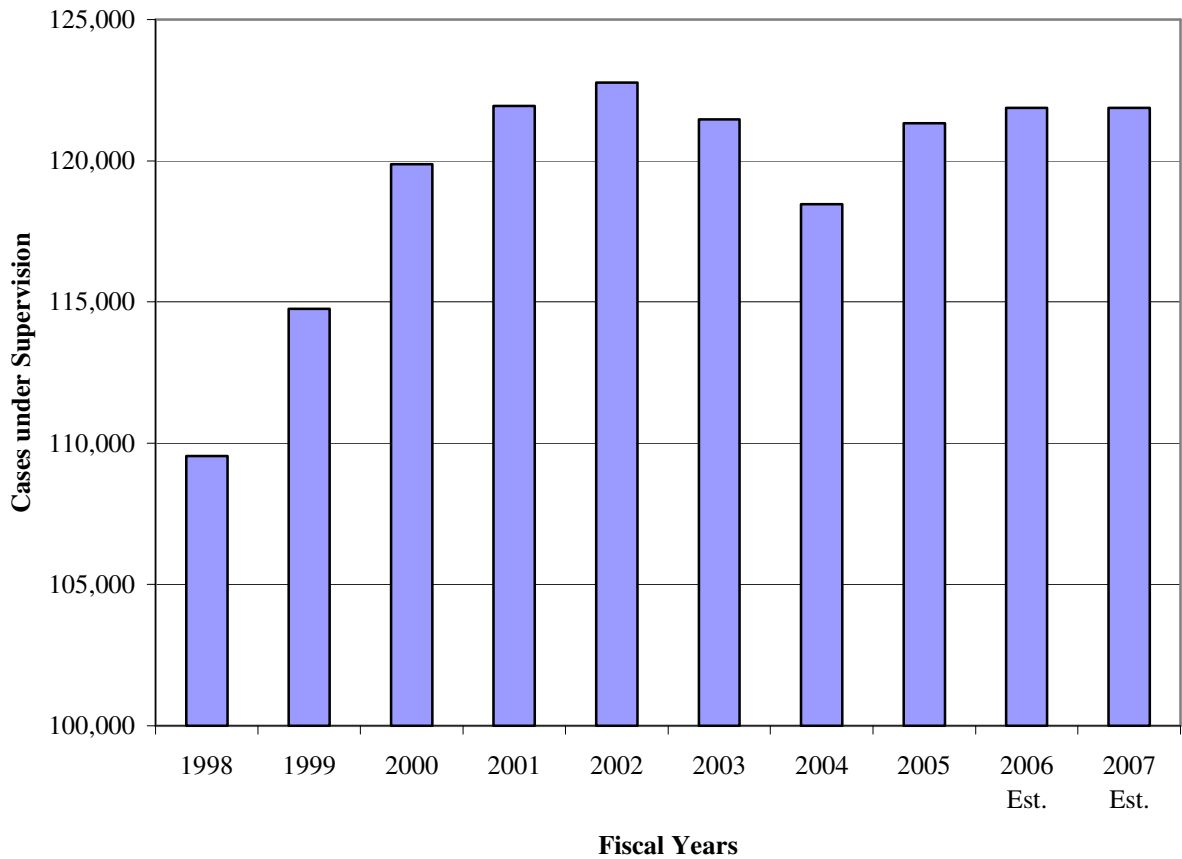
Source: Department of Public Safety and Correctional Services

DPDS facilities continue to frequently operate over capacity. However, it is difficult for the department to reliably predict future populations because DPDS populations are largely the product of arrest policies in Baltimore City. As those arrest policies change, so does the size of the DPDS population. The department has developed a capital plan to address the overcrowding as well as several facility problems that are currently the subject of litigation. **The department should be prepared to discuss the status of the various lawsuits and court orders pertaining to DPDS.**

Probation

Probation, or the serving of a sentence in the community, is under the oversight of the Division of Parole and Probation. Probation includes the Drinking Driver Monitor Program, which provides specialized probation service to driving while intoxicated/driving under the influence offenders, and the Correctional Options Program, which is an alternative to incarceration program for non-violent, substance abuse offenders. As shown in **Exhibit 9**, the number of probation cases increased by 11,780 cases, or 10.8% between fiscal 1998 and 2005.

Exhibit 9
Division of Parole and Probation
Probation Cases under Supervision
Fiscal 1998 – 2007



Source: Department of Public Safety and Correctional Services

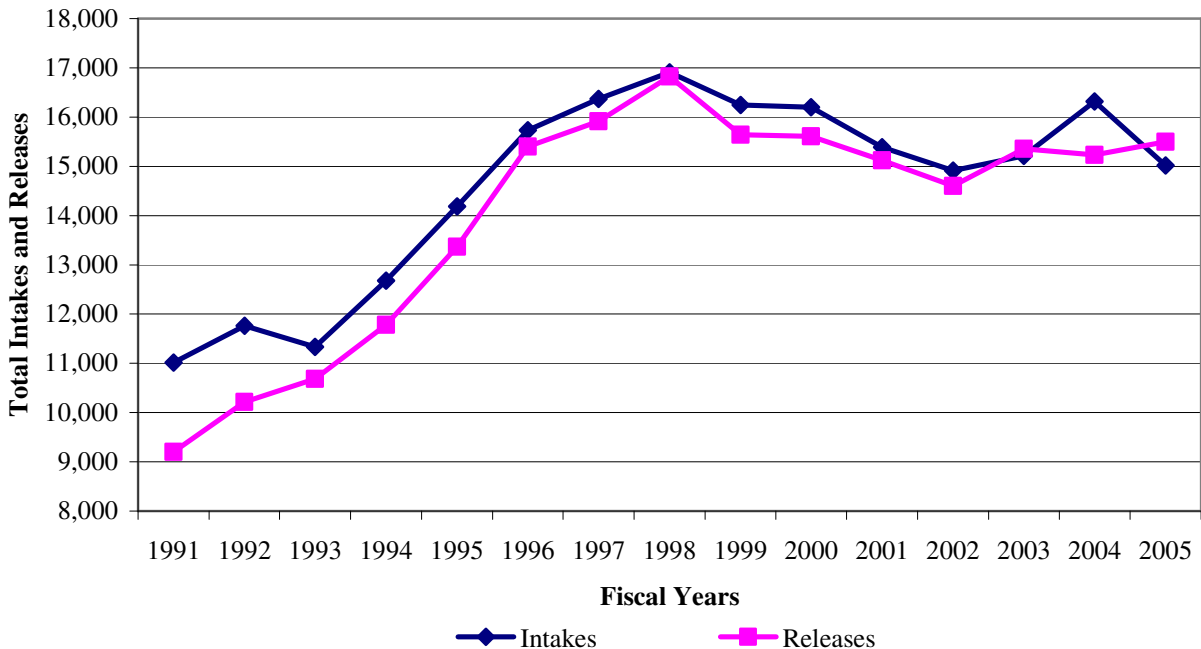
Division of Correction

DOC is comprised of 27 prisons and pre-release facilities throughout the State. It makes up the largest part of the budget and employs the largest portion of the staff of DPSCS. The Governor’s allowance for fiscal 2007 includes approximately \$702.7 million for DOC. This is approximately 63.5% of the budget for DPSCS. The Governor’s allowance also provides for 7,334.5 full-time equivalent positions for the division (about 64.9% of the total DPSCS positions).

The DOC population has experienced significant growth over the last 15 years. This is due to the fact that more inmates are coming into the correctional system and they are staying longer.

Exhibit 10 shows intakes and releases by fiscal year. Intakes per fiscal year have increased from 11,012 in fiscal 1991 to 15,016 in fiscal 2005. This is an increase of 4,004 intakes, or 36.4%. As shown in the exhibit, in most years there are fewer inmates being released from DOC than are entering DOC custody. Since fiscal 1991, there has been an average of 588 more inmates each year entering DOC custody than leaving it. This has obviously contributed to the growth of the DOC population over the past 15 years.

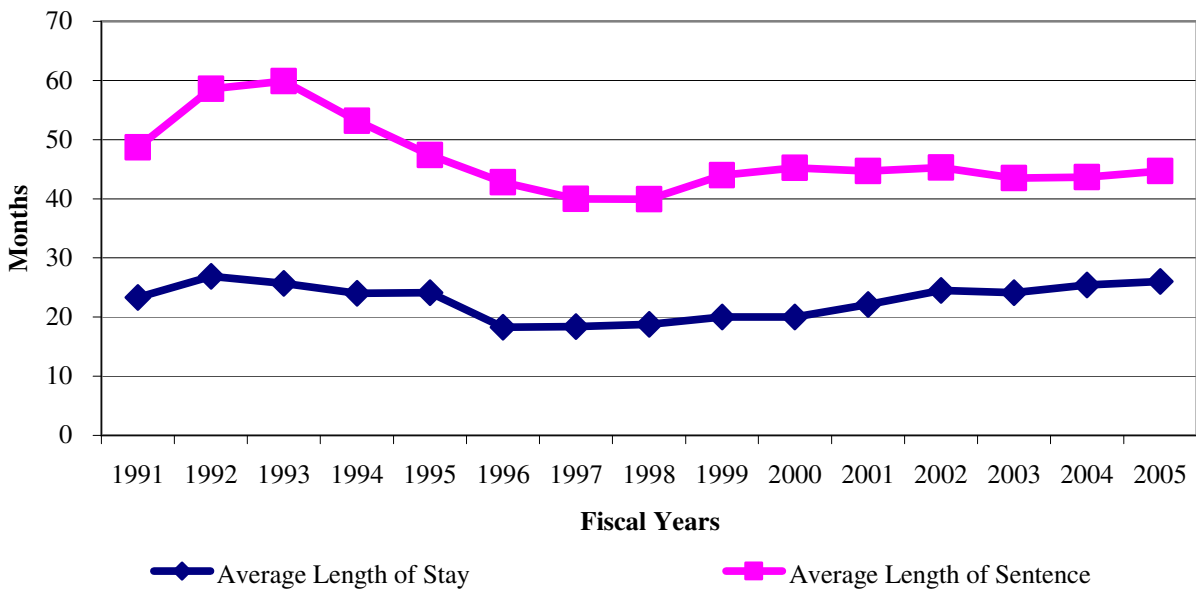
Exhibit 10
Division of Correction
Number of Intakes and Releases Per Fiscal Year



Source: Department of Public Safety and Correctional Services

Exhibit 11 examines the changes in the average length of stay and the average length of sentence. As shown in the exhibit, the average length of sentence has declined by 4.0 months, or 8.3% since fiscal 1991. However, inmates are serving more of their sentences now than they did 15 years ago. The average length of stay has increased from 23.3 months in fiscal 1991 to 26.0 months in fiscal 2005. This is an increase of 2.7 months, or 11.6%.

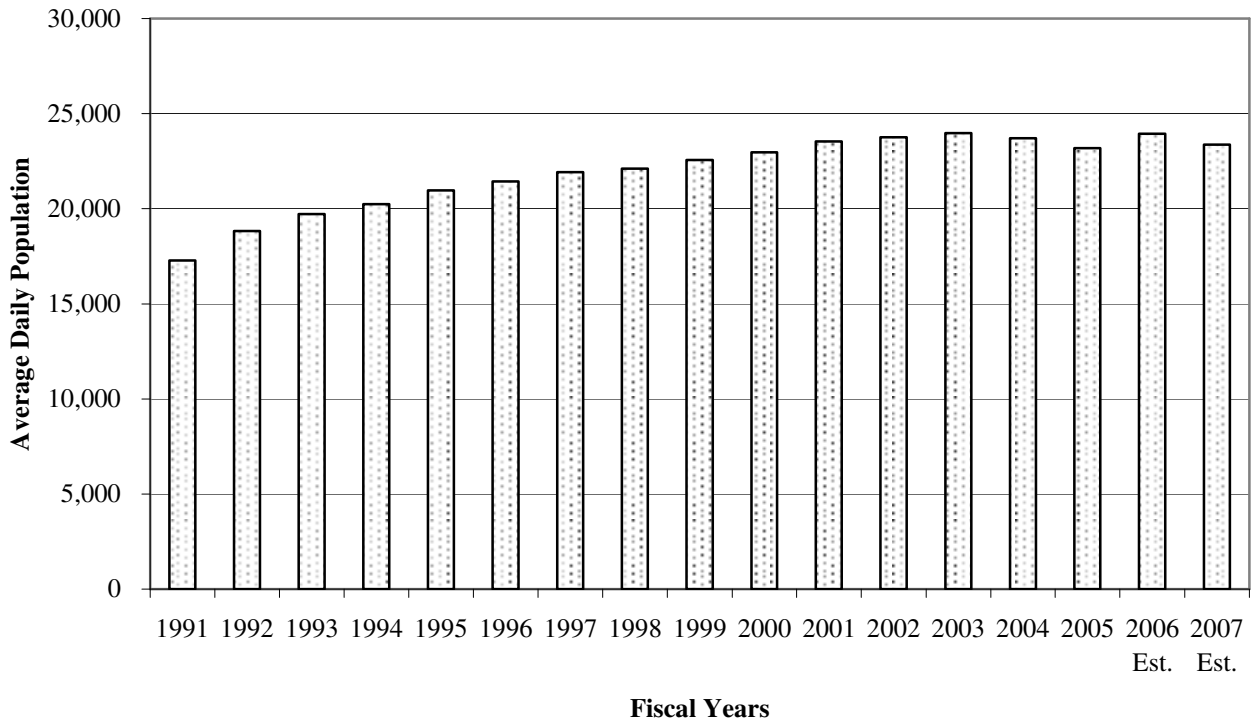
Exhibit 11
Division of Correction
Average Length of Stay and Sentence



Source: Department of Public Safety and Correctional Services

Exhibit 12 shows the results of the increased average length of stay and the increased number of intakes. The average daily population (ADP) in DOC grew 34.1% between fiscal 1991 and fiscal 2005. The ADP hit an all-time high in fiscal 2003 at 23,975. Since then, it declined 3.3% to 23,178 in fiscal 2005.

Exhibit 12
Division of Correction
Average Daily Population



Source: Department of Public Safety and Correctional Services

Nearly all DOC facilities are currently housing more inmates than they were designed to house. This problem has been addressed by many methods, including creating dormitory-style housing in some open spaces within facilities, placing two inmates in cells originally designed for one, and employing the use of non-traditional housing (i.e., Quonset huts). The department has also undertaken capital projects intended to reduce some of the overflow. **The department should be prepared to comment on its population management efforts in the face of chronic over-crowding.**

Patuxent Institution

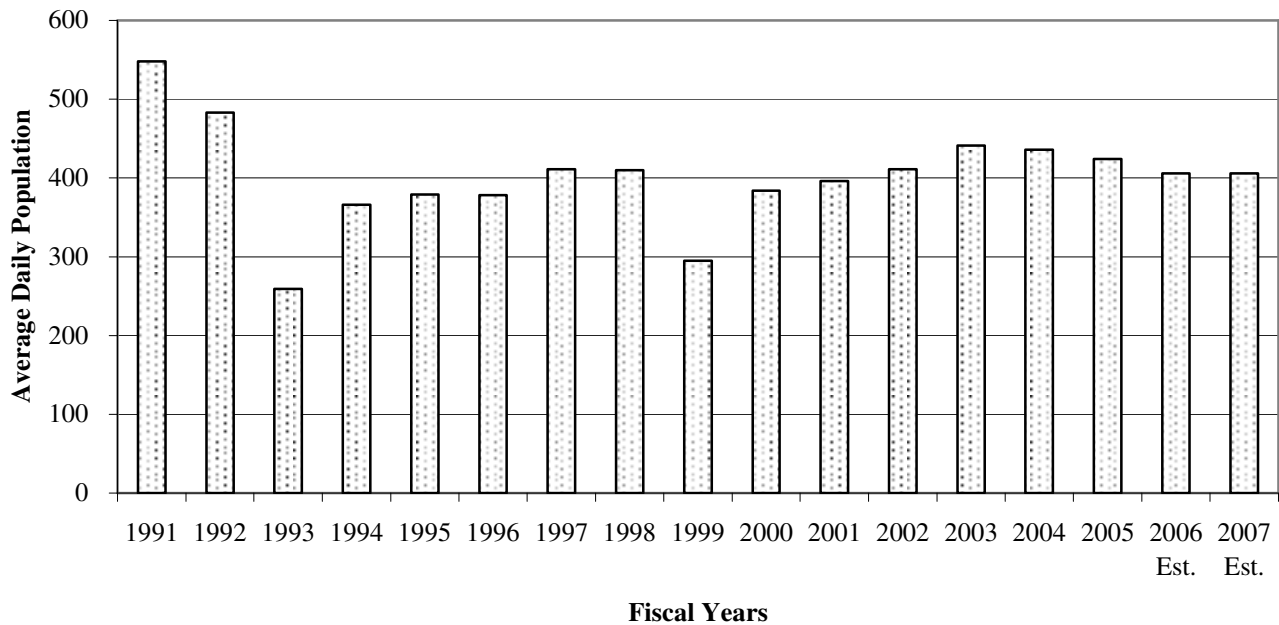
The Patuxent Institution is a maximum security, treatment-oriented correctional facility that is separate in both management and budget from DOC. There are some DOC inmates housed at Patuxent while they participate in the Correctional Options' ROTC or the Maryland Offender Transition Program or while they await evaluation for Patuxent programs. Also, inmates removed from Patuxent programs may be transferred to DOC custody.

Q00 – DPSCS – Fiscal 2007 Budget Overview

The Governor’s allowance for fiscal 2007 for the Patuxent Institution is approximately \$39.3 million, which is an increase of approximately \$3.4 million, or 9.5% over the fiscal 2006 working appropriation. The allowance includes 496.5 full-time equivalent positions at Patuxent, which is the same number of positions in the fiscal 2006 working appropriation.

The Patuxent Institution has actually seen a decline in its population since fiscal 1991, though population figures have been climbing the last several years. **Exhibit 13** shows the Patuxent Institution average daily population. Between fiscal 1991 and 2005 Patuxent’s ADP declined by 124 inmates, or approximately 22.6%. However, since the recent population low in 1999, the ADP has grown by 129 inmates, or approximately 43.7%.

Exhibit 13
Patuxent Institution
Average Daily Population



Source: Department of Public Safety and Correctional Services

Division of Parole and Probation

The Division of Parole and Probation (DPP) supervises or monitors offenders who are serving or completing sentences in the community. DPP operates 43 field offices from which they oversee parolees, DOC inmates on mandatory supervision, Drinking Driver Monitor Program participants, and offenders in the Correctional Options Program.

Q00 – DPSCS – Fiscal 2007 Budget Overview

The Governor’s fiscal 2007 allowance includes approximately \$91.1 million for the Division of Parole and Probation. This is an increase of approximately \$5.2 million, or 6.1% over the fiscal 2006 working appropriation. DPP has 1,256 full-time equivalent positions in the fiscal 2007 allowance, which is an increase of 2 positions over the working appropriation. However, though its position count comprises approximately 11.1% of DPSCS positions, DPP’s budget is only 8.2% of the DPSCS total allowance.

Exhibit 14 charts the growth in the number of cases of parolees and mandatory supervisions under DPP supervision. Some offenders may have multiple cases under supervision, so the numbers do not accurately reflect the number of individuals under DPP supervision.

Exhibit 14
Division of Parole and Probation
Cases under Supervision



Source: Department of Public Safety and Correctional Services

The number of parole cases under DPP supervision has actually declined by 2,822 cases, or 23.2% since fiscal 1998. However, the number of mandatory supervision cases has increased by 1,224 cases, or 10.5% during the same period.

Issues

1. Unnecessary Vacancies

The fiscal 2007 allowance turnover rate for the department is 6.6%, which necessitates that 749 positions be held vacant. As of January 1, 2006, DPSCS had 1,049 vacancies, or 300 more vacancies than are needed to meet turnover.

The allowance includes 31 new positions. Of these, 26 are in DOC – 13 for the expansion of RESTART and 13 for the expansion of Maryland Correctional Enterprises. Another 3 positions are in the Division of Parole and Probation for the expansion of CSAFE, and the final 2 positions are in the Maryland Parole Commission (MPC).

In light of the number of unnecessary vacancies in the department, DLS recommends that the 31 new positions and associated funds be deleted. DLS further recommends that existing department PINs be converted to replace the requested positions.

2. Fiscal 2005 Closeout

In the 2005 *Joint Chairmen's Report*, the budget committees requested that DPSCS submit a report on the fiscal 2005 General Fund Closeout. This report was requested in response to significant movement of funds by budget amendment as part of the fiscal 2004 closeout. The department submitted a report entitled "Fiscal Year 2005 General Fund Closeout for the Joint Chairmen's Report."

The department submitted two fiscal year-end budget amendments to reallocate the fiscal 2005 general fund appropriation among agencies within the department. **Exhibit 15** shows the net result of these two amendments.

Exhibit 15 Net Result of Fiscal 2005 General Fund Closeout Amendments

	<u>Net Result</u>
Secretary	-\$588,000
DPDS	2,768,000
DOC	-1,493,000
MPC	-141,000
DPP	-317,000
Patuxent	-126,000
MCCS	-103,000

Source: Department of Public Safety and Correctional Services

Q00 – DPSCS – Fiscal 2007 Budget Overview

The first of these amendments, #260-05, realigned funds for employee and retiree health insurance. The Office of the Secretary (OS) and DPDS had deficits in this area that were filled by an excess of funds moved from DOC. The department also reverted approximately \$2.8 million of funds for employee and retiree health insurance.

The second amendment, #261-05, reallocated funds within the department “in accordance with actual expenditures.” OS funds were available due to higher than budgeted contractual vacancies, lower than budgeted data telecommunications line charges, and reductions in the amount needed for data processing and other programming services. In DOC, some of the OS information technology funds were used to purchase additional security equipment and radios. DOC also filled deficits for fuel and utilities, materials and supplies, local jail back-up, and local jail reimbursement payments (as a result of a legislative reduction). DOC funds from higher than budgeted vacancy rates and an increase in the reimbursement amount from the Federal Marshal for housing federal prisoners were available for internal use and to transfer to other DPSCS units.

The remaining agencies that had surplus funds – Maryland Parole Commission, DPP, Patuxent and Maryland Commission on Correctional Standards – had the funds available due higher than budgeted vacancy rates. The appropriation for DPDS was the only one increased by this budget amendment. These funds were required for increases in costs of contractual food service, increased fuel and utility costs, and increases in costs for materials and supplies (housekeeping and hygienic supplies, officer uniforms and inmate clothing).

Fiscal 2005 marked the second year that general funds had to be reallocated to DPDS at closeout. As shown in Exhibit 15, the appropriation for DPDS was increased by approximately \$2.8 million at closeout in fiscal 2005. In fiscal 2004 the appropriation for DPDS was increased by approximately \$5.3 million at closeout. As in fiscal 2005, all other DPSCS agencies saw a net loss in fiscal 2004 with one exception – the Office of the Secretary, which saw a net gain of approximately \$2.1 million at closeout in fiscal 2004. **Given these repeated transfers, the department should be prepared to discuss the reliability of its budget proposal for DPDS for fiscal 2006 and 2007.**

The department also addressed general fund reversions in the report. Approximately \$2.8 million of the total \$3.3 million reversion was for unused funds for Employee and Retiree Health Insurance. An even larger reversion of funds dedicated to health insurance was made in fiscal 2004. **The department should be prepared to discuss what adjustments have been made to the fiscal 2007 allowance to prevent the same health care reversions from occurring again.**