

Q00D00
Patuxent Institution
 Department of Public Safety and Correctional Services

Operating Budget Data

(\$ in Thousands)

	<u>FY 07</u> <u>Actual</u>	<u>FY 08</u> <u>Working</u>	<u>FY 09</u> <u>Allowance</u>	<u>FY 08-09</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$43,220	\$42,642	\$47,057	\$4,415	10.4%
Special Fund	508	500	580	80	15.9%
Reimbursable Fund	798	300	0	-300	-100.0%
Total Funds	\$44,526	\$43,442	\$47,637	\$4,195	9.7%

- One deficiency appropriation for \$795,584 is needed to fund additional overtime expenditures for fiscal 2008.
- The fiscal 2009 allowance increases approximately \$4.2 million, or 9.7%. Absent health insurance or Other Post Employment Benefit funding which distorts year-to-year comparisons, the agency's budget increases by \$1.4 million, or 3.6%. After accounting for the fiscal 2008 deficiency appropriation, agency budget growth is 1.5%, or \$608,000.

Personnel Data

	<u>FY 07</u> <u>Actual</u>	<u>FY 08</u> <u>Working</u>	<u>FY 09</u> <u>Allowance</u>	<u>FY 08-09</u> <u>Change</u>
Regular Positions	509.50	522.50	522.50	0.00
Contractual FTEs	0.60	2.30	2.30	0.00
Total Personnel	510.10	524.80	524.80	0.00

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	39.97	7.65%
Positions Vacant as of 12/31/07	38.00	7.27%

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

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Analysis in Brief

Recommended Actions

1. Adopt committee narrative directing the Patuxent Institution to specifically identify participants in the Patuxent Eligible Person remediation program when reporting the average daily population in its Managing for Results measures.

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Patuxent Institution
Department of Public Safety and Correctional Services

Operating Budget Analysis

Program Description

Patuxent Institution is a maximum security, treatment-oriented correctional facility that provides remediation to male and female offenders in its Eligible Person Program and Patuxent Institution Youth Program. 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). For fiscal 2009, it is estimated that the institution's average daily population (ADP) will be 801 inmates. Additionally, the institution operates a Re-Entry facility in Baltimore City to assist certain offenders' return to society.

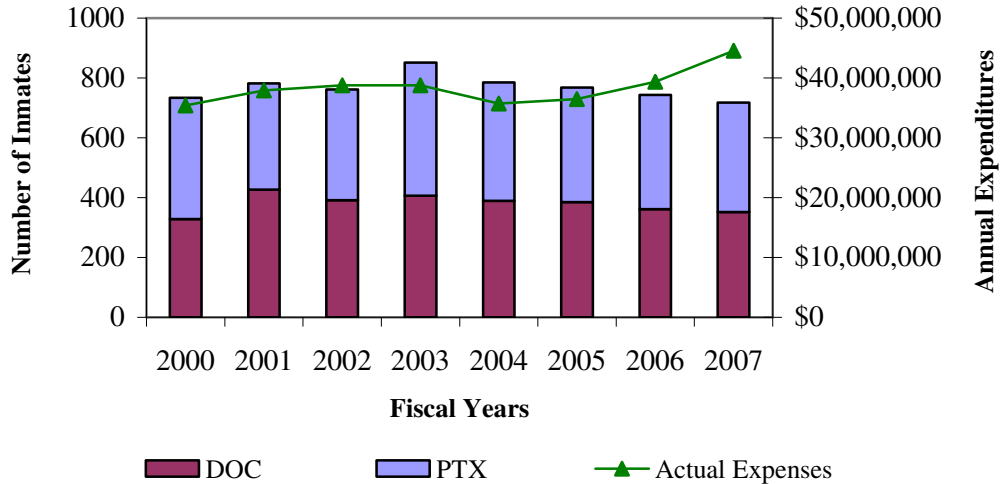
Performance Analysis: Managing for Results

The mission of the Patuxent Institution is to provide innovative and effective treatment programs and services in a safe, secure facility to specialized offending populations while enhancing public safety. In order to abide by its mission, the institution must demonstrate good and efficient management of the facility in order to address the security and treatment needs of these specialized inmate populations. **Exhibit 1** shows changes in the ADP for housed offenders and the total annual expenses for the institution for fiscal 2000 through 2007. The expenditures have been adjusted to fiscal 2007 dollars so as to account for inflation.

From fiscal 2000 to 2003, the ADP increased 15.7%, or 117 inmates. During that same time, annual expenditures adjusted for inflation increased 25.8%. More recently, the ADP has declined 14.5% since its peak in fiscal 2003. Despite this recent decline in population, total expenditures have increased 34.3% during the same time period. Even after adjusting for inflation, the State is paying approximately \$13,000, or 27.2% more per year per inmate in fiscal 2007 than in fiscal 1995. **Patuxent should be prepared to comment on what is driving the decline in the population and what steps are being taken to ensure that all offenders who need the specialized services offered by the facility are receiving them. The institution should also explain why expenditures are increasing so significantly during periods of decreased population.**

The majority of the performance measures for the Patuxent Institution address the portion of its mission that requires a safe and secure facility. As a custodial institution within the Department of Public Safety and Correctional Services (DPSCS), that is appropriate. The facility has not had an inmate escape, walk-off, or incorrect release in more than six years. **Exhibit 2** further demonstrates the institution's success in achieving its goals with regard to security measures, as inmate-on-staff assault rates dropped by 35.7% between fiscal 2006 and 2007 to a rate of 4.74 assaults per 100 ADP. Of those total assaults, approximately 94.0% were of the less serious nature. Inmate-on-inmate

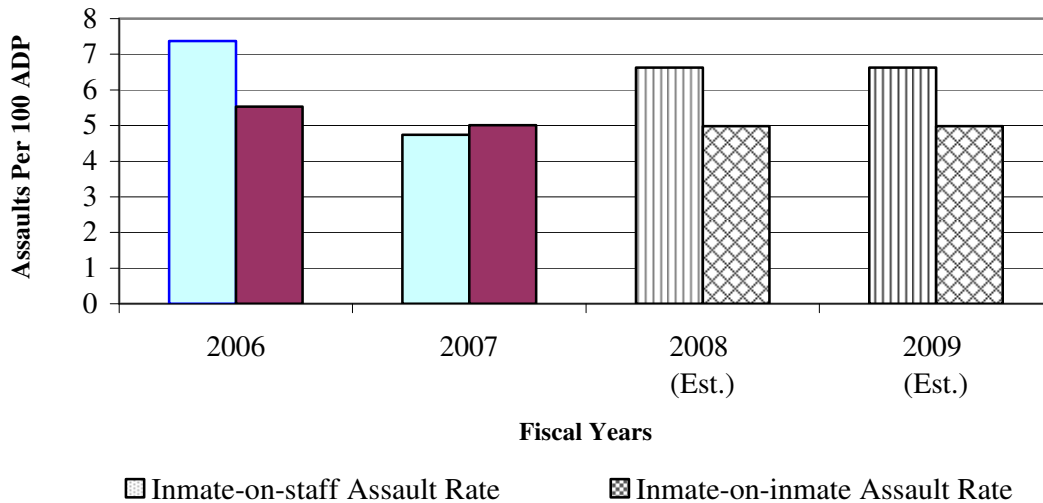
Exhibit 1
ADP for Housed Offenders vs. Annual Expenditures Adjusted for Inflation
Fiscal 2000-2007



ADP: average daily population
 PTX: Patuxent Institution

Source: Department of Public Safety and Correctional Services

Exhibit 2
Inmate Assault Rates Per 100 Average Daily Population
Fiscal 2006-2009 Estimates



Source: Department of Public Safety and Correctional Services

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assaults also declined in fiscal 2007 to a rate of 5.01 assaults per 100 ADP. This only represents a 9.0% reduction in the total inmate-on-inmate assault rate, thus falling short of the target 10.0% reduction from the fiscal 2006 level. Although less serious assaults account for 81.0% of the total inmate-on-inmate assaults, the decline in less serious assaults did not outweigh the 43.0% increase in the serious assault rate. **The department should be prepared to comment on what contributed to the increase in serious inmate-on-inmate assaults in fiscal 2007 and what steps are being taken to meet the target in the future and further reduce all types of violence at the institution.**

The institution uses revocation of work release or parole status due to commission of a new criminal offense or positive drug test as a measure of the effectiveness that the treatment services have on remediating offenders in the community. According to this measure, the agency has had some success since no status has been revoked since fiscal 2005. Beyond this measure, however, the current performance measures do not adequately address the treatment service component of the facility's mission. Patuxent Institution refers to itself as the flagship for treatment programming within DPSCS. According to the agency's fiscal 2006 *Annual Report*, the institution just completed a revamp of several treatment programs, including the Regimented Offender Treatment Program, the Residential Substance Abuse Treatment (RSAT) Program, and the Women's Intensive Treatment Program. Under the current Managing for Results measures, however, there is no assessment addressing the treatment portion of the agency's mission. **The institution should be prepared to comment on how it currently measures the effect its specialized programming has on offenders within the prison and how the institution is helping DOC inmates prepare for return to the general population. It should also address what additional measures and data are available to assess the effectiveness, productivity, and success of current treatment programs.**

Fiscal 2008 Actions

Proposed Deficiency

The fiscal 2009 allowance includes one fiscal 2008 deficiency appropriation totaling \$795,584. The deficiency is needed to fund additional overtime expenditures, which were understated in the fiscal 2008 budget.

Governor's Proposed Budget

As shown in **Exhibit 3**, the Governor's fiscal 2009 allowance increases by approximately \$4.2 million, or 9.7%, from the fiscal 2008 working appropriation. General fund expenditures increase by approximately \$4.4 million, offset by a \$300,000 decrease in reimbursable funds.

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

How Much It Grows:	General Fund	Special Fund	Reimb. Fund	Total
2008 Working Appropriation	\$42,642	\$500	\$300	\$43,442
2009 Governor’s Allowance	<u>47,057</u>	<u>580</u>	<u>0</u>	<u>47,637</u>
Amount Change	\$4,415	\$80	-\$300	\$4,195
Percent Change	10.4%	15.9%	-100.0%	9.7%

Where It Goes:

Personnel Expenses

Increments and other compensation	\$565
Overtime earnings	923
Health insurance pay-as-you-go costs	962
Health insurance – reduce long-term Other Post Employment Benefits liability	1,829
Fiscal 2008 Budget Section 45 – one-time hiring freeze savings	131
Workers’ Compensation.....	262
Turnover adjustments	-1,044
Other fringe benefit adjustments	85

Other Changes

Eliminated funding for preventative maintenance contracts that were not needed.....	-106
Reduction in materials and supplies due to cost containment.....	-102
Fuel and utilities	160
Inmate health care contracts.....	273
Expanded HIV testing and treatment	89
Inmate Welfare Funds to be transferred to the Maryland State Department of Education to support inmate education	50
Other.....	118

Total **\$4,195**

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

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Salaries and wages account for a net increase of \$3.7 million. Overtime expenditures increase by approximately \$923,000; however, once the fiscal 2008 deficiency appropriation is accounted for, the increase is \$127,000. There is also a contingent reduction in overtime expenditures for \$127,744 included in the fiscal 2009 budget bill, which would have the effect of reducing overtime expenditures below the fiscal 2008 anticipated spending level.

The reduction in overtime is contingent upon both the enactment of legislation changing the overtime calculation to be consistent with the federal Fair Labor Standards Act (FLSA) and also the successful negotiation with AFSCME-IBT for approval in the length of shifts from 8 to 12 hours. According to the department, the adjustment to a 12-hour shift provides a number of benefits to employees including increased time off and more flexibility in scheduling leave, in addition to benefiting the management of the institution by providing an increase in manpower per shift and the potential for a reduction in sick leave usage. The move to a 12-hour shift cannot occur without the approval of the labor union, and without that, conforming to the FLSA would be too costly. Currently, the department is responsible for paying overtime to correctional officers for every minute worked beyond 40 hours per work week, or every minute beyond 160 hours per every 28-day period. Movement to a 12-hour shift would automatically award 8 hours of overtime for every work week. Under the FLSA, overtime is not awarded until after 171 hours have been worked per every 28-day period. Overtime savings is realized by not having to award overtime pay for the difference in hours worked between 160 and 171 hours per every 28-day period. In addition, having one less shift in a 24-hour period increases the amount of manpower on duty because the resources from the third shift will be incorporated into the two remaining shifts. Posts that currently have to be staffed through overtime would be filled with an officer who had previously worked the eliminated shift. Also, relief positions would only need to be utilized to reflect leave usage and not relief from overtime.

Outside of personnel, increases for contractual services account for the majority of the budget growth, totaling approximately \$316,000. A \$50,000 increase in Inmate Welfare Funds is budgeted for transfer to the Maryland State Department of Education to support inmate education and training services. In prior years, these funds were included in the lump sum transferred from DOC for inmate education. A \$362,000 increase for inmate medical services includes approximately \$89,000 for the expansion of HIV testing and subsequent treatment for those inmates testing positive. The remainder of the growth for inmate medical services is attributable to inflationary increases for secondary care and pharmaceutical costs. A \$300,000 general fund increase is to maintain current service levels for the RSAT program. A related \$300,000 reduction in reimbursable funds reflects the end of a federal grant for the RSAT program which had been awarded through the Governor's Office of Crime Control and Prevention. The end of the grant means that RSAT is now fully supported by general funds. These increases are slightly offset by a \$106,000 reduction in preventative maintenance contracts for items such as fire alarms, emergency generators, fire extinguishers, etc. Contracts had not been used in prior years, and therefore, it was determined that funds were not needed for fiscal 2009.

Impact of Cost Containment

The Patuxent Institution receives a \$102,400 reduction for supplies and materials in its fiscal 2009 allowance as a result of cost containment. This impact on agency operations is minimal, as it is simply reducing inventory levels and planned purchases of new items. However, when looking at the total fiscal 2009 budget in comparison to fiscal 2007 and 2008, cost containment appears to have more of an effect, as there is minimal overall budget growth. Absent funding for Other Post Employment Benefits (OPEB), the Patuxent Institution's fiscal 2009 allowance has grown by \$1.3 million, or 2.9% over fiscal 2007 actual expenditures. Once accounting for the fiscal 2008 deficiency appropriation and fiscal 2009 increases for OPEB and health insurance funding, the fiscal 2009 allowance increases by \$600,000, or 1.5% over the fiscal 2008 working appropriation. In addition, the turnover expectancy for the agency is increased from 4.0% in fiscal 2008 to 7.65% for fiscal 2009. The average vacancy rate since 2003 is approximately 6.4%. Having such high turnover expectancy will require the agency to leave additional positions vacant. With overtime level-funded in the allowance, once the deficiency appropriation and contingent reduction are accounted for, there is concern that the minimal budget growth experienced over the past two years may have significant impacts on the agency's operations. **DPSCS should be prepared to discuss how the minimal budget growth experienced since fiscal 2007 is impacting agency operations and should discuss the potential for underfunding in the fiscal 2009 allowance and any future operational impacts that may have.**

Recommended Actions

1. Adopt the following narrative:

Reporting Participation in the Patuxent Eligible Person Remediation Program: The committees direct the Patuxent Institution, as part of its Managing for Results performance measures, to specifically identify the number of participants in the Patuxent Eligible Person remediation program when reporting its average daily population (ADP). Correctional Services Article 4-202 states that no more than 350 offenders may be enrolled in this program, although the institution is allowed to administer other remediation programs. The current ADP reporting includes the total for all Patuxent Institution inmates. Delineation of participants in this particular program will enable the General Assembly to monitor the institution's compliance with the law.

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 2007					
Legislative Appropriation	\$37,819	\$463	\$0	\$843	\$39,125
Deficiency Appropriation	1,379	0	0	0	1,379
Budget Amendments	4,022	45	0	0	4,067
Reversions and Cancellations	0	0	0	-45	-45
Actual Expenditures	\$43,220	\$508	\$0	\$798	\$44,526
Fiscal 2008					
Legislative Appropriation	\$41,391	\$500	\$0	\$300	\$42,191
Cost Containment	0	0	0	0	0
Budget Amendments	1,251	0	0	0	1,251
Working Appropriation	\$42,642	\$500	\$0	\$300	\$43,442

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

Fiscal 2007

General fund spending for fiscal 2007 was approximately \$43.2 million, nearly \$5.4 million more than the legislative appropriation.

- Three deficiency appropriations, totaling approximately \$1.4 million, were needed to fund additional expenditures for the inmate medical contracts (\$630,000), fuel and utilities (\$412,000), and security equipment and supplies (\$337,000).
- Budget amendments increased the appropriation by approximately \$4.0 million, of which \$3.5 million was due to the realignment of funds. This included realignment for correctional officer pay incentives, overtime expenditures, and the general realignment throughout the department to meet actual expenditures. In addition, the cost-of-living adjustment (COLA) that was centrally budgeted in the Department of Budget and Management increased the appropriation by \$459,000.

Special fund spending for fiscal 2007 was approximately \$508,000. One budget amendment to realign inmate welfare funds based on actual commissary expenditures increased the appropriation by approximately \$45,000.

Reimbursable fund spending was approximately \$798,000. This includes the cancellation of approximately \$45,000 of unexpended grant funds.

Fiscal 2008

The general fund working appropriation is approximately \$42.6 million. This includes \$503,000 for the COLA, \$516,000 from a reallocation of funding from closing the Maryland House of Correction, and \$231,000 from a supplemental appropriation for inmate medical costs.

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

<u>Object/Fund</u>	<u>FY07 Actual</u>	<u>FY08 Working Appropriation</u>	<u>FY09 Allowance</u>	<u>FY08-FY09 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	509.50	522.50	522.50	0	0%
02 Contractual	0.60	2.30	2.30	0	0%
Total Positions	510.10	524.80	524.80	0	0%
Objects					
01 Salaries and Wages	\$ 33,204,964	\$ 32,766,729	\$ 36,479,243	\$ 3,712,514	11.3%
02 Technical and Spec. Fees	43,359	84,223	83,423	-800	-0.9%
03 Communication	112,129	83,952	117,361	33,409	39.8%
04 Travel	5,970	7,000	8,000	1,000	14.3%
06 Fuel and Utilities	2,173,002	2,213,166	2,373,385	160,219	7.2%
07 Motor Vehicles	127,878	63,713	44,675	-19,038	-29.9%
08 Contractual Services	6,273,810	6,296,667	6,612,467	315,800	5.0%
09 Supplies and Materials	1,404,230	1,271,067	1,207,056	-64,011	-5.0%
10 Equipment – Replacement	60,124	0	0	0	0.0%
11 Equipment – Additional	91,202	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	612,567	607,000	643,500	36,500	6.0%
13 Fixed Charges	80,075	48,218	67,422	19,204	39.8%
14 Land and Structures	336,366	0	0	0	0.0%
Total Objects	\$ 44,525,676	\$ 43,441,735	\$ 47,636,532	\$ 4,194,797	9.7%
Funds					
01 General Fund	\$ 43,219,800	\$ 42,641,531	\$ 47,056,761	\$ 4,415,230	10.4%
03 Special Fund	507,691	500,204	579,771	79,567	15.9%
09 Reimbursable Fund	798,185	300,000	0	-300,000	-100.0%
Total Funds	\$ 44,525,676	\$ 43,441,735	\$ 47,636,532	\$ 4,194,797	9.7%

Note: The fiscal 2008 appropriation does not include deficiencies.