

Q00A00
Office of the Secretary
Department of Public Safety and Correctional Services

Operating Budget Data

(\$ in Thousands)

	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	<u>FY 09-10</u>	<u>% Change</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Fund	\$61,407	\$62,033	\$62,619	\$586	0.9%
Contingent & Back of Bill Reductions	0	0	-228	-228	
Adjusted General Fund	\$61,407	\$62,033	\$62,390	\$357	0.6%
Special Fund	73,823	66,329	69,642	3,313	5.0%
Contingent & Back of Bill Reductions	0	0	-11	-11	
Adjusted Special Fund	\$73,823	\$66,329	\$69,631	\$3,302	5.0%
Federal Fund	234	1,320	433	-887	-67.2%
Adjusted Federal Fund	\$234	\$1,320	\$433	-\$887	-67.2%
Reimbursable Fund	2,642	11,290	2,427	-8,863	-78.5%
Adjusted Reimbursable Fund	\$2,642	\$11,290	\$2,427	-\$8,863	-78.5%
Adjusted Grand Total	\$138,106	\$140,972	\$134,881	-\$6,091	-4.3%

- The fiscal 2010 allowance decreases by a net \$6.1 million, or 4.3%. This is largely due the one-time transfer of reimbursable funds in fiscal 2009 from the Major Information Technology Development Project (MITDP) Fund. The Back of the Bill reduction is due to the elimination of deferred compensation and the abolishment of one position as part of a statewide consolidation of personnel classification functions. Absent the MITDP transfer, the agency's allowance grows by \$3.1 million, or 2.4%. This growth is attributable to increases in personnel expenses and 9-1-1 fees remitted to the State from phone service providers.

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

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Analysis of the FY 2010 Maryland Executive Budget, 2009

Personnel Data

	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	<u>FY 09-10</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	543.50	543.50	544.50	1.00
Contractual FTEs	<u>75.51</u>	<u>115.18</u>	<u>109.18</u>	<u>-6.00</u>
Total Personnel	619.01	658.68	653.68	-5.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	31.42	5.76%
Positions and Percentage Vacant as of 12/31/08	56.00	10.30%

- The Office of the Secretary’s personnel complement increases by one regular position and decreases by six full-time equivalents (FTEs).
- Two regular administrator positions are added in the Emergency Number Systems Board. These special fund positions are needed to coordinate 9-1-1 training and review service provider remittances. They are contractual conversions, offset by a reduction of 1.5 FTEs. These are offset by the abolishment of one position as part of a statewide consolidation of personnel classification functions.
- The remaining 4.5 contractual FTEs reduced in the fiscal 2010 allowance are in the Information Technology and Communications Division. These FTEs are eliminated because of the end of federally funded grants.

Analysis in Brief

Issues

Inmate Medical Contracts: Funding for inmate medical services has leveled off and StateStat data indicates improvement in a number of health related areas. Fiscal 2010 is the last year the Department of Public Safety and Correctional Services (DPSCS) can exercise a one-year renewal option for the current inmate medical contracts. As the department prepares for another bid process for new medical contracts, it is important to consider areas for improvement and any alternative service models or providers that might further improve service delivery while still being cost effective. **DPSCS should provide a status update on improvements made to the findings from the 2007 performance audit and should comment on whether it intends to make alterations to the current format for medical service provision or pursue alternate methods.**

Concerns with Accurate and Timely Procurements: In seven separate procurements during fiscal 2008 and 2009, the department requested the Board of Public Works to retroactively approve, provide an emergency procurement, or grant a contract extension. This indicates significant issues with DPSCS’ procurement processes and can result in increased expenses and misestimation in the

budget submissions. **DPSCS should comment on why it has struggled to procure services and leases in a timely fashion and what efforts are being made to ensure a more efficient and effective procurement process in the future. The Department of Legislative Services (DLS) recommends the department submit a report identifying the effectiveness of services provided by the Prisoner Rights Information System of Maryland to reduce recidivism.**

Emergency Number Systems Board Audit of Wired and Wireless Phone Service Providers: A February 2007 audit finding required DPSCS to conduct an audit of phone service providers to ensure that all fees were being properly remitted to the 9-1-1 Trust Fund. The final report is not expected until April 2009. The fiscal 2010 allowance includes an additional \$600,000 for another audit; however, without the knowing the extent to which funds have not been properly remitted, the cost of continuing the audit seems excessive. **DLS recommends deleting the \$600,000 included in the fiscal 2010 allowance for the fiscal 2008 and 2009 audit of 9-1-1 Trust Fund remittances and requiring DPSCS to submit a report on the results of the current audit for review by the budget committees. If the committees believe the findings are significant enough to warrant continued audits, the agency should use a budget amendment to appropriate funds for this purpose.**

Benefit Restoration and Medication Supply for Inmates Returning to the Community: Benefit restoration and the provision of an adequate medication supply for inmates returning to the community generated interest from the budget committees during the 2008 session. DPSCS and the Department of Human Resources were required to submit a report in response to committee narrative addressing those issues by December 1, 2008. To date, the report has not been received. **DPSCS should comment on what has caused the delay in submitting the report and when it will be completed.**

Recommended Actions

	<u>Funds</u>
1. Reduce out-of-state conference travel.	\$ 15,000
2. Adopt narrative requiring the department to report on the effectiveness of using the Prisoner Rights Information System of Maryland to reduce the percentage of offenders re-entering the correctional system.	
3. Delete funds for annual audit of 9-1-1 remittances from phone service providers.	600,000
4. Adopt narrative requiring the Emergency Number Systems Board to submit a report on the audit of 9-1-1 service provider remittances.	
5. Delete funding for education and training tuition reimbursement program.	50,000
Total Reductions	\$ 665,000

Updates

Alternative Plan for the Assessment of Inmates: A report in response to committee narrative was submitted in December 2008 which identifies the formalized process, developed jointly by DPSCS and the Mental Hygiene Administration, for referring seriously mentally ill individuals to the local mental health authority, the Core Service Agency in the jurisdiction to which the individual will return. The new process was implemented in September 2008.

Q00A00
Office of the Secretary
Department of Public Safety and Correctional Services

Operating Budget Analysis

Program Description

The Office of the Secretary (OOS) provides overall policy and operational direction and coordination for the activities of the operating units of the department. It establishes policy, sets priorities, and provides central support services and oversight for the constituent agencies. The office administers the State's emergency numbers program and plans, develops, and implements the capital program for the department's custody facilities. Additionally, it is responsible for maintaining the Criminal Justice Information System which State, local, and federal law enforcement rely on for accurate and timely information. The Office of Treatment Services is responsible for the provision of treatment to offenders under the control and custody of the department. This includes oversight of all medical, mental health, social work, and substance abuse treatment services, in addition to administration of the Patuxent Institution. Finally, the Professional Development Training Division is responsible for developing a highly trained and professional workforce within the department through the provision of cohesive training policies and programs ranging from correctional entrance-level training through executive and leadership development.

Performance Analysis: Managing for Results

As part of its inmate medical services model, the Department of Public Safety and Correctional Services (DPSCS) contracts with a utilization management provider, who is responsible for reviewing the use of secondary care services and maximizing utility of clinical services. In fiscal 2006, at the start of the current medical contracts, DPSCS implemented a measure for monitoring secondary care. The acuity rating is a measure intended to reflect the health of the correctional population by giving weighted consideration to the number of outpatient visits, infirmary admissions, inpatient hospital days, and emergency room admissions. The acuity rating is also a contractual provision that acts as an incentive for the utilization management provider to reduce the number of admissions and trips to outside medical providers. According to provisions in the current contract, DPSCS is to hold an incentive reserve equal to 10% of the total contract payments. The utilization management provider receives 5% of the reserve if the acuity rating does not exceed the pre-established target acuity. The additional 5% is released incrementally for every 2% reduction in the acuity rating.

Exhibit 1 shows the department's progress toward achieving its targeted acuity rating of 317. The current target was established in fiscal 2008 and reflects the mid-point of the outcomes from the first two years of the contract. The acuity rating has continued to increase since the measure was implemented, exceeding its target in both fiscal 2007 and 2008, with ratings of 340 and 350, respectively. As a result, the incentive has not been released to the contractor in either year. **DPSCS should comment on why the acuity rating has continued to increase, significantly exceeding the target of 317, and what is being done to improve the rating. The agency should comment on the likelihood of achieving the current target in the future.**

Exhibit 1
Department of Public Safety and Correctional Services
Acuity Rating for Monitoring Secondary Medical Care

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009 (Est.)</u>	<u>FY 2010 (Est.)</u>
Emergency Room Admissions	1,058	1,489	1,737	1,273	1,273
Hospital Bed Days	4,569	5,048	5,321	4,809	4,809
Infirmity Admissions	3,556	4,560	4,481	4,058	4,058
Outpatient consults	5,934	6,011	5,497	5,973	5,973
ADP	26,356	26,639	26,670	26,639	26,639
Annual Average Acuity	294	340	350	≤317	≤317

ADP: average daily population

Source: Governor's Budget Book, Fiscal 2010

Fiscal 2009 Actions

Impact of Cost Containment

Fiscal 2009 cost containment actions resulted in reductions totaling nearly \$2.5 million in general funds and approximately \$13,000 in special funds. Reductions to personnel expenses accounted for the majority of the actions, nearly \$1.7 million in general funds. Approximately \$455,000 was due to the elimination of 10 support positions in the Information Technology & Communications Division (ITCD) and 1 program manager in the Office of Treatment Services responsible for data collection and StateStat assistance. The remaining personnel reductions reflect across-the-board cuts in health insurance and contributions toward Other Post Employment Benefit liabilities.

Although \$230,000 in reductions for travel and telecommunication charges was spread across the entire Office of the Secretary (OOS), the ITCD absorbed the majority of the \$800,000 in nonpersonnel reductions. Consultant and technical support service reductions needed to provide IT related skills not available within current ITCD staff totaled \$300,000. An additional reduction of \$150,000 for a program management and programming service contract limits the division's ability to rollout the electronic submission of fingerprint images statewide. Finally, the ITCD lost approximately \$83,000 to purchase data processing equipment and provide training. **DPSCS should comment on how it intends to maintain proper functioning of the State's criminal justice IT systems given the reductions in staffing and resources.**

Proposed Budget

Exhibit 2 shows that the fiscal 2010 allowance decreases by a net \$6.0 million, including two across-the-board actions reducing deferred compensation and abolishing one position due to statewide consolidation of personnel classification functions. The 4.3% total reduction is largely due to the one-time transfer of reimbursable funds in fiscal 2009 to the ITCD from the Major Information Technology Development Project (MITDP) Fund. Approximately \$8.9 million was transferred for the Maryland Automated Fingerprint Identification System, the National Crime Information Center, and the Offender Case Management System (OCMS). An additional \$4.5 million for the OCMS is included in the MITDP Fund's fiscal 2010 budget.

Absent the MITDP transfer, the agency's allowance grows by \$3.1 million, or 2.4%. The majority of the growth, approximately \$2.8 million, or 90%, is attributable to increases in the amount of 9-1-1 fees remitted to the State from wired and wireless phone service providers. The total amount budgeted for the State portion of the fee remittances is nearly \$16.4 million, in line with fiscal 2008 actual expenditures. These special funds provide grants for equipment and training for local Public Safety Answering Points (PSAPs). At the same time, the amount of remittances passed through to the local jurisdictions used for PSAP operating expenditures declines slightly, by approximately \$177,000. The nearly \$47.1 million in the fiscal 2010 allowance is in line with fiscal 2008 actual spending.

Additional increases include \$1.1 million, or 2.8%, for personnel expenses and an additional \$651,000 for estimated usage of statewide telecommunication services. These increases are partially offset by a \$500,000 reduction in federal funds used to purchase Livescan fingerprinting machines. The statewide implementation of these machines is nearing the end of its rollout. Insurance coverage paid to the State Treasurer's Office is also reduced by \$744,000. The current rates are set based on prior years' actual claims.

Impact of Cost Containment

Cost containment actions taken in fiscal 2009 generate approximately \$1.2 million in ongoing savings in fiscal 2010. These reflect the abolishment of 11 support positions in the ITCD and the Office of Treatment Services and reductions in data processing and other IT related training, maintenance, and programming services. Additional cost containment actions taken in fiscal 2010 total \$372,000 for the ITCD, further reducing funds available for contractual services used for computer maintenance and programming.

Exhibit 2
Proposed Budget
DPSCS – Office of the Secretary
(\$ in Thousands)

How Much It Grows:	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Reimbursable</u> <u>Fund</u>	<u>Total</u>
2009 Working Appropriation	\$62,033	\$66,329	\$1,320	\$11,290	\$140,972
2010 Allowance	<u>62,619</u>	<u>69,642</u>	<u>433</u>	<u>2,427</u>	<u>135,121</u>
Amount Change	\$356	\$3,302	-\$887	-\$8,863	-\$6,091
Percent Change	0.6%	5.0%	-67.2%	-78.5%	-4.3%

Where It Goes:

Personnel Expenses

New positions.....	\$115
Increments and other compensation.....	73
Employee and retiree health insurance	1,047
Workers' compensation premium assessment	-84
Turnover adjustments.....	82
Back of Bill Reduction for deferred compensation match.....	-188
Position abolishment due to consolidation of personnel classification functions	-52
Other fringe benefit adjustments.....	32

Other Changes

One-time transfer from MITDF in fiscal 2009 for OCMS and other IT projects	-8,832
Reduction in insurance coverage	-744
Reduction in federal funds for purchase of LiveScan equipment	-500
Fiscal 2010 cost containment actions reducing IT contractual services	-372
Reduction in 9-1-1 fees passed through to the local jurisdictions.....	-177
Increase in State portion of 9-1-1 fee remittances	2,840
Increase in telecommunication costs as set by DBM.....	651
Other	18

Total **-\$6,091**

DBM: Department of Budget and Management

IT: Information Technology

MITDF: Major Information Technology Development Fund

OCMS: Offender Case Management System

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

Issues

1. Inmate Medical Contracts

Funding for inmate medical services has reached a level where the department can provide adequate medical care within the overall appropriation. Fiscal 2010 is the second consecutive year where the inmate medical contracts have increased only by the amount dictated by the contractually required inflator. StateStat data also indicates the department is able to improve a number of health related areas, such as chronic care services, HIV testing and treatment, and participation in substance abuse treatment services without requiring significantly increased resources. DPSCS has also made progress on a number of issues identified in a February 2007 performance audit, including having a methadone clinic in Baltimore City that is operating at more than full capacity and a functioning electronic patient health records system.

Fiscal 2010 is the last year DPSCS may exercise a one-year renewal option for the current inmate medical contracts. Some concerns still exist with the current operations. There is an issue with providing adequate staffing levels, both in the context of not being adequate as established in the contract and as actually provided by the contractor. In addition, the secondary care provider has yet to meet the established acuity rating. While there has been stabilization in the number of secondary care cases, the length of stay for an inmate has increased. This could be addressed through better preventative care. As the department prepares for another bid process for new medical contracts, it is important to consider areas for improvement and any alternative service models or providers that might further improve service delivery while still being cost effective. **DPSCS should provide a status update on improvements made to the findings from the 2007 performance audit and should comment on whether it intends to make alterations to the current format for medical service provision or pursue alternate methods.**

2. Concerns with Accurate and Timely Procurements

In seven separate procurements during fiscal 2008 and 2009, the department requested the Board of Public Works to retroactively approve, provide an emergency procurement, or grant a contract extension. Protracted lease negotiations and administrative oversight due to competing demands were the reasons cited by the department in four of the seven procurements. Another was due to late notification by the service provider that it intended to discontinue funding a program providing substance abuse services to inmates, requiring DPSCS to obtain additional funding in order to cover the difference. These instances indicate operational issues, such as staffing shortages and increased workload demands, within DPSCS' procurement process. According to the department, internal controls have been implemented to ensure that operational circumstances do not impact the timeliness of procurements.

Two major contract procurements, the Baltimore region food services contract and the prisoner legal services contract have been ongoing since prior to fiscal 2008. These two procurements have raised serious concerns about the department's procurement practices and policies. Numerous contract extensions and rebidding of Requests for Proposals (RFPs) have occurred as a result of errors made by DPSCS.

Baltimore Region Food Services Contract

This contract provides food services for the eight correctional facilities in the Baltimore region, in addition to providing maintenance services, minor renovations, and equipment upgrades. The original three-year contract was from February 2003 to February 2006, with two one-year renewal options. The last date of the current contract was, therefore, January 31, 2008. Over the course of calendar 2008, DPSCS has asked for a contract extension on three separate occasions. According to the agency, more time was needed to educate the vendor community about the complexity of the contract. The original contract has now been extended a total of 15 months for an additional cost of \$15.4 million. The current contract extension expires April 30, 2009. Approximately \$14.1 million has been included in the fiscal 2010 budget for this contract.

DPSCS should comment on what has delayed the procurement for a new food services contract in the Baltimore region for more than a year, also identifying any additional costs incurred from the extended contract and lengthy procurement process. The department should further comment on when it anticipates having a new contract in place and whether the fiscal 2010 allowance will be adequate based on proposals received from the vendor community.

Prisoner Rights Information Systems of Maryland

The purpose of this contract is to provide civil court-ordered attorney services to sentenced inmates incarcerated in the State's prison facilities. The original contract was from August 2004 to the end of June 2007, with a total cost of \$2.1 million. Over the course of a year and a half, DPSCS asked for three separate contract extensions, one of which was an emergency procurement for retroactive approval. During the third extension approval process, it was discovered that DPSCS had committed a number of errors over the course of the procurement. These errors most notably included providing information to the incumbent service provider and not the other competitor regarding the affordability amount for the contract and the technical specifications for the contract. This was done after the incumbent provider had submitted a bid significantly higher than what the department could afford. DPSCS also did not effectively or equally communicate the requirements of the contract as they changed since multiple best and final offers were requested by the department over the course of the process. Finally, DPSCS did not properly review the Minority Business Enterprises document submissions from the vendors since proper review from the beginning would have eliminated all vendors except the incumbent.

Given all of the confusion generated from DPSCS' errors, the original procurement was cancelled in April 2008, nine months after the original RFP was released. The procurement was rebid, and a five-year contract was awarded to the incumbent service provider in November 2008 for a total cost of \$4.3 million. The Minority Business Enterprise participation is 5% below the original goal of 25%, and the total cost is nearly \$230,000 more than the lower priced offer.

DPSCS should justify why the incumbent service provider was chosen over the alternate vendor, despite the difference in proposed cost. The department should also identify any additional costs incurred from the extended contract and lengthy procurement process. The department should also specifically identify what controls and training have been implemented to ensure that the errors committed during this procurement process do not occur in the future, specifically in regard to how it educates vendors about the procurement and communicates with them throughout the process.

Analysis of the FY 2010 Maryland Executive Budget, 2009

The new contract with Prisoner Rights Information Systems of Maryland, Inc. (PRISM) requires submission of a report every two years assessing the effectiveness of the program to reduce the percentage of offenders reentering the correctional system. **The Department of Legislative Services (DLS) recommends DPSCS submit a copy of this report to the budget committees upon its receipt from PRISM.**

3. Emergency Number Systems Board Audit of Wired and Wireless Phone Service Providers

A February 2007 Office of Legislative Audits report found that the Emergency Number Systems Board (ENSB) had not properly established procedures to verify that all 9-1-1 Trust Fund fees collected by phone service carriers were remitted to the State. As the result of the audit finding, ENSB contracted with Bert Smith and Company to conduct an audit of the monthly remittances for fiscal 2004 through 2007. The audit began in September 2008 and costs \$600,000. The final report is due in April 2009. Until the final report is issued, the amount of fees that were not properly remitted, if any, is not known. An additional \$600,000 is included in the fiscal 2010 allowance to fund another audit for fiscal 2008 and 2009. Without knowing the extent to which funds have not been properly remitted, the cost of continuing the audit for additional years seems excessive. In addition, it is not clear why ENSB anticipates needing the same level of funding when the new audit would only review two years worth of data. **DLS recommends deleting the \$600,000 included in the fiscal 2010 allowance for an audit of fiscal 2008 and 2009 9-1-1 Trust Fund remittances. DPSCS should also be required to submit a report on results of the current audit and possible scope changes or alternate audit methods that might be more cost effective.**

4. Benefit Restoration and Medication Supply for Inmates Returning to the Community

Chapter 82 of 2005 required the Department of Health and Mental Hygiene to suspend rather than terminate Medicaid benefits while an individual is incarcerated once a new eligibility system for the Medical Assistance Program was established. That eligibility system is pending, but in the interim DPSCS and the Department of Human Resources (DHR) have established several Memoranda of Understanding (MOU) to expedite benefits applications so that eligible inmates can secure benefits within 48 hours of release. Additionally, Chapter 595 of 2007 required that DPSCS provide certain inmates with access to a 30-day supply of medication for their mental illness upon release.

This issue generated interest from the committees during the 2008 session, and as a result, DPSCS and DHR were required to submit a report identifying how successful the MOUs and medication benefits have been. The report should have been submitted no later than December 1, 2008; however, to date, it has not been received. **DPSCS should comment on what has caused the delay in submitting the required report and when it anticipates providing it to the committees for review.**

Recommended Actions

- | | <u>Amount
Reduction</u> |
|---|------------------------------------|
| 1. Reduce the general fund appropriation for out-of-state conference travel. This still leaves the agency nearly \$42,000 for this purpose. | \$ 15,000 GF |
| 2. Adopt the following narrative: | |

Report on the Effectiveness of Using Prisoner Rights Information System of Maryland (PRISM) to Reduce the Percentage of Offenders Re-entering the Correctional System: The committees direct the Department of Public Safety and Correctional Services (DPSCS) to submit a report documenting the effectiveness of using PRISM to reduce the percentage of offenders re-entering the correctional system. After a series of missteps during the procurement process, DPSCS chose to award a \$4.3 million contract for inmate legal services to PRISM, the incumbent contractor, based on its proposal highlighting the company’s experience in litigating for inmates and its ability to reduce recidivism through its services. According to the procurement documentation provided to the Board of Public Works, PRISM is required to submit follow-up reports on the effectiveness of the program to help inmates from reoffending. The report to the budget committees submitted by DPSCS should provide copies of these follow-up reports, in addition to providing an explanation of the unique services offered by PRISM that makes it stand out in comparison to other eligible vendors. The report shall be submitted to the budget committees no later than December 15, 2009.

Information Request	Author	Due Date
Effectiveness of PRISM	DPSCS	December 15, 2009

- | | <u>Amount
Reduction</u> |
|---|------------------------------------|
| 3. Delete funds for annual audit of 9-1-1 remittances from phone service providers. A February 2007 Office of Legislative Audits recommendation suggested the department establish procedures to audit all phone service provider remittances to the 9-1-1 Trust Fund since fiscal 2004. The report is due in April 2009. Given the high cost of the audit, the department should wait until it receives the results of the first audit to determine if future audits are needed on an annual basis. If it is determined that a significant amount of fees were not remitted, the | 600,000 SF |

Q00A00 – DPSCS – Office of the Secretary

agency may use a budget amendment to appropriate funds for this purpose in fiscal 2010.

4. Adopt the following narrative:

Audit of 9-1-1 Service Provider Remittances: The committees direct the Emergency Number Systems Board (ENSB) to submit a report on the results of the audit of 9-1-1 service provider remittances to determine whether any discovered errors are significant enough to require future audits. ENSB should also consult with the Office of Legislative Audits and report on other possible alternative methods for auditing service provider remittances that would still be consistent with good accounting practices but is more cost effective. The report shall be submitted to the budget committees no later than July 1, 2009.

Information Request	Author	Due Date
Audit of 9-1-1 Service Provider Remittances	ENSB	July 1, 2009

- | | <u>Amount Reduction</u> |
|---|--------------------------------|
| 5. Delete funding for the education and training tuition reimbursement program. These funds are used to provide additional assistance to encourage employees to complete outside academic coursework in order to develop their professional skills. The purpose of the Professional Development and Training Division is to provide necessary skills development through in-house training. | 50,000 GF |

Total Reductions	\$ 665,000
Total General Fund Reductions	\$ 65,000
Total Special Fund Reductions	\$ 600,000

Updates

1. Alternative Plan for the Assessment of Inmates

In response to committee narrative, a report submitted in December 2008 identifies the formalized process, developed jointly by DPSCS and the Mental Hygiene Administration, for referring seriously mentally ill individuals to the local mental health authority, the Core Service Agency (CSA) in the jurisdiction to which the individual will return.

Under the new process, which was implemented in October 2008, DPSCS' responsibility is to work with the Maryland Medicaid program to help secure benefits for an individual and to make a referral to the CSA at least 30 days *prior to* the date of the individual's release from DPSCS. In an effort to ease the transition process, DPSCS staff provides a myriad of information regarding the individual's diagnosis, medication, release plan, etc. at the time the referral is made. This allows the first appointment with the CSA to be with an actual clinician and ensures better continuity of medication treatment. Under the process, the CSA's responsibility is to ensure the individual is scheduled for an appointment to receive community services within 30 days of release.

As a result of the new coordinated referral process, DPSCS intends to track information regarding the referrals made by jurisdictions and the initial community appointments made and kept. This will help to provide benchmarks for monitoring the effective implementation of the program.

Current and Prior Year Budgets

Current and Prior Year Budgets Office of the Secretary (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2008					
Legislative Appropriation	\$59,312	\$63,867	\$940	\$1,322	\$125,441
Deficiency Appropriation	4,355	0	0	0	4,355
Budget Amendments	-2,260	11,269	0	1,508	10,517
Cost Containment	0	0	0	0	0
Reversions and Cancellations	0	-1,313	-706	-188	-2,207
Actual Expenditures	\$61,407	\$73,823	\$234	\$2,642	\$138,106
Fiscal 2009					
Legislative Appropriation	\$63,317	\$66,228	\$945	\$2,312	\$132,802
Cost Containment	-2,471	-13	0	0	-2,484
Budget Amendments	1,187	114	375	8,978	10,654
Working Appropriation	\$62,033	\$66,329	\$1,320	\$11,290	\$140,972

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

Fiscal 2008

General fund spending for fiscal 2008 was approximately \$61.4 million. This was an increase of nearly \$2.1 million from the legislative appropriation.

- One deficiency appropriation for nearly \$4.4 million provided additional funding for public safety death benefits awarded to survivors of military and public safety personnel killed in the line of duty.
- Budget amendments reduced the legislative appropriation by a net of approximately \$2.3 million. The realignment of funds throughout the department due to over budgeted salaries and wages, public safety death benefits, and computer maintenance contracts resulted in a net reduction of \$4.4 million for the OOS. This reduction was offset by a \$1.1 million transfer of funds from the Division of Correction and Police and Correctional Training Commissions to the newly created Professional Development Training Division within OOS. Additional offsetting increases include approximately \$561,455 for the fiscal 2008 cost-of-living adjustment (COLA) and realignment of health insurance funds and \$510,000 from the realignment of funds due to closing the Maryland House of Correction (MHC).

Special fund spending for fiscal 2008 was approximately \$73.8 million, an increase of nearly \$10.0 million over the legislative appropriation.

- Budget amendments increase the appropriation by approximately \$11.3 million. The majority of the increase, nearly \$8.5 million, is due to the transfer of funds from the Major IT Development Fund to the department's Information Technology & Communication Division to support the development of the State's criminal history record and fingerprint identification systems. The higher than anticipated collection of 9-1-1 and criminal record check fees resulted in an increase of \$2.5 million. Finally, the remaining increase includes \$106,000 for COLAs and \$206,000 from the reallocation of funds from closing the MHC. The reallocated MHC funds are used to fund extension of the contract for inmate legal services.
- Special fund cancellations totaled approximately \$1.3 million. The majority of the cancellations, approximately \$536,000, were the result of lower than anticipated distributions of the county portion of 9-1-1 fees. Lower than anticipated expenditures for Major IT projects accounted for \$478,000, and higher than anticipated turnover accounted for the remainder of the cancelled funds.

Federal fund expenditures for fiscal 2008 totaled \$234,000. The \$706,000 reduction from the legislative appropriation was due to the cancellation of funds in the Information Technology and Communication Division due to lower than anticipated expenditures from the National Criminal History Improvement Program grant. These funds are carried forward into fiscal 2009.

Q00A00 – DPSCS – Office of the Secretary

Reimbursable fund spending for fiscal 2008 was slightly more than \$2.6 million. This was an increase of approximately \$1.3 million from the legislative appropriation.

- Budget amendments increased the legislative appropriations by \$1.5 million. Increased revenue from conducting criminal record checks for other State agencies accounts for approximately \$750,000, and an increase of \$720,000 reflects more accurate budgeting of funds within the Division of Capital Construction and Maintenance for contractual employees providing on-site monitoring of the department's capital construction projects. Funds for this purpose are included in each of the individual capital project budgets and had not been historically reflected in the operating expenditures. The remaining \$39,000 was received from the Governor's Office of Crime Control and Prevention to support a statewide Victim's Rights Conference.
- Approximately \$183,000 of the \$188,000 in reimbursable funds cancelled in fiscal 2008 was the result of higher than anticipated turnover on contractual positions funded with capital project funds and funded with grant funds from the Department of Health and Mental Hygiene. An additional \$5,000 was cancelled due to lower than anticipated revenue from criminal record checks.

Fiscal 2009

The general fund working appropriation for fiscal 2009 is approximately \$62.0 million. Three budget amendments for the cost-of-living adjustment, annual salary review, and the transfer of positions to the Professional Development Training Division for training Division of Parole and Probation employees increased the legislative appropriation by nearly \$1.2 million. This increase was offset by approximately \$2.5 million in cost containment reductions taken by the Board of Public Works in June and October 2008.

The special fund working appropriation for fiscal 2009 is approximately \$66.3 million. An \$114,000 increase to the legislative appropriation for the cost-of-living adjustment was slightly offset by \$13,000 in cost containment reductions taken by the Board of Public Works.

The federal fund working appropriation is approximately \$1.3 million. This includes an increase of \$375,000 for the ITCD to provide the appropriation for three grant projects.

The fiscal 2009 reimbursable fund working appropriation is nearly \$11.3 million. One budget amendment for nearly \$9.0 million transferred funds from the Major IT Development Fund to ITCD for the new Offender Case Management System.

Major Information Technology Projects

Department of Public Safety and Correctional Services Offender Case Management System

Project Description:	To develop a full-lifecycle case management system to manage offender information from the point of an offender's arrest and pre-trial, through incarceration and community supervision.							
Project Business Goals:								
Estimated Total Project Cost:	\$15,556,197					New/Ongoing Project:	Ongoing	
Project Start Date:	January 2005			Projected Completion Data:	To be determined after completion of a gap analysis in fiscal 2009			
Schedule Status:	The initiation date of the project was delayed, as the department reassessed the type of system that best fit its needs. The project was awarded in December 2008.							
Cost Status:	Cost estimates have changed as the department developed a more refined idea of the type of system fit its needs. A contract was awarded for \$12.5 million.							
Scope Status:	No changes in scope.							
Project Management Oversight Status:	DPSCS has increased Steering Committee meeting frequency and is confirming operations management project commitments. Four portfolio review meetings have been held. No IV&V or peer reviews have been conducted.							
Identifiable Risks:	This project is a commercial-off-the-shelf product that requires significant configuration and customization in order to address Maryland's specific needs, especially in regard to the State's unique booking process. This runs the risk of unforeseen problems and the potential for significant cost increases and delays in implementation. In addition, the contract was awarded to an England-based company, with a newly established USA presence, and, as such, has no proven domestic implementations. This further increases the importance of strict oversight by DPSCS' project team and the Department of Information Technology.							
Additional Comments:								
Fiscal Year Funding (\$ in Thousands)	Prior Years	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Balance to Complete	Total
Personnel Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Professional and Outside Services	8,200.0	4,521.2	\$5,803.0	0.0	0.0	0.0	0.0	\$18,524.0
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Costs	\$8,200.0	\$4,521.2	\$5,803.0	\$0.0	\$0.0	\$0.0	\$0.0	\$18,524.0

**Object/Fund Difference Report
DPSCS Office of the Secretary**

<u>Object/Fund</u>	<u>FY08 Actual</u>	<u>FY09 Working Appropriation</u>	<u>FY10 Allowance</u>	<u>FY09 - FY10 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	543.50	543.50	545.50	2.00	0.4%
02 Contractual	75.51	115.18	109.18	-6.00	-5.2%
Total Positions	619.01	658.68	654.68	-4.00	-0.6%
Objects					
01 Salaries and Wages	\$ 36,217,886	\$ 39,115,314	\$ 40,378,662	\$ 1,263,348	3.2%
02 Technical and Spec. Fees	3,322,846	3,713,489	3,761,683	48,194	1.3%
03 Communication	2,197,150	2,123,926	2,951,622	827,696	39.0%
04 Travel	270,809	255,102	294,334	39,232	15.4%
06 Fuel and Utilities	65,676	88,861	79,144	-9,717	-10.9%
07 Motor Vehicles	361,457	229,658	292,734	63,076	27.5%
08 Contractual Services	23,572,358	26,605,909	17,566,566	-9,039,343	-34.0%
09 Supplies and Materials	630,218	814,676	758,100	-56,576	-6.9%
10 Equipment – Replacement	3,057,588	3,230,897	3,236,224	5,327	0.2%
11 Equipment – Additional	3,109,463	1,668,659	760,000	-908,659	-54.5%
12 Grants, Subsidies, and Contributions	63,096,212	60,797,562	63,460,290	2,662,728	4.4%
13 Fixed Charges	2,204,517	2,328,057	1,581,175	-746,882	-32.1%
Total Objects	\$ 138,106,180	\$ 140,972,110	\$ 135,120,534	-\$ 5,851,576	-4.2%
Funds					
01 General Fund	\$ 61,406,647	\$ 62,032,904	\$ 62,618,520	\$ 585,616	0.9%
03 Special Fund	73,822,867	66,329,037	69,641,977	3,312,940	5.0%
05 Federal Fund	234,384	1,320,172	432,869	-887,303	-67.2%
09 Reimbursable Fund	2,642,282	11,289,997	2,427,168	-8,862,829	-78.5%
Total Funds	\$ 138,106,180	\$ 140,972,110	\$ 135,120,534	-\$ 5,851,576	-4.2%

Note: The fiscal 2009 appropriation does not include deficiencies. The fiscal 2010 allowance does not include contingent reductions.

**Fiscal Summary
DPSCS Office of the Secretary**

<u>Program/Unit</u>	<u>FY08 Actual</u>	<u>FY09 Wrk Approp</u>	<u>FY10 Allowance</u>	<u>Change</u>	<u>FY09 - FY10 % Change</u>
01 General Administration	\$ 23,334,870	\$ 22,135,692	\$ 22,487,778	\$ 352,086	1.6%
02 Information Technology and Communications Division	36,036,810	37,223,197	37,016,625	-206,572	-0.6%
03 Internal Investigative Unit	2,315,713	2,570,344	2,557,353	-12,991	-0.5%
04 9-1-1 Emergency Number Systems	58,989,965	59,539,582	62,265,516	2,725,934	4.6%
06 Div. of Cap. Construction and Facilities Maintenance	2,526,230	2,662,191	2,607,577	-54,614	-2.1%
07 Major Information Technology Development Projects	8,003,535	8,978,127	0	-8,978,127	-100.0%
08 Office of Treatment Services	4,387,408	4,690,758	4,782,203	91,445	1.9%
09 Professional Development and Training Division	2,511,649	3,172,219	3,403,482	231,263	7.3%
Total Expenditures	\$ 138,106,180	\$ 140,972,110	\$ 135,120,534	-\$ 5,851,576	-4.2%
General Fund	\$ 61,406,647	\$ 62,032,904	\$ 62,618,520	\$ 585,616	0.9%
Special Fund	73,822,867	66,329,037	69,641,977	3,312,940	5.0%
Federal Fund	234,384	1,320,172	432,869	-887,303	-67.2%
Total Appropriations	\$ 135,463,898	\$ 129,682,113	\$ 132,693,366	\$ 3,011,253	2.3%
Reimbursable Fund	\$ 2,642,282	\$ 11,289,997	\$ 2,427,168	-\$ 8,862,829	-78.5%
Total Funds	\$ 138,106,180	\$ 140,972,110	\$ 135,120,534	-\$ 5,851,576	-4.2%

Note: The fiscal 2009 appropriation does not include deficiencies. The fiscal 2010 allowance does not include contingent reductions.