

Q00D00
Patuxent Institution
Department of Public Safety and Correctional Services

Operating Budget Data

(\$ in Thousands)

	<u>FY 08</u> <u>Actual</u>	<u>FY 09</u> <u>Working</u>	<u>FY 10</u> <u>Allowance</u>	<u>FY 09-10</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$45,917	\$44,668	\$47,286	\$2,618	5.9%
Contingent & Back of Bill Reductions	0	0	-459	-459	
Adjusted General Fund	\$45,917	\$44,668	\$46,827	\$2,159	4.8%
Special Fund	650	580	686	106	18.2%
Adjusted Special Fund	\$650	\$580	\$686	\$106	18.3%
Reimbursable Fund	463	0	0	0	
Adjusted Reimbursable Fund	\$463	\$0	\$0	\$0	
Adjusted Grand Total	\$47,030	\$45,248	\$47,513	\$2,265	5.0%

- One deficiency appropriation provides an increase of nearly \$1.6 million for overtime, raw food costs, and fuel and utilities.
- The fiscal 2010 allowance increases approximately \$2.3 million, or 5.0%. The majority of agency's growth is attributable to increases in personnel expenses and inmate medical costs. This is offset by \$459,000 in contingent and Back of the Bill reductions to overtime expenses and the deferred compensation match.

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

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Personnel Data

	<u>FY 08</u> <u>Actual</u>	<u>FY 09</u> <u>Working</u>	<u>FY 10</u> <u>Allowance</u>	<u>FY 09-10</u> <u>Change</u>
Regular Positions	522.50	506.50	506.50	0.00
Contractual FTEs	<u>1.41</u>	<u>2.06</u>	<u>2.06</u>	<u>0.00</u>
Total Personnel	523.91	508.56	508.56	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	38.70	7.64%
Positions and Percentage Vacant as of 12/31/08	29.00	5.73%

Analysis in Brief

Recommended Actions

1. Adopt committee narrative directing the Patuxent Institution to report substance abuse treatment program participation and successful completions as part of its Managing for Results measures.

Q00D00
Patuxent Institution
Department of Public Safety and Correctional Services

Operating Budget Analysis

Program Description

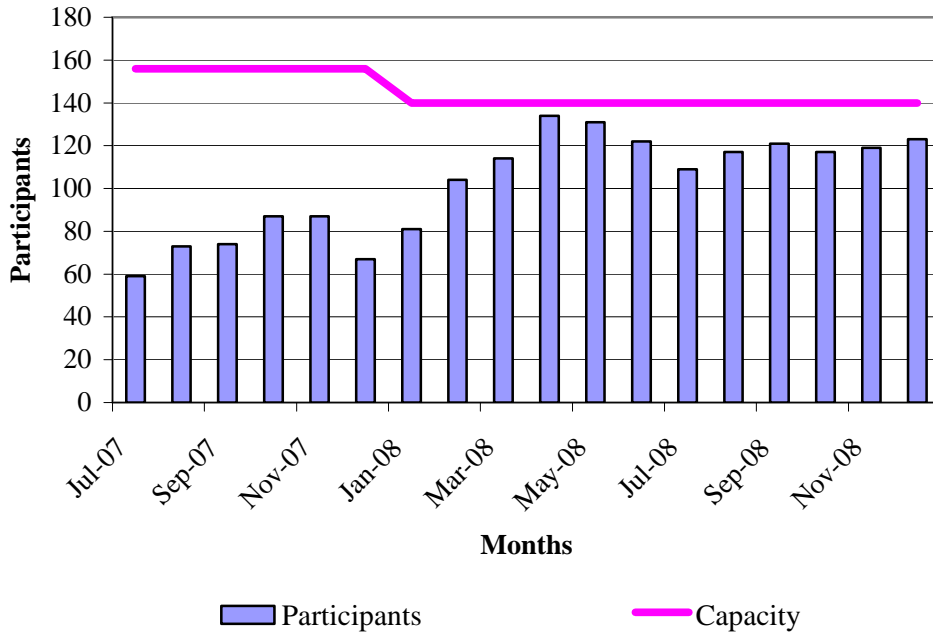
Patuxent Institution (PTX) is a maximum security, treatment-oriented correctional facility that provides remediation to male and female offenders in its Eligible Person Program and Patuxent Institution Youth Program. The institution also addresses the needs of mentally ill offenders throughout the correctional system. Patuxent Institution's remaining population is comprised of inmates from the Division of Correction either awaiting evaluation for the Eligible Person or Youth programs or who are participating in one of two Correctional Options treatment programs. For fiscal 2010, it is estimated that the institution's average daily population 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 Patuxent Institution operates one of four Therapeutic Communities (TCs) within the Department of Public Safety and Correctional Services (DPSCS). The TC at Patuxent is a four-month residential substance abuse treatment program targeted toward offenders with the highest addiction risk. As part of StateStat's monitoring of offender treatment services, DPSCS began reporting the number of TC participants on a monthly basis. **Exhibit 1** shows the number of TC participants for the PTX program on a given day within a month. This provides a representative snapshot of participation in comparison to total TC capacity. Capacity was reduced by 16 beds in January 2008 as a result of the Substance Abuse Transition Program (SATP) being cancelled due to underutilization. SATP had been created at the request of the Maryland Parole Commission for technical violators who would get the treatment without revocation and then be returned to the community upon completion.

The number of participants has steadily increased from 59 in July 2007 to a high of 134 in April 2008. Halfway through fiscal 2009, the PTX TC is averaging 118 participants per month. Given that this data represents a snapshot of one day, it is possible that the actual number of participants is higher; however, the population does appear to be relatively stable over the past 6 months. If that is the case, the agency's TC is consistently operating with approximately 20 unfilled treatment slots. **Patuxent Institution should comment on the reliability of the data and the current method for reporting participation as a gauge of utilization. The agency should also discuss why all available treatment slots are not being utilized.**

Exhibit 1
Patuxent Institution Therapeutic Community Participation



Source: Patuxent Institution StateStat

While this measure is helpful for determining how well the agency is making treatment resources available to inmates, it does not effectively measure the impact of participation in the program. That would be better represented by reporting the number of offenders successfully completing the program. **Since substance abuse treatment is an integral part of the services provided by the agency, the Department of Legislative Services recommends that the Patuxent Institution refine and report the measures for assessing participation and successful completion of substance abuse treatment and report these measures as part of its annual Managing for Results submission.**

Fiscal 2009 Actions

Proposed Deficiency

The fiscal 2010 allowance includes a deficiency appropriation for approximately \$1.6 million to cover fiscal 2009 underfunding for fuel and utilities, overtime expenses, and raw food purchases. The deficiency includes \$1.0 million for overtime expenses, increasing the fiscal 2009 working appropriation to \$3.1 million. This is still approximately \$453,000 below actual overtime costs in

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fiscal 2008. An additional \$347,000 for fuel and utilities increases the fiscal 2009 appropriation to \$2.4 million. Funding for raw food purchases used for inmate meals is increased by \$239,000.

Impact of Cost Containment

Fiscal 2009 cost containment actions reduced the agency's budget by approximately \$2.0 million. The majority of the reductions were to personnel-related expenses, largely resulting from across the board reductions to health insurance and Other Post Employment Benefit payments; however, it also includes the abolishment of 16 vacant positions.

Proposed Budget

As shown in **Exhibit 2**, the Governor's allowance increases by nearly \$2.3 million, or 5.0%. Adjusting for fiscal 2009 deficiencies, the allowance grows by \$1.1 million, or 2.4%. Personnel expenses account for a net increase of \$1.7 million. Overtime expenditures increase by approximately \$897,000; however, once the fiscal 2009 deficiency appropriation is accounted for, the fiscal 2010 overtime allowance decreases by \$103,000. The agency also has a higher than usual budgeted turnover expectancy of 7.6%. This reduces the allowance by \$716,145 and requires the agency to have the equivalent of 38.7 vacancies. Currently, PTX has only 29 vacancies. This means that the agency will either require additional funding for salaries and wages, or will need to hold positions open as they become vacant over the course of the fiscal year.

Outside of personnel expenses, funding for inmate medical costs increases \$925,000 in the fiscal 2010 allowance. This 21.0% growth reflects more accurate budgeting for inmate medical costs among the custodial agencies, which should reduce the need to realign funds throughout the department for this purpose via budget amendment. Inmate welfare funds used for commissary purchases also increase by approximately \$115,000.

PTX receives an \$86,000 reduction for fuel and utilities. It is believed that the fiscal 2010 allowance for fuel and utilities is underfunded, given that it is 14.7% below fiscal 2008 actual spending, and 18.0% below the fiscal 2009 working appropriation, accounting for the deficiency appropriation.

Exhibit 2
Proposed Budget
DPSCS -- Patuxent Institution
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Reimb. Fund	Total
2009 Working Appropriation	\$44,668	\$580		\$45,248
2010 Allowance	<u>47,286</u>	<u>686</u>		<u>47,972</u>
Amount Change	\$2,618	\$106		\$2,724
Percent Change	5.9%	18.2%		6.0%
Contingent Reductions	-\$459	\$0	\$0	-\$459
Adjusted Change	\$2,159	\$106	\$0	\$2,265
Adjusted Percent Change	4.8%	18.2%		5.0%
Where It Goes:				
Personnel Expenses				
Increments and other compensation				\$137
Overtime				897
Employee and retiree health insurance				1,465
Retirement				263
Other Post Employment Benefits				-156
Workers' compensation premium assessment.....				-289
Across-the-board reduction for deferred compensation match.....				-29
Turnover adjustments				-716
Other fringe benefit adjustments				119
Other Changes				
Fuel and utilities				-86
Inmate medical expenses				925
Inmate commissary				115
Other				49
Contingent Reductions				
Overtime reduction resulting from transfer to 12-hour shift				-430
Total				\$2,265

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

Fiscal 2010 Contingent Reductions

The elimination of the deferred compensation match reduces the allowance by approximately \$29,000. There is also a \$430,000 contingent reduction in overtime expenditures included in the fiscal 2010 budget bill. Once accounting for the contingent reduction, overtime expenditures are reduced to \$2.6 million, approximately 27.8% below what was spent in fiscal 2008.

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 increasing 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.

Recommended Actions

1. Adopt the following narrative:

Reporting Substance Abuse Treatment Program Related Measures: The budget committees direct the Patuxent Institution, as part of its Managing for Results performance measures, to report the number of participants in substance abuse treatment programs in relation to program capacity and the number of successful completions from the program. Substance abuse treatment is an integral component of the services provided at the Patuxent Institution, and reporting of this information will help the committees ensure that treatment resources are being adequately utilized and having successful outcomes.

Information Request	Author	Due Date
Substance Abuse Treatment Program Measures	Patuxent Institution	With the annual budget submission

Current and Prior Year Budgets

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

Fiscal 2008	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Legislative Appropriation	\$41,391	\$500	\$0	\$300	\$42,191
Deficiency Appropriation	796	0	0	0	796
Budget Amendments	3,731	150	0	164	4,045
Cost Containment	0	0	0	0	0
Reversions and Cancellations	0	0	0	-1	-1
Actual Expenditures	\$45,918	\$650	\$0	\$463	\$47,031
Fiscal 2009					
Legislative Appropriation	\$46,147	\$580	\$0	\$0	\$46,727
Cost Containment	-1,995	0	0	0	-1,995
Budget Amendments	516	0	0	0	516
Working Appropriation	\$44,668	\$580	\$0	\$0	\$45,248

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

Fiscal 2008

General fund spending for fiscal 2008 was approximately \$45.9 million, \$4.5 million more than the legislative appropriation.

- One deficiency appropriation for approximately \$796,000 was needed to fund additional overtime expenditures.
- Budget amendments increased the appropriation by slightly more than \$3.7 million, of which \$2.7 million was due to the realignment of funds. Additional funds were needed because of under budgeted fuel and utilities, employee overtime, inmate food, and inmate medical care expenditures. An additional \$506,000 was received from the reallocation of available funds generated through closing the Maryland House of Correction. Finally, the cost-of-living adjustment (COLA), which was centrally budgeted in the Department of Budget and Management, increased the appropriation by \$503,000.

Special fund spending for fiscal 2008 was approximately \$650,000. Two budget amendments for the COLA and to realign inmate welfare funds based on actual commissary expenditures increased the appropriation by approximately \$150,000.

Reimbursable fund spending was approximately \$463,000. This includes a budget amendment increasing the appropriation by \$164,000 because of a grant from the Governor's Office of Crime Control and Prevention supporting the Residential Substance Abuse Treatment program.

Fiscal 2009

The general fund working appropriation of \$44.7 million reflects a net reduction of approximately \$1.5 million from the legislative appropriation. A \$516,000 increase from the fiscal 2009 COLA is offset by nearly \$2.0 million in cost containment reductions. Patuxent Institution lost 16 positions and approximately \$1.7 million in personnel expenses, including across-the-board reductions for health insurance and Other Post Employment Benefit payment. The remaining \$300,000 reduction was related to energy performance savings.

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

<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	522.50	506.50	506.50	0	0%
02 Contractual	1.41	2.06	2.06	0	0%
Total Positions	523.91	508.56	508.56	0	0%
Objects					
01 Salaries and Wages	\$ 34,197,225	\$ 34,398,404	\$ 36,120,166	\$ 1,721,762	5.0%
02 Technical and Spec. Fees	78,226	83,423	86,407	2,984	3.6%
03 Communication	117,359	117,361	122,027	4,666	4.0%
04 Travel	8,348	8,000	7,600	-400	-5.0%
06 Fuel and Utilities	2,322,031	2,065,831	1,979,691	-86,140	-4.2%
07 Motor Vehicles	92,389	44,675	62,596	17,921	40.1%
08 Contractual Services	7,458,846	6,562,467	7,477,355	914,888	13.9%
09 Supplies and Materials	1,684,740	1,247,056	1,278,456	31,400	2.5%
10 Equipment – Replacement	2,355	0	0	0	0.0%
11 Equipment – Additional	15,412	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	808,642	653,500	770,100	116,600	17.8%
13 Fixed Charges	82,048	67,422	67,457	35	0.1%
14 Land and Structures	163,000	0	0	0	0.0%
Total Objects	\$ 47,030,621	\$ 45,248,139	\$ 47,971,855	\$ 2,723,716	6.0%
Funds					
01 General Fund	\$ 45,917,115	\$ 44,667,848	\$ 47,285,932	\$ 2,618,084	5.9%
03 Special Fund	650,204	580,291	685,923	105,632	18.2%
09 Reimbursable Fund	463,302	0	0	0	0.0%
Total Funds	\$ 47,030,621	\$ 45,248,139	\$ 47,971,855	\$ 2,723,716	6.0%

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

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Appendix 2