

Q00P00
Division of Pretrial Detention and Services
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	\$150,074	\$148,089	\$157,711	\$9,623	6.5%
Contingent & Back of Bill Reductions	0	0	-1,451	-1,451	
Adjusted General Fund	\$150,074	\$148,089	\$156,261	\$8,172	5.5%
Special Fund	1,994	2,334	2,164	-169	-7.3%
Adjusted Special Fund	\$1,994	\$2,334	\$2,164	-\$169	-7.3%
Federal Fund	4	10	10	0	-1.0%
Adjusted Federal Fund	\$4	\$10	\$10	\$0	-1.0%
Adjusted Grand Total	\$152,071	\$150,432	\$158,435	\$8,003	5.3%

- Two fiscal 2009 deficiency appropriations are needed to provide an additional \$1 million for increased overtime expenditures and \$557,000 for fuel and utilities.
- The fiscal 2010 allowance increases by \$8.0 million, or 5.3%. The majority of the increase can be attributed to personnel expenses and inmate medical costs. Contingent reductions include \$1.4 million in overtime savings from converting to a 12-hour shift, and \$51,000 from the elimination of the deferred compensation match.

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	1,603.00	1,599.00	1,599.00	0.00
Contractual FTEs	<u>13.41</u>	<u>23.20</u>	<u>23.20</u>	<u>0.00</u>
Total Personnel	1,616.41	1,622.20	1,622.20	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	108.73	6.80%
Positions and Percentage Vacant as of 12/31/08	79.00	4.94%

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

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Analysis in Brief

Issues

April 2008 Office of Legislative Audits Findings: An April 2008 Office of Legislative Audits report indicated 10 findings for the Division of Pretrial Detention and Services (DPDS), half of which were repeat findings. Some of the more notable findings included issues with service agreements, contracting for temporary employment, and proper execution of lease agreements. **DPDS should comment on how it is assessing the impact of the quality case review process and also identify what steps it is taking to ensure that payments made are consistent with services received. DPDS should comment on its attempts to identify and collect amounts owed by the nonprofit for renting DPDS office space.**

Recommended Actions

1. Concur with Governor's allowance.

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Division of Pretrial Detention and Services
Department of Public Safety and Correctional Services

Operating Budget Analysis

Program Description

The Division of Pretrial Detention and Services (DPDS) is responsible for processing and managing the care, custody, and control of Baltimore City arrestees and detainees in a safe, humane, and secure environment. DPDS also provides bail recommendations to the courts in Baltimore City and supervises defendants who have been released to the community to await trial.

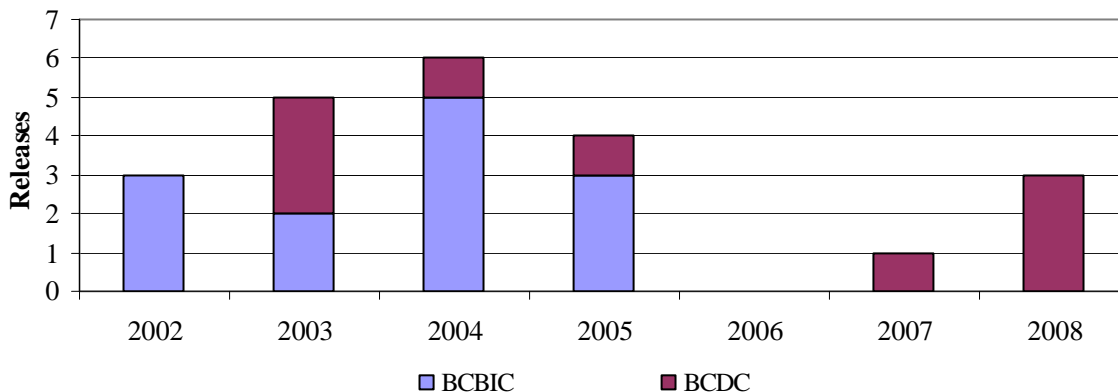
Performance Analysis: Managing for Results

The mission of DPDS is to ensure the safety of the public and maintain the security of the defendants and detainees under supervision. **Exhibit 1** shows the number of erroneous releases since fiscal 2002. The division had three erroneous releases in fiscal 2008, all of which were released from the Baltimore City Detention Center (BCDC). **DPDS should comment on the cause for the erroneous releases and whether the agency's current information technology systems and the lack of real-time data communication with other criminal justice agencies was a contributing factor.**

DPDS has been working to reduce contraband within the Baltimore City facilities in order to create a safer, more secure environment. **Exhibit 2** shows the number of weapons found by correctional staff within DPDS facilities since fiscal 2006. The number of weapons found within DPDS facilities declined 24.3% from fiscal 2006 to 2007, but increased slightly in fiscal 2008, from 584 to 622 weapons. The majority of weapons are found in the BCDC. The division is anticipating a continued increase for fiscal 2009 to 660 weapons. The increase in the number of weapons found can be partially attributed to an increase in the number of cell searches conducted by using special assignment posts funded through overtime. The division is estimating a continued increase in contraband finds despite overtime being underfunded. **DPDS should comment on how it intends to continue its policies for reducing contraband in the facilities even though overtime is underfunded.**

An increase in the number of weapons found by correctional staff is an indicator of good performance by custodial staff in terms of identifying and removing it from the offender's possession; however, a better goal would be to keep contraband from entering the facilities in the first place. **DPDS should comment on what steps it is taking to reduce the amount of contraband that is entering the facilities and what actions are taken against offenders who are found with weapons.**

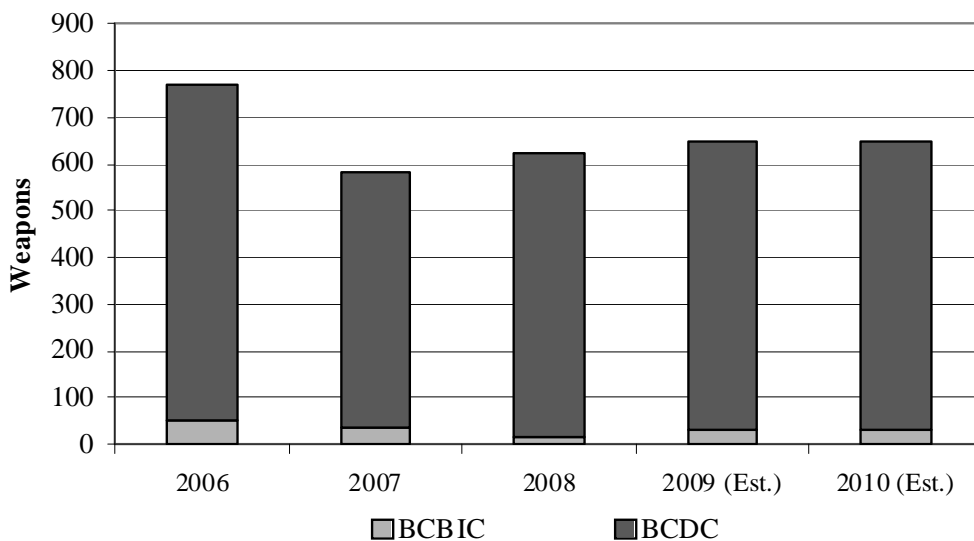
Exhibit 1
Division of Pretrial Detention and Services Erroneous Releases
Fiscal 2002-2008



BCBIC: Baltimore Central Booking and Intake Center
 BCDC: Baltimore City Detention Center

Source: Governor's Budget Books, Fiscal 2010

Exhibit 2
Division of Pretrial Detention and Services
Weapons Found by Correctional Staff
Fiscal 2006-2010



BCBIC: Baltimore Central Booking and Intake Center
 BCDC: Baltimore City Detention Center

Source: Governor's Budget Books, Fiscal 2010

Fiscal 2009 Actions

Proposed Deficiency

There are two fiscal 2009 deficiency appropriations totaling nearly \$1.6 million for overtime expenses and fuel and utilities. Underfunding for overtime requires an additional \$1.0 million in the current year budget, increasing the fiscal 2009 working appropriation to \$9.8 million. An additional \$557,000 is needed to cover funding deficiencies for fuel and utility usage. This increases the fiscal 2009 working appropriation to \$4.7 million, an increase of 2.9% over fiscal 2008 actual expenditures.

Impact of Cost Containment

Fiscal 2009 cost containment actions totaled \$3.6 million, largely attributable to across-the-board reductions to health insurance and Other Post Employment Benefits. Out-of-state travel was also reduced by approximately \$7,800.

Proposed Budget

As shown in **Exhibit 3**, the Governor's allowance increases by approximately \$8.0 million, or 5.3%. Adjusting for the fiscal 2009 deficiency, the increase is \$6.4 million, or 4.2%. Personnel expenses account for a net increase of \$3.7 million, despite a \$1.3 million, or 14.8%, reduction in overtime expenses in comparison to the fiscal 2009 working appropriation. Once the deficiency is accounted for, the fiscal 2010 allowance for overtime expenses is \$2.3 million, or 23.5%, below fiscal 2009 anticipated spending. The agency's budgeted turnover expectancy is also higher than its current vacancy rate of 4.9%. The 6.8% budgeted turnover requires the agency to have the equivalent of 108.7 vacancies. Currently, DPDS has 79.0 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 in order to meet budgeted turnover.

Outside of personnel expenses, funding for inmate medical costs increase \$5.9 million in the fiscal 2010 allowance. This 27.9% increase 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. The growth also includes a \$367,000 increase to mental health services in order to comply with U.S. Department of Justice requirements. Slight increases for motor vehicle purchases and inmate welfare funds used for commissary purchases are offset by reductions placing funding for laundry expenditures and supplies in line with fiscal 2008 actual spending.

Exhibit 3
Proposed Budget
DPSCS – Division of Pretrial Detention and Services
(\$ 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>Total</u>
2009 Working Appropriation	\$148,089	\$2,334	\$10	\$150,432
2010 Allowance	<u>157,711</u>	<u>2,164</u>	<u>10</u>	<u>159,886</u>
Amount Change	\$9,623	-\$169	\$0	\$9,453
Percent Change	6.5%	-7.3%	-1.0%	6.3%
Contingent Reductions	-\$1,451	\$0	\$0	-\$1,451
Adjusted Change	\$8,172	-\$169	\$0	\$8,003
Adjusted Percent Change	5.5%	-7.3%	-1.0%	5.3%
Where It Goes:				
Personnel Expenses				
Increments and other compensation.....				\$345
Overtime				-1,300
Employee and retiree health insurance				3,564
Employees' Retirement System				748
Other Post Employment Benefits.....				-510
Workers' compensation premium assessment				433
Across-the-board reduction for deferred compensation match				-51
Turnover adjustments.....				411
Other fringe benefit adjustments.....				104
Other Changes				
Inmate medical care				5,859
Inmate commissary				30
Vehicle purchases				46
Reduce laundry expenditures to fiscal 2008 actual spending				-133
Reduce office and dietary supplies				-115
Other				-27
Contingent Reductions				
Contingent reduction in overtime as a result of transfer to 12-hour shift				-1,400
Total				\$8,003

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

Fiscal 2010 Contingent Reductions

There is a \$1.4 million contingent reduction in overtime expenditures included in the fiscal 2010 budget bill. After accounting for the contingent reduction, overtime expenditures are reduced to \$6.1 million, approximately 23.2% 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 available labor 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 available labor 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.

Issues

1. April 2008 Office of Legislative Audits Findings

An April 2008 Office of Legislative Audits report indicated 10 findings for the Division of Pretrial Detention and Services, half of which were repeat findings. Some of the more notable findings included issues with service agreements, contracting for temporary employment, and proper execution of lease agreements.

Service Agreements

The Quality Case Review (QCR) process is a coordinated effort among DPDS, the Office of the Public Defender, and the State’s Attorney Office (SAO) to screen pretrial detainee cases and identify those eligible for dismissal or charge reductions in an effort to reduce the number of defendants held at the Baltimore Central Booking and Intake Center (BCBIC) and the number of hearings required. DPDS has an agreement to pay the SAO for QCR services but has not been properly monitoring the program. Invoices submitted by SAO identify the cost of employee benefits and salaries, but DPDS has not verified that these invoices were solely for the actual costs of the QCR program and that SAO employees did not share their time among other programs. Also, there has not been any information provided to determine the impact of the QCR process, such as the number of cases screened, dismissals, etc. Payments to SAO were \$786,145 and \$794,100 in fiscal 2006 and 2007, respectively. **DPDS should comment on how it is assessing the impact of the QCR process on reducing the number of defendants and hearings held at the BCBIC. The agency should also identify what steps it is taking to ensure that payments made are consistent with services received.**

Temporary Employment

DPDS did not follow Department of Public Safety and Correctional Services (DPSCS) procedures to obtain temporary employment at the lowest available cost. DPSCS policy requires agencies to first contact the lowest cost vendor and continue to contact each subsequently higher cost vendor, as necessary, to obtain the needed services. The audit finding notes a lack of documentation to prove that DPDS followed these procedures. In one example noted by the auditors, DPDS filled a temporary office secretary position on two occasions with vendors charging \$16.75 and \$24.50 per hour, despite the availability of a lower cost vendor charging \$11.55 per hour. DPDS temporary employment expenditures totaled nearly \$900,000 in both fiscal 2006 and 2007.

Execution of Lease Agreements

DPDS had been leasing space to a nonprofit entity since 1992 but had let the lease agreement lapse without entering into a new agreement. As a result of water damage, the office space rented by the nonprofit became uninhabitable, and DPDS had to provide the entity with alternate office space to continue its services. Since the entity had to move to a new location which limited the services it could provide, DPDS did not hold it to the prior lease agreement. A new lease agreement was never

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executed. Rent was not collected from January 2006 to December 2007, and an outstanding balance of \$27,606 for a nine-month period in 2005 also remained unpaid. As of December 2007, the nonprofit ceased to operate from the DPDS location, so a new lease is no longer needed. **DPDS should comment on its attempts to identify and collect amounts owed by the nonprofit for renting DPDS office space.**

Recommended Actions

1. Concur with Governor's allowance.

Current and Prior Year Budgets

Current and Prior Year Budgets Division of Pretrial Detention and Services (\$ 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	\$140,048	\$3,028	\$10	\$0	\$143,086
Deficiency Appropriation	1,063	0	0	0	1,063
Budget Amendments	8,963	-487	0	0	8,476
Cost Containment	0	0	0	0	0
Reversions and Cancellations	0	-547	-6	0	-553
Actual Expenditures	\$150,074	\$1,994	\$4	\$0	\$152,072
Fiscal 2009					
Legislative Appropriation	\$150,265	\$2,332	\$10	\$0	\$152,607
Cost Containment	-3,692	-1	0	0	-3,693
Budget Amendments	1,516	3	0	0	1,519
Working Appropriation	\$148,089	\$2,334	\$10	\$0	\$150,433

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

Fiscal 2008

General fund spending in fiscal 2008 was approximately \$150.1 million, an increase of \$10.0 million over the legislative appropriation.

- One deficiency appropriation for approximately \$1.1 million provided additional funding for employee overtime.
- Budget amendments increased the appropriation by nearly \$9.0 million. Of that amount, \$1.5 million can be attributed to the cost-of-living adjustment (COLA) amendment that was centrally budgeted in the Department of Budget and Management. The remaining \$7.5 million increase was the result of the realignment of funds due to under budgeting for employee overtime, inmate medical care, fuel and utilities, and contractual training services with the University of Maryland.

Special fund expenditures totaled \$2.0 million in fiscal 2008, slightly more than \$1.0 million less than the legislative appropriation.

- Budget amendments reduced the legislative appropriation by approximately \$487,000. A \$13,000 increase for the COLA was offset by a \$500,000 decrease in inmate welfare funds in order to realign funds throughout the department with actual expenditures.
- The department cancelled an additional \$547,000 in unused funds due to lower than anticipated Inmate Welfare Fund expenditures.

Federal fund spending was approximately \$4,000 as a result of the cancellation of approximately \$6,000 due to underattainment of estimated reimbursements for housing federal prisoners.

Fiscal 2009

The fiscal 2009 general fund working appropriation is \$148.1 million, approximately \$2.2 million below the legislative appropriation. Cost containment actions reduced personnel and travel expenses by \$3.6 million. One budget amendment provided a \$1.5 million increase for the fiscal 2009 COLA.

Audit Findings

Audit Period for Last Audit:	June 3, 2004 – June 13, 2007
Issue Date:	April 2008
Number of Findings:	10
Number of Repeat Findings:	5
% of Repeat Findings:	50%
Rating: (if applicable)	n/a

- Finding 1:** An agreement with the State’s Attorney Office did not include sufficient specifications, such as payment terms or specific deliverables, in regard to implementing a Quality Case Review process.
- Finding 2:** Service agreements were not adequately monitored in order to ensure payments were made in accordance with terms of the agreements and that all requirements were met.
- Finding 3:** **Proper internal control was not established over the processing of certain disbursement transactions.**
- Finding 4:** **DPDS had not established adequate control over certain corporate purchasing card transactions.**
- Finding 5:** **Supervisory review of supporting documentation for payroll adjustments was not documented.**
- Finding 6:** DPDS did not maintain documentation to support certain fiscal 2006 accrued expenditures. Additionally, journal entries processed on the State’s accounting system effectively allowed DPDS to use funds provided by fiscal 2006 accruals to fund fiscal 2007 expenditures.
- Finding 7:** **Property records were not adequately maintained, and DPDS did not reconcile its physical inventory with its related detail records.**
- Finding 8:** Procedures and controls over the DPDS’ materials and supplies inventory were inadequate.
- Finding 9:** DPDS had not executed a lease with an entity that had been using DPDS facilities for an extended period. Furthermore, no requests for rent payments had been made since December 2005.
- Finding 10:** **There was a lack of documentation that certain fraudulent acts discovered by DPDS were immediately reported to authorities.**

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

**Object/Fund Difference Report
DPSCS – Division of Pretrial Detention and Services**

<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	1,603.00	1,599.00	1,599.00	0	0%
02 Contractual	13.41	23.20	23.20	0	0%
Total Positions	1,616.41	1,622.20	1,622.20	0	0%
Objects					
01 Salaries and Wages	\$ 100,538,361	\$ 106,256,496	\$ 110,000,364	\$ 3,743,868	3.5%
02 Technical and Spec. Fees	432,153	529,178	543,064	13,886	2.6%
03 Communication	618,527	565,272	578,288	13,016	2.3%
04 Travel	50,008	27,300	39,200	11,900	43.6%
06 Fuel and Utilities	4,573,475	4,147,458	4,147,460	2	0%
07 Motor Vehicles	418,426	268,246	313,797	45,551	17.0%
08 Contractual Services	40,596,768	34,422,302	40,037,769	5,615,467	16.3%
09 Supplies and Materials	2,565,977	2,069,850	2,096,250	26,400	1.3%
10 Equipment – Replacement	77,793	84,410	84,075	-335	-0.4%
11 Equipment – Additional	106,792	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	1,784,995	1,864,600	1,895,000	30,400	1.6%
13 Fixed Charges	247,417	197,027	150,266	-46,761	-23.7%
14 Land and Structures	60,800	0	0	0	0.0%
Total Objects	\$ 152,071,492	\$ 150,432,139	\$ 159,885,533	\$ 9,453,394	6.3%
Funds					
01 General Fund	\$ 150,074,094	\$ 148,088,610	\$ 157,711,393	\$ 9,622,783	6.5%
03 Special Fund	1,993,698	2,333,521	2,164,231	-169,290	-7.3%
05 Federal Fund	3,700	10,008	9,909	-99	-1.0%
Total Funds	\$ 152,071,492	\$ 150,432,139	\$ 159,885,533	\$ 9,453,394	6.3%

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

Fiscal Summary
DPSCS – Division of Pretrial Detention and Services

<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	\$ 8,643,772	\$ 8,878,583	\$ 9,531,811	\$ 653,228	7.4%
02 Pretrial Release Services	4,794,963	5,178,938	5,564,877	385,939	7.5%
03 Baltimore City Detention Center	91,296,643	87,652,924	94,026,966	6,374,042	7.3%
04 Central Booking and Intake Facility	47,336,114	48,721,694	50,761,879	2,040,185	4.2%
Total Expenditures	\$ 152,071,492	\$ 150,432,139	\$ 159,885,533	\$ 9,453,394	6.3%
General Fund	\$ 150,074,094	\$ 148,088,610	\$ 157,711,393	\$ 9,622,783	6.5%
Special Fund	1,993,698	2,333,521	2,164,231	-169,290	-7.3%
Federal Fund	3,700	10,008	9,909	-99	-1.0%
Total Appropriations	\$ 152,071,492	\$ 150,432,139	\$ 159,885,533	\$ 9,453,394	6.3%

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