Department of Public Safety and Correctional Services Fiscal 2025 Budget Overview

Department of Legislative Services
Office of Policy Analysis
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Department of Public Safety and Correctional Services

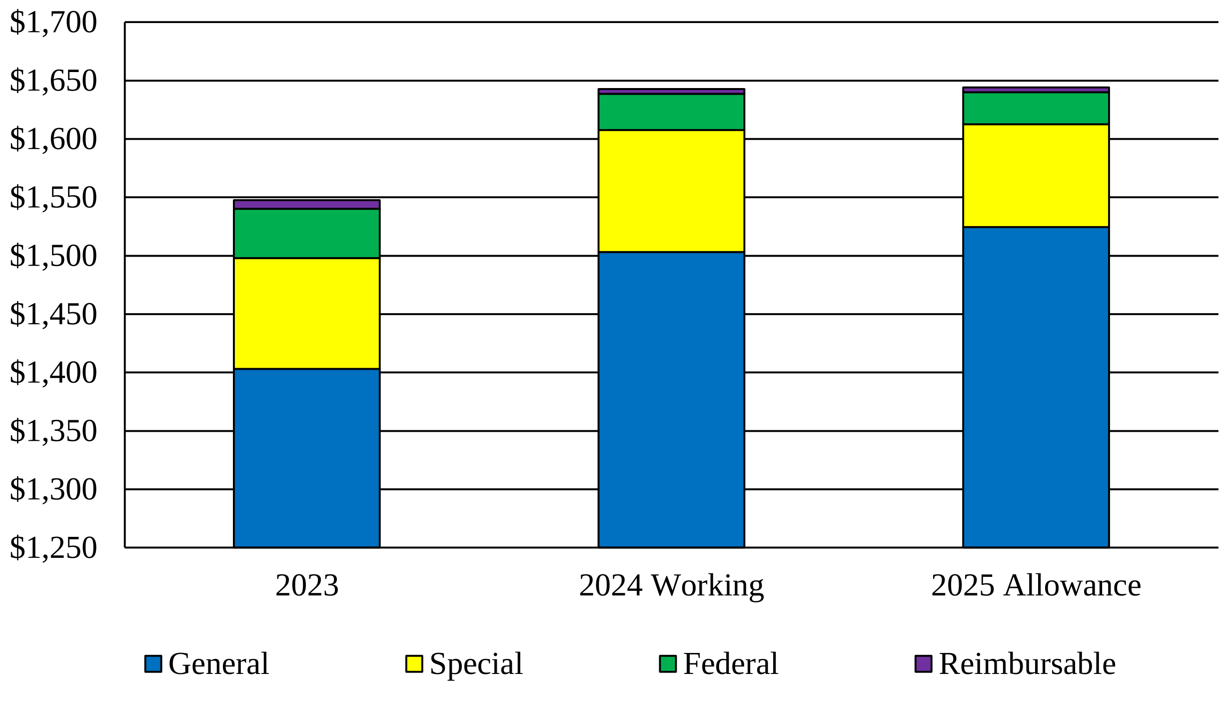
Fiscal 2025 Budget Overview

Executive Summary

The Department of Public Safety and Correctional Services (DPSCS) is a principal department of State government, responsible for operating 13 correctional facilities throughout the State and 5 detention facilities in Baltimore City, whose combined fiscal 2023 average daily population (ADP) is approximately 17,673 offenders. In addition, the department supervises 82,600 offenders on parole and probation. Currently, DPSCS has a fiscal 2025 allowance of $1.6 billion and 9,213 authorized positions that account for approximately 5.7% of all general fund expenditures and 10.1 % of the total State workforce.

Operating Budget Summary

Fiscal 2025 Budget Increases by $1.5 Million, or 0.1%, to $1.6 Billion
($ in Millions)



Note: Numbers may not sum due to rounding. The fiscal 2024 working appropriation includes deficiency appropriations. The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency's budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

Key Observations

- ***Correctional Officer (CO) Employment Again Drops Past Previous Low:*** While DPSCS made progress in administrative hiring, the CO vacancy rate rose from 11.1% in January 2023 to 12.7% in December 2023.

- ***Turnover Expectancy Decreases from 14.8% to 11.9%:*** Improved administrative hiring by DPSCS resulted in a net decrease in turnover expectancy, requiring $23.5 million in additional funding in the fiscal 2025 allowance.

- ***Sentenced Offender Population Continues to Climb:*** The trend of growth in the sentenced offender population that began after the pandemic did not subside in calendar 2023, despite court backlogs dwindling. In calendar 2023, the State-sentenced population increased by 641 and shows no signs of slowing.

- ***Medical Contract Disputes Resulted in State Costs of $32.8 Million:*** DPSCS and the medical contractor incorrectly accounted for Medicaid reimbursements during the pandemic, resulting in a dispute that was settled by the State Board of Contract Appeals. In addition, the contract is being temporarily extended while a new set of contracts is being procured. Proposed deficiency appropriations of $20.9 million are included in the budget to account for the extension, $19.9 million for the waiving of liquidated damages, and $12.9 million for overspending previous medical appropriations.

- ***DPSCS Failed to Respond to a Public Information Request on Local Releases:*** A Maryland reporter won a case presented to the Public Information Act Compliance Board because DPSCS did not respond for over five months to a reasonable data request. The data eventually released showed that local prerelease compacts were not being utilized.

Operating Budget Analysis

Program Description

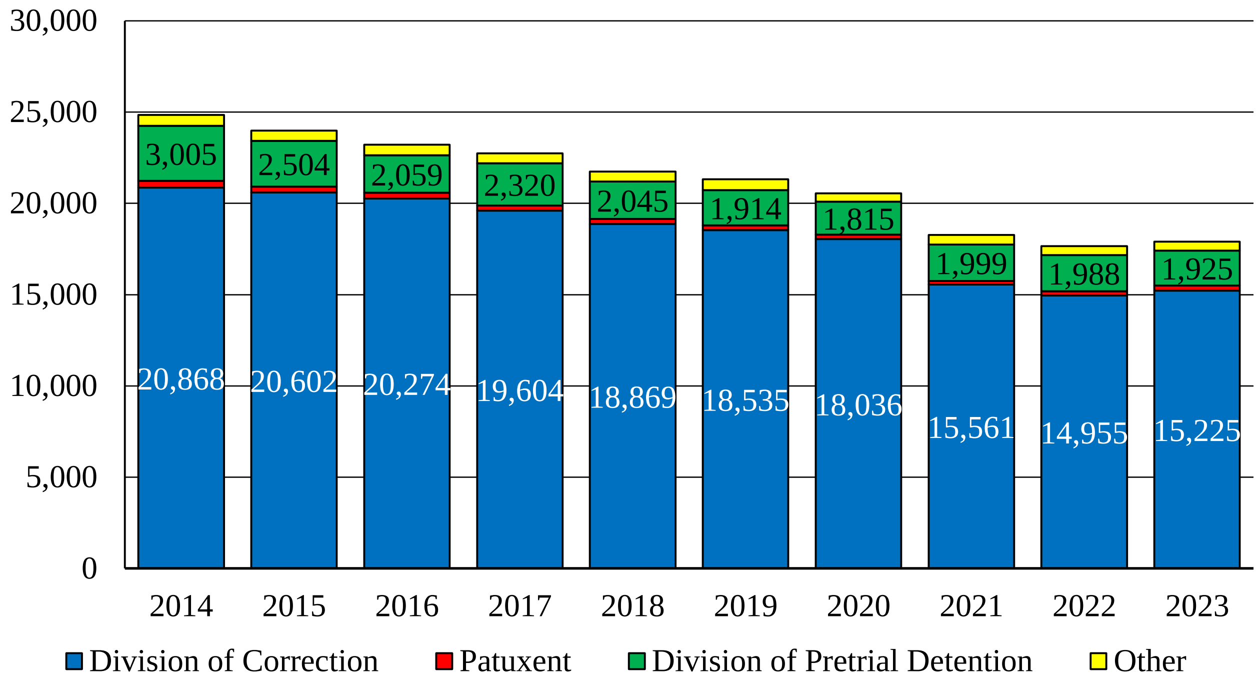
DPSCS helps keep Maryland communities safe and provides services to victims of crime. The department strives to ensure the safety, security, and wellbeing of defendants and offenders under its supervision and to provide criminal justice agencies with access to timely, accurate information about defendants and offenders.

Performance Analysis: Managing for Results

1. Populations Increased at State Prisons

From a historical perspective, Maryland has substantially reduced the sentenced offender population. In fiscal 2023, the most recent full year available, DPSCS was responsible for an average of 17,897 sentenced and pretrial offenders each day. This includes 188 state incarcerated individuals held in local facilities awaiting transfer to DPSCS. **Exhibit 1** shows the annual ADP of incarcerated and detained individuals in DPSCS custody and /or jurisdiction from fiscal 2014 to 2023. The 10-year decline in ADP was 6,948 offenders, or 28.0%. From a more recent perspective, the Maryland incarcerated population has been increasing. Individuals in DPSCS jurisdiction or custody increased by 246, or 1.4%, from fiscal 2022 to 2023.

Exhibit 1
Incarcerated Offenders – Average Daily Population
Fiscal 2014-2023



Note: Other includes federal detainees held at the Chesapeake Detention Facility and sentenced offenders in local jails awaiting transfer to the Department of Public Safety and Correctional Services.

Source: Governor's Fiscal 2025 Budget Books, Department of Public Safety and Correctional Services

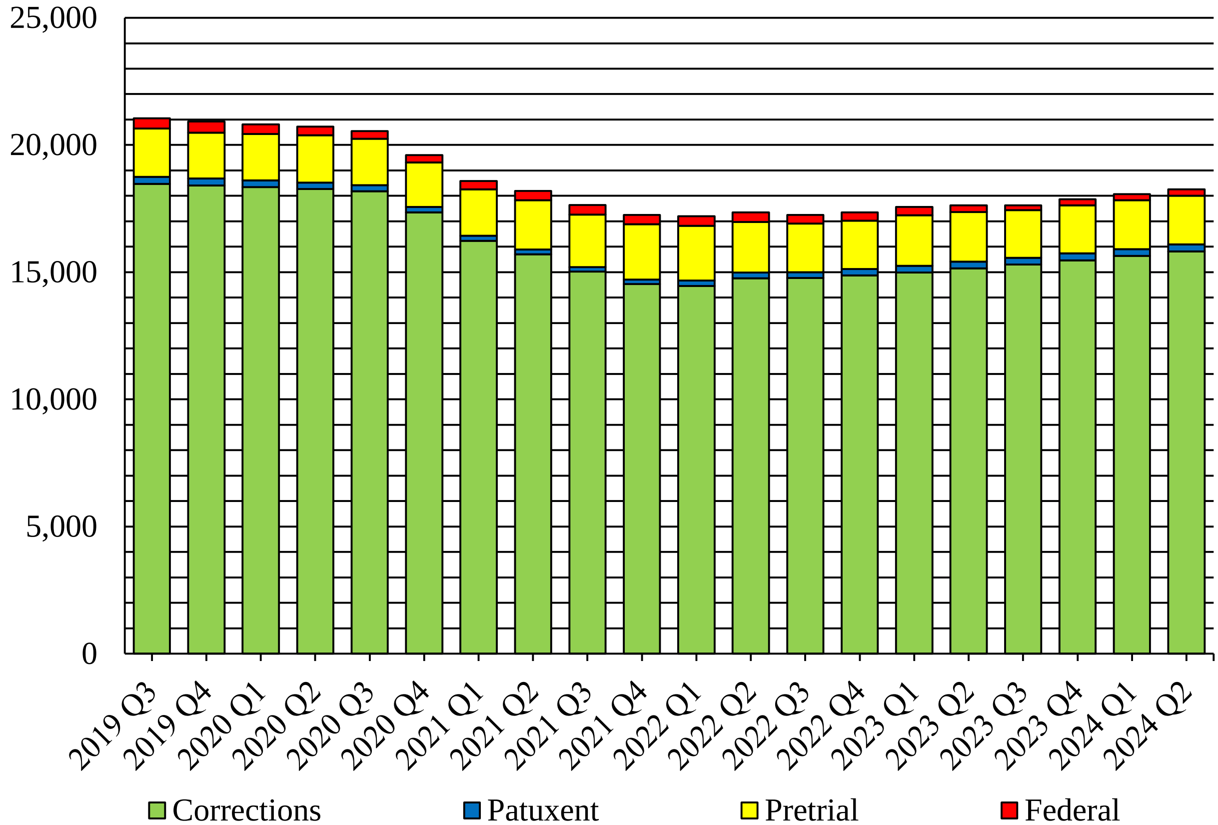
DPSCS Inmate Population Statistics, Fiscal 2023

- 15,225 State prisoners were sentenced and incarcerated in State facilities, and 188 were awaiting transfer to DPSCS.
- 1,925 local pretrial offenders were held at the Baltimore Pretrial Complex, and 254 federal detainees were held at Chesapeake Detention Facility on behalf of the U.S. Marshals.
- Of all correctional facilities, the Eastern Correctional Institution held the largest percentage of sentenced offenders at 2,462, or 15.9%.
- Of all pretrial facilities, the Baltimore Central Booking and Intake Center (BCBIC) held the largest percentage of detainees at 848, or 38.9%.

Inmate Population Trends, Fiscal 2024

Exhibit 2 displays the quarterly average count of offenders under pretrial and sentenced custody (omitting the 188 State offenders currently being held in local jails, as that information is only reported in the annual Managing for Results (MFR) data). In the first two quarters of fiscal 2024, the total State-sentenced population increased by 603 offenders over the fiscal 2023 ADP. Pretrial populations did not follow this pattern but instead remained stable. The overall population in DPSCS custody has grown past fiscal 2021 levels and now stands at 18,253 as of Quarter 2 of fiscal 2024, the highest level in three years. The rate of increase has not let up for over two years, averaging about 54 new correctional offenders added each month since July 2021. At the same time, pretrial offenders decreased on average by 14 each month, though the rate of decrease has lessened over time.

Exhibit 2
Quarterly Average Daily Population Trends
Fiscal 2019-2024

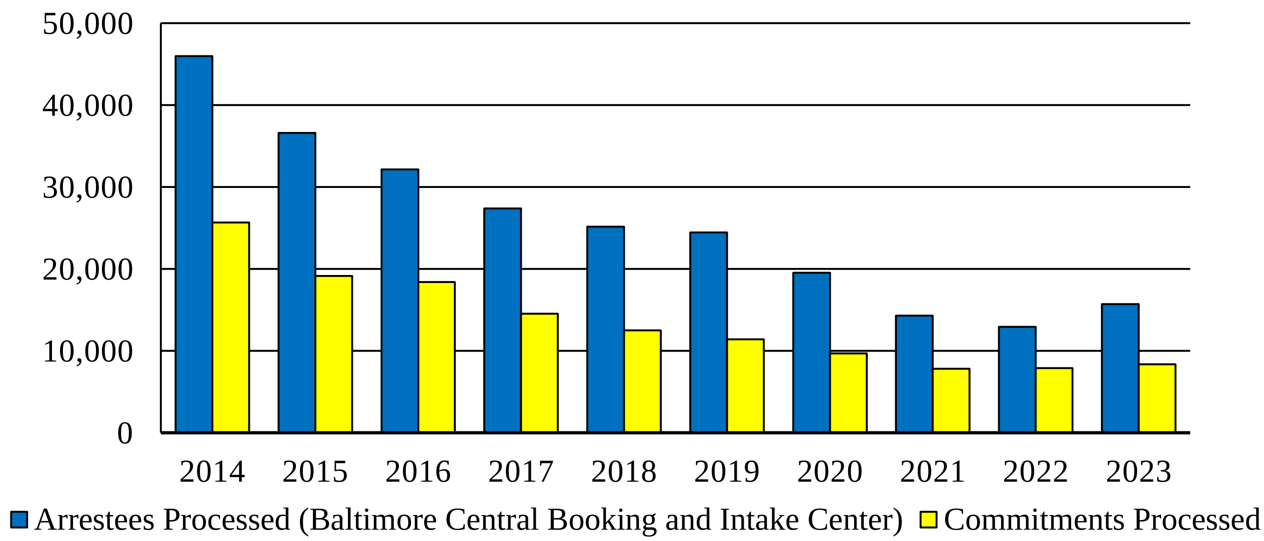


Source: Department of Public Safety and Correctional Services

2. Baltimore City Arrests and Pretrial Detention Commitments Increased

Exhibit 3 shows arrestees processed and the number of arrestees committed to pretrial detention in Baltimore City from fiscal 2014 to 2023. The 10-year decline was 66% and 67%, respectively, for arrests and commitments. The annual change from fiscal 2022 to 2023, however, shows that arrests were up by 21% and commitments to pretrial detention increased by 6%.

Exhibit 3
Arrestees and Commitments to Pretrial Detention in Baltimore City
Fiscal 2014-2023



Source: Governor's Fiscal 2025 Budget Books; Department of Public Safety and Correctional Services

- ***Baltimore City Arrests Declined 66% Since Fiscal 2014:*** Approximately 46,000 arrestees were processed in fiscal 2014. In fiscal 2023, 15,700 arrestees were processed, which is a 21% decrease from fiscal 2022 levels.

- ***Baltimore City Arrestees Committed to Detention Decreased 67% Since Fiscal 2014:*** Approximately 25,700 arrestees were admitted to pretrial detention in fiscal 2014; in fiscal 2023, it was 8,364 arrestees, a 6% increase from fiscal 2022 levels.

3. Overall Increase in Criminal Supervision Cases Driven by Probation

DPSCS oversees several community supervision programs including the Division of Parole and Probation (DPP) criminal supervision program, the DPP Drinking Driver Monitor Program

(DDMP), and the Division of Pretrial Detention and Services (DPDS) Pretrial Release Supervision Program (PRSP). Several of the department's community supervision populations increased from fiscal 2022 to 2023, including:

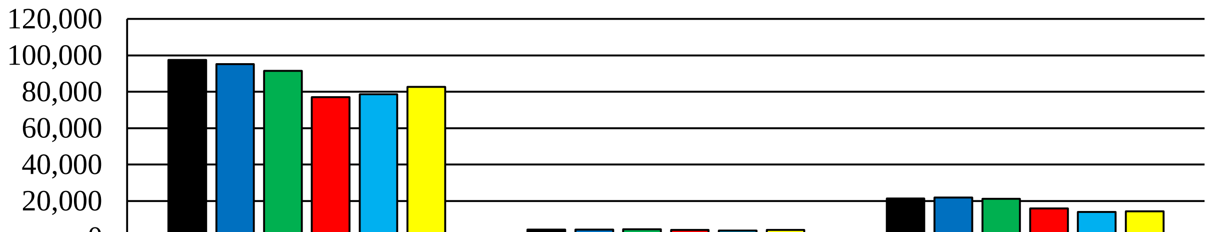
- ***Probation:*** 7.0%;

- ***PRSP:*** 11.0%; and

- ***DDMP:*** 2.5%.

Probation cases increased by 3.8% from fiscal 2021 to 2022, the first increase since fiscal 2011. Probation cases increased once again in fiscal 2023 but at a faster rate of 7.0%. The probation population increased for similar reasons to the incarcerated population. As the courts make progress in processing criminal caseloads, there is a reasonable expectation that the population placed on probation will also grow. However, it remains to be seen if this growth will reach the levels that DPP was operating under prior to the COVID-19 pandemic. For historical context, **Exhibit 4** depicts the total number of cases under community supervision for the past six years.

Exhibit 4
Community Supervision Cases Per Year
Fiscal 2018-2023



	Criminal Supervision	PRSP	DDMP
2018	97,500	4,317	21,442
2019	95,167	4,313	21,825
2020	91,402	4,385	21,158
2021	77,112	4,143	15,971
2022	78,689	3,757	14,025
2023	82,644	4,171	14,379

Criminal Supervision: Parole, Probation, and Mandatory Release (due to sentence credits)
DDMP: Drinking Driver Monitor Program
PRSP: Pretrial Release Supervision Program

Source: Department of Public Safety and Correctional Services; Governor's Fiscal 2025 Budget Books

- ***Criminal Supervision Cases Decreased 15% Since Fiscal 2018 but Increased 5.0% Since Fiscal 2022:*** Approximately 97,500 cases were under criminal supervision (probation, parole, and mandatory supervision) in fiscal 2018. In fiscal 2023, there were 82,644 cases under criminal supervision, a 5.0% increase from fiscal 2022 levels.

- ***DDMP Cases Decreased by 33% Since Fiscal 2018:*** DDMP monitors managed 21,442 cases in fiscal 2018. In fiscal 2023, DDMP monitors were managing 14,379 DDMP cases, a 2.5% increase from fiscal 2022 levels.

Fiscal 2023

The DPSCS actual fiscal 2023 spending was higher than the legislative appropriation by approximately $117 million. Deficiency appropriations, statewide budget transfers, and budget amendments substantially increased allowed spending, primarily due to salary enhancements. There were also some areas where DPSCS spent less than appropriated. DPSCS reverted $1.9 million in supplemental funds provided for a U.S. Department of Labor (DOL) audit that found historical underpayments for overtime. DPSCS also underspent $2.3 million in funds for substance use disorder (SUD) treatment services that have been restricted to that purpose since fiscal 2021.

Fiscal 2024

Proposed Deficiencies

General fund deficiency appropriations for fiscal 2024 in five areas increase the department's appropriation by a total of $75.0 million.

- $32.7 million to fund a legal settlement with YesCare to resolve a medical contract dispute;

- $20.9 million for unanticipated medical costs associated with extending the medical contract from January to June 2024;

- $9.4 million in retroactive overtime payments related to a further DOL finding;

- $6.3 million in food costs; and

- $5.6 million in electricity costs.

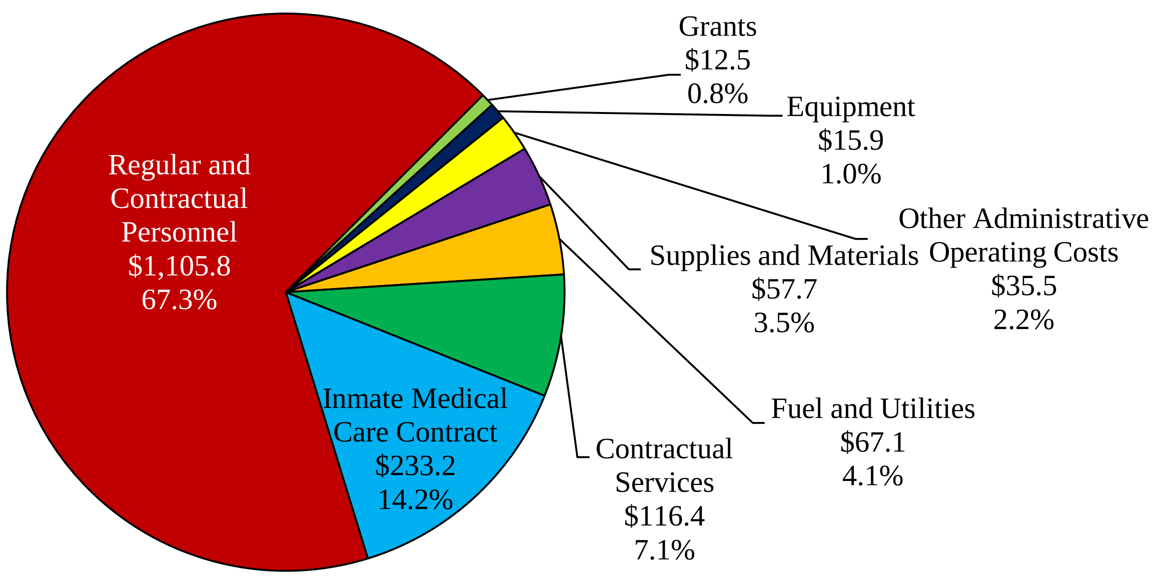
The two largest deficiency appropriations are related to a settlement with the medical treatment provider, YesCare, and the cost to extend the contract while DPSCS procures new contracts. More information on the medical contract dispute and replacement can be found in the operating budget analysis Q00B – Corrections.

Fiscal 2025

Overview of Agency Spending

DPSCS's fiscal 2025 allowance totals approximately $1.6 billion. **Exhibit 5** displays the fiscal 2025 allowance categorized by major spending area. The allowance is primarily used to pay personnel costs ($1.1 billion), mainly for salaries and wages of COs. Of the department's personnel budget, 15.6%, or $171.1 million, goes toward overtime costs related to the sustained reduction in CO staffing levels. Other areas that make up the department's budget are inmate medical care ($233.2 million), contractual services ($116.4 million, mainly related to food services and criminal justice technology), fuel and utilities ($67.1 million), and supplies and materials ($57.7 million mostly related to Maryland Correctional Enterprises' (MCE) special funds).

Exhibit 5
Overview of Agency Spending by Purpose
Fiscal 2025 Allowance
($ in Millions)



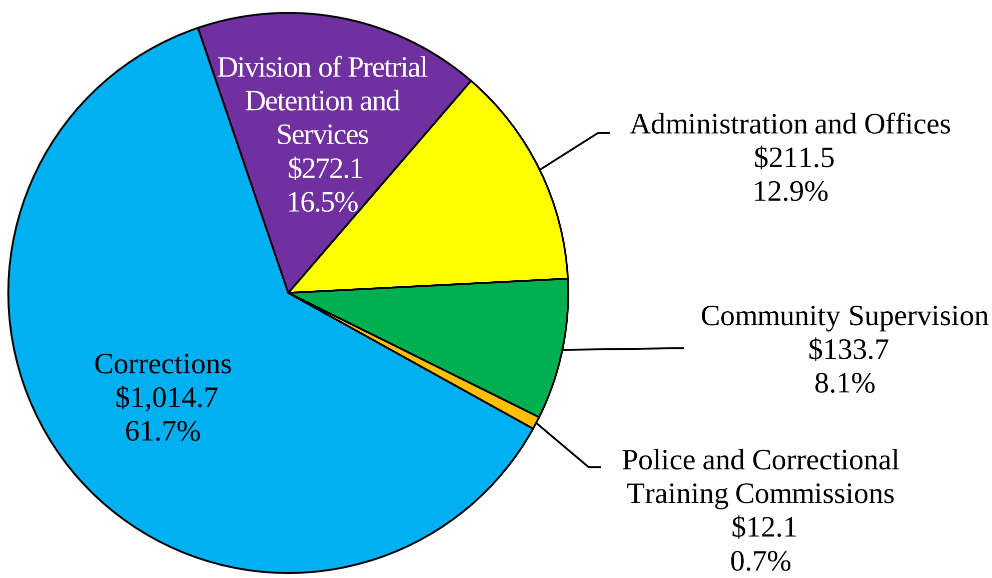
Note: The fiscal 2025 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget. Inmate Medical Care includes the departmentwide medical contract with YesCare plus the cost of dental, pharmacy, mental health, and drug treatment services. Other Administrative Operating Expenses includes land, rent, shared services, travel, vehicles, and communications.

Source: Governor's Fiscal 2025 Budget Books

Spending by Departmental Function

DPSCS is a large department with several functions that range from entry-level training to varying levels of offender supervision to the behind-the-scenes staff that keep the department operating. **Exhibit 6** shows the allocation of the fiscal 2025 budget between the primary functional units of DPSCS.

Exhibit 6
Overview of Agency Spending by Function
Fiscal 2025 Allowance
($ in Millions)



Note: The fiscal 2025 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Source: Governor's Fiscal 2025 Budget Books; Department of Budget and Management

Corrections

The Division of Correction (DOC), the Patuxent Institution, and MCE comprise the State prison system in Maryland. Correctional units are responsible for the physical confinement and control of offenders incarcerated by Maryland's judicial system and operate 12 State prisons, including the Patuxent Institution for offenders with persistent behavioral and mental health conditions. The remaining State prison, the Baltimore City Correctional Center, falls under the authority of DPDS due to its location in Baltimore City. Additionally, not all sentenced offenders are held in DOC facilities, as DPDS facilities hold most offenders sentenced from Baltimore City to short local or State sentences. The fiscal 2025 allowance for Corrections is approximately $1.0 billion, or 61.7%, of the total DPSCS allowance.

Division of Pretrial Detention and Services

DPDS is the second largest functional area and is responsible for all offenders arrested in Baltimore City as well as those held on warrants from Baltimore City. Federal prisoners held at the Chesapeake Detention Facility (CDF) are also under DPDS' purview. Facilities include CDF; BCBIC; the Youth Detention Center; the Metropolitan Transition Center; and the Maryland Reception, Diagnostic, and Classification Center. The Baltimore City Correctional Center, a State correctional facility, also falls under this budget. Additionally, PRSP operates under DPDS. The fiscal 2025 allowance of DPDS is approximately $272.1 million, or 16.5%, of the total DPSCS allowance.

Administration and Offices

The third largest functional area consists of several oversight units and independent agencies. Capital and Facilities Management, General Administration, the Intelligence and Investigative Division, the Warrant Apprehension Unit, and the Information Technology and Communications Division are included within DPSCS headquarters as well as the consolidated Administrative Services Program consisting of Human Resources, Procurement, Fiscal, Budget, Regulation and Policy Coordination, and Grants/Statistical Analysis.

The Inmate Grievance Office and the Maryland Commission on Correctional Standards (MCCS) are independent agencies included in the discussion of the Administration budget. The Inmate Grievance Office has jurisdiction over all inmate grievances against DPSCS, and MCCS develops and audits compliance with standards for all correctional and detention facilities in the State. The fiscal 2025 allowance for the Administration and Offices is about $211.5 million, or 12.9%, of the total DPSCS allowance.

Community Supervision

This functional unit consists of the Maryland Parole Commission, DPP headquarters, and the regional office units that conduct criminal supervision of offenders on parole or probation or who are assigned to DDMP. The fiscal 2025 allowance for Community Supervision is $133.7 million, or 8.1%, of the total DPSCS allowance.

Police and Correctional Training Commission

The Police and Correctional Training Commission (PCTC) supports the two independent commissions that develop the training standards for all law enforcement and COs in the State: the Correctional Training Commission; and the Maryland Police Training Standards Commission. PCTC operates the Public Safety Education and Training Center in Sykesville. PCTC's fiscal 2025 allowance is $12.1 million, or 0.7%, of the total DPSCS allowance.

Spending by Fund Source

- ***General Funds ($1,524.5 Million):*** An increase of $21.3 million (1.4%) over the fiscal 2024 working appropriation due to the end of a fiscal 2024 fund swap of $20 million in Fiscal Responsibility Funds. Without this fund swap, general funds would only increase by $1.3 million. Increases in regular earnings were offset by a decrease caused by the one-time funding for the medical contract dispute settlement in fiscal 2024.

- ***Special Funds ($88.1 Million):*** A decrease of $16.3 million (15.7%) from the fiscal 2024 working appropriation largely due to the end of a fiscal 2024 fund swap of $20 million in Fiscal Responsibility Funds. Without this fund swap, special funds would increase by $3.7 million.

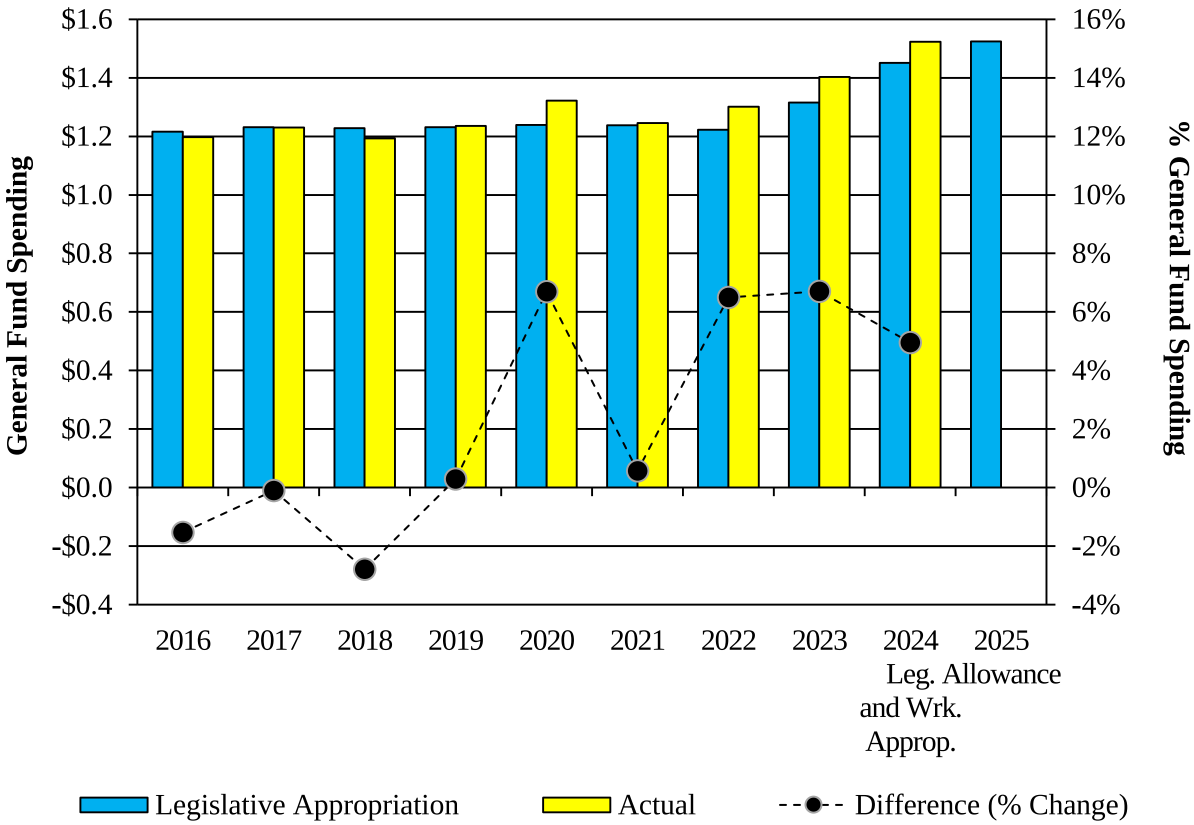
- ***Federal Funds ($27.4 Million):*** A decrease of $3.6 million (11.6%) from the fiscal 2024 working appropriation due to lower retirement costs in DPDS for the agreement to operate CDF on behalf of the US Marshals Service.

- ***Reimbursable Funds ($4.1 Million):*** An increase of $0.2 million (3.8%) from the fiscal 2024 working appropriation.

Fiscal 2025 General Fund Expenses Increase by 1.4%

Exhibit 7 shows DPSCS general fund actual spending compared to the respective legislative appropriation since fiscal 2015. For several years, DPSCS budget growth stagnated as the CO staffing crisis took effect and the sustained population declines allowed for consolidation of resources. In the pandemic years of fiscal 2020 through 2022, large one-time federal and special fund swaps were very beneficial for the department. Otherwise, many of the costs, which were salaries, would have been covered by general funds. Thus, the data is adjusted for those years to include expenses covered by other funds that are covered by general funds before and after the COVID-19 pandemic.

Exhibit 7
Actual versus Appropriated Spending – General Funds
Fiscal 2016-2025
($ in Billions)



Note: The fiscal 2023 amounts exclude the effect of a one-time fund swap of $350 million in general funds for federal funds. The fiscal 2024 amounts exclude the effect of a one-time fund swap of $20 million in general funds for special funds. The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency's budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

Source: Governor's Fiscal Budget Books, Fiscal 2017-2025

General fund expenses have grown since prepandemic times. Actual expenses in fiscal 2020 and 2022 were higher than appropriated, mostly due to one-time COVID-19 expenses in fiscal 2020 and the impact of salary increases in fiscal 2022. From fiscal 2023 onward, this trend accelerated due to salary increases and widespread inflationary pressures. The fiscal 2024 working appropriation is higher than the legislative appropriation due mostly to the medical contract settlement and other deficiencies discussed above. These trends, while a departure from the past, are to be expected with the current economic outlook.

Proposed Budget Change

Accounting for all adjustments, overall funding grows by $1.5 million, or 0.1%, compared to the fiscal 2024 working appropriation. **Exhibit 8** provides details on the department's fiscal 2025 allowance and the changes to programs and spending initiatives.

Exhibit 8
Proposed Budget
Department of Public Safety and Correctional Services
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2024 Working Appropriation	$1,503,211	$104,439	$31,033	$3,982	$1,642,664
Fiscal 2025 Allowance	1,524,492	88,089	27,438	4,133	1,644,152
Fiscal 2024-2025 Amount Change	21,281	-16,349	-3,594	151	1,488
Fiscal 2024-2025 Percent Change	1.4%	-15.7%	-11.6%	3.8%	0.1%

Where It Goes:	Change
Personnel Expenses	
Salary increases and associated fringe benefits including fiscal 2024 cost-of-living allocation and increments	$37,117
Turnover expectancy decreases from 14.8% to 11.9%	23,489
Positions transferred to other State agencies	-332
Accrued leave payout and shift differential	-49
Workers' compensation insurance	-8,601
Overtime earnings	-14,565
One-time Deficiencies	
Retroactive overtime payments resulting from U.S. Department of Labor audit into improper timekeeping procedures	-9,430
Medical contract dispute settlement agreement	-32,762
Other Changes	
Consulting and technical support contract to provide key resources for DPSCS ITCD staffing	1,860
Food, dietary supplies, and dietary service costs provided by Aramark increase due to the increasing cost of food and growing population	1,735
Utility costs increased, including electricity, water, sewage, and natural gas/propane.	1,713
Cost allocations for shared IT services and Statewide Personnel System	1,676
Insurance payments to State Treasurer's Office and other fixed charges	1,301
Additional funding needed in fiscal 2025 to replace the current medical care contract	937

Where It Goes:	**Change**
Annual contract renewal for software maintenance, technical support, and customizations for the Electronic Patient Heath Records system.	570
Other supplies and materials for housekeeping, office work, and uniforms	564
Communications costs increase mostly for cell phones and cell phone services within ITCD	514
Vehicle purchases, maintenance, and other costs	412
Gas and oil costs for motor vehicles in the inmate transport fleet	389
Contractual full-time equivalents expected to have lower turnover in fiscal 2025	363
Annual maintenance and technical support for the Offender Case Management System	322
Postage increased by 54% to align with actual spending	271
Rental agreements, including rent for DPP office space	258
Maintenance staffing contract for various facilities	253
Funding for an electronic monitoring pilot program within the Division of Pretrial Detention	200
Grants to local jurisdictions for inmates confined in a local correctional facility after being sentenced to the local correctional facility for more than 12 months and not more than 18 months	47
Travel costs lowered slightly for out-of-state warrant apprehension activities	-10
Completion of violence reduction orientation for all new DPP supervisors	-225
End of contract with Threshold, Inc. – a community rehabilitation center for recently released men	-275
Equipment renewal reduced from high fiscal 2024 levels for Criminal Justice Information System IT needs	-719
Pharmacy services contract	-1,100
Other contractual information technology services and lease purchases reduce as a result of extra funding provided in fiscal 2024	-1,202
End of funding for anti-contraband facility upgrades	-3,500
Total	**$1,488**

DPP: Division of Parole and Probation
DPSCS: Department of Public Safety and Correctional Services
IT: information technology
ITCD: Information Technology and Communications Division

Note: Numbers may not sum due to rounding. The fiscal 2024 working appropriation includes deficiency appropriations. The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency's budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

Personnel Costs Increase

Personnel is the largest expense category for DPSCS and accounts for one of the most significant budgetary changes in the fiscal 2025 allowance. Regular earnings and associated fringe benefits increase by $37.1 million; however, some of this increase in regular earnings appears larger than in reality because the fiscal 2024 cost-of-living allocation (COLA) and increments are not yet being reflected in the fiscal 2024 budget. Turnover was adjusted to align with current trends in vacancy rates, adding $23.5 million. Overtime decreases from its high in fiscal 2024 by about $14.6 million. Four positions transferred out of the department to other State agencies contribute to a reduction of $332,000 in regular earnings.

Medical Expenses Increased by Deficiency Appropriations

As discussed in Issue 2, a medical contract settlement resulted in a $32.8 million deficiency needed in fiscal 2024. Additionally, the contract was rebased in fiscal 2024 by a deficiency to account for a six-month contract extension. The amount carried forward into fiscal 2025 for procuring a new contract, adding about $21 million in both of those years over the amount seen in previous fiscal years.

Other Changes

Inflation impacted many other DPSCS spending objects, including utilities and food in particular. Those areas needed deficiency appropriations in fiscal 2024 to shore up the budget and the increases continue into fiscal 2025. The allocation of shared service costs increased substantially as well, partially due to the increasing cost of labor and parts.

The fiscal 2025 allowance also ends a few fiscal 2024 general fund enhancements for the following purposes:

- $3.5 million to outfit regional mailrooms with greater contraband-detection systems;
- $0.7 million to refresh the information technology systems operated by DPSCS; and
- $0.3 million to train new community supervision supervisors in violence prevention.

Personnel Data

	FY 23 Actual	FY 24 Working	FY 25 Allowance	FY 24-25 Change
Regular Positions	9,217.40	9,217.40	9,213.40	-4.00
Contractual FTEs	145.08	278.93	280.32	1.39

Vacancy Data: Regular Positions

Budgeted Turnover and Necessary Vacancies	1,093.92	11.9%
Positions and Percentage Vacant as of 11/30/23	1,161.00	12.6%
Vacancies Above Turnover	67.08	

- At current staffing levels, the allowance overprovides by approximately 67 positions. Using the departmental average, this corresponds to about $5.7 million available for filling additional positions, which is less than in past years.

- Budgeted turnover in fiscal 2024 is substantially elevated at 14.8% compared to turnover in fiscal 2025 at 11.9%. Hiring has improved for some employee categories since the formulation of that budget, and overall vacancies are lower by 280 positions and now stand at 12.6% compared to 15.6% one year ago. Fiscal 2023 closeout data showed DPSCS needed $655.7 million in regular personnel costs (regular earnings, Social Security, unemployment compensation contributions, and retirement contributions) compared to only $637.3 million in fiscal 2024. While funding for reclassifications brings that $18.3 million difference down to approximately $0.8 million, the budget is tight for adding new positions in the remaining two quarters of fiscal 2024.

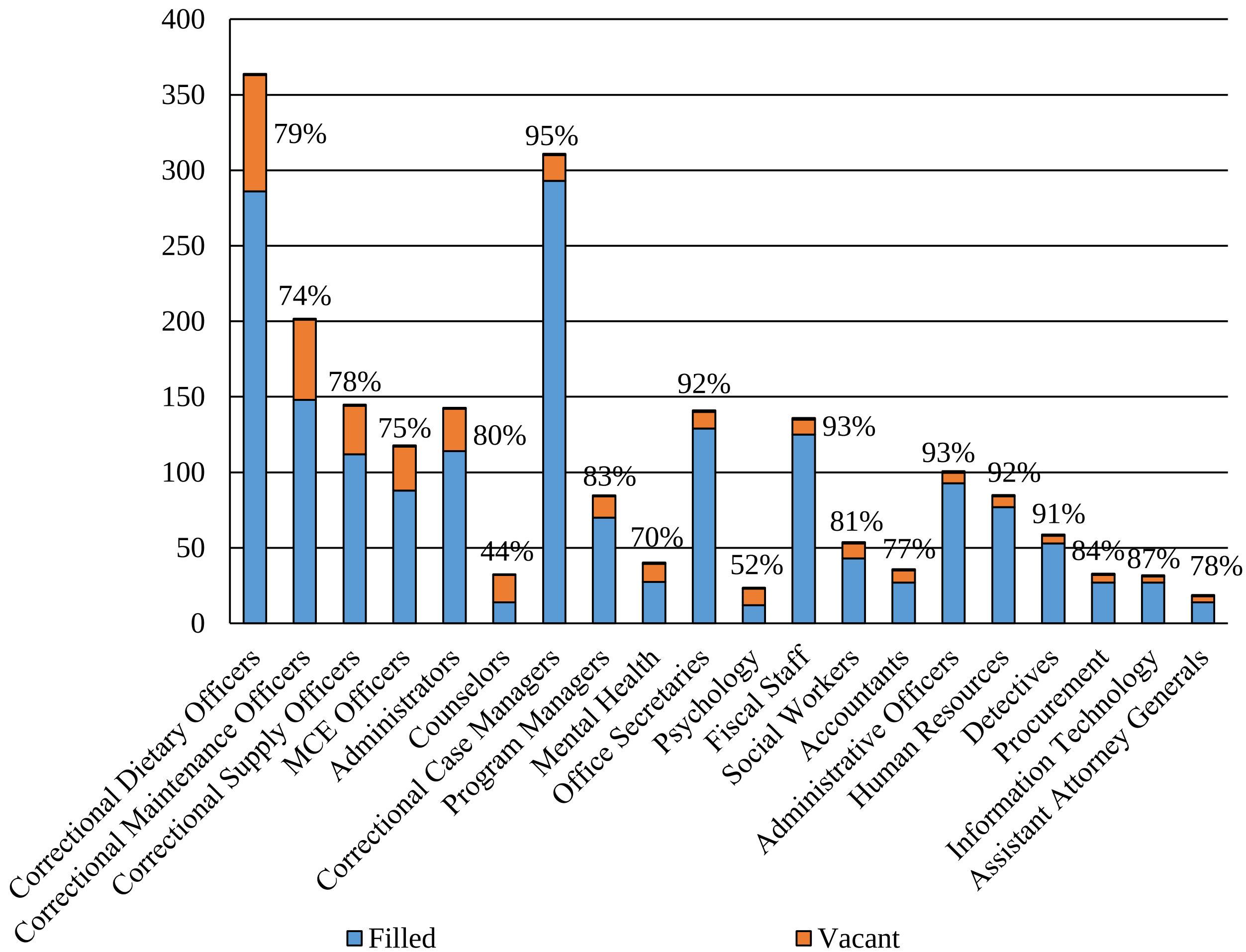
Issues

1. Vacancies Improve for Administrative Employees as Correctional Officer Staffing Continues to Worsen

The budget committees have been concerned for several years that DPSCS staffing levels are not adequate. CO vacancies are particularly troubling as COs directly supervise incarcerated offenders. Low staffing rates contribute to inmate idleness, safety risks, and a reduced emphasis on rehabilitation. Vacancies are not limited to COs and are even more extensive among administrative staff that carry out daily activities and operations, including noncustodial COs.

In the time after the pandemic, DPSCS reached new record lows in overall positions and COs. In calendar 2023, DPSCS has made progress in filling overall positions on net but remains behind in CO hiring. On December 1, 2023, DPSCS employed 4,664 COs (94 fewer than January 2023), 865 community supervision agents (60 more than January 2023), and 2,526.3 administrative staff (313.5 more than January 2023). As noted during the 2023 session, several administrative employee categories were critically understaffed. Since that time, DPSCS renewed efforts to post and fill vacancies for those often essential workers. There are still high vacancies across many administrative classifications as shown in **Exhibit 9**, but there has been improvement particularly among administrative aides, officers, and specialists as well as office staff.

Exhibit 9
Administrative Employees and Vacancies by Rate of Filled Positions
December 2023



MCE: Maryland Correctional Enterprises

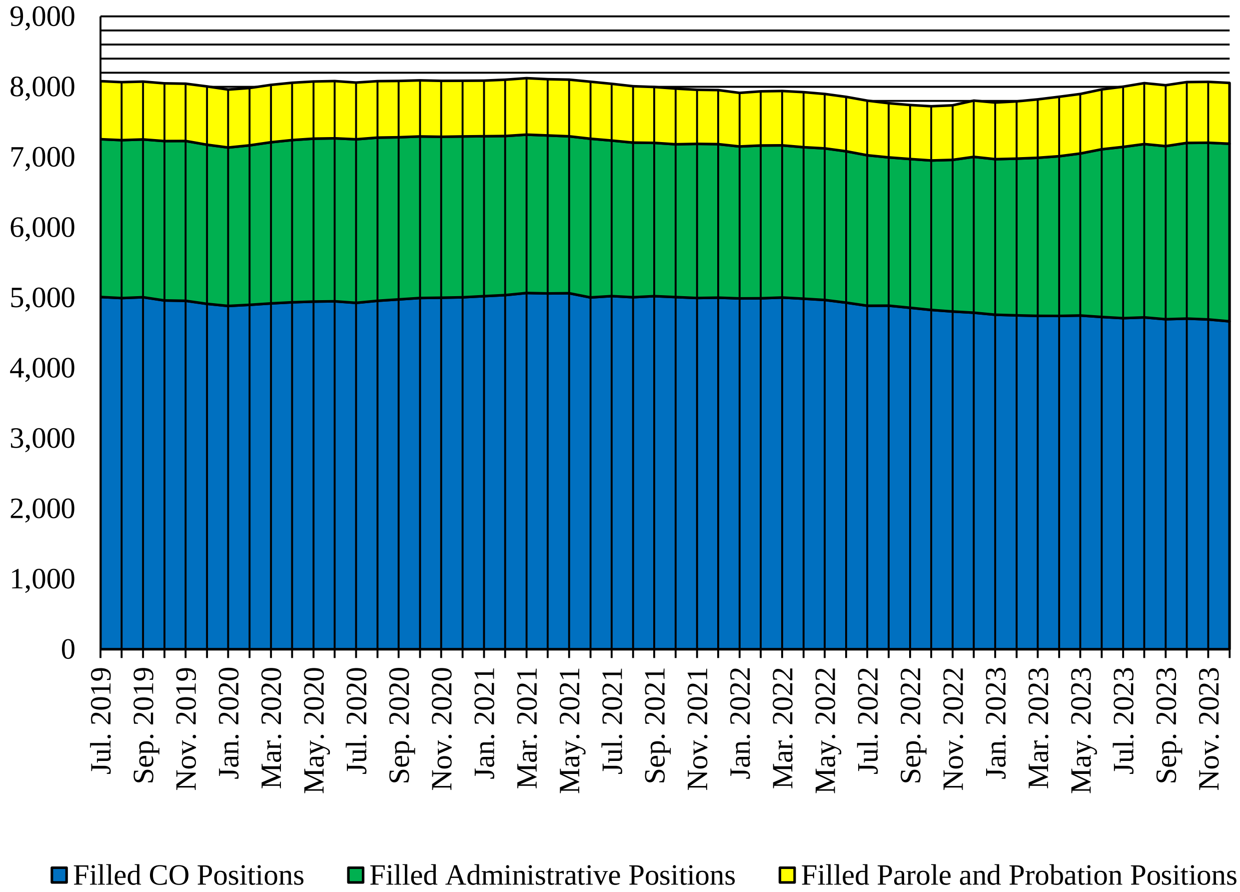
Source: Department of Budget and Management; Department of Legislative Services

Each category is concerning for their own reasons but of note are the protective service workers such as correctional dietary officers, correctional maintenance officers, and correctional supply officers. These administrative-type COs maintain order in facilities by ensuring offenders receive the appropriate nutritional requirements, keeping track of supplies and inmate-related materials, and ensuring the facility is in a state of good repair.

Filled Positions

Exhibit 10 shows the number of filled positions from July 2019 until December 2023. Employment for administrative positions remains the lowest with an 86% fill rate, or 2,526 of 2,937. COs have an 87.3% fill rate, or 4,664 of 5,345. Community Supervision agents, including DDMP Monitors, have the highest fill rate at 92.5%, or 865 of 935.

Exhibit 10
DPSCS Filled Positions by Employee Classification
July 2019 to December 2023



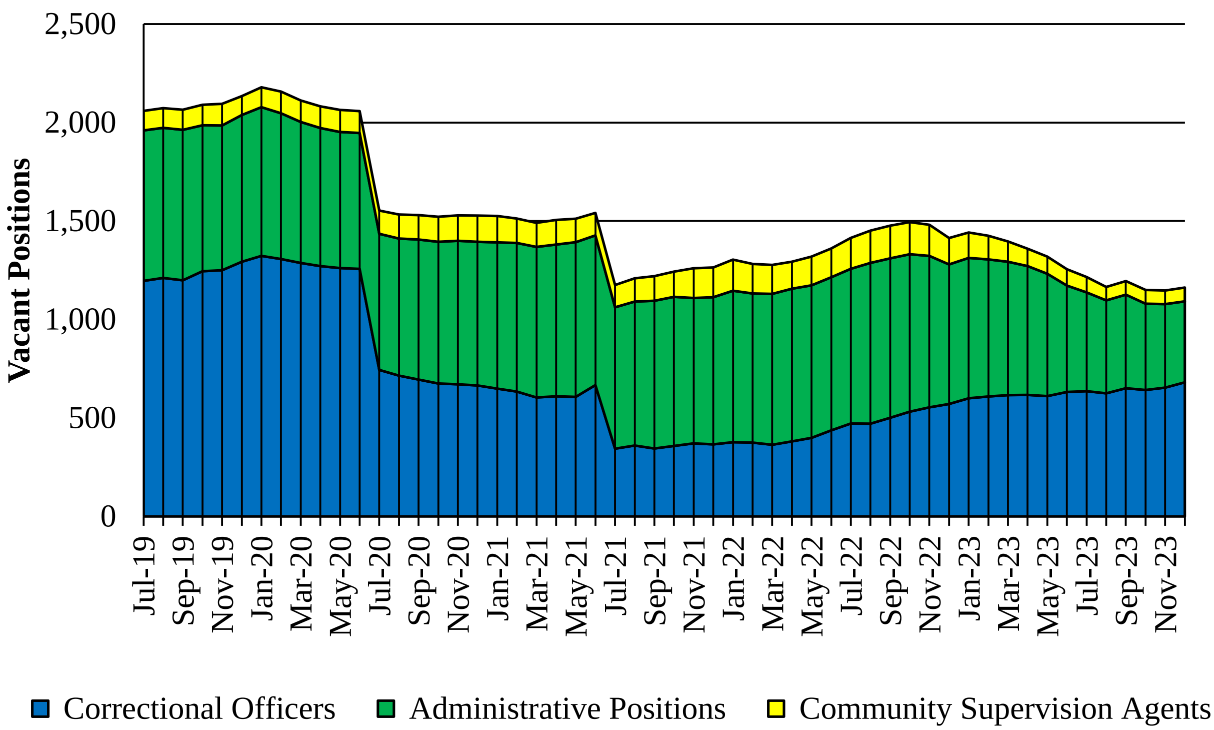
CO: correctional officer
DPSCS: Department of Public Safety and Correctional Services

Source: Department of Budget and Management

Vacancies and Abolishments

Exhibit 11 shows DPSCS vacancies since July 2019. Position abolishments decreased the legislative appropriation for regular positions from 10,414 in fiscal 2019 to 9,217 in fiscal 2022. These position abolishments were made for a few reasons, including a declining inmate population and the closure of several housing units and facilities. However, much of the personnel reduction was related to the inability of the department to fill those positions. The abolished positions bring the budget closer in line with reality, as increasing vacancies in the past led to large savings that were transferred to other areas of the department instead of being used to hire employees. The total number of positions authorized for fiscal 2025 is 9,213 due to positions being transferred to other State agencies.

Exhibit 11
DPSCS Vacancies by Employee Classification
July 2019 to December 2023



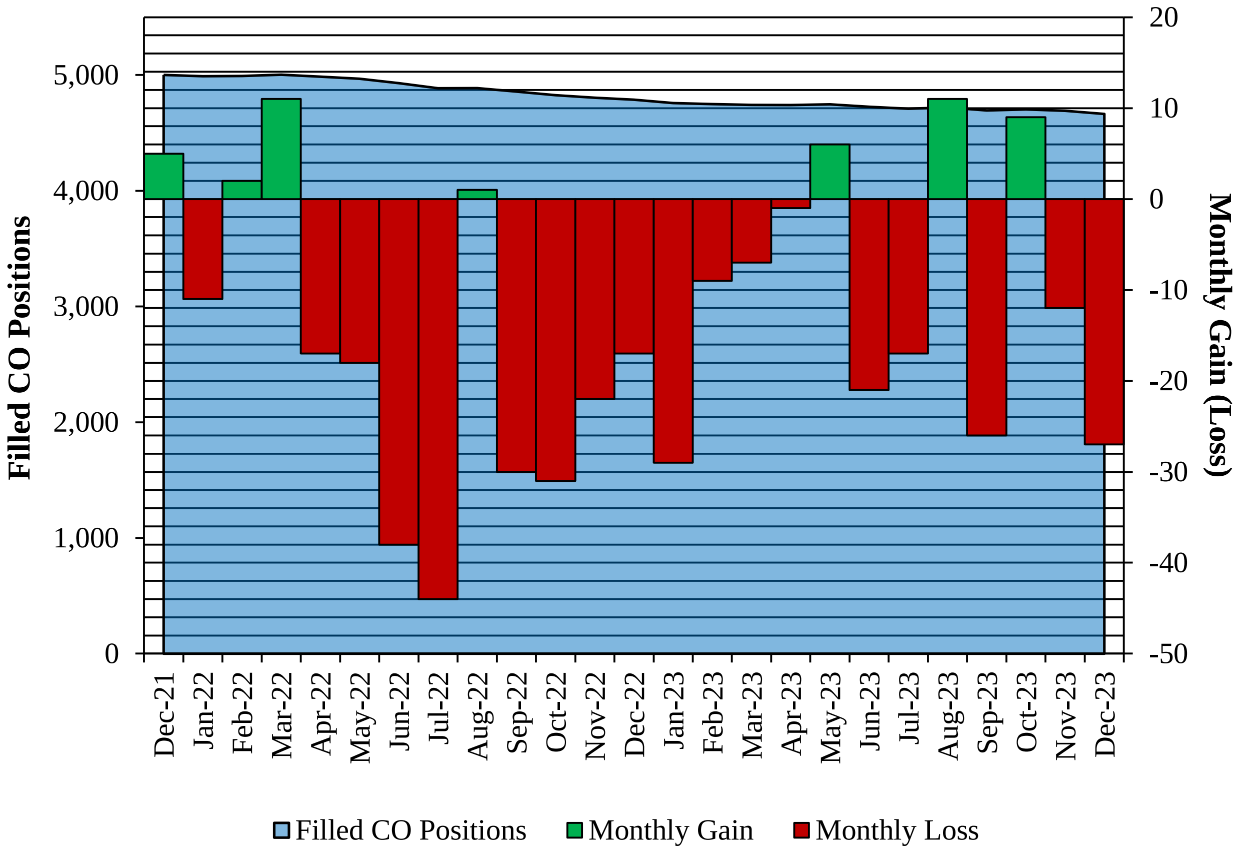
DPSCS: Department of Public Safety and Correctional Services

Source: Department of Budget and Management

These changes make it difficult to compare past vacancy rates to the present, although there were no changes after fiscal 2022 started. Vacancies as of December 1, 2023, stand at 681 for COs (12.7%), 411 for administrative positions (14.0%), and 70 for community supervision agents (7.5%).

Exhibit 12 shows filled CO positions and the monthly gain or loss in employees according to vacancy data provided by the Department of Budget and Management (DBM). DPSCS had fewer filled COs in 9 out of 12 months in both calendar 2022 and 2023. The decline from December 2022 to December 2023 for COs was 123 employees.

Exhibit 12
CO Filled Positions
December 2021 to December 2023



CO: correctional officer

Source: Department of Budget and Management

Salary Enhancements

Ongoing Departmental Bonuses

While the department's previous initiatives to increase hiring and reduce attrition were briefly successful in reversing the net loss of employees, it appears that more action is needed. The pandemic prevented one-day in-person hiring events that were successful in calendar 2019. DPSCS restarted those events with updated eligibility standards for prior substance use that were relaxed in fiscal 2022. DPSCS was represented at 140 recruitment events in the first three quarters of calendar 2023.

Currently, the CO starting salary is $51,563 with a new hire bonus of $5,000 and a regional bonus of $2,500 for hard-to-recruit regions. In addition, the Retention Longevity Pay Incentive provides up to $37,500 for COs who have 20 years of service and are eligible to retire but work 4 additional years. That bonus was expanded twice to serve more DPSCS employees, including community supervision agents and mental health employees.

Salary Increases

DPSCS employees represented by the American Federation of State, County and Municipal Employees (including COs) receive a negotiated salary increase of nearly 12% over fiscal 2023 and 2024. The majority of the increases took effect in fiscal 2023, with a 2% COLA budgeted in fiscal 2024. In addition, qualifying workers that were part of a grievance over elevated quarantine and response pay received a $2,500 bonus in January 2022.

Employees who are unrepresented received a $1,500 bonus, a 1% COLA, and a 2.4% increment adjustment in January 2022 as well as a 3% COLA and 2.4% increment adjustment in July 2022 for a total of nearly 9%. On top of these increases, an additional 4.5% COLA was added to fiscal 2023, a 2% COLA in fiscal 2024, and an additional statewide COLA for all employees of 3% is proposed in fiscal 2025.

Targeted Step Increases

Over 3,800 employees received fiscal 2022 step increases after the CO I entry salary was increased by 7.4% (from a step 3 to a step 5), and the CO II-Lateral entry salary was set at a step 7. Current COs received an increase of three steps, while CO IIs were all advanced to step 8 (an increase of up to 5 steps). Also, CO sergeants, correctional maintenance officers, correctional laundry officers, correctional dietary officers, correctional supply officers, and MCE officers under the Public Safety and Security bargaining unit all received one step as well.

The previous 9.5% salary increase for COs in fiscal 2019 was instrumental in improving DPSCS employment for a short period. The new salary increases should likewise increase employment by continuing to make salaries more competitive and responsive to high inflation. This is already being seen in administrative and community supervision positions being filled. However, the trends in CO employment data so far in fiscal 2024 have not borne the expected positive enhancements for that employee category.

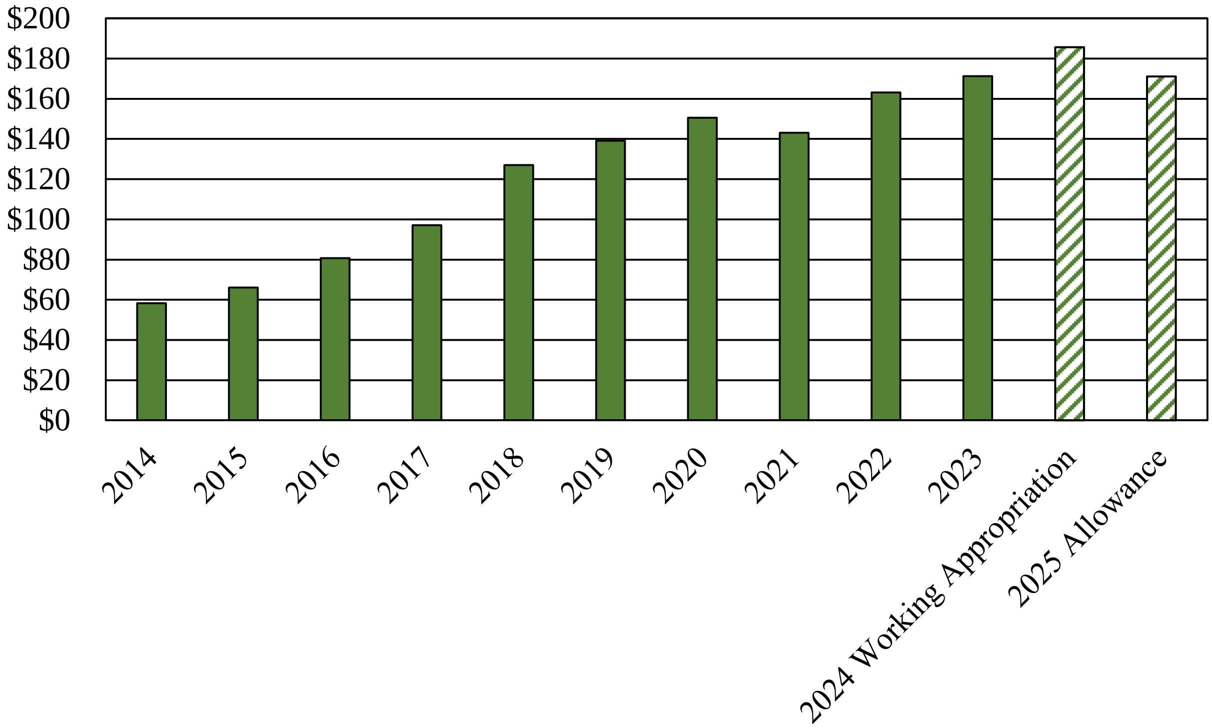
Annual Salary Review Results

Approximately 183 employees in the fiscal series of job classifications received an annual salary review (ASR) grade increase of 6% in fiscal 2023. These included accountants, fiscal accounts clerks, fiscal services officers, and internal auditors. Fiscal 2024 ASR grade increases of 6% were approved for about 145 correctional supply officers, 16 correctional dietary managers, and 5 correctional maintenance regional managers. Additional classifications receiving an ASR grade increase are DDMP supervisors (11 PINs), mental health counselors (40 PINs), social worker regional supervisors (13 PINs), and correctional psychology chiefs (13 PINs). The ASR process is initiated by the requesting agency and evaluated by DBM. The grade increases in fiscal 2023 target some of the hardest to fill classifications but leave out many of the administrative classifications with the highest vacancy rates. Notably, administrative officers, administrative specialists, and those in the administrator series have high vacancies and perform critical support roles.

Impacts of Vacancies on Overtime

The amount of funds required for overtime earnings rose from under $100 million in fiscal 2017 to approximately $185.7 million in the fiscal 2024 working appropriation (after removing a one-time deficiency related to retroactive payment corrections). **Exhibit 13** shows there remains an upward trajectory in the cost of overtime through the working appropriation and a reduction in the allowance.

Exhibit 13
Overtime Funding
Fiscal 2014-2025 Allowance
($ in Millions)

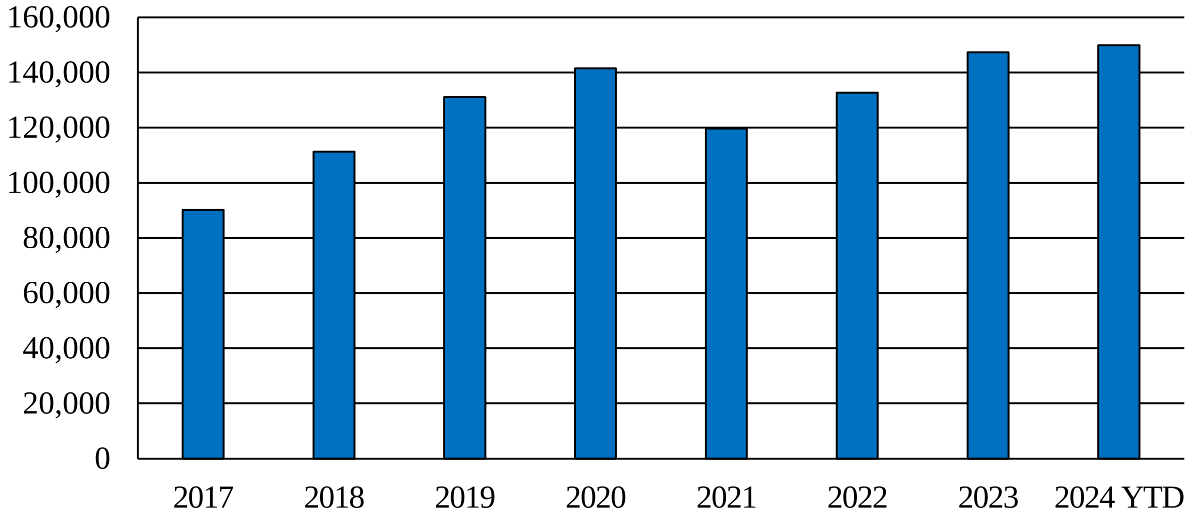


Note: Actual spending is adjusted to include the amount of Social Security paid on overtime earnings, which are automatically included in the working appropriation and allowance. In fiscal 2023 and 2024, the spent and budgeted costs of the U.S Department of Labor audit settlement were removed for consistency of reporting.

Source: Governor's Fiscal 2025 Budget Books; Department of Legislative Services

The fiscal 2025 allowance reduces the overtime budget amount to nearly equal the amount that was needed in fiscal 2023. There remains concern, however, that the number of overtime hours worked is not currently reducing commensurate with that reduction. As shown in **Exhibit 14**, the number of overtime hours worked per pay period by staff, primarily COs, increased on average from 90,218 in fiscal 2017 to 149,892 in fiscal 2024, or by 66%. The increase was most pronounced between fiscal 2017 and 2020, which correlate to the years with the largest dips in CO staffing levels.

Exhibit 14
Overtime Hours Worked
Fiscal 2017-2024 YTD



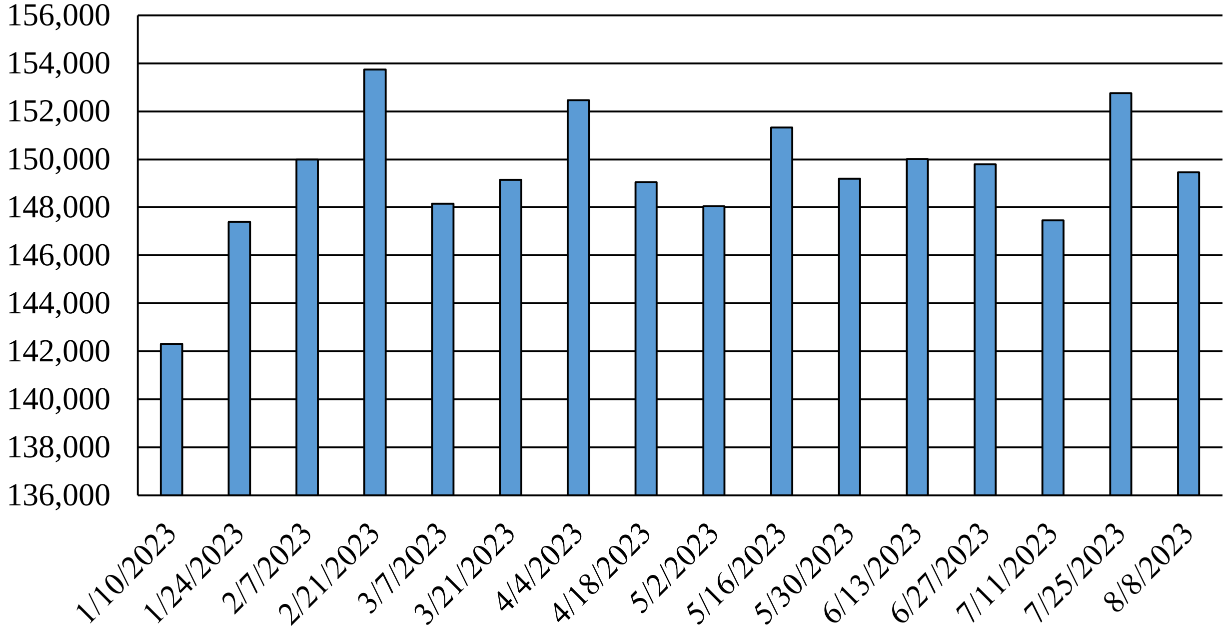
YTD: Year to date as of August 8, 2023

Note: Fiscal 2017 data is only available dating back to October 25, 2016, due to the statewide transition to the Workday Accounting System.

Source: Department of Public Safety and Correctional Services

The number of overtime hours worked is still trending upward in calendar 2023. **Exhibit 15** shows that, from January 2023 through August 2023, the number of overtime hours worked increased each pay period by approximately 180 hours on average.

Exhibit 15
Overtime Hours Worked Year to Date
January to August 2023



Note: Year to date as of August 8, 2023

Source: Department of Public Safety and Correctional Services

The DOL settlement required a fiscal 2024 deficiency of $9.4 million. After removing this cost and the cost of the fiscal 2023 settlement amount ($13.0 million), the overtime costs for DPSCS increased on average by 6.7% each year from fiscal 2019 to the fiscal 2024 working appropriation. While this is partially because of the rising base cost for COs, there are multiple other concerns.

- First, the driving force of overtime is CO vacancies. As previously discussed, CO vacancies are on the rise again despite sustained efforts to simplify the hiring process and increase compensation.

- Second, the population under custody has risen consistently since reopening with no signs of slowing or reversing.

- Third, the DOL audit was resolved in part by increasing compensation to employees through more accurate timekeeping measures. This may contribute to increased compensation costs.

Despite these trends, the fiscal 2025 allowance as introduced reduces overtime by 7.8% to $171.1 million. The fiscal 2025 allowance may underprovide for overtime by approximately $15 million (difference from allowance to working appropriation) to $27 million (based on average growth since fiscal 2019). This is especially concerning considering trends in CO hiring and the growth in ADP. **DPSCS should brief the committees on hiring goals for fiscal 2024 and 2025 to minimize or eliminate the need for mandatory overtime in the future.**

2. Medical Contract Disputes

DPSCS and Corizon's relationship ran into issues that were eventually settled at the State Board of Contract Appeals for $39.7 million. A proposed deficiency appropriation of $32.8 million for fiscal 2024 would support these costs. The crux of the contractor's complaint against DPSCS was a flawed accounting methodology defined in the original request for proposals (RFP). The flawed methodology incorrectly denied Corizon a 50% subsidy for recovering Medicaid payments when it was a third party recovering those payments on behalf of Corizon for costs over $35,000. Real costs were incurred by Corizon because it could no longer count on these subsidies, becoming the basis for the settlement agreement recommended by the Office of the Attorney General.

Additionally, the contract period ended in December 2023; because no new contract was in place, the contract was extended through June 2024. The cost to extend the contract is estimated to be approximately $20.9 million for six months. Funds to support the increased costs associated with the extension are provided via proposed deficiency appropriations for fiscal 2024 and a similar amount, $21.8 million, is provided in the department's fiscal 2025 allowance for the replacement contracts. The department has issued two RFPs to replace the medical care contract instead of one. The department issued two RFPs so that DOC and DPDS could have more specialized care provided. Additionally, the RFPs include mental health service provisions so that there is a unified provider within each facility that understands the top-to-bottom needs of the population.

The fiscal 2025 allowance includes the costs of the existing contract plus the cost to procure a new contract. However, it seems likely that the new contracts will see large labor cost increases due to changes in the labor market since the Corizon contract was signed. The $21.8 million appropriation provided for that new contract may only be enough to extend the current contract for six months. When DPSCS makes both procurement awards and presents them to the Board of Public Works, one consideration will be the allowed budget and any funding needed above that amount. The current budget may not be sufficient to provide for a contract that has the highest return on value.

In order to improve the quality of the current and future contracts, DPSCS decided to make the following changes during and after the contract dispute.

- The contract manager was replaced, and a Generally Accepted Government Accounting Standards compliant audit staff of 7 was allocated.

- DPSCS began assessing for liquidated damages once again.

- DPSCS began providing the 50% subsidy for episodes costing over $35,000 going back to the start of service in calendar 2019.

- DPSCS incorporated in the new Medical/Mental health RFP a requirement for the vendor to pay wages in the seventy-fifth percentile or better on the U.S. Bureau of Labor Statistics index. This is particularly important due to the shrinking labor supply in the medical field.

The Department of Legislative Services (DLS) recommends committee narrative requesting that DPSCS submit a report when an award is made for either contract that describes the context of the decision, the value offered by the awarded contract and the other submitted offers, and the impact on the budget. For technical purposes, this recommendation appears in the operating budget analysis Q00A – DPSCS – Administration.

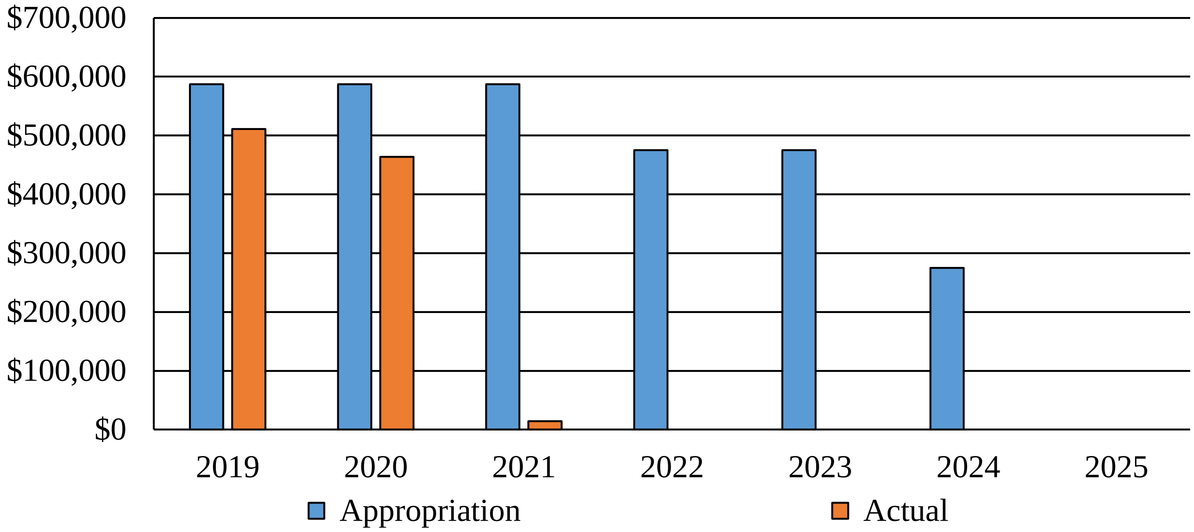
3. Reentry Programming Lacking Participation and Oversight

Relationship Ending with Threshold, Inc. After Years of Inactivity

DPSCS has had a relationship with Threshold, Inc. to guarantee bed-space for 30 men returning to Baltimore City from DPSCS custody at any given time. During the pandemic, the transfer of individuals was severely limited, and DPSCS ended the transfers to Threshold. However, the department has yet to restart this program.

Actual spending data from this contract show no funding was used in fiscal 2022 and 2023, and very little was used in fiscal 2021. The $275,000 appropriated in fiscal 2024 is much less than typically provided, and there is no funding in fiscal 2025. **Exhibit 16** breaks down the spending since fiscal 2019.

Exhibit 16
Funding Utilization of Threshold, Inc. Community Rehabilitation Center
Fiscal 2019-2025



Source: Department of Budget and Management; Department of Public Safety and Correctional Services

Community-based rehabilitation can be an excellent starting point for a returning citizen to begin their post-incarceration life with freedom, accountability, and support. It does not appear that DPSCS has replaced these opportunities with like programs for men, although the Marian House still provides support services and community-based rehabilitation to women returning from DPSCS (and other jurisdictions) custody.

Local Reentry Agreements Have Been Reportedly Underutilized, and DPSCS Was Found to Have Violated the Law by Failing to Respond to a Related Public Information Request

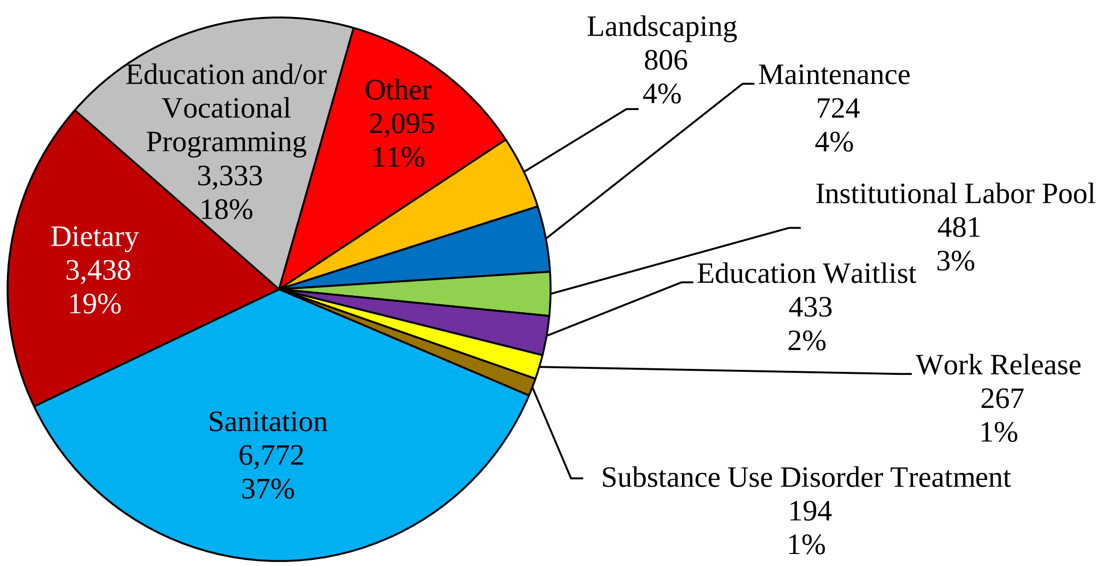
DPSCS failed to respond in a timely manner to a Public Information Act request that was initiated on March 2, 2023, by a reporter seeking to learn to which county that returning citizens are released. The Public Information Act Compliance Board reached out to DPSCS regarding the complaint made on July 31, 2023, to which DPSCS did not respond. The board found DPSCS to be in violation of the Public Information Act law that requires a timely response (typically 10 days) not to exceed 30 days. DPSCS exceeded the 30 day limit by 158 days, which means that DPSCS violated the law by over five months. The compliance board directed DPSCS to fulfill the request within 3 days of the decision and waive the requestor's processing fees.

Using the information eventually gathered from DPSCS, an investigation reported by the Herald-Mail Media found that the records highlighted a lack of participation in local reentry agreements. According to the report, one of the local detention centers' directors was not aware of the agreement. The records showed that in most counties, only a few individuals had ever been accepted by the county from the State for this program. The program is voluntary, but it is likely that the low per diem rate of $45 per day is not enough to fully cover the cost of taking on another individual, especially those with treatment needs. Local detention officials were reported to have little room for State offenders, as the local offender populations increased by 31% from fiscal 2021 to 2023 and are higher than prepandemic levels overall.

Available Program Participation Data Shows Heavy Emphasis on Institutional Assignments and Room to Increase Reentry Opportunities

Committee narrative in the 2023 *Joint Chairman's Report* (JCR) requested DPSCS to evaluate its programming data that could be reported annually to keep track of program participation. This request was made in response to a MCCS audit that showed that very few incarcerated women at the Maryland Correctional Institution for Women were assigned to rehabilitative programming or work release. The report submitted by DPSCS showed the ability to track most of these programs. The number of unique participants were reported by primary assignment, meaning that some of the participants may have secondary or subsequent assignments that count for these programs as well. The compiled summary of these results can be found in **Exhibit 17**. Percentages represent the share of primary assignments among participants. Nonparticipants are excluded.

Exhibit 17
Correctional Programming Participation by Primary Assignment
Fiscal 2023



Source: Department of Public Safety and Correctional Services

The majority of participants were assigned to institutional assignments, particularly sanitation and dietary work, which made up over 50% of the participants combined. Education and vocational training were widely assigned, but the report also noted a large waitlist of individuals for these programs. DPSCS has increased funding in fiscal 2024 and 2025 to hire contractual teachers as full-time State employees through the Maryland Department of Labor, which administers Correctional Education. Only 1% of participants were in SUD treatment services. These programs are voluntary unless required by the courts, but it is possible that DPSCS should increase the quantity or variety of SUD treatment services given the consistent reports of high substance abuse, contraband, and mental health acuity in the correctional population.

DPSCS should comment on efforts to enhance transitional housing opportunities, local reentry placements, and other rehabilitative reentry programming for its many returning citizens.

DLS recommends adopting committee narrative requesting that DPSCS report annual data on programming participants and nonparticipants in its annual MFR submission to DBM and DLS. For technical purposes, this recommendation appears in the operating budget analysis Q00A – DPSCS – Administration.

Updates

1. Justice Reinvestment Act Implementation Update

The Justice Reinvestment Act (JRA) of 2016 is one of the State's primary statutes addressing criminal justice reform. The JRA includes policy changes designed to reduce prison populations and correctional spending and reinvest the savings in programs that reduce recidivism. The JRA became effective on October 1, 2017, and as a result, has produced five years of data as well as significant changes in sentencing, parole, and treatment options for offenders.

Exhibit 18 displays each of the major JRA provisions, their definitions, and their results.

Exhibit 18
Justice Reinvestment Act – Status Updates
October 2017 to October 2023

	Results	Average 2018-2021	2022	2023	Total (All Years)
Administrative Release: Allows inmates convicted of certain nonviolent offenses to be released on parole after serving one-fourth of their sentence. Victims are notified of the early release and can request a regular parole hearing.	Screened	503	503	330	2,845
	Ineligible	404	419	149	2,183
	Eligible	**99**	**84**	**143**	**624**
Geriatric Parole: Offenders age 60 and up who were sentenced under Section 14-101 of the Criminal Law Article (and convicted of more than one violent crime and have served at least 15 years) can petition for geriatric parole.	Screened	10	0	0	41
	Ineligible	10	0	0	40
	Eligible	**<1**	**0**	**0**	**1**
Medical Parole: Inmates or their advocates can petition to be released if they are chronically debilitated or incapacitated and are physically incapable of presenting a danger to society. The Governor has 180 days to deny any approved request.	Screened	101	67	26	498
	Eligible	**22**	**18**	**19**	**125**
	Deceased	4	2	4	23
	Denied	79	49	7	373
Division of Parole and Probation (DPP) Graduated Sanctions: DPP supervision agents use a matrix to determine the proper sanction against an offender who has violated parole. Noncustodial (nonjail) sanctions are considered. Revocation caps limit the length of incarceration time imposed for violations of parole or probation to 15, 30, or 45 days, respectively, for the first, second, and third violation. Technical violations do not involve arrest, summons, or willfully evading parole/probation supervision.	**Received Sanctions**	**1,132**	**1,188**	**1,087**	**6,801**
Diminution Credits: Expands offender eligibility to earn diminution credits, how many credits can be earned, and for what reasons.	**Received Credits**	**428**	**374**	**544**	**2,630**
Earned Compliance Credits: The Justice Reinvestment Act allows individuals on probation and parole to earn credits to reduce their supervision and now requires DPP to automatically transfer nonviolent offenders (who have earned enough credits to satisfy their supervision term) to unsupervised probation or parole, where they will not be required to report regularly or pay supervision fees.	**Received Credits**	**45,637**	**39,478**	**43,872**	**265,898**
Certificates of Rehabilitation: Allows nonviolent offenders to apply for a certificate of completion to restore their rights to obtain certain professional certifications.	Applied	11	15	6	63
	Denied	3	7	4	23
	Approved	**7**	**8**	**2**	**39**

Source: Department of Public Safety and Correctional Services; Department of Legislative Services

Estimated Justice Reinvestment Act Total Cost Avoidance: $4.4 Million

Estimating the impact of the JRA on the DPSCS budget and operations is difficult and has been stated as such in the past by the department as well as in other states and jurisdictions where similar legislation was enacted. However, because the JRA is designed to further reduce inmate populations and apply those savings (from fewer inmates), estimated cost savings can be quantified in terms of cost avoidance. In other words, as specific inmates have reduced sentence time due to JRA provisions, administrators can determine exactly how many fewer days inmates are serving and calculate the savings to the State.

In this context, variable costs are those specific costs to DPSCS that are impacted the most by a change in inmate population, such as food, laundry/uniform expenses, etc. Medical care is no longer included in this calculation because the current inmate medical contract does not change with the population, causing JRA savings estimates to fall below their potential. The fiscal 2023 inmate variable cost was $4,147 per offender per year, or $11.36 per day. Overall, DPSCS and DLS determined the following for the fifth year of JRA implementation, October 1, 2022, through September 30, 2023:

- ***Administrative Release:*** Resulted in 18,236 fewer days served by inmates.

- ***Diminution Credits:*** 19,999 fewer days served.

- ***Medical Parole:*** 11,304 fewer days served.

- ***Total Days Avoided:*** 49,539 fewer days served.

- ***ADP Avoidance:*** 136 fewer inmates in custody on an average day.

- ***Fiscal 2023 JRA Direct Cost Avoidance:*** $562,805

The fiscal 2025 allowance for the Governor’s Office of Crime Prevention, Youth, and Victim Services includes $13.2 million in grant funding through the Performance Incentive Grant Fund. This fund supports State, local, and nonprofit projects that reduce Maryland’s State and local incarcerated population through appropriate diversion, deflection, service provision, and recidivism reduction resources. The office calculates the amount budgeted each year by multiplying the total cumulative reduction in the State correctional population since October 2017 by the variable inmate cost.

Appendix 1
2023 *Joint Chairmen's Report* Responses from Agency

The 2023 JCR requested that DPSCS prepare two overview reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***JRA Report:*** DPSCS provided an update on the implementation of the JRA, including the number of offenders petitioning and approved for JRA provisions and the annual JRA cost avoidance estimate. In total, the JRA has resulted in at least 1,046 fewer inmate years served. Further information regarding the JRA can be found in Update 1 of this analysis.

- ***Correctional Program Participation Measures:*** In the report, DPSCS described the types of programs that could feasibly be translated into participation measures reported annually. While DPSCS cannot provide the same audited measures that MCCS can, the department is able to report on a number of institutional assignments and programming such as counseling and mental health services, cognitive programming and self-help groups, education and work programs, and jobs in facilities such as sanitation, laundry, and maintenance. A variety of limited opportunities exist, but institutional assignments, particularly sanitation and dietary work, are much more common than other rehabilitative programming. Further discussion of data found in the report is included in Issue 3 of this analysis.