

Q00C02
Division of Parole and Probation
Department of Public Safety and Correctional Services

Operating Budget Data

(\$ in Thousands)

	<u>FY 06</u> <u>Actual</u>	<u>FY 07</u> <u>Working</u>	<u>FY 08</u> <u>Allowance</u>	<u>FY 07-08</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$78,314	\$82,228	\$86,207	\$3,979	4.8%
Special Fund	6,671	8,706	8,173	-533	-6.1%
Reimbursable Fund	<u>358</u>	<u>462</u>	<u>393</u>	<u>-69</u>	<u>-15.0%</u>
Total Funds	\$85,343	\$91,396	\$94,773	\$3,376	3.7%

- There are two fiscal 2007 deficiency appropriations totaling \$1,534,128 for the purchase of a replacement vehicle for field agents and for a \$1.5 million increase in general funds and subsequent decrease in special funds due to shortfalls in the collection of Drinking Driver Monitor fees.
- The fiscal 2008 allowance reflects an increase of 3.7%, or \$3.4 million. Absent the one-time health insurance adjustments, the underlying budget grows 7.7%, or \$6.7 million. This growth is largely attributable to increases in salaries and wages, costs associated with new sexual offender supervision, and new office space.

Personnel Data

	<u>FY 06</u> <u>Actual</u>	<u>FY 07</u> <u>Working</u>	<u>FY 08</u> <u>Allowance</u>	<u>FY 07-08</u> <u>Change</u>
Regular Positions	1,253.50	1,266.50	1,266.00	-0.50
Contractual FTEs	<u>91.69</u>	<u>143.70</u>	<u>146.70</u>	<u>3.00</u>
Total Personnel	1,345.19	1,410.20	1,412.70	2.50

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	53.81	4.25%
Positions Vacant as of 12/31/06	104.00	8.21%

- The fiscal 2008 allowance includes the 3 new contractual police communications officer full-time equivalents for the implementation of the new sexual offender legislation. This is offset by the abolition of a 0.5 clerical regular position in the Field Operations unit.

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

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Analysis in Brief

Issues

Drug Treatment Court: Drug Treatment and Driving While Intoxicated/Driving Under the Influence courts have been expanding in the State of Maryland in recent years. The Division of Parole and Probation's (DPP) role in these specialized courts requires more intensive supervision of these cases, increasing the division's commitment of financial and personnel resources. **DPP should address the impact of drug court expansion in its operating expenses and staffing levels, in addition to providing comparison of recidivism rates between drug court participants and non-drug court offenders.**

DPP Fee Administration: Concerns with probation supervision and the Drinking Driver Monitor Program (DDMP) fees include having to collect payments according to priority; an insufficient information technology system; low collection rates and high fee exemption rates; and a lack of enforcement and repayment from DDMP program fees. These indicate serious inefficiencies in the overall fee collection system within the division and question the ability of DDMP to be self-sufficient. **The department should provide year-to-date DDMP fee collections and provide a fiscal 2007 total estimate. The department should also comment on the future ability of DDMP to remain a special fund supported program and specifically address how the aforementioned issues impact the program and overall fee collection within the agency.**

Case Management and Fee Collection Information Technology Needs: At the request of the committees, DPP submitted a report detailing several case management and financial management needs that its current information technology system does not address. The department has plans to implement a new Offender Case Management System to address the current inadequacies.

Recommended Actions

	<u>Funds</u>
1. Add budget bill language restricting the use of funds by the Division of Parole and Probation for extended supervision of sexual offenders.	
2. Increase turnover expectancy to better reflect historical trends.	\$ 1,204,479
Total Reductions	\$ 1,204,479

Q00C02
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Operating Budget Analysis

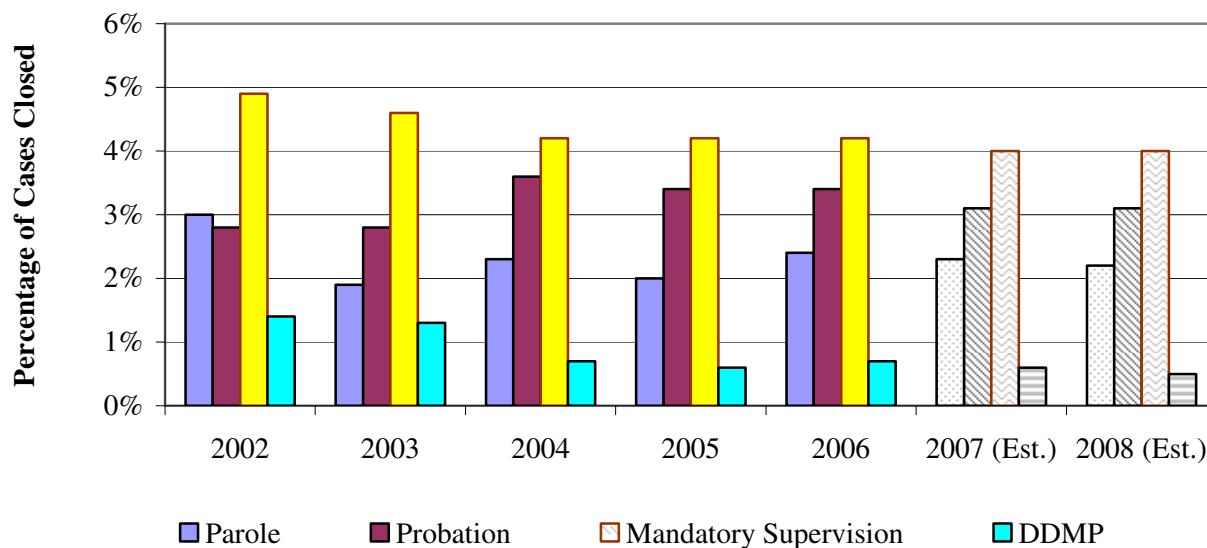
Program Description

The Division of Parole and Probation (DPP) provides offender supervision and investigation services. DPP's largest workload involves the supervision of probationers assigned to the division by the courts. DPP also supervises inmates released on parole by the parole commission or released from the Division of Correction because of mandatory release. Offenders can also be placed under DPP supervision through assignment by drug courts. The Drinking Driver Monitor Program (DDMP) supervises offenders sentenced by the courts to probation for driving while intoxicated (DWI) or driving under the influence (DUI). DPP also supervises offenders in the Correctional Options Program, which enables early release from prison or parole for offenders whose criminal acts result from drug abuse.

Performance Analysis: Managing for Results

The goal of DPP is to help keep Maryland communities safe. It does this through providing the appropriate level of control and supervision primarily through case management and intervention strategies. As a whole, DPP has struggled to meet its objective of an annual one-tenth of a percentage point reduction in the number of cases revoked because a new offense has been committed. **Exhibit 1** shows the percentage of cases closed due to the commission of a new offense for parole, probation, mandatory supervision, and DDMP cases. The percentage of cases revoked due to a new offense committed while under supervision remained the same for both probation and mandatory supervision cases from fiscal 2005 to 2006. These cases account for approximately 94% of all cases under supervision. Revocation of parole cases have fluctuated since 2002 but most recently rose by four-tenths of a percentage point, or 18 cases. After declining for the past two years, the percentage of cases closed by DDMP which were revoked for new DWI/DUI offenses rose in fiscal 2006. **The department should comment on why revocation rates are increasing for parole and DDMP cases and are stagnant for probation and mandatory release cases.**

Exhibit 1
Cases Closed Due to Revocation for New Offense
Fiscal 2002-2008

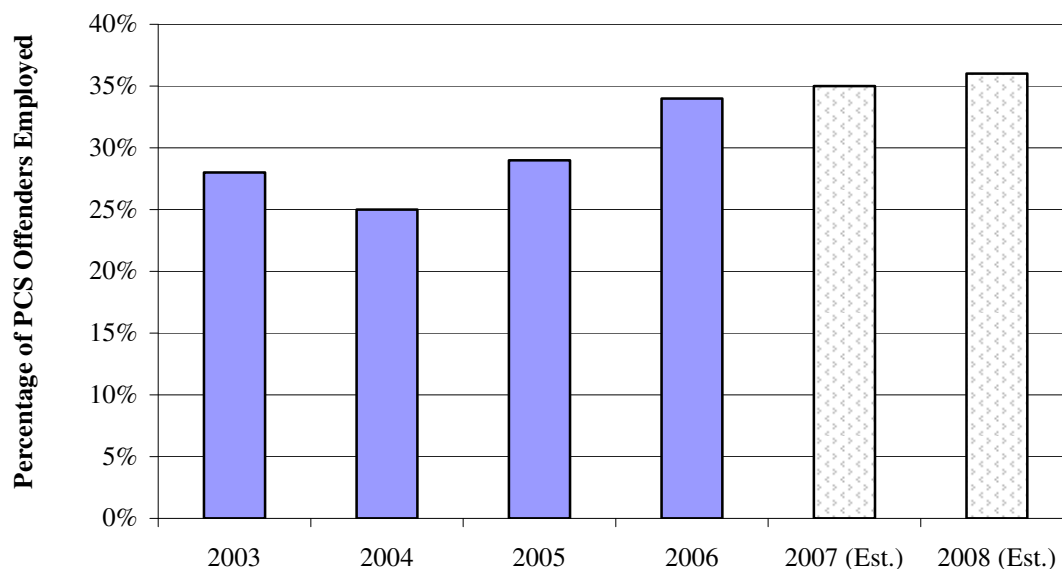


DDMP: Drinking Driver Monitor Program

Source: Department of Public Safety and Correctional Services

The division's Proactive Community Supervision (PCS) model is designed to deter offenders from committing another incarcerable offense through intense, concentrated supervision. One of the division's measures for assessing the performance of PCS cases is the percent of cases where the offender was employed at the time of case closing. As **Exhibit 2** demonstrates, the percent of PCS offenders who are employed at the time of case closing increased from 29% in fiscal 2005 to 34% in 2006, more than exceeding its one percentage point target.

Exhibit 2
Proactive Community Supervision
Offenders Employed at Case Closing
Fiscal 2003-2008

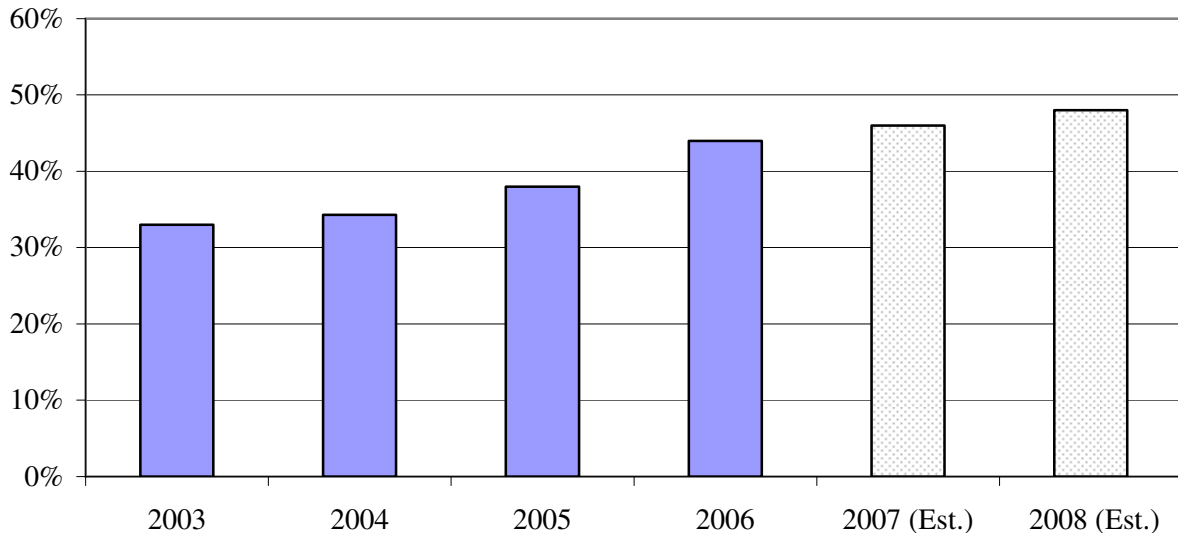


PCS: Proactive Community Supervision

Source: Department of Public Safety and Correctional Services

Another measure is the percent of cases closed where the offender had satisfactorily completed substance abuse treatment when required. As **Exhibit 3** shows, this measure has been consistently increasing since fiscal 2003. The target rate for this objective is to increase one percentage point annually. Between fiscal 2005 and 2006, the percent of PCS offenders who successfully complete substance abuse treatment increased 6 percentage points, from 38 to 44%. This measure has exceeded its target rate so consistently that the division has altered the goal from a one to a two percentage points annual increase from fiscal 2007 onward.

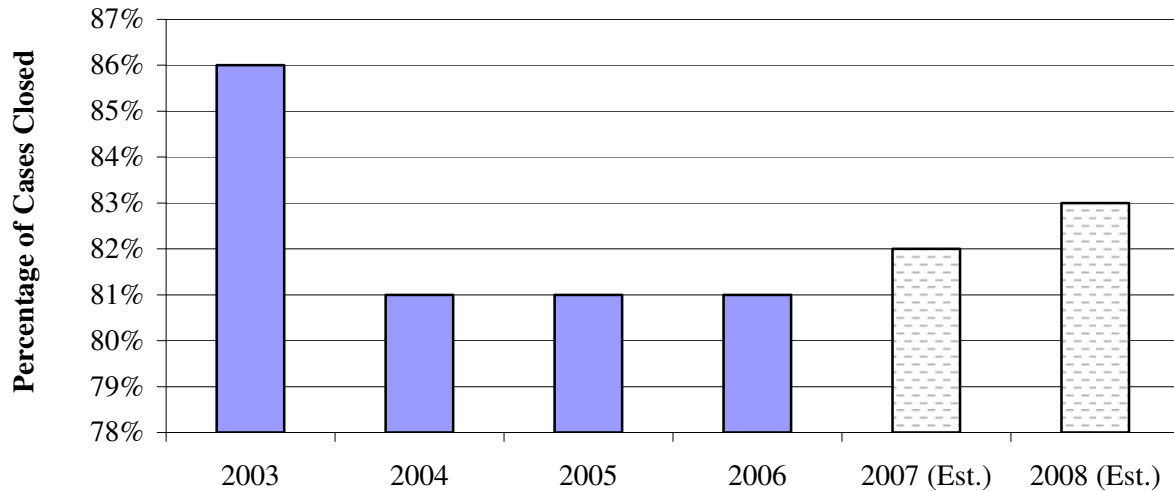
Exhibit 3
Proactive Community Supervision
Offenders Successfully Completing Substance Abuse
Fiscal 2003-2008



Source: Department of Public Safety and Correctional Services

The division contends that revocation rates decline under the PCS model. While the current PCS performance measures appear successful, the revocation rate for PCS cases is not currently reported. **Exhibit 4** shows the percent of PCS cases closed in satisfactory status since fiscal 2003. Following a 5% decline from fiscal 2003 to 2004, the percent of cases closed in satisfactory status has remained stagnant at 81%. The division's targeted rate is to have a one percent annual increase. **The department should comment on why the percent of PCS cases closed in satisfactory status has remained stagnant and what measures it is taking to increase the satisfactory closure rate.**

Exhibit 4
Proactive Community Supervision
Cases Closed in Satisfactory Status
Fiscal 2003-2006



Source: Department of Public Safety and Correctional Services

The Department of Legislative Services recommends the department include the number and percent of PCS cases revoked due to the commitment of a new offense while under PCS supervision in its Managing for Results measures.

Fiscal 2007 Actions

Proposed Deficiency

The fiscal 2008 allowance includes two deficiency appropriations for fiscal 2007 totaling \$1,534,128. The majority is accounted for by a \$1.5 million increase in general funds and subsequent decrease in special fund expenditures due to shortfalls in the collection of Drinking Driver Monitor fees. The remaining \$34,128 is for the purchase of a replacement vehicle used by agents for field visits.

Governor's Proposed Budget

As seen in **Exhibit 5**, the Governor's fiscal 2008 allowance for DPP increases by approximately \$3.4 million, or 3.7%. Personnel expenses account for approximately 54.0% of the increase, or \$1.8 million.

New funding related to sexual offender legislation passed during the 2006 special session accounts for approximately 30%, or \$1 million of the fiscal 2008 increase. This includes \$89,000 for three new contractual police communication officers. These positions are for extended sexual offender parole supervision utilizing Sex Offender Management Teams and verifying the offender's compliance with the special conditions ordered by the Maryland Parole Commission. Thirty-five thousand dollars is included for two additional law enforcement sedans for site visits, and \$50,000 is for training for agents who will be responsible for supervising the sexual offender population. The largest portion of the increase related to sexual offenders – approximately \$833,000 – is to fund the various treatment and services required for this population. This includes global positioning system tracking, monitoring offender computer activities, polygraph testing, and specialized sexual offender treatment programs.

Increases in rent (\$454,000) and office equipment purchases (\$405,000) occur because of the division's need for new leased office spaces in Baltimore City, Easton, and Waldorf. Two current sites in Baltimore City no longer meet operational needs, so the department is leasing two larger facilities. In Easton the landlord was unwilling to continue the lease agreement, and lease negotiations at the Waldorf site were not completed within the time frame necessary for DPP to ensure continuity of operations in that geographic area. Also, the Guilford Avenue field office is undergoing renovations in July 2007, temporarily displacing staff. The division is responsible for equipping the new office space in Easton, Waldorf, and the two Baltimore City locations, in addition to the temporary site while renovations are being done at Guilford Avenue.

Exhibit 5
Governor's Proposed Budget
Division of Parole and Probation
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
2007 Working Appropriation	\$82,228	\$8,706	\$462	\$91,396
2008 Governor's Allowance	<u>86,207</u>	<u>8,173</u>	<u>393</u>	<u>94,773</u>
Amount Change	\$3,979	-\$533	-\$69	\$3,376
Percent Change	4.8%	-6.1%	-15.0%	3.7%
Where It Goes:				
Personnel Expenses				
Turnover adjustments				\$1,445
Retirement				1,302
Increments and other compensation				1,300
Other fringe benefit adjustments				120
Health insurance costs decline due to one-time savings				-2,202
Workers' compensation				-130
Abolished/transferred positions				-18
Sexual Offender Legislation				
Three contractual FTE police communications officers				89
Motor vehicles				35
Sexual offender training for agents				50
Sexual offender treatment and services (GPS, polygraph, computer monitoring, etc.)				833
Other Changes				
Rent				454
Office equipment for five new leased probation field offices				405
Payment to State Police for out-of-state return of clients based on prior year				-100
Communication charges				-102
Other				-105
Total				\$3,376

FTE: Full-time equivalent

GPS: Global Positioning System

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

Issues

1. Drug Treatment Court

Understanding Drug Courts

A drug court is a specialized docket responsible for handling drug- and dependency-related cases through judicial intervention, intensive monitoring, and continuous substance abuse treatment. Defendants targeted for drug court are generally non-violent offenders whose current involvement with the criminal justice system is due, primarily, to their substance addiction. Offenders eligible for drug court are identified as soon as possible after arrest and, if accepted into the drug court program, are referred immediately to a treatment program entailing frequent contact with a treatment provider for counseling, therapy and education; frequent urinalysis; frequent status hearings before the drug court judge; and a rehabilitation program entailing vocational, educational, family, medical, and other supportive services.

Drug courts in Maryland are generally established by the circuit or District courts in collaboration with DPP, the Department of Juvenile Services, the State's Attorney's Office, the Office of the Public Defender, and treatment providers. The three DWI/DUI courts also involve participation of agents from the Drinking Driver Monitor Program. The duties of participating partners vary among jurisdictions. While the Drug Treatment Commission has developed standard operating procedures, individual drug courts may tailor their approach as the partners see fit, although the majority of drug court participants are assigned to supervision by a parole or probation agent.

DPP Supervision Responsibilities

DPP has been involved in the planning phase of most drug courts. DPP's role in drug or DWI/DUI courts is similar to its traditional role in managing offenders in the community but requires much more intensive supervision. In most drug courts, DPP provides dedicated agents if they are available or assigns drug court offenders to specific caseloads to the extent possible. In operational drug courts, DPP generally provides:

- supervision and case management services;
- drug testing;
- compliance with substance abuse treatment; and
- reports on the activities of the offender in the community.

Most drug courts utilize a team approach with the judiciary as the "team leader." These teams include DPP, and they focus on offender progress and develop responses to both positive and negative offender behavior.

Q00C02 – DPSCS – Division of Parole and Probation

DPP's most prevalent involvement is with the Baltimore City Drug Treatment Court, established in 1994. In Baltimore City, DPP provides:

- dedicated probation agents assigned solely to drug court cases;
- grants to the Office of the Public Defender and the State's Attorney's Office to ensure their participation in the drug court program;
- funding for drug treatment slots for offenders adjudicated through this drug court; and
- assessments to determine eligibility of offenders diverted to the drug courts.

Funding and Staffing

A number of the cases DPP receives through drug and DWI/DUI courts would be cases under the division's supervision even if the specialized courts did not exist. Because drug court and DWI/DUI court cases require much more intensive supervision, however, the division aims to maintain at least a 50:1 offender to staff caseload ratio, which increases the need for additional agents. Coupled with the various grants provided to drug court partners to maintain their participation, the expansion of drug courts over the past five years have led to increased commitment of DPP personnel and financial resources.

Exhibit 6 shows State expenditures for the drug court program since fiscal 2003 and staffing levels since 2004. DPP funding for the drug treatment court is projected to increase approximately 21% since fiscal 2003, from \$1.7 million to \$2.1 million in fiscal 2008.

Exhibit 6
Drug Treatment Court Expenditures
(\$ in Thousands)

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>Wrkng. Approp.</u> <u>FY 2007</u>	<u>Allowance</u> <u>FY 2008</u>
GF	\$1,726	\$1,492	\$1,507	\$1,521	\$2,109	\$2,084

Drug Treatment Court Employees

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>Wrkng. Approp.</u> <u>FY 2007</u>	<u>Allowance</u> <u>FY 2008</u>
Regular	23.00	18.00	14.00	28.00	28.00
Contractual	0.92	0.87	0.90	1.00	1.00
Total	23.92	18.87	14.90	29.00	29.00

Source: Department of Public Safety and Correctional Services

This increase is largely due to the additional staff needed to support the program. With the need for lower caseload ratios due to more intense supervision and the dedication of agents specifically to drug court cases, the division added 13 new regular positions in fiscal 2007. The addition of these positions still leaves DPP agents at or above ideal caseload ratios, despite the fact that approximately 30% of the drug court treatment slots remain unfilled.

DPP should address the impact of drug court expansion on its operating expenses and staffing levels. The division should also address whether adequate staff exists to supervise current operational drug courts in addition to the new courts planned for fiscal 2008. Finally, DPP should discuss its experiences with more intense supervision and recidivism rates for drug offenders, comparing drug court participants versus non-drug court offenders.

2. DPP Fee Administration

DPP collects various fees including restitution, fines, court costs, administrative, public defender, testing, and supervision fees. In addition, Drinking Driver Monitor Program participants are required to pay a \$45 monthly fee, in addition to the \$40 monthly fee assessed all DPP supervisees. All fees are court-imposed, save the DDMP program fee.

Priority Ranking Payments

Since 1991, DPP has been required to collect all court-imposed fees according to a specific priority ranking set by former Chief Judge Robert Murphy, without input from the legislature. This ranking is as follows:

- restitution;
- fines;
- court costs;
- public defenders costs;
- restitution collection fees; and
- supervision fees.

Restitution is designated by the court and disbursed by DPP to the properly identified recipient. Fines and court costs are disbursed by DPP to the sentencing court. DPP disburses public defender's fees to the Office of the Public Defender through reimbursable funds. Restitution collection fees and DDMP program fees are special funds utilized by the division. Supervision fees are collected last and are deposited as general fund revenue.

Each offender enrolls in a payment plan to pay any levied restitution, fines, costs, and fees through the duration of the subsequent supervision period, which may last several years. Supervision fees are collected and disbursed last, usually toward the end of the supervision period, if at all, after all other payment obligations are met. This location in the priority ranking system is one of many reasons for the low supervision fee collection rates.

An example of how this system works is:

The Court assigns Offender A to probation for two years. The Court also orders Offender A to fulfill certain payment obligations, as shown in **Exhibit 7**. Since all obligations should be completed by the time supervision ends, DPP sums the total obligation and divides by the total months of supervision, in order to determine the offender's monthly payment. According to Exhibit 7, Offender A has a monthly payment of \$150 in order to fulfill all financial obligations by the end of his two years of supervision.

Exhibit 7
Offender A Priority Payment Plan
Supervision Period: 24 Months

<u>Obligations</u>	<u>Amount</u>
Restitution	\$2,000
Fines	400
Court Costs	140
Public Defender Costs	100
Monthly Supervision Fees	960
Total	\$3,600
Monthly Payment:	\$150

Source: Department of Legislative Services

Because of the priority ranking system, Offender A's monthly payment is not equally allocated to all the obligations at once. The \$150 monthly payment is instead posted to the restitution until this obligation is paid in full. The general fund would not receive revenue until after the first year of the offender's supervision. Further, according to the current system, supervision fees would not be collected as general fund revenue until the last six months of the offenders two-year supervision sentence. This is assuming the offender does not become delinquent on any previous priorities.

Since its implementation in fiscal 2006, the DDMP program fee has been collected as special funds in order to allow DDMP to be a self-supported program. Since these program fees are not court-imposed, upon implementation of the fee, the Secretary of Public Safety decided that DDMP program fees would receive top priority, since without them, the program would not be able to support its operations.

Concern exists among other State agencies that the DDMP program fees should not receive top collection priority because it delays payments for the other fees until all DDMP program fees are paid in full. This not only limits general fund revenue, but delays payments to victims and other State agencies, such as the public defenders office.

Another issue with collecting payments according to priority ranking is the inability to accurately estimate fee collection. For supervision fees, DPP could be supervising an offender for years before there is any collection for supervision fees. Since restitution is the first priority, the general fund and subsequent State agencies might not receive revenue until all restitution is paid. The opposite is occurring with DDMP program fees. Since the program fee is paid first, DDMP is still supervising offenders who are no longer contributing special funds to support the program. Therefore, DPP cannot simply estimate the number of DDMP participants and safely estimate the anticipated revenues.

The department should comment on how it identified its original caseload and revenue estimates when determining that the DDMP program fee would provide adequate funding to cover operating expenses.

The current priority ranking was designed 16 years ago by the judiciary, without input from the legislature. **The legislature might want to consider legislation to alter the current fee collection system to allow payments to occur simultaneously, in order to ensure proper revenue collection and accurate estimating.**

Since supervision fees are collected last, if at all, **the department should comment on the impact the current priority ranking system has on its ability to estimate proper fee collection and provide data on how much general fund revenue is lost due to the low ranking of the supervision fee.**

Fee Waivers

The courts and DPP currently have the authority to exempt offenders from supervision fees in part or as a whole. The DDMP program fee, since it is not court-imposed, is not subject to waiver. According to DPP, in fiscal 2006 the courts waived the \$40 probation supervision fee in approximately 46% of DDMP cases and 47% of all criminal supervision cases. This can significantly lower the amount of general fund revenue collected from these fees.

Currently, there is legislation introduced, House Bill 12, which would allow the courts and DPP to grant exemptions to the \$45 DDMP program fee, as well. Because DPP continues to rarely grant exemptions to the \$45 monthly program fee, if it were waived by the courts in the same percentage of cases as the \$40 monthly probation supervision fee, DPP estimates that program revenues would decrease by \$3,530,520 annually through fiscal 2010, and threaten the self-sufficiency of the program.

Court Enforcement

Since the DDMP program fee is not court-imposed, non-payment poses little threat to program participants. A supervisee's nonpayment of the program fee would not result in a revocation of his probation, as is the case with non-payment of other fees. When a DDMP case is closed, the division refers all unpaid fees to the Department of Budget and Management's Central Collection Unit (CCU). This process allows former supervisees the opportunity to pay the program fee over a longer period of time.

The department should provide the number of referrals it submits to CCU and how much is recovered each year.

Information Technology

The ability of DPP to collect, post, and track the proper payments for the individual fees is further hindered by the outdated technology system used by the department. Mirroring the court ruling, payment obligations must be fulfilled one priority at a time because the collection tracking system does not have the ability to assign payments to more than one type of priority at a time. The system also lacks the ability to notify the field agent when a payment is overdue and further, it cannot calculate or record the interest accrued to overdue restitution payments.

The department should comment further on how payment collection would differ under a new information technology system, and what would be the operational and fiscal savings associated with implementing a new collection system.

Fee Collection and DDMP Self-Sufficiency

Overall, the requirement to collect payments on a priority basis, an insufficient information technology system, low collection rates, high fee exemption rates, and a lack of enforcement and repayment from DDMP program fees indicates some serious inefficiencies in the overall fee collection system within the division.

An additional question is the impact all of these issues have on the ability of DDMP to maintain its self-sufficiency. As **Exhibit 8** demonstrates, funding for DDMP has not been completely special fund supported at any point since the program fee was implemented in 2005. Fiscal 2006 and 2007 both required deficiency appropriations because program fee revenues fell more than \$1 million short of operating expenses. Special funds as a percent of the overall program budget have declined from 87% in fiscal 2006 to 82% in 2007. The fiscal 2008 allowance includes \$500,000 in general funds, indicating the agency already anticipates not collecting enough revenues to support the program, however, based on actual and estimated program fee attainments in fiscal 2006 and 2007, the special fund allowance appears optimistic which could result in a fiscal 2008 deficiency appropriation.

The department should provide year-to-date DDMP fee collections and provide a fiscal 2007 total estimate. The department should also comment on the future ability of DDMP to remain a special fund supported program and specifically address how the aforementioned issues impact the program and overall fee collection within the agency.

Exhibit 8
Division of Parole and Probation
Drinking Driver Monitor Program Funding
Fiscal 2005-2008
(\$ in Thousands)

<u>Fund</u>	<u>Legisl.</u> <u>Apprp.</u> <u>2006</u>	<u>Suppl.</u> <u>Approp</u> <u>2006</u>	<u>Total</u> <u>2006</u>	<u>% of</u> <u>Total</u>	<u>Legisl.</u> <u>Apprp.</u> <u>2007</u>	<u>Defic.</u> <u>Approp.</u> <u>2007</u>	<u>Total</u> <u>Approp.</u> <u>2007</u>	<u>% of</u> <u>Total</u>	<u>Allow.</u> <u>2008</u>	<u>% of</u> <u>Total</u>
GF	\$0	\$1,000	\$1,023	13.5%	\$0	\$1,500	\$1,500	17.7%	\$500	5.8%
SF	\$8,252	-\$1,000	\$6,556	87%	\$8,454	-\$1,500	\$6,954	82%	\$8,053	94%
Total	\$8,252	\$0	\$7,579	100%	\$8,454	\$0	\$8,454	100%	\$8,553	100%

Source: Department of Public Safety and Correctional Services

3. Case Management and Fee Collection Information Technology Needs

During the 2006 session, the committees requested DPP report on the inadequacies of the current case management and fee collection system. The report identified inadequacies and current needs related to both offender management and fee collection tracking. It also indicated that the department is in the planning stages for implementing an Offender Case Management System (OCMS), a departmentwide system designed to integrate case management and promote information sharing.

Case Management Needs

Currently, the division's case management system tracks and assigns cases to agents according to the criminal case and not the individual offender. This leaves the opportunity for a particular offender who has more than one criminal case to have to report to more than one agent, creating redundancy and inadequacy in supervision. The system also lacks the ability to easily enter, adjust, track, and analyze offender information in order to create a comprehensive supervision plan catering to the specific needs of the individual offender. Primarily, DPP needs a system that stores offender information according to a State assigned identification number, linking all cases and information pertaining to an individual offender.

The department has identified six case management specific information technology needs that the current system does not provide. These include the ability to:

Q00C02 – DPSCS – Division of Parole and Probation

- maintain and update legal and case information, including standard and specific conditions of supervision;
- store all victim information and automatically generate notification letters when necessary;
- conduct individualized risk assessment and create a relevant supervision plan based on the assessment results;
- interface with other criminal justice agencies, such as the sexual offender registry or State Police DNA registry, to share information regarding offender management, progress, and treatment;
- ease administration of case management through automatic report generation, electronic notes and records, and remote system access; and
- flexibly assign, transfer, and modify case assignments as needed.

Financial Management Needs

In addition to case management, the department is also responsible for the collection and disbursement of funds related to restitution, court costs, fines, public defender fees, supervision, testing and program fees, in addition to interest on overdue restitution payments. DPP's current system allows it to record all payments but cannot identify interest due on restitution payments, leaving the division unable to achieve full compliance with its supervision responsibilities. In addition, the current system cannot automatically track payments historically, generate reports using the data, or add/delete/modify payment obligations, making it difficult for the field agent to properly ensure that all obligations are being met in a timely and accurate manner. Since the division and other State agencies rely on some of the offender paid fees in order to fund programs, inadequate or inaccurate collection of payments can be a hindrance to the State.

The department has identified several financial management needs not currently provided under the existing system. These include the ability to:

- record, calculate, and modify all payment obligations of the offender, including interest due on overdue restitution;
- create payment plans to accommodate the various needs and requirements of each offender;
- manage and track the offender's compliance with or violations of payment obligations; and
- generate analyses for the department in order to track the amount collected, due, disbursed, and held.

Future Action

The department has conducted evaluations of software applications from six vendors and identified Xwave, Inc. as the most promising vendor to address all the department's needs. According to the department, the minimum cost for the OCMS would be \$7 million; however, customization of the system would be required to address the specific needs of the Department of Public Safety and Correctional Services and each of the agencies, so the total cost will likely increase. The department estimates a two and a half year timeline for completion of the project from the time of approval, with a new module being implemented every six months until all agencies are part of the system. In the interim, DPP has instituted an automated reporting system and case notes system to help ease some of the administrative tasks of field agents.

The department should be prepared to discuss a more detailed implementation plan and timeframe for this project.

The department should be prepared to comment on how the new system will be able to evaluate the individual programs within DPP. Specific measures for evaluation should be identified. The Department of Legislative Services recommends the new system be designed to include appropriate measures to evaluate the success of the programs.

Recommended Actions

1. Add the following language to the general fund appropriation:

, provided that the Division of Parole and Probation may not expend \$806,633 of the \$1,006,633 in general funds associated with the extended supervision of sexual offenders until all conditions for an individual to receive extended supervision under House Bill 2 are met. These conditions include the offender is within the sexual offender populations identified by the legislation; the sentencing for the original crime occurred after August 1, 2006; and the offender has completed assigned prison time and original probation period before entering into the extended supervision under the division's supervision. The division shall submit a report on September 1, December 1, March 1, and June 1 of fiscal 2008 detailing the number and type of sexual offenders in the division's supervision at the time included under House Bill 2, whether prison time had been served, and the types and cost of services received. \$200,000 of the restricted funds shall be released upon submission of each of the reports, pending approval of the committees. The \$200,000 not restricted by this language is to be used by the division for three contractual positions, specialized training for field agents, and other incidental start-up costs associated with the extended sexual offender supervision. The funds associated with this supervision cannot be expended or transferred to any other purpose. Unexpended funds shall revert to the general funds at the end of the fiscal year.

Explanation: It is the intent of the committees to ensure that these funds are used solely for the intensive extended supervision of sexual offenders identified under House Bill 2. This language restricts funds identified by the division as being associated with the extended supervision of sexual offenders. There is a discrepancy between the department and the fiscal note attached to the legislation about start-up costs and when the extended supervision takes effect. According to the fiscal note, the population identified by this legislation should not enter extended supervision until fiscal 2009. This language requires the department to display the need for this increased funding and to not expend any funds for extended supervision until the identified population is under the division's supervision and eligible for the extended supervision period.

Information Request	Author	Due Date
Report on House Bill 2 Sexual Offenders Eligible for Extended Supervision	Division of Parole and Probation	September 1, December 1, 2007 and March 1, June 1, 2008

Q00C02 – DPSCS – Division of Parole and Probation

	<u>Amount Reduction</u>	
2. Increase turnover expectancy to better reflect historical trends. This increases the turnover rate from 4.25 to 6.0%.	\$ 1,204,479	GF
Total General Fund Reductions	\$ 1,204,479	

Current and Prior Year Budgets

Current and Prior Year Budgets Division of Parole and Probation (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2006					
Legislative Appropriation	\$75,916	\$8,352	\$0	\$796	\$85,064
Deficiency Appropriation	1,000	-1,000	0	0	0
Budget Amendments	1,398	0	0	0	1,398
Reversions and Cancellations	0	-681	0	-438	-1,119
Actual Expenditures	\$78,314	\$6,671	\$0	\$358	\$85,343
Fiscal 2007					
Legislative Appropriation	\$81,026	\$8,564	\$0	\$462	\$90,052
Budget Amendments	1,203	142	0	0	1,345
Working Appropriation	\$82,229	\$8,706	\$0	\$462	\$91,397

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

Fiscal 2006

General fund spending for fiscal 2006 was approximately \$78.3 million.

- Budget amendments increased the appropriation by approximately \$1.4 million. A \$390,000 decrease due to the realignment of general funds throughout the department to meet actual expenditures was offset by a \$1.0 million increase from the realignment of funds to meet actual employee and retiree healthcare benefit expenditures and a \$788,000 increase from the cost-of-living adjustment amendment.

Special fund expenditures totaled approximately \$6.7 million in fiscal 2006, a decrease of approximately \$1.7 million below the legislative appropriation.

- DPP's attempt to fund the Drinking Driver Monitor Program solely through program fees fell short by approximately \$1.7 million. As a result, there was one deficiency appropriation which increased general funds and decreased special funds by \$1.0 million correspondingly due to the under-attainment of revenue from DDMP fees.
- The division also cancelled approximately \$681,000 due to the under-attainment of revenue from these fees.
- Reimbursable fund spending in fiscal 2006 was approximately \$358,000.
- The division cancelled approximately \$438,000 of unexpended grant funds.

Fiscal 2007

The general fund working appropriation is approximately \$82.2 million, including roughly \$1.2 million in general funds and \$142,000 in special funds for the cost-of-living adjustment amendment.

**Object/Fund Difference Report
DPSCS Division of Parole and Probation**

<u>Object/Fund</u>	<u>FY06 Actual</u>	<u>FY07 Working Appropriation</u>	<u>FY08 Allowance</u>	<u>FY07-FY08 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	1253.50	1266.50	1266.00	-0.50	0%
02 Contractual	91.69	143.70	146.70	3.00	2.1%
Total Positions	1345.19	1410.20	1412.70	2.50	0.2%
Objects					
01 Salaries and Wages	\$ 71,418,498	\$ 75,751,104	\$ 77,568,176	\$ 1,817,072	2.4%
02 Technical and Spec. Fees	2,637,814	2,704,177	3,050,022	345,845	12.8%
03 Communication	1,466,946	1,436,312	1,334,272	-102,040	-7.1%
04 Travel	527,920	604,250	502,000	-102,250	-16.9%
06 Fuel and Utilities	179,123	163,600	207,072	43,472	26.6%
07 Motor Vehicles	823,193	988,006	829,148	-158,858	-16.1%
08 Contractual Services	3,158,803	3,490,677	4,358,447	867,770	24.9%
09 Supplies and Materials	1,174,687	1,486,375	1,423,750	-62,625	-4.2%
10 Equip – Replacement	13,437	26,000	35,000	9,000	34.6%
11 Equip – Additional	234,337	268,741	539,104	270,363	100.6%
12 Grants, Subsidies, and Contributions	77	500,000	500,000	0	0%
13 Fixed Charges	3,708,058	3,977,238	4,425,969	448,731	11.3%
Total Objects	\$ 85,342,893	\$ 91,396,480	\$ 94,772,960	\$ 3,376,480	3.7%
Funds					
01 General Fund	\$ 78,314,041	\$ 82,228,217	\$ 86,207,150	\$ 3,978,933	4.8%
03 Special Fund	6,671,010	8,706,044	8,173,076	-532,968	-6.1%
09 Reimbursable Fund	357,842	462,219	392,734	-69,485	-15.0%
Total Funds	\$ 85,342,893	\$ 91,396,480	\$ 94,772,960	\$ 3,376,480	3.7%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.

**Fiscal Summary
DPSCS Division of Parole and Probation**

<u>Program/Unit</u>	<u>FY06 Actual</u>	<u>FY07 Wrk Approp</u>	<u>FY08 Allowance</u>	<u>Change</u>	<u>FY07-FY08 % Change</u>
01 General Administration	\$ 4,188,574	\$ 4,744,337	\$ 4,699,397	-\$ 44,940	-0.9%
02 Field Operations	81,154,319	86,652,143	90,073,563	3,421,420	4.0%
Total Expenditures	\$ 85,342,893	\$ 91,396,480	\$ 94,772,960	\$ 3,376,480	3.7%
General Fund	\$ 78,314,041	\$ 82,228,217	\$ 86,207,150	\$ 3,978,933	4.8%
Special Fund	6,671,010	8,706,044	8,173,076	-532,968	-6.1%
Total Appropriations	\$ 84,985,051	\$ 90,934,261	\$ 94,380,226	\$ 3,445,965	3.8%
Reimbursable Fund	\$ 357,842	\$ 462,219	\$ 392,734	-\$ 69,485	-15.0%
Total Funds	\$ 85,342,893	\$ 91,396,480	\$ 94,772,960	\$ 3,376,480	3.7%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.