

Legislative Budget Analysis
Proposed FY 2024 Operating and Capital Budgets
Office of the County Auditor
Baltimore County, Maryland
HEARING DATE: May 16, 2023



Department of Corrections

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Questions to Department Sent	Wednesday, April 26
Responses Received	Tuesday, May 2
Analysis considers all agency responses.	

BALTIMORE COUNTY
FISCAL YEAR 2024 RECOMMENDED BUDGET

DEPARTMENT OF CORRECTIONS (008)

BUDGET SUMMARY				
\$ in Thousands				
	GENERAL	SPECIAL	TOTAL	% Change Prior Year
PROPOSED CHANGE				
FY 2023 - 2024 Change	\$ 3,737.5	\$ (1,032.2)	\$ 2,705.3	5.5%
BUDGET TRENDS				
FY 2022 Actual	\$ 45,289.6	\$ 720.8 ⁽¹⁾	\$ 46,010.4	
FY 2023 Approp.	47,228.7	2,097.9 ⁽²⁾	\$ 49,326.6	7.2%
FY 2024 Request	50,966.2	1,065.7	52,031.9	5.5%
FY 2024 Budget Analysis	50,966.2	1,065.7	52,031.9	5.5%
POTENTIAL REDUCTIONS	TBD	\$ -	TBD	

⁽¹⁾ Reflects audited expenditures \$6,941 greater than the amount reflected in the Executive's budget documents.
⁽²⁾ Adjusted for 1 supplemental appropriation totaling \$303,591 not reflected in the Executive's budget documents.

PERSONNEL				
	GENERAL		SPECIAL	
	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME
PROPOSED CHANGE				
FY 2023 - 2024 Change	3	(4)	0	3
BUDGET TRENDS				
FY 2022 Actual	441	39	2	2
FY 2023 Approp.	444	38	2	2
FY 2024 Request	447	34	2	5
FY 2024 Budget Analysis	447	34	2	5
POTENTIAL REDUCTIONS	TBD	TBD	0	0

VACANCY DATA

Positions Vacant as of March 31, 2023* 114 10

*Provided by the Office of Budget and Finance, which advised that it is not currently tracking Special Fund vacancies.

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BUDGET SUMMARY:

The proposed FY 2024 budget for the Department of Corrections totals \$52.0 million, an increase of \$2.7 million, or 5.5%, over the FY 2023 budget as follows.

	General Fund	Special Fund	Total
	(\$ in thousands)		
2024 Request	\$ 50,966	\$ 1,066	\$ 52,032
2023 Appropriation	47,229	2,098 ⁽¹⁾	49,327
\$ Increase/(Decrease)	\$ 3,737	\$ (1,032)	\$ 2,705
% Increase/(Decrease)	7.9%	-49.2%	5.5%

(1) Adjusted for 1 supplemental appropriation totaling \$303,591 not reflected in the Executive's budget documents.

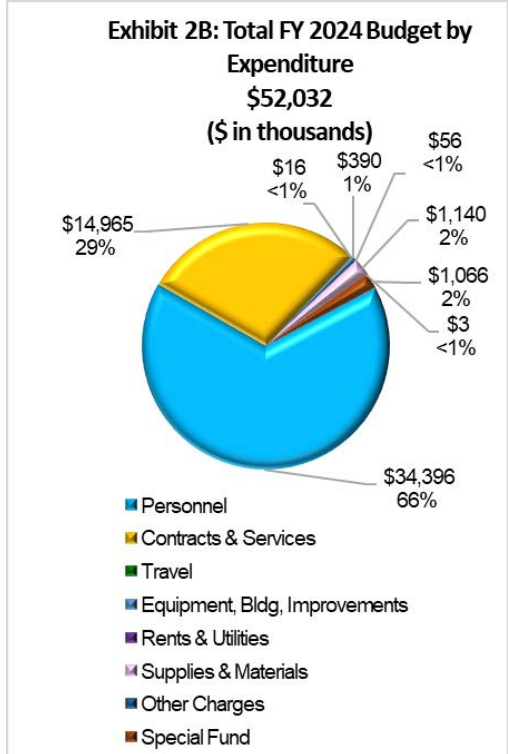
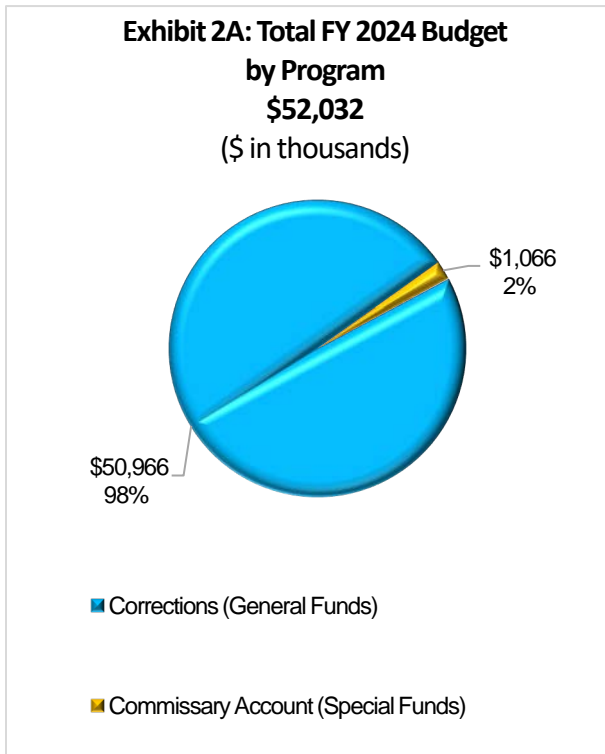
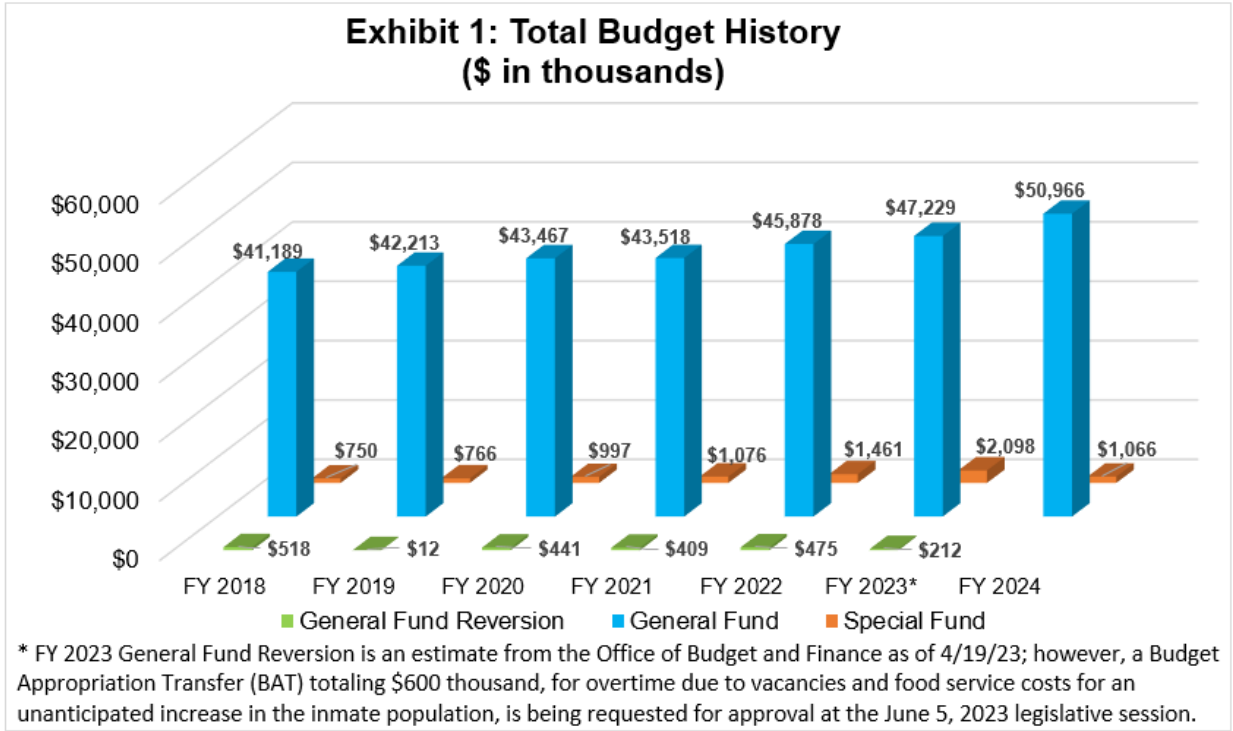
- **General Fund** – The \$3.7 million budget increase is primarily due to personnel expenses (e.g., personnel annual review, overtime due to the new Pitman Fixed Shift Schedule, COLAs, increments and longevities, and salary review), and increases in the contracts for medical services and food services.
- **Special Fund** – The \$1.0 million budget decrease is primarily due to discontinued funding from the Commissary Account for the Department’s administration of the Residential Substance Abuse Treatment Program.

The proposed FY 2024 budget comprises 1.2% of the total Operating Budget.

See Appendices A and B for program-level expenditure/appropriation and authorized staffing levels, respectively, for FY 2022 (actual), FY 2023 (appropriated), and FY 2024 (proposed).

See Exhibit 1 for a budget history, and Exhibits 2A and 2B for the distribution of expenses across programs and expenditures, respectively.

Department of Corrections (008)



Department of Corrections (008)

POTENTIAL BUDGET REDUCTIONS:

As of March 31, 2023, the Office of Budget and Finance advised that of the 482 authorized General Fund positions, there were 124 vacant positions, up from 105 vacant positions in April 2022. The proposed budget's turnover savings has been reduced by 0.7 percentage points, from 9.6% to 8.9%. Estimated turnover for FY 2023 exceeds 23%. The Department advised that it continues to experience recruitment and retention challenges, but that it anticipates its current/new recruitment and retention initiatives, salary enhancements, and the implementation of a Pitman Fixed Shift Schedule (at an additional cost of \$890 thousand in overtime compensation), will decrease turnover slightly by improving coverage (and allowing staff more scheduled days off).

To the extent that the Council deems less General Funds than proposed to be necessary for the Department's purposes, budget reductions would be viable.

OPERATING BUDGET HIGHLIGHTS:

General Fund

1. **Personnel Expenses** totaling \$34.4 million reflect 67.5% of the General Fund budget and account for **nearly 82% of the Department's General Fund increase for FY 2024**, as follows:

- **COLAs and Salary Enhancements** (\$3.4 million):
 - **Correctional Officer Personnel Annual Review** (\$1.1 million) – to provide for the reclassification of the following positions on Pay Schedule I-C effective July 1, 2023:

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	Current	New
Position	Grade	Grade
Correctional Dietary Officer	2C	3C
Correctional Officer	2C	3C
Correctional Classification Officer	3C	4C
Correctional Corporal	3C	4C
Correctional Sergeant	5C	6C
Correctional Dietary Sergeant	5C	6C
Correctional Lieutenant	7C	8C

- **Across-the-Board Salary Enhancements** (\$867 thousand)
 - Two 2% COLAs effective July 1, 2023 and January 1, 2024 for employees on Pay Schedules I, VI, and XII and employees on Pay Schedule II above the minimum step on grade H11
 - Increase to the starting salary (minimum step) to \$15/hour effective July 1, 2023 for employees on Pay Schedule II
 - 3% COLA and new Grade 8C effective July 1, 2023 for employees on Pay Schedule I-C
- **Fully-funded increments and longevities for Merit Employees** (\$340 thousand)
- **FY 2024 Effect of FY 2023 mid-year COLA and Equivalent Wage Adjustments** (\$327 thousand)
 - The FY 2023 budget, adopted in May 2022, included a 3% employee COLA (or equivalent wage adjustments), effective in late December 2022; thus, the FY 2023 budget absorbed roughly half the annual cost of this salary enhancement. The remaining portion of the annual cost is realized in FY 2024.
- **Increased Overtime** (\$890 thousand) – primarily for the new Pitman Fixed Shift Schedule (see #3 for details)
- **Decreased Turnover Savings** (\$6 thousand) - from 9.6% to 8.9%. The Department advised that it anticipates the current/new recruitment and retention initiatives, salary enhancements, and the implementation of the Pitman Fixed Shift Schedule to decrease turnover slightly.

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- **Other Salary Adjustments** (\$381 thousand) - primarily due to lower salaries resulting from retirements/attrition of higher paid staff.
- **Offsetting savings from 1 transfer** of a Human Resource Analyst IV to the Office of Human Resources (\$97 thousand decrease)

Pending Budget Appropriation Transfer (BAT)

Scheduled for the June 5, 2023 legislative session is a BAT totaling \$600 thousand to cover increased overtime due to the significant number of vacancies and the need to ensure adequate staffing (\$375k), and an increase in Aramark food service meals due to an unanticipated increase in inmate population (\$225k). Funds from Reserve for Contingencies will cover these increases.

Pending Retirement Legislation (Bill 34-23)

Scheduled for the June 5, 2023 legislative session is Bill 34-23, which provides an additional survivorship benefit for Correctional Officers. The Office of Budget and Finance advised that this benefit is designed to be nearly cost-neutral to the County through an additional employee contribution.

The Department should be prepared to discuss the proposed funding for its personnel expenses, including the pending items scheduled for the June 5, 2023 legislative session.

2. **Other Operating Expenses** totaling \$16.6 million reflect approximately 32.5% of the General Fund budget, but account for less than a quarter of the Department's General Fund budget increase for FY 2024, and primarily include:
 - **Medical Services Contract** (PrimeCare Medical, Inc.) (\$562 thousand) – reflects a 4.5% CPI increase (contract allows up to 5%)
 - **Food Services Contract (Aramark Correctional Services, LLC)** (\$87 thousand) – reflects a 5% CPI increase (contract allows up to 5%). The Department advised that the Purchasing Division is preparing a one-year contract extension as the current contract is set to expire June 30, 2023, which will be presented for Council approval at the June 5, 2023 legislative session.

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American Rescue Plan Act (ARPA) Funding

The Department advised that \$96 thousand in ARPA funds are currently available for COVID prevention measures in congregate settings for inmates and staff at the Detention Center as follows:

- Aramark Correctional Services, LLC. (\$63 thousand) – to provide meals to inmates;
- Brooks & Brooks (\$22 thousand) – to provide janitorial services; and
- PrimeCare Medical, Inc. (\$11 thousand) – to provide COVID testing.

The Department advised that COVID needs have been decreasing as the pandemic comes to an end. In this regard, the Department does expect some funding will be necessary for FY 2024.

The Department should be prepared to discuss its proposed funding for non-personnel expenses, the extent to which ARPA funds are being utilized to cover costs that would otherwise be paid from the Department's operating budget, the effect (if any) on inmate services when ARPA funds expire, and anticipated ARPA funding needs for FY 2024.

3. Pitman Fixed Shift Schedule

The proposed FY 2024 budget includes \$5.1 million for overtime, an increase of \$890 thousand, or 21.1%, over the FY 2023 budget. The Department advised that the increased funding will primarily be used to transition the Department on January 1, 2024 to a Pitman Fixed Shift Schedule, which was recommended by the County's enterprise-wide efficiency review released in January 2022, and has been used by the 911 Center since FY 2017. The Department anticipates this change will improve coverage, reduce turnover costs, and allow staff more scheduled days off.

The Department advised that its work shifts will be altered from three 8.25-hour work shifts (7:00 a.m. - 3:15 p.m., 3:00 p.m. - 11:15 p.m., and 11:00 p.m. - 7:15 a.m.), which includes 0.25 hours of overtime per officer per shift for roll call, to two 12-hour work shifts (7:00 a.m. – 7:00 p.m.), which will include 8 hours of overtime per officer every other week. For a 2-week pay period (80 hours), officers will work 7 days total - 48 hours in week 1 (when they will be paid for 8 hours of

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overtime) and 36 hours in week 2, followed by 7 consecutive days off. In this regard, the Department advised that two-thirds of the staff will have their same current work shift plus 4 hours added, while one-third of the staff will have to adjust to working either earlier or later than their current work shift. The Department further advised that staff will not work rotating shifts.

The Department advised that the Director has been conducting one-on-one meetings with employees (primarily Correctional Officers) to discuss the new work shifts, and that the majority of employees were in favor of implementing the Pitman Fixed Shift Schedule. The Department also shared positive commentary received from employees, including that the new work schedule will allow employees to spend more time with their families, work less mandatory overtime, and have time to recuperate between work days, while allowing the Department to attract more applicants.

The Department advised that it is anticipating the following challenges with implementing the Pitman Fixed Shift Schedule:

- Staff adjusting to working 12-hour shifts, which could create childcare issues and/or affect retention with some officers.
- The County and union officials determining how paid holidays will be altered from an 8-hour to a 12-hour holiday in accordance with the MOU.
- Changing the set up in various systems (e.g., Workday).

The Department should be prepared to discuss the proposed funding for implementing the Pitman Fixed Shift Schedule, its anticipated effects on employee morale, and challenges related to the change.

Special Funds

4. Commissary Account

The proposed FY 2024 Commissary Account budget includes \$1.1 million, a decrease of \$729 thousand, or approximately 41%, from the FY 2023 budget primarily due to the discontinuance of

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appropriating Commissary Account funding for the Department's Residential Substance Abuse Treatment (RSAT) program. Specifically, the Department advised that the \$500 thousand included in the Commissary Account budget for FY 2023 was not utilized for this purpose.

The County has a contract with Aramark Correctional, LLC to provide commissary services to inmates; the contract allows no less than 55% of gross sales to be returned to the County to be used to purchase supplies for indigent inmates and enhance programs for literacy and GED programming, textbooks, religious materials, recreation equipment, life skills materials, and other program functions.

The Department should be prepared to discuss the change in plans related to the RSAT program, as well as its use of commissary sales proceeds to serve inmates.

ADDITIONAL TOPICS FOR DISCUSSION:

5. Staffing Challenges and Initiatives

Vacancies

As of March 31, 2023, the Office of Budget and Finance advised that of the 482 authorized General Fund positions, there were 124 vacant positions up from 105 vacant positions in April 2022.

Retention/Recruitment

The Department advised that it continues to experience various recruitment/retention challenges due to the following:

- Surrounding jurisdictions (e.g., Anne Arundel, Howard, Frederick) offer higher entry-level salaries and hiring bonuses (e.g., Anne Arundel offers \$7,500).
 - The Department offers a \$5,000 hiring/referral bonus for Correctional Officers and the hiring bonus is spread over a 3-year period.
 - The Department advised that the proposed FY 2024 budget for hiring and referral bonuses totals \$80 thousand and that FY 2023 year-to-date

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bonuses total \$96 thousand.

- Officers have been required to work an exorbitant amount of mandatory overtime due the high vacancy rate (i.e., 87 of 267 Correctional Officers exist as of March 31, 2023).
- Many Officers transfer after one year of service with the Department to another Detention Center to receive another hiring bonus.
- Hiring events yield a very small percentage of those attending being hired.

In response, the Department advised of the following initiatives:

- Ongoing negotiations with union officials to address the disparity of Correctional Officers' salaries with surrounding jurisdictions.
- Transition to a Pitman Fixed Shift Schedule (see #3 for details).
- The formation of a Recruitment Team to develop strategies for reaching a wide audience for Correctional Officer recruitment.
- Contracting with media outlets for a Correctional Officer recruitment campaign utilizing television commercials (WJZ commercial currently airing with a WMAR commercial filming on May 10, 2023 (on May 1, 2023, the Council approved a 6-month contract with Scripps Howard Broadcasting to create, produce, and run recruitment ads on WMAR television, and the Bounce Network for \$49,560), streaming services, billboards (one on I-83), poster/flyers, job fairs, and college campuses.
 - Increased attendance at job fairs with 22 attended from February to April with 10 scheduled for May 2023.

Reclasses

Additionally, the Department advised that it plans to reclassify multiple vacant Correctional Officer positions to add various positions in an effort to enhance the productivity, efficiency, and effectiveness of the Department. In this regard, the Department advised that the details of the changes are not available at this time because additional approvals are needed before the Department can move forward; however, the overall effect of the reclassifications is anticipated to be cost-neutral.

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The Department should be prepared to discuss its initiatives to recruit and retain employees and fill vacancies, including those to reclassify vacant Correctional Officer positions.

6. Inmate Population and Recidivism

Inmate Population

The Department advised that the average daily inmate population in 2023 is 1,232, compared to 1,006 in 2022, and 926 in 2021.

Recidivism

The Department advised that the current recidivism rate is 40%, and that the COVID-19 pandemic presented a significant challenge in launching more robust reentry programming during FY 2023. In this regard, the Department advised that it has the following initiatives planned for FY 2024:

- For defendants in the Home Detention Program (34 current defendants):
 - Expand its partnership with the Department of Economic and Workforce Development to help defendants receive career services, individualized case management, and job training.
 - Refer defendants to the Baltimore County Public Library (BCPL) Entrepreneurship Reentry Program for participation in the “Clean Start” program to launch a cleaning business.
 - Expand defendant participation in the Circuit and District Courts’ drug treatment programs.
 - Increase defendant participation in the Community College of Baltimore County’s (CCBC) programming for GED and Information Technology and Workforce Development.
- For the “sentenced” population:
 - Utilize the Maryland Department of Labor/Workforce Development and Adult Learning – Reentry Navigator position assigned to the Department to expand services at the Detention Center.

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- Establish “Sentenced Only” inmate housing units for inmates being released within 6 months or less to allow external service providers to target reentry services directly to those individuals.

The Department should be prepared to discuss the impact on operations of the increases in the average daily inmate population and its initiatives to reduce recidivism.

7. Assisted Treatment

In May 2019, Governor Hogan signed the Opioid Use Disorder Examinations and Treatment Act (House Bill 116), which requires the State to fund specified programs of opioid use disorder (OUD) screening, evaluation, and treatment in local correctional facilities. The Department previously advised that House Bill 116 requires inmates to have access to all three FDA-approved medications to treat OUDs, and that the expanded Medication Assisted Treatment (MAT) program must be established by January 1, 2023.

On September 6, 2022, the Council approved Bill 53-22, which appropriated \$304 thousand in State funds to the Baltimore County Department of Corrections Medication Assisted Treatment in Detention Act (House Bill 116) Implementation Project. The grant funds were to be used primarily for the salaries and benefits of three new positions to support the expansion of MAT in the Detention Center as required by State law; the three positions would support a MAT program model to bridge offenders back into the community through a comprehensive reentry process. The Department had previously advised that it planned to use \$500 thousand in funding from its Commissary Account to supplement the State MAT program funding and anticipated continued annual State funding to support the program.

The Department advised that it currently provides all three FDA-approved medications and met the January 1, 2023 deadline. The Department also advised that it has filled the MAT Manager position, and that interviews and selections for the Peer Recovery Specialist and Supervisor positions are complete with onboarding anticipated to be completed on or before May 30, 2023. In this regard, the Department advised that these vacancies have had a small impact on the

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Department's ability to provide comprehensive reentry services because the MAT Manager, Reentry Program Coordinator, and the Health Department's Peer Specialist have provided program referrals for MAT individuals being released back into the community. The Department advised that to date, most MAT participants were in community treatment programs prior to arrest, so these individuals' reentry plans continue with their chosen providers. Additionally, the Department advised that the Medmark Opioid Treatment program (via the County's contract with Glass Health Programs, Inc. d/b/a Medmark Treatment Centers Timonium) includes Counselors and a Peer Recovery Specialist who will also provide reentry services.

The Department advised that there are currently five housing units (male/female) receiving MAT services. In calendar year 2024, the Department anticipates serving 150-200 inmates.

The Department further advised that \$170 thousand (of the \$304 thousand) in unused grant funds are available for use before the grant period expires on June 30, 2024 from the following:

- Peer Recovery Supervisor salary/fringe - \$80 thousand
- Peer Recovery Specialist salary/fringe - \$61 thousand
- Computer/Laptop/printer – \$1 thousand
- Indirect Cost - \$28 thousand

In addition, for FY 2024, the Department will use \$1.9 million from the Opioid Abatement Fund for the Detention Center Assisted Treatment Program. The Department anticipates future funding will be made available to support this program as well.

The Department should be prepared to discuss the proposed FY 2024 funding for MAT and how program success will be measured.

CAPITAL BUDGET HIGHLIGHTS:

8. The proposed FY 2024 Capital Budget includes \$6.6 million for the following projects under the **New Buildings, Repair, Renovations, Minor Additions** capital project:

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- **Replace 200 Cells Locks** (\$4.1 million)
- **Detention Center – Replace Generator** (\$1.5 million)
- **Detention Center Four Chiller Replacements (Kenilworth and York)** (\$676 thousand) *
- **Reconstruct the Front Lobby and Perform Electrical Upgrades** (\$250 thousand) – The Department advised that the project includes the installation of two contraband X-Ray Scanning Systems to increase safety and security before individuals enter the secure perimeter of the facility.
- **External Surveillance Camera Upgrade** (\$105 thousand) - The Department advised that the external surveillance camera upgrade will enhance safety for the public and staff entering the Detention Center and will provide clear video footage, which is needed by the Police Department to prosecute car vandalism, thefts, and break-ins near the jail.

*Denotes projects with prior authorized funds totaling \$5.7 million.

The Department should be prepared to discuss plans and timelines for commencing and completing these projects.

BALTIMORE COUNTY
FISCAL YEAR 2024 RECOMMENDED BUDGET

DEPARTMENT OF CORRECTIONS (008)

APPROPRIATION DETAIL						
		FY 2022	FY 2023	FY 2024	NET CHANGE	
		ACTUAL	APPROP	REQUEST	AMOUNT	%
<u>General Fund</u>						
	Corrections	\$ 45,289,642	\$ 47,228,705	\$ 50,966,216	\$ 3,737,511	7.9%
<u>Special Fund</u>						
CRGRANT21	Commissary Account	644,816	1,794,343	1,065,730	(728,613)	-40.6%
CRGRANT27	Medication Assisted Treatment in Detention Act	76,000 ^(A)	303,591 ^(B)	-	(303,591)	-100%
	Special Fund Total	720,816	2,097,934	1,065,730	(1,032,204)	-49.2%
	Total All Funds	\$ 46,010,458	\$ 49,326,639	\$ 52,031,946	\$ 2,705,307	5.5%

^(A) Reflects audited expenditures \$6,941 greater than the amount reflected in the Executive's budget documents.

^(B) Adjusted for 1 supplemental appropriation totaling \$303,591 not reflected in the Executive's budget documents.

BALTIMORE COUNTY
FISCAL YEAR 2024 RECOMMENDED BUDGET

DEPARTMENT OF CORRECTIONS (008)

PERSONNEL DETAIL								
	FY 2022 ACTUAL		FY 2023 APPROP		FY 2024 REQUEST		NET CHANGE	
	FULL	PART	FULL	PART	FULL	PART	FULL	PART
<u>General Fund</u>								
Corrections	<u>441</u>	<u>39</u>	<u>444</u>	<u>38</u>	<u>447</u>	<u>34</u>	<u>3</u>	<u>(4)</u>
<u>Special Fund Total</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>5</u>	<u>0</u>	<u>3</u>
Total All Funds	<u><u>443</u></u>	<u><u>41</u></u>	<u><u>446</u></u>	<u><u>40</u></u>	<u><u>449</u></u>	<u><u>39</u></u>	<u><u>3</u></u>	<u><u>(1)</u></u>