

Legislative Budget Analysis  
Proposed FY 2025 Operating and Capital Budgets  
Office of the County Auditor  
Baltimore County, Maryland  
**HEARING DATE: May 6, 2024**



**Department of Corrections**

*Director: Walt J. Pesterfield*

*Budget Office Analyst: Aesha Morgan*

*Legislative Analyst: Deanna Leedy*

Questions to Department Sent	Wednesday, April 17
Responses Received	Tuesday, April 23
Analysis considers all agency responses.	

BALTIMORE COUNTY  
FISCAL YEAR 2025 RECOMMENDED BUDGET

**DEPARTMENT OF CORRECTIONS (008)**

BUDGET SUMMARY				
\$ in Thousands				
	GENERAL	SPECIAL	TOTAL	% Change Prior Year
<b>PROPOSED CHANGE</b>				
FY 2024 - 2025 Change	\$ 2,802.6	\$ 85.8	\$ 2,888.4	5.6%
<b>BUDGET TRENDS</b>				
FY 2023 Actual	\$ 47,312.9	\$ 871.8	\$ 48,184.7	
FY 2024 Approp.	50,966.2	1,065.7	\$ 52,031.9	8.0%
FY 2025 Request	53,768.8	1,151.5	54,920.3	5.6%
<b>FY 2025 Budget Analysis</b>	<b>53,768.8</b>	<b>1,151.5</b>	<b>54,920.3</b>	<b>5.6%</b>

PERSONNEL				
	GENERAL		SPECIAL	
	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME
<b>PROPOSED CHANGE</b>				
FY 2024 - 2025 Change	(14)	7	0	0
<b>BUDGET TRENDS</b>				
FY 2023 Actual	444	38	2	2
FY 2024 Approp.	447	34	2	5
FY 2025 Request	433	41	2	5
<b>FY 2025 Budget Analysis</b>	<b>433</b>	<b>41</b>	<b>2</b>	<b>5</b>
<b>VACANCY DATA</b>				
Positions Vacant*	50	8	0	1

\*General Fund vacancies provided by the Office of Budget and Finance as of March 31, 2024, and Special Fund vacancies provided by the Department of Corrections as of May 3, 2024.

For further information contact: Office of the County Auditor

Phone: (410) 887-3193

## Department of Corrections (008)

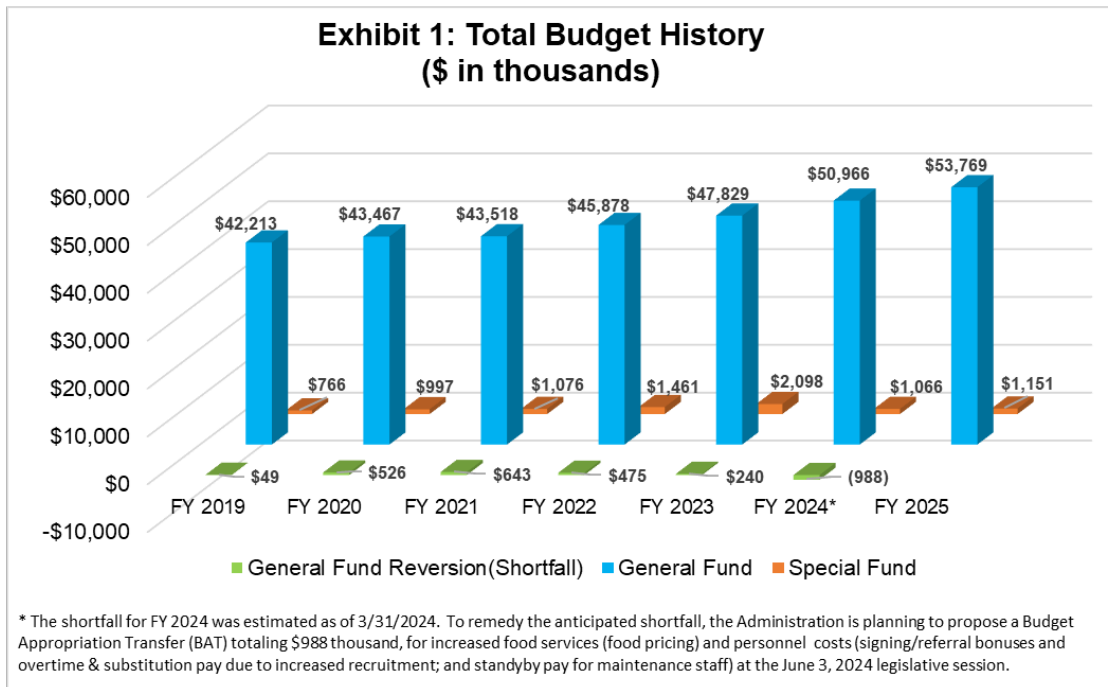
### BUDGET SUMMARY:

The proposed FY 2025 budget for the Department of Corrections totals \$54.9 million, an increase of \$2.9 million, or 5.6%, over the FY 2024 budget: the General Fund budget increases by \$2.8 million, or 5.5%, and the Special Fund budget increases by \$85 thousand, or 8.0%. See details beginning on page 5.

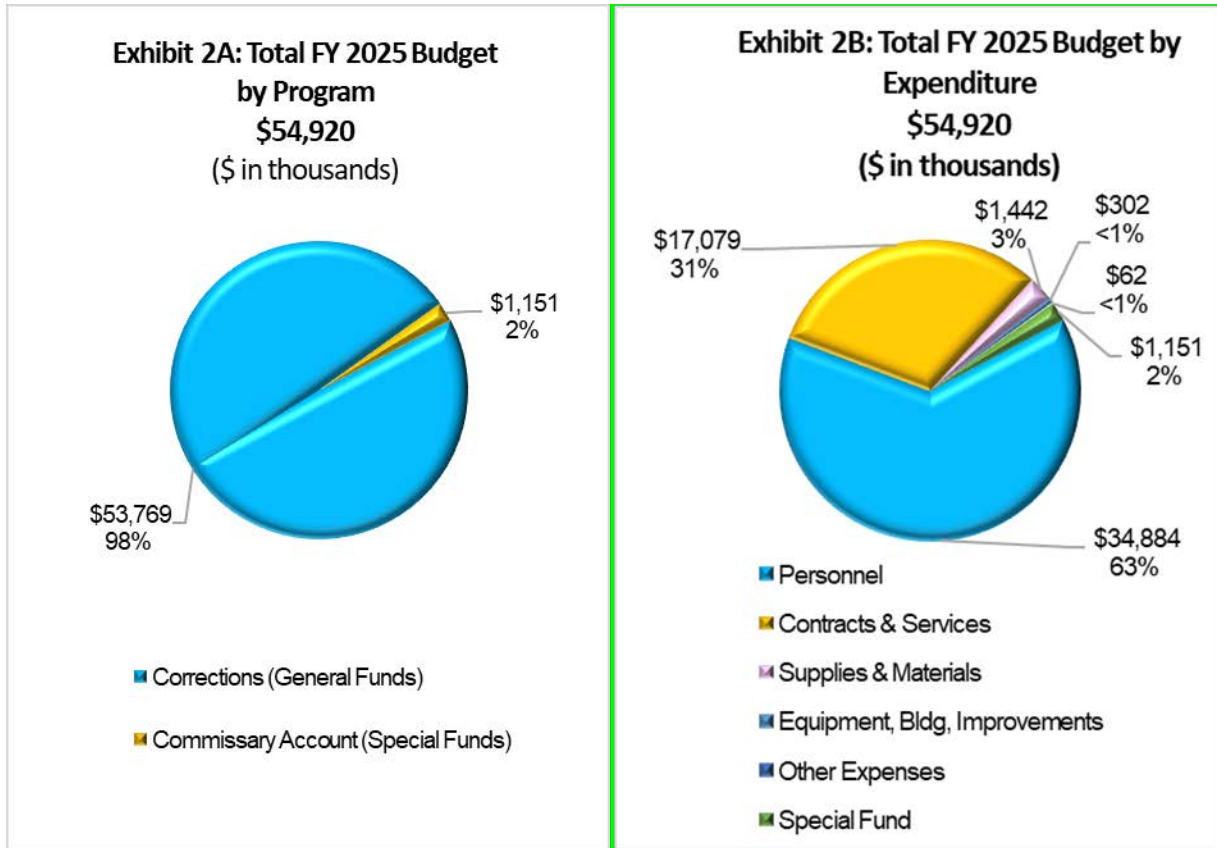
	General Fund	Special Fund	Total
	(\$ in thousands)		
<b>2025 Request</b>	\$ 53,769	\$ 1,151	\$ 54,920
2024 Appropriation	50,966 *	1,066	52,032
\$ Increase	\$ 2,803	\$ 85	\$ 2,888
% Increase	5.5%	8.0%	5.6%

\* A FY 2024 Budget Appropriation Transfer (BAT) is being requested for approval at the June 3, 2024 legislative session, which will increase the FY 2024 General Fund amount by \$988 thousand. The FY 2025 budget request reflects an increase of \$1.8 million, or 3.5%, over the anticipated amended FY 2024 appropriation.

See Exhibit 1 for a history of the Department’s budget and Exhibits 2A and 2B for the distribution of expenses across programs and expenditures, respectively, as proposed for FY 2025.



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**BUDGET FLEXIBILITY:**

The Department’s budget is driven by personnel and contractual service cost pressures. For FY 2024, the Department is running an approximate \$1 million budget shortfall due to higher-than-anticipated food services contractual costs and personnel costs; after adjusting for this anticipated shortfall, budget growth for FY 2025 is 3.5%.

After experiencing extremely high Correctional vacancy rates as of January 2023, the Department implemented recruitment and retention initiatives, including salary enhancements and hiring bonuses, and the Department advised that the vacancy rate for Correctional Officers declined from 35% in January 2023 to 5.8% in March 2024. Department-wide, vacancies have fallen from 124 in March 2023 to 58 in March 2024, with relatively level authorized position levels (from 486 to 488). Based on the Department’s FY 2024 salary projections provided by OBF, estimated

## Department of Corrections (008)

turnover savings for FY 2024 total \$4.6 million, or 15%, which is higher than the budgeted rate of \$2.8 million, or 9.0%. For FY 2025, the proposed budget includes turnover savings of \$3.2 million, or 9.8%.

Notable FY 2025 expenditures and/or significant increases totaling \$2.8 million include:

- A \$1.3 million increase for the Department's food services contract, which assumes a new contract, with higher prices, is put in place as early as July 1, 2024: The current contract was recently extended until the earlier of December 31, 2024 or the date the County executes a new agreement. The Department advised that the FY 2024 budget was underfunded; additional funds are requested in the aforementioned upcoming BAT, and the Department has utilized \$63 thousand in ARPA funds toward this contract in FY 2024. Should the County obtain more favorable contract terms in its forthcoming procurement, the budgeted funding amount could provide some budget flexibility.
- A \$653 thousand increase for the Department's medical services contract with PrimeCare Medical, Inc., which reflects the maximum 5% CPI increase. Presently, healthcare inflation is running roughly half of this percentage increase, which could provide some budget flexibility.
- \$621 thousand for the salaries of 12 General Fund positions, which have been vacant for more than 1 year; these total salaries amount is less than one-fifth of Departmental budgeted turnover, however, potentially reducing or nullifying the amount of budget flexibility they might yield:
  - 2 Property Clerks - 7/1/2022 (\$92,123);
  - 1 Office Assistant – 3/27/2023 (\$40,187);
  - 1 Correctional HVAC – 8/1/2015 (\$74,765);
  - 1 Correctional Maintenance Mechanic II – 1/20/2023 (\$56,631);
  - 1 Correctional Maintenance Crew Chief – 11/7/2019 (\$52,141);
  - 1 Correctional Sergeant – 7/1/2022 (\$89,326);
  - 2 Correctional Commitment Specialists – 6/18/2022 and 9/11/22 (\$96,683); and
  - 3 Security Officers (Reclassified to Facility Operator I in FY 2025 (Non-Merit)) – 7/1/2022, 7/2/2022, and 8/30/2022 (\$119,691).

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- \$208 thousand – salaries for 2 new positions (1 Account Clerk II and 1 Deputy of Operations II).
- \$28 thousand – \$10 thousand for 2 new canines to the K-9 Unit (1 Narcotics Detection and 1 Electronic Contraband Detection) and \$18 thousand for K-9 Supplemental pay.

### **Pending Budget Appropriation Transfer (BAT)**

Scheduled for the June 3, 2024 legislative session is a BAT totaling \$988 thousand to cover the following:

- **\$175 thousand** for increased personnel costs (signing/referral bonuses due to increased recruitment, standby pay for maintenance staff, and substitution pay and overtime for Correctional Officers due to new recruitment training);
- **\$413 thousand** for increased other costs related to additional staff (Equipment/Vehicle Repairs, Operational Expenses, Office Supplies, and Uniforms); and
- **\$400 thousand** for the increase in the Aramark food service contract (increased food pricing based on contract negotiations (See item #2 below)).

Funds from the Police Department will be used to cover these increases.

### **OPERATING BUDGET HIGHLIGHTS:**

#### **General Fund**

Of the \$2.8 million (5.5%) General Fund increase, \$763 thousand is attributable to personnel expenses and \$2.0 million for operating expenses, as detailed in #1 and #2, respectively.

**1. Personnel Expenses total \$34.9 million** (65% of the General Fund budget), an increase of \$763 thousand, or 2.2%, primarily for the following.

- **\$1.5 million - Salary Enhancements**
  - **\$647 thousand – Increments and longevities**
  - **\$476 thousand – FY 2025 COLA/equivalent wage adjustment:**
    - Pay Schedule I (Baltimore County Federation of Public Employees) includes a 1% COLA and a 9-year longevity, effective January 1, 2025.

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- Pay Schedule 1C (Baltimore County Federation of Public Employees - Correctional Officers) includes an 8-year longevity, effective July 1, 2024, and 1% COLA, effective January 1, 2025.
- Pay Schedule VI (Supervisory, Management, Confidential and Unrepresented Employees) includes a 3% COLA, effective January 1, 2025.
- **\$311 thousand - FY 2025 effect of FY 2024 COLA**
  - The FY 2024 budget, adopted in May 2023, included a 2% employee COLA (or equivalent wage adjustment), effective in January 2024; thus, the FY 2024 budget absorbed a portion of the annual cost of this salary enhancement; the remaining portion of the annual cost is realized in FY 2025.
- **\$63 thousand - Personnel Annual Review** - provides for the reclassification of the following positions on Pay Schedule I, effective July 1, 2024:

Position	Current Grade	New Grade	No. of DOC Positions
Account Clerk II	19	20	5
Correctional Commitment Specialist	21	23	18
Correctional Commitment Supervisor	23	25	5
Correctional Program Specialist	25	27	12
Correctional Maintenance Crew Chief	27	29	1

- **\$208 thousand – 2 Mid-Year Additions**
  - \$171 thousand - 1 Deputy of Operations II
    - The Department advised that interviews for this position were held on April 4, 2024, and a candidate is in the hiring process.
  - \$37 thousand - 1 Account Clerk II
- **\$98 thousand – Standby Pay**
  - Department advised that Standby Pay is required as part of the MOU for the maintenance positions and was not projected in the FY 2024 budget. See pending Budget Appropriation Transfer (BAT) above. The increase is a projection of actuals for the FY 2025 need.

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- **(\$325 thousand decrease) - Overtime**
  - Due to the Pitman Fixed Shift Schedule not being adopted and additional Correctional Officers being hired in FY 2024.
- **(\$394 thousand decrease) – Offsetting savings from Increased Turnover Assumption** - from 9.0% to 9.8%. The Department advised that the proposed budgeted turnover is "aligned with the 4-year average and adjusted down slightly."
- **(\$437 thousand decrease) - offsetting savings from 8 mid-year deletions and 1 transfer**
  - (\$286 thousand decrease) - 7 Correctional Officer positions were deleted mid-year; the Department advised that the deletion of the positions along with the modification of Pay Schedule I-C, effective 7/1/2023, was to build a better structure, meet operational needs, and assist with succession planning.
  - (\$96 thousand decrease) - 1 Management Analyst III position was transferred to the Department of Social Services, Family Services program.
  - (\$55 thousand) - 1 part-time Management Assistant position was deleted mid-year.
- **\$116 thousand increase - Other Salary Adjustments** – primarily increases for reclassified non-merit positions offset by savings resulting from retirements/attrition of higher paid staff.

***The Department should be prepared to discuss the proposed funding for its personnel expenses, including the impact of the salary enhancements on its ability to attract and retain staff.***

2. **Non-Personnel Operating Expenses total \$18.9 million** (35% of the General Fund budget), an increase of approximately \$2.0 million, or 12.1%, primarily for the following:
  - **\$1.3 million increase - Food Services Contract (Aramark Correctional Services, LLC)** – reflects the increased cost in food pricing under the new contract, which the Department advised is under review. The current contract was recently extended until the earlier of December 31, 2024 or the date the County executes a new agreement. The Department further advised that the FY 2024 budget was underfunded; additional funds are requested



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in the upcoming BAT noted above. In FY 2024, the Department utilized \$63 thousand in ARPA funds toward this contract.

- **\$653 thousand increase - Medical Services** (PrimeCare Medical, Inc.) – reflects the maximum 5% CPI increase.
- **\$130 thousand increase - Uniforms and Related Supplies** - for ballistics stab vests and polo shirts as well as uniforms for new staff. The vests were reclassified from the Equipment spend category in FY 2025 (see below). The Department advised that in FY 2024, Uniforms & Related Supplies were underfunded (\$20 thousand); additional funds are requested in the upcoming BAT noted above.
- **\$123 thousand increase - Equipment & Vehicle Repair Services** – primarily for new radios (\$80k) and laptops for the Training Unit (\$50k). The Department advised that the FY 2024 budget was underfunded; additional funds are requested in the upcoming BAT noted above.
- **(\$73 thousand decrease) – Equipment** – reflects FY 2024 one-time purchases totaling \$51 thousand (\$35 thousand for a Contraband Detection System and \$16 thousand for 30 new chairs) and the reclassification to a different spending category (tactical ballistic stab vests were moved to Uniforms and Related Supplies in FY 2025 as noted above).

### Special Funds

#### 3. Commissary Account

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's proposed FY 2025 budget for the Fees Commissary Account totals \$1.2 million, an increase of \$85 thousand, or 8.0%. The funds will be used primarily for salaries, including the

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transfer-in of three positions from the State Medication Assisted Treatment in Detention Act grant for the Medication Assistance Treatment program (See item #6).

### **ADDITIONAL TOPICS FOR DISCUSSION:**

#### **4. Staffing Challenges and Initiatives**

##### **Vacancies**

As of March 31, 2024, the Office of Budget and Finance (OBF) advised that of the 481 General Fund authorized positions, there were 58 vacant positions, down from 124 vacancies in March 2023. The Department advised that the vacancy rate for Correctional Officers declined from 35% in January 2023 to 5.8% in March 2024.

Additionally, the Department advised that it is reviewing the long-term vacancies of 1 Correctional HVAC (vacant since 8/1/2015) and 1 Maintenance Crew Chief (vacant since 11/7/2019) position to determine if it would be more beneficial to outsource or to reclassify the positions. (The proposed personnel bill includes the reclassification of the Maintenance Crew Chief two grades as noted in # 1 above.)

##### **Retention/Recruitment**

The Department advised that salary enhancements and job fairs and advertisement campaigns assisted in countering the challenges with Correctional Officer retention/recruitment during FY 2024. The Department further advised that over 1,080 candidates were recruited through job fair events and advertisement campaigns, including 85 Correctional Officers hired in 2023 and 32 as of March 2024. Additionally, 112 hiring and 18 referral bonuses totaling \$160,250 were paid in FY 2024. The Department advised that \$73,000 is budgeted for bonuses in FY 2025. The bonus payout schedule is as follows:

- \$1,000 at hire;
- \$1,000 at the completion of the Academy;
- \$2,000 at completion of 2<sup>nd</sup> year of employment; and
- \$1,000 at completion of 3<sup>rd</sup> year of employment.

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***The Department should be prepared to discuss its continued efforts to attract and retain Correctional Officers, including the success of the FY 2024 initiatives and new/continued strategies in FY 2025.***

### 5. Inmate Population and Recidivism

The Department advised that the average daily inmate population was 1,118 as of March 31, 2024, a 107 decrease compared to 1,225 as of March 31, 2023.

The Department also advised that the current recidivism rate is 37%, a decrease from the 40% noted last year. The Department provided the following updates on initiatives undertaken to reduce recidivism:

- Expansion of the Medication Assisted Treatment (MAT) Program
  - Increased from 39 to 200 participants (See item #6);
- Home Detention Program
  - 629 offenders were placed on home detention in 2023
  - Workforce Development partnership to provide comprehensive career center services and employment opportunities
- Re-entry services
  - Distribution of 50 Chromebooks to the Re-entry Unit
  - Resource fair for employment and community resources was held at the Detention Center
  - 2,199 offenders participated in court-ordered pretrial and community programs in 2023

***The Department should be prepared to discuss its initiatives, the downward trend of the recidivism rate, and how the average daily population affects pricing received under its large contracts (e.g., food services).***

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### 6. Medication Assisted Treatment

The Department advised that the FY 2025 budget for the Medication Assisted Treatment (MAT) program totals approximately \$2 million and will be funded from the Opioid Restitution Fund (which is part of the Opioid Abatement Fund). The Department further advised that the program includes operational expenses (personnel) and the cost of daily opiate medications for participants. The Department noted the following progress:

- Participation increased from 39 in April 2023 to 200 currently; and
- Staff positions provided by the contractor increased as follows: Nurses - from 4 to 9; Counselors - from 2 to 4; and 1 Peer Support position.

***The Department should be prepared to discuss the proposed FY 2025 funding for MAT and how program success will be measured.***

### 7. American Rescue Plan Act (ARPA) Funding (Informational Only)

The Department advised that the \$96 thousand in FY 2024 ARPA funds will not be continued in FY 2025. According to the Office of Budget and Finance, \$60 thousand in ARPA funds have been identified for Pre-Trial Assessment with a December 31, 2026 completion date.

**See Appendices A and B for program-level expenditure/appropriation and authorized staffing levels, respectively, for FY 2023 (actual), FY 2024 (appropriated), and FY 2025 (proposed).**

### CAPITAL BUDGET HIGHLIGHTS:

**8. The proposed FY 2025 Capital Budget includes \$13.1 million in new General Fund PAYGO Contributions to the Capital Budget**, including funding for the following projects of \$100 thousand and over:

- \$7.5 million – Elevators/Lift Replacement & Repairs (Bosley)
- \$1.8 million – Flooring Repairs (Kenilworth)

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- \$1.5 million – Fire Sprinkler System Heads Replacement (Bosley)
- \$560 thousand – Domestic Water System Repairs (Bosley)
- \$509 thousand – Data Network Upgrades (Bosley)
- \$391 thousand – Protective Door Slot Covers (Kenilworth)
- \$281 thousand – Fire Protection System Repairs
- \$200 thousand – Netting
- \$135 thousand – Steel Security Windows Replacement (Kenilworth)
- \$100 thousand – Repair Control Panels and Software Upgrade/Setup/Installation

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

BALTIMORE COUNTY  
FISCAL YEAR 2025 RECOMMENDED BUDGET

**DEPARTMENT OF CORRECTIONS (008)**

APPROPRIATION DETAIL
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	FY 2023 ACTUAL	FY 2024 APPROP	FY 2025 REQUEST	NET CHANGE	
				AMOUNT	%
<u>General Fund</u>					
Corrections	\$ 47,312,941	\$ 50,966,216	\$ 53,768,785	\$ 2,802,569	5.5%
<u>Special Fund</u>					
CRGRANT21 Commissary Account	759,591	1,065,730	1,151,504	85,774	8.0%
CRGRANT27 Medication Assisted Treatment in Detention Act	112,212	-	-	-	NA
Special Fund Total	871,803	1,065,730	1,151,504	85,774	8.0%
Total All Funds	\$ 48,184,744	\$ 52,031,946	\$ 54,920,289	\$ 2,888,343	5.6%

BALTIMORE COUNTY  
 FISCAL YEAR 2024 RECOMMENDED BUDGET

**DEPARTMENT OF CORRECTIONS (008)**

PERSONNEL DETAIL
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		FY 2023 ACTUAL		FY 2024 APPROP		FY 2025 REQUEST		NET CHANGE	
		FULL	PART	FULL	PART	FULL	PART	FULL	PART
<u>General Fund</u>									
	Corrections	444	38	447	34	433	41	(14)	7
<u>Special Fund</u>									
CRGRANT21	Commissary Account	2	2	2	2	2	5	0	3
CRGRANT27	Medication Assisted Treatment in Detention Act	0	0	0	3	0	0	0	(3)
	Total Special Fund	2	2	2	5	2	5	0	0
	Total All Funds	446	40	449	39	435	46	(14)	7