

**Q00D00**  
**Patuxent Institution**  
Department of Public Safety and Correctional Services

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 09</u> <u>Actual</u>	<u>FY 10</u> <u>Working</u>	<u>FY 11</u> <u>Allowance</u>	<u>FY 10-11</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$46,604	\$43,642	\$44,997	\$1,355	3.1%
Contingent & Back of Bill Reductions	0	0	-699	-699	
<b>Adjusted General Fund</b>	<b>\$46,604</b>	<b>\$43,642</b>	<b>\$44,298</b>	<b>\$656</b>	<b>1.5%</b>
Special Fund	675	686	703	17	2.5%
<b>Adjusted Special Fund</b>	<b>\$675</b>	<b>\$686</b>	<b>\$703</b>	<b>\$17</b>	<b>2.5%</b>
Federal Fund	0	2,030	2,030	0	
<b>Adjusted Federal Fund</b>	<b>\$0</b>	<b>\$2,030</b>	<b>\$2,030</b>	<b>\$0</b>	<b>0.0%</b>
<b>Adjusted Grand Total</b>	<b>\$47,278</b>	<b>\$46,358</b>	<b>\$47,031</b>	<b>\$674</b>	<b>1.5%</b>

Note: For purposes of illustration, the Department of Legislative Services has estimated the distribution of selected across-the-board reductions. The actual allocations are to be developed by the Administration.

- The Patuxent Institution receives one fiscal 2010 deficiency appropriation providing \$740,000 in general funds to support underfunding for employee salaries, inmate medical services, and supplies.
- The fiscal 2011 allowance increases by approximately \$674,000, or 1.5%. The majority of the growth is attributable to increases for inmate medical services and supply purchases, which increase by \$433,000 and \$374,000, respectively. Taking into account the fiscal 2010 deficiency appropriation, however, actual growth in fiscal 2011 for these areas is not as significant. These increases are slightly offset by a \$264,000 reduction in fuel and utilities based largely on lower electricity rates.

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

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***Personnel Data***

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	<b><u>FY 09 Actual</u></b>	<b><u>FY 10 Working</u></b>	<b><u>FY 11 Allowance</u></b>	<b><u>FY 10-11 Change</u></b>
Regular Positions	506.50	487.50	487.50	0.00
Contractual FTEs	<u>1.60</u>	<u>2.06</u>	<u>1.66</u>	<u>-0.40</u>
<b>Total Personnel</b>	<b>508.10</b>	<b>489.56</b>	<b>489.16</b>	<b>-0.40</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	21.74	4.46%
Positions and Percentage Vacant as of 12/31/09	16.50	3.38%

- The vacancy rate is 1.08% below budgeted turnover for fiscal 2011, meaning the Patuxent Institution has 5 filled positions beyond what it will be able to fund. The allowance reduces the rate from 4.95 to 4.46%.

## *Analysis in Brief*

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### Major Trends

***Maintaining Offender Safety and Security:*** The Patuxent Institution was able to reduce both inmate-on-inmate and inmate-on-staff assault rates in fiscal 2009. Serious inmate-on-inmate assaults continue to be a problem, although there has been a decline since fiscal 2007. Prior to fiscal 2008, there had not been an escape or walk-off in at least six years. In both fiscal 2008 and 2009, the agency has had one inmate walk off from the Reentry facility. **The Patuxent Institution should comment on who is responsible for deciding placement in the Reentry facility and how eligibility is determined. The agency should also explain why the number of walk-offs has increased.**

### Issues

***Consolidation of the Patuxent Institution within the Division of Correction:*** The role of the Patuxent Institution is as the hub for treatment services for the Department of Public Safety and Correctional Services. The mission of the Patuxent Institution has evolved significantly over the years, especially as the department has increased the availability of mental health services to inmates who do not qualify for the two specialized Patuxent programs. As a result of the changing mission and expansion of mental health service provisions, maintaining separate Patuxent programs and the Institution as a separate agency may no longer be the most efficient use of resources. **The Department of Legislative Services recommends the Department of Public Safety and Correctional Services submit a cost-benefit analysis for the consolidation of the Patuxent Institution into the Division of Correction.**

### Recommended Actions

1. Adopt narrative requiring a cost-benefit analysis of consolidating the Patuxent Institution into the Division of Correction.

### Updates

***Substance Abuse Treatment Program Measures:*** The 2009 *Joint Chairmen's Report* directed the Patuxent Institution to report participation in substance abuse treatment programs in relation to program capacity and the number of successful program completions. The department provided this information in the Managing for Results submission for the Office of Treatment Services within the Office of the Secretary. Data was provided for the four therapeutic communities in the Division of Correction and the Regimented Offender Treatment Center therapeutic community at the Patuxent

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Institution. According to the data 1,310 inmates participated in fiscal 2009, achieving a utilization of 96% across the department. Approximately 69% of participating inmates successfully completed the program.

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**Patuxent Institution**  
Department of Public Safety and Correctional Services

***Operating Budget Analysis***

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**Program Description**

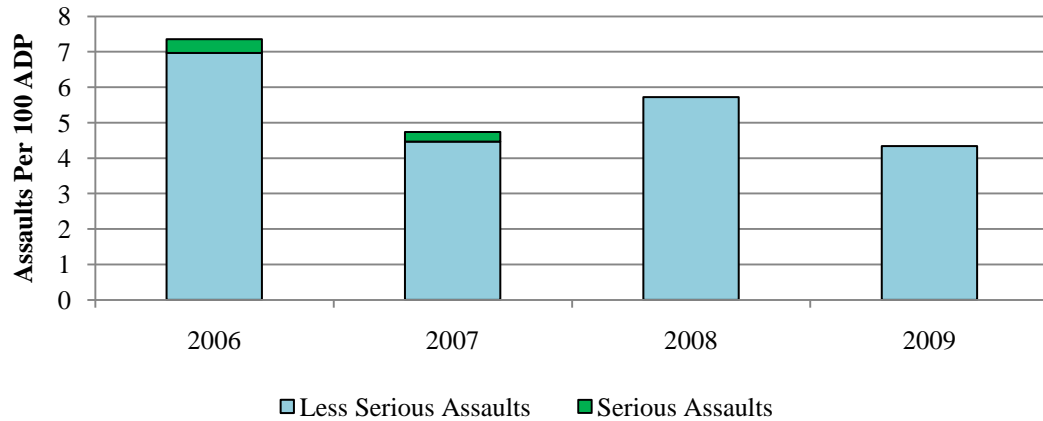
Patuxent Institution is a maximum security, treatment-oriented correctional facility that provides remediation to male and female offenders in its Eligible Person Program and Patuxent Institution Youth Program. The institution also addresses the needs of mentally ill offenders throughout the correctional system via the Correctional Mental Health Center – Jessup. Patuxent Institution’s remaining population is comprised of inmates from the Division of Correction (DOC) either awaiting evaluation for the Eligible Person or Youth programs or who are participating in the Correctional Options Regimented Offender Treatment Center. The facility has a maximum capacity of 987 beds. For fiscal 2011, it is estimated that the institution’s average daily population (ADP) will be 850 inmates, 475 of which are from DOC. Additionally, the institution operates a Reentry facility in Baltimore City to assist certain offenders’ return to society.

**Performance Analysis: Managing for Results**

Key goals of the Patuxent Institution are to maintain offender safety and security. To measure the progress toward these goals, the agency reports assault rates and the number of walk-offs and escapes. **Exhibits 1 and 2** show the inmate-on-staff and inmate-on-inmate assault rates per 100 ADP inmates since fiscal 2006, delineated by serious and less serious assaults. Patuxent Institution aims to maintain an overall inmate-on-staff assault rate below 5.54 assaults per 100 inmates. The agency achieved this in fiscal 2009, when inmate-on-staff assault rates declined from 5.72 to 4.34 assaults per 100 inmates. There were no serious assaults on staff in either fiscal 2008 or 2009.

The agency’s goal with regard to inmate-on-inmate assaults is to maintain an overall assault rate below 4.34 assaults per 100 inmates. The agency was also able to meet this objective in fiscal 2009. Inmate-on-inmate assaults per 100 inmates declined from an overall assault rate of 4.5 assaults in fiscal 2008 to 2.34 assaults in fiscal 2009. As the exhibit shows, serious assaults continue to be more of an issue for inmate-on-inmate assaults, although the rate of serious assaults has been in decline since fiscal 2007.

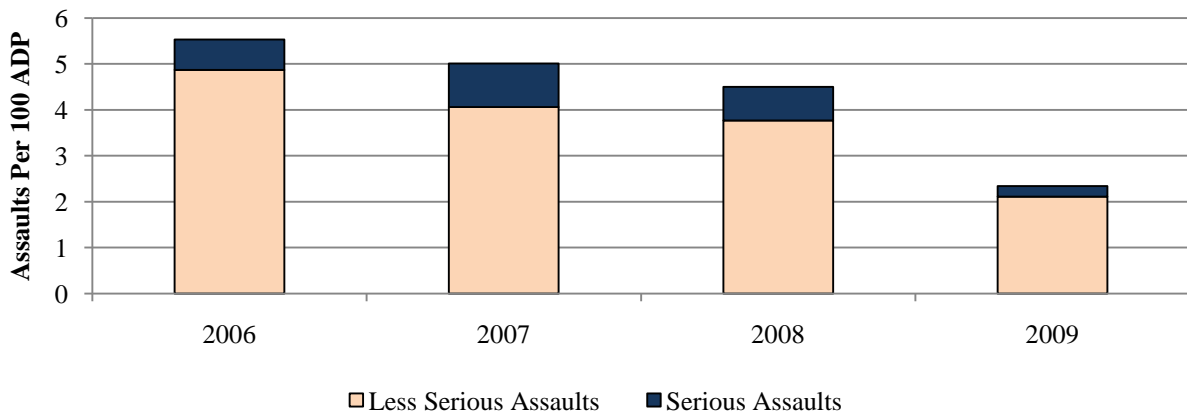
**Exhibit 1**  
**Patuxent Institution**  
**Inmate-on-staff Assault Rates**  
**Fiscal 2006-2009**



ADP: average daily population

Source: Department of Public Safety and Correctional Services

**Exhibit 2**  
**Patuxent Institution**  
**Inmate-on-inmate Assault Rate**  
**Fiscal 2006-2009**



ADP: average daily population

Source: Department of Public Safety and Correctional Services

**Exhibit 3** shows the number of offenders who have either escaped from the Patuxent Institution facility or who walked off from the Reentry facility located in Baltimore City since fiscal 2005. Prior to fiscal 2008, there had not been an escape or walk-off in at least six years. In both fiscal 2008 and 2009, the agency has had one inmate walk-off from the Reentry facility. **The Patuxent Institution should comment on who is responsible for deciding placement in the Reentry facility and how eligibility is determined. The agency should also explain why the number of walk-offs has increased.**

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**Exhibit 3  
Patuxent Institution  
Inmate Escapes and Walk-Offs  
Fiscal 2005-2009**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Escapes	0	0	0	0	0
Walk-offs	0	0	0	1	1

Source: Department of Public Safety and Correctional Services

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## **Fiscal 2010 Actions**

### **Proposed Deficiency**

There is one general fund fiscal 2010 deficiency appropriation totaling \$740,000. This provides \$300,000 to reduce the turnover expectancy rate since the agency currently has more filled positions than available funding for salaries. The deficiency also includes \$200,000 for inmate medical services and \$240,000 for materials and supply purchases.

### **Impact of Cost Containment**

Fiscal 2010 cost containment actions reduced the agency's budget by nearly \$2.1 million in general funds and \$374 in special funds. Approximately \$1.4 million in general funds was reduced as part of a fund swap with Maryland higher education institutions. The general funds were replaced with an equal amount of discretionary federal fiscal stimulus funding. Statewide employee furloughs and reductions to health insurance totaled \$635,000, and across-the-board reductions for vehicle purchases and travel expenses further reduced the budget by \$16,000.

### **Federal Stimulus Fund**

Patuxent Institution received slightly more than \$2.0 million in federal fiscal stimulus funding from the American Recovery and Reinvestment Act (ARRA) of 2009. Approximately \$1.9 million was used to fund employee salaries, and an additional \$100,000 funded overtime expenses. The agency's fiscal 2011 allowance assumes ARRA funds will be level-funded.

## **Proposed Budget**

As shown in **Exhibit 4**, the Governor's fiscal 2011 allowance for the Patuxent Institution increases by approximately \$674,000, or 1.5%. The fiscal 2011 budget reflects several across-the-board actions to be allocated by the Administration. This includes a combination of employee furloughs and government shut-down days similar to the plan adopted in fiscal 2010; a reduction in overtime based on accident leave management; streamlining of State operations; hiring freeze and attrition savings; a change in the injured workers' settlement policy and administrative costs; and a savings in health insurance to reflect a balance in that account. For purposes of illustration, the Department of Legislative Services has estimated the distribution of selected actions relating to employee furloughs, health insurance, and Injured Workers' Insurance Fund cost savings. The estimated impact for the Patuxent Institution is a reduction of \$699,000 in general funds.

Personnel expenses increase by a net \$67,000. The majority of the growth is for employee retirement and health insurance. Approximately \$2.7 million is included in the fiscal 2011 allowance for overtime expenses, a decrease of \$96,000 from the fiscal 2010 working appropriation. Turnover expectancy also declines by a net \$390,000 in the fiscal 2011 allowance; however, this is largely reflective of the Back of the Bill action to implement employee furloughs. The turnover rate in the fiscal 2010 working appropriation is nearly 5.0%, equating to 24.0 necessary vacancies. The fiscal 2011 budgeted turnover rate is slightly less than 4.5%, requiring the agency to maintain the equivalent of 21.7 vacancies over the course of the fiscal year. The current vacancy rate is 1.1 percentage points below fiscal 2011 budgeted turnover, meaning the Patuxent Institution has 5.0 filled positions beyond what it will be able to fund in the allowance. According to December 2009 StateStat data, the agency's fiscal 2010 overtime projection is \$2.5 million, approximately \$200,000 below what is included in the fiscal 2011 allowance. **The Patuxent Institution should comment on how the agency has been able to reduce overtime expenses and whether the \$2.5 million projection made by State Stat is attainable. The agency should also comment on the likelihood of using budgeted overtime funding to make up the difference in the budgeted turnover rate.**

Fuel and utility expenses decrease by \$264,000, largely reflective of a reduction in electricity rates. The agency receives a \$433,000 increase for inmate medical expenses and an additional \$374,000 for household, inmate, and food supply purchases. Allowing for the \$440,000 fiscal 2010 deficiency appropriation for these purposes, actual growth in the fiscal 2011 allowance is \$233,000 for inmate medical expenses and \$134,000 for materials and supplies. **Exhibit 5** demonstrates the true impact on the agency's budget, when adjusted for fiscal 2010 deficiencies and fiscal 2011 Back of the Bill actions. When comparing the adjusted fiscal 2010 appropriation to the adjusted fiscal 2011 allowance, the Patuxent Institution budget experiences a decrease of \$67,000. Furthermore, the fiscal 2011 allowance is \$247,000 below actual spending required in fiscal 2009. This suggests that the 2011 allowance is underfunded, likely requiring deficiency appropriations next year.

**Exhibit 4**  
**Proposed Budget**  
**DPSCS – Patuxent Institution**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b><u>General</u> <u>Fund</u></b>	<b><u>Special</u> <u>Fund</u></b>	<b><u>Federal</u> <u>Fund</u></b>	<b><u>Total</u></b>
2010 Working Appropriation	\$43,642	\$686	\$2,030	\$46,358
2011 Allowance	<u>44,997</u>	<u>703</u>	<u>2,030</u>	<u>47,730</u>
Amount Change	\$1,355	\$17	\$0	\$1,372
Percent Change	3.1%	2.5%	0.0%	3.0%
 Contingent Reductions	 -\$699	 \$0	 \$0	 -\$699
Adjusted Change	\$656	\$17	\$0	\$674
Adjusted Percent Change	1.5%	2.5%	0.0%	1.5%
 <b>Where It Goes:</b>				
<b>Personnel Expenses</b>				
Overtime earnings .....				-\$96
Shift differential .....				-10
Employee retirement system .....				605
Employee and retiree health insurance .....				170
Workers' compensation premium assessment.....				-248
Regular and contractual employee turnover adjustments net of furlough savings.....				-390
Unemployment compensation .....				41
Other fringe benefit adjustments .....				-5
 <b>Other Changes</b>				
Fuel and utilities .....				-264
Inmate medical expenses.....				433
Household, inmate, and food supplies.....				374
Inmate welfare funds used for commissary purchases .....				28
New vehicle purchases .....				14
Other.....				24
 <b>Total</b>				 <b>\$674</b>

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

**Exhibit 5**  
**Patuxent Institution Funding**  
**Fiscal 2010-2011**  
**(\$ in Thousands)**

	<u>Actual</u> <u>2009</u>	<u>Wrkg.</u> <u>Approp.</u> <u>2010</u>	<u>Deficiency</u> <u>Approp.</u> <u>2010</u>	<u>Adjusted</u> <u>2010</u>	<u>Allowance</u> <u>2011</u>	<u>Back of Bill</u> <u>Reductions</u>	<u>Adjusted</u> <u>2011</u>	<u>Change</u> <u>2010-2011</u>
General Funds	\$46,604	\$43,642	\$740	\$44,382	\$44,997	-\$699	\$44,298	-\$84
Special Funds	675	686		686	703	0	703	17
Federal Funds	0	2,030		2,030	2,030	0	2,030	0
<b>Total</b>	<b>\$47,278</b>	<b>\$46,358</b>	<b>\$740</b>	<b>\$47,098</b>	<b>\$47,730</b>	<b>-\$699</b>	<b>\$47,031</b>	<b>-\$67</b>

Source: Department of Legislative Services

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## ***Issues***

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### **1. Consolidation of the Patuxent Institution within the Division of Correction**

The role of the Patuxent Institution is as the hub for treatment services for the Department of Public Safety and Correctional Services (DPSCS). The mission of the Patuxent Institution has evolved significantly over the years, especially as the department has increased the availability of mental health services to inmates who do not qualify for the two specialized Patuxent programs. As a result of the changing mission and expansion of mental health service provision, maintaining separate Patuxent programs and the Institution as a separate agency may no longer be the most efficient use of resources.

#### **History**

Patuxent Institution, which opened in 1955, has the distinction of being the only institution for sentenced criminals in the State of Maryland that is not part of the Division of Correction (DOC). Its origin lies in the Maryland Public General Law, codified as Title 4 of the Correctional Services Article. Patuxent was created to house Maryland's most dangerous criminal offenders, providing psychotherapeutic treatment to offenders who demonstrated persistent antisocial and criminal behavior. Designated "Defective Delinquents," these offenders were involuntarily committed by the Court to Patuxent Institution under an indeterminate sentence.

In 1977, as a result of the findings from a gubernatorial commission, the statute governing the Patuxent Institution was revised to abolish the Defective Delinquent Law and indeterminate sentencing, and instead establish the current Eligible Persons, or "EP" Program. Under statute, an eligible person is an individual who:

- has been convicted of a crime and has at least three years remaining on his/her sentence;
- has an intellectual impairment or emotional imbalance;
- is likely to respond favorably to the programs and services offered by the Patuxent Institution; and
- is more amenable to remediation through the Patuxent Institution programs and services than to other incarceration.

Offenders are ineligible if they are:

- serving two or more life sentences;

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- serving one or more life sentences in which a jury found one or more aggravating circumstances existed; or
- convicted of first-degree murder, first-degree rape, or first-degree sexual offense, unless at the time of sentencing the judge recommends a referral to Patuxent for evaluation.

Beginning in fiscal 1992, the mission of the Patuxent Institution expanded to address the increasing number of general population inmates with serious mental illness. The 192-bed Correctional Mental Health Center at Jessup (CMHC-J) was established at the Patuxent Institution facility to provide consolidated treatment services for DOC inmates throughout the State who were suffering from serious psychiatric disorders.

In fiscal 1994, the statute was altered to include the Patuxent Youth Program, similar to the EP, but specifically designed for inmates under the age of 21. Unlike the EP program, the Patuxent Youth program is involuntary. Thus, if a Judge recommends a youth for the program, and following assessment the youth is accepted into the program, the youth remains in the program unless discharged by the Director, Patuxent Institution Board of Review, or released. During this time, Patuxent also redirected its mission more toward remediation and implemented a substance abuse treatment component, the Regimented Offender Treatment Center (ROTC). ROTC is now one of five substance abuse treatment programs among the State's correctional facilities.

Between fiscal 2000 and 2006, Patuxent focused on expanding its mental health services for DOC inmates by creating the Mental Health Transition Unit, which provides evaluation for inmates referred from DOC institutions who have mental health histories, and the Step-Down Mental Health Unit, which prepares inmates for return to the general population. Patuxent has also increased its role in relation to the development and implementation of front-end assessment for the DOC, services for offenders with histories of substance abuse, and expanded women's services.

## **Reasons for Consolidation with the Division of Correction**

### **Underutilized Capacity**

Patuxent Institution is a treatment-oriented maximum-security correctional facility located in Jessup, Maryland. The maximum static capacity of the facility is 987 beds for both male and female offenders. The Patuxent Institution ADP in fiscal 2009 was 853 inmates, which means the Institution had an average of 134 vacant beds over the course of the fiscal year. Nearly 56% of the ADP was DOC inmates. The CMHC-J is the primary location for providing specialized housing for DOC inmates with mental health issues. For DOC inmates, housed in facilities outside of the central region, who have trouble adjusting to living amongst the general inmate population, it can result in costly trips between the housing facility and the CMHC-J. In fiscal 2009, the department had 15% of inmates return to the CMHC-J within six months of their release back to the prison.

### **Inefficiency of Resource Allocation**

Compared to DOC facilities, Patuxent Institution employs a greater percentage of supervisory and therapeutic positions. The Institution employs approximately 486.5 staff members who maintain the facility's security and treatment components, as well as its business operations. These include 373 correctional officers, 36 clinicians and 98.5 administrative and support personnel. Within DOC, leadership for a correctional facility includes an assistant warden and a warden who reports to the Commissioner of Correction. In addition to having a warden, the Patuxent Institution is required by statute to have at least four clinical social workers, three psychiatrists or clinical psychologists, and two associate directors specializing in behavioral science and psychiatry. These positions report to the Director of the Patuxent Institution, who is overseen by the Assistant Secretary for Treatment Services. With the department providing greater emphasis in providing mental health services throughout DOC, it may be more efficient to expand the use of these mental health resources beyond the 850 inmates located at the Patuxent facility.

### **Duplicative Processes**

In addition to the daily operations of maintaining the facility and providing mental health services, the Director, two associate directors, and the Warden, along with five members of the general public, also serve on the Patuxent Institutional Review Board. Patuxent Institution is the only facility in the department that has its own independent paroling authority. All other parole decisions at the State or local level are made by the Maryland Parole Commission, including decisions for inmates who have spent time at the CMHC-J due to mental health issues.

### **Conclusion**

Patuxent Institution was unique in that it was explicitly designed to be a self-contained operation staffed by full-time clinicians, including psychologists, social workers and psychiatrists, as well as by custody personnel. It was also unique in that it was provided with its own admission, inmate review, and paroling authority separate from that of DOC. With the changing role of the Patuxent Institution within the department, and the need to provide an appropriate level of mental health services to inmates throughout the State, maintaining Patuxent Institution as a separate agency might not be the most effective way for utilizing resources or providing services. **The Department of Legislative Services recommends DPSCS submit a cost-benefit analysis for the consolidation of the Patuxent Institution into DOC.**

## ***Recommended Actions***

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1. Adopt the following narrative:

**Analysis of Consolidating the Patuxent Institution within the Division of Correction:** The committees direct the Department of Public Safety and Correctional Services (DPSCS) to conduct a cost-benefit analysis of incorporating the Patuxent Institution into the Division of Correction (DOC). A significant portion of the offenders housed at the Jessup facility are DOC-sentenced inmates, and the department is already in the process of moving toward a mission-specific institution format. The committees believe consolidating the Patuxent Institution to be a DOC facility could result in improved efficiency of departmental operations, expanded and better coordinated mental health services, and significant cost savings. The analysis should specifically examine the operational and legislative changes necessary to incorporate the Patuxent Institution into the DOC and identify potential cost-savings and operational efficiencies. The report should also address any concerns or obstacles the department has regarding a potential consolidation. The report should be submitted to the budget committees no later than October 1, 2010.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Analysis of consolidating the Patuxent Institution within the Division of Correction	DPSCS	October 1, 2010

## ***Updates***

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### **1. Substance Abuse Treatment Program Measures**

The 2009 *Joint Chairmen's Report* directed the Patuxent Institution to report participation in substance abuse treatment programs in relation to program capacity and the number of successful program completions. The department provided this information in the Managing for Results submission for the Office of Treatment Services within the Office of the Secretary. The department operates five therapeutic communities (TC) at the following facilities:

- Central Maryland Correctional Facility;
- Maryland Correctional Institution for Women;
- Maryland Correctional Training Center;
- Metropolitan Transition Center; and
- Patuxent Institution.

Each TC consists of approximately 36 hours of care per work divided between 15 hours of direct clinical services and approximately 21 hours of structured environment therapeutic care. The program cycle is six months for all TCs except the Patuxent Institution program, which is a four-month program.

According to the data, a total of 1,310 inmates participated in the five TCs in fiscal 2009, achieving a utilization rate of 96% across the department. Approximately 69% of participating inmates successfully completed the program. According to the department, research indicates that highly effective treatment programs have successful completions rates between 65 to 85%. The Patuxent TC, specifically, had 114 inmates participate in fiscal 2009, achieving a utilization rate of 82%. Approximately 74% of participating inmates successfully completed the program.

## *Current and Prior Year Budgets*

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### Current and Prior Year Budgets DPSCS – Patuxent Institution (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
<b>Fiscal 2009</b>					
Legislative Appropriation	\$46,147	\$580	\$0	\$0	\$46,727
Deficiency Appropriation	1,586	0	0	0	1,586
Budget Amendments	1,233	100	0	0	1,333
Cost Containment	-2,362	0	0	0	-2,362
Reversions and Cancellations	0	-5	0	0	-5
<b>Actual Expenditures</b>	<b>\$46,604</b>	<b>\$675</b>	<b>\$0</b>	<b>\$0</b>	<b>\$47,279</b>
<b>Fiscal 2010</b>					
Legislative Appropriation	\$46,122	\$686	\$630	\$0	\$47,438
Cost Containment	-2,050	0	0	0	-2,050
Budget Amendments	-430	0	1,400	0	970
<b>Working Appropriation</b>	<b>\$43,642</b>	<b>\$686</b>	<b>\$2,030</b>	<b>\$0</b>	<b>\$46,358</b>

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

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## **Fiscal 2009**

General fund spending for fiscal 2009 was approximately \$46.6 million, \$457,000 million more than the legislative appropriation.

- One deficiency appropriation for approximately \$1.6 million was needed to fund additional overtime expenditures, fuel and utilities, and raw food purchases.
- Budget amendments increased the appropriation by slightly more than \$1.2 million, of which \$716,000 was due to the realignment of funds. The cost-of-living adjustment (COLA), which was centrally budgeted in the Department of Budget and Management, increased the appropriation by \$516,000.
- Cost containment actions reduced the legislative appropriation by nearly \$2.4 million. The majority of the reductions were to personnel-related expenses, largely resulting from across-the-board reductions to health insurance and Other Post Employment Benefit payments; however, it also included the abolition of 34 vacant positions and employee furloughs.

Special fund spending for fiscal 2009 was approximately \$675,000. Two budget amendments for the COLA and to realign inmate welfare funds based on actual commissary expenditures increased the appropriation by approximately \$100,000. The agency cancelled \$5,528 due to less than anticipated work release revenues.

## **Fiscal 2010**

The fiscal 2010 general fund working appropriation is approximately \$43.6 million, a reduction of nearly \$2.5 million from the legislative appropriation.

- Cost containment actions reduced the legislative appropriation by nearly \$2.1 million. Approximately \$1.4 million of the reduction was part of a fund swap with Maryland higher education institutions. The general funds were replaced with an equal amount of discretionary federal fiscal stimulus funding. Statewide employee furloughs and reductions to health insurance totaled \$635,000, and across-the-board reductions for vehicle purchases and travel expenses further reduced the budget by \$16,000.
- Budget amendments reduced the legislative appropriation by \$430,000. This amendment reallocated the fiscal 2010 supplemental appropriation for fuel and utility expenses among the custodial agencies in line with actual fiscal 2010 requirements.

The fiscal 2010 federal fund working appropriation is slightly more than \$2.0 million, an increase of \$1.4 million from the legislative appropriation. The \$1.4 million was part of a cost

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containment fund swap replacing general funds with federal fiscal stimulus funds originally appropriated to Maryland higher education institutions.

## ***Audit Findings***

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Audit Period for Last Audit:	November 1, 2005 – September 30, 2008
Issue Date:	April 2009
Number of Findings:	3
Number of Repeat Findings:	0
% of Repeat Findings:	%
Rating: (if applicable)	

**Finding 1:** Controls over cash receipts were not sufficient.

**Finding 2:** Adequate controls were not established over corporate purchasing cards.

**Finding 3:** Controls were not adequate over the processing of payroll and a duplicate payment was made to a former employee.

**Object/Fund Difference Report  
DPSCS – Patuxent Institution**

<u>Object/Fund</u>	<u>FY09 Actual</u>	<u>FY10 Working Appropriation</u>	<u>FY11 Allowance</u>	<u>FY10 - FY11 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	506.50	487.50	487.50	0	0%
02 Contractual	1.60	2.06	1.66	-0.40	-19.4%
<b>Total Positions</b>	<b>508.10</b>	<b>489.56</b>	<b>489.16</b>	<b>-0.40</b>	<b>-0.1%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 35,424,499	\$ 34,945,885	\$ 35,720,721	\$ 774,836	2.2%
02 Technical and Spec. Fees	85,393	80,451	84,232	3,781	4.7%
03 Communication	111,053	120,787	116,250	-4,537	-3.8%
04 Travel	8,874	7,600	6,400	-1,200	-15.8%
06 Fuel and Utilities	1,427,852	1,549,691	1,286,006	-263,685	-17.0%
07 Motor Vehicles	73,375	62,596	97,158	34,562	55.2%
08 Contractual Services	7,624,430	7,477,355	7,896,468	419,113	5.6%
09 Supplies and Materials	1,656,045	1,278,456	1,652,639	374,183	29.3%
10 Equipment – Replacement	15,511	0	0	0	0.0%
11 Equipment – Additional	21,038	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	757,735	767,256	794,700	27,444	3.6%
13 Fixed Charges	72,504	67,457	75,382	7,925	11.7%
<b>Total Objects</b>	<b>\$ 47,278,309</b>	<b>\$ 46,357,534</b>	<b>\$ 47,729,956</b>	<b>\$ 1,372,422</b>	<b>3.0%</b>
<b>Funds</b>					
01 General Fund	\$ 46,603,546	\$ 43,641,985	\$ 44,997,286	\$ 1,355,301	3.1%
03 Special Fund	674,763	685,549	702,670	17,121	2.5%
05 Federal Fund	0	2,030,000	2,030,000	0	0%
<b>Total Funds</b>	<b>\$ 47,278,309</b>	<b>\$ 46,357,534</b>	<b>\$ 47,729,956</b>	<b>\$ 1,372,422</b>	<b>3.0%</b>

Note: The fiscal 2010 appropriation does not include deficiencies.