STATE PAROLE BOARD

Questions 1. through 5 relate to findings published in the July 1, 2011 to August 30, 2013 State Audit Report of the State Parole Board and its operations. The OLS notes that according to budget data State Parole Board filled positions declined from 640 in January 2010 to 587 in January 2014, a decrease of 8 percent. Staffing is projected to increase to 612 in FY 2015.

1. The State audit states:
The State Parole Board (SPB) is not monitoring offenders in compliance with established standards. Supervision requirements including face-to-face contacts, home visits, and drug or alcohol testing are not being completed within established timeframes which could result in an increased risk to the public and a reduced likelihood that the offender will achieve long-term behavioral reform.

Question: What actions has the Parole Board taken to address the issue of non-compliance with parolee monitoring standards? What actions are contemplated to upgrade parolee monitoring activities? To what extend did the decline in staffing contribute to the State Auditor’s findings?

The State Parole Board has conducted a review and evaluation of the internal operations of the Division of Parole. As a result, internal committees have been formed to re-evaluate, develop and implement new and/or redefined policies, procedures and standards. The State Parole Board also initiated revisions to the Parole Board Information System (PBIS), which is an internal management information system, to provide supervisory alerts that aid in monitoring compliance with supervision standards. In addition, an Administrative Unit in the Division of Parole has been established and is responsible for ensuring compliance with all training, policies, procedures and standards. Bi-monthly status reports of over 15,000 cases under supervision are monitored and immediate remediation notices are sent to the respective field and command staff for corrective action regarding all cases that are not in compliance with monitoring standards. All individual command and line staff are held accountable for adherence to agency standards. The State Parole Board will continue to address and monitor agency operations with a level of constancy and vigor, to ensure compliance with internal standards and to hold staff accountable.

In order to further upgrade parolee monitoring activities, the State Parole Board Information Technology Unit continues to address the ability to process or retrieve data collected during intermittent power failures, the development of a backup system, and the implementation of a remote access communication system.

The State Parole Board does not consider the decline in staffing to be a factor in the State Auditor’s findings.

2. The audit states:
Controls over the Community Resource Center (CRC) program are inadequate. The SPB has not established a comprehensive written policy regarding billable program participation and an effective process for the review of provider invoices. As a result, providers have been reimbursed for unsupported and questionable services.
Discussion Points (Cont’d)

We recommend the SPB develop and implement a comprehensive written policy for the CRC program that strengthens and improves upon existing requirements set forth in the 2008 request for proposal and standard contract. Procedures covered by the policy should clearly define the approved on-site activities and minimum offender participation time that constitute a billable service day. Procedures should further establish limits for off-site billable days and define the supporting documentation needed to verify attendance. In addition, we recommend the SPB strengthen its review of provider invoices by comparing offender billed days to required reporting days and vouching billed days to required supporting documentation. The SPB should also consider a reduced per diem rate for off-site days.

• Question: What actions has the Parole Board taken to address the issue of control of the billing practices Community Resource Centers? Has the SPB been reimbursed for the faulty and/or double billing discovered by the State Auditor? Had the SPB implemented the audit’s recommendation to reduce the per diem rate for off-site days? Since FY 2015 recommended funding for the program is unchanged, should the Legislature assume that the agency is unable or unwilling to address the audit findings?

Effective with the February 2014 billing cycle, the State Parole Board has directed that CRC contracted providers submit written documentation to substantiate off-site activities (e.g. employment, employment search) when submitting monthly invoices. Staff in the Community Programs Division of the State Parole Board have been assigned to work with the Fiscal Unit in the review and reconciliation of all monthly invoices.

The State Parole Board has been fully reimbursed for the faulty billing discovered by the State Auditor.

The State Parole Board proactively established a partnership with the Department of Treasury, Division of Purchase and Property (DPP) to utilize DPP’s expertise and resources in the development and issuance of the new CRC Request for Proposals (RFP). The new CRC RFP establishes procedures that clearly define the approved on-site activities and minimum offender participation time that constitute a billable service day and establishes additional requirements for off-site billable days. For example, the new CRC RFP requires that a parolee remains at the CRC site for a minimum of three hours in order to qualify for reimbursement as a billable service day; GPS tracking of attendance at off-site locations; and that contract providers must submit written documentation to verify and substantiate billing for off-site activities. In addition, the new CRC RFP reduces reimbursement for off-site activities to 50% of the per diem rate.

While the implementation of these measures will increase the accountability of contracted program providers, until the new CRC Program contracts are awarded later this year, the exact financial impact on CRC program funding is not able to be determined at this time.

3. The report states:
Audits of provider operations are not being competed in accordance with program bid specifications. Bid specifications require a Certified Public Accounting (CPS) firm, appointed and paid for by the provider, to perform all audit requirements of the contract. This includes financial audits that express
Discussion Points (Cont’d)

an opinion on reported program financial results and compliance audits that
test for adherence with contract terms and conditions. Our review disclosed
that the SPB contracted directly with a CPA firm to perform contract
compliance audits only. Program financial audits have not been completed.
In addition, the providers have not reimbursed the SPB for the cost of audits.

We recommend the SPB strengthen its monitoring of providers by obtaining
audited financial results of each program on an annual basis. We further
recommend that an annual cost analysis be completed for all programs to
determine the reasonableness of current per diem rates and to help with the
development of future per diem rates.

• Question: What are the current per-diem rates for each program? When
were they last updated? Why has the SPB not adhered to the contract
provision requiring providers to conduct and fund annual financial and
contract compliance? Has the SPB been reimbursed for the contract
compliance audits which it had ordered and funded from SPB funds? If not,
has the SPB considered retainage of contract payments to ensure compliance
with auditing requirements?

Current CRC contracts, which became effective on August 1, 2008, utilize a graduated per-
diem reimbursement design with corresponding daily rates depending upon the number of
supervised offenders assigned to a CRC on each day of operation. The rate of
reimbursement under the graduated per-diem reimbursement design has the following
ranges of per-diem rates based upon the number of supervised offenders for which
documented programming and services were provided by the CRC Program: 0-25; 26-50;
51-70; 76-100; 101-125 and 126 or more. The rate of reimbursement for the performance of
a Level of Service Inventory – Revised (LSI-R) is also included below.

The graduated per-diem reimbursement will not be included in the new CRC RFP.

<table>
<thead>
<tr>
<th>PROVIDER</th>
<th>Per Diem (0-25); Per Diem (26-50); Per Diem (51-75); Per Diem (76-100); Per Diem (101-125); Per Diem (126 or more)</th>
<th>LSI-R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behavioral Interventions, Inc. - Atlantic City</td>
<td>$89.00; $74.25; $55.00; $45.00; $39.50; $35.75</td>
<td>$44.50</td>
</tr>
<tr>
<td>Behavioral Interventions, Inc. - Elizabeth</td>
<td>$89.00; $80.00; $59.00; $47.00; $41.00; $37.00</td>
<td>$44.50</td>
</tr>
<tr>
<td>Behavioral Interventions, Inc. – Neptune</td>
<td>$90.00; $58.20; $60.00; $50.50</td>
<td>$45.00</td>
</tr>
<tr>
<td>Behavioral Interventions, Inc. – Perth Amboy</td>
<td>$88.00; $58.10; $54.75; $49.25</td>
<td>$44.00</td>
</tr>
<tr>
<td>Community Solutions, Inc. – Jersey City</td>
<td>$96.50; $67.97; $62.10; $57.55; $56.62</td>
<td>$48.00</td>
</tr>
</tbody>
</table>
**Discussion Points (Cont’d)**

### The Kintock Group – Newark

Per Diem: $85.00 (0-25); $65.00 (26-50); $55.00 (51-75); $51.00 (76-100); $46.00 (101-125); $42.00 (126 or more)

LSI-R $42.50

### The Kintock Group – Paterson

Per Diem: $85.00 (0-25); $65.00 (26-50); $55.00 (51-75); $51.00 (76-100); $46.00 (101-125); $42.00 (126 or more)

LSI-R $42.50

### Opportunities For All, Inc. – Hamilton

Per Diem: $102.00 (0-25); $72.00 (26-50); $55.00 (51-75); $48.00 (76-100); $31.00 (101-125); $29.00 (126 or more)

LSI-R $51.00

### Volunteers of America – Delaware Valley

Per Diem: $177.80 (0-25); $116.98 (26-50); $70.56 (51-75); $55.56 (76-100)

LSI-R $65.00

By contract, every program provider is required to submit to the State Parole Board, at their own expense, an annual single audit report prepared by a certified public accounting firm. Pursuant to Federal Office of Management and Budget Circular Letter A-133 and NJ Office of Management and Budget Circular Letter 04-04-OMB, the State Parole Board is precluded from seeking reimbursement from contracted program providers for additional audit requirements above and beyond the minimum Federal and State requirements. Therefore, the State Parole Board is precluded from seeking reimbursement from the contract providers for the audits the State Parole Board contracted directly with a CPA firm to perform.

Procedures to ensure the receipt of the contracted program providers’ audited financial results on an annual basis are operational. Additionally, to ensure contract compliance, the State Parole Board has engaged a certified public accounting firm to conduct Performance Audits, Agreed-Upon Billing Procedures and individual Schedule of Active Cost reviews of each CRC program.

4. The audit states: “SPB vehicles are not meeting monthly usage requirements and are not properly classified.” According to the report, the SPB maintains a fleet of 318 motor vehicles, of which, 60 motor pool vehicles were surveyed. The report notes that 17 SPB motor vehicles were being maintained overnight at employee homes and another 17 were parked overnight at state properties geographically close to the assigned driver’s residence. In addition, the report notes that “more than half of the mileage on these vehicles appears to be commuting mileage”. As a result, the audit recommends:

The SPB should determine which vehicles, classified as pool vehicles, should be reclassified as individual assignment to meet employees’ formal job duties. In addition, SPB should provide proper justification for vehicles not meeting the monthly usage requirements or return vehicles to Transportation Services.

- **Question:** What actions has the Parole Board taken to address the issue of State motor vehicle usages by its staff? Has the SPB returned any of its vehicles to Transportation Services per the audit recommendation? If so, what savings resulted and are these savings reflected in the FY 2015 budget?
Discussion Points (Cont’d)

The Division of Parole is the law enforcement component of the State Parole Board and has officers on duty seven days a week, 24 hours a day. The agency vehicle fleet is essential for officers to perform the agency’s mission to protect the public.

The State Parole Board conducted a comprehensive review of the vehicle fleet and has identified approximately 40 employees to whom vehicles are permanently assigned. The State Parole Board has requested an exemption from the Department of Treasury for Board Members to whom vehicles are assigned due to security concerns but may not meet the monthly mileage requirements.

With regard to the Division of Parole and in recognition of the responsibility for the supervision of offenders on parole, mandatory supervision (pursuant to the “No Early Release Act”), parole supervision for life and community supervision for life, the State Parole Board notes that the majority of these offenders are located in urban areas. As a result, a parole vehicle in an inner city can operate all day and accumulate only 20 miles. The State Parole Board does make an attempt to rotate the agency’s fleet to maximize the lifespan of agency vehicles, but to consistently rotate inner city vehicles on a monthly basis to meet mileage requirements is impractical. However, the State Parole Board acknowledges the recommendation of the audit and has redistributed vehicles to meet the monthly usage requirement.

The remaining assignments of motor vehicles complies with the pool category, in that the State Parole Board designates a primary driver for a vehicle to hold officers accountable for servicing, maintaining, identifying complaints and/or tickets assigned to the vehicle. On the primary driver’s days off, the vehicle is utilized by other officers.

The audit recommended that the State Parole Board provide proper justification for vehicles not meeting the monthly usage requirements or return vehicles to the Department of Treasury, Transportation Services for disposition. As noted above, the State Parole Board has provided proper justification and requested exemptions from the Department of Treasury and has not returned any vehicles to Transportation Services. However, it should be noted that every year at least twelve State Parole Board vehicles are redlined by Transportation Services and removed from service.

5. The audit states:
   The SPB did not follow state regulations when it entered into an agreement to rent office space. As a result, there is less assurance the SPB is paying a fair and reasonable rate.

   We recommend the SPB comply with the requirements set forth in Treasury Circular Letter 11-10-DPP when renting office space. This will help ensure costs are reasonable and space is adequate.

   • Question: What actions has the SPB taken in order to remain in compliance with State regulations for office space rental?

   This agreement was not a lease, therefore Circular Letter 11-10-DPP is not applicable.
6. Under the Affordable Care Act, beginning in January, 2014, low income childless individuals, including State prison inmates, became eligible for Medicaid for off-site health care services. Since most inmates had not previously been eligible for Medicaid, they would be considered newly eligible and therefore qualify for a federal reimbursement of 100 percent of all costs from 2014 to 2017. In addition, at release or upon parole, inmates already enrolled in Medicaid have an immediate source of health care coverage, assuring access to prescriptions drugs and ongoing treatment of serious illness, HIV/AIDS, hepatitis, cancer, and other conditions. According to the American Correctional Association, “to date, many states have not developed mechanisms to access federal match and reduce the state’s expense for inmate inpatient care”

Question: What provisions has the State Parole Board made in order to assist parolees to obtain health care coverage under the Medicaid program?

Offenders under supervision are provided access to information at the District Parole Office concerning the Affordable Care Act and Medicaid. (See Attached Exhibit A)

7. Under the Affordable Care Act young adults under the age of 27 are allowed to stay on their parents’ employer sponsored health insurance plans, regardless if the child is a student, employed, or living away from the parents. This coverage expansion applies to inmates during incarceration and at release or upon parole. While many employer-sponsored insurance plans exclude coverage during incarceration, some do not.

Question: What provisions has the State Parole Board made in order to aid parolees under the age of 27 in obtaining medical insurance from their parents’ employer sponsored medical plans?

Offenders under supervision are provided access to information at the District Parole Office concerning the Affordable Care Act and Medicaid. Parole officers routinely ask offenders if they are eligible to be covered by the medical insurance policy of their parents, family or significant others. Attached is an example of what the offenders are provided. (See Attached Exhibit A)

8. Evaluation data (Budget pg. 73) indicates that a new program, “Program for Returning Offenders with Mental Illness Safely and Effectively” (PROMISE) will serve 33 participants during FY 2014 and FY 2015. The budget notes that a contract award was made during FY 2014 for this program.

Question: To whom was this contract awarded? What is the amount of the contract award for FY 2014 and FY 2015? Under which line item is this program included? Please provide a description of the program.

Following a competitive bidding process, Volunteers of America – Delaware Valley began providing PROMISE Program services on April 1, 2006. Since the inception of PROMISE, annual funding of approximately $800,000 has been provided for program operating expenses.

In 2009, funding for PROMISE was absorbed within the Reentry Substance Abuse Program (RESAP).
Discussion Points (Cont’d)

PROMISE provides residential treatment services and supportive housing to parolees with a serious and persistent mental illness, and is the only program of its kind in the State. A PROMISE program description has been attached for your reference. (See Attached Exhibit B)
HEALTH INSURANCE COVERAGE

NJ FAMILY CARE

New Jersey’s publicly funded health insurance that covers doctor visits, prescriptions, vision, dental care, mental health, substance use services, and hospitalization.

You may enroll directly and/or receive information, online, at:

www.njfamilycare.org,

OR by calling 1-800-701-0710,

(Monday and Thursday 8 am to 8 pm; and Tuesday, Wednesday, and Friday 8 am to 5 pm)

OR by going to your County Board of Social Services.

(Applications are taken any time. Most people will be eligible for this benefit. Those not eligible can find information on other affordable insurance programs below, through the Affordable Care Act.)

AFFORDABLE CARE ACT (Marketplace)*

Federal insurance program which helps individuals find (and sometimes assist in paying for) private health insurance to cover essential health benefits, pre-existing conditions, and preventive care.

You may enroll directly and/or receive information, online, at:

www.healthcare.gov,

OR by calling 1-800-318-2596,

(24 hours a day, 7 days a week)

OR by going to your County Board of Social Services.

You may also get local help in New Jersey, online, at:

https://localhelp.healthcare.gov

(Simply type in your city and state OR zip code for a list of local helpers in your area.)

NEW JERSEY STATE PAROLE BOARD

PROGRAM FOR RETURNING OFFENDERS WITH MENTAL ILLNESS SAFELY AND EFFECTIVELY (P.R.O.M.I.S.E.)

Background

Studies indicate that, for mentally ill prisoners, re-entry treatment and related services after release are crucial to providing them with the best possible chance to become productive members of society. The Governor's Task Force on Mental Health, in issuing their final report dated March 31, 2005, recommended and supported Acting Governor Codey's budget proposal to pilot re-entry case management services. As a result, the New Jersey State Parole Board was appropriated funds to begin implementation of the Program for Returning Offenders with Mental Illness Safely and Effectively (PROMISE) on April 1, 2006.

Since 2008, the New Jersey State Parole Board, in collaboration with the Department of Corrections, Department of Human Services (Division of Mental Health Services), Department of Community Affairs and the New Jersey Housing and Mortgage Finance has implemented PROMISE for a target population of offenders with mental health disorders who are reentering the community on parole supervision. Most offenders who are diagnosed with a mental health illness are non-violent and can re-integrate into the community with appropriate mental health treatment, rehabilitative services, and a stable housing environment. With the right support system, they can be contributing members of society and their communities. PROMISE provides ex-offenders with opportunities for successful community re-integration and has made our communities safer by providing services and housing for individuals at risk of homelessness and recidivism.

Treatment of offenders with mental illness is critical while they are incarcerated. It is equally important to prepare earlier for and coordinate community mental health, social and workforce services as to help ensure sustained community tenure. Recovery-oriented wrap-around services include services and resources such as medication prescriptions, outpatient therapy, partial day care programming, integrated co-occurring disorders treatment (mental health and substance abuse), vocational training/education, family education and parenting classes, linkages to employment, household management skills, financial education and permanent housing with rental subsidies.

Purpose and Intent

PROMISE has successfully developed a model for parolees with a diagnosed mental illness to transition to independence. Parolees are provided with the above-noted services as they transition into the Post-Release Acclimation Center (PRAC) located at existing Reentry Substance Abuse Program locations at the Volunteers of America – Delaware Valley Addiction Treatment Program, 610 Liberty Street, Camden, NJ 08104. Upon successful completion, parolees return to the community to either transitional or supportive housing or their own housing plan. The program length of stay will be progress-driven. The program will also admit parolees referred
following the conducting of parole revocation proceedings as well as parolees referred by the District Parole Offices within the Division of Parole.

PROMISE provides comprehensive, intensive rehabilitation, treatment and support services to the segment of the seriously and persistently mentally ill population who are most challenged by their mental illness. The program is specifically targeted to work with those parolees who meet this criterion and have either experienced repeated involuntary hospitalizations, have a history of criminal behavior related to their mental illness, are assessed as having a low level of functioning that would limit their ability to reintegrate independently in the community, or have previously refused to participate in rehabilitative services. The program goal is to assist parolees with mental health disorders obtain appropriate services in a complete continuum of care that includes, in many cases, permanent, stable, independent and affordable housing in the community.

PROMISE utilizes a multidisciplinary, mobile treatment team that addresses each client's basic needs including food, housing, health care, and mental health treatment. The PROMISE team consists of the following members:

- The Parole Officer Liaison;
- A clinician who serves as the PROMISE Director;
- A Treatment Coordinator with a specialization in substance abuse treatment;
- Two treatment specialists providing case management and specializing in mental health;
- An Employment Specialist;
- A Peer Mentor;
- An Aftercare Specialist to provide services to offenders that have completed their parole term; and
- Any additional staff members as required by the New Jersey State Parole Board.

A Psychiatrist with a valid NJ license to practice is also retained by the program to provide psychiatric consultation and services. Psychiatric services will be available on a weekly basis for all PROMISE clients with emergency consultation available 24 hours per day, seven days per week. A registered nurse is retained for PROMISE clients to ensure their healthcare needs are met. The PROMISE staff will include an additional member exclusive to the aftercare component. A Program Manager is employed to attend to the residential needs for the scattered site housing program upon successful completion of the residential component of PROMISE for those individuals that are in need of housing placement.

Whereas, in the past, a parolee experiencing serious and persistent mental health problems might violate the terms and conditions of their release to supervision due to their non-compliance with medication and non-attendance in traditional mental health treatment programs, in PROMISE, treatment goals are continuously determined by the parolee in collaboration with the team, and each parolee's status is reviewed daily by team members.