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GDC's Use of Virtual Offices

Virtual offices would not result in a net savings for GDC Probation

Why we did this review

This review was conducted at the request of the House Appropriations Committee. The Committee asked that we review the State Board of Pardons and Paroles' (SBPP) implementation of virtual offices and evaluate the potential for implementation at the Georgia Department of Corrections' (GDC) probation division. Based on the Committee's request, we addressed the following questions:

1) What was the programmatic and financial impact of virtual office implementation on SBPP?

2) What programmatic and financial impact would the application of the virtual office concept have on GDC probation?

About Virtual Offices

The virtual office concept allows officers to provide community supervision from their vehicles without a physical office. Officers visit offenders at their homes and workplaces, and these visits take the place of the offender reporting to a physical office. Officers utilize laptops and smartphones to work from the field. The technology creates a "virtual office" in the officers' vehicle.

Initially, virtual offices were tested in March 2012 jointly by the SBPP parole and GDC probation offices in Albany. At the conclusion of the pilot project, SBPP parole decided to implement the concept for its officers, while GDC probation did not.

What we found

The State Board of Pardons and Paroles' (SBPP) implementation of the virtual office concept resulted in net annual savings of $1.3 million. However, implementation of the virtual office concept would not result in a net cost savings for the Georgia Department of Corrections' (GDC) probation division.

Although SBPP parole and GDC probation perform community supervision duties, there are significant differences that result in GDC probation supervision being less compatible with the virtual office concept than SBPP parole supervision. These differences limit the number of GDC probation offices that could be closed. While probationers could be supervised in the field, GDC probation would continue to require office space to serve the superior courts and provide services to offenders. As a result, GDC probation would be unable to generate sufficient savings from facility closures to justify the cost of virtual office implementation.

In fiscal year 2013, SBPP parole implemented the virtual office concept. SBPP parole management stated the primary reason for the transition was operational. The intent of virtual offices was to maximize the time parole officers spent supervising parolees in the field. While the transition was intended to improve contacts and thereby improve outcomes, the data available to assess outcomes such as recidivism does not yet exist.

As a result of implementing the virtual office concept, SBPP parole closed 33 of 46 field offices in fiscal year 2013. The remaining 13 offices are regional hubs for meetings and other activities. In addition to the 13 regional hubs, parole officers and support staff require physical space throughout the state for

activities such as parolee classes, drug testing, staff meetings, and storage. To meet these needs, SBPP parole currently borrows 144 spaces from various entities throughout the state. The majority of these spaces (80%) are in local law enforcement or GDC facilities. It should be noted that 51 of the 55 GDC locations that SBPP parole utilizes are located in GDC probation offices. SBPP parole does not pay rent or utilities in return for the use of these borrowed spaces.

By closing field offices, SBPP parole reduced rent and utility costs by $1.7 million. In addition, network services decreased by approximately $250,000. The savings due to facility closures were partially offset by increases in vehicle and mobile communications costs which totaled approximately $574,000. Therefore, we estimate SBPP parole's annual net savings from virtual offices to be approximately $1.3 million. The purchase of 56 vehicles at a cost of approximately $900,000 was required to implement virtual offices.

GDC probation's costs to implement virtual offices would be higher than SBPP parole's. Parolees were primarily supervised in the field prior to the implementation of virtual offices. SBPP parole had approximately twice the number of cars per officer as GDC probation currently does. In addition, parole officers already had mobile phones, laptops, and radios to use in the field. Currently, GDC probation's operations are structured on using both physical-office-based and field-based officers to supervise probationers. Probation officers are issued the necessary equipment depending on their work environment. For example, officers based in physical offices use desktops and are not issued mobile phones, while officers working in the field are issued notebook computers and mobile phones. Resources such as vehicles and radios are shared. As a result of this structure, GDC probation's implementation of virtual offices would require financial investments in vehicles and equipment. GDC probation would be required to double its fleet size from 330 to 667 vehicles. The initial purchase would total $7.7 million. To provide laptops for all probation officers, GDC probation would incur a one-time cost of approximately $200,000. Additionally, GDC probation would incur a one-time cost of $1.2 million to purchase handheld radios. The estimated total implementation cost is $9.1 million. There may also be additional staffing costs to account for decreases in efficiency as a result of officers' travel time and the general need for two officers per visit.

If GDC probation implemented virtual offices, office space would continue to be required for some of its operations. GDC probation currently has 104 offices throughout the state. The total cost for these facilities is projected to be $9.1 million in fiscal year 2014. However, only 63 of these facilities are candidates for closure if the virtual office concept were adopted. Closure of all 63 facilities would result in 18 judicial circuits with no probation office. These circuits supervise more than 40,000 probationers and employ 470 staff. The circuits without a physical office would include some Atlanta-area circuits, which are the largest in the state.

Our analysis indicated that the virtual office concept would only result in a net annual savings of $335,000 for GDC probation if all 63 leased offices were closed. However, with a net annual savings of $335,000, it would take GDC probation 27 years to recoup its initial implementation costs of $9.1 million.

SBPP Response: *After reviewing the draft, we are in agreement with the data contained within.*

GDC Response: *The report was comprehensive in its comparison of Probation and Parole and recognizing the differences in approach of each agency based on obligations to the Courts, law enforcement agencies and to the clientele and communities served. While [GDC] remains committed to good stewardship of its allotted resources, it also understands the necessity of maintaining a physical presence in the communities it serves. Concepts being further examined by GDC include the implementation of regional probation office concept; utilization of the bullpen design to decrease the physical size of probation offices; continued joint cooperation with parole in supervising offenders in the field; and increasing technology expansion to improve efficiency of field staff.*

Table of Contents

Purpose of the Special Examination 1

Background 1

Community Supervision 1

Use of Virtual Offices for Community Supervision 2

State Board of Pardons and Paroles (SBPP) 2

GDC Probation 4

Comparison of SBPP Parole and GDC Probation Supervision 5

Requested Information 7

What was the programmatic and financial impact of virtual office implementation on SBPP parole's community supervision? 7

The implementation of virtual offices allowed SBPP parole to close 33 offices for a projected annual savings of $1.3 million. 7

The implementation of virtual offices required operational changes and financial investments in equipment. 7

Virtual offices resulted in net savings for SBPP parole. 8

What programmatic and financial impact would the application of the virtual office concept have on GDC probation? 9

GDC probation faces significant operational and financial barriers to transitioning to virtual offices. 9

Virtual offices would not result in net savings for GDC probation. 11

Appendix A: Objectives, Scope, and Methodology 14

Appendix B: SBPP Parole Offices, Districts, and Regions 16

Appendix C: GDC Probation Offices, Districts, and Regions 18

Purpose of the Special Examination

This review of the application of the "virtual office" concept to the Georgia Department of Corrections probation division was conducted at the request of the House Appropriations Committee. The Committee asked that we address the following:

In March 2012, the [Albany offices of the State Board of Pardons and Paroles and the Georgia Department of Corrections Probation Division conducted a joint "virtual office"] pilot program to intensify the amount of supervision in the community while decreasing expenditures for operating costs associated with office space. The savings estimates [for Parole] exceed $1 million from eliminating leased space. The members of the House are impressed with the results of the virtual office, and they believe that additional savings and programmatic efficiencies may be effectively applied to Probation Supervision services provided through the Department of Corrections, as well. Currently, there are over 100 probation offices in the state which serve the largest percentage of adult offenders within the entire correctional system. To that end, the members request an evaluation of potential savings and program effectiveness that may be achieved by applying the "virtual office" concept to Probation Supervision.

Based on the Committee's request, we addressed the following questions:

1. What was the programmatic and financial impact of virtual office implementation on the State Board of Pardons and Paroles parole division?
2. What programmatic and financial impact would the application of the virtual office concept have on the Georgia Department of Corrections probation division?

This examination generally covered activity related to parolee and probationer supervision that occurred during fiscal years 2012 and 2013, with consideration of earlier or later periods when relevant. A description of the objectives, scope, and methodology used in this review is included in Appendix A. A draft of the report was provided to the State Board of Pardons and Paroles and the Georgia Department of Corrections for review, and pertinent responses were incorporated into the report.

Background

Community Supervision

Individuals convicted of a felony in Georgia may serve all or a portion of their sentences under community supervision. There are several benefits to community supervision, including providing a low-cost alternative to incarceration. Convicted offenders who participate in community supervision live in the community and must adhere to certain conditions, such as working, abiding by all laws, and paying fees and restitution. The offender may have his or her community supervision revoked for violating the conditions, resulting in the offender being incarcerated.

There are two primary types of community supervision:

- **Parole** – Parolees have served a portion of their sentences incarcerated prior to being granted conditional release by the State Board of Pardons and

Paroles (SBPP). The remainder of the sentence is served in the community under the supervision of SBPP parole. Law enforcement officers employed by SBPP perform ongoing supervision of parolees. As of September 2013, SBPP parole actively supervised 21,681 parolees.

- **Probation** – Offenders may receive a sentence of probation instead of incarceration from the sentencing court after conviction. The court may grant probation for all or a portion of the sentence. Georgia Department of Corrections (GDC) law enforcement officers supervise felons sentenced to probation; however, they do not supervise probationers convicted of misdemeanors or local ordinance violations.[1] As of September 2013, GDC probation actively supervised 106,552 felony probationers.

Use of Virtual Offices for Community Supervision

The virtual office concept allows officers to provide community supervision from their vehicles without a physical office. Two officers generally travel together to visit offenders at their homes and workplaces, and these visits take the place of the offender reporting to a physical office. Each officer is issued a laptop and a smartphone that provides internet access. The technology allows officers to make phone calls, send emails, and document visits in the case management system. These activities, which are traditionally performed in a physical office space, can now take place in state-issued vehicles and officers' homes. The technology creates "virtual offices," which allow for the closure of physical offices.

Experts in community supervision generally agree that supervision is more successful when visiting offenders in the community where they live than when conducting office visits only. First-hand knowledge of the offender's environment and actions can corroborate or contradict information the offender provides to the officer. In addition, officers can develop relationships with family members, neighbors, and employers, who may report problematic behavior.

In fiscal year 2012, SBPP and GDC conducted a joint pilot project in Albany to test the viability of virtual offices. During the pilot, one SBPP parole officer and one GDC probation officer were paired in a vehicle and together visited the offenders on each officer's caseload. After the pilot project ended, SBPP decided to implement virtual parole offices statewide due to the potential for improved supervision. However, GDC decided not to implement the virtual office concept for probation, citing high caseloads, an insufficient vehicle fleet, and probation officers' court duties.

SBPP initially planned a three-year phase-in period to implement virtual offices and close most physical parole offices as a result of the implementation. However, the timeline was shortened to one year due to statewide budget cuts. SBPP closed offices throughout fiscal year 2013, with the final closures occurring at the end of June.

State Board of Pardons and Paroles (SBPP)

A 1943 amendment to the state constitution established SBPP as an independent agency. Its five-member Board has authority to grant paroles, reprieves, remissions, and pardons to convicted offenders. In addition to granting parole, the Board sets the

[1] These offenders are supervised by local government entities or private probation companies, as determined by the local court system's chief judge.

conditions of parole, monitors compliance with these conditions, and maintains jurisdiction over the parolee.

Parolees are generally supervised in the field through visits to their homes and workplaces. The level of supervision provided varies according to risk, with higher risk parolees receiving more frequent visits from SBPP parole officers. Low-risk parolees who have performed well under regular supervision may be assigned to an automated phone reporting system. Instead of receiving SBPP parole officer visits, these parolees call in at least once a month to verify or update their status.

Violations

If the parolee commits a parole violation, SBPP has authority to sanction the offender or revoke parole. For lesser violations, such as a positive drug test or unemployment, the assigned SBPP parole officer is authorized to implement appropriate sanctions. Progressive sanctions may include community service, referral to an outpatient program, or short-term incarceration (i.e., less than 72 hours in jail). If the parolee materially violates the conditions of parole, the Board has the authority to issue an arrest warrant. The Board may revoke parole and return the offender to prison after an administrative hearing process.

Financial

As shown in **Exhibit 1**, SBPP expended $36.9 million supervising parolees in fiscal year 2013. The largest expenditure was personnel services, which comprised 78% of SBPP parole supervision expenditures.

Exhibit 1
SBPP Parole Revenues and Expenditures
Fiscal Years 2012-2014

	2012	2013[1]	2014 (Budgeted)[2]
Expenditures			
Personal Services	$ 32,232,936	$ 28,850,585	$ 30,667,077
Real Estate Rentals	$ 2,154,357	$ 1,914,471	$ 602,885
Regular Operating Expenses	$ 1,834,621	$ 1,846,175	$ 2,047,139
Telecommunications	$ 906,375	$ 750,132	$ 725,553
Motor Vehicle Purchases	$ 348,896	$ 378,373	$ -
Contracts	$ 3,242,278	$ 2,715,637	$ 1,723,191
Other	$ 493,073	$ 427,555	$ 608,021
Total Expenditures	**$ 41,212,538**	**$ 36,882,926**	**$ 36,373,866**
Revenues			
State	$ 39,246,562	$ 35,449,390	$ 35,567,816
Federal	$ 1,007,796	$ 408,521	$ 806,050
Other	$ 958,179	$ 1,025,015	$ -
Total Revenue	**$ 41,212,538**	**$ 36,882,926**	**$ 36,373,866**

[1]In fiscal year 2013, 78 positions were moved from Parole to the Clemency division of SBPP.
[2]The fiscal year 2014 budget does not include $775,000 in state bond funds used to purchase 40 new vehicles.

Source: PeopleSoft

GDC Probation

The Statewide Probation Act of 1956 created the felony probation system administered by GDC. In addition to probation, GDC is responsible for all state prisons and detention facilities. While GDC's probation officers supervise probationers in the community, sentencing judges in the Superior Court system grant probation, set the conditions of probation, and retain jurisdiction throughout the probated sentence. Probation is the most frequently used sentencing option in Georgia.

Court-ordered conditions and a risk assessment determine the type and frequency of contacts between GDC probation officers and probationers. Offenders assessed as high-risk and those on specialized probation[2] are visited in the field, in a similar manner to parolees. Standard-risk offenders must report to a GDC probation office periodically, and low-risk probationers may be allowed to report using an automated phone reporting system.

In addition to supervising offenders, GDC probation also serves the 207 Superior Court judges in Georgia's 49 judicial circuits. Dedicated GDC probation officers process all new probation cases and conduct pre-sentence investigations as requested by the judges. GDC probation officers process and testify to probationer violations, petitions, sentence modifications, and warrants for the courts.

Violations

If a probationer commits a probation violation, the sentencing court generally retains authority to sanction the offender or revoke probation. GDC probation officers may impose limited sanctions on violators, such as increased drug testing or a curfew assignment. However, if the probationer materially violates the court's conditions, the GDC probation officer requests an arrest warrant from the court. After a judicial hearing, the judge may revoke probation and place the offender in secure confinement for a period up to the remainder of the sentence. Alternatively, the judge may impose sanctions such as community service.

Probationers may be sentenced to the GDC Probation Options Management System (POMS). Under POMS, judges allow GDC probation to impose sanctions, up to a sanctioning level set by the sentencing court, after an administrative hearing process. Graduated sanctions may range from curfews to house arrest. However, only the courts have authority to revoke probation and send the probationer to prison. More than 26,000 probationers are currently sentenced to POMS.

Financial

As shown in **Exhibit 2**, GDC expended $105.7 million supervising probationers in fiscal year 2013. The largest expenditure was personnel services, which comprised 81% of GDC probation supervision expenditures.

[2] Specialized probation is used for sex offenders, offenders with mental health needs, and those attending a day reporting center.

Exhibit 2
GDC Probation Revenues and Expenditures
Fiscal Years 2012-2014

	2012	2013	2014 (Budgeted)
Expenditures			
Personal Services	$ 81,611,727	$ 85,900,982	$ 86,230,983
Real Estate Rentals	$ 4,567,912	$ 4,474,149	$ 4,794,620
Regular Operating Expenses	$ 3,534,485	$ 4,333,519	$ 2,852,348
Telecommunications	$ 4,974,370	$ 5,357,745	$ 4,224,115
Motor Vehicle Purchases	$ 0	$ 2,525,637	$ -
Contracts	$ 1,528,255	$ 1,480,320	$ 1,606,974
Other	$ 389,139	$ 1,617,482	$ 614,688
Total Expenditures	**$ 96,605,889**	**$ 105,689,834**	**$ 100,323,728**
Revenues			
State	$ 93,852,353	$ 97,864,105	$ 99,350,317
Federal	$ 431,625	$ 194,128	$ -
Other	$ 2,321,910	$ 7,631,601	$ 973,411
Total Revenue	**$ 96,605,889**	**$ 105,689,834**	**$ 100,323,728**

Source: PeopleSoft

Comparison of SBPP Parole and GDC Probation Supervision

Both SBPP parole and GDC probation monitor offenders in the community to ensure they abide by the conditions required by the offender's parole or probation. However, as shown in **Exhibit 3**, key operational differences impact each organization's ability to operate from the field full-time.

Exhibit 3
Comparison of SBPP Parole and GDC Probation Operations

Size

Probation is significantly larger than Parole. As shown in the table below, Probation supervises nearly five times the number of offenders as Parole and employs more than three times the number of officers. Probation and Parole supervise a similar number of offenders in the field. However, 87% of parolees are supervised in the field, while only 18% of probationers are supervised in the field.

	Parole	Probation
Cases actively supervised	21,681	106,552
Cases supervised in the field	18,813	19,154
New cases (FY2013)	12,607	49,251
Contacts made (FY2013)[1]	465,651	1,450,873
Officers	336	1,093
Non-officer staff[2]	50	346
Officer caseload[3]	83	159

[1]Excludes phone contacts with offenders, which are not tracked by Parole.
[2]Excludes central office staff.
[3]Excludes officers who do not carry a regular caseload, including supervisory officers and Probation's dedicated court officers.

Control of Process

Parole	Probation
SBPP retains organizational control throughout the parole process. The Board grants and revokes parole and sets and modifies the conditions of parole. SBPP also employs the officers who supervise parolees in the community.	The sentencing court retains jurisdiction throughout the probation process. The court grants and revokes probation and sets and modifies the conditions of probation. GDC's primary role in the probation process is to monitor offenders' compliance with court-ordered conditions.

Court Duties

Parole	Probation
Parole officers have limited interaction with the courts. They appear in court, as needed, to testify if the parolee is tried for a new offense.	Probation officers have significant duties in the superior court system. Judges regularly order officers to appear in court for probationer hearings. In addition, approximately 135 dedicated probation officers serve the courts exclusively and do not supervise a caseload. Instead, they conduct pre-sentence investigations and process new probation cases.

Offender Services

Parole	Probation
Parole provides classes for parolees in areas such as mental health, substance abuse, and adult education. Classes are generally held once or twice a week in the evening.	Probation provides regular classes for probationers, similar to those offered by Parole. In addition, Probation operates 25 day reporting centers (DRCs) throughout the state. A DRC is a prison alternative that may be used as a direct sentencing option or as a sanction for probation violators. DRCs provide nonresidential, full-day drug and mental health treatment five days a week to both probationers and parolees.

Case Management

Parole	Probation
Parole has an electronic case management system. Paper documents were scanned and uploaded during virtual office implementation.	Probation has an electronic case management system, but paper files are widely used, and the current system does not allow documents to be uploaded. Probation's relationship with the superior courts precludes conversion to a paperless system. Paper copies of court documents (e.g., warrants, subpoenas) must be produced, shared, and stored.

Source: SBPP and GDC records, Interviews with staff, O.C.G.A 42-8 and 42-9

Requested Information

What was the programmatic and financial impact of virtual office implementation on SBPP parole's community supervision?

The implementation of virtual offices allowed SBPP parole to close 33 offices for a projected annual savings of $1.3 million.

While SBPP is projected to have an annual net savings of approximately $1.3 million in fiscal year 2014, which would represent 3% of SBPP's fiscal year 2012 expenditures of $41.2 million for parole supervision, SBPP parole management stated the primary reason for the transition to virtual offices was operational. Because field contacts are considered a better quality contact than an office contact, the intent of virtual offices was to maximize the time SBPP parole officers spent supervising parolees in the field. The transition was intended to improve contacts and thereby improve outcomes; however, data on outcome measures such as recidivism does not yet exist since the transition was completed at the end of fiscal year 2013.

For the 13 districts that first implemented virtual offices, we analyzed contacts made in the nine months before and after implementation. While we found total monthly contacts per officer basically remained unchanged from 146 to 142 (-2.6%), the field contacts per officer increased from 41 to 51 (24.9%) and office contacts decreased from 29 to 9 (-69.3%). SBPP parole staff indicated that several years of data would be required to properly evaluate virtual offices' programmatic impact.

SBPP parole management further stated that, prior to the transition, parole officers were spending considerable time in the field and SBPP field offices were underutilized. The transition to virtual offices further reduced the need for physical office space, so SBPP parole began closing its physical offices.

The implementation of virtual offices required operational changes and financial investments in equipment.

Vehicles

In fiscal years 2013 and 2014, SBPP parole increased its vehicle fleet from 194 to 250, an increase of 29%. The initial purchase price for the additional vehicles was approximately $900,000, with 16 purchased with asset forfeiture funds and 40 purchased with general obligation bonds. The estimated annual replacement cost is approximately $215,000. In addition, fuel usage increased by 45%, resulting in a projected increase in fuel cost of approximately $237,000.

Communications

Prior to the implementation of virtual offices, all SBPP parole officers were issued cell phones and laptops with air cards that provided an internet connection. SBPP parole replaced the cell phones and air cards with smartphones that are used as mobile hotspots. As a result, mobile phone costs are estimated to increase by approximately $62,000 annually, or 15%.

Office Space

SBPP parole closed 33 of 46 field offices in fiscal year 2013. The remaining 13 offices, shown in Appendix B, are regional hubs for meetings and other activities. Currently, there are no plans to close any of the remaining offices.

In addition to the 13 regional hubs, SBPP parole officers and support staff require physical space throughout the state for activities such as parolee classes, drug testing, staff meetings, and storage. As a result, the chief parole officers in each district were tasked with locating suitable space for these functions. As shown in **Exhibit 4**, SBPP parole currently borrows 144 spaces from various entities throughout the state. The majority of these physical spaces (80%) are in local law enforcement or GDC facilities. It should be noted that 51 of the 55 GDC locations that SBPP parole utilizes are located in GDC probation offices. SBPP parole does not pay rent or utilities in return for the use of these spaces. The amount of space and the frequency of use vary. For example, SBPP parole reported using a Department of Labor conference room once a week for parolee classes in Bainbridge. In contrast, SBPP parole has dedicated office and storage space at the Macon GDC probation office. In addition, it holds staff meetings, administrative hearings, and weekly substance abuse classes at the Macon location.

Exhibit 4
SBPP Parole Uses 144 Spaces at Other Entities
September 2013

Organization Type	Spaces
Local law enforcement agencies	60
Sheriff and Police departments, local jails	
Georgia Department of Corrections	55
Probation offices, prison training centers	
Other local entities	15
Courts, local and regional government entities	
Other state entities	7
Department of Family and Children Services, Department of Labor, technical college	
Community organizations	7
Nonprofits, churches	
Total "borrowed" spaces	**144**

Source: SBPP and GDC records

Virtual offices resulted in net savings for SBPP parole.

As shown in **Exhibit 5**, by closing field offices, SBPP parole reduced rent and utility costs by $1.7 million (76%). Also, network services, provided by the Georgia Technology Authority, decreased by approximately $250,000 (44%). The savings due to facility closures were partially offset by increases in vehicle and mobile communication costs which totaled approximately $574,000. Therefore, we estimate SBPP parole's annual net savings from virtual offices to be approximately $1.3 million. Because SBPP closed parole offices throughout fiscal year 2013, the actual financial impact may change as financial data for a complete fiscal year becomes available.

Exhibit 5
Net Savings from Virtual Offices Total $1.3 Million Annually

	Before Implementation[1]	After Implementation[2]	Difference
Facilities			
Rent	$ 1,941,208	$ 424,009	$ (1,517,199)
Utilities	$ 251,979	$ 96,164	$ (155,815)
Total Facilities	**$ 2,193,186**	**$ 520,173**	**$ (1,673,014)**
Telecommunications[3]			
Network Services	$ 566,789	$ 319,389	$ (247,400)
Mobile Phones	$ 413,005	$ 475,437	$ 62,432
Total Telecommunications	**$ 979,794**	**$ 794,826**	**$ (184,968)**
Motor Vehicles			
Vehicle Purchases	$ 744,459	$ 959,355	$ 214,895
Fuel[4]	$ 527,308	$ 763,951	$ 236,643
Other Expenses	$ 268,211	$ 328,189	$ 59,979
Total Motor Vehicles	**$ 1,539,978**	**$ 2,051,495**	**$ 511,517**
Net Cost Change			**$ (1,346,465)**

[1]Due to the gradual closure of parole offices throughout fiscal year 2013, "before" costs may represent fiscal year 2012 or fiscal year 2013.
[2]"After" costs reflect estimated fiscal year 2014 costs.
[3]Telecommunications costs include the Clemency division in addition to Parole. Investigators moved from Parole to Clemency in fiscal year 2013. When parole offices were closed, investigators shifted from field offices to teleworking and required mobile phones.
[4]To eliminate the impact of gasoline price fluctuations, fuel costs for both before and after implementation were estimated based on projected prices for fiscal year 2014.
Source: SBPP records and PeopleSoft

What programmatic and financial impact would the application of the virtual office concept have on GDC probation?

GDC probation faces significant operational and financial barriers to transitioning to virtual offices.

Although SBPP parole and GDC probation perform similar duties related to community supervision, there are significant differences that result in GDC probation operations being less compatible with the virtual office concept than SBPP parole operations. For example, certain aspects of probation activities related to the courts and day reporting centers cannot be transitioned to the virtual office model because they require a physical location. Also, the investment required to transition to the virtual office concept is cost prohibitive due to the size and scale of probation operations. The savings associated with closing those physical locations that could be transitioned to virtual offices are outweighed by the implementation costs and the increased operational costs to the virtual office concept (vehicle costs, communication costs, etc.). Each of the barriers is discussed in more detail below.

Court Duties

GDC probation employs dedicated court officers who do not supervise a regular probationer caseload, making a vehicle-based virtual office impractical. These officers spend significant time in court processing new probation cases. Additionally, they may conduct pre-sentence investigations on behalf of the court

and testify to delinquent probationer reports during revocation hearings. These officers require physical office space to review files, complete paperwork, and perform intake for new probationers. GDC reported that approximately 135 of its 1,093 probation officers (12%) are dedicated court officers.

In addition, GDC probation's relationship with the Superior Courts impedes its ability to transition to a paperless environment, which is required as part of the virtual office model. GDC probation officers must produce, share, and store paper documents (e.g., warrants, petitions, case information) for court cases and hearings.

We contacted the Council of Superior Court Judges for comment and determined the judges were largely opposed to the use of the virtual office concept at GDC probation for a variety of reasons. For example, judges did not believe officers could respond quickly to the courts if they worked in the field or from home. Judges also expressed concern that field visitation would be less efficient than office reporting, resulting in fewer contacts between officers and offenders.

Office Space

GDC probation requires physical space for several aspects of its operations. Probationers may be required to attend substance abuse classes, adult education classes, or mental health counseling as a condition of probation. Physical offices are also required for administrative hearings to address probation violations. As shown in **Exhibit 6** and Appendix C, GDC probation currently has 104 offices throughout the state. The total cost for these facilities is projected to be $9.1 million in fiscal year 2014, which includes rent, utilities, and network services.

Exhibit 6
Cost by Office Type
Fiscal Year 2014

	Number	Rent	Utilities[1]	Network Services[1]	Total Cost
Rent-Free Space					
State owned[2]	11	$ -	$ 394,792	$ 657,164	$ 1,051,956
Local government	12	$ -	$ 1,693	$ 110,211	$ 111,904
Leased					
DRC or DRC Lite	18	$ 1,427,393	$ 246,058	$ 709,513	$ 2,382,965
Probation office only	63	$ 3,291,058	$ 228,577	$ 2,051,186	$ 5,570,821
Total	**104**	**$ 4,718,451**	**$ 871,121**	**$ 3,528,075**	**$ 9,117,646**

[1]Utilities and network services were estimated using square footage because data was not available for all individual facilities. The figures reflect actual fiscal year 2013 costs.

[2]Seven DRCs are located in state owned space.

Source: GDC records

Intake occurs when an offender starts probation. Steps include explaining the conditions of probation, obtaining contact information, and conducting a mental health screening.

Intake

GDC probation staff indicated there are efficiencies to performing the initial intake process in an office versus in the field. In fiscal year 2013, GDC probation had approximately 49,000 new probation cases that required intake. Large offices may have 20 or more daily intakes. To expedite the process, new probationers undergo intake in groups. During intake, staff members operate in an assembly line fashion with each conducting a portion of the process, such as taking pictures, entering case information, obtaining DNA samples, or conducting drug tests. While these tasks

could be performed at the offenders' residences, GDC probation stated that additional officers would be required since officers work in pairs in the field for safety reasons. Based on our observations of the intake process, GDC probation's assertion is reasonable. GDC probation would need to conduct additional analysis to determine the number of additional officers that would be necessary for field-based intake. Because the additional cost is unknown, it was not included in our estimates of increased costs due to transitioning to virtual offices.

Day Reporting Centers (DRC)

GDC probation provides full-day, onsite programming five days a week at its day reporting centers (DRCs). These DRCs are used as both a direct sentencing option by judges and as a sanction for probation violations. DRCs provide non-residential, drug and mental health treatment to both probationers and parolees. The DRC staff also teaches offenders life skills and helps them locate employment. DRC programming is housed in 25 facilities, including 18 leased spaces. The DRC facilities are necessary to continue this sentencing option. Currently, 15 DRCs each accommodate 100 offenders, while 10 DRC Lites each accommodate 50, for a total population of up to 2,000 statewide.

Borrowed Space

SBPP parole uses borrowed spaces to provide necessary services to parolees. Currently, 51 of the current 144 borrowed spaces (36%) are located in GDC probation facilities. If GDC probation implemented virtual offices, the closure of GDC probation offices would compel SBPP parole to seek alternative borrowed space.

Virtual offices would not result in net savings for GDC probation.

Given these operational barriers, only 63 of GDC's leased facilities are candidates for closure. However, our analysis of GDC probation facilities and space requirements indicated that GDC probation's closure of all leased, non-DRC offices may not be practical because it would leave 18 judicial circuits with no probation office for classes, administrative hearings, or intake. These circuits supervise more than 40,000 probationers and employ 470 staff. The circuits without a physical office would include some Atlanta-area circuits, which are the largest in the state. As a result, GDC probation would be unable to generate sufficient savings from facility closures to justify virtual office implementation. The implementation costs, annual cost increases in operations, and potential cost savings due to facility closures are discussed below.

Vehicles

To provide a sufficient number of vehicles, GDC probation would be required to double its fleet size from 330 to 667 vehicles. The initial purchase would total $7.7 million, and the estimated replacement cost for the additional vehicles would be approximately $1.5 million annually. In addition to vehicle purchases, expenses for fuel and other motor vehicle items would increase with the larger fleet size and increased time in the field. As shown in **Exhibit 7,** total motor vehicle expenses can be expected to increase by approximately $4.7 million annually.

Exhibit 7
Virtual Offices Would Increase Motor Vehicle Expenses

	Before (FY13)	After (Estimated)	Difference
Vehicle Purchases[1]	$ 1,516,976	$ 3,066,951	$ 1,549,975
Fuel	$ 875,758	$ 2,715,360	$ 1,839,601
Other Expenses	$ 734,375	$ 2,033,025	$ 1,298,651
Total	**$ 3,127,109**	**$ 7,815,336**	**$ 4,688,227**

[1]The ratio of SBPP parole officers to vehicles was used to determine the number of vehicles that would be needed by GDC probation.

Source: GDC records and Peoplesoft

Communications

GDC probation would be required to purchase laptops and communications technology to allow officers to work from the field. To provide laptops and smartphones for all GDC probation officers, GDC probation would incur a one-time cost of approximately $200,000 and an increase in annual costs of approximately $550,000. Additionally, GDC probation would incur a one-time cost of $1.2 million to purchase handheld radios. These radios allow probation officers to communicate with each other and local law enforcement.

Cost Savings

Our analysis indicated that the virtual office concept would only result in an annual net savings for GDC probation if all 63 leased, non-DRC probation offices were closed. As shown in **Exhibit 8**, annual costs for the necessary communications equipment and motor vehicles would rise by $5.2 million. If GDC probation were able to close all 63 leased, non-DRC offices, net annual savings would total approximately $335,000. However, at that rate, it would take GDC probation 27 years to recoup its initial implementation costs of $9.1 million. There may also be additional staffing costs to account for decreases in efficiency as a result of officers' travel time and the general need for two officers per visit.

Exhibit 8
Potential Savings are Insufficient to Justify Virtual Office Implementation

	Initial Investment	Annual Operating Costs	
		Increased Costs	Potential Savings[1]
Facilities			
Rent	$ -	$ -	$ 3,291,058
Utilities	$ -	$ -	$ 228,577
Total Facilities	**$ -**	**$ -**	**$ 3,519,635**
Telecommunications			
Network Services	$ -	$ -	$ 2,051,186
Mobile Phones	$ -	$ 519,462	$ -
Laptops	$ 197,679	$ 28,078	$ -
Radios	$ 1,170,019	$ -	$ -
Total Telecommunications	**$ 1,367,698**	**$ 547,540**	**$ 2,051,186**
Motor Vehicles			
Vehicle Purchases	$ 7,749,876	$ 1,549,975	$ -
Fuel	$ -	$ 1,839,601	$ -
Other Expenses	$ -	$ 1,298,651	$ -
Total Motor Vehicles	**$ 7,749,876**	**$ 4,688,227**	**$ -**
Grand Total	**$ 9,117,573**	**$ 5,235,767**	**$ 5,570,821**
Maximum Net Savings			**$ 335,053**

[1]Projected savings reflect closure of all 63 leased, non-DRC offices. Our analysis indicated that GDC probation would be unable to close all of these offices.

Source: GDC records and Peoplesoft

Appendix A: Objectives, Scope, and Methodology

Objectives

This report examines the State Board of Pardons and Paroles (SBPP)'s implementation of the "virtual office" concept and the application of the "virtual office" concept to the Georgia Department of Corrections (GDC) probation division. Specifically, our examination set out to determine the following:

1. What was the programmatic and financial impact of virtual office implementation on the State Board of Pardons and Paroles parole division?
2. What programmatic and financial impact would the application of the virtual office concept have on the Georgia Department of Corrections probation division?

Scope

This examination generally covered activity related to parolee and probationer supervision that occurred during fiscal years 2012 and 2013, with consideration of earlier or later periods when relevant. Information used in this report was obtained by reviewing relevant laws, rules, and regulations; interviewing agency officials and staff from SBPP and GDC; reviewing relevant policies and procedures; analyzing activity data and financial reports; reviewing existing studies on offender supervision; conducting site visits of GDC probation offices; and accompanying SBPP parole and GDC probation officers during field supervision visits.

We encountered significant information limitations that affected our scope and examination approach. Because Parole completed virtual office implementation at the end of fiscal year 2013, the available post-implementation data was limited. Cost changes due to virtual offices were estimated based on the most recent data available. In addition, insufficient time had passed to accurately assess virtual offices' effect on SBPP parole's efficiency and effectiveness.

Methodology

To determine the programmatic impact of virtual office implementation on SBPP parole, we interviewed SBPP management and staff and accompanied a parole officer and a chief parole officer conducting field visitation. We obtained information from both SBPP and GDC regarding "borrowed" spaces, which are other entities' spaces used by SBPP parole for which no rent or utilities are paid. We also visited a borrowed space at a GDC probation office.

We attempted to assess the impact of virtual offices on monthly parole officer contacts. For the first 13 districts that implemented virtual offices, we evaluated the number and types of contacts for the nine months before and after implementation in November 2013. However, the data was insufficient to definitively determine the impact. The observed change was not significant when considering the short period of time and the limited number of offices evaluated. In addition, we were unable to evaluate outcome measures such as recidivism due to the limited time since implementation.

To determine the financial impact of virtual office implementation on SBPP parole, we obtained financial data and projections from SBPP for fiscal years 2012

through 2014. The data detailed initial and recurring costs for items affected by virtual office implementation. "Before" costs reflect the last full fiscal year before implementation. Due to varying office closure dates, these costs may be based on fiscal year 2012 or 2013. To project annual costs after implementation, we evaluated cost trends and estimated changes based on the most recent data available.

To determine what programmatic impact virtual office implementation would have on GDC probation, we interviewed GDC management and staff and visited two GDC probation offices and a day reporting center. We toured these facilities, observed probationer intake, observed officer court duties, and conducted a ride-along with two GDC probation officers. We reviewed statutes, regulations, and other documentation of GDC probation responsibilities and services. We also evaluated relevant activity data for both SBPP parole and GDC probation for comparison purposes. This data was generated from each organization's case management system.

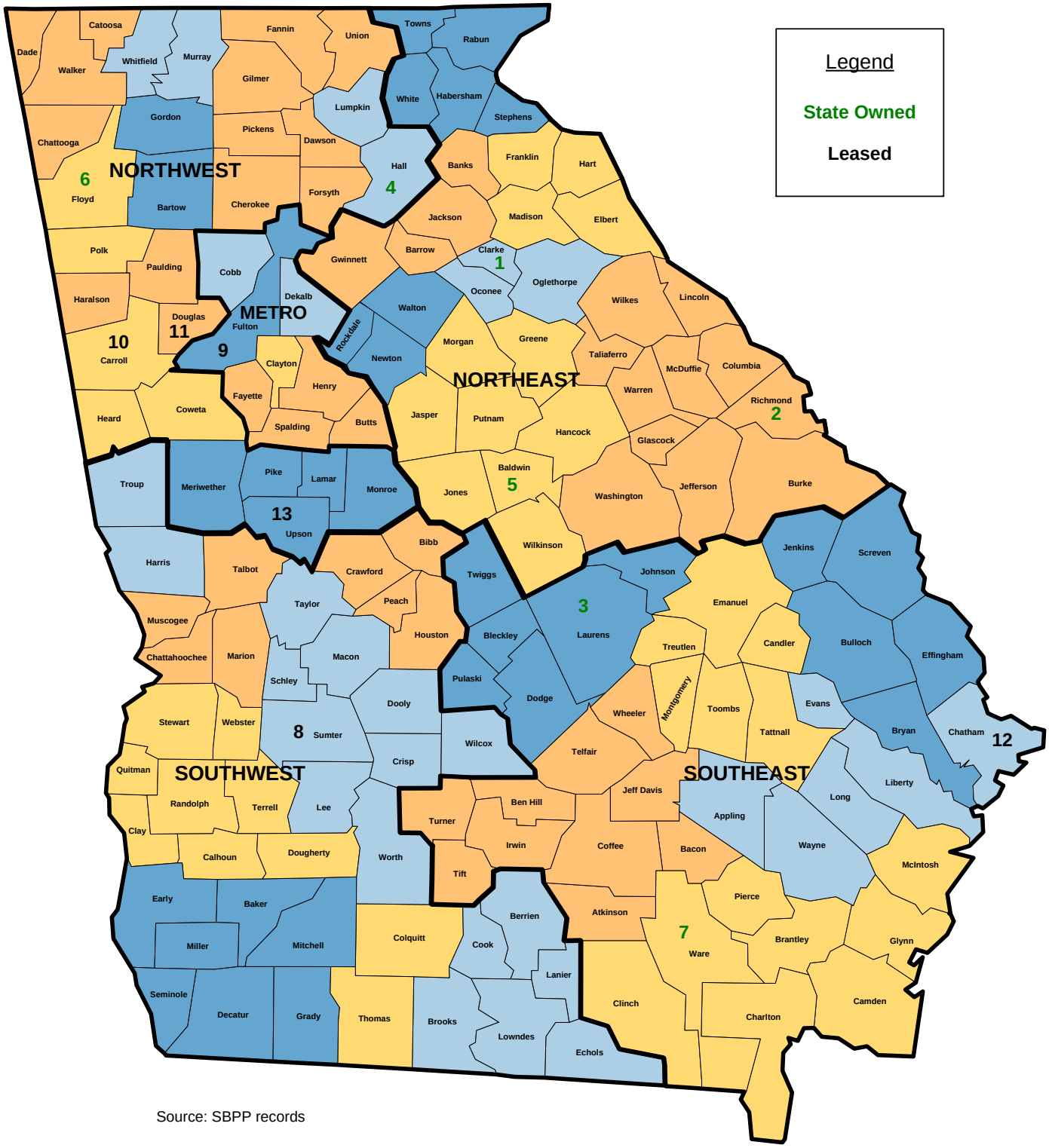
To determine what financial impact virtual office implementation would have on GDC probation, we obtained financial data and projections from GDC for fiscal years 2013 and 2014. This data included facility, motor vehicle, and technology costs. GDC was unable to provide facility-specific cost information for utilities and network services. As a result, we utilized circuit-level data for some facilities and allocated these costs by square footage.

We calculated the initial cost to implement virtual offices, as well as increased costs that would recur annually. We obtained data showing the current number of GDC probation officers, and we also obtained data showing the current number and purchase price of equipment necessary for probation officers to work from the field. Using this data, we estimated the additional expense in providing each officer with a laptop, smartphone, and radio. For the number of vehicles needed by probation officers, we used SBPP parole's current car-to-officer ratio to calculate the number of shared vehicles needed. For the radio and vehicle analysis, we excluded GDC probation's dedicated court officers who would be unable to work effectively from a vehicle-based virtual office. Due to GDC probation's continued need for office space discussed on pages 9 through 11, our calculations assumed that only probation officers would work in the field and non-officer positions (e.g., counselors, support staff) would remain in physical office space. As a result, non-officer positions were not included in cost estimates.

To determine the impact of virtual offices on external stakeholders, we solicited feedback from the Council of Superior Court Judges, the Sheriffs' Association, and the Association of Chiefs of Police. We also interviewed a Superior Court judge and four sheriffs.

This special examination was not conducted in accordance with generally accepted government auditing standards (GAGAS) given the timeframe in which the report was needed. However, it was conducted in accordance with Performance Audit Division policies and procedures for non-GAGAS engagements. These policies and procedures require that we plan and perform the engagement to obtain sufficient, appropriate evidence to provide a reasonable basis for the information reported and that data limitations be identified for the reader.

Appendix B
Parole Offices, Districts, and Regions



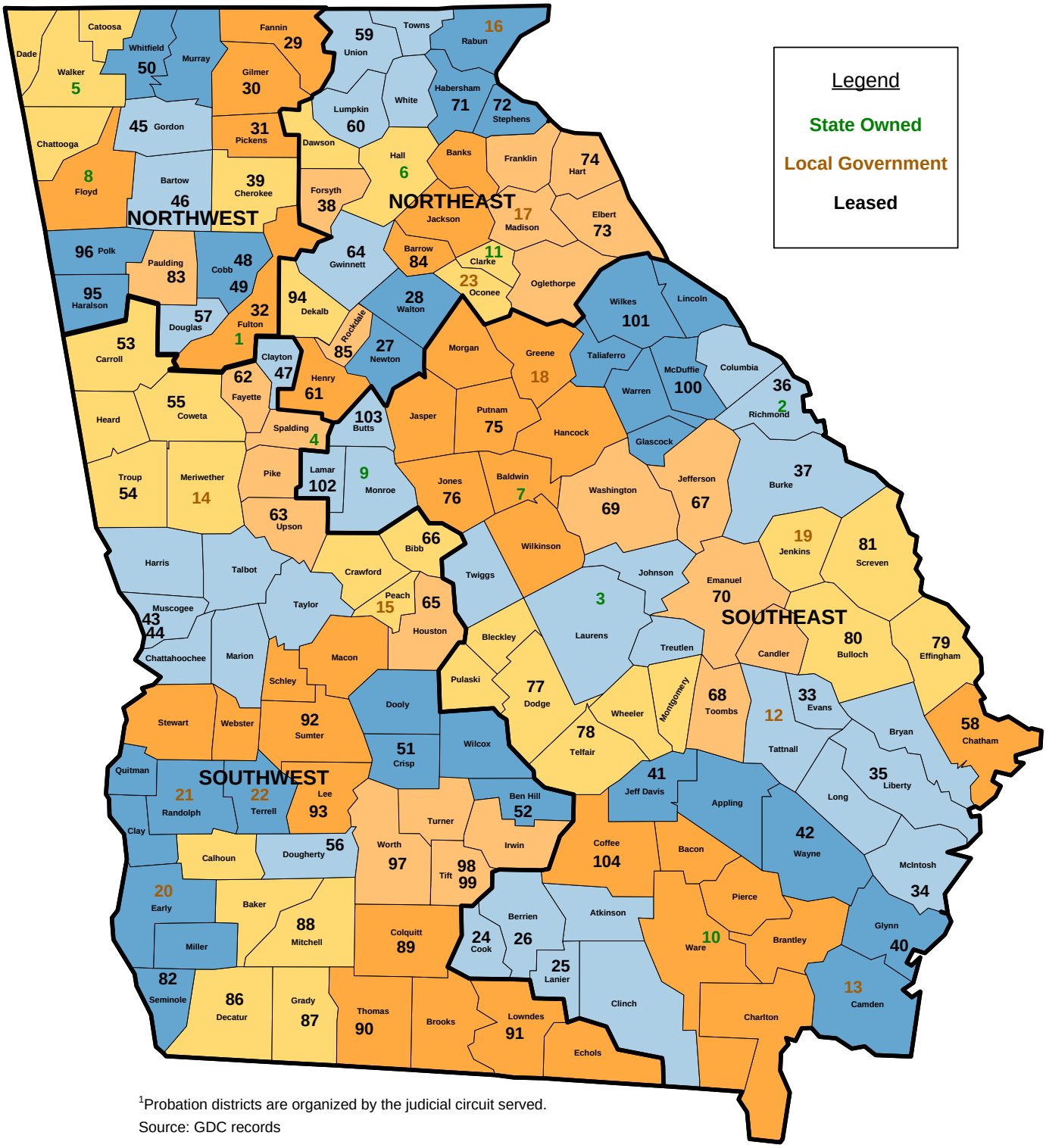
Source: SBPP records

Appendix B
Parole Offices, Districts, and Regions (cont.)

	Office Location	Co-located with Probation
State Owned		
1	Athens	✓
2	Augusta	✓
3	Dublin	✓
4	Gainesville	✓
5	Milledgeville	✓
6	Rome	✓
7	Waycross	✓
Leased		
8	Americus	✓
9	College Park	
10	Carrollton	
11	Douglasville	✓
12	Savannah	✓
13	Thomaston	✓

Source: SBPP records

Appendix C
Probation Offices, Districts, and Regions



[1]Probation districts are organized by the judicial circuit served.

Source: GDC records

Appendix C
Probation Offices, Districts, and Regions (cont.)

Judicial Circuit	Facility Location	Probation Office (PO)	Day Reporting Center (DRC)[1]	DRC Lite[2]
State Owned				
1 Atlanta	Atlanta Central	✓	✓	
2 Augusta	Augusta DRC		✓	
3 Dublin	Dublin	✓		
4 Griffin	Griffin	✓	✓	
5 Lookout Mountain	Lafayette	✓		
6 Northeastern	Gainesville	✓	✓	
7 Ocmulgee	Milledgeville	✓		
8 Rome	Rome	✓	✓	
9 Towaliga	Forsyth	✓		
10 Waycross	Waycross	✓	✓	
11 Western	Athens	✓	✓	
Total	**11**	**10**	**7**	**0**
Local Government Owned "Free Space"[3]				
12 Atlantic	Reidsville	✓		
13 Brunswick	Woodbine	✓		
14 Coweta	Greenville	✓		
15 Macon	Fort Valley	✓		
16 Mountain	Clayton	✓		
17 Northern	Danielsville	✓		
18 Ocmulgee	Greensboro	✓		
19 Ogeechee	Millen	✓		
20 Pataula	Blakely	✓		
21 Pataula	Cuthbert	✓		
22 Pataula	Dawson	✓		
23 Western	Watkinsville	✓		
Total	**12**	**12**	**0**	**0**
Leased				
24 Alapaha	Adel	✓		
25 Alapaha	Lakeland	✓		✓
26 Alapaha	Nashville	✓		
27 Alcovy	Covington	✓		
28 Alcovy	Monroe	✓		
29 Appalachian	Blue Ridge	✓		
30 Appalachian	Ellijay	✓		✓
31 Appalachian	Jasper	✓		
32 Atlanta	Atlanta Court Services	✓		
33 Atlantic	Claxton	✓		✓
34 Atlantic	Darien	✓		
35 Atlantic	Hinesville	✓		
36 Augusta	Augusta PO	✓		
37 Augusta	Waynesboro	✓		
38 Bell-Forsyth	Cumming	✓		
39 Blue Ridge	Canton	✓		
40 Brunswick	Brunswick	✓		
41 Brunswick	Hazlehurst	✓		
42 Brunswick	Jesup	✓		
43 Chattahoochee	Columbus DRC		✓	
44 Chattahoochee	Columbus PO	✓		
45 Cherokee	Calhoun	✓		
46 Cherokee	Cartersville	✓		
47 Clayton	Morrow	✓	✓	
48 Cobb	Marietta North	✓		
49 Cobb	Marietta South	✓		
50 Conasauga	Dalton	✓	✓	
51 Cordele	Cordele	✓		
52 Cordele	Fitzgerald	✓		✓
53 Coweta	Carrollton	✓		

(Continued on following page)

Appendix C
Probation Offices, Districts, and Regions (cont.)

Judicial Circuit	Facility Location	Probation Office (PO)	Day Reporting Center (DRC)[1]	DRC Lite[2]
Leased (cont.)				
54 Coweta	LaGrange	✓		
55 Coweta	Newnan	✓		
56 Dougherty	Albany	✓		
57 Douglas	Douglasville	✓		
58 Eastern	Savannah	✓	✓	
59 Enotah	Blairsville	✓		
60 Enotah	Dahlonega	✓		
61 Flint	McDonough	✓		
62 Griffin	Fayetteville	✓		
63 Griffin	Thomaston	✓		
64 Gwinnett	Lawrenceville	✓		
65 Houston	Warner Robins	✓		
66 Macon	Macon	✓	✓	
67 Middle	Louisville	✓		
68 Middle	Lyons	✓		
69 Middle	Sandersville	✓		✓
70 Middle	Swainsboro	✓		
71 Mountain	Clarkesville	✓		✓
72 Mountain	Toccoa	✓		✓
73 Northern	Elberton	✓		✓
74 Northern	Hartwell	✓		
75 Ocmulgee	Eatonton	✓		
76 Ocmulgee	Gray	✓		
77 Oconee	Eastman	✓		
78 Oconee	McRae	✓		
79 Ogeechee	Springfield	✓		
80 Ogeechee	Statesboro	✓		
81 Ogeechee	Sylvania	✓		
82 Pataula	Donalsonville	✓		✓
83 Paulding	Dallas	✓		
84 Piedmont	Winder	✓		
85 Rockdale	Conyers	✓		
86 South Georgia	Bainbridge	✓		
87 South Georgia	Cairo	✓		
88 South Georgia	Camilla	✓		
89 Southern	Moultrie	✓		
90 Southern	Thomasville	✓	✓	
91 Southern	Valdosta	✓		
92 Southwestern	Americus	✓		
93 Southwestern	Leesburg	✓		✓
94 Stone Mountain	Decatur	✓		
95 Tallapoosa	Buchanan	✓		
96 Tallapoosa	Cedartown	✓		
97 Tifton	Sylvester	✓		
98 Tifton	Tifton DRC		✓	
99 Tifton	Tifton PO	✓		
100 Toombs	Thomson	✓		✓
101 Toombs	Washington	✓		
102 Towaliga	Barnesville	✓		
103 Towaliga	Jackson	✓		
104 Waycross	Douglas	✓		
Total	**81**	**79**	**7**	**11**

[1]The Lookout Mountain circuit also has a DRC, but it does not yet have a permanent location.
[2]The Mountain circuit DRC Lite programming is shared by the Clarkesville and Toccoa probation offices.
[3]These spaces are provided to Probation by local governments with no rent charged.
Source: GDC Records

The Performance Audit Division was established in 1971 to conduct in-depth reviews of state-funded programs. Our reviews determine if programs are meeting goals and objectives; measure program results and effectiveness; identify alternate methods to meet goals; evaluate efficiency of resource allocation; assess compliance with laws and regulations; and provide credible management information to decision-makers. For more information, contact us at (404)657-5220 or visit our website at www.audits.ga.gov.