



Justice and Public Safety Subcommittee FY 2011-13 Budget Highlights

Fiscal Brief

July 2012

The North Carolina General Assembly House and Senate Appropriations Subcommittees on Justice and Public Safety (JPS) determine the budget for six State agencies: the Administrative Office of the Courts (AOC), the Office of Indigent Defense Services (OIDS), and the Departments of Correction (DOC), Crime Control and Public Safety (CCPS), Juvenile Justice and Delinquency Prevention (DJJDP), and Justice (DOJ).

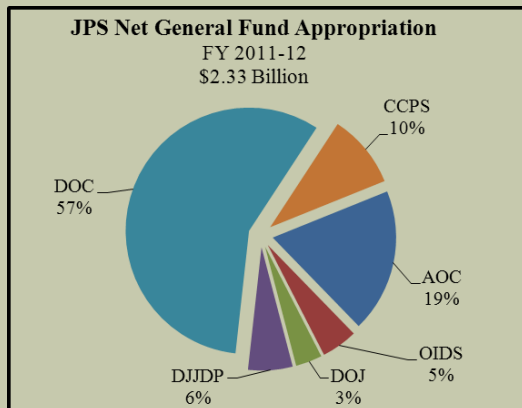
Actual and Certified Expenditures and Receipts¹

	Actual FY 2009-10	Actual FY 2010-11	Certified FY 2011-12	Certified FY 2012-13
Expenditures	2,388,939,701	2,396,257,566	2,611,649,048	2,604,839,214
Less: Receipts	261,406,026	276,648,151	283,264,628	281,369,360
Net General Fund Appropriations	\$2,127,533,675	\$2,119,609,415	\$2,328,384,420	\$2,323,469,854
Positions (FTE)	31,128.1	31,823.8	32,904.6	32,878.6

¹Department or Division level budget and FTE information is provided in tables at the end of this budget brief.

Budget Overview

The certified FY 2011-12 Net General Fund Appropriation for the Justice and Public Safety Subcommittee Agencies is \$2.33 billion. This is an increase of 1.4% from the Continuation Budget because of the transfer of funding for the Highway Patrol to General Fund support. The JPS Budget excluding this transfer is \$2.1 billion, a decrease of 7.2%. The General Fund Appropriation funds 32,967 full-time equivalent positions (FTE)¹, 3.5% more than the Continuation Budget FTE. The chart below shows the subcommittee budget by agency.



¹ Does not reflect positions that may be eliminated as part of management flexibility reserves.

S.L. 2011-145, Appropriations Act of 2011 (H.B. 200), as amended by S.L. 2011-391, 2011 Budget Technical Corrections (H.B. 22), appropriates \$2.33 billion for the six JPS agencies. The FY 2011-12 Continuation Budget for JPS agencies was \$2.29 billion. Subcommittee reductions were based on an estimated State budget gap of \$2.6 billion. Click [here](#) for more information on the FY 2011-12 budget gap. The JPS Subcommittee increased spending by approximately \$30 million. However, this increase is due to the transfer of funding for the Highway Patrol from the Highway Fund to the General Fund. Appropriations for the six JPS Agencies less the Highway Patrol transfer were \$2.13 billion, a reduction of \$165 million. The Subcommittee discussed various reduction options, focusing on maintaining core services while reducing administrative costs, eliminating programs, closing old or obsolete facilities, and increasing fees for services provided through the Judicial System. Two major policy changes influenced much of the budget debate: passage of the Justice Reinvestment Act (JRA) and the consolidation of three JPS agencies into one agency. This Fiscal Brief provides a summary of the FY 2011-13 JPS Budget.

Justice Reinvestment Act

S.L. 2011-192, the Justice Reinvestment Act (H.B. 642), changes sentencing laws and correctional policies, allowing the State to shift savings from reduced incarceration to community-based treatment alternatives. The major components of the act include:

- Allowing probation officers to use short-term incarcerations in a county jail rather than revocations and prison time;
- Creating a new status offense of Habitual Breaking and Entering to increase the likelihood of active sentences; and,
- Transitioning misdemeanants with sentences of less than 180 days to county jails. (Previously, county jails were only required to house misdemeanants with sentences of 90 days or less.)

S.L. 2011-145, Appropriations Act of 2011 (H.B. 200), authorized court fee increases totaling \$35 million to offset the cost of housing additional misdemeanants in county jails as well as \$10 million in other budget reductions enacted as part of the reform of the State's justice system.

Consolidation and Creation of the Department of Public Safety

Effective January 1, 2012, S.L. 2011-145, Appropriations Act of 2011 (H.B. 200), established the Department of Public Safety (DPS), consolidating the Departments of Crime Control and Public Safety, Juvenile Justice and Delinquency Prevention, and Correction. The new agency is made up of four divisions – Law Enforcement, Juvenile Justice, Correction, and Administration. The structure of DPS maintains the separation between the juvenile and adult systems while allowing coordination of administrative and facility management functions.

Executive management positions¹ were eliminated effective December 31, 2011, in each of the three agencies, for a total savings of 34 FTE and \$1.9 million in FY 2011-12 and \$3.8 million in FY 2012-13. In addition, the General Assembly included a management flexibility reduction in the second year of

¹ The following positions were eliminated at each agency: secretary, chief operating officer, chief information officer, chief finance officer, controller, legislative liaison, public information officer, and human resources director.

the biennium that requires DPS to identify additional reductions totaling \$1.4 million in FY 2012-13.

A consolidation reserve was created in the CCPS budget to establish executive management positions for the newly created department. These positions will be effective January 1, 2012, with the exception of the Secretary, which becomes effective October 1, 2011. The total cost for these 13 new positions is \$818,139 in FY 2011-12 and \$1,563,124 in FY 2012-13.

Net savings from consolidation will be \$1.1 million in FY 2011-12 and \$3.6 million in FY 2012-13. As the consolidation process moves forward, additional savings are anticipated in areas such as purchasing and training.

Reductions in Administrative Costs

The JPS Subcommittee focused on ways to maintain the core missions of the agencies under its purview while reducing administrative overhead. The JPS Subcommittee looked at administrative functions in five of its six agencies (the sixth, OIDS, uses AOC for these functions). The following ratios were used to analyze staffing levels for human resources, fiscal and budgeting staff, and purchasing staff:

- Human Resources: one position for every 150 FTE.
- Fiscal/Budgeting: one position for every \$8 million of total budget requirements.
- Purchasing: one position for every \$11 million of goods or services purchased.

The JPS Subcommittee found that DOC, DOJ, and DJJDP had more staff than the ratio required in at least one of the areas reviewed. Ninety positions were eliminated for savings totaling \$4.9 million annually.

The JPS Subcommittee also reviewed administrative costs in District Attorney's (DA) Offices. The Continuation Budget funded administrative assistants for DAs at a rate of approximately one assistant for every 1.08 district attorney positions. The Subcommittee identified savings of \$2.6 million by reducing that ratio to 1.2 (eliminating 55 FTE).

The JPS Subcommittee also identified more than \$38 million in savings by eliminating 493 vacant positions and reducing line items such as longevity and equipment to what had actually been spent over the past several years.

Program Eliminations and Facility Closures

The JPS Subcommittee reviewed programs to identify those that were not cost-effective or were outside the primary mission of the agency. Two programs in the Judicial Branch were eliminated for a savings of approximately \$4 million: Sentencing Services in the Office of Indigent Defense Services and Drug Treatment Courts in the Administrative Office of the Courts (AOC). AOC is also required to submit a Continuation Review² of the Family Court program. The results of that review will determine whether or not funding for that program is continued.

Some programs initially listed for elimination were instead reduced and reorganized. The JPS Subcommittee reduced the budget for Crime Control and Public Safety (CCPS) by \$2.3 million when it reorganized the State Capitol Police to narrow its focus to security in and around State buildings.

The JPS Subcommittee looked carefully at the 87 facilities managed by its six agencies. Almost \$15 million in FY 2011-12 and \$20 million in FY 2012-13 will be saved as a result of the closure of inefficient facilities. DOC identified four minimum security prisons to close: Cabarrus Correctional Center, Durham Correctional Center, Haywood Correctional Center, and Charlotte Correctional Center.

Youth development center (YDC) admissions have been declining steadily since 1999, reducing the need for long-term, secure facilities for juveniles. As a result, three facilities have been closed in the Department of Juvenile Justice and Delinquency Prevention (DJJDP). Camp Woodson and Swannanoa YDC were closed March 1, 2011 by DJJDP. Samarkand YDC was closed July 1, 2011. In determining which YDCs to close, the JPS Subcommittee looked at repair and renovation and operating costs. Samarkand YDC was chosen because its repair and renovation needs exceeded \$7 million. Other facilities could be repaired and renovated for much less - \$3.9 million was appropriated in FY 2011-12 for improvements at Jackson YDC and Dillon YDC. It is anticipated that repairs will increase bed capacity at those facilities, allowing for additional closures in FY 2012-13.

² Continuation Reviews are program evaluations conducted by State agencies at the request of the General Assembly. For additional information please visit the Fiscal Research Division website at www.ncleg.net/FiscalResearch/.

Judicial Fees

The JPS Subcommittee increased court fees to generate \$61.7 million per year in additional revenue to the General Fund. The JPS Subcommittee also increased fees to offset costs of housing additional misdemeanants in county jails.

The largest increase was in General Court of Justice fees. District Court criminal fees were increased to generate over \$28 million in additional revenues; these filings include all misdemeanors and traffic violations. Civil filing costs in District Court were increased by \$50. Superior Court costs were increased to a total cost of \$200 for both criminal and civil filings. The JPS Subcommittee also raised filing fees in foreclosures and estates, both growing segments of the court's workload. Finally, the JPS Subcommittee enacted a new \$20 fee on civil motions. This fee is expected to generate more than \$3 million for the General Fund, and requires AOC to develop new forms and procedures for tracking civil motions.

The JPS Subcommittee also enacted increases to court fees that go directly to local governments. S.L. 2011-192, Justice Reinvestment Act (H.B. 642), made significant changes to sentencing policy, including directing that misdemeanants sentenced to less than 180 days would serve their sentence in a county jail instead of in the State prison system. In order to offset the costs to the counties, the State authorized increases in court fees specifically for counties, mostly to be collected into a special fund overseen by the Sheriffs' Association. These fees are expected to generate about \$35 million annually. The revenue collected into the Statewide Misdemeanor Confinement Fund may be used by the Sheriffs' Association to pay counties to house misdemeanants from other counties.

For additional information, please contact:

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Actual and Certified Expenditures and Receipts by Agency

Administrative Office of the Courts

	Actual <u>FY 2009-10</u>	Actual <u>FY 2010-11</u>	Certified <u>FY 2011-12</u>	Certified <u>FY 2012-13</u>
Expenditures	469,730,869	460,391,361	441,951,195	438,172,254
Less: Receipts	3,110,513	2,285,163	3,031,147	3,031,147
Net General Fund Appropriations	\$466,620,356	\$458,106,198	\$438,920,048	\$435,141,107
Positions (FTE)	6,354.0	6,288.7	5,905.4	5,819.4

Office of Indigent Defense Services

	Actual <u>FY 2009-10</u>	Actual <u>FY 2010-11</u>	Certified <u>FY 2011-12</u>	Certified <u>FY 2012-13</u>
Expenditures	142,147,359	130,059,357	120,486,291	123,143,498
Less: Receipts	12,136,766	15,388,581	10,394,765	10,394,765
Net General Fund Appropriations	\$130,010,593	\$114,670,776	\$110,091,526	\$112,748,733
Positions (FTE)	487.8	492.3	470.1	470.1

Department of Justice

	Actual <u>FY 2009-10</u>	Actual <u>FY 2010-11</u>	Certified <u>FY 2011-12</u>	Certified <u>FY 2012-13</u>
Expenditures	124,287,596	120,813,860	119,235,831	119,395,956
Less: Receipts	38,158,715	36,421,334	38,531,818	38,531,818
Net General Fund Appropriations	\$86,128,881	\$84,392,526	\$80,704,013	\$80,864,138
Positions (FTE)	1,303.2	1,323.7	1,239.4	1,239.4

Department of Juvenile Justice and Delinquency Prevention

	Actual <u>FY 2009-10</u>	Actual <u>FY 2010-11</u>	Certified <u>FY 2011-12</u>	Certified <u>FY 2012-13</u>
Expenditures	155,242,494	153,384,952	144,197,692	139,744,565
Less: Receipts	6,991,130	9,533,745	8,604,000	8,604,000
Net General Fund Appropriations	\$148,251,364	\$143,851,207	\$135,593,692	\$131,140,565
Positions (FTE)	1,878.5	1,878.7	1,602.4	1,602.4



Department of Correction

	Actual FY 2009-10	Actual FY 2010-11 ¹	Certified FY 2011-12	Certified FY 2012-13
Expenditures	1,338,634,476	1,359,887,583	1,375,342,047	1,383,936,494
Revenues	74,914,840	71,753,947	37,525,701	35,525,701
Net General Fund Appropriations	\$1,263,719,636	\$1,288,133,636	\$1,337,816,346	\$1,348,410,793
Positions (FTE)	20,452.5	21,194.0	20,802.0	20,862.0

Department of Crime Control and Public Safety

	Actual FY 2009-10	Actual FY 2010-11	Certified FY 2011-12 ²	Certified FY 2012-13
Expenditures	158,896,907	171,720,453	410,435,992	400,446,447
Less: Receipts	126,094,062	141,265,381	185,177,197	185,281,929
Net General Fund Appropriations	\$32,802,845	\$30,455,072	\$225,258,795	\$215,164,518
Positions (FTE)	652.1	646.4	2,885.3	2,885.3

Change in FTE, FY 2011-12

	Vacant	Filled	Receipts	New	Transfers	Net Change
<u>Justice and Public Safety</u>						
AOC	(238.50)	(64.00)				(302.50)
OIDS		(11.40)				(11.40)
DOJ	(44.81)	(37.00)	(23.50)			(105.31)
DJJDP	(157.00)	(121.60)				(278.60)
DOC	(416.00)	(355.00)	(8.00)	280.00		(499.00)
CCPS ²	(10.00)	(51.00)	(8.00)	13.00	2,366.50	2,310.50
Total JPS	(866.31)	(640.00)	(39.50)	293.00	2,366.50	1,113.69

¹ Department of Correction receipts for FY 2010-11 include \$18 million in carryforward funds from FY 2009-10 and \$18.4 million in State Fiscal Stabilization Grant funds.

² Increase in FY 2011-12 is due to transfer of Highway Patrol funding and positions from Highway Fund support to General Fund support.