



Justice and Public Safety Subcommittee 2014-15 Fiscal Year Budget Highlights

Fiscal Brief

October 9, 2014

The North Carolina General Assembly House and Senate Appropriations Subcommittees on Justice and Public Safety (JPS Subcommittees) develop and recommend the budget for four State agencies: the Administrative Office of the Courts (AOC), the Office of Indigent Defense Services (IDS), the Department of Public Safety (DPS), and the Department of Justice (DOJ).

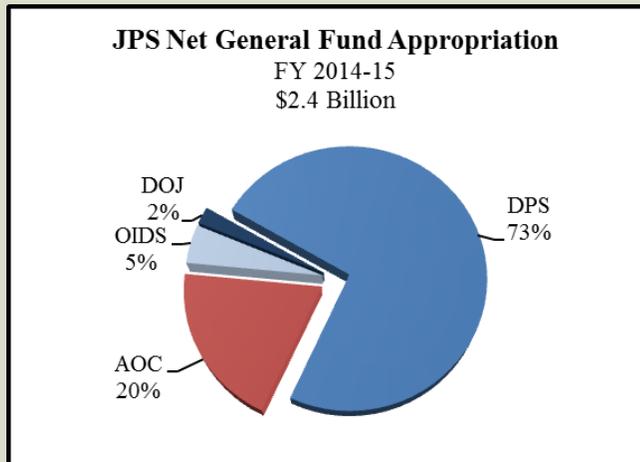
Actual and Certified Expenditures and Receipts¹

	<u>Actual FY 2011-12</u>	<u>Actual FY 2012-13</u>	<u>Actual FY 2013-14</u>	<u>Certified FY 2014-15</u>
Expenditures	2,674,655,081	2,594,746,230	2,586,805,937	2,650,366,381
Less: Receipts	345,007,790	304,330,363	239,048,338	284,237,903
Net General Fund Appropriations	\$2,329,647,291	\$2,290,415,867	\$2,347,757,599	\$2,366,128,478
Positions (FTE)	32,904.6	32,813.0	32,000.8	31,793.5

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

Budget Overview

The certified FY 2014-15 net General Fund appropriation for Justice and Public Safety is \$2.4 billion, an 1.11 percent increase over the General Fund budget enacted by the General Assembly in 2013. The General Fund Appropriation funds 31,793.5 full-time equivalent positions (FTE).¹ The chart below shows the subcommittee budget by agency.



¹ Does not reflect positions that may be eliminated as part of general operating reductions.

S.L. 2014-100, Appropriations Act of 2014 (S.B. 744) appropriates \$2.4 billion for the four Justice and Public Safety (JPS) agencies. Legislative adjustments increased the budget for JPS by \$26 million in FY 2014-15, primarily due to salary increases for State employees. The Joint Conference Committee Report included several changes to the structure of the criminal justice system, including changes to misdemeanor incarceration, new Justice Reinvestment Act initiatives, and additional consolidation of State law enforcement agencies. This Fiscal Brief provides a summary of the adjusted FY 2014-15 budget for JPS.

Housing Misdemeanants

Currently, misdemeanants serving 180 days or less are housed in local confinement facilities; misdemeanants with longer sentences are housed in State prisons. North Carolina is one of only three states that routinely house misdemeanants in the State prison system without exceptional circumstances. Section 16C.1 of S.L. 2014-100 places all misdemeanants, regardless of sentence length, in local confinement facilities beginning with misdemeanor convictions occurring on or after October 1, 2014 and DWI



convictions occurring on or after January 1, 2015. The misdemeanor population will be managed by the Statewide Misdemeanant Confinement Program (SMCP). The change will affect approximately 1,000 misdemeanor and DWI offenders.

SMCP was created in S.L. 2011-192, Justice Reinvestment Act. The program is funded through dedicated court costs that generate approximately \$25 million per year. SMCP pays counties \$40 per misdemeanor per day for housing and also covers transportation and medical care for offenders. County participation in the program is voluntary; counties are not obligated to house any additional misdemeanants if they do not have bed capacity or do not wish to participate in the program.

Moving all misdemeanants out of the State prison system and into local confinement facilities allowed the General Assembly to close two additional prisons – Fountain Correctional Center for Women in Edgecombe County and North Piedmont Correctional Center for Women in Davidson County. In addition, Eastern Correctional Center in Greene County will be modified to house minimum custody female offenders rather than medium custody male offenders. The total savings generated from these changes will be \$19.7 million in FY 2015-16, the first full year of implementation.

Justice Reinvestment Act: Continuing Implementation

In 2011, the General Assembly passed S.L. 2011-192, the Justice Reinvestment Act (JRA). The law significantly changed North Carolina's approach to sentencing and corrections in order to decrease the prison population and reduce recidivism while increasing public safety. Because prison populations have been declining, the State has closed 18 prisons since 2009. Some of the savings from the prison closures have been reinvested in substance abuse and counseling programs for ex-offenders and in 175 new probation and parole officer positions to supervise a larger number of offenders after their release from prison.

Prior to the implementation of JRA, over half of admissions to prison in North Carolina were for violations of the terms of an offender's probation (for example, failing a drug screen or not attending required classes), rather than for new charges of

criminal activity. The legislation addressed this in several ways, primarily by setting more stringent standards for revoking probation. If an offender repeatedly violates the terms of his probation, he is now subject to a 90-day term of incarceration known as "Confinement in Response to Violation" (CRV). CRV was designed to address the needs of offenders who are highly likely to continue cycling through the prison system unless and until underlying causes of criminal behavior are addressed.

Currently, individuals sentenced to a CRV are housed in the general population of the State's prisons. Programs, classes, jobs, and treatment in these facilities are designed for people who will be in prison for longer periods of time than 90 days, leaving the needs of this group unmet. In S.L. 2014-100, the General Assembly authorized the creation of two facilities (one in Burke County and one in Robeson County) that will be dedicated to the CRV population. Each facility will have intensive, full-time programming, including substance abuse treatment, counseling, and cognitive behavioral intervention. These facilities are designed to fulfill the intent of JRA: continuing to reduce the State's prison population while helping ex-offenders successfully transition to productive lives in their communities. The total annual cost for the two facilities will be \$7.4 million in 2015-16, the first full year of implementation.

Law Enforcement Consolidation

S.L. 2014-100 transfers the State Bureau of Investigation (SBI) and the Alcoholic Beverage Control (ABC) Commission to the Department of Public Safety (DPS), continuing the consolidation effort begun in the 2011 budget when DPS was created through the merger of the Departments of Correction, Crime Control and Public Safety, and Juvenile Justice and Delinquency Prevention.

State Bureau of Investigation (SBI)

Section 17.1 of S.L. 2014-100 transfers the SBI to DPS as a Type II transfer, which leaves control of the agency's investigations and staffing to the director of the SBI. DPS will be in charge of budgeting and other administrative matters. The provision requires that the Governor nominate a director by May 1, 2015 for confirmation by the General Assembly. The director will serve for eight-year terms and can only be removed by the Governor for reasons set forth in G.S.



143B-13(b), (c), and (d), which include failure to show up for work, felony convictions, and misfeasance, malfeasance, or nonfeasance. An acting director was appointed August 7, 2014 to serve for 12 months, until a new director is confirmed by the General Assembly.

The provision also makes Alcohol Law Enforcement (ALE) a branch of the SBI and, as such, under the direction and control of the SBI director. The provision does not change ALE's broad, statewide jurisdiction, nor does it expand the SBI's limited statewide jurisdiction. The primary responsibility of ALE agents remains enforcement of the State's alcoholic beverage control and lottery laws.

Finally, the provision removes the Criminal Information Division, which houses several of the State's criminal databases, from the SBI and puts it under the direct control of the Commissioner for Law Enforcement. This move is intended to facilitate better coordination with the State's other criminal databases already housed in DPS.

The budget requires DPS to identify \$1 million in savings in FY 2014-15 from this consolidation. Anticipated savings will come from more efficient operation of criminal information systems, bulk purchasing of law enforcement equipment, shared resources such as armorers and training facilities, and colocation of ALE and SBI regional offices.

DPS is required to submit three reports to the General Assembly regarding the SBI transfer:

- An interim report by January 1, 2015;
- An interim report by April 1, 2015; and,
- A final report by October 1, 2015.

Alcoholic Beverage Control (ABC) Commission

Section 15.2A of S.L. 2014-100 transfers the ABC Commission from the Department of Commerce to DPS. The Commission will be housed administratively in DPS, but the Department will have no control over the operation and management of the Commission. As it currently does with the Department of Commerce, the ABC Commission will pay an administrative fee to DPS for fiscal and other services that will be provided by the Department. The intent of the transfer is to allow better coordination between DPS and the ABC Commission in the enforcement of ABC laws. The transfer will also provide the Joint Legislative Oversight Commission on Justice and Public Safety broader oversight of the work of the two entities.

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Actual and Certified Expenditures and Receipts by Agency

Administrative Office of the Courts

	Actual <u>FY 2011-12</u>	Actual <u>FY 2012-13</u>	Actual <u>FY 2013-14</u>	Certified <u>FY 2014-15</u>
Expenditures	456,494,845	460,714,043	462,077,517	465,346,371
Less: Receipts	1,722,148	1,579,493	1,643,519	1,453,299
Net General Fund Appropriations	\$454,772,697	\$459,134,550	\$460,433,998	\$463,893,072
Positions (FTE)	5,819.4	5,809.3	5,831.3	5,831.3

Indigent Defense Services

	Actual <u>FY 2011-12</u>	Actual <u>FY 2012-13</u>	Actual <u>FY 2013-14</u>	Certified <u>FY 2014-15</u>
Expenditures	125,350,682	127,671,853	129,108,846	124,722,591
Less: Receipts	14,248,164	13,349,220	13,754,931	13,029,360
Net General Fund Appropriations	\$111,102,518	\$114,322,633	\$115,353,915	\$111,693,231
Positions (FTE)	470.1	511.1	519.4	503.9

Department of Justice

	Actual <u>FY 2011-12</u>	Actual <u>FY 2012-13</u>	Actual <u>FY 2013-14</u>	Certified <u>FY 2014-15</u>
Expenditures	121,388,184	120,709,687	121,598,564	91,607,667
Less: Receipts	40,945,586	46,175,679	43,682,367	42,263,843
Net General Fund Appropriations	\$80,442,598	\$74,534,008	\$77,916,197	\$49,343,824
Positions (FTE)	1,239.4	1,235.4	1,261.4	834.4

Department of Public Safety¹

	Actual <u>FY 2011-12</u>	Actual <u>FY 2012-13</u>	Actual <u>FY 2013-14</u>	Certified <u>FY 2014-15</u>
Expenditures	1,971,421,370	1,885,650,647	1,874,021,011	1,968,689,752
Less: Receipts	288,091,892	243,225,971	179,967,521	227,491,401
Net General Fund Appropriations	\$1,683,329,478	\$1,642,424,676	\$1,694,053,490	\$1,741,198,351
Positions (FTE)	25,349.7	25,257.2	24,388.7	24,624.0

¹ Amounts shown for the Department of Public Safety for FY 2011-12 are the sum of Department of Correction, Department of Juvenile Justice and Delinquency Prevention, and Department of Crime Control and Public Safety budgets for that year.



Change in FTE, FY 2014-15

	Vacant	Filled	Receipts	New	Transfers	Net Change
<u>Justice and Public Safety</u>						
AOC	-	-	-	-	-	-
IDS	-	-	-	-	-	-
DOJ	-	-	-	10.0	(401.5)	(391.5)
DPS	(91.5)	(323.0)	(4.3)	112.8	401.5	95.5
Total JPS	-	(323.0)	(4.3)	122.8		(296.0)