



North Carolina Department of Public Safety

Adult Correction and Juvenile Justice

Roy Cooper, Governor
Erik A. Hooks, Secretary

Reuben Young, Interim Chief Deputy Secretary

MEMORANDUM

TO: Joint Legislative Oversight Committee on Justice and Public Safety
Fiscal Research Division

FROM: Erik A. Hooks, Secretary *EAH*
Reuben F. Young, Interim Chief Deputy Secretary *RFY*

RE: Report on Division of Adult Correction Budget Review and Realignment

DATE: January 30, 2019

Section 35.23 of Session Law 2018-5 directs the Department of Public Safety (DPS), in consultation with the Office of State Budget and Management (OSBM) to review and realign the Division of Adult Correction's budget as part of the certification of that budget for the 2018-2019 fiscal year, without adjusting its total requirements, based on actual and anticipated expenditures occurring in the 2017-2019 fiscal biennium in the following areas:

- (1) Personnel costs.
- (2) Overtime.
- (3) Temporary nurses.
- (4) Inmate medical, prescription drugs, and pharmacy supplies.

In the area of temporary nurses, Session Law 2017-57 required the elimination of 196 vacant nursing position and redirected the funding in the amount of \$14,759,413 to temporary nursing contracts so no further budget realignment was implemented for that item.

The Department reviewed the amounts budgeted from lapsed salaries for the shortfalls in custody employee overtime, inmate medical care, prescription drugs and medical/pharmacy supplies over the two most recent fiscal years. See Table 1 for amounts.

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Table 1

NORTH CAROLINA DEPARTMENT OF PUBLIC SAFETY
Adult Corrections - Prisons
Lapsed Salary Usage for Items in Sec. 35.23 of S.L. 2018-5

	FY 2016-17	FY 2017-18	Average of 2 years	Amount Budgeted
Custody Employee Overtime	25,862,924.00	39,363,567.00	32,613,245.50	39,363,567.00
Medical Services	37,135,681.00	44,736,534.00	40,936,107.50	44,736,534.00
Prescription Drug & Pharmacy Supplies	24,426,631.00	22,404,455.00	23,415,543.00	23,415,543.00
Totals	87,425,236.00	106,504,556.00	96,964,896.00	107,515,644.00

In consultation with OSBM, it was determined that the certification entry would include increases in those three areas in the amount that equaled the greater of the amount budgeted from lapsed salaries in fiscal year 2017-18 or the average of the two fiscal years. To record the offset to the increases to overtime, medical services and prescription drug/pharmacy supply costs, OSBM conferred with the Office of the State Controller to establish a new account in the North Carolina Accounting System entitled Turnover Realignment (531995). The certification entry decreased the turnover realignment account creating a negative budget line through various fund codes in Adult Correction equal to the increases in the areas referenced above.

To determine the amounts of the turnover realignment through the various sections within Adult Correction, DPS reviewed the actual salary and benefit costs for fiscal year 2017-18 in comparison to the original certified budget. A pro-rata share of the required reduction for turnover realignment was budgeted based on this comparison. See Table 2 for amounts.

Table 2

Turnover Realignment -Sources

Prison Management	1,005,315.00
Prison Custody and Security	72,034,492.00
Prison Food Service & Cleaning	2,844,801.00
Prison General Health	8,666,283.00
Prison Mental Health	6,774,234.00
Prison Dental Health	1,021,209.00
Prison Corrective Programs	4,211,255.00
Alcohol & Chemical Dependency Programs-In Prison Services	615,391.00
Alcohol & Chemical Dependency Programs-Community Based Treatment	378,786.00
Confinement in Response to Violation (CRV)	1,943,869.00
Community Corrections-Regular Probation	7,217,205.00
Community Corrections-Judicial Services	802,804.00
Total	<u><u>107,515,644.00</u></u>

The entry that was created for the Integrated Budget Information System (IBIS) system is attached below.



BUDGET CERTIFICATION - REVIEW AND REALIGN THE DIVISION OF ADULT CORRECTIO

Status: Approved

Biennium: 2017-19
Fiscal Year: 2018-2019
Session Law: SL 2018-5
Department/Agency: Department of Public Safety
BRU: Department of Public Safety
Budget Code: 14550 - Public Safety - General Fund

Certification Type: Operating
Committee Report Item Number: 35-23
Title: Review and Realign the Division of Adult Correctio
Budget Adjustment Type: Technical
Is this Recurring?: No
Ibis ID: THT9

Committee Report Item Narrative:	In accordance with the State Budget Act, Chapter 143C of the General Statutes, the Department of Public Safety, in consultation with the Office of State Budget and Management, shall review and realign the Division of Adult Correction's budget as part of the certification of that budget for the 2018-2019 fiscal year, without adjusting its total requirements, based on actual and anticipated expenditures occurring in the 2017-2019 fiscal biennium in the following areas: (1) Personnel costs. (2) Overtime. (3) Temporary nurses. (4) Inmate medical, prescription drugs, and pharmacy supplies.
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POSITIONS

Fund Code	Cost Center	Account Number	Account Description	Position Number	Classification	Annual Salary	Effective Date	FTE 2017-18	FTE 2018-19
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POSITION SUMMARY

Fund Code	Account	FTE (2017-18)	FTE (2018-19)	Annual Salary (2017-18)
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BUDGET DETAIL

REQUIREMENTS

Fund Code	Cost Center	Account Number	Account Description	2017-18	2018-19
1305		531995	531995 - TURNOVER REALIGNMENT	\$0.00	(\$1,005,315.00)
1310		531995	531995 - TURNOVER REALIGNMENT	\$0.00	(\$72,034,492.00)
1310	4905	531411	531411 - OT PAY - APPROPRIATED	\$0.00	\$39,363,567.00
1320		531995	531995 - TURNOVER REALIGNMENT	\$0.00	(\$2,844,801.00)
1331		531995	531995 - TURNOVER REALIGNMENT	\$0.00	(\$9,022,579.00)
1331	4905	532131	532131 - HOSPITAL PROVIDED MED SERV	\$0.00	\$21,430,083.00
1331	4905	532132	532132 - OTHER PROVIDED MED SER	\$0.00	\$23,306,451.00
1332		531995	531995 - TURNOVER REALIGNMENT	\$0.00	(\$6,417,938.00)
1333		531995	531995 - TURNOVER REALIGNMENT	\$0.00	(\$1,021,209.00)

1334	3246	533610	533610 - DRUG SUPPLIES	\$0.00	\$23,415,543.00
1345		531995	531995 - TURNOVER REALIGNMENT	\$0.00	(\$4,211,255.00)
1352		531995	531995 - TURNOVER REALIGNMENT	\$0.00	(\$615,391.00)
1354		531995	531995 - TURNOVER REALIGNMENT	\$0.00	(\$378,786.00)
1355		531995	531995 - TURNOVER REALIGNMENT	\$0.00	(\$1,943,869.00)
1370		531995	531995 - TURNOVER REALIGNMENT	\$0.00	(\$7,217,205.00)
1380		531995	531995 - TURNOVER REALIGNMENT	\$0.00	(\$802,804.00)

RECEIPTS

Fund Code	Cost Center	Account Number	Account Description	2017-18	2018-19
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SUMMARY

	2017-18	2018-19
Total Requirements	\$0.00	\$0.00
Total Receipts	\$0.00	\$0.00
Appropriation	\$0.00	\$0.00

BUDGET OVERVIEW

REQUIREMENTS					
Fund Code	Fund Title	Account Number	Account Description	Year1	Year2
1305					
1305	Prison Management	531995	TURNOVER REALIGNMENT	\$0.00	(\$1,005,315.00)
FUND TOTALS				\$0.00	(\$1,005,315.00)
1310					
1310	Prison Custody and Security	531411	OT PAY - APPROPRIATED	\$0.00	\$39,363,567.00
1310	Prison Custody and Security	531995	TURNOVER REALIGNMENT	\$0.00	(\$72,034,492.00)
FUND TOTALS				\$0.00	(\$32,670,925.00)
1320					
1320	Prison Food Service and Cleaning	531995	TURNOVER REALIGNMENT	\$0.00	(\$2,844,801.00)
FUND TOTALS				\$0.00	(\$2,844,801.00)
1331					
1331	Prison General Health	531995	TURNOVER REALIGNMENT	\$0.00	(\$9,022,579.00)
1331	Prison General Health	532131	HOSPITAL PROVIDED MED SERV	\$0.00	\$21,430,083.00
1331	Prison General Health	532132	OTHER PROVIDED MED SER	\$0.00	\$23,306,451.00
FUND TOTALS				\$0.00	\$35,713,955.00
1332					
1332	Prison Mental Health	531995	TURNOVER REALIGNMENT	\$0.00	(\$6,417,938.00)
FUND TOTALS				\$0.00	(\$6,417,938.00)
1333					
1333	Prison Dental Health	531995	TURNOVER REALIGNMENT	\$0.00	(\$1,021,209.00)
FUND TOTALS				\$0.00	(\$1,021,209.00)
1334					

1334	Prison Pharmacy Services	533610	DRUG SUPPLIES	\$0.00	\$23,415,543.00
FUND TOTALS				\$0.00	\$23,415,543.00
1345					
1345	Prison Corrective Programs	531995	TURNOVER REALIGNMENT	\$0.00	(\$4,211,255.00)
FUND TOTALS				\$0.00	(\$4,211,255.00)
1352					
1352	Alcohol and Chemical Dependency Programs - In Prison Treatment	531995	TURNOVER REALIGNMENT	\$0.00	(\$615,391.00)
FUND TOTALS				\$0.00	(\$615,391.00)
1354					
1354	Alcohol and Chemical Dependency Programs - Community Based Treatment	531995	TURNOVER REALIGNMENT	\$0.00	(\$378,786.00)
FUND TOTALS				\$0.00	(\$378,786.00)
1355					
1355	DPS Confinement in Response to Violation Facilities	531995	TURNOVER REALIGNMENT	\$0.00	(\$1,943,869.00)
FUND TOTALS				\$0.00	(\$1,943,869.00)
1370					
1370	Community Corrections - Regular Supervision	531995	TURNOVER REALIGNMENT	\$0.00	(\$7,217,205.00)
FUND TOTALS				\$0.00	(\$7,217,205.00)
1380					
1380	Community Corrections - Judicial Services	531995	TURNOVER REALIGNMENT	\$0.00	(\$802,804.00)
FUND TOTALS				\$0.00	(\$802,804.00)
RECEIPTS					

ATTACHMENTS

Name	Type	Size	Date	Uploaded By
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AUDIT INFORMATION

Created by Janet Langston on 07/26/2018 09:08 AM
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