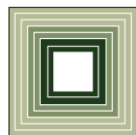


Joint Appropriations Subcommittee on Justice and Public Safety

JPS Overview



February 12, 2013



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Outline

- Fiscal Research
- Fiscal Notes/Fiscal Memos
- Confidentiality
- Budget Terms
- The JPS Budget
- Next Steps



Fiscal Research Division

- Nonpartisan, professional staff serving all 170 members
- 34 analysts divided into 8 teams
- Primary responsibilities during Session:
 - **Staff Appropriations subcommittees**
 - **Respond to member requests**
 - **Write fiscal notes, fiscal memos, and incarceration notes**

© Original Artist
Reproduction rights obtainable from
www.CartoonStock.com



"My spreadsheet says we must lighten by 152 pounds."

Fiscal Research Division

Fiscal Notes

- Five-year analysis of all estimated fiscal effects of a bill on expenditures or revenue of the State.
- Prepared upon request of bill sponsor or other member.
- Request and information about note remain confidential until note becomes public.



Fiscal Memo

- Same analysis as a Fiscal Note
- Usually prepared for draft bills or PCS
- Remains confidential after completion

Incarceration Note

- Required for proposed changes that may impact incarceration rates in State facilities.
- Two-week completion time

Fiscal Research Division

Fiscal or incarceration note requests should be e-mailed to:

@Fiscal Note Requests

Include:

- **Requestor's name**
- **Bill number (or draft number for a memo or PCS)**
- **Short title**

Fiscal Research Division



FRD website:

<http://www.ncleg.net/FiscalResearch/>

- Annotated Committee Reports
- Fiscal Briefs
- Revenue Forecasts
- Staff listing

Confidentiality

- **ALL** requests made to fiscal staff are confidential
- Requests to agencies by fiscal staff are **NOT** confidential unless directly related to a fiscal note



Budgeting Terms: Appropriation

Appropriation

An enactment by the General Assembly authorizing the withdrawal of money from the State treasury.

State Budget Act – Chapter 143C

“No money shall be drawn from the State treasury but in consequence of appropriations made by law.”

NC Constitution, Art. V, Section 7

Budget Terms: Continuation Budget



- Also referred to as Base Budget
- Amount required to continue services at their current levels
- Usually backs out non-recurring appropriations or reductions
- May include adjustments for:
 - Inflationary increases (fuel, food, utilities)
 - Operating funds for new facilities
 - Mandated enrollment increases (Public Schools, Medicaid)
 - Equipment replacement

Budgeting Terms: Budget Types

Certified Budget: The budget as enacted by the General Assembly, plus any funds appropriated to reserves to be allocated to agencies.

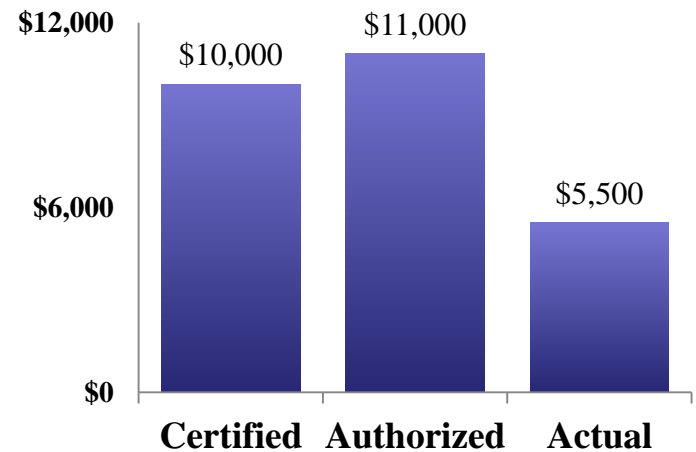
Ex.: The 2012 Budget appropriates \$10,000 for Agency Y to buy 10 computers.

Certified budget = \$10,000.

Authorized Budget: The certified budget updated to reflect line-item reallocations approved by the Office of State Budget and Management (OSBM).

Ex.: Agency Y needs 11 computers. They want to take some money from the furniture budget to pay for it.

Authorized budget = \$11,000.



Actual Budget: The budget as it was implemented.

Ex.: State Purchase and Contract got the State a great deal on computers. The final cost for Agency Y's 11 computers is \$5,500.

Actual budget = \$5,500.

Budgeting Terms: Funds

General Fund: The main source of operating funds for the State. Comprised of the beginning credit balance, State tax revenue, and State non-tax revenue.

Special Fund: Fund to which revenues are deposited that are designated for a specific purpose and remain in the account until expended for that purpose.

Example: Seized and Forfeited Assets Funds

Enterprise Fund: Fund in which all (or most) of the revenue is derived from direct charges to users of the services supplied by the program supported by the fund.

Example: Correction Enterprise Fund



Budgeting Terms: Accounts



Personal Services: Services rendered by permanent and temporary employees and related fringe benefits.



Purchased Services: Services provided by external firms, agencies, or divisions within the same organization. Includes contracts, IT and travel costs.



Supplies: Supplies or materials expected to be consumed within the normal course of operating and which are generally recurring in nature.

Budgeting Terms: Accounts



Property, Plant and Equipment: Payments for acquiring property, constructing additions to buildings, and purchasing equipment, furniture, and machinery that is not consumable or expendable and has an expected life of longer than one year.



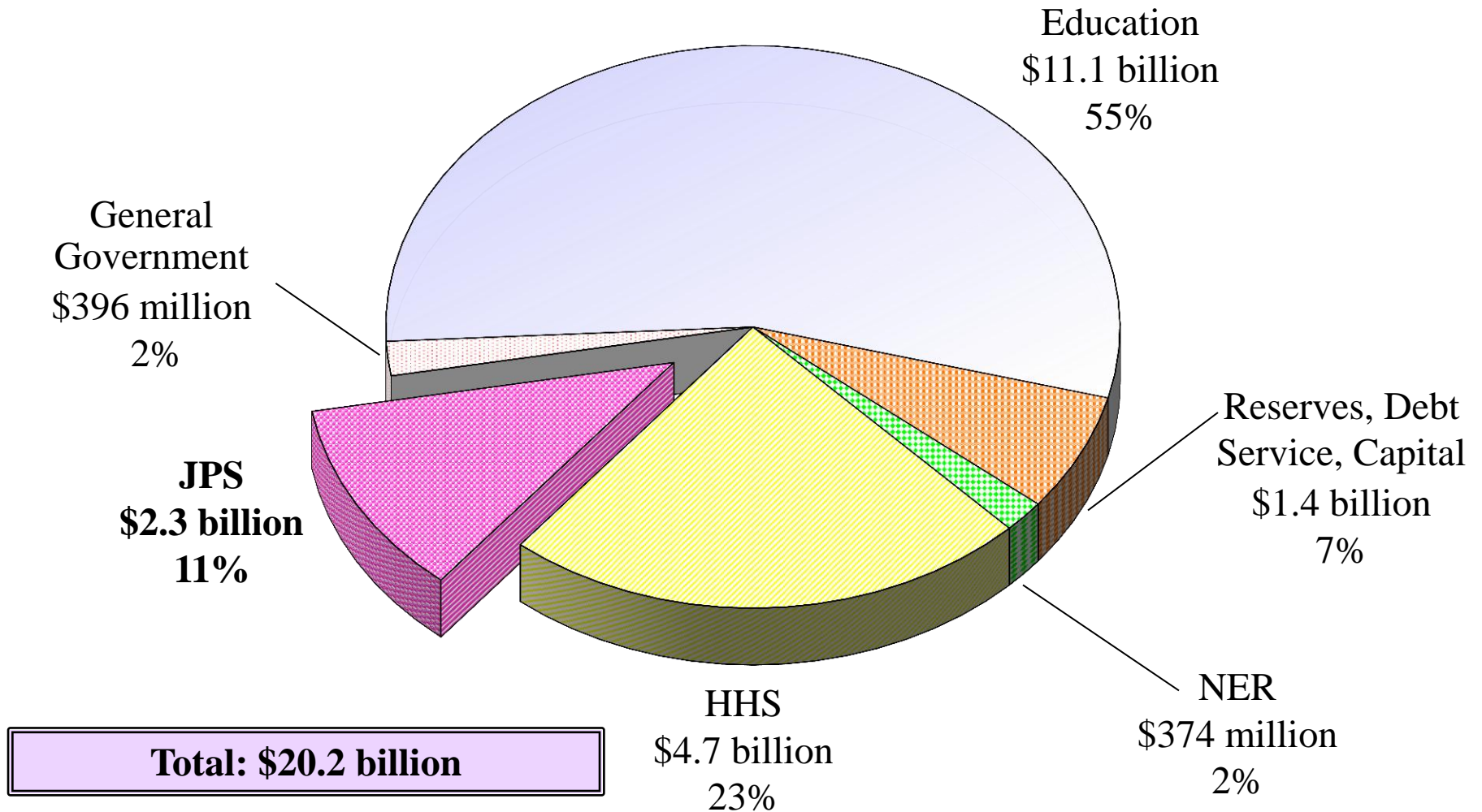
LexisNexis™

Other Expenses and Adjustments: Miscellaneous operational costs such as legal or permit costs, pension payments, or subscriptions.



Aid and Public Assistance: Funds to direct recipients, providers or other agencies for designated programs, assistance or special projects.

General Fund Appropriations FY 2012-13



What is JPS?

Four agencies fall under the JPS umbrella:

Administrative Office of the Courts (AOC)

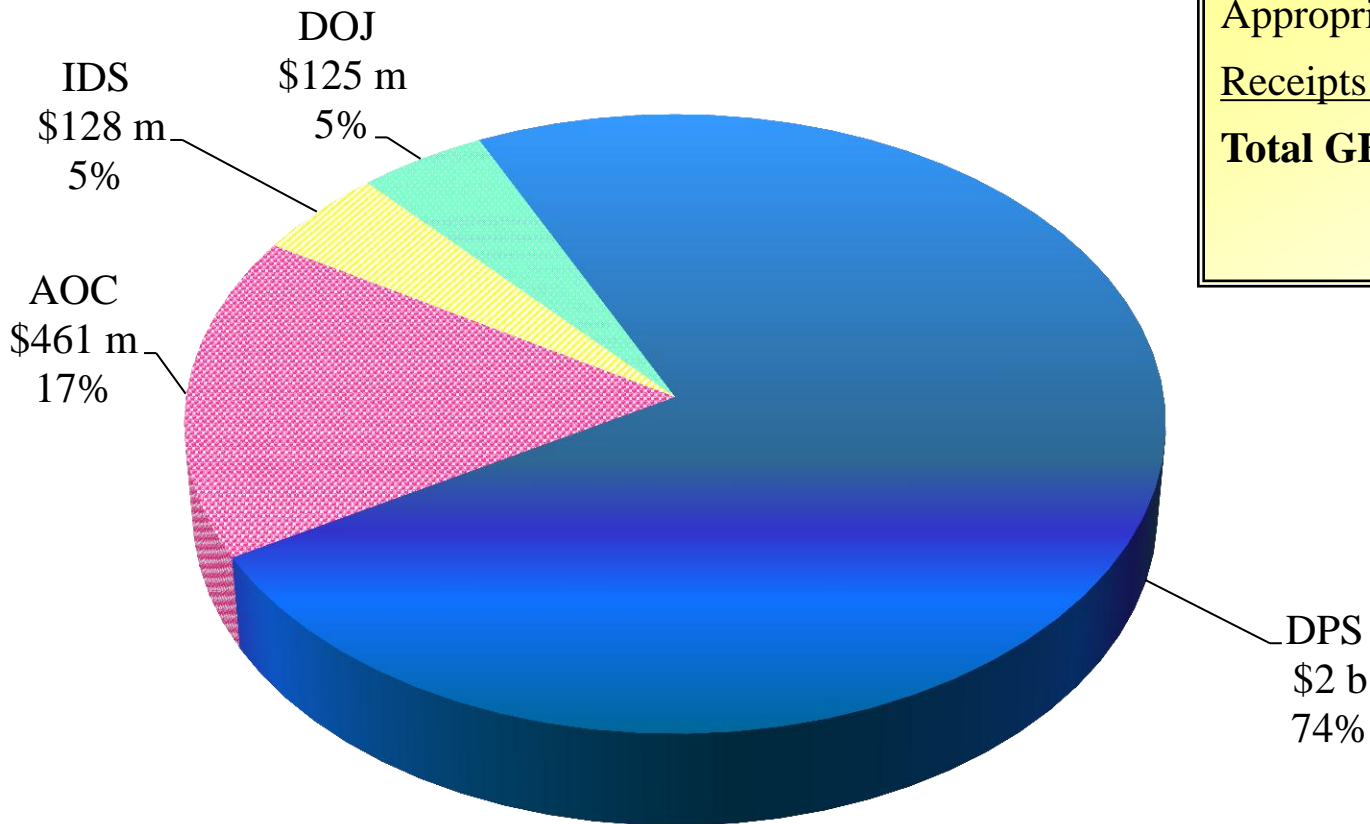
Office of Indigent Defense Services (OIDS)

Department of Public Safety (DPS)

Department of Justice (DOJ)



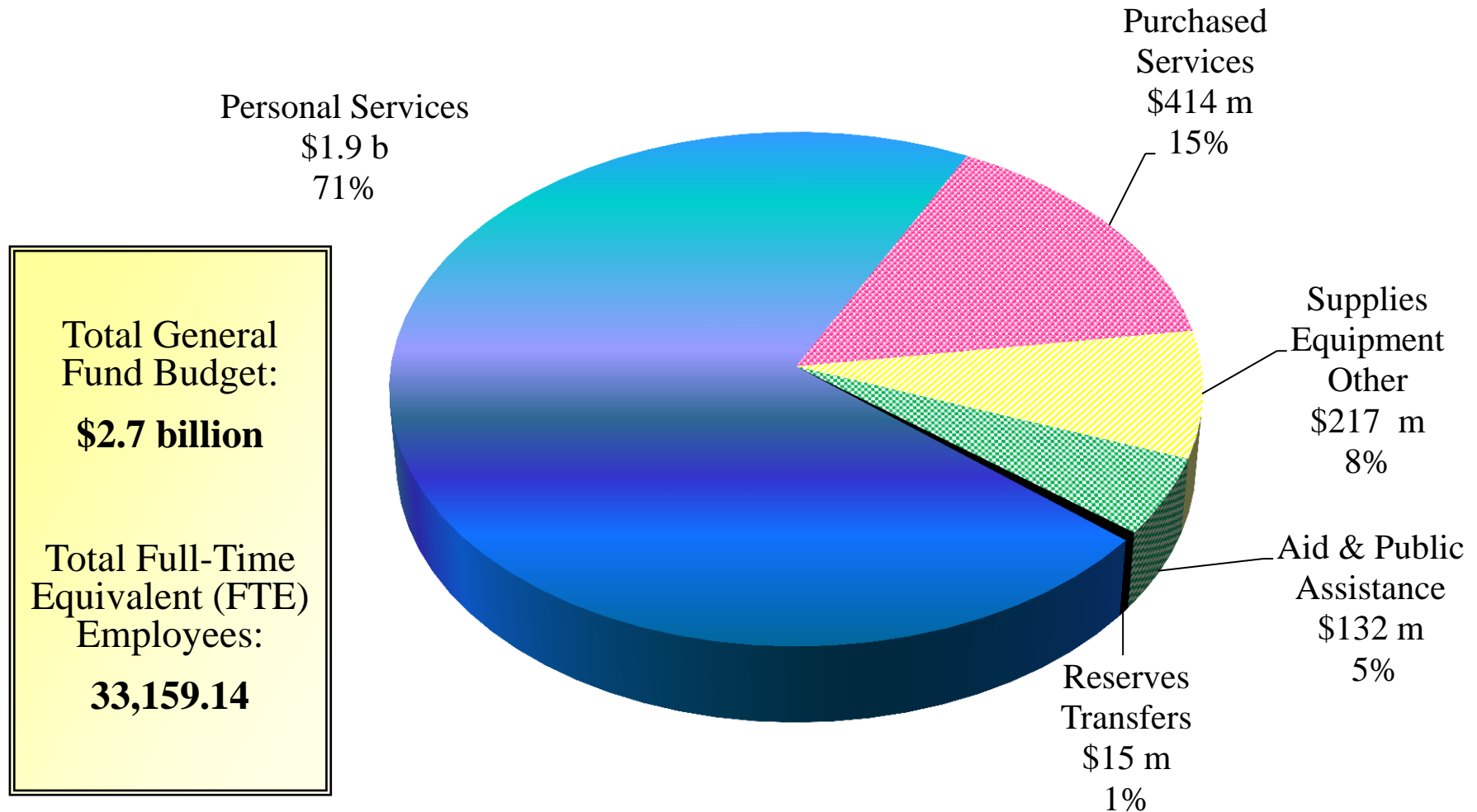
JPS General Fund Budget by Agency FY 2012-13



Appropriation: \$2.4 billion
Receipts: \$290 million
Total GF Budget: \$2.7 billion

Source: NCAS, December 31, 2012 Authorized Budget

JPS General Fund Budget by Account FY 2012-13



Source: FTE - OSBM BD307, July 20, 2012; Budget – NCAS, December 31, 2012 Authorized Budgets.

JPS - AOC

Administrative Office of the Courts (AOC)

Administrative arm of the court system

Sarah Parker, Chief Justice

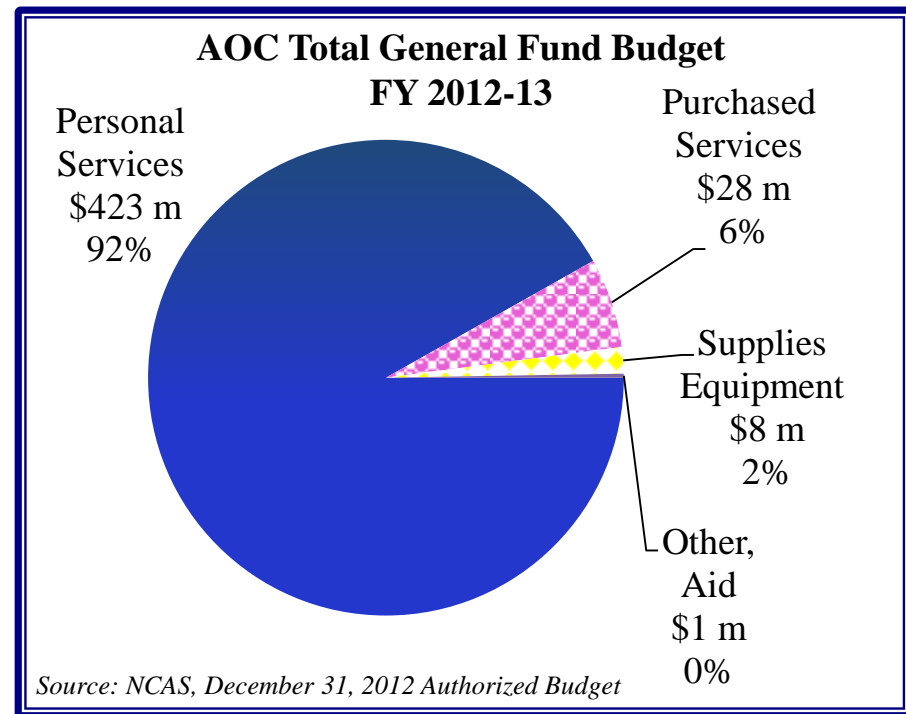
John Smith, Director of AOC

Includes:

- Supreme Court and Court of Appeals
- Superior courts
- District courts
- District Attorneys
- Magistrates
- Clerks

Total General Fund Budget: \$461 million

Total FTE Employees: 6,125.93



JPS - IDS

Indigent Defense Services (IDS)

Provides defense attorneys for indigent defendants

Sarah Parker, Chief Justice

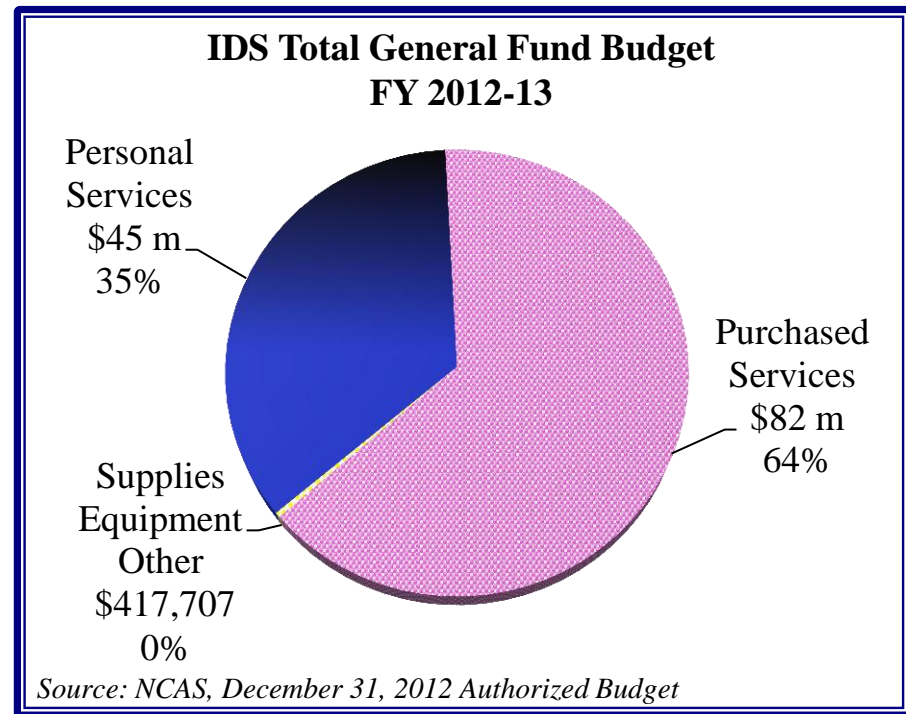
Thomas Maher, Director of IDS

Includes:

- Public Defender offices
- Private Assigned Counsel Fund

Total General Fund Budget: \$128 million

Total FTE Employees: 470.10



JPS - DOJ

Department of Justice (DOJ)

Provides legal services for the State, assists local law enforcement agencies, and oversees law enforcement standards and training

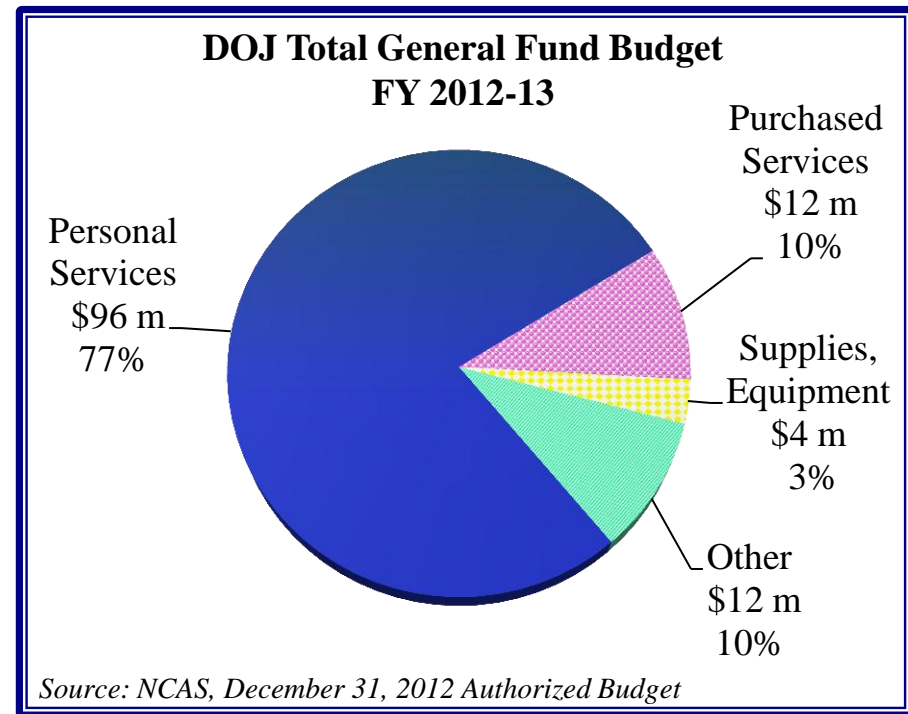
Roy Cooper, Attorney General

Includes:

- Legal services
- Consumer Protection
- Criminal Justice Training and Standards
- State Bureau of Investigation
- NC State Crime Lab

Total General Fund Budget: \$125 million

Total FTE Employees: 1,234.40



JPS - DPS

Department of Public Safety (DPS)

Houses the former Departments of Crime Control and Public Safety, Juvenile Justice and Delinquency Prevention, and Correction

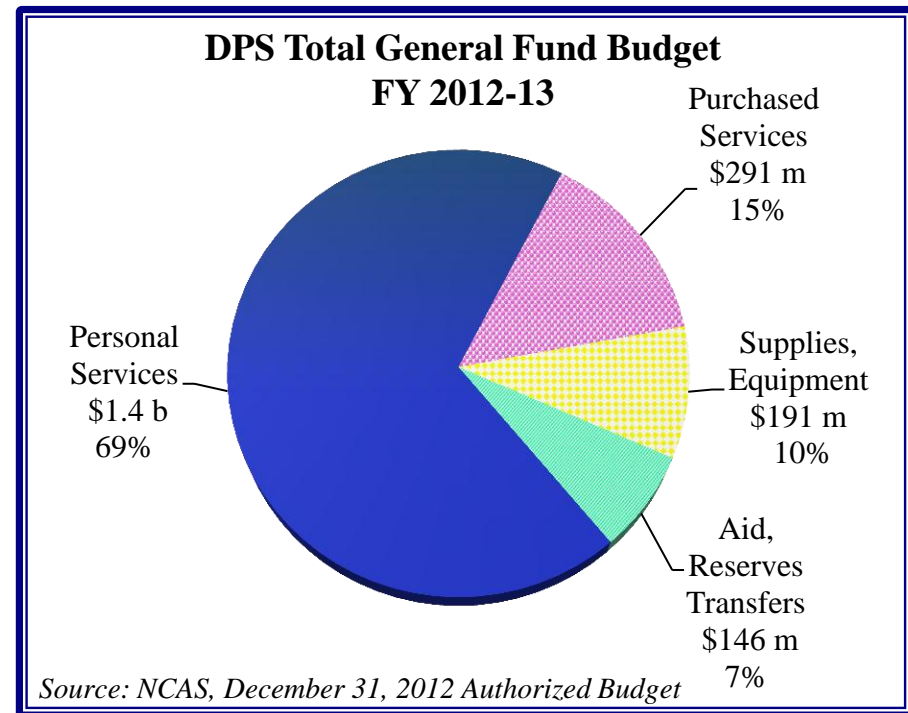
Kieran Shanahan, Secretary

Includes:

- Prisons
- Community Corrections
- Juvenile Justice
- National Guard
- Highway Patrol
- Emergency Management
- Alcohol Law Enforcement
- State Capitol Police
- Butner Public Safety
- Victims Services

Total General Fund Budget: \$2 billion

Total FTE Employees: 25,328.71



Recent Legislative Actions

Appropriations Act of 2011

- Reduced the total JPS budget by 7%*
- Eliminated 866 vacant and 642 filled positions
- Reduced administrative costs across all six agencies
- Closed 7 facilities
- Created a new Department of Public Safety

Modify 2011 Appropriations Act (2012 Budget)

- Reduced the total JPS budget by 1.8%
- Implemented management flexibility reserves in all four agencies
- Closed an additional youth development center
- Allowed DPS to reclassify vacant positions as probation/parole officers



**Does not include the Highway Patrol transfer to General Fund support*

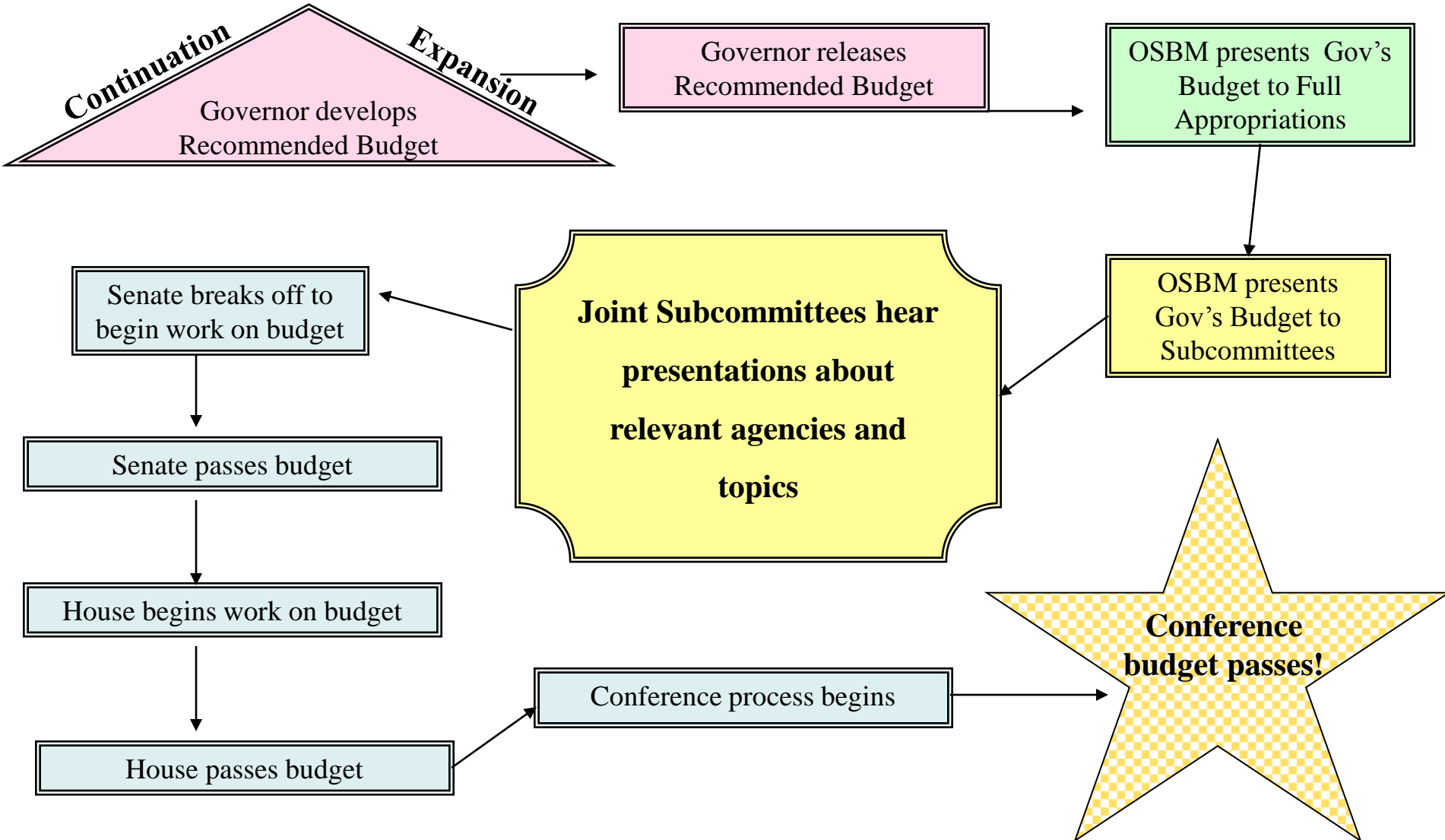
Next Steps

- Budget Process
- Full Chair Guidance
- Calendar
- Upcoming Meetings
- Subcommittee Website:



<http://www.ncleg.net/gascripts/documentsites/browsedocsite.asp?nid=124>

The Budget Process



Calendar

- Governor's Recommended Budget expected mid-March
- Joint subcommittees will meet through April 12
- Senate Budget third reading May 9
- House Budget third reading May 30
- Conference Budget passes June 13



Full Chair Guidance

- Focus on core functions of government
- Look for efficiencies and duplications
- Evaluate appropriate funding for non-core services
- Consider ways to strengthen the General Fund



Refer to the Full Chairs:

- **Salary issues**
- **Capital expenditures**
- **Fee changes**

Upcoming Meetings

This week:

- Wednesday – Structured Sentencing
- Thursday – State Crime Lab Budget Overview

Next week:

- Tuesday – DOJ Overview – Admin and Legal Services
- Wednesday – DOJ Overview – SBI and Training and Standards
- Thursday – Justice Reinvestment Act and Projections



Remaining presentations:

- DPS Adult Correction
- DPS Law Enforcement
- DPS Juvenile Justice
- AOC
- IDS
- Governor's Budget

Subcommittee Website

Joint Appropriations Subcommittee on Justice and Public Safety website is linked off either the House or Senate subcommittee websites.

- Agendas
- All committee handouts
- Follow-up information
- Mandated Agency Reports



<http://www.ncleg.net/gascripts/documentsites/browsedocsite.asp?nid=124>

Contact Information

Fiscal Research Division (919) 733-4910

Kristine Leggett - Kristine.Leggett@ncleg.net

DPS – Administration, Law Enforcement and National Guard, DOJ

John Poteat – John.Poteat@ncleg.net

DPS – Prisons and Correction Enterprises

William Childs – William.Childs@ncleg.net

AOC and IDS

Lisa Fox – Lisa.Fox@ncleg.net

DPS – Community Corrections and Juvenile Justice