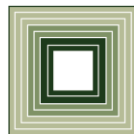


# Joint Appropriations Committees on Justice and Public Safety

## JPS Overview



**February 21, 2017**



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

# Outline

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



# Committee Notebooks

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**Committee notebooks are created for every member with tabs for each meeting date.**

- Member picture page
- JPS Acronyms and Glossary
- Daily handouts
- Table of contents updated weekly

**Members can take the handouts with them, but please leave the notebooks in the room**



# Committee Website

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**Joint Justice and Public Safety Meetings have a website that is linked off either the House or Senate committee websites.**

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



**North Carolina General Assembly - Joint Meetings of House and Senate  
Appropriations on Justice and Public Safety**

# Fiscal Research Division

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

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[www.CartoonStock.com](http://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

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**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

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FRD website:

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

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



# Confidentiality

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



# Budget Terms: Appropriation

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## Appropriation

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

*State Budget Act – Chapter 143C-1-1(d)(1)*

“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: Base Budget

---



- Previous year's authorized budget
- Backs out nonrecurring reductions or increases
- May also include adjustments for:
  - Annualization of programs
  - Federal payroll tax changes
  - Contracted lease rate increases
  - Receipt projections
  - Reconciliation of intra- and intergovernmental transfers

# Budget Terms: Base Budget

---

## **Total Requirements**

The total cost associated with a proposed expenditure of funds regardless of the source of funds

## **Departmental Receipts**

Fees, licenses, federal funds, grants, fines, penalties, tuition, and other similar collections or credits generated by State agencies that are applied to the cost of a program

## **Net General Fund Appropriation**

An appropriation of the General Fund's general purpose revenue

$$\begin{aligned} &\textbf{Total Requirements} - \textbf{Department Receipts} \\ &= \textbf{Net General Fund Appropriation} \end{aligned}$$

# 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) as authorized by G.S. 143C-6-4.

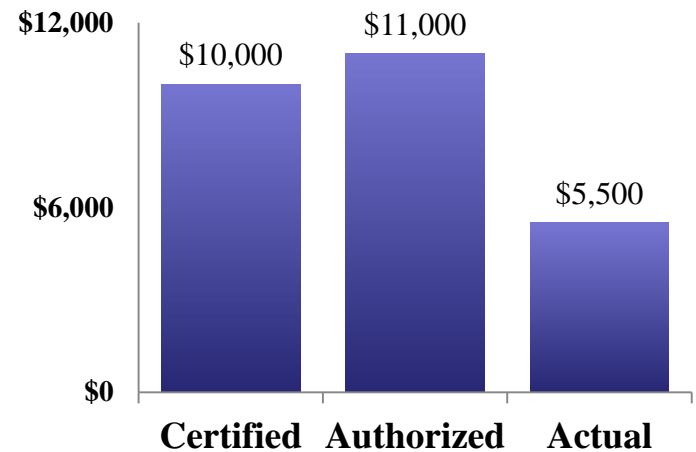
*Ex.: Agency Y needs 11 computers. They want to take some money from the furniture budget to pay for it.*

*Authorized budget = \$11,000*

**Actual Budget:** The budget as it was implemented.

*Ex.: The Division of 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: Codes

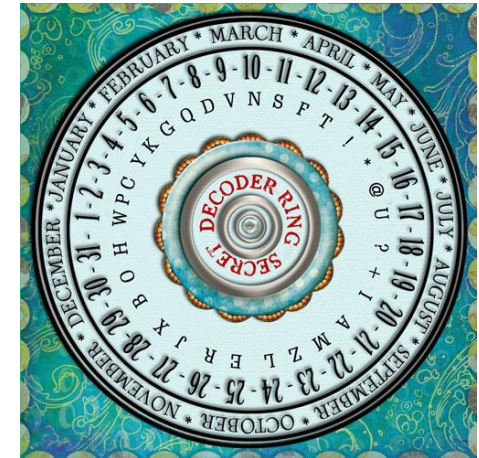
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**Budget Code:** A five digit code assigned by OSBM that identifies the fund type (General Fund, Highway Fund, etc.) and the entity.

Example: Department of Public Safety General Fund is **14550**

**Fund Code:** A four digit code identifying funds designated for a specific purpose or program within an agency. Fund Codes are a subset of the Budget Code.

Example: DPS – Administration is 14550-**1100**



# 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.  
(1xxxx budget codes)

**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.  
(2xxxx budget codes)

*Example: Seized and Forfeited Assets Funds*

**Enterprise Fund:** Fund for any activity for which a fee is charged to external users for goods or services. (5xxxx budget codes)

*Example: ABC Commission*



# Budgeting Terms: Accounts

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**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

# Deciphering the Base Budget



**Budget Code**

Recomr  
Fund De  
Bienniu  
Status :

190-Department of Public Safety

14550-Public Safety - General Fund

1334-Prison Pharmacy Services

**Fund Code**

Requirements

PERSONAL SERVICES

Account Account Title  
Code

Actual  
2015-16

531211 SPA-REG SALARIES-APPRO

\$5,285,494

531311 REG(N S) TEMP WAGES-APPR

\$405,143

531411 OT PAY - APPROPRIATED

\$32,446

531421 HOLIDAY PAY - APPRO

\$4,289

531431 SHIFT PREM PAY - APPRO

\$795

531441 CALLBK/STBY PREM PAY-APPR

\$34,363

531461 EPA&SPA-LONGVTY PAY-APPRO

\$35,639

531471 BONUS-INCENTIVE PAY-APPRO

\$57,375

531511 SOCIAL SEC CONTRIB-APPRO

\$432,663

531521 REG RETIRE CONTRIB-APPRO

\$816,699

**Accounts**

# Deciphering the Base Budget

190-Department of Public Safety  
14550-Public Safety - General Fund  
1334-Prison Pharmacy Services  
Requirements  
PERSONAL SERVICES

**Actual  
FY 15-16**

**Current Year**

**Base Budget**

Account Code	Account Title	Actual 2015-16	Certified 2016-17	Authorized 2016-17	Incr/Decr 2017-18	Total 2017-18	Incr/Decr 2018-19	Total 2018-19
531211	SPA-REG SALARIES-APPRO	\$5,285,494	\$5,897,811	\$5,828,884	\$0	\$5,828,884	\$0	\$5,828,884
531311	REG(N S) TEMP WAGES-APPR	\$405,143	\$500,000	\$405,143	\$0	\$405,143	\$0	\$405,143
531411	OT PAY - APPROPRIATED	\$32,446	\$120,575	\$120,575	\$0	\$120,575	\$0	\$120,575
531421	HOLIDAY PAY - APPRO	\$4,289	\$4,650	\$4,650	\$0	\$4,650	\$0	\$4,650
531431	SHIFT PREM PAY - APPRO	\$795	\$1,200	\$1,200	\$0	\$1,200	\$0	\$1,200
531441	CALLBK/STBY PREM PAY-APPR	\$34,363	\$31,642	\$31,642	\$0	\$31,642	\$0	\$31,642
531461	EPA&SPA-LONGVTY PAY-APPRO	\$35,639	\$26,641	\$26,641	\$10,524	\$37,165	\$10,524	\$37,165
531471	BONUS-INCENTIVE PAY-APPRO	\$57,375	\$0	\$0	\$0	\$0	\$0	\$0
531511	SOCIAL SEC CONTRIB-APPRO	\$432,663	\$502,011	\$460,040	\$805	\$460,845	\$805	\$460,845
531521	REG RETIRE CONTRIB-APPRO	\$816,699	\$961,772	\$946,968	\$36,771	\$983,739	\$36,771	\$983,739
531561	MED INS CONTRIB-APPRO	\$400,265	\$461,021	\$455,549	\$0	\$455,549	\$0	\$455,549
531576	FLEXIBLE SPENDING SVG ACCT	\$7,031	\$0	\$0	\$0	\$0	\$0	\$0
531590	RESERVES FOR STAFF BENE	\$20	\$0	\$0	\$0	\$0	\$0	\$0
531627	ST DISABILITY PMT-APPRO	\$1,740	\$0	\$0	\$0	\$0	\$0	\$0
531631	WRKER COMP-MED PAYMENTS	\$12,206	\$884	\$3,175	\$0	\$3,175	\$0	\$3,175
<b>Total PERSONAL SERVICES</b>		<b>\$7,526,166</b>	<b>\$8,508,207</b>	<b>\$8,284,467</b>	<b>\$48,100</b>	<b>\$8,332,567</b>	<b>\$48,100</b>	<b>\$8,332,567</b>

## PURCHASED SERVICES

Account Code	Account Title	Actual 2015-16	Certified 2016-17	Authorized 2016-17	Incr/Decr 2017-18	Total 2017-18	Incr/Decr 2018-19	Total 2018-19
53214B	IT SUBSCRIPTION SUPPORT	\$514	\$0	\$0	\$0	\$0	\$0	\$0
532170	ADMIN SERVICES	\$46,836	\$0	\$94,857	\$0	\$94,857	\$0	\$94,857
532185	WASTE REM/BFCV SER & GREFM	\$1,876	\$7,600	\$7,600	\$0	\$7,600	\$0	\$7,600



# Deciphering the Base Budget

<b>Total PROPERTY, PLANT &amp; EQUIPMENT</b>		<b>\$8,675</b>	<b>\$29,250</b>
		<b>Actual</b>	<b>Certified</b>
<b>Code</b>		<b>2015-16</b>	<b>2016-17</b>
5351XX LEGAL, LICENSES, & PERMIT COSTS		\$0	\$800
<b>Total OTHER EXPENSES &amp; ADJUSTMENTS</b>		<b>\$0</b>	<b>\$800</b>
<b>Total Requirements</b>		<b>\$54,426,516</b>	<b>\$38,319,733</b>
<b>Receipts</b>			
<b>MISCELLANEOUS</b>			
<b>Account Account Title</b>		<b>Actual</b>	<b>Certified</b>
<b>Code</b>		<b>2015-16</b>	<b>2016-17</b>
437120 MED RECOUP NON-ST AGENCY		\$516,774	\$515,201
<b>Total MISCELLANEOUS</b>		<b>\$516,774</b>	<b>\$515,201</b>
<b>Total Receipts</b>		<b>\$516,774</b>	<b>\$515,201</b>
<b>Net Appropriation</b>		<b>\$53,909,741</b>	<b>\$37,804,532</b>
<b>FTE</b>			
<b>Account Account Title</b>		<b>Actual</b>	<b>Certified</b>
<b>Code</b>		<b>2015-16</b>	<b>2016-17</b>
531211 SPA-REG SALARIES-APPRO		80.500	81.500
<b>Total FTE</b>		<b>80.500</b>	<b>81.500</b>

# Deciphering the Base Budget

<b>Total PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>\$8,675</b>	<b>\$29,250</b>
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## OTHER EXPENSES & ADJUSTMENTS

Account	Account Title	Actual	Certified
Code		2015-16	2016-17

5351XX	LEGAL, LICENSES, & PERMIT COSTS	\$0	\$800
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<b>Total OTHER EXPENSES &amp; ADJUSTMENTS</b>		<b>\$0</b>	<b>\$800</b>
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<b>Total Requirements</b>		<b>\$54,426,516</b>	<b>\$38,319,733</b>
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## Receipts

### MISCELLANEOUS

Account	Account Title	Actual	Certified
Code		2015-16	2016-17

437120	MED RECOUP NON-ST AGENCY	\$516,774	\$515,201
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<b>Total MISCELLANEOUS</b>		<b>\$516,774</b>	<b>\$515,201</b>
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<b>Total Receipts</b>		<b>\$516,774</b>	<b>\$515,201</b>
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<b>Net Appropriation</b>		<b>\$53,909,741</b>	<b>\$37,804,532</b>
--------------------------	--	---------------------	---------------------

## FTE

Account	Account Title	Actual	Certified
Code		2015-16	2016-17

531211	SPA-REG SALARIES-APPRO	80.500	81.500
--------	------------------------	--------	--------

<b>Total FTE</b>		<b>80.500</b>	<b>81.500</b>
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# Deciphering the Base Budget

<b>Total PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>\$8,675</b>	<b>\$29,250</b>
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## OTHER EXPENSES & ADJUSTMENTS

Account Code	Account Title	Actual 2015-16	Certified 2016-17
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5351XX	LEGAL, LICENSES, & PERMIT COSTS	\$0	\$800
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<b>Total OTHER EXPENSES &amp; ADJUSTMENTS</b>		<b>\$0</b>	<b>\$800</b>
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<b>Total Requirements</b>		<b>\$54,426,516</b>	<b>\$38,319,733</b>
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## Receipts

### MISCELLANEOUS

Account Code	Account Title		Certified 2016-17
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437120	MED RECOUP NO		\$515,201
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<b>Total MISCELLANEOUS</b>			<b>\$515,201</b>
----------------------------	--	--	------------------

<b>Total Receipts</b>		<b>\$516,774</b>	<b>\$515,201</b>
-----------------------	--	------------------	------------------

<b>Net Appropriation</b>		<b>\$53,909,741</b>	<b>\$37,804,532</b>
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## FTE

Account Code	Account Title	Actual 2015-16	Certified 2016-17
--------------	---------------	-------------------	----------------------

531211	SPA-REG SALARIES-APPRO	80.500	81.500
--------	------------------------	--------	--------

<b>Total FTE</b>		<b>80.500</b>	<b>81.500</b>
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**Net General Fund  
Appropriation**

# Budgeting Terms: Salaries

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**Lapsed salary:** the nonrecurring amount of salary and associated benefits not expended during the period in which a position is vacant.

*Ex.: Joe is in Position X. He has a salary of \$60,000 (\$5,000 per month). He retires in December. His replacement, Jane, is hired in March. The position was vacant for three months, generating \$15,000 in lapsed salary.*



**Salary reserve:** the recurring amount created when a position is downgraded or filled at a salary lower than what was previously budgeted.

*Ex.: Jane is hired for Position X. Her salary is \$50,000. Position X is budgeted at \$60,000. The position generates \$10,000 in salary reserve.*

# Use of Lapsed Salary

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## **G.S. 143C-6-9 Use of lapsed salary savings**

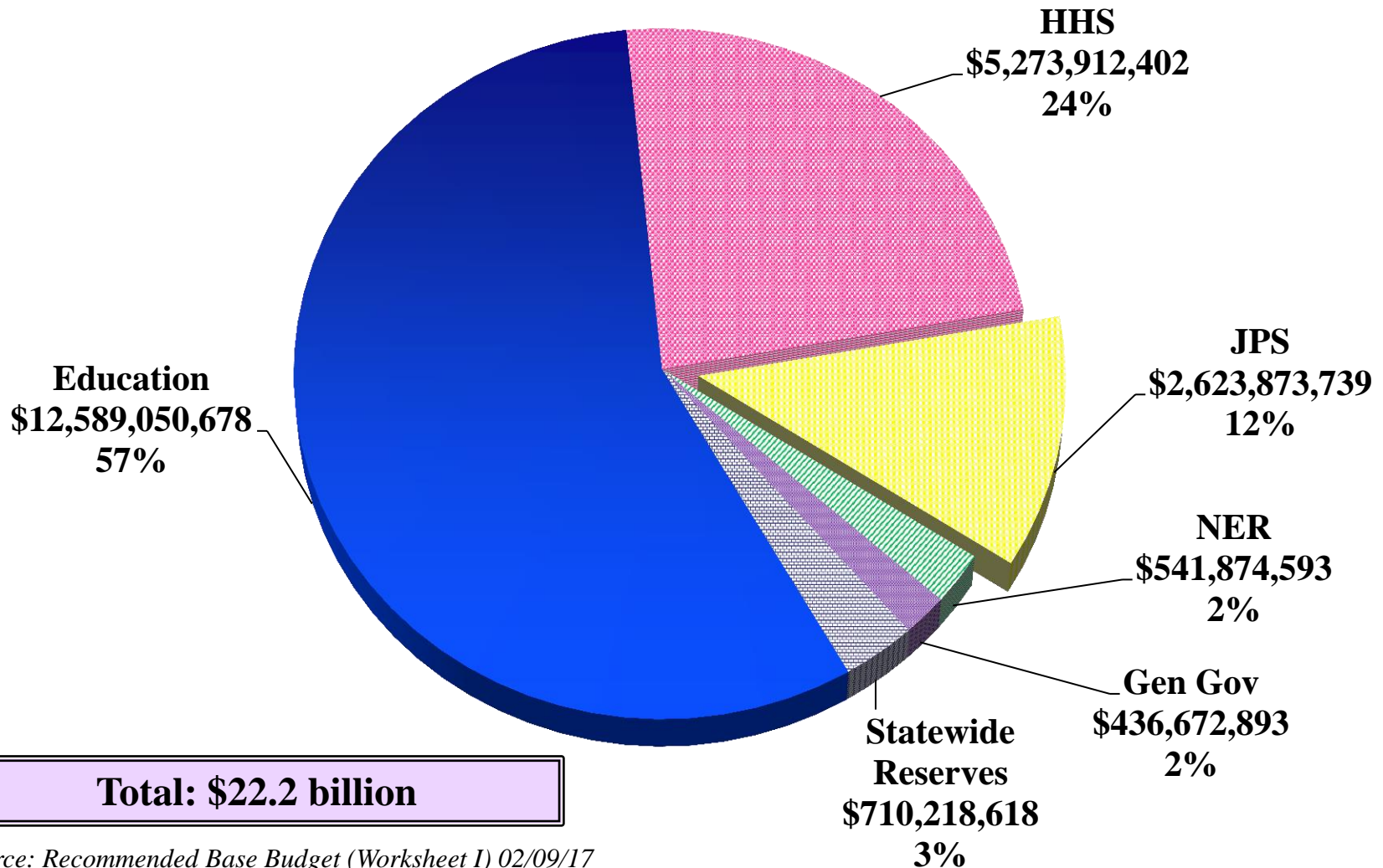
*Lapsed salary savings may be expended only for nonrecurring purposes or line items.*

### **OSBM Budget Manual:**

- Limited to expenditure in Personal Services, Purchased Services, Supplies, Equipment, or Other accounts
- Expenditure in Purchased Services does not require prior approval of OSBM
- Funds can only be spent after they have been generated
- Contracts funded with lapsed salaries are limited to the fiscal year
- Funds can't be used to create new positions, provide salary increases, or expand the scope of a program



# Base Budget - Net General Fund Appropriations FY 2017-18



Source: Recommended Base Budget (Worksheet I) 02/09/17

# What is JPS?

---

## Four agencies fall under the JPS umbrella:

Administrative Office of the Courts (AOC)

Indigent Defense Services (IDS)

Department of Public Safety (DPS)

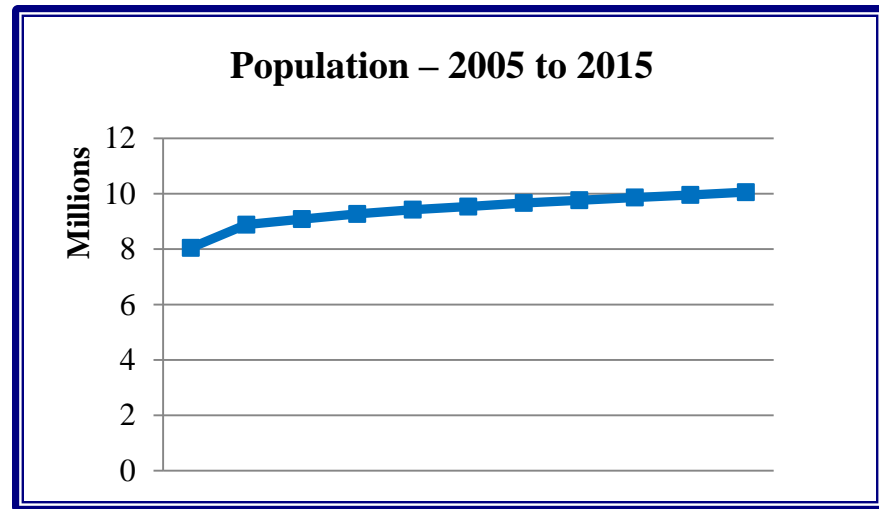
Department of Justice (DOJ)



# JPS Budget Drivers

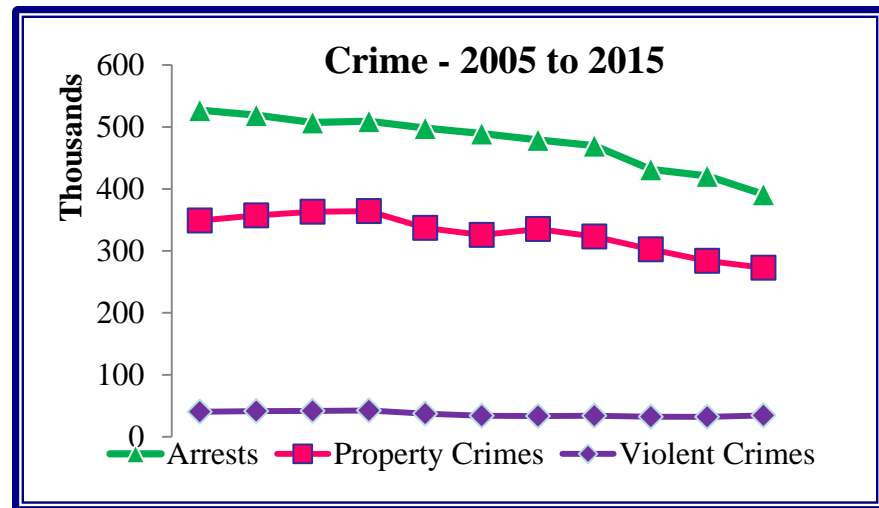
## Population

- Courts
- Highway Patrol
- Consumer Protection
- Standards Commissions



## Crime

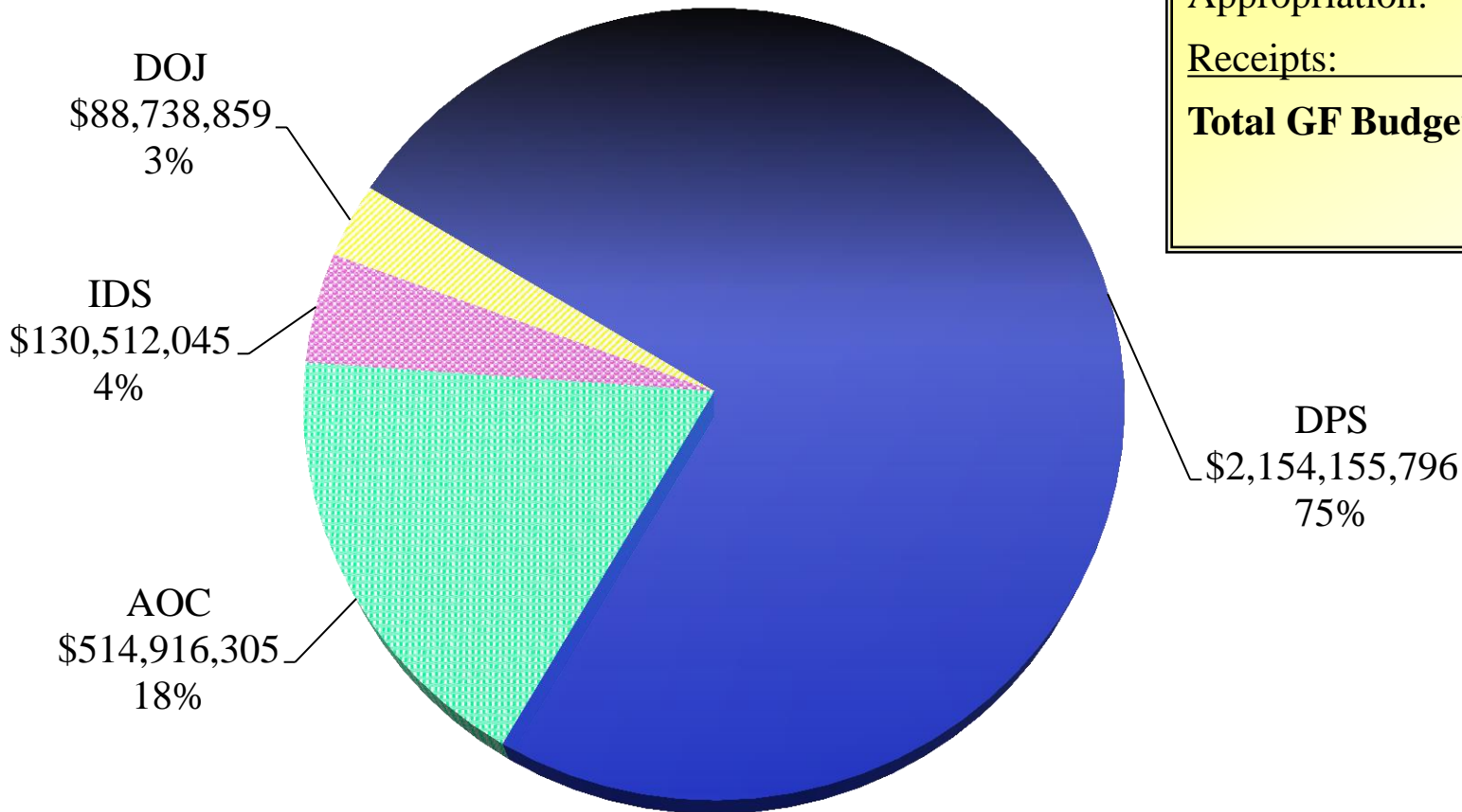
- Courts
- Law Enforcement
- Prisons



Source: Population: NC Data Center (LINC); Crime: NC SBI

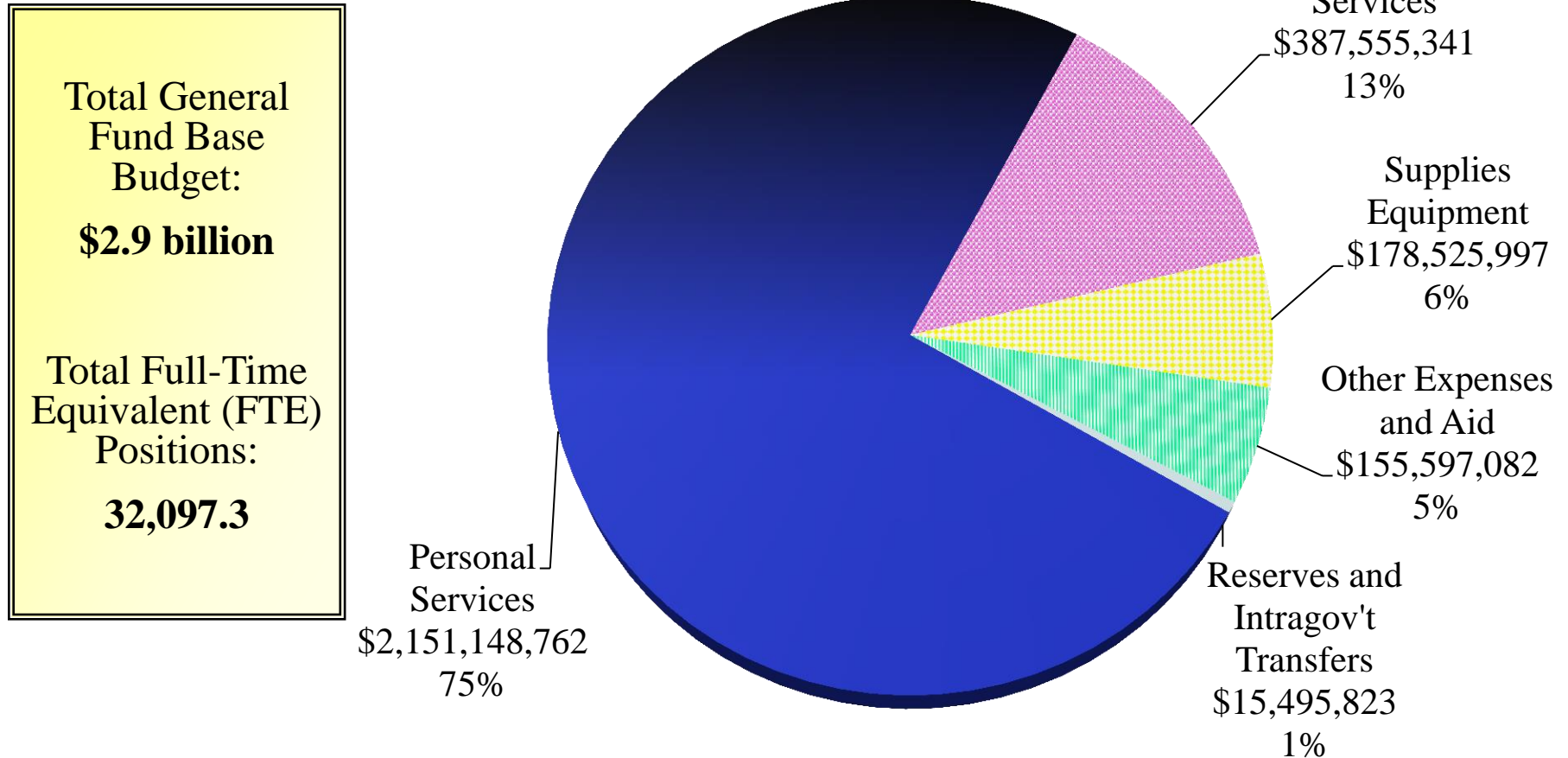
# JPS General Fund Base Budget by Agency FY 2017-18

Appropriation: \$2.6 billion  
Receipts: \$264 million  
**Total GF Budget: \$2.9 billion**



Source: Recommended Base Budget (Worksheet I) 02/09/17

# JPS General Fund Base Budget by Account FY 2017-18



Source: Recommended Base Budget (Worksheet I) 02/09/17

# JPS - AOC

## Administrative Office of the Courts (AOC)

**Administrative arm of the unified court system**

*Mark Martin, Chief Justice*

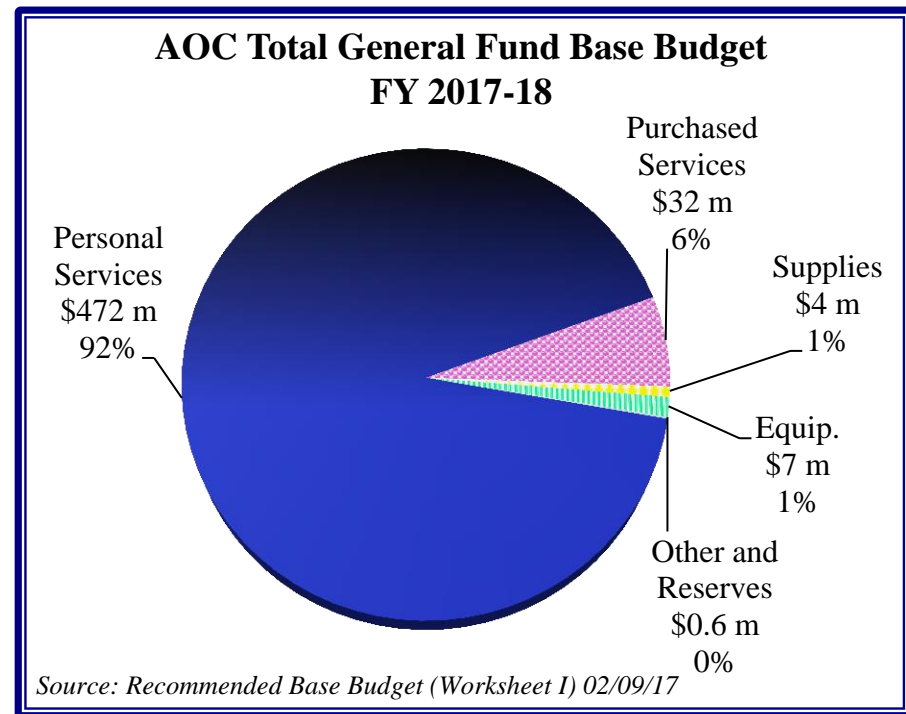
*Marion Warren, Director of AOC*

Includes:

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

**Total General Fund Budget: \$515 million**

**Total FTE Positions: 5,802.23**



# JPS - IDS

## Indigent Defense Services (IDS)

**Provides defense attorneys for indigent defendants**

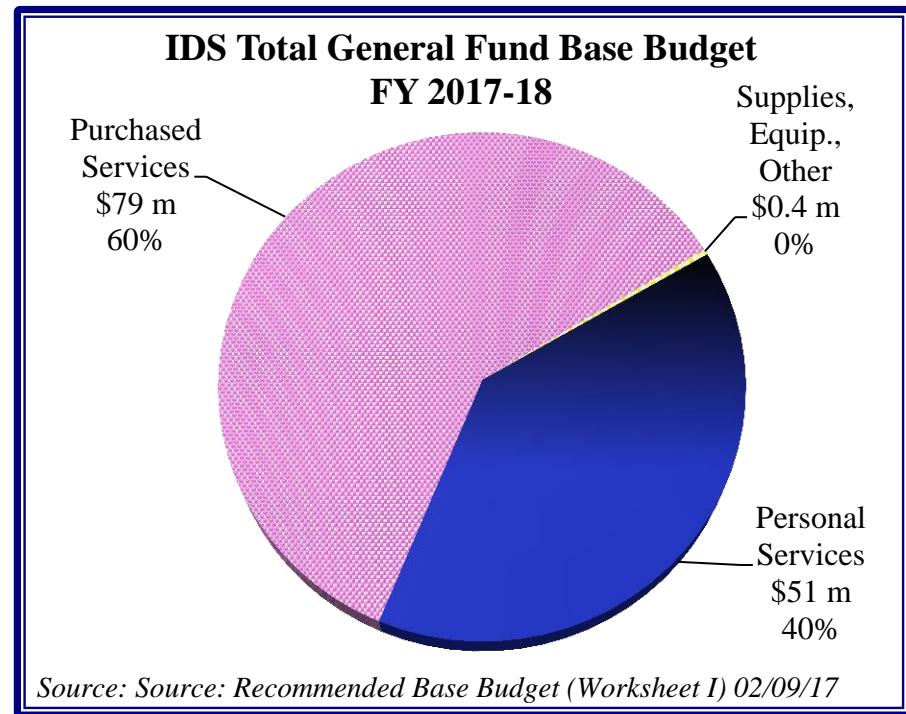
*Thomas Maher, Director of IDS*

Includes:

- Public Defender offices
- Private Assigned Counsel Fund

**Total General Fund Budget: \$131 million**

**Total FTE Positions: 530.73**





# JPS - DOJ

## Department of Justice (DOJ)

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

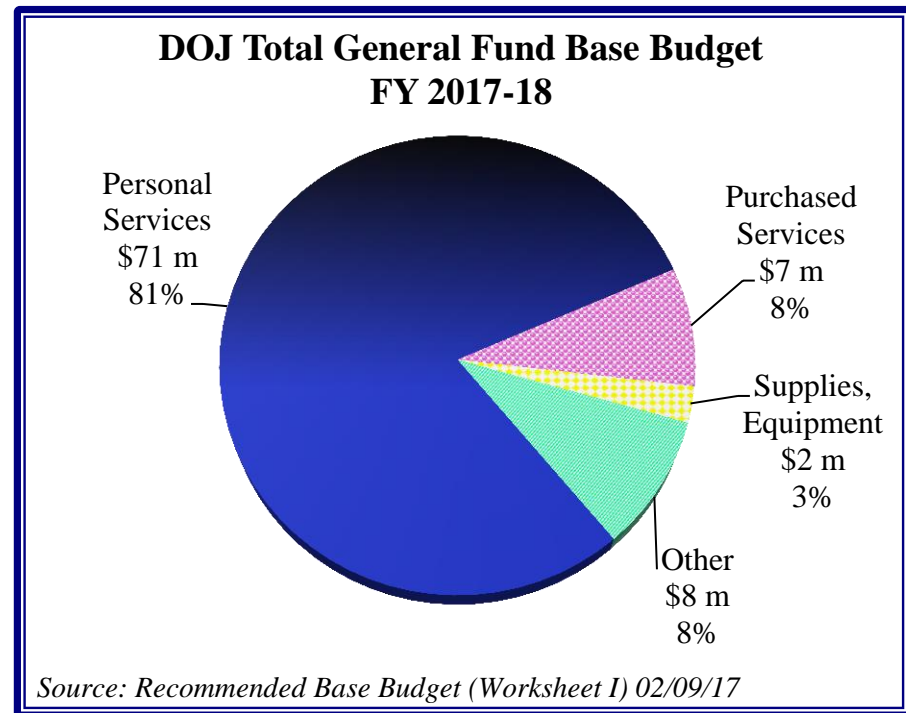
*Josh Stein, Attorney General*

Includes:

- Legal services
- Consumer Protection
- Criminal Justice Education and Training Standards
- Sheriffs' Education and Training Standards
- NC State Crime Lab

**Total General Fund Budget: \$89 million**

**Total FTE Positions: 812.89**





# JPS - DPS

## Department of Public Safety (DPS)

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

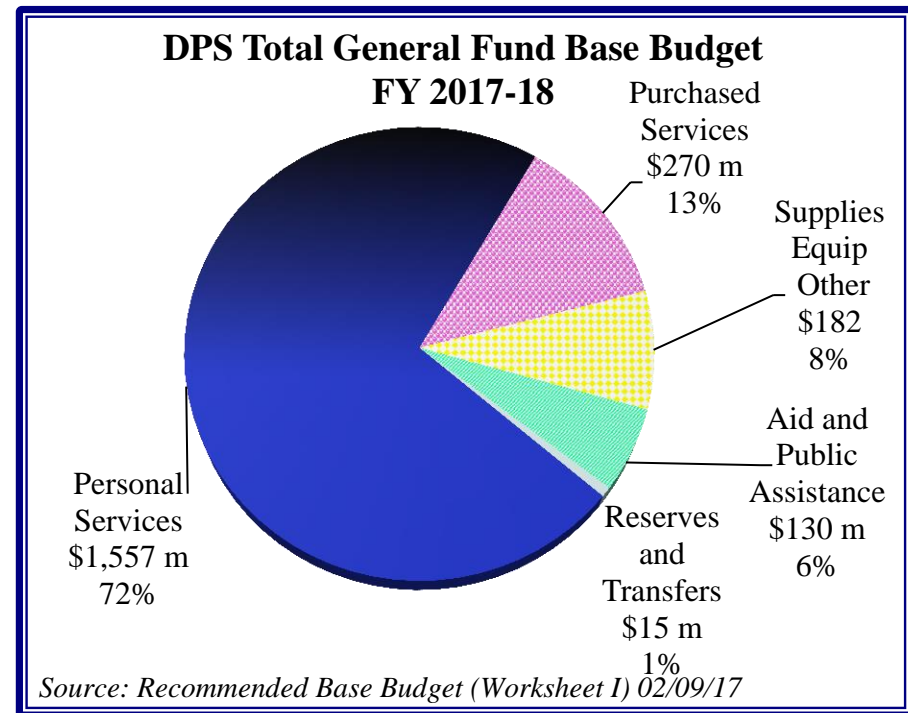
*Erik Hooks, Secretary*

Includes:

- Prisons
- Community Corrections
- Juvenile Justice
- Highway Patrol
- State Capitol Police
- State Bureau of Investigation
- Alcohol Law Enforcement
- Emergency Management
- National Guard
- Victims Services

**Total General Fund Budget: \$2.2 billion**

**Total FTE Positions: 24,951.5**

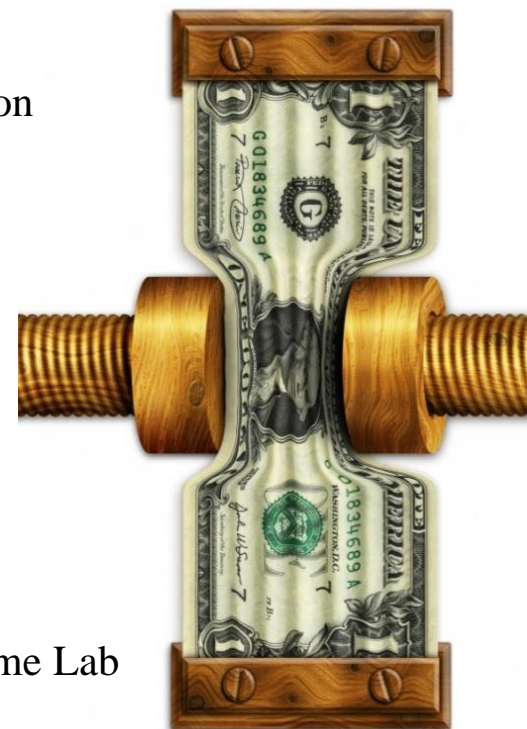


# Recent Legislative Actions

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## 2015 Appropriations Act

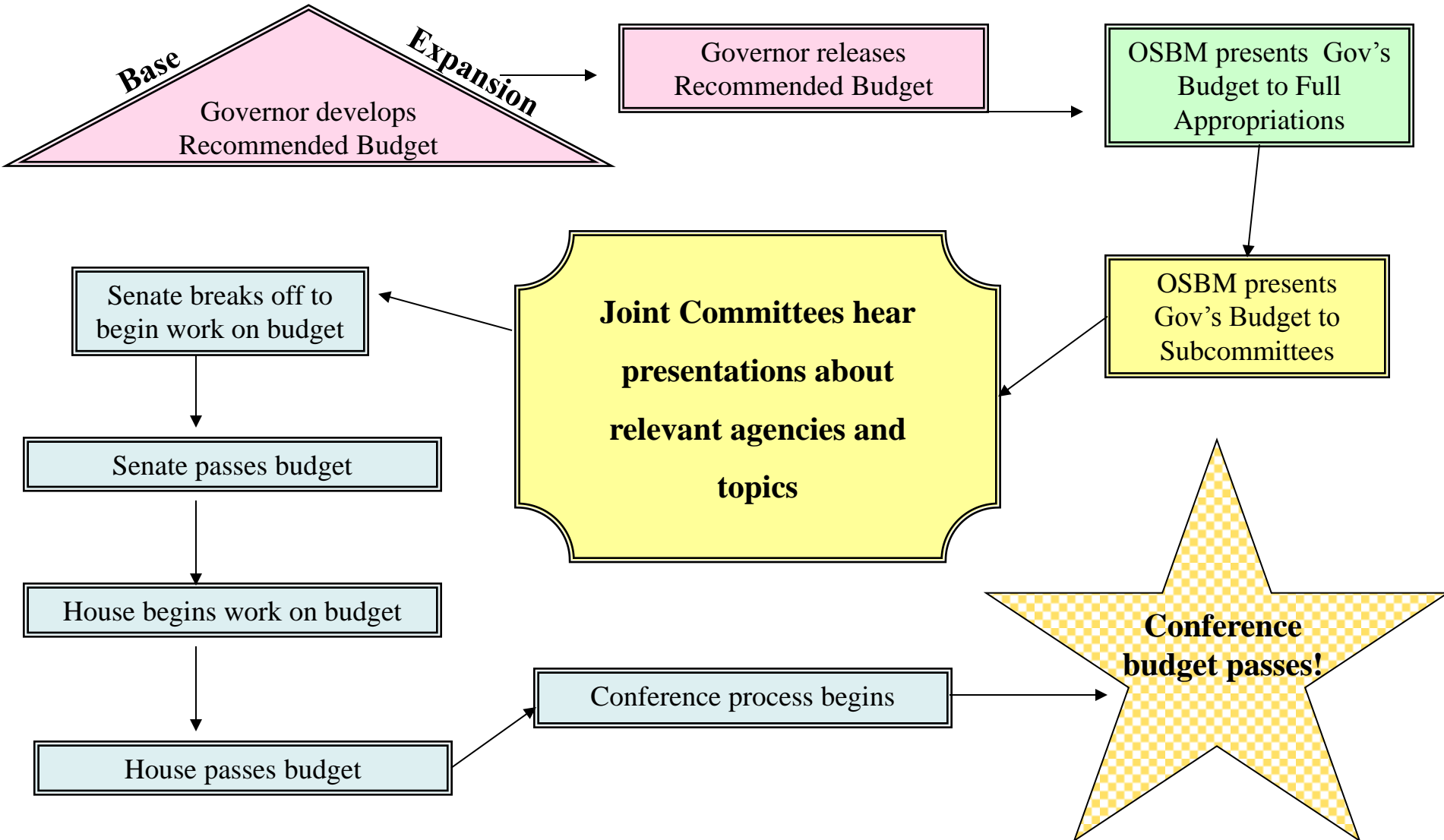
- Provided additional funds for law enforcement vehicles
- Provided funds to put cameras in all SHP vehicles
- Funded an additional 72 mental health beds at Central Prison
- Funded eight mental health behavioral treatment units
- Restored reductions to court operations
- Provided additional funds for court IT
- Required AOC to establish a strategic plan for IT



## 2016 Appropriations Act

- Realigned medical claims processing for prisons
- Provided funds for a new SBI plane
- Funded operating costs and equipment for the Western Crime Lab
- Created a flat-fee pilot in IDS
- Created two new district court judge positions
- Funded three ADA positions that had been eliminated in FY 2011-12

# The Budget Process



# Full Chair Guidance

---

- Review the base budget
- Focus on budget priorities
- Determine which programs and initiatives work
  - Realign funds from obsolete or ineffective programs



## **Refer to the Full Chairs:**

- **Salary issues**
- **Capital expenditures**

# Upcoming Meetings

---

## **This week:**

- Wednesday – Structured Sentencing
- Thursday – Introduction to Judicial Branch and Justice Agency Heads

## **Next week:**

- Prisons



## **Remaining presentations:**

- Community Corrections
- Juvenile Justice
- Law Enforcement
- AOC
- IDS
- DOJ

# Contact Information

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## Fiscal Research Division (919) 733-4910

Kristine Leggett - [Kristine.Leggett@ncleg.net](mailto:Kristine.Leggett@ncleg.net)  
*AOC, DOJ, and DPS – Administration and Law Enforcement*

John Poteat – [John.Poteat@ncleg.net](mailto:John.Poteat@ncleg.net)  
*DPS – Prisons, Community Correction, and Correction Enterprises*

Mark White – [Mark.White@ncleg.net](mailto:Mark.White@ncleg.net)  
*IDS and DPS – Juvenile Justice, Emergency Management, and National Guard*