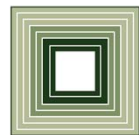


Joint Appropriations Committees on Justice and Public Safety

JPS Overview



February 19, 2019



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

Outline

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



Committee Website

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

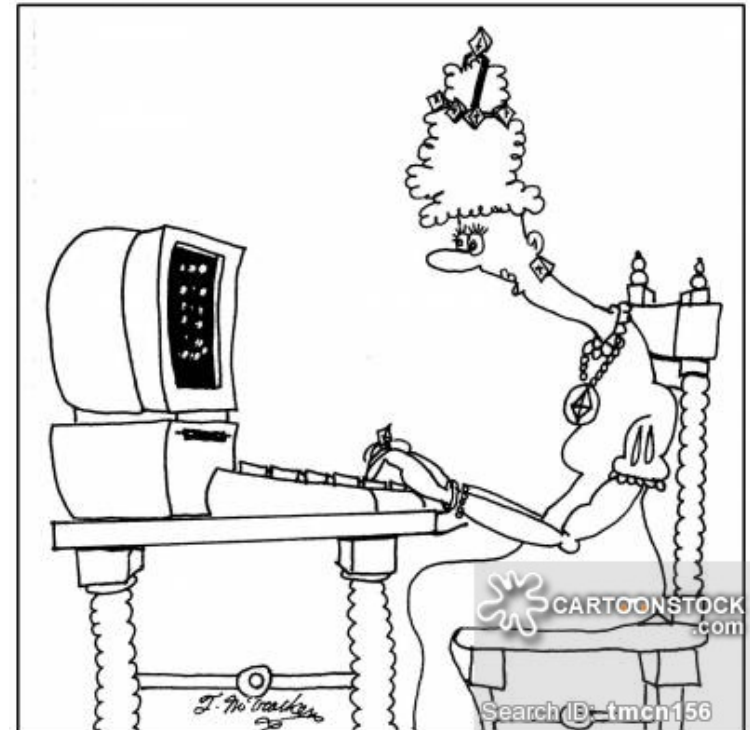
- Agendas
- All committee handouts
- Follow-up information
- Meeting audio
- Mandated Agency Reports



[North Carolina General Assembly - Joint Meetings of House and Senate Appropriations on Justice and Public Safety](#)

Fiscal Research Division

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



Great Moments in Computer History:
Marie Antoinette's spreadsheet shows the
peasants have no bread, but lots of cake.

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/index.html>

- Annotated Committee Reports
- Fiscal Notes
- Revenue Forecasts
- Budget Legislation
- Staff listing

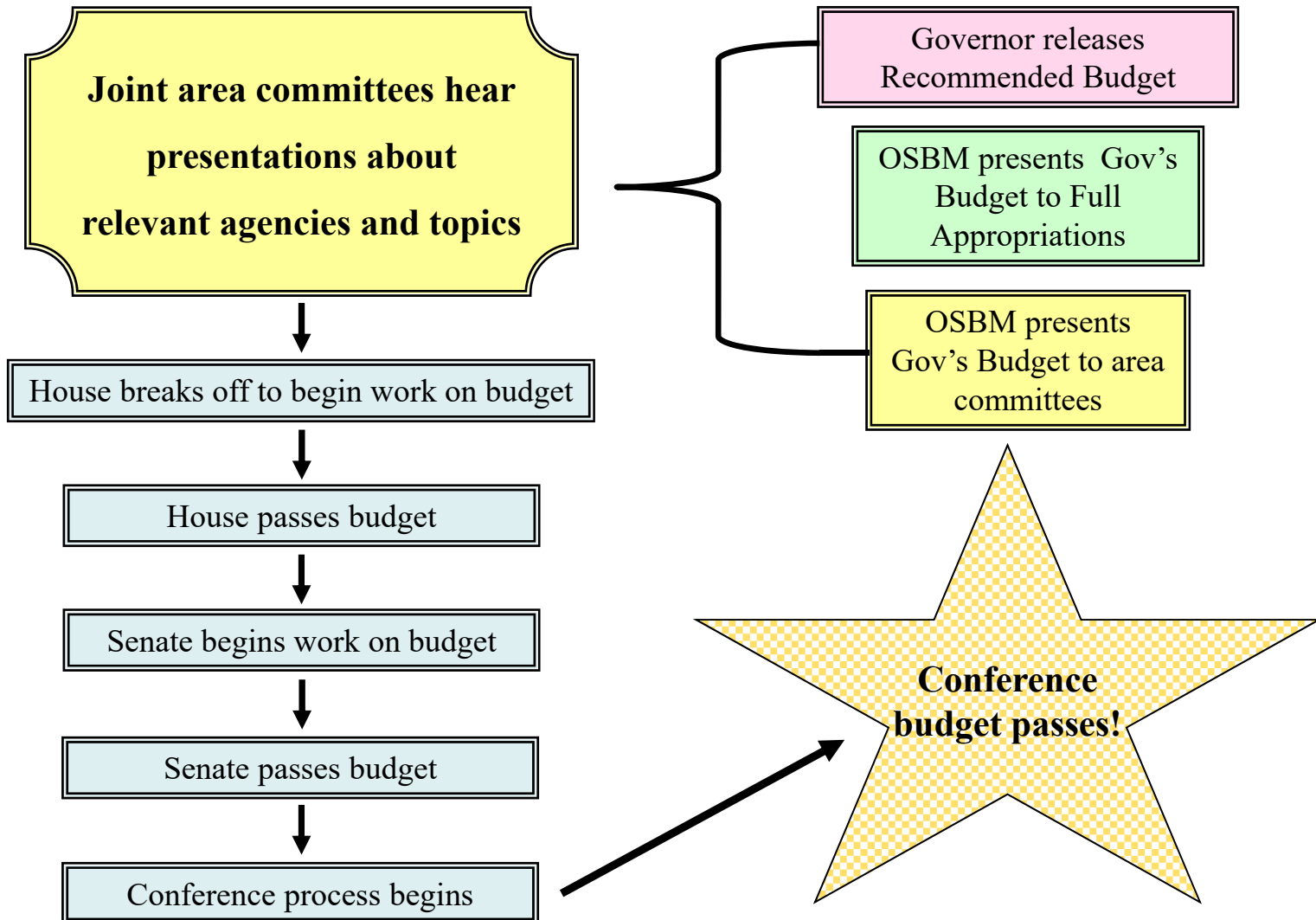
Confidentiality

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

Top Secret



Budget Process



Budget Terms: Appropriation

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

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



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 2017 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

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**



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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



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



Budgeting Terms: Salaries

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

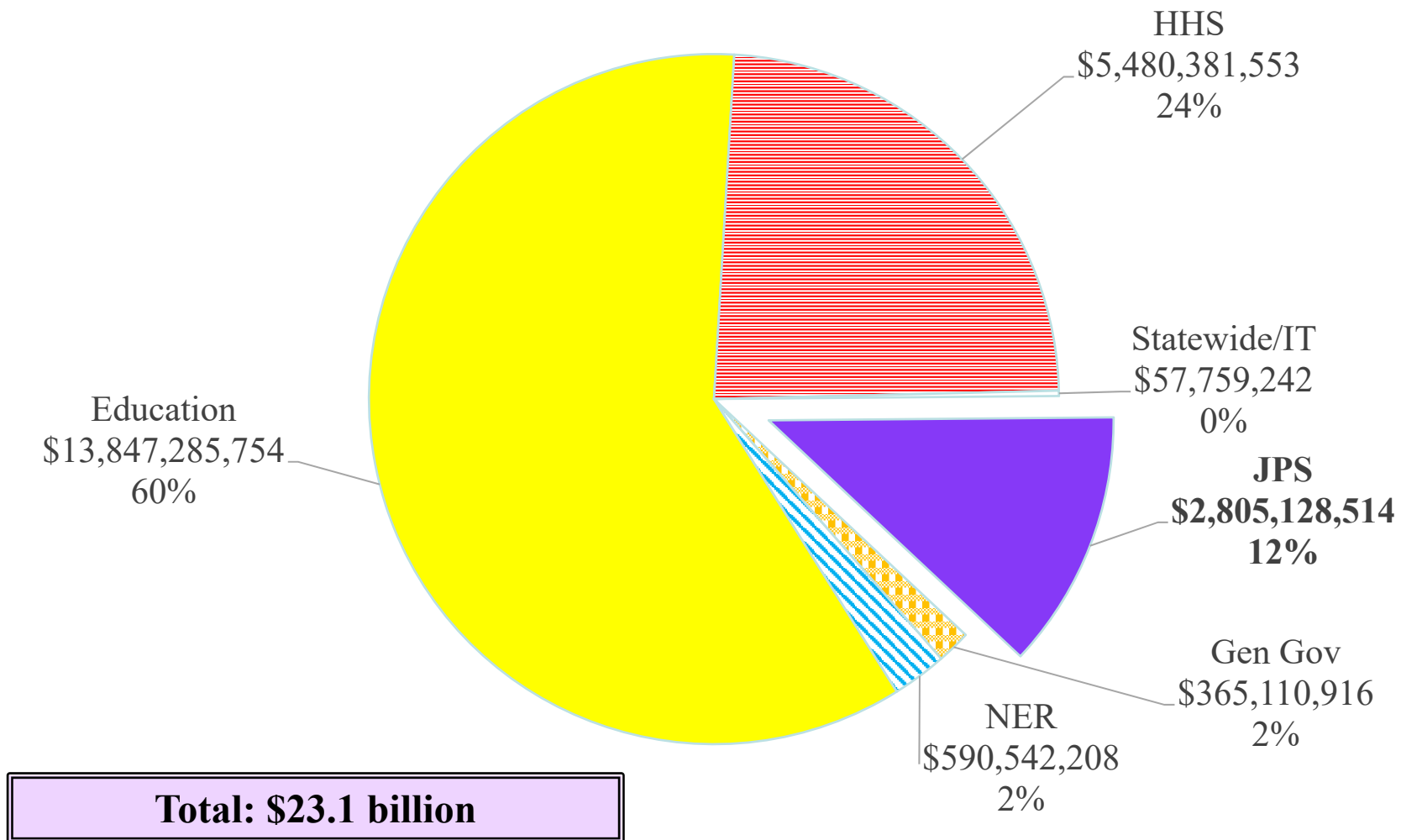
G.S. 143C-6-9 Use of lapsed salary savings

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 2019-20



Source: Recommended Base Budget (Worksheet I) 02/16/19

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)



FY 2017-18 JPS Overview

- **Dispositions:** 514 elected judicial staff disposed of 2.6 m cases
- **Convictions:** 119,815 felony & misdemeanors
- **Prison:** 36,239 inmates
- **Probation:** 102,893 adults & juveniles
- **State Crime Lab:** 35,997 submissions
- **DPS Vehicles:** 8,675 plus 7 aircraft
- **State Highway Patrol:** 953,495 tickets

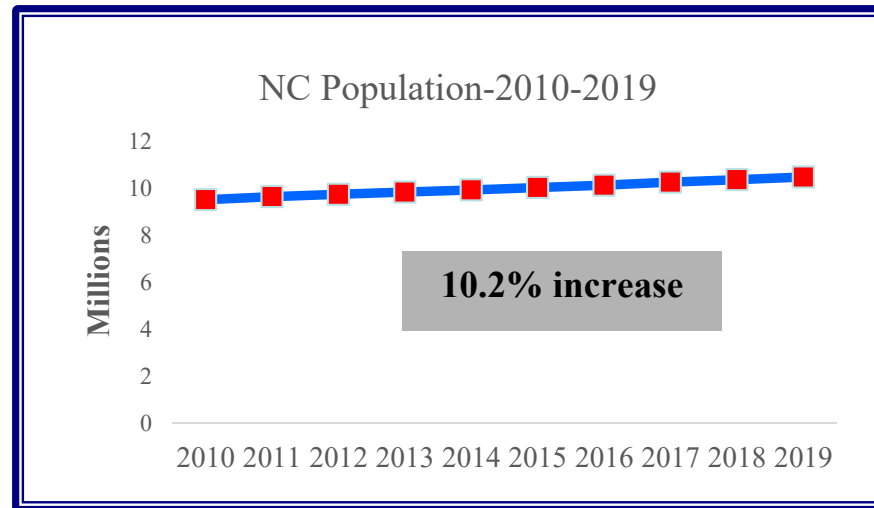
Under Supervision: 8th largest city

Source: AOC, DOJ, and DPS

JPS Budget Drivers

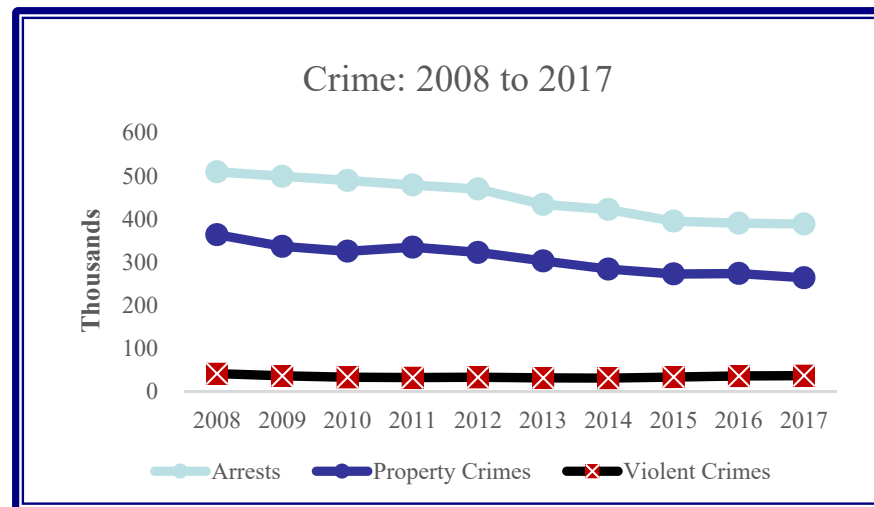
Population

- Courts
- Highway Patrol
- Standards Commissions



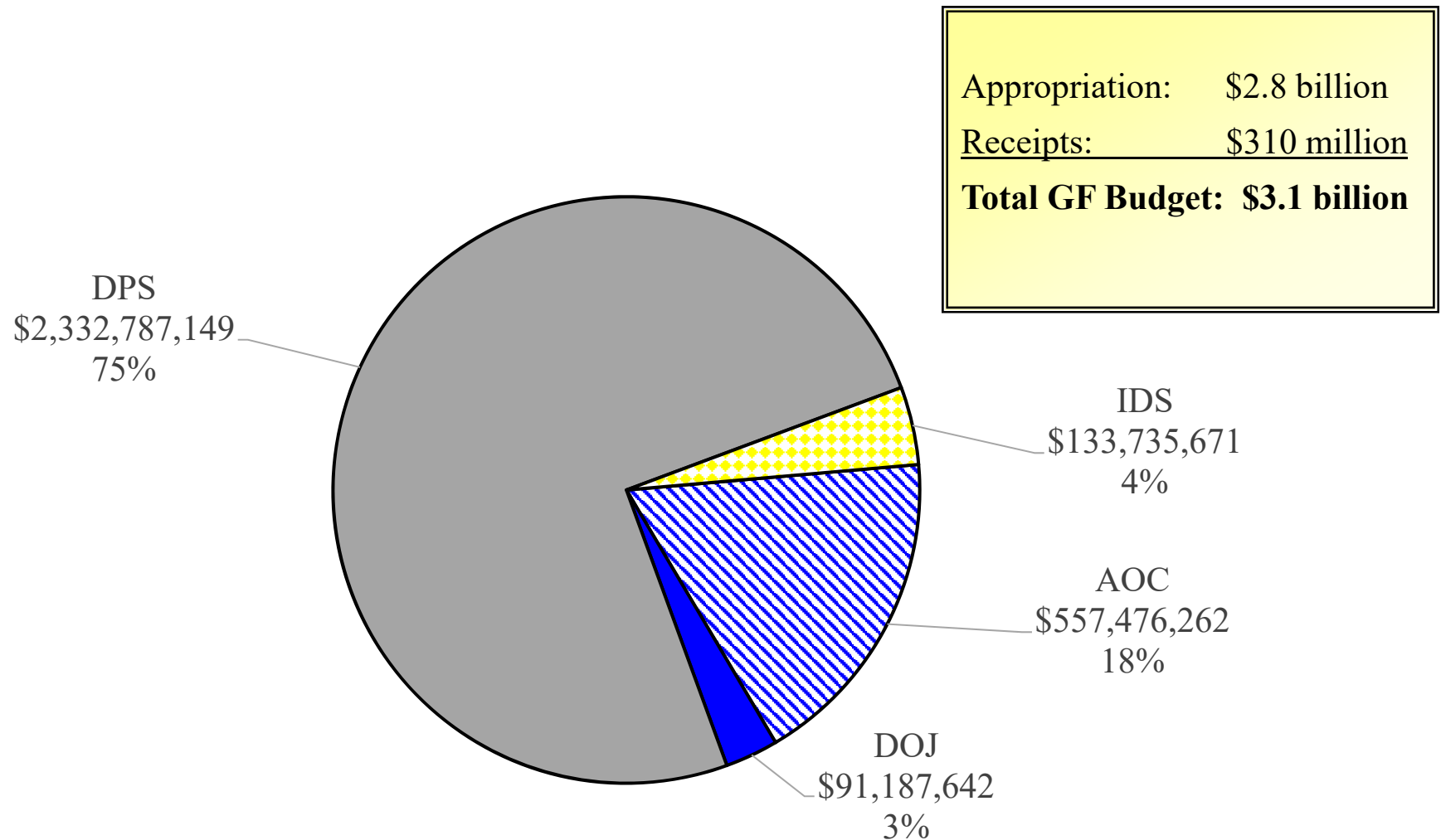
Crime

- Courts
- Law Enforcement
- Prisons



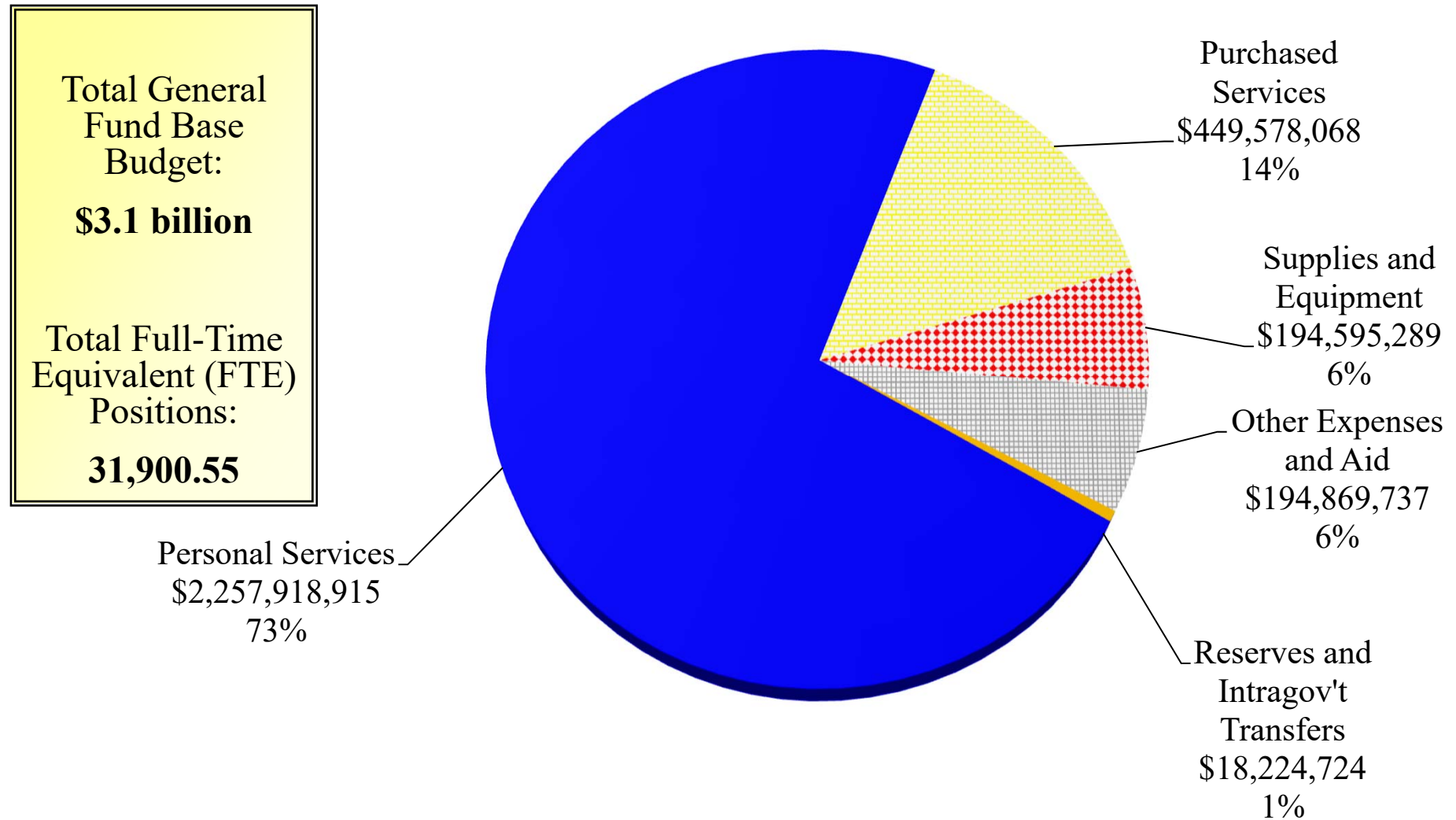
Source: Population: NC Data Center (LINC); Crime: NC SBI

JPS General Fund Base Budget by Agency FY 2019-20



Source: Recommended Base Budget (Worksheet I) 02/16/19

JPS General Fund Base Budget by Account FY 2019-20



Source: Recommended Base Budget (Worksheet I) 02/16/19

JPS - AOC

Administrative Office of the Courts (AOC)

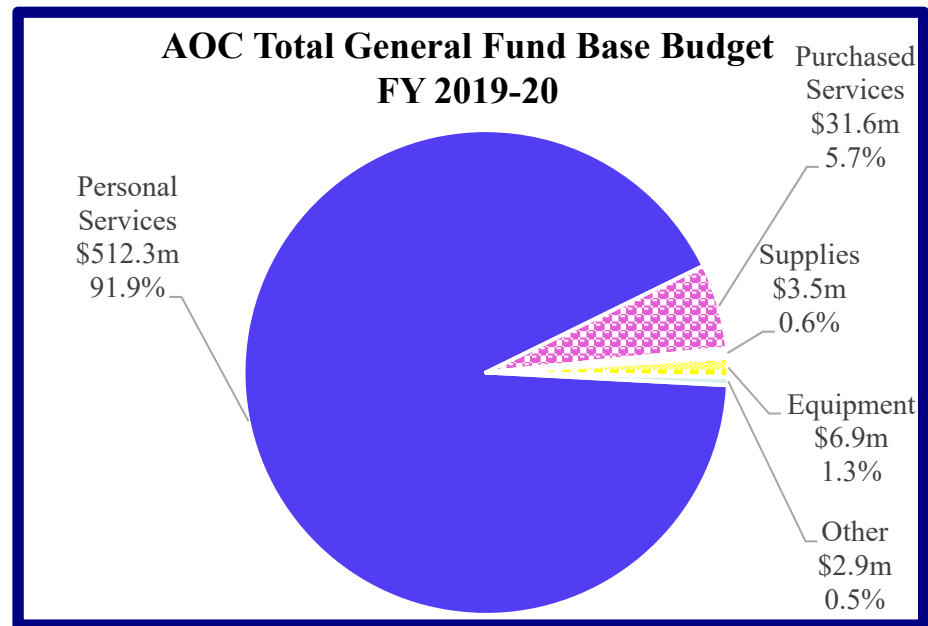
Administrative arm of the unified court system

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: \$557.5 million

Total FTE Positions: 5,962.54

Source: Recommended Base Budget (Worksheet I) 02/16/19

JPS - IDS

Indigent Defense Services (IDS)

Funds defense attorneys for indigent defendants

Thomas Maher, Director of IDS

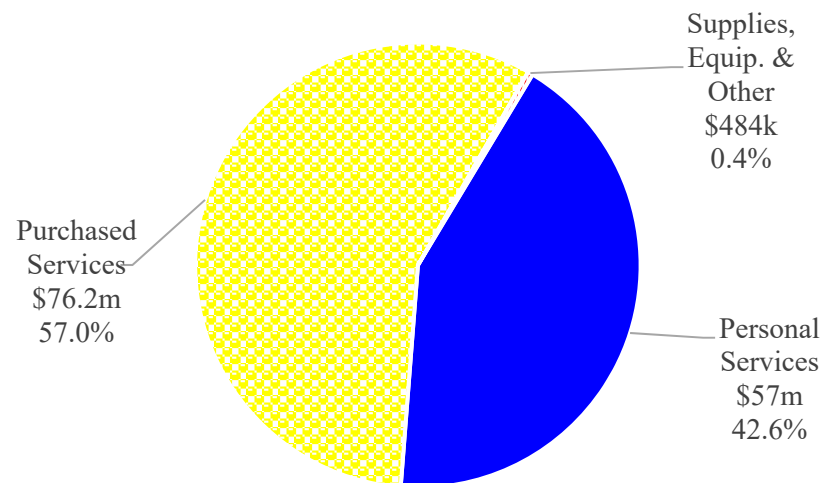
Includes:

- Public Defender offices
- Private Assigned Counsel Fund

Total General Fund Budget: \$133.7 million

Total FTE Positions: 553

**IDS Total General Fund Base Budget
FY 2019-20**



Source: Source: Recommended Base Budget (Worksheet I) 02/16/19

JPS - DOJ

Department of Justice (DOJ)

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

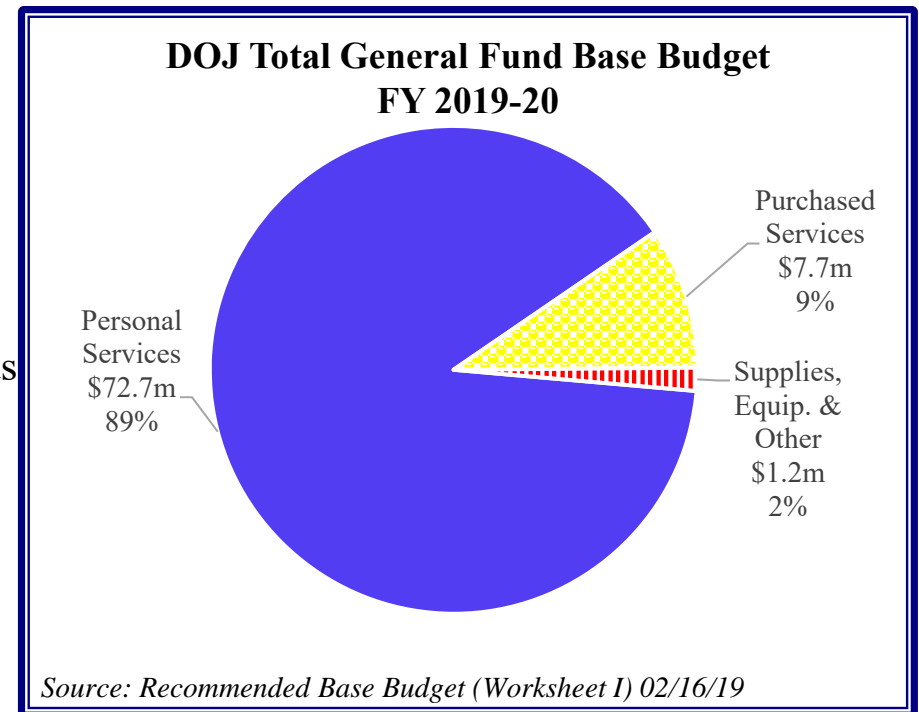
Josh Stein, Attorney General

Includes:

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

Total General Fund Budget: \$91.2 million

Total FTE Positions: 794.89



JPS - DPS

Department of Public Safety (DPS)

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

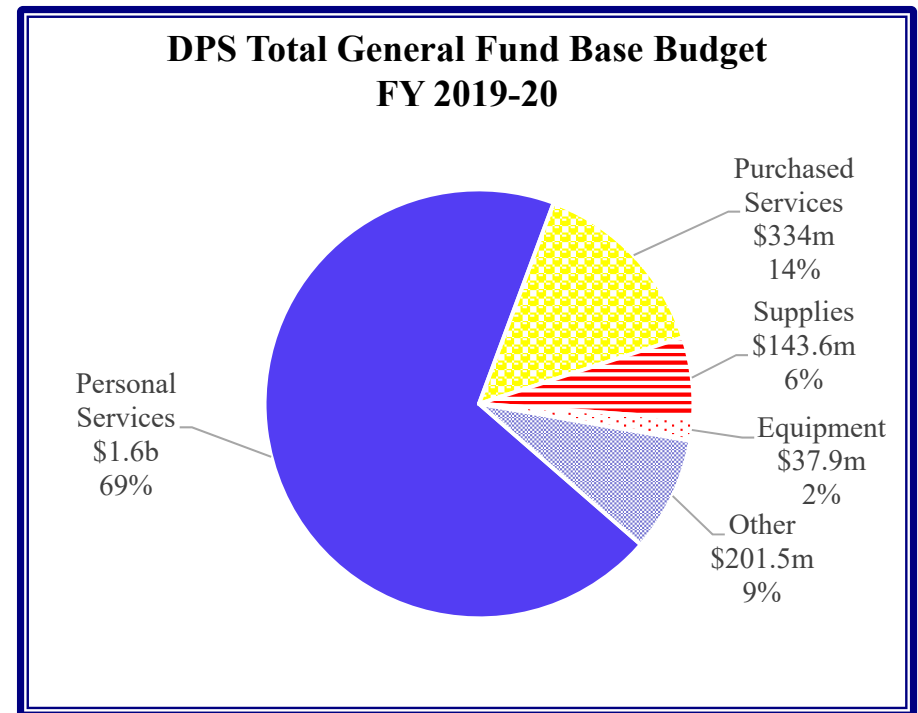
Erik Hooks, Secretary

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: \$2.3 billion

Total FTE Positions: 24,590.12



Source: Recommended Base Budget (Worksheet I) 02/16/19

Recent Legislative Actions

2017 Appropriations Act

Eliminates 79 vacant positions to fund high-priority items

Provides operating funds for Samarcand Training Academy

Reduces the DOJ Administrative and Legal Services budgets: \$10m (R).

Funds Crime Lab personnel and equipment

Funds 127 deputy clerk and assistant district attorney positions: \$6.9m (R)

Raises the age of juvenile jurisdiction to include 16- & 17-year-olds



2018 Appropriations Act

Funds hardware and software upgrades to VIPER: \$16.5m (NR)

Funds additional technology to enhance prison safety and security: \$15m (NR).

Provides funding to implement Raise the Age legislation: \$1.9m and 65 FTE (R)

Provides funding to create an integrated e-Courts technology system: \$1.5m (NR)

Full Chair Guidance

- Review agency budgets and operations
- Focus on core functions of government and whether they are adequately funded
- Look for efficiencies across State government, including looking at duplicative programs and evaluating if fund levels are appropriate for non-core services



Refer to the Full Chairs:

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

Upcoming Meetings

This week:

- Wednesday – General Revenue Forecast
- Thursday – Prison Reform Update

Next week:

- DOJ
- Juvenile Justice



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Remaining presentations:

- Prisons
- Judicial Branch
- Law Enforcement
- Administration
- Community Corrections

Contact Information

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DPS – Prisons, Community Corrections, and Correction Enterprises

Mark White – Mark.White@ncleg.net
*DPS – Juvenile Justice, Law Enforcement, Emergency Management, and
National Guard*

