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PUBLIC SAFETY AND HOMELAND SECURITY



# Overview of Agency Budget Reduction Plans

Presented to the Senate Finance  
Subcommittee on Public Safety  
October 30, 2014

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Secretary of Public Safety and Homeland Security



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## Most agencies met 5 % reduction target for FY2015

Agency	FY 2015 General Fund Legislative Appropriation	FY 2015 Adjusted General Fund Savings Base	FY 2015 5% Target	FY 2015 Approved Savings	Percent of Legislative Appropriation	Percent of Adjusted Base
Commonwealth's Attorneys' Services Council	\$828,963	\$828,963	(\$41,448)	(\$41,448)	-5.0%	-5.0%
Virginia Parole Board	\$1,397,033	\$830,956	(\$41,548)	(\$41,548)	-3.0%	-5.0%
Department of Fire Programs	\$2,368,475	\$2,368,475	(\$118,424)	(\$118,424)	-5.0%	-5.0%
Department of Emergency Management	\$6,539,323	\$5,659,630	(\$282,982)	(\$282,982)	-4.3%	-5.0%
Department of Military Affairs	\$10,448,920	\$7,426,969	(\$371,349)	(\$371,349)	-3.6%	-5.0%
Department of Criminal Justice Services	\$211,603,531	\$7,930,607	(\$396,531)	(\$396,531)	-0.2%	-5.0%
Department of Forensic Science	\$38,276,833	\$38,276,833	(\$1,913,842)	(\$1,142,035)	-3.0%	-3.0%
Department of Alcoholic Beverage Control	\$0	\$0	\$0	(\$2,851,400)	n/a	n/a
Department of Juvenile Justice	\$196,447,317	\$104,468,428	(\$5,223,421)	(\$5,223,421)	-2.7%	-5.0%
Department of State Police	\$249,410,233	\$247,866,500	(\$12,393,325)	(\$12,393,325)	-5.0%	-5.0%
Department of Corrections	\$1,062,271,396	\$859,992,294	(\$42,999,615)	(\$20,288,801)	-1.9%	-2.4%
<b>Total</b>	<b>\$1,779,592,024</b>	<b>\$1,275,649,655</b>	<b>(\$63,782,485)</b>	<b>(\$43,151,264)</b>		



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## Department of Forensic Science

### § 9.1-1101. Powers and duties of the Department

B. The Department shall:

1. Provide forensic laboratory services to all law-enforcement agencies throughout the Commonwealth and provide laboratory services, research, and scientific investigations for agencies of the Commonwealth as needed;
2. Establish and maintain a DNA testing program ... to determine identification characteristics specific to an individual; and
3. Test the accuracy of equipment used to test the blood alcohol content of breath at least once every six months.

### FY14 Expenditures by Category

Personnel (salaries, benefits):	67%
Facilities (O&M, rent, equipment):	13%
Administrative Expenses (IT, supplies, postage):	06%
Travel (court, training, Breath Alcohol instrument certification):	02%
Other Laboratory Expenses (for forensic analyses):	12%



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## Department of Forensic Science

	<u>FY 2015</u>
Delay filling one vacancy anticipated from personnel attrition	(\$1,000)
Reduce External Photography Services	(\$2,891)
Reduce IT support	(\$5,600)
Recognize 2014 Pledged Balances	(\$13,965)
Eliminate wage administrative support position in the Central Toxicology section	(\$20,370)
Discontinue Analysis of Marijuana Plant Material in Simple Possession Cases When Not Mandated by Court Order	(\$25,000)
Delay filling one Controlled Substances vacancy anticipated from personnel attrition	(\$28,000)
Eliminate General Fund support for Discretionary Personnel Training	(\$30,000)
Eliminate Special Project Coordinator Wage Position	(\$60,000)
Eliminate funding for a Toxicology position that was provided in the FY15 budget	(\$61,000)
Delay hiring one of the two Controlled Substances positions provided in the FY15 budget	(\$61,000)
Reduce Digital and Multimedia Evidence (DME) services provided	(\$68,292)
Delay filling positions to produce turnover/vacancy savings	(\$100,000)
Reduce Frequency of Scientific Instrumentation Replacement	(\$110,000)
Delay hiring forensic scientific support staff	(\$131,000)
Reduce Trace Evidence services provided	(\$167,917)
Delay hirings in Forensic Biology	(\$256,000)
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	(\$1,142,035)
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## DFS Staffing Impact by Discipline

Controlled Substances

- 2 scientist vacancies held open until FY15

Digital & Multimedia Evidence

- 2 layoffs of scientists in audio and video

Firearms & Toolmarks

- 1 scientific support staff vacancy held open until FY15

Forensic Biology (DNA)

- 3 scientist and 2 support vacancies held open until FY15

Latent Prints and Impressions

- 1 scientist vacancy held open until FY15

Photo Processing

- 2 layoffs of photo technicians

Toxicology

- 1 scientist and 2 support vacancies eliminated

Trace Evidence

- 3 layoffs of scientists

Questioned Documents

- 2 layoffs of scientists in handwriting comparisons



## Forensic Service Reductions

### Digital & Multimedia Evidence

- Eliminate audio and video enhancements and comparisons
- Maintain computer and mobile device analysis

### Photo Processing

- Eliminate photo printing for law enforcement
- Maintain preparation of court exhibit posters

### Trace Evidence

- Limit Primer Residue (Gunshot Residue) to homicide or attempted homicide cases
- Reduce services in fiber and hair analysis
- Reduce services in general chemical analysis (e.g., unknown liquids and cosmetics)

### Questioned Documents

- Eliminate handwriting comparisons
- Maintain ink comparisons and indented writing recovery



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## Average Turnaround Times

Section	Backlog Trend	Average Turnaround Time (days) (Q4 FY14)	Average Turnaround Time Goal for FY18 (days)
Controlled Substances		66	30
Firearms		40	30
Forensic Biology (DNA)		91	70
Latent Prints (includes DME)		87	30
Questioned Documents		36	30
Toxicology		56	45
Trace Evidence		66	30



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## State Police

FY 2015

Sell Airplane - Richmond Base	(\$50,000)
Fill 27 Vacant Trooper Positions in FY 2015	(\$2,669,354)
Capture General Fund Savings from Operational Efficiencies	(\$4,483,193)
Sweep Certain FY14 Non General Fund Cash Balances	(\$5,190,778)
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	(\$12,393,325)
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## Virginia State Police

### **One time sweep of certain FY14 Non General Fund Cash Balances \$5.2m**

- This action will sweep certain ngf cash.
  - \$358,115 cash related to 10% fee, disaster recoveries, non-auto surplus property , insurance recoveries, indirect cost and SOR
  - \$1,394,168 Safety
  - \$3,438,495 HEAT & Insurance Fraud

### **Proceeds from auctioning an airplane based in Richmond VA - \$50k**

- This action assumes the auction of an older airplane with net proceeds of at least \$50k.

### **Fill 27 out of 68 vacant trooper positions in FY 2015 \$2.6m**

- This action will cause a change to the total number of new troopers which were anticipated for the 123<sup>rd</sup> Basic School
- There are currently 71 vacancies; based on historical trends as well as anticipated retirement, the Department anticipates 96 trooper vacancies by Jan 1 2015 plus an additional 18 by March 25, 2015 for a total of 114 sworn vacancies by March 25, 2015.

### **Savings resulting from operational efficiencies \$4.5m**

- Numerous strategies are being considered to include the delay/reduction in purchasing equipment, delay/reduction in hiring of sworn and civilian employees, reduction in all training and reduction in approved overtime.



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## Department of Alcoholic Beverage Control

	<u>FY 2015</u>
Capture operating efficiencies	(\$60,400)
Revise vehicle usage policy	(\$66,000)
Convert information technology contractor positions to state employees	(\$75,000)
Capture savings from increasing vehicle mileage threshold	(\$150,000)
Additional Profits (Operational Changes Being Negotiated)	<u>(\$2,500,000)</u>
	<u>(\$2,851,400)</u>



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## Agency Highlights

### Facilities

- Central Office and Warehouse located in Richmond
- 350 Retail Stores and 9 Regional Offices
- Plans to open 20 new stores and modernize 50 stores over next three years

### Operating Budget

- FY 2014: \$551,902,197 (merchandise for resale is approximately 71% of expenses)
- FY 2015: \$577,917,496

### Employees

- 1,031 Full Time, 2,395 Part Time
- 20 contractors

### Mission Critical Statistics

- Retail Licenses: 17,700
- One-day banquet and special-event licenses: 18,400
- Alcohol underage buyer compliance rate for ABC stores: 98%
- Total Cases shipped to ABC stores: 4,392,471
- Retail store customer transactions: 28 million
- Total gross sales in FY 14: \$801 million

Agency contributions to the Commonwealth in the last five years: \$1.8 billion



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# Governor McAuliffe's Budget Strategies

ABC providing an additional \$2.8 million in FY 2015

- \$2.5 million committed from anticipated markup on distilled spirits
- \$300,000 from agency savings strategies
  - Convert long-term highly paid contractors to employees
  - Increase vehicle mileage
  - Consolidate Board vehicles within the Agency
  - Multiple positions that will not be backfilled
  - Expand use of email and online communications to replace printed materials



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# Investment Approach

ABC staff working to develop sound cost estimates and prioritized projects

Final decisions on a markup and other revenue enhancements are to be made based on cost projections and projected impact on consumers

Projects identified as necessary for continued agency operation and providing enhancements for customers will be pursued first

Long term investments in agency will be necessary to maintain ABC as a trusted retailer and revenue generator in the Commonwealth



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## Investment Strategies

Communication sent to stakeholders on October 16 seeking comments on possible markup

- Comment period closes October 31; Board vote in November
- Contemplated actions include
  - Increase case handling fee – current \$1 fee adopted in 1988.
  - Increase markup on 50 ml containers (“minis”) – current markup is 49% compared to the average 69% markup
  - Increase markup on all alcoholic beverages – Current average is 69%, last increased by 4% in 2008.
- Stakeholder comment received to date
  - Consider rounding prices up on shelf (ex: take from .95 to .99)
  - Consider opening stores under contract with private parties
  - Seek additional contribution from beer and wine industries
  - Additional markup for special order items



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## Department of Corrections

	<u>FY 2015</u>
Capture NGF balance from local supplements	(\$95,000)
Close a Community Corrections Residential Facility	(\$161,873)
Capture savings from department reorganization	(\$481,893)
Close a Work Center or Field Unit	(\$539,856)
Close Powhatan Correctional Center (Main)	(\$1,278,397)
Delay Filling 29 Positions	(\$1,365,733)
Delay Opening of Culpeper Correctional Center	(\$2,098,477)
Increase Turnover/Vacancy Savings	(\$3,272,601)
Eliminate FY 2015 Equipment Funding	(\$4,100,000)
Transfer Out-of-State Inmate Revenue to GF	(\$6,894,971)
	<u>(\$20,288,801)</u>



## DOC-Institutional Bed Impacts

Due to closings, 959 Institutional beds will be eliminated

- 809\* at Powhatan Correctional Center
- 150 at Cold Springs Work Center

To facilitate the closings and house the displaced offenders  
DOC will create new Institutional beds:

- 128 beds at Nottoway Correctional Center
  - June 2014 capacity = 1,200 (151% of design capacity)
  - New bed capacity = 1,328 (173% of design capacity)
- 200 beds at Augusta Correctional Center
  - June 2014 capacity = 1,163 (145% of design capacity)
  - New bed capacity = 1,363 (177% of design capacity)
- 109 beds at Buckingham Correctional Center
  - June 2014 capacity = 1,084 (166% of design capacity)
  - New bed capacity = 1193 (186% of design capacity)

\*This authorized capacity for Powhatan Main only; excludes mental health and medical beds (total of 867)



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### DOC – Institutional Dormitory Beds

The DOC did not increase any beds in its existing Dormitory Institutions.

DOC will be constructing 380 additional dormitory style beds:

- 200 beds at Keen Mountain Correctional Center (renovating a Correctional Enterprise area into a dormitory and expected to be available June 2015)
- 180 beds at Marion Correctional Treatment Center (available mid-November 2014)

The DOC will be losing a total of 142 Work Center Beds.



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### DOC - Diversion Center (Community Corrections Beds)

- 128 Community Corrections beds were taken offline with the closing of White Post Diversion Center.
- In order to help offset the bed loss, DOC will create:
  - 17 new beds at Harrisonburg Diversion Center (increasing this number by an additional 25 beds in the future)
  - 12 new beds will be added at Stafford Diversion Center
- The DOC will be losing a total of 74 Community Corrections beds.



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### DOC – Institutional Bed Impacts Since 2008

Since 2008 the DOC has closed facilities resulting in the removal of 4,624 beds as a result of budget shortfalls.

- Dinwiddie Field Unit = 130 beds
- Southampton Correctional Center = 650 beds
- Tazewell Field Unit = 138 beds
- Pulaski Correctional Center = 426 beds
- Botetourt Correctional Center = 352 beds
- Brunswick Correctional Center = 767 beds
- James River Correctional Center = 464 beds
- Mecklenburg Correctional Center = 738 beds
- Powhatan Correctional Center (Main) = 809 beds
- Cold Spring Work Center = 150 beds

Since 2008 DOC has built new prisons resulting in the addition of 3,868 beds.

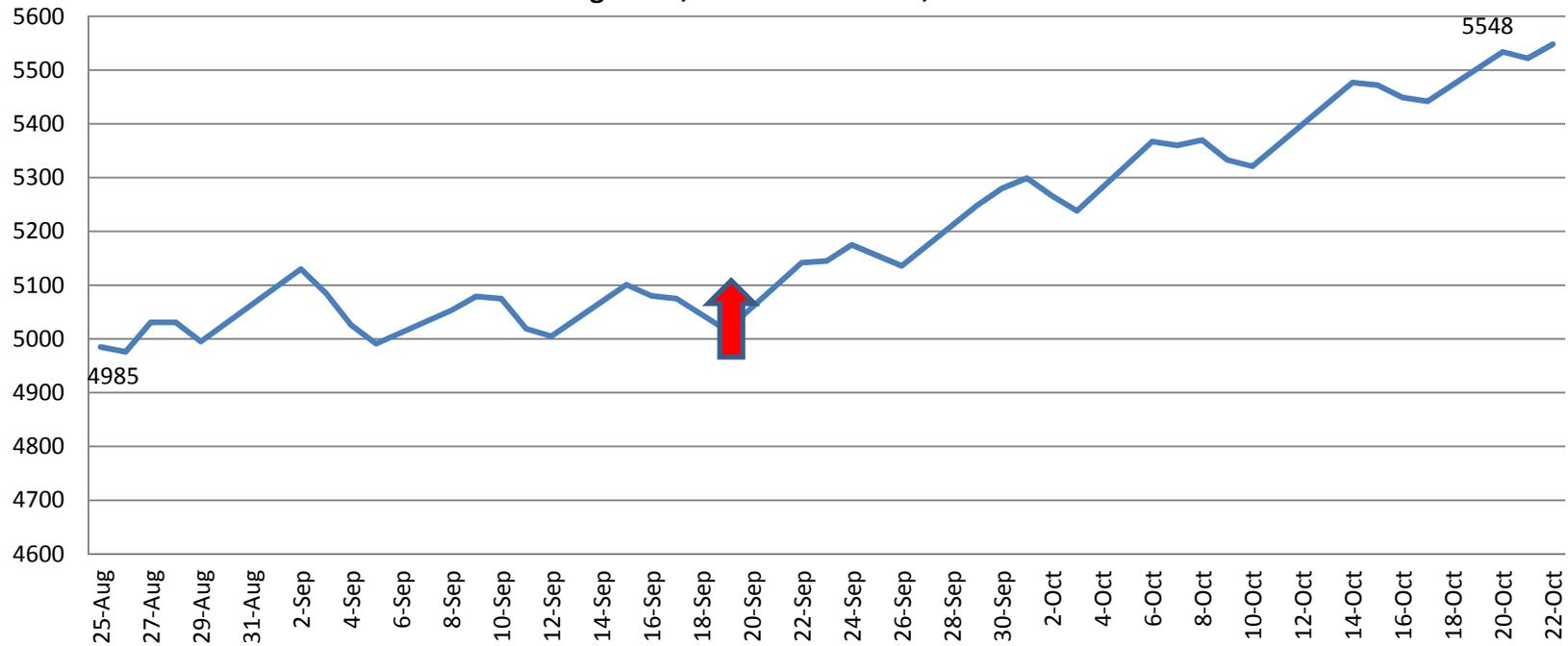
- Pocahontas State Correctional Center = 1,034 beds
- St. Brides Correctional Center Expansion = 800 beds
- Green Rock Correctional Center = 1,034 beds
- River North Correctional Center = 1,000

Present operational capacity is at 123% over design capacity.



## DOC – State Responsible Out of Compliance Impact

**Total Out of Compliance**  
August 15, 2014 - October 22, 2014



-  Denotes initiation of intake slow down—11% total increase since 8/25/14



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### Offender Healthcare Costs

#### **VIRGINIA PER OFFENDER COSTS COMPARE FAVORABLY WITH OTHER STATE CORRECTIONAL SYSTEMS**

- Virginia ranked 21<sup>st</sup> lowest in cost per offender in a recently released July 2014 report from the Pew Charitable Trusts and MacArthur Foundation on State Prison Health Care Spending.

#### **VADOC PER OFFENDER COSTS COMPARE FAVORABLY WITH DHRM COMMONHEALTH PREMIUMS**

- FY2013 Offender medical per capita cost: **\$5,463**
- FY2013 Commonwealth of Virginia single employee health insurance premium cost: **\$6,492**



## Offender Health Care Costs

DOC spent \$159M in offender healthcare in FY2013.

- Armor/Corizon Contracts = \$74M
- DOC Hospitals and Off-Site Physicians = \$31M
- DOC Medical Personnel Costs = \$29.4M
- DOC Medications = \$13.1M
- DOC Medical and Dental Supplies = \$2M
- DOC Contract Health Care Professionals and Services Within Facilities = \$9.3M
- DOC Medical Equipment = \$.2M

Correctional Facilities Health Services include primary care, specialty consultations, dialysis, infirmary care, medications, medical supplies, x-ray, laboratory, optometric, dental and psychiatric services.



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# Medicaid Offender Inpatient Hospital Program

- During the 2013 General Assembly session, a new initiative was implemented to enroll eligible inmates in the Medicaid program for off-site inpatient care, up to the maximum extent permitted under Virginia's current eligibility standards, effective July 1, 2013.
- As a result of this initiative, the Department of Corrections' FY2014 operating budget was reduced by \$2.7M by the 2013 Appropriations Act.
- To fund the Medicaid impact, \$1.29M was transferred to the Department of Medical Assistance Services (DMAS) by the 2013 Appropriations Act.
- DMAS reported FY2014 expenditures for claims received equaled \$1.9M. Of this amount, 50% is federal matching funds (\$950,000).
- The \$950,000 represents current general fund savings to the Commonwealth, not savings to the Department of Corrections.



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## Department of Fire Programs

	<u>FY 2015</u>
Supplant general fund with explosive permit fees	(\$18,424)
Supplant general fund with life safety inspection fees	(\$50,000)
Supplant general fund with building inspection fees	<u>(\$50,000)</u>
	<u>(\$118,424)</u>



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## Department of Military Affairs

Account for balances anticipated from unused Tuition  
Assistance each year.

FY 2015

(\$371,349)

(\$371,349)



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## Department of Emergency Management

Recognize 2014 Pledged Balances

FY 2015

(\$282,982)

(\$282,982)



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## Department of Criminal Justice Services

	<u>FY 2015</u>
Recognize 2014 Pledged Balances	<u>(\$396,531)</u>
	<u>(\$396,531)</u>



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## Virginia Parole Board

	<u>FY 2015</u>
Reduce Discretionary Spending	<u>(\$41,548)</u>
	<u>(\$41,548)</u>



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# Commonwealth's Attorneys' Services Council

	<u>FY 2015</u>
Eliminate training program	<u>(\$41,448)</u>
	<u>(\$41,448)</u>



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## Department of Juvenile Justice

	<u>FY 2015</u>
Reduce Employee Recognition	(\$10,000)
Reduce Employee Tuition Reimbursement Benefits	(\$24,053)
Eliminate Agency Leadership Summit	(\$48,000)
Adjust Payment Schedule for Insurance Premiums	(\$2,041,368)
Revert Workforce Transition Act Funding from the repurposing of Culpeper Juvenile Correctional Center	<u>(\$3,100,000)</u>
	<u>(\$5,223,421)</u>