

Public Safety and Homeland Security

Governor's Proposed Amendments (\$ in millions)				
	FY 2015 Proposed		FY 2016 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2014-16 Current Budget (Ch. 3, 2014 Special Session I)	\$1,780.2	\$927.9	\$1,788.1	\$946.7
Proposed Increases	11.0	16.4	21.0	48.0
Proposed Decreases	<u>0.0</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.0)</u>
\$ Net Change	11.0	16.4	21.0	48.0
HB 1400/SB 800, as Introduced	\$1,791.2	\$944.3	\$1,809.1	\$994.7
% Change	0.6%	1.8%	1.2%	5.1%
Central Account Reversions	(\$27.5)	\$0.1	(\$42.2)	\$0.2
% Change	(1.5%)	0.0%	(2.4%)	0.0%
FTEs	17,809.82	2,308.18	17,826.82	2,334.18
# Change	0.00	14.00	7.00	18.00

- **Department of Alcoholic Beverage Control**

- **Total Operating Revenues.** Assumes total revenues for the agency will increase by 7.2 percent over two years, from \$800.5 million NGF in FY 2014 (actual) to \$857.9 million NGF in FY 2016. This reflects a number of factors, including population growth, opening new stores, Sunday sales, trading up to more expensive brands, and the impact of store modernization.

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Total Operating Revenues	\$800.5	\$837.0	\$857.9
ABC Profits (transfer to GF)	\$140.0	\$144.8	\$148.2
Proposed Initiatives	NA	\$2.3	\$27.7

- **Net Profits.** Adds (on the revenue page and in Part 3) an increased transfer to the general fund of \$2.5 million the first year and \$2.0 million the second year, from net profits. Overall, the transfer to the general fund is projected to increase by 5.6 percent over two years, from \$140.0 million in FY 2014 (actual) to \$148.2 million in FY 2016, assuming certain expenditures for new initiatives as detailed below.
 - The increased transfer to the general fund results from raising the case handling fee at the warehouse from \$1 to \$2 per case, increasing the markup on 50 ml “miniature” bottles from 49 to 69 percent, and “rounding up” the price of merchandise at the shelf. The total increase in revenues resulting from these three actions is expected to be \$5.4 million the first year and \$9.5 million the second year. Of this total, \$2.9 million the first year and \$7.5 million the second year is proposed to be spent to improve agency operations and profitability.
- **Information Technology and Marketing Initiatives.** Includes additional expenditures totaling \$30.0 million NGF over two years (\$2.3 million NGF the first year and \$27.7 million NGF the second year) to upgrade information technology systems and marketing. The total expected cost of these initiatives is \$38.4 million, so the remaining \$8.4 million would be budgeted in the next biennium, plus an additional \$21.8 million planned for the 2016-18 biennium for replacing the point-of-sale system and upgrading other systems.
 - **Marketing.** Adds \$0.5 million the first year, \$1.9 million the second year, and 10 positions each year to implement retail sales and marketing strategies for improving customer service and increasing sales.
 - **Website Capabilities.** Adds \$0.3 million the first year and \$0.8 million the second year to add e-commerce features to the agency’s website to improve customer service and increase sales.
 - **Integrated Financial System.** Adds \$1.1 million the first year and \$13.0 million the second year, and 2 positions each year, to replace the agency’s 15-year old financial management information system.
 - **Inventory Control System.** Adds \$4.9 million and 2 positions the second year to acquire a real-time inventory control system.
 - **Inventory Forecasting and Receiving Systems.** Adds \$2.8 million the second year to modernize inventory forecasting and receiving.
 - **Tax Collection System.** Adds \$2.0 million the second year for acquisition of an automated system to manage the collection of all tax receipts.

- **Licensing Management System.** Adds \$1.7 million the second year to acquire an automated system to manage the licensing function.
- **Broadband Technology.** Adds \$0.4 million the first year and \$0.2 million the second year for broadband conversion in the agency's retail stores.
- **Electrical Circuitry.** Adds \$0.5 million the second year to upgrade the electrical circuitry in the agency's facilities to support the proposed improvements in automated systems.
- ***Increased Cost of Goods Sold.*** Adds \$7.8 million NGF the first year and \$12.9 million NGF the second year for the purchase of additional merchandise in order to maintain sufficient inventory to meet customer demand.
- ***Operating Efficiencies.*** Includes language in Part 3 increasing the transfer of nongeneral funds to the general fund by \$0.4 million the first year and \$0.9 million the second year to reflect actions to reduce operating costs, including: converting 6 contractor positions to state employees; not filling 7 positions when the current employees retire; increasing the mileage at which agency vehicles are replaced (from 125,000 to 150,000 miles); increasing use of agency vehicles in lieu of private vehicles; increasing use of email licenses; and, eliminating the commissions on gross sales paid to the ten distillery-based stores in Virginia.
- **Commonwealth's Attorneys Services Council**
 - ***Central Account Reversions.*** Saves \$41,448 GF the first year and \$58,071 GF the second year by reducing selected legal training programs.
- **Department of Corrections**
 - ***Regional Jail Reimbursement.*** Adds budget language overriding Sections 53.1-81 and 53.1-82, *Code of Virginia*, to reduce the state share of the capital cost of regional jail construction, expansion or renovation from 50 to 25 percent of approved costs.
 - ***Inmate Medical Costs.*** Adds \$11.0 million GF the first year and \$20.4 million GF the second year, along with a reduction of \$0.2 million NGF each year, for the increased cost of providing medical care to inmates. The second year amount includes \$0.5 million and 6 positions to increase recruitment efforts for DOC medical staff and strengthen central administration of inmate medical services.
 - The proposed second year amendment for \$20.4 million GF was calculated based on the projected cost of DOC providing medical services using its own personnel in all facilities.

- Language is added directing the Department of Medical Assistance Services to permit the Director of DOC, or his designee, to sign the Medicaid application form for any inmate who refuses, or is unable to sign for purposes of Medicaid reimbursement for eligible inmates.
 - A reduction of \$0.2 million NGF each year is included to reflect reduced federal aid for housing illegal immigrants under the State Criminal Alien Assistance Program administered by the U.S. Department of Justice.
- ***Proposed Legislation.*** Adds \$150,000 GF the first year for projected increases in corrections bedspace associated with legislation proposed by the Governor, pursuant to Section 30-19.1:4 of the *Code of Virginia*. The proposed bills would:
- Create a universal background check on all firearms sales at gun shows (\$50,000);
 - Create a mechanism for voluntary background checks and require Virginia State Police to be present at every firearms show (\$50,000); and,
 - Revoke a concealed firearms permit if the holder is delinquent on child support payments (\$50,000).

Central Account Reversions

- ***Close Powhatan Correctional Center.*** Includes a net savings of \$1.3 million GF the first year and \$14.7 million GF the second year and eliminates 329 positions by closing Powhatan Correctional Center (809 beds). The budget assumes DOC will retain \$4.5 million of the total savings to cover direct inmate costs and other expenses to replace the 809 closed beds. The reception and classification center, medical center, meat plant, dairy and enterprise operations, and Deep Meadow Correctional Center at the Powhatan site remain open.
- DOC will replace the 809 beds closed at Powhatan by converting vacant enterprise space at Keen Mountain to add 200 beds, increasing capacity at Augusta by 200 beds to reflect the completion of the new wastewater treatment plant at Craigsville, and by adding 180 beds at Marion, 128 beds at Nottoway, and 109 beds at Buckingham, for a total of 817 beds.
- ***Close White Post Diversion Center.*** Saves \$0.2 million GF the first year and \$2.3 million GF the second year and eliminates 42 positions by closing the diversion center at White Post, near Winchester.

- ***Close Cold Springs Work Center.*** Saves \$0.5 million GF the first year and \$3.2 million GF the second year and eliminates 56 positions by closing the work center at Cold Springs, near Staunton.
- ***Delay Opening of Culpeper.*** Saves \$2.1 million GF the first year and \$11.2 million GF the second year and results in the elimination of 204 positions by delaying the opening of the former Culpeper Juvenile Correctional Center as a DOC adult facility for women. This facility was transferred to DOC from the Department of Juvenile Justice (DJJ) on July 1, 2014. The facility is currently mothballed.
- ***Eliminate Equipment Funding.*** Saves \$4.1 million GF the first year by deferring all expenditures for the purchase of equipment for adult correctional facilities for one year (not including motor vehicles).
- ***Delay Filling 29 Positions.*** Saves \$1.4 million GF the first year by delaying the filling of 20 new security positions and nine new probation officer positions which were approved by the General Assembly in the 2014 Special Session.
- ***Increase Turnover and Vacancy.*** Saves \$3.3 million GF the first year and \$0.7 million the second year by holding positions open for longer periods.
- ***Capture Other Administrative Savings.*** Saves \$1.0 million GF the first year and \$2.8 million the second year by consolidating administrative duties in the central and regional offices, resulting in the elimination of 22 positions, and by reducing discretionary expenditures for travel, training, conferences, and consultants.

General Fund Revenues and Transfers to the General Fund

- ***Sell Abandoned Properties.*** Captures an estimated \$20.0 million in revenue for the general fund from the anticipated sale of the properties formerly used for the Botetourt and Pulaski correctional centers and the White Post detention and diversion centers.
- ***Out-of-State Inmate Revenue.*** Transfers to the general fund \$6.9 million NGF from fees charged for housing out-of-state inmates. These funds had been set aside for the development of an electronic medical records system for inmates.
- ***Balance from Local Supplements.*** Transfers to the general fund \$95,000 NGF from funds paid by localities to supplement probation and parole officer salaries.

Capital Project Balances

- ***Reversion of Capital Project Balances.*** Transfers to the general fund \$169,792 the first year from two capital projects, including the Pocahontas wastewater treatment plant upgrade and the medical facilities evaluation study.

- **Department of Criminal Justice Services**

Central Account Reversions

- ***FY 2014 Pledged Balances.*** Recognizes \$0.4 million GF in June 30, 2014 pledged balances which were carried forward into FY 2015 for the purpose of offsetting the required agency reductions.
- ***Administrative Reductions.*** Reduces administrative expenses and overhead costs by \$0.3 million GF the second year.

- **Department of Emergency Management**

Central Account Reversions

- ***FY 2014 Pledged Balances.*** Recognizes \$0.3 million GF in June 30, 2014 pledged balances which were carried forward into FY 2015 for the purpose of offsetting the required agency reductions.
- ***Turnover and Vacancy.*** Saves \$100,000 GF the second year by delaying the filling of various positions in the agency.
- ***Transformation.*** Reduces support for transformation by \$250,000 GF the second year. Chapter 3 included \$820,901 GF the second year to support the agency's information technology transformation. Transformation is the process of state agencies becoming full participants in VITA/Northrup Grumman IT services.
- ***Other Savings and Efficiencies.*** Saves \$3,000 GF the first year and \$42,686 GF the second year by reducing costs for communications services (including individual mobile devices), reducing usage of training classes and vehicles, and cutting discretionary spending on conferences and related travel.
- ***Special Fund Balances.*** Transfers \$39,543 from surplus balances in special funds to the general fund.

- **Department of Fire Programs**

Central Account Reversions

- ***State Fire Marshal's Office.*** Reduces general fund support for the explosive permits program, life safety inspections, and building inspections by \$118,424 GF the first year and \$165,907 the second year. These programs are partially supported with fees, but there are no additional fee revenues projected beyond the amounts which would otherwise have been collected. The agency is expected to absorb these reductions through unspecified operating efficiencies.

- **Department of Forensic Science**

- ***Review of Archived Case Files.*** Adds \$38,598 GF the first year and \$188,350 GF the second year to review archived files from 1973 through 1995 to identify hair examination cases, in order to reconsider any cases that might involve wrongful incarceration. These funds will be used to hire wage personnel, acquire necessary equipment, and expand data storage capacity for reviewing and storing files and cataloging evidence.
- ***Retesting of Post-Conviction DNA Cases.*** Provides \$150,000 GF the second year to support the advanced re-testing of post-conviction DNA cases with “inconclusive” results.

Central Account Reversions

- ***FY 2014 Pledged Balances.*** Recognizes \$13,965 GF in June 30, 2014 pledged balances which were carried forward into FY 2015 for the purpose of offsetting the required agency reductions.
- ***Personnel Reductions.*** Includes a series of amendments totaling \$1.0 million GF the first year and \$1.6 million GF the second year, involving the elimination of positions or the delayed filling of positions in the following areas:
 - **Photography.** Saves \$2,891 GF the first year and \$113,791 GF the second year, and eliminates 2 positions, by reducing external photography services for local law enforcement agencies.
 - **Toxicology.** Saves \$61,000 GF the first year by delaying the filling of one scientist position, and saves an additional \$20,370 GF the first year and \$22,633 GF the second year by eliminating a wage administrative support position, in the Toxicology section.
 - **Forensic Biology.** Saves \$256,000 GF the first year and \$114,667 GF the second year by not filling three vacant scientist positions the first year and retaining only enough funds to fill one vacancy the second year.
 - **Trace Evidence.** Saves \$167,917 GF the first year and \$331,128 GF the second year by eliminating 3 positions.
 - **Controlled Substances.** Saves 61,000 GF the first year by delaying the filling of a vacant scientist position until the second year, and saves an additional \$28,000 GF the first year and \$131,000 GF the second year from anticipated personnel attrition.

- **Digital and Multimedia Evidence Services.** Saves \$68,291 GF the first year and \$196,052 GF the second year by eliminating 2 positions.
- **Latent Prints.** Saves \$26,000 GF the first year and \$100,100 GF the second year from anticipated personnel attrition.
- **Other Personnel Reductions.** Saves \$0.5 million GF the first year and \$0.4 million GF the second year by holding additional positions vacant the first year, and by eliminating one support position in each of the four regional laboratories, an information technology support position, and a wage position that served as the agency special projects coordinator.
- ***Analysis of Marijuana.*** Saves \$25,000 GF the first year and \$32,600 GF the second year by discontinuing the analysis of marijuana plant materials in simple possession cases, unless mandated by court order.
- ***Other Reductions.*** Saves \$0.1 million GF the first year and \$0.2 million GF the second year by reducing the frequency of replacing scientific equipment, reducing other equipment purchases, reducing support for training and conferences, and reverting balances accumulated from the sale of surplus property.

- **Department of Juvenile Justice**

Central Account Reversions

- ***Revert Excess WTA Funding.*** Captures \$3.1 million GF the first year in excess funding for Workforce Transition Act assistance to employees affected by the July 1, 2014 transfer of Culpeper Juvenile Correctional Center to DOC.
- ***Defer Insurance Premium Payment.*** Captures a one-time savings of \$2.0 million GF the first year by delaying the payment of the FY 2016 workers compensation insurance premium until July 2015.
- ***Downsizing of Central Office.*** Saves \$2.4 million GF the second year and eliminates 37 positions by reorganizing the central office.
- ***Work Education Release Program.*** Saves \$0.3 million GF the second year by reducing funding and eliminating 5 positions for this program.
- ***Other Reductions.*** Saves \$0.1 million GF the first year and \$1.0 million GF the second year by reducing travel, rent, training and conference costs, utilizing agency medical staff to perform physical exams for agency employees, eliminating employee tuition payments, reducing employee recognition gifts and bonuses, and reducing the scope of drug testing.

- **Department of Military Affairs**

Central Account Reversions

- ***Facility Maintenance and Repair.*** Saves \$346,694 GF the second year by reducing funds for maintenance and repair projects at National Guard facilities statewide.
- ***Tuition Assistance Fund Balance.*** Transfers to the general fund \$371,349, which represents a portion of the FY 2014 balance from the National Guard Tuition Assistance program.
- ***Other Balances.*** Transfers \$38,916 from other nongeneral fund balances.

Capital Outlay Amendments

- ***Land Exchange.*** Adds \$25,000 NGF and language to authorize an exchange of land between the department and the Town of Christiansburg. The Christiansburg Readiness Center site includes adequate land for a new parking area, but some of the land is currently being used as a playground and recreational area for the town. The Town of Christiansburg has expressed its willingness to give up a parcel of town property adjacent to the Readiness Center in exchange for the playground and recreational area.
- ***Vehicle Maintenance Shop.*** Adds \$8.5 million NGF from federal funds for construction of a new National Guard vehicle maintenance shop in Bowling Green on federal land. No state matching funds are required.

- **Department of State Police**

- ***Internet Crimes Against Children (ICAC).*** Provides \$600,000 NGF the second year by removing the cap on the amount of designated court fees deposited into the ICAC Fund. The projected funding is also increased based on the increase in court costs from \$10 to \$15 approved by the 2014 General Assembly.
- ***Background Checks.*** Adds \$100,000 GF the second year and 1 position to support the background checks for the purchase or transfer of firearms at firearms shows, based on legislation to be proposed.

Central Account Reversions

- ***State Trooper Vacancies.*** Saves \$2.7 million GF the first year and \$0.7 million GF the second year by reducing the number of trooper vacancies from 68 to 41 the first year and by further reducing the number of vacancies to 11 positions vacant the second year.

- *Nongeneral Fund Balances.* Transfers \$5.2 million in FY 2014 nongeneral fund cash balances to the general fund the first year.
- *Unspecified Reductions.* Saves \$4.5 million GF the first year in unspecified reductions.
- *Auction of Airplane.* Transfers \$50,000 to the general fund from the auction of an airplane based at the Chesterfield Airport.

- **Virginia Parole Board**

- *Discretionary Spending.* Saves \$41,548 GF the first year and \$58,185 GF the second year by reducing travel, equipment purchases, and other discretionary spending.