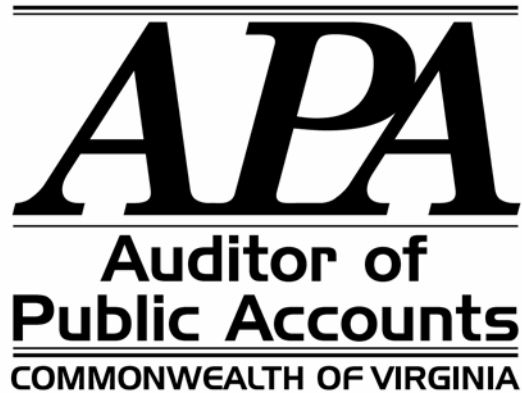


SECRETARY OF PUBLIC SAFETY

RICHMOND, VIRGINIA

**BUDGET ANALYSIS
FOR THE YEAR ENDED
JUNE 30, 2003**



REPORT SUMMARY

This report summarizes fiscal year 2003 budget changes for the eleven agencies under the Secretary of Public Safety. The report includes original budget information for each agency as well as changes to the budget during the year and actual results.

The combined budget for agencies in this area totals approximately \$1.96 billion. General fund appropriations are the primary fund source in the public safety area, totaling a little over \$1.3 billion, or 68 percent of the funding. In addition to this report, we have or will be issuing reports on the some of the individual agencies listed below. These separate reports contain additional information on the departments' expenses and other use of funds or other matters.

The report contains more detailed information on each of the following agencies in the public safety area:

Secretary of Public Safety

- Commonwealth's Attorney's Services Council
- Department of Alcoholic Beverage Control
- Department of Correctional Education
- Department of Corrections
- Department of Criminal Justice Services
- Department of Emergency Management
- Department of Fire Programs
- Department of Juvenile Justice
- Department of Military Affairs
- Department of State Police
- Virginia Parole Board

- TABLE OF CONTENTS -

Transmittal Letter	1-2
Overview – Public Safety	3
▪ Secretary of Public Safety	4
▪ Commonwealth’s Attorney’s Services Council	5
▪ Department of Alcoholic Beverage Control	6
▪ Department of Correctional Education	7
▪ Department of Corrections	8-13
▪ Central Activities	8-9
▪ Community Corrections	10
▪ Division of Institutions	11-13
▪ Virginia Correctional Enterprises	13
▪ Department of Criminal Justice Services	14-15
▪ Department of Emergency Management	16
▪ Department of Fire Programs	17
▪ Department of Juvenile Justice	18-19
▪ Department of Military Affairs	20
▪ Department of State Police	21-22
▪ Virginia Parole Board	23



Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218**

February 20, 2004

The Honorable Mark R. Warner
Governor of Virginia
State Capitol
Richmond, Virginia

The Honorable Lacey E. Putney
Vice Chairman, Joint Legislative Audit
and Review Commission
General Assembly Building
Richmond, Virginia

Gentlemen:

We have completed a review of the original and final operating budgets for agencies under the **Secretary of Public Safety** for fiscal year ended June 30, 2003.

Objectives and Scope

Our objective was to review the original and final budget transactions for agencies under the Secretary of Public Safety. We reviewed and analyzed the changes made to the budget throughout the year, and compared the final budget amounts to actual results. We discussed significant changes in the budget with agency personnel and have provided explanations for the significant changes. Information reported was obtained from Chapter 899, Acts of the Assembly, the Commonwealth Accounting and Reporting System, and the Form 27 Automated Transaction System maintained by the Department of Planning and Budget. This information was not subjected to detailed audit procedures and therefore, we do not render an opinion on the information or internal controls over financial reporting.

The information in this report is presented for analysis and review purposes. Information on the original budget, final budget, and actual results is presented separately for each agency under the Secretary of Public Safety. This information is presented in two tables that show the following:

Analysis of Budget and Actual Revenues by Funding Source – This table shows resources included in the original budget, final budget, and actual revenue for the fiscal year ended June 30, 2003. The funding sources for the original budget were obtained from Chapter 899, Acts of the Assembly. The funding sources for the final budget as well as actual results were obtained from the Commonwealth Accounting and Reporting System.

Analysis of Budget and Actual Expense by Program – This table shows original budgeted expenses by program, final budgeted expenses by program, and actual expenses by program for the fiscal year ended June 30, 2003. The original budgeted expenses were obtained from Chapter 899, Acts of the

Assembly. Final budgeted expenses by program as well as actual expenses were obtained from the Commonwealth Accounting and Reporting System.

Exit Conference

We discussed this report with Secretary of Public Safety staff at an exit conference on April 1, 2004.

AUDITOR OF PUBLIC ACCOUNTS

LCR:whb
whb:47

OVERVIEW – PUBLIC SAFETY

Public safety agencies in Virginia provide police protection to the public by investigating crimes, patrolling highways, and funding local police departments. Agencies in this secretariat also imprison adult felons and supervise offenders on probation and parole. It is their duty to also treat, educate, and supervise troubled youth. Other functions include supervising the National Guard, regulating and selling alcoholic beverages, training Commonwealth's attorneys, and responding to natural and man-made disasters. These functions are performed by eleven agencies under the direction of the Secretary of Public Safety.

The original fiscal year 2003 operating budget for agencies in the public safety secretariat totaled \$1.96 billion. In addition to statewide budget reductions, the agencies requested and the Department of Planning and Budget approved various adjustments to the original budget, resulting in a final operating budget of \$1.95 billion. Although most public safety agencies experienced budget reductions, there were offsetting budget increases as several agencies identified new revenue sources. The following table summarizes the original and final operating budgets for all public safety agencies.

	<u>Original Budget</u>	<u>Final Budget</u>
Secretary of Public Safety	\$ 674,264	\$ 649,082
Commonwealth Attorney Training and Services Council	500,000	503,627
Dept. of Alcoholic Beverage Control	326,498,812	329,719,940
Department of Correctional Education	49,726,975	45,962,161
Department of Corrections	831,498,924	805,037,783
Department of Criminal Justice Services	283,050,946	271,085,401
Department of Emergency Management	15,061,268	35,516,206
Department of Fire Programs	13,425,969	17,861,234
Department of Juvenile Justice	200,575,286	191,656,578
Department of Military Affairs	23,368,449	27,694,599
Department of State Police	224,293,841	231,989,285
Virginia Parole Board	<u>705,624</u>	<u>709,971</u>
Total - Public Safety Agencies	<u>\$ 1,969,380,358</u>	<u>\$ 1,958,385,867</u>

Source: 2002 Virginia Acts of Assembly, Chapter 899 (Appropriations Act) and the Commonwealth Accounting and Report System

This report contains more detailed information on the following pages on each of the agencies listed in the table above. For each agency, there will be two schedules: Analysis of Budget and Actual Revenues by Funding Source, and Analysis of Budget and Actual Expense by Program. In addition, there will be a narrative explanation for any significant budget changes.

Secretary of Public Safety

The Secretary of Public Safety assists the Governor in the management and direction of state government. The Secretary provides guidance to the eleven agencies in the public safety secretariat. The following schedules provide information on the Secretary's operating budget and expenses for fiscal year 2003.

ANALYSIS OF BUDGETED AND ACTUAL REVENUE BY FUNDING SOURCE

Funding Source	Original Budget	Final Budget	Actual
General Fund Appropriations	\$ 674,264	\$ 649,082	\$ 649,082
Total Resources	\$ 674,264	\$ 649,082	\$ 649,082

ANALYSIS OF BUDGETED AND ACTUAL EXPENSES BY PROGRAM

Program Expenses				Funding Sources
Program	Original Budget	Final Budget	Actual	General Fund
Administrative and Support Services	\$ 725,914	\$ 649,082	\$ 646,510	\$ 646,510
Executive Management Savings	(51,650)	-	-	-
Total Uses	\$ 674,264	\$ 649,082	\$646,510	\$ 646,510

Note 1: Budget reductions were reported in Chapter 899 as Executive Management Savings. These reductions were allocated to the Administrative and Support Services program in the final budget.

The Secretary's original budget included a budget reduction of \$51,650, approximately a 7 percent reduction. The Secretary's budget underwent a further reduction of approximately \$77,000, of which \$23,000 was for retirement contribution rate reductions and the remainder was additional budget cuts announced by the Governor in October 2002. The Secretary's office subsequently received a \$50,000 supplemental appropriation in May 2003 for unanticipated expenses. Overall, the net decrease to the Secretary's original budget was approximately \$25,000.

Commonwealth's Attorneys' Services Council

The Commonwealth's Attorneys' Services Council trains Commonwealth's attorneys and their assistants and provides them with research and information. The agency also provides continuing legal education required for attorney licensing and other specialized training. The following schedules provide information on the Council's operating budget and expenses for fiscal year 2003.

ANALYSIS OF BUDGETED AND ACTUAL REVENUE BY FUNDING SOURCE

Funding Source	Original Budget	Final Budget	Actual
General Fund Appropriations	\$ 500,000	\$ 443,067	\$ 443,067
Special Revenue Funds	-	38,450	53,750
Federal Funds	-	22,110	3,004
Total Resources	\$ 500,000	\$ 503,627	\$ 499,821

During the year, the Council implemented training registration fees (special revenue) as a way to offset their budget reductions. They estimated they would collect approximately \$38,000 in fees; however, actual collections exceeded the estimate by over \$15,000. In addition, the Council received an appropriation transfer from the Department of Criminal Justice Services for \$22,110. This appropriation was to cover federal funds received related to a trial advocacy program. The Council only received \$3,004 in federal funds because the grant is on a reimbursement basis, and the Council did not request and receive all the reimbursements before the end of this fiscal year.

ANALYSIS OF BUDGETED AND ACTUAL EXPENSES BY PROGRAM

Program Expenses				Funding Source			
Program	Original Budget	Final Budget	Actual		General Fund	Special Revenue Fund	Federal Fund
Adjunction Training, Education, and Standards	\$ 619,034	\$ 503,627	\$ 454,775		\$ 432,314	\$ 20,838	\$ 1,623
Executive Management Savings	(119,034)	-	-		-	-	-
Total Uses	\$ 500,000	\$ 503,627	\$ 454,775		\$ 432,314	\$ 20,838	\$ 1,623

Note 1: Budget reductions were reported in Chapter 899 as Executive Management Savings. These reductions were allocated to the Adjunction, Training, Education and Standards program in the final budget.

The Council's original budget included budget reductions of \$119,034. The final budget included additional general fund reductions for the Council of close to \$55,000, which the Council offset by having new revenue sources already discussed above. The overall net effect on the Council's budget was a \$3,600 increase.

Department of Alcoholic Beverage Control

The Department of Alcoholic Beverage Control (ABC) administers the alcoholic beverage laws with an emphasis on public service and a focus on public safety by ensuring a safe, orderly, and regulated system for convenient distribution and responsible consumption of alcoholic beverages while generating a reasonable profit for the Commonwealth and its localities. ABC also enforces the state's alcoholic beverage and tobacco laws. The following schedules provide information on ABC's operating budget and expenses for fiscal year 2003.

The information presented below represents the appropriations for the Department, and does not include funds collected by ABC and deposited directly to the General Fund of the Commonwealth or transferred to other funds. For example, ABC collects several taxes, which it deposits directly into the General Fund of the Commonwealth and are not an appropriation of ABC. These deposits are not included in the tables below.

ANALYSIS OF BUDGETED AND ACTUAL REVENUE BY FUNDING SOURCE

Funding Source	Original Budget	Final Budget	Actual
Enterprise Funds	\$ 326,498,812	\$ 328,171,547	\$ 333,333,289
Federal Funds	-	1,548,393	1,036,689
Total Resources	\$ 326,498,812	\$ 329,719,940	\$ 334,369,978

Overall, ABC's budget increased by over \$3 million during the year. This increase arose primarily for two reasons – the enterprise fund budget was increased by \$1.7 million to reflect increased sales, and the federal fund budget was increased for several grants that were in progress as of June 30, 2002 as well as a new grant related to preventing the sale of alcohol to minors.

ANALYSIS OF BUDGETED AND ACTUAL EXPENSES BY PROGRAM

Program	Program Expenses			Funding Source	
	Original Budget	Final Budget	Actual	Enterprise Fund	Federal Fund
Crime and Detection, Investigation, and Apprehension	\$ 13,309,425	\$ 13,975,187	\$ 13,553,117	\$ 13,170,308	\$ 382,809
Alcoholic Beverage Merchandising	306,180,104	308,735,470	308,106,629	307,312,478	794,151
State Lottery Operations	7,009,283	7,009,283	3,581,782	3,581,782	-
Total Uses	\$326,498,812	\$329,719,940	\$325,241,528	\$ 324,064,568	\$ 1,176,960

Lottery operation expenses were over \$3 million less than budgeted because ABC treats lottery prize payouts as revenue reductions instead of expenses. Also, ABC did not reduce the budget for lottery operations even though the department has taken lottery operations out of some of its retail stores. Overall, the net change in ABC's budget was slightly more than \$3.2 million.

Department of Correctional Education

The Department (DCE) provides educational services to adults in Department of Corrections' facilities and to juveniles committed to the Department of Juvenile Justice. The following schedules provide information on the DCE operating budget and expenses for fiscal year 2003.

ANALYSIS OF BUDGETED AND ACTUAL REVENUE BY FUNDING SOURCE

Funding Source	Original Budget	Final Budget	Actual
General Fund Appropriations	\$ 46,818,687	\$ 44,133,386	\$ 44,133,386
Special Revenue Funds	1,219,770	140,257	50,443
Federal Funds	1,688,518	1,688,518	1,382,227
Total Resources	\$ 49,726,975	\$ 45,962,161	\$ 45,566,056

During the year, DCE's budget underwent a reduction of almost \$4 million. Over half of this reduction was a decrease in general fund appropriations for reduced retirement contributions and other additional budget reductions. In addition, DCE's special revenue fund budget decreased because of anticipated reductions in out-of-state inmates, which would reduce revenue collections for training these inmates. The number of out-of- state inmates has been declining as Corrections' contracts expire and inmates return to their states.

ANALYSIS OF BUDGETED AND ACTUAL EXPENSES BY PROGRAM

Program	Program Expenses			Funding Source		
	Original Budget	Final Budget	Actual	General Fund	Special Revenue Fund	Federal Fund
Administrative and Support Services	\$ 3,234,330	\$ 2,891,805	\$ 2,891,804	\$ 2,891,804	\$ -	\$ -
Instruction	48,613,622	43,070,356	42,681,261	41,050,829	324	1,630,108
Executive Management Savings	(2,120,977)	-	-	-	-	-
Total Uses	\$49,726,975	\$ 45,962,161	\$45,573,065	\$ 43,942,633	\$ 324	\$1,630,108

Note 1: Budget reductions were reported in Chapter 899 as Executive Management Savings. These reductions were allocated to the Department's other programs in the final budget.

DCE's original budget included budget reductions of over \$2 million. As already discussed above, DCE had additional general fund reductions of over \$2 million as well as reductions in out-of-state inmate collections. As a result, DCE had to reduce expenses in many areas to absorb the budget reductions. The Department took various actions in implementing these reductions including eliminating positions, furloughing employees, eliminating discretionary expenses, and limiting the purchase of teaching materials.

Department of Corrections

The Department of Corrections (Corrections) operates the state's correctional facilities for adult offenders and directs the work of all probation and parole officers. The Department's operations have four administrative areas for budgeting purposes - Central Activities, Community Corrections, Division of Institutions, and Virginia Correctional Enterprises. These are referred to on the following pages as the control agencies.

While the General Assembly sets the budget for the four control agencies, Corrections' internal operating plan is at a much more detailed level. As a result, Corrections records numerous budget adjustments to allocate the original budget set by the General Assembly to correspond with Corrections' internal operating budget. Planning and Budget must approve budget adjustments that transfer amounts between programs or controls agencies.

Overall, Corrections' budget decreased by \$26.4 million during the year. The following schedule summarizes the changes in the budget for the four control agencies. On the following pages, we have included more detailed schedules for each of the four areas that provide information on the operating budget and expenses for fiscal year 2003.

	Original Budget	Final Budget
Central Activities	\$ 37,776,940	\$ 50,295,258
Community Corrections	88,616,309	83,686,449
Division of Institutions	668,430,638	634,881,039
Correctional Enterprises	36,675,037	36,175,037
Total Department of Corrections	\$ 831,498,924	\$ 805,037,783

Central Activities

These agencies perform the administrative, employee relations, and training functions for the Corrections central office in Richmond. Corrections receives a lump sum budget for central activities which they allocate among two areas – central administration, and employee relations and training academy. The following schedules provide information on the Department of Corrections Central Activities operating budget and expenses for fiscal year 2003.

ANALYSIS OF BUDGETED AND ACTUAL REVENUE BY FUNDING SOURCE

Funding Source	Original Budget	Final Budget	Actual
General Fund Appropriations	\$ 36,677,320	\$ 45,327,982	\$ 45,327,982
Special Revenue Funds	1,099,620	4,436,848	3,636,627
Dedicated Special Revenue Funds	-	67,354	62,354
Federal Funds	-	463,074	468,254
Total Resources	\$ 37,776,940	\$ 50,295,258	\$ 49,495,217

Corrections Central Activities budget increased during the year primarily because management moved general fund appropriations from Community Corrections and Institutions into the Central Activities budget. The majority of this transfer paid for information technology initiatives, such as a network upgrade.

In addition, a portion of the special revenue funds collected for out-of-state inmates was also moved from the Institutions budget, with the approval of Planning and Budget, to the Central Activities budget to pay for network and technology initiatives. Collections for out-of-state inmates were not as much as anticipated.

ANALYSIS OF BUDGETED AND ACTUAL EXPENSES BY PROGRAM

Program Expenses					Funding Source			
Program	Original Budget	Final Budget	Actual		General Fund	Special Revenue Fund	Dedicated Special Revenue Fund	Federal Fund
Administrative and Support Services	\$32,585,337	\$44,931,258	\$44,469,434		\$ 39,963,537	\$4,337,762	\$ 53,843	\$ 114,292
Criminal Justice Training, Education, and Standards	3,616,390	4,135,068	4,135,067		4,135,067	-	-	-
Confinement and Custody Research Planning and Coordination	1,092,384	652,977	652,963		652,963	-	-	-
Vending Facilities, Snack Bars, and Cafeterias	482,829	575,955	575,954		575,954	-	-	-
Total Uses	\$37,776,940	\$50,295,258	\$49,833,418		\$ 45,327,521	\$4,337,762	\$ 53,843	\$ 114,292

Community Corrections

Community Corrections consists of programs to support community based custody facilities, correctional facilities and provide probation and parole services. The following schedules provide information on the operating budget and expenses for fiscal year 2003.

ANALYSIS OF BUDGETED AND ACTUAL REVENUE BY FUNDING SOURCE

Funding Source	Original Budget	Final Budget	Actual
General Fund Appropriations	\$ 85,994,428	\$ 78,703,950	\$ 78,703,950
Special Revenue Funds	1,615,000	1,615,000	1,398,114
Dedicated Special Revenue Funds	1,006,881	1,006,881	833,840
Federal Funds	-	2,360,618	2,210,738
Total Resources	\$ 88,616,309	\$ 83,686,449	\$83,146,642

Overall, the Community Corrections' budget decreased almost \$5 million due to a combination of various items. One item was a transfer of General fund appropriations of \$3.6 million to Central Activities was made to fund technology initiatives and other unfunded requirements. In addition, another \$3.2 million was their share of Corrections' budget reductions. The federal fund budget increase reflects the use of prior year carry forward balances in several grants Corrections receives from Criminal Justice.

ANALYSIS OF BUDGETED AND ACTUAL EXPENSES BY PROGRAM

Program	Program Expenses				Funding Source			
	Original Budget	Final Budget	Actual		General Fund	Special Revenue Fund	Dedicated Special Revenue	Federal Fund
Administrative and Support Services (Program 319)	\$ 2,419,827	\$ 2,219,218	\$ 2,219,130		\$ 2,219,130	\$ -	\$ -	\$ -
Administrative and Support Services (Program 379)	6,761,517	4,927,559	4,927,555		4,927,555	-	-	-
Community Based Custody	7,468,816	4,794,907	4,794,906		4,794,906	-	-	-
Probation and Reentry Services	56,873,405	58,734,828	57,865,011		55,228,258	101,033	824,307	1,711,413
Secure Confinement	14,768,015	12,808,423	12,808,402		11,308,402	1,500,000	-	-
Financial Assistance for Confinement in Local Facilities	28,426	28,426	23,613		23,613	-	-	-
Confinement and Custody Research Planning and Coordination	296,303	173,088	173,088		173,088	-	-	-
Total Uses	\$ 88,616,309	\$ 83,686,449	\$ 82,811,705		\$ 78,674,952	\$1,601,033	\$ 824,307	\$1,711,413

Division of Institutions

The Division of Institutions (Institutions) consists of 29 major correctional centers, 13 correctional field units, and four work centers. The budget includes a lump sum appropriation to Institutions which management subsequently allocates to each correctional center and field unit. The following schedules provide information on Institutions' operating budget and expenses for fiscal year 2003. There is a detailed schedule on the following page, which shows the original and final budget by correctional center and field unit.

ANALYSIS OF BUDGETED AND ACTUAL REVENUE BY FUNDING SOURCE

Funding Source	Original Budget	Final Budget	Actual
General Fund Appropriations	\$ 621,981,000	\$ 597,282,111	\$ 597,282,111
Special Revenue Funds	46,449,638	36,662,678	32,706,124
Federal Funds	-	936,250	903,613
Total Resources	\$ 668,430,638	\$ 634,881,039	\$ 630,891,848

Institutions' overall budget decreased by over \$33 million during the year. Most of the decrease occurred in general funds (\$24 million), but the special revenue budget also decreased by close to \$10 million. The general fund reduction reflects various items – budget reductions, transfers to Central Activities, central appropriations adjustments, and establishment of a contingency reserve for Corrections.

The general fund decrease reflects budget reductions of \$30 million and transfers of \$3 million to Central Activities to fund technology initiatives and increased training needs. Central appropriations adjustments resulted in another \$1.4 million decrease in general fund appropriations. The central appropriation adjustments result from VRS rate reductions, group life premium suspensions, health insurance premium increases and additional appropriations for bonus payments and leave. These overall decreases were offset by general fund transfers from other control agencies into the Institutions budget to establish a contingency reserve. Management established the reserve of approximately \$10 million to meet unfunded obligations and unanticipated requirements during the year.

The special revenue fund budget decreased during the year to reflect decreased collections from out-of-state inmates. As contracts expire, out-of-state inmates are returning home, and collections are decreasing. As this occurs, budget actions have begun replacing some of these funds with general fund appropriations. Most of the reductions in the special revenue fund budget during the year were as a result of this change.

ANALYSIS OF BUDGETED AND ACTUAL EXPENSES BY PROGRAM

Program Expenses				Funding Source		
Program	Original Budget	Final Budget	Actual	General Fund	Special Revenue Fund	Federal Fund
Administrative and Support Services (Program 319)	\$46,338,433	\$42,755,681	\$ 42,755,675	\$ 40,823,699	\$1,931,976	\$ -
Administrative and Support Services (Program 379)	217,78 9,325	207,676,211	207,399,898	194,364,786	12,243,092	792,020

Secure Confinement	403,981,362	369,820,397	364,864,275		344,299,324	20,564,951	-
Classification Services	7,215,246	6,526,749	6,526,517		6,526,517	-	-
Agribusiness	6,054,015	8,102,001	8,096,995		8,096,995	-	-
Executive Management Savings	(12,947,743)	-	-		-	-	-
Total Uses	\$668,430,638	\$634,881,039	\$629,643,360		\$594,111,321	\$34,740,019	\$792,020

Note 1: Budget reductions were reported in Chapter 899 as Executive Management Savings. These reductions were allocated to the Department's other programs in the final budget.

The budget changes above significantly affected the Secure Confinement program. Budget reductions absorbed by Institutions resulted in many actions including the closing of facilities, staff reductions, and suspension of equipment purchases. Only the Agribusiness budget increased during the year when management moved funds from the Administration and Support program to pay for equipment.

The following schedule shows the allocation of the Institutions' budget to the various correctional centers and field units. The original budget is the estimated budget for each facility set out in the Appropriations Act. Management does not allocate the entire appropriation to the institutions, but retains a portion in the category "Division of Institutions". This amount represents centrally budgeted medical and facility wastewater treatment costs, as well as some administrative costs. Significant changes between the original and final budgets for Staunton Correctional Center reflect the closing of this facility in 2003. In addition, changes in the budgets for field units reflect some closings and realignment to other regions.

	Original Budget	Final Budget	Actual Expenses
Division of Institutions	\$ 80,456,573	\$ 79,944,330	\$ 74,745,817
Powhatan Reception & Classification Center	6,836,097	6,483,663	6,483,663
Southampton Reception & Classification Center	4,123,781	4,277,059	4,277,057
Augusta	22,076,562	21,746,913	21,746,913
Bland	15,295,770	14,881,154	14,881,154
Brunswick	20,979,758	20,577,447	20,577,312
Buckingham	19,086,524	19,090,643	19,090,643
Coffeewood	16,066,385	15,484,378	15,483,437
Deep Meadow	17,423,198	17,446,990	17,446,990
Deerfield	9,813,364	10,101,185	10,101,174
Dillwyn	15,475,468	14,453,374	14,453,374
Fluvanna	26,988,261	24,426,342	24,426,342
Greensville	58,311,715	58,709,202	58,709,202
Haynesville	17,897,082	17,146,764	17,146,764
Indian Creek	15,822,884	14,711,372	14,711,364
James River	13,878,080	14,175,150	14,170,477
Keen Mountain	15,661,254	15,413,835	15,413,835
Lunenburg	16,968,381	16,554,299	16,554,299
Marion	12,418,945	11,359,263	11,359,263
Mecklenburg	17,120,042	16,321,984	16,321,984

Nottoway	24,715,187	22,496,939	22,496,939
Powhatan	23,739,113	24,838,041	24,837,947
Red Onion	20,675,437	20,034,599	20,034,596
Southampton	13,852,514	15,142,356	15,142,350
St. Brides	12,439,861	9,329,541	9,329,541
Staunton	16,042,053	6,705,656	6,705,591
Sussex I	26,303,341	25,946,142	25,913,446
Sussex II	24,259,133	21,013,229	21,013,223
Virginia Correctional Center for Women	11,672,261	11,558,411	11,558,411
Wallens Ridge	23,039,259	19,622,125	19,622,104
Central Region Field Units	17,244,137	9,169,847	9,169,387
Northern Region Field Units	11,886,376	-	-
Eastern Region Field Units	-	11,041,913	11,041,879
Western Region Field Units	19,861,842	24,676,893	24,676,882
Total - Institutions	\$ 668,430,638	\$ 634,881,039	\$ 629,643,360

Virginia Correctional Enterprises

Virginia Correctional Enterprises (VCE) employs non-violent prison inmates to provide various services to taxpayer-supported and not-for-profit organizations. Services include printing, laundry, microfilm, license plates, inmate clothing, and the assembly of chairs, office systems, desks, and other accessories. VCE pays its expenses from revenues collected, and does not receive any general fund appropriations. The following schedules provide information on the Virginia Correctional Enterprises operating budget and expenses for fiscal year 2003.

ANALYSIS OF BUDGETED AND ACTUAL REVENUE BY FUNDING SOURCE

Funding Source	Original Budget	Final Budget	Actual
Special Revenue Funds	\$36,675,037	\$36,175,037	\$37,059,419
Total Resources	\$36,675,037	\$36,175,037	\$37,059,419

ANALYSIS OF BUDGETED AND ACTUAL EXPENSES BY PROGRAM

Program	Program Expenses			Funding Source
	Original Budget	Final Budget	Actual	Special Revenue Fund
Rehabilitative Industries	\$36,675,037	\$36,175,037	\$35,499,981	\$35,499,981
Total Uses	\$36,675,037	\$36,175,037	\$35,499,981	\$35,499,981

Virginia Correctional Enterprises' budget decreased \$500,000 during fiscal year 2003 due to budget reductions resulting in the elimination of correctional officers posts in VCE shops.

Department of Criminal Justice Services

The Department of Criminal Justice Services (DCJS) provides operational and support services to local governments to promote and enhance public safety. DCJS also provides educational programs, technical assistance, and forensic laboratory services. The following schedule provides information on the DCJS operating budget and expenses for the fiscal year 2003.

ANALYSIS OF BUDGETED AND ACTUAL REVENUE BY FUNDING SOURCE

Funding Source	Original Budget	Final Budget	Actual
General Fund Appropriations	\$233,619,417	\$226,011,137	\$ 226,011,137
Special Revenue Funds	5,381,332	5,643,587	5,469,422
Enterprise Funds	805,998	805,998	810,455
Dedicated Special Revenue Funds	8,716,794	11,371,206	8,771,583
Federal Funds	34,527,405	27,253,473	29,437,022
Total Resources	\$283,050,946	\$271,085,401	\$270,499,618

DCJS's overall budget decreased by almost \$12 million during the year. Over half of this reduction occurred in general fund appropriations, and most related to reductions in aid to local police departments, also called 599 funds. DCJS receives many federal grants, which it subsequently passes through to other agencies resulting in a decrease in the federal budget.

The dedicated special revenue fund budget increased during the year to reflect the collection by the courts for specific programs, such as victim witness services or drug enforcement programs. The budget increase also includes the reappropriation of prior year balances and reflects increased expenses when management used these funds to offset some of the reductions in general fund appropriations.

ANALYSIS OF BUDGETED AND ACTUAL EXPENSES BY PROGR

Program Expenses				Funding Source			
Program	Original Budget	Final Budget	Actual	General Fund	Dedicated/ Special Revenue Fund	Enterprise Fund	Federal Fund
Administrative and Support Services	\$ 3,410,118	\$ 2,484,729	\$2,162,993	\$ 1,499,564	\$663,429	\$ -	\$ -
Criminal Justice Information Systems and Statistics	266,227	204,838	204,837	204,837	-	-	-
Criminal Justice Training, Education, and Standards	1,817,208	1,860,255	1,797,396	1,781,981	15,415	-	-
Crime Detection, Investigation, and Apprehension	31,013,889	28,146,889	24,084,964	23,088,538	262,899	733,527	-
Criminal Justice Research, Planning, and Coordination	704,419	390,323	390,322	390,322	-	-	-
Asset Forfeiture and Seizure	2,202,709	3,251,935	3,051,913	-	3,051,913	-	-

Management and Financial Assistance Program							
Financial Assistance for Administration of Justice Services	71,681,790	64,503,341	55,160,325		25,707,176	6,521,849	22,931,300
Regulation of Professions and Occupations	1,329,710	1,468,215	1,349,538		-	1,349,538	-
Financial Assistance to Localities-General	174,274,876	168,774,876	168,774,876		168,774,876	-	-
Executive Management Savings	(3,650,000)	-	-		-	-	-
Total Uses	\$283,050,946	\$ 271,085,401	\$256,977,164		\$221,447,294	\$11,865,043	\$733,527

Note 1: Budget reductions were reported in Chapter 899 as Executive Management Savings. These reductions were allocated to the Department's other programs in the final budget.

Note 2: Special Revenue and Dedicated Special Revenue funds were combined in the table above.

Department of Emergency Management

The Department of Emergency Management directs and coordinates the Commonwealth's Comprehensive Emergency Management Program. The Department's major activities include developing and implementing hazards crisis response, recovery, and reduction programs for major emergencies and disaster relief, and ensuring the provision of assistance to local governments and citizens. In addition, the Department provides terrorism training to fire, rescue, and law enforcement professionals and coordinates efforts with hazardous materials teams to provide response to a terrorist incident. The following schedule provides information on the Department's operating budget and expenses for the fiscal year 2003.

ANALYSIS OF BUDGETED AND ACTUAL REVENUE BY FUNDING SOURCE

Funding Source	Original Budget	Final Budget	Actual
General Fund Appropriations	\$ 3,214,527	\$ 3,235,317	\$ 3,235,317
Special Revenue Funds	1,565,559	6,775,385	5,905,418
Commonwealth Transportation Funds	1,019,528	863,725	1,019,428
Federal Funds	9,261,654	24,641,779	26,579,948
Total Resource	\$ 15,061,268	\$ 35,516,206	\$ 36,740,111

The Department's budget increased significantly during the fiscal year. Most of the increase is due to additional funds available to Department due to severe weather and natural disasters, the 2001 terrorist attacks, and plans to increase the number of regional offices.

ANALYSIS OF BUDGETED AND ACTUAL EXPENSES BY PROGRAM

Program Expenses				Funding Source			
Program	Original Budget	Final Budget	Actual	General Fund	Special Revenue Fund	Commonwealth Transportation Fund	Federal Fund
Administrative and Support Services	\$ 1,320,398	\$ 1,428,358	\$ 1,241,800	\$ 877,182	\$ 39,514	\$ -	\$ 325,104
Disaster Planning and Operations	13,740,870	34,087,848	29,538,997	2,320,986	5,431,077	863,725	20,923,209
Total Uses	\$15,061,268	\$35,516,206	\$30,780,797	\$ 3,198,168	\$ 5,470,591	\$ 863,725	\$21,248,313

As of year-end, actual expenses were less than budgeted for Disaster Planning and Operations because the budget is based on estimates of locality expenses.

Department of Fire Programs

The Department of Fire Programs provides financial assistance to local fire departments for their fire service, as well as training and technical assistance. The Department also helps to protect life, property, and the environment against the effects of fire and disasters man-made and natural. The following schedule provides information on the Department's operating budget and expenses for the fiscal year 2003.

ANALYSIS OF BUDGETED AND ACTUAL REVENUE BY FUNDING SOURCE

Funding Source	Original Budget	Final Budget	Actual
General fund Appropriations	\$ 5,000	\$ -	\$ -
Special Revenue funds	13,420,969	17,454,331	20,200,924
Federal Funds	-	406,903	110,926
Total Resources	\$ 13,425,969	\$ 17,861,234	\$ 20,311,850

The Department's budget increased by over \$4 million due to additional appropriations for monies received from the State Corporation Commission. The Commission annually transfers an amount based on collections of fire insurance premiums. The Department receives this money in June and transfers the funds to various localities in the following fiscal year. Collections were more than forecast resulting in the increase in the budget. Actual collections exceeded the budget estimate.

Additionally, the Department had its federal budget adjusted to reflect grant awards it received after the legislative session. The federal funds actually collected were less than budgeted because the Department had to forfeit some federal dollars when they were unable to spend the funds before the award period expired.

ANALYSIS OF BUDGETED AND ACTUAL EXPENSES BY PROGRAM

Program	Program Expenses			Funding Source	
	Original Budget	Final Budget	Actual	Special Revenue Fund	Federal Fund
Financial Assistance to Localities-General	\$10,436,175	\$14,123,678	\$11,096,344	\$10,915,224	\$ 181,120
Fire Services Assistance	2,989,794	3,737,556	3,314,339	3,314,339	-
Total Uses	\$13,425,969	\$17,861,234	\$14,410,683	\$14,229,563	\$ 181,120

Overall, expenses increased based on funds the Department received from the Commission, which result in transfers to localities. The expenses reflected the funding received from the fiscal year 2002 transfer, carry-forward from 2001, as well as interest earned on funds. The Commission usually transfers the funds to the Department late in the fiscal year, thus the transfer received in fiscal year 2003 will fund payments to localities in fiscal year 2004.

Department of Juvenile Justice

The Department of Juvenile Justice administers policies, programs, and institutions to assist juvenile and domestic relations courts in holding juveniles accountable for their actions and in affording them opportunities to reform. The following schedule provides information on the Department's operating budget and expenses for the fiscal year 2003.

ANALYSIS OF BUDGETED AND ACTUAL REVENUE BY FUNDING SOURCE

Funding Source	Original Budget	Final Budget	Actual
General Fund Appropriations	\$ 186,805,928	\$ 179,899,387	\$179,899,387
Special Revenue funds	2,422,187	1,470,018	448,923
Dedicated Special Revenue funds	525,000	109,572	20,821
Federal funds	10,822,171	10,177,601	9,193,765
Total Resources	\$ 200,575,286	\$ 191,656,578	\$189,562,896

The Department's budget reduction was almost \$9 million during the year and most of the decrease occurred in general fund appropriations. General fund appropriations reductions reflect the decreases in retirement contribution reduction, as well as additional budget reductions.

ANALYSIS OF BUDGETED AND ACTUAL EXPENSES BY PROGRAM

Program Expenses				Funding Source		
Program	Original Budget	Final Budget	Actual	General Fund	Dedicated/Special Revenue Fund	Federal Fund
Administrative and Support Services	\$ 14,136,266	\$12,980,806	\$ 12,662,451	\$ 12,622,451	\$ -	\$ 40,000
Administrative and Support Services	23,926,290	25,184,374	23,640,255	22,126,728	82,448	1,431,079
Community-Based Custody	27,714,555	21,444,408	21,058,112	20,844,624	-	213,488
Probation and Reentry Services	56,255,647	50,602,750	47,292,403	46,493,357	137,394	661,652
Confinement and Custody Research, Planning, and Coordination	11,949	2,954,330	2,593,050	790,457	-	1,802,593
Financial Assistance for Confinement in Local Facilities	32,460,172	29,313,038	28,229,687	27,334,756	-	894,931

Secure Confinement	51,412,996	47,224,772	43,987,855		43,653,160	45,123	289,572
Protective Services	2,220,000	1,952,100	1,951,918		1,951,918	-	0
Executive Management Savings	(7,562,589)	-	-		-	-	-
Total Uses	\$ 200,575,286	\$191,656,578	\$181,415,731		\$ 175,817,451	\$ 264,965	\$5,333,315

Note 1: Budget reductions were reported in Chapter 899 as Executive Management Savings. These reductions were allocated to the Department's other programs in the final budget.

Note 2: Special Revenue and Dedicated Special Revenue was combined in the table above for formatting purposes.

Juvenile Justice's original budget included budget reductions of \$7.5 million. Additional budget reductions announced during the year resulted in an additional \$9 million decrease in the budget. Juvenile Justice management took various actions to implement the budget reductions including eliminating/consolidating positions and reducing institutional capacity. Also, management had to reduce or eliminate many community-based programs due to budget reductions.

Department of Military Affairs

The Department of Military Affairs manages, trains, and supervises the Virginia National Guard, the Virginia State Defense Force, the Naval Militia, and the unorganized militia. The following schedule provides information on the Department's operating budget and expenses for the fiscal year 2003.

ANALYSIS OF BUDGETED AND ACTUAL REVENUE BY FUNDING SOURCE

Funding Source	Original Budget	Final Budget	Actual
General Fund Appropriations	\$ 7,282,716	\$ 6,889,381	\$ 6,889,381
Special Revenue funds	495,456	869,226	665,163
Dedicated Special Revenue funds	100,000	205,640	693,615
Federal Funds	15,490,277	19,730,352	18,321,892
Total Resources	\$ 23,368,449	\$ 27,694,599	\$ 26,572,600

The Department's budget increased over \$4 million during the fiscal year. Most of this increase was due to additional federal contract revenue expected for several cooperative agreements in the Defense Preparedness program. Federal collections were \$1.4 million less than estimated because the Department was unable to meet the required state match under one federal program, and received some federal payments after the end of the fiscal year.

ANALYSIS OF BUDGETED AND ACTUAL EXPENSES BY PROGRAM

Program Expenses					Funding Source			
Program	Original Budget	Final Budget	Actual		General Fund	Special Revenue Fund	Dedicated Special Revenue Fund	Federal Fund
Administrative and Support Services	\$ 1,566,000	\$ 1,417,775	\$ 1,396,965		\$ 1,255,543	\$ -	\$ -	\$ 141,422
Higher Education Student Financial Assistance	1,600,000	1,600,000	1,600,000		1,600,000	-	-	-
Instruction	2,854,196	2,959,836	2,590,227		808,262	-	116,892	1,665,073
Defense Preparedness	17,162,047	21,415,880	20,758,126		3,225,575	561,915	21,605	16,949,031
Disaster Planning and Operations	sum sufficient	114,902	114,902		-	114,902	-	-
Auxiliary Enterprise for National Guard Operations	186,206	186,206	78,894		-	78,894	-	-
Total Uses	\$23,368,449	\$27,694,599	\$26,539,114		\$ 6,889,380	\$755,711	\$ 138,497	\$18,755,526

Department of State Police

The Department of State Police enforces criminal, traffic, and regulatory laws and provides specialized training for other law enforcement agencies and supervises the motor vehicle safety inspection program. The department also maintains computer systems that provide law enforcement agencies with crime statistics and information on criminals. The following schedule provides information on State Police's operating budget and expenses for the fiscal year 2003.

ANALYSIS OF BUDGETED AND ACTUAL REVENUE BY FUNDING SOURCE

Funding Source	Original Budget	Final Budget	Actual
General Fund Appropriations	\$ 170,967,763	\$ 157,715,602	\$ 157,715,602
Special Revenue Funds	24,950,731	27,744,046	19,155,655
Commonwealth Transportation Funds	7,520,350	6,937,486	6,344,232
Trust and Agency Funds	20,000	20,000	42,976
Dedicated Special Revenue Funds	3,725,000	3,875,000	4,535,827
Federal Funds	17,109,997	35,697,151	26,403,220
Total Resources	\$ 224,293,841	\$ 231,989,285	\$ 214,197,462

Overall, State Police's budget increased over \$7 million during the year. The overall increase is a combination of general fund decreases offset by increases in the federal and special funds. The General fund reduction was over \$13 million. The reductions included a lowering of retirement contributions of over \$10 million, savings from agency turnover and vacant positions, a reduction to the retirement wage option, deferment and transfer of various costs, and the elimination of state police involvement in the DARE program.

The increase in the federal fund budget of over \$18 million primarily reflects a \$10 million increase resulting from a new method of recording payment of overtime reimbursements. Historically, the State Police recorded these reimbursements as an expense refund, which netted the revenue against the expense. In July 2002, the Department of Accounts directed State Police to record these as revenue, thus requiring an increase in the budget. The federal budget also increased because there was an increase in reimbursable expenses from the federal government after the September 11 attacks, as well as a \$5 million federal grant for state and local emergency preparation.

ANALYSIS OF BUDGETED AND ACTUAL EXPENSES BY PROGRAM

Program Expenses				Funding Sources				
Program	Original Budget	Final Budget	Actual	General Fund	Dedicated/ Special Revenue Fund	Commonwealth Transportation Fund	Trust and Agency Fund	Federal Fund
Administrative and Support Services	\$ 11,461,714	\$ 11,850,581	\$ 11,762,918	\$ 11,572,016	\$ 8,377	\$ -	\$ -	\$ 182,525
Criminal Justice Information Systems and Statistics	30,785,637	32,114,231	28,097,854	21,008,232	6,343,308	-	-	746,314

Criminal Justice Training, Education, and Standards	3,261,525	3,886,765	3,839,089		3,261,520	-	-	-	577,569
CrimeDetection, Investigation, and Apprehension	160,939,391	164,819,764	149,956,532		117,220,552	8,369,216	5,515,777	17,628	18,833,359
Ground Transportation System Safety	18,247,804	18,884,604	12,614,398		-	8,673,075	-	-	3,941,323
Vending Facilities, Snack Bars, and Cafeterias	398,340	433,340	405,299		-	405,299	-	-	-
Executive Management Savings	(800,570)	-	-		-	-	-	-	-
Total Uses	\$224,293,841	\$231,989,285	\$206,676,090		\$153,062,320	\$23,799,275	\$ 5,515,777	\$17,628	\$24,281,090

Note 1: Budget reductions were reported in Chapter 899 as Executive Management Savings. These reductions were allocated to the Department's other programs in the final budget.

Note 2: Special Revenue and Dedicated Special Revenue was combined in the table above for formatting purposes.

Virginia Parole Board

The Virginia Parole Board develops the state's parole policies, reviews information on prisoners considered eligible for parole, and grants, denies, or revokes parole. The board educates victims on parole processes and collects information from them to use in making parole decisions. The following schedule provides information on the Department's operating budget and expenses for the fiscal year 2003.

ANALYSIS OF BUDGETED AND ACTUAL REVENUE BY FUNDING SOURCE

Funding Source	Original Budget	Final Budget	Actual
General Fund Appropriations	\$ 705,624	\$ 709,971	\$ 709,971
Total Resources	\$ 705,624	\$ 709,971	\$ 709,971

ANALYSIS OF BUDGETED AND ACTUAL EXPENSES BY PROGRAM

Program	Program Expenses			Funding Source	
	Original Budget	Final Budget	Actual		General Fund
Probation and Reentry Services	\$ 705,624	\$ 709,971	\$631,636		\$ 631,636
Total Uses	\$ 705,624	\$ 709,971	\$631,636		\$ 631,636

There were no significant increases or decreases in the Board's fiscal year 2003 operating budget.

