



FISCAL YEAR 2023-2024



ANALYSIS OF THE NEW JERSEY BUDGET

DEPARTMENT OF CORRECTIONS AND STATE PAROLE BOARD

Prepared by the

NEW JERSEY LEGISLATURE
OFFICE OF LEGISLATIVE SERVICES

April 2023

NEW JERSEY STATE LEGISLATURE

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DEPARTMENT OF CORRECTIONS AND STATE PAROLE BOARD

Budget Pages C-4, C-10, C-17, C-24, D-71 to D-88, G-1 to G-3

Fiscal Summary (\$000)

	Expended FY 2022	Adjusted Appropriation FY 2023	Recommended FY 2024	Percentage Change 2023-24
State Budgeted	\$1,076,240	\$1,187,113	\$1,175,980	(0.9%)
Federal Funds	130,090	19,511	20,686	6.0%
<u>All Other Funds</u>	<u>46,505</u>	<u>47,054</u>	<u>45,214</u>	<u>(3.9%)</u>
Grand Total	\$1,252,835	\$1,253,678	\$1,241,880	(0.9%)

Personnel Summary - Positions By Funding Source

	Actual FY 2022	Revised FY 2023	Funded FY 2024	Percentage Change 2023-24
State	7,288	6,628	6,672	0.7%
Federal	18	22	22	0.0%
<u>All Other</u>	<u>156</u>	<u>146</u>	<u>151</u>	<u>3.4%</u>
Total Positions	7,462	6,796	6,845	0.7%

FY 2022 (as of December) and revised FY 2023 (as of January) personnel data reflect actual payroll counts. FY 2024 data reflect the number of positions funded.

Link to Website: <https://www.njleg.state.nj.us/budget-finance/governors-budget>

Highlights

- The Department of Corrections' and the State Parole Board's combined recommended FY 2024 State funds appropriations total \$1.18 billion, which is about \$11.1 million or 0.9 percent less than the FY 2023 adjusted appropriation of \$1.19 billion.

DEPARTMENT OF CORRECTIONS

- The Department of Corrections' recommended FY 2024 State funds appropriations total \$1.07 billion, which is about \$4.5 million or 0.4 percent less than the FY 2023 adjusted appropriation of \$1.07 billion.

- According to the Department of Corrections, as of December 31, 2022, there were 14,017 State-sentenced inmates housed in State and county correctional facilities and private contracted residential facilities (halfway houses). The population grew by 853 inmates or 6.5 percent compared to the prior year.

<u>Counts of State-Sentenced Inmates Housed by Type of Facility</u>				
Facility-Type	21-Dec	22-Dec	Change	%Change
State Adult Prisons	10,911	10,712	-199	-1.8%
State Youth Facilities	1,119	1,174	55	4.9%
County Jails	460	1,297	837	182.0%
Halfway Houses	674	834	160	23.7%
Total	13,164	14,017	853	6.5%

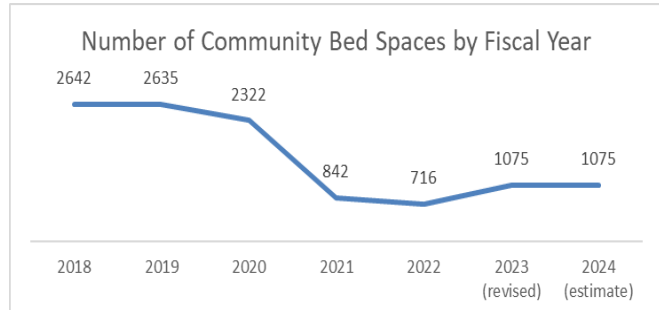
- The FY 2024 Governor's Budget shows a marked decline in the number of filled positions at the State prisons. In FY 2020, the number of filled positions equaled 6,953. In January FY 2022 and FY 2023, the number was down to 6,050 and 5,367, respectively. The 2024 Governor's Budget now funds 5,275 positions in FY 2024.
- The department expects to resume transfers of State-sentenced inmates from county jails to State prisons in FY 2024. The transfers have been suspended during the COVID-19 pandemic, resulting in an escalation of payments to counties for the care of the inmates. The State has used its resources as well as federal pandemic aid to defray the higher costs.

For FY 2024, the Governor recommends a \$10.0 million appropriation for this purpose out of the flexible \$6.24 billion federal Coronavirus State Fiscal Recovery Fund grant plus a \$1.4 million General Fund appropriation plus new language that would grant the department unlimited supplemental appropriation authority without additional legislative approval. Including a \$10.0 million supplemental appropriation, some \$11.4 million in General Fund resources supported the payments in FY 2023 plus \$10.0 million out of the federal Coronavirus State Fiscal Recovery Fund grant.

- The FY 2024 Governor's Budget recommends an appropriation increase of \$8.5 million to cover higher health care costs for incarcerated persons. According to the Office of Management and Budget, some \$5.0 million of the total increase would be due to expenses associated with incarcerated persons in long-term acute care hospitals for medical conditions that require ongoing and specialized care that cannot be provided within the Department of Corrections infirmaries.
- The FY 2024 Governor's Budget recommends an appropriation increase of \$2.6 million for higher wages for incarcerated persons.

Highlights (Cont'd)

- The FY 2024 Governor's Budget proposes lowering the appropriation for residential re-entry services provided to State-sentenced inmates near the end of their prison terms by private contracted residential facilities by \$8.0 million - from \$58.9 million in FY 2023 to \$50.9 million in FY 2024. According to the Office of Management and Budget, fewer contracted prisoner re-entry community bed spaces exist in accordance with recently renegotiated contracts, which took effect July 1, 2022. The number of residential community release program bed spaces plunged recently, primarily due to COVID-19-related capacity constraints and State early release programs.
- The FY 2024 Governor's Budget recommends an appropriation increase of \$1.8 million for the replacement of department transport buses.
- The revolving fund for the department's Bureau of State Farm Operations is projected to collect \$1.0 million less in revenue and incur \$1.0 million less in costs following the discontinuation of the department's dairy operations in November 2022.
- Although not part of the FY 2024 Governor's Budget, in the FY 2024 Budget In Brief, the Governor proposes that \$90 million be used from the off-budget Debt Defeasance and Prevention Fund to support the closure of the Edna Mahan Correctional Facility for Women and the relocation of the prisoners to a more modern facility.



STATE PAROLE BOARD

- The State Parole Board's proposed FY 2024 State funds appropriation of \$108.1 million falls \$6.6 million (5.8 percent) below the FY 2023 adjusted appropriation of \$114.7 million. Adjusted for the intended return to the General Fund of \$6.0 million in unneeded FY 2023 State spending authority, the board's recommended FY 2024 State funds appropriation decreases only by \$634,000, or 0.1 percent, below FY 2023.
- During the COVID-19 pandemic, the number of parolees in community program placements has consistently fallen below expectations. Given the trend, the FY 2024 Governor's Budget recommends to reduce the board's appropriation for community placements by \$7.0 million from \$37.4 million in FY 2023 to \$30.7 million in FY 2024.

State Parole Board Community Placements: Estimated and Actual							
FY 2020 Actual	FY 2021 Estimated	FY 2021 Actual	FY 2022 Estimated	FY 2022 Actual	FY 2023 Estimated	FY 2023 Revised	FY 2024 Estimated
5,740	7,500	5,535	8,455	5,513	6,300	5,950	6,200

Fiscal and Personnel Summary: Department of Corrections**AGENCY FUNDING BY SOURCE OF FUNDS (\$000)**

	Expended FY 2022	Adj. Approp. FY 2023	Recom. FY 2024	Percentage Change	
				2022-24	2023-24
<u>General Fund</u>					
Direct State Services	\$874,592	\$961,168	\$974,669	11.4%	1.4%
Grants-In-Aid	78,512	77,844	59,844	(23.8%)	(23.1%)
State Aid	0	0	0	--	--
Capital Construction	2,336	0	0	(100.0%)	--
Debt Service	0	0	0	--	--
Sub-Total	\$955,440	\$1,039,012	\$1,034,513	8.3%	(0.4%)
<u>Property Tax Relief Fund</u>					
Direct State Services	\$0	\$0	\$0	--	--
Grants-In-Aid	0	0	0	--	--
State Aid	23,876	33,400	33,400	39.9%	0.0%
Sub-Total	\$23,876	\$33,400	\$33,400	39.9%	0.0%
<u>Casino Revenue Fund</u>	\$0	\$0	\$0	--	--
<u>Casino Control Fund</u>	\$0	\$0	\$0	--	--
State Total	\$979,316	\$1,072,412	\$1,067,913	9.0%	(0.4%)
<u>Federal Funds</u>	\$129,632	\$19,511	\$20,511	(84.2%)	5.1%
<u>Other Funds</u>	\$46,505	\$47,044	\$45,204	(2.8%)	(3.9%)
Grand Total	\$1,155,453	\$1,138,967	\$1,133,628	(1.9%)	(0.5%)

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2022	Revised FY 2023	Funded FY 2024	Percentage Change	
				2022-24	2023-24
State	6,675	6,016	6,020	(9.8%)	0.1%
Federal	18	22	22	22.2%	0.0%
All Other	156	146	151	(3.2%)	3.4%
Total Positions	6,849	6,184	6,193	(9.6%)	0.1%

FY 2022 (as of December) and revised FY 2023 (as of January) personnel data reflect actual payroll counts. FY 2024 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percentage	51.8%	53.2%	N/A	---	---
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Fiscal and Personnel Summary: State Parole Board**AGENCY FUNDING BY SOURCE OF FUNDS (\$000)**

	Expended FY 2022	Adj. Approp. FY 2023	Recom. FY 2024	<u>Percentage Change</u>	
				2022-24	2023-24
<u>General Fund</u>					
Direct State Services	\$71,958	\$77,345	\$77,345	7.5%	0.0%
Grants-In-Aid	24,966	37,356	30,722	23.1%	(17.8%)
State Aid	0	0	0	--	--
Capital Construction	0	0	0	--	--
Debt Service	0	0	0	--	--
Sub-Total	\$96,924	\$114,701	\$108,067	11.5%	(5.8%)
<u>Property Tax Relief Fund</u>					
Direct State Services	\$0	\$0	\$0	--	--
Grants-In-Aid	0	0	0	--	--
State Aid	0	0	0	--	--
Sub-Total	\$0	\$0	\$0	--	--
<u>Casino Revenue Fund</u>	\$0	\$0	\$0	--	--
<u>Casino Control Fund</u>	\$0	\$0	\$0	--	--
State Total	\$96,924	\$114,701	\$108,067	11.5%	(5.8%)
<u>Federal Funds</u>	\$458	\$0	\$175	(61.8%)	--
<u>Other Funds</u>	\$0	\$10	\$10	--	0.0%
Grand Total	\$97,382	\$114,711	\$108,252	11.2%	(5.6%)

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2022	Revised FY 2023	Funded FY 2024	<u>Percentage Change</u>	
				2022-24	2023-24
State	613	612	652	6.4%	6.5%
Federal	0	0	0	--	--
All Other	0	0	0	--	--
Total Positions	613	612	652	6.4%	6.5%

FY 2022 (as of December) and revised FY 2023 (as of January) personnel data reflect actual payroll counts. FY 2024 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percentage	43.0%	50.0%	N/A	---	---
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Significant Changes/New Programs (\$000)**Department of Corrections: Detention and Rehabilitation**

General Fund, Direct State Services Services Other Than Personal				Budget Page: D-79	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$151,099	\$149,701	\$154,704	\$157,304	\$2,600	1.7%

The FY 2024 Governor's Budget recommends an appropriation increase of \$2.6 million for higher wages for incarcerated persons. According to a September 2022 news report, prisoner wage rates were last adjusted in 2001 and jobs currently pay between \$1 and \$7 a day. The FY 2024 OLS Discussion Points for the Department of Corrections include questions on the planned wage increases.

General Fund, Direct State Services Special Purpose: Civilly Committed Sexual Offender Program				Budget Page: D-79	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$29,865	\$34,210	\$34,618	\$34,864	\$246	0.7%

According to the Office of Management and Budget, the full funding need for the Civilly Committed Sexual Offender Program in FY 2024 totals \$37.5 million. Of that amount, \$34.9 million would represent the recommended General Fund appropriation shown above and the remaining \$2.7 million would be from anticipated available FY 2023 excess spending authority in this budget line that would be reappropriated for the same purpose in FY 2024.

According to the Office of Management and Budget, the budget line supports, among other expenditures, costs associated with operating ten fully-staffed clinical teams through the Department of Health that maintain the resident-to-client staff ratio per the guidelines established following the Alves federal lawsuit agreement. In a 2012 class action lawsuit settled in favor of certain civilly committed sexual offenders, guidelines were put in place for treatment made available under the program, which is operated at the Adult Diagnostic and Treatment Center in Avenel, Middlesex County.

The recommended \$246,000 increase in this budget line would fund the impact of the anticipated rise in the State's minimum wage on resident wages. State-sentenced prison inmates receive wages that are below minimum wage. However, residents of the Civilly Committed Sexual Offender Facility are considered patients, and not inmates, and are entitled to the minimum wage.

Significant Changes/New Programs (\$000) (Cont'd)

All Other Funds: Administration and Support Services					Budget Page: D-79	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.		Change FY 2023 – FY 2024	
\$19,257	\$18,030	\$21,070	\$20,270		(\$800)	(3.8%)

This budget line encompasses revenues received by the State's correctional facilities, predominantly revenues from prison commissary sales of provisions and other commodities to inmates, visitors, and personnel. Commissary receipts are statutorily dedicated to defray the cost of maintenance of the commissary and to benefit the inmate population.

The projected \$800,000 net decrease primarily reflects the loss of \$1.2 million in commissary proceeds at the Southern State Correctional Facility. The facility was depopulated in July 2022 and its remaining housing units became satellite facilities of Bayside State Prison. The decrease is partially offset by a combined \$400,000 in projected additional commissary sales at Bayside State Prison (\$200,000), New Jersey State Prison (\$100,000), and East Jersey State Prison (\$100,000).

Farm Operations Revolving Fund, Farm Operations					Budget Page: G-2	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.		Change FY 2023 – FY 2024	
\$12,658	\$15,065	\$11,300	\$10,300		(\$1,000)	(8.8%)

The department's Bureau of State Farm Operations manages two crop-producing farms and two processing plants at correctional institutions. The bureau's farm products are sold to State institutions. In November 2022, the department discontinued its dairy operations after determining that it would be more cost-effective for State agencies to purchase milk, fruit drinks, and ice tea from State contracts rather than the department's farm operations at Bayside State Prison and Jones Farm in Ewing Township. The anticipated declines in the revenues and materials and supplies expenditures of departmental farm operations in FY 2023 and FY 2024 are attributable to the discontinuation of dairy farm operations.

Significant Changes/New Programs (\$000) (Cont'd)**Department of Corrections: System-Wide Program Support**

General Fund, Direct State Services Services Other Than Personal				Budget Page: D-81	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$16,308	\$18,549	\$25,349	\$33,904	\$8,555	33.7%

The appropriation for Services Other Than Personal is used mostly to cover the costs of providing medical services to inmates in State correctional facilities. It also pays private contractors for services such as waste removal and pest control etc.

Projected growth in inmate healthcare costs accounts for \$8.5 million of the recommended increase in the appropriation for this budget line. According to the Office of Management and Budget, some \$5.0 million of the increase is due to expenses associated with incarcerated persons in long-term acute care hospitals for medical conditions that require ongoing and specialized care that cannot be provided within the Department of Corrections infirmaries. The remaining \$3.5 million medical cost increase would support healthcare-related salary increases, fringe benefits and other operating costs. An additional \$55,000 increase in this budget line is recommended for career and technical training on-demand training labs.

General Fund, Direct State Services Additions, Improvements and Equipment				Budget Page: D-81	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$115	\$1,904	\$5,531	\$5,831	\$300	5.4%

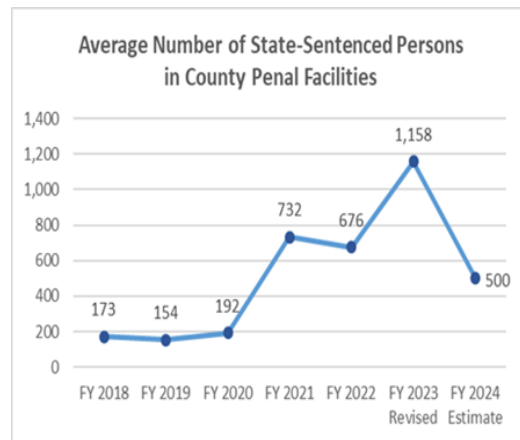
The recommended increase supports career and technical training on-demand training labs at the State correctional facilities.

Significant Changes/New Programs (\$000) (Cont'd)

General Fund, Grants-in-Aid Purchase of Service for Inmates Incarcerated in County Penal Facilities				Budget Page: D-81	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$5,872	\$19,362	\$1,420 S \$10,000	\$1,420	(\$10,000)	(87.6%)

The Governor proposes discontinuing the FY 2023 supplemental appropriation of \$10.0 million for payments to counties that house State-sentenced inmates in their county jails. The FY 2023 supplemental appropriation responded to the lingering effects of the COVID-19 pandemic.

Notably, the department suspended the transfer of State-sentenced inmates from county jails to State prisons during the COVID-19 pandemic. This policy led to a spike in the number of State-sentenced inmates housed in county jails for whom the State makes payments to the counties. The FY 2024 Governor's Budget indicates that the department expects to resume transfers of State-sentenced inmates from county jails to State prisons but not at pre-pandemic levels due to social distancing and testing requirements in State prisons. As a result, the average number of State-sentenced inmates housed in county jails is projected to drop to 500 in FY 2024.



The suspension of transfers of State-sentenced inmates from county jails to State prisons increased the department's payment obligations to counties. In FY 2019, payments totaling \$1.0 million were funded out of a General Fund appropriation. In FY 2022, some \$26.8 million was expended with State General Fund appropriations accounting for \$19.4 million and the State's flexible \$2.4 billion Coronavirus Relief Fund allocation under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 accounting for the remaining \$7.4 million. It is unclear whether the presently known \$21.4 million FY 2023 appropriations from all funding sources will satisfy all payment obligations.

For FY 2024, the Governor recommends a second \$10.0 million appropriation for this purpose out of the flexible \$6.24 billion Coronavirus State Fiscal Recovery Fund grant the State received from the federal government under the American Rescue Plan Act of 2021 plus a \$1.4 million General Fund appropriation plus new language that would grant the department unlimited supplemental appropriation authority without additional legislative approval.

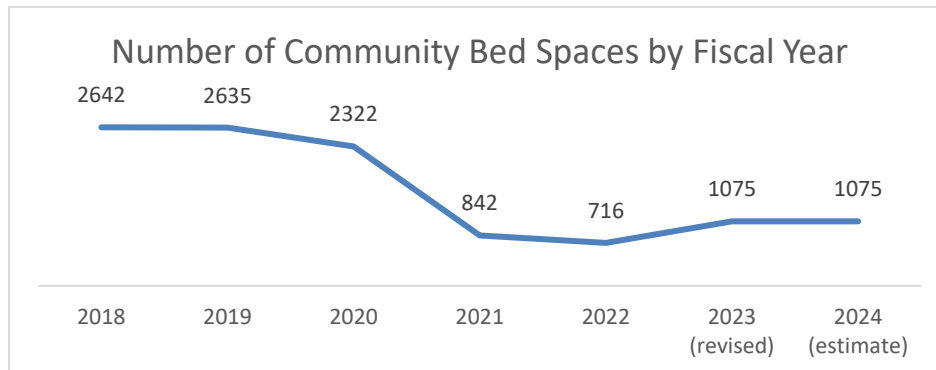
Payments to Counties for Housing State-Sentenced Inmates						
	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Est.	FY 2024 Rec.
State Funds Expenditures or Appropriations	\$1,001,000	\$3,165,000	\$5,872,000	\$19,362,000	\$11,420,000	\$1,420,000
Allocation out of Federal Coronavirus Relief Fund Grant	\$0	\$0	\$15,200,000	\$7,416,000	\$0	\$0
Allocation out of Federal Coronavirus State Fiscal Recovery Grant	\$0	\$0	\$0	\$0	\$10,000,000	\$10,000,000
TOTAL Payments	\$1,001,000	\$3,165,000	\$21,072,000	\$26,778,000	\$21,420,000	\$11,420,000

Significant Changes/New Programs (\$000) (Cont'd)

General Fund, Grants-in-Aid Purchase of Community Services				Budget Page: D-82	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$58,129	\$56,714	\$58,924	\$50,924	(\$8,000)	(13.6%)

The FY 2024 Governor's Budget recommends reducing the appropriation for residential re-entry services provided to State-sentenced inmates near the end of their prison terms by private contracted residential facilities. According to the Office of Management and Budget, the recommendation is the result of a reduction in the number of contracted prisoner re-entry community bed spaces in accordance with recently renegotiated contracts with the Residential Community Release Program vendors. The new contracts took effect July 1, 2022.

The reduction in the contracted number of bed spaces was a function of plunging occupancy rates since 2019. COVID-19-related capacity restrictions at halfway houses and limitations on transfers thereto as well as new early release programs have contributed to the sharp increase in vacant bed spaces at the contracted residential facilities. At the end of FY 2019, some 2,836 inmates were housed in the community; at the end of FY 2022, the total stood at 505 inmates.



Federal Funds Institutional Program Support				Budget Page: D-82	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$44,547	\$53,288	\$18,092	\$19,092	\$1,000	5.5%

This budget line aggregates several federal grants the department receives for institutional program support. The \$1.0 million growth is attributable to an anticipated \$1.0 million increase in the federal State Criminal Alien Assistance Program grant from \$5.5 million in FY 2023 to \$6.5 million in FY 2024. Under the program, the United States Department of Justice makes payments to states and local government units that incur certain types of costs due to the incarceration of undocumented criminal aliens during a specific 12-month reporting period.

Significant Changes/New Programs (\$000) (Cont'd)**Department of Corrections: Central Planning, Direction and Management**

General Fund, Direct State Services Additions, Improvements and Equipment				Budget Page: D-87	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$1,256	\$1,094	\$1,474	\$3,274	\$1,800	122.1%

The \$1.8 million increase in the recommended appropriation is for the replacement of department transport buses.

Significant Changes/New Programs (\$000) (Cont'd)**State Parole Board**

General Fund, Grants-in-Aid State Parole Board Community Programs						
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.		Change FY 2023 – FY 2024	
A) Re-Entry Substance Abuse Program				Budget Page: D-85		
\$9,295	\$6,980	\$10,799	\$8,510		(\$2,289)	(21.2%)
B) Mutual Agreement Program (MAP)				Budget Page: D-85		
\$6,113	\$4,792	\$5,791	\$5,848		\$57	1.0%
C) Community Resource Center Program (CRC)				Budget Page: D-85		
\$13,423	\$11,164	\$14,086	\$11,100		(\$2,986)	(21.2%)
D) Stages to Enhance Parolee Success Program (STEPS)				Budget Page: D-85		
\$5,622	\$2,030	\$6,680	\$5,264		(\$1,416)	(21.2%)
TOTAL STATE PAROLE BOARD COMMUNITY PROGRAMS						
\$34,453	\$24,966	\$37,356	\$30,722		(\$6,634)	(17.8%)

During the COVID-19 pandemic, the number of parolees in community program placements has consistently fallen below expectations. In response to an FY 2023 OLS Discussion Point, the State Parole Board noted that the implementation of the Public Health Emergency Credits legislation (P.L.2020, c.111), which allowed parolees to shorten their time under parole supervision during the COVID-19 public health emergency, had resulted in unanticipated reductions in the number of parolees.

State Parole Board Community Placements: Estimated and Actual							
FY 2020 Actual	FY 2021 Estimated	FY 2021 Actual	FY 2022 Estimated	FY 2022 Actual	FY 2023 Estimated	FY 2023 Revised	FY 2024 Estimated
5,740	7,500	5,535	8,455	5,513	6,300	5,950	6,200

With fewer parolees in community placements, the related appropriations were in excess of need and unexpended year-end balances were thus returned to the General Fund in FY 2021 and FY 2022. Similarly, a \$6.0 million excess appropriation is currently projected to be returned to the General Fund at the end of FY 2023, although the board's spending plan for the second quarter of the fiscal year suggests that an additional \$3 million to \$4 million may not be needed.

State Parole Board Community Placements: Appropriations and Actual Expenditures			
Fiscal Year	Appropriation	Expenditures	Excess Appropriation
2021	\$45,455,000	\$34,453,000	\$11,002,000
2022	\$46,172,000	\$24,966,000	\$21,206,000
2023	\$37,356,000	NA	NA
2024	\$30,722,000	NA	NA

Given this trend, the FY 2024 Governor's Budget recommends to reduce the board's appropriation for community placements by \$7.0 million from \$37.4 million in FY 2023 to \$30.7 million in FY 2024 (with the difference attributable to a program cost increase due to the increased minimum wage rate).

Significant Changes/New Programs (\$000) (Cont'd)

Federal Funds, Parole				Budget Page: D-86	
FY 2021 Expended	FY 2022 Expended	FY 2023 Adj. Approp.	FY 2024 Recomm.	Change FY 2023 – FY 2024	
\$6	\$458	\$0	\$175	\$175	0

The State Parole Board anticipates the receipt of a new federal grant in the amount of \$175,000, the Law Enforcement Mental Health Grant.

Significant Language Changes

Supplemental Appropriation Authority for Purchase of Service for Inmates Incarcerated In County Penal Facilities

Addition

2023 Handbook: p. N/A

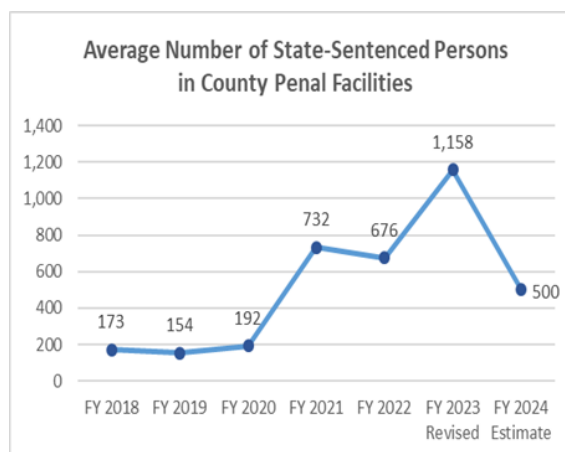
2024 Budget: p. D-83

In addition to the amount hereinabove appropriated for Purchase of Service for Inmates Incarcerated In County Penal Facilities, there are appropriated such additional amounts as may be required to provide reimbursements to counties housing State-sentenced inmates as determined by the Commissioner of Corrections, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The Governor recommends new contingency language that would authorize the Executive to effect, without additional legislative approval, midyear supplemental appropriations of unspecified, unlimited amounts for payments to counties that house State-sentenced inmates in their county jails. The recommended language responds to the lingering effects of the COVID-19 pandemic.

Notably, the department suspended the transfer of State-sentenced inmates from county jails to State prisons during the COVID-19 pandemic. This policy led to a spike in the number of State-sentenced inmates housed in county jails for whom the State makes payments to the counties. The FY 2024 Governor's Budget indicates that the department expects to resume transfers of State-sentenced inmates from county jails to State prisons but not at pre-pandemic levels due to social distancing and testing requirements in State prisons. As a result, the average number of State-sentenced inmates housed in county jails is projected to drop to 500 in FY 2024.



The suspension of transfers of State-sentenced inmates from county jails to State prisons increased the department's payment obligations to counties. In FY 2019, payments totaling \$1.0 million were funded out of a General Fund appropriation. In FY 2022, some \$26.8 million was expended with State General Fund appropriations accounting for \$19.4 million and the State's flexible \$2.4 billion Coronavirus Relief Fund allocation under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 accounting for the remaining \$7.4 million.

EXPLANATION: FY 2023 language not recommended for FY 2024 denoted by strikethrough.
Recommended FY 2024 language that did not appear in FY 2023 denoted by underlining.

Significant Language Changes (Cont'd)

It is unclear whether the presently known \$21.4 million FY 2023 appropriations from all funding sources will satisfy payment obligations.

For FY 2024, the Governor recommends a second \$10.0 million appropriation for this purpose out of the flexible \$6.24 billion Coronavirus State Fiscal Recovery Fund grant the State received from the federal government under the American Rescue Plan Act of 2021 plus a \$1.4 million General Fund appropriation plus this new language that would grant the department unlimited supplemental appropriation authority without additional legislative approval.

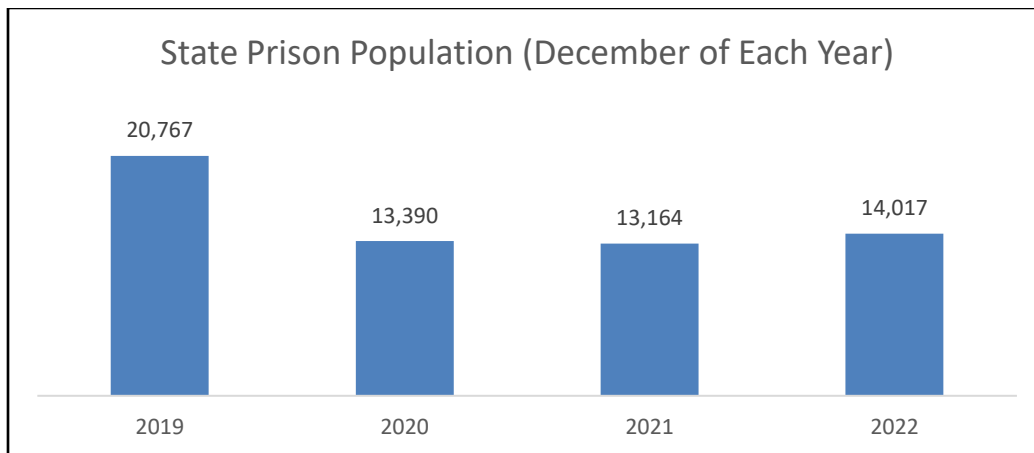
Payments to Counties for Housing State-Sentenced Inmates						
	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Est.	FY 2024 Rec.
State Funds Expenditures or Appropriations	\$1,001,000	\$3,165,000	\$5,872,000	\$19,362,000	\$11,420,000	\$1,420,000
Allocation out of Federal Coronavirus Relief Fund Grant	\$0	\$0	\$15,200,000	\$7,416,000	\$0	\$0
Allocation out of Federal Coronavirus State Fiscal Recovery Grant	\$0	\$0	\$0	\$0	\$10,000,000	\$10,000,000
TOTAL Payments	\$1,001,000	\$3,165,000	\$21,072,000	\$26,778,000	\$21,420,000	\$11,420,000

EXPLANATION: FY 2023 language not recommended for FY 2024 denoted by strikethrough.
Recommended FY 2024 language that did not appear in FY 2023 denoted by underlining.

Appendix: Miscellaneous State Prison Data

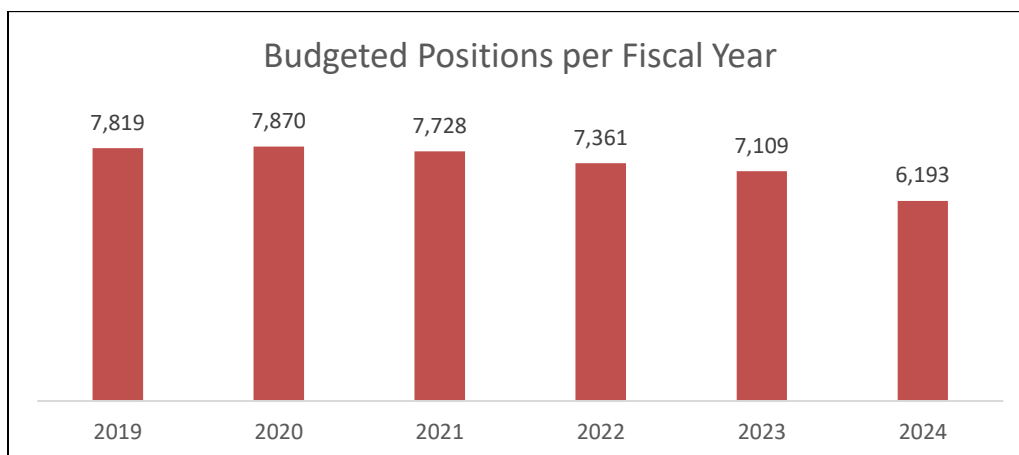
Inmate Population:

According to the Department of Corrections, as of December 31, 2022, there were 14,017 State-sentenced inmates housed in State and county correctional facilities and private contracted residential facilities (halfway houses). The population increased by 853 inmates or 6.5 percent from December 31, 2021.



Funded Positions:

As the State prison population dropped sharply, State prison facilities were consolidated, allowing for reductions in headcount. In FY 2019, the department still had 7,819 funded positions. In the FY 2024 Governor's Budget, the recommended total stands at 6,193 positions.



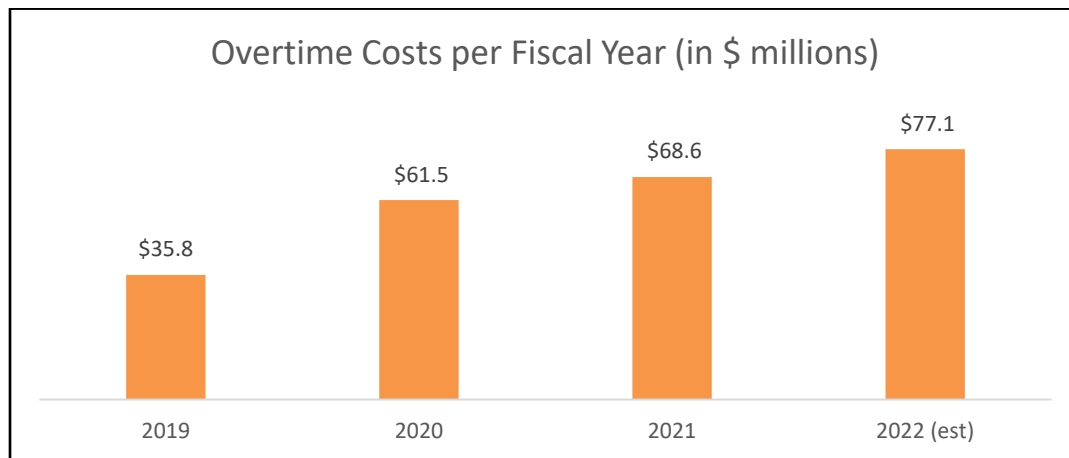
* Source: Governor's Budget

Appendix: Miscellaneous State Prison Data (Cont'd)

Overtime Costs:

Overtime expenditures have increased sharply in recent years due to temporary staffing shortages during the COVID-19 pandemic coupled with general hiring and retention challenges. Due to chronic unfilled positions, the department has had to rely on an increased number of overtime hours worked by existing staff.

On December 23, 2021, the department issued its initial request for proposal for a comprehensive study of the department's staffing. The department was especially interested in recommendations to reduce its custody overtime expenditures and information on the underlying causes of "excessive or unexpected" overtime.



*Source: Department of Corrections

Prison Consolidation:

In recent years, the department has responded to persistent low occupancy rates by reducing its capacity and consolidating prison facilities.

Facility Consolidation	Fiscal Year	Estimated Savings	Position Reduction
Albert C. Wagner Correctional Facility	FY 2020	\$40.0 million	175
Vroom Central Reception & Assignment Facility	FY 2021	\$20.0 million	166
William H. Fauver Youth Correctional Facility	FY 2022	\$14.0 million	192
William H. Fauver Youth Correctional Facility	FY 2023	\$3.6 million	0
Southern State Correctional Facility	FY 2023	\$20.3 million	497
TOTAL		\$97.9 million	1,030

Source: Department of Corrections

NEW JERSEY LEGISLATURE

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Individuals wishing information and committee schedules on the
FY 2024 budget are encouraged to contact:

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