



State of Maine Board of Corrections



Members
Joel Merry, Chair
Carleton Barnes
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Executive Director
Ryan Thornell

Financial Analyst
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June 19, 2014

RE: Amendments to FY2015 County Jail Budgets

County Jail Administrators:

At its meeting on June 17, 2014, the State Board of Corrections (“SBOC”) considered emerging financial issues that will impact the SBOC’s ability to fund the FY2015 county jail budgets that it previously approved. This letter explains the SBOC’s decision to address this issue.

As you are all well aware, on April 15, 2014, the SBOC approved “flat-funded” county jail budgets for FY2015 that generally maintained for FY2015 the same level of county expenditures that were budgeted for FY2014. These budgets also approved the same level of disbursements from the Operational Support Fund (“OSF”) (formerly the Investment Fund) and the same level of payments to the OSF for county jails with reduced missions that were budgeted for FY2014.

A review and analysis by our recently hired executive director and financial analyst, however, has revealed that the SBOC has been over-budgeting distributions to county jails. Beginning in FY2012, the SBOC approved distributions from the OSF totaling \$9,916,414 for each fiscal year despite OSF revenues that have been significantly below this level. For example, the FY2013 OSF revenues totaled only \$8,890,868. The SBOC has been covering the gap between budgeted distributions and accessible revenue using existing “carry forward” funds from previous fiscal years. Our recent review, however, indicates that the “carry-forward” for FY2015 will not be sufficient enough to cover the gap for FY2015. Consequently, the SBOC must reduce the amount of OSF distributions for FY2015.

In addition, our review revealed that the Franklin County Detention Center (“FCDC”) has been consistently generating a significant surplus each fiscal year. Because FCDC’s mission was reduced to a 72-hour holding facility, it transfers net county assessment revenues to the OSF pursuant to 34-A M.R.S. § 1805(3)(A). These annual surpluses indicate that it would be appropriate to increase FCDC’s contributions to the OSF.

The SBOC, therefore, approves a plan that will reduce the FY2015 budgeted distributions from the OSF from \$9,916,414 to \$8,685,257. Based on a review of actual county jail expenditures for FY2013 and FY2014, the SBOC amends the FY2015 budgets for county jails that receive OSF distributions as indicated in the following table.

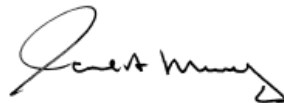
County	OSF Distributions App. 4/15/2014	OSF Distributions App. 6/17/2014	Change
Androscoggin	\$737,016	\$737,016	0
Aroostook	\$465,760	\$465,760	0
Cumberland	\$2,220,663	\$1,969,396	(\$251,267)
Hancock	\$311,949	\$266,414	(\$45,535)
Kennebec	\$652,134	\$572,445	(\$79,689)
Knox	\$146,549	\$106,840	(\$39,709)
Penobscot	\$637,848	\$468,939	(\$168,909)
Piscataquis	\$314,563	\$157,282	(\$157,281)
Somerset	\$1,121,767	\$841,326	(\$280,441)
Two Bridges	\$2,035,672	\$1,839,833	(\$195,839)
Washington	\$261,586	\$249,101	(\$12,485)
York	\$1,010,906	\$1,010,906	0
Totals	\$9,916,414	\$8,685,257	(\$1,231,157)

Based on a review of actual county jail expenditures for previous fiscal years, the SBOC amends the FY2015 budgets for county jails that transfer funds to the OSF as indicated in the following table.

County	Payments to OSF App. 4/15/2014	Payments to OSF App. 6/17/2014	Change
Franklin	\$630,576	\$730,576	\$100,000
Oxford	\$187,073	\$187,073	0
Waldo	\$890,128	\$890,128	0
Totals			\$100,000

Our financial analyst will be communicating with you regarding the process for resubmitting your FY2015 budgets to comply with this decision. If you have questions in the meantime, please direct your questions to our Executive Director, Ryan Thornell.

The SBOC understands the difficulties this decision will impose on you and appreciates your cooperation in these times of financial uncertainty.



Joel Merry, Chair
State Board of Corrections