

# States' public safety departments facing tight budgets in FY 2011

By Jeff Webster



Of some \$1.24 trillion in spending proposed in fiscal year 2011 state budgets, \$77.6 billion is designated for the departments of justice, public safety and homeland security across the country, according to a report INPUT released in May to highlight state governors' FY 2011 proposed budgets. The INPUT report focuses on public safety spending and related information technology (IT) initiatives outlined in the state budgets.

The \$77.6 billion encompasses all public safety, police, fire, homeland security, corrections, courts and judicial departments at the state level. More than half of the money (\$46.5 billion) will be spent on corrections. With an

increase in the recidivism rate and a decrease in jail space, corrections departments most likely will not have enough money to ensure a sound year.

Regarding courts and judicial departments, \$14.9 billion is estimated for FY 2011. Ten states, including California, Colorado and New York, had budgets of \$400 million or more. Some of the initiatives associated with these budgets include facility expansion, improvements/enhancements to case management systems, and increasing courtroom technology, such as video recording.

In addition, public safety departments will most likely see tightened budgets while facing other obstacles, such as outdated technology and lack of personnel. These circumstances, coupled with unforeseen events, can make it difficult for public safety agencies to budget adequately. Given the dynamics of keeping the public safe, the departments have composed budgets totaling \$14.6 billion. This represents 1.2% of all FY 2011 spending. California, New York and Texas had the highest budgets, totaling more than \$4.7 billion. Presumably, the trends of yesterday will continue to flourish today, tomorrow and into the near future. These trends include officer safety, enforcement, detection, interoperable communications and information sharing.

Looking ahead to analyze these upcoming spending levels can be helpful as governments develop budgets, pipelines, and grant proposals looking ahead to next year.

## The fiscal landscape

To understand the significance of these proposed budgets and the impact they will have on state initiatives, let's look at the current fiscal landscape. In March 2010, the National Conference of State Legislatures (NCSL) released a state budget update providing information on all 50 states and Puerto Rico. The report is based on data provided by legislative fiscal directors and includes information on state revenue performance, revenue outlook for FY 2011 and projections of future budget gaps.

For FY 2010, state budget gaps are primarily due to revenue shortfalls and overruns in various programs, such as Medicaid and Corrections. In FY 2010, 28 states experienced budget spending overruns, with six states experiencing an

overrun in correctional spending. This overrun is important to note considering correctional departments are expected to spend nearly \$46.5 billion in FY 2011, which amounts to nearly 3.7% of FY 2011 spending.

Areas of concern include correctional health programs and a general increase in the number of inmates. With an increase in the ratio of inmates to jail space, agencies will be looking to utilize other means of incarceration, such as electronic monitoring of non-violent offenders. The use of this technology not only frees up space but also provides another revenue source for states, since many electronic monitoring programs are paid for by the inmate.

Looking ahead to FY 2011, 34 states are concerned with the revenue outlook. This should not be a surprise considering the country still has not recovered from the ongoing recession. California and Illinois continue to top the list of budget deficits, with \$35.9 billion and \$6.1 billion at the close of FY 2009. Surprisingly, California listed itself as "concerned," while Illinois listed itself as "pessimistic." The difference is that California is beginning to see cash reports performing above projections. South Dakota and New Mexico also listed their revenue outlook as "pessimistic," while 13 states classified as "stable." No states classified as "optimistic," which is a sign that recovery will not happen overnight.

While states may not be able to recover rapidly, the Obama administration may be able to provide additional support to state programs. Earlier this year, President Obama released his FY 2011 budget, which outlined the administration's priorities and provided insight into the types of funds that will be passed down to states. The bulk of federal funding will be delivered to the health and social services sector, with more than \$520 billion listed for FY 2011. Justice and national security will receive \$5.4 billion. This is a decrease from the FY 2010 estimate, but an increase in the FY 2009 actual.

A look at the major Department of Justice (DOJ) and Department of Homeland Security (DHS) grant programs in recent years sheds light on why there is a decrease from FY 2010. Many of the major DOJ grant programs, such as the Community Oriented Policing Services (COPS) Technology Grant and the Edward Byrne Memorial (Byrne) Discretionary Grant, are expected to see cuts in FY 2011. DHS's Assistance to Firefighters Grant, Interoperable Emergency Communications Grant and the Emergency Operations Center Grant Program are also expected to be cut or reduced in funding. However, other grant programs are expected to pick up some of the slack, such as the Urban Area Security Initiative (UASI) and the State Homeland Security Grant Program (SHSGP), which are estimated at \$2.1 billion combined.

This type of priority shifting can also be seen in the state budgets, but in the opposite direction. For example, the number of justice, public safety and homeland security

initiatives (IT and non-IT) proposed for FY 2011 were higher than the number proposed for FY 2010. The number of initiatives proposed for justice and public safety doubled year-to-year, whereas homeland security initiatives stayed the same. The increase in justice and public safety initiatives could be attributed to the continued efforts outlined in the economic stimulus, which stresses the need for more officers and budget stability.

## **The end of stimulus funds**

One area of concern will be how agencies respond to a lack of stimulus funding that was prevalent throughout FY 2010. The economic stimulus was a one-time jolt of funding, most of which has been distributed. Hopefully agencies kept that in mind when developing their FY 2011 budgets. One question asked in the NCSL report was how states were going to address the loss of stimulus funding. Fifteen states said they were looking at budget reductions to help offset the difference, while 24 states said discussions were ongoing and that more will be known once state legislatures convene.

Finally, 11 states were well-prepared and stated that the loss of stimulus funding for FY 2011 was not an issue.

The economic stimulus and its effect on FY 2010 budgets is a prime example of the complexities associated with preparing and planning for another fiscal year. The roller coaster ride that was FY 2010 has left state budget officials baffled as to how they can regain control of debt-ridden budgets, all while pursuing the goals and initiatives of their departments. While the outlook for FY 2011 is not nearly as bleak as previous years, it still highlights the need for sound, well-planned

budgets. It also places the state, and the agencies within them, at the forefront of public scrutiny. Constituents depend greatly on their state governments to safeguard and protect their lives and the citizens around them.

It is vital for state agencies to think creatively in order to fix their budget problems. It is through tough economic times that innovation flourishes, which is evident in the public safety market. Agencies are continuing to do more with less and are looking to identify new technologies that can enhance communications, provide officer safety, or assist in keeping the community safe. It is estimated that of the \$77.6 billion allotted for public safety in FY 2011, a small chunk will be put towards programs that reduce waste and enhance capabilities. Regardless of which measures agencies take, getting a sense of what is to come can be helpful to all.

## **About the author**

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