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Friday, Oct. 31, 2014



# Cuts in public safety prompt legislators to eye ABC for more revenue

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Posted: Thursday, October 30, 2014 4:24 pm

By MICHAEL MARTZ Richmond Times-Dispatch



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Bottles of liquor are on display at an ABC store in Richmond.

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Deep cuts in Virginia’s budget for prisons, state police, and forensic science have some state senators looking for revenue from a familiar source — the Department of Alcoholic Beverage Control, which runs the state’s lucrative liquor monopoly.

Republican members of the Senate Finance subcommittee on public safety took turns Thursday in decrying impending spending reductions that would cut almost \$34 million from this year’s budget for corrections, state police and forensic sciences alone to help close a \$2.4 billion revenue shortfall in the two-year state budget.

“I just feel it’s unjust what’s going on with this department,” complained Sen. Charles W. Carrico Sr., R-Grayson, a retired state

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**ABC generated \$387 million in profit and tax revenue to the state last year, and about \$1.8 billion in the past five years, while requiring no appropriation from the general fund budget, but legislators are looking at changes at the agency that also could broaden its mission and transform its organizational structure, at the same time as raising prices on distilled spirits for the first time since 2008.**

change the structure of ABC — replacing three quasi-judicial, full-time commissioners with an executive director and an advisory board — and McAuliffe assigned the commissioner of the Department of Motor Vehicles to run the alcohol agency for more than four months to recommend ways of modernizing its operations to generate even more money for the state.

trooper who is upset over \$12.4 million in cuts by Gov. Terry McAuliffe to the Virginia State Police budget.

In contrast, Sen. Ryan T. McDougle, R-Hanover, chairman of the subcommittee and the Senate Republican Caucus, said ABC is cutting about \$300,000 in operating expenses, while planning a markup in liquor prices that will generate \$2.5 million to help fill the revenue shortfall and an unspecified amount to modernize the 80-year-old agency.

“If they reduced their overhead, then that’s more money that could go to the general fund,” McDougle said after a subcommittee meeting that also reviewed potential revenue losses from inmate phone calls at state prisons and local jails, and a \$44.4 million projected shortfall in the corrections department budget for health care at 17 hard-to-serve prisons.

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“I think it needs some significant reformation,” said Sen. Thomas W. Norment Jr., R-James City, who wants to protect the Department of Forensic Science from more than \$1.1 million in spending cuts this year and consider tasking ABC with enforcing laws against cigarette trafficking.

The General Assembly carried over a legislative proposal for study this year to

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RTD political reporter and columnist, **Jeff Schapiro** has covered Virginia elections and the state Capitol for 30 years. Read his [column](#) and follow him on [Twitter](#).

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“Long-term investments in (the) agency will be necessary to maintain ABC as a trusted retailer and revenue generator in the commonwealth,” Secretary of Public Safety Brian J. Moran said in a presentation to the Senate subcommittee Thursday.

But ABC also is enticing to legislators concerned about McAuliffe’s budget cuts, announced this month to reduce executive branch spending by \$92.4 million in the fiscal year that began July 1. Public safety agencies bore the brunt of those cuts — more than \$43 million, including a portion of the liquor markup — in large part because the governor and assembly budget leaders took funding for K-12 education off the table for this fiscal year.

The Department of Corrections took the biggest hit, with \$20.3 million in cuts and 509 of the 565 layoffs announced by the governor. The department will close facilities in Powhatan, Augusta and Clarke counties, eliminating 959 prison beds, most of them in the main unit of the Powhatan Correctional Center.

The department will house the affected inmates by adding beds at prisons in Nottoway, Augusta and Buckingham counties, building 380 dormitory style beds at the Keen Mountain and Marion correctional centers in Southwest Virginia, and adding community diversion beds at facilities in Harrisonburg and Stafford.

The prison system already is operating at 123 percent over its designed capacity, but Moran said closing facilities was preferable to cutting programs to reduce inmate recidivism by helping them re-enter society after serving their prison sentences.

“Eliminate the programs or close facilities — we’re left with that type of choice,” he said.

Moran had a similar response to concerns Norment expressed over reductions in the forensic science budget, particularly five vacancies in forensic biology, which examines crime scene evidence for DNA matches, and Carrico’s protest of cuts in cash balances that state police could have used for training and trooper overtime pay.

“None of these actions was easy in public safety,” the secretary said. “The fact of the matter is there’s a significant revenue shortfall in the commonwealth.”

Sen. Janet D. Howell, D-Fairfax, suggested that one source of revenue that would help the state general fund budget, especially for corrections, would be federal funds under expansion of the Virginia Medicaid program. Medicaid expansion would allow the state to use federal dollars instead of state revenue to pay for inpatient hospital care of prison inmates, for example.

“That’s a lot of state troopers there,” Howell told Carrico, who is among assembly Republicans who have blocked expansion of the program in any form under the Affordable Care Act.

The governor and legislature aren’t through with budget cuts. Under a budget deal adopted last month, they still must find \$272 million in savings for the 2016 fiscal year, which begins July 1.

“As difficult as these cuts were to achieve, ‘16 could be worse,” Moran said.

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Obviously, the stated reasons are noble, but, the unintended consequences of this massive cut to corrections and law enforcement will make the citizens of the Commonwealth of Virginia less safe in their everyday lives. Closing the prisons and free the criminals prior to their completion of their sentences should make it easier for the criminal element to rationalize that even if they get caught the consequences are not a deterrent .

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