



DAC Challenges and Opportunities

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Joint Legislative Oversight Committee on Justice and Public Safety

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Institutions



55 prisons, two CRV facilities

Population: **>32,000**

Infrastructure Footprint: **14 million ft²**

Community Supervision

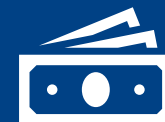


Offices in all 100 counties

Population: **>75,000**

CY 2025: 403k home contacts + 496k office visits

\$ 2.1 Billion
Departmental Budget



14,000+
Employees



47 million
Miles Driven a Year



Strategic Plan 2025-2029

Mission

Ensure public safety through protection, innovation, and rehabilitation.

Vision

Create a safer North Carolina.

Values

Integrity, Transparency, Professionalism



Grow our workforce



Support our employees



Strengthen safety and security



Upgrade infrastructure and technology



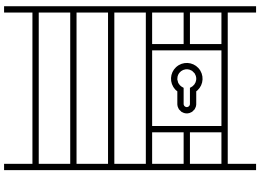
Modernize and improve our correctional healthcare system



Reduce recidivism

Prison Population Growth and Staff Shortages

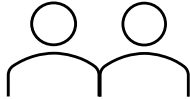

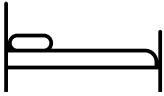
Prison population has been **exceeding projections.**



Prison **admissions**
outnumber *releases*.



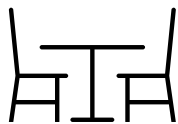
Admissions *outpaced*
releases by **over 50**
offenders per month on average.

	<u>2024</u>	<u>2025</u>		
Prison Population:	31,478	32,105	→	627 more inmates 
Correctional Officer Positions Filled:	5,061	5,023	→	38 fewer COs 
Beds Suspended Due to Staffing:	2,894	4,281	→	1,387 fewer beds available 

Staff Shortages.....



DAC **hired 2,647** employees
in CY 2025 (1,530 were correctional officers).



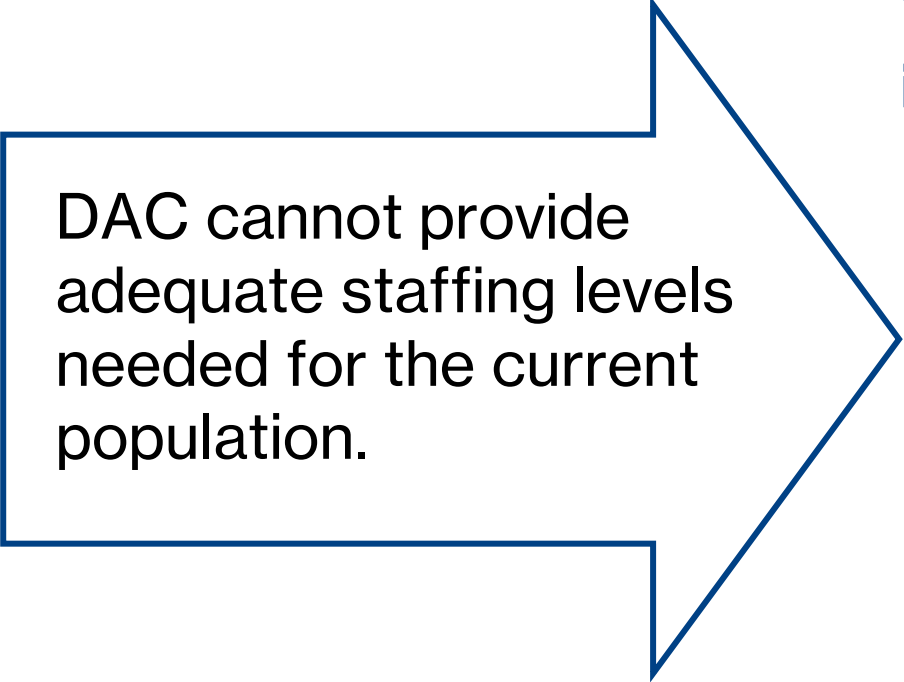
Despite **hiring more** correctional
officers in CY2025 compared to the
previous year, DAC had ***fewer filled*** CO positions
at the end of CY2025.

*Shortages create additional strain on the dedicated custody staff
who show up each day to protect public safety.*

Retention continues to be
the greatest challenge.

24% turnover rate
among correctional officer
positions in CY 2025

Effects of Custody Staff Shortages

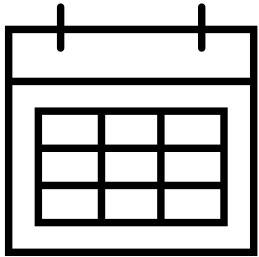


DAC cannot provide adequate staffing levels needed for the current population.

Staff required to work **mandatory overtime** and **DAC incurs additional expense:**

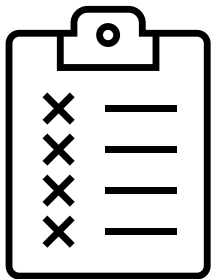
- Mandatory overtime contributes to **lower morale and burnout.**
- Overworked staff can lead to a **more dangerous prison environment** which negatively impacts other custody staff.
- OT payouts to custody staff (Dec 2024-Nov 2025): **\$73.5 million**

Effects of Custody Staff Shortages



Delays:

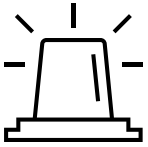
- Custody promotions and demotions
- Program assignments
- Medical appointments
- Facility transfers



Fewer offerings of programs and services proven to reduce recidivism and protect public safety.

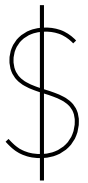
Fire Safety Systems

Update on Fire Safety Systems



Have fire safety issues been resolved?

No, however, fire alarm replacement projects have either been completed or are underway at 16 prison facilities.



What is still needed to address fire safety issues?

\$23,624,000 needed for immediate issues, however, more will be needed in the future to replace aging, obsolete systems.



What would specifically be addressed with the \$23.624 million?

Repair or replacement of fire safety systems at 13 prisons that are constantly on or intermittently on fire watch.

History on Fire Safety Systems

Had issues with fire safety systems gone previously undetected?

- Issues have not gone undetected and were previously identified.
- DAC has requested and received R&R funding for fire alarm projects over the last several years.

How did fire safety issues become such a problem if issues had been previously detected?

- Historically, there has been inadequate funding to address R&R needs.
- Prior to 2023, organizational size and structure contributed.
- Competing R&R priorities (e.g. HVAC, roofing).

Highest Priority Facilities

"Priority 1" facilities are on **active fire watch** and require significant upgrades or replacement.

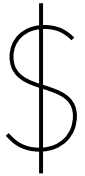
Priority 1 Est. Costs:		\$ 13.925 million
	Bertie CI	\$ 2.5 million
	Maury CI	\$ 2.5 million
	Scotland CI	\$ 2.5 million
	Tabor CI	\$ 2.5 million
	Neuse CI	\$ 1.625 million
	Eastern CI	\$ 2.3 million

Priority 2 Facilities

"Priority 2"
facilities have
obsolete systems
and may be on fire
watch intermittently.

Priority 2 Est. Costs:		\$ 17.7 million
Granville CI		\$ 1.4 million
Anson CI		\$ 2.5 million
Alexander CI		\$ 2.5 million
Piedmont CI		\$ 5.0 million
Foothills CI		\$ 2.5 million
Mountain View CI		\$ 2.3 million
Pamlico CI		\$ 1.5 million

How can the General Assembly support DAC?



Provide an additional **\$100 million** in R&R funding to OSBM for allocation to state agencies which would likely benefit DAC.



Authorize unused capital funds to be used for fire safety projects, as in HB125, ed. 3:

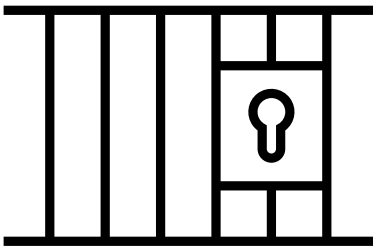
"SECTION 40.1.(a1) Notwithstanding the Committee Report referenced in Section 43.2 of this act or any other provision of law to the contrary, the allocation to the Department of Adult Correction for project code DAC23-1 may also be used for fire alarm and fire suppression systems replacement at eight facilities.

Facility Condition Assessments

Facility Condition Assessments

- NCGA appropriated \$3 million (S.L. 2021-180) for facility assessments.
 - DAC added \$1.78 million to complete the project.
- The assessment was completed by CGL in late 2024, and the final report was made available to DAC in Q3 2025.

What was uncovered?



- Bottom line – the report estimated deferred maintenance across the entire state prison system to be at **\$1.7 billion**.
 - **Current estimate after progress by DAC: \$1.4 billion**
- R&R funding has not covered the needs of prison facilities over a long period.

FCA Findings and Recommendations

Facility Condition Index Rating Description		
	0 < 0.05	Good: Infrastructure & systems are new or rehabilitated with few elements showing normal wear.
	0.05 < 0.15	Fair: Infrastructure & systems show some signs that require attention with a few elements needing immediate repair.
	0.15 < 0.30	Poor: Infrastructure & systems are mostly below standard with some elements reaching the end of useful life and requiring replacement.
	0.30 - 0.60	Critical: Infrastructure & systems require replacement to restore function. Systems could be unsafe to operate in current condition.
	>0.60	Replace: Infrastructure or systems need to be replaced immediately for safety, security and/or serviceability.

$$\text{FCI} = \text{DM/CRV}$$

DM: Deferred maintenance cost

CRV: Current replacement value

- Sq. Footage Evaluated..... 12.2 million ft²
- Replacement Value..... \$9.9 billion
- Deferred Maintenance..... \$1.7 billion
- Condition of Facilities as Evaluated:
 - "Critical" 4 facilities
 - "Poor" 35 facilities
 - "Fair" 20 facilities
- Beds recommended for closure.... 2,886

How is DAC thinking about actions in response to the report's findings?

R&R prioritization across facilities

Should repairs be prioritized based on mitigation or prevention?

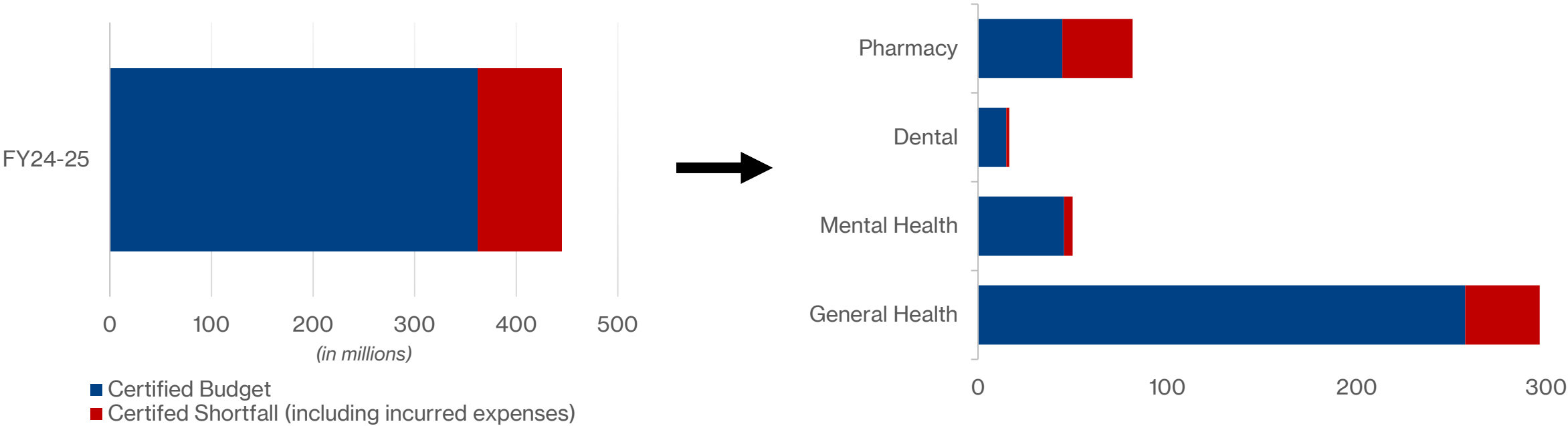
Future capital project planning

Additional assessment work needed to inform decision making about future operations

Workforce; Housing; Community and Economic Impact

Inmate Medical Costs and Prison Health Service Challenges

FY24-25 Health Services



\$82.5 million

FY24-25 Certified Shortfall (including incurred expenses)

Due to our **constitutional obligations**,
DAC *cannot* “suspend” healthcare
services.

Why are Costs Increasing?

Higher Needs Population



Greater risk for communicable disease.
HIV patients cost DAC \$9.7 million annually.



More than **2X** more likely to have a mental illness
and **5 to 9.5X** more likely to have SUD.



Arrive with preexisting conditions that have
worsened over time with deferred care.



300% increase in DAC inmate population
aged 70 years over the last ten years,
increasing the need for Long Term Care
(LTC) services (**\$8.6 M in 2024 and \$6M in 2025**).

Rising Cost of Care

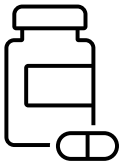
Healthcare costs are increasing **nationwide**.

Pharmaceutical costs continue to increase
significantly, consuming an increasing
proportion of the DAC healthcare budget.

Single Patient Annual \$ for Single Prescription

Hemophilia Patient: \$900,000

Multiple Sclerosis Patient: \$476,000



Manufacturer Shortages

Insulin manufacturer shortage led to total
expenditure of **\$897,000** in 2025- at least
50% increase over wholesale price.



Why are Costs Increasing?

Increased Reliance on Contract/Community Providers

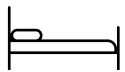
VACANCY RATES

Recruitment and retention challenges persist due to low salaries.

In-house vacancies pushes care to more expensive provision by:

- Contract Employees (30%-35% overhead)
- Community Providers
- Specialists

Forces inefficient use of resources:



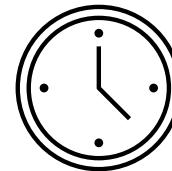
Closed beds push patients to community hospitals.



Community appointments put further strain on custody staff.

EQUIPMENT

Unserviceable, outdated, or end of life equipment **impedes diagnostic capabilities** and **operating room use** for surgical subspecialties, requiring DAC to substitute by sending patients into the community at increased expense.



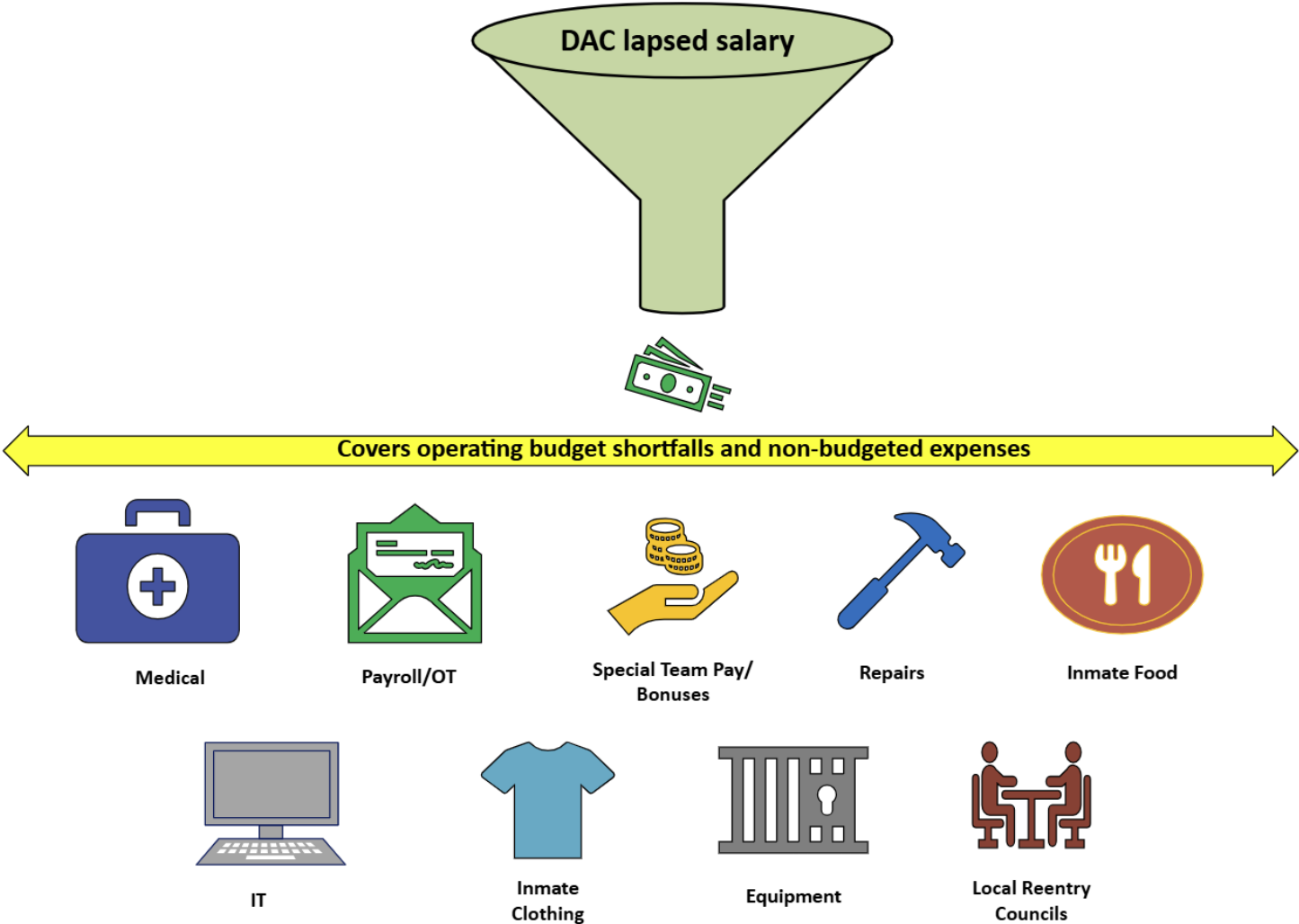
In CY2025, correctional officers spent more than **280,000 hours** transporting and securing offenders to 46,700 community medical appointments.

Stretching Every Dollar

- Pharmaceutical Savings Initiatives
(Saved \$83 million over three years)
- Outpatient Treatment Units
- After Hours Nurse Triage Program
- Telehealth Services
- Mobile Mammography
- Surgical Services
- Specialty Medical Clinic
- Physical Therapy Expansion
- Optometry Expansion
- Endocrinology Specialty Services
- UNC Physician Network
- E-Consult

Lapsed Salary and Short Session Funding Requests

Lapsed Salary Used to Cover Budget Shortfalls



Key Funding Requests for Short Session

- **Salary Increases for COs and PPOs + Compression Pay:** Raising pay for correctional officers is vital to recruitment and retention.
- **Additional R&R funding:** Remaining \$100 million for FY 2025-26.
- **Facility Assessment:** \$4 million NR to complete next phase of facility assessment work.
- **Body Cameras:** \$3.3 million R to expand program for all officers/staff handling high-risk offender transportation.
- **Medical Equipment Replacement:** \$3.2 million NR to replace unserviceable medical equipment across the entire prison system.
- **Local Reentry Councils (LRC):** \$3.1 million R for expansion of LRCs.

Questions?