



# DAC Challenges and Opportunities

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Joint Legislative Oversight Committee on Justice and Public Safety

January 15, 2026

## Institutions

**55 prisons, two CRV facilities**



Population: **>32,000**

Infrastructure Footprint: **14 million ft<sup>2</sup>**

## 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**

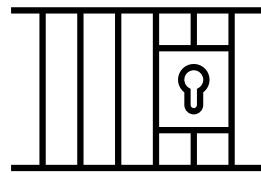


**Reduce recidivism**

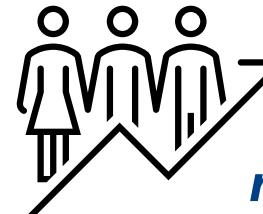


# Prison Population Growth and Staff Shortages

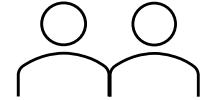
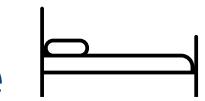
# Prison population has been **exceeding projections**.



**Prison admissions**  
outnumber *releases*.



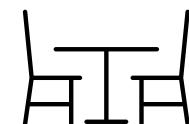
**Admissions outpaced releases by over 50**  
offenders per month on average.

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

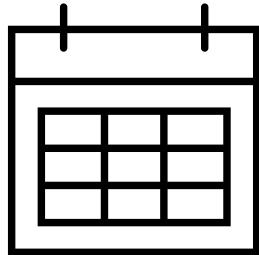
# Effects of Custody Staff Shortages

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

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

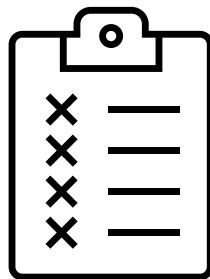
- Mandatory overtime contributes to **lower morale and burnout**.
- Overworked staff can lead to a **more dangerous prison environment** which negatively impacts other custody staff.
- OT payouts to custody staff (Dec 2024-Nov 2025): **\$73.5 million**

# Effects of Custody Staff Shortages



## Delays:

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

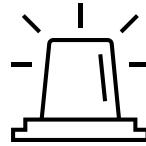


**Fewer offerings of programs and services proven to reduce recidivism and protect public safety.**



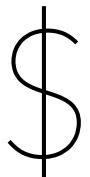
# Fire Safety Systems

# 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.

<b>Priority 1 Est. Costs:</b>	<b>\$ 13.925 million</b>
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

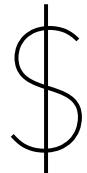
Piedmont CI \$ 5.0 million

Foothills CI \$ 2.5 million

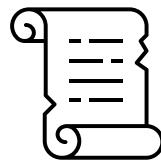
Mountain View CI \$ 2.3 million

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.**

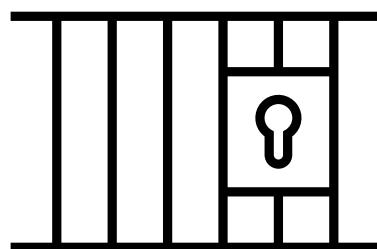


# Facility Condition Assessments

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

**FCI = DM/CRV**

DM: Deferred maintenance cost

CRV: Current replacement value

- Sq. Footage Evaluated..... 12.2 million ft<sup>2</sup>
- 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**

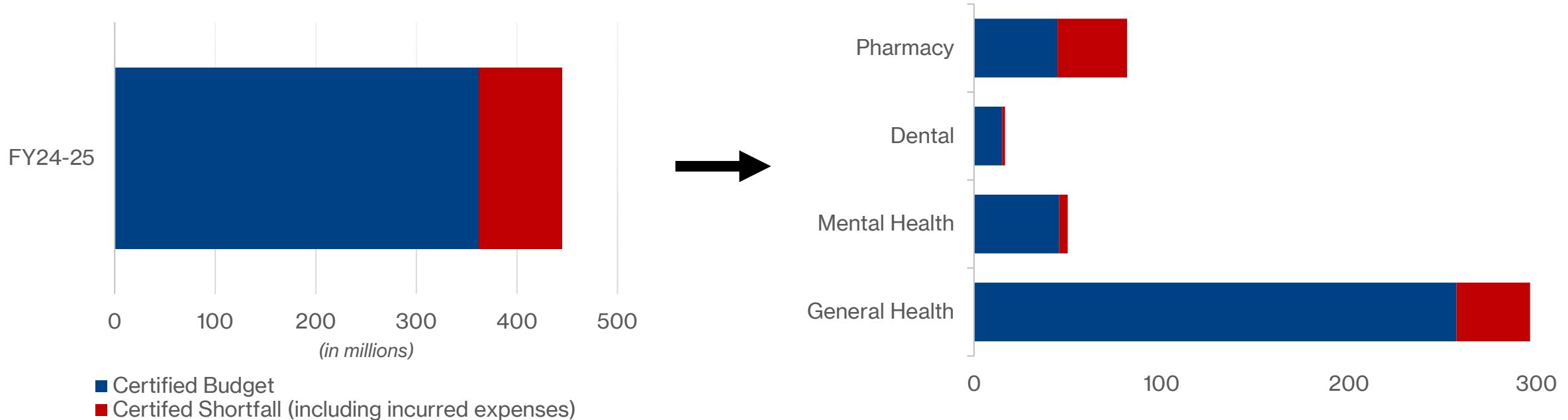
## **Additional assessment work needed to inform decision making about future operations**

*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:



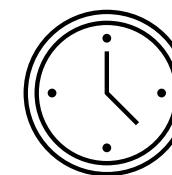
Closed beds push patients to community hospitals.



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.

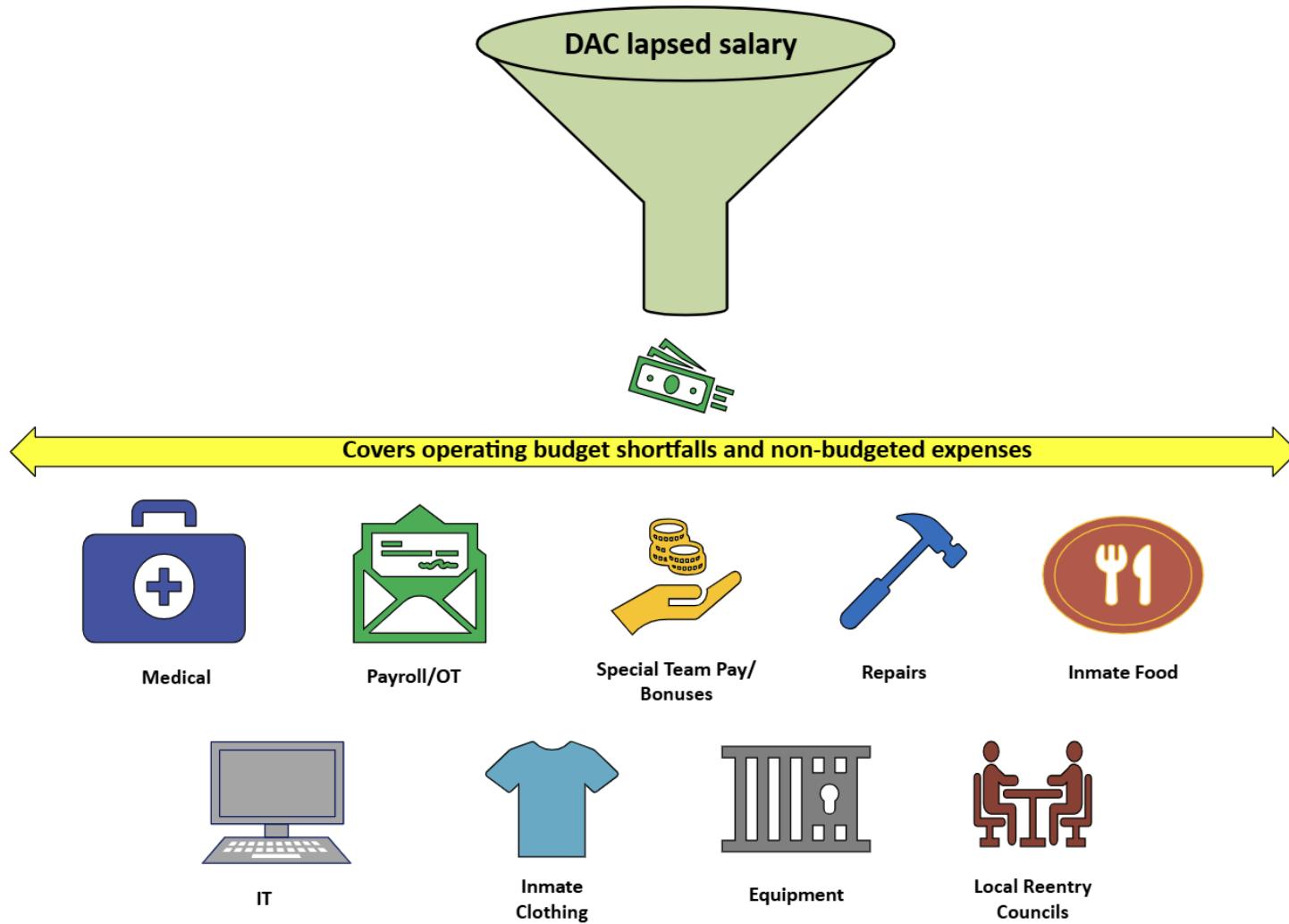
# Stretching Every Dollar

- 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?