SUPREME JUDICIAL COURT OF MAINE

Somerset County v. Department of Corrections

2016 ME 33 (2016) · No. Som-14-101 · Decided February 18, 2016

SUMMARY

The Maine Supreme Judicial Court held that the former Maine State Board of Corrections had authority to control Somerset County's use of surplus federal prisoner boarding revenue and to withhold corresponding State Investment Fund payments. The Court concluded that the County's unilateral application of the revenue to jail construction debt was inconsistent with the statutory coordinated corrections system. The Court vacated the Superior Court's judgment and remanded for entry of judgment in favor of the Department of Corrections, which was substituted for the abolished Board.

CASE DETAILS

COURT	Supreme Judicial Court of Maine
WRITING FOR THE COURT	HJELM, J.; SAUFLEY, C.J.; MEAD, J.; GORMAN, J.; JABAR, J.
JURISDICTION	Maine
DECIDED	February 18, 2016
DOCKET	Som-14-101
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Somerset County appealed a Board of Corrections decision under Maine Rule of Civil Procedure 80C after the Board withheld a quarterly State Investment Fund disbursement. The Superior Court vacated the agency decision. The Board appealed, and during the appeal the Board was abolished; the Department of Corrections was substituted as the party appellant.
STANDARD OF REVIEW	When the Superior Court acts in an intermediate appellate capacity under Maine Rule of Civil Procedure 80C, the Supreme Judicial Court reviews the agency decision directly for errors of law, abuse of discretion, or findings unsupported by substantial evidence. The party seeking to overturn the agency decision bears the burden of persuasion. Statutory ambiguity is determined de novo; an agency's construction of an ambiguous statute is reviewed for reasonableness, while an unambiguous statute is construed by the court.

PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Department of Corrections, substituted for the State of Maine Board of Corrections v. Somerset County

TOPICS

statutory interpretation · administrative law · judicial review of agency action · exhaustion of remedies · appellate procedure

PRACTICE AREAS

administrative law · municipal law · appellate procedure · statutory interpretation

QUESTIONS PRESENTED

1. Whether the abolished State Board of Corrections could be replaced by the Department of Corrections so that the dispute remained justiciable.
2. Whether federal prisoner boarding revenue constituted correctional services funds subject to the statutory coordinated-corrections scheme.
3. Whether the Board of Corrections had authority to control the County's disposition of surplus federal boarding revenue and to amend the County's correctional budget by withholding a State Investment Fund disbursement.
4. Whether the County failed to exhaust administrative remedies by not responding to the Board's additional invitation to submit argument.

HOLDINGS

1. The Department of Corrections was properly substituted for the abolished State Board of Corrections because the abolishing legislation transferred relevant responsibilities and funds to the Department, preserving the justiciability of the action.
2. Somerset County did not fail to exhaust administrative remedies because it presented its position to the Board, which had an opportunity to consider and act on it, and the Board identified no established procedure requiring a further response to its ad hoc invitation.
3. Under the statutory scheme in effect during fiscal year 2013, revenues generated by boarding federal prisoners constituted correctional services funds and were subject to the Board's control; Somerset County could not unilaterally apply surplus federal boarding revenue to jail construction debt without Board approval.
4. The Board acted within its statutory authority and did not abuse its discretion when it withheld the third-quarter State Investment Fund payment to offset the County's unauthorized use of surplus federal boarding revenue.

KEY QUOTATIONS

> *"We conclude that under the statutory scheme that governed the fiscal relationship between the Board and county jail administration, the Board was authorized to control the disposition of federal boarding revenue"* (¶ 26)

> *"We therefore hold that the Board did not err when it refused to make the third quarter State Investment Fund payment based on its determination that the action was necessary to offset the County's unauthorized application of federal boarding revenue to jail construction debt service."* (¶ 39)

FACTUAL BACKGROUND

Somerset County operated a jail that housed federal prisoners and received boarding revenue from the United States Marshals Service. During fiscal year 2013, the County received substantially more federal boarding revenue than anticipated and, without Board approval, directed a portion of the surplus to a jail capital improvement fund and jail construction debt service. The Board of Corrections withheld the County's third-quarter State Investment Fund disbursement, concluding that the County's use of the surplus revenue was unauthorized and that withholding the payment was necessary to maintain sound fiscal management of the coordinated correctional system.

PROCEDURAL HISTORY

The Board approved Somerset County's fiscal year 2013 correctional budget but later withheld the third-quarter State Investment Fund payment after learning that the County had applied surplus federal prisoner boarding revenue to jail capital improvements and debt service without Board approval. The Superior Court vacated the withholding decision. The Supreme Judicial Court granted substitution of the Department of Corrections for the abolished Board, vacated the Superior Court's judgment, and remanded for entry of judgment in favor of the Department.

DISPOSITION

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reversed_and_remanded
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REMAND INSTRUCTIONS

The Department of Corrections is substituted for the Board of Corrections. The Superior Court's judgment is vacated, and the case is remanded for entry of judgment in favor of the Department of Corrections.

CASES CITED

- Skolnick v. Kerner, 435 F.2d 694, 695 (7th Cir. 1970)
- Merrill v. Me. Pub. Emps. Ret. Sys., 2014 ME 100, ¶ 13, 98 A.3d 211
- Carrier v. Sec'y of State, 2012 ME 142, ¶ 18, 60 A.3d 1241
- Aydelott v. City of Portland, 2010 ME 25, ¶ 12, 990 A.2d 1024
- Dickau v. Vt. Mut. Ins. Co., 2014 ME 158, ¶ 19, 107 A.3d 621
- MacImage of Me., LLC v. Androscoggin Cty., 2012 ME 44, ¶¶ 22-23, 40 A.3d 975

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