

DEPARTMENT OF CORRECTION

Enabling Laws

Act 218 of 2010
A.C.A. §12-27-101 et seq.

History and Organization

In 1838, Governor James S. Conway signed legislation establishing the State Penitentiary. Today, the Department of Correction is responsible for overall management of the state correctional institutions, executing the orders of the criminal courts of the State of Arkansas, and providing for treatment, rehabilitation and restoration of applicable adult offenders to return to the community as useful, law-abiding citizens. The Mission Statement for the Arkansas Department of Correction (ADC) is to:

- ◆ Provide public safety by carrying out the mandates of the courts;
- ◆ Provide a safe, humane environment for staff and inmates;
- ◆ Provide programs to strengthen the work ethic; and
- ◆ Provide opportunities for spiritual, mental, and physical growth.

The Board of Corrections has constitutional and supervisory power and control over the ADC. The Board has seven voting members including the Chair of the Post Prison Transfer Board, five citizen members and one criminal justice faculty member employed at a four-year Arkansas university. Each member is appointed by the Governor and serves a seven-year term.

The ADC Director reports directly to the Board as the agency's chief executive, administrative and fiscal officer. The Director is responsible for the agency's philosophy, mission and operations. The ADC has five divisions and a Deputy or Assistant Director supervises each. The divisions and responsibilities are:

- **Administrative Services** provides procurement, accounting, human resources, research, finance and information technology support to all operational units of the ADC while ensuring agency compliance with state and federal accounting, budgetary and personnel procedures;
- **Institutional Services** oversees various Institutions, Work Release Programs, Regional Jails, Transportation Services, Accreditation, Classification and Emergency Preparedness and also coordinates Vocational Education programs provided by Riverside Vocational School through the Department of Workforce Education;

- **Operations** oversees various institutions, directs the Agriculture and Industry Programs, and the County Jail Contracts Program (Act 309);
- **Health and Correctional Programs** is responsible for Medical and Mental Health Services, Religious Services, Pre-Release, Inmate Grievances, Accreditation, Substance Abuse Treatment Programs (SATP and TC), and Reduction of Sexual Victimization Program (RSVP). The Health and Correctional Programs Division also coordinates educational programs provided through the Department of Correction School District, which is accredited and supervised by the Arkansas Department of Education and Workforce Education, and coordinates the Interchange Freedom Initiative Program (IFI) operated at the Wrightsville Unit. During the 1999 Legislative Session, responsibility for assessment of sex offenders in prison and living in communities in Arkansas was assigned to ADC. A unit supervised by the Deputy Director of Health and Correctional Programs conducts the assessments as prescribed by the Sex Offender Assessment Committee whose members are appointed by the Governor and prescribed by law;
- **Construction and Maintenance** is responsible for ongoing and preventative maintenance programs at the various units and design and construction projects for the department. Construction of facilities is often completed with inmate labor, which costs substantially less than free-world labor.

Correction Facilities of the ADC include:

Benton Unit - Capacity 325 - Special Operations include Work Release, SATP, Education, and Regional Maintenance.

Cummins Unit - Capacity 1,550 (also operating 26 temporary beds) - Special Operations include the execution chamber, SATP, Education, Vocational Education, Canine Unit and Horse Operation. Farm and Agriculture Programs include Livestock, Field and Edible Crops, Feed Mill, Slaughterhouse, Poultry Operations and Milk Processing. Industry Programs include Vinyl Products/Silk Screening, Engraving, Garment Factory, and Furniture Refinishing.

Delta Regional Unit - Capacity 432 (also operating 128 temporary beds and 20 jail beds) - Special Operations include Regional Maintenance, Education, Pre-Release Program, and Jail Operations. Also includes Janitorial Products Industry Program.

Diagnostic Unit - Capacity 459 (also operating 20 temporary beds) - Special Operations include Male Inmate Intake and Classification, Special Program Unit for Mental Health Inmates, Hospital Facility, Canine Unit, Horse Operation and housing for inmates with special medical needs.

East Arkansas Regional Unit - Capacity 1,432 (also operating 192 temporary beds and 35 jail beds) - Special Operations include Regional Maintenance, Education, Maximum Security Unit, Jail Operation, Canine Unit, Principle Application Life Skills (PALS), and Intake Operation for Parole Violators.

Grimes Unit - Capacity 1,000 - Special Operations include SATP, Life Skills, Education, Regional Maintenance, Principal/Application for Life (PAL) Program, Story Book Projects, Horse and Garden Operations, Vo-Tech, and College Courses.

Randall L. Williams Correctional Facility - Capacity 498 (also operating 44 temporary beds). Special Operations include Expanded Intake, Special Management Barracks for Mental Health, Regional Maintenance, SATP and Assisted Living Program (Geriatrics/Medical).

Maximum Security Unit - Capacity 532 - Special Operations include Education, G.E.D. Program, Principal/Application for Life (PAL) Program, Pre-Release Program, and U.N.I.T.Y. Program.

McPherson Unit - Capacity 800 (female inmates) - Special Operations include Female Inmate Intake, Substance Abuse Treatment Programs (SATP and TC), Education, Vo-Tech, Parenting, College Courses, Principle Application Life Skills (PALS), Pre-Release, SPU (mental health), AA/NA programs, Anger Management, My Watch, Story Book Project, Quilts for Babies, Locks of Love, Gardening Program, SOFT (Sex Offender Treatment) and Industry Program.

Mississippi County Work Release Center - Capacity 121 - Special Operations include Work Release, Regional Maintenance, AA/NA, and Education.

North Central Unit - Capacity 500 (also operating 50 temporary beds) - Special Operations include Education, Regional Maintenance, Anger Management, Principles/Applications for Life (PALS) Program and Pre-Release Classes.

Northwest Arkansas Work Release Center - Capacity 42. Work Release Program.

Ouachita River Correctional Facility - Capacity 1,308. Special Operations include Regional Maintenance, Construction, Education, RSVP (Sex Offender Treatment), Habilitation, Principle Application Life Skills (PALS), Livestock and Hay operations. The ORCU Special Needs Unit provides additional beds for Special Programs, Hospital, Special Management Barracks, and Assisted Living.

Pine Bluff Unit - Capacity 430 - Special Operations include Work Release, Education, Mental Health Programs, Vocational Courses, Grounds Maintenance, Warehouse and Construction.

Texarkana Regional Correctional Center - Capacity 128 - Special Operations include Regional Maintenance, Work Release, and Education.

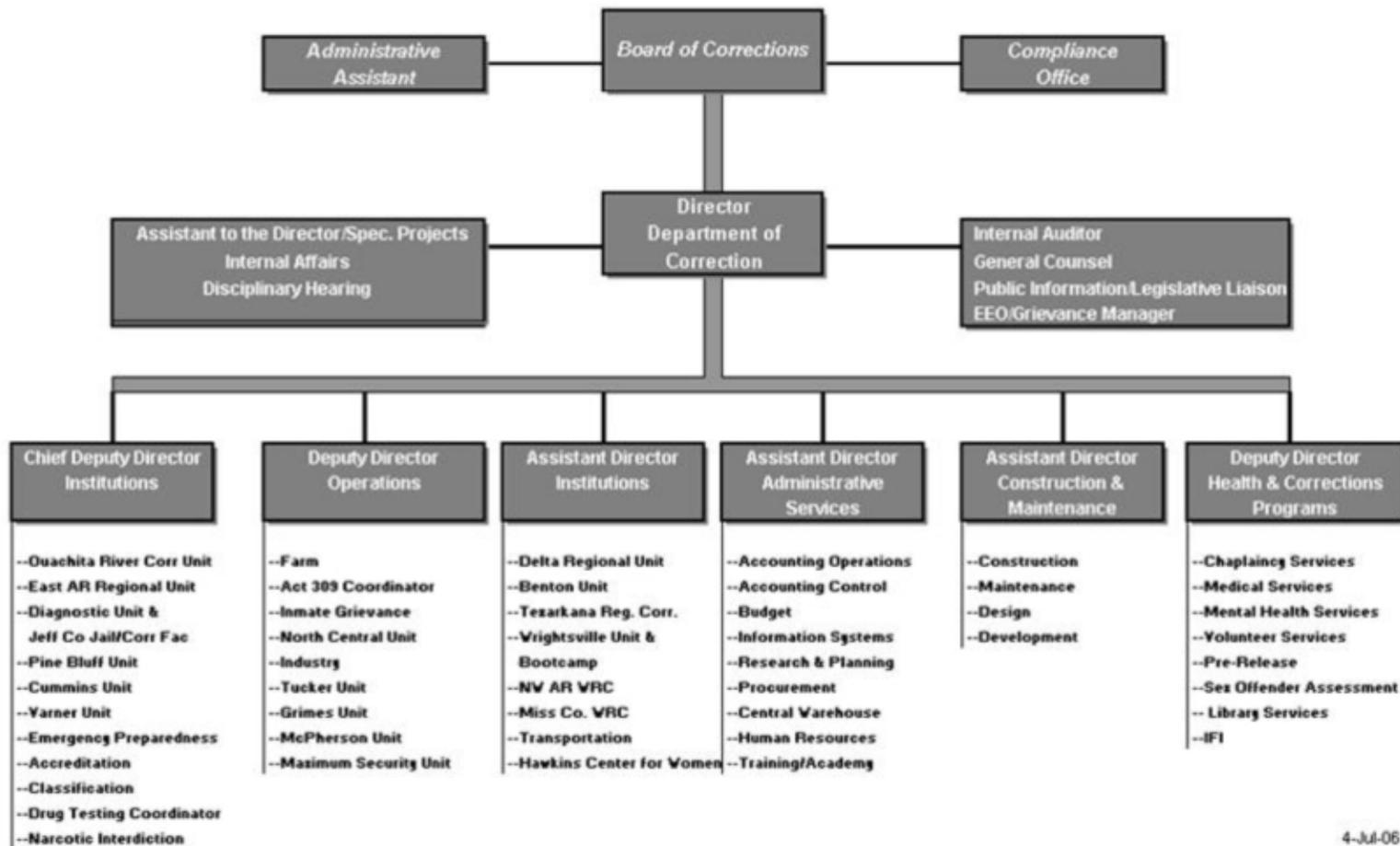
Tucker Unit - Capacity 796 (also operating 54 temporary beds) - Special Operations include Substance Abuse Treatment Programs (SATP and TC), Education, Vocational Education and the Male Boot Camp Program. Farm and Agriculture program includes Field and Edible Crops. Industry Programs include Mattress Manufacturing, Bus and Fire Truck Refurbishing, School Desk and Chair Repair, Athletic Equipment and Microfilming.

Varner Unit - Capacity 1586 (also operating 50 temporary beds) - Special Operations include a 486-bed Super Max Unit that includes Death Row, Regional Maintenance, Drug Treatment, Principle Application Life Skills (PALS), Education, Vocational Education and PASS Program (Prisoners of Arkansas Striving for Success). Agricultural Programs include a Vegetable Processing Plant and Field and Edible Crops. The Super Max addition was specially designed for enhanced security by restricting movement of the most violently classified inmates.

Wrightsville Unit - Capacity 850 - Special Operations include Regional Maintenance, Substance Abuse Programs (SATP and TC), Education, Principle Application Life Skills (PALS), Braille Program and Pre-Release programs. Also includes Beef Production Agricultural Program and Industry Programs: Graphic Arts, Data Imaging, and Furniture Manufacturing. In a move to better utilize bed space, the Male Boot Camp program (now at Tucker Unit) and the InnerChange Freedom Initiative Program (now located at Wrightsville Unit, Hawkins Center for Men) locations were swapped.

- J. Aaron Hawkins Center for Men/IFI - Capacity - 200 - InnerChange Freedom Initiative.
- J. Aaron Hawkins Sr. Center for Women - Capacity 212 - Special Operations include Female Boot Camp, Education, Substance Abuse Treatment Program, Special Programs Unit, Event Start Family Literacy Program, InterChange Freedom Initiative, Work Release and Parenting Classes.

The Arkansas Department of Correction is a vital part of the criminal justice system in this state. All department-owned facilities are accredited by tough, national standards of the American Correctional Association.



4-JUL-06

Agency Commentary

Like many other successful organizations, the 2010-2014 Arkansas Department of Correction (ADC) Strategic Plan provides us with an operational framework and a systematic approach to addressing existing problems, making objective decisions about what is needed and implementing strategies needed to accomplish Goals and Objectives. All Biennial Budget Requests submitted conform to our Agency Goals, which are:

- Goal 1:** To maintain cost effective care, custody, and control over all inmates in an appropriate, safe, humane, and secure environment.
- Goal 2:** To provide appropriate facilities for inmates sentenced by the courts.
- Goal 3:** To provide constructive correctional opportunities for inmates to successfully return to the community.
- Goal 4:** To optimize inmate assignments in work programs.
- Goal 5:** To attract and retain quality staff.

Operating appropriations provide for administrative and executive staff, security staffing for all correctional programs, comprehensive health care and correctional programs, general and preventative maintenance on over \$700 million of buildings, grounds, and equipment, extensive farming, industry, and work release programs and ancillary activities such as operation of inmate commissaries. Keeping with the Governor's direction, the Agency request is for restoration of reductions to the FY2011 budget and funding to replace one-time funds used to supplement general revenues. Additionally, it provides for necessary incremental and inflationary operating costs including health care services for existing facilities, operational costs and positions to open new beds scheduled for completion during FY12-13, and operational costs for four (4) additional positions, food and supplies for critical services.

The growth in the inmate population is contingent on numerous factors beyond our control. This assertion is supported by an ongoing study of the PEW Center on the States Public Safety Performance Project in support of Governor Beebe's Working Group on Sentencing and Corrections. Along with JFA Associates and the Crime and Justice Institute, the PEW Center on the States is studying numerous factors having an impact on Arkansas prison population growth including the number of cases filed in state circuit courts, admissions by judicial districts and counties, state population growth, recidivism rates, and sentence length versus time served. ADC complies with statutory laws and has no control over who is sentenced to or released from incarceration.

The JFA Associates' Ten-year Adult Secure Population Projection prepared for the ADC, DCC, and the Arkansas Sentencing Commission reported the following significant findings:

- *The Arkansas resident population has grown by 7.9 percent between 2000 and 2009. During this time frame it has been the 21st fastest growing state in the US.*
- *Reported crime in Arkansas decreased by 3.0 percent between 2007 and 2008. Note: this is the most recent year of data available. Crime data by state has not yet been released by the FBI for 2008.*

- *In terms of state prison populations (using the most recent national data available: year-end 2008), Arkansas showed much larger overall growth as compared to the nation as a whole over the last ten years (28.0 percent compared to 19.5 percent, nationally). The one-year change in state prison population from 2008 to 2009 in Arkansas was +3.3 percent. This is in contrast to the United States as a whole which had an increase of only 0.7 percent. Over the past several iterations of this report, Arkansas prison population growth has consistently outgrown the US as a whole.*

ARKANSAS DEPARTMENT OF CORRECTION: HISTORICAL AND PROJECTED INMATE POPULATION 2000-2021

Year	Historical	Projected
2000	11,856	
2001	12,333	
2002	12,845	
2003	13,109	
2004	13,470	
2005	13,338	
2006	13,698	
2007	14,285	
2008	14,686	
2009	15,171	BASE
2010		15,907
2011		16,645
2012		17,378
2013		18,026
2014		18,540
2015		19,024
2016		19,440
2017		19,949
2018		20,298
2019		20,663
2020		20,930
2021		21,074
Numeric Diff. 2000-2009	3,315	
% Diff. 2000-2009	28.00%	
Average % Diff. 2000-2009	2.80%	
Numeric Diff. 2010-2021		5,167
% Diff. 2010-2021		32.50%
Average % Diff. 2010-2021		2.60%

Source: JFA Simulation Model

Currently the inmate population growth is increasing at a steady rate of approximately 33 inmates per month. The 2010 average number of inmates backed up in the county jails was 1,550, a level that places a significant burden on county jail operations. During Calendar Year 2009, the inmate population increased by 483, an average growth of 40 inmates per month. Over the past fifteen years, the average inmate population growth has been 36 per month, or 432 inmates per year. A portion of the ADC Biennial Request is based on this projected growth rate of 33 inmates per month, even though through July 2010, the growth rate is currently averaging 61 per month. While we anticipate the recommendations of the Governor's working group on Sentencing and Corrections, if adopted by the General Assembly, will have a significant impact on future prison population growth, this request only provides for operation of beds for inmates currently sentenced to ADC.

Change Level Requests for each Program Area of the Department are summarized as follows:

INMATE CARE AND CUSTODY - GENERAL REVENUE - General revenue funded requests total \$63,391,150 for FY12 and \$64,245,100 for FY13. These requests are summarized as follows:

- **Restoration of Reductions** - The top ADC priority request is for restoration of reductions taken and restoration of general revenue needed to replace "one-time" funding certified in FY11. This includes \$4,039,621 each fiscal year of appropriation needs and \$8,813,216 each fiscal year of general revenue funding.
- **Incremental Medical Contract Increases** - Increases in the Professional Fees and Services line item total \$2,026,073 in FY12 and \$4,130,712 in FY13. The ADC/DCC Blended Rate for FY12 of \$333.73 per month per inmate housed at an ADC facility and \$346.32 for FY13 represents a projected increase of 3.7% in FY12 and 3.6% in FY13 over the FY11 rate of \$321.61. For Act 309 contract inmates the per diem is \$113.89 for FY12 and \$118.19 for FY13.
- **New Bed Operations:**
 - **Ouachita River Special Needs Unit** - Additional beds at the Special Needs Unit of the Ouachita River Correctional Unit facility are scheduled to be completed during the FY12-13 biennium. The request needed to operate this unit is summarized as follows:
 - Phase II - 42 Hospital Beds, 40 Habilitation Beds, 30 Assisted Living Beds and 128 remaining Special Programs Unit Beds. The request includes 204 positions and related start-up and operating expenses totaling \$12,080,579 in FY12 and \$12,242,519 in FY13.
 - Phase III - An expanded 294 Bed Intake and Diagnostic Facility is scheduled for completion during December 2011. 68 positions and related start-up and operating expenses included in the biennial request total \$3,830,272 in FY12 and \$6,165,352 in FY13.

- Equipment - Equipment needed to open the above two phases totals \$879,335 in FY12 and \$343,405 in FY13.
- **Cummins Trustee Barracks** - 300 Beds (completed April 2011) opening July 2011. The request includes 48 positions and related operating costs totaling \$3,913,837 in FY12 and \$4,004,161 in FY13.
- **McPherson Female Special Programs Unit** - Special Programs and Segregation Expansion includes 100 Beds (40 Special Programs and 60 Segregation) opening July 2011. 17 positions needed to open the unit and related operating costs included in the request total \$1,437,363 in FY12 and \$1,484,471 in FY13.
- **North Central Expansion** - 100 General Population Beds will be completed May 2012. The biennial budget request includes 14 positions and related operating costs totaling \$466,091 for FY12 and \$1,358,217 for FY13.
- **Diagnostic Variable Use Barracks** - 50 Beds at the Diagnostic Unit (VUB) for New Programs are scheduled for completion in May 2011. The biennial request includes 12 positions and related operating costs totaling \$856,492 in FY12 and \$880,546 in FY13.
- **Warehouse Food/Supplies - All Units.** To provide for the existing and expanding inmate population, an additional \$5,493,500 in FY12 and \$7,518,500 in FY13 is needed. Costs of food and supplies have increased by approximately 24% over the past two years due to the rising cost of fuel needed to transport these items to the units. Items are purchased in bulk at lower costs and distributed to the units by Warehouse staff. Previous analysis of drop shipments to each unit direct from vendors (versus the way we purchase and deliver) showed that drop ship is substantially higher.
- **Additional Priority Staffing** - All units identified numerous additional priority positions that are important to their operations. However, for the agency as a whole, only 4 positions are requested for critical needs at the East Arkansas Regional Unit. This includes a Chaplain and three (3) Advisors. These positions will enable ADC to improve mental health and religious services at the unit. This additional assistance will enable Mental Health Services to sufficiently monitor/assess inmates on punitive and segregation status and provide needed services to the inmate population such as group treatment, case management, crisis prevention/intervention, psychiatric clinic and anger management. The request for positions and related operating costs totals \$195,193 in FY12 and \$201,273 in FY13.
- **309 Program Expansion** - An increase of \$285,530 each fiscal year is requested to enable ADC to increase the 309 program from a current funded level of 280 to a total of 325 inmates that can be held in county jails under provisions of Act 309. ADC currently reimburses counties housing 309 work inmates \$15 per day. This request also includes an additional position to assist the current coordinator in supervising the program.
- **Position Reauthorization/Flex** - The request is for reauthorization of 86 existing flex positions for the FY 2012-2013 biennium to enable us to respond to unforeseen situations and to correct inequities within the system as may be required. We need the flexibility to

quickly take care of security issues that may occur. In the past, we have utilized flex pool positions to meet federally imposed mandates. We have a significant number of staff on military and family medical leave and utilize flex positions to keep staffing at necessary levels. Flex positions also assist us in keeping more of our budgeted positions filled as they can be advertised prior to employee departures. No additional funding is requested for any of the flex positions.

- **System Wide New/Replacement Equipment** - The Agency Request combines both new and replacement institutional furnishings and equipment, medical equipment, and construction and maintenance equipment needs for the entire system. Aging buildings and equipment demand that we routinely replace essential equipment in operations such as kitchens, laundry, heating and ventilation systems, sewer plants, ground maintenance equipment, etc. This request totals \$2,052,803 in FY12 and \$1,730,250 in FY13.

COUNTY JAIL REIMBURSEMENTS - GENERAL REVENUE

In the event ADC cannot accept inmates from county jails due to insufficient bed space, ADC reimburses the counties from the County Jail Reimbursement Fund at rates determined by the Chief Fiscal Officer of the State, after consultation with the Division of Legislative Audit and ADC and upon approval of the Governor, until the appropriation and funding provided for that purpose are exhausted as stipulated in A.C.A. §12-27-114. ADC serves as disbursing officer for this separate Revenue Stabilization fund and currently pays county jails \$28 per day for housing inmates sentenced to ADC. Based on an average monthly increase in inmate population of 33 inmates, with no significant change in court sentencing practices, contingent on beds opening as planned over the biennium, and assuming a continuing Base Level Funding of \$7,500,035 per FY, ADC projects that an additional \$13.3 will be needed in FY12 (which includes an estimated \$7.9 over FY11 Base needed if not provided by Supplemental Request), and an additional \$7.3 will be needed in FY13 to pay county jails for housing inmates.

WORK RELEASE - CASH

Eligible inmates of the department are employed in the community while residing in correctional facilities. The ADC coordinates employment opportunities for 450 inmates in work release programs located in Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. Fees received from work release participants reduce the operational costs of the program. The Agency Request for Work Release Operations includes additional operating costs increases for utilities, flex operational appropriation for unforeseen needs, and equipment for all units totaling \$1,703,000 in FY12 and \$1,853,000 in FY13.

FARM PROGRAM - SPECIAL REVENUE

The agricultural operation of the ADC is a self-supported division of ARC. The Agricultural Division is involved in almost every area of farming imaginable. It provides fresh and frozen vegetables, meat, milk and eggs which are consumed by the inmate population and generates revenue by selling products such as soybeans, rice, cotton and wheat. The primary goal of the Farm Program is to provide useful

and meaningful work for inmates, produce sufficient cost-effective food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock. A Vegetable Processing facility is located at the Varner Unit and annually sends approximately 1.2 million pounds of vegetables for inmate consumption. A Cold Storage facility located at the Cummins Unit provides beef and pork products to all units for consumption. A state of the art Creamery operation is also located at the Cummins Unit and provides milk and juice products. Inmate consumption is expected to total \$6 million for FY10. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY10 cash crop sales total \$6.9 million. The Farm Program provides jobs for approximately 400 inmates. The Livestock Division consists of 2300 beef cows, a 225-cow dairy, swine production facilities, and egg layer operation as well as responsibility for all the horses being used in the cattle operation and at various units around the state for security and regional maintenance. Revenues from Farm operations will fund the biennial request that includes five (5) positions outlined as follows:

- **Poultry Expansion** - 4 positions - Head Farm Manager I, Assistant Farm Manager, Agricultural Unit Supervisor I, and Agricultural Unit Supervisor II. This additional staffing and related operating costs for Poultry Expansion totaling \$223,248 in FY12 and \$229,328 in FY13 are included in the biennial request.
- **Cummins Creamery** - 1 position - An Agricultural Unit Supervisor I staff position and related operating costs totaling \$50,607 in FY12 and \$52,127 in FY13 are included in the agency request.
- **Capital Equipment** - The farming operation requests Capital Outlay authorization for equipment totaling \$1,765,000 in FY12 and \$1,442,000 in FY13.

INDUSTRY PROGRAM

Correctional Industries exists as a self-supporting operation within the ADC and is funded by special revenues generated by the sale of products to public agencies and nonprofit organizations. The primary goal of the Industries program is to administer and operate the various industry programs in an efficient and cost-effective manner that provides inmates with productive and significant training opportunities. More than 500 inmates participate in the various work programs. Principal operations include printing and graphic arts, digital imaging, engraving, janitorial product manufacturing, school bus/fire truck repair, furniture manufacturing, refinishing and upholstery, vinyl products and athletic equipment. Prison Industry Enhancement (PIE) Programs at the McPherson and Pine Bluff Units are a partnership with private sector companies operating within prison fences and employing inmates at prevailing wages. FY10 sales totaled just over \$7.5 million. Revenues from Industry program operations will fund the biennial request that includes two (2) positions for a potential new PIE Program. An ACI Industrial Supervisor, Correctional Officer II and related operating costs are included in the request totaling \$77,923 in FY12 and \$78,863 in FY13. In addition, the program is requesting Capital Equipment authorization totaling \$331,095 in FY12 and \$142,200 in FY13.

INMATE WELFARE FUND

Self-supported Pen Store operations within institutions provide the opportunity for inmates to purchase various commissary supplies such as hygiene items, paper, and stamps as well as various snack foods. A centralized banking system manages inmate funds, and the profits from the stores are used to purchase items that benefit inmates such as tables and chairs for visitation, televisions, and recreational equipment for inmate use. The Agency Request for this cash fund operation includes inflationary operating costs increases and anticipated needs for unit expansions. Two (2) positions for the Ouachita River Correctional Unit Commissary Expansion and related operating increases are included, totaling \$1,521,899 in FY12 and \$1,521,899 in FY13. The commissary store will need to be open extended hours to provide for timely distribution of goods from the commissary to an increased offender population.

NON-REVENUE RECEIPTS

Funds for this appropriation are derived from operation of an inmate collect calling system that began in the 1995-97 Biennium. The system allows inmates the opportunity to call family or friends and provides revenues that are used to fund inmate assistance, security equipment, long-term needs that enhance quality of life in the institutions, and general operations. The Agency Request will provide various operational and construction appropriations needed to provide flexibility in funding priority projects as may be approved by the Board of Corrections totaling \$2,750,000 each fiscal year.

CUMMINS FIRE STATION-CASH FUNDS

Funds for this appropriation are derived from collections by Lincoln County from the Fire Protection Revolving Fund as authorized by Act 833 of 1991. These funds are currently being used to construct a Fire House at the Cummins Unit utilizing Inmate Labor.

UAMS JUVENILE ASSESSMENT-SPECIAL REVENUES

Funds for this appropriation are derived from collections by the Arkansas Crime Information Center (ACIC) of a \$250.00 fee from each individual who is required by law to register as a Level III or Level IV Sex Offender as required by provisions of A.C.A. §12-12-910 and 12-12-911 et seq. The fees are split between ACIC and the Arkansas Department of Correction. ADC requests the Fund title be changed to ADC Sex Offender Assessment Fund.

FEDERAL PROGRAMS

Funding for this appropriation accommodates multiple Federal Program Grants. Continuing level appropriation is requested.

SPECIAL LANGUAGE

The Agency Requests continuation of current Special Language with appropriate date revisions and changes/deletions/additions as follows:

- Delete Section 38 to resolve the conflict with Section 23 relative to the authority to transfer funds to the County Jail Reimbursement Fund.
- Change Section 25 Special Language - UAMS Family Treatment Program. ADC anticipates entering into an agreement with an alternative entity to conduct Juvenile Sex Offender Assessments as may be approved by the Sex Offender Assessment Committee. ADC also requests the title of this section be changed to Juvenile Sex Offender Assessment Program.
- Change Section 27 to include authority to transfer non-funded appropriation from Inmate Care and Custody in an amount not to exceed the County Jail Reimbursement Fund balance carried forward on July 1 upon request by ADC and approval of the Chief Fiscal Officer of the State.
- Add Correctional Officer Promotional Progression - ADC is requesting new Special Language to assist in recruitment and retention efforts by allowing ADC to ensure ADC the authority to continue promotional progression of correctional officers during the first 12 months of employment. Over the past several years, we have been allowed to promote within classification, a correctional officer with a satisfactory or better performance evaluation to an Officer First Class and increase salary of 6%. After 12 months, with the completion of required training and an above average performance evaluation, the OFC is promoted to Corporal with an additional 10% salary increase. In 2007, a report reflected that 1,632 of 2,632 or 62% of employees classified as security (COI - Major) had less than five years of service. It also reflected that we lose most employees within the first year and it decreases after five years. This promotional progression entices new officers to stay though five years, and at that time, the opportunity for retention increases. While not all success is attributed to this promotional progression plan, it has helped to reduce our turnover of correctional officers to 27%.
- Add new Special Language to enable ADC to continue Tier Plans for all levels of security personnel in order to assure pay commensurate with assignment. Until implementation of the new Pay Plan in FY10, ADC was allowed to maintain tier plans for assignment of Warden, Assistant/Deputy Warden, Superintendent, Major, Captain, Lieutenant Sergeant Corporal, Officer First Class, and the Correctional Officer Series. Because positions of minimum, medium and maximum security units are included in the same position classification, without the tier level pay increase, there is no incentive for someone to move from a lower security level unit to a higher security unit. Utilization of tier plans has increased interest from all levels of personnel in these professional positions and provides a natural promotional progression needed to provide security and management expertise at each site.
- Add new Special Language to enable ADC to pay an Essential Services Stipend of up to 3% for staff comprising the emergency response force for each unit as approved by the Board of Corrections. This stipend will be in lieu of Emoluments which the Board suspended as of August 1, 2010.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF CORRECTION
FOR THE YEAR ENDED JUNE 30, 2009

Findings

As noted in the previous report, the Agency did not record accounts payable due to an inadequate review of vendor invoices at year-end. Our search for unrecorded liabilities revealed one invoice totaling \$104,993 that was paid in fiscal year 2010 for services provided during fiscal year 2009. According to R1-19-4-702 of the State's Financial Management Guide, a prior year obligation for which no remittance has been made, must be identified and recorded as an accounts payable for the prior year. Failure to properly record accounts payable reflects a weakness in the Agency's ability to provide accurate financial reporting.

As noted in the previous report, inventory records and controls were inadequate at the excess construction materials facility. Twelve exceptions, or 17% of items selected for testing, were noted between the Agency's perpetual records and actual inventory on hand. The excess construction materials facility had \$352,297 in total inventory at June 30, 2009. Inadequate inventory records and controls reduce the Agency's ability to properly safeguard and account for these assets for use in the care and custody of inmates.

Recommendations

Thoroughly review all invoices to ensure the proper recording and reporting of all expenditures.

Maintain accurate records and strengthen internal controls over all inventories by reconciling perpetual inventory records to periodic physical counts performed during the year and at fiscal year-end.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF CORRECTION
REPORT ON CERTIFICATION OF CONSUMPTION OF FARM PRODUCE
FOR THE YEAR ENDED JUNE 30, 2009

Findings

None

Recommendations

None

Employment Summary

	Male	Female	Total	%
White Employees	1492	596	2088	53 %
Black Employees	826	973	1799	46 %
Other Racial Minorities	19	8	27	1 %
	Total Minorities		1,826	47 %
	Total Employees		3,914	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Annual Report	ACA §12-27-107	N	Y	500	Required by Statute
Inmate Handbook	ACA §12-27-106	N	Y	5,000	Required by Statute

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1MJ County Jail Reimbursement	15,139,817	0	7,500,035	0	7,500,035	0	7,500,035	0	20,830,069	0	20,830,069	0	7,500,035	0	14,846,171	0	14,846,171	0
2ZV Work Release Cash	1,332,789	0	6,264,424	0	7,761,272	0	5,764,424	0	7,467,424	0	7,317,424	0	5,764,424	0	7,617,424	0	7,317,424	0
33K Juvenile Sex Offender Assessment*	12,643	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
4HS Fire Station Treasury Cash	49,546	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
509 Inmate Care & Custody	288,609,112	4,247	301,132,037	4,252	338,472,249	4,597	301,493,553	4,252	341,663,225	4,703	303,571,258	4,252	301,493,553	4,252	348,457,391	4,703	305,675,898	4,252
511 Prison Industry	7,343,205	49	10,910,823	52	11,074,002	52	10,282,077	52	10,690,155	54	10,690,155	54	10,282,077	52	10,503,140	54	10,503,140	54
512 Farm Operations	11,926,819	58	14,100,000	60	17,779,535	60	13,518,382	60	15,557,237	65	15,322,982	60	13,518,382	60	15,241,837	65	15,007,582	60
847 Federal Programs	3,243,240	0	500,000	0	1,126,335	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
859 Inmate Welfare Treasury Cash	8,997,454	0	12,522,286	26	13,151,588	28	12,517,600	26	14,039,499	28	14,039,499	28	12,517,600	26	14,039,499	28	14,039,499	28
865 Non-Tax Revenue Receipts	2,319,437	0	3,867,470	0	5,772,626	0	3,467,470	0	6,217,470	0	6,217,470	0	3,467,470	0	6,217,470	0	6,217,470	0
B01 Regional Facilities Oprs Cash	0	0	800,000	0	800,000	0	800,000	0	0	0	0	0	800,000	0	0	0	0	0
B06 Prison Housing Contract Cash	0	0	200,000	0	200,000	0	200,000	0	0	0	0	0	200,000	0	0	0	0	0
C02 Constr Fund Deficiency Cash	0	0	500,000	0	500,000	0	500,000	0	0	0	0	0	500,000	0	0	0	0	0
Total	338,974,062	4,354	358,372,075	4,390	404,212,642	4,737	356,618,541	4,390	417,040,079	4,850	378,563,857	4,394	356,618,541	4,390	417,497,932	4,850	374,182,184	4,394

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	18,520,928	5.2	17,743,659	4.8	7,585,754	2.1	7,585,754	1.8	7,585,754	2.1	8,638,807	2.4	1,612,213	0.4	670,013	0.2	
General Revenue	4000010	278,986,483	78.2	297,803,344	81.4	302,211,322	83.9	355,582,445	86.0	304,237,395	84.0	302,211,322	83.4	356,392,713	87.0	306,342,035	85.4	
Federal Revenue	4000020	654,328	0.2	1,000,000	0.3	1,000,000	0.3	1,000,000	0.2	1,000,000	0.3	1,000,000	0.3	1,000,000	0.2	1,000,000	0.3	
Special Revenue	4000030	14,631,166	4.1	18,315,000	5.0	19,686,037	5.5	19,686,037	4.8	19,686,037	5.4	20,813,171	5.7	20,813,171	5.1	20,813,171	5.8	
Cash Fund	4000045	15,280,564	4.3	20,678,944	5.7	25,141,969	7.0	25,141,969	6.1	25,141,969	6.9	25,141,969	6.9	25,141,969	6.1	25,141,969	7.0	
Budget Stabilization Trust	4000130	4,600,000	1.3	4,600,000	1.3	4,600,000	1.3	4,600,000	1.1	4,600,000	1.3	4,600,000	1.3	4,600,000	1.1	4,600,000	1.3	
DFA Motor Vehicle Acquisition	4000184	170,590	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Federal Funds-ARRA	4000244	3,014,180	0.8	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Insurance Fund Proceeds	4000299	27,815	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
M & R Sales	4000340	31,667	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Transfer from General Imprv	4000540	20,800,000	5.8	5,816,882	1.6	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Total Funds		356,717,721	100.0	365,957,829	100.0	360,225,082	100.0	413,596,205	100.0	362,251,155	100.0	362,405,269	100.0	409,560,066	100.0	358,567,188	100.0	
Excess Appropriation/(Funding)		(17,743,659)		(7,585,754)		(3,606,541)		3,443,874		16,312,702		(5,786,728)		7,937,866		15,614,996		
Grand Total		338,974,062		358,372,075		356,618,541		417,040,079		378,563,857		356,618,541		417,497,932		374,182,184		

Variance in Fund Balance due to unfunded appropriation.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
4,701	3835	491	4326	375	18.42 %	4,667	3890	460	4350	317	16.65 %	4,737	3937	417	4354	383	16.89 %

Analysis of Budget Request

Appropriation: 1MJ - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

In the event the Arkansas Department of Correction cannot accept inmates from county jails due to insufficient bed space, the Agency reimburses the counties from the County Jail Reimbursement Fund at rates determined by the Chief Fiscal Officer of the State, after consultation with the Division of Legislative Audit and the Department of Correction and upon with approval of the Governor, until the appropriation and funding provided for that purpose are exhausted as stipulated in A.C.A. §12-27-114. ADC serves as disbursing officer for this separate Revenue Stabilization fund and currently pays county jails \$28 per day for housing inmates sentenced to ADC.

The Agency's Change Level Requests are for increases of \$13,330,034 in FY12 and \$7,346,136 in FY13 to reimburse counties.

The Executive Recommendation provides for the Agency Request in appropriation only. Funding will be determined by the 88th General Assembly.

Appropriation Summary

Appropriation: 1MJ - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	15,139,817	7,500,035	7,500,035	7,500,035	20,830,069	20,830,069	7,500,035	14,846,171	14,846,171
Total		15,139,817	7,500,035	7,500,035	7,500,035	20,830,069	20,830,069	7,500,035	14,846,171	14,846,171
Funding Sources										
Fund Balance	4000005	2,053,355	1,176,455		1,176,455	1,176,455	1,176,455	1,176,455	1,176,455	0
General Revenue	4000010	7,062,917	7,500,035		7,500,035	20,830,069	7,500,035	7,500,035	14,846,171	7,500,035
Transfer from General Imprv	4000540	7,200,000	0		0	0	0	0	0	0
Total Funding		16,316,272	8,676,490		8,676,490	22,006,524	8,676,490	8,676,490	16,022,626	7,500,035
Excess Appropriation/(Funding)		(1,176,455)	(1,176,455)		(1,176,455)	(1,176,455)	12,153,579	(1,176,455)	(1,176,455)	7,346,136
Grand Total		15,139,817	7,500,035		7,500,035	20,830,069	20,830,069	7,500,035	14,846,171	14,846,171

Change Level by Appropriation

Appropriation: 1MJ - County Jail Reimbursement
Funding Sources: MCJ - County Jail Reimbursement Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	7,500,035	0	7,500,035	100.0	7,500,035	0	7,500,035	100.0
C01	Existing Program	13,330,034	0	20,830,069	277.7	7,346,136	0	14,846,171	197.9

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	7,500,035	0	7,500,035	100.0	7,500,035	0	7,500,035	100.0
C01	Existing Program	13,330,034	0	20,830,069	277.7	7,346,136	0	14,846,171	197.9

Justification

C01	In the event the Department of Correction cannot accept inmates from county jails due to insufficient bed space, the Department of Correction reimburses the counties from the County Jail Reimbursement Fund at rates determined by the Chief Fiscal Officer of the State, after consultation with the Division of Legislative Audit and the Department of Correction and upon approval of the Governor, until the appropriation and funding provided for that purpose are exhausted as stipulated in §12-27-114. ADC serves as disbursing officer for this separate Revenue Stabilization fund and currently pays county jails \$28 per day for housing inmates sentenced to ADC. Base on an average monthly growth of 33 per month and assuming that beds will open at Malvern, Cummins, Diagnostic, North Central and McPherson as requested, ADC projects that an additional \$13.3 million in FY12 and \$7.3 million in FY13 will be needed to pay counties for housing inmates. The amount requested for FY12 includes a \$7.9 million of projected costs not currently funded for FY11. Should a supplemented emergency funding request be appropriated and funded during the 2011 Session, the FY12 amount may be reduced accordingly. During FY2009, the inmate population grew by 40 inmates per month. As of August 31, 2010, there are 1,675 inmates held in county jails awaiting bed space at the Department of Correction.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Correction Department

Program: County Jail Reimbursement

Act #: 218 Section(s) #: 15 & 27

Estimated Carry Forward Amount \$ 1,748,432.00 Funding Source: General

Accounting Information:

Business Area: 0480 Funds Center: 1MJ Fund: MCJ Functional Area: SFTY

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Carryforward needed to fund FY11 County Jail reimbursements.

Actual Funding Carry Forward Amount \$ 1,176,453.65

Current status of carry forward funding:

Funds will be used for County Jail reimbursements.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Ray Hobbs

Director

08-26-2010

Date

Analysis of Budget Request

Appropriation: 2ZV - Work Release Cash

Funding Sources: NDC - Cash in Treasury

The Work Release Program allows inmates to hold paid jobs in the community while being housed at a correctional facility. Work Release participants reimburse the Department of Correction \$17 per day to offset the cost for maintenance and operation of the centers. There are currently six Work Release Center located at Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. This is a cash funded appropriation that is supported by each inmate who participates in the Work Release Program.

The Agency's Change Level Request totals \$1,703,000 in FY12 and \$1,853,000 in FY13 and consists of the following:

- Operating Expenses increases of \$150,000 in FY12 and \$300,000 in FY13 for utilities and grounds maintenance.
- Capital Outlay appropriation of \$1,553,000 each year for new and replacement equipment for the Work Release Centers.

The Executive Recommendation provides for Base Level with Capital Outlay appropriation of \$1,553,000 each year. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2ZV - Work Release Cash

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,314,046	4,180,274	4,496,532	4,180,274	4,330,274	4,180,274	4,180,274	4,480,274	4,180,274
Conference & Travel Expenses	5050009	3,790	84,150	85,240	84,150	84,150	84,150	84,150	84,150	84,150
Professional Fees	5060010	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	14,953	500,000	1,679,500	0	1,553,000	1,553,000	0	1,553,000	1,553,000
Debt Service	5120019	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total		1,332,789	6,264,424	7,761,272	5,764,424	7,467,424	7,317,424	5,764,424	7,617,424	7,317,424
Funding Sources										
Fund Balance	4000005	7,867,462	8,136,610		3,972,186	3,972,186	3,972,186	307,762	0	0
Cash Fund	4000045	1,598,113	2,100,000		2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
M & R Sales	4000340	3,824	0		0	0	0	0	0	0
Total Funding		9,469,399	10,236,610		6,072,186	6,072,186	6,072,186	2,407,762	2,100,000	2,100,000
Excess Appropriation/(Funding)		(8,136,610)	(3,972,186)		(307,762)	1,395,238	1,245,238	3,356,662	5,517,424	5,217,424
Grand Total		1,332,789	6,264,424		5,764,424	7,467,424	7,317,424	5,764,424	7,617,424	7,317,424

Change Level by Appropriation

Appropriation: 2ZV - Work Release Cash
Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	5,764,424	0	5,764,424	100.0	5,764,424	0	5,764,424	100.0
C01	Existing Program	1,703,000	0	7,467,424	129.5	1,853,000	0	7,617,424	132.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	5,764,424	0	5,764,424	100.0	5,764,424	0	5,764,424	100.0
C01	Existing Program	1,553,000	0	7,317,424	126.9	1,553,000	0	7,317,424	126.9

Justification

C01	Eligible inmates of the department are employed in the community while residing in correctional facilities. The ADC coordinates employment opportunities for 405 inmates in work release programs located in Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. Fees received from work release participants reduce the operational costs of the program. The biennial request for Work Release Operations includes additional operating costs increases for utilities, fuel, maintenance, clothing, etc. It also includes additional operational appropriation for unforeseen needs as well as new and replacement equipment.
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Analysis of Budget Request

Appropriation: 33K - Juvenile Sex Offender Assessment*

Funding Sources: SSC - ADC Sex Offender Assessment Fund*

This appropriation request is for UAMS Juvenile Assessment. Funds for this appropriation are derived from collections by Arkansas Crime Information Center (ACIC) by collecting a \$250.00 fee from each individual who is required by law to register as a Level III or Level IV Sex Offender as required by provisions of ACA §12-12-910 and 12-12-911 et seq. The fees are split between ACIC and the Department of Correction.

The Agency Request is for Base Level each year of the biennium. *The Agency requests that the Appropriation title be changed from "UAMS Juvenile Assessment" to "Juvenile Sex Offender Assessment", and that A.C.A. § 19-6-455 be amended to change the title of the fund from "Sex and Child Offender Registration Fund" to "ADC Sex Offender Assessment Fund".

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 33K - Juvenile Sex Offender Assessment*

Funding Sources: SSC - ADC Sex Offender Assessment Fund*

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	12,643	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	12,643	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Funding Sources									
Fund Balance 4000005	34,379	33,449		23,449	23,449	23,449	13,449	13,449	13,449
Special Revenue 4000030	11,713	15,000		15,000	15,000	15,000	15,000	15,000	15,000
Total Funding	46,092	48,449		38,449	38,449	38,449	28,449	28,449	28,449
Excess Appropriation/(Funding)	(33,449)	(23,449)		(13,449)	(13,449)	(13,449)	(3,449)	(3,449)	(3,449)
Grand Total	12,643	25,000		25,000	25,000	25,000	25,000	25,000	25,000

*The Agency requests that the Appropriation title be changed from "UAMS Juvenile Assessment" to "Juvenile Sex Offender Assessment", and that A.C.A. § 19-6-455 be amended to change the title of the fund "Sex and Child Offender Registration Fund" to "ADC Sex Offender Assessment Fund".

Analysis of Budget Request

Appropriation: 4HS - Fire Station Treasury Cash

Funding Sources: NDC - Cash in Treasury

This appropriation provides for the construction of a new Fire Station at the Cummins Unit. Cash funds are collected through the Fire Protection Revolving Fund as authorized by Act 833 of 1991. The construction of the new Fire Station will be completed by Department of Correction's in-house construction division utilizing inmate labor to lower the cost.

The Agency Request is for Base Level each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 4HS - Fire Station Treasury Cash

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Construction 5090005	49,546	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total	49,546	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Funding Sources									
Fund Balance 4000005	65,231	33,604		18,604	18,604	18,604	3,604	3,604	3,604
Cash Fund 4000045	17,919	35,000		35,000	35,000	35,000	35,000	35,000	35,000
Total Funding	83,150	68,604		53,604	53,604	53,604	38,604	38,604	38,604
Excess Appropriation/(Funding)	(33,604)	(18,604)		(3,604)	(3,604)	(3,604)	11,396	11,396	11,396
Grand Total	49,546	50,000		50,000	50,000	50,000	50,000	50,000	50,000

Analysis of Budget Request

Appropriation: 509 - Inmate Care & Custody

Funding Sources: HCA - Department of Correction Inmate Care and Custody Fund

Funding for Inmate Care and Custody (ICC) is primarily from general revenue. The use of cash and special revenue income for Inmate Care & Custody Fund Operations allows the Agency to prepare fiscal year budgets to help meet the contingencies of population growth.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of unclassified positions reflects the FY11 line item maximum.

The Agency's Change Level requests total \$40,169,672 in FY12 and \$46,963,838 in FY13. The following is a summary of the major components of the Agency Request:

Agency General Operations

In order to provide for the administration of the system as a whole, the Agency requests the following:

- Regular Salaries and Personal Services Matching increases of \$150,444 each year in association with the Agency's request for one (1) new position, reclassification of nineteen (19) positions, and a \$100,000 increase for Extra Help.
- Regular Salaries and Personal Services Matching increases of \$3,649,560 in appropriation only each year in association with the Agency's request for restoration of eighty six (86) "flex" positions.
- Operating Expenses increases of \$8,069,045 in FY12 and \$10,094,045 in FY13 for increased food, utilities and grounds maintenance costs.
- Conference Fees and Travel increases of \$263,141 each year for employee training and fuel costs.
- Professional Fees increases of \$2,026,073 in FY12 and \$4,130,713 in FY13 for anticipated increases in the Correctional Medical Services contract. The ADC/DCC Blended Rate for FY12 of \$333.73 per month per inmate housed at an ADC facility and \$346.32 for FY13 represents a projected increase of 3.7% in FY12 and 3.6% in FY13 over the FY11 rate of \$321.61. For Act 309 contract inmates the per diem is \$113.89 for FY12 and \$118.19 for FY13.
- Capital Outlay of \$438,450 in FY12 and \$388,055 in FY13 for new and replacement institutional furnishings and equipment, medical equipment, and construction and maintenance equipment needs for the entire system.

- 309 Program Expansion - An increase of \$246,375 each fiscal year is requested to enable ADC to increase the 309 program from a current funded level of 280 to a total of 325 inmates that can be held in county jails under provisions of Act 309. ADC currently reimburses counties housing 309 work inmates \$15 per day.

Existing Facilities

In order to provide for the existing and expanding inmate population, the Agency requests the following:

- Regular Salaries and Personal Services matching increases of \$205,757 each year in association with the Agency's request for four (4) new positions and the reclassification of one hundred four (104) positions.
- Operating Expenses increases of \$17,920 in FY12 and \$30,240 in FY13 for increased office supplies, telecommunication and network services costs.
- Conference Fees and Travel increases of \$3,760 in FY12 and \$7,520 in FY13 for employee training.
- Professional Fees increases of \$1,288,084 in FY12 and \$1,119,485 in FY13 for the Malvern Special Needs Unit.
- Capital Outlay of \$1,712,007 in FY12 and \$1,342,195 in FY13 for new institutional furnishings, equipment and medical equipment.

New Bed Initiatives

The Agency anticipates the following new bed openings during the FY2011-2013 biennium:

- Ouachita River Special Needs
Phase I. Forty two (42) hospital beds, forty (40) habilitation beds, thirty (30) assisted living beds and one hundred twenty eight (128) remaining Special Program Unit beds.

Phase II. An expanded two hundred ninety four (294) bed Intake and Diagnostic Facility scheduled for completion December 2011.
- Cummins Trustee Barracks
Three hundred (300) beds schedules for completion April 2011 and opening July 2011.
- McPherson Female Special Programs Unit
Forty (40) Special Programs beds and sixty (60) Segregation beds schedules for opening July 2011.
- North Central Expansion
One hundred (100) general population beds schedules for completion May 2012.

- Diagnostic Variable Use Barracks
Fifty (50) beds at the Diagnostic Unit (VUB) for new programs scheduled for completion May 2011.

In order to accommodate these openings, the Agency requests the following:

- Regular Salaries and Personal Services matching increases of \$12,902,073 in FY12 and \$13,968,272 in FY13 in association with the Agency's request for one hundred one (101) new positions, restoration of two hundred fifty nine (259) positions, and reclassification of forty (40) positions.
- Operating Expenses increases of \$4,635,755 in FY12 and \$5,934,905 in FY13 for facilities operations.
- Conference Fees and Travel increases of \$47,100 in FY12 and \$65,900 for FY13 for employee training.
- Professional Fees increases of \$4,031,728 in FY12 and \$5,337,231 in FY13 for anticipated increases in the Correctional Medical Services contract.
- Capital Outlay of \$482,400 in FY12 and \$30,000 in FY13 for new institutional furnishings, equipment and medical equipment.

The Executive Recommendation provides for Base Level with the following:

- Regular Salaries and Personal Services Matching increase of \$51,632 each year in appropriation only for costs associated with the reclassification of eleven (11) positions.
- Professional Fees increases of \$2,026,073 in FY12 and \$4,130,713 in FY13 for the Correctional Medical Services contract.

Appropriation Summary

Appropriation: 509 - Inmate Care & Custody

Funding Sources: HCA - Department of Correction Inmate Care and Custody Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	138,529,909	142,914,929	150,680,650	142,340,252	154,197,642	142,381,975	142,340,252	155,059,219	142,381,975
#Positions		4,247	4,252	4,597	4,252	4,703	4,252	4,252	4,703	4,252
Extra Help	5010001	91,555	100,000	200,000	100,000	200,000	100,000	100,000	200,000	100,000
#Extra Help		24	170	168	170	170	170	170	170	170
Personal Services Matching	5010003	48,904,435	53,133,895	53,910,013	54,070,088	59,020,532	54,079,997	54,070,088	59,225,154	54,079,997
Overtime	5010006	1,509,454	1,550,000	2,400,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Operating Expenses	5020002	45,506,377	48,395,765	62,914,129	48,395,765	61,118,485	48,395,765	48,395,765	64,454,955	48,395,765
Conference & Travel Expenses	5050009	177,111	200,000	413,141	200,000	514,001	200,000	200,000	536,561	200,000
Professional Fees	5060010	52,211,487	53,304,448	64,409,316	53,304,448	60,650,333	55,330,521	53,304,448	63,891,877	57,435,161
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	193,634	0	2,012,000	0	2,632,857	0	0	1,760,250	0
Jail Contracts	5900047	1,485,150	1,533,000	1,533,000	1,533,000	1,779,375	1,533,000	1,533,000	1,779,375	1,533,000
Total		288,609,112	301,132,037	338,472,249	301,493,553	341,663,225	303,571,258	301,493,553	348,457,391	305,675,898

Funding Sources										
General Revenue	4000010	271,923,566	290,303,309		294,711,287	334,752,376	296,737,360	294,711,287	341,546,542	298,842,000
Federal Revenue	4000020	425,268	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Cash Fund	4000045	2,590,509	4,511,846		2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
DFA Motor Vehicle Acquisition	4000184	51,520	0		0	0	0	0	0	0
M & R Sales	4000340	18,249	0		0	0	0	0	0	0
Transfer from General Imprv	4000540	13,600,000	5,816,882		0	0	0	0	0	0
Total Funding		288,609,112	301,132,037		297,961,287	338,002,376	299,987,360	297,961,287	344,796,542	302,092,000
Excess Appropriation/(Funding)		0	0		3,532,266	3,660,849	3,583,898	3,532,266	3,660,849	3,583,898
Grand Total		288,609,112	301,132,037		301,493,553	341,663,225	303,571,258	301,493,553	348,457,391	305,675,898

The FY11 Budgeted number of Extra Help positions exceeds Authorized due to single Extra Help section in appropriation act.

Change Level by Appropriation

Appropriation: 509 - Inmate Care & Custody
Funding Sources: HCA - Department of Correction Inmate Care and Custody Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	301,493,553	4,252	301,493,553	100.0	301,493,553	4,252	301,493,553	100.0
C01	Existing Program	23,555,782	263	325,049,335	107.8	27,883,344	263	329,376,897	109.2
C02	New Program	12,841,028	101	337,890,363	112.1	15,327,487	101	344,704,384	114.3
C06	Restore Position/Approp	3,682,601	87	341,572,964	113.3	3,682,601	87	348,386,985	115.6
C10	Reclass	90,261	0	341,663,225	113.3	70,406	0	348,457,391	115.6

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	301,493,553	4,252	301,493,553	100.0	301,493,553	4,252	301,493,553	100.0
C01	Existing Program	2,026,073	0	303,519,626	100.7	4,130,713	0	305,624,266	101.4
C02	New Program	0	0	303,519,626	100.7	0	0	305,624,266	101.4
C06	Restore Position/Approp	0	0	303,519,626	100.7	0	0	305,624,266	101.4
C10	Reclass	51,632	0	303,571,258	100.7	51,632	0	305,675,898	101.4

Justification

C01	To continue essential operations, a restoration of \$5,816,882 of general revenue funding is requested to replace one-time set-aside funding authorized by the Governor in FY11. In addition, this request includes restoration of operational reductions totaling \$2,375,000 that were taken from continuing level operations to include Extra Help, Personal Services Matching, Operating Expenses, and Conference Fees and Travel due to revenue shortfalls during FY11. These reductions are placing a hardship on existing operations. It further includes requests for inflationary increases of food costs, incremental increases in professional fees and services for the inmate medical services contract, four priority positions needed to support existing operations and capital for agency-wide equipment needs.
C02	This request is for positions and operating costs for operation of the Special Needs Unit addition of the Ouachita River Correctional Unit (ORCU) at Malvern. While a portion of what is requested was included in ADC's appropriation act for the FY10-11 biennium, reductions in general revenues during FY10 and the reduced revenue forecast for FY11 have delayed bed openings. 360 beds are currently open as general population beds, and the remaining 42 hospital beds, 30 hospice beds and 128 special program beds will be ready to open by July 1, 2011. The remaining 294 intake beds are scheduled to open in December 2011. This will provide a total of 494 additional beds at ORCU. This request would also provide for operations of a 1) 300-bed Trustee Barracks addition at the Cummins Unit; 2) a 100-bed expansion at the North Central Unit scheduled for completion in May 2012; 3) a 50-bed expansion at the Diagnostic Unit scheduled for completion in May 2011; and 4) a 100-bed female Special Programs addition at the McPherson Unit at Newport scheduled for completion in July 2011. As of August 31, 2010, there were 1,675 inmates backed up in the county jails, placing a substantial burden on county operations. With no significant changes in sentencing and release practices, the inmate population is projected to grow an average of 33 inmates per month.
C06	This change level combined with C02 New Programs provides for the opening of the Ouachita River Special Needs Unit (SNU) during 2011.
C10	Agency request for increase in Regular Salaries and Personal Services Matching to accommodate position reclassifications.

Analysis of Budget Request

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

Correctional Industries exists as a self-supporting operation within the ADC and is funded by special revenues generated by the sale of products to public agencies and nonprofit organizations. The primary goal of the Industries program is to administer and operate the various industry programs in an efficient and cost-effective manner that provides inmates with productive and significant training opportunities. More than 500 inmates participate in the various work programs. Principal operations include printing and graphic arts, digital imaging, engraving, janitorial product manufacturing, school bus/fire truck repair, furniture manufacturing, refinishing and upholstery, vinyl products and athletic equipment. Prison Industry Enhancement (PIE) Programs at the McPherson and Pine Bluff Units are a partnership with private sector companies operating within prison fences and employing inmates at prevailing wages. FY10 sales totaled just over \$7.5 million.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency's Change Level Requests total a \$408,078 increase in FY12 and a \$221,063 increase in FY13 and include the following:

- Regular Salaries and Personal Services Matching increases of \$75,103 each year in association with the Agency's request for two (2) new positions. Additionally, the Agency has requested the reclassification of four (4) positions to more accurately reflect the work being performed.
- Conference Fees and Travel increases of \$1,880 in FY12 and \$3,760 in FY13 for employee training and travel.
- Capital Outlay of \$331,095 in FY12 and \$142,200 in FY13 for new and replacement equipment.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,723,575	1,914,442	2,050,904	1,906,606	1,959,732	1,959,732	1,906,606	1,959,732	1,959,732
#Positions		49	52	52	52	54	54	52	54	54
Extra Help	5010001	0	0	10,000	0	0	0	0	0	0
#Extra Help		0	0	2	0	0	0	0	0	0
Personal Services Matching	5010003	583,509	666,776	683,493	696,176	718,153	718,153	696,176	718,153	718,153
Operating Expenses	5020002	4,795,210	7,649,295	7,649,295	7,649,295	7,649,295	7,649,295	7,649,295	7,649,295	7,649,295
Conference & Travel Expenses	5050009	5,115	30,000	30,000	30,000	31,880	31,880	30,000	33,760	33,760
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	235,796	650,310	650,310	0	331,095	331,095	0	142,200	142,200
Total		7,343,205	10,910,823	11,074,002	10,282,077	10,690,155	10,690,155	10,282,077	10,503,140	10,503,140

Funding Sources										
Fund Balance	4000005	2,037,132	3,087,178		976,355	976,355	976,355	408,078	0	0
Special Revenue	4000030	8,356,705	8,800,000		9,713,800	9,713,800	9,713,800	10,503,140	10,503,140	10,503,140
DFA Motor Vehicle Acquisition	4000184	26,952	0		0	0	0	0	0	0
M & R Sales	4000340	9,594	0		0	0	0	0	0	0
Total Funding		10,430,383	11,887,178		10,690,155	10,690,155	10,690,155	10,911,218	10,503,140	10,503,140
Excess Appropriation/(Funding)		(3,087,178)	(976,355)		(408,078)	0	0	(629,141)	0	0
Grand Total		7,343,205	10,910,823		10,282,077	10,690,155	10,690,155	10,282,077	10,503,140	10,503,140

Change Level by Appropriation

Appropriation: 511 - Prison Industry
Funding Sources: SDD - Department of Correction Prison Industry Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	10,282,077	52	10,282,077	100.0	10,282,077	52	10,282,077	100.0
C01	Existing Program	331,095	0	10,613,172	103.2	142,200	0	10,424,277	101.4
C02	New Program	76,983	2	10,690,155	104.0	78,863	2	10,503,140	102.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	10,282,077	52	10,282,077	100.0	10,282,077	52	10,282,077	100.0
C01	Existing Program	331,095	0	10,613,172	103.2	142,200	0	10,424,277	101.4
C02	New Program	76,983	2	10,690,155	104.0	78,863	2	10,503,140	102.1

Justification

C01	Agency is requesting Capital Outlay appropriation for purchase of new and replacement equipment.
C02	Correctional Industries exists as a self-supporting operation within the ADC and is funded by special revenues generated by the sale of products to public agencies and nonprofit organizations. This change level request is for an ACI Industrial Supervisor and one Correctional Officer II for a new Prison Industry Enhancement Program (PIE) at the Grimes Unit in Newport. This request also consists of the capital equipment for the various programs to include the bus barn, furniture program, print shop, digital imaging, warehouse, janitorial products and the garment factory. The capital items will be purchased as needs arise and funding is available from sales of industry products.

Analysis of Budget Request

Appropriation: 512 - Farm Operations

Funding Sources: SDC - Department of Correction Farm Fund

The agricultural operation of the ADC is a self-supported division. The Agricultural Division is involved in almost every area of farming providing fresh and frozen vegetables, meat, milk and eggs which are consumed by the inmate population and generates revenue by selling products such as soybeans, rice, cotton and wheat. The primary goal of the Farm Program is to provide useful and meaningful work for inmates, produce sufficient cost-effective food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock. A Vegetable Processing facility is located at the Varner Unit and annually provides approximately 1.2 million pounds of vegetables for inmate consumption. A Cold Storage facility located at the Cummins Unit provides beef and pork products to all units for consumption. A state of the art Creamery operation is also located at the Cummins Unit and provides milk and juice products. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY10 cash crop sales totaled \$6.9 million. The Farm Program provides jobs for approximately 400 inmates. The Livestock Division consists of 2300 beef cows, a 225-cow dairy, swine production facilities, and egg layer operation as well as responsibility for all the horses being used in the cattle operation and at various units around the state for security and regional maintenance.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency's Change Level Requests total \$2,038,855 in FY12 and \$1,723,455 in FY13 and include the following:

- Regular Salaries and Personal Services Matching increase of \$234,255 each year in association with the Agency's request for five (5) new positions. Additionally, the Agency is requesting the reclassification of two (2) positions to more accurately reflect the work being performed.
- Operating Expenses increases of \$22,400 in FY12 and \$37,800 in FY13 for office supplies, telecommunications and network services and building and grounds maintenance.
- Conference Fees and Travel increases of \$4,700 in FY12 and \$9,400 in FY13 for employee training and travel.
- Capital Outlay of \$1,777,500 in FY12 and \$1,442,000 in FY13 for new and replacement equipment.

The Executive Recommendation provides for the Agency Request except for the addition of five (5) new positions.

Appropriation Summary

Appropriation: 512 - Farm Operations
Funding Sources: SDC - Department of Correction Farm Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,204,805	2,412,446	2,443,140	2,394,930	2,565,318	2,394,930	2,394,930	2,565,318	2,394,930
#Positions	58	60	60	60	65	60	60	65	60
Extra Help 5010001	0	0	10,000	0	0	0	0	0	0
#Extra Help	0	0	0	0	0	0	0	0	0
Personal Services Matching 5010003	732,840	830,702	804,112	849,600	913,467	849,600	849,600	913,467	849,600
Operating Expenses 5020002	7,940,271	9,456,588	11,822,019	9,456,588	9,478,988	9,478,988	9,456,588	9,494,388	9,494,388
Conference & Travel Expenses 5050009	5,875	38,910	38,910	38,910	43,610	43,610	38,910	48,310	48,310
Professional Fees 5060010	30,197	128,354	328,354	128,354	128,354	128,354	128,354	128,354	128,354
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Claims 5110015	125,000	0	0	0	0	0	0	0	0
Capital Outlay 5120011	483,697	583,000	1,683,000	0	1,777,500	1,777,500	0	1,442,000	1,442,000
Purchase Cattle/Meat 5900047	404,134	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000
Total	11,926,819	14,100,000	17,779,535	13,518,382	15,557,237	15,322,982	13,518,382	15,241,837	15,007,582
Funding Sources									
Fund Balance 4000005	2,290,944	1,346,806		1,346,806	1,346,806	1,346,806	2,385,661	346,806	581,061
Special Revenue 4000030	6,262,748	9,500,000		9,957,237	9,957,237	9,957,237	10,295,031	10,295,031	10,295,031
Budget Stabilization Trust 4000130	4,600,000	4,600,000		4,600,000	4,600,000	4,600,000	4,600,000	4,600,000	4,600,000
DFA Motor Vehicle Acquisition 4000184	92,118	0		0	0	0	0	0	0
Insurance Fund Proceeds 4000299	27,815	0		0	0	0	0	0	0
Total Funding	13,273,625	15,446,806		15,904,043	15,904,043	15,904,043	17,280,692	15,241,837	15,476,092
Excess Appropriation/(Funding)	(1,346,806)	(1,346,806)		(2,385,661)	(346,806)	(581,061)	(3,762,310)	0	(468,510)
Grand Total	11,926,819	14,100,000		13,518,382	15,557,237	15,322,982	13,518,382	15,241,837	15,007,582

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 512 - Farm Operations
Funding Sources: SDC - Department of Correction Farm Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	13,518,382	60	13,518,382	100.0	13,518,382	60	13,518,382	100.0
C01	Existing Program	2,038,855	5	15,557,237	115.1	1,723,455	5	15,241,837	112.7

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	13,518,382	60	13,518,382	100.0	13,518,382	60	13,518,382	100.0
C01	Existing Program	1,804,600	0	15,322,982	113.3	1,489,200	0	15,007,582	111.0

Justification

C01	The agricultural operation of the ADC provides the majority of vegetables, meat, milk and eggs consumed by the inmate population and generates revenue by selling products such as soybeans, rice, cotton and wheat. The request is for one additional position for the newly renovated Cummins Creamery Operation, four new positions for a proposed poultry expansion at Cummins, and corresponding cost of operations associated with each position. The request includes capital equipment for various farm programs to include food processing, and poultry, swine and livestock operations. The capital items will be purchased as funding is available.
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Analysis of Budget Request

Appropriation: 847 - Federal Programs

Funding Sources: FDC - Federal Programs

This federally funded appropriation provides for the operations of multiple Federal Program Grants.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency is requesting Base Level for each year of the biennium. Although the Agency has no positions budgeted for this appropriation, it is requesting to maintain a level of appropriation in Regular Salaries and Personal Services Matching in the event that it receives federal funding for positions. The Agency has one salary section in its appropriation act.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 847 - Federal Programs

Funding Sources: FDC - Federal Programs

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	50,000	167,677	50,000	50,000	50,000	50,000	50,000	50,000
#Positions	0	0	0	0	0	0	0	0	0
Personal Services Matching 5010003	0	16,600	56,891	16,600	16,600	16,600	16,600	16,600	16,600
Operating Expenses 5020002	26,080	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Conference & Travel Expenses 5050009	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Professional Fees 5060010	202,980	428,900	897,267	428,900	428,900	428,900	428,900	428,900	428,900
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
ARRA of 2009 5900052	3,014,180	0	0	0	0	0	0	0	0
Total	3,243,240	500,000	1,126,335	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources									
Federal Revenue 4000020	229,060	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Federal Funds-ARRA 4000244	3,014,180	0		0	0	0	0	0	0
Total Funding	3,243,240	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	3,243,240	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Although the Agency has no positions budgeted for this appropriation, it is requesting to maintain a level of appropriation in Regular Salaries and Personal Services matching in the event that it receives federal funding for positions. The Agency has one salary section in its appropriation act.

Analysis of Budget Request

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

Self-supported Pen Store operations within institutions provide the opportunity for inmates to purchase various commissary supplies such as hygiene items, paper, and stamps as well as various snack foods. A centralized banking system manages inmate funds, and the profits from the stores are used to purchase items that benefit inmates such as tables and chairs for visitation, televisions, and recreational equipment for inmate use.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency's Change Level requests total \$1,521,899 each year and include the following:

- Regular Salaries and Personal Services Matching increases of \$71,899 each year in associations with the Agency's request for two (2) positions for the Ouachita River Correctional Unit Commissary Expansion.
- Operating Expenses increase of \$950,000 each year for the purchase of merchandise for resale.
- Capital Outlay of \$500,000 each year for new and replacement equipment for expanded commissary operations.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	747,723	776,478	740,623	791,159	791,159	740,623	791,159	791,159
#Positions		0	26	28	26	28	28	26	28	28
Personal Services Matching	5010003	0	295,163	295,710	297,577	318,940	318,940	297,577	318,940	318,940
Operating Expenses	5020002	8,997,454	11,479,400	11,479,400	11,479,400	12,429,400	12,429,400	11,479,400	12,429,400	12,429,400
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	600,000	0	500,000	500,000	0	500,000	500,000
Total		8,997,454	12,522,286	13,151,588	12,517,600	14,039,499	14,039,499	12,517,600	14,039,499	14,039,499
Funding Sources										
Fund Balance	4000005	3,269,671	2,612,196		71,899	71,899	71,899	1,593,798	71,899	71,899
Cash Fund	4000045	8,339,979	9,981,989		14,039,499	14,039,499	14,039,499	14,039,499	14,039,499	14,039,499
Total Funding		11,609,650	12,594,185		14,111,398	14,111,398	14,111,398	15,633,297	14,111,398	14,111,398
Excess Appropriation/(Funding)		(2,612,196)	(71,899)		(1,593,798)	(71,899)	(71,899)	(3,115,697)	(71,899)	(71,899)
Grand Total		8,997,454	12,522,286		12,517,600	14,039,499	14,039,499	12,517,600	14,039,499	14,039,499

Change Level by Appropriation

Appropriation: 859 - Inmate Welfare Treasury Cash
Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	12,517,600	26	12,517,600	100.0	12,517,600	26	12,517,600	100.0
C01	Existing Program	1,521,899	2	14,039,499	112.2	1,521,899	2	14,039,499	112.2

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	12,517,600	26	12,517,600	100.0	12,517,600	26	12,517,600	100.0
C01	Existing Program	1,521,899	2	14,039,499	112.2	1,521,899	2	14,039,499	112.2

Justification

C01	Self-supported Pen Store operations within institutions provide the opportunity for inmates to purchase various commissary supplies such as hygiene items, paper, and stamps as well as various snack foods. The biennial request for this cash fund operation includes inflationary operating cost increases for resale operations at existing units and two additional positions for the commissary at the Ouachita River Special Needs Unit expansion. Included in this request is new and replacement capital equipment.
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Analysis of Budget Request

Appropriation: 865 - Non-Tax Revenue Receipts

Funding Sources: NDC - Cash in Treasury

This cash appropriation is funded by proceeds derived from contractual agreement with a telephone service provider for the operation of a coin-less telephone system that was implemented in the 1995-97 biennium. The program allows inmates to call family or friends collect with a portion of the receipts from such calls paid to the Department of Correction by the telephone company. The appropriation is used for inmate assistance projects, security equipment, long term needs, and general operations as annually approved by the Arkansas Board of Corrections.

The Agency's Change Level Requests total a \$2,750,000 increase each year and include the following:

- Operating Expenses of \$450,000 each year for building and grounds maintenance, public safety and inmate assistance, security, long-term needs, general operations and other projects as may be allocated by the Board of Corrections.
- Professional Fees of \$100,000 each year to provide appropriation for flexibility in allocating available funding for priority projects;
- Construction appropriation totaling \$1,800,000 each year to provide for various long-term needs projects.
- The Capital Outlay of \$400,000 each year for new/replacement equipment associated with priority Inmate assistance/operations needs, security equipment, long-term needs, and other projects as may be allocated by the Board of Corrections;

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 865 - Non-Tax Revenue Receipts

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,286,736	1,229,195	2,903,750	1,229,195	1,679,195	1,679,195	1,229,195	1,679,195	1,679,195
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	1,588	0	213,151	0	100,000	100,000	0	100,000	100,000
Construction	5090005	751,321	2,238,275	2,255,725	2,238,275	4,038,275	4,038,275	2,238,275	4,038,275	4,038,275
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	279,792	400,000	400,000	0	400,000	400,000	0	400,000	400,000
Total		2,319,437	3,867,470	5,772,626	3,467,470	6,217,470	6,217,470	3,467,470	6,217,470	6,217,470
Funding Sources										
Fund Balance	4000005	902,754	1,317,361		0	0	0	2,750,000	0	0
Cash Fund	4000045	2,734,044	2,550,109		6,217,470	6,217,470	6,217,470	6,217,470	6,217,470	6,217,470
Total Funding		3,636,798	3,867,470		6,217,470	6,217,470	6,217,470	8,967,470	6,217,470	6,217,470
Excess Appropriation/(Funding)		(1,317,361)	0		(2,750,000)	0	0	(5,500,000)	0	0
Grand Total		2,319,437	3,867,470		3,467,470	6,217,470	6,217,470	3,467,470	6,217,470	6,217,470

Change Level by Appropriation

Appropriation: 865 - Non-Tax Revenue Receipts
Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,467,470	0	3,467,470	100.0	3,467,470	0	3,467,470	100.0
C01	Existing Program	2,750,000	0	6,217,470	179.3	2,750,000	0	6,217,470	179.3

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,467,470	0	3,467,470	100.0	3,467,470	0	3,467,470	100.0
C01	Existing Program	2,750,000	0	6,217,470	179.3	2,750,000	0	6,217,470	179.3

Justification

C01	Funds for this appropriation are derived from operation of an inmate calling system that began in the 1995-97 biennium. The system allows inmates the opportunity to call family or friends and provides revenues that are used to fund inmate assistance, security equipment, medical equipment, long-term needs that enhance quality of life in the institutions, and general operations. The biennial request will provide various operational appropriations needed to provide flexibility in funding projects that are approved by the Board of Corrections. Included in this request is Construction appropriation in the amount of \$1,800,000 and Capital Outlay in the amount of \$400,000. These items will be funded as revenues are available.
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Analysis of Budget Request

Appropriation: B01 - Regional Facilities Oprs Cash

Funding Sources: 143 - Cash in Bank

This appropriation is for Debt Service/Lease payments through the Arkansas Development Finance Authority for the bonded indebtedness or leases of regional correctional facilities. Receipts into this account are transfers from work release cash funds, payments to the Department of Correction for the housing of county and city prisoners in regional facilities, or such other sources as required.

The Agency requests a discontinuation of this appropriation.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: B01 - Regional Facilities Oprs Cash

Funding Sources: 143 - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Debt Service 5120019	0	800,000	800,000	800,000	0	0	800,000	0	0
Total	0	800,000	800,000	800,000	0	0	800,000	0	0
Funding Sources									
Cash Fund 4000045	0	800,000		0	0	0	0	0	0
Total Funding	0	800,000		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		800,000	0	0	800,000	0	0
Grand Total	0	800,000		800,000	0	0	800,000	0	0

APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM

Change Level by Appropriation

Appropriation: B01 - Regional Facilities Oprs Cash
Funding Sources: 143 - Cash in Bank

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	800,000	0	800,000	100.0	800,000	0	800,000	100.0
C03	Discontinue Program	(800,000)	0	0	0.0	(800,000)	0	0	0.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	800,000	0	800,000	100.0	800,000	0	800,000	100.0
C03	Discontinue Program	(800,000)	0	0	0.0	(800,000)	0	0	0.0

Analysis of Budget Request

Appropriation: B06 - Prison Housing Contract Cash

Funding Sources: 143 - Cash in Bank

This appropriation is for Debt Service/Lease payments through the Arkansas Development Finance Authority for the bonded indebtedness or leases of regional correctional facilities. Receipts into this account are transfers from work release cash funds, payments to the Department of Correction for the housing of county and city prisoners in regional facilities, or such other sources as required.

The Agency requests a discontinuation of this appropriation.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: B06 - Prison Housing Contract Cash

Funding Sources: 143 - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Debt Service 5120019	0	200,000	200,000	200,000	0	0	200,000	0	0
Total	0	200,000	200,000	200,000	0	0	200,000	0	0
Funding Sources									
Cash Fund 4000045	0	200,000		0	0	0	0	0	0
Total Funding	0	200,000		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		200,000	0	0	200,000	0	0
Grand Total	0	200,000		200,000	0	0	200,000	0	0

APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM

Change Level by Appropriation

Appropriation: B06 - Prison Housing Contract Cash
Funding Sources: 143 - Cash in Bank

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	200,000	0	200,000	100.0	200,000	0	200,000	100.0
C03	Discontinue Program	(200,000)	0	0	0.0	(200,000)	0	0	0.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	200,000	0	200,000	100.0	200,000	0	200,000	100.0
C03	Discontinue Program	(200,000)	0	0	0.0	(200,000)	0	0	0.0

Analysis of Budget Request

Appropriation: C02 - Constr Fund Deficiency Cash

Funding Sources: 143 - Cash in Treasury

This appropriation is for Debt Service/Lease payments through the Arkansas Development Finance Authority for the bonded indebtedness or leases of regional correctional facilities. Receipts into this account are transfers from work release cash funds, payments to the Department of Correction for the housing of county and city prisoners in regional facilities, or such other sources as required.

The Agency requests a discontinuation of this appropriation.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C02 - Constr Fund Deficiency Cash

Funding Sources: 143 - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Debt Service 5120019	0	500,000	500,000	500,000	0	0	500,000	0	0
Total	0	500,000	500,000	500,000	0	0	500,000	0	0
Funding Sources									
Cash Fund 4000045	0	500,000		0	0	0	0	0	0
Total Funding	0	500,000		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		500,000	0	0	500,000	0	0
Grand Total	0	500,000		500,000	0	0	500,000	0	0

APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM

Change Level by Appropriation

Appropriation: C02 - Constr Fund Deficiency Cash
Funding Sources: 143 - Cash in Treasury

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	500,000	0	500,000	100.0	500,000	0	500,000	100.0
C03	Discontinue Program	(500,000)	0	0	0.0	(500,000)	0	0	0.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	500,000	0	500,000	100.0	500,000	0	500,000	100.0
C03	Discontinue Program	(500,000)	0	0	0.0	(500,000)	0	0	0.0