

# DEPARTMENT OF CORRECTION

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF CORRECTION  
FOR THE YEAR ENDED JUNE 30, 2014

Findings

None

Recommendations

None

**ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM**  
**STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES**  
 Fiscal Year 2015  
 Required by A.C.A. 25-36-104

**AGENCY: 0480 DEPARTMENT OF CORRECTION**

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Diet of A Lifetime (Tastesetter Eastery)	\$56,160	X					

**TOTAL NUMBER OF MINORITY CONTRACTS AWARDED** 1

**TOTAL EXPENDITURES FOR CONTRACTS AWARDED** \$57,904,702

**% OF MINORITY CONTRACTS AWARDED** 0.07 %

# Department Appropriation Summary

## Historical Data

## Agency Request and Recommendations

Appropriation	2014-2015		2015-2016		2015-2016		2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
1MJ County Jail Reimbursement	21,886,681	0	24,853,607	0	40,184,970	0	19,661,227	0	19,661,227	0	19,661,227	0
2ZV Work Release Cash	3,026,042	0	6,058,320	0	7,376,070	0	7,238,920	0	7,750,200	0	7,238,920	0
33K ADC Sex Offender Assessment	153	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
4HS Fire Station Treasury Cash	563	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
509 Inmate Care & Custody	336,640,020	4,392	340,397,255	4,429	362,485,628	4,565	360,967,649	4,565	360,954,105	4,565	360,967,649	4,565
511 Prison Industry	7,747,878	53	11,437,229	59	11,549,948	60	11,571,873	60	11,571,873	60	11,571,873	60
512 Farm Operations	14,305,947	64	21,190,318	65	21,149,683	64	20,239,195	64	20,239,195	64	20,239,195	64
859 Inmate Welfare Treasury Cash	11,109,702	1	13,001,316	29	13,408,965	28	13,411,332	28	13,411,332	28	13,411,332	28
865 Non-Tax Revenue Receipts	2,098,956	0	3,953,000	0	3,972,500	0	3,972,500	0	3,972,500	0	3,972,500	0
F95 Paws in Prison	57,984	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0
<b>Total</b>	<b>396,873,926</b>	<b>4,510</b>	<b>421,091,045</b>	<b>4,582</b>	<b>460,327,764</b>	<b>4,717</b>	<b>437,262,696</b>	<b>4,717</b>	<b>437,760,432</b>	<b>4,717</b>	<b>437,262,696</b>	<b>4,717</b>

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	12,658,056	3.1	14,813,226	3.5	7,206,243	1.7	7,206,243	1.7	7,206,243	1.7
General Revenue	4000010	335,764,903	81.6	361,516,862	84.4	362,269,060	86.0	372,680,840	86.4	362,269,060	86.0
Federal Revenue	4000020	274,085	0.1	500,000	0.1	500,000	0.1	500,000	0.1	500,000	0.1
Special Revenue	4000030	18,652,112	4.5	23,784,983	5.6	24,775,000	5.9	24,775,000	5.7	24,775,000	5.9
Cash Fund	4000045	17,996,339	4.4	19,025,893	4.4	19,624,719	4.7	19,624,719	4.5	19,624,719	4.7
Merit Adjustment Fund	4000055	2,683,010	0.7	1,956,324	0.5	0	0.0	0	0.0	0	0.0
Budget Stabilization Trust	4000130	4,600,000	1.1	5,600,000	1.3	5,600,000	1.3	5,600,000	1.3	5,600,000	1.3
Gen Rev Allot Reserve	4000262	17,000,000	4.1	0	0.0	0	0.0	0	0.0	0	0.0
General Improvement Fund	4000265	1,100,000	0.3	0	0.0	0	0.0	0	0.0	0	0.0
Inter-agency Fund Transfer	4000316	806,360	0.2	0	0.0	0	0.0	0	0.0	0	0.0
Intra-agency Fund Transfer	4000317	0	0.0	1,000,000	0.2	1,000,000	0.2	1,000,000	0.2	1,000,000	0.2
M & R Sales	4000340	86,923	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0
Miscellaneous Adjustments	4000345	6,275	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	15,415	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Reimbursement	4000425	43,674	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Funds</b>		<b>411,687,152</b>	<b>100.0</b>	<b>428,297,288</b>	<b>100.0</b>	<b>421,075,022</b>	<b>100.0</b>	<b>431,486,802</b>	<b>100.0</b>	<b>421,075,022</b>	<b>100.0</b>
Excess Appropriation/(Funding)		(14,813,226)		(7,206,243)		16,187,674		6,273,630		16,187,674	
<b>Grand Total</b>		<b>396,873,926</b>		<b>421,091,045</b>		<b>437,262,696</b>		<b>437,760,432</b>		<b>437,262,696</b>	

## **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 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.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

## Appropriation Summary

**Appropriation:** 1MJ - County Jail Reimbursement

**Funding Sources:** MCJ - County Jail Reimbursement Fund

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Refunds/Reimbursements	5110014	21,886,681	24,853,607	40,184,970	19,661,227	19,661,227	19,661,227
<b>Total</b>		<b>21,886,681</b>	<b>24,853,607</b>	<b>40,184,970</b>	<b>19,661,227</b>	<b>19,661,227</b>	<b>19,661,227</b>
Funding Sources							
Fund Balance	4000005	538,416	11,702		11,702	11,702	11,702
General Revenue	4000010	13,453,607	24,853,607		22,843,971	19,661,227	22,843,971
Gen Rev Allot Reserve	4000262	6,000,000	0		0	0	0
General Improvement Fund	4000265	1,100,000	0		0	0	0
Inter-agency Fund Transfer	4000316	806,360	0		0	0	0
<b>Total Funding</b>		<b>21,898,383</b>	<b>24,865,309</b>		<b>22,855,673</b>	<b>19,672,929</b>	<b>22,855,673</b>
Excess Appropriation/(Funding)		(11,702)	(11,702)		(3,194,446)	(11,702)	(3,194,446)
<b>Grand Total</b>		<b>21,886,681</b>	<b>24,853,607</b>		<b>19,661,227</b>	<b>19,661,227</b>	<b>19,661,227</b>

Pursuant to A.C.A. 12-27-114, the County Jail Reimbursement rate increased to \$30 per day.

## **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 Centers 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 Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

## Appropriation Summary

**Appropriation:** 2ZV - Work Release Cash

**Funding Sources:** NDC - Cash in Treasury

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	2,177,559	4,954,170	4,954,170	5,091,770	5,091,770	5,091,770
Conference & Travel Expenses	5050009	5,705	104,150	104,150	104,150	115,430	104,150
Professional Fees	5060010	230	500,000	500,000	500,000	1,000,000	500,000
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	842,548	500,000	1,817,750	1,543,000	1,543,000	1,543,000
Debt Service	5120019	0	0	0	0	0	0
<b>Total</b>		<b>3,026,042</b>	<b>6,058,320</b>	<b>7,376,070</b>	<b>7,238,920</b>	<b>7,750,200</b>	<b>7,238,920</b>
<b>Funding Sources</b>							
Fund Balance	4000005	5,370,047	6,123,199		3,264,879	3,264,879	3,264,879
Cash Fund	4000045	3,752,497	3,200,000		2,600,000	2,600,000	2,600,000
M & R Sales	4000340	26,697	0		0	0	0
<b>Total Funding</b>		<b>9,149,241</b>	<b>9,323,199</b>		<b>5,864,879</b>	<b>5,864,879</b>	<b>5,864,879</b>
Excess Appropriation/(Funding)		(6,123,199)	(3,264,879)		1,374,041	1,885,321	1,374,041
<b>Grand Total</b>		<b>3,026,042</b>	<b>6,058,320</b>		<b>7,238,920</b>	<b>7,750,200</b>	<b>7,238,920</b>

Expenditure of appropriation is contingent upon available funding.

## **Analysis of Budget Request**

**Appropriation:** 33K - ADC 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 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 ACA §12-12-910 and 12-12-911 et seq. The fees are split between ACIC and the Department of Correction.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

## Appropriation Summary

**Appropriation:** 33K - ADC Sex Offender Assessment

**Funding Sources:** SSC - ADC Sex Offender Assessment Fund

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	153	25,000	25,000	25,000	25,000	25,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
<b>Total</b>		153	25,000	25,000	25,000	25,000	25,000
<b>Funding Sources</b>							
Fund Balance	4000005	57,104	82,496		82,496	82,496	82,496
Special Revenue	4000030	25,545	25,000		25,000	25,000	25,000
<b>Total Funding</b>		82,649	107,496		107,496	107,496	107,496
Excess Appropriation/(Funding)		(82,496)	(82,496)		(82,496)	(82,496)	(82,496)
<b>Grand Total</b>		153	25,000		25,000	25,000	25,000

## **Analysis of Budget Request**

**Appropriation:** 4HS - Fire Station Treasury Cash

**Funding Sources:** NDC - Cash in Treasury

This appropriation provides for the support of the Fire Station recently constructed 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 was completed by Department of Correction's in-house construction division utilizing inmate labor to lower the cost.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** 4HS - Fire Station Treasury Cash

**Funding Sources:** NDC - Cash in Treasury

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	563	25,000	25,000	25,000	25,000	25,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
<b>Total</b>		<b>563</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<b>Funding Sources</b>							
Fund Balance	4000005	35,370	51,091		46,091	46,091	46,091
Cash Fund	4000045	16,284	20,000		15,000	15,000	15,000
<b>Total Funding</b>		<b>51,654</b>	<b>71,091</b>		<b>61,091</b>	<b>61,091</b>	<b>61,091</b>
Excess Appropriation/(Funding)		(51,091)	(46,091)		(36,091)	(36,091)	(36,091)
<b>Grand Total</b>		<b>563</b>	<b>25,000</b>		<b>25,000</b>	<b>25,000</b>	<b>25,000</b>

Expenditure of appropriation is contingent upon available funding.

## Analysis of Budget Request

**Appropriation:** 509 - Inmate Care & Custody

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

The Arkansas Department of Correction (ADC) is responsible for administration of an efficient and humane system of correction for individuals committed to the Department by the courts. In addition to providing for basic physiological and psychological needs of inmates, the Agency operates extensive farming, industry, work release programs, inmate welfare activities, pen stores, and maintenance and construction activities. Cash and special revenues produced by these and other auxiliary activities allow the Department wide discretion in planning and operating new and expanded inmate care and custody programs as well as construction projects.

The Board of Corrections is comprised of seven voting members: five citizen members, the chairperson of the Post Prison Transfer Board and one member of a criminal justice faculty. Each member is appointed by the Governor and serves a seven-year term.

The Agency has five divisions. The divisions and responsibilities are:

***Administrative Services*** provides support to all operational units of the ADC while ensuring Agency compliance with state and federal accounting, budgetary and personnel procedures;

***Institutional Services*** oversees the various Institutions, Work Release Programs, Regional Jails, Transportation Services, Accreditation, Classification and Emergency Preparedness;

***Operations*** directs the Agriculture and Industry Programs, the 309 County Jail Contracts Program (A.C.A. §12-30-401) and also coordinates inmate grievances;

***Health and Correctional Programs*** is responsible for Medical and Mental Health Services, Religious Services, Substance Abuse Treatment Program (SATP) 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. 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.

Funding for Inmate Care and Custody (ICC) is primarily from general revenue. The opening of the Jefferson and Delta Regional Jail Units in FY92 provided a new fund source for the Department. Legislation specifies that fees collected from contracting with counties for an agreed upon number of beds is to be deposited in the "Regional Facilities Operation Account" and used for payment of debt service on, or operation of, regional facilities. The operation of these facilities is funded within Inmate Care and Custody appropriation with a portion of the cost defrayed by a transfer of the cash funds to the Inmate Care and Custody Fund. 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.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

## Appropriation Summary

**Appropriation:** 509 - Inmate Care & Custody

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

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	165,320,754	161,033,203	170,283,254	168,403,154	168,392,723	168,403,154
	<b>#Positions</b>	<b>4,392</b>	<b>4,429</b>	<b>4,565</b>	<b>4,565</b>	<b>4,565</b>	<b>4,565</b>
Extra Help	5010001	63,738	100,000	100,000	100,000	100,000	100,000
	<b>#Extra Help</b>	<b>13</b>	<b>168</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>170</b>
Personal Services Matching	5010003	59,920,660	60,942,668	65,372,883	64,909,708	64,906,595	64,909,708
Overtime	5010006	921,488	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Operating Expenses	5020002	50,497,884	52,963,846	57,120,958	56,980,708	56,980,708	56,980,708
Conference & Travel Expenses	5050009	131,012	150,000	155,398	155,398	155,398	155,398
Professional Fees	5060010	58,086,847	62,124,538	63,635,115	65,401,253	65,401,253	65,401,253
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	303,415	0	2,735,020	1,934,428	1,934,428	1,934,428
Jail Contracts	5900047	1,394,222	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000
<b>Total</b>		<b>336,640,020</b>	<b>340,397,255</b>	<b>362,485,628</b>	<b>360,967,649</b>	<b>360,954,105</b>	<b>360,967,649</b>
<b>Funding Sources</b>							
General Revenue	4000010	322,311,296	336,663,255		339,425,089	353,019,613	339,425,089
Federal Revenue	4000020	274,085	500,000		500,000	500,000	500,000
Cash Fund	4000045	371,629	1,277,676		3,359,397	3,359,397	3,359,397
Merit Adjustment Fund	4000055	2,683,010	1,956,324		0	0	0
Gen Rev Allot Reserve	4000262	11,000,000	0		0	0	0
<b>Total Funding</b>		<b>336,640,020</b>	<b>340,397,255</b>		<b>343,284,486</b>	<b>356,879,010</b>	<b>343,284,486</b>
Excess Appropriation/(Funding)		0	0		17,683,163	4,075,095	17,683,163
<b>Grand Total</b>		<b>336,640,020</b>	<b>340,397,255</b>		<b>360,967,649</b>	<b>360,954,105</b>	<b>360,967,649</b>

## **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. FY14 sales totaled \$8.2 million.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

## Appropriation Summary

**Appropriation:** 511 - Prison Industry

**Funding Sources:** SDD - Department of Correction Prison Industry Fund

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	1,713,088	2,079,679	2,150,941	2,151,641	2,151,641	2,151,641
	<b>#Positions</b>	<b>53</b>	<b>59</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000
	<b>#Extra Help</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Personal Services Matching	5010003	713,385	794,109	835,566	835,739	835,739	835,739
Overtime	5010006	539	8,000	8,000	8,000	8,000	8,000
Operating Expenses	5020002	5,263,541	8,220,213	8,220,213	8,220,213	8,220,213	8,220,213
Conference & Travel Expenses	5050009	14,429	41,280	41,280	41,280	41,280	41,280
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	42,896	283,948	283,948	305,000	305,000	305,000
<b>Total</b>		<b>7,747,878</b>	<b>11,437,229</b>	<b>11,549,948</b>	<b>11,571,873</b>	<b>11,571,873</b>	<b>11,571,873</b>
<b>Funding Sources</b>							
Fund Balance	4000005	1,550,498	1,971,956		433,785	433,785	433,785
Special Revenue	4000030	8,116,572	9,899,058		10,250,000	10,250,000	10,250,000
M & R Sales	4000340	9,090	0		0	0	0
Reimbursement	4000425	43,674	0		0	0	0
Total Funding		9,719,834	11,871,014		10,683,785	10,683,785	10,683,785
Excess Appropriation/(Funding)		(1,971,956)	(433,785)		888,088	888,088	888,088
<b>Grand Total</b>		<b>7,747,878</b>	<b>11,437,229</b>		<b>11,571,873</b>	<b>11,571,873</b>	<b>11,571,873</b>

## **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 2.4 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. FY14 cash crop sales totaled \$7.5 million. The Farm Program provides jobs for approximately 400 inmates. The Livestock Division consists of 2,300 beef cows, a 319-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.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

## Appropriation Summary

**Appropriation:** 512 - Farm Operations

**Funding Sources:** SDC - Department of Correction Farm Fund

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	2,516,330	2,645,137	2,597,433	2,597,733	2,597,733	2,597,733
	<b>#Positions</b>	<b>64</b>	<b>65</b>	<b>64</b>	<b>64</b>	<b>64</b>	<b>64</b>
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000
	<b>#Extra Help</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Personal Services Matching	5010003	922,585	956,744	963,813	963,889	963,889	963,889
Operating Expenses	5020002	9,150,886	14,500,209	14,500,209	14,500,209	14,500,209	14,500,209
Conference & Travel Expenses	5050009	6,890	53,010	53,010	53,010	53,010	53,010
Professional Fees	5060010	121,652	128,354	128,354	128,354	128,354	128,354
Data Processing	5090012	0	0	0	0	0	0
Claims	5110015	29,831	0	0	0	0	0
Capital Outlay	5120011	1,329,813	2,246,864	2,246,864	1,336,000	1,336,000	1,336,000
Purchase Cattle/Meat	5900047	227,960	650,000	650,000	650,000	650,000	650,000
<b>Total</b>		<b>14,305,947</b>	<b>21,190,318</b>	<b>21,149,683</b>	<b>20,239,195</b>	<b>20,239,195</b>	<b>20,239,195</b>

Funding Sources							
Fund Balance	4000005	1,122,300	1,939,760		1,210,367	1,210,367	1,210,367
Special Revenue	4000030	10,509,995	13,860,925		14,500,000	14,500,000	14,500,000
Budget Stabilization Trust	4000130	4,600,000	5,600,000		5,600,000	5,600,000	5,600,000
Intra-agency Fund Transfer	4000317	0	1,000,000		1,000,000	1,000,000	1,000,000
M & R Sales	4000340	7,137	0		0	0	0
Miscellaneous Adjustments	4000345	6,275	0		0	0	0
<b>Total Funding</b>		<b>16,245,707</b>	<b>22,400,685</b>		<b>22,310,367</b>	<b>22,310,367</b>	<b>22,310,367</b>
<b>Excess Appropriation/(Funding)</b>		<b>(1,939,760)</b>	<b>(1,210,367)</b>		<b>(2,071,172)</b>	<b>(2,071,172)</b>	<b>(2,071,172)</b>
<b>Grand Total</b>		<b>14,305,947</b>	<b>21,190,318</b>		<b>20,239,195</b>	<b>20,239,195</b>	<b>20,239,195</b>

The FY16 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during fiscal year 2016. Budget Number of Positions may exceed the Authorized Number due to single salary section in 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.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** 859 - Inmate Welfare Treasury Cash

**Funding Sources:** NDC - Cash in Treasury

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	26,016	829,248	793,328	795,228	795,228	795,228
	<b>#Positions</b>	<b>1</b>	<b>29</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>
Personal Services Matching	5010003	54,748	343,108	336,677	337,144	337,144	337,144
Operating Expenses	5020002	11,028,938	11,778,960	11,778,960	11,778,960	11,778,960	11,778,960
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	50,000	500,000	500,000	500,000	500,000
<b>Total</b>		<b>11,109,702</b>	<b>13,001,316</b>	<b>13,408,965</b>	<b>13,411,332</b>	<b>13,411,332</b>	<b>13,411,332</b>
<b>Funding Sources</b>							
Fund Balance	4000005	2,696,375	3,705,740		2,104,424	2,104,424	2,104,424
Cash Fund	4000045	12,119,067	11,400,000		10,800,322	10,800,322	10,800,322
<b>Total Funding</b>		<b>14,815,442</b>	<b>15,105,740</b>		<b>12,904,746</b>	<b>12,904,746</b>	<b>12,904,746</b>
Excess Appropriation/(Funding)		(3,705,740)	(2,104,424)		506,586	506,586	506,586
<b>Grand Total</b>		<b>11,109,702</b>	<b>13,001,316</b>		<b>13,411,332</b>	<b>13,411,332</b>	<b>13,411,332</b>

The FY16 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during fiscal year 2016. Budget Number of Positions may exceed the Authorized Number due to single salary section in appropriation act. Expenditure of appropriation is contingent upon available funding.

## **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 Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** 865 - Non-Tax Revenue Receipts

**Funding Sources:** NDC - Cash in Treasury

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Operating Expenses	5020002	930,981	1,480,500	1,480,500	1,480,500	1,480,500	1,480,500
Conference & Travel Expenses	5050009	0	0	0	0	0	0
Professional Fees	5060010	1,300	180,500	200,000	200,000	200,000	200,000
Construction	5090005	1,090,740	1,992,000	1,992,000	1,992,000	1,992,000	1,992,000
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	75,935	300,000	300,000	300,000	300,000	300,000
<b>Total</b>		<b>2,098,956</b>	<b>3,953,000</b>	<b>3,972,500</b>	<b>3,972,500</b>	<b>3,972,500</b>	<b>3,972,500</b>
<b>Funding Sources</b>							
Fund Balance	4000005	1,203,241	854,783		0	0	0
Cash Fund	4000045	1,735,083	3,098,217		2,800,000	2,800,000	2,800,000
Other	4000370	15,415	0		0	0	0
<b>Total Funding</b>		<b>2,953,739</b>	<b>3,953,000</b>		<b>2,800,000</b>	<b>2,800,000</b>	<b>2,800,000</b>
Excess Appropriation/(Funding)		(854,783)	0		1,172,500	1,172,500	1,172,500
<b>Grand Total</b>		<b>2,098,956</b>	<b>3,953,000</b>		<b>3,972,500</b>	<b>3,972,500</b>	<b>3,972,500</b>

## **Analysis of Budget Request**

**Appropriation:** F95 - Paws in Prison

**Funding Sources:** NDC - Cash in Treasury

This cash appropriation is funded by marketing and distribution proceeds and cash donations. This non-profit program supports the training of rescue dogs by inmates and allows for the dogs to eventually be adopted as pets.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** F95 - Paws in Prison  
**Funding Sources:** NDC - Cash in Treasury

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Paws in Prison	5900046	57,984	150,000	150,000	150,000	150,000	150,000
<b>Total</b>		<b>57,984</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>
Funding Sources							
Fund Balance	4000005	84,705	72,499		52,499	52,499	52,499
Cash Fund	4000045	1,779	30,000		50,000	50,000	50,000
M & R Sales	4000340	43,999	100,000		100,000	100,000	100,000
<b>Total Funding</b>		<b>130,483</b>	<b>202,499</b>		<b>202,499</b>	<b>202,499</b>	<b>202,499</b>
Excess Appropriation/(Funding)		(72,499)	(52,499)		(52,499)	(52,499)	(52,499)
<b>Grand Total</b>		<b>57,984</b>	<b>150,000</b>		<b>150,000</b>	<b>150,000</b>	<b>150,000</b>

Expenditure of appropriation is contingent upon available funding.