

DEPARTMENT OF CORRECTION

Enabling Laws

Act 284 of 2014
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 Parole 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 six divisions and a Deputy or Assistant Director supervises each. The divisions and responsibilities are:

- **Administrative Services** provides Procurement, Accounting, Human Resources, Budget, Finance and Warehouse services 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, Transportation, Pre-Release and K-9 Division;

- **Operations** oversees various Institutions, directs the Agriculture and Industry Programs, and the County Jail Contracts Program (Act 309 of 1991), and also coordinates Vocational Education programs provided by Riverside Vocational School through the Department of Workforce Education;
- **Health and Correctional Programs** is responsible for Medical and Mental Health Services, Religious Services, Substance Abuse Treatment Programs (SATP and TC), Reduction of Sexual Victimization Program (RSVP), Volunteer Services offers orientation and training to volunteers who provide a wide range of services to inmates, and Library Services provides reading materials to all inmates through unit libraries. 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 Pathway to Freedom Program (PTF) operated at the Wrightsville Unit;
- **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;
- **Chief Deputy Director** is responsible for various Institutions, Information Systems, Classification/Records, Drug Testing, PREA (Prison Rape Elimination Act)/STTG (Security Threat Terrorist Groups) Coordinator, Inmate Grievances, Training Academy, Emergency Preparedness, and oversees the Paws in Prison Program. Research and Planning provides analytical research for informational needs, coordinates strategic planning and manages the department's policies and procedures. Constituency services works to resolves the concerns of inmate friends and family. 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.

Correction Facilities of the ADC include:

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

Cummins Unit - Capacity of 1,850 (also operating 26 temporary beds) - Special Operations include the execution chamber, Education, Vocational Education, Mental Health Groups, 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 of 461 (also operating 138 temporary beds and 4 jail beds) - Special Operations include Regional Maintenance, Education, Pre-Release Program, Mental Health Groups, and Jail Operations. Self-Improvement classes include Anger

Management, AA/NA, Thinking Errors, Domestic Violence and Substance Abuse Education. Also includes Janitorial Products Industry Program.

East Arkansas Regional Unit - Capacity of 1,432 (also operating 192 temporary beds and 35 jail beds) - Special Operations include Regional Maintenance, Education, Mental Health Groups, Maximum Security Unit, Jail Operation, Canine Unit, ICC Garage, PALS, Farm Operations - (Row Crops, Garden and Hay) and Industry Programs (Welding and Upholstery).

Grimes Unit - Capacity of 1,000 - Special Operations include SATP, Life Skills, Education, Regional Maintenance, PALS, Anger Management, Thinking Errors, Parenting, Story Book Projects, Inmate Council, Horse and Garden Operations, Canine Unit, ICC Garage and College Courses.

Randall L. Williams Correctional Facility - Capacity of 518 (also operating 44 temporary beds) - Special Operations include Regional Maintenance, Fast Track Substance Abuse Treatment Program, Mental Health Groups, Education, Vo-Tech - Landscape Design Vocational Education, Parenting Classes, Anger Management, Mental Health Counseling, Paws in Prison and PALS.

Maximum Security Unit - Capacity of 532 - Special Operations include Education, G.E.D. Program, PALS, Paws in Prison and U.N.I.T.Y. Program.

McPherson Unit - Capacity of 924 (female inmates) (also operating 40 temporary beds) - Special Operations include Female Inmate Intake, Substance Abuse Treatment Programs (SATP and TC), Education, Vo-Tech, Parenting, Even start, College Courses, PALS, Pre-Release, SPU (mental health), AA/NA programs, Anger Management, Domestic Violence, Inmate Council, Mi Watch, Story Book Project, Relaxation Circle, Locks of Love, Gardening Program, SOFT (Sex Offender Treatment) and Industry Program.

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

North Central Unit - Capacity of 700 (also operating 100 temporary beds) - Special operations include Education, Regional Maintenance, Mental Health Groups, Pre-Release, Substance Abuse Education, Principals and Application for Life, Construction, Edible Crop Production, Horse Training and Rehabilitation, Paws in Prison, Tracking Dogs and the Story Book Project.

Northwest Arkansas Work Release Center - Capacity of 100. Work Release Program.

Ouachita River Correctional Facility - Capacity of 1,734 (also operating 32 temporary beds). Special Operations include Central Intake, Regional Maintenance, Construction, Educational Programs, Vocational Programs, Reduction of Sexual Victimization Program, Habilitation, Mental Health Groups, Principle Application Life Skills, Multiple Treatment Program (CABBI, RE-Entry, NA, AA), Livestock and Hay Operations,

Garden Operations, Paws in Prison and Dog Kennel Operations. The ORCU Special Needs Unit provides additional beds for special programs that include Hospital Services, Sheltered Living, Mental Health Residential Program Unit and Male and Female Day Clinic Services for the Arkansas Department of Correction.

Pine Bluff Unit - Capacity of 430 - Special Operations include Work Release, Pre-Release, Mental Health Groups, Pre-Release Program, Re-Entry Program, Education, Gardening, Livestock, Grounds Maintenance, Warehouse and Construction.

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

Tucker Unit - Capacity of 910 (also operating 54 temporary beds) - Special Operations include Substance Abuse Treatment Programs (SATP and TC), Education, Vocational Education, Mental Health Groups, PALS, Canine Unit, and the 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 and Athletic Equipment.

Varner Unit - Capacity of 1,586 (also operating 50 temporary beds) - Special Operations include a 486-bed Super Max Unit that includes Death Row, Regional Maintenance, Mental Health Groups, Substance Abuse Treatment Program, 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.

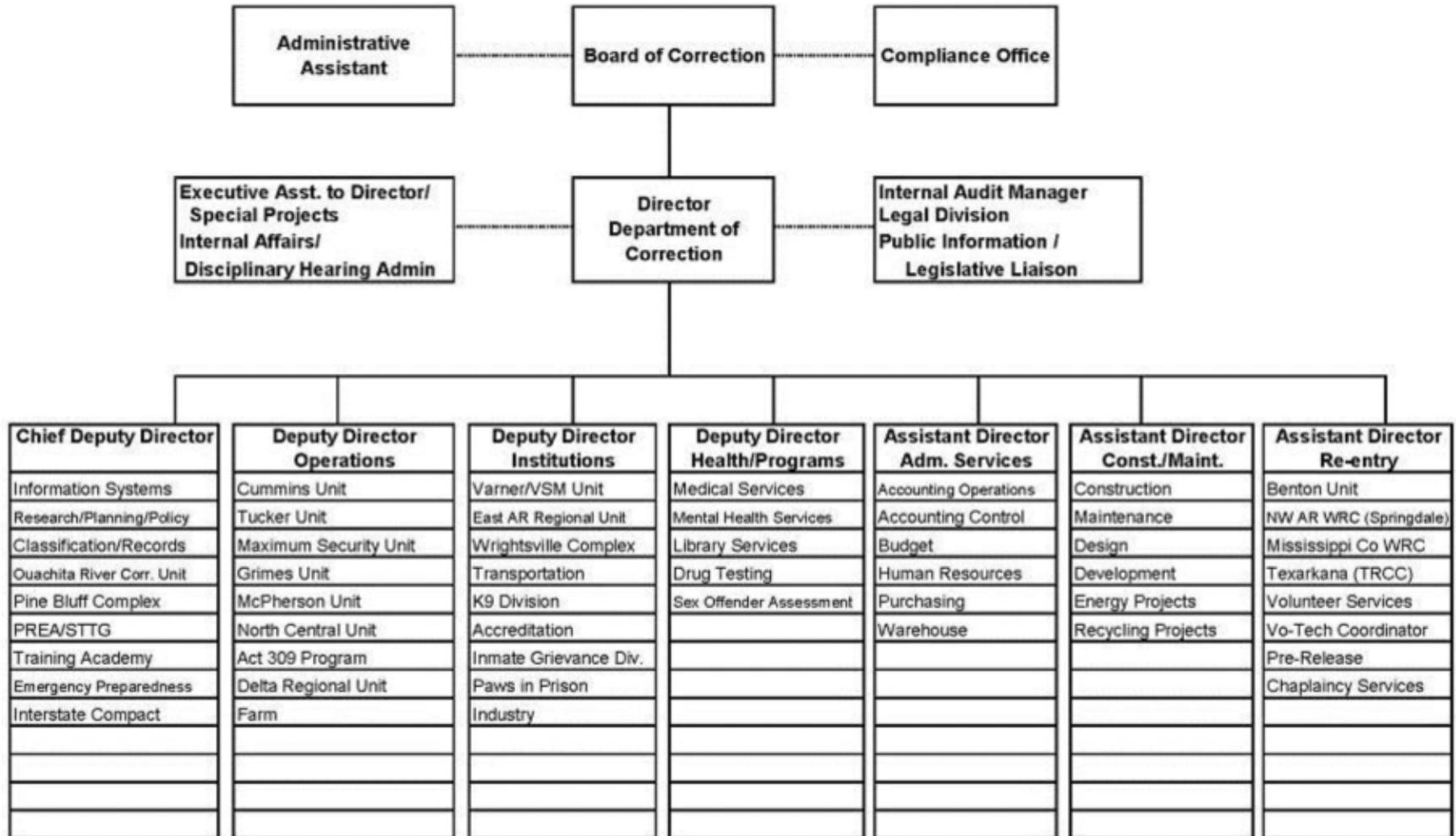
Wrightsville Unit - Capacity of 850 - Special Operations include Regional Maintenance, Substance Abuse Programs (SATP and TC), Education, PALS, Braille Program and Mental Health Groups. Also includes Beef Production Agricultural Program and Industry Programs: Graphic Arts, Data Imaging and Furniture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

Additional beds located at Wrightsville:

- J. Aaron Hawkins Center for Men/Pathway to Freedom - Capacity of 200 - InnerChange Freedom Initiative.
- J. Aaron Hawkins Sr. Center for Women - Capacity of 212 including a 12-bed Special Programs Unit - Special Operations include Female Boot Camp, Paws in Prison, Education, Substance Abuse Treatment Program, Even Start Family Literacy Program, Advanced Principle Application Life Skills (APALS), Work Release and Parenting Classes.
- Roosevelt Road Barracks - Capacity of 62 - Special Operations include housing for inmates assigned to daily supervision by the Arkansas State Police with work assignments in the Little Rock area.

- Wrightsville Satellite Unit (Formerly part of Pulaski County Detention Center) - Capacity of 250 - Special Operations are for housing of Parole Violators and inmates within 6 months of release date. This facility includes the Re-Entry program.

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.



Agency Commentary

Like many other successful organizations, the 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.*

Goal 6: *To insure compliance with all local, State and Federal laws as well as Governor's Policy Directives, Administrative Regulations and Administrative Directives and to promote accountability, integrity and efficiency for all agency operations.*

During 2013, changes in the parole policies resulted in a large increase in the number of revocations along with normal sentencing. This has pushed back up in county jails to record levels. On February 28, 2014, back up reached an all-time high of 2,884 state prisoners held in county jails. The ADC jurisdictional count also peaked at a record 17,737 on May 23, 2014. In an effort to provide relief for counties ADC opened up over 950 beds through appropriation and funding increases approved by the Governor and Legislature during the 2014 Fiscal Session and the 2014 Special Session. Projections are for continued growth.

**ARKANSAS DEPARTMENT OF CORRECTION
HISTORICAL AND PROJECTED INMATE POPULATION 2003-2024**

Year	Historical	Base	High Scenario
2003	13,109		
2004	13,470		
2005	13,338		
2006	13,698		
2007	14,285		
2008	14,686		
2009	15,171		
2010	16,176		
2011	15,035		
2012	14,627		
2013	17,211	17,211	17,211
2014		17,558	17,791
2015		17,929	18,267
2016		18,277	18,845
2017		18,553	19,286
2018		18,819	19,757
2019		19,055	20,162
2020		19,357	20,460
2021		19,640	20,775
2022		19,754	21,202
2023		19,899	21,533
2024		20,024	21,906
Numeric Diff. 2003-2013	4,102		
% Diff. 2003-2013	31.3%		
Average % Diff. 2003-2013	2.9%		
Numeric Diff. 2014-2024		2,466	4,115
% Diff. 2014-2024		14.0%	23.1%
Average % Diff. 2014-2024		1.3%	2.1%

Source: JFA Simulation Model

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 \$1 billion of buildings, grounds, equipment, extensive farming, industry, work release programs and ancillary activities such as operation of inmate commissaries.

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

COUNTY JAIL REIMBURSEMENT

In the event the Department of Correction cannot accept inmates from the state county jails to due the lack of bed space, the Agency reimburses the counties from the County Jail Reimbursement Fund. In order to allow the Agency to accommodate for the current outstanding liability owed to county jails throughout the state, the Agency is requesting \$26,840,999 in FY16 and \$6,317,256 in FY17.

WORK RELEASE - CASH

Eligible inmates of the department are employed in the community while residing in correctional facilities. The ADC coordinates employment opportunities for 568 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. FY14 rents from the Work Release program totaled \$3.1 million. 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 \$2,717,790 in FY16 and \$2,580,640 in FY17.

INMATE CARE AND CUSTODY - GENERAL REVENUE

General revenue appropriation requested totals \$34,751,657 for FY16 and \$33,069,619 for FY17 with funding requested totaling \$30,512,504 in FY16 and \$28,994,524 requested in FY17. These requests are summarized in priority order as follows:

Unfunded Salary Requirements:

Over the past few years, ADC has made great strides in filling vacant positions resulting in less overtime and safer and more secure institutions. However, this has significantly reduced the amount of salary savings that have been used in the past to pay unfunded salary requirements. During the last session, with Governor Beebe's recommendation and Legislative endorsement, ADC received General Improvement Funds (Act 289 of 2014) totaling \$5 million to pay down balances of banked holiday time for security personnel. In FY14, \$5 million was paid out leaving an unpaid balance of \$8.4 million. The FY16 request is for \$10,127,813 and \$7,620,479 for FY17 with this amount being added to base level appropriation/funding to cover future needs. Explanations for each are as follows:

- **Holiday Time** - For officers working 12-hour shifts, when a holiday falls on their regular day off or on their work day they “earn” a holiday to be banked and taken at a time approved by the employee’s supervisor. Most state agencies are closed on holidays. Those that require employees to work a holiday, also give them an equivalent time off at another date. In addition, most have policies that require employees use holiday time before the end of a calendar year or lose it. However, because ADC does not have sufficient staff to provide “relief” for additional time off in addition to regular leave time, ADC sought and received Special Language authority allowing payment of up to 150 hours of unused holidays exceeding a balance in the banked account of 96 hours. However, this Special Language was adjusted during the 2014 Fiscal Session and now requires the Agency to pay employees for all hours included in their holiday account following the end of the calendar year. This requirement is contingent upon approval of the Chief Fiscal Officer of the State after the Director of the Agency has determined that sufficient revenues are available for the payments to be made. Employees do retain the option to continue to bank any holiday hours accrued, but cannot exceed one hundred fifty (150) hours banked.
- **Straight Time** - Correctional Officers assigned to 12 hour shifts, work 85¾ hours every pay period. The state only funds positions for 80 hours per pay period. This pay at “Straight Time,” like Overtime, is banked in accordance with State and Federal laws. Since FY99, ADC has been paying this obligation from salary savings generally on a quarterly basis. More recently, the State has made a change in how straight time will be paid in the future. To fully comply with federal requirements, straight time must be paid in the pay period earned if an employee also earned overtime during the same pay period. Otherwise, it can be banked and paid with salary savings. This has the potential for putting the agency in a difficult financial situation.

New Bed Operations:

- **Ester Unit (formerly Diagnostic)** - 356 General Population beds will be opened at the renovated Ester Unit in Pine Bluff. The request includes 124 positions, capital equipment, and related start-up and operating expenses totaling \$9,235,465 in FY16 and \$8,728,296 in FY17.
- **Tucker Boot Camp** - 24 additional beds to be added to the existing 100 beds opened with funds from the FY15 increase. This was the former Training Academy site which has been renovated to house Inmates participating in the Boot Camp program. This increase will allow ADC to fully operate the program. This request includes 11 positions and related operating costs are included in the request which totals \$522,333 in FY16 and \$525,123 in FY17.

Incremental Medical Contract Increases:

This request projects an average increase of 3% each fiscal year above the current rate of \$323.44 per month per inmate housed in an ADC facility and \$73.87 per month per inmate assigned to a county jail under Act 309 of 1991. That makes the ADC/DCC rate for FY16 approximately \$333.81 and \$343.50 for FY17. For Act 309 contract inmates, the per diem is \$76.27 for FY16 and \$78.51 for FY17. The medical contract request totals \$1,939,834 in FY16 and an additional \$3,661,786 in FY17.

General Operating Needs:

While the agency has many inflationary and documented needs, a barebones request includes inflationary increases and critical operating costs as follows:

- **Food Service** - To provide for the existing and expanding inmate population, an additional \$4.1 million each fiscal year is requested. Costs of food products has increased significantly over the past few years due to the rising cost of fuel needed to transport these items to the units. Additional beds have also been added at various locations with no increase in the budget for food. Expenditures for basic food supplies during FY14 totaled \$17.98 million - \$3.6 million over our budget for food. ADC has not received an increase in Food Purchases line item since FY07. These increases had to be met by forced savings and contribution of additional one-time cash funds. This level of spending cannot be sustained and providing food meeting dietary requirements is mandatory.
- **Unit Maintenance Budgets** - Maintaining the operational integrity of ADC facilities rests upon each unit maintenance division. A major part of the maintenance budget is used to insure the safety and security of the units by maintaining locks, gates, lighting, plumbing, HVAC, electrical and capital equipment. The maintenance budgets have not had an increase since prior to FY01. The cost of materials has risen each year and as new beds are added at existing units more demands for expanded services are required for the upkeep of the facilities. This request for \$405,000 each year would allow ADC to maintain existing facilities and equipment to prolong the life and efficiency of each facility.
- **Unit Operational Cost** - This request would cover increases in utility, gasoline and diesel, clothing, and general operational cost that have risen from price increases and an increase in inmate population. As fuel prices/labor cost have increased it causes an across the board increase in all consumable items. Included in the request is \$400,000 to provide an off-site backup system for our Information Technology Services. This request is for \$1,598,768 each year.

Position Requests:

The request is forty seven (47) flex positions for the FY16-17 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 also 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. The request for the flex positions is appropriation of \$2,137,872 each year with no additional funding.

Secondly, we are requesting twenty nine (29) positions be restored for the seventy two (72) new beds opened at Ouachita River Unit in Malvern and one hundred (100) new beds opened at the McPherson women's unit at Newport. These positions were approved with the additional funding provided in the FY15 budget to open new beds, but were not budgeted at that time. The \$6.2 million approved during the Special Session of 2014 to amend the Revenue Stabilization Act to open and operate six hundred four (604) new beds did not provide any positions therefore these positions will be required to operate the additional beds. The request for all restorations totals \$1,118,679 in appropriation only for each year.

We are also requesting thirty five (35) new positions for the biennium that were funded during the Special Session. Nine (9) of these positions are to support the Tucker Boot Camp and the remaining twenty six (26) are to support the Wrightsville Satellite Unit. The Wrightsville Satellite Unit is a Pulaski County facility, but is now being operated by ADC. The new position requests for the combined units total \$1,337,272 in appropriation only for each year.

Lastly, we are requesting the reclassification of nine (9) Internal Affairs Investigator (C116) positions to Internal Affairs Investigator (C117). This request totals \$1,916 each year of the biennium.

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 \$2,226,705 in FY16 and \$1,834,428 in FY17.

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 refurbishing, furniture manufacturing, refurbishing and upholstery, vinyl products and athletic equipment. A Prison Industry Enhancement (PIE) Program at the McPherson Unit is a partnership with private sector companies operating within prison fences and employing inmates at prevailing wages. FY14 sales totaled approximately \$8.2 million. Revenues from Industry program operations will fund the biennial request for increases in operation expenditures. In addition, the request includes Capital Outlay authorization for acquisition of new and existing equipment. The Industry Division request totals \$794,937 in FY16 and \$815,989 in FY17.

FARM PROGRAM - SPECIAL REVENUE

The agricultural operation of the ADC is a self-supported division of the Department. 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 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. New chicken houses are currently under construction and will allow egg production to increase in scope to provide enough eggs to supply the entire Agency's need for inmate consumption and the surplus will be sold. The revenues will cover repayment of the loan for this upgrade. Not only will eggs be produced, but two houses will be used to grow pullets for sale to commercial chicken processors. Altogether, inmate consumption totals approximately \$7 million annually. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY14 cash crop sales totaled approximately \$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. Revenues from Farm operations will fund the biennial request of \$3,007,853 in FY16 and \$2,096,989 in FY17.

General Operational Needs:

A total of \$760,989 in each year of the biennium is requested to provide for fuel and utility increases, Extra Help Salaries and Personal Services Matching.

Capital Equipment:

The farming operation requests Capital Outlay authorization for equipment totaling \$2,246,864 in FY16 and \$1,336,000 in FY17.

INMATE WELFARE FUND

Self-supported Pen Store (Commissary) operations within institutions provide the opportunity for inmates to purchase various supplies such as MP4 players and download songs, 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 Biennial Request for this cash fund operation includes inflationary operating cost increases and anticipated needs for unit expansions. The request totals \$1,286,537 each year of the biennium.

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 Biennial Request will provide various operational and construction appropriations needed to provide flexibility in funding priority projects. The request totals \$1,200,000 each year of the biennium.

PAWS IN PRISON

Paws in Prison is a new appropriation request for our Agency that has previously received appropriation through a cash letter request. It is funded by Marketing and Redistribution funds and outside donations. This program allows inmates to work with dogs and teach them basic obedience and social skills which help transition them into adoptive homes. This also provides an opportunity for inmates to gain internal satisfaction of helping another being while incarcerated. Paws in Prison has been a huge success providing adoptable pets for homes and assisting in inmate rehabilitation. The request totals \$150,000 each year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF CORRECTION
FOR THE YEAR ENDED JUNE 30, 2013

Findings

The Agency's internal controls over travel reimbursements paid from fiduciary funds were poorly designed. As a result, reimbursements were made without proper approval and in non-compliance with state travel regulations. A total of 21 travel reimbursements from the fiduciary funds were tested, with the following exceptions noted:

- None of the reimbursement requests were made on a Travel Reimbursement Form (TR-1).
- All but one of the reimbursement claims were made payable to the employee's credit card company and not to the individual traveler.
- Three reimbursements were made without the approval of the travel administrator.
- Three reimbursements were made based on claims by an employee for the meals of other Agency employees.
- An employee was reimbursed for fuel purchased rather than actual mileage driven on official business.
- An employee was reimbursed for the same meal twice.
- An employee was reimbursed in excess of the allowable state per diem for meals.

This lack of internal controls over travel reimbursements limits the Agency's ability to provide assurance that payments are made in accordance with State travel regulations.

The Agency's internal controls over inventory received at the central warehouse were not operating effectively. DLA staff selected 35 purchases for testing to determine if central warehouse employees verified that all items shipped to the warehouse were received. We noted five instances in which there was no supporting documentation retained to verify that all items were received. Inconsistent application of the internal controls over receiving inventory limits the Agency's ability to account for these assets and ensure that items recorded in the ledger do exist.

Recommendations

Management review the State's Financial Management Guide and strengthen internal controls over fiduciary fund disbursements.

Agency Response:

Arkansas Department of Correction (ADC) is in the process of writing policies and procedures for Chaplaincy Services. Once these have been prepared and approved by the Director and the ADC Policy Committee, they will be immediately implemented. ADC plans to periodically review and audit the Chaplaincy travel reimbursement to ensure the policies and procedures set forth are being adhered to.

Strengthen internal controls over inventory received at the central warehouse.

Agency Response:

ADC has implemented procedures to ensure that all items received at the central warehouse are verified and signed off on. The administrative staff is reviewing all receiving reports to ensure proper signatures are on the documents. If signatures are missing, then disciplinary action is being taken.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	1435	584	2019	50 %
Black Employees	892	1064	1956	49 %
Other Racial Minorities	19	11	30	1 %
Total Minorities			1,986	50 %
Total Employees			4,005	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Report	ACA §12-27-107	N	Y	500	Required by Statute. Electronic copies only.	0	0.00
Inmate Handbook	ACA §12-27-106	N	Y	5,000	Required by Statute. Electronic copies only.	0	0.00

ARKANSAS DEPARTMENT OF CORRECTION
EMPLOYEE COMPENSATION REPORT
 As Required by Section 19 of Act 284 of 2014

	<u>HOLIDAY</u>	<u>STRAIGHT TIME</u>	<u>OVERTIME</u>	<u>HAZARDOUS DUTY</u>
CURRENT LIABILITY AS OF JUNE 30, 2014	<u>\$8,160,042.00</u>	<u>\$1,454,488.00</u>	<u>\$57,966.00</u>	<u>\$0.00</u>
PROJECTED LIABILITY FOR FISCAL YEAR 2015	<u>4,650,000.00</u>	<u>3,350,000.00</u>	<u>350,000.00</u>	<u>4,750,000.00</u>
LESS ESTIMATED SALARY SAVINGS	<u>0.00</u>	<u>0.00</u>	<u>350,000.00</u>	<u>4,750,000.00</u>
TOTAL ESTIMATED BANKED LIABILITY AS OF JUNE 30, 2015	<u>\$12,810,042.00</u>	<u>\$4,804,488.00</u>	<u>\$57,966.00</u>	<u>\$0.00</u>

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016					2016-2017						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1MJ County Jail Reimbursement	13,705,902	0	13,843,971	0	14,118,672	0	13,343,971	0	40,184,970	0	40,184,970	0	13,343,971	0	19,661,227	0	19,661,227	0
2ZV Work Release Cash	2,684,544	0	5,169,560	0	6,896,771	0	5,169,560	0	7,887,350	0	7,376,070	0	5,169,560	0	7,750,200	0	7,238,920	0
33K ADC Sex Offender Assessment	0	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	4,470	0	50,000	0	50,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
509 Inmate Care & Custody	324,189,396	4,296	326,096,176	4,319	341,690,923	4,395	327,720,427	4,319	362,472,084	4,565	362,485,628	4,565	327,884,486	4,319	360,954,105	4,565	360,967,649	4,565
511 Prison Industry	9,122,936	46	10,791,000	60	11,281,041	60	10,755,011	60	11,549,948	60	11,549,948	60	10,755,884	60	11,571,873	60	11,571,873	60
512 Farm Operations	13,563,215	59	20,100,000	64	20,763,366	64	18,141,830	64	21,149,683	64	21,149,683	64	18,142,206	64	20,239,195	64	20,239,195	64
859 Inmate Welfare Treasury Cash	10,859,530	28	12,109,061	27	12,688,500	27	12,122,428	27	13,408,965	28	13,408,965	28	12,124,795	27	13,411,332	28	13,411,332	28
865 Non-Tax Revenue Receipts	1,922,014	0	2,837,500	0	6,440,000	0	2,772,500	0	3,972,500	0	3,972,500	0	2,772,500	0	3,972,500	0	3,972,500	0
F95 Paws in Prison	45,187	0	150,000	0	0	0	0	0	150,000	0	150,000	0	0	0	150,000	0	150,000	0
Total	376,097,194	4,429	391,172,268	4,470	413,954,273	4,546	390,075,727	4,470	460,825,500	4,717	460,327,764	4,717	390,243,402	4,470	437,760,432	4,717	437,262,696	4,717

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	14,562,599	3.7	12,658,056	3.2	4,220,056	1.1	4,220,056	0.9	4,220,056	1.0	4,346,436	1.1	1,232,842	0.3	1,194,426	0.3	
General Revenue	4000010	320,451,836	82.4	335,655,267	84.9	337,369,060	85.9	394,722,563	87.7	363,069,060	86.7	337,369,060	85.8	372,680,840	87.6	362,269,060	87.3	
Federal Revenue	4000020	483,835	0.1	500,000	0.1	500,000	0.1	500,000	0.1	500,000	0.1	500,000	0.1	500,000	0.1	500,000	0.1	
Special Revenue	4000030	17,181,998	4.4	23,316,000	5.9	24,625,215	6.3	24,625,215	5.5	24,625,215	5.9	24,775,000	6.3	24,775,000	5.8	24,775,000	6.0	
Cash Fund	4000045	17,912,541	4.6	16,563,001	4.2	19,410,660	4.9	19,460,660	4.3	19,460,660	4.6	19,574,719	5.0	19,624,719	4.6	19,624,719	4.7	
Merit Adjustment Fund	4000055	3,413,878	0.9	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Budget Stabilization Trust	4000130	4,600,000	1.2	5,600,000	1.4	5,600,000	1.4	5,600,000	1.2	5,600,000	1.3	5,600,000	1.4	5,600,000	1.3	5,600,000	1.3	
DFA Motor Vehicle Acquisition	4000184	81,731	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
General Improvement Fund	4000265	9,419,873	2.4	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Inter-agency Fund Transfer	4000316	538,256	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Intra-agency Fund Transfer	4000317	0	0.0	1,000,000	0.3	1,000,000	0.3	1,000,000	0.2	1,000,000	0.2	1,000,000	0.3	1,000,000	0.2	1,000,000	0.2	
M & R Sales	4000340	108,703	0.0	100,000	0.0	0	0.0	0	0.0	100,000	0.0	0	0.0	0	0.0	100,000	0.0	
Other	4000370	0	0.0	0	0.0	0	0.0	100,000	0.0	0	0.0	0	0.0	100,000	0.0	0	0.0	
Total Funds		388,755,250	100.0	395,392,324	100.0	392,724,991	100.0	450,228,494	100.0	418,574,991	100.0	393,165,215	100.0	425,513,401	100.0	415,063,205	100.0	
Excess Appropriation/(Funding)		(12,658,056)		(4,220,056)		(2,649,264)		10,597,006		41,752,773		(2,921,813)		12,247,031		22,199,491		
Grand Total		376,097,194		391,172,268		390,075,727		460,825,500		460,327,764		390,243,402		437,760,432		437,262,696		

Variance in fund balance due to unfunded appropriation in appropriations (1MJ) County Jail Reimbursement Fund, (2ZV) Cash in Treasury, (4HS) Cash in Treasury, (509) Department of Correction Inmate Care and Custody Fund, (511) Department of Correction Prison Industry Fund, (859) Cash in Treasury and (865) Cash in Treasury.

Budget exceeds Authorized in FY15 for (F95) - Paws in Prison due to appropriation establishment by cash letter.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
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	
4,756	4180	249	4429	327	12.11 %	4,503	4056	447	4503	0	9.93 %	4,546	4062	408	4470	76	10.65 %

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 and currently pays county jails \$28 per day for housing inmates sentenced to ADC.

The Agency's Base Level appropriation totals \$13,343,971 each year of the biennium.

The Agency's Change Level Request totals \$26,840,999 in FY16 and \$6,317,256 in FY17 in appropriation and general revenue funding to reimburse counties for housing state inmates.

The Executive Recommendation provides for the Agency Request in appropriation and \$9,500,000 in general revenue funding for each year.

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		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	13,705,902	13,843,971	14,118,672	13,343,971	40,184,970	40,184,970	13,343,971	19,661,227	19,661,227
Total		13,705,902	13,843,971	14,118,672	13,343,971	40,184,970	40,184,970	13,343,971	19,661,227	19,661,227
Funding Sources										
Fund Balance	4000005	2,552,455	538,416		38,416	38,416	38,416	38,416	38,416	0
General Revenue	4000010	7,453,607	13,343,971		13,343,971	40,184,970	22,843,971	13,343,971	19,661,227	22,843,971
General Improvement Fund	4000265	3,700,000	0		0	0	0	0	0	0
Inter-agency Fund Transfer	4000316	538,256	0		0	0	0	0	0	0
Total Funding		14,244,318	13,882,387		13,382,387	40,223,386	22,882,387	13,382,387	19,699,643	22,843,971
Excess Appropriation/(Funding)		(538,416)	(38,416)		(38,416)	(38,416)	17,302,583	(38,416)	(38,416)	(3,182,744)
Grand Total		13,705,902	13,843,971		13,343,971	40,184,970	40,184,970	13,343,971	19,661,227	19,661,227

Inter-agency Fund Transfer reflects the transfer of unexpensed funds from Department of Community Correction (2GK) - County Jail Reimbursement Fund.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	13,343,971	0	13,343,971	100.0	13,343,971	0	13,343,971	100.0
C01	Existing Program	26,840,999	0	40,184,970	301.1	6,317,256	0	19,661,227	147.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	13,343,971	0	13,343,971	100.0	13,343,971	0	13,343,971	100.0
C01	Existing Program	26,840,999	0	40,184,970	301.1	6,317,256	0	19,661,227	147.3

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 currently pays county jails \$28 per day for housing inmates sentenced to the Department. ADC projects that an additional \$26,840,999 in FY16 and \$6,317,256 in FY17 will be needed to pay counties for housing inmates. As of October 1, 2014, there are 2,186 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 2014 TO FISCAL YEAR 2015**

Agency: Correction Department

Program: County Jail Reimbursement

Act #: 1207 Section(s) #: 9 & 21

Estimated Carry Forward Amount \$ 538,256.00 Funding Source: General Revenue

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:

Carry Forward needed to fund FY15 County Jail Reimbursements.

Actual Funding Carry Forward Amount \$ 538,416.00

Current status of carry forward funding:

Funds will be used for County Jail Reimbursements.

Ray Hobbs
Director

10-31-2014
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 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's Base Level appropriation totals \$5,169,560 each year of the biennium.

The Agency's Change Level Request totals \$2,717,790 in FY16 and \$2,580,640 in FY17 and consists of the following:

- Operating Expenses of \$388,760 in FY16 and \$526,360 in FY17 including utilities, fuel purchases, mileage, food purchases, firearms, and building maintenance.
- Conference and Travel Expenses of \$11,280 each year for training of employees/staff that operate the work release units.
- Professional Fees of \$500,000 each year for increases in professional, administrative and legal fees for the work release units.
- Capital Outlay of \$1,817,750 in FY16 and \$1,543,000 in FY17 for the purchase of new equipment for two of the work release units.

The Executive Recommendation provides for the Agency Request in Operating Expenses and Capital Outlay commitment items and Base Level for Conference and Travel Expenses and Professional Fees commitment items. 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			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,909,410	4,565,410	4,791,941	4,565,410	4,954,170	4,954,170	4,565,410	5,091,770	5,091,770
Conference & Travel Expenses	5050009	5,749	104,150	104,830	104,150	115,430	104,150	104,150	115,430	104,150
Professional Fees	5060010	120	500,000	500,000	500,000	1,000,000	500,000	500,000	1,000,000	500,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	769,265	0	1,000,000	0	1,817,750	1,817,750	0	1,543,000	1,543,000
Debt Service	5120019	0	0	500,000	0	0	0	0	0	0
Total		2,684,544	5,169,560	6,896,771	5,169,560	7,887,350	7,376,070	5,169,560	7,750,200	7,238,920
Funding Sources										
Fund Balance	4000005	4,921,462	5,370,047		1,750,487	1,750,487	1,750,487	0	0	0
Cash Fund	4000045	3,127,770	1,550,000		2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
M & R Sales	4000340	5,359	0		0	0	0	0	0	0
Total Funding		8,054,591	6,920,047		4,350,487	4,350,487	4,350,487	2,600,000	2,600,000	2,600,000
Excess Appropriation/(Funding)		(5,370,047)	(1,750,487)		819,073	3,536,863	3,025,583	2,569,560	5,150,200	4,638,920
Grand Total		2,684,544	5,169,560		5,169,560	7,887,350	7,376,070	5,169,560	7,750,200	7,238,920

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	5,169,560	0	5,169,560	100.0	5,169,560	0	5,169,560	100.0
C01	Existing Program	2,717,790	0	7,887,350	152.6	2,580,640	0	7,750,200	149.9

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	5,169,560	0	5,169,560	100.0	5,169,560	0	5,169,560	100.0
C01	Existing Program	2,206,510	0	7,376,070	142.7	2,069,360	0	7,238,920	140.0

Justification

C01	Agency requests appropriation of \$2,717,790 in FY16 and \$2,580,640 in FY17 for additional operating cost increases for utilities, flex operational needs and equipment for all work release units.
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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 is for Base Level of \$25,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 33K - ADC Sex Offender Assessment
Funding Sources: SSC - ADC Sex Offender Assessment Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	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		0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Funding Sources										
Fund Balance	4000005	34,953	57,104		57,104	57,104	57,104	57,104	57,104	57,104
Special Revenue	4000030	22,151	25,000		25,000	25,000	25,000	25,000	25,000	25,000
Total Funding		57,104	82,104		82,104	82,104	82,104	82,104	82,104	82,104
Excess Appropriation/(Funding)		(57,104)	(57,104)		(57,104)	(57,104)	(57,104)	(57,104)	(57,104)	(57,104)
Grand Total		0	25,000		25,000	25,000	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 is for Base Level of \$25,000 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		Historical Data			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	4,470	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
Capital Outlay	5120011	0	25,000	25,000	0	0	0	0	0	0
Total		4,470	50,000	50,000	25,000	25,000	25,000	25,000	25,000	25,000
Funding Sources										
Fund Balance	4000005	24,119	35,370		5,370	5,370	5,370	0	0	0
Cash Fund	4000045	15,721	20,000		15,000	15,000	15,000	15,000	15,000	15,000
Total Funding		39,840	55,370		20,370	20,370	20,370	15,000	15,000	15,000
Excess Appropriation/(Funding)		(35,370)	(5,370)		4,630	4,630	4,630	10,000	10,000	10,000
Grand Total		4,470	50,000		25,000	25,000	25,000	25,000	25,000	25,000

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.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

The Agency's Base Level appropriation totals \$327,720,427 in FY16 and \$327,884,486 in FY17 and includes four thousand three hundred nineteen (4,319) positions.

The Agency's Change Level Request totals \$34,751,657 with general revenue funding of \$30,512,504 in FY16 and \$33,069,619 with general revenue funding of \$28,994,524 in FY17. The following is a summary of the major components of the Agency Request.

Unfunded Salary Requirements

The Agency has made it a priority to fill vacant positions to avoid overtime and to have more secure institutions. However, due to having less turnover the agency is unable to use salary savings to help offset costs for Holiday Time and Straight Time. Therefore, the Agency requests Regular Salaries and Personal Services Matching of \$10,127,813 in FY16 and \$7,620,479 in FY17 for Straight Time and Holiday Time payouts.

Medical Contract Increases

In anticipation of a projected cost increase of 3% each year of the biennium for the Agency's medical contract, the Agency requests an increase in Professional Fees of \$1,939,834 in FY16 and \$3,661,786 in FY17.

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 of \$4,595,739 each year which includes:
 1. Restoration of forty seven (47) "flex" positions (appropriation only).
 2. Restoration of twenty nine (29) positions that were approved and authorized by Act 284 of 2014 (appropriation only).
 3. Request of twenty six (26) new positions funded by the Special Session of 2014 (appropriation only).
 4. Request of nine (9) new positions funded by the \$6.2 million approved during the Special Session of 2014 amending the Revenue Stabilization Act (appropriation only).

5. Reclassification of nine (9) positions (general revenue funding and appropriation).
- Operating Expenses of \$6,103,768 each year for food costs increases, building and grounds maintenance and costs associated with supporting the positions requested.
 - Capital Outlay of \$2,226,705 in FY16 and \$1,834,428 in FY17 to replace and update aging equipment in various units.

New Bed Initiatives

The Agency anticipates the following new bed openings during the 2015-2017 Biennium:

- Ester Unit (formerly the Diagnostic Unit)
Three hundred fifty-six (356) general population beds.
- Tucker Parole Bootcamp
Twenty four (24) special programs beds.

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

- Regular Salaries and Personal Services Matching of \$6,175,872 each year in association with the Agency's request of one hundred thirty five (135) new positions.
- Operating Expenses of \$1,644,588 in FY16 and \$1,504,338 in FY17 for support of these positions in facilities operations.
- Professional Fees of \$1,429,023 in FY16 and \$1,473,209 in FY17 for medical expenses for the inmates housed in the new units.
- Capital Outlay of \$508,315 in FY16 and \$100,000 in FY17 for new kitchen equipment for the Ester Unit.

The Executive Recommendation provides for \$16,200,000 for FY16 and \$15,400,000 for FY17 in general revenue funding and the Agency Request in appropriation and positions only with the exception of the reclassification requests. Instead, the Executive Recommendation provides for the upgrade of the ADC/DCC Internal Affairs Investigator positions from a C116 to a C117. The Executive Recommendation also provides for the reclassification of two (2) positions based on the request for reclassification by the Department of Community Correction and following job audits by the Office of Personnel Management.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	158,367,769	153,575,662	162,299,096	154,500,996	170,272,823	170,283,254	154,632,396	168,392,723	168,403,154
	#Positions	4,296	4,319	4,395	4,319	4,565	4,565	4,319	4,565	4,565
Extra Help	5010001	80,757	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
	#Extra Help	12	170							
Personal Services Matching	5010003	59,274,514	59,543,256	64,464,556	60,242,173	65,369,770	65,372,883	60,274,832	64,906,595	64,909,708
Overtime	5010006	416,533	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Operating Expenses	5020002	49,771,753	49,372,602	49,372,602	49,372,602	57,120,958	57,120,958	49,372,602	56,980,708	56,980,708
Conference & Travel Expenses	5050009	143,981	155,398	157,288	155,398	155,398	155,398	155,398	155,398	155,398
Professional Fees	5060010	54,471,992	60,266,258	60,925,723	60,266,258	63,635,115	63,635,115	60,266,258	65,401,253	65,401,253
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	482,581	0	1,288,658	0	2,735,020	2,735,020	0	1,934,428	1,934,428
Jail Contracts	5900047	1,179,516	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000
Total		324,189,396	326,096,176	341,690,923	327,720,427	362,472,084	362,485,628	327,884,486	360,954,105	360,967,649
Funding Sources										
General Revenue	4000010	312,998,229	322,311,296		324,025,089	354,537,593	340,225,089	324,025,089	353,019,613	339,425,089
Federal Revenue	4000020	425,584	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Cash Fund	4000045	1,612,627	3,284,880		3,195,338	3,195,338	3,195,338	3,359,397	3,359,397	3,359,397
Merit Adjustment Fund	4000055	3,413,878	0		0	0	0	0	0	0
General Improvement Fund	4000265	5,719,873	0		0	0	0	0	0	0
M & R Sales	4000340	19,205	0		0	0	0	0	0	0
Total Funding		324,189,396	326,096,176		327,720,427	358,232,931	343,920,427	327,884,486	356,879,010	343,284,486
Excess Appropriation/(Funding)		0	0		0	4,239,153	18,565,201	0	4,075,095	17,683,163
Grand Total		324,189,396	326,096,176		327,720,427	362,472,084	362,485,628	327,884,486	360,954,105	360,967,649

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	327,720,427	4,319	327,720,427	100.0	327,884,486	4,319	327,884,486	100.0
C01	Existing Program	24,991,943	111	352,712,370	107.6	23,814,284	111	351,698,770	107.3
C02	New Program	9,757,798	135	362,470,168	110.6	9,253,419	135	360,952,189	110.1
C10	Reclass	1,916	0	362,472,084	110.6	1,916	0	360,954,105	110.1

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	327,720,427	4,319	327,720,427	100.0	327,884,486	4,319	327,884,486	100.0
C01	Existing Program	24,991,943	111	352,712,370	107.6	23,814,284	111	351,698,770	107.3
C02	New Program	9,757,798	135	362,470,168	110.6	9,253,419	135	360,952,189	110.1
C10	Reclass	13,544	0	362,483,712	110.6	13,544	0	360,965,733	110.1
C11	Upgrade/Downgrade	1,916	0	362,485,628	110.6	1,916	0	360,967,649	110.1

Justification

C01	Agency requests appropriation in the amount of \$24,991,943 in FY16 and \$23,814,284 in FY17. This request includes the restoration of seventy-six (76) positions and thirty five (35) new positions totaling \$4,593,823 for Regular Salaries and Personal Services Matching in each year of the biennium. Also included in Regular Salaries and Personal Services Matching request is appropriation and funding for straight time and holiday pay totaling \$10,127,813 in FY16 and \$7,620,479 in FY17. Operating Expenses request totals \$6,103,768 in both years of the biennium and includes food purchases, utility, buildings and grounds maintenance, fuel purchases and software maintenance increases for multiple units within the Department. Medical expense increases of \$1,939,834 in FY16 and \$3,661,786 in FY17 are due to incremental medical contract increases. Lastly, the request for Capital Outlay of \$2,226,705 in FY16 and \$1,834,428 includes the purchase of new equipment and the replacement of outdated equipment.
C02	Agency requests \$9,757,798 in FY16 and \$9,253,419 in FY17 for new beds housed in the Ester Unit and Tucker Parole Boot Camp. This request includes Regular Salaries and Personal Services Matching of \$6,175,872 in each year of the biennium for one hundred thirty five (135) new positions to support the new units and also includes appropriation and funding for straight time and holiday pay. Operating Expenses total \$1,644,588 in FY16 and \$1,504,338 in FY17 spanning many operational needs. Professional Fees increases of \$1,429,023 in FY16 and \$1,473,209 in FY17 include medical costs for the inmates housed in each unit. Lastly, Capital Outlay of \$508,315 in FY16 and \$100,000 in FY17 for kitchen equipment for the new Ester Unit.
C10	Agency requests the reclassification of nine (9) positions. The appropriation increase of \$1,916 reflects bringing position number 22086808 up to entry level for a C117 position.
C11	The Executive Recommendation provides for the upgrade of nine (9) Internal Affairs Investigator positions (originally requested as reclassifications by the Agency) from a C116 to a C117.

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.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency's Base Level appropriation totals \$10,755,011 in FY16 and \$10,755,884 in FY17 and includes sixty (60) positions.

The Agency's Change Level Request totals \$794,937 in FY16 and \$815,989 in FY17 and includes the following:

- Extra Help and Personal Services Matching of \$10,989 each year to be used if necessary.
- Operating Expenses of \$500,000 each year for utility increases.
- Capital Outlay of \$283,948 in FY16 and \$305,000 in FY17 for the purchase of 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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,714,265	2,134,241	2,233,453	2,150,941	2,150,941	2,150,941	2,151,641	2,151,641	2,151,641
#Positions	46	60	60	60	60	60	60	60	60
Extra Help 5010001	0	0	0	0	10,000	10,000	0	10,000	10,000
#Extra Help	0	0	0	0	0	0	0	0	0
Personal Services Matching 5010003	715,078	823,266	857,348	834,577	835,566	835,566	834,750	835,739	835,739
Overtime 5010006	3,906	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Operating Expenses 5020002	6,570,487	7,720,213	8,076,960	7,720,213	8,220,213	8,220,213	7,720,213	8,220,213	8,220,213
Conference & Travel Expenses 5050009	7,844	41,280	41,280	41,280	41,280	41,280	41,280	41,280	41,280
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	111,356	64,000	64,000	0	283,948	283,948	0	305,000	305,000
Total	9,122,936	10,791,000	11,281,041	10,755,011	11,549,948	11,549,948	10,755,884	11,571,873	11,571,873
Funding Sources									
Fund Balance 4000005	1,721,719	1,550,498		550,498	550,498	550,498	0	0	0
Special Revenue 4000030	8,907,281	9,791,000		10,100,215	10,100,215	10,100,215	10,250,000	10,250,000	10,250,000
DFA Motor Vehicle Acquisition 4000184	41,126	0		0	0	0	0	0	0
M & R Sales 4000340	3,308	0		0	0	0	0	0	0
Total Funding	10,673,434	11,341,498		10,650,713	10,650,713	10,650,713	10,250,000	10,250,000	10,250,000
Excess Appropriation/(Funding)	(1,550,498)	(550,498)		104,298	899,235	899,235	505,884	1,321,873	1,321,873
Grand Total	9,122,936	10,791,000		10,755,011	11,549,948	11,549,948	10,755,884	11,571,873	11,571,873

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	10,755,011	60	10,755,011	100.0	10,755,884	60	10,755,884	100.0
C01	Existing Program	794,937	0	11,549,948	107.4	815,989	0	11,571,873	107.6

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	10,755,011	60	10,755,011	100.0	10,755,884	60	10,755,884	100.0
C01	Existing Program	794,937	0	11,549,948	107.4	815,989	0	11,571,873	107.6

Justification

C01	Agency requests appropriation of \$794,937 in FY16 and \$815,989 in FY17. This includes \$10,989 in each year for Extra Help and Personal Services Matching, Operating Expenses increases of \$500,000 in each year for utility increases and, lastly, \$283,948 in FY16 and \$305,000 in FY17 in Capital Outlay for industry equipment needs.								
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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.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency's Base Level appropriation totals \$18,141,830 in FY16 and \$18,142,206 in FY17 and includes sixty four (64) positions.

The Agency's Change Level Request totals \$3,007,853 in FY16 and \$2,096,989 in FY17 and includes the following:

- Extra Help and Personal Services Matching of \$10,989 in each year of the biennium to use only as necessary.
- Operating Expenses of \$750,000 each year for fuel purchases and utility increases.
- Capital Outlay of \$2,246,864 in FY16 and \$1,336,000 in FY17 for new and replacement equipment.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,400,883	2,573,061	2,662,316	2,597,433	2,597,433	2,597,433	2,597,733	2,597,733	2,597,733
#Positions		59	64							
Extra Help	5010001	0	0	0	0	10,000	10,000	0	10,000	10,000
#Extra Help		0								
Personal Services Matching	5010003	900,003	949,140	976,732	962,824	963,813	963,813	962,900	963,889	963,889
Operating Expenses	5020002	8,505,880	13,750,209	13,750,209	13,750,209	14,500,209	14,500,209	13,750,209	14,500,209	14,500,209
Conference & Travel Expenses	5050009	5,222	53,010	53,010	53,010	53,010	53,010	53,010	53,010	53,010
Professional Fees	5060010	45,297	128,354	128,354	128,354	128,354	128,354	128,354	128,354	128,354
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,148,330	1,996,226	2,542,745	0	2,246,864	2,246,864	0	1,336,000	1,336,000
Purchase Cattle/Meat	5900047	557,600	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000
Total		13,563,215	20,100,000	20,763,366	18,141,830	21,149,683	21,149,683	18,142,206	20,239,195	20,239,195

Funding Sources										
Fund Balance	4000005	1,789,615	1,122,300		1,122,300	1,122,300	1,122,300	4,080,470	1,072,617	1,072,617
Special Revenue	4000030	8,252,566	13,500,000		14,500,000	14,500,000	14,500,000	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	5,600,000	5,600,000	5,600,000
DFA Motor Vehicle Acquisition	4000184	40,605	0		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	0	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
M & R Sales	4000340	2,729	0		0	0	0	0	0	0
Total Funding		14,685,515	21,222,300		22,222,300	22,222,300	22,222,300	25,180,470	22,172,617	22,172,617
Excess Appropriation/(Funding)		(1,122,300)	(1,122,300)		(4,080,470)	(1,072,617)	(1,072,617)	(7,038,264)	(1,933,422)	(1,933,422)
Grand Total		13,563,215	20,100,000		18,141,830	21,149,683	21,149,683	18,142,206	20,239,195	20,239,195

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	18,141,830	64	18,141,830	100.0	18,142,206	64	18,142,206	100.0
C01	Existing Program	3,007,853	0	21,149,683	116.6	2,096,989	0	20,239,195	111.6

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	18,141,830	64	18,141,830	100.0	18,142,206	64	18,142,206	100.0
C01	Existing Program	3,007,853	0	21,149,683	116.6	2,096,989	0	20,239,195	111.6

Justification

C01	Agency requests appropriation of \$3,007,853 in FY16 and \$2,096,989 in FY17. This includes \$10,989 in each year of the biennium for Extra Help and Personal Services Matching. Operating Expenses of \$750,000 in each year of the biennium for electricity and fuel purchases increases. And lastly, the addition of \$2,246,864 in FY16 and \$1,336,000 in FY17 in capital outlay for the purchase of new farm equipment.
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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 Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency's Base Level appropriation totals \$12,122,428 in FY16 and \$12,124,795 in FY17 and includes twenty seven (27) positions.

The Agency's Change Level Request totals \$1,286,537 each year of the biennium and includes the following:

- Regular Salaries and Personal Services Matching of \$36,537 each year for one (1) Commissary Manager (C112) to be utilized at the Ester Unit.
- Operating Expenses of \$750,000 each year for the purchase of merchandise for resale.
- Capital Outlay of \$500,000 each year for the purchase of 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		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	759,467	759,936	818,338	768,060	793,328	793,328	769,960	795,228	795,228
#Positions		28	27	27	27	28	28	27	28	28
Personal Services Matching	5010003	170,095	320,165	341,202	325,408	336,677	336,677	325,875	337,144	337,144
Operating Expenses	5020002	9,929,968	11,028,960	11,028,960	11,028,960	11,778,960	11,778,960	11,028,960	11,778,960	11,778,960
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	500,000	0	500,000	500,000	0	500,000	500,000
Total		10,859,530	12,109,061	12,688,500	12,122,428	13,408,965	13,408,965	12,124,795	13,411,332	13,411,332
Funding Sources										
Fund Balance	4000005	2,300,253	2,696,375		552,935	552,935	552,935	0	0	0
Cash Fund	4000045	11,255,652	9,965,621		10,800,322	10,800,322	10,800,322	10,800,322	10,800,322	10,800,322
Total Funding		13,555,905	12,661,996		11,353,257	11,353,257	11,353,257	10,800,322	10,800,322	10,800,322
Excess Appropriation/(Funding)		(2,696,375)	(552,935)		769,171	2,055,708	2,055,708	1,324,473	2,611,010	2,611,010
Grand Total		10,859,530	12,109,061		12,122,428	13,408,965	13,408,965	12,124,795	13,411,332	13,411,332

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	12,122,428	27	12,122,428	100.0	12,124,795	27	12,124,795	100.0
C01	Existing Program	1,250,000	0	13,372,428	110.3	1,250,000	0	13,374,795	110.3
C02	New Program	36,537	1	13,408,965	110.6	36,537	1	13,411,332	110.6

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	12,122,428	27	12,122,428	100.0	12,124,795	27	12,124,795	100.0
C01	Existing Program	1,250,000	0	13,372,428	110.3	1,250,000	0	13,374,795	110.3
C02	New Program	36,537	1	13,408,965	110.6	36,537	1	13,411,332	110.6

Justification

C01	Agency requests appropriation of \$1,250,000 in each year of the biennium spanning Operating Expenses and Capital Outlay due to inflationary operating cost increases and anticipated needs for unit expansion.
C02	Agency requests Regular Salaries and Personal Services Matching of \$36,537 in each year of the biennium to support a Commissary Manager (C112) for the Ester Unit requested in (509) Department of Correction Inmate Care and Custody.

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 Base Level appropriation totals \$2,772,500 each year of the biennium.

The Agency's Change Level Request totals \$1,200,000 each year to allow flexibility in allocating available funding for general operations and other projects as may be allocated by the Board of Corrections and includes the following:

- Operating Expenses of \$750,000 each year.
- Professional Fees of \$150,000 each year.
- Capital Outlay of \$300,000 each year.

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		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	923,871	730,500	3,829,195	730,500	1,480,500	1,480,500	730,500	1,480,500	1,480,500
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	50,000	200,000	50,000	200,000	200,000	50,000	200,000	200,000
Construction	5090005	896,146	1,992,000	2,010,805	1,992,000	1,992,000	1,992,000	1,992,000	1,992,000	1,992,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	101,997	65,000	400,000	0	300,000	300,000	0	300,000	300,000
Total		1,922,014	2,837,500	6,440,000	2,772,500	3,972,500	3,972,500	2,772,500	3,972,500	3,972,500
Funding Sources										
Fund Balance	4000005	1,218,023	1,203,241		78,241	78,241	78,241	105,741	0	0
Federal Revenue	4000020	58,251	0		0	0	0	0	0	0
Cash Fund	4000045	1,848,981	1,712,500		2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000
Total Funding		3,125,255	2,915,741		2,878,241	2,878,241	2,878,241	2,905,741	2,800,000	2,800,000
Excess Appropriation/(Funding)		(1,203,241)	(78,241)		(105,741)	1,094,259	1,094,259	(133,241)	1,172,500	1,172,500
Grand Total		1,922,014	2,837,500		2,772,500	3,972,500	3,972,500	2,772,500	3,972,500	3,972,500

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,772,500	0	2,772,500	100.0	2,772,500	0	2,772,500	100.0
C01	Existing Program	1,200,000	0	3,972,500	143.3	1,200,000	0	3,972,500	143.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,772,500	0	2,772,500	100.0	2,772,500	0	2,772,500	100.0
C01	Existing Program	1,200,000	0	3,972,500	143.3	1,200,000	0	3,972,500	143.3

Justification

C01	Agency requests appropriation of \$1,200,000 in each year of the biennium for various operational and construction needs. The increases include \$750,000 in Operating Expenses, \$150,000 in Professional Fees and \$300,000 in Capital Outlay.								
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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's Request includes \$150,000 in each year of the biennium for operational needs and support.

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

Appropriation Summary

Appropriation: F95 - Paws in Prison

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Paws in Prison 5900046	45,187	150,000	0	0	150,000	150,000	0	150,000	150,000
Total	45,187	150,000	0	0	150,000	150,000	0	150,000	150,000
Funding Sources									
Fund Balance 4000005	0	84,705		64,705	64,705	64,705	64,705	64,705	64,705
Cash Fund 4000045	51,790	30,000		0	50,000	50,000	0	50,000	50,000
M & R Sales 4000340	78,102	100,000		0	0	100,000	0	0	100,000
Other 4000370	0	0		0	100,000	0	0	100,000	0
Total Funding	129,892	214,705		64,705	214,705	214,705	64,705	214,705	214,705
Excess Appropriation/(Funding)	(84,705)	(64,705)		(64,705)	(64,705)	(64,705)	(64,705)	(64,705)	(64,705)
Grand Total	45,187	150,000		0	150,000	150,000	0	150,000	150,000

Budget exceeds Authorized in FY15 due to appropriation establishment by cash letter. Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	150,000	0	150,000	100.0	150,000	0	150,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	150,000	0	150,000	100.0	150,000	0	150,000	100.0

Justification

C01	Agency requests appropriation of \$150,000 in each year of the biennium for Paws in Prison. The appropriation is funded from Marketing and Redistribution proceeds and cash donations.
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