DEPARTMENT OF CORRECTION

Enabling Laws

Act 260 of 2012 A.C.A. §12-27-101 et seq.

History and Organization

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

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

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

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

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

- **Operations** oversees various institutions, directs the Agriculture and Industry Programs, and the County Jail Contracts Program (Act 309);
- Health and Correctional Programs is responsible for Medical and Mental Health Services, Religious Services, Pre-Release, Inmate Grievances, Accreditation, Substance Abuse Treatment Programs (SATP and TC), and Reduction of Sexual Victimization Program (RSVP). The Health and Correctional Programs Division also coordinates educational programs provided through the Department of Correction School District, which is accredited and supervised by the Arkansas Department of Education and Workforce Education, and coordinates the Interchange Freedom Initiative Program (IFI) operated at the Wrightsville Unit. During the 1999 Legislative Session, responsibility for assessment of sex offenders in prison and living in communities in Arkansas was assigned to ADC. A unit supervised by the Deputy Director of Health and Correctional Programs conducts the assessments as prescribed by the Sex Offender Assessment Committee whose members are appointed by the Governor and prescribed by law;
- **Construction and Maintenance** is responsible for ongoing and preventative maintenance programs at the various units and design and construction projects for the department. Construction of facilities is often completed with inmate labor, which costs substantially less than free-world labor.
- **Public Services** is responsible for the department's legislative and public affairs, including media relations, and oversees the Paws in Prison Program. Research and Planning provides analytical and research for informational needs, coordinates strategic planning and manages the department's policies and procedures. Volunteer Services offers orientation and training to volunteers who provide a wide range of services to inmates. Constituency services works to resolves the concerns of inmate friends and family. Library Services provides reading materials to all inmates through unit libraries.

Correction Facilities of the ADC include:

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

Cummins Unit - Capacity 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 432 (also operating 128 temporary beds and 20 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 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, Principle Application Life Skills (PALS), and Intake Operation for Parole Violators.

Grimes Unit -Capacity 1,000 - Special Operations include SATP, Life Skills, Education, Regional Maintenance, Principal/Application for Life (PAL) Program, Anger Management, Thinking Errors, Parenting, Story Book Projects, Inmate Council, Horse and Garden Operations, ICC Garage, and College Courses.

Randall L. Williams Correctional Facility - Capacity 497 (also operating 64 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 Program.

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

McPherson Unit - Capacity 900 (female inmates) - Special Operations include Female Inmate Intake, Substance Abuse Treatment Programs (SATP and TC), Education, Vo-Tech, Parenting, Even start, College Courses, Principle Application Life Skills (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 121 - Special Operations include Work Release, Regional Maintenance, and AA/NA.

North Central Unit - Capacity 500 (also operating 80 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 42. Work Release Program.

Ouachita River Correctional Facility - Capacity 1,690. 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 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 128 - Special Operations include Regional Maintenance, Work Release, and Education.

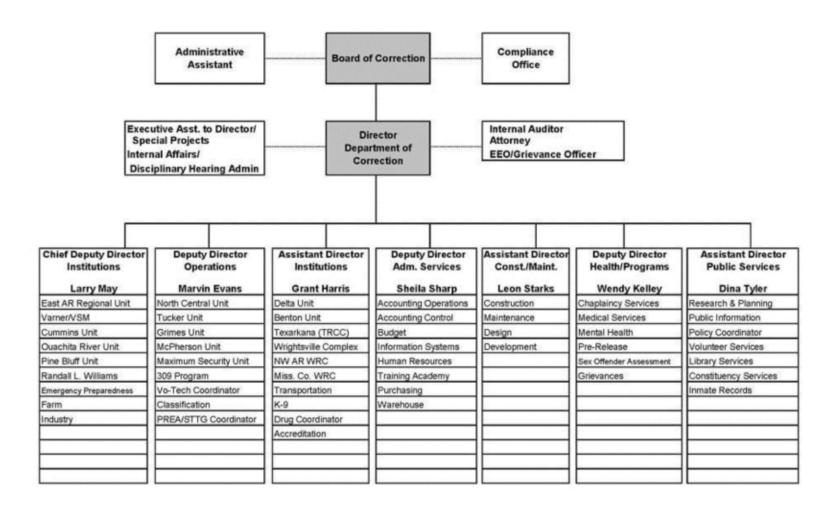
Tucker Unit - Capacity 812 (also operating 54 temporary beds) - Special Operations include Substance Abuse Treatment Programs (SATP and TC), Education, Vocational Education, Mental Health Groups, Principle Application Life Skills (PALS), and the Boot Camp Program. Farm and Agriculture program includes 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 1586 (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, Principle Application Life Skills (PALS), Education, Vocational Education and PASS Program (Prisoners of Arkansas Striving for Success). Agricultural Programs include a Vegetable Processing Plant and Field and Edible Crops. The Super Max addition was specially designed for enhanced security by restricting movement of the most violently classified inmates.

Wrightsville Unit - Capacity 850 - Special Operations include Regional Maintenance, Substance Abuse Programs (SATP and TC), Education, Principle Application Life Skills (PALS), Braille Program and 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 InnerChange Freedom Initiative Program, Hawkins Center for Men) locations were swapped.

- J. Aaron Hawkins Center for Men/Pathway to Freedom Capacity 200 InnerChange Freedom Initiative.
- J. Aaron Hawkins Sr. Center for Women Capacity 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 62 Special Operations include housing for inmates assigned to daily supervision by the Arkansas State Police with work assignments in the Little Rock area.

Ray Hobbs, Director	r age 1
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The Arkansas Department of Correction is a vital part of the criminal justice system in this state. accredited by tough, national standards of the American Correctional Association.	All department-owned facilities ar
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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.

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, and equipment, extensive farming, industry, and work release programs and ancillary activities such as operation of inmate commissaries. Keeping with the Governor's direction, the Agency priority request is for restoration of continuing level funding to replace one-time funds used to supplement general revenues and to meet unfunded salary requirements. Additionally, it provides for anticipated incremental costs of health care services and inflationary costs of food for inmate consumption as well as operational costs and positions to open new beds scheduled for completion during FY14-15.

Inmate population growth is contingent on numerous factors beyond the agency's control. These include the number of cases filed in state circuit courts, admissions by judicial districts and counties, state population growth, recidivism rates, and sentence length versus time served. Act 570 - the Public Safety Improvement Act of 2011 resulted in a major overhaul of sentencing and parole practices. The objective of the Public Safety Improvement Act is to help keep prison beds available for violent criminals while still holding non-violent offenders accountable for their actions as well as to slow the growth of our corrections system while working to reduce crime rates and recidivism. Act 570 initiatives include:

- Merging of Sentencing Guidelines and new Sentencing and Commitment Form
- A Parole Release Risk Assessment Instrument and Parole Release from Jail
- Changes in Drug Statutes and Weights
- Changes in Theft and Property Thresholds
- Earned Discharge from Parole and Probation
- 120-day Electronic Monitoring Early Release for Non-Violent Offenders
- Intermediate Sanction for Probation Violators
- Performance Incentive Funding(PIF)/Hope Courts

Since January 2011, the ADC prison population dropped from 16,313 to 14,832 on July 1, 2012 - a decrease of 1,480. This dramatic drop reduced the number of inmates backed up in the county jail to fewer than 400. However, internal ADC projections assume a continued growth of approximately 23 inmates per month or 276 per year. This assumption is supported by the JFA Associates' Ten-year Adult Secure Population Projection prepared for the ADC, DCC, and the Arkansas Sentencing Commission. Significant findings include:

- Total admissions from 2010 to 2011 fell by 8.6 percent. This is the largest decrease in admissions in the past 10 years. Admissions decreased from 7,667 in 2010 to 7,010 in 2011. In stark contrast, admissions had seen a jump of +2.6 percent in 2010, the largest increase in the past decade.
- The prison population decreased by 7.1 percent in 2011.
- The male inmate population is projected to grow an average of 2.7 percent between 2012 and 2022 while the female inmate population is projected to grow by an average of 2.3 percent per year through 2022.

ADC: HISTORICAL AND PROJECTED INMATE POPULATION 2001-2022

Year	Historical	Baseline	Best Case
2001	12,333		
2002	12,845		
2003	13,109		
2004	13,470		
2005	13,338		
2006	13,698		
2007	14,285		
2008	14,686		
2009	15,171		
2010	16,176		
2011	15,035	BASE	BASE
2012		15,343	15,124
2013		15,803	15,499
2014		16,273	15,766
2015		16,880	16,105
2016		17,326	16,377
2017		17,819	16,721
2018		18,240	17,040
2019		18,736	17,208
2020		19,048	17,410
2021		19,619	17,596
2022		19,989	17,829
Diff. 01-11	2,702		
%Diff. 01-11	21.9%		
Ave % Diff.	2.1%		

Num. Diff.	4,646	2,705
% Diff.	30.3%	17.9%
Ave % Diff.	2.7%	1.7%

Source: JFA Simulation Model

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

INMATE CARE AND CUSTODY - GENERAL REVENUE - General Revenue appropriation requested totals \$30,227,928 for FY14 and \$30,810,867 for FY15 with funding requested totaling \$25,223,051 in FY14 and \$25,805,990 requested in FY15. These requests are summarized in priority order as follows:

Restoration of Continuing Level Funding - The top ADC priority request is for restoration of general revenue to replace "one-time" funding certified in FY13. Total funding needed to restore base level operations is \$13,018,339 each fiscal year.

Unfunded Salary Requirements - Over the past few years, ADC has made great strides in filling vacant positions resulting in less overtime and safer and securer 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 240) totaling \$9 million to pay down balances of banked holiday time for security personnel. In FY12, \$4.5 million was paid out and with carry forward authority, an additional \$4.5 million will be available in FY13 to pay toward banked holiday time balances. The FY 14-15 request is for a total of \$4,748,221 each year for holiday time payouts and \$4,618,021 each year for unfunded straight time. Explanations for each are as follows:

- **Holiday Time** For officers working 12-hour shifts, a holiday generally falls on their regular day off or on their work day, so 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 and those that require their employees to work a holiday, also give them an equivalent time off at another date. In addition, most have policies that require employees use their holiday before the end of a calendar year or lose them. 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.
- **Straight Time** Correctional Officers assigned to 12 hour shifts, work 85 ¾ 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, and 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:

- **Ouachita River Special Needs Unit** Beds remaining to be opened at the Ouachita River Correctional Facility and Special Needs Unit includes 12 Hospital Beds, 32 RPU Beds, and 40 Sheltered Living Beds. The request includes restoration of 46 positions and related start-up and operating expenses totaling \$3,324,015 in FY14 and \$3,086,550 in FY15.
- **McPherson Female Special Programs Unit** 100 Special Programs (40) and Segregation Expansion Beds (60) are completed and ready to open. This expansion was constructed in order to meet security needs for housing female inmates with serious mental illnesses and for those that need to be segregated from the general population for various infractions. 26 positions and related operating costs are included in the request which totals \$1,917,190 in FY14 and \$1,774,374 in FY15.
- **North Central Expansion** 100 General Population Beds are completed and an additional 100 bed expansion will be completed by Spring 2013. The biennial budget request includes 14 positions and related operating costs totaling \$1,999,693 for FY14 and \$2,098,911 for FY15.
- **NW Arkansas Work Release Center** A facility provided by the City of Springdale is currently undergoing renovations that will provide an additional 67 work release bed. The General Revenue request for this facility includes 14 positions totaling \$822,966 in FY14 and \$832,933 in FY15. A companion request from Work Release funds includes operating expenses totaling \$1,248,040 in FY14 and \$712,140 in FY15.

Incremental Medical Contract Increases - Increases requested for the Professional Fees and Services line item for currently operated beds total \$2,352,645 in FY14 and an additional \$2,446,590 in FY15. This request projects an average increase of 4% each fiscal year above the current rate of \$344.27 per month per inmate housed in an ADC facility and \$116.64 for inmate assigned to a county jail under Act 309. That makes the ADC/DCC rate for FY14 approximately \$358.04 and \$372.36 for FY15. For Act 309 contract inmates the per diem is \$121.31 for FY14 and \$126.16 for FY15. ADC is currently preparing a new RFP for medical services that will be released at the end of 2012 for a projected start date of January 1, 2014 to coincide with implementation of the Federal Affordable Health Care Act. Depending on final determinations, these increases could be minimized if inmates are determined to qualify for Medicaid coverage for offsite hospitalization accompanied by an overnight stay.

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 \$2.5 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 FY12 totaled \$16.5 million \$2.5 million over our budget for food. 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.
- **Stab Resistant Body Armor** Safety and security on a daily basis for not only inmates, but staff as well is paramount to our mission. The loss of an officer at the East Arkansas Correctional Unit during 2012 reminds everyone of how dangerous working in a prison can be. ADC is purchasing approximately 1,300 vests this fiscal year from cash funds in FY13 to make these available to staff working in maximum security areas where the risk is greater. This request for \$750,000 would provide funding to purchase an additional 2,600 vests that would be made available to staff working in all other housing units.
- **Transportation Officers** This request would provide an additional 6 officers for Central Transportation which is responsible for movement of inmates between units, for out to court trips, and outside medical appointments including assignment of officers to provide security when overnight hospital stays are required. As our inmate population ages, significant demands have been placed on this unit of operation. In addition, the biennial request includes the opening of new beds which will place further demands on Transportation. This request is for six (6) additional officers, three (3) additional transportation vans, and related operational costs totaling \$365,137 in FY14 and \$290,137 in FY15.

Flex Pool - The request is 100 flex positions for the FY 2014-2015 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. No additional funding is requested for any of the flex positions.

System Wide New/Replacement Equipment - The Agency Request combines both new and replacement institutional furnishings and equipment, medical equipment, and construction and maintenance equipment needs for the entire system. Aging buildings and equipment demand that we routinely replace essential equipment in operations such as kitchens, laundry, heating and ventilation systems, sewer plants, ground maintenance equipment, etc. This request totals \$1,825,163 in FY14 and \$1,057,608 in FY15.

WORK RELEASE - CASH

Eligible inmates of the department are employed in the community while residing in correctional facilities. The ADC coordinates employment opportunities for 479 inmates in work release programs located in Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. Fees received from work release participants reduce the operational costs of the program. The Agency Request for Work Release Operations includes additional operating costs increases for utilities, flex operational appropriation for unforeseen needs, operational costs for 67 additional beds at Springdale, and equipment for all units totaling \$2,718,247 in FY14 and \$2,357,356 in FY15.

FARM PROGRAM - SPECIAL REVENUE

The agricultural operation of the ADC is a self-supported division of ADC. 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. Altogether, inmate consumption totals approximately \$7 million annually. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY12 cash crop sales total \$9.1 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 that includes five (5) positions outlined as follows:

Layer/Pullet Expansion - 4 positions - Head Farm Manager I, Assistant Farm Manager, Agricultural Unit Supervisor I, and Agricultural Unit Supervisor II. This additional staffing and related operating costs for Poultry Expansion totaling \$3,947,044 in FY14 and \$3,941,444 in FY15 are included in the biennial request. This request also includes appropriation totaling \$437,000 each year needed to repay an interest free loan from the Prison Construction Trust Fund for construction of the new facilities.

Grist Mill Operation - 1 position - An Agricultural Unit Supervisor II position and related operating costs totaling \$118,758 in FY14 and \$105,759 in FY15 are included in the agency request.

General Operational Needs - A total of \$52,500 in FY14 and \$30,000 in FY15 is requested to provide for fuel cost increases and to purchase a new server for the Farm agricultural software programs.

Capital Equipment - The farming operation requests Capital Outlay authorization for equipment totaling \$3,348,955 in FY14 and \$2,530,245 in FY15.

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. FY12 sales total approximately \$6.5 million. Revenues from Industry program operations will fund the biennial request that includes seven (7) new positions for expansion programs. These include two (2) Program Managers, one (1) Industry Supervisor II, four (4) Industry Supervisor I's, and related operating costs. In addition, the request includes Capital Equipment authorization for acquisition of new and existing equipment. The Industry Division request totals \$1,021,743 in FY14 and \$809,883 in FY15.

INMATE WELFARE FUND

Self-supported Pen Store (Commissary) operations within institutions provide the opportunity for inmates to purchase various 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 Biennial Request for this cash fund operation includes inflationary operating cost increases and anticipated needs for unit expansions. The request totals \$1,500,000 each year.

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 \$2,650,000 each year.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT AUDIT OF: ARKANSAS DEPARTMENT OF CORRECTION

FOR THE YEAR ENDED JUNE 30, 2010

Findings Recommendations

The Agency did not properly and consistently apply an acceptable valuation Develop and implement an acceptable valuation method for livestock and method for livestock as required by industry standards.* The Agency apply it consistently. The Agency should retain relevant, sufficient, and estimated its livestock to have a value of \$3,903,519 at June 30, 2010, but reliable data as a basis for this valuation to ensure the accuracy of could not provide reliable data for the basis of this estimate. Lack of a accounting records. reliable valuation method for livestock could lead to misstatements in the Agency's accounting records.

*American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide (AAG) Agricultural Producers and Agricultural Cooperatives (APC) section 5.10

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	1546	603	2149	53 %
Black Employees	901	1002	1903	47 %
Other Racial Minorities	20	12	32	0 %
Total Minorities			1,935	47 %
Total Employees			4,084	100 %

Publications

A.C.A. 25-1-204

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

	2011-20)12	2012-20	13	2012-20	13			2013-20	14					2014-20	15		
Appropriation	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1MJ County Jail Reimbursement	9,993,115	0	8,253,067	0	14,846,171	0	7,453,607	0	7,453,607	0	7,453,607	0	7,453,607	0	7,453,607	0	7,453,607	0
2ZV Work Release Cash	2,147,301	0	5,289,415	0	7,317,424	0	4,539,415	0	7,257,662	0	7,257,662	0	4,539,415	0	6,896,771	0	6,896,771	0
33K ADC Sex Offender Assessment	17,455	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	13,574	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
509 Inmate Care & Custody	325,346,506	4,315	316,029,593	4,288	338,885,063	4,615	317,594,543	4,288	347,822,471	4,494	331,680,957	4,336	317,762,861	4,288	348,573,728	4,494	330,729,220	4,336
511 Prison Industry	7,115,428	51	10,541,735	54	10,656,818	54	10,426,068	54	11,447,811	61	11,447,811	61	10,427,940	54	11,237,823	61	11,237,823	61
512 Farm Operations	13,486,108	58	15,080,637	59	15,195,560	59	13,660,067	59	21,564,324	64	21,564,324	64	13,662,815	59	20,707,263	64	20,707,263	64
859 Inmate Welfare Treasury Cash	9,030,299	0	11,662,287	28	14,106,030	28	11,169,880	28	12,669,880	28	12,669,880	28	11,171,127	28	12,671,127	28	12,671,127	28
865 Non-Tax Revenue Receipts	2,443,287	0	4,000,000	0	6,217,470	0	3,790,000	0	6,440,000	0	6,440,000	0	3,790,000	0	6,440,000	0	6,440,000	0
NOT REQUESTED FOR THE BIENNIUM																		
847 Federal Programs	C	0	0	0	511,875	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	369,593,073	4,424	370,931,734	4,429	407,811,411	4,756	368,708,580	4,429	414,730,755	4,647	398,589,241	4,489	368,882,765	4,429	414,055,319	4,647	396,210,811	4,489
Funding Sources		%		%				%		%		%		%		%		%
Fund Balance 40000	5 11,380,262	3.0	11,877,073	3.1			12,962,969	3.3	12,962,969	3.1	12,962,969	3.3	33,533,840	8.0	17,739,593	4.1	17,739,593	4.4
General Revenue 40000	0 307,580,542	80.6	307,095,067	80.0			317,461,141	79.6	342,684,192	80.8	317,461,141	79.6	317,629,459	75.8	343,435,449	80.1	317,629,459	78.8
Federal Revenue 40000	500,000	0.1	500,000															
Special Revenue 40000			500,000	0.1			500,000	0.1	500,000	0.1	500,000	0.1	500,000	0.1	500,000	_	500,000	0.1
Special Revenue 40000	0 15,338,372		20,133,268	5.2	4		500,000 33,037,135	0.1 8.3	500,000 33,037,135	0.1 7.8	500,000 33,037,135	0.1 8.3	500,000 31,970,086	0.1 7.6		0.1		
Cash Fund 40000	-,,-	4.0	,				<u> </u>						,		500,000	0.1 7.5	31,970,086	
	5 17,191,176	4.0	20,133,268 25,670,956	5.2			33,037,135	8.3	33,037,135	7.8	33,037,135	8.3	31,970,086	7.6	500,000 31,970,086	0.1 7.5	31,970,086 29,727,152	7.9
Cash Fund 40000	5 17,191,176 5 13,295,012	4.0 4.5 3.5	20,133,268 25,670,956 6,492,493	5.2			33,037,135	8.3 7.5	33,037,135	7.8 7.1	33,037,135	8.3 7.5	31,970,086	7.6 7.1	500,000 31,970,086	0.1 7.5 6.9 0.0	31,970,086 29,727,152	7.9 7.4
Cash Fund 40000 Merit Adjustment Fund 40000	5 17,191,176 5 13,295,012 0 4,600,000	4.0 4.5 3.5 1.2	20,133,268 25,670,956 6,492,493 4,600,000	5.2 6.7 1.7			33,037,135 30,086,796 0	8.3 7.5 0.0	33,037,135 30,086,796 0	7.8 7.1 0.0	33,037,135 30,086,796 0	8.3 7.5 0.0	31,970,086 29,727,152 0	7.6 7.1 0.0	500,000 31,970,086 29,727,152 0	0.1 7.5 6.9 0.0	31,970,086 29,727,152 0 4,600,000	7.9 7.4
Cash Fund 40000 Merit Adjustment Fund 40000 Budget Stabilization Trust 40001	5 17,191,176 5 13,295,012 0 4,600,000 5 10,797,100	4.0 4.5 3.5 1.2 2.8	20,133,268 25,670,956 6,492,493 4,600,000	5.2 6.7 1.7 1.2			33,037,135 30,086,796 0	8.3 7.5 0.0	33,037,135 30,086,796 0	7.8 7.1 0.0 1.1	33,037,135 30,086,796 0	8.3 7.5 0.0	31,970,086 29,727,152 0	7.6 7.1 0.0 1.1	500,000 31,970,086 29,727,152 0	0.1 7.5 6.9 0.0	31,970,086 29,727,152 0 4,600,000	7.9 7.4 0.0 1.1
Cash Fund 40000 Merit Adjustment Fund 40000 Budget Stabilization Trust 40001 General Improvement Fund 40002	5 17,191,176 5 13,295,012 0 4,600,000 5 10,797,100	4.0 4.5 3.5 1.2 2.8 0.2	20,133,268 25,670,956 6,492,493 4,600,000 6,525,846	5.2 6.7 1.7 1.2			33,037,135 30,086,796 0 4,600,000	8.3 7.5 0.0 1.2	33,037,135 30,086,796 0 4,600,000	7.8 7.1 0.0 1.1 0.0	33,037,135 30,086,796 0 4,600,000	8.3 7.5 0.0 1.2 0.0	31,970,086 29,727,152 0 4,600,000	7.6 7.1 0.0 1.1 0.0	500,000 31,970,086 29,727,152 0 4,600,000	0.1 7.5 6.9 0.0 1.1 0.0 0.2	31,970,086 29,727,152 0 4,600,000 0 1,000,000	7.9 7.4 0.0 1.1 0.0 0.2
Cash Fund 40000 Merit Adjustment Fund 40000 Budget Stabilization Trust 40001 General Improvement Fund 40002 Other 40003	5 17,191,176 5 13,295,012 0 4,600,000 5 10,797,100 0 787,682	4.0 4.5 3.5 1.2 2.8 0.2 100.0	20,133,268 25,670,956 6,492,493 4,600,000 6,525,846 1,000,000	5.2 6.7 1.7 1.2 1.7 0.3			33,037,135 30,086,796 0 4,600,000 0 176,624	8.3 7.5 0.0 1.2 0.0 0.0	33,037,135 30,086,796 0 4,600,000 0 176,624	7.8 7.1 0.0 1.1 0.0 0.0	33,037,135 30,086,796 0 4,600,000 0 176,624	8.3 7.5 0.0 1.2 0.0 0.0	31,970,086 29,727,152 0 4,600,000 0 1,000,000	7.6 7.1 0.0 1.1 0.0 0.2	500,000 31,970,086 29,727,152 0 4,600,000 0 1,000,000	0.1 7.5 6.9 0.0 1.1 0.0 0.2	31,970,086 29,727,152 0 4,600,000 0 1,000,000	7.9 7.4 0.0 1.1 0.0 0.2

Variance in fund balance due to unfunded appropriation in appropriation (509) - Inmate Care & Custody.

Agency Position Usage Report

	FY2010 - 2011 FY2011 - 2012								FY2012 - 2013								
Authorized		Budgete	d	Unbudgeted		Authorized				Unbudgeted		Authorized		Budgeted		Unbudgeted	% of
in Act	Filled	Unfilled	Total	Total	Authorized Unused	in Act	Filled	Unfilled	Total	Total	Authorized Unused	in Act	Filled	Unfilled	Total	Total	Authorized Unused
4,737	4033	321	4354	383	14.86 %	4,747	4142	271	4413	334	12.74 %	4,756	4180	249	4429	327	12.11 %

Appropriation: 1MJ - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

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

The Agency Request is for Base Level of \$7,453,607 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

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

Historical Data

Agency Request and Executive Recommendation

		2011-2012	2012-2013	2012-2013		2013-2014		2014-2015			
Commitment It	em	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive	
Refunds/Reimbursements	5110014	9,993,115	8,253,067	14,846,171	7,453,607	7,453,607	7,453,607	7,453,607	7,453,607	7,453,607	
Total		9,993,115	8,253,067	14,846,171	7,453,607	7,453,607	7,453,607	7,453,607	7,453,607	7,453,607	
Funding Sources											
General Revenue	4000010	9,993,115	8,253,067		7,453,607	7,453,607	7,453,607	7,453,607	7,453,607	7,453,607	
Total Funding		9,993,115	8,253,067		7,453,607	7,453,607	7,453,607	7,453,607	7,453,607	7,453,607	
Excess Appropriation/(Funding))	0	0		0	0	0	0	0	0	
rand Total		9,993,115	8,253,067		7,453,607	7,453,607	7,453,607	7,453,607	7,453,607	7,453,607	

CARRY FORWARD OF ANY REMAINING FUND BALANCES FROM FISCAL YEAR 2012 TO FISCAL YEAR 2013

Agency:	Correction Department						
Program:	County Jail Reimbursement	I					
Act #:	1114		Section(s) #	<i>‡</i> : <u>10, 22</u>			
Estimated	d Carry Forward Amount \$	8	00,000.00 Funding	Source: Genera	ıl Revenue		
Accounti	ng Information:						
Business	Area: 0480	Funds Center:	1MJ Fu	ind: MCJ	Functi	onal Area:	SFTY
specific lin	aw requires a written staten ne item within a program rem ion for carry forward of fun ard needed to fund FY13 Cou	aining on June 30th	of a fiscal year.	Budget stating th	he reason(s) to carry fo	rward funding for a	program or
Actual Fu	ınding Carry Forward Amou	int \$		0.00			
Current s	tatus of carry forward fund	ling:					
All funding	g was spent in FY2012.						
		Ray H				08-27-2012	
		Dire	ctor			Date	

Appropriation: 2ZV - Work Release Cash

Funding Sources: NDC - Cash in Treasury

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

Base Level appropriation totals \$4,539,415 each year of the biennium.

The Agency's Change Level Request totals \$2,718,247 in FY14 and \$2,357,356 in FY15 and consists of the following:

- Operating Expenses increases of \$1,437,567 in FY14 and \$1,336,676 in FY15 for utilities, purchases of supplies and building maintenance.
- Conference and Travel increases of \$20,680 in both years of the biennium for training for employees/staff that operate the work release centers.
- Capital Outlay increases of \$1,260,000 in FY14 and \$1,000,000 for the purchase of new and replacement vehicles for work release transportation.

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

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

Historical Data

Agency Request and Executive Recommendation

		2011-2012	2012-2013	2012-2013		2013-2014			2014-2015	
Commitment Iter	n	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,532,016	3,455,265	4,180,274	3,455,265	4,892,832	4,892,832	3,455,265	4,791,941	4,791,94
Conference & Travel Expenses	5050009	3,461	84,150	84,150	84,150	104,830	104,830	84,150	104,830	104,830
Professional Fees	5060010	0	500,000	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000
Data Processing	5090012	0	0	0	0	0	0	0	0	(
Capital Outlay	5120011	611,824	750,000	1,553,000	0	1,260,000	1,260,000	0	1,000,000	1,000,000
Debt Service	5120019	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total		2,147,301	5,289,415	7,317,424	4,539,415	7,257,662	7,257,662	4,539,415	6,896,771	6,896,77
Funding Sources	}									
Fund Balance	4000005	4,127,305	5,043,755		5,043,755	5,043,755	5,043,755	7,762,002	5,043,755	5,043,75
Cash Fund	4000045	3,063,751	5,289,415		7,257,662	7,257,662	7,257,662	6,896,771	6,896,771	6,896,77
Total Funding		7,191,056	10,333,170		12,301,417	12,301,417	12,301,417	14,658,773	11,940,526	11,940,520
Excess Appropriation/(Funding)		(5,043,755)	(5,043,755)		(7,762,002)	(5,043,755)	(5,043,755)	(10,119,358)	(5,043,755)	(5,043,755
Grand Total		2,147,301	5,289,415		4,539,415	7,257,662	7,257,662	4,539,415	6,896,771	6,896,77

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	4,539,415	0	4,539,415	100.0	4,539,415	0	4,539,415	100.0
C01	Existing Program	6,580	0	4,545,995	100.1	6,580	0	4,545,995	100.1
C02	New Program	2,711,667	0	7,257,662	159.9	2,350,776	0	6,896,771	151.9

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	4,539,415	0	4,539,415	100.0	4,539,415	0	4,539,415	100.0
C01	Existing Program	6,580	0	4,545,995	100.1	6,580	0	4,545,995	100.1
C02	New Program	2,711,667	0	7,257,662	159.9	2,350,776	0	6,896,771	151.9

	Justification
C01	Agency is requisting appropriation for travel costs associated with existing operations. The total for these requests is \$6,580 for both years of the biennium
	Eligible inmates of the department are employed in the community while residing in correctional facilities. The ADC coordinates employment opportunities for 479 inmates in work release programs located in Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. Fees received from work release participants reduce the operational costs of the program. The Agency Request for Work Release Operations includes additional operating costs increases for utilities, flex operational appropriation for unforeseen needs, operational costs for 67 additional beds at Springdale, and equipment for all units totaling \$2,711,667 in FY14 and \$2,350,776 in FY15.

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

The Agency Request is for Base Level of \$25,000 each year of the biennium. *The Agency requests that the Appropriation title be changed from "Juvenile Sex Offender Assessment" to "ADC Sex Offender Assessment".

The Executive Recommendation provides for the Agency Request.

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

Historical Data

Agency Request and Executive Recommendation

		2011-2012	2012-2013	2012-2013		2013-2014			2014-2015	
Commitment Iter	n	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,065	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	16,390	0	0	0	0	0	0	0	0
Total		17,455	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Funding Sources	3									
Fund Balance	4000005	19,097	16,876		16,876	16,876	16,876	16,876	16,876	16,876
Special Revenue	4000030	15,234	25,000		25,000	25,000	25,000	25,000	25,000	25,000
Total Funding		34,331	41,876		41,876	41,876	41,876	41,876	41,876	41,876
Excess Appropriation/(Funding)		(16,876)	(16,876)		(16,876)	(16,876)	(16,876)	(16,876)	(16,876)	(16,876)
Grand Total		17,455	25,000		25,000	25,000	25,000	25,000	25,000	25,000

Agency requests to change title of appropriation from "Juvenile Sex Offender Assessment" to "ADC Sex Offender Assessment".

Appropriation: 4HS - Fire Station Treasury Cash

Funding Sources: NDC - Cash in Treasury

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

The Agency Request is for Base Level of \$50,000 each year of the biennium.

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

Appropriation: 4HS - Fire Station Treasury Cash

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

		2011-2012	2012-2013	2012-2013		2013-2014			2014-2015	
Com	nmitment Item	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Construction	5090005	13,574	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total		13,574	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Fur	nding Sources									
Fund Balance	4000005	8,694	9,037		9,037	9,037	9,037	9,037	9,037	9,037
Cash Fund	4000045	13,917	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding		22,611	59,037		59,037	59,037	59,037	59,037	59,037	59,037
Excess Approp	oriation/(Funding)	(9,037)	(9,037)		(9,037)	(9,037)	(9,037)	(9,037)	(9,037)	(9,037)
Grand Total		13,574	50,000		50,000	50,000	50,000	50,000	50,000	50,000

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 includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level request totals \$30,227,928 with General Revenue funding of \$25,223,051 in FY14 and \$30,810,867 with General Revenue funding of \$25,805,990 in FY15. 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 \$9,366,242 each year of the biennium for Straight Time and Holiday Time payouts.

Medical Contract Increases

In anticipation of a projected cost increase of 4% each year of the biennium for the Agency's medical contract, the Agency requests an increase in Professional Fees of \$2,352,645 in FY14 and \$4,799,235 in FY15.

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 \$5,004,877 each year in association with the restoration of one hundred (100) "flex" positions. The request associated with the restorations of positions is APPROPRIATION ONLY
- Regular Salaries and Personal Services matching increases of \$248,657 each year of the biennium for six (6) new transport officers needed to transport inmates between units, court trips and other needs.

- Operating expenses of \$3,285,840 in FY14 and \$2,535,840 in FY15 for an increase in food costs, two thousand six hundred (2,600) stab proof vests, and costs associated with supporting the new positions.
- Conference & Travel of \$5,640 each year of the biennium for related travel costs associated with the new transportation officer positions.
- Capital Outlay of \$418,000 in FY14 and \$211,000 in FY15 to replace and update aging equipment and buildings, and for the purchase of three (3) new transport vans.

New Bed Initiatives

The agency anticipates the following new bed openings during the FY2013-2015 biennium:

• Ouachita River Special Needs Unit

Twelve (12) hospital beds, thirty two (32) RPU beds, and forty (40) sheltered living beds.

McPherson Female Special Programs Unit

Forty (40) special programs beds, and sixty (60) segregation expansion beds.

North Central Expansion

One hundred (100) general population beds have been completed, and one hundred (100) expansion general population beds will be completed by Spring 2013.

• Northwest Arkansas Work Release Center Expansion

Fifty eight (58) work release beds.

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

- Regular Salaries and Personal Services matching increases of \$3,869,900 in FY14 and FY15 in association with the Agency's request of eighty one (81) new positions.
- Operating Expenses increases of \$1,936,580 in FY14 and \$1,867,030 in FY15 for support of these positions in facilities operations.
- Conference Fees and Travel increases of \$80,840 each year of the biennium for employee training.

- Professional Fees increases of \$1,899,044 in FY14 and \$1,974,998 in FY15 for anticipated increases in the Correctional Medical Services contract.
- Capital Outlay of \$277,500 in FY14 for new institutional furnishings, equipment and medical equipment

Base Level appropriation totals \$317,594,543 in FY14 and \$317,762,861 in FY15.

The Executive Recommendation provides for Base Level in addition to the following:

- Regular Salaries and Personal Services Matching increase of \$13,441,751 each year in appropriation only for costs associated with twenty nine (29) new positions and the restoration of nineteen (19) positions.
- Capital Outlay increases of \$2,177,663 in FY14 and \$1,057,608 in FY15 in appropriation only for costs associated with building and equipment repair and replacement.

Appropriation: 509 - Inmate Care & Custody

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

Historical Data

Agency Request and Executive Recommendation

		2011-2012	2012-2013	2012-2013		2013-2014			2014-2015	
Commitment Item	n	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	161,497,493	147,934,339	160,631,643	148,363,973	162,417,347	157,492,211	148,498,573	162,551,947	157,626,811
#Positions		4,315	4,288	4,615	4,288	4,494	4,336	4,288	4,494	4,336
Extra Help	5010001	92,518	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
#Extra Help		160	170	170	170	170	170	170	170	170
Personal Services Matching	5010003	56,544,363	57,238,672	59,505,501	58,373,988	62,810,290	62,687,501	58,407,706	62,844,008	62,721,219
Overtime	5010006	759,907	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	47,688,417	48,074,903	52,608,645	48,074,903	53,297,323	48,074,903	48,074,903	52,477,773	48,074,903
Conference & Travel Expenses	5050009	147,691	150,000	200,000	150,000	236,480	150,000	150,000	236,480	150,000
Professional Fees	5060010	56,766,942	59,448,679	60,437,096	59,448,679	63,700,368	59,448,679	59,448,679	66,222,912	59,448,679
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Claims	5110015	115,000	0	0	0	0	0	0	0	0
Capital Outlay	5120011	140,860	0	2,072,803	0	2,177,663	2,177,663	0	1,057,608	1,057,608
Jail Contracts	5900047	1,593,315	1,533,000	1,779,375	1,533,000	1,533,000	0	1,533,000	1,533,000	0
Total		325,346,506	316,029,593	338,885,063	317,594,543	347,822,471	331,680,957	317,762,861	348,573,728	330,729,220
Funding Sources										
General Revenue	4000010	297,587,427	298,842,000		310,007,534	335,230,585	310,007,534	310,175,852	335,981,842	310,175,852
Federal Revenue	4000020	500,000	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Cash Fund	4000045	3,166,967	3,669,254		3,669,254	3,669,254	3,669,254	3,669,254	3,669,254	3,669,254
Merit Adjustment Fund	4000055	13,295,012	6,492,493		0	0	0	0	0	0
General Improvement Fund	4000265	10,797,100	6,525,846		0	0	0	0	0	0
Total Funding		325,346,506	316,029,593		314,176,788	339,399,839	314,176,788	314,345,106	340,151,096	314,345,106
Excess Appropriation/(Funding)		0	0		3,417,755	8,422,632	17,504,169		8,422,632	16,384,114
Grand Total		325,346,506	316,029,593		317,594,543	347,822,471	331,680,957	317,762,861	348,573,728	330,729,220

Change Level by Appropriation

Appropriation: 509 - Inmate Care & Custody

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

Agency Request

	Change Level	2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	317,594,543	4,288	317,594,543	100.0	317,762,861	4,288	317,762,861	100.0
C01	Existing Program	14,420,882	125	332,015,425	104.5	14,420,882	125	332,183,743	104.5
C02	New Program	15,807,046	81	347,822,471	109.5	16,389,985	81	348,573,728	109.7

Executive Recommendation

	Change Level	2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	316,061,543	4,288	316,061,543	100.0	316,229,861	4,288	316,229,861	100.0
C01	Existing Program	11,361,341	19	327,422,884	103.6	11,361,341	19	327,591,202	103.6
C02	New Program	4,258,073	29	331,680,957	104.9	3,138,018	29	330,729,220	104.6

	Justification
C01	This CL includes funding for Holiday and Straight Time pay to enable ADC to make timely payment of salary obligations. It also includes incremental increases for the inmate medical contract, inflationary and necessary increases for food costs, funding for stab resistant body armor for officer safety, 100 flex positions for unforeseen situations, and system wide capital equipment purchases. This request also provides for the restoration of 25 positions to continue operations.
C02	This request is for positions and operating costs for new bed operations, which are as follows. Ouachita River Special Needs Unit – Beds remaining to be opened at the Ouachita River Correctional Facility and Special Needs Unit includes 12 Hospital Beds, 32 RPU Beds, and 40 Sheltered Living Beds. The request includes restoration of 21 positions and related start-up and operating expenses. McPherson Female Special Programs Unit – 100 Special Programs (40) and Segregation Expansion Beds (60) are completed and ready to open. This expansion was constructed in order to meet security needs for housing seriously mental ill female inmates and for those that need to be segregated from the general population for various infractions. 26 positions and related operating costs. North Central Expansion - 100 General Population Beds are completed and an additional 100 bed expansion will be completed by Spring 2013. The biennial budget request includes 14 positions and related operating costs. NW Arkansas Work Release Center – A facility provided by the City of Springdale is currently undergoing renovations that will provide an additional 67 work release beds. The General Revenue request for this facility includes 14 positions. This request calls for an additional 6 transportation officers. With the additions of new beds and hospital stays for older inmates the demands for this unit have been increased.

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. FY12 sales totaled just over \$6.5 million.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level appropriation totals \$10,426,068 in FY14 and \$10,427,940 in FY15.

The Agency's Change Level requests total \$1,021,743 in FY14 and \$809,883 in FY15 and include the following:

- Regular Salaries and Personal Services Matching increases of \$302,698 each year in association with the Agency's request for six (6) new positions and one (1) position restoration.
- Overtime increases of \$8,000 each year to establish overtime appropriation for flexibility and to be used as needed.
- Operating Expenses increases of \$427,105 in FY14 and \$427,665 in FY15 primarily for the purchase of merchandise and supplies to be used in resale aspect.
- Conference and Travel of \$5,640 in FY14 and \$7,520 in FY15 for training required by new officers.
- Capital Outlay increases of \$278,300 in FY14 and \$64,000 in FY15 for the purchase of replacement equipment.

The Executive Recommendation provides for the Agency Request.

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

Historical Data

Agency Request and Executive Recommendation

		2011-2012	2012-2013	2012-2013		2013-2014			2014-2015	
Commitment Iter	n	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,801,064	1,973,217	2,088,196	1,984,084	2,197,337	2,197,337	1,985,584	2,198,837	2,198,837
#Positions		51	54	54	54	61	61	54	61	61
Personal Services Matching	5010003	651,602	743,263	743,367	758,929	848,374	848,374	759,301	848,746	848,746
Overtime	5010006	0	0	0	0	8,000	8,000	0	8,000	8,000
Operating Expenses	5020002	4,612,122	7,649,295	7,649,295	7,649,295	8,076,400	8,076,400	7,649,295	8,076,960	8,076,960
Conference & Travel Expenses	5050009	4,729	33,760	33,760	33,760	39,400	39,400	33,760	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	45,911	142,200	142,200	0	278,300	278,300	0	64,000	64,000
Total		7,115,428	10,541,735	10,656,818	10,426,068	11,447,811	11,447,811	10,427,940	11,237,823	11,237,823
Funding Sources	3									
Fund Balance	4000005	3,106,394	2,214,104		2,300,000	2,300,000	2,300,000	3,321,743	2,300,000	2,300,000
Special Revenue	4000030	6,223,138	10,627,631		11,447,811	11,447,811	11,447,811	11,237,823	11,237,823	11,237,823
Total Funding		9,329,532	12,841,735		13,747,811	13,747,811	13,747,811	14,559,566	13,537,823	13,537,823
Excess Appropriation/(Funding)		(2,214,104)	(2,300,000)		(3,321,743)	(2,300,000)	(2,300,000)	(4,131,626)	(2,300,000)	(2,300,000)
Grand Total		7,115,428	10,541,735		10,426,068	11,447,811	11,447,811	10,427,940	11,237,823	11,237,823

Change Level by Appropriation

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

Agency Request

	Change Level	2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	10,426,068	54	10,426,068	100.0	10,427,940	54	10,427,940	100.0
C01	Existing Program	316,558	1	10,742,626	103.0	112,258	1	10,540,198	101.1
C02	New Program	705,185	6	11,447,811	109.8	697,625	6	11,237,823	107.8

Executive Recommendation

	Change Level	2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	10,426,068	54	10,426,068	100.0	10,427,940	54	10,427,940	100.0
C01	Existing Program	316,558	1	10,742,626	103.0	112,258	1	10,540,198	101.1
C02	New Program	705,185	6	11,447,811	109.8	697,625	6	11,237,823	107.8

	Justification
C01	Agengy requests restoration of one (1) Industry Supervisor II position. Agency is requesting Capital Outlay appropriation for continuance of existing programs, and new and replacement equipment.
	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. Revenues from Industry program operations will fund the biennial request that includes six (6) new positions for expansion programs. These include two (2) Program Managers and four (4) Industry Supervisor I's, and related operating costs. In addition, the request includes Capital Equipment authorization for acquisition of new and existing equipment.

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. FY12 cash crop sales totaled \$9.1 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 includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level appropriation totals \$13,660,067 in FY14 and \$13,662,815 in FY15

The Agency's Change Level requests total \$7,904,257 in FY14 and \$7,044,448 in FY15 and include the following:

- Regular Salaries and Personal Services Matching increase of \$241,182 each year in association with the Agency's request for three (3) new positions and one (2) position restorations.
- Operating Expenses increases of \$4,274,420 in FY14 and \$4,255,821 in FY15 primarily for purchase of inventory for resale.
- Conference Fees and Travel increases of \$4,700 in both years of the biennium for employee training and travel.
- Capital Outlay of \$3,383,955 in FY14 and \$2,542,745 in FY15 for new and replacement equipment.

The Executive Recommendation provides for the Agency Request.

Appropriation: 512 - Farm Operations

Funding Sources: SDC - Department of Correction Farm Fund

Historical Data

Agency Request and Executive Recommendation

		2011-2012	2012-2013	2012-2013		2013-2014			2014-2015	
Commitment Iter	n	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,526,069	2,435,896	2,552,521	2,441,720	2,615,180	2,615,180	2,443,920	2,617,380	2,617,380
#Positions		58	59	59	59	64	64	59	64	64
Personal Services Matching	5010003	838,399	881,689	879,987	897,295	965,017	965,017	897,843	965,565	965,565
Operating Expenses	5020002	9,388,043	9,494,388	9,494,388	9,494,388	13,768,808	13,768,808	9,494,388	13,750,209	13,750,209
Conference & Travel Expenses	5050009	8,955	48,310	48,310	48,310	53,010	53,010	48,310	53,010	53,010
Professional Fees	5060010	36,551	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	434,619	1,442,000	1,442,000	0	3,383,955	3,383,955	0	2,542,745	2,542,745
Purchase Cattle/Meat	5900047	253,472	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000
Total		13,486,108	15,080,637	15,195,560	13,660,067	21,564,324	21,564,324	13,662,815	20,707,263	20,707,263
Funding Sources	3									
Fund Balance	4000005	1,232	1,002,806		1,002,806	1,002,806	1,002,806	13,683,687	5,779,430	5,779,430
Special Revenue	4000030	9,100,000	9,480,637		21,564,324	21,564,324	21,564,324	20,707,263	20,707,263	20,707,263
Budget Stabilization Trust	4000130	4,600,000	4,600,000		4,600,000	4,600,000	4,600,000	4,600,000	4,600,000	4,600,000
Other	4000370	787,682	1,000,000		176,624	176,624	176,624	1,000,000	1,000,000	1,000,000
Total Funding		14,488,914	16,083,443		27,343,754	27,343,754	27,343,754	39,990,950	32,086,693	32,086,693
Excess Appropriation/(Funding)		(1,002,806)	(1,002,806)		(13,683,687)	(5,779,430)	(5,779,430)	(26,328,135)	(11,379,430)	(11,379,430)
Grand Total		13,486,108	15,080,637		13,660,067	21,564,324	21,564,324	13,662,815	20,707,263	20,707,263

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

Appropriation: 512 - Farm Operations

Funding Sources: SDC - Department of Correction Farm Fund

Agency Request

	Change Level	2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	13,660,067	59	13,660,067	100.0	13,662,815	59	13,662,815	100.0
C01	Existing Program	101,498	2	13,761,565	100.7	101,498	2	13,764,313	100.7
C02	New Program	7,802,759	3	21,564,324	157.9	6,942,950	3	20,707,263	151.6

Executive Recommendation

	Change Level	2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	13,660,067	59	13,660,067	100.0	13,662,815	59	13,662,815	100.0
C01	Existing Program	101,498	2	13,761,565	100.7	101,498	2	13,764,313	100.7
C02	New Program	7,802,759	3	21,564,324	157.9	6,942,950	3	20,707,263	151.6

		Justification
Γ	C01	This request includes two (2) position restorations, an Agri Unit Supervisor II and a Head Farm Manager I for the Layer/Pullet Expansion.
		This request includes two (2) positions and operating expenses for expansion of the Layer/Pullet Expansion. The request also includes appropriation each year needed to repay an interest free loan from the Prison Construction Trust Fund for construction of the new facilities. It also includes one (1) position and operating expenses to establish a Grist Mill Operation.

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 includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level appropriation totals \$11,169,880 in FY14 and \$11,171,127 in FY15.

The Agency's Change Level requests total \$1,500,000 each year and include the following:

- Operating Expenses increase of \$1,000,000 each year of the biennium for the purchase of merchandise for resale.
- Capital Outlay increase of \$500,000 each year of the biennium 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: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

		2011-2012	2012-2013	2012-2013		2013-2014			2014-2015	
Commitment Iter	n	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	802,726	846,497	803,426	803,426	803,426	804,426	804,426	804,426
#Positions		0	28	28	28	28	28	28	28	28
Personal Services Matching	5010003	0	330,601	330,133	337,494	337,494	337,494	337,741	337,741	337,741
Operating Expenses	5020002	9,030,299	10,028,960	12,429,400	10,028,960	11,028,960	11,028,960	10,028,960	11,028,960	11,028,960
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	500,000	500,000	0	500,000	500,000	0	500,000	500,000
Total		9,030,299	11,662,287	14,106,030	11,169,880	12,669,880	12,669,880	11,171,127	12,671,127	12,671,127
Funding Sources	,									
Fund Balance	4000005	2,319,985	2,184,510		2,184,510	2,184,510	2,184,510	3,684,510	2,184,510	2,184,510
Cash Fund	4000045	8,894,824	11,662,287		12,669,880	12,669,880	12,669,880	12,671,127	12,671,127	12,671,127
Total Funding		11,214,809	13,846,797		14,854,390	14,854,390	14,854,390	16,355,637	14,855,637	14,855,637
Excess Appropriation/(Funding)		(2,184,510)	(2,184,510)		(3,684,510)	(2,184,510)	(2,184,510)	(5,184,510)	(2,184,510)	(2,184,510)
Grand Total		9,030,299	11,662,287		11,169,880	12,669,880	12,669,880	11,171,127	12,671,127	12,671,127

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

expense. The request totals \$500,000 each year.

Agency Request

	Change Level	2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	11,169,880	28	11,169,880	100.0	11,171,127	28	11,171,127	100.0
C01	Existing Program	1,000,000	0	12,169,880	109.0	1,000,000	0	12,171,127	109.0
C02	New Program	500,000	0	12,669,880	113.4	500,000	0	12,671,127	113.4

Executive Recommendation

	Change Level	2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	11,169,880	28	11,169,880	100.0	11,171,127	28	11,171,127	100.0
C01	Existing Program	1,000,000	0	12,169,880	109.0	1,000,000	0	12,171,127	109.0
C02	New Program	500,000	0	12,669,880	113.4	500,000	0	12,671,127	113.4

	Justification
	Self-supported Pen Store (Commissary) operations within institutions provide the opportunity for inmates to purchase various 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 Biennial Request for this cash fund operation includes inflationary operating cost increases and anticipated needs for unit expansions for purchase of additional resale items. The request totals \$1,000,000 each year.
	Self-supported Pen Store (Commissary) operations within institutions provide the opportunity for inmates to purchase various 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 Biennial Request for this cash fund operation includes inflationary operating cost increases and anticipated needs for unit expansions for equipment

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.

Base Level appropriation totals \$3,790,000 each year of the biennium.

The Agency's Change Level Requests total \$2,650,000 each year of the biennium and include the following:

- Operating Expenses of \$2,150,000 each year for other expenses and services to allow flexibility in allocating available funding for general operations and other projects as may be allocated by the Board of Corrections.
- Professional Fees of \$100,000 each year to provide appropriation for flexibility in allocating available funding for priority projects.
- Capital Outlay of \$400,000 each year for new/replacement equipment associated with priority inmate assistance/operations needs, security equipment, long-term needs, and other projects as may be allocated by the Board of Corrections.

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

Appropriation: 865 - Non-Tax Revenue Receipts

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

		2011-2012	2012-2013	2012-2013		2013-2014			2014-2015	
Commitment Iter	n	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,427,078	1,679,195	1,679,195	1,679,195	3,829,195	3,829,195	1,679,195	3,829,195	3,829,195
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	11,726	100,000	100,000	100,000	200,000	200,000	100,000	200,000	200,000
Construction	5090005	923,443	2,010,805	4,038,275	2,010,805	2,010,805	2,010,805	2,010,805	2,010,805	2,010,805
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	81,040	210,000	400,000	0	400,000	400,000	0	400,000	400,000
Total		2,443,287	4,000,000	6,217,470	3,790,000	6,440,000	6,440,000	3,790,000	6,440,000	6,440,000
Funding Sources	;									
Fund Balance	4000005	1,797,555	1,405,985		2,405,985	2,405,985	2,405,985	5,055,985	2,405,985	2,405,985
Cash Fund	4000045	2,051,717	5,000,000		6,440,000	6,440,000	6,440,000	6,440,000	6,440,000	6,440,000
Total Funding		3,849,272	6,405,985		8,845,985	8,845,985	8,845,985	11,495,985	8,845,985	8,845,985
Excess Appropriation/(Funding)		(1,405,985)	(2,405,985)		(5,055,985)	(2,405,985)	(2,405,985)	(7,705,985)	(2,405,985)	(2,405,985)
Grand Total	,	2,443,287	4,000,000		3,790,000	6,440,000	6,440,000	3,790,000	6,440,000	6,440,000

Change Level by Appropriation

Appropriation: 865 - Non-Tax Revenue Receipts

Funding Sources: NDC - Cash in Treasury

Agency Request

	Change Level	Change Level 2013-2014 Pos Cumulative		Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	3,790,000	0	3,790,000	100.0	3,790,000	0	3,790,000	100.0
C02	New Program	2,650,000	0	6,440,000	169.9	2,650,000	0	6,440,000	169.9

Executive Recommendation

Change Level		Change Level 2013-2014 Pos Cumu		Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	3,790,000	0	3,790,000	100.0	3,790,000	0	3,790,000	100.0
C02	New Program	2,650,000	0	6,440,000	169.9	2,650,000	0	6,440,000	169.9

Justification

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 \$2,650,000 each year.

Appropriation: 847 - Federal Programs **Funding Sources:** FDC - Federal Programs

Historical Data

Agency Request and Executive Recommendation

		2011-2012	2012-2013	2012-2013		2013-2014			2014-2015	
Commitment Item		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	0	50,000	0	0	0	0	0	(
#Positions		0	0	0	0	0	0	0	0	ď
Personal Services Matching	5010003	0	0	28,475	0	0	0	0	0	(
Operating Expenses	5020002	0	0	2,500	0	0	0	0	0	(
Conference & Travel Expenses	5050009	0	0	2,000	0	0	0	0	0	(
Professional Fees	5060010	0	0	428,900	0	0	0	0	0	(
Data Processing	5090012	0	0	0	0	0	0	0	0	(
Capital Outlay	5120011	0	0	0	0	0	0	0	0	(
Total		0	0	511,875	0	0	0	0	0	(

THIS APPROPRIATION IS NOT REQUESTED FOR THE 2013-2015 BIENNIUM