

# DEPARTMENT OF CORRECTION

## Enabling Laws

Act 266 of 2016  
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's Mission statement 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 Arkansas Department of Correction. The Board has seven voting members including the Parole Board Chair, 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 Department's 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 Department has six Deputy or Assistant Directors that oversee various areas:

- ***Institutions (Correctional Facilities)*** are divided between the Chief Deputy Director who is responsible for Varner/Supermax, Cummins, East Arkansas Regional Unit, the Wrightsville Complex, the Pine Bluff Complex, and the Tucker Unit along with the ADC Farm Program, Emergency Preparedness and the K-9 Units; and the Deputy Director for Institutions who is responsible for the Ouachita River Unit, the Newport Complex (Grimes and McPherson), the North Central Unit, the Delta Unit, and the four work release units: Benton, North West (Springdale), Mississippi County, and Texarkana. The Deputy Director is also responsible for Security Threat and Terrorism Groups Investigations.

- **Health and Correctional Program** Deputy Director is responsible for Medical and Mental Health Services, Religious Services, Substance Abuse Treatment Programs (SATP and TC), sex offender treatment programs (RSVP for males; SOFT for females), Volunteer Services, Reentry Programs, and the Sex Offender Assessment program which evaluates all sex offenders in Arkansas to establish a community notification level (SOCNA) under guidelines established by the Sex Offender Assessment Committee whose members are appointed by the Governor and prescribed by law, Act 309 Program (inmates assigned to work programs in County or City Jails), American Correctional Association Accreditation, PAWS in Prison Program (trains rescue dogs to be adopted), and the Central Transportation Division.
- **Administrative Services** Assistant Director supervises Procurement, Accounting, Human Resources, Budget, Finance, Information Technology, Library Services (unit libraries), Training Academy (Basic Correctional Officer Training as well as training for Non-Security and supervisory staff), and Central Warehouse (services all units), and ensures agency compliance with state and federal accounting, budgetary and personnel procedures;
- **Construction and Maintenance** Assistant Director is responsible for ongoing and preventative maintenance programs at the various units, and design and construction projects for the department, Energy Efficiency Projects, and Arkansas Correctional Industries. (Construction of facilities or expansions is often completed with inmate labor which costs substantially less than free-world labor.)
- **Legal Services** Assistant Director is responsible for all legal division services including coordinating with the Arkansas Attorney General, cases before the Arkansas Claims Commission, garnishments, Prison Rape Elimination Act (PREA) Coordinator, Classification, Records, Interstate Compact programs, Drug Testing, Internal Audit, Inmate Grievances, and the EEOC Grievance Office.

#### **ADC Correction Facilities 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, Re-Entry program, Canine Unit and Horse Operation. Farm and Agriculture Programs include Livestock, Field and Edible Crops, Feed Mill, Slaughterhouse, Poultry Operations/Egg Production and Milk Processing. Industry Programs include Vinyl Products/Silk Screening, Engraving, Garment Factory and Furniture Refinishing.

**Delta Regional Unit** - Capacity of 472 (also operating 138 temporary beds and 4 jail beds) - Special Operations include Regional Maintenance, Education, Re-Entry Program, Mental Health Groups, Protective Custody Unit, 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, Re-Entry Program, Pilot Project with Tablets for Re-Entry and a Step-Down from Segregation Program, Vocational Education, Maximum Security Unit, Jail Operation, Canine Unit, ICC Garage, PALS, Farm Operations - (Row Crops, Garden and Hay) and Industry Programs (Welding and Upholstery).

**Ester Unit** - Capacity 380 with an additional 200 beds to come online around April 2017 - Special Operations include Construction, Education, Mental Health Groups, Vocational Education, and Re-Entry Center for male inmates leaving the Department.

**Grimes Unit** - Capacity of 1,012 - Special Operations include SATP, Life Skills, Education, Regional Maintenance, PALS, Anger Management, Thinking Errors, Parenting, Story Book Projects, Inmate Council, Re-Entry Program, 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, Re-Entry Program, 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.

Additonal Beds assigned to Maximum Security Unit:

- Boot Camp Program (Capacity 124) allows non-violent offenders sentenced to 15 years or less to complete a rigorous 120 day boot camp prior to release. This program houses 100 males and 24 females separately in a facility adjacent to the Maximum Security Unit.

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

**Mississippi County Work Release Center** - Capacity of 133 - Special Operations include Work Release, Regional Maintenance, Re-Entry Program, and AA/NA.

**North Central Unit** - Capacity of 700 (also operating 100 temporary beds) - Special operations include Education, Regional Maintenance,

Mental Health Groups, Re-Entry Program, 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. Special Operations include Work Release, John Brown University Life Skills Program, and AA/NA.

**Ouachita River Correctional Facility** - Capacity of 1,734 (also operating 48 temporary beds). Special Operations include Central Intake for Males, Regional Maintenance, Construction, Educational Programs, Vocational Programs, Reduction of Sexual Victimization Program (RSVP male sex offender treatment program), Habilitation, Mental Health Groups, PALS, CABBI College Program, Re-Entry Program, 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, Mental Health Groups, Re-Entry Program, Education, Gardening, Livestock, Grounds Maintenance, Warehouse and Construction.

Additional beds assigned to the Pine Bluff Unit include:

- 54 beds for the Pine Bluff Female Work Release Program operate in an adjacent facility.

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

**Tucker Unit** - Capacity of 910 (also operating 92 temporary beds) - Special Operations include Substance Abuse Treatment Programs (SATP and TC), Education, Vocational Education, Mental Health Groups, PALS, College Bible Classes, Canine Unit, and Re-Entry 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 1,598 (also operating 116 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, Re-Entry Program, 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),

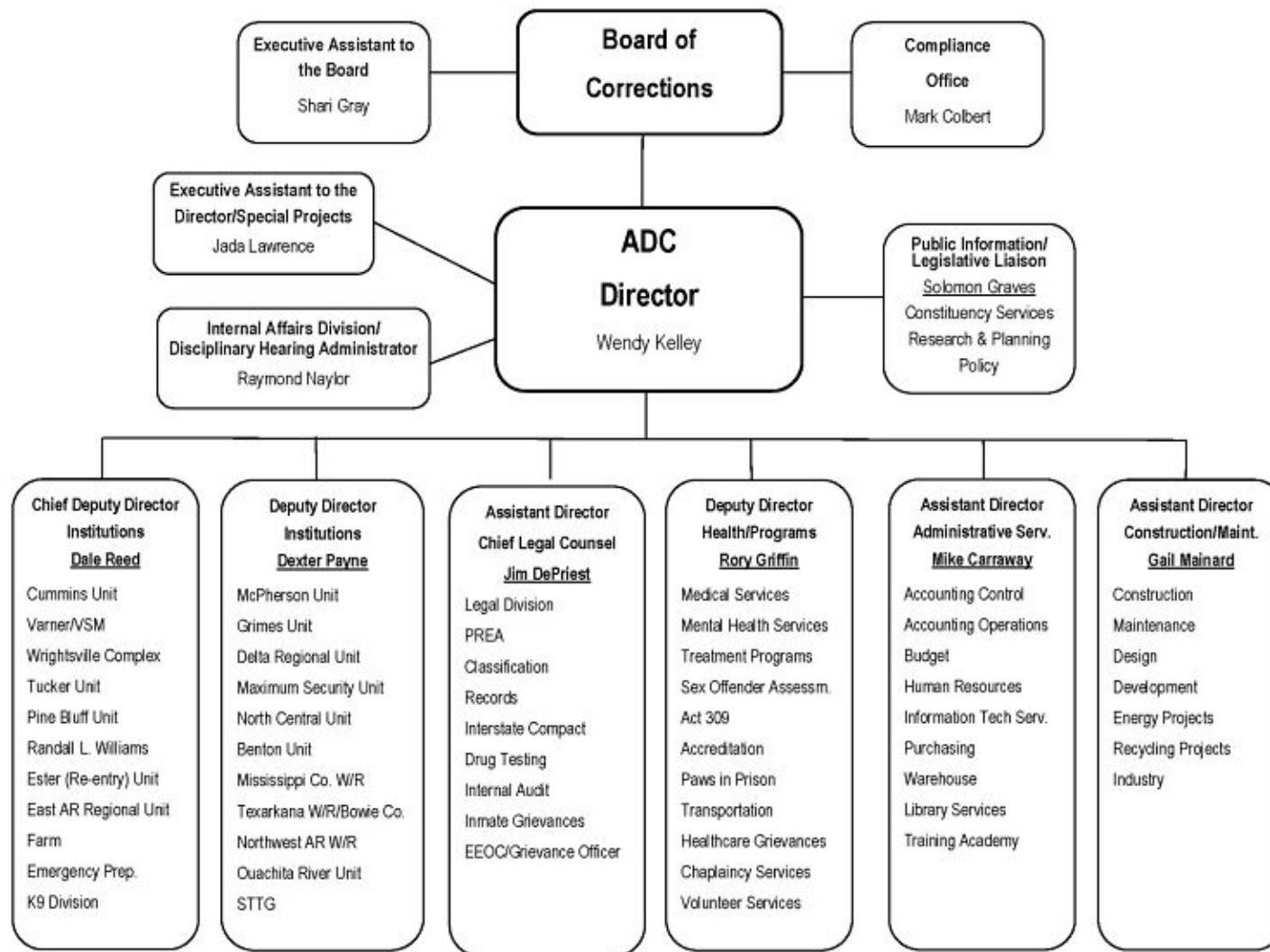
Education, PALS, Re-Entry Program, Braille Program and Mental Health Groups. Also includes Beef Production Agricultural Program and Industry Programs: Graphic Arts, Data Imaging and Furniture Manufacturing.

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 200 (also operating 56 temporary beds) - Special Operations include Re-Entry Program, 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 (Leased from the Pulaski County Detention Center) - Capacity of 175 - Special Operations are for housing of Parole Violators and inmates within 6 months of release date. This facility includes the Re-Entry program, WAGE, and "Thinking for a Change".

The Department is also housing 336 inmates in a facility located in Bowie County, Texas. This is a temporary arrangement to aid in the relief to counties for inmates backed up in county jails awaiting bed space. Special Operations include a Hobby Craft Program.

The Arkansas Department of Correction is part of the criminal justice system in this state. All department-owned facilities are accredited and meet the 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 efficient care and custody of all inmates.*
- Goal 2:** *To provide appropriate facilities for inmates sentenced by the courts.*
- Goal 3:** *To provide constructive correctional opportunities that will help inmates successfully return to their communities.*
- Goal 4:** *To optimize inmate assignments in work programs.*
- Goal 5:** *To attract and retain quality staff.*
- Goal 6:** *Transparency*

JFA Associates the firm that does population projections for the Sentencing Commission, ADC and ACC projects the prison population to continue to grow through the next Ten Years. During FY16 the growth has stabilized and remained flat although in FY14 and FY15 the growth erased any declines in population that occurred during FY13 from ACT 570. (The current 2.4 percent growth was offset by the release of the parolees revoked following the Darrell Dennis murder of a young man in May 2013; in other words, the current jurisdictional population is not reflecting the actual growth of the last two years.) JFA Associates projects a 2.4 percent increase each year for the next ten years with a projected population in 2026 of 22,781 from the current population of 17,684.

**ARKANSAS DEPARTMENT OF CORRECTION  
HISTORICAL AND PROJECTED INMATE POPULATION 2005-2026**

<b>Year</b>	<b>Historical</b>	<b>Base</b>
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	
2014	17,850	
<b>2015</b>	<b>17,684</b>	<b>17,684</b>
2016		18,038
2017		18,539
2018		19,061
2019		19,576
2020		20,062
2021		20,577
2022		21,022
2023		21,503
2024		21,964
2025		22,389
2026		22,781
Numeric Diff. 2005-2015	4,346	
% Diff. 2005-2015	32.6%	
Average% Diff 2005-2015	3.0%	
Numeric Diff 2016-2026		4,743
% Diff 2016-2026		26.3%
Average% Diff 2016-2026		2.4%

*Source: JFA Simulation Model*

Operating appropriations provide for administrative and executive staff, security staffing for all correctional facilities, mental health, chaplaincy and re-entry programs, comprehensive health care and correctional programs, general and preventative maintenance on over \$1 billion of buildings, grounds, equipment, 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 due to the lack of bed space, the Agency



reimburses the counties from the County Jail Reimbursement Fund. Projections of county jail backup populations for fiscal years 18 and 19 show that the current base level of funding is sufficient to cover the cost of housing state inmates in county jails. Legislative changes that were implemented in FY16 to increase the daily rate to \$30 per day, as well as, pay counties for backup each month for all the days inmates were housed are in place and counties are paid up to date at this time. The current base level funding amount is \$13,453,607 and the agency request this amount be continued without an increase.

## **WORK RELEASE - CASH**

Eligible inmates of the department are employed in the community while residing in correctional facilities. The ADC coordinates employment opportunities for 542 inmates in work release programs located in Luxora, Springdale, Benton, Texarkana and Pine Bluff. Fees received from work release participants reduce the operational costs of the program. FY16 rents from the Work Release program totaled \$3.5 million.

In addition to Base Level the Agency is requesting the following:

The Agency Request for Work Release Operations includes additional operating costs increases for utilities; flex operational appropriation for unforeseen needs, additional flex appropriation for professional fees and equipment for all units totaling \$2,350,242 in FY18 and \$2,329,940 in FY19.

## **SSC0480 Sex Offender Assessments**

This appropriation request is for UAMS Juvenile Sex Offender Assessments. Funds for the appropriation are derived from collection 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 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.

This request is for continuation of Base Level of \$25,000 each year of the biennium.

## **Fire Station Treasury Cash**

This appropriation provides for the support of the Fire Station at the Cummins Unit. Cash Funds are collected through the Fire Protection Revolving Fund as authorized by Act 833 of 1991. These funds will be utilized to provide equipment for the operation of the Cummins Fire Department.

The Agency Request is for continuation of the Base Level of \$25,000 each year of the biennium.

## **INMATE CARE AND CUSTODY - GENERAL REVENUE**

General revenue appropriation requested totals \$9,766,200 for FY18 and \$12,006,446 for FY19 with funding requested totaling \$6,603,058 in FY18 and \$8,670,350 requested in FY19. These requests are summarized in priority order as follows:

### **Incremental Medical Contract Increases:**

This request projects an average increase of 3% each fiscal year above the current rate of \$343.50 per month per inmate housed in an ADC facility and \$78.51 per month per inmate assigned to a county jail under Act 309 of 1991. That makes the ADC/DCC rate for FY18 \$352.45 and \$360.92 for FY19. For Act 309 contract inmates, the per diem is \$80.58 for FY18 and \$82.53 for FY19. The medical contract request totals \$2,627,122 in FY18 and an additional \$4,274,575 in FY19. The agency is also requesting \$1,000,000 increase in appropriation only for each year of the biennium to insure adequate appropriation for the medical contract needs.

### **General Operating Needs:**

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

- **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. The agency request is for \$1,111,400 in FY18 and \$1,667,100 in FY19.
- **New Bed Openings** - Five (5) Correctional Corporals - ADC recently moved Centralized Records from a building inside the Pine Bluff Unit Complex to the Administration Building in Pine Bluff. The former building at the Unit is now being renovated to house an additional 65 inmates and will require one post for the Control Center for this building. One post consists of 5 Correctional Officers. This will allow one Officer to cover the Control Center per shift and one for relief to assure coverage at all times in this stand-alone building within the perimeter fence. The agency request is for \$189,878 each year of the biennium for salaries and matching for the five positions.
- **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 \$478,684 in FY18 and \$668,684 in FY19 will allow ADC to maintain existing facilities and equipment to prolong the life and efficiency of each facility.

**Other Position Requests:**

The request is for forty-four (44) flex positions for the FY18-19 Biennium to enable ADC 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 and other mandates 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 an employee departure. The request for the flex positions is appropriation only of \$1,661,730 each year with no additional funding.

We are also requesting Fourteen (14) new positions in FY18 and Eighteen (18) positions in FY19 for the biennium. The new positions are as follows:

- One (1) Lieutenant - **(Appropriation Only)** - Tucker Unit - This is requested to provide a relief position for the 24 hour post in order to reduce/prevent over time and to provide relief while one of the four shift officers are out for vacation, illnesses, etc. This position will allow the unit to provide coverage at all times and will help in maintaining adequate security.
- One (1) Administrative Specialist I - Delta Unit Maintenance - This position is requested for the maintenance/construction area to perform clerical duties that are being performed by the Director of Maintenance and the Maintenance Technician. This will allow the Director of Maintenance and the Maintenance Technician to focus on the maintenance of the unit. This will also allow the unit to remove inmates from any paperwork activities in the maintenance department.
- One (1) Administrative Specialist II - North Central Unit Records Department - The North Central Unit currently has two positions assigned to Records and this unit has expanded the inmate population from 550 beds to 850 beds without additional clerical records staff. The unit is now a parent unit which means the unit receives inmates directly from the intake unit at Ouachita River and transfers inmates to fill beds at the non-parent units. This requires the records staff to handle many more inmate file jackets on incoming and outgoing inmates. Under new laws passed in the Regular Session of 2015 ADC records staff are now required to work with inmates in completing the process of getting drivers licenses or state identification Cards for inmates prior to release as well as obtaining Social Security Cards and Birth Certificates to facilitate these tasks. These changes along with normal records duties of clearing inmates prior to release, etc. have place a huge burden on the existing staff.
- Seven (7) Licensed Certified Social Workers - Since 2010, the inmate population in ADC has risen by almost 16%. During this same period, the number of inmates being followed in psychiatric clinics has increased from 5.9% (814 inmates) in 2010 to 13.7% (2,224

inmates) as of March 2016. This increase in caseload as well as the increased task that must be completed by licensed mental health staff rather than bachelor-level advisors has placed a heavy burden on Mental Health Staff to adequately treat inmates and provide services. These services are important in meeting constitutional requirements, helping inmates to live a productive and successful life in prison without being in lock-down barracks, and to reduce the number of inmates with Mental Health problems from returning to prison.

- Four (4) (Each Year) Substance Abuse Program Leaders - **(Appropriation Only)** - ADC currently utilizes inmate Peer Counselors to work in the drug and alcohol treatment programs due to licensing requirements and existing staffing. This creates management issues in the treatment programs and the pool of appropriate inmate available to serve as peer counselors continues to decrease. The additional substance abuse treatment positions will allow the agency to operate current treatment beds while phasing out the use of inmate peer counselors over the next four years.

### **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 \$1,759,347 in FY18 and \$1,433,486 in FY19.

### **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 as well as focusing on re-entry skills. More than 500 inmates participate in the various industry 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 a private sector companies operating within the prison fence and employing inmates at prevailing wages. FY16 Industry sales totaled approximately \$8.2 million. Revenues from Industry program operations will fund the biennial request for increases in operation expenditures.

In addition to Base Level the Agency is requesting the following:

The agency request includes Capital Outlay authorization for acquisition of new and existing equipment. The Industry Division request totals \$126,895 in FY18 and \$123,903 in FY19.

## **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. 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 eggs, milk, 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 Creamery operation is also located at the Cummins Unit and provides milk and juice products. New chicken houses provide three eggs a day for each inmate which covers the entire needs of the agency and the surplus of eggs are sold. The revenues cover repayment of the loan for the egg production facility. Not only are eggs be produced, but two houses will be used to grow pullets for sale to commercial chicken processors. Altogether, inmate consumption totals approximately \$8 million annually. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY16 cash crop sales totaled approximately \$9.7 million. The Farm Program provides jobs for approximately 400 inmates. The Livestock Division consists of 1,919 beef cows, a 450-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.

In addition to Base Level the Agency is requesting the following:

The agency request includes Capital Outlay in the amount of \$610,000 in FY18 and \$525,000 in FY19 for equipment.

## **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.

In addition to Base Level the Agency is requesting the following:

The agency is requesting increases in operating cost and capital outlay totaling \$1,500,000 in FY18 and \$1,750,000 in FY19.

## 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 such as roof repairs and maintenance of roads and parking lots. The agency is awaiting a ruling from a Federal judge on the recent FCC ruling. If the FCC ruling is upheld by the federal court, the agency will lose approximately \$3 million a year from the phone system. The agency requests continuation of the current level appropriation.

## PAWS IN PRISON

This program allows inmates to work with dogs teaching the dog's basic obedience and social skills which help transition the dogs into adoptive homes. This also provides an opportunity for inmates to gain internal satisfaction of helping a shelter dog become a loving pet. It is funded by Marketing and Redistribution funds and outside donations. Paws in Prison have been a huge success providing adoptable pets for homes and assisting in inmate rehabilitation. The agency request is for continuing level appropriation.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF CORRECTION  
FOR THE YEAR ENDED JUNE 30, 2015

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Findings

In accordance with Ark. Code Ann. § 25-1-124, the Agency reported a loss of public funds to Arkansas Legislative Audit. The Agency confiscated \$500 from the Maximum Security Unit and placed it in a safe at that location until such time as it could be deposited. At a later date, the funds could not be located. The last employee responsible for the funds, based

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Recommendations

We recommend Agency management strengthen internal controls over the receipt of funds and their timely deposit.

**Agency Response:**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF CORRECTION  
FOR THE YEAR ENDED JUNE 30, 2015

Findings

on the chain of custody form, made restitution to the State.

As part of the annual close-out, the Agency records a journal entry for an estimated amount of crops that have not been harvested as of year-end. Agency management did not review and approve the estimation of crops in progress (CIP), and as a result, CIP were overstated by \$706,317. Effective internal controls over journal entries rely on proper segregation of duties between preparation and approval of amounts to be recorded. This lack of controls over the CIP calculation and entry in the State's accounting system limits the Agency's ability to provide assurance that the estimation of CIP was accurate.

The Agency's internal controls over travel reimbursements and other payments from fiduciary funds were poorly designed or not operating effectively. As a result, reimbursements and other disbursements were made without proper approval, with poor documentation, and in non-compliance with the State Financial Management Guide. A total of 28 travel reimbursements and 40 other disbursements from the fiduciary funds were tested. The following exceptions were noted for travel reimbursements:

- Seven reimbursement requests were paid based on memos, internal purchase requisitions, or other documents, rather than a Travel Reimbursement Form (TR-1).
- Six reimbursements were made payable to the employee's personal credit card company, not the employee.
- Four reimbursements were made to volunteers of the State without a letter from the Executive Director authorizing such travel.
- Two reimbursements were made based on claims by an employee for travel

Recommendations

The unit found and confiscated \$500 from the sewage treatment facility. These funds were placed in the safe to be deposited and the chain of custody form was completed. At a later date, upon transfer of the employee who was the last person in contact with the funds, it was discovered the funds had never been deposited. The employee made restitution to the agency for the missing funds. Unit has been instructed to make deposits of any confiscated funds on the next business day in compliance with agency procedures on deposit of cash funds. Internal Audit will audit unit once a year to ensure compliance with agency procedures.

We recommend Agency management implement internal controls that incorporate proper segregation of duties between the calculation and approval of estimations and the related journal entries.

**Agency Response:**

This issue has been addressed with accounting staff at Arkansas Department of Correction (ADC). ADC Accounting procedure requires this process to occur. The Assistant Chief Financial Officer is to review the calculations once completed for accuracy prior to the journal entry. Any future failure will result in disciplinary action for failure to follow procedures.

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

**Agency Response:**

Procedures were developed in 2014 after the FY13 audit was adopted. The date the changes actually were implemented was around the end of 2014 and would have been in the middle of the 2015 fiscal year. The procedures were only in place for a portion of FY 2015, but are now in place and the corrective action taken. The items included in the finding occurred between the time of the release of the audit findings and the approval by Management Team of the changes in the chaplaincy procedures for the fiduciary funds.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF CORRECTION  
FOR THE YEAR ENDED JUNE 30, 2015

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Findings

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Recommendations

expenses of another Agency employee or volunteer.

- One reimbursement was made without proper approval.

The exceptions noted for travel reimbursements are repeat issues from the FY2013 audit.

For the other disbursements tested, ALA noted two exceptions:

- The items listed on the invoice did not agree to the approved purchase requisition. Since the checks are generated prior to the Agency receiving an invoice, the vendor was overpaid.
- One disbursement was made without proper documentation. According to the support on file with the Agency, the payment was made for a price increase from a previous invoice, but the original invoice contained no indication of any price increases.



DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF CORRECTION – AGRICULTURE DIVISION – REVIEW OF FARM OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2015

Findings

According to ADC, 350 inmates are allowed to work daily to support Division operations. Although the number of inmates and the number of hours worked by inmates are reported to the Board of Corrections, ALA staff were unable to verify this information since the Division does not have a consistent reporting mechanism in place among the various Units.

As part of the annual close-out, the ADC records a journal entry for an estimated amount of crops that have not been harvested as of year-end. ADC management did not review and approve the estimation of crops in progress (CIP), and as a result, CIP was overstated by \$706,317. The amount of inventory recorded for CIP was decreased and expenses were increased by \$706,317 to reflect the misstatement. This lack of internal controls over the CIP calculation and entry in AASIS limits ADC's ability to provide assurance that the estimation of CIP was accurate.

ADC Administrative Directive 12-28 requires field and horticultural crops to be offered to as large a number of potential buyers from both the statewide and regional area as is practical to generate the best price possible for ADC commodities. All sales or bids should be awarded on the basis of the most cash generated for ADC and in a manner consistent with Arkansas procurement laws. Although ALA staff requested documentation of the bids submitted by the non-winning buyers on all crop sales in fiscal year 2015, ADC could not provide this information. Without maintaining complete documentation of sales transaction, ADC limits its ability to support its decisions to management, the Board of Corrections, and others.

The consignment sheets that ADC used to document and/or summarize the movement of all farm products were not pre-numbered but were generated as needed from a Microsoft Excel template. Pre-numbering or electronically generating unique numbers that cannot be manipulated by management allows for the determination of a complete population for any given time period.

Recommendations

ALA staff recommend ADC management establish procedures to ensure that information reported to the Board of Corrections or outside entities is fully documented and supported by source data.

**Agency Response:**

Agency will require each farm to report all inmate hours worked to the Administrative Assistant to the Farm Administrator on a monthly basis. A new standardized report (Attachment 1) will be completed by each farm. The submitted reports will be kept on file in the Farm Administrator's office and will be submitted monthly to the Chief Deputy Director and quarterly to the Public Information Officer for inclusion in the Quarterly Board reports.

ALA staff recommend ADC management implement internal controls that incorporate proper segregation of duties between the calculation and approval of estimations and the related journal entries.

**Agency Response:**

This issue has been addressed with accounting staff at ADC. ADC Accounting procedure requires this process. The Assistant Chief Financial Officer is to review the calculations once completed for accuracy prior to the Journal entry. Any future failure will result in disciplinary action for failure to follow procedures.

ALA staff recommend ADC management follow procedures for maintaining documentation of all bids submitted for farm commodity sales.

**Agency Response:**

ADC recently approved AD 16-07 which superseded AD 15-22 and AD 12-28. The agency is in the process of revising AD 16-07 to include a section on maintaining files with all bid sheets at the Farm Administrator's Office; these files will be maintained until Arkansas Legislative Audit approves their destruction in accordance with record retention policies. (Attachment 2). The entire bid packet including bid sheets will be scanned electronically and emailed to the Director and Chief Deputy Director for final approval of all sales.

ALA staff recommend ADC management develop consignment sheets that include pre-numbering to provide assurance that all forms have been accounted for within a fiscal year or other time period.

**Agency Response:**

ADC Farm program will be ordering pre-numbered consignment sheets with a designation

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF CORRECTION – AGRICULTURE DIVISION – REVIEW OF FARM OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2015

Findings

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ADC was overcompensated \$20,779 for soybeans and corn and failed to report the error. Procedures had been implemented to detect these discrepancies by matching ADC weight tickets to the buyer weight tickets and other documentation provided with the payment; however, ADC personnel performing the controls did not report these errors.

ADC could not provide documentation that procedures were followed regarding the sale of beef cattle. Internal controls implemented by management, as documented by ADC's Administrative Directive 12-28, require the Division's Deputy Director, or his or her designee, to determine the need to sell produced livestock, with final approval provided by the ADC Director. ALA staff examination of all beef cattle sales in fiscal year 2015 revealed that no documentation was maintained to support any decisions made by the Division's Deputy Director, nor was there any documentation of approval by the ADC Director. Based on the information provided, all decisions to sell animals were made by the Farm Administrator. By not following the directives and procedures implemented, upper management had limited ability to monitor the Division's beef cattle operations. These procedures were modified March 30, 2016, with the issuance of Administrative Directive 16-07. This new directive allows the Division's Deputy Director or the Farm Administrator, if designated by the Deputy Director, to make the decisions to sell produced livestock. Notification of sales are provided to the ADC Director and the Board of Corrections' liaison.

Internal control procedures implemented by ADC require that two employees not affiliated with the beef herd monitor and count the animals as they are loaded for transport and then sign off on the consignment sheet to document that the procedure has been completed. These procedures were not followed for two of the six sales in fiscal year 2015. In one instance, there was only one signature, and in the other instance, the two employees who signed off on the consignment sheet were both employed in the beef herd section.

Recommendations

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coinciding with scale tickets, CS-VP (cold storage vegetable processing), LV (livestock), and Row Crop. These consignment sheets will be kept in a secured area by office personnel and issue as needed. A log will be kept with the date, ticket numbers and who the sheet was issued to and who issued it. Any voided tickets will be recovered, logged and kept on file.

ALA staff recommend ADC management ensure that controls are understood and followed in order to provide assurance that all revenue is recorded accurately and in the correct period.

**Agency Response:**

ADC will ensure all staff are properly trained and all procedures are followed. Agency procedures did detect the overpayment which was deducted from the next payment from the buyer; however, following cash deposit procedures, the check was deposited and the overpayment had not been adequately documented.

ALA staff recommend ADC management follow its administrative directives and maintain all documentation that supports procedures performed and decisions made, including the determination of designees.

**Agency Response:**

Notification of all proposed sales and final sales are being made to the Director, Chief Deputy Director, and the Board of Corrections' liaison. All approvals (typically documented in emails), bids, bid confirmations, and returned bids will be kept in the farm administrator's office. These files will be maintained until approval from Arkansas Legislative Audit for destruction of documents.

ALA staff recommend ADC management design and implement internal controls that cannot be circumvented by employees.

**Agency Response:**

ADC revised beef herd standard operating procedures are attached. All loading tickets will require the signature of two non-beef herd employees and once the cattle reach destination another count will be done by the buyers' group and both tickets will be compared.

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 ARKANSAS DEPARTMENT OF CORRECTION – AGRICULTURE DIVISION – REVIEW OF FARM OPERATIONS  
 FOR THE YEAR ENDED JUNE 30, 2015

Findings

In fiscal year 2015, the Division sold beef cattle at auction houses in both Arkansas and Oklahoma. Documentation was provided to support the decisions to sell cattle in Oklahoma to maximize revenue; however, documentation could not be provided to support the decisions to sell within the State. Division management stated to ALA staff that the cattle sold in Arkansas were cull cattle that did not sell well in Oklahoma; however, without documenting any evaluations made, ADC limits its ability to support its decisions to ADC management, the Board of Corrections, and others.

Recommendations

(Attachment 3)

ALA staff recommend ADC management establish procedures to document any evaluations made regarding the most profitable methods for selling livestock.

**Agency Response:**

ADC cull cattle are marketed through sale barns that provide the best economic return for ADC and all decisions will be documented based on the auction market reports sent out by the USDA and approved by management prior to sale. At times of low beef prices, cull cattle will be processed in the ADC slaughter facility.

**Employment Summary**

	Male	Female	Total	%
White Employees	1400	615	2015	49 %
Black Employees	865	1170	2035	50 %
Other Racial Minorities	22	11	33	1 %
Total Minorities			2,068	51 %
Total Employees			4,083	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	0	0.00
Inmate Handbook	ACA §12-27-106	N	Y	5,000	Required by Statute	0	0.00

**ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM**  
**STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES**  
 Fiscal Year 2016  
 Required by A.C.A. 25-36-104

**AGENCY: 0480 DEPARTMENT OF CORRECTION**

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Diet of a Lifetime	\$74,880	X					

**TOTAL NUMBER OF MINORITY CONTRACTS AWARDED** 1

**TOTAL EXPENDITURES FOR CONTRACTS AWARDED** \$64,928,976

**% OF MINORITY CONTRACTS AWARDED** 0.11 %

ARKANSAS DEPARTMENT OF CORRECTION  
 EMPLOYEE COMPENSATION REPORT  
 As Required by Section 19 of Act 1071 of 2015

	<u>HOLIDAY</u>	<u>STRAIGHT TIME</u>	<u>OVERTIME</u>	<u>HAZARDOUS DUTY</u>
CURRENT LIABILITY AS OF JUNE 30, 2016	<u>\$584,683.62</u>	<u>\$220,877.54</u>	<u>\$168,762.01</u>	<u>\$0.00</u>
PROJECTED LIABILITY FOR FISCAL YEAR 2017	<u>4,650,000.00</u>	<u>3,350,000.00</u>	<u>650,000.00</u>	<u>7,100,000.00</u>
LESS ESTIMATED SALARY SAVINGS	<u>5,234,683.62</u>	<u>0.00</u>	<u>818,762.01</u>	<u>7,100,000.00</u>
TOTAL ESTIMATED BANKED LIABILITY AS OF JUNE 30, 2017	<u>\$0.00</u>	<u>\$3,570,877.54</u>	<u>\$0.00</u>	<u>\$0.00</u>

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1MJ County Jail Reimbursement	26,069,399	0	13,753,607	0	19,661,227	0	13,453,607	0	13,453,607	0	13,453,607	0	13,453,607	0	13,453,607	0	13,453,607	0
2ZV Work Release Cash	2,973,474	0	6,195,920	0	7,238,920	0	5,695,920	0	8,046,162	0	8,046,162	0	5,695,920	0	8,025,860	0	8,025,860	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	50,883	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
509 Inmate Care & Custody	340,419,754	4,448	350,681,274	4,556	369,072,651	4,602	351,615,496	4,556	361,381,696	4,619	359,681,795	4,579	351,761,574	4,556	363,768,020	4,623	361,895,414	4,579
511 Prison Industry	8,187,429	50	9,860,999	58	11,571,873	58	9,871,645	58	9,998,540	58	9,998,540	58	9,875,617	58	9,999,520	58	9,999,520	58
512 Farm Operations	15,090,507	65	19,110,438	65	20,239,195	65	18,937,594	65	19,547,594	65	19,483,310	63	18,940,323	65	19,465,323	65	19,401,039	63
859 Inmate Welfare Treasury Cash	11,921,250	0	12,976,628	29	13,411,332	29	12,930,805	29	14,430,805	29	14,430,805	29	12,931,800	29	14,681,800	29	14,681,800	29
865 Non-Tax Revenue Receipts	1,931,973	0	2,501,200	0	3,972,500	0	2,501,200	0	2,501,200	0	2,501,200	0	2,501,200	0	2,501,200	0	2,501,200	0
F95 Paws in Prison	63,877	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0
<b>Total</b>	<b>406,708,546</b>	<b>4,562</b>	<b>415,280,066</b>	<b>4,708</b>	<b>445,367,698</b>	<b>4,754</b>	<b>415,206,267</b>	<b>4,708</b>	<b>429,559,604</b>	<b>4,771</b>	<b>427,795,419</b>	<b>4,729</b>	<b>415,360,041</b>	<b>4,708</b>	<b>432,095,330</b>	<b>4,775</b>	<b>430,158,440</b>	<b>4,729</b>

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	14,813,226	3.5	17,143,285	4.0	10,433,100	2.5	10,433,100	2.4	10,433,100	2.5	6,739,726	1.6	3,089,127	0.7	3,089,127	0.7	
General Revenue	4000010	363,195,082	85.7	354,177,392	83.2	362,219,103	85.8	368,822,161	86.1	364,846,225	85.9	362,365,181	86.5	371,035,531	87.5	366,639,756	87.4	
Federal Revenue	4000020	382,489	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Special Revenue	4000030	16,997,001	4.0	20,785,000	4.9	21,896,645	5.2	21,896,645	5.1	21,896,645	5.2	21,900,617	5.2	21,900,617	5.2	21,900,617	5.2	
Cash Fund	4000045	20,191,055	4.8	19,521,660	4.6	20,697,145	4.9	20,697,145	4.8	20,697,145	4.9	21,324,445	5.1	21,324,445	5.0	21,324,445	5.1	
Merit Adjustment Fund	4000055	406,324	0.1	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	5,600,000	1.3	5,600,000	1.3	5,600,000	1.3	5,600,000	1.3	5,600,000	1.3	5,600,000	1.3	5,600,000	1.3	5,600,000	1.3	
DFA Motor Vehicle Acquisition	4000184	177,210	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	1,978,960	0.5	7,385,829	1.7	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	0.2	1,000,000	0.2	1,000,000	0.2	1,000,000	0.2	1,000,000	0.2	1,000,000	0.2	1,000,000	0.2	
M & R Sales	4000340	78,431	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Other	4000370	32,053	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0	
<b>Total Funds</b>		<b>423,851,831</b>	<b>100.0</b>	<b>425,713,166</b>	<b>100.0</b>	<b>421,945,993</b>	<b>100.0</b>	<b>428,549,051</b>	<b>100.0</b>	<b>424,573,115</b>	<b>100.0</b>	<b>419,029,969</b>	<b>100.0</b>	<b>424,049,720</b>	<b>100.0</b>	<b>419,653,945</b>	<b>100.0</b>	
Excess Appropriation/(Funding)		(17,143,285)		(10,433,100)		(6,739,726)		1,010,553		3,222,304		(3,669,928)		8,045,610		10,504,495		
<b>Grand Total</b>		<b>406,708,546</b>		<b>415,280,066</b>		<b>415,206,267</b>		<b>429,559,604</b>		<b>427,795,419</b>		<b>415,360,041</b>		<b>432,095,330</b>		<b>430,158,440</b>		

Variance in fund balance due to unfunded appropriation in appropriations (2ZV) Work Release Cash, (509) Inmate Care & Custody, (511) Prison Industry, (512) Farm Operations, and (859) Inmate Welfare Treasury Cash,

## Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
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	
4,546	4108	321	4429	117	9.63 %	4,794	4138	442	4580	214	13.68 %	4,829	4196	274	4470	359	13.11 %



## **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 \$30 per day for housing inmates sentenced to ADC.

The Agency Request Base Level appropriation totals \$13,453,607 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## 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			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	26,069,399	13,753,607	19,661,227	13,453,607	13,453,607	13,453,607	13,453,607	13,453,607	13,453,607
<b>Total</b>	<b>26,069,399</b>	<b>13,753,607</b>	<b>19,661,227</b>	<b>13,453,607</b>	<b>13,453,607</b>	<b>13,453,607</b>	<b>13,453,607</b>	<b>13,453,607</b>	<b>13,453,607</b>
<b>Funding Sources</b>									
Fund Balance 4000005	11,702	474,130		174,130	174,130	174,130	174,130	174,130	174,130
General Revenue 4000010	26,531,827	13,453,607		13,453,607	13,453,607	13,453,607	13,453,607	13,453,607	13,453,607
<b>Total Funding</b>	<b>26,543,529</b>	<b>13,927,737</b>		<b>13,627,737</b>	<b>13,627,737</b>	<b>13,627,737</b>	<b>13,627,737</b>	<b>13,627,737</b>	<b>13,627,737</b>
Excess Appropriation/(Funding)	(474,130)	(174,130)		(174,130)	(174,130)	(174,130)	(174,130)	(174,130)	(174,130)
<b>Grand Total</b>	<b>26,069,399</b>	<b>13,753,607</b>		<b>13,453,607</b>	<b>13,453,607</b>	<b>13,453,607</b>	<b>13,453,607</b>	<b>13,453,607</b>	<b>13,453,607</b>

**CARRY FORWARD OF ANY REMAINING FUND BALANCES  
FROM FISCAL YEAR 2016 TO FISCAL YEAR 2017**

Agency: Correction Department

Program: County Jail Reimbursement

Act #: 1071 Section(s) #: 9 & 23

Estimated Carry Forward Amount \$ 300,000.00 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 Balance of the County Jail Reimbursements.

**Actual Funding Carry Forward Amount** \$ 474,130.00

**Current status of carry forward funding:**

Funds will be used for County Jail Reimbursements.

Wendy Kelley  
Director

08-10-2016  
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 \$5,695,920 each year of the biennium.

The Agency's Change Level Request totals \$2,350,242 in FY18 and \$2,329,940 in FY19 and consists of the following:

- Operating Expenses of \$219,900 in FY18 and \$302,350 in FY19 including utilities, fuel purchases, mileage, food purchases, firearms, and building maintenance.
- Professional Fees of \$500,000 each year for increases in professional, administrative and legal fees for the work release units.
- Capital Outlay of \$1,630,342 in FY18 and \$1,527,590 in FY19 for the purchase of new equipment for two of the work release units.

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

## Appropriation Summary

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

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,863,034	5,091,770	5,091,770	5,091,770	5,311,670	5,311,670	5,091,770	5,394,120	5,394,120
Conference & Travel Expenses	5050009	3,669	104,150	104,150	104,150	104,150	104,150	104,150	104,150	104,150
Professional Fees	5060010	135	500,000	500,000	500,000	1,000,000	1,000,000	500,000	1,000,000	1,000,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,106,636	500,000	1,543,000	0	1,630,342	1,630,342	0	1,527,590	1,527,590
Debt Service	5120019	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>2,973,474</b>	<b>6,195,920</b>	<b>7,238,920</b>	<b>5,695,920</b>	<b>8,046,162</b>	<b>8,046,162</b>	<b>5,695,920</b>	<b>8,025,860</b>	<b>8,025,860</b>
<b>Funding Sources</b>										
Fund Balance	4000005	6,123,199	6,800,492		4,004,572	4,004,572	4,004,572	1,708,652	0	0
Cash Fund	4000045	3,579,767	3,400,000		3,400,000	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000
M & R Sales	4000340	71,000	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>9,773,966</b>	<b>10,200,492</b>		<b>7,404,572</b>	<b>7,404,572</b>	<b>7,404,572</b>	<b>5,108,652</b>	<b>3,400,000</b>	<b>3,400,000</b>
<b>Excess Appropriation/(Funding)</b>		<b>(6,800,492)</b>	<b>(4,004,572)</b>		<b>(1,708,652)</b>	<b>641,590</b>	<b>641,590</b>	<b>587,268</b>	<b>4,625,860</b>	<b>4,625,860</b>
<b>Grand Total</b>		<b>2,973,474</b>	<b>6,195,920</b>		<b>5,695,920</b>	<b>8,046,162</b>	<b>8,046,162</b>	<b>5,695,920</b>	<b>8,025,860</b>	<b>8,025,860</b>

## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>5,695,920</b>	<b>0</b>	<b>5,695,920</b>	<b>100.0</b>	<b>5,695,920</b>	<b>0</b>	<b>5,695,920</b>	<b>100.0</b>
C01	Existing Program	2,350,242	0	8,046,162	141.3	2,329,940	0	8,025,860	140.9

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>5,695,920</b>	<b>0</b>	<b>5,695,920</b>	<b>100.0</b>	<b>5,695,920</b>	<b>0</b>	<b>5,695,920</b>	<b>100.0</b>
C01	Existing Program	2,350,242	0	8,046,162	141.3	2,329,940	0	8,025,860	140.9

### Justification

C01	The agency request appropriation of \$2,350,242 in FY18 and \$2,329,940 in FY19. The request includes additional operating cost for utilities, fuel and food purchases due to increases in cost and population, additional appropriation for professional fees for emergencies that could arise on medical cost and equipment needs 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. Expenditure of appropriation is contingent upon available funding.

## 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		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					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
<b>Total</b>		<b>0</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	82,496	111,857		111,857	111,857	111,857	111,857	111,857	111,857
Special Revenue	4000030	29,361	25,000		25,000	25,000	25,000	25,000	25,000	25,000
<b>Total Funding</b>		<b>111,857</b>	<b>136,857</b>		<b>136,857</b>	<b>136,857</b>	<b>136,857</b>	<b>136,857</b>	<b>136,857</b>	<b>136,857</b>
Excess Appropriation/(Funding)		(111,857)	(111,857)		(111,857)	(111,857)	(111,857)	(111,857)	(111,857)	(111,857)
<b>Grand Total</b>		<b>0</b>	<b>25,000</b>		<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>



## **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			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	5,890	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	44,993	0	0	0	0	0	0	0	0
<b>Total</b>		<b>50,883</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	51,091	16,695		11,695	11,695	11,695	11,695	11,695	11,695
Cash Fund	4000045	16,487	20,000		25,000	25,000	25,000	25,000	25,000	25,000
<b>Total Funding</b>		<b>67,578</b>	<b>36,695</b>		<b>36,695</b>	<b>36,695</b>	<b>36,695</b>	<b>36,695</b>	<b>36,695</b>	<b>36,695</b>
<b>Excess Appropriation/(Funding)</b>		<b>(16,695)</b>	<b>(11,695)</b>		<b>(11,695)</b>	<b>(11,695)</b>	<b>(11,695)</b>	<b>(11,695)</b>	<b>(11,695)</b>	<b>(11,695)</b>
<b>Grand Total</b>		<b>50,883</b>	<b>25,000</b>		<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>

Expenditure of appropriation is contingent upon available funding

## **Analysis of Budget Request**

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

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

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

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

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

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

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

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

***Health and Correctional Programs*** is responsible for Medical and Mental Health Services, Religious Services, Substance Abuse Treatment Program (SATP) and Reduction of Sexual Victimization Program (RSVP). The Health and Correctional Programs Division also coordinates educational programs provided through the Department of Correction School District, which is accredited and supervised by the Arkansas Department of Education. During the 1999 Legislative Session, responsibility for assessment of sex offenders in prison and living in communities in Arkansas was assigned to ADC. A unit supervised by the Deputy Director of Health and Correctional Programs conducts the assessments as prescribed by the Sex Offender Assessment Committee whose members are appointed by the Governor and prescribed by law;

***Construction and Maintenance*** is responsible for ongoing and preventive 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 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes 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 a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Base Level appropriation totals \$351,615,496 in FY18 and \$351,761,574 in FY19 with general revenue funding of \$348,765,496 in FY18 and \$348,911,574 in FY19; and includes four thousand five hundred fifty-three (4,556) positions.

The Agency's Change Level Request totals \$9,766,200 in FY18 and \$12,006,446 in FY19 with new general revenue funding of \$6,603,058 in FY18 and \$8,670,350 in FY19, and includes the following:

### **Medical Contract Incremental Increases**

The agency request an increase in Professional Fees of \$2,627,122 in FY18 and \$4,274,575 in FY19. The agency is also requesting \$1,000,000 increase in appropriation only in each year of the biennium.

### **Agency General Operations**

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

- Unit Operational Cost - \$1,590,084 in FY18 and \$2,335,784 in FY19 to cover utility, gasoline and diesel, clothing, and general operational cost due to an increase in inmate population.
- Regular Salaries and Personal Services Matching of \$2,789,647 in FY18 and \$2,962,601 FY19 with \$626,505 of additional general revenue funding each year which includes the following:
  1. Restoration of forty four (44) Flex positions (Appropriation Only)
  2. One (1) Lieutenant - (Appropriation Only) - Tucker Unit
  3. One (1) Administrative Specialist I - Delta Unit Maintenance
  4. One (1) Administrative Specialist II - North Central Unit Records Department
  5. Seven (7) Licensed Certified Social Workers
  6. Four (4) Substance Abuse Programs Leaders (Appropriation Only) in FY18 and Eight (8) in FY19.
  7. Five (5) Correctional Corporals - Pine Bluff Unit Complex
- Capital Outlay of \$1,759,347 in FY18 and \$1,433,486 in FY19

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs.

The Executive Recommendation provides for the Agency Request in appropriation with the exception of the following:

1. One (1) Administrative Specialist I - Delta Unit Maintenance
2. One (1) Administrative Specialist II - North Central Unit Records Department
3. Seven (7) Licensed Certified Social Workers
4. Five (5) Correctional Corporals - Pine Bluff Unit Complex
5. Eighteen (18) Flex positions

The Executive Recommendation also reflects a reduction of eight (8) Base Level positions based on the personnel evaluation.

The Executive Recommendation provides for additional general revenue funding of \$2,627,122 in FY18 and \$4,274,575 in FY19.

# 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		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	160,277,704	160,582,860	171,217,279	160,682,168	162,673,091	161,466,435	160,799,468	162,913,443	161,583,935
	<b>#Positions</b>	<b>4,448</b>	<b>4,556</b>	<b>4,602</b>	<b>4,556</b>	<b>4,619</b>	<b>4,579</b>	<b>4,556</b>	<b>4,623</b>	<b>4,579</b>
Extra Help	5010001	82,133	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
	<b>#Extra Help</b>	<b>17</b>	<b>168</b>	<b>168</b>	<b>168</b>	<b>168</b>	<b>168</b>	<b>168</b>	<b>168</b>	<b>168</b>
Personal Services Matching	5010003	59,776,049	61,346,169	65,773,449	62,181,083	62,979,807	62,486,562	62,209,861	63,058,487	62,515,389
Overtime	5010006	646,066	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	54,007,300	55,585,458	56,980,708	55,585,458	57,175,542	57,175,542	55,585,458	57,921,242	57,921,242
Conference & Travel Expenses	5050009	118,551	155,398	155,398	155,398	155,398	155,398	155,398	155,398	155,398
Professional Fees	5060010	61,624,493	65,401,253	65,401,253	65,401,253	69,028,375	69,028,375	65,401,253	70,675,828	70,675,828
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	680,105	0	1,934,428	0	1,759,347	1,759,347	0	1,433,486	1,433,486
JAIL CONTRACTS	5900047	1,228,393	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000
OUT-OF-STATE BEDS	5900048	1,978,960	4,427,136	4,427,136	4,427,136	4,427,136	4,427,136	4,427,136	4,427,136	4,427,136
<b>Total</b>		<b>340,419,754</b>	<b>350,681,274</b>	<b>369,072,651</b>	<b>351,615,496</b>	<b>361,381,696</b>	<b>359,681,795</b>	<b>351,761,574</b>	<b>363,768,020</b>	<b>361,895,414</b>

Funding Sources										
General Revenue	4000010	336,663,255	340,723,785		348,765,496	355,368,554	351,392,618	348,911,574	357,581,924	353,186,149
Federal Revenue	4000020	382,489	0		0	0	0	0	0	0
Cash Fund	4000045	858,351	2,571,660		2,850,000	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000
Merit Adjustment Fund	4000055	406,324	0		0	0	0	0	0	0
DFA Motor Vehicle Acquisition	4000184	127,442	0		0	0	0	0	0	0
General Improvement Fund	4000265	1,978,960	7,385,829		0	0	0	0	0	0
M & R Sales	4000340	2,933	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>340,419,754</b>	<b>350,681,274</b>		<b>351,615,496</b>	<b>358,218,554</b>	<b>354,242,618</b>	<b>351,761,574</b>	<b>360,431,924</b>	<b>356,036,149</b>
Excess Appropriation/(Funding)		0	0		0	3,163,142	5,439,177	0	3,336,096	5,859,265
<b>Grand Total</b>		<b>340,419,754</b>	<b>350,681,274</b>		<b>351,615,496</b>	<b>361,381,696</b>	<b>359,681,795</b>	<b>351,761,574</b>	<b>363,768,020</b>	<b>361,895,414</b>

## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>351,615,496</b>	<b>4,556</b>	<b>351,615,496</b>	<b>100.0</b>	<b>351,761,574</b>	<b>4,556</b>	<b>351,761,574</b>	<b>100.0</b>
C01	Existing Program	6,603,058	14	358,218,554	101.9	8,670,350	14	360,431,924	102.5
C05	Unfunded Appropriation	3,163,142	49	361,381,696	102.8	3,336,096	53	363,768,020	103.4

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>351,615,496</b>	<b>4,556</b>	<b>351,615,496</b>	<b>100.0</b>	<b>351,761,574</b>	<b>4,556</b>	<b>351,761,574</b>	<b>100.0</b>
C01	Existing Program	6,155,328	0	357,770,824	101.8	8,222,620	0	359,984,194	102.3
C05	Unfunded Appropriation	2,644,248	31	360,415,072	102.5	2,694,350	31	362,678,544	103.1
C13	Not Recommended	(493,245)	0	359,921,827	102.4	(543,098)	0	362,135,446	102.9
C19	Executive Changes	(240,032)	(8)	359,681,795	102.3	(240,032)	(8)	361,895,414	102.9

### Justification

C01	Agency request appropriation in the amount of \$6,603,058 in FY18 and \$8,670,350 in FY19. Incremental Medical Contract increases of \$2,627,122 in FY18 and \$4,274,575 in FY19, increases in the amount of \$1,590,084 in FY18 and \$2,335,784 in FY19 for all units for maintenance and operations cost increases in utilities, food cost and fuel, these budgets have not had an increase since FY01 and have seen additions to many facilities due to the inmate population growth, fourteen (14) new positions which includes five (5) new Correctional Officers to staff the new control center in the expansion at the Pine Bluff Unit of 65 additional inmate beds from the renovation of the building that previously housed Centralized Records, one (1) Administrative Specialist I positions for Delta Unit Maintenance, one (1) Administrative Specialist II for the Records Department at North Central and seven (7) new Licensed Certified Social Workers for Mental Health programs the salaries and match for all the positions listed totals \$626,505 for each year of the biennium and lastly the agency request Capital Outlay of \$1,759,347 in FY18 and \$1,433,486 in FY19 for the purchase of new and replacement of outdated equipment.
C05	Agency request unfunded appropriation in the amount of \$3,163,142 in FY18 and \$3,336,096 in FY19. This includes appropriations of \$1,945,616 Salary and Match for forty-four (44) flex positions for each year in the biennium, \$45,029 for one (1) position a Lieutenant at Tucker for each year of the biennium, four (4) Substance Abuse Program Leaders in FY18 and an additional four (4) (a total of 8) in FY19 with corresponding appropriation of \$172,497 in FY18 and \$345,451 in FY19 for salary and match and \$1,000,000 in appropriation each year of the biennium in professional fees for medical contract increases due to inmate population growth.
C19	Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation.

## **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.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes 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 a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Base Level appropriation totals \$9,871,645 in FY18 and \$9,875,617 in FY19 and includes fifty eight (58) positions.

The Agency's Change Level Request totals \$126,895 in FY18 and \$123,903 for FY19 in Capital Outlay for acquisition of new and existing 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			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,723,772	2,022,619	2,151,641	2,023,019	2,023,019	2,023,019	2,026,219	2,026,219	2,026,219
<b>#Positions</b>		<b>50</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>58</b>
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>#Extra Help</b>		<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching	5010003	712,818	773,887	835,739	784,133	784,133	784,133	784,905	784,905	784,905
Overtime	5010006	104	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Operating Expenses	5020002	5,699,833	7,005,213	8,220,213	7,005,213	7,005,213	7,005,213	7,005,213	7,005,213	7,005,213
Conference & Travel Expenses	5050009	8,447	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	42,455	0	305,000	0	126,895	126,895	0	123,903	123,903
<b>Total</b>		<b>8,187,429</b>	<b>9,860,999</b>	<b>11,571,873</b>	<b>9,871,645</b>	<b>9,998,540</b>	<b>9,998,540</b>	<b>9,875,617</b>	<b>9,999,520</b>	<b>9,999,520</b>

Funding Sources										
Fund Balance	4000005	1,971,956	2,091,060		990,061	990,061	990,061	990,061	863,166	863,166
Special Revenue	4000030	8,281,873	8,760,000		9,871,645	9,871,645	9,871,645	9,875,617	9,875,617	9,875,617
DFA Motor Vehicle Acquisition	4000184	23,091	0		0	0	0	0	0	0
M & R Sales	4000340	1,569	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>10,278,489</b>	<b>10,851,060</b>		<b>10,861,706</b>	<b>10,861,706</b>	<b>10,861,706</b>	<b>10,865,678</b>	<b>10,738,783</b>	<b>10,738,783</b>
Excess Appropriation/(Funding)		(2,091,060)	(990,061)		(990,061)	(863,166)	(863,166)	(990,061)	(739,263)	(739,263)
<b>Grand Total</b>		<b>8,187,429</b>	<b>9,860,999</b>		<b>9,871,645</b>	<b>9,998,540</b>	<b>9,998,540</b>	<b>9,875,617</b>	<b>9,999,520</b>	<b>9,999,520</b>

## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>9,871,645</b>	<b>58</b>	<b>9,871,645</b>	<b>100.0</b>	<b>9,875,617</b>	<b>58</b>	<b>9,875,617</b>	<b>100.0</b>
C01	Existing Program	126,895	0	9,998,540	101.3	123,903	0	9,999,520	101.3

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>9,871,645</b>	<b>58</b>	<b>9,871,645</b>	<b>100.0</b>	<b>9,875,617</b>	<b>58</b>	<b>9,875,617</b>	<b>100.0</b>
C01	Existing Program	126,895	0	9,998,540	101.3	123,903	0	9,999,520	101.3

### Justification

C01	The agency is request appropriation of \$126,895 in FY18 and \$123,903 in FY19. This includes Capital Outlay only and will allow the Industry program to make purchases of new and replacement equipment.
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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 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes 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 a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Base Level appropriation totals \$18,937,594 in FY18 and \$18,940,323 in FY19 and includes sixty five (65) positions.

The Agency's Change Level Request totals \$610,000 in FY18 and \$525,000 in FY19 for Capital Outlay to purchase new and replacement equipment.

The Executive Recommendation provides for Agency Request in appropriation. Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects two (2) position reductions based on the personnel evaluation.

# Appropriation Summary

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

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,543,623	2,633,861	2,597,733	2,635,461	2,635,461	2,591,807	2,637,661	2,637,661	2,594,007
<b>#Positions</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>63</b>	<b>65</b>	<b>65</b>	<b>63</b>
Extra Help 5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>#Extra Help</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching 5010003	942,238	951,956	963,889	965,512	965,512	944,882	966,041	966,041	945,411
Operating Expenses 5020002	10,895,430	14,495,257	14,500,209	14,495,257	14,495,257	14,495,257	14,495,257	14,495,257	14,495,257
Conference & Travel Expenses 5050009	4,263	53,010	53,010	53,010	53,010	53,010	53,010	53,010	53,010
Professional Fees 5060010	124,327	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	229,256	188,000	1,336,000	0	610,000	610,000	0	525,000	525,000
Purchase Cattle/Meat 5900047	351,370	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000
<b>Total</b>	<b>15,090,507</b>	<b>19,110,438</b>	<b>20,239,195</b>	<b>18,937,594</b>	<b>19,547,594</b>	<b>19,483,310</b>	<b>18,940,323</b>	<b>19,465,323</b>	<b>19,401,039</b>

Funding Sources									
Fund Balance 4000005	1,939,760	1,163,084		652,646	652,646	652,646	315,052	0	0
Special Revenue 4000030	8,685,767	12,000,000		12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Budget Stabilization Trust 4000130	5,600,000	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	26,677	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	1,387	0		0	0	0	0	0	0
<b>Total Funding</b>	<b>16,253,591</b>	<b>19,763,084</b>		<b>19,252,646</b>	<b>19,252,646</b>	<b>19,252,646</b>	<b>18,915,052</b>	<b>18,600,000</b>	<b>18,600,000</b>
<b>Excess Appropriation/(Funding)</b>	<b>(1,163,084)</b>	<b>(652,646)</b>		<b>(315,052)</b>	<b>294,948</b>	<b>230,664</b>	<b>25,271</b>	<b>865,323</b>	<b>801,039</b>
<b>Grand Total</b>	<b>15,090,507</b>	<b>19,110,438</b>		<b>18,937,594</b>	<b>19,547,594</b>	<b>19,483,310</b>	<b>18,940,323</b>	<b>19,465,323</b>	<b>19,401,039</b>

## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>18,937,594</b>	<b>65</b>	<b>18,937,594</b>	<b>100.0</b>	<b>18,940,323</b>	<b>65</b>	<b>18,940,323</b>	<b>100.0</b>
C01	Existing Program	610,000	0	19,547,594	103.2	525,000	0	19,465,323	102.8

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>18,937,594</b>	<b>65</b>	<b>18,937,594</b>	<b>100.0</b>	<b>18,940,323</b>	<b>65</b>	<b>18,940,323</b>	<b>100.0</b>
C01	Existing Program	610,000	0	19,547,594	103.2	525,000	0	19,465,323	102.8
C13	Not Recommended	(20,630)	0	19,526,964	103.1	(20,630)	0	19,444,693	102.7
C19	Executive Changes	(43,654)	(2)	19,483,310	102.9	(43,654)	(2)	19,401,039	102.4

### Justification

C01	The agency request appropriation of \$610,000 in FY18 and \$525,000 in FY19. This request is for capital outlay for the Farm program to purchase new and replacement equipment.
C19	Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation.

## **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 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes 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 a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Base Level appropriation totals \$12,930,805 in FY18 and \$12,931,800 in FY19 and includes twenty nine (29) positions.

The Agency's Change Level Request appropriation of \$1,500,000 in FY18 and \$1,750,000 in FY19 which includes the following:

- Operating Expenses of \$1,000,000 in FY18 and \$1,250,000 in FY19 for inflationary operating cost increases.
- Capital Outlay of \$500,000 in each year of the biennium for anticipated needs for unit expansions.

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		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	809,827	795,228	809,927	809,927	809,927	810,727	810,727	810,727
<b>#Positions</b>		<b>0</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>
Personal Services Matching	5010003	0	337,841	337,144	341,918	341,918	341,918	342,113	342,113	342,113
Operating Expenses	5020002	11,921,250	11,778,960	11,778,960	11,778,960	12,778,960	12,778,960	11,778,960	13,028,960	13,028,960
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	50,000	500,000	0	500,000	500,000	0	500,000	500,000
<b>Total</b>		<b>11,921,250</b>	<b>12,976,628</b>	<b>13,411,332</b>	<b>12,930,805</b>	<b>14,430,805</b>	<b>14,430,805</b>	<b>12,931,800</b>	<b>14,681,800</b>	<b>14,681,800</b>
<b>Funding Sources</b>										
Fund Balance	4000005	3,705,740	4,933,957		4,157,329	4,157,329	4,157,329	3,426,524	1,926,524	1,926,524
Cash Fund	4000045	13,149,467	12,200,000		12,200,000	12,200,000	12,200,000	12,500,000	12,500,000	12,500,000
<b>Total Funding</b>		<b>16,855,207</b>	<b>17,133,957</b>		<b>16,357,329</b>	<b>16,357,329</b>	<b>16,357,329</b>	<b>15,926,524</b>	<b>14,426,524</b>	<b>14,426,524</b>
Excess Appropriation/(Funding)		(4,933,957)	(4,157,329)		(3,426,524)	(1,926,524)	(1,926,524)	(2,994,724)	255,276	255,276
<b>Grand Total</b>		<b>11,921,250</b>	<b>12,976,628</b>		<b>12,930,805</b>	<b>14,430,805</b>	<b>14,430,805</b>	<b>12,931,800</b>	<b>14,681,800</b>	<b>14,681,800</b>

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		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>12,930,805</b>	<b>29</b>	<b>12,930,805</b>	<b>100.0</b>	<b>12,931,800</b>	<b>29</b>	<b>12,931,800</b>	<b>100.0</b>
C01	Existing Program	1,500,000	0	14,430,805	111.6	1,750,000	0	14,681,800	113.5

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>12,930,805</b>	<b>29</b>	<b>12,930,805</b>	<b>100.0</b>	<b>12,931,800</b>	<b>29</b>	<b>12,931,800</b>	<b>100.0</b>
C01	Existing Program	1,500,000	0	14,430,805	111.6	1,750,000	0	14,681,800	113.5

### Justification

C01	The agency request appropriation of \$1,500,000 in FY18 and \$1,750,000 in FY19. This includes increases for Operation Expenses and Capital Outlay due to inflationary operating cost increases, population growth and unit expansions.								
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## **Analysis of Budget Request**

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

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

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

The Agency Request Base Level appropriation of \$2,501,200 in each year of the biennium.

The Executive Recommendation provides for Agency Request.

## 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		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,069,542	601,000	1,480,500	601,000	601,000	601,000	601,000	601,000	601,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	48,112	30,000	200,000	30,000	30,000	30,000	30,000	30,000	30,000
Construction	5090005	727,156	1,870,200	1,992,000	1,870,200	1,870,200	1,870,200	1,870,200	1,870,200	1,870,200
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	87,163	0	300,000	0	0	0	0	0	0
<b>Total</b>		<b>1,931,973</b>	<b>2,501,200</b>	<b>3,972,500</b>	<b>2,501,200</b>	<b>2,501,200</b>	<b>2,501,200</b>	<b>2,501,200</b>	<b>2,501,200</b>	<b>2,501,200</b>
<b>Funding Sources</b>										
Fund Balance	4000005	854,783	1,510,255		309,055	309,055	309,055	0	0	0
Cash Fund	4000045	2,585,903	1,300,000		2,192,145	2,192,145	2,192,145	2,501,200	2,501,200	2,501,200
M & R Sales	4000340	1,542	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>3,442,228</b>	<b>2,810,255</b>		<b>2,501,200</b>	<b>2,501,200</b>	<b>2,501,200</b>	<b>2,501,200</b>	<b>2,501,200</b>	<b>2,501,200</b>
Excess Appropriation/(Funding)		(1,510,255)	(309,055)		0	0	0	0	0	0
<b>Grand Total</b>		<b>1,931,973</b>	<b>2,501,200</b>		<b>2,501,200</b>	<b>2,501,200</b>	<b>2,501,200</b>	<b>2,501,200</b>	<b>2,501,200</b>	<b>2,501,200</b>

## **Analysis of Budget Request**

**Appropriation:** F95 - Paws in Prison

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

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

The Agency Request Base Level appropriation of \$150,000 in each year of the biennium.

The Executive Recommendation provides for 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		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Miscellaneous CI 46	5900046	63,877	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Total		63,877	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
<b>Funding Sources</b>										
Fund Balance	4000005	72,499	41,755		21,755	21,755	21,755	1,755	1,755	1,755
Cash Fund	4000045	1,080	30,000		30,000	30,000	30,000	48,245	48,245	48,245
Other	4000370	32,053	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding		105,632	171,755		151,755	151,755	151,755	150,000	150,000	150,000
Excess Appropriation/(Funding)		(41,755)	(21,755)		(1,755)	(1,755)	(1,755)	0	0	0
Grand Total		63,877	150,000		150,000	150,000	150,000	150,000	150,000	150,000