

DEPARTMENT OF CORRECTION

Enabling Laws

Act 1291 of 2007
A.C.A. §12-27-101 et seq.

History and Organization

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

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

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

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

- **Administrative Services** provides procurement, accounting, human resources, research, and information technology support to all operational units of the ADC while ensuring agency compliance with state and federal accounting, budgetary and personnel procedures;
- **Institutional Services** oversees various Institutions, Inmate Grievances, Work Release Programs, Regional Jails, Transportation Services, Accreditation, Classification and Emergency Preparedness and also coordinates Vocational Education programs provided by Riverside Vocational School through the Department of Workforce Education;
- **Operations** oversees various institutions, directs the Agriculture and Industry Programs, the County Jail Contracts Program (Act 309) and inmate grievances;
- **Health and Correctional Programs** is responsible for Medical and Mental Health Services, Religious Services, Substance Abuse Treatment Program (SATP) and Reduction of Sexual Victimization Program (RSVP). The Health and Correctional Programs Division also coordinates educational programs provided through the Department of Correction School District, which is accredited and supervised by the Arkansas Department of Education. During the 1999 Legislative Session, responsibility for assessment of sex offenders in prison and living in communities in

Arkansas was assigned to ADC. A unit supervised by the Deputy Director of Health and Correctional Programs conducts the assessments as prescribed by the Sex Offender Assessment Committee whose members are appointed by the Governor and prescribed by law;

- **Construction and Maintenance** is responsible for ongoing and preventative maintenance programs at the various units and design and construction projects for the department. Construction of facilities is often completed with inmate labor, which costs substantially less than free-world labor.

Correction Facilities of the ADC include:

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

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

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

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

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

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

Randall L. William's Correctional Facility - Capacity 498 (also operating 44 temporary beds). Special Operations include Expanded Intake, Regional Maintenance, SATP and Assisted Living Program (Geriatrics/Medical).

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

McPherson Unit - Capacity 800 (female inmates - also operating 85 temporary beds) - Special Operations include Female Inmate Intake, Substance Abuse Treatment Program, Education, Vo-Tech, Parenting, College, Principle Application Life Skills (PALS), Pre-Release, SPU (mental health), AA/NA programs, Anger Management, My Watch, Story Book Project, Quilts for Babies, Locks of Love, Gardening Program, and Industry Program.

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

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

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

Ouachita River Correctional Facility - Capacity 948. Special Operations include Regional Maintenance, Construction, Education, RSVP, Livestock and Hay operations.

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

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

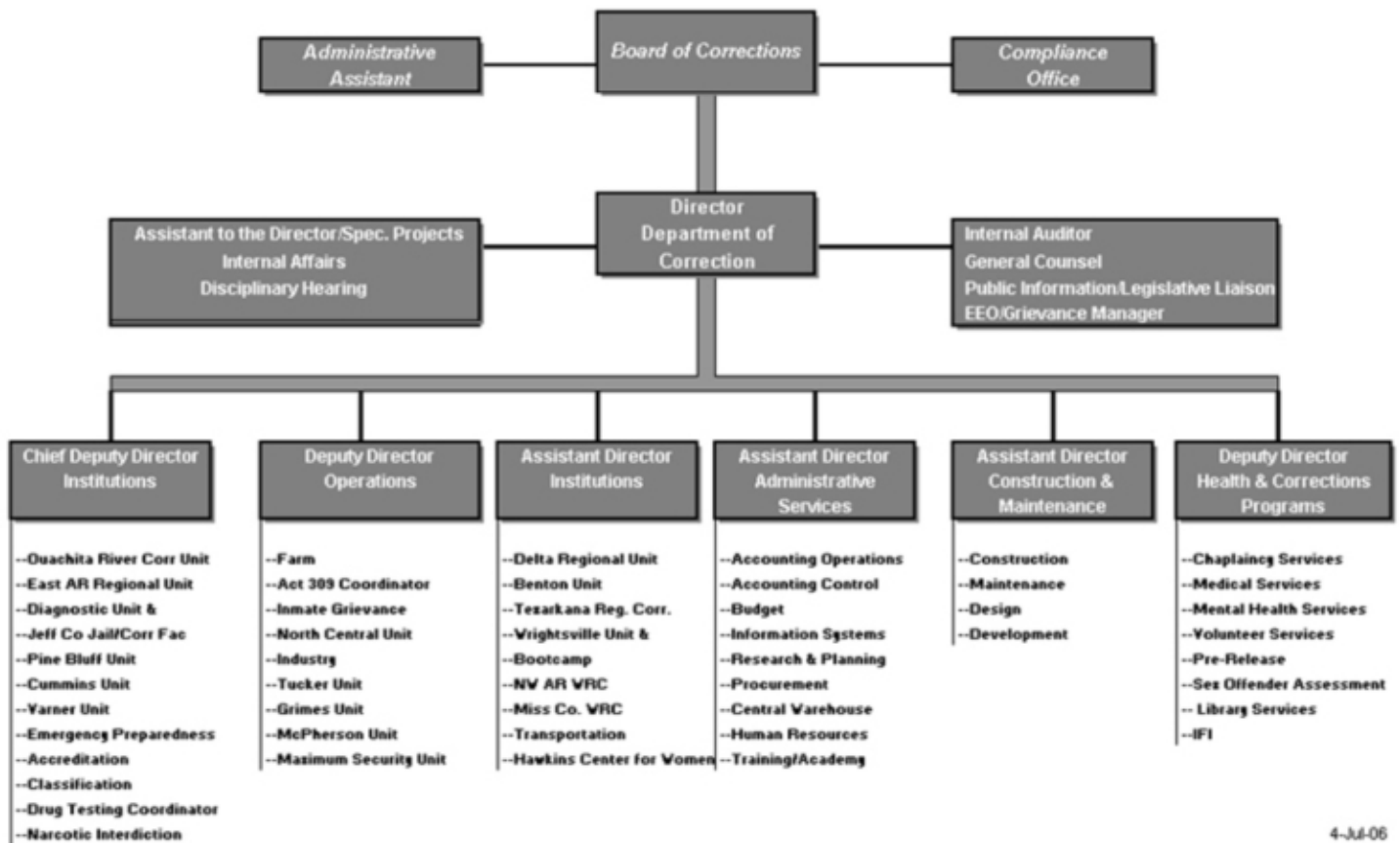
Tucker Unit - Capacity 796 (also operating 54 temporary beds) - Special Operations include Substance Abuse Treatment Program, Education, Vocational Education and an InnerChange Freedom Initiative program. Farm and Agriculture program includes Field and Edible Crops. Industry Programs include Mattress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

Varner Unit - Capacity 1,556 (also operating 50 temporary beds) - Special Operations include a 456-bed Super Max Unit that includes Death Row, Regional Maintenance, SATP, Education, Vocational Education and PASS Program (Prisoners of Arkansas Striving for Success). Agricultural Programs include a Vegetable Processing Plant and Field and Edible Crops. The Super Max addition was specially designed for enhanced security by restricting movement of the most violently classified inmates.

Wrightsville Unit - Capacity 850 - Special Operations include Regional Maintenance, SATP, Education, Therapeutic Community, Braille Program and Pre-Release programs. Also includes Beef Production Agricultural Program and Industry Programs: Graphic Arts, Data Imaging, and Furniture Manufacturing.

- Boot Camp Program - Capacity - 212 - Boot Camp (138 male/24 female) and 50 Work Release/Industry program beds for females - Military style boot camp for first time, non-violent Inmates, Education, and Work Release for female inmates.
- J. Aaron Hawkins, Sr. Center for Women - Capacity 212 - Special Operations include Education, Substance Abuse Treatment Program, Inner Change Freedom Initiative, Special Programs Unit, Event Start Family Literacy Program, and Parenting Classes.

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



4-Jul-06

Agency Commentary

Like many other successful organizations, the 2008-2013 Arkansas Department of Correction (ADC) Strategic Plan provides us with an operational framework and a systematic approach to addressing existing problems, making objective decisions about what is needed, and implementing strategies needed to accomplish Goals and Objectives. All Biennial Budget Requests submitted conform to our Agency Goals, which are:

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

Operating appropriations provide for administrative and executive staff, security staffing for all correctional programs, comprehensive health care and correctional programs, general and preventative maintenance on over \$700 million of buildings, grounds, and equipment, extensive farming, industry, and work release programs and ancillary activities such as operation of inmate commissaries. Keeping with the Governor's direction, the Agency request is for only necessary incremental and inflationary operating costs including health care services for existing facilities and programs and for operation of new beds opening in FY10 at the Ouachita River Special Needs Unit. In addition to extraordinary increases in operating costs as a result of increases in fuel costs, growth of the prison system can be attributed to growth in the inmate population. And the growth in the inmate population is contingent on numerous factors beyond our control. This assertion is supported by a recent study by ADC Research and Planning that looked at various factors having an impact on prison population growth including the number of cases filed in state circuit courts, admissions by judicial districts and counties, state population growth, recidivism rates, and sentence length versus time served. We found that while inmates on average are receiving shorter sentences (115 months in FY93 versus 106 months in FY07), they are serving more time in prison (28 months versus 33 months, respectively). The Pew Charitable Trust conducted a national study of incarceration trends for 2007 reflecting that Arkansas fell in the second highest group of states in prison growth with an incarceration growth rate of 4.3%. ADC has no control over who is sentenced to or released from incarceration.

Currently the inmate population growth is increasing at an alarming rate and the number of inmates backed up in the county jails has exceeded 1,100, a level that places a significant burden on county jail operations. During Calendar Year 2007, the inmate population increased by 587, an average growth of 49 inmates per month. Over the past ten years, the average inmate population growth has been 34 per month, or 408 inmates per year. A portion of the ADC Biennial Request is based on this projected growth rate of 34 inmates per month, even though through July 2008, the growth rate has doubled.

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

INMATE CARE AND CUSTODY - GENERAL REVENUE - General Revenue funded requests total \$44,106,375 for FY10 and \$51,034,774 for FY11. These requests are summarized as follows:

- ◆ **Incremental Increases - Health Care Services** - Increases in the Professional Fees and Services line item total \$13,768,803 for FY10 and \$12,936,914 for FY11. The request includes:
 - **Health Care Services** - Faced with an escalating cost of maintaining a "risk pool" to cover off-site and/or contracted health care costs incurred by Corrections Medical Services (CMS) based on an Aggregate Cap pricing model, the Board of Corrections appointed a committee to negotiate for a new blended rate for both ADC and DCC. Negotiations with CMS produced a new pricing model approved by the Board that requires CMS to assume full financial responsibility for all offsite and contracted services. The FY10 per diem proposed is \$313.66 per day per inmates housed at an ADC facility and \$106.04 for Act 309 contract inmates. The FY11 per diem is \$345.03 and \$115.64 respectively. The negotiations also require annual incremental increases based on the Milliman Health Cost Index computation, an independent report generally accepted to reflect healthcare cost changes. The computation projects the cost increase at 10% from FY10 to FY11.
 - **Medical Risk Pool Supplement** - Since FY04, ADC/DCC has maintained a "risk pool" to cover off-site and/or contracted health care costs incurred by CMS above an annual aggregate cap. The

risk pool was initially established as a means of reducing the initial contract bid rate. As explained above, ADC has negotiated a per diem rate for FY10 and FY11 that eliminates the need to maintain a risk pool and eliminate our being in a position of exceeding available funding/appropriation. However, for the first year of the biennium, costs above the aggregate cap incurred in FY09 will still be payable. Based on our costs for the past three years, we estimate ADC's portion of this cost to be \$6,000,000.

- ◆ **Restore Ouachita River Special Needs Unit Operations** - This project was initially authorized during the 2005 Legislative Session, and subsequently a bond issue was authorized in November of 2005 to provide funding to construct the Special Needs Unit addition to the Ouachita River Correctional Unit. This facility is scheduled to be completed during FY10 and the Biennial Request needed to operate this unit is summarized as follows:
 - **Phase I** - 448 Special Programs Unit Beds, 42 Hospital Beds, 40 Habilitation Beds, and 30 Hospice Beds are scheduled for completion in August 2009. The request includes 237 positions and related start-up and operating expenses totaling \$15,045,025 in FY10 and \$16,262,994 in FY11.
 - **Phase II** - An expanded 294 Bed Intake and Diagnostic Facility is scheduled for completion during February 2010. 70 positions and related start-up and operating expenses are needed for eight (8) months of FY10 and for twelve (12) months of FY11. The request totals \$4,441,187 in FY10 and \$6,750,243 in FY11.
 - **Equipment** - Equipment needed to open the above two phases totals \$950,955 in FY10 and \$555,405 in FY11.
- ◆ **Maintenance and Operational Adjustments** - The Agency Request for overall M&O increases total \$6,187,005 in FY10 and \$11,936,105 in FY11. Given the current economic times, ADC has experienced significant growth in utility and operational expenses for necessities such as fuel, natural gas, electricity, trash, telephone, postage, clothing, linens, vehicle maintenance, and food. We are requesting significant increases for these line items for all facilities to ensure we are able to meet cost requirements demonstrated as follows:
 - **Electricity** - The Biennial Budget Request is based on a 10% increase for electricity in FY10 and an additional 15% for FY11. The average rate of increase over the past four years has been 10%, but with the volatility of the market, higher inflationary increases are projected. Expenditures for electricity in FY04 totaled \$4.15 million and \$6.2 million for FY08 which is an increase of \$2.05 million over this period. Electric Utilities normally use natural gas fired generators to provide electricity for the peak demand periods on a temporary basis and with the cost for this fuel climbing to new levels along with oil prices, we believe that rates will rise accordingly to cover the increased cost of producing this commodity.
 - **Natural Gas** - A 25% increase in FY10 and an additional 15% in FY11 for natural gas expenditures is projected. Currently, the natural gas market has attached itself to the rise in oil prices and the current rate for this commodity is around \$12.00/Mmbtu (Million Metric British Thermal Unit). Prior to Hurricane Katrina, ADC was paying around \$8.00/Mmbtu after which the rate climbed up to \$18.00/Mmbtu prior to the price falling in the Spring of 2006. We have had contracts locking in the price for FY07 at \$8.00/Mmbtu plus transmission cost and \$6.94/Mmbtu plus transmission cost for FY08, but as stated above the market is currently around \$12.00/Mmbtu

and our request for the FY08/09 Biennium was for a rate of \$8.00/Mmbtu. This is a conservative request while attempting to ensure adequate resources for operations.

- **Fuel Purchases** - The FY08/09 Biennial Request assumed gasoline would be approximately \$2.50/gallon, and at the time of the request, the price was approximately \$2.00/gallon. The Biennial Request projects this commodity will increase to \$5.00/gallon by FY10 and \$5.75 by FY11. This is consistent with what we understand other agencies, including the State Police, are going to request for fuel increases.

The following chart reflects expenditures for prior years for the above commodities.

Arkansas Department of Correction					
Utilities Analysis					
For Fiscal Years FY 2004-2007					
	FY04	FY05	FY06	FY07	FY08
	Total	Total	Total	Total	Total
	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures
Electricity	4,149,140	4,947,990	5,646,781	6,196,772	6,272,941
Natural Gas	3,943,864	4,321,508	6,342,424	5,284,396	5,037,974
Fuel Purchases	644,783	838,084	1,374,098	1,429,481	2,046,600

Other M&O increases include:

- Warehouse and food costs totaling \$2,815,000 in FY10 and \$5,630,000. These increases are needed for the increased costs of goods and food averaging 24% over the past two years. Part of the increase is due to the rising cost of fuel needed to transport these items to the units. Items are purchased in bulk at lower costs and distributed to the units by warehouse staff. Previous analysis of drop shipments to each unit direct from vendors versus the way we purchase and deliver is substantially higher.
- Maintenance of the Sex Offender Notification System - the Request is for \$44,500 each year for ADC's portion of maintaining the sex offender notification system under contract with Appriss in cooperative development with ACIC and DCC utilizing federal grant funding.
- M&O Software Licensing - \$200,000 each year. This Request is needed due to the increased number of desktop computers issued to employees. Over the past few years, we have greatly expanded our PC network for a wide range of needs to include the Chaplaincy program, AASIS, medical and mental health services personnel utilizing the eOMIS medical records systems, entrance monitoring, and the Construction and Maintenance Division Total Maintenance System (TMS). We have almost 2,800 users as compared to only around 1,000 just five years ago. These costs are mandatory to stay in compliance with Microsoft and in order to comply with State IT policies.
- Entrance Monitoring Project - \$165,000 in FY10 and \$181,500 in FY11. This Request will enable us to secure equipment and supplies to implement entrance monitoring of all ADC institutions.
- ◆ **Additional Priority Staffing** - A very conservative request for four (4) additional priority positions are requested for critical needs throughout the Agency. These are summarized as follows:

- **Internal Auditor** - The internal audit function is important to any organization. ADC currently only has one lower level Internal Auditor to provide financial, compliance, and operational audits in accordance with accepted professional standards. ADC has grown to the extent that it is impossible for one position to sufficiently audit/test Agency processes and accurately interpret results against defined criteria. Currently, each state agency is required to perform a risk assessment once every two years according to the DFA Management Guide (R1-19-4-505). ADC's Risk Assessment is currently prepared by the Administrative Services Division, and we believe this function should be handled by an Internal Auditor to provide an appropriate check and balance for the Agency. The lack of sufficient internal audit support has been noted by the Division of Legislative Audit in past audit reports. This Request is for an Internal Auditor, preferably a CPA that can coordinate all of the current audit functions of the agency and assume the Agency Risk Assessment Process to bring us in line with standard audit practices.
- **Records Retention Coordinator** - In 2007, The State Electronic Record Management Guidelines were adopted as required by statute. These guidelines require state agencies that use electronic mail to set up or modify email systems to facilitate electronic records management. They also require that all retained email should be organized and stored in such a way where it can be easily retrieved when needed. This Request would provide a records retention coordinator and funding for software and a server to accomplish this requirement.
- **Varner Supermax Chief Security Officer** - Currently the 1,606-bed Varner Unit including the Supermax facility only has one Chief of Security responsible for observing all activities of officers assigned to the building and ensuring they are enforcing unit rules and maintaining proper procedures. While the Supermax (456 beds) is attached to the original Varner Unit (1,150 beds), it is operated and managed according to different standards and procedures because of the more violent inmates housed there. This position is needed to ensure accountability for the Supermax and will help reduce the number of assaults against staff.
- **NW Arkansas Work Release COII** - An additional security officer was previously requested for this unit to provide sufficient staffing for existing posts and enable relief for existing officers. This biennium additional responsibilities were placed on this unit when our policy changed eliminating inmate van drivers, resulting in officers being pulled from shifts to assist with transportation at this unit. This position would enable us to routinely schedule two officers for each shift and eliminate inmates being left unsupervised.
- ◆ **Position Reauthorization/Flex** - We are requesting reauthorization of 104 existing flex positions for the FY2009-2011 Biennium to enable us to respond to unforeseen situations and to correct inequities within the system as may be required. We need the flexibility to quickly take care of security issues that may occur. In the past, we have utilized flex pool positions to meet federally imposed mandates. We have a significant number of staff on military and family medical leave and utilize flex positions to keep staffing at necessary levels. Flex positions also assist us in keeping more of our budgeted positions filled as they can be advertised prior to employee departures. No additional funding is requested for any of the flex positions.
- ◆ **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. Included within the request is \$600,000 each year

to meet obligations to Jefferson County for purchase of the jail facility attached to what is now the Randall L. Williams Correctional Facility. This Request totals \$3,126,578 in FY10 and \$2,130,152 in FY11.

County Jail Reimbursements - General Revenue

In the event ADC cannot accept inmates from county jails due to insufficient bed space, ADC reimburses the counties from the County Jail Reimbursement Fund at rates determined by the Chief Fiscal Officer of the State, after consultation with the Division of Legislative Audit and ADC and upon approval of the Governor, until the appropriation and funding provided for that purpose are exhausted as stipulated in A.C.A. §12-27-114. ADC serves as disbursing officer for this separate Revenue Stabilization fund and currently pays county jails \$28 per day for housing inmates sentenced to ADC. Based on the average increase in the inmate population of 34 inmates per month over the past 15 years and assuming that beds will open at the Malvern Special Needs Unit as requested, ADC projects that an additional \$8.1 million in FY10 and \$5.4 million in FY11 will be needed to pay county jails for housing inmates.

WORK RELEASE

Eligible inmates of the department are employed in the community while residing in correctional facilities. The ADC coordinates employment opportunities for 498 inmates in work release programs located in Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. Fees received from work release participants reduce the operational costs of the program. The Biennial Request for Work Release Operations includes additional operating costs increases for utilities, postage, vehicle fuel, maintenance, clothing, etc., additional operational appropriation for unforeseen needs, new and replacement equipment, and applicable costs to support one additional correctional officer position requested from the ICC appropriation.

FARM PROGRAM

The agricultural operation of the ADC provides fresh and frozen vegetables, meat, milk and eggs which are consumed by the inmate population and generates revenue by selling products such as soybeans, rice, cotton and wheat. The primary goal of the Farm program is to provide useful and meaningful work for inmates, produce sufficient cost-effective food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock. A Vegetable Processing facility is located at the Varner Unit and annually sends approximately 1.2 million pounds of vegetables for inmate consumption. A Cold Storage facility located at the Cummins Unit provides beef and pork products to all units for consumption. A state of the art Creamery operation is also located at the Cummins Unit and provides milk and juice products. Inmate consumption totaled \$7.2 million in FY08. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY08 cash crop sales totaled just over \$8.8 million. The Farm Program provides jobs for approximately 400 inmates. The Biennial Request is for three additional positions for program expansions to include 1) Tucker Assistant Head Farm Manager to supervise all operations as well as to oversee the new farm irrigation project, 2) North Central Agriculture Unit Supervisor for a garden and apple orchard operation, and 3) Ouachita River Correctional Unit Agriculture Unit Supervisor for overall farm operations that include a tomato and other garden crops as well as for a purebred cattle program and additional operational appropriation for various needs.

INDUSTRY PROGRAM

Correctional Industries exists as a self-supporting operation within the ADC and is funded by special revenues generated by the sale of products to public agencies and nonprofit organizations. The primary goal of the Industries program is to administer and operate the various industry programs in an efficient and cost-effective manner that provides inmates with productive and significant training opportunities.

More than 500 inmates participate in the various work programs. Principal operations include printing and graphic arts, janitorial products, garment, mattress, school bus/fire truck repair, furniture manufacturing refinishing, 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. FY08 sales totaled just over \$8.9 million. The Biennial Request for the Industries program provides for additional operational appropriation for the various existing industry programs.

INMATE WELFARE FUND

Self-supported Pen Store operations within institutions provide the opportunity for inmates to purchase various commissary supplies such as hygiene items, paper, and stamps as well as various snack foods. A centralized banking system manages inmate funds, and the profits from the stores are used to purchase items that benefit inmates such as tables and chairs for visitation, televisions, and recreational equipment for inmate use. The Biennial Request for this cash fund operation includes inflationary operating costs increases and anticipated needs for unit expansions.

NON-REVENUE RECEIPTS

Funds for this appropriation are derived from operation of an inmate collect calling system that began in the 1995-97 Biennium. The system allows inmates the opportunity to call family or friends and provides revenues that are used to fund inmate assistance, security equipment, long-term needs that enhance quality of life in the institutions, and general operations. The Biennial Request will provide various operational and construction appropriations needed to provide flexibility in funding priority projects.

CUMMINS FIRE STATION-CASH FUNDS

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

UAMS JUVENILE ASSESSMENT-SPECIAL REVENUES

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

FEDERAL PROGRAMS

Funding for this appropriation accommodates multiple Federal Program Grants. Currently, there is a grant pending with the Federal Bureau of Justice to be used for enhancement of the Statewide Automated Victim Information and Notification Program (SAVIN).

SPECIAL LANGUAGE

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

- ◆ Continuation of Contingent Positions for Medical Services that would only be used in the event we must discontinue our current medical contract.
- ◆ Deletion of Special Language requiring a specified methodology for calculating an Inmate Cost Study as this effort requires a significant amount of staff time to complete, and we do not believe the report has been of value in terms of public policy decisions. Since 1988, ADC has completed and will continue to complete a cost study utilizing a preferred methodology, and this is valuable to us in

evaluating our cost increases from year to year. There is not a standard methodology that is utilized to calculate cost per day by other correctional jurisdictions and therefore is not useful in making comparisons with other entities. In addition, cost per day for each state is no longer collected and published by the Criminal Justice Institute for this reason.

- ◆ Deletion of Special Language restricting funding for new or additional positions. As written, this language has conflicting provisions that required interpretation by the Chief Fiscal Officer of the State and Arkansas Legislative Council. We believe the intent of this language was to prohibit ADC from spending funding provided for new positions for other purposes, but as interpreted, the set aside is simply the difference in salary budgets from one year to the next which also includes pay plan increases. And, any funding or appropriation reallocated for purposes other than provided must first have approval of the ADC Board, the Chief Fiscal Officer and Governor, and the Arkansas Legislative Council. We believe these checks and balances make this language duplicative and unnecessary. For several years now, ADC has utilized salary savings to pay straight time balances of officers which are not funded by the State, holiday banked balances as officers are unable to take off holidays because of our vacancy rates, and MIPS bonuses that are already authorized to be paid from salary savings.
- ◆ New Special Language to assist in recruitment and retention efforts by allowing ADC to make bonus payments of \$3,000 after three (3) years and \$5,000 after five (5) years to correctional officers. In 2007, a report reflected that 1,632 of 2,632 or 62% of employees classified as security (COI - Major) had less than 5 years of service. It also reflected that we lose most employees within the first year and it decreases after 5 years. This proposal is an attempt to entice new officers to stay though five years, and at that time, we believe we have a better chance of retaining them.
- ◆ New Special Language to assist in recruitment and retention efforts by allowing ADC to hire high school graduates who have completed a Correctional/Law Enforcement Officer Provisional Certification Program in conjunction with the Department of Workforce Education at the level of Officer First Class.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS DEPARTMENT OF CORRECTION
 FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
<p>A sample of 30 employees' compensated absence balances revealed eight employees, or 27%, with incorrect balances, as follows:</p> <ul style="list-style-type: none"> • Compensated absences for two employees were overstated 40.5 hours resulting in overpayments totaling \$568; • Compensated absences for four employees were overstated 77 hours, or \$1,200; and • Compensated absences for two employees were understated 88 hours, or \$1,455. <p>In addition, we could not determine if one of the employees sampled received all holiday time earned based on a review of the available records.</p>	<p>The Agency recover the \$568 in overpayments and maintain accurate and detailed compensated absence records for each employee. In addition, the Agency ensure that human resource personnel are adequately trained to account for compensated absences, and that the records are periodically reviewed on a test basis by an independent employee.</p>

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF CORRECTION

FOR THE YEAR ENDED JUNE 30, 2007

Findings

Although the exceptions noted are not considered monetarily material to the Agency, accurate leave records are necessary to ensure all employees are paid the appropriate amount upon termination. The Agency had 3,794 employees at June 30, 2007 with a turnover rate of approximately 26%. Failure to maintain accurate and detailed compensated absence records for each of these employees can result in incorrect amounts paid to employees upon termination.

Inventory records and controls were inadequate at the central warehouse. Eight exceptions were noted between the Agency's perpetual records and actual inventory on hand during a test count of 40 items. Central warehouse food purchases, per Agency records, totaled \$10,063,644 for fiscal year ended June 30, 2007. Inadequate inventory records and controls reduce the Agency's ability to properly safeguard and account for these assets for use in the care and custody of inmates.

Recommendations

The Agency maintain accurate records for, and strengthen internal controls over, central warehouse inventories by reconciling perpetual inventory records to periodic physical counts performed during the year and at fiscal year-end.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF CORRECTION
REPORT ON CERTIFICATION OF CONSUMPTION OF FARM PRODUCE
FOR THE YEAR ENDED JUNE 30, 2007

Findings

The Agency did not properly account for meat emoluments for the fiscal year ended June 30, 2007, as follows:

- Farm Administration meat emolument records were not reconciled to Administrative Services meat emolument records. The Farm Administration records are used for tax reporting and the Administrative Services records are used for reporting consumption.
- Farm Administration meat emolument consumption records were inaccurate due to the backdating of meat issues. The Agency backdated meat shipments in an attempt to make up for months when the processing facilities were unable to fulfill all emolument orders.
- Administrative Services meat emolument consumption records were adjusted \$33,182 for items discovered by auditors that were never consumed. The majority of these items were meat issues that spoiled prior to delivery and therefore were never shipped to employees for consumption.
- Review of meat emolument issues revealed that employees did not always sign the appropriate requisition form to verify receipt as required by the Agency's policy.
- Emolument income reported on employees' W-2 forms was not correct for the calendar years ended December 31, 2006 and 2007. The Agency uses estimates during the year for tax withholding purposes and did not adjust employee records or future estimates in a timely manner to ensure W-2 amounts were correct. Auditors noted various errors including 136 employees in calendar year 2006 and 31 employees in calendar year 2007 that received emoluments, but did not have any income reported on their W-2 forms related to these emoluments.

Improperly accounting for meat emoluments could lead to the misstatement of the Agency's schedules of consumption of farm produce, misuse of Agency produced assets and erroneous reporting of employee income.

The Agency did not follow Arkansas Code Annotated 12-27-116 or the Agency's Administrative Directive 98-09 in the issuance of meat emoluments during the fiscal year ended June 30, 2007. Both the Arkansas Code and Administrative Directive states that issuance of emoluments is determined by availability, is not assured, should be in reasonable quantities, and issued only when there is a surplus of farm produced meat. During the fiscal year, the Agency was unable to process farm produced meat at various times due to repairs and maintenance to the meat processing plant, and to comply with United States Department of Agriculture standards. When farm produced meat became available, the Agency attempted to make up for missed deliveries by backdating issues to the month the employees were scheduled to receive an allowance. Of the \$36,549 in meat emoluments processed and delivered in the 2007 fiscal year, \$33,349 of the

Recommendations

Implement controls in its accounting procedures for Farm Administration and Administrative Services to reconcile meat emolument records, prevent items from improperly being included in emolument consumption reports and correctly report employee income associated with emoluments. Recompute emolument income reported on employee W-2 forms and make all necessary adjustments for the 2006 and 2007 calendar years.

Comply with Ark. Code Ann. 12-27-116 and its own policies by delivering reasonable quantities of surplus meat produced by the Agency's farming operation only when it is available.

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF CORRECTION
 REPORT ON CERTIFICATION OF CONSUMPTION OF FARM PRODUCE
 FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
<p>deliveries were backdated by the Agency in an attempt to make up for missed deliveries. In addition, in February 2007 the Agency delivered a total of 2,500 pounds, or \$5,275, more than the total monthly meat allowance in an effort to make up for missed deliveries. This is not in compliance with Ark. Code Ann. 12-27-116 and the Agency's own policies regarding delivering only reasonable quantities of surplus meat produced by the Agency's farming operation.</p>	

Performance Audit Findings

Adequacy of Prison Inmate Custody/Care and Success in Assessing Registered Sex Offenders – Arkansas Department of Correction (ADC)
 (July 1, 2005 – June 30, 2006) - Issued 12-14-2007

Findings and Conclusions:

- Housing ADC inmates at local facilities has an adverse trickledown effect on local communities with jail overcrowding potentially resulting in early release of many city/county prisoners.
- 3.2% of inmates and 1.2% of staff failed random drug tests in fiscal year 2006.
- The average time from registration to assessment for 30 sex offenders selected for review was approximately 9 months.

Recommendations:

- Enhance drug screening procedures for visitors, prisoners returning from visitation areas, and employees entering correctional facilities. Also, increase the number and frequency of drug tests for inmates and staff.
- Reevaluate procedures to decrease the amount of time it takes to assess registered sex offenders so citizens may be properly and more promptly notified of registered sex offenders in their neighborhoods.

Employment Summary

	Male	Female	Total	%
White Employees	1273	585	1858	51 %
Black Employees	774	1015	1789	49 %
Other Racial Minorities	20	6	26	0 %
Total Minorities			1,815	49 %
Total Employees			3,673	100 %

Publications

A.C.A. 25-1-204

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1MJ County Jail Reimbursement	8,652,320	0	7,500,035	0	7,500,035	0	7,500,035	0	15,641,650	0	7,500,035	0	7,500,035	0	12,919,866	0	7,500,035	0
2ZV Work Release Cash	2,113,504	0	5,580,232	0	6,580,232	0	5,006,232	0	7,502,054	0	7,502,054	0	5,006,232	0	7,761,272	0	7,761,272	0
33K UAMS Juvenile 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	1,771	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
509 Inmate Care & Custody	272,672,750	4,177	281,302,424	4,191	291,984,793	4,565	290,285,963	4,191	338,921,714	4,606	319,399,202	4,423	293,772,160	4,191	349,428,234	4,606	337,622,249	4,493
511 Prison Industry	8,041,091	52	9,836,236	52	9,921,432	52	9,560,068	52	10,282,236	52	10,282,236	52	9,611,653	52	11,074,002	52	11,074,002	52
512 Farm Operations	12,419,889	57	14,399,701	57	14,477,278	57	13,003,978	57	16,107,046	60	16,107,046	60	13,060,947	57	17,779,535	60	17,779,535	60
847 Federal Programs	299,908	1	420,833	1	686,028	1	0	1	253,205	1	253,205	1	0	1	122,560	1	122,560	1
859 Inmate Welfare Treasury Cash	8,762,626	0	11,409,399	25	11,315,845	26	10,970,339	25	12,570,183	27	12,570,183	27	10,989,050	25	13,151,588	27	13,151,588	27
865 Non-Tax Revenue Receipts	2,095,611	0	4,224,965	0	5,665,000	0	4,022,626	0	5,772,626	0	5,772,626	0	4,022,626	0	5,772,626	0	5,772,626	0
B01 Regional Facilities Oprs Cash	0	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0
B06 Prison Housing Contract Cash	0	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0
C02 Constr Fund Deficiency Cash	0	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
Total	315,059,470	4,287	336,248,825	4,326	349,705,643	4,701	341,924,241	4,326	408,625,714	4,746	380,961,587	4,563	345,537,703	4,326	419,584,683	4,746	402,358,867	4,633

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	19,241,521	5.7	21,428,899	6.2	11,558,237	3.3	11,558,237	2.8	11,558,237	3.0	9,229,496	2.6	6,645,308	1.6	9,229,496	2.3	
General Revenue	4000010	274,201,251	81.5	283,302,956	81.5	293,236,658	83.5	342,900,460	83.5	313,452,914	82.2	296,722,855	84.0	353,177,460	84.1	332,473,041	82.7	
Federal Revenue	4000020	299,908	0.1	420,833	0.1	0	0.0	253,205	0.1	253,205	0.1	0	0.0	122,560	0.0	122,560	0.0	
Special Revenue	4000030	18,364,215	5.5	16,508,764	4.7	18,567,475	5.3	21,392,711	5.2	21,392,711	5.6	18,807,714	5.3	23,988,651	5.7	23,988,651	6.0	
Cash Fund	4000045	20,585,201	6.1	21,570,447	6.2	24,166,367	6.9	30,012,033	7.3	30,012,033	7.9	24,723,012	7.0	31,390,590	7.5	31,390,590	7.8	
Merit Adjustment Fund	4000055	0	0.0	950,163	0.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Budget Stabilization Trust	4000130	3,600,000	1.1	3,600,000	1.0	3,600,000	1.0	4,600,000	1.1	4,600,000	1.2	3,600,000	1.0	4,600,000	1.1	4,600,000	1.1	
DFA Motor Vehicle Acquisition	4000184	140,086	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Insurance Fund Proceeds	4000299	48,848	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
State Administration of Justice	4000470	7,339	0.0	25,000	0.0	25,000	0.0	25,000	0.0	25,000	0.0	25,000	0.0	25,000	0.0	25,000	0.0	
Total Funds		336,488,369	100.0	347,807,062	100.0	351,153,737	100.0	410,741,646	100.0	381,294,100	100.0	353,108,077	100.0	419,949,569	100.0	401,829,338	100.0	
Excess Appropriation/(Funding)		(21,428,899)		(11,558,237)		(9,229,496)		(2,115,932)		(332,513)		(7,570,374)		(364,886)		529,529		
Grand Total		315,059,470		336,248,825		341,924,241		408,625,714		380,961,587		345,537,703		419,584,683		402,358,867		

The FY08 Actual amount for appropriation 1MJ exceeds the Authorized amount due to special language allowing Carry Forward of appropriation and funding. Variance in fund balances are due to unfunded appropriation. Appropriation 2ZV Cash in Treasury replaces Appropriation D02 Cash in Bank. Appropriation 859 Cash in Treasury replaces Appropriation B02 Cash in Bank. Appropriation 865 Cash in Treasury replaces Appropriation A83 Cash in Bank. The FY09 Budgeted amount exceeds the Authorized amount due to salary and matching rate adjustments during the 2007-2009 biennium.

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	
4,375	3794	480	4274	101	13.28 %	4,701	3760	572	4332	369	20.02 %	4,701	3673	653	4326	375	21.87 %

Analysis of Budget Request

Appropriation: 1MJ - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

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

The Agency requests Base Level of \$7,500,035 for both years of the 2009-2011 Biennium and a Change Level Requests of \$8,141,615 in FY10 and \$5,419,831 in FY11 to reimburse the counties.

The Executive Recommendation provides for Base Level.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			Base Level	Agency	Executive
Refunds/Reimbursements	5110014	8,652,320	7,500,035	7,500,035	7,500,035	15,641,650	7,500,035	7,500,035	12,919,866	7,500,035
Total		8,652,320	7,500,035	7,500,035	7,500,035	15,641,650	7,500,035	7,500,035	12,919,866	7,500,035
Funding Sources										
Fund Balance	4000005	3,736,473	2,584,188		2,584,188	2,584,188	2,584,188	2,584,188	0	2,584,188
General Revenue	4000010	7,500,035	7,500,035		7,500,035	13,057,462	7,500,035	7,500,035	12,919,866	7,500,035
Total Funding		11,236,508	10,084,223		10,084,223	15,641,650	10,084,223	10,084,223	12,919,866	10,084,223
Excess Appropriation/(Funding)		(2,584,188)	(2,584,188)		(2,584,188)	0	(2,584,188)	(2,584,188)	0	(2,584,188)
Grand Total		8,652,320	7,500,035		7,500,035	15,641,650	7,500,035	7,500,035	12,919,866	7,500,035

Actual exceeds Authorized Appropriation due to special language allowing Carry Forward of appropriation and funding.
 The Carry Forward amount for FY09 is \$412,553.

Change Level by Appropriation

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

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	7,500,035	0	7,500,035	100.0	7,500,035	0	7,500,035	100.0
C01	Existing Program	8,141,615	0	15,641,650	208.6	5,419,831	0	12,919,866	172.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	7,500,035	0	7,500,035	100.0	7,500,035	0	7,500,035	100.0
C01	Existing Program	0	0	7,500,035	100.0	0	0	7,500,035	100.0

Justification

C01	<p>In the event the Department of Correction cannot accept inmates from county jails due to insufficient bed space, the Department of Correction reimburses the counties from the County Jail Reimbursement Fund at rates determined by the Chief Fiscal Officer of the State, after consultation with the Division of Legislative Audit and the Department of Correction and upon approval of the Governor, until the appropriation and funding provided for that purpose are exhausted as stipulated in §12-27-114. ADC serves as disbursing officer for this separate Revenue Stabilization fund and currently pays county jails \$28 per day for housing inmates sentenced to ADC. Based on the average increase in the inmate population of 34 inmates per month over the past 15 years and assuming that beds will open at the Malvern Special Needs Unit as requested, ADC projects that an additional \$8.1 million in FY10 and \$5.4 million in FY11 will be needed to pay county jails for housing inmates. The amount requested for FY10 includes a projected \$4.7 million deficiency in FY09 that will be also be included in a Supplemental Emergency Appropriation and Funding request. This request does not need to be duplicated. During Calendar Year 2007, the inmate population increased by 587, an average growth of 49 inmates per month. Over the past ten years, the average inmate population growth has been 34 per month, or 408 inmates per year. A portion of the ADC Biennial Request is based on this projected growth rate of 34 inmates per month, even though through July 2008, the growth rate has exceeded 60 inmates per month or 720 per year. This projection does not take into consideration any potential sentence law changes – increases or decreases – that might result from the Legislative Session.</p>
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Correction Department

Program: County Jail Reimbursement

Act #: 1291 of 2007 Section(s) #: 15, 31 & 32

Estimated Carry Forward Amount \$ 1,586,516.00 Appropriation Funds

Funding Source: General

Accounting Information:

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

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Refunds/Reimbursements	5110014	1,586,516.00	412,553.00
Total		\$ 1,586,516.00	\$ 412,553.00

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

Carry forward of Appropriations and funding will be needed to provide adequate resources to pay County Jail Reimbursements for Fiscal Year 2009. Current base level amounts will not cover this due to increases in new commitments and returning offenders.

Actual Funding Carry Forward Amount \$ 412,553.00

Current status of carry forward appropriation/funding:

The Department made a payment at the end of June in Fiscal Year 2008 to pay invoices that had been returned for the month of June in order to reduce the balance to be accrued for the end of year. Current carryforward balance will be utilized to pay prior year and current year billings.

Larry Norris
Director

08-25-2008
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 Base Level is \$5,006,232 each year of the 2009 - 2011 Biennium.

The Agency's Change Level Request totals \$2,495,822 in FY10 and \$2,755,040 in FY11 and is summarized as follows:

- Operating Expenses of \$275,680 in FY10 and \$558,660 in FY11 provides appropriation to pay for increases in the cost of maintaining and repairing Work Release buildings. These buildings are several years old. The request also includes increases for utilities, postage, vehicle fuel, clothing and food.
- Conference and Travel Expenses of \$15,790 in FY10 and \$16,880 in FY11 for training of employees/staff that operate the Work Release Centers.
- Capital Outlay appropriation of \$1,704,352 in FY10 and \$1,679,500 in FY11 for new and replacement equipment for the Work Release Centers and other department program areas as may be required.
- Professional Fees totaling \$500,000 each year respectively to give needed flexibility for payments of unforeseen medical contract costs.

The Executive Recommendation provides for 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			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Operating Expenses	5020002	1,577,000	3,937,872	3,937,872	3,937,872	4,213,552	4,213,552	3,937,872	4,496,532	4,496,532
Conference & Travel Expenses	5050009	7,041	68,360	68,360	68,360	84,150	84,150	68,360	85,240	85,240
Professional Fees	5060010	8,964	500,000	1,500,000	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	520,499	574,000	574,000	0	1,704,352	1,704,352	0	1,679,500	1,679,500
Debt Service	5120019	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total		2,113,504	5,580,232	6,580,232	5,006,232	7,502,054	7,502,054	5,006,232	7,761,272	7,761,272
Funding Sources										
Fund Balance	4000005	4,988,567	7,158,609		4,886,978	4,886,978	4,886,978	3,189,347	3,189,347	3,189,347
Cash Fund	4000045	4,283,546	3,308,601		3,308,601	5,804,423	5,804,423	3,308,601	6,063,641	6,063,641
Total Funding		9,272,113	10,467,210		8,195,579	10,691,401	10,691,401	6,497,948	9,252,988	9,252,988
Excess Appropriation/(Funding)		(7,158,609)	(4,886,978)		(3,189,347)	(3,189,347)	(3,189,347)	(1,491,716)	(1,491,716)	(1,491,716)
Grand Total		2,113,504	5,580,232		5,006,232	7,502,054	7,502,054	5,006,232	7,761,272	7,761,272

Appropriation 2ZV Cash in Treasury replaces Appropriation D02 Cash in Bank.

Change Level by Appropriation

Appropriation: 2ZV - Work Release Cash

Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	5,006,232	0	5,006,232	100.0	5,006,232	0	5,006,232	100.0
C01	Existing Program	2,495,822	0	7,502,054	149.9	2,755,040	0	7,761,272	155.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	5,006,232	0	5,006,232	100.0	5,006,232	0	5,006,232	100.0
C01	Existing Program	2,495,822	0	7,502,054	149.9	2,755,040	0	7,761,272	155.0

Justification

C01	Eligible inmates of the department are employed in the community while residing in correctional facilities. The ADC coordinates employment opportunities for 498 inmates in work release programs located in Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. Fees received from work release participants reduce the operational costs of the program. The biennial request for Work Release Operations includes additional operating costs increases for utilities, postage, vehicle fuel, maintenance, clothing, etc., additional operational appropriation for unforeseen needs, new and replacement equipment, and applicable costs to support one additional correctional officer position at the NW Arkansas Work Release Center requested from the Inmate Care and Custody appropriation.
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Analysis of Budget Request

Appropriation: 33K - UAMS Juvenile Assessment

Funding Sources: SSC - Sex and Child Offender Registration Fund

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

The Agency Request is for Base Level each year of the 2009-2011 biennium.

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

Appropriation Summary

Appropriation: 33K - UAMS Juvenile Assessment
Funding Sources: SSC - Sex and Child Offender Registration Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Funding Sources										
Fund Balance	4000005	17,821	25,160		25,160	25,160	25,160	25,160	25,160	25,160
State Administration of Justice	4000470	7,339	25,000		25,000	25,000	25,000	25,000	25,000	25,000
Total Funding		25,160	50,160		50,160	50,160	50,160	50,160	50,160	50,160
Excess Appropriation/(Funding)		(25,160)	(25,160)		(25,160)	(25,160)	(25,160)	(25,160)	(25,160)	(25,160)
Grand Total		0	25,000		25,000	25,000	25,000	25,000	25,000	25,000

Analysis of Budget Request

Appropriation: 4HS - Fire Station Treasury Cash

Funding Sources: NDC - Cash in Treasury

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

The Agency is requesting Base Level each year of the biennium.

The Executive Recommendation provides for 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			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Construction	5090005	1,771	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total		1,771	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Funding Sources										
Fund Balance	4000005	31,487	50,150		30,300	30,300	30,300	15,300	15,300	15,300
Cash Fund	4000045	20,434	30,150		35,000	35,000	35,000	42,000	42,000	42,000
Total Funding		51,921	80,300		65,300	65,300	65,300	57,300	57,300	57,300
Excess Appropriation/(Funding)		(50,150)	(30,300)		(15,300)	(15,300)	(15,300)	(7,300)	(7,300)	(7,300)
Grand Total		1,771	50,000		50,000	50,000	50,000	50,000	50,000	50,000

Analysis of Budget Request

Appropriation: 509 - Inmate Care & Custody

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

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

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

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

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

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

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

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

Construction and Maintenance is responsible for ongoing and preventative maintenance programs at the various units and design and construction projects for the department. Construction of facilities is often completed with inmate labor, which costs substantially less than free-world labor.

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

Care and Custody Fund. Funding provided to the Inmate Care & Custody Fund from Cash Funds totals \$4,549,340 each year of the Biennium. The use of cash and special revenue income for Inmate Care & Custody Fund Operations allows the Agency to prepare fiscal year budgets to help meet the contingencies of population growth.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. Also reflected are changes from unclassified to classified positions. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Base Level Request is \$290,285,963 in FY10 and \$293,772,160 in FY11.

The Change Level Request for the Department of Correction for appropriation and General Revenue funding totals \$44,106,375 in FY10 and \$51,034,774 in FY11. In addition, the Agency is requesting to restore 104 Flex Positions as unfunded appropriation only for \$4,529,376 in FY10 and \$4,621,300 in FY11. The following is a summary of the major components of the Agency Request with amounts for each year of the biennium respectively separated into four (4) categories:

1. Agency General Operations Request

For each of the 18 facilities, the Agency is asking increases for cost of utilities, food, fuel, training, equipment and 4 new positions. Also the Agency is requesting Professional Fees for ADC's Part of the Sex Offender/Escape Notification Contract with Arkansas Information Center (ACIC) of \$44,500 each year. An additional request for equipment and software for a Gate Entrance Monitoring Implementation system that would verify everyone entering each facility is requested.

	<u>FY2010</u>	<u>FY2011</u>
Regular Salaries (4 new positions)	\$ 151,028	\$ 154,500
Personal Service Matching	\$ 51,134	\$ 51,841
Operating Expenses	\$6,295,845	\$11,961,085
Travel Expense (training)	\$ 2,820	\$ 5,640
Professional Fees	\$ 44,500	\$ 44,500
Capital Outlay	\$3,355,078	\$ 2,311,652
Total Residential Services Request	<u>\$9,900,405</u>	<u>\$14,529,218</u>

2. Mandatory Health Services Increases

- Medical Services Contract rate increase of \$7,768,803 and \$12,936,914 for existing programs
- Risk Pool increase of \$6,000,000 in FY10 to cover off-site and/or contracted health care cost incurred by Correctional Medical Services (CMS) above an annual aggregated cap.

	<u>FY2010</u>	<u>FY2011</u>
Professional Fees	\$13,768,803	\$12,936,914

3. New and Existing Program Expansions

Each includes positions, Operating Expenses, Conference and Travel Expenses for training, and Professional Fees for the medical contract.

- SNU Phase I - 488 beds in FY10 with 237 positions (232 restore and 5 new) for \$15,045,025 in FY10 and \$16,262,994 in FY11
- SNU Phase II - 294 beds for 8 months in FY10 with 70 positions (38 restored and 32 new) for \$4,441,187 in FY10 and \$6,750,243 in FY11
- SNU Equipment needs out of Operating Expense of \$476,955 in FY10 and \$543,405 in FY11
- SNU Equipment needs out of Capital Outlay of \$474,000 in FY10 and \$12,000 in FY11

	<u>FY2010</u>	<u>FY2011</u>
Regular Salaries (307 positions)	\$ 8,129,247	\$ 8,585,262
Personal Service Matching	\$ 3,220,003	\$ 3,312,802
Operating Expenses	\$ 3,346,955	\$ 5,178,405
Travel Expense (training)	\$ 38,500	\$ 77,000
Professional Fees (medical contract)	\$ 5,228,462	\$ 6,403,173
Capital Outlay	\$ 474,000	\$ 12,000
Total New and Existing Request	<u>\$20,437,167</u>	<u>\$23,568,642</u>

4. Unfunded Appropriation

104 unfunded restored positions to provide for administrative flexibility.

	<u>FY2010</u>	<u>FY2011</u>
Regular Salaries (104 restore positions)	\$3,322,790	\$3,399,169
Personal Service Matching	\$1,206,586	\$1,222,131
Total Unfunded Appropriation Request	<u>\$4,529,376</u>	<u>\$4,621,300</u>

The Executive Recommendation provides appropriation and General Revenue Funding for the following:

1. Agency General Operations Request

Appropriation only for each year of the biennium for utilities, food, fuel, equipment and ADC's part of the Sex Offender/Escape Notification Contract with ACIC for \$5,544,500 in FY10 and \$7,544,500 in FY11

	<u>Appropriation</u>		<u>Funding</u>	
	<u>FY2010</u>	<u>FY2011</u>	<u>FY2010</u>	<u>FY2011</u>
Operating Expenses	\$3,500,000	\$5,500,000	\$ 0	\$ 0
Professional Fees	\$ 44,500	\$ 44,500	\$ 0	\$ 0
Capital Outlay	\$2,000,000	\$2,000,000	\$ 0	\$ 0
Total Residential Services Request	<u>\$5,544,500</u>	<u>\$7,544,500</u>	<u>\$ 0</u>	<u>\$ 0</u>

2. Mandatory Health Services Requests

Appropriation and General Revenue funding for the Medical Contracts for \$7,768,803 in FY10 and \$12,936,914 in FY11

3. New and Existing Initiative

SNU Phase I 488 Beds with 232 positions and maintenance and operating expenses for \$12,447,453 in FY10 and \$16,063,029 in FY11

SNU Phase II of 294 beds with 70 positions and maintenance and operating expenses for \$6,750,243 in FY11

	<u>Appropriation</u>		<u>Funding</u>	
	<u>FY2010</u>	<u>FY2011</u>	<u>FY2010</u>	<u>FY2011</u>
Regular Salaries	\$ 6,345,191	\$ 8,440,298	\$ 5,287,659	\$ 8,440,298
Personal Service Matching	\$ 2,474,446	\$ 3,257,801	\$ 2,259,238	\$ 3,257,801
Operating Expenses	\$ 2,342,455	\$ 5,178,405	\$ 1,775,204	\$ 4,635,000
Travel Expense	\$ 29,625	\$ 77,000	\$ 24,688	\$ 77,000
Professional Fees	\$ 4,134,218	\$ 6,403,173	\$ 3,100,664	\$ 6,403,173
Capital Outlay	\$ 474,000	\$ 12,000	\$ 0	\$ 0
Total New and Existing Request	\$15,799,935	\$23,368,677	\$12,447,453	\$22,813,272

4. Unfunded Appropriation

The Executive Recommendation did not provide for the 104 unfunded flex positions.

The Medical Risk Pool Request for the Department of Correction will be recommended from the General Improvement Fund.

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		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	127,222,428	135,150,164	135,611,751	139,343,737	150,946,802	145,688,928	142,240,352	154,379,283	150,680,650
#Positions		4,177	4,191	4,565	4,191	4,606	4,423	4,191	4,606	4,493
Extra Help	5010001	135,917	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
#Extra Help		120	120	120	120	120	120	120	120	120
Personal Services Matching	5010003	44,830,756	45,272,666	48,121,847	50,062,632	54,540,355	52,537,079	50,652,214	55,238,988	53,910,013
Overtime	5010006	1,688,496	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	48,067,424	52,235,724	55,249,892	52,235,724	61,878,524	58,078,179	52,235,724	69,375,214	62,914,129
Conference & Travel Expenses	5050009	212,590	336,141	336,141	336,141	377,461	365,766	336,141	418,781	413,141
Professional Fees	5060010	48,494,299	45,024,729	48,882,162	45,024,729	64,066,494	56,972,250	45,024,729	64,409,316	64,409,316
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	602,996	0	500,000	0	3,829,078	2,474,000	0	2,323,652	2,012,000
Jail Contracts	5900047	1,417,844	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000
Total		272,672,750	281,302,424	291,984,793	290,285,963	338,921,714	319,399,202	293,772,160	349,428,234	337,622,249
Funding Sources										
General Revenue	4000010	266,701,216	275,802,921		285,736,623	329,842,998	305,952,879	289,222,820	340,257,594	324,973,006
Cash Fund	4000045	5,865,921	4,549,340		4,549,340	4,549,340	4,549,340	4,549,340	4,549,340	4,549,340
Merit Adjustment Fund	4000055	0	950,163		0	0	0	0	0	0
DFA Motor Vehicle Acquisition	4000184	105,613	0		0	0	0	0	0	0
Total Funding		272,672,750	281,302,424		290,285,963	334,392,338	310,502,219	293,772,160	344,806,934	329,522,346
Excess Appropriation/(Funding)		0	0		0	4,529,376	8,896,983	0	4,621,300	8,099,903
Grand Total		272,672,750	281,302,424		290,285,963	338,921,714	319,399,202	293,772,160	349,428,234	337,622,249

Actual Expenditures exceed Authorized in Overtime due to a transfer from the Overtime Holding Account.
 Actual Expenditures exceed Authorized in Capital Outlay by authority of Budget Classification Transfer.

Change Level by Appropriation

Appropriation: 509 - Inmate Care & Custody

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

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	290,285,963	4,191	290,285,963	100.0	293,772,160	4,191	293,772,160	100.0
C01	Existing Program	23,060,524	3	313,346,487	107.9	26,987,659	3	320,759,819	109.2
C02	New Program	10,058,191	38	323,404,678	111.4	12,947,084	38	333,706,903	113.6
C05	Unfunded Appropriation	4,529,376	104	327,934,054	113.0	4,621,300	104	338,328,203	115.2
C06	Restore Position/Approp	10,313,720	270	338,247,774	116.5	10,519,151	270	348,847,354	118.7
C08	Technology	673,940	0	338,921,714	116.8	580,880	0	349,428,234	118.9

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	290,285,963	4,191	290,285,963	100.0	293,772,160	4,191	293,772,160	100.0
C01	Existing Program	13,268,803	0	303,554,766	104.6	20,436,914	0	314,209,074	107.0
C02	New Program	6,906,848	0	310,461,614	107.0	12,697,526	32	326,906,600	111.3
C05	Unfunded Appropriation	0	0	310,461,614	107.0	0	0	326,906,600	111.3
C06	Restore Position/Approp	8,819,638	232	319,281,252	110.0	10,519,149	270	337,425,749	114.9
C08	Technology	117,950	0	319,399,202	110.0	196,500	0	337,622,249	114.9

Justification

C01	This change level includes operating cost increases for existing facilities as a result of rising fuel prices, warehouse and food cost increases, costs for implementation of entrance monitoring and software license requirements, incremental increases in professional fees and services for the health care contract and medical risk pool supplemental costs, four priority positions needed to support existing operations, and agency-wide equipment needs.
C02	--This CL request includes one position needed to fully implement state guidelines that require state agencies that use electronic mail to set up or modify email systems to facilitate electronic records management. They also require that all retained email should be organized and stored in such a way where it can be easily retrieved when needed. This request would provide a position to serve as a records retention coordinator. Funding for software and a server to accomplish this requirement is included in C08 Technology request. --The majority of this CL request combined with CL06 Restored Positions provides for the opening of the Ouachita River Special Needs Unit (SNU) during 2010. While authorized last biennium for opening during FY09, delays in construction and the lower FY09 initial forecast revision prohibited us from budgeting any of the positions/appropriations for this unit. New opening dates are as follows: The Sheltered Living Unit (448 beds) are scheduled to be available by August 2009 requiring twelve (12) months of operating and start up costs; Intake (294 beds) and the Hospital (42 beds), Habilitation Unit (40 beds), and Hospice (32 beds) is scheduled for completion in February 2010 requiring eight months of operating and start up costs during FY09. Equipment costs for both units amounting to \$950,955 in FY10 and \$555,405 in FY11 is requested making the combined total request for operations of the SNU \$20,437,167 in FY10 and \$23,568,642 in FY11. While inmates housed in various special needs program beds throughout other units will be transferred to the SNU upon opening of this facility, we anticipate this will give us approximately 862 available beds. Intake will effectively double in size enabling ADC to process inmates from county jails more effectively. Current intake will be converted to additional bed space. July 2008 will end with approximately 1,100 inmates backed up in the county jails - a level that places a significant burden on county jail operations. During Calendar Year 2007, the inmate population increased by 587, an average growth of 49 inmates per month. Over the past ten years, the average inmate population growth has been 34 per month, or 408 inmates per year. A portion of the ADC Biennial Request is based on this projected growth rate of 34 inmates per month, even though through July 2008, the growth rate has exceeded 60 inmates per month or 720 per year.
C05	Position Reauthorization/Flex -- CL request will provide for the reauthorization of 104 existing flex positions for the FY10-11 Biennium to enable us to respond to unforeseen situations and to correct inequities within the system as may be required. We need the flexibility to quickly take care of security issues that may occur. In the past, we have utilized flex pool positions to meet federally imposed mandates. We have a significant number of staff on military and family medical leave and utilize flex positions to keep staffing at necessary levels. Flex positions also assist us in keeping more of our budgeted positions filled as they can be advertised prior to employee departures. No additional funding is requested for any of the flex positions.
C06	This CL request combined with CL02 New Programs provides for the opening of the Ouachita River Special Needs Unit (SNU) during 2010. See explanation above.

Change Level by Appropriation

Justification	
C08	<p>--Included in the CL is an increase amounting to \$200,000 each year for Software Licensing. Over the past few years, we have greatly expanded our pc network for a wide range of needs to include the Chaplaincy program, AASIS, medical and mental health services personnel utilizing the eOMIS medical records systems, entrance monitoring, and the Construction and Maintenance Division Total Maintenance System (TMS). We have almost 2,800 users as compared to only around 1,000 just five years ago.</p> <p>--Also included in C08 is \$44,500 each year needed for maintenance of a Sex Offender Notification System. This new notification system was developed in a cooperative effort with ACIC and DCC and is an enhancement of our efforts to comply with federal eSORNA guidelines (Adam Walsh Act) for registering, monitoring, and tracking sex offenders. The system enables anyone to register via phone or internet to receive notification if a registered sex offender moves within a one mile radius of their home. The annual total maintenance cost of \$133,500 will be shared by ACIC and DCC and should be included in their budget request for FY10-11.</p> <p>--Entrance Monitoring Project - \$165,000 in FY10 and \$181,500 in FY11. This request will enable us to secure equipment and supplies to facilitate implementation for monitoring the entry/exit of all visitors, staff, and inmates in ADC institutions using an enhancement to eOMIS developed in FY08/09. This system verifies an individual biometrically and by a state identification card or driver's license with the goal being to prevent entry to an institution by felons or dangerous individuals and to prohibit escapes.</p> <p>-- Records Retention – combined with a position requested in C02 above, this request for \$150,000 in FY10 will provide funding for software and a server to fully implement state guidelines that require agencies to set up or modify email systems to facilitate electronic records management and to organize and store emails in such a way where it can be easily retrieved when needed.</p> <p>-The operating expense, the professional fee expense, and the capital outlay expense increases can each be found in the Agency's IT Plan on pages 2010-2011 under Record Retention Project, and Support Costs under the Software Section, and the Savin Project, and Entrance Monitoring Project section.</p>

Analysis of Budget Request

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

The Prison Industry Program is a self-supporting operation funded by special revenues generated from the sale of goods produced and sold to other public tax-supported agencies, non-profit organizations, and employees of the State of Arkansas. Industry program provides opportunities for inmates to learn productive and marketable skills. Industry programs include: Graphic Arts and Duplicating, Mattress Manufacturing, Garment Manufacturing, Furniture Manufacturing, Vinyl Products, Janitorial Products, Athletic/Recreational Equipment Production, and the Fabrication Shop.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. Also reflected are changes from unclassified to classified positions. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Base Level Request is for \$9,560,068 in FY10 and \$9,611,653 in FY11.

The Agency Change Level Request is primarily for operating cost increases as a result of rising fuel prices and anticipated increases in raw materials used to manufacture finished goods produced by the various industry programs. A summary of these requests is as follows:

- Operating Expenses of \$278,382 in FY10 and \$787,039 in FY11
- Conference and Travel Expenses of \$15,000 in FY10 and \$25,000 in FY11
- Capital Outlay of \$428,786 in FY10 and \$650,310 in FY11

The Executive Recommendation provides for 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		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,761,569	1,935,586	1,960,788	2,008,044	2,008,044	2,008,044	2,050,904	2,050,904	2,050,904
#Positions		52	52	52	52	52	52	52	52	52
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help		0	25	25	25	25	25	25	25	25
Personal Services Matching	5010003	592,996	597,694	656,088	674,768	674,768	674,768	683,493	683,493	683,493
Operating Expenses	5020002	5,586,455	6,862,256	6,863,856	6,862,256	7,140,638	7,140,638	6,862,256	7,649,295	7,649,295
Conference & Travel Expenses	5050009	4,932	5,000	5,000	5,000	20,000	20,000	5,000	30,000	30,000
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	95,139	425,700	425,700	0	428,786	428,786	0	650,310	650,310
Total		8,041,091	9,836,236	9,921,432	9,560,068	10,282,236	10,282,236	9,611,653	11,074,002	11,074,002
Funding Sources										
Fund Balance	4000005	2,780,760	3,723,490		1,887,254	1,887,254	1,887,254	1,490,683	1,490,683	1,490,683
Special Revenue	4000030	8,983,821	8,000,000		9,163,497	9,885,665	9,885,665	9,346,767	10,809,116	10,809,116
Total Funding		11,764,581	11,723,490		11,050,751	11,772,919	11,772,919	10,837,450	12,299,799	12,299,799
Excess Appropriation/(Funding)		(3,723,490)	(1,887,254)		(1,490,683)	(1,490,683)	(1,490,683)	(1,225,797)	(1,225,797)	(1,225,797)
Grand Total		8,041,091	9,836,236		9,560,068	10,282,236	10,282,236	9,611,653	11,074,002	11,074,002

Change Level by Appropriation

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	9,560,068	52	9,560,068	100.0	9,611,653	52	9,611,653	100.0
C01	Existing Program	722,168	0	10,282,236	107.6	1,462,349	0	11,074,002	115.2

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	9,560,068	52	9,560,068	100.0	9,611,653	52	9,611,653	100.0
C01	Existing Program	722,168	0	10,282,236	107.6	1,462,349	0	11,074,002	115.2

Justification

C01	<p>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.</p> <p>--The biennial request is primarily for operating cost increases as a result of rising fuel prices and anticipated increases in all raw materials used to manufacture finished goods produced by the various industry programs.</p> <p>--Included is a request to increase appropriation for conference fees and travel expenses. Current authority is not sufficient and has required costs be covered by inmate care and custody appropriation authority. Authority from Industry special revenues is necessary to meet American Correctional Association (ACA) accreditation standards and training requirements for merit increase pay system.</p> <p>--Capital equipment authority is also needed to replace aging equipment in existing plants and to expand operational capabilities at existing plants thereby producing additional revenues.</p>
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Analysis of Budget Request

Appropriation: 512 - Farm Operations

Funding Sources: SDC - Department of Correction Farm Fund

The Department of Correction's Farm Program is funded from special revenue derived from the sale of marketable agricultural and livestock products. In addition, the farm provides vegetables, meat, milk, and eggs for consumption by the inmate population. 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.

State funding for inmate consumables is provided in the form of a loan from the Budget Stabilization Trust Fund not to exceed \$3.6 million annually. This loan may be forgiven at the end of the year upon certification of an equivalent amount of farm-produced food consumed by inmates. The Agency would like to increase the loan amount to \$4.6 million annually.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. Also reflected are changes from unclassified to classified positions. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Base Level Request is \$13,003,978 in FY10 and \$13,060,947 in FY11.

The Agency Change Level Request is as follows:

- Regular Salaries and Personal Service Matching of \$135,714 in FY10 and \$138,480 in FY11 for three new positions are needed to help oversee farm operations at the Ouachita River Unit, irrigation project at the Tucker Unit and an apple orchard at the North Central Unit;
- Operating Expenses of \$1,086,682 in FY10 and \$2,817,566 in FY11 for utilities, fuel, seed, fertilizer, agricultural - horticultural supplies, inventory for resale, and maintenance of farm machinery. The increases will allow the Farm Program to continue to supplement the cost of producing food for inmates;
- Conference and Travel Expenses of \$7,770 in FY10 and \$15,640 in FY11 for increased travel and training requirements for Farm Employees;
- Professional Fees of \$57,902 in FY10 and \$63,902 in FY11 for increases in Architectural Fees associated with the expansion of the Vegetable Processing Facilities and Agricultural Flying Contract and for veterinarian expenses;
- Capital Outlay of \$1,815,000 in FY10 and \$1,683,000 in FY11 for equipment necessary to maintain and increase levels of consumption for an expanding inmate population.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Regular Salaries	5010000	2,040,625	2,193,495	2,218,961	2,293,451	2,393,503	2,393,503	2,340,789	2,443,140	2,443,140
#Positions		57	57	57	57	60	60	57	60	60
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help		0	25	25	25	25	25	25	25	25
Personal Services Matching	5010003	681,331	680,281	732,392	758,352	794,014	794,014	767,983	804,112	804,112
Operating Expenses	5020002	8,241,369	9,004,453	9,004,453	9,004,453	10,091,135	10,091,135	9,004,453	11,822,019	11,822,019
Conference & Travel Expenses	5050009	7,874	23,270	23,270	23,270	31,040	31,040	23,270	38,910	38,910
Professional Fees	5060010	64,078	264,452	264,452	264,452	322,354	322,354	264,452	328,354	328,354
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,110,909	1,573,750	1,573,750	0	1,815,000	1,815,000	0	1,683,000	1,683,000
Purchase Cattle/Meat	5900047	273,703	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000
Total		12,419,889	14,399,701	14,477,278	13,003,978	16,107,046	16,107,046	13,060,947	17,779,535	17,779,535

Funding Sources										
Fund Balance	4000005	2,067,681	2,711,507		420,570	420,570	420,570	420,570	420,570	420,570
Special Revenue	4000030	9,380,394	8,508,764		9,403,978	11,507,046	11,507,046	9,460,947	13,179,535	13,179,535
Budget Stabilization Trust	4000130	3,600,000	3,600,000		3,600,000	4,600,000	4,600,000	3,600,000	4,600,000	4,600,000
DFA Motor Vehicle Acquisition	4000184	34,473	0		0	0	0	0	0	0
Insurance Fund Proceeds	4000299	48,848	0		0	0	0	0	0	0
Total Funding		15,131,396	14,820,271		13,424,548	16,527,616	16,527,616	13,481,517	18,200,105	18,200,105
Excess Appropriation/(Funding)		(2,711,507)	(420,570)		(420,570)	(420,570)	(420,570)	(420,570)	(420,570)	(420,570)
Grand Total		12,419,889	14,399,701		13,003,978	16,107,046	16,107,046	13,060,947	17,779,535	17,779,535

Change Level by Appropriation

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

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	13,003,978	57	13,003,978	100.0	13,060,947	57	13,060,947	100.0
C01	Existing Program	3,103,068	3	16,107,046	123.9	4,718,588	3	17,779,535	136.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	13,003,978	57	13,003,978	100.0	13,060,947	57	13,060,947	100.0
C01	Existing Program	3,103,068	3	16,107,046	123.9	4,718,588	3	17,779,535	136.1

Justification

C01	<p>The agricultural operation of the ADC provides fresh and frozen vegetables, meat, milk and eggs which are consumed by the inmate population and generates revenue by selling products such as soybeans, rice, cotton and wheat. The primary goal of the Farm program is to provide useful and meaningful work for inmates, produce sufficient cost-effective food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock. A Vegetable Processing facility is located at the Varner Unit and annually sends approximately 1.2 million pounds of vegetables for inmate consumption. A Cold Storage facility located at the Cummins Unit provides beef and pork products to all units for consumption. A state of the art Creamery operation is also located at the Cummins Unit and provides milk and juice products. Inmate consumption totaled \$7.2 million in FY08. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY08 cash crop sales totaled just over \$8.8 million. --The biennial request is for three additional positions and associated operating costs for program expansions to include 1) Tucker Assistant Head Farm Manager to supervise all operations as well as to oversee the new farm irrigation project, 2) North Central Agriculture Unit Supervisor for a garden and apple orchard operation, and 3) Ouachita River Correctional Unit Agriculture Unit Supervisor for overall farm operations that include a tomato and other garden crops as well as for a purebred cattle program and additional operational appropriation for various needs. --Additional appropriation is requested for operating cost increases as a result of rising fuel prices and anticipated increases in costs associated with aerial applications, hauling, crop scouting and insurance, and seed, fertilizer and chemicals. These increases are also needed for planned farming operation expansions at units. --Capital Equipment authority is also requested primarily to replace existing aging farm equipment replacement as well as in FY11 to purchase a new pivot irrigation system costing \$200,000 in order to increase irrigation capabilities which will enhance row crop operations at the East Arkansas Regional Unit.</p>
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Analysis of Budget Request

Appropriation: 847 - Federal Programs

Funding Sources: FDC - Federal Programs

This federally funded appropriation provides for the operations for multiple Federal Program Grants. Currently, there is a grant with the Federal Bureau of Justice to be used for enhancement of the Statewide Automated Victim Information and Notification Program (SAVIN). This program ensures victims of crime receive accurate and timely information regarding the status of offenders and events related to their case. This information-sharing capability is also available to courts, corrections, and law enforcement officials.

The Agency Change Level Request is \$253,205 in FY10 and \$122,560 in FY11. The Agency is requesting appropriation for Regular Salaries and Personal Services Matching for a currently authorized position and Professional Fees for the SAVIN program.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 847 - Federal Programs

Funding Sources: FDC - Federal Programs

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	16,913	42,904	0	0	41,877	41,877	0	42,840	42,840
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	3,630	12,929	0	0	13,623	13,623	0	13,818	13,818
Operating Expenses	5020002	49,082	0	500,000	0	0	0	0	0	0
Conference & Travel Expenses	5050009	843	0	0	0	0	0	0	0	0
Professional Fees	5060010	229,440	365,000	0	0	197,705	197,705	0	65,902	65,902
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	186,028	0	0	0	0	0	0
Total		299,908	420,833	686,028	0	253,205	253,205	0	122,560	122,560
Funding Sources										
Federal Revenue	4000020	299,908	420,833		0	253,205	253,205	0	122,560	122,560
Total Funding		299,908	420,833		0	253,205	253,205	0	122,560	122,560
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		299,908	420,833		0	253,205	253,205	0	122,560	122,560

Budget and Actual exceeds Authorized Appropriation in Regular Salaries, Personal Service Match, Conference and Travel, and Professional Fees due to a transfer from the Miscellaneous Federal Grant Holding Account; the position is a currently authorized position due the flexibility inherent in the authorization of all positions through one salary section in the Agency's appropriation act.

Change Level by Appropriation

Appropriation: 847 - Federal Programs

Funding Sources: FDC - Federal Programs

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	0	1	0	0.0	0	1	0	0.0
C01	Existing Program	253,205	0	253,205	100.0	122,560	0	122,560	100.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	0	1	0	0.0	0	1	0	0.0
C01	Existing Program	253,205	0	253,205	100.0	122,560	0	122,560	100.0

Justification

C01	The Agency is requesting appropriation for Regular Salaries and Personal Services Matching for a currently authorized position and Professional Fees for the Statewide Automated Victim Information and Notification Program (SAVIN). This program ensures victims of crime receive accurate and timely information regarding the status of offenders and events related to their case. This information-sharing capability is also available to courts, corrections, and law enforcement officials.
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Analysis of Budget Request

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

The Inmate Welfare appropriation provides for the operation of Pen Stores, which are self-supporting operations in which inmates can purchase various commissary supplies, primarily snack foods, in the Department's various units. The sales from these stores are deposited as cash funds and used for operational costs. In addition, the funds are used to purchase such items as chairs, televisions, visitation tables, and recreational equipment for inmate use.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Base Level Request is for \$10,970,339 in FY10 and \$10,989,050 FY11.

The Agency is requesting Regular Salaries and Personal Services Matching for one new position and one restored position to provide Commissary positions at the new Special Needs Unit Phase II that is scheduled to open November of FY10. These two positions will be responsible for the operations in the Pen Store. The Agency further requests Operating Expenses of \$933,960 in FY10 and \$1,490,120 in FY11; Capital Outlay of \$605,000 in FY10 and \$600,000 in FY11 for increases in resale merchandise and new equipment and replacement equipment for commissary operations and inmate benefits at new and expanded Units.

The Executive Recommendation provides for 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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	677,285	590,809	709,226	751,339	751,339	724,780	776,478	776,478
#Positions		0	25	26	25	27	27	25	27	27
Personal Services Matching	5010003	0	242,834	235,756	271,833	290,604	290,604	274,990	295,710	295,710
Operating Expenses	5020002	8,262,626	9,989,280	9,989,280	9,989,280	10,923,240	10,923,240	9,989,280	11,479,400	11,479,400
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	500,000	500,000	500,000	0	605,000	605,000	0	600,000	600,000
Total		8,762,626	11,409,399	11,315,845	10,970,339	12,570,183	12,570,183	10,989,050	13,151,588	13,151,588
Funding Sources										
Fund Balance	4000005	3,922,976	3,332,644		1,723,787	1,723,787	1,723,787	1,504,248	1,504,248	1,504,248
Cash Fund	4000045	8,172,294	9,800,542		10,750,800	12,350,644	12,350,644	11,300,445	13,462,983	13,462,983
Total Funding		12,095,270	13,133,186		12,474,587	14,074,431	14,074,431	12,804,693	14,967,231	14,967,231
Excess Appropriation/(Funding)		(3,332,644)	(1,723,787)		(1,504,248)	(1,504,248)	(1,504,248)	(1,815,643)	(1,815,643)	(1,815,643)
Grand Total		8,762,626	11,409,399		10,970,339	12,570,183	12,570,183	10,989,050	13,151,588	13,151,588

Appropriation 859 Cash in Treasury replaces Appropriation B02 Cash in Bank.

The FY09 Budgeted amount in Regular Salaries and Personal Service Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	10,970,339	25	10,970,339	100.0	10,989,050	25	10,989,050	100.0
C01	Existing Program	1,538,960	0	12,509,299	114.0	2,090,120	0	13,079,170	119.0
C02	New Program	25,374	1	12,534,673	114.3	36,209	1	13,115,379	119.3
C06	Restore Position/Approp	35,510	1	12,570,183	114.6	36,209	1	13,151,588	119.7

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	10,970,339	25	10,970,339	100.0	10,989,050	25	10,989,050	100.0
C01	Existing Program	1,538,960	0	12,509,299	114.0	2,090,120	0	13,079,170	119.0
C02	New Program	25,374	1	12,534,673	114.3	36,209	1	13,115,379	119.3
C06	Restore Position/Approp	35,510	1	12,570,183	114.6	36,209	1	13,151,588	119.7

Justification

C01	Self-supported Pen Store operations within institutions provide the opportunity for inmates to purchase various commissary supplies such as hygiene items, paper, and stamps as well as various snack foods. 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 resale and operating cost increases and operating costs for the Ouachita River Special Needs Unit expansion. Capital Outlay is requested to provide authority for new and replacement equipment that might be needed.
C02	This request is for one additional commissary supervisor position for expanded operations as a result of the opening of the Ouachita River Special Needs Unit.
C06	This request restores one commissary supervisor position requested last biennium for the opening of the Ouachita River Special Needs Unit, but was not budgeted due to delays in opening the beds.

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 Base Level Request is \$4,022,626 each year of the biennium.

The Agency Request is \$1,750,000 each year as follows:

- Operating Expenses of \$250,000 each year for building and grounds maintenance, public safety and inmate assistance, security, long-term needs, general operations and other projects as may be allocated by the Board of Corrections;
- The Capital Outlay of \$400,000 each year for new/replacement equipment associated with priority Inmate assistance/operations needs, security equipment, long-term needs, and other projects as may be allocated by the Board of Corrections;
- Professional Fees of \$100,000 each year to provide appropriation for flexibility in allocating available funding for priority projects;
- Construction appropriation totaling \$1,000,000 each year to provide for various long-term needs projects.

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

Appropriation Summary

Appropriation: 865 - Non-Tax Revenue Receipts

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,743,079	2,653,750	2,867,000	2,653,750	2,903,750	2,903,750	2,653,750	2,903,750	2,903,750
Conference & Travel Expenses	5050009	0	0	20,000	0	0	0	0	0	0
Professional Fees	5060010	33,286	113,151	393,000	113,151	213,151	213,151	113,151	213,151	213,151
Construction	5090005	46,095	1,255,725	1,435,000	1,255,725	2,255,725	2,255,725	1,255,725	2,255,725	2,255,725
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	273,151	202,339	950,000	0	400,000	400,000	0	400,000	400,000
Total		2,095,611	4,224,965	5,665,000	4,022,626	5,772,626	5,772,626	4,022,626	5,772,626	5,772,626
Funding Sources										
Fund Balance	4000005	1,695,756	1,843,151		0	0	0	0	0	0
Cash Fund	4000045	2,243,006	2,381,814		4,022,626	5,772,626	5,772,626	4,022,626	5,772,626	5,772,626
Total Funding		3,938,762	4,224,965		4,022,626	5,772,626	5,772,626	4,022,626	5,772,626	5,772,626
Excess Appropriation/(Funding)		(1,843,151)	0		0	0	0	0	0	0
Grand Total		2,095,611	4,224,965		4,022,626	5,772,626	5,772,626	4,022,626	5,772,626	5,772,626

Appropriation 865 Cash in Treasury replaces Appropriation A83 Cash in Bank.

Change Level by Appropriation

Appropriation: 865 - Non-Tax Revenue Receipts

Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	4,022,626	0	4,022,626	100.0	4,022,626	0	4,022,626	100.0
C01	Existing Program	1,750,000	0	5,772,626	143.5	1,750,000	0	5,772,626	143.5

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	4,022,626	0	4,022,626	100.0	4,022,626	0	4,022,626	100.0
C01	Existing Program	1,750,000	0	5,772,626	143.5	1,750,000	0	5,772,626	143.5

Justification

C01	Funds for this appropriation are derived from operation of an inmate collect calling system that began in the 1995-97 biennium. The system allows inmates the opportunity to call family or friends and provides revenues that are used to fund inmate assistance, security equipment, long-term needs that enhance quality of life in the institutions, and general operations. The biennial request will provide various operational and construction appropriations needed to provide flexibility in funding priority projects that are approved by the Board of Corrections.
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Analysis of Budget Request

Appropriation: B01 - Regional Facilities Oprs Cash

Funding Sources: 143 - Cash in Bank

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

The Agency Request is for Base Level of \$800,000 each year of the 2009-2011 biennium.

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

Appropriation Summary

Appropriation: B01 - Regional Facilities Oprs Cash

Funding Sources: 143 - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Debt Service 5120019	0	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Total	0	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Funding Sources									
Cash Fund 4000045	0	800,000		800,000	800,000	800,000	800,000	800,000	800,000
Total Funding	0	800,000		800,000	800,000	800,000	800,000	800,000	800,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	800,000		800,000	800,000	800,000	800,000	800,000	800,000

Analysis of Budget Request

Appropriation: B06 - Prison Housing Contract Cash

Funding Sources: 143 - Cash in Bank

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

The Agency Request is for Base Level of \$200,000 each year of the 2009-2011 biennium.

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

Appropriation Summary

Appropriation: B06 - Prison Housing Contract Cash

Funding Sources: 143 - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Debt Service 5120019	0	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total	0	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Funding Sources									
Cash Fund 4000045	0	200,000		200,000	200,000	200,000	200,000	200,000	200,000
Total Funding	0	200,000		200,000	200,000	200,000	200,000	200,000	200,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	200,000		200,000	200,000	200,000	200,000	200,000	200,000

Analysis of Budget Request

Appropriation: C02 - Constr Fund Deficiency Cash

Funding Sources: 143 - Cash in Bank

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

The Agency Request is for Base Level of \$500,000 each year of the 2009-2011 biennium.

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

Appropriation Summary

Appropriation: C02 - Constr Fund Deficiency Cash

Funding Sources: 143 - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Debt Service 5120019	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources									
Cash Fund 4000045	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000