



Arkansas Department of Correction

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September 28, 2014

The Honorable Bill Sample, Chair
The Honorable John Charles Edwards, Chair
Arkansas Legislative Council
315 State Capitol Building
Little Rock, AR 72201

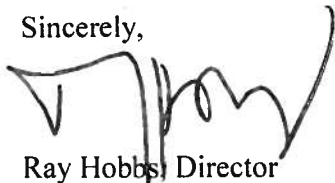
Re: FY14 Inmate Cost Report

Dear Senator Sample and Representative Edwards:

Attached is the above referenced report as required by Section 21 of Act 284 of 2014.
The report is self-explanatory.

If you have questions, please let me know.

Sincerely,



Ray Hobbs, Director

cc: Attachment

Arkansas Department of Correction

2014 Inmate Cost Report – State Facilities



North Central Unit

*Ray Hobbs, Director
September 28, 2014*

**ARKANSAS DEPARTMENT OF CORRECTION
2014 INMATE COST REPORT – STATE FACILITIES**

Introduction

Section 21, Act 284 of 2014, the ADC Appropriation Act for FY15, requires ADC to submit to the Arkansas Legislative Council, within 90 days of the close of each state fiscal year, a report including direct and indirect costs incurred for housing and caring for incarcerated inmates. The Special Language requires that “costs shall be calculated and reported in total for the Department and in total by each facility. The report shall also reflect overall cost per inmate per day, cost per inmate per day for each facility, overall cost per bed per day, and cost per bed per day for each facility.”

Specifically, ADC was charged with compiling costs according to the following methodology:

1. Record all expenditures in a manner that provides for the association of costs with each facility. Costs not directly attributable to a particular facility (overhead, administration, treatment, etc.) shall be allocated to each facility on the basis of inmate population;
2. Maintain documentation to support all elements of costs and cost reimbursement both in total and by facility;
3. Exclude capital outlay disbursements. However, depreciation expense for all ADC fixed assets shall be included. Depreciation expense not directly associated with the fixed assets of a particular facility shall be allocated to each facility on the basis of inmate population;
4. Include any interest expense incurred by ADC or another state governmental entity as a result of prison construction;
5. Exclude all payments to local governments for care of inmates housed in local governmental facilities;
6. Exclude all payments to local governments for Act 309 prisoners;
7. Include the state matching requirements associated with federal grant expenditures. Documentation shall be maintained sufficient to identify such costs by grant;
8. Deduct reimbursements for costs incurred. The amount of the reimbursement deducted shall be equal to or less than the cost with which the reimbursement is associated;
9. Include all ancillary costs. These costs shall include, but are not limited to:
 - a) ADC expenses incurred through fund transfers;
 - b) Retirement costs;
 - c) Audit costs;
 - d) ADC cost for shared employees paid by another state governmental entity;
 - e) Inmate educational and rehabilitation costs;
 - f) Inmate related expenses incurred by the Attorney General, not inclusive of costs of defending Habeas Corpus cases.

**ARKANSAS DEPARTMENT OF CORRECTION
2014 INMATE COST REPORT – STATE FACILITIES**

In addition, in determining costs per inmate per day, ADC is required to:

- a) Accumulate the number of inmates housed at each ADC facility each day throughout the state fiscal year for which costs are being reported. This accumulation shall result in total inmate days and shall be divided into total direct and indirect costs compiled in accordance with Section 21 (c) (1, 2, 3)
- b) Exclude those ADC inmates housed in local governmental facilities and Act 309 prisoners from the number of inmates housed at ADC facilities.
- c) Maintain documentation supporting the number of inmates housed at ADC facilities.

FY14 Summary Results

The direct and indirect expenditures for FY14 are summarized on Schedules A and B of this document. These schedules allocate direct and indirect costs to all units based on either A) population or B) total bed capacity as required by Section 21 even though not all inmates participate in indirect cost programs such as school or vo-tech. The indirect costs include:

- a) Department of Education costs for operation of an ADC School District that provides non-graded programs that enable inmates to progress individually and achieve a high school equivalency diploma (GED). School attendance is mandatory for all inmates lacking a GED or high school diploma. School is provided at all of the traditional institutions. During FY14, an average of 3,450 inmates

attended school and 522 achieved a GED certificate. The School District reported expenditure of \$6,550,053 for FY14.

- b) Department of Workforce Education costs for operation of the Riverside Vocational Technical School. Vo-Tech's mission is to equip inmates with marketable skills to aid re-entry into society. Courses are individually paced, but usually take about nine months to complete. Vocational programs are offered at the McPherson, Tucker, and Varner units and include automotive mechanics, horticulture, cabinet making, cosmetology, welding, data processing, diesel engine mechanics, masonry, computerized accounting, graphic arts, drafting, plumbing and small engine mechanics. During FY14, there was an average of 317 inmates enrolled in the Vo-Tech program each month. Vo-Tech reported total expenditures of \$2,167,659 during FY14.
- c) Attorney General's Office costs for the Civil Division. The Civil Division defends lawsuits filed by inmates against employees of ADC in state and federal courts. The Civil Division also defends civil actions against the department and ADC employees, claims that ADC employees or officials have violated the state FOI Act as well as constitutional challenges of rules and policies, etc. Civil Division expenses for FY14 totaled \$938,563.

A brief summary of results of the 2014 Inmate Cost Report for State Facilities as mandated by Section 21 are summarized as follows:

**ARKANSAS DEPARTMENT OF CORRECTION
2014 INMATE COST REPORT – STATE FACILITIES**

FY 14 - Section 21 Summary

<i>Total ADC Direct and Indirect Costs</i>	<i>\$</i>	<i>343,830,513</i>
<i>Average Cost Per Day Per Inmate</i>	<i>\$</i>	<i>65.65</i>
<i>Average Cost Per Day Per Bed</i>	<i>\$</i>	<i>65.52</i>

Total direct and indirect costs, based on population and summarized by unit (A) and direct and indirect costs based on bed capacity and summarized by unit (B), are provided on Schedules A and B within this report.

Documentation supporting all costs and cost reimbursements will be maintained by the Budget Officer of the ADC Administrative Services Division and may be examined upon request.

ARKANSAS DEPARTMENT OF CORRECTION
ACT 284 of 2014, SECTION 21 - COST PER INMATE PER DAY (CPD)

	Allocated Costs - Based on Total Inmate Days										Allocated Unit Cost	Reimb.	Net Unit Cost	Total Inmate Days	CPD FY'14
	Direct Unit Expend.	Depreciation	Total Unit	Warehouse	Overhead	Treatment	School District	Vo-Tech	AG's Office	Debt Service					
Cummins	29,354,132	325,425	29,679,556	3,661,745	3,712,540	9,101,718	876,506	290,069	125,595	144,580	47,592,309	1,596,851	45,995,458	700,800	65.63
Tucker	11,797,024	426,930	12,223,953	1,712,629	1,736,386	4,256,949	409,949	135,668	58,742	433,740	20,968,016	787,287	20,180,729	327,770	61.57
Pine Bluff Unit	9,204,180	58,527	9,262,707	821,985	833,388	2,043,146	196,757	65,114	28,194	0	13,251,292	1,012,321	12,238,971	157,315	77.80
Diagnostic	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
Wrightsville	17,408,344	305,031	17,713,374	2,401,113	2,434,420	5,968,262	574,750	190,206	82,356	13,144	29,377,627	1,492,267	27,885,361	459,535	60.68
Varner	0	0	0	0	0	0	0	0	0	0	-	0	-	0	-
Varner - Superr	21,471,447	697,862	22,169,309	3,192,584	3,236,870	7,935,560	764,203	252,904	109,503	13,144	37,674,078	1,359,395	36,314,683	611,010	59.43
Max Security - T	13,724,239	169,772	13,894,011	1,068,009	1,082,824	2,654,668	255,647	84,603	36,632	0	19,076,394	445,171	18,631,223	204,400	91.15
North Central	10,874,239	329,478	11,203,717	1,195,789	1,212,376	2,972,280	286,234	94,726	41,015	249,729	17,255,865	538,195	16,717,670	228,855	73.05
Delta Regional	10,015,225	189,410	10,204,635	1,096,616	1,111,828	2,725,775	262,495	86,870	37,613	0	15,525,832	501,145	15,024,687	209,875	71.59
Randall L. Willia	8,932,875	109,433	9,042,308	1,056,566	1,071,222	2,626,225	252,908	83,697	36,239	0	14,169,166	491,477	13,677,689	202,210	67.64
East Arkansas F	23,104,568	668,455	23,773,023	3,167,791	3,211,733	7,873,934	758,269	250,940	108,653	0	39,144,343	1,454,450	37,689,892	606,265	62.17
Ouachita	25,739,041	2,023,610	27,762,651	3,148,719	3,192,397	7,826,529	753,703	249,429	107,999	1,294,660	44,336,088	1,386,542	42,949,547	602,615	71.27
McPherson	11,609,363	598,572	12,207,935	1,695,464	1,718,983	4,214,285	405,840	134,308	58,153	460,028	20,894,997	1,024,286	19,870,710	324,485	61.24
Grimes	14,166,951	634,285	14,801,236	1,975,816	2,003,224	4,911,135	472,948	156,516	67,769	258,562	24,647,207	905,390	23,741,817	378,140	62.79
Subtotal, Instit	207,401,628	6,536,788	213,938,416	26,194,826	26,558,193	65,110,468	6,270,210	2,075,049	898,464	2,867,587	343,913,213	12,994,777	330,918,436	5,013,275	66.01
Benton	5,010,690	54,754	5,065,445	617,919	626,491	1,535,915	147,910	48,949	21,194	0	8,063,824	1,671,381	6,392,443	118,260	54.05
NW AR Work Re	844,606	9,170	853,776	80,101	81,212	199,100	19,174	6,345	2,747	0	1,242,455	216,176	1,026,278	15,330	66.95
Mississippi Cou	2,254,571	49,080	2,303,650	232,673	235,901	578,338	55,695	18,431	7,981	0	3,432,669	609,184	2,823,485	44,530	63.41
Texarkana	2,099,025	12,294	2,111,319	238,395	241,702	592,560	57,064	18,885	8,177	0	3,268,101	598,231	2,669,870	45,625	58.52
Subtotal, Field	10,208,893	125,297	10,334,190	1,169,088	1,185,306	2,905,913	279,843	92,610	40,099	0	16,007,049	3,094,972	12,912,077	223,745	57.71
Bootcamp	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
Grand Totals	217,610,520	6,662,086	224,272,606	27,363,914	27,743,499	68,016,381	6,550,053	2,167,659	938,563	2,867,587	359,920,262	16,089,749	343,830,513	5,237,020	65.65

Summary Results/explanations provided on Pages 1-3.

**ARKANSAS DEPARTMENT OF CORRECTION
ACT 284 of 2014, SECTION 21 - COST PER INMATE PER DAY (CPD)**

	Allocated Costs - Based on Total Bed Capacity										Allocated Unit Cost	Reimb.	Net Unit Cost	Total Inmate Days	CPD FY'14
	Direct Unit Expend.	Depreciation	Total Unit	Warehouse	Overhead	Treatment	School District	Vo-Tech	AG's Office	Debt Service					
Cummins	29,354,132	325,425	29,679,556	3,570,613	3,620,144	8,875,199	854,691	282,850	122,470	144,580	47,150,102	1,585,570	45,564,532	684,740	66.54
Tucker	11,797,024	426,930	12,223,953	1,834,793	1,860,244	4,560,603	439,191	145,345	62,932	433,740	21,560,802	802,405	20,758,397	351,860	59.00
Pine Bluff Unit	9,204,180	58,527	9,262,707	818,424	829,777	2,034,294	195,905	64,832	28,071	0	13,234,011	1,011,879	12,222,132	156,950	77.87
Diagnostic	0	0	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Wrightsville	17,408,344	305,031	17,713,374	2,401,980	2,435,299	5,970,416	574,958	190,275	82,386	13,144	29,381,832	1,492,374	27,889,458	460,630	60.55
Varner	0	0	-	0	0	0	0	0	0	0	0	0	0	0	-
Varner - Supermax	21,471,447	697,862	22,169,309	3,113,818	3,157,012	7,739,779	745,349	246,664	106,802	13,144	37,291,878	1,349,645	35,942,233	597,140	60.19
Max Security - Tucker	13,724,239	169,772	13,894,011	1,012,562	1,026,608	2,516,847	242,375	80,211	34,730	0	18,807,344	438,307	18,369,037	194,180	94.60
North Central	10,874,239	329,478	11,203,717	1,128,664	1,144,320	2,805,433	270,166	89,408	38,712	249,729	16,930,151	529,886	16,400,265	216,445	75.77
Delta Regional	10,015,225	189,410	10,204,635	1,427,484	1,447,286	3,548,187	341,694	113,080	48,962	0	17,131,327	542,106	16,589,221	273,750	60.60
JCCF	8,932,875	109,433	9,042,308	1,069,661	1,084,499	2,658,775	256,043	84,734	36,689	0	14,232,709	493,098	13,739,611	205,130	66.98
East Arkansas Regional	23,104,568	668,455	23,773,023	3,157,594	3,201,396	7,848,590	755,828	250,132	108,303	0	39,094,866	1,453,189	37,641,677	605,535	62.16
Ouachita	25,739,041	2,023,610	27,762,651	3,216,597	3,261,217	7,995,248	769,951	254,806	110,327	1,294,660	44,665,457	1,394,946	43,270,512	616,850	70.15
McPherson	11,609,363	598,572	12,207,935	1,535,973	1,557,279	3,817,849	367,663	121,674	52,683	460,028	20,121,084	1,004,542	19,116,541	294,555	64.90
Grimes	14,166,951	634,285	14,801,236	1,903,312	1,929,714	4,730,916	455,592	150,773	65,282	258,562	24,295,387	896,415	23,398,972	365,000	64.11
Subtotal, Institutions	207,401,628	6,536,788	213,938,416	26,191,474	26,554,795	65,102,137	6,269,408	2,074,783	898,349	2,867,587	343,896,949	12,994,362	330,902,587	5,022,765	65.88
Benton	5,010,690	54,754	5,065,445	618,576	627,157	1,537,548	148,068	49,001	21,217	0	8,067,011	1,671,462	6,395,549	118,625	53.91
NW AR Work Release	844,606	9,170	853,776	79,939	81,048	198,698	19,135	6,332	2,742	0	1,241,671	216,156	1,025,514	15,330	66.90
Mississippi County	2,254,571	49,080	2,303,650	230,301	233,495	572,441	55,127	18,243	7,899	0	3,421,156	608,890	2,812,266	44,165	63.68
Texarkana	2,099,025	12,294	2,111,319	243,624	247,003	605,557	58,316	19,299	8,356	0	3,293,474	598,879	2,694,596	46,720	57.68
Subtotal, Field Inst's.	10,208,893	125,297	10,334,190	1,172,440	1,188,704	2,914,244	280,645	92,876	40,214	0	16,023,313	3,095,387	12,927,925	224,840	57.50
Bootcamp	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
Grand Totals	217,610,520	6,662,086	224,272,606	27,363,914	27,743,499	68,016,381	6,550,053	2,167,659	938,563	2,867,587	359,920,262	16,089,749	343,830,513	5,247,605	65.52

Summary Results/explanations provided on Pages 1-3.