

**DEPARTMENT OF CORRECTION (480)**

**FISCAL YEAR 2018**

**As Enacted By Act 524 of 2017**

**I) AGENCY SUMMARY & REVENUE SOURCES:**

The Department is responsible for the custody, control, and management of the state penitentiary, to execute the orders of the criminal courts of the state, and to provide for the custody, treatment, rehabilitation and restoration of adult offenders as useful law-abiding citizens.

**TOTAL APPROPRIATION**

The total appropriation for FY2018 is \$428,136,133.

**FUNDING SOURCES**

The Department of Correction is funded primarily from general revenue, with remaining funds including special revenues generated by the sale of products to public agencies and nonprofits; cash funds generated from commissary sales, work release programs and farm operations; and available fund balances.

**II) CHANGE LEVEL REQUESTS**

**WORK RELEASE PROGRAM** - This is a cash funded appropriation that is supported by each inmate who participates in the Work Release Program. The total appropriation is \$8,046,162, which includes a net increase of \$2,350,242 for the following line items:

- Operating Expenses increases \$219,900 to provide for utilities, fuel purchases, mileage, food purchases, firearms, and building maintenance.
- Professional Fees increases \$500,000 to provide for increase in professional, administrative and legal fees.
- Capital Outlay increases of \$1,630,342 for the purchase of new equipment for 2 work release units.

**INMATE CARE & CUSTODY** - This operating appropriation is primarily funded from general revenues. This appropriation has a total appropriation of \$360,022,509, which includes a net appropriation increase of \$8,407,013 for the following line items:

- Regular Salaries and Personal Services matching increases \$1,430,540 for the restoration of 26 flex positions, 16 new positions, and the reduction of 8 positions.
- Operating Expenses increases \$1,590,084 to cover utility, gasoline and diesel, clothing, and general operational cost due to an increase in inmate population.
- Professional Fees increases \$3,627,122 for the medical contract incremental increases.
- Capital Outlay increases \$1,759,347 for the purchase of both new and replacement equipment, medical equipment and construction and maintenance.

**PRISON INDUSTRY PROGRAM** - This appropriation is supported by special revenues generated by the sale of products to public agencies and nonprofit organizations. The total appropriation is \$9,998,540 which includes a net increase of \$126,895 in the Capital Outlay line item for the acquisition of new and existing equipment.

**FARM OPERATIONS** - The agricultural operation of the ADC is a self-

supported division. The total appropriation is \$19,483,310, which includes a net appropriation increase of \$545,716 for the following line items:

- Regular Salaries and Personal Services Matching decreases (\$64,284) due to the reduction of 2 positions based on the OPM personnel evaluation.
- Capital Outlay increases \$610,000 to purchase new and replacement equipment.

**INMATE WELFARE PROGRAM** - Commissary operations provide the opportunity for inmates to purchase various supplies such as hygiene items, paper and stamps. This appropriation has a total of \$14,430,805, which a change level increase of \$1,500,000 for the following line items:

- Operating Expenses increases \$1,000,000 for inflationary operating cost increases.
- Capital Outlay increases \$500,000 for anticipated needs for unit expansions.

**III) ADDITIONAL POSITIONS (Total Authorized Positions FY2017: 4,752)**

Total Authorized Positions: 4,740

Total Base Level Positions: 4,708

Increase / (Decrease): 32

Extra Help Positions FY2018: 170 (Base Level Extra Help: 170)

Restoration of 26 flex positions, 16 new positions, and the reduction of 8 positions in the Inmate Care & Custody appropriation.

Reduction of 2 positions in the Farm Operations appropriation based on the OPM personnel evaluation.

**IV) SPECIAL LANGUAGE**

- **Regular Salaries - Contingent Positions**, establishes non-classified contingent positions for Medical Services, not to exceed 462 employees; if the agency requests Growth Pool positions during the next fiscal year, the position(s) must be requested as a new position(s) in the agency's budget request.

- **Medical/Mental Health Services Contingency Positions**: If the Department cannot continue a medical contract with a private entity and the Board deems it necessary, authorizes use of contingent positions and necessary appropriation transfers to provide inmate medical services; with notice to the Chief Fiscal Officer of the State and prior review of ALC or JBC.

- **County Reimbursement Rate Restriction**: the Board of Corrections shall not increase any reimbursement rate made to any county for the care and custody of state inmates, without the approval of the Governor and CFO;

- **County Jail Reimbursement (CJR)**: in the event the Department cannot accept inmates from county jails due to insufficient bed space, counties shall be reimbursed at a rate determined by the Chief Fiscal Officer of the State, after consultation with Legislative Audit and the Department of Correction, and upon approval by the Governor until the appropriation and funding are exhausted and shall include county's cost of transporting the inmates to the department;

- **Transfer of Appropriation within Capital Improvement Projects**: Authorizes transfer of appropriation within capital improvement projects authorized by the General Assembly, upon approval of the Governor and prior approval of ALC/JBC;

- **Reallocation of Resources**: provides for two reallocation of resources requests each fiscal year by the Board, within or between each Department of Correction and Department of Community Correction. Requires prior review and approval by the Governor, ALC or JBC and is limited to no more than 5% of the

total general revenue and special revenue appropriation, funding, and positions specific to each agency. There are no transfers to or from the County Jail Reimbursement Fund;

- **Holiday Compensation** provision authorizes the payment of banked employee holidays contingent on approval by the Chief Fiscal Officer of the State after the Director of the Department of Correction has verified sufficient revenues are available, with the exception that employees may choose to accrue banked holiday hours not to exceed one-hundred fifty (150) hours;
- **Employee Compensation Report** provision requiring the Office of Budget to prepare and submit a report to ALC or JBC the amount of appropriation and funding necessary for the Department to sufficiently budget for the expenditure of payments to employees for Holiday Liability, Straight Time Liability, Overtime, and Hazardous Duty Compensation including current balances of liabilities during the biennial budget process;
- **ADC Sex Offender Assessment** - Authorizes ADC to contract with a qualified state agency to conduct juvenile sex or child offender assessments as required by ACA 12-12-901 and to pay for services upon receipt of invoice;
- **Inmate Cost Reporting - State Facilities:** Provides that within 90 days of the end of each fiscal year, the DOC shall submit to the ALC a report of all direct and indirect costs incurred for the housing and caring for all inmates and provides parameters for the report.
- **County Jail Reimbursement Fund Year-End Fund Balance Carry Forward:** Allows any funds remaining in the County Jail Reimbursement Fund at the end of each fiscal year shall remain and made available to fund appropriations for the following fiscal year;
- **Refund to Expenditure:** Provides that proceeds from the sale of feeder cattle shall be deposited into the State Treasury as a refund to expenditure to the credit of appropriation for the "Purchase Cattle/Meat" line item;
- **Use of Maintenance and Operation Appropriation and Salvaged Materials Construction** may be used to implement construction projects, with a Method of Finance and prior review & approval by ALC/JBC and DFA and ABA;
- **Utility Rate Increase Transfer:** Authorizes line item appropriation transfer authority to Maintenance & Operations, in the event of a 10% increase in utility rates and fuel rates with Chief Fiscal Officer of the State approval and a prior report to ALC or JBC;
- **Mental Health Services** - authority to transfer appropriation from salaries and match to fund a professional contract for mental health services with prior approval by the Chief Fiscal Officer of the State, ALC or JBC;
- **Special Revenue/Cash Funds Transfer** - with Board and CFO approval, prior review and approval of ALC or JBC, authorizes transfer of special revenues/cash funds to Inmate Care & Custody fund in order to adjust to budget needs;
- **New Facilities:** Provides prior review & approval of the Chief Fiscal Officer of the State, ALC or JBC, may transfer appropriation into Professional Fees for the Inmate Care & Custody appropriation to operate new facilities opened;
- **Appropriation Transfer for Construction & Equipping:** authorizes line item appropriation transfer to finance construction or equipping with prior approval of the Chief Fiscal Officer of the State, ALC or JBC;
- **County Jail Invoice Summary:** Requires Department of Correction and Department of Community Correction to prepare and post a monthly summary of the county jail reimbursement invoices sent to each county submitted for payment, the amounts paid, and any balances owed, to be posted for no less than three years;

**\*LANGUAGE TO BE DELETED\*** - **Motor Vehicle Purchase Provision:** authorizes

purchase of motor vehicles for the purpose of equipping new beds from Capital Outlay;

- **Transfer of Appropriation to the County Jail Reimbursement Fund:** If any general revenue savings and upon prior review and approval of the Chief Fiscal Officer of the State, ALC or JBC, language allows a transfer request of any line item appropriation from ICC to County Jail Reimbursement Fund to meet obligations to counties housing state inmates;

- **Local Government Inmate Cost Report - Requires** each calendar year, the Associations of AR Counties to compile and submit to ALC, a report of all costs incurred by local government units housing state inmates. Report shall be a representative of all counties housing inmates and exclude construction;

- **Essential Services Stipend-** Authorizes additional compensation to exempt employees who are members of the emergency response unit. Allows up to 3% per hour for the actual number hours spent on emergency response;

-**Marketing and Redistribution Proceeds from Sale of State Property -** authorizes up to \$100,000 of M&R proceeds to be adjusted in the Department's cash funds to be used for Paws in Prison.

Revised: April 2017