



Arkansas Department of Correction

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October 2, 2013

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

Re: FY13 Inmate Cost Report

Dear Senator Bill Sample and Representative John Edwards:

Attached is the above referenced report as required by Section 20 of Act 1207 of 2013. The report is self-explanatory.

If you have questions, please let me know.

Sincerely,

Ray Hobbs, Director

cc: Attachment

ARKANSAS DEPARTMENT OF CORRECTION

2013 INMATE COST REPORT – STATE FACILITIES

Introduction

Section 20, Act 1207 of 2013, the ADC Appropriation Act for FY14, 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 for each facility, overall cost per bed 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 government entity;
 - e) Inmate educational and rehabilitation costs;
 - f) Inmate related expenses incurred by the Attorney General, not inclusive of costs of dealing with Habeas Corpus cases.

ARKANSAS DEPARTMENT OF CORRECTION

2013 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 20.
- 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.

FY 13 Summary Results

The direct and indirect expenditures for FY 13 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 20 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 FY13 an average of 4,000 inmates attended school and 670 achieved a GED certificate. The School

District reported expenditures of \$5,999,081.

- b) Department of Career 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 Varner, Tucker, Newport, Ouachita, Randall Williams, East Arkansas, and Wrightsville units and include automotive mechanics, horticulture, cabinet making, welding, data processing, diesel engine mechanics, masonry, computerized accounting, graphic arts, drafting, plumbing, and small engine mechanics. During FY13 there was an average of 300 inmates enrolled in the Vo-Tech program each month. Vo-Tech reported total expenditures of \$2,265,494 during FY13.
- 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 FY13 totaled \$1,271,140.

A brief summary of results of the 2013 Inmate Cost Report of State Facilities as mandated by Section 20 is as summarized on the next page and is as follows:

ARKANSAS DEPARTMENT OF CORRECTION
2013 INMATE COST REPORT – STATE FACILITIES

FY13 – Section 20 Summary

Total ADC Direct and Indirect Costs	\$	335,286,985
Average Cost Per Day Per Inmate	\$	65.55
Average Cost Per Day Per Bed	\$	65.31

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
FY13 COST PER INMATE PER DAY (CPD)**

			Allocated Costs - Based on Total Inmate Days													
	Direct Unit Expend.	Depreciation	Total Unit	Warehouse	Overhead	Treatment	School District	Vo-Tech	AG's Office	Debt Service	Allocated Unit Cost	Reimb.	Net Unit Cost	Total Inmate Days	FY'13	
Cummins	27,552,905	291,526	27,844,431	3,410,396	3,946,317	9,594,198	811,207	306,344	171,886	126,287	46,211,066	1,761,138	44,449,928	691,675	64.26	
Tucker	11,065,707	164,953	11,230,660	1,484,737	1,718,053	4,176,894	353,164	133,369	74,832	54,980	19,226,689	780,839	18,445,850	301,125	61.26	
Pine Bluff Unit	9,220,039	36,291	9,256,330	772,063	893,388	2,171,985	183,645	69,352	38,912	28,590	13,414,265	1,042,360	12,371,905	156,585	79.01	
Diagnostic	0		0	0	0	0	0	0	0	0	0	0	0		0.00	
Wrightsville	16,434,838	255,986	16,690,824	2,274,797	2,632,266	6,399,507	541,090	204,337	114,651	84,236	28,941,708	1,643,290	27,298,418	461,360	59.17	
Varner - Supermax	20,840,067	678,204	21,518,271	2,980,272	3,448,602	8,384,165	708,897	267,708	150,207	110,360	37,568,482	1,424,394	36,144,088	604,440	59.80	
Max Security - Tucker	13,151,224	158,092	13,309,316	995,224	1,151,616	2,799,784	236,727	89,398	50,160	36,853	18,669,078	447,196	18,221,882	201,845	90.28	
North Central	10,181,230	308,585	10,489,815	1,033,017	1,195,349	2,906,105	245,715	92,792	52,065	38,253	16,053,111	500,253	15,552,858	209,510	74.23	
Delta Regional	9,575,745	170,986	9,746,731	1,015,020	1,174,524	2,855,476	241,436	91,176	51,158	37,586	15,213,107	506,919	14,706,188	205,860	71.44	
Randall L. Williams	8,285,441	109,121	8,394,562	968,228	1,120,379	2,723,841	230,306	86,971	48,799	35,854	13,608,940	521,613	13,087,327	196,370	66.65	
East Arkansas Regional	22,036,639	625,660	22,662,299	2,982,071	3,450,684	8,389,228	709,325	267,870	150,298	110,426	38,722,201	1,432,707	37,289,494	604,805	61.66	
Ouachita	24,488,707	1,977,546	26,466,253	2,976,672	3,444,437	8,374,039	708,041	267,385	150,026	2,917,584	45,304,437	1,337,657	43,966,780	603,710	72.83	
McPherson	10,992,138	587,560	11,579,698	1,423,548	1,647,249	4,004,755	338,610	127,873	71,748	162,940	19,356,421	1,027,175	18,329,246	288,715	63.49	
Grimes	13,689,909	624,698	14,314,607	1,824,877	2,111,644	5,133,782	434,071	163,923	91,975	67,575	24,142,454	980,496	23,161,958	370,110	62.58	
Subtotal - Institutions	197,514,589	5,989,208	203,503,797	24,140,922	27,934,508	67,913,759	5,742,234	2,168,498	1,216,717	3,811,524	336,431,959	13,406,037	323,025,922	4,896,110	65.98	
Benton	4,843,659	6	4,843,665	572,299	662,231	1,610,003	136,129	51,408	28,844	21,192	7,925,771	1,838,391	6,087,380	116,070	52.45	
NW AR Work Release	670,868	0	670,868	75,587	87,465	212,642	17,979	6,790	3,810	2,799	1,077,940	221,490	856,450	15,330	55.87	
Mississippi County	2,097,912	24,052	2,121,964	206,963	239,486	582,234	49,229	18,591	10,431	7,664	3,236,562	563,040	2,673,522	41,975	63.69	
Texarkana	2,076,691	96	2,076,787	224,960	260,310	632,863	53,510	20,207	11,338	8,330	3,288,305	644,594	2,643,711	45,625	57.94	
Subtotal - Field Inst's.	9,689,130	24,154	9,713,284	1,079,809	1,249,492	3,037,742	256,847	96,996	54,423	39,985	15,528,578	3,267,515	12,261,063	219,000	55.99	
Grand Totals	207,203,719	6,013,362	213,217,081	25,220,731	29,184,000	70,951,501	5,999,081	2,265,494	1,271,140	3,851,509	351,960,537	16,673,552	335,286,985	5,115,110	65.55	

**ARKANSAS DEPARTMENT OF CORRECTION
FY13 COST PER INMATE PER DAY (CPD)**

Allocated Costs - Based on Total Bed Capacity															
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Tucker	11,065,707	164,953	11,230,660	1,484,737	1,718,053	4,176,894	353,164	133,369	74,832	54,980	19,226,689	780,839	18,445,850	316,090	58.36
Pine Bluff Unit	9,220,039	36,291	9,256,330	772,063	893,388	2,171,985	183,645	69,352	38,912	28,590	13,414,265	1,042,360	12,371,905	156,950	78.83
Diagnostic	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
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Varner - Supermax	20,840,067	678,204	21,518,271	2,980,272	3,448,602	8,384,165	708,897	267,708	150,207	110,360	37,568,482	1,424,394	36,144,088	597,140	60.53
Max Security - Tucker	13,151,224	158,092	13,309,316	995,224	1,151,616	2,799,784	236,727	89,398	50,160	36,853	18,669,078	447,196	18,221,882	194,180	93.84
North Central	10,181,230	308,585	10,489,815	1,033,017	1,195,349	2,906,105	245,715	92,792	52,065	38,253	16,053,111	500,253	15,552,858	200,750	77.47
Delta Regional	9,575,745	170,986	9,746,731	1,015,020	1,174,524	2,855,476	241,436	91,176	51,158	37,586	15,213,107	506,919	14,706,188	211,700	69.47
Randall L Williams	8,285,441	109,121	8,394,562	968,228	1,120,379	2,723,841	230,306	86,971	48,799	35,854	13,608,940	521,613	13,087,327	205,130	63.80
East Arkansas Regional	22,036,639	625,660	22,662,299	2,982,071	3,450,684	8,389,228	709,325	267,870	150,298	110,426	38,722,201	1,432,707	37,289,494	605,535	61.58
Ouachita	24,488,707	1,977,546	26,466,253	2,976,672	3,444,437	8,374,039	708,041	267,385	150,026	2,917,584	45,304,437	1,337,657	43,966,780	616,850	71.28
McPherson	10,992,138	587,560	11,579,698	1,423,548	1,647,249	4,004,755	338,610	127,873	71,748	162,940	19,356,421	1,027,175	18,329,246	294,555	62.23
Grimes	13,689,909	624,698	14,314,607	1,824,877	2,111,644	5,133,782	434,071	163,923	91,975	67,575	24,142,454	980,496	23,161,958	365,000	63.46
Subtotal - Institutions	197,514,589	5,989,208	203,503,797	24,140,922	27,934,508	67,913,759	5,742,234	2,168,498	1,216,717	3,811,524	336,431,959	13,406,037	323,025,922	4,909,250	65.80
Benton	4,843,659	6	4,843,665	572,299	662,231	1,610,003	136,129	51,408	28,844	21,192	7,925,771	1,838,391	6,087,380	118,625	51.32
NW AR Work Release	670,868	0	670,868	75,587	87,465	212,642	17,979	6,790	3,810	2,799	1,077,940	221,490	856,450	15,330	55.87
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Texarkana	2,076,691	96	2,076,787	224,960	260,310	632,863	53,510	20,207	11,338	8,330	3,288,305	644,594	2,643,711	46,720	56.59
Subtotal - Field Inst's.	9,689,130	24,154	9,713,284	1,079,809	1,249,492	3,037,742	256,847	96,996	54,423	39,985	15,528,578	3,267,515	12,261,063	224,840	54.53
Grand Totals	207,203,719	6,013,362	213,217,081	25,220,731	29,184,000	70,951,501	5,999,081	2,265,494	1,271,140	3,851,509	351,960,537	16,673,552	335,286,985	5,134,090	65.31