



Arkansas Department of Correction

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September 28, 2016

The Honorable Bill Sample, Chair
The Honorable David L Branscum, Chair
Arkansas Legislative Council
315 State Capitol Building
Little Rock, AR 72201

Re: FY16 Inmate Cost Report

Dear Senator Sample and Representative Branscum:

Attached is the above referenced report as required by Section 21 of Act 1071 of 2015. The report details the average cost and includes a breakdown by unit. If you have questions or need additional information contact Mike Carraway at 870-850-8719 or by email at mike.carraway@arkansas.gov.

If you have questions, please let me know.

Sincerely,

Wendy Kelley, Director

cc: Attachment

Arkansas Department of Correction

2016 Inmate Cost Report – State Facilities



North Central Unit

*Wendy Kelley, Director
September 19, 2016*

ARKANSAS DEPARTMENT OF CORRECTION
2016 INMATE COST REPORT – STATE FACILITIES

Introduction

Section 22, Act 266 of 2016, the ADC Appropriation Act for FY17, 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.

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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 22 (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.

FY16 Summary Results

The direct and indirect expenditures for FY16 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 22 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 FY16, an average of 3,545 inmates

attended school and 460 achieved a GED certificate. The School District reported expenditure of \$6,457,834 for FY16.

- b) Riverside Vocational Technical School is administered by the Corrections School Board. Riverside Vocational Technical School Costs for operation are through State of Arkansas general revenue. Vo-Tech's mission is to equip inmates of the departments of Correction and Community Corrections with marketable skills to aid re-entry into society. Courses are individually paced, but usually take about thirteen months to complete. Vocational programs are offered at the East Arkansas, McPherson, Pine Bluff, North Central, Ouachita, Tucker, Varner, Wrightsville and ACC units. Courses include facility maintenance, horticulture, cabinet making, carpentry, HVAC, electricity, cosmetology, culinary arts, welding, computer applications, computerized accounting, graphic arts, office technology, landscape, construction trades, plumbing, furniture & upholstery and small engine mechanics. Extension courses include NCCER, Servsafe, animal shelter tech, art design and sanitation tech. During FY16, there was an average of 359 inmates enrolled in the Vo-Tech program each month. Vo-Tech reported total expenditures of \$2,290,151 during FY16.

- 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

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challenges of rules and policies, etc. Civil Division expenses for FY16 totaled \$1,074,592.

A brief summary of results of the 2016 Inmate Cost Report for State Facilities as mandated by Section 22 are summarized as follows:

<i>FY 16 - Section 22 Summary</i>		
<i>Total ADC Direct and Indirect Costs</i>	\$	363,403,828
<i>Average Cost Per Day Per Inmate</i>	\$	62.62
<i>Average Cost Per Day Per Bed</i>	\$	63.36

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.