APPROVED DECEMBER 15, 2016

EXHIBIT B4

MINUTES

SENATE AND HOUSE COMMITTEES ON STATE AGENCIES AND GOVERNMENTAL AFFAIRS ALC- CHARITABLE, PENAL AND CORRECTIONAL INSTITUTIONS SUBCOMMITTEE SENATE AND HOUSE COMMITTEES ON AGRICULTURE, FORESTRY AND ECONOMIC DEVELOPMENT

Meeting Jointly Thursday, October 20, 2016

The Senate and House Interim Committees on State Agencies and Governmental Affairs, ALC- Charitable, Penal and Correctional Institutions Subcommittee, and the Senate and House Interim Committees on Agriculture, Forestry and Economic Development met jointly on Thursday, October 20, 2016, at 1:00 p.m., in Room A, MAC, in Little Rock, Arkansas.

Members in attendance:

Committee members in attendance: Senators Eddie Joe Williams, Chair; Ronald Caldwell, Chair; Alan Clark, Vice Chair; Cecile Bledsoe, John Cooper, Blake Johnson, Terry Rice and Gary Stubblefield. Representatives Nate Bell, Chair; Dan Douglas, Chair; Charles Armstrong, Camille Bennett, Rick Beck, Ken Bragg, Charlotte Douglas, Trevor Drown, Jon Eubanks, Kim Hammer, Mike Holcomb, Mark McElroy, George McGill, Josh Miller, John Payton, Matthew Shepherd, Mary "Prissy" Hickerson, Lane Jean, Jack Ladyman, Dwight Tosh and Jeff Wardlaw.

Alternate members in attendance: Representatives Bruce Cozart, Lance Eads, Vivian Flowers and Sue Scott.

Other legislators in attendance: Senator Scott Flippo. Representatives Mary Broadaway, Mickey Gates, Reginald Murdock, Dan Sullivan, Milton Nicks and Frederick Love.

Representative Bell called the meeting to order.

Discussion of Prison Reform

[Handout 1]

Mr. Burl Cain, President/CEO, Global Prison Seminaries Foundation, gave an overview of the New Orleans Baptist Theological Seminary (NOBTS) program and the Extension Center System which is an undergraduate educational program of the Seminary. In 1995 the NOBTS established an extension center within the maximum security compound of the Louisiana State Penitentiary (LSP) at Angola, Louisiana. LSP had been under federal court supervision for more than twenty years and known as the "bloodiest prison in the nation." The purpose of the extension center is to prepare offender leaders to evangelize their peers and a goal to develop an Inmate Ministry Program to supplement the Chaplain's Department by providing additional discipleship training, new church starts, one on one ministry, counseling, and Christian growth within the prison environment that will nurture hope and cultivate peace in all areas of the institution. The program increases the offenders' educational levels by providing college degrees which can be used in various employment opportunities. Other measures of success include a noticeable increase in church attendance and church activities, Bible studies, baptisms by inmate ministers, decreasing offender complaints, grievances, confrontations, and attempted suicides. Additionally, the impact on prison violence and conduct of the offenders has been notable with prison violence reduced by 74 percent.

Senator Blake Johnson made a motion to encourage the Arkansas Department of Correction (ADC) to move forward in the process of exploring and implementing the program. Representative Josh Miller seconded the motion, and the motion passed.

Special Audit Report – Review of Farm Operations – Arkansas Department of Correction [Exhibit D] Mr. Michael Knapp, Senior Auditor, Arkansas Legislative Audit, presented the special audit report of the Arkansas Department of Correction's Agriculture Division (Division) requested by the Legislative Joint Auditing Committee. Mr. Knapp stated the Division is designed to be a self-supporting program and had an annual budget of \$20.3 million and operating expenses of \$16.4 million in fiscal year 2015. The Division's primary goals are to provide useful and meaningful work for inmates, cost-effectively produce sufficient food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock. The Division produces cash crops and raises livestock on 20,439 acres throughout the State. In calendar year 2015, the Division grew soybeans, corn, wheat, and rice as marketable commodities. Sorghum, corn, wheat, and oats were produced as feed for livestock. Egg production began in fiscal year 2015 with the dual purpose of producing enough eggs to sustain all Units and selling any excess to generate revenue. Inmates consume eggs, vegetables, pork, milk, and other beverages produced by the Division as well as ground beef purchased by the Division. In fiscal year 2015, total sales of the Division's field crops totaled \$7.2 million.

Mr. Knapp mentioned two noteworthy accomplishments for the Division:

- Over a five-year period it is estimated the Division saved the State \$7.8 million by supplying produce and other commodities for inmate consumption; and
- Inmates in the Agriculture Division were awarded 1,680 days of meritorious good time based upon becoming proficient in the job skills related to their work assignment.

Mr. Richard Wilson, Assistant Director, Bureau of Legislative Research, stated as requested the cash crop operations of the prison farms were isolated which revealed about \$6 million in yields at the current prices but the cost associated was about \$6.7 million. Roughly 75 percent of the total acreage is being irrigated worth \$121 per acre, non-irrigated worth \$41 per acre, and if leased could generate a minimum of \$1.43 million a year. Mr. Wilson concluded based on the review, the ALA staff recommend ADC management to consider the U of A Cooperative Extension Service or another outside organization to evaluate all farming operations.

Agency Response – Arkansas Department of Correction Mr. Davey Faraborough, Farm Administrator, Arkansas Department of Corrections, stated the following responses to previous inquiries: [Handout 2]

- ADC sells eggs to Oklahoma Department of Corrections at 10 percent less the Urner Barry cost and even with the discount it is a better economic gain for the department;
- Current cattle sales procedures with Board approval a minimum bid based on current market conditions is set and if the minimum bid is not reached, the cattle are not sold and are instead placed on the next sale, at no charge to ADC. If the minimum bid is reached, the cattle are sold. The buyer is responsible for transportation.
- Explanation of tractor lease the Office of State Procurement (OSP) changed the engine description to a horsepower range of 129 135. The bid was posted three times with a total of three different bidders. Only one bidder qualified within the horsepower range and was awarded the contract. The other two vendors were disqualified and filed protests; OSP denied both protests.

Representative Bell requested for the agency to respond in more detail about the failed generator event that resulted in the death of approximately 41,000 chickens. Additionally, he requested in writing, a response from the agency on the following questions: Are inmates being told they will not be parolled or released unless they

sign up for health insurance; Who or what entity is enrolling them; How was that entity selected; and Who in ADC is related to that person or entity?

<u>Senator Williams made a motion to adopt the Audit Report – Review of Farm Operations at Department of Correction, and without any objection it passed.</u>

There being no further business, the meeting was adjourned at 3:42 p.m.