



## VIRGINIA DEPARTMENT OF CORRECTIONS

### Management Information Summary Annual Report Year ending June 30, 2013



Compiled by the Budget Office  
Division of Administration

***On the Cover***  
**RIVER NORTH CORRECTIONAL CENTER**

Construction of a new facility located in Grayson County, near the Town of Independence, was completed in 2011. However, due to budget constraints, the 1,024 bed facility needed to be mothballed at a cost of over \$700,000 per year. Among Governor McDonnell's amendment to the FY 2012-2014 budget was the addition of \$14.3M that would permit the opening of this facility in January, 2014. The General Assembly increased that amount by \$2.9M to permit the opening of the facility in October, 2013. That facility is River North Correctional Center, whose name was derived from the New River, which is located nearby, and is the only river in North America which flows north.

The structures are single story, with mezzanines in the housing units. The facility includes four housing buildings, maintenance/warehouse building, administration building, and warehouse annex. There is also a programs building with space for academic and vocational classrooms, medical areas, gymnasium, intake, visitation, and a food service area. A space within the fence was reserved for potential future construction of an industries building.

River North Correctional Facility will be operated as a Security Level 4 prison. A Security Level 4 facility contains inmates with long-term, single, multiple and life-plus sentences. Inmates in this level of facility must show no disruptive behavior for at least the past 24 months prior to being considered for a transfer to any less secure facility.

The opening of River North Correctional Center will:

- Reduce crowding in our prisons,
- Move some backlogged state-responsible prisoners from jails into the Department of Corrections, and
- Bring more than 350 jobs to an area that is eager for economic development.

# VIRGINIA DEPARTMENT OF CORRECTIONS ANNUAL MANAGEMENT INFORMATION SUMMARY REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

## Table of Contents

	<u>Page</u>
Strategic Plan .....	1
Healing Environment.....	2
The Year In Review .....	3
Financial/Operating Overview .....	9
Financial Report .....	22
Operating Per Capita Statement of Facilities .....	32
Average Daily Inmate and Probationer Population .....	38
Fiduciary Financial Statements (Inmate Trust & Commissary) .....	42
Employment Level Monitoring Report .....	45

**Note:** All dollar and percentage figures used in this report are shown as rounded to the nearest dollar and 1/10 of a percentage point, respectively. Thus the results of arithmetic calculations (sums, divisions, percentages, etc.) when using the exact figures are correct, but due to rounding the results in this report might appear to be off by a few dollars or tenths of a percentage point.

# STRATEGIC PLAN

## MISSION

We will enhance the quality of life in the Commonwealth by improving public safety. We will accomplish this through reintegration of sentenced men and women in our custody and care by providing supervision and control, effective programs and re-entry services in safe environments which foster positive change and growth consistent with sound correctional principles, fiscal responsibility and constitutional standards.

## VALUES

We have identified our core values which we will nurture and embody in our daily work to fulfill our Mission: *Safety, Ethics, Learning, Commitment, Support, Respect and Honesty.*

## VISION

Our long term vision is for VADOC to be a progressive and proven innovative leader in the profession. Virginia is a better place to live and work because we improve long term safety and foster societal progress through the successful transformation and reintegration of men and women entrusted to our care.

## STAKEHOLDERS

This vision was developed from the expectations held by the Department's main stakeholder groups. These stakeholder groups include: our staff, the men and women in care of Corrections and their families, the community, law enforcement, the volunteers, the victims, private entities, advocacy groups and public entities.

## GOALS

The following five long term goals were developed to reach our vision:

1. Achieve a High Level of Safety and Security
2. Attain Substantial Transformation and Re-entry Achievements
3. Function with Operational Excellence Driven by Evidence Based Practices
4. Have in Place a Healing, Rewarding and Motivating Organizational Culture
5. Be Recognized as an Innovative Leader and a Multi-Stakeholder Collaborator

# Department of Corrections Healing Environment

## Overview:

The Council for the Healing Environment was initiated Department-wide by the Director to provide understanding, guidance, coordination, communication, and energy to the development and implementation of the Healing Environment in Virginia's Department of Corrections. Our Healing Environment is a change in the Department's culture that supports re-entry and our Public Safety Mission. We recognize that we are not starting from scratch, but are building on the efforts that many units have been utilizing to engage staff and improve offender re-entry.

## What is the Healing Environment:

The first major outcome of the Council's work was the following description of the Healing Environment:

***The Healing Environment is purposefully created by the way we work together and treat each other, encouraging all to use their initiative to make positive, progressive changes to improve lives. It is safe, respectful, and ethical - where people are both supported and challenged to be accountable for their actions.***

We know our ability to fully develop a Healing Environment is made possible by our success in providing safe and secure workplaces. It is upon this foundation of safety and security that we can change lives and promote positive growth for both staff and offenders. Employees must feel the Healing Environment if they are to model it for the offenders and others.

# **DEPARTMENT OF CORRECTIONS**

## **THE YEAR IN REVIEW**

### **For the Fiscal Year Ended June 30, 2013**

A few of the accomplishments/initiatives of the Department of Corrections for the fiscal year ending June 30, 2013 are highlighted below:

#### **FY 2013 Year End**

The year-end close out continued to be a success. Once again, the Department of Corrections effectively utilized 100.00% of its allotted general fund appropriation.

The *Code of Virginia*, Section 2.2-4350, requires State agencies and institutions to pay 100% of their invoices subject to the Prompt Payment Statutes by the "required" payment due date. Agencies are considered to be in compliance with the prompt payment standard if they have achieved at least a 95% prompt payment rate. The Department continued to exceed this goal with a compliance rate of 98.5% for FY 2013.

The Department also continued progress in the utilization of Small, Women and Minority (SWaM) vendors for its discretionary expenditures. The percentage of discretionary expenditures with SWaM vendors increased to 30.52% in FY 2013, up from the 27.7% in FY 2012. This percentage, however, represents expenditures which are reported in the Commonwealth Accounting and Reporting System (CARS) and through the purchase credit card system. Use of SWaM vendors for goods and services procured through other sources of revenue are not included in this percentage.

#### **CARDINAL – New Commonwealth Accounting and Reporting System**

During the 1970's, DOA (Department of Accounts) designed and implemented the Commonwealth Accounting and Reporting System (CARS), the Commonwealth's first mainframe accounting system. CARS is a COBOL based system that stores information in a non-relational database and serves over 150 State agencies. CARS was upgraded in 1986 and again in 1999 for Y2K compliance. Over the years, however, improvements in technology have led other state agencies to develop independent systems in order to meet their increasingly complex accounting and reporting needs. Those systems currently upload accounting data to CARS through non-industry-standard interfaces.

Since 2006, the Virginia Enterprise Applications Program (VEAP) office and various state agencies, including DOA and VDOT have worked on an approach to provide the Commonwealth with a statewide financial management system, now known as CARDINAL.

The CARDINAL System will provide the Commonwealth with a modern ERP (Enterprise Resource Planning) financial management system that offers:

- Robust financial management processes
- Improved data capture
- Powerful financial and operational reporting capabilities
- Software that is supported by the vendor community
- Integration with other key systems for end-to-end business processing
- Infrastructure that is more easily upgraded
- An ERP (enterprise resource planning) system based on industry best practices
- A reduction in the risks associated with dated and unsupported financial management systems
- Standardization of some routine business processes
- Conformity with regulatory (financial, technical, governmental) standards
- Greater utility for a wider range of users

In Wave 1, most on-line agencies, including the DOC, and a few pilot interfacing agencies will implement CARDINAL in October, 2014. In Wave 2, the remaining agencies will implement CARDINAL in February, 2016.

The Financial Systems/Reporting Unit is responsible for this initiative within the Department and has been instrumental in relaying design concerns as it relates to the DOC.

### **VACORIS Financials**

On February 1, 2013, the Department implemented the Offender Trust Accounting and Payroll modules of VirginiaCORIS. These modules replaced an Offender Financial system that was just over twenty-five years old. Unlike its legacy predecessor, these new Trust and Pay subsystems take advantage of a more modern, highly integrated software program and standard hardware architecture. The new system will also eliminate inefficient and paper-based processes, allowing facility staff to devote their time to more impactful tasks. The increased use of automation will also allow for a more effective use of staff resources by including functionality that was not possible in the past. The more reliable methods now being utilized in the management of offender Trust and Pay data will also result in more consistency and accuracy in the reporting of that data across the Department.

### **Virginia Recognized for Transforming Highest-Security Prisons**

The Virginia Department of Corrections' (VADOC's) innovative Administrative Step-Down program, partnering Red Onion State Prison (ROSP) with neighboring Wallens Ridge State Prison, was nationally recognized on July 30. VADOC officials received the State Transformation in Action (STAR) Award from the Council of State Government's Southern Legislative Conference (SLC) at the organization's 67<sup>th</sup> Annual Meeting.

Prior to the Administrative Step-Down program, which was initiated in 2011, ROSP housed only high-risk Administrative Segregation-status offenders. The Step-Down initiative gives Segregation-status offenders more step-by-step programmatic opportunities and more pathways to a lower security status and lower security prisons. In the two years since the Step-Down program began, 460 Administrative Segregation offenders have participated in the program. To date, no offender enrolled in the program has returned to Administrative Segregation. Further, since Step-Down began, the two facilities have seen a 58% decrease in the Administrative Segregation population, a 56% reduction in prison incidents and a 23% reduction in offender grievances. The innovative Step-Down program was implemented with no significant costs to the state. The STAR Award is given based on the following criteria: creativity, effectiveness, impact, and transferability.

### **Milestone in Prisoner Re-entry Support Program**

In a February 14, 2013 news release, Governor Bob McDonnell announced a milestone in a partnership between the Virginia Department of Motor Vehicles (DMV) and the Virginia Department of Corrections (DOC) that supports his initiative of successful offender re-entry. DMV's outreach program called DMV Connect, launched in March 2012 at Deep Meadow Correctional Center in Powhatan, has recently completed expansion into 12 correctional facilities around the state and processed 500 identification cards for inmates preparing for release.

Through DMV Connect, correctional facilities identify individuals slated for release within a month and collect the necessary personal documents and DMV applications for Virginia ID cards. DMV employees then travel to the correctional facilities where they complete the transactions for the soon-to-be-released offenders. Using portable equipment including a laptop and camera, DMV securely processes the work in real-time. Each new ID card is mailed from DMV's secure central processing facility to the appropriate correctional facility. Personnel at the correctional facilities ensure the inmates' new ID cards are in their release packets.

### **2013 Energy Leadership Award**

On Wednesday, June 12, 2013, Secretary of Public Safety Marla Graff Decker was honored by the national Energy Efficiency Forum with an Energy Leadership Award in an evening reception at the Mayflower Hotel in Washington, D.C.

The annual Energy Leadership awards are presented in six categories: Congressional, Governor's, Mayor's, Public Service, and Douglas Decker Lifetime Achievement. (Not every award is presented each year.) Secretary Decker was honored with the Public Service Award for the energy efficient operations at the Virginia Department of Corrections.

The Energy Leadership awards were established in 1991 to recognize public officials who have provided exemplary leadership in instituting and advancing energy efficiency in the United States and abroad. Secretary Decker stated that she was accepting the award "on behalf of the fabulous team at VADOC that made this happen in conjunction with Johnson Controls."

The Virginia Department of Corrections (VADOC) is a forceful advocate advancing the cause of energy efficiency and environmental stewardship. The VADOC has made a measurable commitment to energy, water, and operational efficiency through a multi-phased contract with Johnson Controls. Improvements to 20 of the Department's facilities are expected to reduce the agency's electric demand by 276 kWh, water use by 3.6 billion gallons, propane use by 2.9 million gallons, natural gas by 5.4 million therms, and coal and oil by 928,000 and 1.7 million MMBTUs, respectively, over 15 years.

## **High Intensity Drug Trafficking Act (HIDTA) Program Receives Award**

On Tuesday, January 8, 2013, the VADOC High Intensity Drug Trafficking Act (HIDTA) STAND program was recognized, along with other HIDTA federal, state and local law enforcement agencies, as one of the treatment programs that produced lower recidivism rates for program participants. The VADOC HIDTA program was among those presented with the Washington/Baltimore HIDTA 2012 "Outstanding Treatment Effort" Award. The success of the Washington/Baltimore HIDTA initiatives and the overall program is measured by an independent evaluation conducted annually for the past seven years by the Institute for Behavior and Health. The evaluation analyzes arrest rates of the participants one year before and one year after completing treatment. The most recent report revealed an unprecedented outcome for the program. The results found that only 28% of the offenders who successfully completed substance-abuse treatment were re-arrested in the year following treatment. This is an outstanding achievement when compared to national data that shows nearly 70% of drug-abusing offenders being re-arrested.

## **Ready To Work**

The *Ready To Work* program was implemented in July, 2012. The *Ready To Work* program equips offenders for post-release success with employability and money-management skills. This program utilizes dynamic learning experiences in which participants explore work interests, create resumes and complete job applications, practice networking and interviewing, set financial goals and create a budget. Participants apply for credit reports and DMV compliance summaries and incorporate any repayment plans in their budgets.

Former offenders report that skills acquired in *Ready To Work* equipped them to get hired and be successful on the job. Community Workforce Development organizations and agencies report that offender job seekers are arriving prepared, which enables expedient and successful job development and placement.

The Department shared the *Ready To Work* curriculum with the Department of Juvenile Justice and provided training for their facilitators, so this program now benefits youthful offenders as well. The Department has also shared this curriculum with Corrections Departments in other states and numerous local re-entry organizations.

## **Thinking for a Change**

In September 2012, Thinking for a Change peer support groups were implemented in Probation and Parole Districts to address one of the Department's key operational goals for re-entry and public safety. These groups provide support to offenders during the high-risk period immediately after release and continuity with the evidenced-based programming they received in prison.

In February 2013, the T4C peer support group "Behind the Walls" pilot was developed and implemented to dispel myths and offer a smoother transition for offenders anticipating participation in community group. This collaborative effort was initiated to help offenders become acclimated to the principles and process of peer support groups. Offenders are opening up more and discussing "real issues." They are also learning that the "thinking report" is a tool with multiple benefits and can be used in situations not related to sanctions.

### **Women's Work Release Pilot Initiated at Deerfield**

A pilot work release program began in FY 2013 at Deerfield Women's Work Center for soon-to-be-released female offenders. The work release program is operated by Community Education Centers (CEC), a private contractor that runs correctional re-entry centers across the country. The program is a pilot based on recommendations in the Virginia Adult Re-entry Plan to provide carefully screened offenders with a more graduated step-down into the community before full release. The women will work in community jobs during the day and return to the prison at night. Work release will allow the women to obtain real world jobs and to save money for release. The CEC Transitional Women's Work Release (TWWR) program is designed to meet the unique issues facing female offenders as they transition from incarceration to community.

Female offenders' needs vary from those of the male population and include medical/dental issues, mental health challenges, family reunification, therapeutic concerns and vocational requirements. The program requires participants to first participate in a Cognitive Community at Brunswick Work Center which then allows them to transfer to Deerfield Women's Work Center for the CEC TWWR program 120 days before release.

The initial group of 19 offenders completed the 60-day Accelerated Cognitive Community Curriculum at Brunswick (gender-responsive programming) and transitioned to Deerfield Women's Center on April 4, 2013 to participate in the CEC TWWR program.

### **VADOC Dairy Helps VA Tech Promote Sustainability**

In January, 2013 Virginia Tech students began drinking milk produced by Virginia Tech cows. Virginia Tech collaborated with the VADOC to have the university's cows' milk processed at James River Correctional Center. VADOC has long processed its own milk, but a recent move to upgrade VADOC to a Grade A milk facility required more milk.

VADOC has several long-standing agreements with Virginia Tech and has used a portion of the university's milk since 2009. Last summer, VADOC made an agreement to begin receiving all milk from Virginia Tech's dairy operation. The new agreement with VADOC allows Virginia Tech milk to go to one place, James River in Goochland County, where it is pasteurized and homogenized.

Virginia Tech ships out 31,000 pounds every other day, and in less than 72 hours the milk is returned in five-gallon bags as whole or low-fat and chocolate. All of the milk processed by VADOC is served in Dietrick Hall's D2 food court. To see the cows that produced it, students need only look out the window.

### **Virginia Public Safety Memorial**

On December 10, 2012, Virginia Department of Corrections Director Harold Clarke announced that Corrections employees were donating more than \$80,000 to the Virginia Public Safety Foundation to help build the Commonwealth Public Safety Memorial. To date, the Department of Corrections' contribution to the memorial is the largest received from a public safety organization.

The Public Safety Memorial will honor all Virginia public safety heroes who have given their lives in the line of duty and the more than 165,000 public safety officers—including corrections officers—who serve Virginians every day. Darden Memorial Garden near Virginia's Capitol Square is the future site for the monument.

### **Employee Assistance Fund**

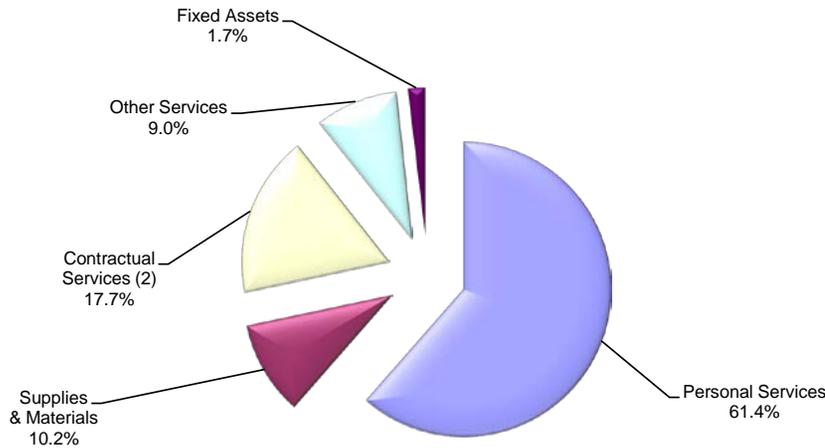
The EAF was established during FY 2003 and as of June 30, 2013 has made 1,020 awards totaling \$710,402. The fund was created to provide monetary relief to current employees of the Virginia Department of Corrections who have experienced a crisis resulting in a financial need to include, but not limited to, death of an employee, serious illness of an employee or an immediate family member, loss of property due to fire, etc. The EAF is supported by DOC fund-raising activities and tax-deductible contributions from employees and other supporters. The fund enables DOC to disburse immediate resources to employees without friends and co-workers "passing the hat." Contributions to the EAF are used only for the benefit of current DOC employees. As of June 30, 2013, the fund balance was \$201,341.

# FINANCIAL/OPERATING OVERVIEW

## TOTAL EXPENDITURES BY CATEGORY - ALL FUNDS

For the fiscal year ended June 30, 2013, the General Assembly appropriated the Department of Corrections (DOC) an adjusted operating budget of \$1,086,178,506. The DOC expended \$1,074,742,777, the major portion of these expenditures were earmarked for salaries and benefits. The Department operated 26 Major Institutions, 8 Field Units\*, 6 Work Centers, 4 Diversion Centers, and 3 Detention Centers in which 28,789 offenders\*\* were housed. In addition, the Department operated 43 Probation & Parole District Offices. (For FY 2013, the number of offenders under community-based supervision averaged 57,102, a 1% decrease from last fiscal year.)

### TOTAL EXPENDITURES BY CATEGORY - FY 2013



	<u>FY 2013</u>	<u>FY 2012</u>
Personal Services (1)	\$ 660,491,943	\$ 630,135,751
Supplies & Materials	109,910,357	108,731,417
Contractual Services (2)	189,964,163	179,121,601
Other Services	96,214,338	101,749,591
Fixed Assets	18,161,976	13,216,581
	<u>\$ 1,074,742,777</u>	<u>\$ 1,032,954,942</u>

\* Baskerville costs are reflected in the field unit per capita rate.

\*\* On average 28,789 offenders were housed in facilities operated by DOC during FY 2013. Excluded from that statistic were 1,553 DOC inmates housed in a Department of Corrections owned prison in Lawrenceville, Virginia that is privately-operated.

(1) The increase in personal services is attributed to the employee bonus, and increases in health insurance and employer retirement contribution.

(2) The increase in contractual services is the result of increased medical contract costs as well as expenditures associated with the Department's offender management system (CORIS).

## **CATEGORY DEFINITIONS**

Personal Services are the salaries, wages, overtime and fringe benefits (social security, health insurance, group life insurance, long-term disability insurance, retirement, etc.) of DOC employees.

The Supplies and Materials category include expenditures for supplies and materials used in administration (employee clothing, office supplies, stationery, etc.), energy production (coal, natural gas, gasoline, fuel oil, etc.), manufacturing and merchandising (manufacturing supplies, packaging supplies, etc.), medical care (laboratory supplies, medical and dental supplies, drugs, etc.), repair and maintenance (including custodial care), inmate residence (inmate clothing, food, laundry and linen, toiletries, etc.), and miscellaneous other uses (agriculture, computer operation, education, recreation, etc.).

Examples of Contractual Services are freight, postage, telecommunications services, employee development and training, health care, legal services, consulting, advertising, repair and maintenance, architecture and engineering services, food service, laundry and linen service, computer hardware and software maintenance, software acquisition, computer operation, and travel-related services (transport, meals, lodging, etc.).

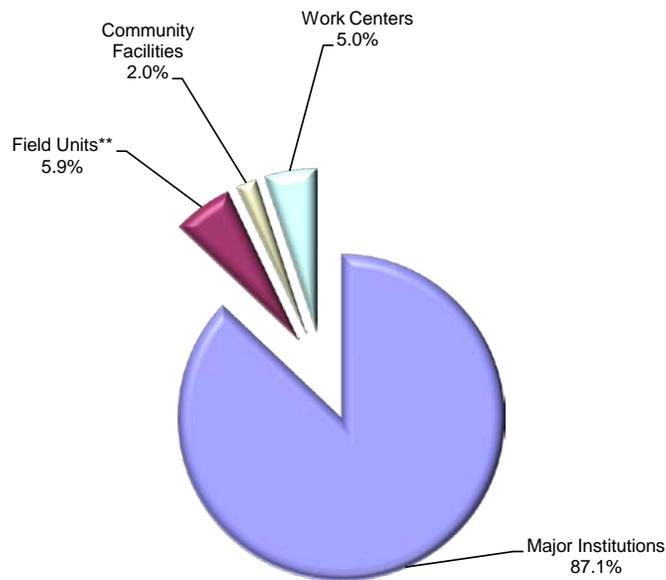
Other Services consist of miscellaneous expenditures such as unemployment compensation, incentive payments for participation in State-sponsored programs and activities (e.g., halfway houses), grants and aid to local governments, insurance premiums (property, medical malpractice, workers compensation, etc.), lease payments, rent, utility charges (for water, sewage, electricity, etc.), garbage collection, installment purchases, and debt service.

Fixed Assets are equipment, property, physical plant, and improvements to property and physical plant. Examples of fixed assets include electronic equipment (radar, radios, televisions, etc.), motor vehicles (cars, trucks, buses, forklifts, etc.), office furniture (bookcases, desks, files, tables, lamps, etc.), and household equipment (beds, mattresses, chairs, refrigerators, stoves, etc). Additional examples of fixed assets include site improvements, such as exterior lighting systems, fences, landscaping, parking areas, roadways, walkways, etc.

**ADP DISTRIBUTION BY FACILITY TYPE**

The "Average Daily Population" (ADP) for the DOC was 28,789\*. This represents a decrease of 2.4% below the FY 2012 level. The reduction in the average daily population was largely from the closure of Mecklenburg Correctional Center, in addition to efforts to reduce overcrowding at medium security dormitories (MSD's) by removing one half of the top bunks in the center aisles.

ADP is the sum total of the offender population resulting from periodic head-counts divided by the number of observations. There are four basic types of DOC facilities - major institutions, field units, work centers, and community residential facilities - and there are differences between individual facilities within each type. The offender's security risk, health care needs, educational needs, age, area of residence, etc. determine where an offender is housed. The Department classifies its facilities based on 5 levels of security risks - Level 1 is the lowest; Level 5 is the highest. Offenders who require the highest security are generally housed at Red Onion State Prison. Offenders can be placed in a community facility (Detention/Diversion Center) by a court of law.

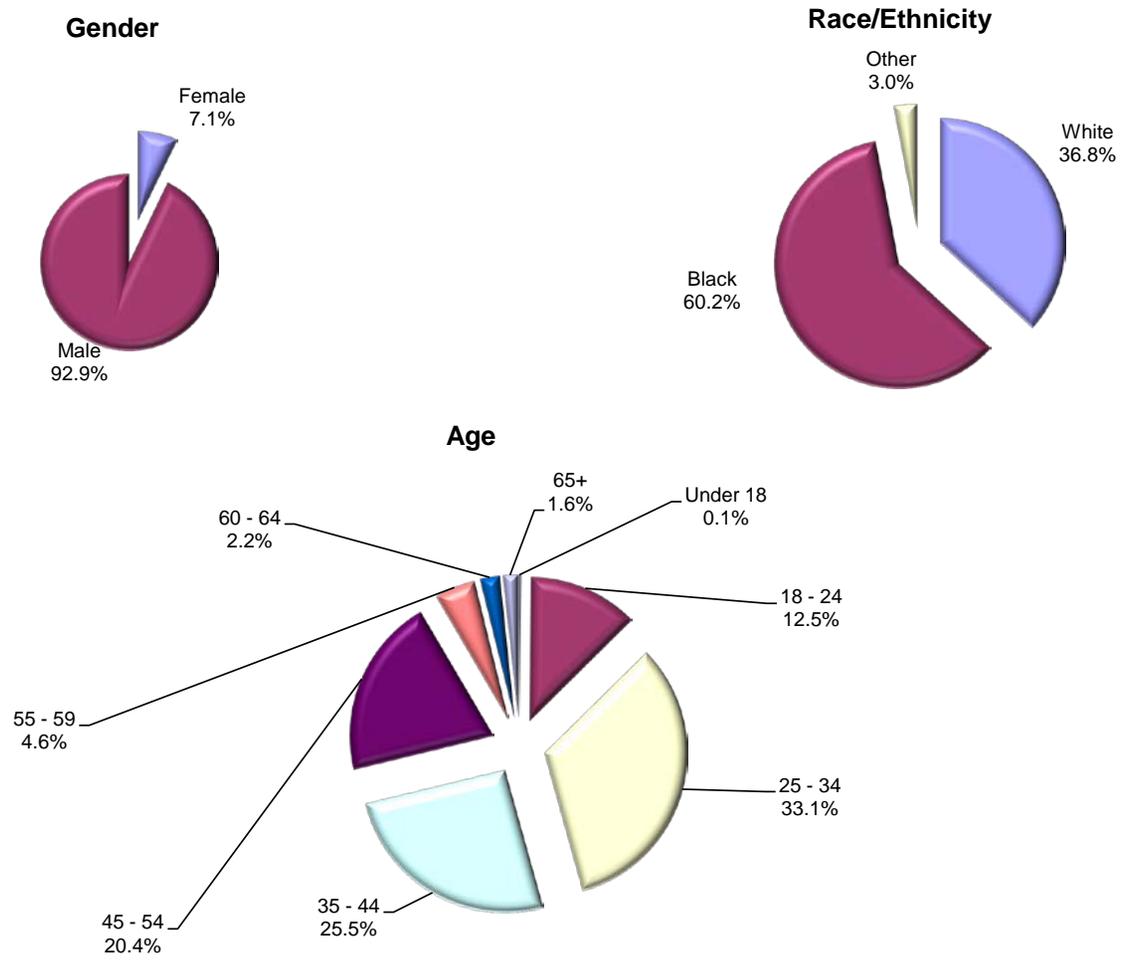


<u>FACILITY TYPE</u>	<u>FY 2013</u>	<u>FY 2012</u>
Major Institutions	25,068	25,954
Field Units**	1,692	1,640
Community Facilities	588	623
Work Centers	1,441	1,284
	<u>28,789</u>	<u>29,501</u>

\* The above ADP statistics refer to offenders housed in facilities operated by DOC. Excluded from these statistics are 1,553 DOC inmates housed in a Department of Corrections owned prison in Lawrenceville, Virginia that is privately-operated.

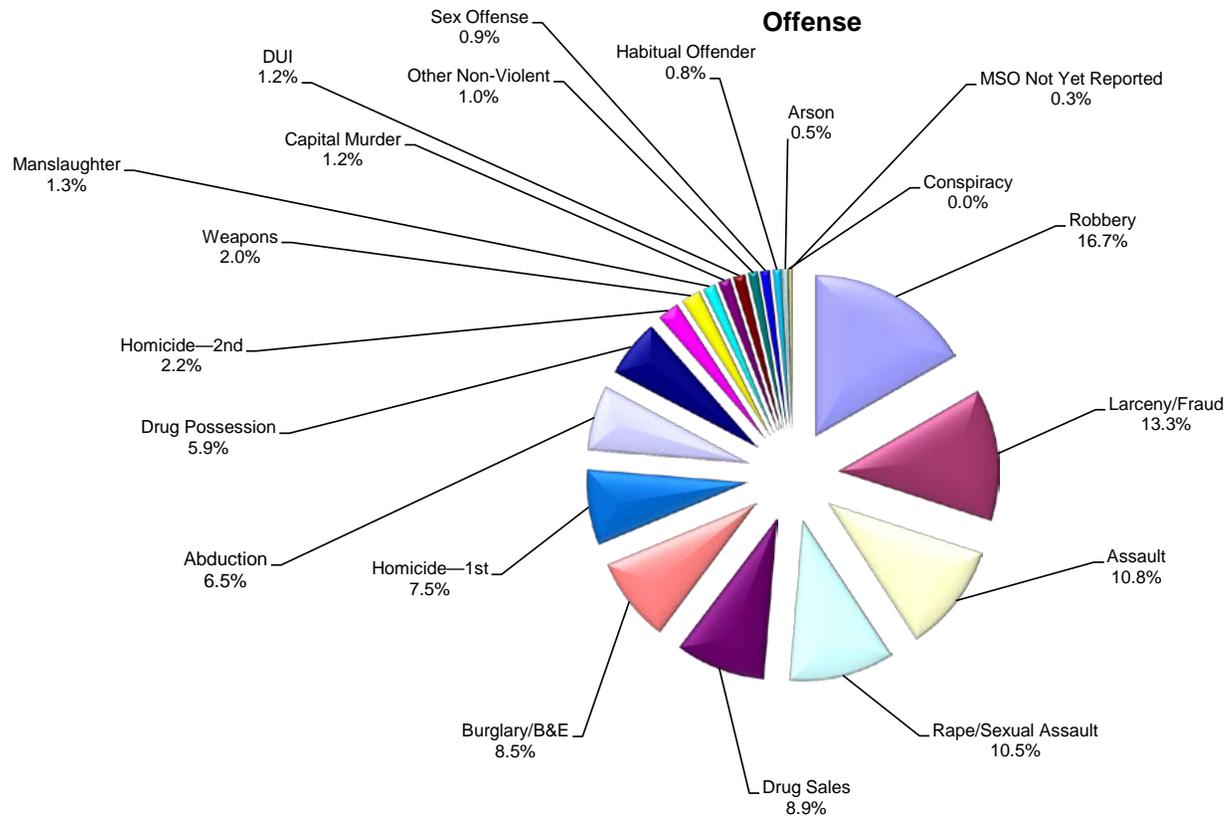
\*\* Includes ADP for Baskerville Correctional Center.

**INMATE POPULATION - DEMOGRAPHICS \***



\* This demographic data represents the DOC inmate population as of December 31, 2012, the most recent data available. DOC inmates incarcerated in local jails are included in this data; out-of-state inmates are excluded.

**INMATE POPULATION - OFFENSE DATA \***



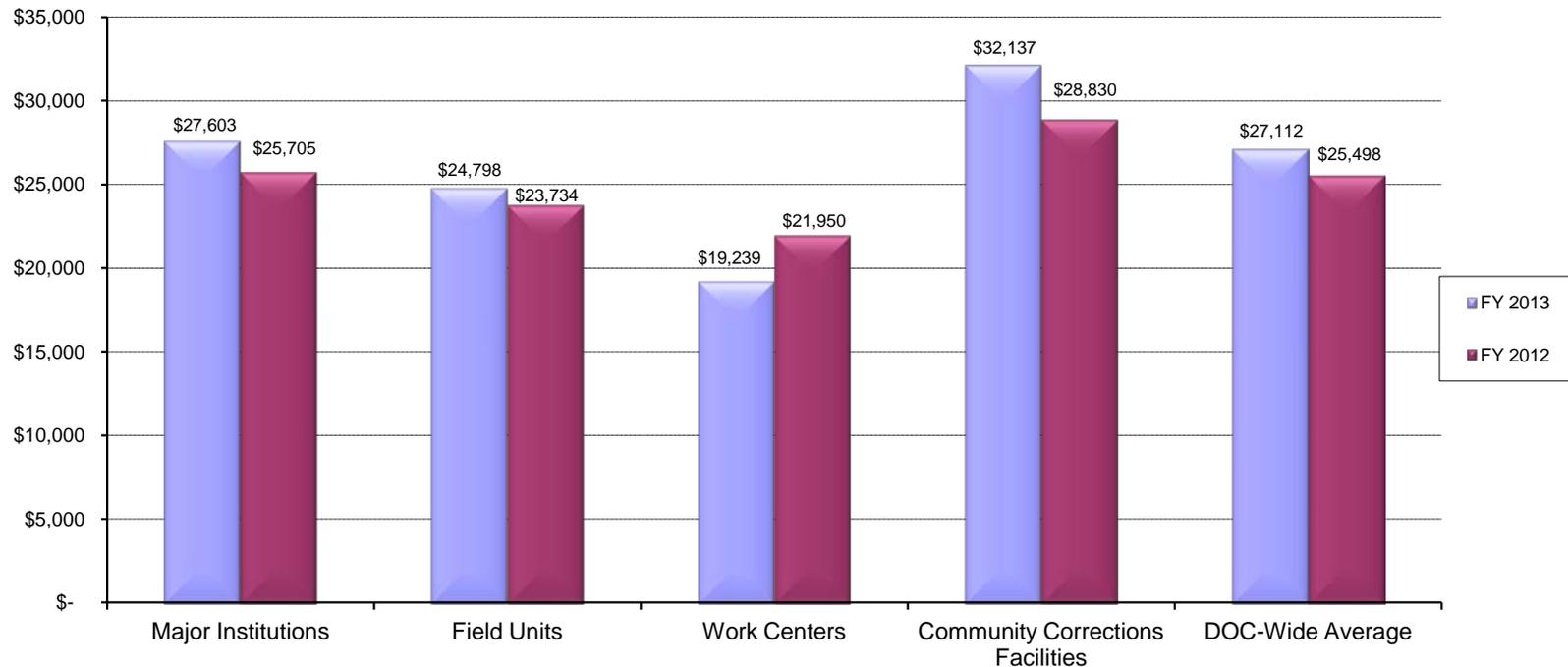
This offense data represents the DOC inmate population as of December 31, 2012, the most recent data available. This data includes DOC inmates incarcerated in local jails, however out-of-state inmates are not included. Inmates convicted of multiple offenses are represented here by their most serious offense. For example, a drug trafficker who raped and murdered someone would be represented in the murder category. In regards to 'not reported' offenses, this data represents the percentage of inmates whose actual committing offense had not been reported. Over time this information is updated for that particular population.

## OPERATING COST PER OFFENDER (PER CAPITA)

The Department-wide per capita cost of housing offenders was \$27,112 in FY 2013, up 6.3% from FY 2012.

The different facility types have different per capita costs for a variety of reasons. Inmates housed in field units and work centers present lower security risks than those housed in major institutions. These inmates also do not have chronic, serious health problems, therefore they need only modest medical resources. For these reasons, field units and work centers tend to have lower per capita costs than major institutions. Probationers housed in community facilities also present lower security risks and have lower medical costs than inmates housed in major institutions. However, the small size of these facilities prevents them from realizing economies of scale. Every facility, regardless of size, incurs fixed costs (administrative/food/medical staff, utilities, repairs, maintenance, etc.) that do not vary directly with offender population, causing small facilities to experience higher per capita costs than large ones.

**OPERATING COST PER OFFENDER - FY 2013 VERSUS FY 2012**

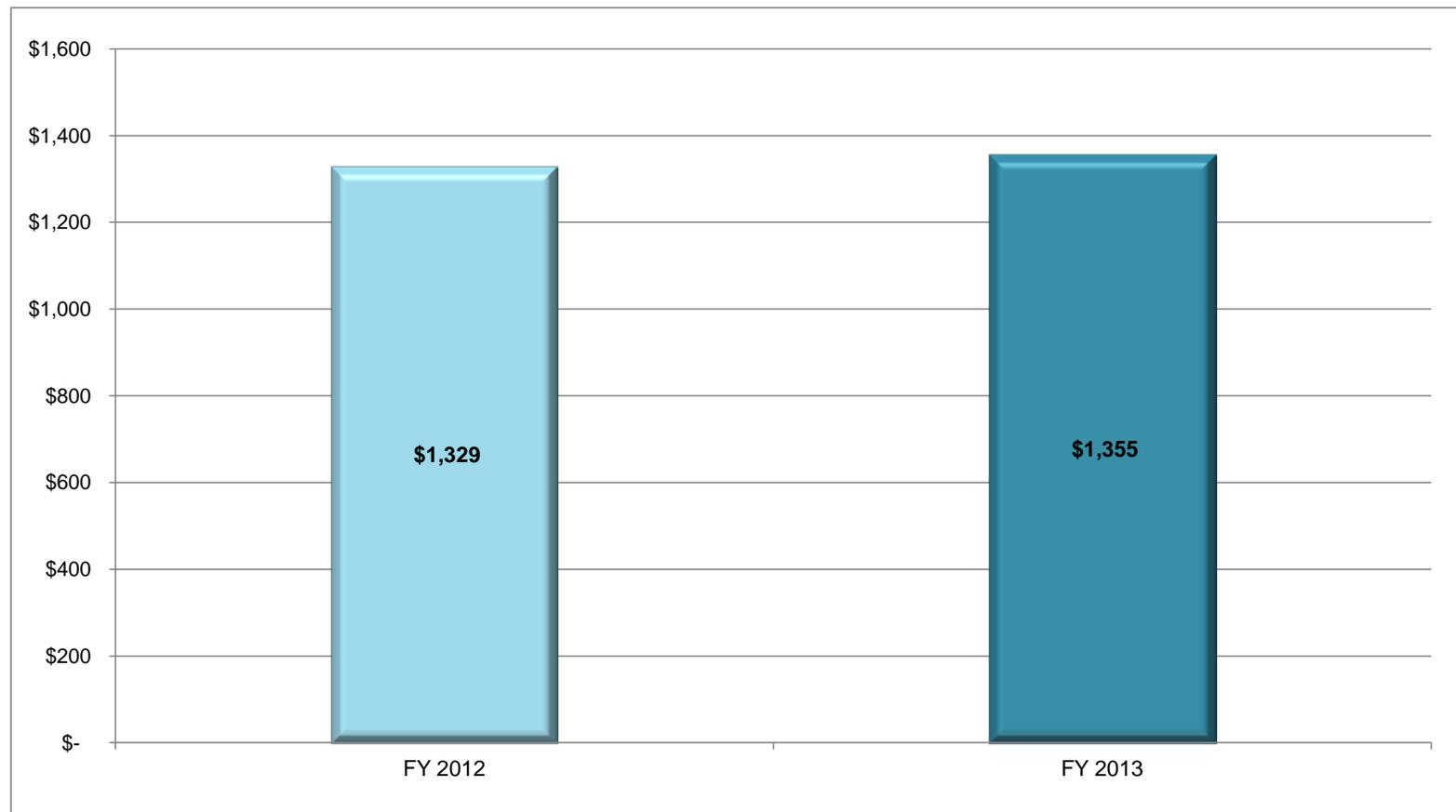


## PROBATION & PAROLE COST PER CASE - FY 2013 VERSUS FY 2012

The calculation methodology divides Probation and Parole services/treatment and Community Residential Treatment expenses by the total number of June Probation and Parole cases from VACORIS. Any Diversion and Detention expenses/cases have been removed for purposes of this cost per case calculation.

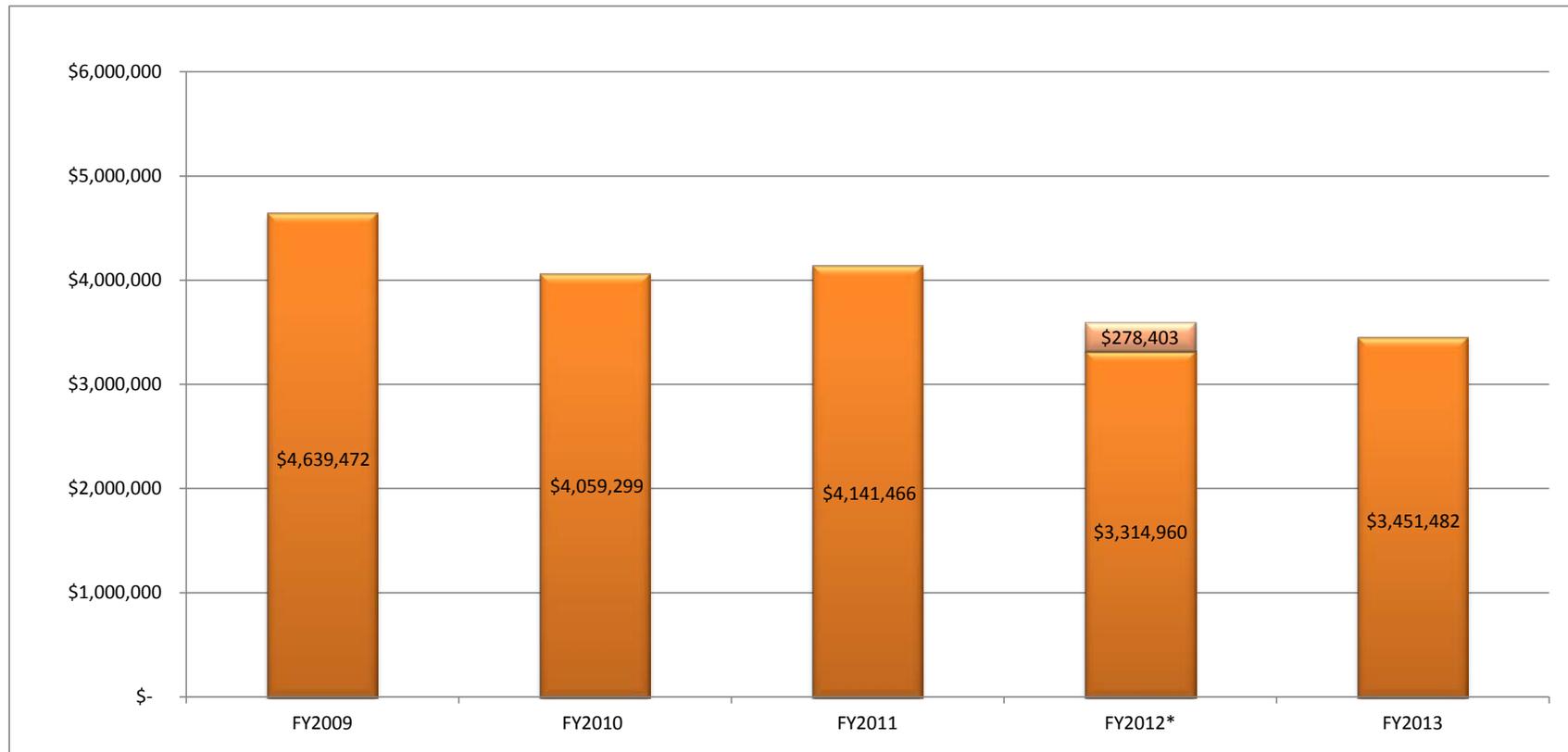
It is important to note that this cost per case calculation assumes a "flat" supervision world in which each individual receives the exact same level of supervision and services. Given that judges mandate certain requirements of supervision, and that EBP principles emphasize sculpted care, this number does not accurately portray the higher cost to supervise violent offenders, sex offenders or other similar intensive supervision cases.

Because this "flat" supervision world presentation of cost does not adequately address all the nuances of Probation and Parole supervision, the DOC Budget Office has not provided a "cost per case" in the past.



## **COMMISSIONS EARNED FROM OFFENDER TELEPHONE SYSTEM**

Another source of revenue for the Commonwealth is the commission earned from offenders use of telephones. In accordance with Division Operating Procedures, offenders are permitted to place only operator assisted telephone calls on the Inmate Telephone System to no more than fifteen (15) numbers, including those of attorneys. The Department must incur the cost of screening and verifying the numbers on the approved list, monitoring calls, etc., to ensure safety of individuals inside as well as outside the facility, and to deter further criminal activity.

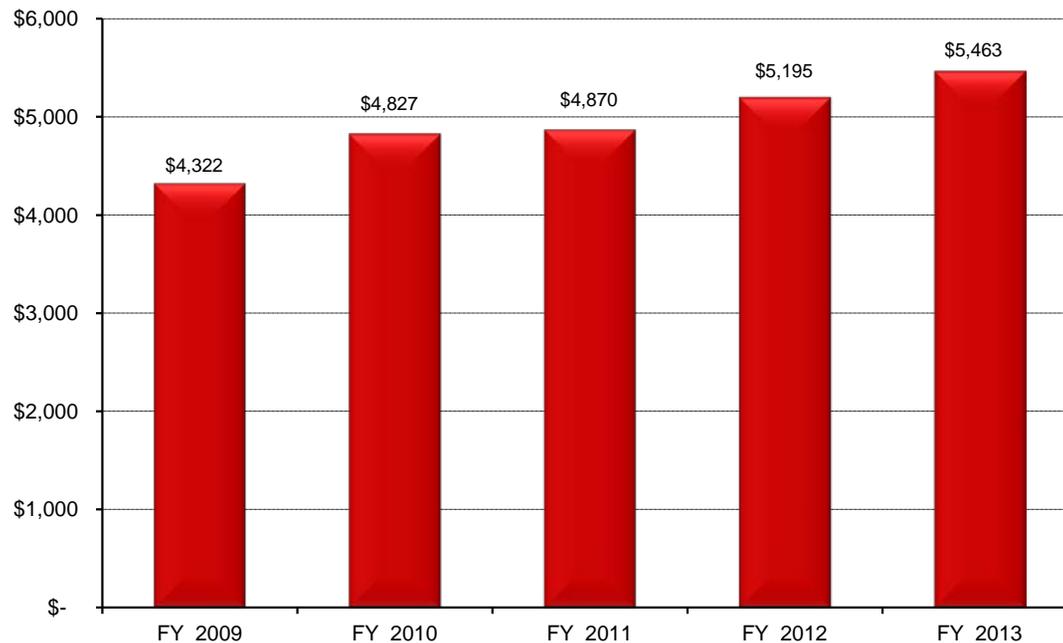


\* Only eleven (11) months of commissions were earned from the offender telephone system in FY 2012; revenue for the 12th month was received in FY 2013 and is shown in orange. The continued reduction in commissions is due to (1) a reduction in population as a result of facility closures, (2) the impact the economy is having on families, and (3) the marketing of alternative calling options to families by third parties.

## PER CAPITA MEDICAL EXPENDITURES

On a per capita basis, DOC medical expenditures increased 5.2% in FY 2013.

While it is generally difficult to predict medical costs, the historical increases in these costs have been attributed to inflation, the rising cost of medical services whether provided by DOC staff or through contractual services, and the impact of providing medical care to an increasingly aging offender population with chronic illnesses and a population entering the system with more acute medical needs.



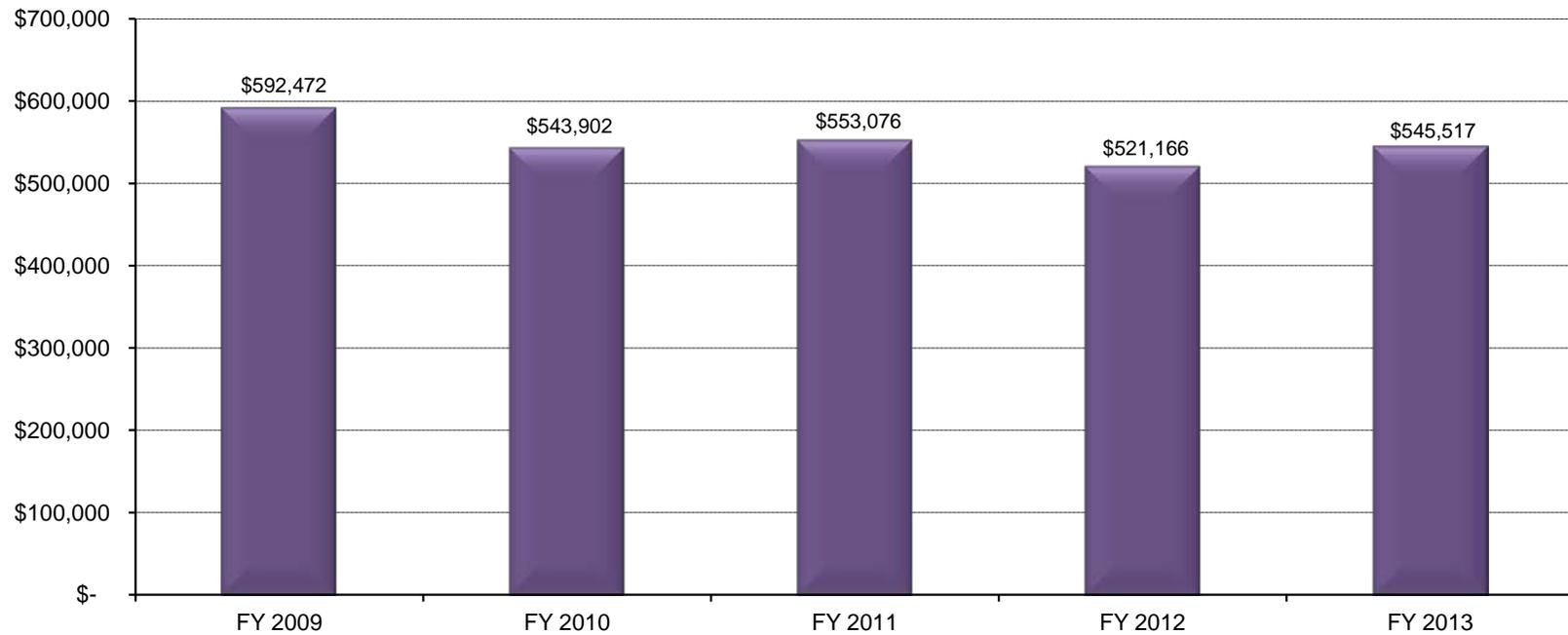
	<u>% OF TOTAL DOC OPERATING EXPENDITURES</u>
FY 2008	12.93%
FY 2009	13.21%
FY 2010	14.93%
FY 2011	14.66%
FY 2012	15.02%
FY 2013	14.63%

Beginning FY 2012, per capita excludes the cost of out of compliance offenders, Virginia offenders housed in other states under interstate compact custody, as well as Lawrenceville, whose ADP is not included in the calculation.

## **INMATE MEDICAL CO-PAYMENT REVENUE**

In response to the increasing cost of medical services, the DOC initiated a "Medical Co-Pay" program in FY1996 whereby inmates are charged a fee or co-payment for certain medical services. The size of the co-payment varies with the kind of medical service rendered (doctors' visits, dental services, prescription drugs, artificial limbs, dentures, eyeglasses, hearing aids, etc.). The highest co-payment is \$300 for prosthetics. No offender is denied medical care due to his or her inability to provide the co-payment.

The revenue from inmate medical co-payments is used to fund the DOC's telemedicine program. The telemedicine program operates in 30 medical facilities, including those locations where medical services are provided by a private vendor as well as at the privately-operated prison in Lawrenceville. Telemedicine enables inmates to receive medical care (in this case from the UVA and VCUHS medical centers) while reducing the security costs and risks associated with transporting inmates to medical facilities.



## **AGRIBUSINESS REVENUE**

Agribusiness within the Virginia Department of Corrections includes programs in areas such as meat plants, beef, vegetables, greenhouses, dairy, pork, orchards, the VADOC farmers market, and freezer plant/processing. Between 600 and 1,000 inmates/detainees annually assist with the 5,700 acres of crops, 5,900 acres of pastures, 6,800 acres of forest, and 600 acres of vegetables.

Revenue from the sale of farm and dairy products is deposited to the Commonwealth of Virginia general fund. In accordance with the provisions of the Appropriations Act, the Agribusiness program may use fifty percent of any amount in excess of fiscal year 1992 deposits of \$1,360,628 (marked with dashed line) for equipment or repair and construction of Agribusiness facilities.

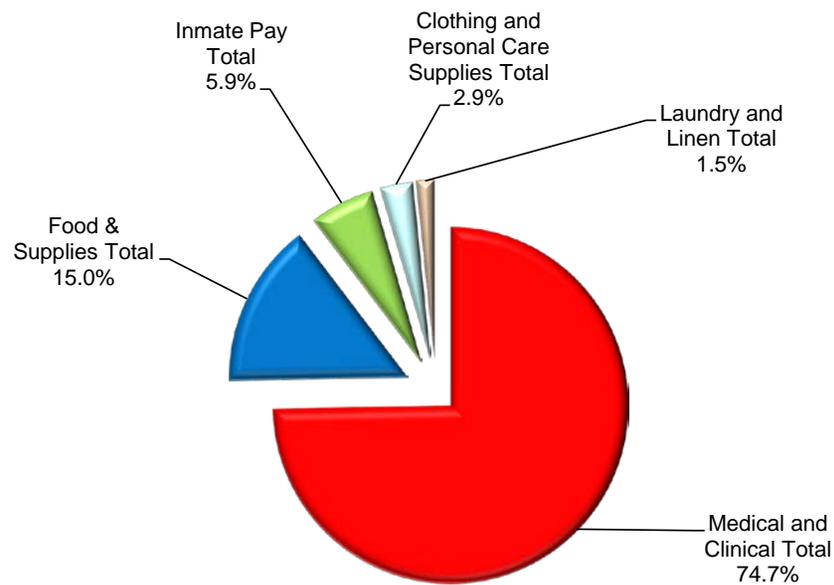
**Agribusiness Revenue from the Sale of Farm & Dairy Products**



**DIRECT INMATE COST - FY 2013**

Direct Inmate Costs (inmate pay, postal services, clinic/dental/hospital/medical/X-ray services, food services, laundry and linen services, lab/medical/dental supplies, drugs, clothing, food and food service supplies, linen and laundry supplies, personal care supplies, and recreational supplies) are the expenditures that vary in direct proportion to the inmate population.

**TOTAL DIRECT INMATE COST BY CATEGORY - FY 2013**



CATEGORY	FY 2013	FY 2012
Medical and Clinical	\$ 124,602,238	\$ 120,829,623
Food & Supplies	24,951,775	25,859,957
Inmate Pay	9,819,135	9,786,820
Clothing and Personal Care	4,839,202	5,104,515
Laundry and Linen	2,606,691	2,774,071
Miscellaneous*	14,609	21,023
<b>Total Direct Inmate Cost</b>	<b>\$ 166,833,650</b>	<b>\$ 164,376,010</b>

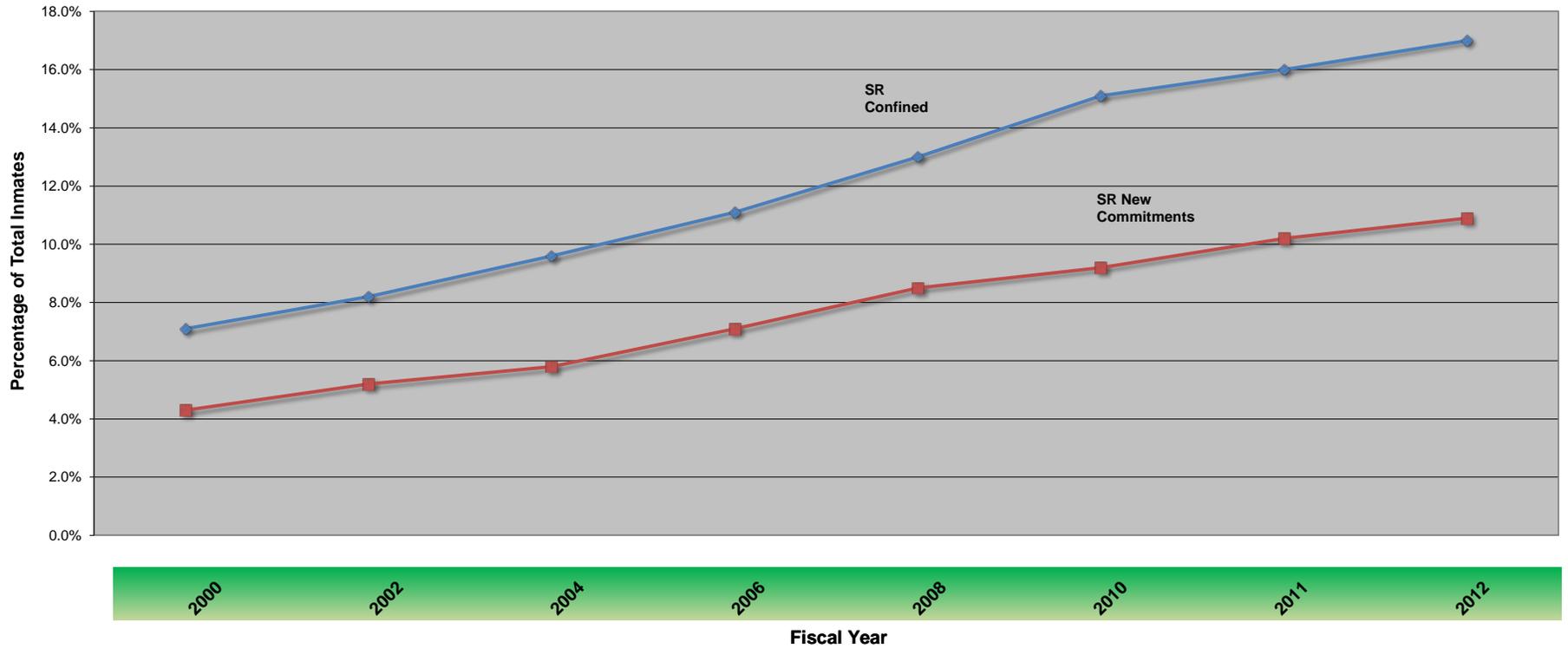
\* Includes expenditures for recreation supplies, as well as postage, which is centrally expensed.

# DOC State Responsible (SR) Confined & Newly Committed Inmates Age 50+ FY 2000 through 2012

Confined Inmates age 50+ have increased almost three-fold from 2,240 to 6,283 since FY2000

New commitments age 50+ have increased more than three-fold from 393 to 1,254 since FY2000

Nearly 11% of the state responsible new commitments and 17% of the state responsible confined are age 50+



50+ Confined	7.1%	8.2%	9.6%	11.1%	13.0%	15.1%	16.0%	17.0%
Number	2,240	2,849	3,537	4,133	5,099	5,697	5,966	6,283
50+ New Commitments	4.3%	5.2%	5.8%	7.1%	8.5%	9.2%	10.2%	10.9%
Number	393	566	676	889	1,094	1,112	1,208	1,254

Source: State Responsible Offender Population Trends, Statistical Analysis & Forecast Unit, 2013.

Individuals age 50 and above are considered geriatric due to the impact of their lifestyles on their health and lack of care issues.

Confined population information is as of June 30th of each year. Newly committed information reflects inmates sentenced within the fiscal years listed.

=====

**FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2013**

=====

	<u>Page</u>
Summary .....	23
<b>Appropriation and Expenditures:</b>	
<b>By Fund .....</b>	<b>24</b>
<b>All Funds .....</b>	<b>25</b>
<b>General Funds .....</b>	<b>28</b>
<b>Federal Funds .....</b>	<b>29</b>
<b>Special Funds .....</b>	<b>30</b>

## **FINANCIAL REPORT SUMMARY For the Fiscal Year Ended June 30, 2013**

Total DOC appropriations for FY 2013 were \$1,086,178,506, as compared to \$1,035,670,656 for the prior fiscal year. This represents an increase of 4.9%. The percentage of General Fund appropriation in relation to the Department's total appropriation equated to approximately 93%. The General Fund increased \$ 58,502,404 above FY 2012 (from \$947,169,999 in FY 2012 to \$1,005,672,403 in FY 2013). The increase is largely attributable to additional funding for central appropriations, and funding for the realignment of Correctional Education to DOC.

Total Special Fund appropriations of \$77,783,819 comprised 7.2% of the Department's total operating budget. Virginia Correctional Enterprises' (VCE) appropriation (\$54,680,835) comprised 70% of the total special fund. Virginia Correctional Enterprises (VCE), a manufacturing arm of the DOC, provides products and services to Corrections, State agencies, and other local governmental and non-profit agencies and keeps inmates employed while simultaneously teaching them marketable skills. Another \$10,831,778 is allocated to the Corrections Special Reserve Fund. The balance of the special fund appropriation (\$12,271,206) was associated with the Warranty Overhead account, the Corrections Construction Unit, pre-sentence investigations (HB 664), the re-entry program, room and board revenue from Diversion Center offenders, medical co-payment funds, as well as other miscellaneous activities.

The balance of the Department's appropriation is comprised of \$2,722,284 in federal funds. This appropriation was allocated for grants through the United States Department of Justice (State Criminal Alien Assistance Program and Female Offender Reintegration Grant), the University of Maryland High Intensity Drug Trafficking Area (HIDTA) Grant, the Residential Substance Abuse Grant, the National Institute of Corrections for Re-Entry Training, as well as Correctional Education grants (Second Chance, Special Education, and Youthful Offender). Historically, funding from the State Criminal Alien Assistance Program had reverted to the Commonwealth's General Fund; however, the 2009 General Assembly permitted the retention of these funds. In FY 2013, the Department received \$1,142,088 to help offset increased inmate medical services costs.

**DEPARTMENT OF CORRECTIONS  
OPERATING APPROPRIATIONS AND EXPENDITURES - BY FUND  
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

<u>FUND (1)</u>	<u>Appropriation Per Ch. 3 2012 Assembly</u>	<u>Total Adjustments</u>	<u>Total Adjusted Appropriation</u>	<u>Total Expenditures</u>	<u>Percent Expended Y-T-D</u>
GENERAL	\$ 952,735,147	\$ 52,937,256	\$ 1,005,672,403	\$ 1,005,668,303	100%
FEDERAL	1,644,048	1,078,236	2,722,284	2,341,704	86%
SPECIAL	72,459,603	5,324,216	77,783,819	66,732,770	86%
<b>TOTAL FUNDS</b>	<u>\$ 1,026,838,798</u>	<u>\$ 59,339,708</u>	<u>\$ 1,086,178,506</u>	<u>\$ 1,074,742,777</u>	<u>99%</u>

- (1) The General Fund designations relate to ordinary DOC operations, including all activities that do not qualify for inclusion in any other fund.  
Federal Fund designations relate to appropriations and expenditures of grants issued by the Federal Government.  
Special Fund designations relate to appropriations and expenditures that are restricted to specific programs & projects.

<u>RECAP OF ADJUSTMENTS:</u>	<u>General Funds</u>	<u>Federal Funds</u>	<u>Special Funds</u>	<u>Total Funds</u>
Federal Grant Match (2)	\$ -	\$ -	\$ -	\$ -
Federal Grants	-	646,355	-	646,355
Realignment of Appropriation for Correctional Education	26,213,774	-	-	26,213,774
2013 General Assembly Actions (3)	559,000	-	100,000	659,000
Funding for Victim Notification Grant	60,688	-	-	60,688
FY 2013 Central Appropriation Adjustments (4)	32,958,142	-	-	32,958,142
Additional Funding for Line of Duty	338,791	-	-	338,791
Realignment to the Office of the Secretary of Public Safety	(150,000)	-	-	(150,000)
Realignment to Corrections Special Reserve (Fund 0230)	(5,915,889)	-	5,915,889	-
Realignment of Funding to the SOIG	(1,907,589)	-	-	(1,907,589)
Realignment between State Agencies	250,097	-	-	250,097
Reimbursement from FEMA for Disaster Recovery	-	257,881	82,327	340,208
Additional Agribusiness Appropriation	530,242	-	-	530,242
Realignment Between Funds	-	174,000	(174,000)	-
Transfer of Nongeneral Fund Appropriation to Corrections Construction	-	-	(600,000)	(600,000)
<b>TOTAL ADJUSTMENTS</b>	<u>\$ 52,937,256</u>	<u>\$ 1,078,236</u>	<u>\$ 5,324,216</u>	<u>\$ 59,339,708</u>

- (2) The Department of Criminal Justice Services (DCJS) no longer provides state match as a result of statewide budget reductions. Required state match funds are provided by the applicable agencies.
- (3) Included in this amount is funding for the Line of Duty benefit, reduction associated with medical cost savings as well as additional funding to allow for opening and intake of offenders at River North Correctional Center in October, 2013, instead of January, 2014.
- (4) Included among these central appropriation adjustments are changes in rates in fringe benefit rates (i.e., retirement, health insurance, group life insurance and other benefits), funding for replacement of the Department's telephone system (UCaaS), funding for the 3% employee bonus, offset by reductions associated with efficiency, IT overhead, and purchase and supply rate savings.

**DEPARTMENT OF CORRECTIONS  
DIVISIONS OF ADMINISTRATION & OPERATIONS  
OPERATING APPROPRIATIONS AND EXPENDITURES - ALL FUNDS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

<u>DIVISION</u>	<u>Appropriation Per Ch. 3 2012 Assembly</u>	<u>Total Adjustments</u>	<u>Total Adjusted Appropriation</u>	<u>Total Expenditures</u>	<u>Percent Expended Y-T-D</u>
<u>ADMINISTRATION:</u>					
Central Administration	\$ 73,502,856	\$ 15,960,720	\$ 89,463,576	\$ 88,003,217	98%
Employee Relations & Training	9,750,013	4,803,971	14,553,984	14,503,364	100%
Virginia Correctional Enterprises	54,680,835	-	54,680,835	52,062,196	95%
<b>SUBTOTAL - ADMINISTRATION</b>	<b>\$ 137,933,704</b>	<b>\$ 20,764,691</b>	<b>\$ 158,698,395</b>	<b>\$ 154,568,777</b>	<b>97%</b>
<u>OPERATIONS:</u>					
Administration (1)	\$ -	\$ 73,933,051	\$ 73,933,051	\$ 68,054,283	92%
Facilities	-	724,507,313	724,507,313	724,091,312	100%
Office of Health Services	-	49,628,964	49,628,964	49,125,181	99%
Community (excluding Facilities)	-	79,410,783	79,410,783	78,903,224	99%
Reallocations within the Division of Operations	888,905,094	(888,905,094)	-	-	0%
<b>SUBTOTAL - OPERATIONS</b>	<b>\$ 888,905,094</b>	<b>\$ 38,575,017</b>	<b>\$ 927,480,111</b>	<b>\$ 920,174,000</b>	<b>99%</b>
<b>TOTAL - DEPT. OF CORRECTIONS</b>	<b>\$ 1,026,838,798</b>	<b>\$ 59,339,708</b>	<b>\$ 1,086,178,506</b>	<b>\$ 1,074,742,777</b>	<b>99%</b>

(1) The adjusted appropriation includes \$4,915,889 in Corrections Special Reserve Funds which resulted from a technical administrative error by the Department of Planning and Budget. If adjusted for this amount, the percent expended is 99%.

**DEPARTMENT OF CORRECTIONS  
DIVISION OF ADMINISTRATION  
OPERATING APPROPRIATIONS AND EXPENDITURES - BY OFFICE - ALL FUNDS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

<b>DIVISION OF ADMINISTRATION</b>	<b>Appropriation Per Ch. 3 2012 Assembly</b>	<b>Total Adjustments</b>	<b>Total Adjusted Appropriation</b>	<b>Total Expenditures</b>	<b>Percent Expended Y-T-D</b>
Board of Corrections	\$ -	\$ 10,528	\$ 10,528	\$ 10,528	100%
Director's Office	-	2,674,234	2,674,234	2,670,626	100%
Correctional Education Administration	-	3,851,207	3,851,207	3,851,206	100%
Offender Re-Entry Program	-	5,456,661	5,456,661	5,393,867	99%
Communications Unit	-	550,359	550,359	550,359	100%
Inspector General	-	1,082,642	1,082,642	1,082,642	100%
Compliance/Accreditation	-	1,012,436	1,012,436	1,012,436	100%
Corrections Technology Services Unit (CTSU)	-	34,474,663	34,474,663	33,714,152	98%
Financial Management & Reporting	-	3,696,984	3,696,984	3,704,338	100%
General Services	-	15,023,984	15,023,984	15,023,984	100%
Research & Management Services (1)	-	1,038,630	1,038,630	976,969	94%
Architectural & Engineering Services (2)	-	8,528,423	8,528,423	7,949,285	93%
Procurement/Risk Management	-	12,062,825	12,062,825	12,062,825	100%
Employee Relations & Training	9,750,013	4,803,971	14,553,984	14,503,364	100%
Virginia Correctional Enterprises	54,680,835	-	54,680,835	52,062,196	95%
Reallocations within the Division of Administration	73,502,856	(73,502,856)	-	-	0%
<b>TOTAL - ADMINISTRATION</b>	<b>\$ 137,933,704</b>	<b>\$ 20,764,691</b>	<b>\$ 158,698,395</b>	<b>\$ 154,568,777</b>	<b>97%</b>

(1) This appropriation includes \$61,661 in unexpended Dedicated Special Revenue appropriation for the Department's Re-Entry efforts. If adjusted for this amount, the percent expended is 100%.

(2) The adjusted appropriation includes the following: \$286,590 in unexpended appropriation for Warranty Overhead and the Corrections Construction Unit, as well as \$283,384 in Corrections Special Reserve Fund appropriation. If adjusted for these amounts, the percent expended is 100%.

**DEPARTMENT OF CORRECTIONS  
DIVISION OF ADMINISTRATION  
OPERATING APPROPRIATIONS AND EXPENDITURES - BY OFFICE - ALL FUNDS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

	<b>Appropriation Per Ch. 3 2012 Assembly</b>	<b>Total Adjustments</b>	<b>Total Adjusted Appropriation</b>	<b>Total Expenditures</b>	<b>Percent Expended Y-T-D</b>
Administration	(1) \$ -	\$ 42,035,623	\$ 42,035,623	\$ 35,376,133	84%
Probation and Parole		74,264,986	74,264,986	74,126,780	100%
Classification		7,686,044	7,686,044	7,686,044	100%
Adult Residential		1,963,556	1,963,556	3,345,044	170%
Financial Assistance for Confinement in Local Facilities		-	-	-	0%
Office of Health Services (OHS)		49,628,964	49,628,964	49,125,181	99%
Secure Confinement		27,393,625	27,393,625	26,423,507	96%
Facilities		724,507,313	724,507,313	724,091,312	100%
Reallocations within the Division of Operations	888,905,094	(888,905,094)	-	-	0%
	<u>\$ 888,905,094</u>	<u>\$ 38,575,017</u>	<u>\$ 927,480,111</u>	<u>\$ 920,174,000</u>	<u>99%</u>

(1) The variance in the percent expended YTD between Adult Residential and Administration is because both are budgeted and expended from the same program within the Commonwealth Accounting and Reporting System. The adjusted appropriation also includes \$4,915,889 in Corrections Special Reserve Funds which resulted from a technical administrative error by the Department of Planning and Budget. If adjusted for this amount, the percent expended is 99%.

**DEPARTMENT OF CORRECTIONS  
OPERATING APPROPRIATIONS AND EXPENDITURES  
GENERAL FUNDS BY DIVISION  
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

<b>DIVISION</b>	<b>Appropriation Per Ch. 3 2012 Assembly</b>	<b>Total Adjustments</b>	<b>Total Adjusted Appropriation</b>	<b>Total Expenditures</b>	<b>Percent Expended Y-T-D</b>
DIVISION OF ADMINISTRATION	\$ 78,265,369	\$ 19,329,968	\$ 97,595,337	\$ 97,591,730	100%
DIVISION OF OPERATIONS	874,469,778	33,607,288	908,077,066	908,076,573	100%
<b>TOTAL GENERAL FUNDS</b>	<b>\$ 952,735,147</b>	<b>\$ 52,937,256</b>	<b>\$ 1,005,672,403</b>	<b>\$ 1,005,668,303</b>	<b>100%</b>

(Note: The above funds are also included in the preceding pages.)

**DEPARTMENT OF CORRECTIONS  
OPERATING APPROPRIATIONS AND EXPENDITURES  
FEDERAL FUNDS BY DIVISION  
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

<u>DIVISION</u>	<u>Appropriation Per Ch. 3 2012 Assembly</u>	<u>Total Adjustments</u>	<u>Total Adjusted Appropriation (1)</u>	<u>Total Expenditures</u>	<u>Percent Expended Y-T-D</u>
DIVISION OF ADMINISTRATION:	\$ -	\$ 752,046	\$ 752,046	\$ 701,424	93%
DIVISION OF OPERATIONS	1,644,048	326,190	1,970,238	1,569,280	80%
<b>TOTAL FEDERAL FUNDS</b>	<b><u>\$ 1,644,048</u></b>	<b><u>\$ 1,078,236</u></b>	<b><u>\$ 2,722,284</u></b>	<b><u>\$ 2,270,704</u></b>	<b><u>83%</u></b>

(Note: The above funds are also included in the preceding pages.)

(1) Total Adjusted Appropriation consists of the following:

<u>Appropriations</u>	
State Criminal Alien Assistance Program (USDOJ)	\$ 1,142,088
High Intensity Drug Trafficking Area (HIDTA) Grant	354,000
Female Offender Reintegration Grant	160,000
DCE - Second Chance Grant	72,526
DCE - Special Education Grant	59,537
DCE - Youthful Offender Grant	95,352
National Institute of Corrections Re-entry Training	100,620
Biomass Energy Grant (DMME)	71,000
Residential Substance Abuse Grant	424,011
Disaster Recovery	243,150
	<b><u>\$ 2,722,284</u></b>

**DEPARTMENT OF CORRECTIONS  
OPERATING APPROPRIATIONS AND EXPENDITURES  
SPECIAL FUNDS BY DIVISION  
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

<u>DIVISION</u>	<u>Appropriation Per Ch. 3 2012 Assembly</u>	<u>Total Adjustments</u>	<u>Total Adjusted Appropriation</u>	<u>Total Expenditures</u>	<u>Percent Expended Y-T-D</u>
DIVISION OF ADMINISTRATION					
Central Administration Other (1)	\$ 3,350,000	\$ 682,677	\$ 4,032,677	\$ 3,308,190	82%
Central Administration Out-of-State Inmate Revenue (2)	1,637,500	-	1,637,500	905,237	55%
Virginia Correctional Enterprises	54,680,835	-	54,680,835	52,062,196	95%
	<u>\$ 59,668,335</u>	<u>\$ 682,677</u>	<u>\$ 60,351,012</u>	<u>\$ 56,275,623</u>	<u>93%</u>
DIVISION OF OPERATIONS					
Division of Operations Other (3)	\$ 12,791,268	\$ 4,641,539	\$ 17,432,807	\$ 10,457,147	60%
Division of Operations Out-of-State Inmate Revenue	-	-	-	-	0%
	<u>\$ 12,791,268</u>	<u>\$ 4,641,539</u>	<u>\$ 17,432,807</u>	<u>\$ 10,457,147</u>	<u>60%</u>
<b>TOTAL SPECIAL FUNDS</b>	<u><u>\$ 72,459,603</u></u>	<u><u>\$ 5,324,216</u></u>	<u><u>\$ 77,783,819</u></u>	<u><u>\$ 66,732,770</u></u>	<u><u>86%</u></u>

(Note: The above funds are also included in the preceding pages.)

- (1) The adjusted appropriation includes the following unexpended appropriation: \$286,590 in unexpended appropriation for Warranty Overhead and the Corrections Construction Unit, as well as \$283,384 in Corrections Special Reserve Fund appropriation. If adjusted for these amounts, the percent expended is 96%.
- (2) The year-to-date percentage is largely the result of delays associated with development of the medical health record module of VACORIS.
- (3) The adjusted appropriation above includes \$4,915,889 in Corrections Special Reserve Funds which resulted from a technical administrative error by the Department of Planning and Budget. If adjusted for this amount, the percent expended is 84%.

**DEPARTMENT OF CORRECTIONS  
 DETAIL OF OPERATING APPROPRIATIONS  
 SPECIAL FUNDS BY DIVISION  
 FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

**Total Adjusted Appropriations Consist of the Following:**

<b>Central Administration</b>	
Virginia Correctional Enterprises	\$ 54,680,835
Warranty Overhead	700,000
Corrections Construction Unit	2,100,000
Telemedicine	950,000
Virginia CORIS (Source - Out-of-State Inmate Revenue)	1,434,249
Re-Entry Initiative (Source - Drug Offender Assessment Fund)	206,662
Re-Entry (Source - Out-of-State Inmate Revenue)	203,251
Surplus Property	76,015
<b>Subtotal Central Administration</b>	<b><u>\$ 60,351,012</u></b>
<b>Division of Operations</b>	
Diversion Center Expenditures Supported with Room & Board Revenue	\$ 1,231,298
Re-Entry Initiative (Source - Drug Offender Assessment Fund)	783,385
Pre-sentence Investigations (HB664)	1,490,332
Compensation for Probation & Parole Officers (Arlington/Alexandria)	85,000
Nongeneral Cash to Offset General Fund Reduction	1,000,000
Sum Sufficient - Disaster Recovery	82,327
Prison Visitation Project	150,000
Enhanced Faith-Based Services	780,000
Save Our Shelters Pen Pals Program	75,000
Insurance Recovery	376,000
Recyclable Materials	272,687
Surplus Property	15,000
Culinary Arts	250,000
Donation from Verizon for New Female Re-Entry Program	10,000
Corrections Special Reserve Fund	10,831,778
<b>Subtotal Operations</b>	<b><u>\$ 17,432,807</u></b>
 <b>Total Adjusted Appropriations (Special Funds)</b>	 <b><u>\$ 77,783,819</u></b>

## OPERATING PER CAPITA STATEMENT OF FACILITIES SUMMARY

### For the Fiscal Year Ended June 30, 2013

During FY 2013, the Department of Corrections operated 26 Major Institutions, 8 Correctional Field Units, 6 Work Centers, 4 Diversion Centers and 3 Detention Centers. As noted in previous reports, Baskerville Correctional Center was given the designation of a major institution in FY 2006, but for purposes of this report, this facility will continue to be reported with the field units.

Expenditures for inmate medical costs charged to the Office of Health Services, the cost of operating wastewater treatment and power plants charged to the Environmental Services Unit, and the cost associated with agribusiness operations which are expended within the Division of Institutions have been applied to the respective facilities for purposes of calculating per capita costs. Beginning in FY 2013, the Department of Correctional Education (Adult) merged with the Department of Corrections; therefore, the expenditures for each of the facilities include the cost of providing education services, which had not previously been available to us. The per capita increase in FY 2013 over FY 2012 includes \$707 attributed to the addition of Correctional Education.

The following reflects the average per capita and average daily population by type of facility:

	Average Per Capita				Average Daily Population			
	FY 13	FY 12	+ / (-)	% Change	FY 13	FY 12	+ / (-)	% ChanHe
Major Institutions	27,603	25,705	1,898	7.4%	25,068	25,954	(886)	-3.4%
Field Units	24,798	23,734	1,064	4.5%	1,692	1,640	52	3.2%
Work Centers	19,239	21,950	(2,711)	-12.4%	1,441	1,284	157	12.2%
Community Corrections Facilities	32,137	28,830	3,307	11.5%	588	623	(35)	-5.6%
System-Wide Average	27,112	25,498	1,614	6.3%	28,789	29,501	(712)	-2.4%

## **Institutions**

With the exception of Deep Meadow and Deerfield Correctional Centers, facilities constructed as Medium Security Dormitories (MSDs) continue to experience the lowest per capita cost of major institutions – St. Brides (\$19,364), Indian Creek (\$21,230), Lunenburg (\$22,106), Haynesville (\$22,380), Coffeewood (\$22,734) and Dillwyn (\$23,748). The low per capita cost is largely the result of lower staffing costs due to the facility design. Higher per capita costs at Deerfield (\$33,265) are driven by its mission to serve as a medical facility for geriatric offenders. The loss of bed space from the conversion of a housing unit for program space as well as its oversight of the Virginia Commonwealth University Health Systems' security ward contribute to the higher per capita at Deep Meadow (\$38,955).

Marion Correctional Treatment Center continues to incur the highest per capita cost of the major institutions (\$81,760). Virtually all of Marion's inmates are mentally ill, resulting in high mental health costs. Marion has a low inmate-to-security staff ratio of 1.2 to 1.0 versus an average of 4.0 to 1.0 for all other major institutions.

Powhatan Correctional Center continues to rank as second highest per capita cost of the major institutions (\$46,109). Excluding mental health beds, Powhatan's 46-bed infirmary, ties with the 46-bed Fluvanna infirmary as the second largest medical facility in DOC (after Deerfield). Powhatan's per capita cost is the result of high medical costs, especially in terms of medical transportation, due to its proximity to the Virginia Commonwealth University Health System as well as staff costs associated with the physical layout of the facility. Powhatan also is one of the Department's psychiatric facilities, which also include Marion, Fluvanna, and Greenville.

Three major institutions – Deerfield, Bland and Deep Meadow – have large agribusiness operations that account for 6.0%, 6.2% and 7.4% respectively of their expenditures in FY 2013. Of all other facilities that operated an agribusiness program, these expenditures accounted for only 1.0% of their total costs. Although a large agribusiness operation can increase an individual facility's per capita costs, these functions are vital to maintaining the Department's overall lower food costs.

## **Field Units**

Field unit inmates are lower security risks than those housed in major institutions. Field units have limited medical facilities and staff, thus inmates with major health problems will not be housed in a field unit. Field units also have higher inmate-to-staff ratios. For these reasons, per capita costs for field units tend to be lower than for major institutions (excluding the MSD institutions).

The per capita cost for the Central Region Field Units was \$23,920, representing the lowest of the three regions. The Eastern Region Field Unit per capita cost was \$27,982, while the Western Region Field Units had the highest per capita rate of \$29,092.

## **Work Centers**

Work center inmates are the lowest security risks when compared to major institutions and field units because they must be able to perform agribusiness and maintenance work at various correctional facilities and in local communities. Inmates assigned to these facilities do not have major health problems. Work centers also share goods and services with their respective host institutions. As a result, per capita costs for work centers tend to be lower than for major institutions and field units.

Per capita costs for work centers range from \$14,255 at Nottoway Work Center to \$27,311 at Brunswick Work Center. These variations can be misleading because some host facilities are more diligent about coding work-center-related expenditures to their respective work center's cost code than are others.

## **Community Corrections Facilities**

There are two types of community corrections facilities – detention centers and diversion centers. Both facility types administer probation programs of 5-7 months duration for nonviolent offenders. Probationers assigned to detention centers work (without pay) in the community in supervised groups. Probationers assigned to diversion centers work in paying jobs in the community and are not supervised by corrections personnel while working. Probationers assigned to diversion centers pay DOC for room and board and travel, and may also make payments (when applicable) to other parties for alimony, child support, victim restitution, back taxes, etc.

Like their field unit and work center counterparts, probationers housed in community facilities present lower security risks and have lower medical costs than inmates housed in major institutions. However, the small size of these facilities prevents them from realizing economies of scale. Every facility, regardless of size, incurs fixed costs (administrative/food/medical staff, utilities, repairs, maintenance, etc.) that do not vary directly with offender population, causing smaller facilities to experience higher per capita costs than larger ones. Since staff costs make up the majority of the expenses at the community corrections facilities, staff-to-probate ratios explain the variance between the highest to the lowest per capita costs. The variance between the per capita rates in FY 2013 of \$32,137 versus \$28,830 in FY 2012 is attributed to the decrease in average daily population (ADP) to 588 in FY 2013 from an ADP of 623 in FY 2012, coupled with higher personnel cost.

DEPARTMENT OF CORRECTIONS  
PER CAPITA STATEMENT OF FACILITIES  
SUMMARY BY TYPE OF FACILITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<i>Agency</i>	<i>Major Institutions</i>	<i>FY 2013</i>		<i>FY 2012</i>	
		<i>ADP</i>	<i>Per Capita</i>	<i>ADP</i>	<i>Per Capita</i>
709	Powhatan Correctional Center	838	\$ 46,109	850	\$ 43,424
716	Virginia Correctional Center for Women	582	32,873	564	30,370
718	Bland Correctional Center	644	32,715	631	30,804
721	Powhatan Reception & Classification Center	449	29,697	441	26,763
733	Sussex I State Prison	1,090	31,240	1,117	28,496
734	Sussex II State Prison	1,259	25,179	1,270	23,936
735	Wallens Ridge State Prison	974	29,954	1,052	25,419
737	St Brides Correctional Center	1,177	19,364	1,165	17,461
741	Red Onion State Prison	801	37,332	707	37,422
743	Fluvanna Correctional Center for Women	1,237	27,218	1,210	26,109
744	Mecklenburg Correctional Center	-	-	466	40,047
745	Nottoway Correctional Center	1,193	25,092	1,190	22,303
747	Marion Correctional Treatment Center	188	81,760	188	79,279
749	Buckingham Correctional Center	1,076	25,081	1,075	23,375
752	Deep Meadow Correctional Center	713	38,955	815	32,669
753	Deerfield Correctional Center	1,053	33,265	1,066	31,747
754	Augusta Correctional Center	1,134	23,403	1,160	22,929
768	Keen Mountain Correctional Center	908	22,398	901	21,565
769	Greensville Correctional Center	2,651	30,655	2,686	28,902
770	Dillwyn Correctional Center	966	23,748	1,068	20,269
771	Indian Creek Correctional Center	1,004	21,230	999	19,724
772	Haynesville Correctional Center	1,018	22,380	1,127	19,109
773	Coffeewood Correctional Center	1,058	22,734	1,164	19,962
774	Lunenburg Correctional Center	1,035	22,106	1,157	19,134
775	Pocahontas State Correctional Center	999	19,612	1,017	17,717
776	Green Rock Correctional Center	1,021	21,248	868	21,751
	<b>Total Institutions</b>	<b>25,068</b>	<b>\$ 27,603</b>	<b>25,954</b>	<b>\$ 25,705</b>

DEPARTMENT OF CORRECTIONS  
 PER CAPITA STATEMENT OF FACILITIES  
 SUMMARY BY TYPE OF FACILITY  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<i>Agency</i>	<i>Field Units</i>	<i>FY 2013</i>		<i>FY 2012</i>	
		<i>ADP</i>	<i>Per Capita</i>	<i>ADP</i>	<i>Per Capita</i>
744/234	Halifax	206	\$ 26,763	182	\$ 28,807
749/091	Rustburg	141	24,153	133	23,517
757/103	Cold Springs	113	32,506	113	31,573
757/181	Wise	109	28,915	101	30,135
757/281	Patrick Henry	131	22,519	122	21,690
760/134	Central Virginia	268	21,607	271	19,667
761/044	Baskerville	475	22,412	474	19,813
772/023	Caroline	137	27,644	135	26,655
772/173	Haynesville	112	27,147	109	27,297
	<b>Total Field Units</b>	<b>1,692</b>	<b>\$ 24,798</b>	<b>1,640</b>	<b>\$ 23,734</b>
<i>Agency</i>	<i>Work Centers</i>				
730/403	Brunswick	170	\$ 27,311	158	\$ 31,232
745/405	Nottoway	193	14,255	179	15,259
752/402	James River	283	18,565	258	21,314
753/408	Deerfield	368	17,836	318	19,529
757/407	Cold Springs	145	21,040	140	21,938
769/401	Greensville	282	19,362	231	24,837
	<b>Total Work Centers</b>	<b>1,441</b>	<b>\$ 19,239</b>	<b>1,284</b>	<b>\$ 21,950</b>
<i>Agency</i>	<i>Community Corrections</i>				
767/858	White Post Men's Diversion Center	92	\$ 35,712	107	\$ 29,995
767/867	Appalachian Men's Detention Center	105	31,018	104	27,048
767/868	Harrisonburg Men's Diversion Center	96	33,516	99	30,426
767/881	Stafford Men's Diversion Center	88	29,823	93	27,618
767/882	Southampton Men's Detention Center	101	29,105	106	27,644
767/885	Chesterfield Women's Detention/Diversion Center	106	33,706	114	30,066
	<b>Total Community Corrections</b>	<b>588</b>	<b>32,137</b>	<b>623</b>	<b>28,830</b>
	<b>TOTAL ALL FACILITIES</b>	<b>28,789</b>	<b>\$ 27,112</b>	<b>29,501</b>	<b>\$ 25,498</b>

=====

**AVERAGE DAILY INMATE AND PROBATIONER POPULATION**  
**For the Fiscal Year Ended June 30, 2013**

=====

	<u>Page</u>
Summary .....	39
Fiscal Year 2013 vs. Fiscal Year 2012 .....	40
Fiscal Year 2013 by Month .....	41

## **AVERAGE DAILY INMATE & PROBATIONER POPULATION SUMMARY**

**For the Fiscal Year Ended June 30, 2013**

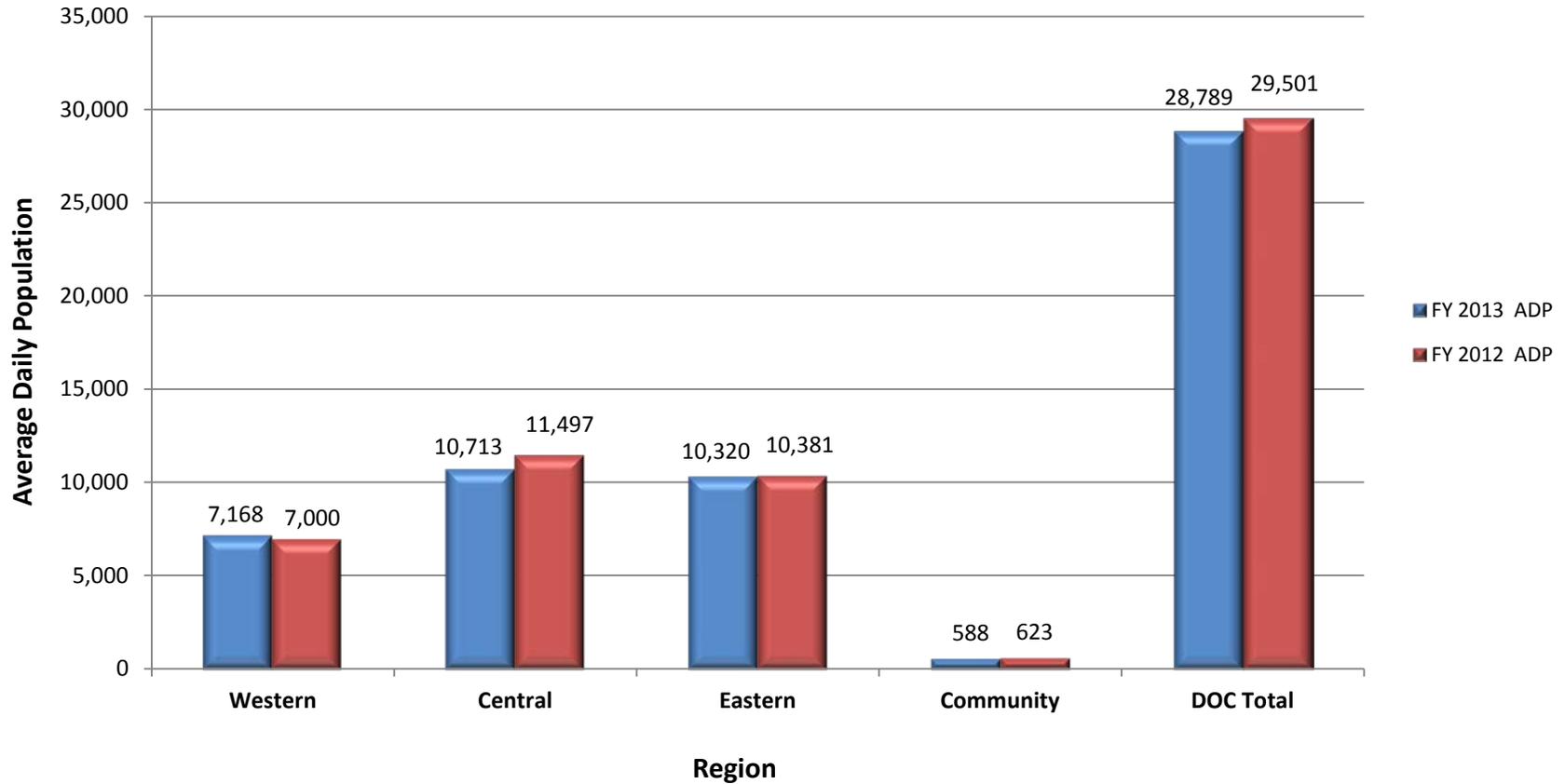
The Average Daily Inmate & Probationer Population (ADP) is defined as follows: the sum total of the population resulting from periodic head-counts divided by the number of observations. This calculation is widely used internally and externally to the DOC for purposes of calculating and forecasting costs per offender and providing a basis for funding.

Data is representative of inmates and probationers located at Major Institutions, Field Units, Work Centers, Detention Centers, and Diversion Centers. Probationers and parolees residing in the community while monitored by probation and parole officers, home electronic monitoring programs, and adult residential facility population, etc., were excluded from this report.

Two graphs of average daily inmate and probationer population (ADP) are presented in this section.

- 1) BY REGION AND TOTAL DOC: This first graph reflects the average daily inmate population, by Region, and the probationer population (Community). It does not include Lawrenceville Correctional Center (operated by a private contractor).
- 2) BY MONTHS: The second graph represents the average inmate and probationer population reported by the Virginia Department of Corrections for each month of Fiscal Year 2013 as compared to the Department's system-wide capacity. This depiction does not include Lawrenceville Correctional Center, operated by a private contractor.

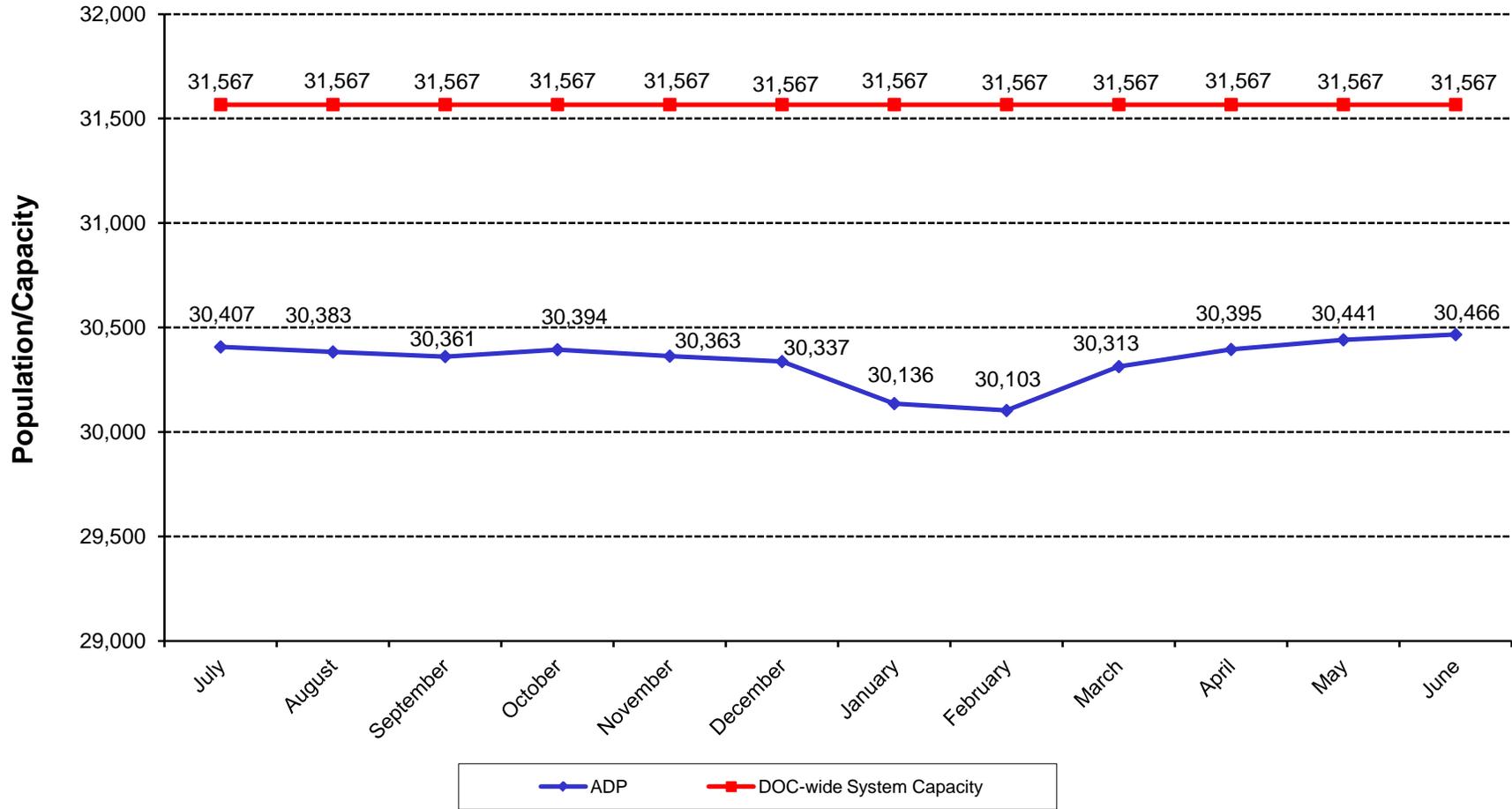
## Average Daily Inmate & Probationer Population FY 2013 vs. FY 2012



NOTE: Population for the Department of Corrections owned facility in Lawrenceville, Va , that is privately operated, has been excluded. Both FY 2012 and FY 2013 ADP figures are based on a 12-month average.

FY 2013

Average Daily Population & System Capacity  
Month-to-Month Fluctuations



**NOTE:** ADP and capacity totals do not include the Department of Corrections owned facility in Lawrenceville, Va, that is privately operated.

## **FIDUCIARY FINANCIAL STATEMENTS (INMATE TRUST AND COMMISSARY FUNDS)**

The Fiduciary Financial Statements of the Department of Corrections provide an official accounting for assets held by a governmental unit in a trustee capacity and consist of two distinct types: Inmate Trust Fund and Commissary Fund.

### **INMATE TRUST FUND**

The Inmate Trust financial statements reflect the results of banking transactions relating to funds held by the Department of Corrections in a custodial capacity on behalf of inmates. Inmate Trust monies are generally held by banking institutions near the correctional facility where the inmate is housed. The local facility's business office administers the fund on a day-to-day basis with oversight provided by Regional or Central Office personnel.

### **COMMISSARY FUND**

The Commissary financial statements reflect the results of the purchase and resale of products to the general inmate population. Generally, all Major Institutions, Field Units, and Detention Centers have Commissary operations where a wide variety of products are made available for sale to inmates. The products must be approved from a security perspective, and are paid for by individual inmates through the transfer of funds from the inmate's trust account. Profits generated from the Commissary operations are reserved for purchases of items that benefit the Department's inmate population. All DOC facilities with commissary functions are operated by Keefe Commissary Supply.

Commissary funds are also used to support Assisting Families of Inmates, Inc., Enhanced Faith Based Services, Save Our Shelters 'Pen Pals' program, media law library materials (LexisNexis), purchase of a Public Performance License which permits the public showing of copyrighted video material, and general increases in costs to provide services to offenders. The commissary balance has remained relatively steady between FY 2012 and FY 2013.

**INMATE TRUST FUND**

ASSETS	Fiscal Year Ending June 30, 2013	
Cash Held with the Treasurer (GLA 101)		
<b>Cash NOT with the Treasurer</b>	6,529,018	
Cash Equivalents with the Treasurer (Securities Lending from DOA)		
Cash Equivalents with the Treasurer - SNAP		
<b>Cash Equivalents with the Treasurer - LGIP</b>	5,321,275	
Cash Equivalents with the Treasurer - Other		
Cash Equivalents NOT with the Treasurer		
<b>Cash and Cash Equivalents - Total</b>	\$ 11,850,293	
Investments with the Treasurer LGIP (DOA use only)		
Investments with the Treasurer - Other (Maturity less than one year)		
Investments with the Treasurer - Securities Lending from DOA		
Investments NOT with the Treasurer (Maturity less than one year)		
Short term Investments - Total		
Investments with the Treasurer (Maturity greater than one year)		
Investments with the Treasurer - Securities Lending from DOA		
Investments NOT with the Treasurer (Maturity greater than one year)		
Other (Long-term) Investments - Total		
<b>Accounts and Loans Receivables</b>	232,939	
Taxes Receivables		
Interest Receivable		
Other Receivables		
Receivables, Net - Total		
Due from Internal Parties (Governmental Funds and Business-type Activities)		
Due from External Parties (Fiduciary Funds)		
Other Assets		
<b>TOTAL ASSETS</b>	\$ 12,083,232	
 <b>LIABILITIES</b>		
<b>Vendor Payments Payable</b>	1,676,850	
Salary / Wages Payable		
Retainage Payable		
<b>Other Payables</b>	701,946	
Accounts Payable Total		
Amounts Due to Other Governments		
<b>Due to Internal Parties (Governmental Funds and Business-type Activities)</b>	90,771	
Due to External Parties (Fiduciary Funds)		
Insurance Premiums and Claims Payable		
Obligations Under Securities Lending Program		
<b>Due to Program Participants, Escrows, and Providers</b>	9,349,896	(A)
Deposits Pending Distribution		
<b>Other Liabilities</b>	263,769	(B)
<b>TOTAL LIABILITIES</b>	\$ 12,083,232	

(A) The majority of this amount represents funds held in Inmate Trust. Included in this amount is \$4.4M is funds in inmate savings accounts. Effective January 1, 2012, the Code of Virginia §53.1-43.1 requires the DOC to withhold 10% of all incoming funds until \$1,000 is accumulated, to be paid to the offender upon release. The Re-Entry Savings Plan permits offenders to take responsibility and plan for their eventual re-entry into the community.

(B) Other Liabilities include funds held in reserve from Local Government Investment Pools (LGIP) and the associated interest.

**FY13 vs FY12 FLUCTUATION ANALYSIS OF COMMISSARY SPECIAL REVENUE FUND**

	FY13	FY12	FLUCTUATION		EXPLANATION
			ABSOLUTE	% CHANGE	
Charges for Sales/Services	519	659	(140)	-21.29%	
Cost of Sales/Services	513	1,839	(1,326)	-72.09%	
Gross Profit	5	(1,180)	1,185	100.46%	
<u>Operating Expenses:</u>					
Personal Services	-	-	-	-	
Store Supplies	-	-	-	-	
Store Equipment	-	-	-	-	
Unsaleable Merchandise	-	-	-	-	
Sales Taxes	2,602	2,763	(161)	-5.83%	
Depreciation	-	-	-	-	
Miscellaneous	9,491	48,397	(38,906)	-80.39%	* (A)
Total Operating Expenses	12,093	51,160	(39,067)	-76.36%	* (A)
Operating Income	(12,087)	(52,340)	40,253	76.91%	* (A)
<u>Non-Operating Revenues and Expenses:</u>					
Interest	3,055	33,387	(30,332)	-90.85%	* (B)
Commissary Commission (Keefe)	2,195,847	2,051,912	143,935	7.01%	
Other Income (Expenses)	789,895	717,589	72,306	10.08%	* (C)
Funds Transfers	(5,928)	-	(5,928)	Infinity	
Total Non-Oper. Rev. (Expenses)	2,982,868	2,802,888	179,980	6.42%	
Net Income before Inmate Welfare (Inmate Welfare)	2,970,781	2,750,548	220,233	8.01%	
	(2,903,798)	(2,807,281)	(96,517)	-3.44%	
Net Income	66,984	(56,733)	123,717	218.07%	* (D)
Fund Balance-July 1	2,026,930	2,083,663	(56,733)	-2.72%	
ADJUSTMENTS *	-	-	-	-	
	2,026,930	2,083,663	(56,733)	-2.72%	
Fund Balance-June 30	2,093,913	2,026,930	66,983	3.30%	

**EXPLANATIONS FOR FLUCTUATIONS**

An asterisk (\*) by the fluctuation indicates that the fluctuation meets the threshold of materiality, and is explained below.

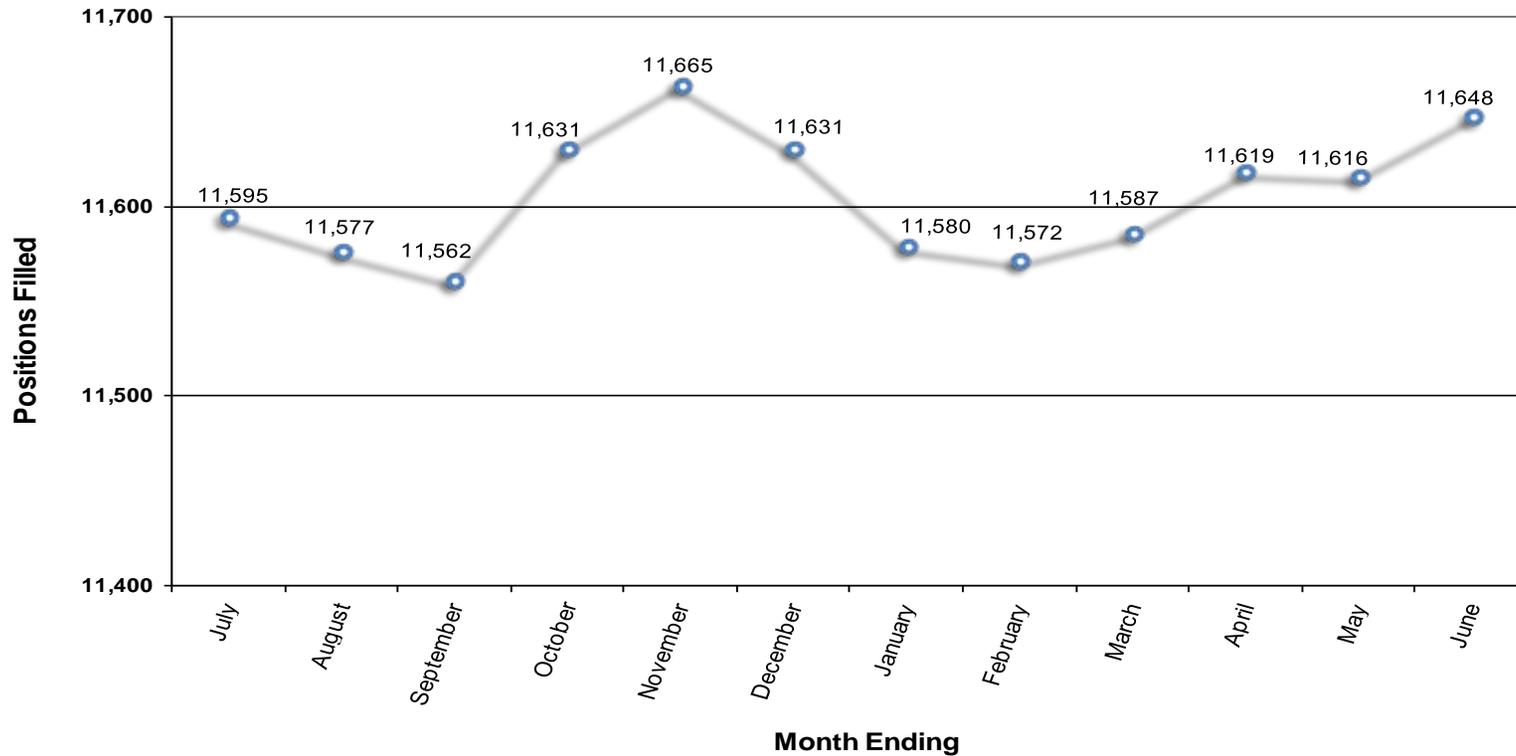
- (A) In FY12 Haynesville Correctional Center misclassified Inmate Welfare Expense as Operating Expense.
- (B) During FY 12, Powhatan Correctional Center had \$30,000 of interest transferred from the inmate account (Interest Earned) to the Commissary.
- (C) Increased sales of recyclables and scrap as well as vending machines.
- (D) The positive change in Net Income is a result of commissions higher than overall inmate welfare costs.

**Threshold of Materiality = Variance of \$18,000 and a 10% change from the previous year.**

## EMPLOYMENT LEVEL \* SUMMARY For the Fiscal Year Ended June 30, 2013

The Department's authorized position level (APL) for Fiscal Year 2013 was 12,665.00, up from the previous fiscal year's level by 202 (1.62%). This increase represents additional position level from the merger of Correctional Education (Adult) with the DOC, and the temporary loss of 26.00 General Management positions transferred to The Office of State Inspector General (OSIG). The average employment level of 11,607.00 represents an increase of 134.00, or 1.13% higher than the previous year's level.

### DOC Employment Level (FY2013 Authorized Position Level = 12,665.00)



\* The source for DOC's employment level is the "Employment Level Monitoring Report", obtained from the Personnel Management Information System (PMIS).

**EMPLOYMENT LEVEL MONITORING REPORT**  
**FY 2013 AVERAGE (All Funds)**  
(Authorized Position Level = 12,665.00)

Agency Code	Agency Name	Average Employment Level	Increase/(Decrease) Compared to FY 2012
701	Department of Corrections Central Activities	284	11
709	Powhatan Correctional Center	378	6
711	Virginia Correctional Enterprises	187	2
716	Virginia Correctional Center for Women	209	7
718	Bland Correctional Center	269	6
721	Powhatan Reception & Classification Center	127	2
733	Sussex I State Prison	379	15
734	Sussex II State Prison	352	0
735	Wallens Ridge State Prison	435	23
737	St. Brides Correctional Center	278	8
741	Red Onion State Prison	453	34
742	Academy for Staff Development	109	7
743	Fluvanna Correctional Center for Women	331	10
*744	Mecklenburg Correctional Center	31	(294)
745	Nottoway Correctional Center	437	31
747	Marion Correctional Treatment Center	223	(1)
749	Buckingham Correctional Center	396	7
752	Deep Meadow Correctional Center	412	2
753	Deerfield Correctional Center	497	(1)
754	Augusta Correctional Center	348	(22)
756	Division of Institutional Services	533	29
757	Western Regional Field Units	185	1
760	Central Regional Field Units	71	1
761	Eastern Regional Field Units	152	15
767	Division of Community Corrections	1,298	6
768	Keen Mountain Correctional Center	292	18
769	Greensville Correctional Center	840	42
770	Dillwyn Correctional Center	355	84
771	Indian Creek Correctional Center	241	12
772	Haynesville Correctional Center	382	5
773	Coffeewood Correctional Center	261	13
774	Lunenburg Correctional Center	274	13
775	Pocahontas Correctional Center	288	16
776	Green Rock Correctional Center	282	15
785	Grayson Correctional Center	18	14
<b>Department of Corrections Totals</b>		<b>11,607</b>	<b>134</b>

\*Represents the average number of employees receiving severance benefits due to the closure of the facility.