



VIRGINIA DEPARTMENT OF CORRECTIONS



Management Information Summary Annual Report For the Fiscal Year Ending June 30, 2018



On the Cover

Re-Entry Opportunities through Food Service

Under the Food Services umbrella, offenders have many options for trainings to develop skills that will increase their employability, including participation in the Foundation for Culinary Arts and Restaurant Management Program (Levels I and II), ServSafe Certification, and Cooks and Bakers Apprenticeship Program.

Almost Home Café and New Beginnings Restaurant

Almost Home Café and New Beginnings Restaurant are located at VADOC's Headquarters in Richmond. The fully operational cafeteria and restaurant are staffed by female offenders who serve the building's staff and visitors. The offender workers are securely transported from Central Virginia Correctional Unit and Chesterfield's Women's Detention and Diversion Center to Headquarters where they provide breakfast and lunch services for purchase. The offenders in this Culinary Arts program participate in the ServSafe Safe Food Protection Manager Certification Program, as well as Foundations for Culinary Arts and Restaurant Management (Levels I and II) through the National Restaurant Association.

The program has is also expanded to include a full scale bakery (Fresh Start Bakery) and offers a Baker's Apprenticeship through the Agency's Department of Education.

ServSafe Food Protection Manager Certification

The ServSafe Program Certification is awarded by the National Restaurant Association. Since May 2011, the VADOC has certified more than 12,500 offenders throughout Virginia's facilities.

Foundations for Culinary Arts and Restaurant Management

Foundations for Culinary Arts and Restaurant Management is taught at fourteen facilities. The Staff Dining Halls have been converted into Restaurants where offenders are taught Culinary Arts and Restaurant Management (Levels I and II). The program is expanding to three more facilities, and 650 offenders have received certifications from this program.

VIRGINIA DEPARTMENT OF CORRECTIONS ANNUAL MANAGEMENT INFORMATION SUMMARY REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2018

Table of Contents

	<u>Page</u>
The Year In Review	1
Financial/Operating Overview	8
Financial Report	20
Operating Per Capita Statement of Facilities	23
Average Daily Inmate and Probationer Population	28
Fiduciary Financial Statements (Inmate Trust & Commissary)	31
Employment Level Monitoring Report	34

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.

DEPARTMENT OF CORRECTIONS

THE YEAR IN REVIEW

For the Fiscal Year Ending June 30, 2018

A few of the accomplishments/initiatives of the Department of Corrections for the fiscal year ending June 30, 2018 are highlighted below:

FY 2018 Year End

The year-end close out was a success. Consistently, the Department of Corrections effectively utilizes nearly 100.00% of its unrestricted, 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 exceeded this goal with a compliance rate of 99.65% for FY 2018.

The Department also continues to focus on utilization of Small, Women and Minority (SWaM) vendors for its discretionary expenditures. According to the Virginia Department of Small Business and Supplier Diversity's (SBSD) (formerly DMBE) dashboard, FY2018 utilization was 18.65% as compared to 27.17% in FY 2017. The inability to discount expenditures associated with medical healthcare contracts with Armor and Mediko, and mandatory sources such as Virginia Correctional Enterprises (VCE), the Virginia distribution Center (VDC), etc., continue to impact the Department's SWAM utilization rate.

Virginia Department of Corrections Initiates Pilot Program for Opioid Addicted Offenders

Doing its part to help tackle the opioid crisis, the Virginia Department of Corrections has launched a medically assisted drug treatment pilot program to help offenders and probationers with a history of substance abuse disorder, specifically those with opioid dependence. VADOC's Medication Assisted Treatment Reentry Initiative (MATRI) is designed to provide pre-release treatment and post-release referral, treatment and support for opioid-addicted offenders. The program is the result of Virginia's participation in the National Governors Association (NGA) learning lab in 2017, which offered participating states an opportunity to consider evidence-based options for filling treatment gaps among offender populations.

"When offenders come into the system addicted to opioids, it is our responsibility to do all we can to help them return to society free from that addiction," said VADOC Director Harold Clarke. "Virginia's participation in the NGA learning lab allowed our team to learn from other state correctional agencies where medication assisted treatment has already proven to be highly successful and we are pleased to introduce this program in our institutions."

MATRI utilizes the drug naltrexone. This FDA approved non-narcotic medication blocks receptors in the brain, preventing the euphoric effects of opioids and reducing cravings for the drugs. Naltrexone is administered immediately before release from a correctional facility and it remains

effective for 28 days. To be eligible for the injected naltrexone, participants must have completed the in-custody intensive substance abuse treatment programming. They must also be transitioning to one of the three target reentry locations – Norfolk City, Richmond City and Tazewell/Buchanan County. These areas were selected based on data collected that measured opioid use among offenders in Virginia.

“We’ve seen how opioid addiction hurts our communities and we’ve witnessed its effects on many of the offenders in our care,” said VADOC Chief of Corrections Operations A. David Robinson. “The MATRI program allows our agency to address opioid addiction in offenders head-on and hopefully end their opioid dependency and get them started on the path to full recovery.”

Upon release, the participants are required to transition into an outpatient substance abuse treatment program provided by a local Community Service Board (CSB) that employs a multi-faceted approach to treatment including the use of medication, counseling and wrap-around services. “It is critical that MATRI participants receive CSB-provided outpatient treatment for a continuum of care as they reenter the community and learn to practice healthy substance-free lifestyles,” added Scott Richeson, VADOC Deputy Director of Programs, Education and Reentry. “Support and treatment are essential during the reentry phase as participants will face challenges and temptations and must stay motivated and focused on recovery. Research shows that the highest incidence of relapse and overdose is during the first several weeks after release.”

MATRI participants will be identified and selected from Intensive Therapeutic Communities in five pilot sites. The five sites include two prisons – Indian Creek Correctional Center and Virginia Correctional Center for Women – and three Community Corrections Alternative Programs (CCAP) – Cold Springs Detention & Diversion Center, Appalachian Detention and Diversion Center, and Chesterfield Women’s Detention and Diversion Center.

The Department has entered into a Memorandum of Agreement with Alkermes, the manufacturer of Vivitrol, an injectable form of naltrexone. Alkermes has agreed to provide the first 100 dosages free of charge.

DOC Press Release, July 27, 2018

Virginia Stands Out for Operating a Corrections System Without the Use of Solitary Confinement

When it comes to state prisons, Virginia stands out for operating a corrections system without the use of solitary confinement. As states around the country grapple with the issue of maintaining safety when working with violent inmates while also giving those inmates a chance at reform, Virginia has been recognized by Governor Northam as well as the U.S. Department of Justice for its success in limiting the use of long-term restrictive housing for offenders.

The Virginia Department of Corrections serves as a national model for the limited use of restrictive housing. In Virginia, seriously mentally ill offenders can spend no more than 30 days in restrictive housing and it is exceedingly rare for offenders to be released to the community from long-term restrictive housing.

The Governor’s Office released the following statement today regarding the success Virginia has seen in its prison reforms. "Under the leadership of Director Harold Clarke, Virginia has become a nationally-recognized leader in reforms that reduce the use of restrictive housing and ensure that inmates are properly prepared to succeed in society when they leave restrictive housing or any corrections environment. Governor Northam supports the Department of Corrections in its mission to align its incarceration practices to most effectively serve the interests of public safety, inmates and taxpayers."

The Virginia Department of Corrections (VADOC) works to address the fact that those with mental health issues struggle with positive reentry and seeks to ensure that preparation for release is robust and linkage to the community is strong. Correctional officers are trained to use Corrections Crisis Intervention Teams, Mental First Aid, and Trauma Informed Care.

In Virginia, only one person was released from long-term restrictive housing to the community in 2017. Three people were released from long-term restrictive housing to the community in 2016. In 2015, that number was four.

Since the launch the department's award winning Administrative Step-Down Program in October of 2011, the VADOC has steadily made adjustments and improvements to reduce the use of restrictive housing while enhancing lasting public safety.

Based upon the success the Administrative Step-Down Program had on long-term restrictive housing, in 2014 the department developed a 70-member task force to address the use of short-term restrictive housing and develop system-wide strategies to effectively motivate offenders toward successful reintegration into the general prison population.

In 2016, the U.S. Department of Justice (DOJ) highlighted Virginia's success in limiting the use of restrictive housing in the DOJ's "Report and Recommendations Concerning the Use of Restrictive Housing." The report noted Virginia's significant reforms in the area of restrictive housing, and further identified that Virginia was looking at ways to apply the Step-Down Program system wide. The Department has implemented, as recommended by the DOJ, a program to divert offenders with serious mental illness from restrictive housing. The VERA Institute of Justice has identified Virginia as one of the leaders in the nation in restrictive housing reform, and VADOC was recognized by the Southern Legislative Conference for its Segregation Step Down program at Red Onion State Prison.

In April of 2016, the Department launched its Restrictive Housing Pilot Program. The pilot program created a unified approach to reduce the need for restrictive housing while at the same time decreasing risk, increasing safety and enhancing the likelihood of a successful return to general population. The program was implemented statewide on May 1, 2018. The program addresses improved conditions of confinement in the form of individual and group programming, methods to earn good time credit, additional recreation, increased daily out of cell opportunities, behavioral goals for progression out of restrictive housing, and increased reviews by a multi-disciplinary team.

DOC Press Release, May 10, 2018

Community Corrections Alternative Program through Detention and Diversion Centers

Effective May 1, 2017, the Department, implemented Community Corrections Alternative Programs (CCAP) through its Detention and Diversion Centers.

Community Corrections Alternative Programs are an Evidence-Based alternative to incarceration established by the Code of Virginia. These programs provide a structured environment for nonviolent offenders who have been convicted of a felony, and who otherwise would be sentenced to a year or more of incarceration. Each participant is given an evidence-based assessment to determine programming needed to assist the offender to live a productive, crime free life after successful completion of the program. The four male and one female facilities offering Community Corrections Alternative Programs provide all participants with core programming addressing criminal thinking and substance abuse.

In addition, each facility offers specialized programming to address specific, identified participant needs; examples include intensive substance abuse treatment, academic and vocational education, and employment training and experience. Participants admitted to Community Corrections

Alternative Programs are assigned to one or more facilities as needed to complete a treatment plan based on assessment of their individual needs. Participants may be moved from one facility to another to meet treatment needs as determined by the Department of Corrections.

Depending on programming needs and individual progress, most participants complete the Community Corrections Alternative Programs in 22 to 48 weeks.

CCAP Pre-Admission Manual, April 21, 2017

Richmond Times-Dispatch Editorial Board Praises the Department

For the second year in a row, Virginia can claim a valuable distinction: The state has the lowest recidivism rate in the country. Three years after release from prison, 22.4 percent of offenders wind up back behind bars. That's one percentage point lower than just a year ago.

In the abstract, the number might seem high: It's more than a fifth of the prison population. One would think anyone who has served time locked in a cell never would want to go back. And in point of fact, few if any do. But once they're released, with the same skills (or lack thereof), issues, and limited prospects because of a criminal record, turning over a new leaf is easier said than done.

Virginia's Department of Corrections has taken on the challenge of addressing such issues, by focusing resources on education behind bars, offering cognitive behavioral therapy to change harmful thought practices, and ensuring that those with mental-health problems have monitoring once they're released. "The inmates are learning and doing things," state Sen. Emmett Hanger recently told the Waynesboro News-Virginian.

Gov. Terry McAuliffe deserves credit for making a good call early in his term. Faced with tight resources, the Governor chose to consolidate facilities rather than cut prisoner re-entry programs. Department of Corrections director Harold Clarke, former Governor Bob McDonnell appointee, has led the effort to help inmates turn their lives round.

As a result, Virginia is now being asked to train other nations on how to do prisoner re-entry right. It's encouraging to see the state perform one of its most important tasks well. Not every department of corrections around the country does any actual correction. We're glad to see Virginia's leads the list of the ones that do.

Richmond Times Dispatch, November 28, 2017

New Initiative Will Limit Length of Stay for the Mentally Ill Offenders in Restrictive Housing

A new initiative will help the Department serve some of the most disruptive offenders with Serious Mental Illness (SMI) who often pose safety risks with a high tendency to cycle in and out of a restrictive housing environment.

"The Secure Diversionary Treatment Program (SDTP) is designed to treat SMI identified offenders in secure settings to allow for increased self-control and appropriate behavior through various treatment and management interventions," said Tori Raiford, Chief of Restrictive Housing and Serious Mental Illness. Additional services will provide mentally stimulating structured therapeutic activities, and unstructured recreational opportunities to these individuals. Offenders will be assessed to determine their individual readiness and level of safety as they progress to less secure environments and towards greater contact with others, she added. As of September 2017, VADOC had identified approximately 850 seriously

mentally ill (SMI) offenders, of which approximately 120 were at the time in restrictive housing. “With this enhancement, we hope to reduce the placement of SMI offenders in restrictive housing environments for an extended length of stay,” Ms. Raiford said.

The expanded services will be provided within three different correctional settings – River North Correctional Center, Marion Correctional Treatment Center and Wallens Ridge State Prison, with 36 additional staff members. SMI Coordinator Chris Armes will provide support. The three facilities will offer a total of 119 beds to meet the treatment needs of SMI offenders in the form of a highly intensive, and diversionary unit.

The new Secure Diversionary Treatment Program (SDTP), has the following goals:

- Significant reduction of restrictive housing for SMI offenders
- Intensive programming for SMI offenders requiring secured environments
- Limited restrictive housing placement for SMI offenders to a maximum of 30 days
- Increased level of treatment for SMI offenders and interaction with Corrections Crisis Intervention Training (CCIT) certified staff
- Treatment and management interventions
- Individual treatment plans
- Alternative treatment options

The Department’s SMI restrictive housing reduction is in keeping with upcoming changes in the American Correctional Association (ACA) accreditation standards. The proposed ACA standards will limit the placement of SMI offenders in restrictive housing to 30 days.

“This is another step in the right direction,” said Director Harold Clarke. “The program is a significant benefit to the portion of the SMI population that routinely cycles in and out of restrictive housing. When treatment goals can be met, our facilities become safer and everyone benefits.”

Around Corrections, January, 2018

Drive-to-Work Helps Returning Citizens Get Back Behind the Wheel

License restoration seems like a simple concept. But for a person trying to reenter society after incarceration, getting the driver’s license back can be a daunting task and one of critical importance to the person’s reentry success.

“License suspension is often more complicated than one might expect,” said Chris Toler of Drive-To-Work, a Richmond-based non-profit organization that helps individuals regain their driver’s licenses.

Incarcerated men and women most often lose their licenses because of unpaid court fines or fines related to drug charges. Sometimes the charges involve multiple jurisdictions or even multiple states, further tangling the license-restoration process. Certain laws, such as those involving multiple drunk driving convictions, carry unique penalties that can further complicate matters.

Since 2014, Drive-To-Work has collaborated with the Virginia Department of Corrections to provide this service as part of the Department’s Adult Reentry Initiative. Seminars on “How To Get Your License Back” are presented by volunteer attorneys serving as instructors at different correctional facilities. Participants are offenders within six months of their expected release. During the last two years, Drive-To-Work offered 30 seminars at 11 facilities, serving approximately 750 offenders.

In 2018, Drive-To-Work is presenting 40 “How To Get Your License Back” seminars at 13 correctional facilities.

“Our team offers a starting point and a strategy. We give returning citizens a road map and a plan,” Ms. Toler said.

VADOC has contracted with Drive-To-Work with hopes that the organization can reach as many as 1,000 incarcerated men and women in 2018. Former Secretary of Public Safety Randy Rollins has long understood the importance of license restoration and for this reason more than a decade ago he founded Drive-to-Work. He has successfully involved several prominent Richmond and Norfolk businesses including Dominion Power, Capital One and Norfolk Southern Railroad. Law firms that provide attorneys through their pro bono program are: Kaufman & Canoles and Vandeventer Black, in Norfolk; and HuntonWilliams and Spotts Fain in Richmond.

Though many lawyers offer license-restoration services, Drive-to-Work is a one of a kind organization in the United States. Drive-to-Work attorneys plan to visit these facilities:

- Brunswick
- Chesterfield Women’s Detention
- Coffeewood
- Deep Meadow
- Deerfield Men’s Work Center
- Deerfield Women’s Work Center
- Dillwyn
- Fluvanna
- Haynesville
- Indian Creek
- Lunenburg
- St. Brides
- VCCW

Around Corrections, May 2018

VADOC Joins with Veterans Services to Increase Healthcare Hires

Governor Northam’s Signature on June 25 Makes it Official

VADOC recently signed a ground-breaking agreement that will make it easier for the Department to hire medical staff who are military veterans, including former medics and corpsmen.

The agreement signed June 20 with the Virginia Department of Veterans Services helps discharged veterans return to the civilian workforce while also meeting a special need in the Commonwealth’s healthcare community.

The DVS Military Medics and Corpsmen Program (MMAC) is an innovative and award-winning program that is changing the way healthcare hires in Virginia.

VADOC leaders and staff joined DVS Commissioner John Newby, DVS leadership and staff at DVS Headquarters for the signing of the Memo of Agreement/General Scope of Practice (MOA/GSOP) for participation in MMAC program.

As the first and only program of its type in the nation, MMAC is a path to careers, credentialing and continued assistance for recently discharged veterans who served as Army Medics or Navy/Coast Guard Corpsmen or Air Force Medical Technicians.

VADOC is the first state agency to join as a partner in the MMAC Program.

MMAC collaborates with major healthcare systems across the Commonwealth to provide employment and educational opportunities for medics and corpsmen to apply their extensive clinical skills and experience under supervision while they obtain required civilian medical credentials.

The VADOC MOA/GSOP outlines the responsibilities, duties and expectations between the two agencies. It also provides a detailed listing of the clinical skills and procedures allowed to be practiced in VADOC correctional facilities by MMAC-referred VADOC employees.

One goal of the partnership is to provide staff for the healthcare clinics at VADOC correctional facilities with housing units for veterans.

Around Corrections, June 2018

Employee Assistance Fund

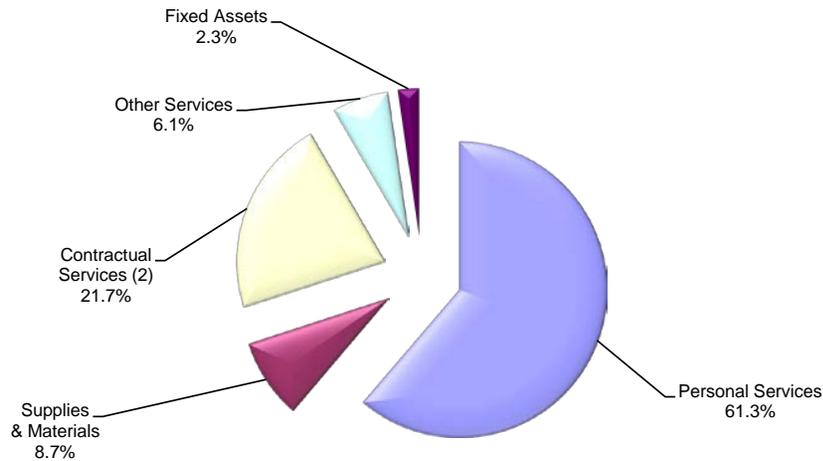
The EAF was established during FY 2003 and as of June 30, 2018 has made 1,354 awards totaling \$877,402. The fund was created to provide monetary relief to current employees of the Virginia Department of Corrections who have experienced a crisis resulting in a financial need to include, but not limited to, support to the spouse and/or children upon the 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, 2018, the fund balance was \$220,371.

FINANCIAL/OPERATING OVERVIEW

TOTAL EXPENDITURES BY CATEGORY - ALL FUNDS

For the fiscal year ended June 30, 2018, the General Assembly appropriated the Department of Corrections (DOC) an adjusted operating budget of \$1,257,128,812. The DOC expended \$1,248,956,790; the major portion of these expenditures were earmarked for salaries and benefits. The Department operated 26 Major Institutions, 8 Field Units, 5 Work Centers, 2 Detention Centers, 2 Diversion Centers, and one Detention/Diversion Center in which 28,889 offenders* were housed. In addition, the Department operated 43 Probation & Parole District Offices. (For FY 2018, the number of offenders under community-based supervision averaged 65,919 as compared to an FY 2017 average of 63,983, a 3.03% increase over was last fiscal year.)

TOTAL EXPENDITURES BY CATEGORY - FY 2018



Personal Services (1)
 Supplies & Materials
 Contractual Services (2)
 Other Services (3)
 Fixed Assets

	FY 2018	FY 2017
Personal Services (1)	\$ 765,128,193	\$ 733,699,947
Supplies & Materials	109,078,137	108,085,454
Contractual Services (2)	270,544,980	228,262,192
Other Services (3)	75,823,058	103,862,078
Fixed Assets	28,382,422	31,873,455
Total	\$ 1,248,956,790	\$ 1,205,783,126

* On average 28,889 offenders were housed in facilities operated by DOC during FY 2018. Excluded from that statistic were 1,555 DOC inmates housed in a Department of Corrections owned prison in Lawrenceville, Virginia that is privately operated.

(1) The increase in personal services is largely due to a 3% increase in employee salaries as well as an increase in the Commonwealth's share of employee fringe benefits and health insurance.

(2) The increase in contractual services is the result of higher offender medical costs as well as change in the recording of expenditures for operation of Lawrenceville Correctional Center (from Other Services to Contractual Services).

(3) The decrease in other services is the result in the change in the recording of expenditures associated with the operation of Lawrenceville Correctional Center (from Other to Contractual Services).

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.).

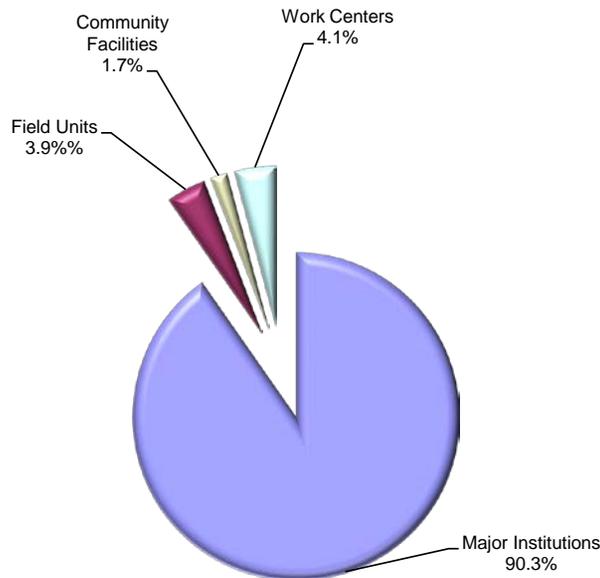
Other Services consist of miscellaneous expenditures such as unemployment compensation, incentive payments for participation in State-sponsored programs and activities (e.g., halfway houses), grants and aid to local governments, insurance premiums (property, medical malpractice, workers compensation, 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 28,889, remaining relatively flat compared to FY 2017.

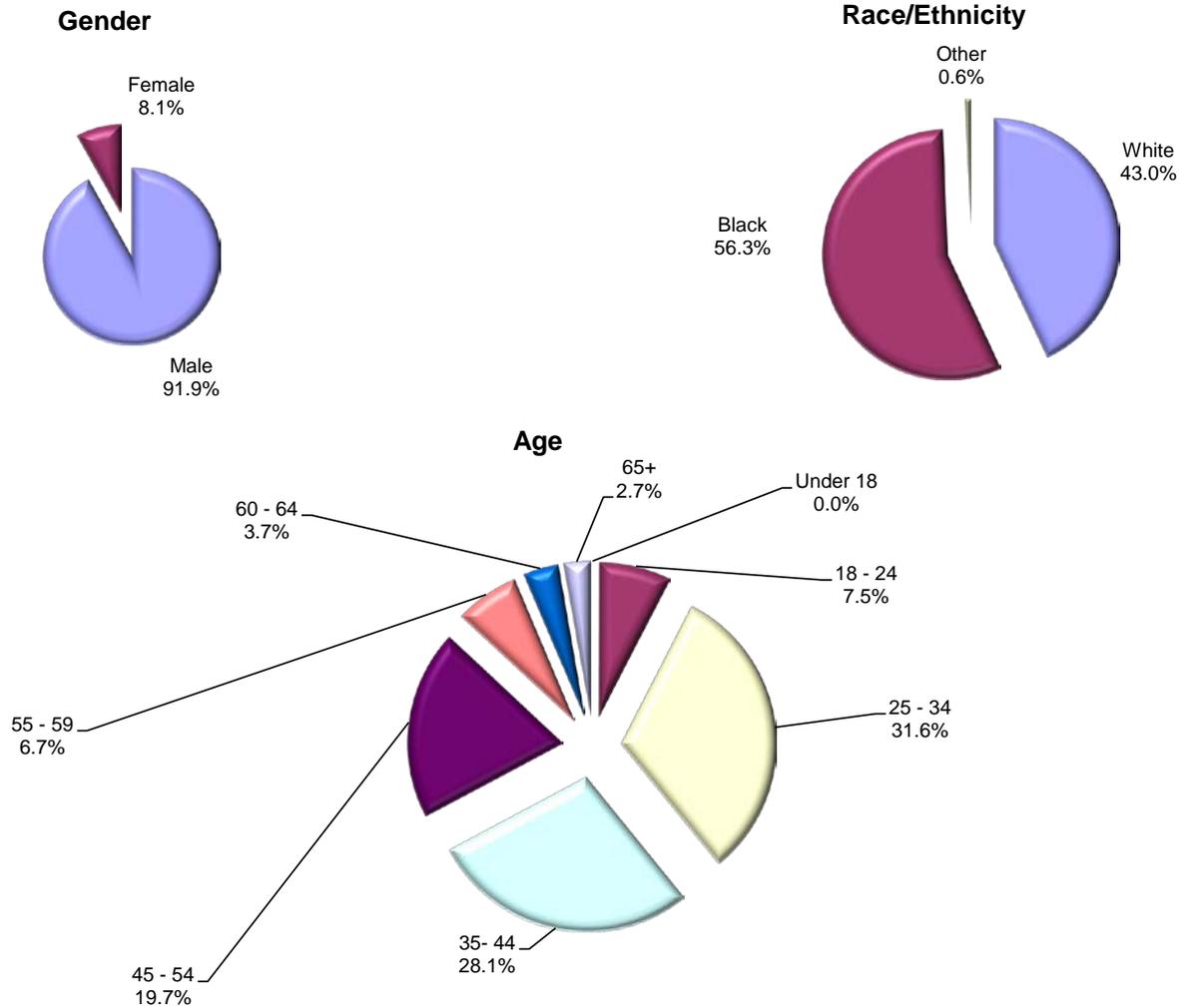
ADP is the sum total of the offender population resulting from periodic head-counts divided by the number of observations. There are four basic types of DOC facilities - major institutions, field units, work centers, and community residential facilities - and there are differences between individual 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 2018</u>	<u>FY 2017</u>
Major Institutions	26,073	25,977
Field Units	1,137	1,124
Community Facilities	484	511
Work Centers	1,195	1,275
	<u>28,889</u>	<u>28,887</u>

The above ADP statistics refer to offenders housed in facilities operated by DOC. Excluded from these statistics are 1,555 DOC inmates housed in a Department of Corrections owned prison in Lawrenceville, Virginia that is privately-operated.

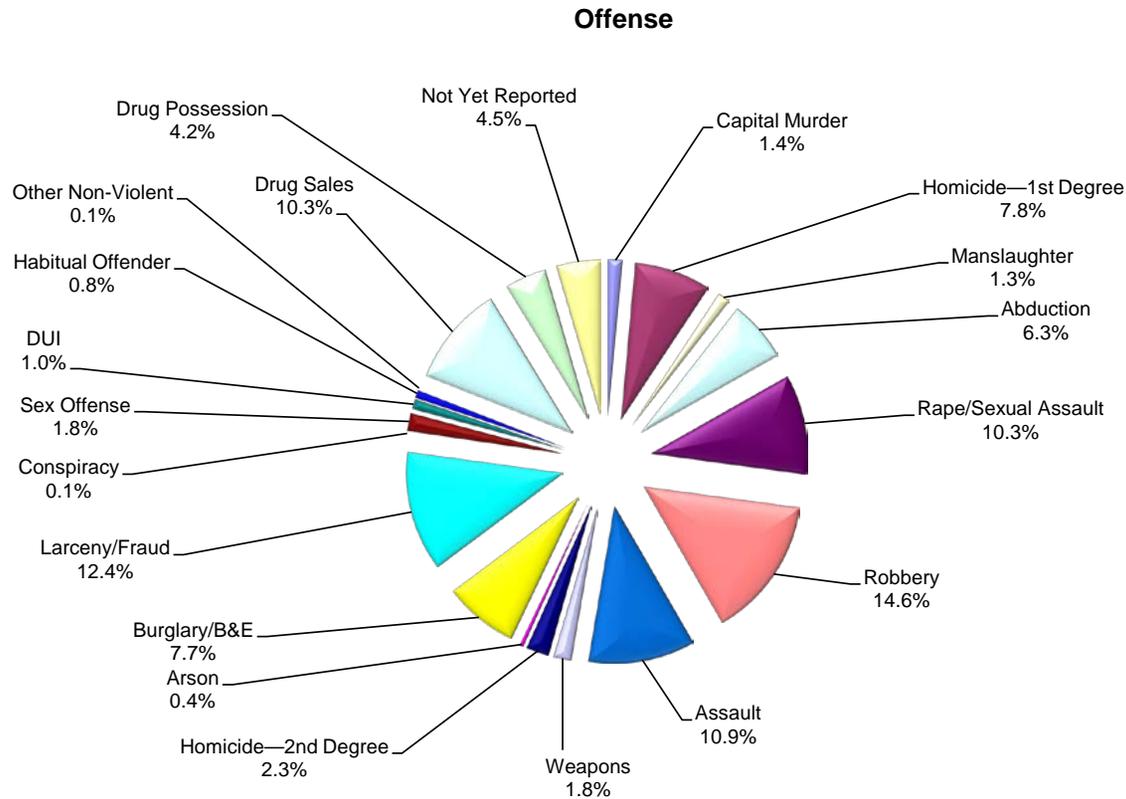
INMATE POPULATION - DEMOGRAPHICS *



* This demographic data represents the DOC inmate population as of December 31, 2017, the most recent data available. DOC inmates incarcerated in local jails are included in this data; out-of-state inmates are excluded.

Source: Research Unit

INMATE POPULATION - OFFENSE DATA *



This offense data represents the DOC inmate population as of December 31, 2017, 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.

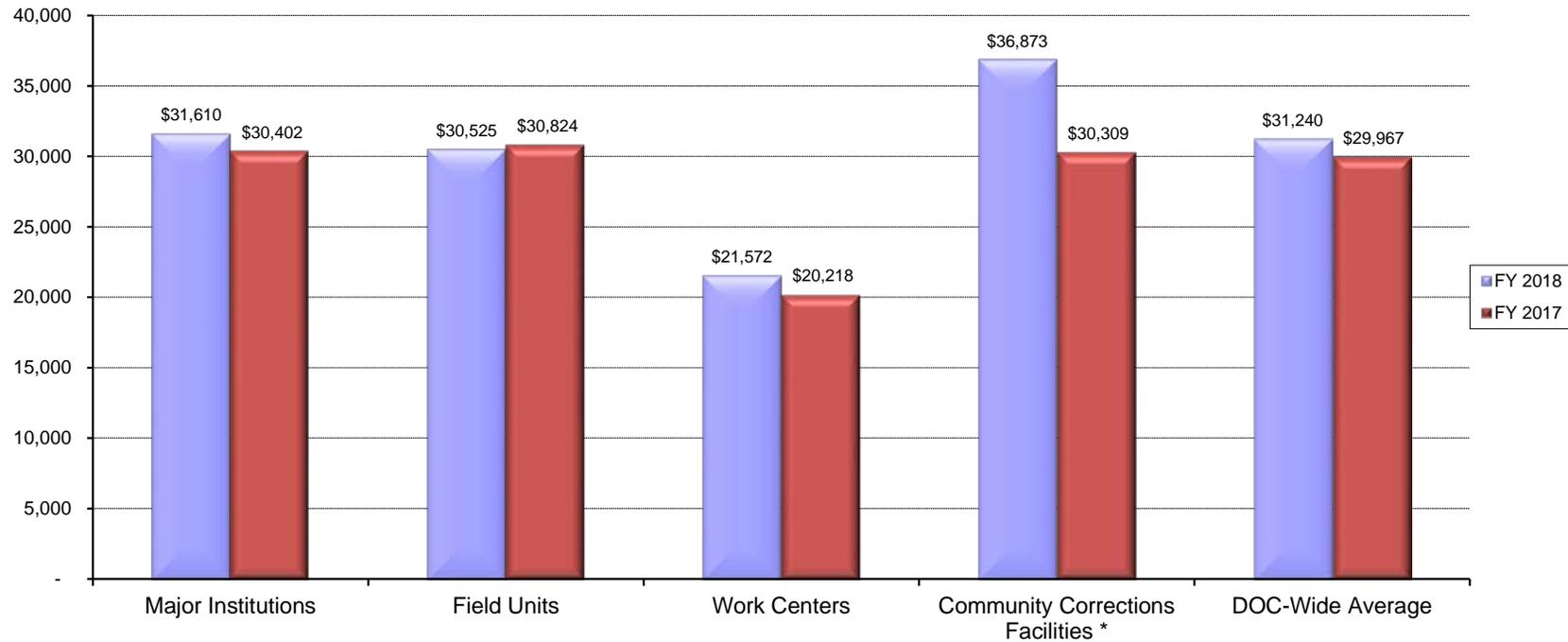
Source: Research Unit

OPERATING COST PER OFFENDER (PER CAPITA)

The Department-wide per capita cost of housing offenders was \$31,240 in FY 2018, up 4.25% above FY 2017.

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 larger ones.

OPERATING COST PER OFFENDER - FY 2018 VERSUS FY 2017



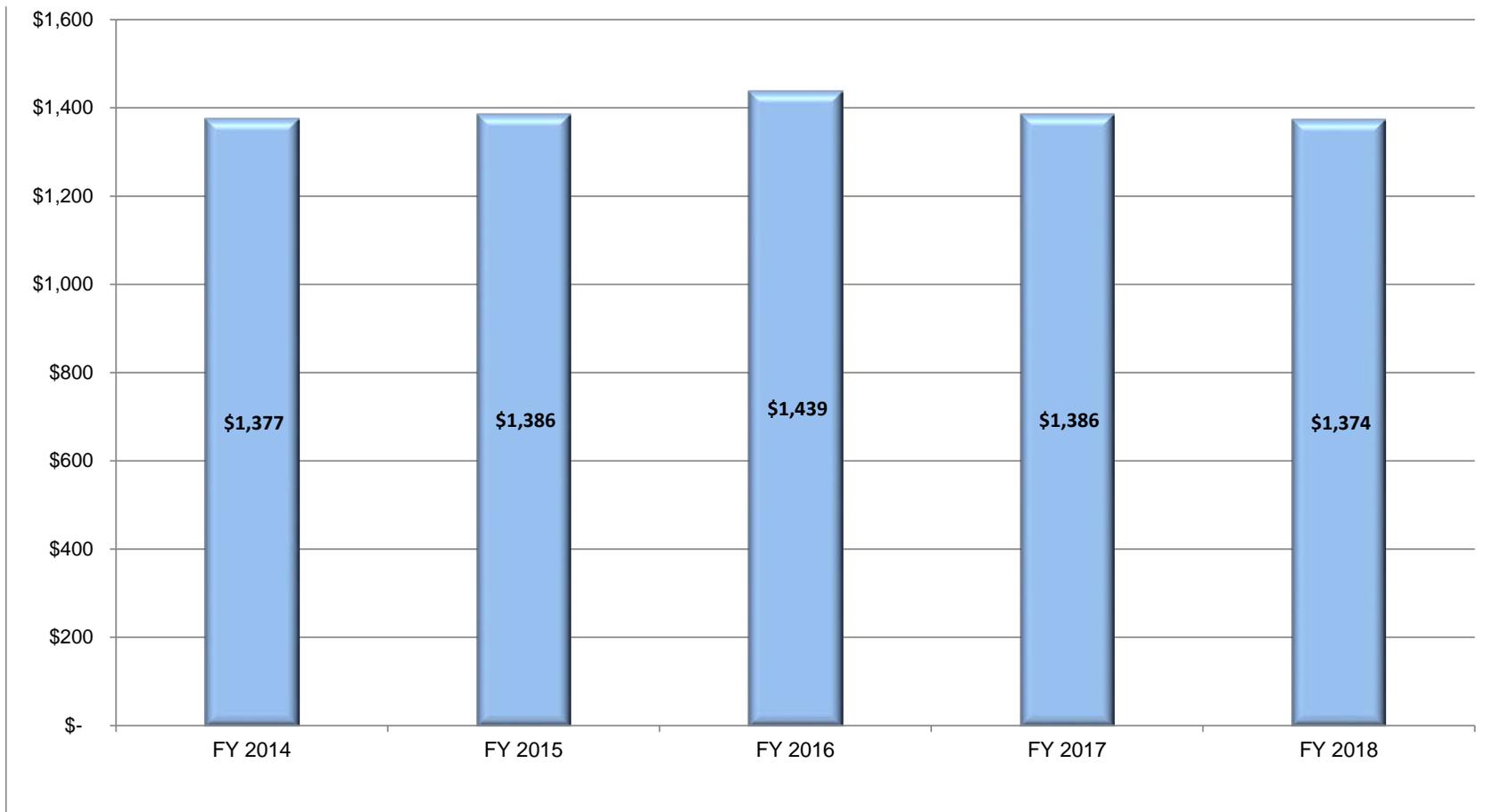
*In August, 2016, Southampton Detention Center was relocated to Cold Springs. The variance between fiscal year per capitās is largely the result of a lower than normal per capita in FY 2017 as vacancy coverage was provided by other facilities within the Western Region.

PROBATION & PAROLE COST PER CASE

The calculation methodology divides Probation and Parole services/treatment, Community Residential Treatment and Diversion and Detention Center treatment expenses by the average number of Probation and Parole cases from VACORIS for FY 2018 (See Note Below).

Previous reporting of Probation and Parole Cost per case excluded Diversion and Detention Centers and was based on June population. Historical and current calculation per case now includes Detention and Diversion Centers and is based on an average daily population for the fiscal year. FY 2018 cost per case includes expenditures associated with the Spectrum services contract at Cold Springs. Despite increases in operating cost, the cost per case has remained relatively flat due to the increase in the number of cases supervised. From FY 2017 to FY 2018, the number of cases rose from 63,983 to 65,919, an increase of 3.03%

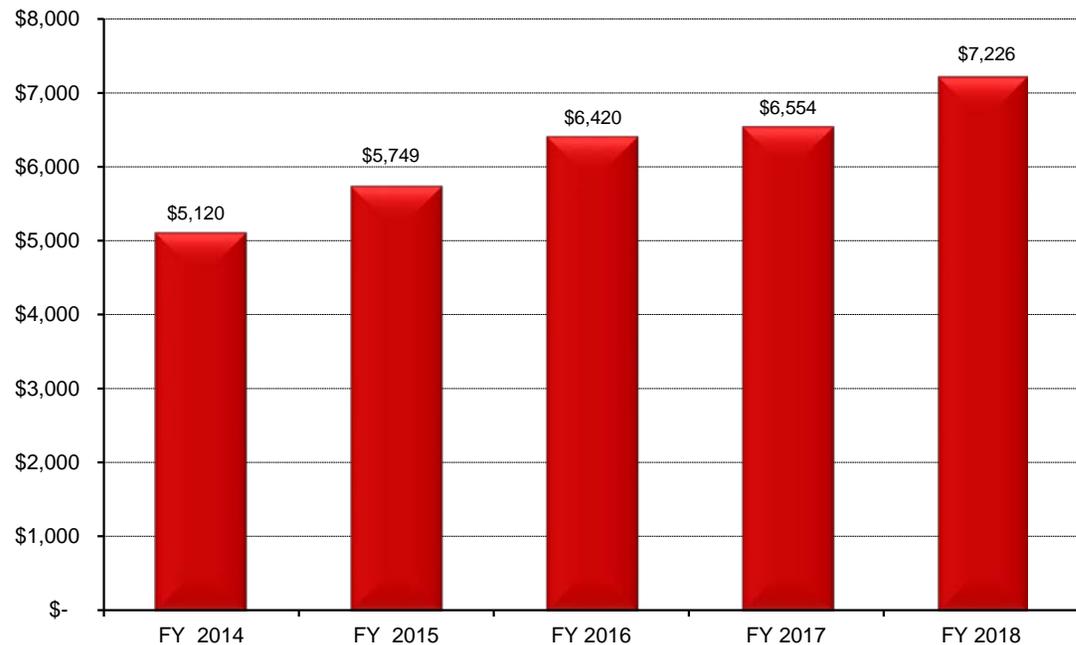
It is important to note that this cost per case calculation assumes a "flat" supervision world in which each individual receives the exact same level of supervision and services. Given that judges mandate certain requirements of supervision, and that EBP principles emphasize sculpted care, this number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



PER CAPITA MEDICAL EXPENDITURES

On a per capita basis, in FY 2018 DOC medical expenditures increased 10.3% above that of FY 2017. The increase is largely attributed to higher medical costs, greater patient acuity, and the creation of additional infirmary beds.

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 older offender population with chronic illnesses and a population entering the system with more acute medical needs.



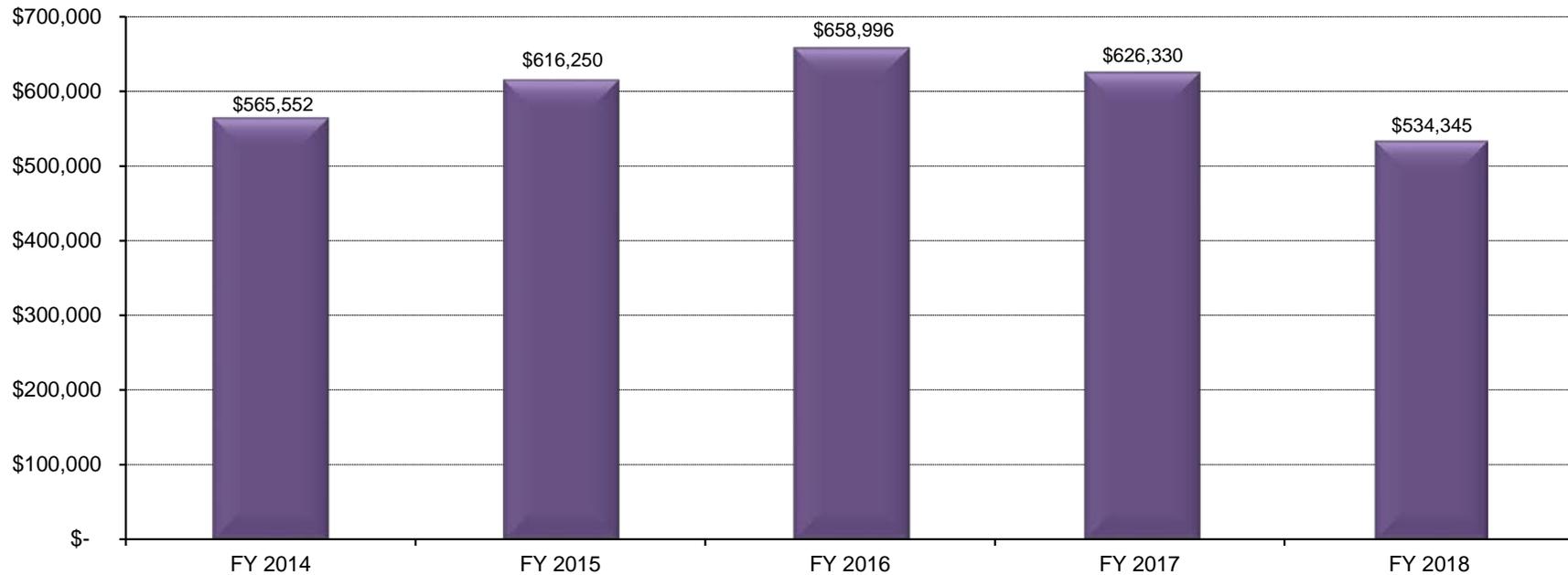
	% OF TOTAL DOC OPERATING EXPENDITURES
FY 2014	13.62%
FY 2015	14.89%
FY 2016	16.00%
FY 2017	15.70%
FY 2018	16.71%

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.). No offender is denied medical care due to his or her inability to provide the co-payment. The reduction in medical co-pay revenue in FY 2018 is the result in a change how offenders are charged as well as the lowering of the co-pay for prosthetic and orthotic devices.

The revenue from inmate medical co-payments is used to fund the DOC's telemedicine program. The telemedicine program operates at all correctional 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 (from the UVA and VCUHS medical centers, as well as Southampton Memorial Hospital and the Office of Health Services) while reducing the security costs and risks associated with transporting inmates to medical facilities.

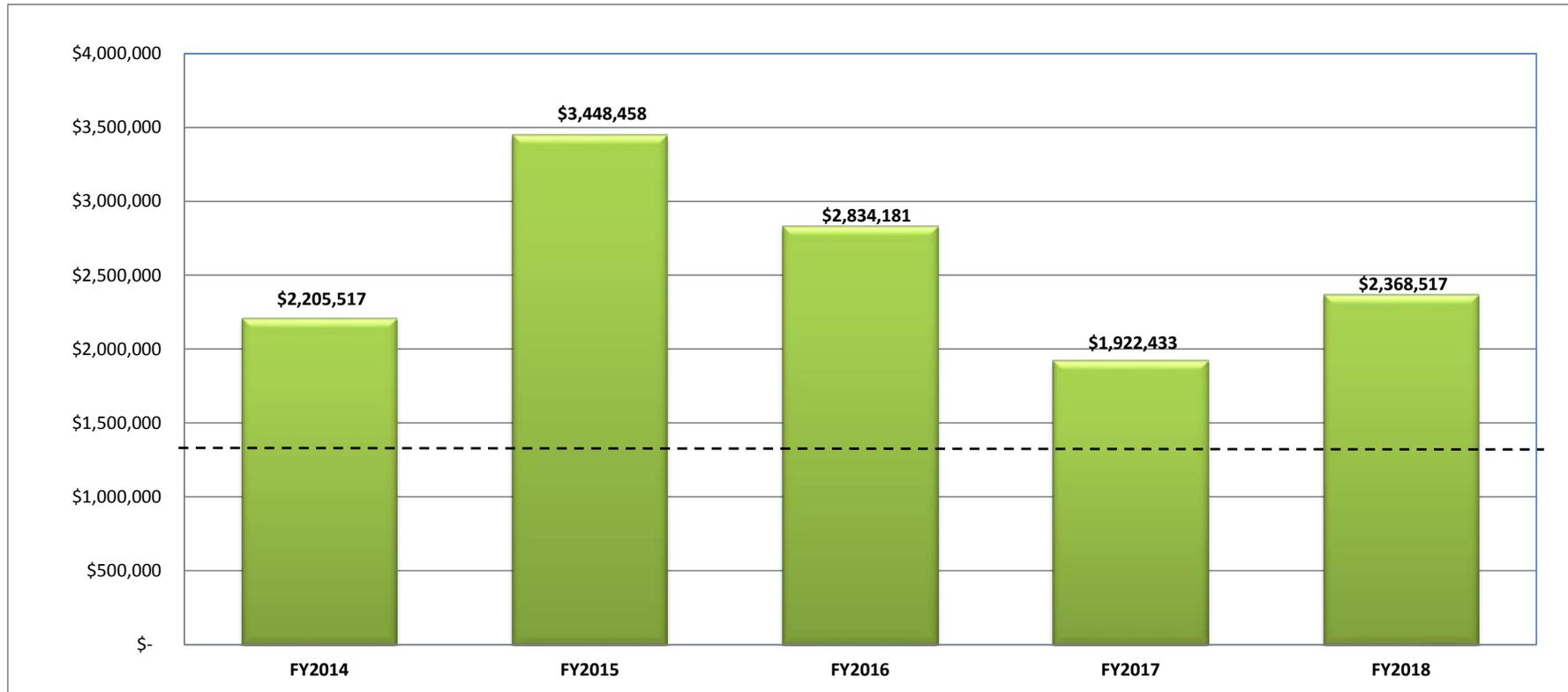


AGRIBUSINESS REVENUE

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, freezer plant/processing, grist mill, beverage plant, goats, and grain and hay used for beef and dairy production. Offender/detainees annually assist with the 7,000 acres of pastures, 1,800 acres of grain crops, 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.

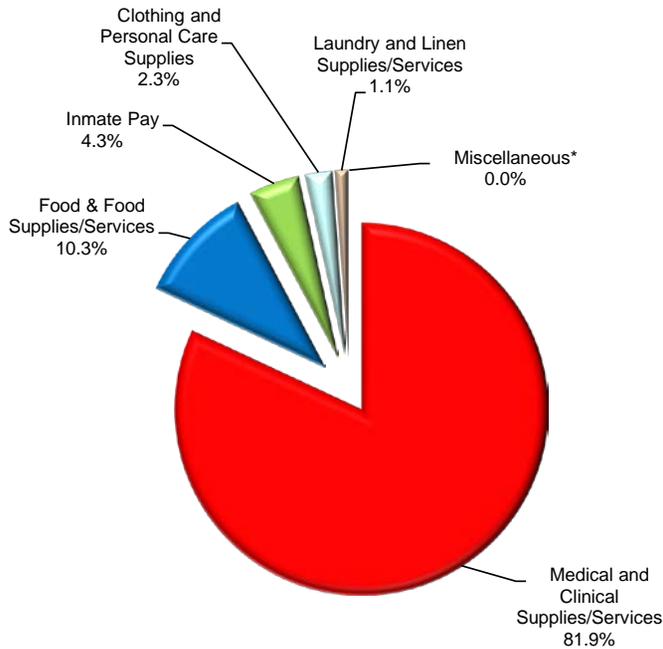
Agribusiness Revenue from the Sale of Farm & Dairy Products



DIRECT INMATE COST - FY 2018

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



CATEGORY	FY 2018	FY 2017
Medical and Clinical Supplies/Services	\$ 179,119,502	\$ 163,426,369
Food & Food Supplies/Services	22,526,253	21,964,002
Inmate Pay	9,500,834	9,683,189
Clothing and Personal Care Supplies	5,044,067	5,348,100
Laundry and Linen Supplies/Services	2,385,239	2,433,015
Miscellaneous*	16,800	30,640
Total Direct Inmate Cost	\$ 218,592,695	\$ 202,885,315

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

DOC State Responsible (SR) Confined & Newly Committed Inmates Age 50+ FY 2006 through 2017

Since 2006, Confined Inmates age 50+ have increased from 4,133 to 7,855; New commitments age 50+ have increased from 889 to 1,467. 13.3% of the state responsible new commitments and 22.3% of the state responsible confined are age 50+.



	2006	2008	2010	2011	2012	2013	2014	2015	2016	2017
50+ Confined	11.1%	13.0%	15.1%	16.0%	17.0%	18.3%	19.1%	20.2%	21.3%	22.3%
Number	4,133	5,099	5,697	5,966	6,283	6,709	7,202	7,607	7,921	7,855
50+ New Commitments	7.1%	8.5%	9.2%	10.2%	10.9%	11.4%	12.6%	12.9%	14.3%	13.3%
Number	889	1,094	1,112	1,208	1,254	1,341	1,568	1,547	1,538	1,467

Source: State Responsible Offender Population Trends, Research Unit, 2018.

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.

**DEPARTMENT OF CORRECTIONS
OPERATING APPROPRIATIONS AND EXPENDITURES - BY FUND
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

<u>FUND (1)</u>	<u>Appropriation Per Chapter 836 2017 Acts of Assembly</u>	<u>Total Adjustments</u>	<u>Total Adjusted Appropriation</u>	<u>Total Expenditures</u>	<u>Percent Expended</u>
GENERAL	\$ 1,142,510,435	\$ 51,008,424	\$ 1,193,518,859	\$ 1,193,468,539	100%
FEDERAL	1,831,318	1,016,645	2,847,963	1,153,981	41%
SPECIAL	58,051,335	230,276	58,281,611	51,977,135	89%
DEDICATED SPECIAL REVENUE *	2,480,379	-	2,480,379	2,357,134	95%
TOTAL FUNDS	<u>\$ 1,204,873,467</u>	<u>\$ 52,255,345</u>	<u>\$ 1,257,128,812</u>	<u>1,248,956,790</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.

* Dedicated Special Revenue designations relates to appropriations and revenue from the Drug Offender Assessment Fund restricted to specific programs & initiatives. These funds have been previously reported under the Special Fund.

<u>RECAP OF ADJUSTMENTS:</u>	<u>General Funds</u>	<u>Federal Funds</u>	<u>Special Funds</u>	<u>Total Funds</u>
Federal Grants/Programs	\$ 23,012	\$ 616,659	\$ -	\$ 639,671
Increased Funding for Medical Services	5,000,000			5,000,000
FY2018 Central Appropriations Adjustment (2)	45,114,422			45,114,422
Realignment between State Agencies	123,605			123,605
Additional Agribusiness Appropriation	280,902			280,902
Discretionary Reappropriation of FY 2017 Funds	766,483			766,483
Realignment Between Funds		399,986	(399,986)	-
Additional Nongeneral Fund Appropriation			330,262	330,262
Realignment to Corrections Special Reserve Fund	(300,000)		300,000	-
TOTAL ADJUSTMENTS	<u>\$ 51,008,424</u>	<u>\$ 1,016,645</u>	<u>\$ 230,276</u>	<u>\$ 52,255,345</u>

(2) Included among these central appropriation adjustments is funding for changes in fringe benefit rates (i.e., employee retirement, health insurance and other employee benefits, an employee salary adjustment of 3% effective August 10, 2017 as well as increased funding for usage of technology services.

**DEPARTMENT OF CORRECTIONS
OPERATING APPROPRIATIONS AND EXPENDITURES - BY OFFICE - ALL FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

	<u>Appropriation Per Chapter 836 2017 Acts of Assembly</u>	<u>Total Adjustments</u>	<u>Total Adjusted Appropriation</u>	<u>Total Expenditures</u>	<u>Percent Expended</u>
CENTRAL ADMINISTRATION:					
Board of Corrections	\$ -	\$ 52,994	\$ 52,994	\$ 52,995	100%
Director's Office	-	5,961,855	5,801,090	5,519,297	95%
Correctional Education Administration (1)	-	4,755,595	4,742,077	4,383,948	92%
Offender Re-Entry Program	-	6,240,657	5,796,246	5,779,541	100%
Communications Unit (2)	-	937,636	1,074,209	991,533	92%
Internal Audit/Investigative Units (3)	-	2,690,263	3,095,963	3,121,928	101%
Compliance/Accreditation (3)	-	959,513	1,060,988	1,121,376	106%
Financial Assistance for Construction of Local and Regional Jails	-	766,483	766,483	716,226	93%
Corrections Technology Services Unit (CTSUS)	-	39,872,689	41,112,477	39,576,977	96%
Financial Management & Reporting	-	5,027,123	5,551,276	5,346,575	96%
General Services	-	12,715,786	11,112,315	11,117,689	100%
Research Unit	-	1,902,535	1,800,587	1,800,586	100%
Architectural & Engineering Services	-	18,971,768	21,323,609	20,468,229	96%
Procurement/Risk Management	-	12,687,195	14,689,680	14,689,680	100%
Funding for Central Administration	76,439,489	(76,439,489)	-	-	0%
TOTAL - CENTRAL ADMINISTRATION	<u>\$ 76,439,489</u>	<u>\$ 37,102,603</u>	<u>117,979,994</u>	<u>\$ 114,686,579</u>	<u>97%</u>
EMPLOYEE RELATIONS & TRAINING	\$ 13,041,991	\$ 4,503,340	\$ 19,090,405	\$ 19,090,404	100%
VIRGINIA CORRECTIONAL ENTERPRISES	\$ 49,680,835	\$ 696,415	\$ 48,630,835	\$ 45,590,577	94%

(1) The percent expended includes \$402,157 in unexpended appropriation associated with the Special Education and Perkins grants. If adjusted for this amount, the percent expended would be 100%.

(2) The percent expended includes \$74,966 in unexpended appropriation associated with the Victim Witness and Victim Witness Expansion grants. If adjusted for this amount, the percent expended would be 99%.

(3) All functions within Central Administration are budgeted and expended from the same agency/program within the Commonwealth Accounting and Reporting System and bills are paid in the order in which they are received.

**DEPARTMENT OF CORRECTIONS
OPERATING APPROPRIATIONS AND EXPENDITURES - ALL FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

		<u>Appropriation Per Chapter 736 2017 Acts of Assembly</u>	<u>Total Adjustments</u>	<u>Total Adjusted Appropriation</u>	<u>Total Expenditures</u>	<u>Percent Expended</u>
OPERATIONS:						
Administration	(1)	\$ -	\$ 51,300,470	\$ 51,300,470	\$ 49,552,034	97%
Probation and Parole			87,370,465	87,370,465	86,153,296	99%
Offender Management Services			8,538,343	8,538,343	8,538,343	100%
Adult Residential	(1)		3,163,556	3,163,556	5,129,348	162%
Office of Health Services (OHS)			90,531,951	90,531,951	89,818,497	99%
Secure Confinement			24,153,838	24,153,838	24,153,838	100%
Facilities	(2)		806,368,955	806,368,955	806,243,873	100%
Funding for Operations		1,065,711,152	(1,065,711,152)	-		0%
TOTAL OPERATIONS		<u>\$ 1,065,711,152</u>	<u>\$ 5,716,426</u>	<u>\$ 1,071,427,578</u>	<u>\$ 1,069,589,229</u>	<u>100%</u>
TOTAL DEPARTMENT OF CORRECTIONS		<u>\$ 1,204,873,467</u>	<u>\$ 48,018,784</u>	<u>\$ 1,257,128,812</u>	<u>\$ 1,248,956,790</u>	<u>99%</u>

(1) Administration includes funding and expenditures associated with the oversight of Correctional Facilities as well as Community Corrections. The variance in the percent expended YTD between Administration, Adult Residential and Probation and Parole is because they are budgeted and expended from the same agency/program within the Commonwealth Accounting and Reporting System and bills are paid in the order in which they are received.

(2) Unlike the calculation of facility per capita, 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 reflected in the Administration line item above.

OPERATING PER CAPITA STATEMENT OF FACILITIES SUMMARY

For the Fiscal Year Ending June 30, 2018

During FY 2018, the Department of Corrections operated 26 Major Institutions, 8 Correctional Field Units, 5 Work Centers, 2 Diversion Centers, 2 Detention Centers and 1 Detention/Diversion Center. Expenditures for offender 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 have been applied to the respective facilities for purposes of calculating per capita costs. Not included are costs associated with the operation of Lawrenceville Correctional Center which is owned by the DOC, but is privately operated.

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

	Average Per Capita				Average Daily Population			
	FY 18	FY 17	+ /(-)	% Change	FY 18	FY 17	+ /(-)	% Change
Major Institutions	31,610	30,488	1,122	3.68%	26,073	25,523	550	2.15%
Field Units	30,525	29,316	1,209	4.12%	1,137	1,579	(442)	-27.99%
Work Centers	21,572	20,218	1,354	6.70%	484	1,275	(791)	-62.03%
Community Corrections Facilities	36,873	30,309	6,564	21.66%	1,195	511	685	134.06%
System-Wide Average	31,240	29,967	1,273	4.25%	28,889	28,887	2	0.01%

The increased cost in per capita of \$1,273 is largely attributed to an increase in personal services cost resulting from a 3% salary adjustment and increase in fringe benefits and health insurance rates, as well as higher cost of providing medical care to offenders.

	FY 18	Per Capita	FY 17	Per Capita	+ /(-)
Personal Services	\$ 610,002,488	\$ 21,115	\$ 587,965,121	\$ 20,354	\$ 762
Direct Inmate Cost	208,368,685	7,213	192,125,717	6,651	562
Indirect Cost/Recoveries	42,663,032	1,477	39,559,965	1,369	107
Continuous Charges	28,576,025	989	31,442,018	1,088	(99)
Property Improvements/Equipment	12,872,865	446	14,579,708	505	(59)
Total	\$ 902,483,095	\$ 31,240	\$ 865,672,529	\$ 29,967	\$ 1,273

Institutions

During FY 2018, Deep Meadow incurred the highest per capita cost of the major institutions (\$74,984) surpassing Marion Correctional Treatment Center (\$68,822). As a result of the closure of Powhatan Correctional Center in FY 2015, Deep Meadow Correctional Center assumed oversight of the Powhatan Medical Unit which largely contributed to the increase in per capita from \$45,468 in FY 2015 to \$63,371 in FY 2017. The major contributing factor for the increase from FY 2017 to FY 2018 was the addition of 30 infirmary beds.

Marion Correctional Treatment Center incurred the second highest per capita cost of the major institutions (\$68,822). The majority of Marion's offenders are mentally ill, resulting in high mental health costs. Marion, including its new 180 Cadre Unit, has a low offender-to-security staff ratio of 2.0 to 1.0 versus an average of 4.0 to 1.0 for all other major institutions.

Deerfield Correctional Center (\$44,881) has the third highest per capita, whose costs are driven by its mission to serve as a medical facility for geriatric offenders and its agribusiness operations which accounted for 6.0% of its total expenditures. Other facilities whose per capita costs are impacted by agribusiness operations are Bland and Deep Meadow which account for 7.6% and 3.6%, respectively of their expenditures. Although a large agribusiness operation can increase a facility's per capita, these functions are vital to maintaining the Department's overall lower food costs.

Field Units

Field unit offenders are lower security risks than those housed in major institutions. Field units have limited medical facilities and staff, thus offenders with major health problems will not be housed in a field unit. Field units also have higher offender-to-staff ratios. While for these reasons, per capita costs for field units are generally lower than major institutions (excluding the MSD institutions) because of low economies of scale, bed utilization and/or one-time equipment purchases higher per capita for these units may periodically be the result.

The per capita cost for the Central Region Field Units was \$27,139 representing the lowest of the three regions. The Eastern Region Field Unit per capita cost was \$32,341 while the Western Region Field Units had a per capita rate of \$34,403. The variance between the Central Region Field Units and those in the Eastern and Western Regions is generally the result of lower staff costs due to a higher staff vacancy rate.

Work Centers

Work center offenders 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. Offenders 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 individual work centers ranged from \$18,142 at Nottoway Work Center to \$30,487 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 an average of 6 months in 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, 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 offenders 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.

In May of 2017, the VADOC transformed its Detention and Diversion Center programs to bring them in line with evidence-based practices demonstrated to reduce recidivism. The Community Corrections Alternative Program (CCAP) focuses on meeting the needs of probationers who present medium to high risks and needs for special programming including intensive substance abuse treatment and cognitive distortions. The Department believes the changes will provide improved services for probationers and will better meet the needs of the sentencing courts.

The Central Referral Unit (CRU) conducts consistent assessment of each probationer's suitability for CCAP. The CRU identifies if acceptance into CCAP or enrollment in different community programming would provide the best opportunity for recidivism reduction based on the probationer's risks and needs. Results and recommendations from the assessment are provided to the Court by the assigned probation officer prior to a sentencing or show cause hearing.

**DEPARTMENT OF CORRECTIONS
PER CAPITA STATEMENT OF FACILITIES
SUMMARY BY TYPE OF FACILITY
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

		<i>FY 2018</i>		<i>FY 2017</i>	
		<i>ADP</i>	<i>Per Capita</i>	<i>ADP</i>	<i>Per Capita</i>
<i>Major Institutions</i>					
716	Virginia Correctional Center for Women	554	38,049	449	42,723
718	Bland Correctional Center	639	38,913	643	37,223
721	Powhatan Reception & Classification Center	346	33,929	331	43,811
733	Sussex I State Prison	1,137	34,348	1,144	32,833
734	Sussex II State Prison	1,250	26,640	1,247	26,929
735	Wallens Ridge State Prison	1,074	32,149	1,081	30,782
737	St Brides Correctional Center	1,179	22,257	1,175	21,394
741	Red Onion State Prison	831	41,319	877	37,814
743	Fluvanna Correctional Center for Women	1,182	34,700	1,198	32,127
745	Nottoway Correctional Center	1,410	26,694	1,403	26,243
747	Marion Correctional Treatment Center	274	68,822	290	63,129
749	Buckingham Correctional Center	1,133	27,007	1,132	26,509
752	Deep Meadow Correctional Center	691	74,984	718	63,371
753	Deerfield Correctional Center	1,056	44,881	1,064	41,921
754	Augusta Correctional Center	1,336	23,320	1,329	23,213
761	Baskerville Correctional Center *	475	25,876	455	25,585
768	Keen Mountain Correctional Center	723	35,277	705	35,349
769	Greensville Correctional Center	2,962	31,743	2,961	30,255
770	Dillwyn Correctional Center	917	27,449	905	26,842
771	Indian Creek Correctional Center	1,006	23,992	1,008	23,922
772	Haynesville Correctional Center	941	29,916	910	27,944
773	Coffeewood Correctional Center	1,007	27,020	991	26,549
774	Lunenburg Correctional Center	969	27,941	950	27,924
775	Pocahontas State Correctional Center	1,029	23,535	1,023	22,542
776	Green Rock Correctional Center	1,027	25,377	1,022	24,000
785	River North Correctional Center	927	28,855	969	25,292
<i>Total Institutions</i>		26,073	\$ 31,610	25,977	\$ 30,402

**DEPARTMENT OF CORRECTIONS
PER CAPITA STATEMENT OF FACILITIES
SUMMARY BY TYPE OF FACILITY
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

		FY 2018		FY 2017	
		ADP	Per Capita	ADP	Per Capita
Field Units					
716/134	Central Virginia	149	\$ 33,335	183	\$ 32,434
749/091	Rustburg	149	22,665	141	25,568
757/103	Cold Springs	111	38,842	109	40,590
757/181	Wise	111	34,799	103	35,622
757/281	Patrick Henry	132	30,338	115	30,552
770/234	Halifax	240	26,075	237	26,368
772/023	Caroline	136	31,792	131	30,622
772/173	Haynesville	111	33,014	106	30,879
Total Field Units		1,137	\$ 30,525	1,124	\$ 30,824
Work Centers					
730/403	Brunswick	181	\$ 30,487	191	\$ 28,108
745/405	Nottoway	192	18,142	187	17,204
752/402	James River	264	21,107	292	20,117
753/408	Deerfield	347	19,998	348	20,105
769/401	Greensville	211	20,212	258	16,807
Total Work Centers		1,195	\$ 21,572	1,275	\$ 20,218
Community Corrections					
767/867	Appalachian Men's Detention Center	78	\$ 49,500	105	\$ 34,932
767/868	Harrisonburg Men's Diversion Center	99	34,769	110	29,832
767/881	Stafford Men's Diversion Center	90	37,962	102	31,364
767/882	Cold Springs Men's Detention Center **	120	26,956	78	18,875
767/885	Chesterfield Women's Detention/Diversion Center	97	40,162	116	33,399
Total Community Corrections		484	\$ 36,873	511	\$ 30,309
TOTAL ALL FACILITIES		28,889	\$ 31,240	28,887	\$ 29,967

* Revised to reflect Baskerville Correctional Center as a major institution versus a field unit as it has been reported prior to FY 2017.

** Previously Southampton Men's Detention Center, relocated to Cold Springs in August, 2016. The low FY 2017 per capita was largely the result of staff vacancies which were provided through other facilities within the Western Region.

AVERAGE DAILY POPULATION SUMMARY

For the Fiscal Year Ending June 30, 2018

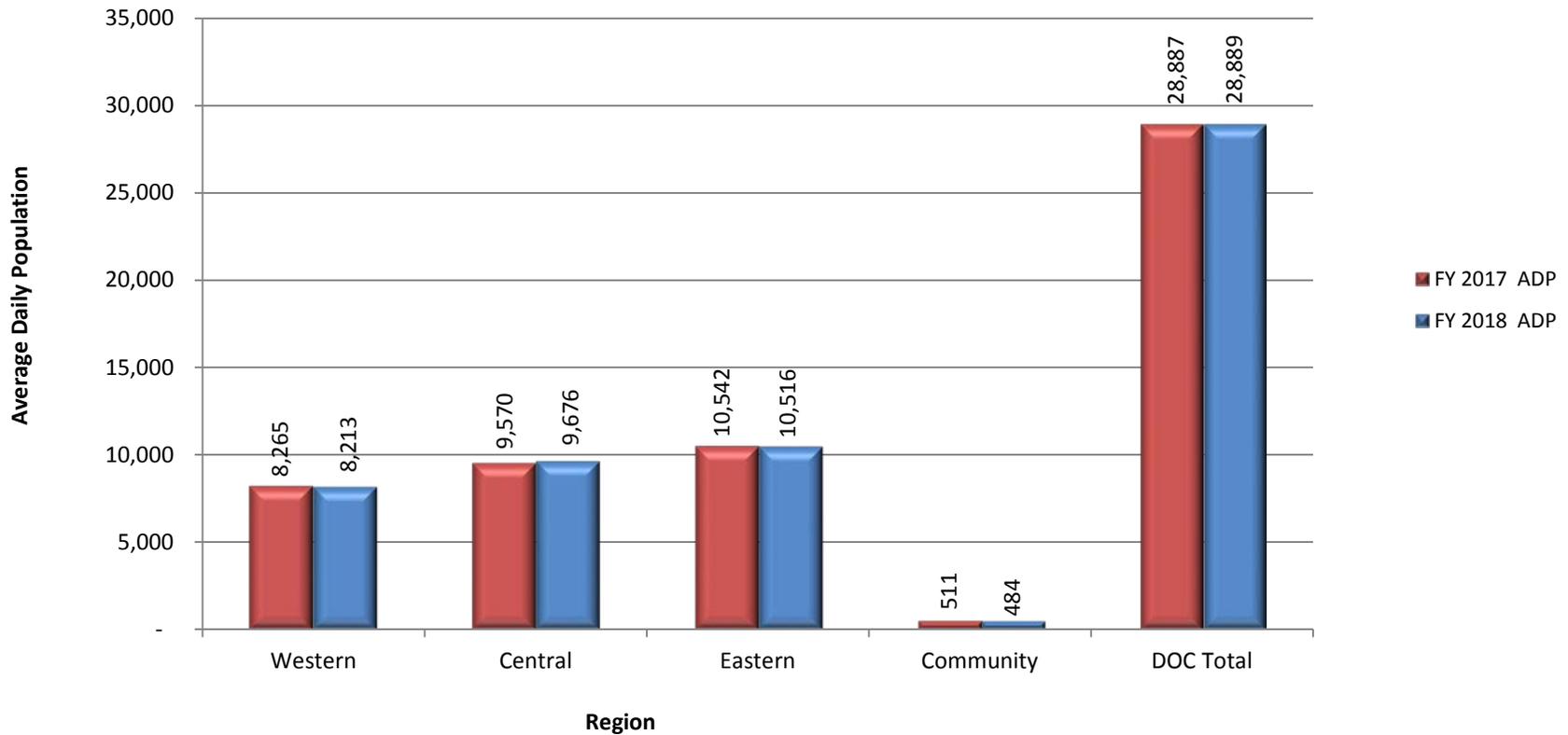
The Average Daily Offender & Probationer Population (ADP) is defined as follows: the sum total of the population resulting from periodic head-counts divided by the number of observations. This calculation is widely used internally and externally to the DOC for purposes of calculating and forecasting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

Data is representative of offenders 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 offender and probationer population (ADP) are presented in this section.

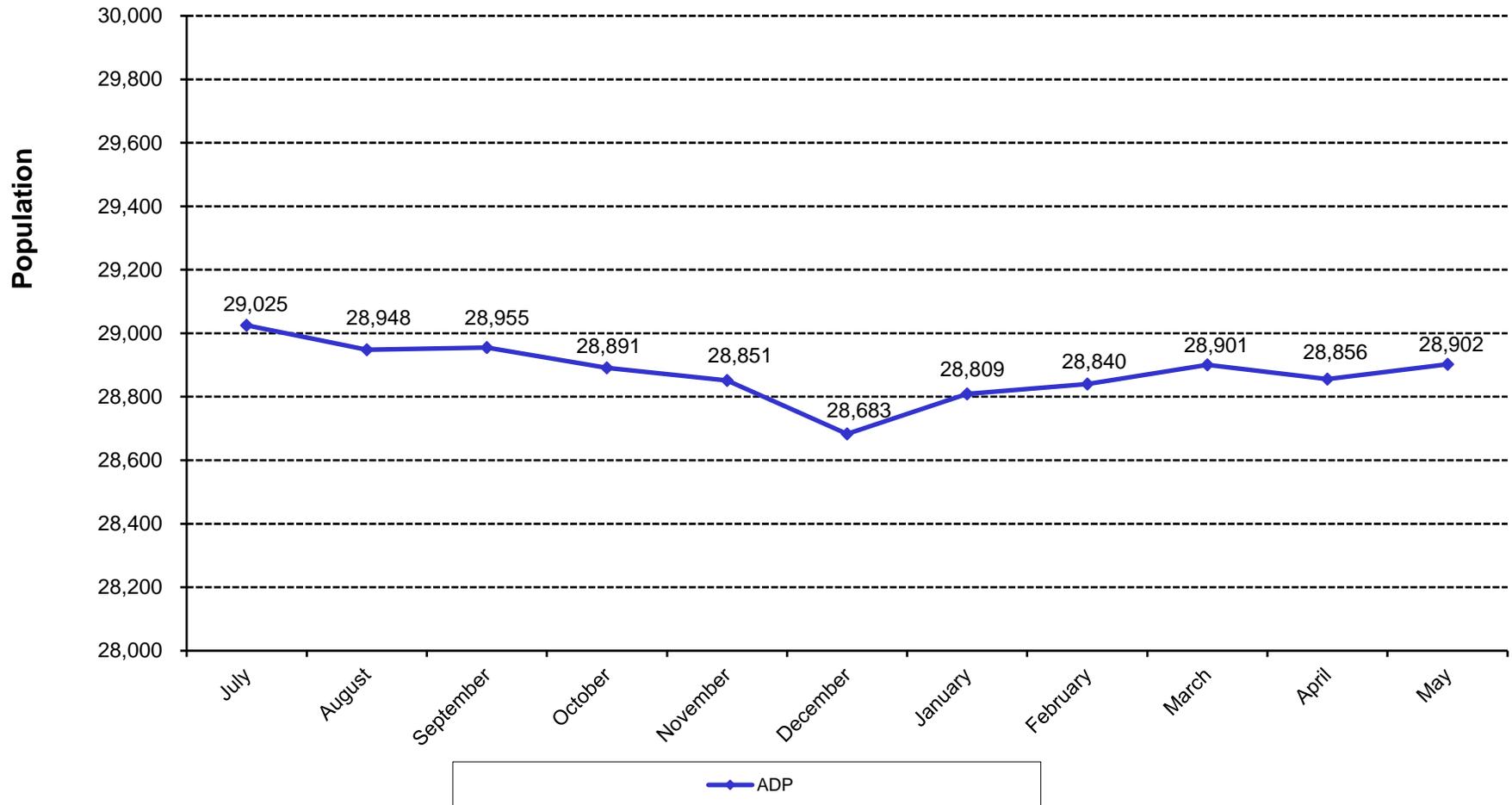
- 1) BY REGION AND TOTAL DOC: This first graph reflects the average daily offender population, by Region, and the probationer population (Community). It does not include Lawrenceville Correctional Center (operated by a private contractor).
- 2) BY MONTHS: The second graph represents the average offender and probationer population reported by the Virginia Department of Corrections for each month of Fiscal Year 2018. This depiction does not include Lawrenceville Correctional Center, operated by a private contractor.

Average Daily Population FY 2017 vs. FY 2018



NOTE: Population for the Department of Corrections owned facility in Lawrenceville, Va, that is privately operated, has been excluded. Both FY 2017 and FY 2018 ADP figures are based on a 12-month average of offenders housed in major institutions, correctional field units, work centers and community corrections facilities.

FY 2018 Average Daily Population Month-to-Month Fluctuations



NOTES: ADP totals do not include the Department of Corrections owned facility in Lawrenceville, Virginia, that is privately operated.

FIDUCIARY FINANCIAL STATEMENTS (OFFENDER 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: Offender Trust Fund and Commissary Fund.

OFFENDER TRUST FUND

The Offender 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 offenders. Offender Trust monies are generally held by banking institutions near the correctional facility where the offender 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 offender 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 offenders. The products must be approved from a security perspective, and are paid for by individual offenders through the transfer of funds from the offender's trust account. Profits generated from the Commissary operations are reserved for purchases of items that benefit the Department's offender 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. (Transportation), Enhanced Faith Based Services, FETCH a Cure (previously known as 'Pen Pals'), and purchase of a Public Performance License which permits the public showing of copyrighted video material.

In FY 2018, the commissary balance saw an increase of \$436,835 compared to FY 2017.

Offender Trust Fund

ASSETS	For the Fiscal Year Ending June 30, 2018
Cash Held with the Treasurer (GLA 101)	
Cash NOT with the Treasurer	10,657,900
Cash Equivalents with the Treasurer (Securities Lending from DOA)	
Cash Equivalents with the Treasurer - SNAP	
Cash Equivalents with the Treasurer - LGIP	10,797,402
Cash Equivalents with the Treasurer - Other	
Cash Equivalents NOT with the Treasurer	
Cash and Cash Equivalents - Total	21,455,302
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	
Accounts and Loans Receivables	504,059
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	
TOTAL ASSETS	21,959,361
LIABILITIES	
Vendor Payments Payable	2,849,708
Salary / Wages Payable	
Retainage Payable	
Other Payables	462,223
Accounts Payable Total	
Amounts Due to Other Governments	
Due to Internal Parties (Governmental Funds and Business-type Activities)	162,901
Due to External Parties (Fiduciary Funds)	
Insurance Premiums and Claims Payable	
Obligations Under Securities Lending Program	
Due to Program Participants, Escrows, and Providers	18,029,481 (A)
Deposits Pending Distribution	
Other Liabilities	455,048 (B)
TOTAL LIABILITIES	21,959,361

(A) Included in this amount is \$11.8M is funds in offender 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.

FY18 vs FY17 FLUCTUATION ANALYSIS OF COMMISSARY SPECIAL REVENUE FUND

	FY18	FY17	FLUCTUATION		EXPLANATION
			ABSOLUTE	% CHANGE	
Charges for Sales/Services	824	878	(54)	-6%	
Cost of Sales/Services	98	220	(121)	-55%	
Gross Profit	726	658	67	10%	
<u>Operating Expenses:</u>					
Personal Services	-	-	-	-	
Store Supplies	-	-	-	-	
Store Equipment	-	-	-	-	
Unsaleable Merchandise	-	-	-	-	
Sales Taxes	1,380	1,704	(324)	-19%	
Depreciation	-	-	-	-	
Miscellaneous	-	2,523	(2,523)	-100%	
Total Operating Expenses	1,380	4,227	(2,847)	-67%	
Operating Income	(655)	(3,569)	2,914	82%	
<u>Non-Operating Revenues and Expenses:</u>					
Interest	16,875	7,626	9,249	121%	
Commissary Commission (Keefe)	2,871,506	2,661,375	210,131	8%	
Other Income (Expenses)	722,253	810,057	(87,804)	-11%	
Funds Transfers	-	-	-	-	
Total Non-Oper. Rev. (Expenses)	3,610,633	3,479,058	131,576	4%	
Net Income before Offender Welfare	3,609,979	3,475,489	134,490	4%	
(Offender Welfare)	(3,173,144)	(3,395,301)	222,157	7%	
Net Income	436,835	80,188	356,647	445%	* (A)
Fund Balance-July 1	2,131,896	2,051,708	80,188	4%	
ADJUSTMENTS *	-	-	-	-	
	2,131,896	2,051,708	80,188	4%	
Fund Balance-June 30	2,568,731	2,131,896	436,835	20%	* (B)

EXPLANATIONS FOR FLUCTUATIONS

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

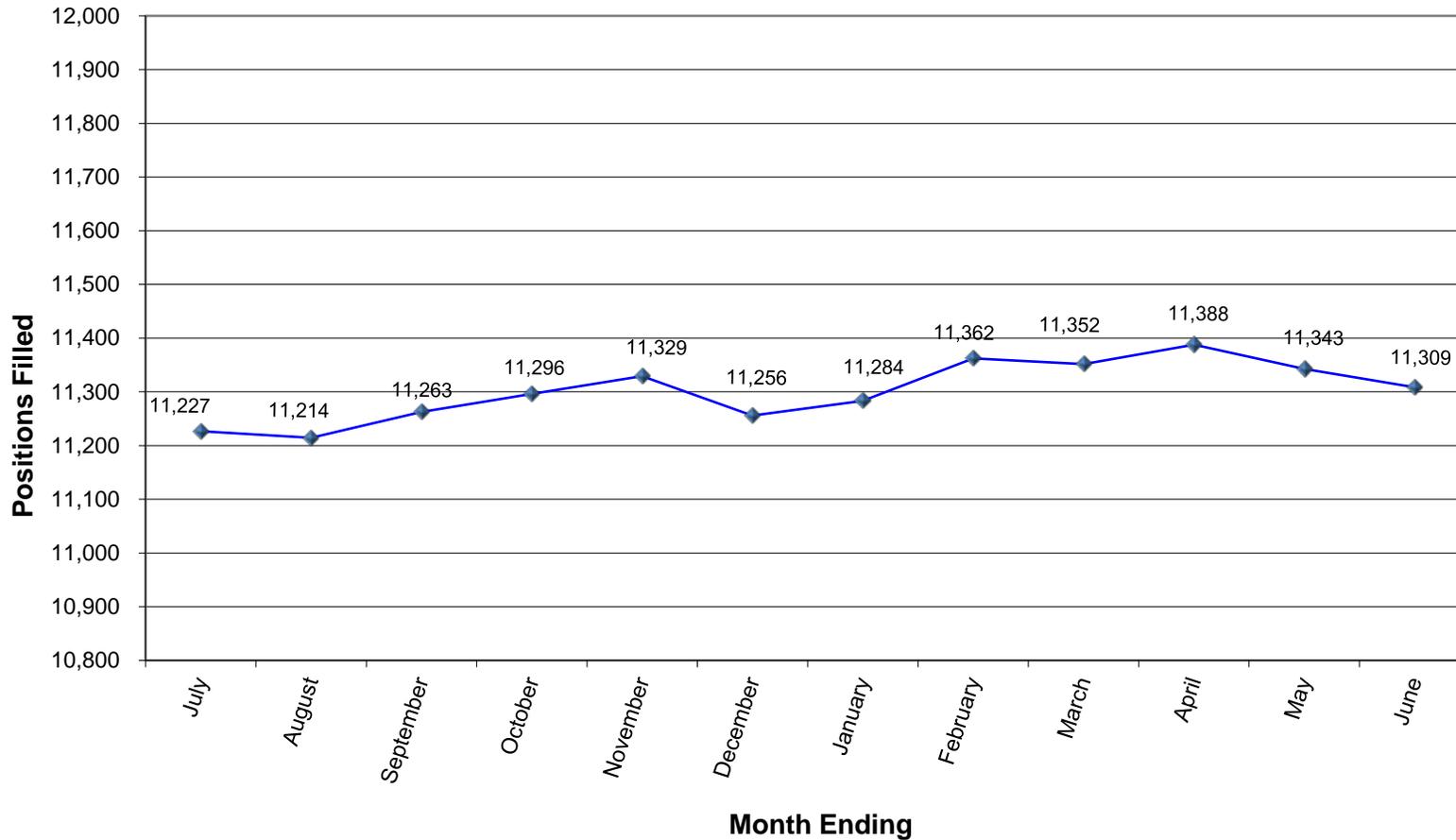
- (A) The change in Net Income is a result of lower offender welfare expenditures.
- (B) The increase in the Fund Balance is the result of increase commissary sales and lower offender welfare expenditures.

Threshold of Materiality = Variance of \$100,000 and a 10% change from the previous year.

EMPLOYMENT LEVEL SUMMARY For the Fiscal Year Ending June 30, 2018

The Department's authorized position level (APL) for Fiscal Year 2018 was 12,351.50 compared to 12,599.50 in FY 2017. The variance in APL is largely associated with continued delayed opening of Culpeper Correctional Center which was part of the Governor's FY 2017 Savings Plan.

The Department experienced an average employment level of 11,302, slightly down from the FY 2017 average of 11,308.



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

EMPLOYMENT LEVEL MONITORING REPORT
FY 2018 AVERAGE (All Funds)
(Authorized Position Level = 12,351.50)

Agency Code	Agency Name	Average Employment Level	Increase/ (Decrease) as Compared to FY 2017
701	Department of Corrections Central Activities	317	5
711	Virginia Correctional Enterprises	198	11
716	Virginia Correctional Center for Women	270	(3)
718	Bland Correctional Center	267	4
733	Sussex I State Prison	344	(24)
734	Sussex II State Prison	287	(38)
735	Wallens Ridge State Prison	439	1
737	St. Brides Correctional Center	289	13
741	Red Onion State Prison	448	0
742	Academy for Staff Development	110	2
743	Fluvanna Correctional Center for Women	325	(4)
745	Nottoway Correctional Center	434	23
747	Marion Correctional Treatment Center	241	10
749	Buckingham Correctional Center	359	(12)
752	Deep Meadow Correctional Center	595	(22)
753	Deerfield Correctional Center	430	(11)
754	Augusta Correctional Center	294	(23)
756	Division of Institutional Services	553	21
757	Western Regional Field Units	132	1
761	Baskerville Correctional Center	145	1
767	Division of Community Corrections	1,275	34
768	Keen Mountain Correctional Center	309	(4)
769	Greensville Correctional Center	804	(40)
770	Dillwyn Correctional Center	341	0
771	Indian Creek Correctional Center	233	(3)
772	Haynesville Correctional Center	386	13
773	Coffeewood Correctional Center	264	(2)
774	Lunenburg Correctional Center	279	6
775	Pocahontas Correctional Center	299	12
776	Green Rock Correctional Center	284	1
785	River North Correctional Center	352	24
Department of Corrections Totals		11,302	(5)