



VIRGINIA DEPARTMENT OF CORRECTIONS

Management Information Summary Annual Report For the Fiscal Year Ending June 30, 2016



**Re-Entry in Practice
Corrections Construction
Unit**



On the Cover **Corrections Construction Unit**

A boom in the mid-1970s necessitated the hiring of skilled construction laborers and offenders to construct and renovate multiple sites to meet the increased need for prison beds. In 1976 a supervisor was hired specifically to head a centralized construction unit to be known as the "Corrections Construction Unit" or "CCU" to oversee construction, repairs and renovations across the agency.

By the mid-1980s CCU employed over 250 offender workers, 40 job foreman and 6 superintendents. CCU has completed projects for other state agencies including VDOT, the Virginia Museum of Fine Arts and the Department of Juvenile Justice.

CCU is comprised of 13 field superintendents skilled in various trades as well as a central office staff responsible for safety, procurement, and administration.

CCU's offender workforce goes through an intense screening process at multiple levels to ensure safety and security of the general public, the facilities, and the job-site.

CCU completes quality construction, renovation and repair projects in a cost efficient manner due to the use of offender workers.

CCU is responsible for completion of construction services averaging \$4.M per fiscal year, enhancing and improving the VADOC Correctional Facilities statewide. Offender workers are supervised in the field by skilled and master trades' staff. Offenders are able to develop professional construction skills to better prepare them for obtaining employment upon re-entry into society.

CCU is in the process of developing a formal apprenticeship program through the Offender Workforce Development Unit.

CCU offers construction services under the following trades:

Roofing
HVAC

Welding
Masonry

Plumbing
Electrical

General Trades
Auto Mechanics

MAJOR CCU PROJECTS INCLUDE:

Sussex I Housing Unit
3 Recreation Building
Culpeper Renovations
Red Onion School Building
Keen Mountain Dormitory
Multiple CCTV Installations
Multiple Shower Renovations
Multiple Fence Replacements

Re-Entry Education Trailer Installations at Multiple Facilities
Augusta Training Building
Multiple Field Unit Electrical Upgrades
Kennel Repair/Renovation
Central VA Unit 13 Culinary Arts Program
Multiple Window Replacement
Multiple Roofing Projects

VIRGINIA DEPARTMENT OF CORRECTIONS ANNUAL MANAGEMENT INFORMATION SUMMARY REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2016

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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, 2016

A few of the accomplishments/initiatives of the Department of Corrections for the fiscal year ending June 30, 2016 are highlighted below:

FY 2016 Year End

The year-end close out was a success. Consistently, the Department of Corrections effectively utilizes nearly 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 exceeded this goal with a compliance rate of 99.42% for FY 2016.

The Department also continued progress in the 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, FY2016 utilization was 27.70% as compared to 30.28% in FY 2015. The medical healthcare contract with Armor continues to remain a major factor in the Department's inability to meet the SwaM threshold of 42%. If adjusted for this contract, the Department's utilization would be 40.33%. Another factor is the inability to discount expenditures associated with mandatory sources such as Virginia Correctional Enterprises (VCE), the Virginia Distribution Center (VDC), etc.

VADOC Has Drastically Lowered Rates in Recent Years — Average Call Now \$0.69

Governor Terry McAuliffe announced that offenders in Virginia's prisons can now stay in touch with loved ones by way of some of the lowest phone call rates in the country.

The Virginia Department of Corrections has worked with its offender phone service provider, Global Tel*Link (GTL), to lower phone rates drastically over the last five years. Offenders will now pay about \$0.04 per minute.

"Recognizing how important family support is to offenders as they serve their time and prepare to reenter the community, Virginia has been leading the charge to bring affordable phone service to incarcerated offenders," said Governor McAuliffe. "This is a significant milestone in the Commonwealth's reentry efforts."

In 2010, the average cost of a phone call from a Virginia facility was \$4.06; by October 2015, the average had fallen to \$1.48. With the new rates, an average call will cost \$0.69. These rates took effect on December 1, 2015.

"This is an excellent example of how partners who share common goals can work together to reduce the cost of phone calls to friends and family members and still provide the necessary security and safety features to protect the public," said Brian Oliver, CEO of GTL.

"Knowing that there will always be security costs for the DOC associated with offender phone calls, we appreciate the Department's efforts to make phone service affordable for offenders," said Secretary of Public Safety and Homeland Security Brian Moran.

"We are in the business of helping people make better choices," said Harold Clarke, VADOC Director. "Research shows us that increased pro-social family ties support a reduction in recidivism and are an important part of the reentry process. We're pleased that working with GTL, we're able to offer significantly less expensive calls than in years past." The Department of Corrections does not receive commissions from offender phone calls.

DOC New Release: December 23, 2015

Virginia's Restrictive Housing Reforms Highlighted by the U.S. Department of Justice: Few Offenders Remain in Restrictive Housing in Virginia Prisons

Virginia's efforts to help inmates in the state's highest security prisons move out of long term restrictive housing have been recognized by the U.S. Department of Justice. In a recently released report, Virginia is recognized for a huge drop in the number of offenders in restrictive housing over a five-year period.

The U.S. Department of Justice's "Report and Recommendations Concerning the Use of Restrictive Housing" highlights the Virginia Department of Corrections' (VADOC) Administrative Segregation Step-Down Program at Red Onion State Prison and Wallens Ridge State Prison, one of only five states' programs lauded in the report. The Administrative Segregation Step-Down Program addresses offenders assigned to Security Level S, which is defined as long term restrictive housing.

"I'm proud that Virginia has earned the praise of the Justice Department for the success we've had in reducing the use of restrictive housing in our highest security prisons," said Governor Terry McAuliffe. "The Commonwealth continues to be at the forefront of prison reform and reentry efforts, earning us the second lowest recidivism rate in the country. Smart administration of our justice programs is good for public safety, for taxpayers and for the individuals whose lives we are working to turn around."

In October of 2011, the VADOC initiated reforms at the state's highest-security prisons to change the culture and motivate positive change. As a result, the Administrative Segregation Step-Down Program was created, giving high-risk offenders the opportunity to work their way out of restrictive housing and into the general prison population.

When the Step-Down program began in 2011, 511 Virginia Department of Corrections offenders were housed in long term administrative segregation for their protection or the protection of others. All but 84 of the original 511 offenders have completed the program and transitioned to general population housing. Only 15 of the program completers have returned to Security Level S. There are more than 30,000 offenders in Virginia's prisons.

The restrictive housing report was commissioned in July of 2015 when President Barack Obama asked Attorney General Loretta Lynch to conduct a review of what he described as "the overuse of solitary confinement across America prisons." Its purpose was to help develop strategies for reducing the use of restrictive housing.

Since the reforms, Virginia has witnessed a 72 percent reduction in the number of men housed in long term restrictive housing. At Red Onion State Prison, measuring from 2011 through 2015, incident reports are down 65 percent, inmate grievances have fallen 71 percent and informal complaints have been reduced by 76 percent. A school was built for the first time at Red Onion State Prison, opening on July 26, 2013. In 2015, 260 Red Onion offenders were enrolled in school.

In referencing VADOC's Step-Down Program, the Justice Department (DOJ) states, "The Department focused on risk reduction strategies, enhancing inmates' motivation to change problematic behavior combined with programming to provide new skills. The program includes cognitive behavioral

journaling, the use of therapeutic modules, and security chairs to allow inmates to come out of their cells and join small groups for programming, and increasing performance expectations and additional privileges at each level.”

Offenders who would once have been restricted to their cells for the majority of each day are given the opportunity to work their way out of their cells and join small groups for programming. Performance expectations increase at each level of the Step-Down Program and additional privileges can be earned.

In describing Virginia’s implementation of the Step-Down Program, the DOJ report states, “The warden, his executive team, and all staff completed training to acquire effective communication and strategies to motivate change. The Department also created new positions of Cognitive [sic] Treatment Officers, uniformed staff who escort and supervise inmates, who are also trained to provide programming to motivate and support positive change.”

The Segregation Step-Down Program was also nationally recognized in 2013, receiving the State Transformation in Action (STAR) Award from the Council of State Government’s Southern Legislative Conference.

VADOC is working to implement key elements of the Administrative Segregation Step-Down Program statewide for offenders at lower security facilities who are placed into restrictive housing for short periods of time, giving these offenders an opportunity to participate in activities like cognitive behavioral journaling before they return to the general prison population. Applying the program statewide is intended to prevent offenders from escalating to longer term, higher security restrictive housing.

DOC New Release: March 3, 2016

Most ex-offenders seeking employment are bond eligible: Bonding program offers insurance for employers seeking to hire returning citizens

Each year in Virginia, about 13,000 people are released from correctional institutions back into the community. A key component to successful offender reentry and a reduction in recidivism is how effectively these men and women can secure employment. Making this transition difficult is the barrier created by employers who view job seekers with prior criminal convictions as risky. The Federal Bonding Program was developed to remove some of that concern.

In 1966, the U.S. Department of Labor created the Federal Bonding Program to serve as a form of insurance for employers, easing some of their concerns about hiring ex-offenders while creating a smoother pathway to job placement. Fifty years after its creation, the program continues help open doors and break down barriers between ex-offenders and employers.

“Anyone with a prior conviction, whether it be a felony or misdemeanor, is bondable,” explained Kia Parson White, the Virginia Federal Bonding Program Coordinator at the Virginia Department of Corrections. “Even if they were convicted and didn’t serve time, as long as they are of legal working age, we can issue a bond.”

Federal Fidelity Bond Insurance provides a potential win-win situation for employers and the ex-offenders they chose to hire. The bonds are issued in \$5,000 increments, offering employers protection against acts of theft, larceny, forgery and embezzlement. They do not cover liability for injuries. The bonds are valid for six months or until employment is terminated.

White says her office has issued more than 15,500 bonding eligibility letters to returning citizens since starting. Many offenders have participated in reentry programming where information is shared about the bonding process. To date, 135 bonds have been issued. Not one has been cashed in by an employer.

Once a returning citizen is offered a job and a start date is established, employers interested in requesting a bond can contact Kia Parson White or local workforce development centers. The bond is instantly available, involves no paperwork and comes at no cost to the employer.

"We issue Bonding Eligibility letters to our returning citizens. These letters let employers know that the individuals are bondable. In addition, these letters explain how the program works and who to contact," said White.

In describing the response she has received from employers, White stated, "Employers I've spoken with have been extremely excited about the program and how easy it was to request and obtain a bond. We want to let more employers know about this service, which is free of charge. The goal is to remove this barrier to employment which in the end makes our communities better and safer."

DOC New Release: June 1, 2016

Employee Assistance Fund

The EAF was established during FY 2003 and as of June 30, 2016 has made 1,277 awards totaling \$828,402. 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, 2016, the fund balance was \$214,568.55.

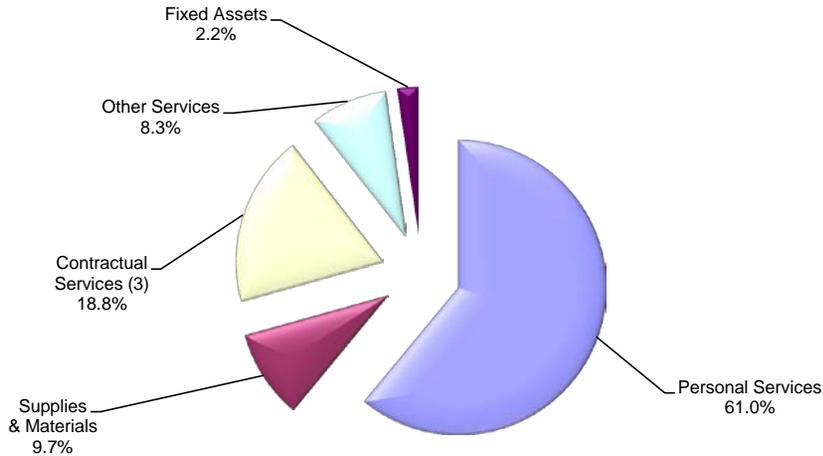
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FINANCIAL/OPERATING OVERVIEW

TOTAL EXPENDITURES BY CATEGORY - ALL FUNDS

For the fiscal year ended June 30, 2016, the General Assembly appropriated the Department of Corrections (DOC) an adjusted operating budget of \$1,185,291,328. The DOC expended \$1,174,257,064 the major portion of these expenditures were earmarked for salaries and benefits. The Department operated 25 Major Institutions, 9 Field Units*, 5 Work Centers, 3 Diversion Centers, and 3 Detention Centers in which 29,271 offenders** were housed. In addition, the Department operated 43 Probation & Parole District Offices. (For FY 2016, the number of offenders under community-based supervision averaged 60,760, a 5.8% increase over last fiscal year.)

TOTAL EXPENDITURES BY CATEGORY - FY 2016



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

	<u>FY 2016</u>	<u>FY 2015</u>
Personal Services (1)	\$ 716,156,133	\$ 694,336,006
Supplies & Materials (2)	113,700,686	101,738,969
Contractual Services (3)	220,698,143	207,067,683
Other Services	97,781,401	100,768,422
Fixed Assets	25,920,700	27,266,427
	<u>\$ 1,174,257,064</u>	<u>\$ 1,131,177,507</u>

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

** On average 29,271 offenders were housed in facilities operated by DOC during FY 2016. Excluded from that statistic were 1,567 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 the 2% salary and compression pay adjustment that was effective August 10, 2015 as well as higher rates for retirement (VALORS increased by 1.33%/NONVALORS increased by 1.89%) and an average increase of 2.6% in the state's share of employee health insurance premiums.

(2) The increase in supplies and materials is largely the result of higher expenditures for pharmaceutical drugs primarily associated with a change in the protocol to treat Hepatitis C and an increase in reimbursements to local/regional jails for medication provided to state responsible offenders housed in their facilities.

(3) The increase in contractual services is mainly driven by the higher cost of providing offender medical care.

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.).

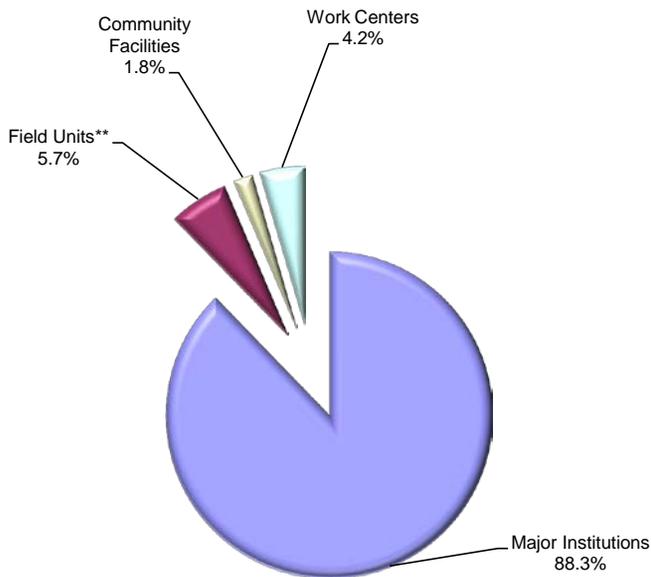
Other Services consist of miscellaneous expenditures such as unemployment compensation, incentive payments for participation in State-sponsored programs and activities (e.g., halfway houses), grants and aid to local governments, insurance premiums (property, medical malpractice, workers compensation, 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 29,271. This represents a decrease of 0.05% below the FY 2015 level.

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.

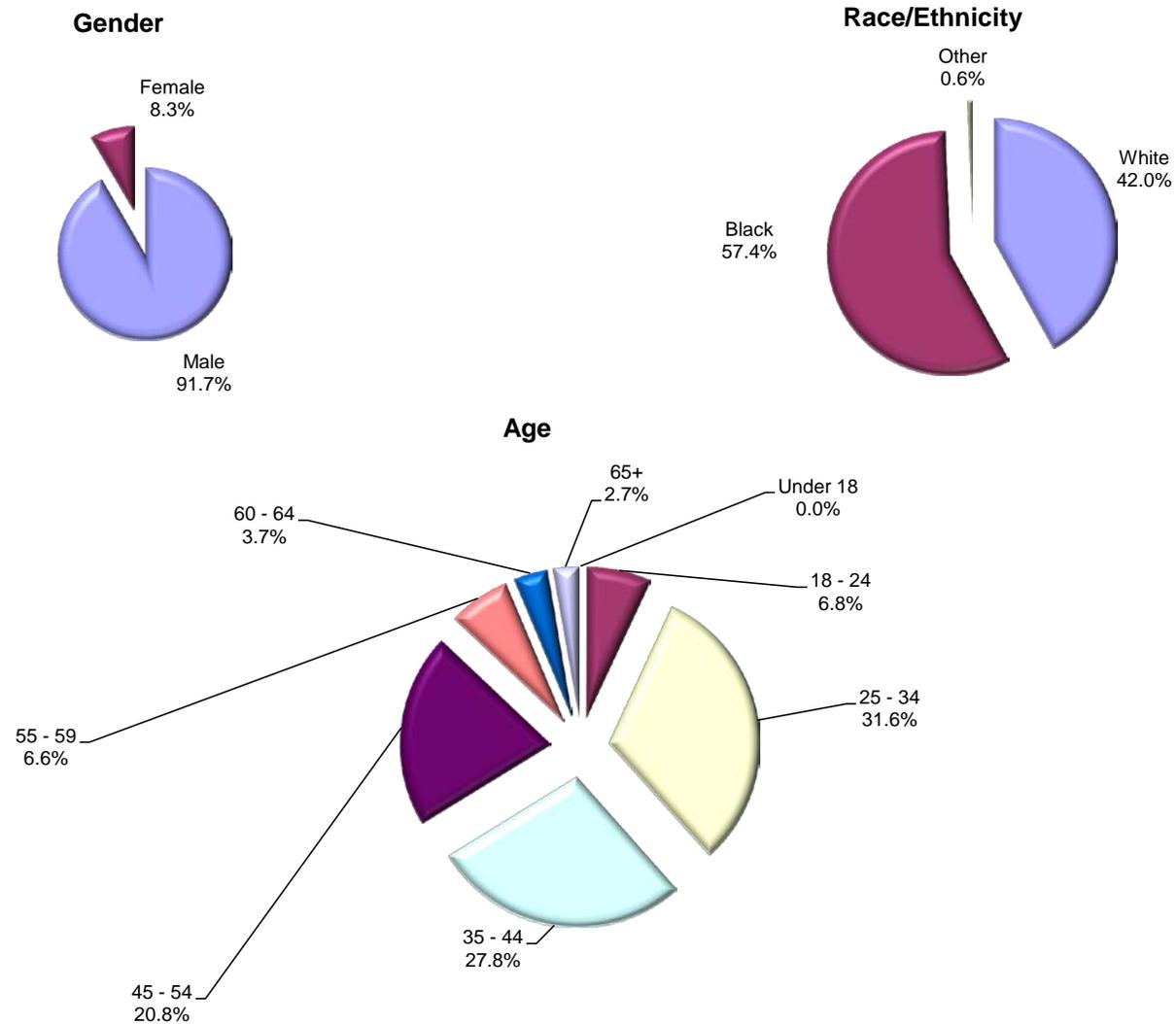


FACILITY TYPE	FY 2016	FY 2015
Major Institutions	25,847	25,701
Field Units**	1,664	1,723
Community Facilities	523	563
Work Centers	1,237	1,298
	<u>29,271</u>	<u>29,285</u>

* The above ADP statistics refer to offenders housed in facilities operated by DOC. Excluded from these statistics are 1,567 DOC inmates housed in a Department of Corrections owned prison in Lawrenceville, Virginia that is privately-operated.

** Includes ADP for Baskerville Correctional Center.

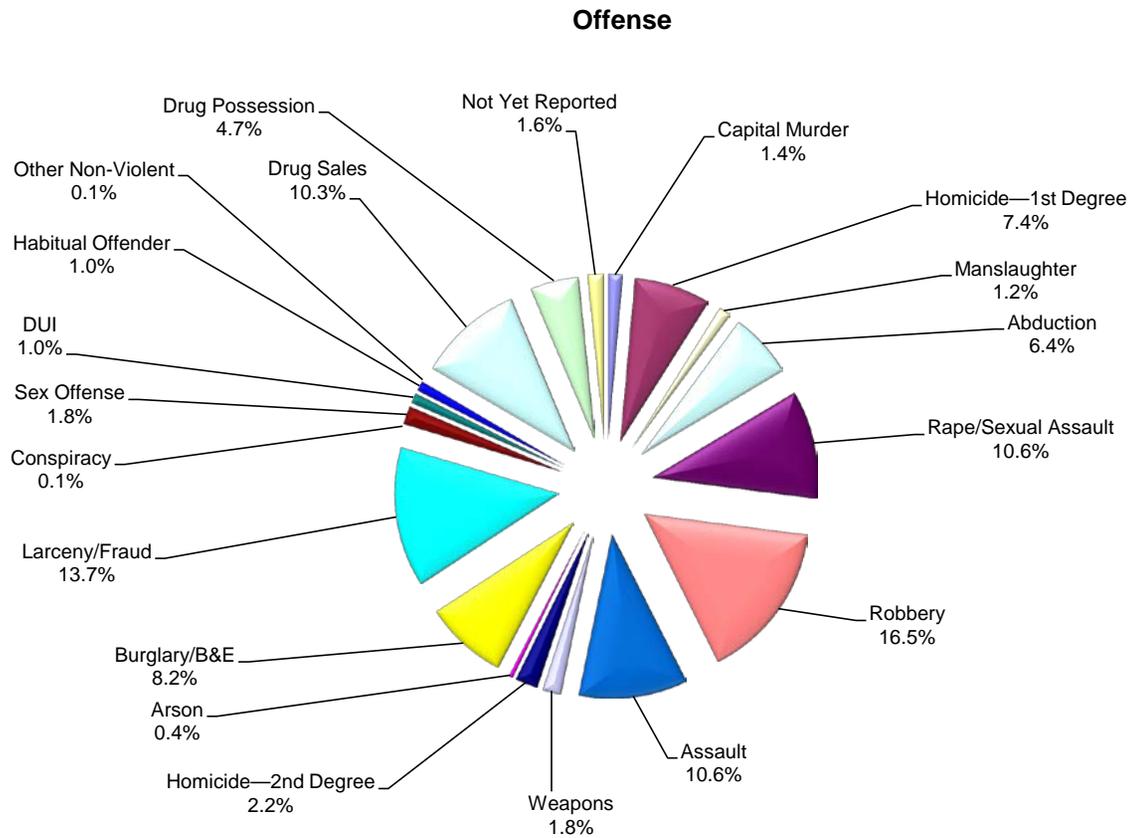
INMATE POPULATION - DEMOGRAPHICS *



* This demographic data represents the DOC inmate population as of December 31, 2015, 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, 2015, 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.

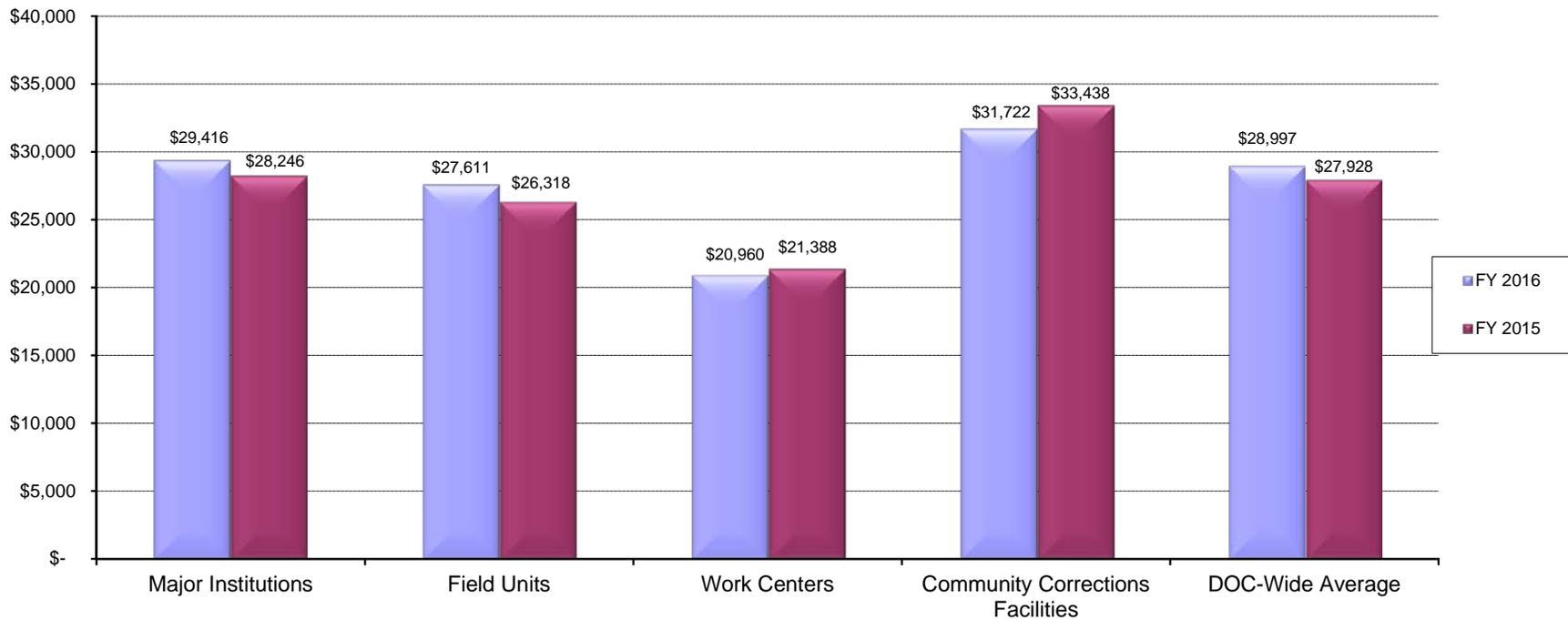
Source: Research Unit

OPERATING COST PER OFFENDER (PER CAPITA)

The Department-wide per capita cost of housing offenders was \$28,977 in FY 2016, up only 3.8% from FY 2015.

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.

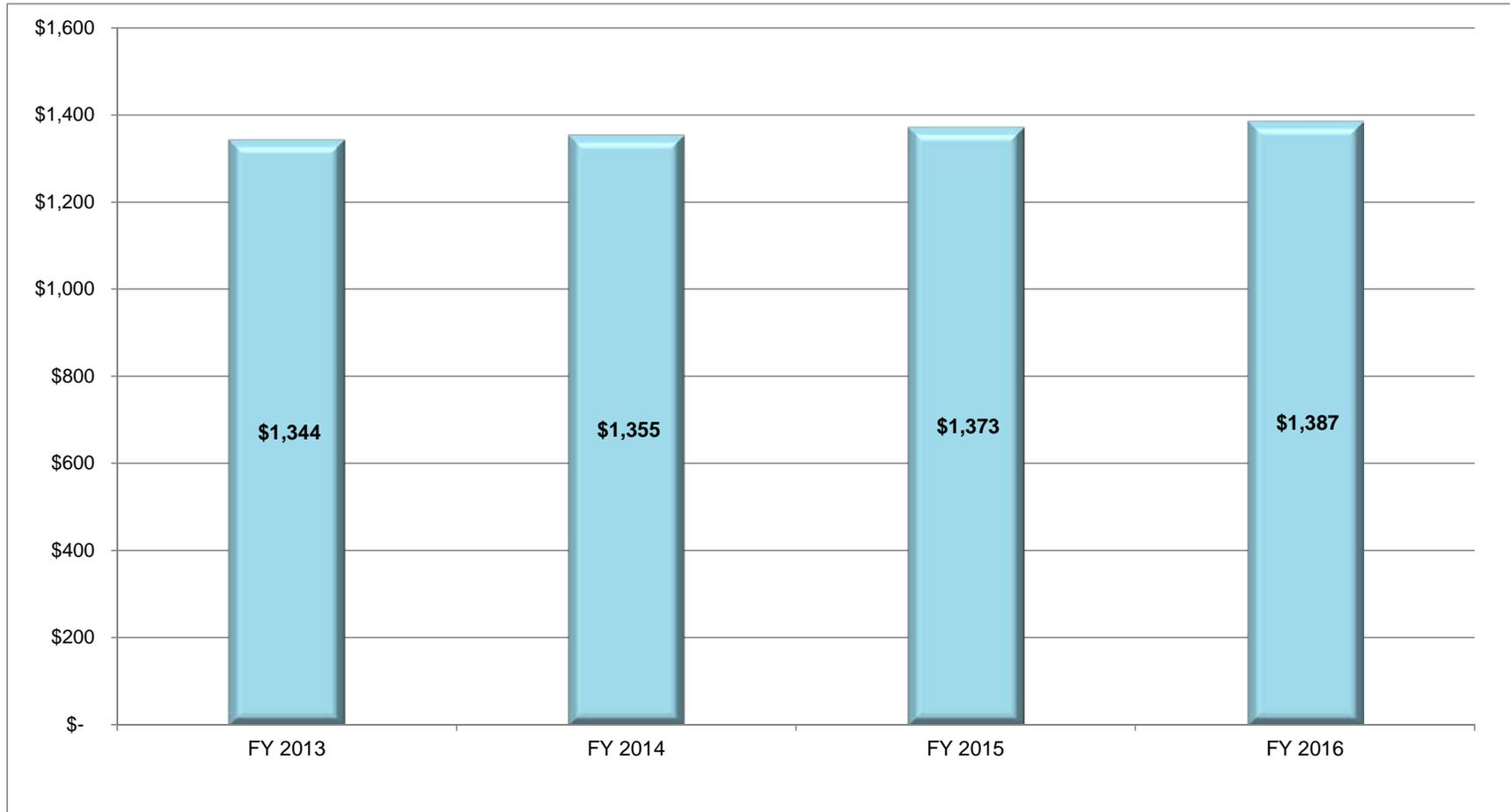
OPERATING COST PER OFFENDER - FY 2016 VERSUS FY 2015



PROBATION & PAROLE COST PER CASE

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.

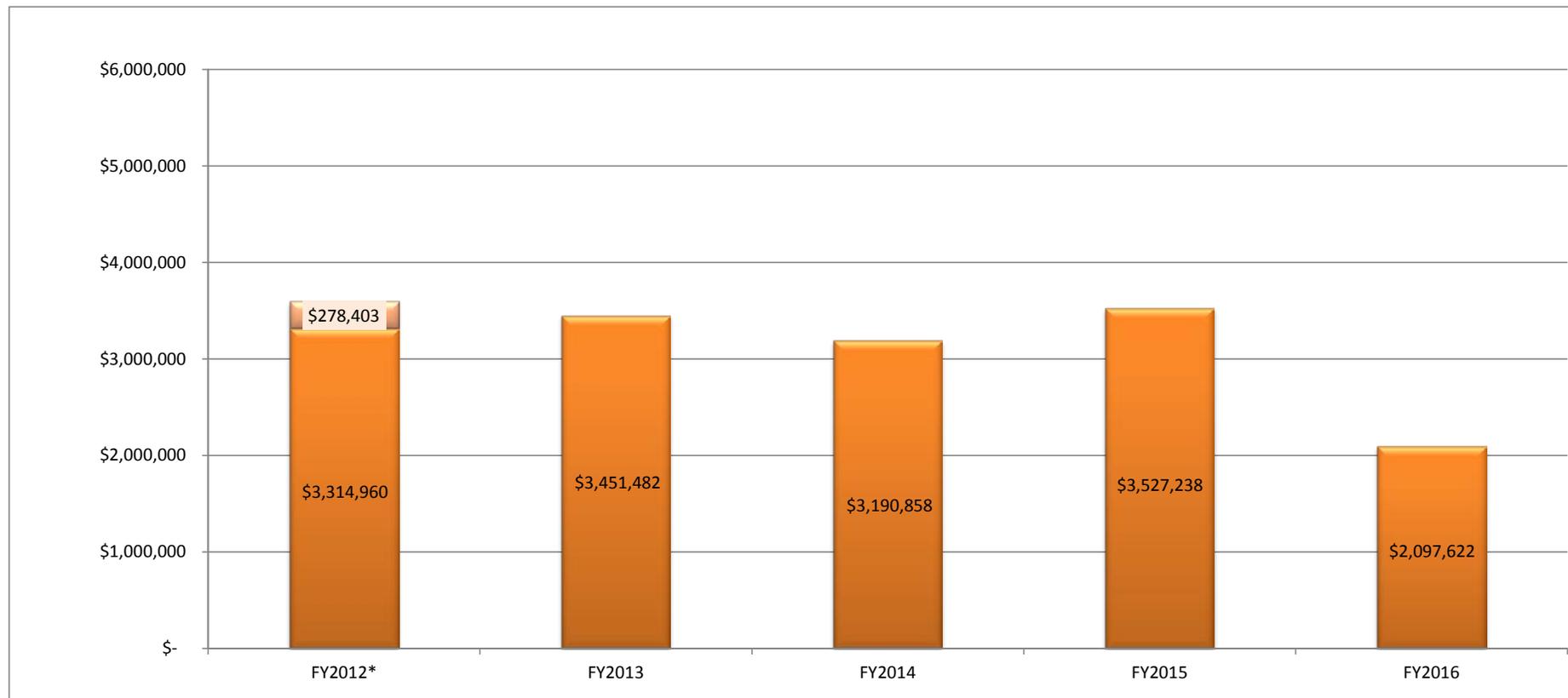
It is important to note that this cost per case calculation assumes a "flat" supervision world in which each individual receives the exact same level of supervision and services. Given that judges mandate certain requirements of supervision, and that EBP principles emphasize sculpted care, this number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



COMMISSIONS EARNED FROM OFFENDER TELEPHONE SYSTEM

The Virginia Department of Corrections operates a secure offender phone system under contract with Global Tel*Link. The system allows inmates to place outgoing collect calls to family and friends that have agreed to accept such calls. Each call is limited to 20-minutes in order to allow equitable use of the phone system by all inmates. For security purposes all calls are recorded and may be monitored. 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.

Commissions from offender phone calls were previously deposited into the Commonwealth's general fund. However, effective December 1, 2015, telephone commissions were eliminated from the general fund revenue estimate; thereby lowering the rates that offenders and their families have to pay for telephone calls.

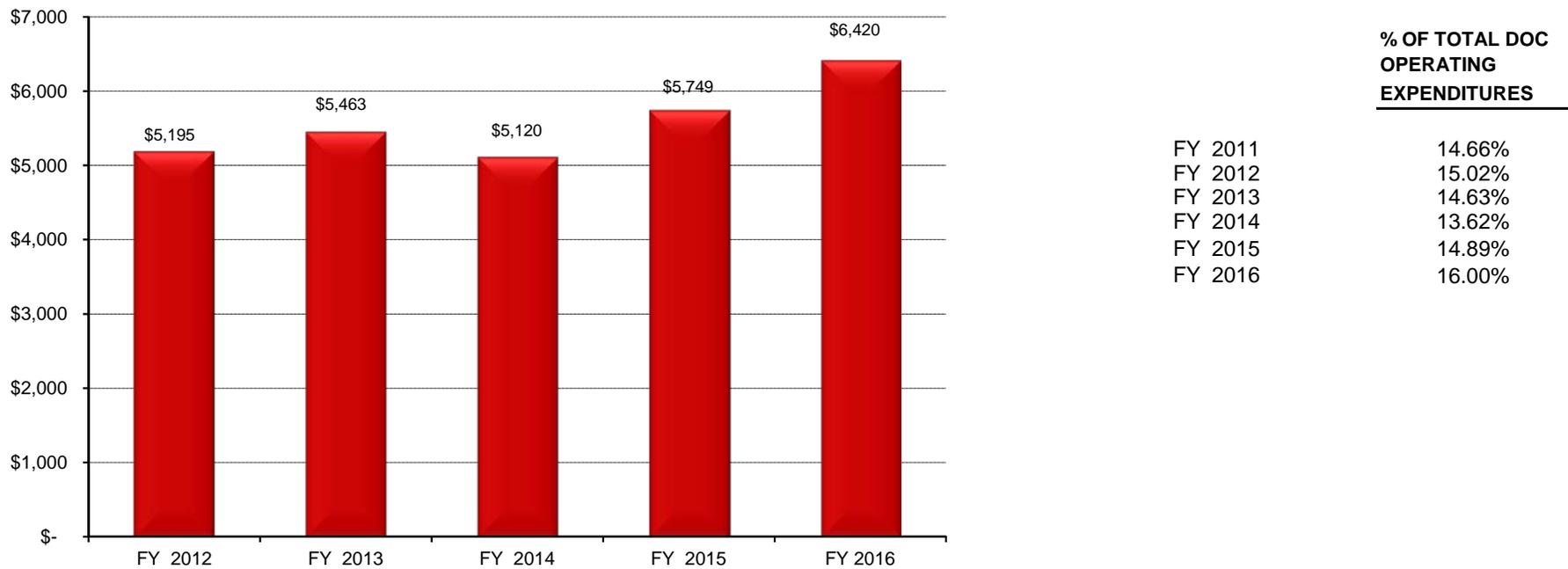


* Only eleven (11) months of commissions were earned from the offender telephone system in FY 2012; revenue for the 12th month was received in FY 2013 and is shown in the lighter shade.

PER CAPITA MEDICAL EXPENDITURES

On a per capita basis, in FY 2016 DOC medical expenditures increased 11.7% above that of FY 2015. The increase is largely attributed to higher medical costs, greater patient acuity, and the increased cost of providing treatment for Hepatitis C.

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.

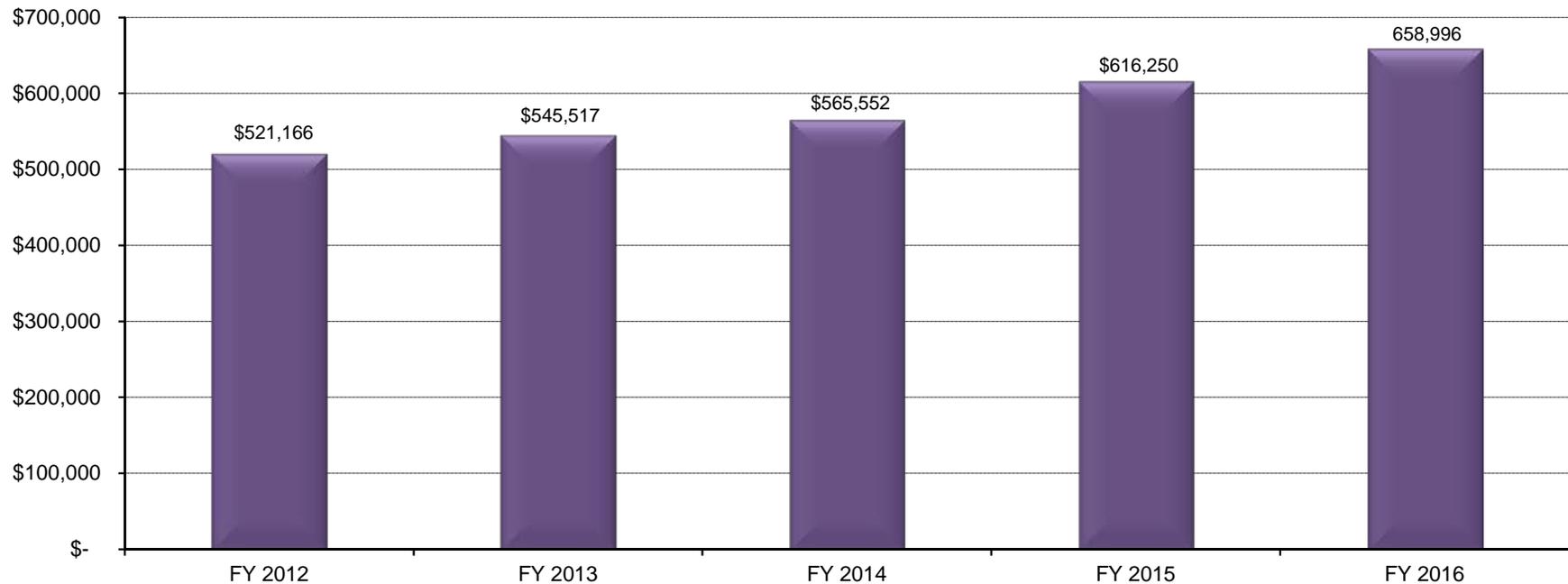


Beginning FY 2012, per capita excludes the cost of out of compliance offenders, Virginia offenders housed in other states under interstate compact custody, as well as Lawrenceville, whose ADP is not included in the calculation.

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 \$500 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 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.

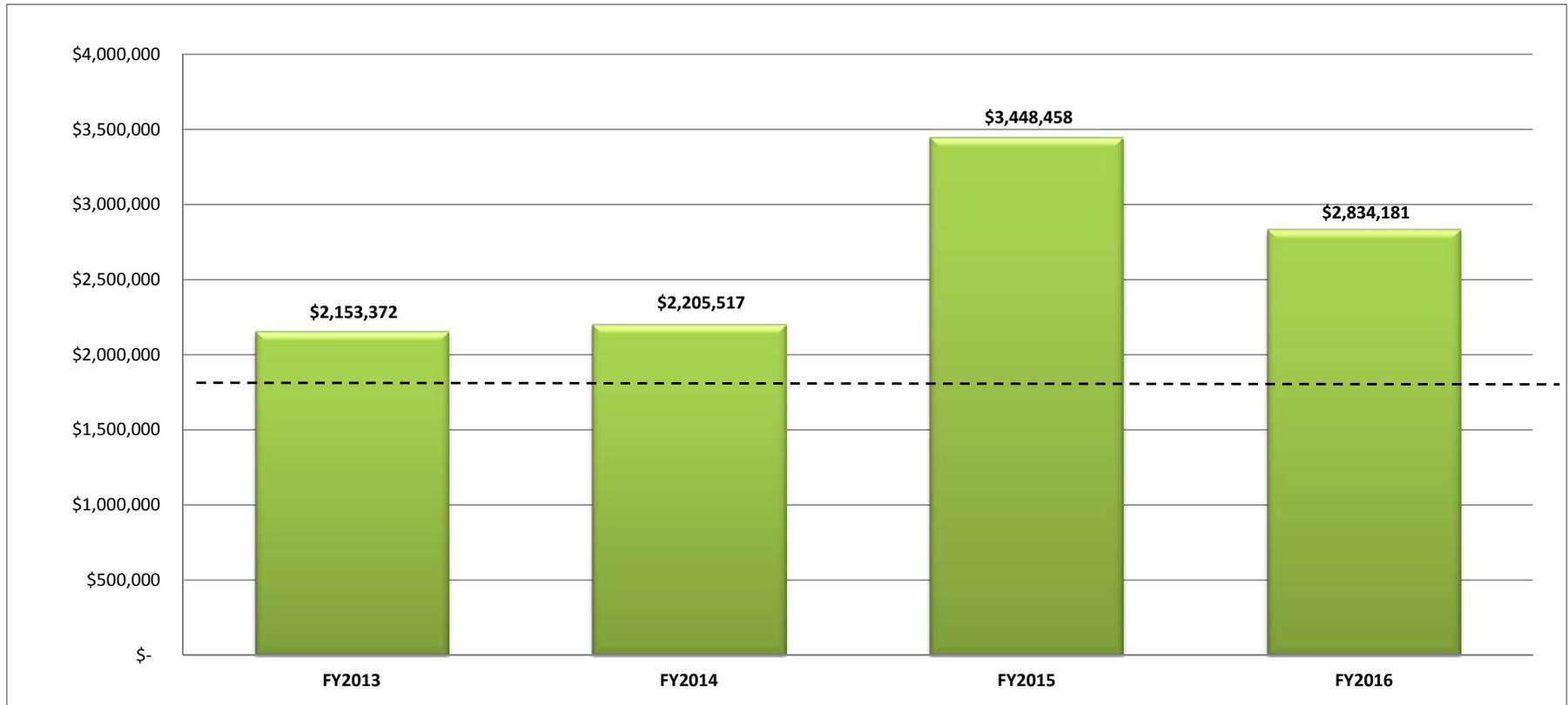


AGRIBUSINESS REVENUE

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.

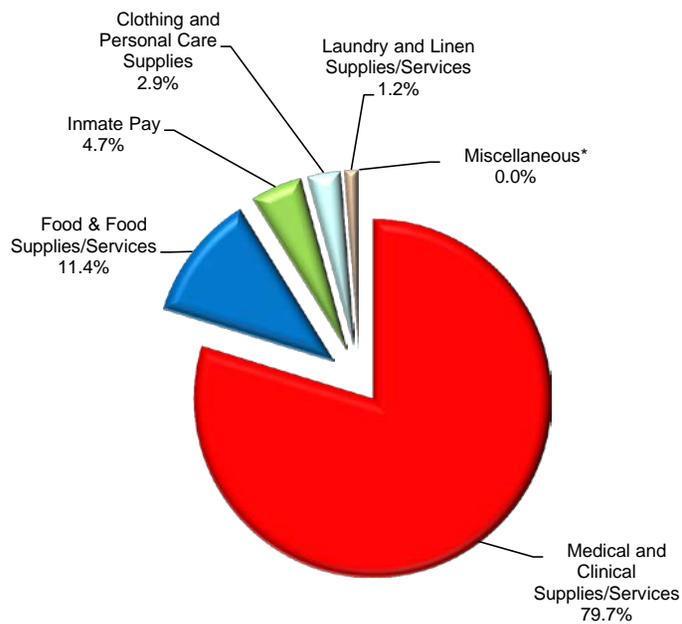
Agribusiness Revenue from the Sale of Farm & Dairy Products



DIRECT INMATE COST - FY 2015

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 2016



CATEGORY	FY 2016	FY 2015
Medical and Clinical Supplies/Services	\$ 161,960,910	\$ 134,500,573
Food & Food Supplies/Services	23,224,862	23,150,140
Inmate Pay	9,446,690	9,494,460
Clothing and Personal Care Supplies	5,987,058	5,278,392
Laundry and Linen Supplies/Services	2,485,558	2,726,183
Miscellaneous*	(6,620)	57,069
Total Direct Inmate Cost	\$ 203,098,458	\$ 175,206,817

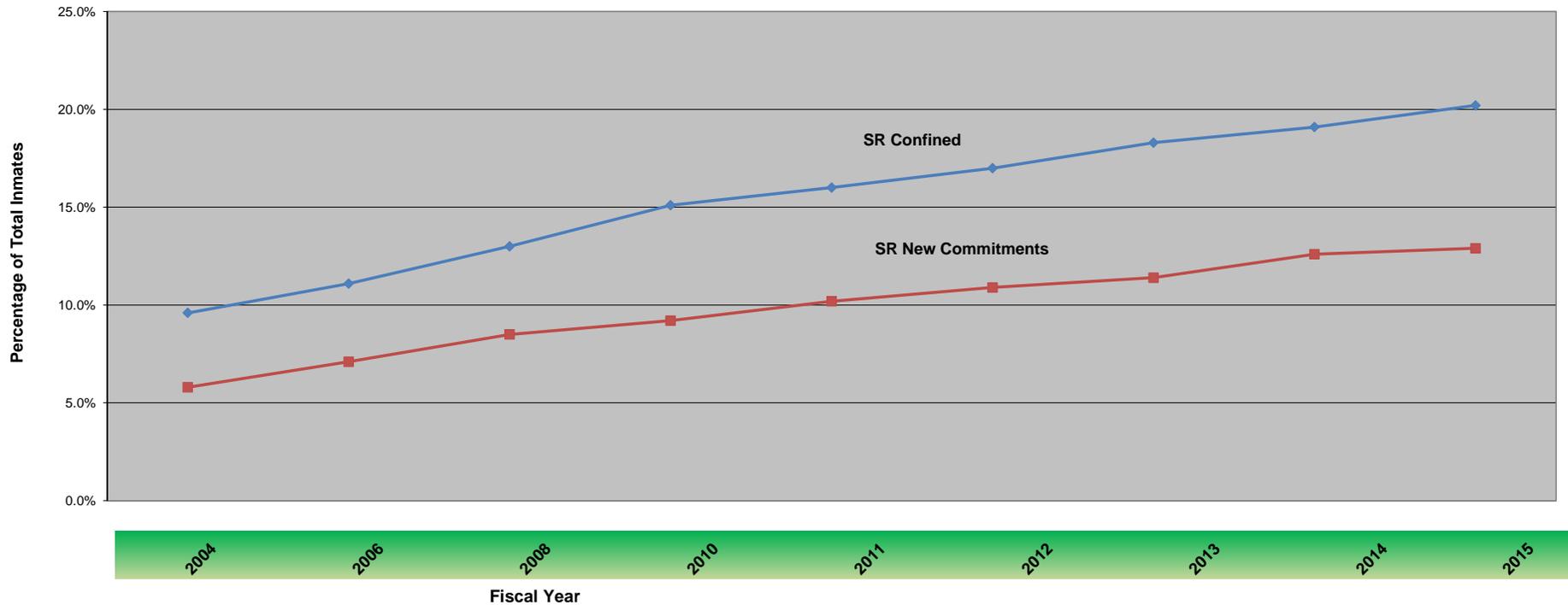
* Includes expenditures for recreation supplies, as well as postage, which is primarily centrally expensed.

DOC State Responsible (SR) Confined & Newly Committed Inmates Age 50+ FY 2004 through 2015

Since 2004, Confined Inmates age 50+ have increased from 2,849 to 7,607, more than two fold.

Since 2004, New commitments age 50+ have increased from 566 to 1,547, more than two-fold.

Over 12.9% of the state responsible new commitments and 20.2% of the state responsible confined are age 50+.



50+ Confined	9.6%	11.1%	13.0%	15.1%	16.0%	17.0%	18.3%	19.1%	20.2%
Number	3,537	4,133	5,099	5,697	5,966	6,283	6,709	7,202	7,607
50+ New Commitments	5.8%	7.1%	8.5%	9.2%	10.2%	10.9%	11.4%	12.6%	12.9%
Number	676	889	1,094	1,112	1,208	1,254	1,341	1,568	1,547

Source: State Responsible Offender Population Trends, Research Unit, 2016.

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 SUMMARY For the Fiscal Year Ending June 30, 2016

Total DOC appropriations for FY 2016 were \$1,185,291,328, as compared to 1,153,502,072 for the prior fiscal year. This represents an increase of 2.8%. The percentage of General Fund appropriation in relation to the Department's total appropriation equated to approximately 94%. The General Fund increased \$32,144,266 above FY 2015 (from \$1,080,899,115 in FY 2015 to \$1,113,043,381 in FY 2016). The increase is largely attributed to additional funding for offender health care, FY 2015 annualized and additional FY 2016 funding for central appropriations (primarily associated with changes in employee salaries, fringe benefits and health insurance) offset by annualized savings from FY 2015 budget reductions.

Total Special Fund appropriations of \$69,739,030 comprised 5.9% of the Department's total operating budget. Virginia Correctional Enterprises' (VCE) appropriation (\$53,680,835) comprised 77% of the total special fund. Virginia Correctional Enterprises (VCE), a training and 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. The balance of the special fund appropriation (\$16,058,195) was associated with the Warranty Overhead account, the Corrections Construction Unit, out-of-state inmate revenue expended for VACORIS, pre-sentence investigations (HB 664), the re-entry program, room and board revenue from Diversion Center offenders, medical co-payment funds, offender programs supported from commissary funds as well as other miscellaneous activities.

The balance of the Department's appropriation is comprised of \$2,508,917 in federal funds. This appropriation was primarily allocated for grants through the United States Department of Justice (State Criminal Alien Assistance Program and Prison Rape Elimination Act (PREA)), the University of Maryland High Intensity Drug Trafficking Area (HIDTA) Grant, the Residential Substance Abuse Grant, as Correctional Education grants (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 2016, the Department received \$945,762 to help offset increased inmate medical services costs.

**DEPARTMENT OF CORRECTIONS
OPERATING APPROPRIATIONS AND EXPENDITURES - BY FUND
FOR THE FISCAL YEAR ENDING JUNE 30, 2016**

<u>FUND (1)</u>	<u>Appropriation Per Chapter 665 2015 Acts of Assembly</u>	<u>Total Adjustments</u>	<u>Total Adjusted Appropriation</u>	<u>Total Expenditures</u>	<u>Percent Expended</u>
GENERAL	\$ 1,101,177,914	\$ 11,865,467	\$ 1,113,043,381	\$ 1,113,042,981	100%
FEDERAL	1,831,318	677,599	2,508,917	1,796,645	72%
SPECIAL	69,965,007	(225,977)	69,739,030	59,417,438	85%
TOTAL FUNDS	<u>\$ 1,172,974,239</u>	<u>\$ 12,317,089</u>	<u>\$ 1,185,291,328</u>	<u>\$ 1,174,257,064</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 Grants/Programs	\$ -	\$ 134,691	\$ -	\$ 134,691
Reappropriation of FY 2015 Balance	73,035			73,035
Funding for Victim Notification Grant	62,511			62,511
FY 2016 Central Appropriation Adjustments (2)	45,111,269			45,111,269
Annualized Impact of FY 2015 Budget Reductions	(34,827,274)			(34,827,274)
Chapter 732 Caboose Bill Adjustments	884,246			884,246
Realignment between State Agencies	117,765			117,765
Additional Agribusiness Appropriation	1,043,915			1,043,915
Reimbursement from FEMA for Disaster Recovery		237,698	79,233	316,931
Realignment Between Funds	(600,000)	305,210	294,790	-
Realignment of Woodrum Funding to Capital Construction			(600,000)	(600,000)
TOTAL ADJUSTMENTS	<u>\$ 11,865,467</u>	<u>\$ 677,599</u>	<u>\$ (225,977)</u>	<u>\$ 12,317,089</u>

- (2) Included among these central appropriation adjustments are compression pay, a 2% salary adjustment, as well as changes in fringe benefit rates (i.e., employee retirement, health insurance, group life insurance and sickness and disability). Other central appropriation adjustments include additional funding for agency usage of technology services offset by reductions in funding for Worker's Compensation and Line of Duty Act premiums.

**DEPARTMENT OF CORRECTIONS
OPERATING APPROPRIATIONS AND EXPENDITURES - BY OFFICE - ALL FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2016**

	<u>Appropriation Per Chapter 665 2015 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	\$ -	\$ 5,740	\$ 5,740	\$ 5,740	100%
Director's Office	-	3,976,152	3,976,152	3,976,152	100%
Correctional Education Administration	-	4,602,867	4,602,867	4,242,187	92%
Offender Re-Entry Program	-	5,964,948	5,964,948	5,829,944	98%
Communications Unit	-	835,851	835,851	835,851	100%
Internal Audit/Investigative Units	-	2,532,453	2,532,453	2,533,762	100%
Compliance/Accreditation	-	1,015,888	1,015,888	1,015,888	100%
Corrections Technology Services Unit (CTSU)	-	36,177,881	36,177,881	36,176,031	100%
Financial Management & Reporting	-	4,429,544	4,429,544	4,413,919	100%
General Services	-	10,558,573	10,558,573	10,558,573	100%
Research Unit	-	902,805	902,805	919,207	102%
Architectural & Engineering Services	-	22,848,010	22,848,010	22,462,287	98%
Procurement/Risk Management	-	12,584,828	12,584,828	12,584,828	100%
Funding for Central Administration	79,537,577	(79,537,577)	-	-	0%
TOTAL - CENTRAL ADMINISTRATION	\$ 79,537,577	\$ 26,897,963	\$ 106,435,540	\$ 105,554,369	99%
EMPLOYEE RELATIONS & TRAINING	\$ 12,989,247	\$ 3,984,887	\$ 16,974,134	\$ 16,974,117	100%
VIRGINIA CORRECTIONAL ENTERPRISES	\$ 54,680,835	\$ (1,000,000)	\$ 53,680,835	\$ 49,940,097	93%

**DEPARTMENT OF CORRECTIONS
OPERATING APPROPRIATIONS AND EXPENDITURES - ALL FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2016**

	<u>Appropriation Per Chapter 665 2015 Acts of Assembly</u>	<u>Total Adjustments</u>	<u>Total Adjusted Appropriation</u>	<u>Total Expenditures</u>	<u>Percent Expended</u>
OPERATIONS:					
Administration	(1) \$ -	\$ 47,068,245	\$ 47,068,245	\$ 40,151,083	85%
Probation and Parole		82,282,187	82,282,187	81,945,074	100%
Offender Management Services		8,290,289	8,290,289	8,290,289	100%
Adult Residential	(1)	2,151,556	2,151,556	4,314,391	201%
Financial Assistance for Confinement in Local Facilities		-	-	-	0%
Office of Health Services (OHS)		77,324,067	77,324,067	76,178,238	99%
Secure Confinement	(1)	24,860,738	24,860,738	25,048,812	101%
Facilities	(2)	766,223,737	766,223,737	765,860,593	100%
Funding for Operations	1,025,766,580	(1,025,766,580)			0%
TOTAL OPERATIONS	\$ 1,025,766,580	\$ (17,565,761)	\$ 1,008,200,819	\$ 1,001,788,481	99%
TOTAL DEPARTMENT OF CORRECTIONS	\$ 1,172,974,239	\$ 12,317,089	\$ 1,185,291,328	\$ 1,174,257,064	99%

(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 and that of Adult Residential and Secure Confinement 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.

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**OPERATING PER CAPITA STATEMENT OF FACILITIES
SUMMARY
For the Fiscal Year Ending June 30, 2016**

During FY 2016, the Department of Corrections operated 25 Major Institutions, 9 Correctional Field Units, 6 Work Centers, 3 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 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.

The following reflects the average per capita and average daily population by type of facility, to include facilities which operated for only a partial year.

	Average Per Capita				Average Daily Population			
	FY 16	FY 15	+ / (-)	% Change	FY 16	FY 15	+ / (-)	% Change
Major Institutions	29,416	28,246	1,170	4.14%	25,847	25,701	146	0.57%
Field Units	27,611	26,318	1,293	4.91%	1,664	1,723	(59)	-3.42%
Work Centers	20,960	21,388	(428)	-2.00%	1,237	1,298	(61)	-4.70%
Community Corrections Facilities	31,722	33,438	(1,716)	-5.13%	523	563	(40)	-7.10%
System-Wide Average	28,997	27,928	1,069	3.83%	29,271	29,285	(14)	-0.05%

The increased cost in per capita of \$1,069 is largely attributed an increase in personal services cost resulting primarily from a 2% salary increase, a compression pay adjustment, changes in fringe benefits and health insurance rates as well as higher cost of providing medical care to offenders.

	FY 16	Per Capita	FY 15	Per Capita	+ / (-)
Personal Services	\$ 574,583,155	\$ 19,630	\$ 554,566,633	\$ 18,937	\$ 693
Direct Inmate Cost	191,953,467	6,558	175,206,816	5,983	575
Indirect Cost/Recoveries	42,890,086	1,465	43,778,943	1,495	(30)
Continuous Charges	28,410,252	971	29,718,825	1,015	(44)
Property Improvements/Equipment	10,944,427	374	14,613,517	499	(125)
Total	\$ 848,781,387	\$ 28,997	\$ 817,884,734	\$ 27,928	\$ 1,069

Institutions

Marion Correctional Treatment Center incurred the highest per capita cost of the major institutions (\$64,352). 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.

As a result of the closure of Powhatan Correctional Center, Deep Meadow Correctional Center assumed oversight of the Powhatan Medical Unit which largely attributed to Deep Meadow’s rise in per capita from \$45,468 in FY 2015 to \$58,884 in FY 2016.

Deerfield Correctional Center ranks third in highest per capita cost (\$39,943) driven by its mission to serve as a medical facility for geriatric offenders.

Three major institutions – Bland, Deerfield, and Deep Meadow – have large agribusiness operations that account for 7.4%, 5.7% and 4.5% of their expenditures in FY 2016, respectively. Of all other facilities that operated an agribusiness program, these expenditures accounted for less than 2.0% of their total costs. Although a large agribusiness operation can increase a facility’s per capita costs, 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. 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 \$25,855 representing the lowest of the three regions. The Eastern Region Field Unit per capita cost was \$30,624, while the Western Region Field Units had a per capita rate of \$30,970. The variance between the Central Region Field Units and those in the Eastern and Western Regions is largely 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 \$16,592 at Nottoway Work Center to \$26,580 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.

**DEPARTMENT OF CORRECTIONS
PER CAPITA STATEMENT OF FACILITIES
SUMMARY BY TYPE OF FACILITY
FOR THE FISCAL YEAR ENDING JUNE 30, 2016**

		FY 2016		FY 2015	
		ADP	Per Capita	ADP	Per Capita
Major Institutions					
709	Powhatan Correctional Center	-	\$ -	279	\$ 96,972 *
716	Virginia Correctional Center for Women	514	39,346	573	35,005
718	Bland Correctional Center	640	37,289	642	35,175
721	Powhatan Reception & Classification Center	480	36,096	471	21,799
733	Sussex I State Prison	1,114	31,603	1,128	30,810
734	Sussex II State Prison	1,245	27,808	1,259	25,461
735	Wallens Ridge State Prison	1,067	30,520	1,052	29,280
737	St Brides Correctional Center	1,178	20,814	1,190	19,660
741	Red Onion State Prison	850	37,132	811	37,970
743	Fluvanna Correctional Center for Women	1,228	29,800	1,246	27,418
745	Nottoway Correctional Center	1,384	23,725	1,255	23,941
747	Marion Correctional Treatment Center	284	64,352	258	64,759
749	Buckingham Correctional Center	1,139	25,104	1,121	25,358
752	Deep Meadow Correctional Center	715	58,884	649	45,468
753	Deerfield Correctional Center	1,063	39,943	1,069	37,811
754	Augusta Correctional Center	1,320	22,116	1,249	22,280
768	Keen Mountain Correctional Center	958	26,091	826	26,514
769	Greensville Correctional Center	2,959	30,225	2,976	27,840
770	Dillwyn Correctional Center	891	26,136	879	26,852
771	Indian Creek Correctional Center	1,003	23,511	992	22,111
772	Haynesville Correctional Center	900	28,787	910	25,490
773	Coffeewood Correctional Center	970	28,251	958	25,436
774	Lunenburg Correctional Center	935	27,450	922	25,681
775	Pocahontas State Correctional Center	1,025	22,373	1,028	20,646
776	Green Rock Correctional Center	1,021	23,199	1,019	21,807
785	River North Correctional Center	964	24,357	939	23,550
Total Institutions		25,847	\$ 29,416	25,701	\$ 28,246

**DEPARTMENT OF CORRECTIONS
PER CAPITA STATEMENT OF FACILITIES
SUMMARY BY TYPE OF FACILITY
FOR THE FISCAL YEAR ENDING JUNE 30, 2016**

		FY 2016		FY 2015	
		ADP	Per Capita	ADP	Per Capita
Field Units					
716/134	Central Virginia	239	\$ 25,934	271	\$ 23,423
749/091	Rustburg	143	23,872	144	23,980
757/103	Cold Springs	111	36,394	112	34,164
757/181	Wise	110	31,640	106	32,637
757/281	Patrick Henry	128	25,691	129	24,917
761/044	Baskerville	450	25,731	475	23,780
770/234	Halifax	241	27,186	240	25,767
772/023	Caroline	134	31,162	135	31,649
772/173	Haynesville	108	29,956	111	29,658
Total Field Units		1,664	\$ 27,611	1,723	\$ 26,318
Work Centers					
730/403	Brunswick	192	\$ 26,580	184	\$ 25,887
745/405	Nottoway	189	16,592	189	18,512
752/402	James River	304	18,492	279	19,432
753/408	Deerfield	343	21,189	349	20,471
757/407	Cold Springs	-	-	45	44,258 *
769/401	Greensville	209	23,013	252	19,612
Total Work Centers		1,237	\$ 20,960	1,298	\$ 21,388
Community Corrections					
767/858	White Post Men's Diversion Center	-	\$ -	31	\$ 67,984 *
767/867	Appalachian Men's Detention Center	102	34,461	105	32,338
767/868	Harrisonburg Men's Diversion Center	117	28,864	115	27,684
767/881	Stafford Men's Diversion Center	110	27,206	104	33,004
767/882	Southampton Men's Detention Center	93	30,925	105	28,050
767/885	Chesterfield Women's Detention/Diversion Center	101	37,925	103	36,516
Total Community Corrections		523	\$ 31,722	563	\$ 33,438
TOTAL ALL FACILITIES		29,271	\$ 28,997	29,285	\$ 27,928

* Denotes facilities which were closed in FY 2015. Higher per capita cost at these facilities is largely the result of phasing down of offender population, payment of employee severance and facility mothball costs.

AVERAGE DAILY POPULATION SUMMARY

For the Fiscal Year Ending June 30, 2016

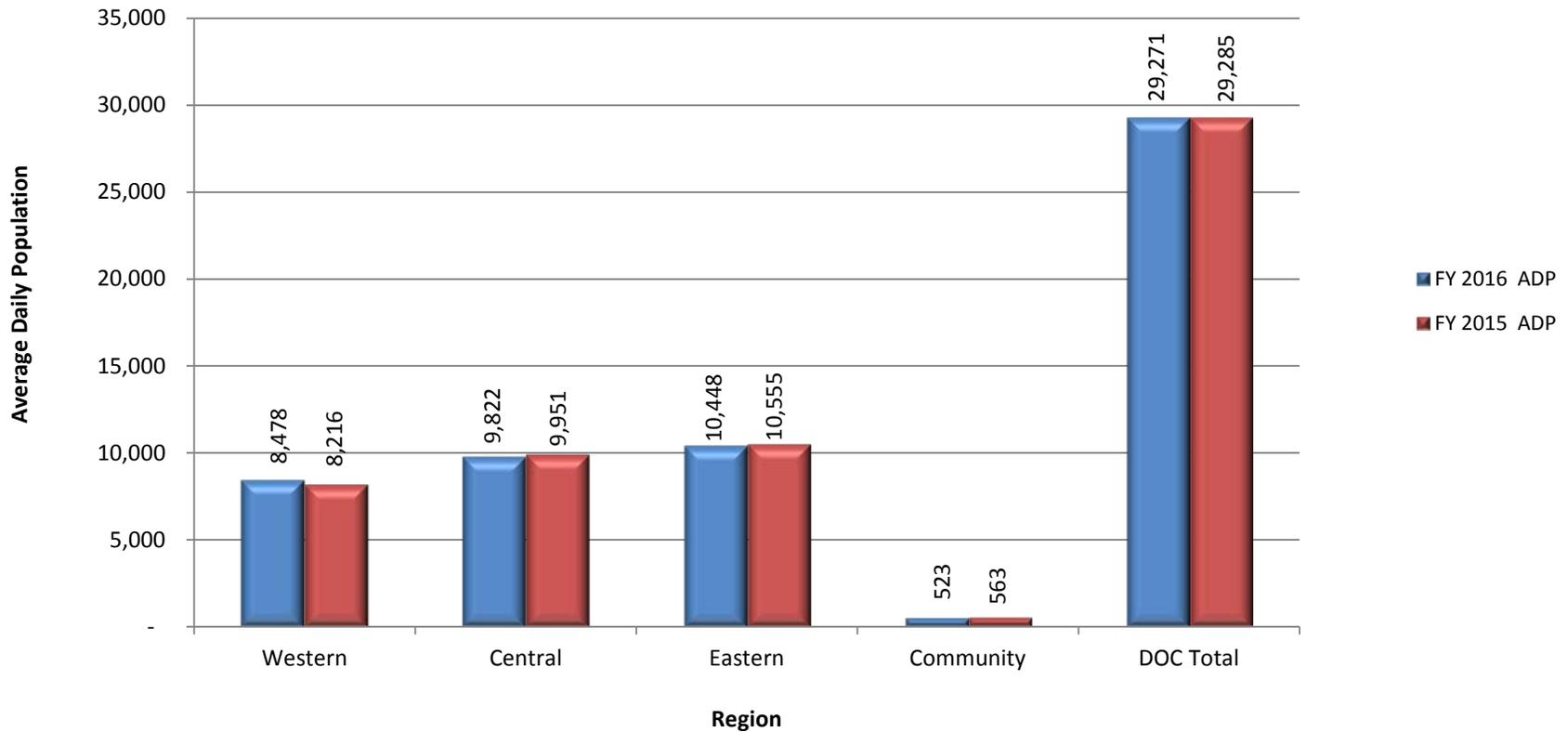
The Average Daily Offender & Probationer Population (ADP) is defined as follows: the sum total of the population resulting from periodic head-counts divided by the number of observations. This calculation is widely used internally and externally to the DOC for purposes of calculating and forecasting 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 2016. This depiction does not include Lawrenceville Correctional Center, operated by a private contractor.

Average Daily Population FY 2016 vs. FY 2015

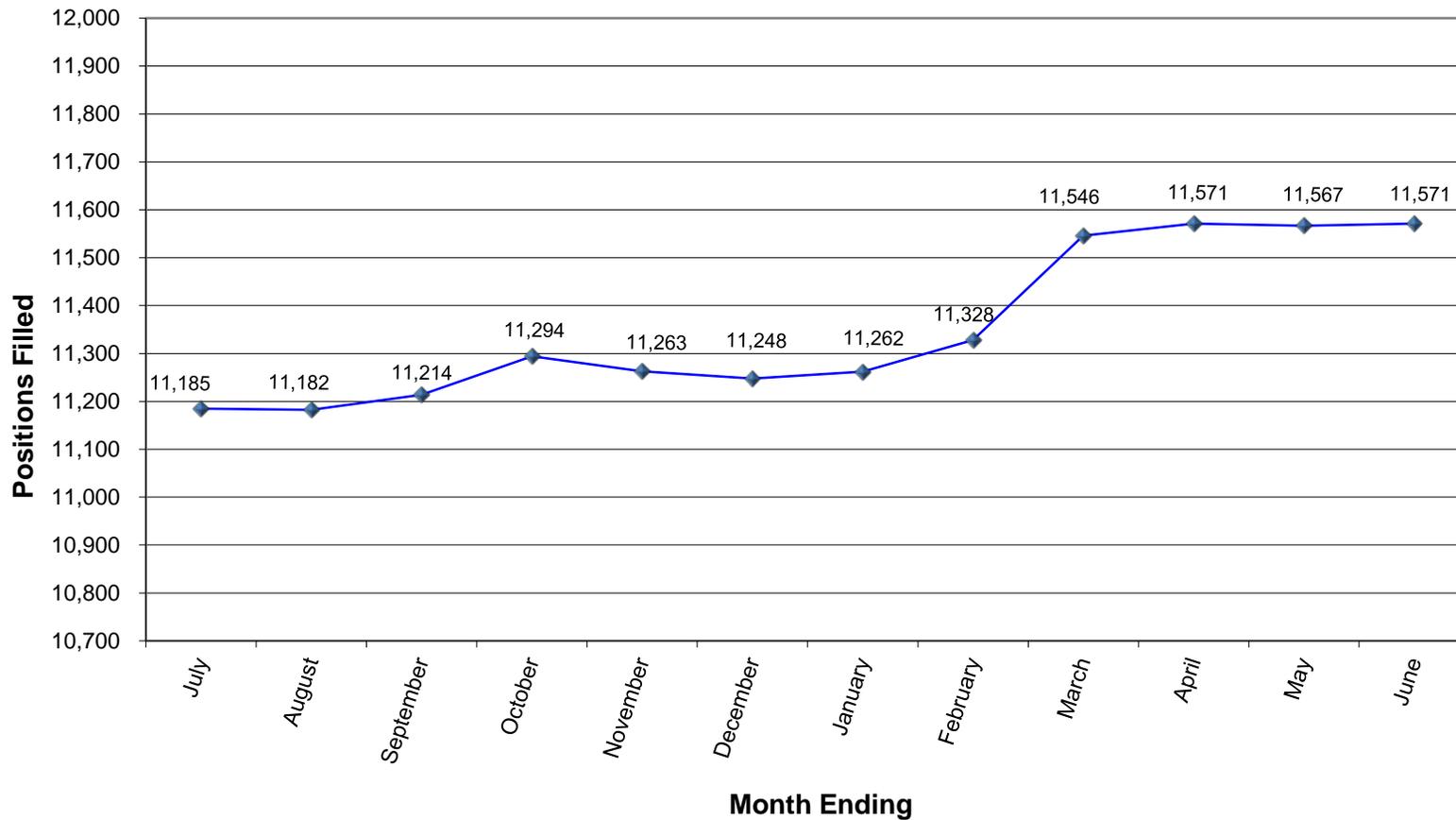


NOTE: Population for the Department of Corrections owned facility in Lawrenceville, Virginia, that is privately operated, has been excluded. Both FY 2015 and FY 2016 ADP figures are based on a 12-month average of offenders housed in major institutions, correctional field units, work centers and community corrections facilities.

EMPLOYMENT LEVEL SUMMARY For the Fiscal Year Ending June 30, 2016

The Department's authorized position level (APL) for Fiscal Year 2016 was 12,866.00, compared to 12,850.00 in FY 2015. The increase in APL represents additional security staffing as well as staffing to bolster its recruitment efforts for medical staff and to strengthen its central administration of medical services to inmates.

Not reflected in this total is the net loss of some 566.50 APL from FY 2015 budget reductions/staffing reorganization. If adjusted for this amount, the APL for FY 2016 would have been 12,299.50. This decrease in APL will be reflected in the FY 2016-2018 biennium.



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

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 2016, the commissary balance saw an increase of \$17,318 compared to FY 2015.

FY16 vs FY15 FLUCTUATION ANALYSIS OF COMMISSARY SPECIAL REVENUE FUND

	FY16	FY15	FLUCTUATION		EXPLANATION
			ABSOLUTE	% CHANGE	
Charges for Sales/Services	1,332	1,129	203	17.98%	
Cost of Sales/Services	166	876	-710	-81.06%	
Gross Profit	1,166	253	913	360.59%	
<u>Operating Expenses:</u>					
Personal Services	-	-	-	-	
Store Supplies	-	-	-	-	
Store Equipment	-	-	-	-	
Unsaleable Merchandise	-	-	-	-	
Sales Taxes	1,984	2,062	-77	-3.75%	
Depreciation	-	-	-	-	
Miscellaneous	2,390	2,439	-48	-1.98%	
Total Operating Expenses	4,375	4,500	-126	-2.79%	
Operating Income	-3,209	-4,247	1,039	24.45%	
<u>Non-Operating Revenues and Expenses:</u>					
Interest	32,257	1,459	30,799	2111.55%	* (A)
Commissary Commission (Keefe)	2,544,222	2,313,471	230,751	9.97%	
Other Income (Expenses)	765,147	768,400	-3,254	-0.42%	
Funds Transfers	-	-	-	-	
Total Non-Oper.Rev. (Expenses)	3,341,626	3,083,330	258,296	8.38%	
Net Income before Offender Welfare	3,338,417	3,079,083	259,335	8.42%	
(Offender Welfare)	-3,321,100	-2,919,802	-401,298	-13.74%	* (B)
Net Income	17,318	159,281	-141,963	-89.13%	* (B)
Fund Balance-July 1	2,034,391	1,875,110	159,281	8.49%	
ADJUSTMENTS *	-	-	-		
	2,034,391	1,875,110	159,281	8.49%	
Fund Balance-June 30	2,051,708	2,034,391	17,318	0.85%	

EXPLANATIONS FOR FLUCTUATIONS

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

- (A) The increase was due to the fact that excess LGIP earnings from Trust were transferred to the Offender Welfare fund.
- (B) Higher expenditures for offender welfare resulted in overall reduction in net income for the fiscal year.

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

Offender Trust Fund

ASSETS

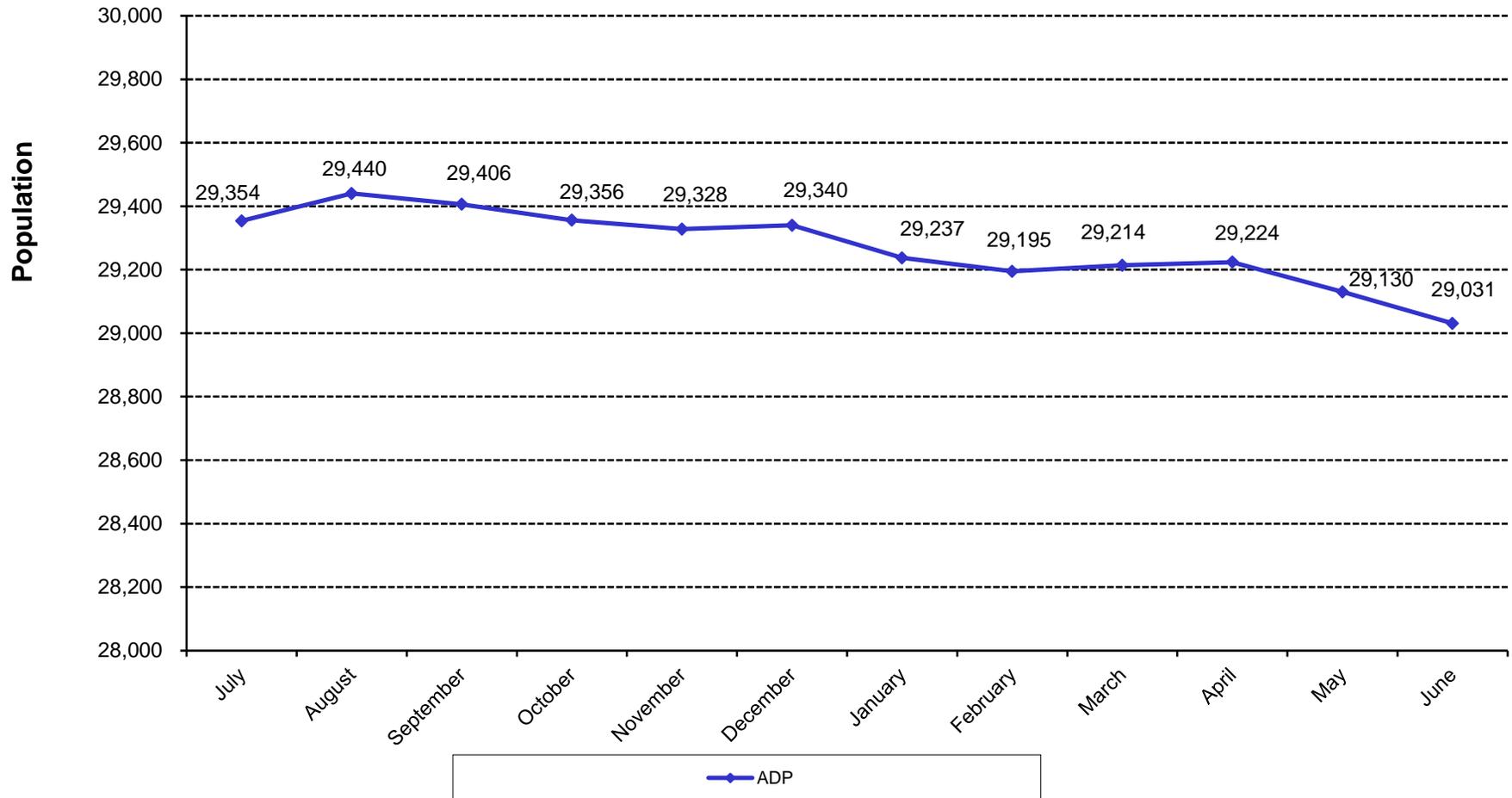
For the Fiscal Year Ending June 30, 2016

Cash Held with the Treasurer (GLA 101)		
Cash NOT with the Treasurer		8,936,673
Cash Equivalents with the Treasurer (Securities Lending from DOA)		
Cash Equivalents with the Treasurer - SNAP		
Cash Equivalents with the Treasurer - LGIP		9,191,308
Cash Equivalents with the Treasurer - Other		
Cash Equivalents NOT with the Treasurer		
Cash and Cash Equivalents - Total	\$	18,127,981
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		502,725
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	\$	18,630,706
LIABILITIES		
Vendor Payments Payable		2,219,991
Salary / Wages Payable		
Retainage Payable		
Other Payables		527,606
Accounts Payable Total		
Amounts Due to Other Governments		
Due to Internal Parties (Governmental Funds and Business-type Activities)		167,439
Due to External Parties (Fiduciary Funds)		
Insurance Premiums and Claims Payable		
Obligations Under Securities Lending Program		
Due to Program Participants, Escrows, and Providers		15,286,176 (A)
Deposits Pending Distribution		
Other Liabilities		429,494 (B)
TOTAL LIABILITIES	\$	18,630,706

(A) Included in this amount is \$9.6M in 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.

**FY 2016
Average Daily Population
Month-to-Month Fluctuations**



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

EMPLOYMENT LEVEL MONITORING REPORT
FY 2016 AVERAGE (All Funds)
(Authorized Position Level = 12,866.00) *

Agency Code	Agency Name	Average Employment Level	Increase/ (Decrease) as Compared to FY 2015
701	Department of Corrections Central Activities	305	6
711	Virginia Correctional Enterprises	176	3
716	Virginia Correctional Center for Women	281	0
718	Bland Correctional Center	264	3
733	Sussex I State Prison	353	(13)
734	Sussex II State Prison	345	(9)
735	Wallens Ridge State Prison	441	9
737	St. Brides Correctional Center	268	3
741	Red Onion State Prison	449	4
742	Academy for Staff Development	113	4
743	Fluvanna Correctional Center for Women	352	31
745	Nottoway Correctional Center	409	2
747	Marion Correctional Treatment Center	229	4
749	Buckingham Correctional Center	383	8
752	Deep Meadow Correctional Center **	586	(116)
753	Deerfield Correctional Center	426	(5)
754	Augusta Correctional Center	313	(1)
756	Division of Institutional Services	539	7
757	Western Regional Field Units	136	(25)
761	Baskerville Correctional Center	146	7
767	Division of Community Corrections	1,275	(19)
768	Keen Mountain Correctional Center	316	23
769	Greensville Correctional Center	860	26
770	Dillwyn Correctional Center	349	(1)
771	Indian Creek Correctional Center	240	6
772	Haynesville Correctional Center	379	4
773	Coffeewood Correctional Center	270	17
774	Lunenburg Correctional Center	266	1
775	Pocahontas Correctional Center	288	6
776	Green Rock Correctional Center	274	7
785	River North Correctional Center	322	13
Department of Corrections Totals		11,352	(59)

* Does not reflect the net loss of 566.50 as a result of the FY 2015 budget reductions/staffing reorganization. If adjusted the authorized position level would have been 12,299.50.

** Includes staffing for Deep Meadow Correctional Center, Powhatan Reception and Classification Center, James River Work Center, and the Powhatan Medical Unit. The decrease in staffing includes the impact of the closure of Powhatan Correctional Center.