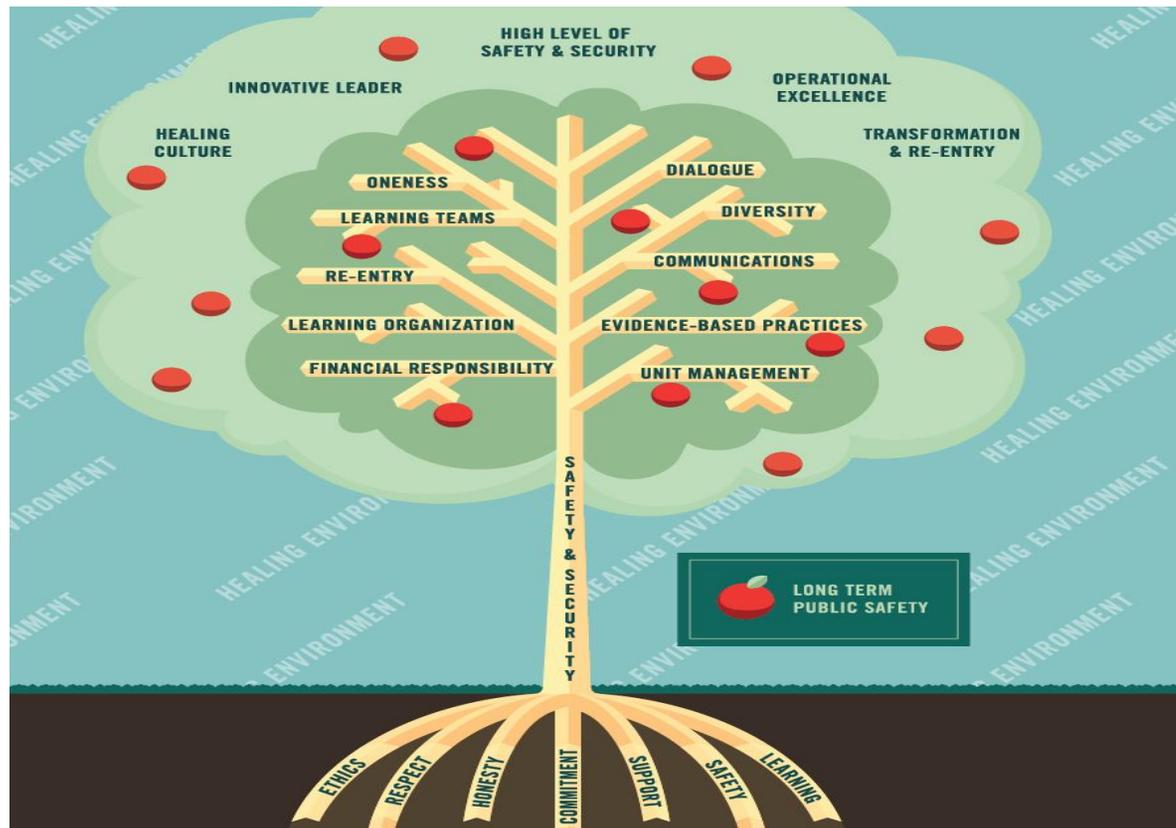




# VIRGINIA DEPARTMENT OF CORRECTIONS

## Management Information Summary Annual Report Year ending June 30, 2014



## THE STRATEGY TREE

Compiled by the Budget Office  
Division of Administration

***On the Cover***  
**THE STRATEGY TREE**

The Strategy Tree is a representation of the Department's Strategic Plan, which will serve as a guide for the Department over the next five years (2013-2018). Each area of the plan is represented beginning with the Department's vision which is rooted in our values and ultimately resulting in long term public safety.

**Healing Environment**

The Healing Environment purposefully fosters positive change through respect, support, and mutual accountability.

**Goals**

The five goals, which are supported by our initiatives, have been established to help us achieve our Vision of being a progressive and proven innovative leader in the profession.

**Initiatives**

The VADOC's initiatives extend from our core of safety and security and further our efforts of long term public safety.

**Values**

The Department has identified seven core values that will nurture and embody our daily work to fulfill our mission.

**Employees**

Employees are the cornerstone of our Agency. They adhere to the highest professional standards to create excellence in public service and are major stakeholders in the direction of the Department. With employee buy-in and support, the Department is able to achieve its mission and reach its vision.

# VIRGINIA DEPARTMENT OF CORRECTIONS ANNUAL MANAGEMENT INFORMATION SUMMARY REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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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.

# STRATEGIC PLAN

## MISSION

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

## VALUES

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

## VISION

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

## STAKEHOLDERS

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

## GOALS

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

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

# Department of Corrections Healing Environment

## Overview:

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

## What is the Healing Environment:

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

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

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

# **DEPARTMENT OF CORRECTIONS**

## **THE YEAR IN REVIEW**

### **For the Fiscal Year Ended June 30, 2014**

A few of the accomplishments/initiatives of the Department of Corrections for the fiscal year ending June 30, 2014 are highlighted below:

#### **FY 2014 Year End**

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

The *Code of Virginia*, Section 2.2-4350, requires State agencies and institutions to pay 100% of their invoices subject to the Prompt Payment Statutes by the "required" payment due date. Agencies are considered to be in compliance with the prompt payment standard if they have achieved at least a 95% prompt payment rate. The Department continued to exceed this goal with a compliance rate of 98.94% for FY 2014.

The Department also continued progress in the utilization of Small, Women and Minority (SWaM) vendors for its discretionary expenditures. The percentage of discretionary expenditures with SWaM vendors increased to 32.07% in FY 2014, up from the 30.52% in FY 2013. This percentage, however, represents expenditures which are reported in the Commonwealth Accounting and Reporting System (CARS) and through the purchase credit card system. Use of SWaM vendors for goods and services procured through other sources of revenue are not included in this percentage.

#### **River North Correctional Center**

In October, 2013, inmates started moving into River North Correctional Center, located in Independence, Virginia after the facility opened as the state's first new prison since 2007.

The new correctional facility was designed to improve security, as well as create energy efficiencies. The VADOC decided to move from the traditional precast structures to pre-engineered metal building system. The design eliminated the cell windows in lieu of a clear-story window system in the ceiling of the dayrooms that allows a tremendous amount of light that all but eliminates the need for lights during the daytime hours. The use of rear chase cells that are insulated along with the insulated pre-engineered building creates an energy-efficient building. The facility was recognized by the International Dark-Sky Association for its use of outside lighting.

#### **E.R. Cass Correctional Achievement Award for 2014**

On Tuesday, August 19, at the E.R. Cass Awards Banquet during the 144th Congress of Correction, August 15-20, 2014, in Salt Lake City, Utah, Director Clarke received the prestigious E.R. Cass Correctional Achievement Award for 2014 from the American Correctional Association (ACA). The Cass Award is the highest honor the ACA bestows on individuals.

Created in honor of Edward R. Cass, who devoted more than 50 years of his life to corrections and was named ACA president emeritus in 1962, the Cass Award honors corrections' most dedicated professionals. According to the ACA, "[t]he Cass Award is more than just a medallion or a membership—it is a symbol of true dedication and professional achievement, of self-sacrifice and tireless energy. It represents a person who believes with his whole being in the future possibilities of ACA and of corrections."

### **Governor McAuliffe Announces Continued Drop in Virginia's Recidivism Rate**

On June 28, 2014 Governor Terry McAuliffe announced that Virginia's re-incarceration rate has dropped to 22.8 percent, the state's lowest rate on record.

"Long-term public safety is critical to Virginia's future," said Governor Terry McAuliffe. "This reduction in the recidivism rate means our children are safer, our state is more attractive to businesses, and we are returning offenders to their communities better prepared to be productive, contributing citizens."

About ninety percent of individuals incarcerated in Virginia will one day be released back into their communities. Like most states, Virginia counts its official recidivism rate as the percentage of offenders who return to incarceration within three years of being released.

"A lower re-incarceration rate means fewer crimes, fewer victims, and less taxpayer money that must be allocated to repeat offenders," said Virginia Department of Corrections Director Harold Clarke.

Virginia's recidivism rate has dropped to its lowest on record. Those inmates who were released in fiscal year 2009 had a recidivism rate of 22.8 percent, as measured through 2012. The previous year's cohort of offenders released in fiscal year 2008 and measured through 2011 had a recidivism rate of 23.4 percent, and the recidivism rate the year before that was 26.1 percent.

"We commend the Department of Corrections' staff for their hard work, as well as the offenders who are turning their lives around and those employers who give them a second chance," said Secretary of Public Safety and Homeland Security Brian Moran.

In Virginia, reentry preparation begins the day the VADOC receives an offender, starting with a risk and needs assessment. From offender training and education programs, work programs, resource fairs, veterans' programs, and offender savings accounts to a partnership with the Department of Motor Vehicles to get offenders DMV-issued state identification before they leave prison, the VADOC is operating a multitude of successful reentry programs.

### **Department Adopts New Visiting Rules**

The Virginia Department of Corrections has a new inmate visitation approval process and visiting rules it says are aimed at improving security, consistency and visitor flows. The changes took effect December 1<sup>st</sup> for people planning to visit inmates after January 1<sup>st</sup>. Anyone approved to visit in 2013 will not have to reapply until 2016, said Lisa Kinney, a Department spokeswoman.

There are nearly 73,000 approved visitors for Virginia's 30,000 prison inmates in more than three dozen institutions across the state. Applications will now be processed at department headquarters in Richmond rather than at each individual facility, and can be made online or in writing.

### **Virginia DOC Preserves 3,000 Acres for Earth Day**

In honor of Earth Day last week, the Virginia Department of Corrections (VADOC) announced that it would preserve about 3,000 acres of land at four state prison facilities, restricting any future development of the acreage.

The preserved acreage was divided up as follows:

- **Greenville Correctional Center in Jarratt:** 428 acres
- **Deep Meadow Correctional Center (a portion of the old James River property) in Goochland County:** 570 acres
- **Powhatan Correctional Center in Powhatan County:** 844 acres
- **Deerfield Correctional Center (a portion of the old Southampton property) in Capron:** 1,157 acres

The VADOC worked with the Virginia Department of Conservation and Recreation (DCR) to protect the land. During the process, DCR identified an area at the Deerfield Correctional Center that needed enhanced protection and special management provisions to conserve a wetland plant community along the on-property waterway.

“This is a good example of agencies working collaboratively to protect threatened resources on state lands,” said Clyde E. Cristman, DCR director, in a statement. “We look forward to continued collaborations with VADOC and other state agencies.”

The protection was achieved through Declarations of Restrictive Covenants and Designations of Open-Space Land. The open-space declarations, which are recorded at the county courthouse, protect VADOC’s property in the counties of Goochland, Powhatan, Greenville and Southampton.

### **Virginia’s Largest State Agency Lowers Costs, Helps Environment Through Composting**

This World Environment Day (June 5, 2014), the Virginia Department of Corrections joined those taking stock of their environmental impact. The Department of Corrections began composting in 2001, and today boasts two sites capable of handling more than 12,000 pounds of food waste per day.

Composting saves money by reducing trash-hauling fees and reducing or eliminating the use of fertilizer. “This tremendously reduces the agency’s carbon footprint,” said Virginia Department of Corrections (VADOC) Recycling and Sustainability Coordinator Courtney Cotton.

What was once food scraps, wood chips, leaves and even cow manure transforms into what some call “black gold” because it enriches existing soil with essential nutrients such as nitrogen, phosphorous, potassium, calcium, sulfur and micronutrients.

Several offenders are specially trained to work at the compost sites, skills that could lead to employment when the offenders are released.

VADOC has a community partner in the University of Richmond (UR). In 2013, VADOC composted 40,964 pounds of food waste food from the university. “The University of Richmond is committed to sustainability in a variety of ways,” said UR Sustainability Manager Megan Zanella-Litke. “We value our relationships with local partners and working with VADOC provides a unique and important opportunity for us to reduce the amount of waste we send to the landfill each year.”

The composting process takes place inside one of four composting vessels, two of which are the size of a tractor trailer bed and the other two the size (and look) of a small green house. VADOC is using the compost to fertilize its fields, orchards, flower beds and trees. Composting can improve depleted or disturbed soil structure by increasing its permeability and porosity. Composting differs from natural decomposition in that it is a product of controlled conditions.

The agency has two separate collection sites: the State Farm complex in Powhatan, which came online in 2001, and White Post Men's Diversion Center, which began operation in the fall of 2013. State Farm handles as much as 12,000 pounds per day. White Post can handle about 100 pounds per day.

"We strive to be self-sustaining and efficient in our operations. We work to reduce our environmental impact and keep our costs low. We work collaboratively with other entities to promote better outcomes, and we want to help offenders prepare for their return to society," said VADOC Director of Environmental Services Tim Newton. "Our composting effort contributes to all these goals."

In recent years, the VADOC has received awards for its composting efforts. In 2010, the State Farm program received a bronze Governor's Environmental Excellence Award. And in 2013, the State Farm program was named the Virginia Recycling Association's Outstanding Organics Program of the Year.

### **Senate Resolution Commends VADOC's Step Down at Red Onion and Wallens Ridge**

#### **SENATE JOINT RESOLUTION NO. 184**

**Offered March 3, 2014**

**Commending the Virginia Department of Corrections**

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**Patrons-- Adam Ebbin; Delegate Patrick Hope**

WHEREAS, the Virginia Department of Corrections assessed that the growing number of administrative segregation assignments in the Commonwealth was leading to challenges in the corrections system, including a cycle of regression among offenders, low staff morale, and higher operating expenses; and

WHEREAS, the Department recognized that over 90 percent of incarcerated offenders complete their sentences and return to the community and that long-term public safety is not served when offenders discharge directly from administrative segregation to the community; and

WHEREAS, the Department developed an innovative and creative process based on research in the correctional field to reduce the prison system's reliance on long-term administrative segregation assignments, successfully changing the culture at the Commonwealth's highest security prisons; and

WHEREAS, the Step Down program implements evidence-based practices, extensive personnel training, and advanced security measures beyond required procedures to enhance staff and offender safety; and

WHEREAS, the program creates pathways for offenders to learn and practice law-abiding behavior through specially designed modules, with the opportunity to progress through a conservative step down process toward lower security classifications and gradually prepare for community reentry; and

WHEREAS, the program has utilized a multidisciplinary team to determine underlying reasons for offender behaviors so they may be targeted with specially designed programs; and

WHEREAS, in July 2013, the Southern Legislative Conference recognized the Department's national leadership with the STAR (State Transformation in Action Recognition) award for its diligent work in reducing administrative segregation and for developing a program model replicable in other states; and

WHEREAS, Department leadership and an effective team effort involving all staff from Southwest Virginia's Red Onion and Wallens Ridge State Prisons have reduced administrative segregation and increased safety through cognitive programming and the building of pro-social behavior; and

WHEREAS, 511 offenders have become involved in the program, leading to a 64 percent reduction in administrative segregation assignments, and 337 offenders have successfully stepped down to general population assignments since 2011; and

WHEREAS, serious incidents with administrative segregation offenders have declined by 76 percent, offender grievances and complaints have declined by 79 percent, and 26 percent of the offenders working in the prisons' food services have successfully graduated from the Step Down program; now, therefore, be it

RESOLVED, by the Senate, the House of Delegates concurring, That the General Assembly hereby commend the Virginia Department of Corrections for its outstanding leadership and dedication to public safety in administering the Step Down program; and, be it

RESOLVED FURTHER, That the Clerk of the Senate prepare a copy of this resolution for presentation to the Virginia Department of Corrections as an expression of the General Assembly's gratitude and admiration for the Department's efforts to develop a superior program to help guide offenders toward rehabilitation.

### **VADOC Offenders to Again Partner with the Virginia Department of Forestry and the U.S. Forest Service to Prevent, Control Wildfires**

Approximately 160 Virginia Department of Corrections offenders are training and working with Virginia Department of Forestry and U.S. Forest Service firefighters in the western part of Virginia as part of the suppression force for the 2014 fire season.

The partnership utilizes low-risk, nonviolent offenders to fight wildfires and participate in fire-prevention activities. "This partnership covers a vast number of counties and has proven to be very beneficial in saving forestlands and properties, both public and private," said Virginia Department of Corrections (VADOC) Director Harold Clarke. "We have received really positive feedback from the Virginia Department of Forestry, the U.S. Forest Service and the general public regarding the work performed by these trained offenders. And the offenders themselves are proud that they are able to be a part of a team that directly helps the community."

The first partnership began in 1996 with the U.S. Forest Service (USFS) at Cold Springs Correctional Unit and Work Center in Greenville, Virginia. Since then, the training has expanded with assistance from the Virginia Department of Forestry (VDof) to include offenders from Patrick Henry Correctional Unit in Ridgeway, Virginia; Wise Correctional Unit in Coeburn, Virginia; and Appalachian Men's Detention Center in Honaker, Virginia.

### **Virginia Prison is the First to Reach Compliance in the Prison Rape Elimination Act**

The Virginia Department of Corrections is the first state corrections department in the country to obtain full compliance of an adult prison facility under the Prison Rape Elimination Act standards for adult prisons and jails. Deerfield Correctional Center in Capron, Virginia, was certified in April, 2014 to be 100 percent compliant with the Prison Rape Elimination Act (PREA), and since April thirteen (13) additional facilities have been certified.

PREA is designed to ensure correctional facilities establish policies and practices to protect those who are incarcerated from sexual violence by staff and

other offenders. “The Department of Corrections’ commitment to addressing and preventing sexual victimization in state correctional facilities is laudable,” said Secretary of Public Safety and Homeland Security Brian Moran. “The Department has our full support as they continue the hard work to ensure all state correctional facilities are certified 100 percent PREA compliant.”

Deerfield Correctional Center is a 1,080-bed male facility in southeast Virginia. Deerfield’s PREA audit was conducted March 5-7, 2014. Since then, Lunenburg Correctional Center, Nottoway Correctional Center, Deep Meadow Correctional Center, Rustburg Correctional Unit #9, and Caroline Correctional Unit #2 have all been certified to be 100 percent PREA compliant.

PREA was passed unanimously by the U.S. Congress and was signed into law on September 4, 2003. On June 20, 2012, the PREA national standards were published in the Federal Register and became binding on state confinement facilities 60 days later.

PREA was created to help eliminate sexual violence within corrections and provides for the analyses of the incidence and effects of prison sexual abuse, sexual harassment and staff sexual misconduct. PREA mandates apply to all institutions and community residential facilities and hold all staff, contractors and volunteers responsible for the detection, prevention and reporting of known and suspected occurrences of sexual assault, harassment, and conduct.

### **NuPath Transition Program Will Aid Homeless Veterans**

On September 16, the Virginia Department of Corrections and the non-profit Pathways to Success Foundation joined forces by opening a new program to help homeless military veterans reintegrate into society. NuPath Transition Program is designed to provide safe, transitional housing for up to 24 months for homeless veterans who are ex-offenders returning to society. NuPath, which is based in Petersburg, is the second program of its kind in the United States.

The effort is the brainchild of VADOC Director Harold Clarke, Chief of Corrections Operations David Robinson and Lisa Monroe, Director of Pathways to Success Foundation. In addition to providing transitional housing, the program will focus on the following primary objectives:

1. Provide services to assist in reintegrating VADOC homeless veterans from transitional housing to permanent housing.
2. Provide services to assist in reintegrating homeless veterans into meaningful employment within the labor force.
3. Create a healing environment service delivery systems that will address the complex problems facing VADOC homeless veterans.
4. Provide comprehensive, wrap-around and continuous support.

“Virginia has many veterans, and unfortunately, many of them are homeless. NuPath is a special effort to reach those who have served and now find themselves without other options,” said Ron Revish, Chief of Probation and Parole in Petersburg. Revish, a veteran himself, said the NuPath program holds special meaning for him. “This program can help a lot of people turn their lives around,” he added. Eventually, NuPath will house as many as 100 homeless veterans. Currently four veterans are participating in the program.

### **Employee Assistance Fund**

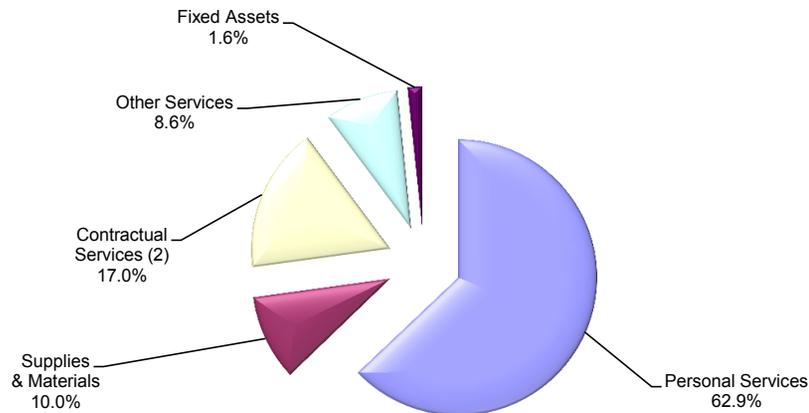
The EAF was established during FY 2003 and as of June 30, 2014 has made 1,200 awards totaling \$755,902. The fund was created to provide monetary relief to current employees of the Virginia Department of Corrections who have experienced a crisis resulting in a financial need to include, but not limited to, death of an employee, serious illness of an employee or an immediate family member, loss of property due to fire, etc. The EAF is supported by DOC fund-raising activities and tax-deductible contributions from employees and other supporters. The fund enables DOC to disburse immediate resources to employees without friends and co-workers "passing the hat." Contributions to the EAF are used only for the benefit of current DOC employees. As of June 30, 2013, the fund balance was \$219,294.83.

# FINANCIAL/OPERATING OVERVIEW

## TOTAL EXPENDITURES BY CATEGORY - ALL FUNDS

For the fiscal year ended June 30, 2014, the General Assembly appropriated the Department of Corrections (DOC) an adjusted operating budget of \$1,107,838,717. The DOC expended \$1,094,959,194, the major portion of these expenditures were earmarked for salaries and benefits. The Department operated 27 Major Institutions, 8 Field Units\*, 6 Work Centers, 4 Diversion Centers, and 3 Detention Centers in which 29,136 offenders\*\* were housed. In addition, the Department operated 43 Probation & Parole District Offices. (For FY 2014, the number of offenders under community-based supervision averaged 57,540, a 0.8% increase over last fiscal year.)

### TOTAL EXPENDITURES BY CATEGORY - FY 2014



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

	<u>FY 2014</u>	<u>FY 2013</u>
Personal Services (1)	\$ 688,747,389	\$ 660,491,943
Supplies & Materials	109,029,124	109,910,357
Contractual Services (2)	185,745,163	189,964,163
Other Services	94,117,048	96,214,338
Fixed Assets	17,320,470	18,161,976
	<u>\$ 1,094,959,194</u>	<u>\$ 1,074,742,777</u>

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

\*\* On average 29,136 offenders were housed in facilities operated by DOC during FY 2014. Excluded from that statistic were 1,553 DOC inmates housed in a Department of Corrections owned prison in Lawrenceville, Virginia that is privately operated.

- (1) The increase in personal services is attributed to a 2% increase in salary, adjustments for salary compression, as well as an increase in the employer's share of health insurance premiums and other employee fringe benefit rates.
- (2) The decrease in contractual services is largely attributed to a reduction in computer software development service expenditures associated with VACORIS.

## **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.).

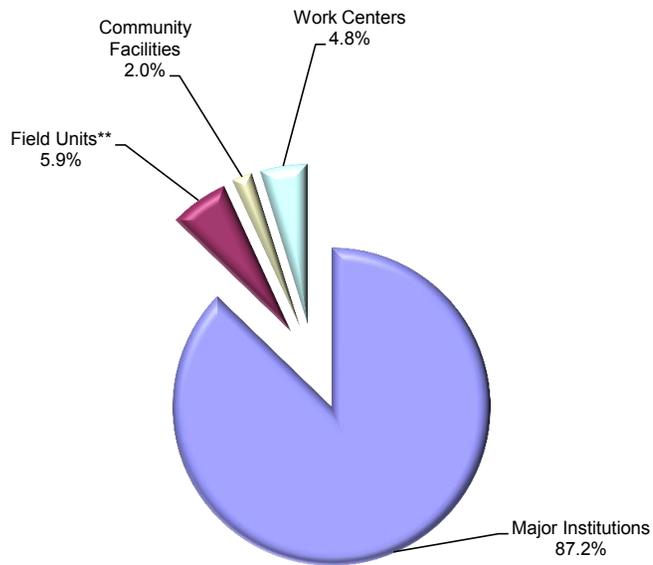
Other Services consist of miscellaneous expenditures such as unemployment compensation, incentive payments for participation in State-sponsored programs and activities (e.g., halfway houses), grants and aid to local governments, insurance premiums (property, medical malpractice, workers compensation, 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 29,136\*. This represents an increase of 1.2% above FY 2013 level. The increase in the average daily population was largely from the opening of River North Correctional Center. The facility, located in Independence, Virginia, began loading offenders in October, 2013.

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.

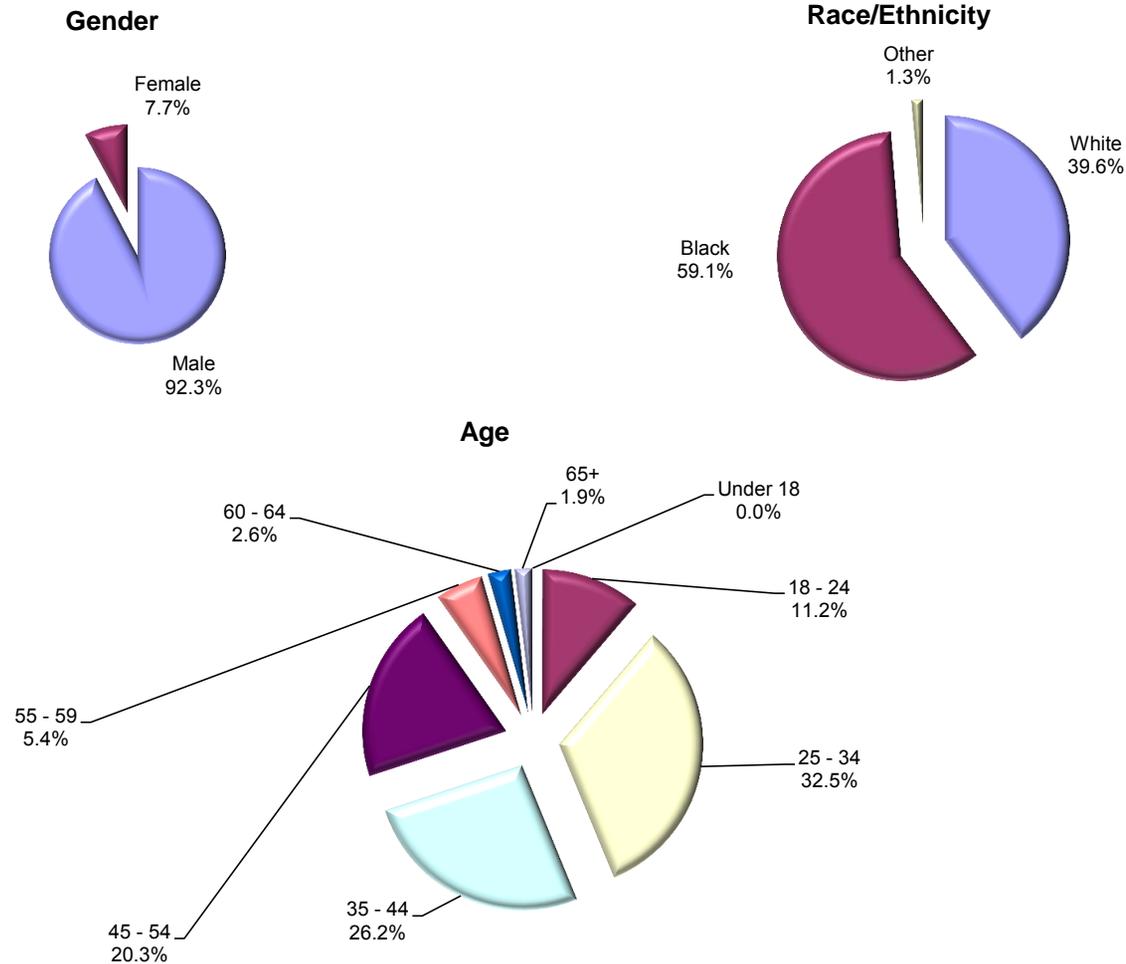


<u>FACILITY TYPE</u>	<u>FY 2014</u>	<u>FY 2013</u>
Major Institutions	25,414	25,068
Field Units**	1,732	1,692
Community Facilities	596	588
Work Centers	1,394	1,441
	<u>29,136</u>	<u>28,789</u>

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

\*\* Includes ADP for Baskerville Correctional Center.

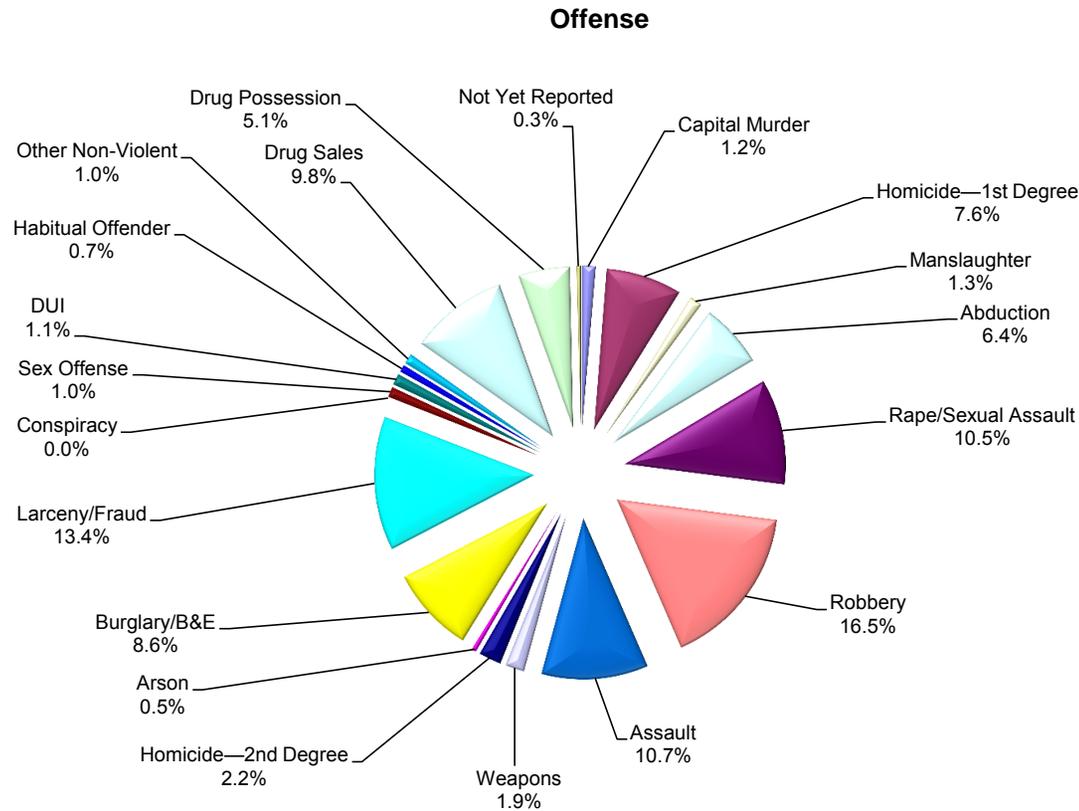
## INMATE POPULATION - DEMOGRAPHICS \*



\* This demographic data represents the DOC inmate population as of December 31, 2013, the most recent data available. DOC inmates incarcerated in local jails are included in this data; out-of-state inmates are excluded.

Source: Statistical Analysis & Forecast Unit, 2014.

## INMATE POPULATION - OFFENSE DATA \*



This offense data represents the DOC inmate population as of December 31, 2013, 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.

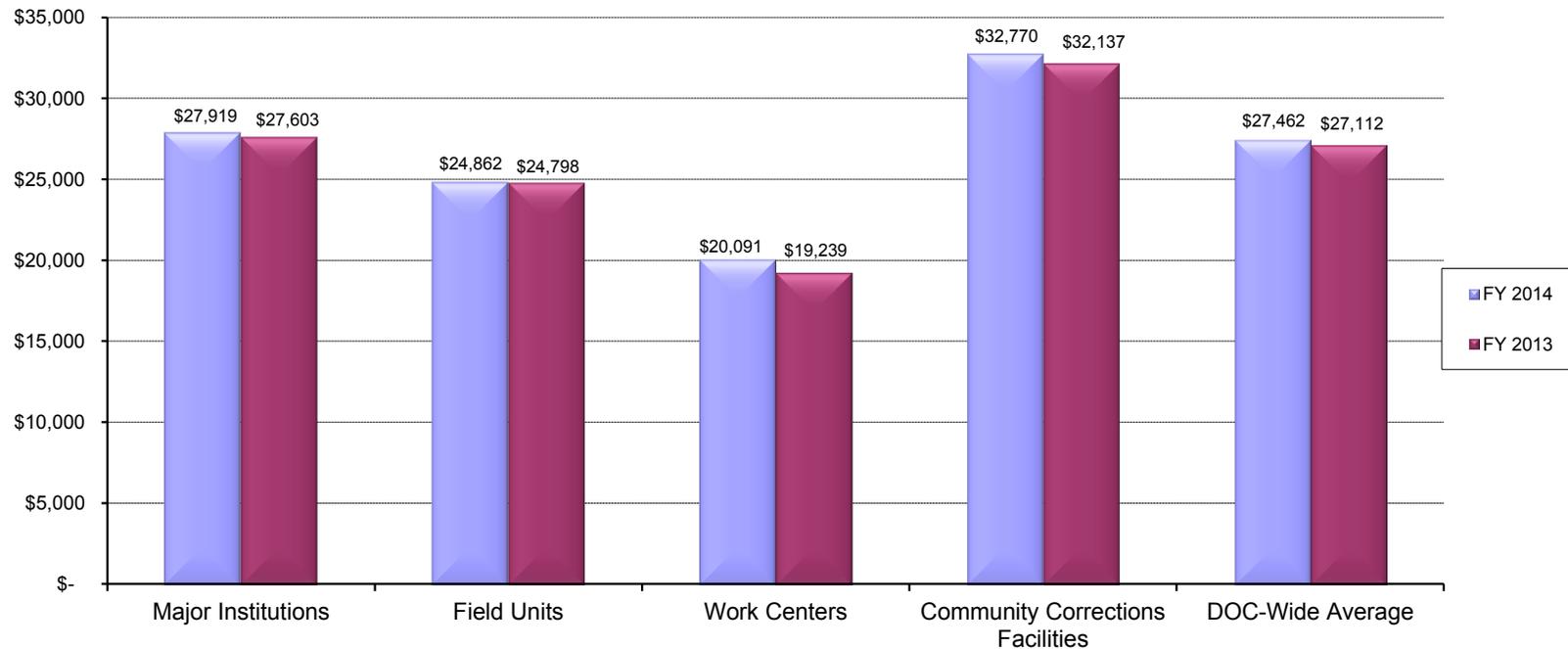
Source: Statistical Analysis & Forecast Unit, 2014.

## OPERATING COST PER OFFENDER (PER CAPITA)

The Department-wide per capita cost of housing offenders was \$27,462 in FY 2014, up only 1.3% from FY 2013.

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

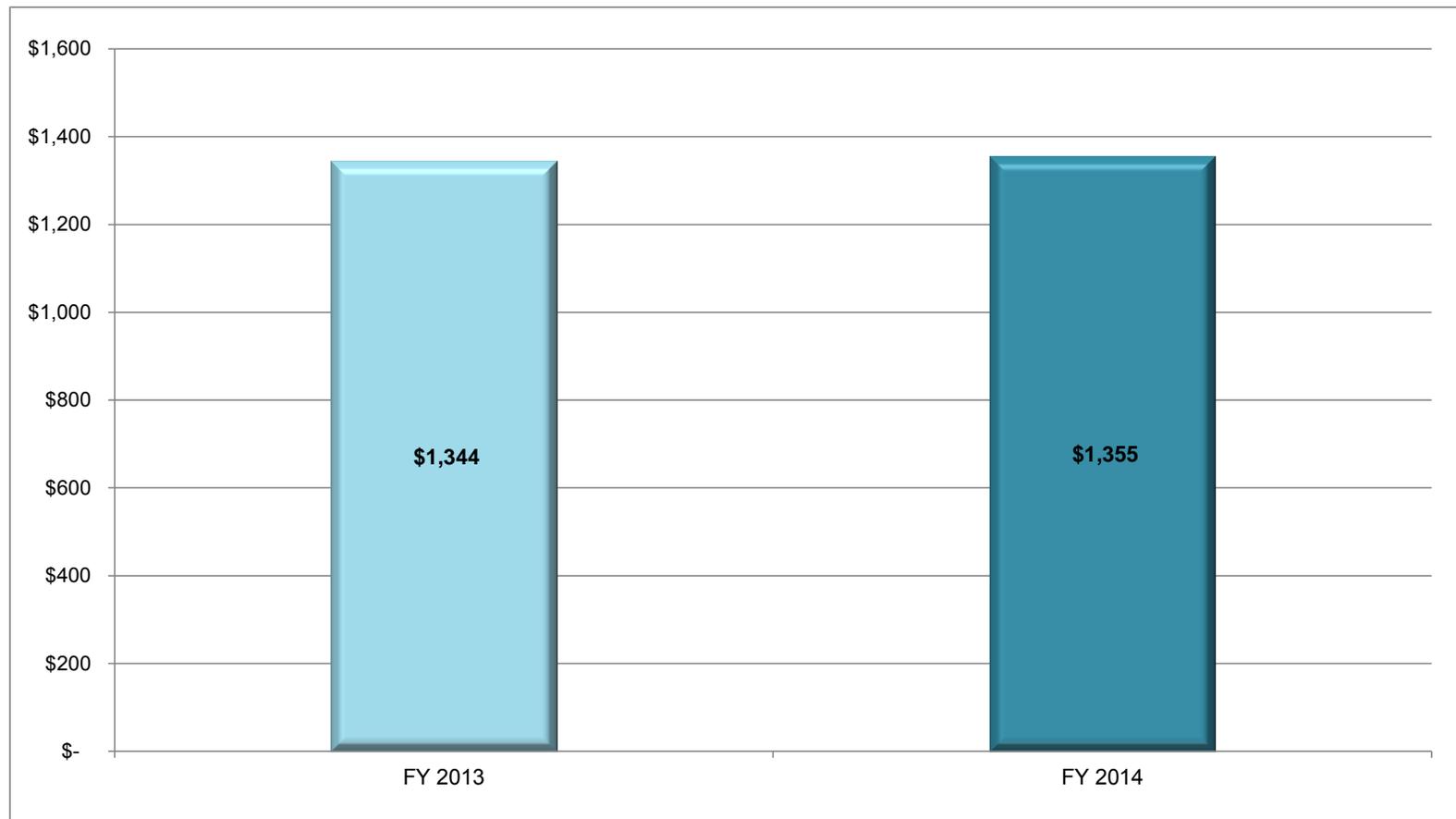
**OPERATING COST PER OFFENDER - FY 2014 VERSUS FY 2013**



## PROBATION & PAROLE COST PER CASE - FY 2014 VERSUS FY 2013

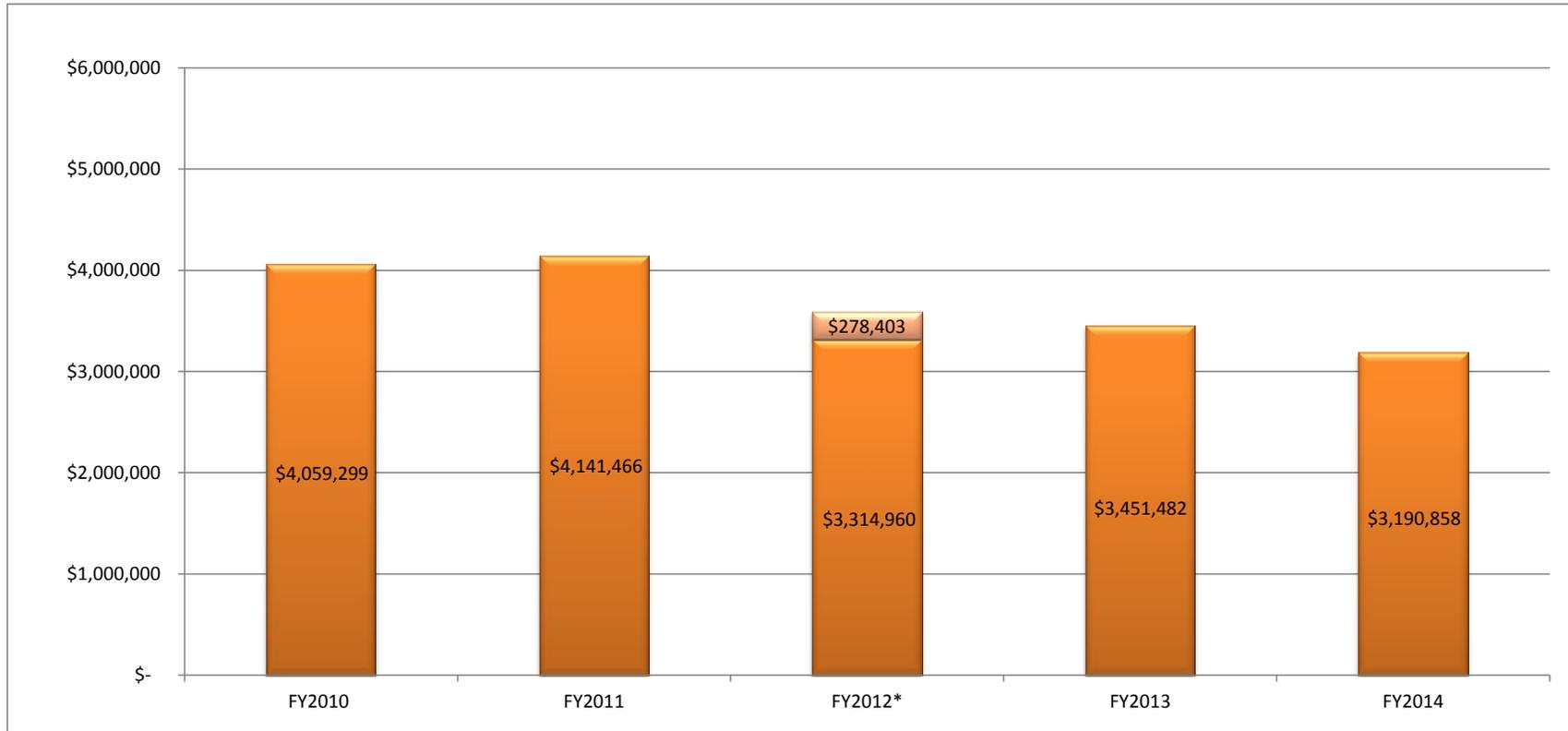
The calculation methodology divides Probation and Parole services/treatment and Community Residential Treatment expenses by the total number of June Probation and Parole cases from VACORIS. Any Diversion and Detention expenses/cases have been removed for purposes of this cost per case calculation.

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**

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

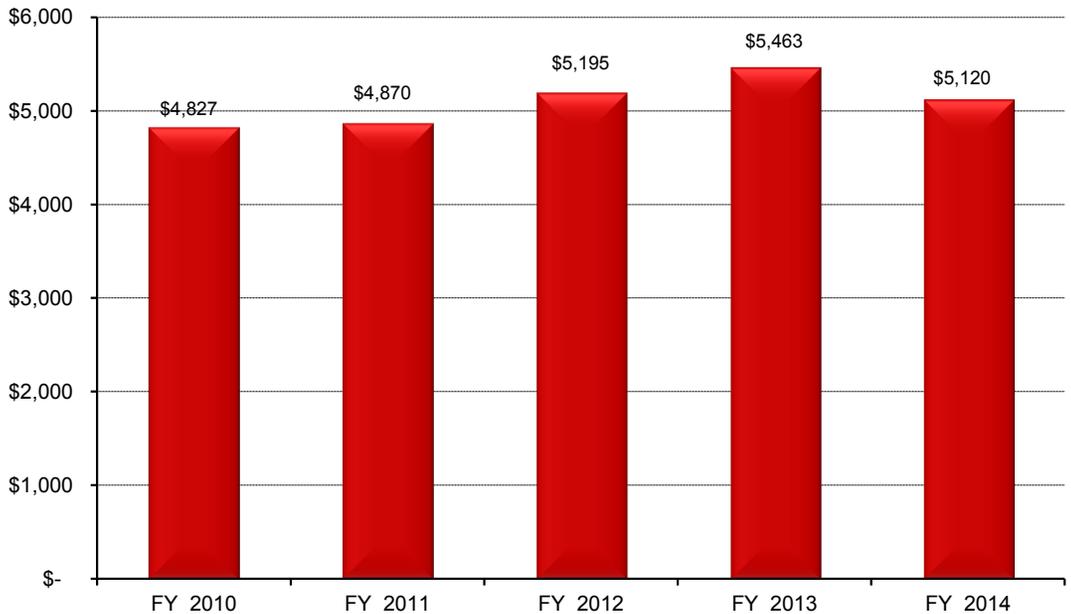


\* Only eleven (11) months of commissions were earned from the offender telephone system in FY 2012; revenue for the 12th month was received in FY 2013 and is shown in orange. The continued reduction in commissions is due to (1) a reduction in population as a result of facility closures, (2) the impact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

**PER CAPITA MEDICAL EXPENDITURES**

On a per capita basis, in FY 2014 DOC medical expenditures decreased 6.3% below that of FY 2013. The decrease is largely attributed to the contract with Corizon who provided health care at 17 facilities for around 15,000 offenders. The contract represented a lower than market cost by approximately \$15M. Effective May, 2013, CORIZON announced the termination of its contract with the Department.

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



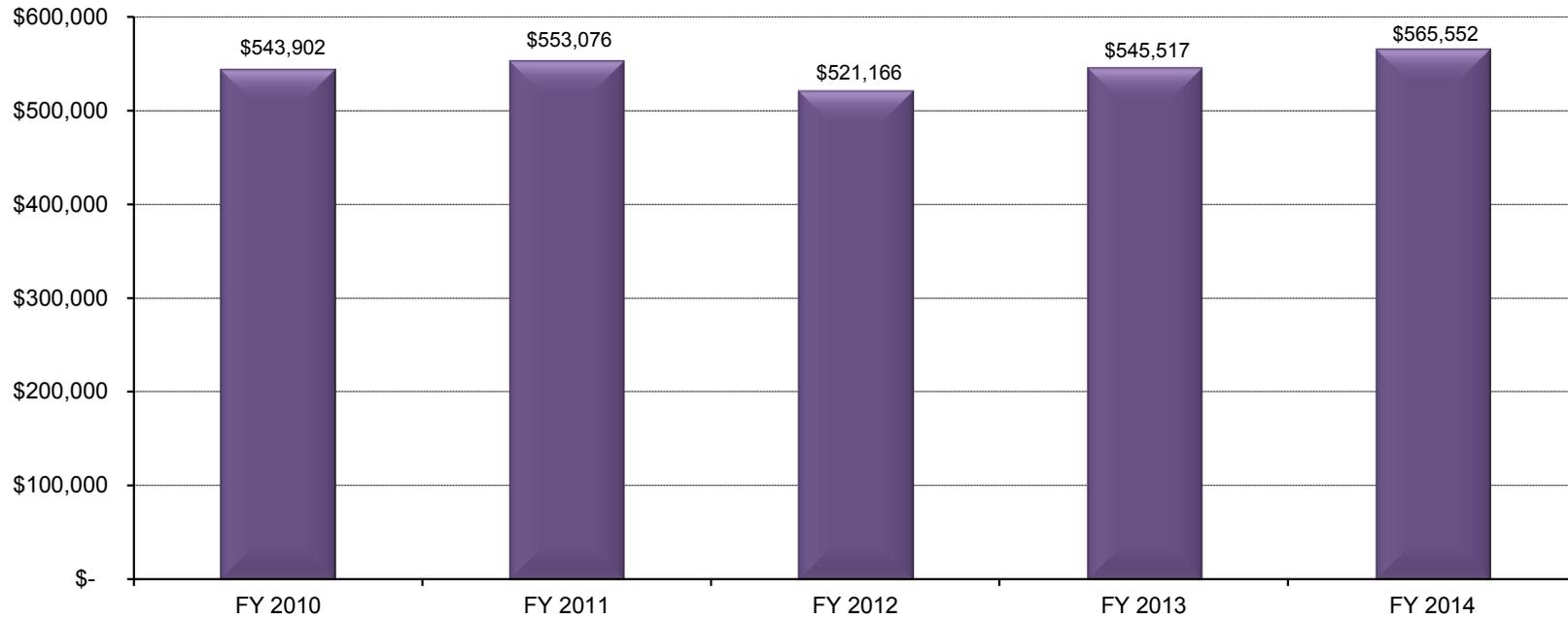
	<b><u>% OF TOTAL DOC OPERATING EXPENDITURES</u></b>
FY 2009	13.21%
FY 2010	14.93%
FY 2011	14.66%
FY 2012	15.02%
FY 2013	14.63%
FY 2014	13.62%

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

## INMATE MEDICAL CO-PAYMENT REVENUE

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

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

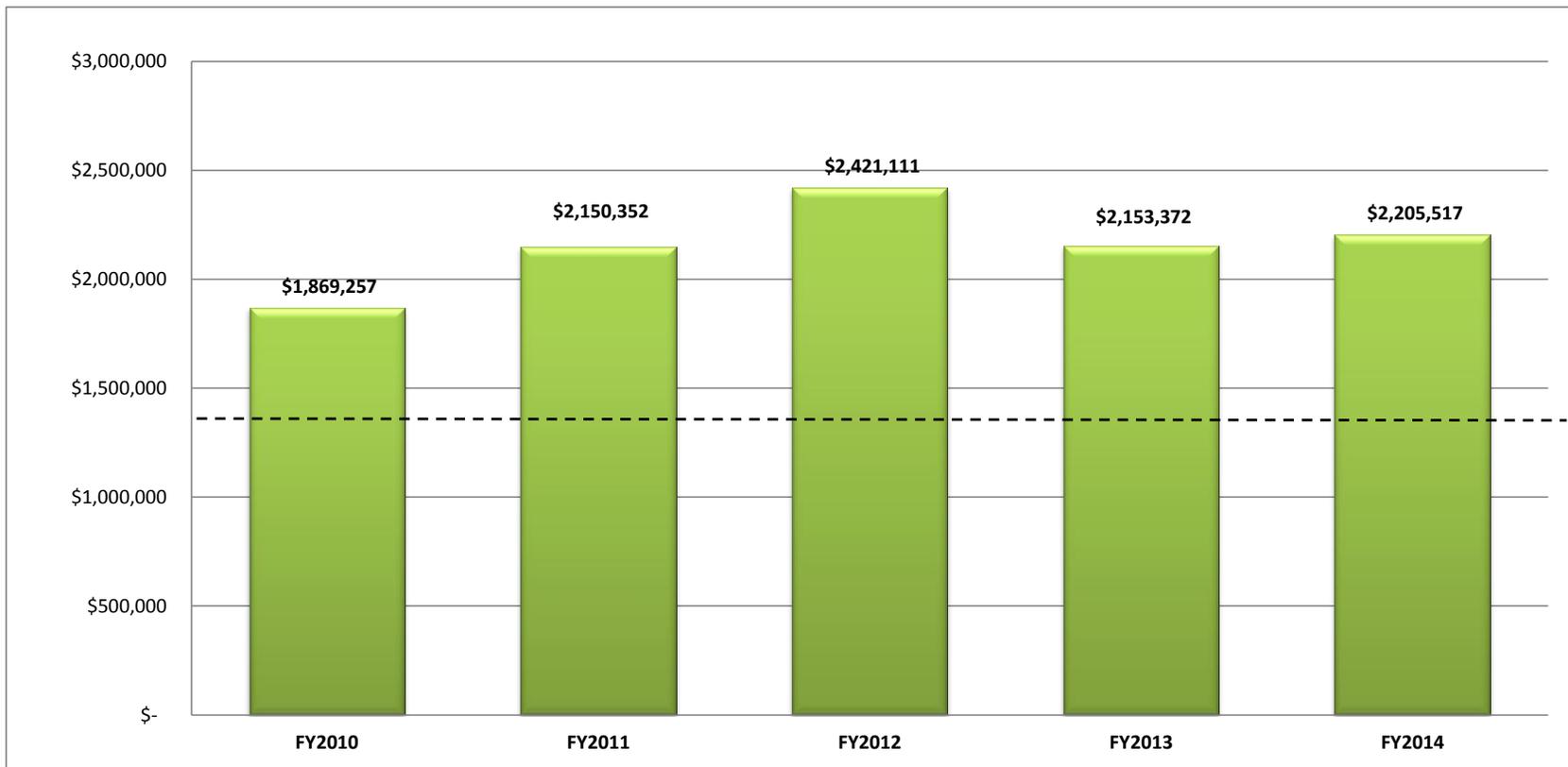


## AGRIBUSINESS REVENUE

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

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

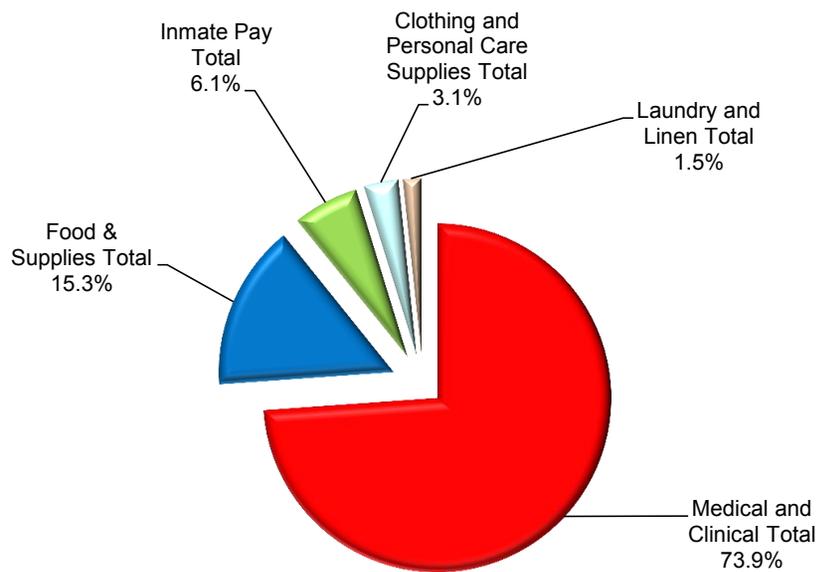
**Agribusiness Revenue from the Sale of Farm & Dairy Products**



**DIRECT INMATE COST - FY 2014**

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 2014**



<b>CATEGORY</b>	<b>FY 2014</b>	<b>FY 2013</b>
Medical and Clinical	\$ 118,307,254	\$ 124,602,238
Food & Supplies	24,513,599	24,951,775
Inmate Pay	9,726,711	9,819,135
Clothing and Personal Care	5,003,500	4,839,202
Laundry and Linen	2,586,042	2,606,691
Miscellaneous*	35,806	14,609
<b>Total Direct Inmate Cost</b>	<b>\$ 160,172,913</b>	<b>\$ 166,833,650</b>

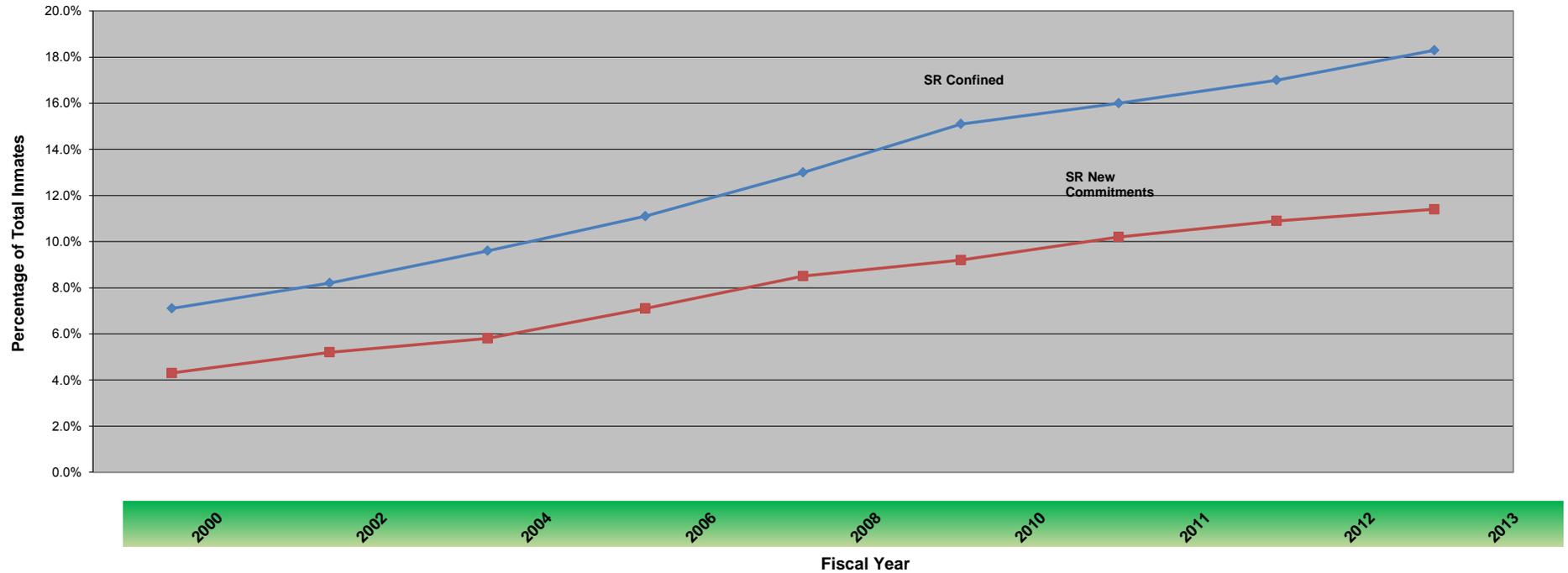
\* Includes expenditures for recreation supplies, as well as postage, which is centrally expensed.

# DOC State Responsible (SR) Confined & Newly Committed Inmates Age 50+ FY 2000 through 2013

Confined Inmates age 50+ have increased three-fold from 2,240 to 6,709 since FY2000

New commitments age 50+ have increased more than three-fold from 393 to 1,341 since FY2000

Over 11% of the state responsible new commitments and 18.3% of the state responsible confined are age 50+



	2000	2002	2004	2006	2008	2010	2011	2012	2013
50+ Confined	7.1%	8.2%	9.6%	11.1%	13.0%	15.1%	16.0%	17.0%	18.3%
Number	2,240	2,849	3,537	4,133	5,099	5,697	5,966	6,283	6,709
50+ New Commitments	4.3%	5.2%	5.8%	7.1%	8.5%	9.2%	10.2%	10.9%	11.4%
Number	393	566	676	889	1,094	1,112	1,208	1,254	1,341

Source: State Responsible Offender Population Trends, Statistical Analysis & Forecast Unit, 2014.

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.

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**FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2014**

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## **FINANCIAL REPORT SUMMARY For the Fiscal Year Ended June 30, 2014**

Total DOC appropriations for FY 2014 were \$1,107,838,717, as compared to \$1,086,178,506 for the prior fiscal year. This represents an increase of 2%. The percentage of General Fund appropriation in relation to the Department's total appropriation equated to approximately 94%. The General Fund increased \$30,609,540 above FY 2013 (from \$1,005,672,403 in FY 2013 to \$1,036,281,943 in FY 2014). The increase is largely attributable to additional funding for central appropriations (primarily associated with changes in employee salaries, fringe benefits and health insurance).

Total Special Fund appropriations of \$68,786,949 comprised 6.2% of the Department's total operating budget. Virginia Correctional Enterprises' (VCE) appropriation (\$54,680,835) comprised 79% of the total special fund. Virginia Correctional Enterprises (VCE), a manufacturing arm of the DOC, provides products and services to Corrections, State agencies, and other local governmental and non-profit agencies and keeps inmates employed while simultaneously teaching them marketable skills. The balance of the special fund appropriation (\$14,106,314) was associated with the Warranty Overhead account, the Corrections Construction Unit, pre-sentence investigations (HB 664), the re-entry program, room and board revenue from Diversion Center offenders, medical co-payment funds, Corrections Special Reserve Funds as well as other miscellaneous activities.

The balance of the Department's appropriation is comprised of \$2,769,825 in federal funds. This appropriation was allocated for grants through the United States Department of Justice (State Criminal Alien Assistance Program and Female Offender Reintegration Grant), the University of Maryland High Intensity Drug Trafficking Area (HIDTA) Grant, the Residential Substance Abuse Grant, the National Institute of Corrections for Re-Entry Training, as well as Correctional Education grants (Second Chance, Special Education, and Youthful Offender). Historically, funding from the State Criminal Alien Assistance Program had reverted to the Commonwealth's General Fund; however, the 2009 General Assembly permitted the retention of these funds. In FY 2014, the Department received \$1,170,746 to help offset increased inmate medical services costs.

**DEPARTMENT OF CORRECTIONS  
OPERATING APPROPRIATIONS AND EXPENDITURES - BY FUND  
FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

<u>FUND (1)</u>	Appropriation Per Chapter 806 <u>2013 Acts of Assembly</u>	Total <u>Adjustments</u>	Total <u>Adjusted Appropriation</u>	Total <u>Expenditures</u>	Percent <u>Expended Y-T-D</u>
GENERAL	\$ 988,556,253	\$ 47,725,690	\$ 1,036,281,943	\$ 1,035,841,914	100%
FEDERAL	1,913,637	856,188	2,769,825	2,628,364	95%
SPECIAL	67,042,439	1,744,510	68,786,949	56,488,916	82%
<b>TOTAL FUNDS</b>	<u>\$ 1,057,512,329</u>	<u>\$ 50,326,388</u>	<u>\$ 1,107,838,717</u>	<u>\$ 1,094,959,194</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>	General Funds	Federal Funds	Special Funds	Total Funds
Federal Grants/Programs	\$ -	\$ 492,391	\$ -	\$ 492,391
2014 General Assembly Actions	1,065,966			1,065,966
Funding for Victim Notification Grant	60,688			60,688
FY 2014 Central Appropriation Adjustments (2)	48,021,178			48,021,178
Realignment to the Office of the Secretary of Public Safety	(150,000)			(150,000)
Realignment to Corrections Special Reserve (Fund 0230)	(1,786,279)		1,786,279	-
Realignment between State Agencies	117,765			117,765
Reimbursement from FEMA for Disaster Recovery		238,797	83,231	322,028
Additional Agribusiness Appropriation	396,372			396,372
Realignment Between Funds		125,000	(125,000)	-
<b>TOTAL ADJUSTMENTS</b>	<u>\$ 47,725,690</u>	<u>\$ 856,188</u>	<u>\$ 1,744,510</u>	<u>\$ 50,326,388</u>

- (2) Included among these central appropriation adjustments are changes in fringe benefit rates (i.e., retirement, health insurance, group life insurance and other benefits), funding for a 2% salary increase, state employee salary compression pay, and a decrease in appropriation for efficiency savings.

**DEPARTMENT OF CORRECTIONS  
DIVISIONS OF ADMINISTRATION & OPERATIONS  
OPERATING APPROPRIATIONS AND EXPENDITURES - ALL FUNDS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

<u>DIVISION</u>	<u>Appropriation Per Chapter 806 2013 Acts of Assembly</u>	<u>Total Adjustments</u>	<u>Total Adjusted Appropriation</u>	<u>Total Expenditures</u>	<u>Percent Expended Y-T-D</u>
<u>ADMINISTRATION:</u>					
Central Administration	\$ 73,894,642	\$ 22,399,737	\$ 96,294,379	\$ 93,730,213	97%
Employee Relations & Training	11,909,286	4,328,338	16,237,624	16,237,004	100%
Virginia Correctional Enterprises	54,680,835	-	54,680,835	46,116,063	84%
<b>SUBTOTAL - ADMINISTRATION</b>	<b>\$ 140,484,763</b>	<b>\$ 26,728,075</b>	<b>\$ 167,212,838</b>	<b>\$ 156,083,280</b>	<b>93%</b>
<u>OPERATIONS:</u>					
Administration	-	\$ 67,025,164	\$ 67,025,164	\$ 67,400,389	101%
Facilities	-	746,561,581	746,561,581	746,546,582	100%
Office of Health Services	-	45,279,480	45,279,480	43,534,134	96%
Community (excluding Facilities)	-	81,759,654	81,759,654	81,394,810	100%
Reallocations within the Division of Operations	917,027,566	(917,027,566)	-	-	0%
<b>SUBTOTAL - OPERATIONS</b>	<b>\$ 917,027,566</b>	<b>\$ 23,598,313</b>	<b>\$ 940,625,879</b>	<b>\$ 938,875,914</b>	<b>100%</b>
<b>TOTAL - DEPT. OF CORRECTIONS</b>	<b>\$ 1,057,512,329</b>	<b>\$ 50,326,388</b>	<b>\$ 1,107,838,717</b>	<b>\$ 1,094,959,194</b>	<b>99%</b>

**DEPARTMENT OF CORRECTIONS  
DIVISION OF ADMINISTRATION  
OPERATING APPROPRIATIONS AND EXPENDITURES - BY OFFICE - ALL FUNDS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

<b>DIVISION OF ADMINISTRATION</b>	<b>Appropriation Per Chapter 806 2013 Acts of Assembly</b>	<b>Total Adjustments</b>	<b>Total Adjusted Appropriation</b>	<b>Total Expenditures</b>	<b>Percent Expended Y-T-D</b>
Board of Corrections	\$ -	\$ 7,766	\$ 7,766	\$ 7,766	100%
Director's Office	-	3,006,969	3,006,969	3,013,494	100%
Correctional Education Administration	-	4,950,593	4,950,593	4,938,531	100%
Offender Re-Entry Program	-	5,934,512	5,934,512	5,826,563	98%
Communications Unit	-	644,977	644,977	644,977	100%
Internal Audit/Investigative Units	-	1,985,061	1,985,061	1,992,789	100%
Compliance/Accreditation	-	1,098,070	1,098,070	1,098,070	100%
Corrections Technology Services Unit (CTSU)	-	32,637,315	32,637,315	32,525,270	100%
Financial Management & Reporting	-	4,013,055	4,013,055	4,013,055	100%
General Services	-	21,264,654	21,264,654	21,258,782	100%
Research & Management Services	-	1,123,573	1,123,573	1,126,501	100%
Architectural & Engineering Services (1)	-	7,512,659	7,512,659	5,169,242	69%
Procurement/Risk Management	-	12,115,175	12,115,175	12,115,175	100%
Employee Relations & Training	11,909,286	4,328,338	16,237,624	16,237,004	100%
Virginia Correctional Enterprises	54,680,835	-	54,680,835	46,116,063	84%
Reallocations within the Division of Administration	73,894,642	(73,894,642)	-	-	0%
<b>TOTAL - ADMINISTRATION</b>	<b>\$ 140,484,763</b>	<b>\$ 26,728,075</b>	<b>\$ 167,212,838</b>	<b>\$ 156,083,280</b>	<b>93%</b>

(1) This appropriation includes \$2,071,775 in unexpended appropriation associated with the Corrections Construction Unit Special Operating Fund and the Overhead Account Fund. If adjusted for this amount, the percent expended is 95%.

**DEPARTMENT OF CORRECTIONS  
DIVISION OF OPERATIONS  
OPERATING APPROPRIATIONS AND EXPENDITURES - BY OFFICE - ALL FUNDS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

	Appropriation Per Chapter 806 2013 Acts of Assembly	Total Adjustments	Total Adjusted Appropriation	Total Expenditures	Percent Expended Y-T-D
Administration	(1) \$ -	\$ 36,037,217	\$ 36,037,217	\$ 36,900,453	102%
Probation and Parole		79,796,098	79,796,098	78,058,178	98%
Offender Management Services		7,926,020	7,926,020	7,926,020	100%
Adult Residential	(2)	1,963,556	1,963,556	3,336,632	170%
Financial Assistance for Confinement in Local Facilities		-	-	-	0%
Office of Health Services (OHS)		45,279,480	45,279,480	43,534,134	96%
Secure Confinement Facilities		23,061,927	23,061,927	22,573,917	98%
Reallocations within the Division of Operations	917,027,566	(917,027,566)	-	-	0%
	<u>\$ 917,027,566</u>	<u>\$ 23,598,313</u>	<u>\$ 940,625,879</u>	<u>\$ 938,875,914</u>	<u>100%</u>

(1) The variance in the percent expended YTD between Administration and the Office of Health Services is because both 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) The variance in the percent expended YTD between Adult Residential and Probation and Parole is because both 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  
GENERAL FUNDS BY DIVISION  
FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

<b>DIVISION</b>	<b>Appropriation Per Chapter 806 2013 Acts of Assembly</b>	<b>Total Adjustments</b>	<b>Total Adjusted Appropriation</b>	<b>Total Expenditures</b>	<b>Percent Expended Y-T-D</b>
DIVISION OF ADMINISTRATION	\$ 80,816,428	\$ 25,625,502	\$ 106,441,930	\$ 106,441,930	100%
DIVISION OF OPERATIONS	907,739,825	22,100,188	929,840,013	929,399,984	100%
<b>TOTAL GENERAL FUNDS</b>	<b>\$ 988,556,253</b>	<b>\$ 47,725,690</b>	<b>\$ 1,036,281,943</b>	<b>\$ 1,035,841,914</b>	<b>100%</b>

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

**DEPARTMENT OF CORRECTIONS  
OPERATING APPROPRIATIONS AND EXPENDITURES  
FEDERAL FUNDS BY DIVISION  
FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

<u>DIVISION</u>	<u>Appropriation Per Chapter 806 2013 Acts of Assembly</u>	<u>Total Adjustments</u>	<u>Total Adjusted Appropriation</u> (1)	<u>Total Expenditures</u>	<u>Percent Expended Y-T-D</u>
DIVISION OF ADMINISTRATION:	\$ -	937,600	\$ 937,600	\$ 924,918	99%
DIVISION OF OPERATIONS	1,913,637	(81,412)	1,832,225	1,703,446	93%
<b>TOTAL FEDERAL FUNDS</b>	<b><u>\$ 1,913,637</u></b>	<b><u>\$ 856,188</u></b>	<b><u>\$ 2,769,825</u></b>	<b><u>\$ 2,628,364</u></b>	<b><u>95%</u></b>

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

(1) Total Adjusted Appropriation consists of the following:

	<u>Appropriations</u>
State Criminal Alien Assistance Program (USDOJ)	\$ 1,228,952
High Intensity Drug Trafficking Area (HIDTA) Grant	200,000
Female Offender Reintegration Grant	140,000
DCE - Second Chance Grant	102,102
DCE - Special Education Grant	141,889
DCE - Tech Education (Perkins)	252,700
National Institute of Corrections Re-entry Training	50,620
Residential Substance Abuse Grant	390,289
Disaster Recovery	249,469
Direct and Cyclical Payment Program (USDA)	13,804
	<b><u>\$ 2,769,825</u></b>

**DEPARTMENT OF CORRECTIONS  
OPERATING APPROPRIATIONS AND EXPENDITURES  
SPECIAL FUNDS BY DIVISION  
FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

<u>DIVISION</u>	<u>Appropriation Per Chapter 806 2013 Acts of Assembly</u>	<u>Total Adjustments</u>	<u>Total Adjusted Appropriation</u>	<u>Total Expenditures</u>	<u>Percent Expended Y-T-D</u>
DIVISION OF ADMINISTRATION					
Central Administration Other (1)	\$ 3,350,000	\$ 852,473	\$ 4,202,473	\$ 1,994,728	47%
Central Administration Out-of-State Inmate Revenue (2)	1,637,500	(650,000)	987,500	605,641	61%
Virginia Correctional Enterprises	54,680,835	-	54,680,835	46,116,063	84%
	<u>\$ 59,668,335</u>	<u>\$ 202,473</u>	<u>\$ 59,870,808</u>	<u>\$ 48,716,433</u>	<u>81%</u>
DIVISION OF OPERATIONS					
Division of Operations Other	\$ 7,374,104	\$ 1,542,037	\$ 8,916,141	\$ 7,772,484	87%
Division of Operations Out-of-State Inmate Revenue	-	-	-	-	0%
	<u>\$ 7,374,104</u>	<u>\$ 1,542,037</u>	<u>\$ 8,916,141</u>	<u>\$ 7,772,484</u>	<u>87%</u>
<b>TOTAL SPECIAL FUNDS</b>	<u><u>\$ 67,042,439</u></u>	<u><u>\$ 1,744,510</u></u>	<u><u>\$ 68,786,949</u></u>	<u><u>\$ 56,488,916</u></u>	<u><u>82%</u></u>

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

- (1) This appropriation includes \$2,071,775 in unexpended appropriation associated with the Corrections Construction Unit Special Operating Fund and the Overhead Account Fund. If adjusted for this amount, the percent expended is 94%.
- (2) The year-to-date percentage is largely the result of delays associated with development of the medical health record module of VACORIS.

**DEPARTMENT OF CORRECTIONS  
 DETAIL OF OPERATING APPROPRIATIONS  
 SPECIAL FUNDS BY DIVISION  
 FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

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

<b>Central Administration</b>	
Virginia Correctional Enterprises	\$ 54,680,835
Warranty Overhead	700,000
Corrections Construction Unit	2,100,000
Telemedicine	800,000
Technology Initiatives	372,390
Virginia CORIS (Source - Out-of-State Inmate Revenue)	987,500
Re-Entry Initiative (Source - Drug Offender Assessment Fund)	225,834
Commuter Fees	4,249
<b>Subtotal Central Administration</b>	<b><u>\$ 59,870,808</u></b>
<b>Division of Operations</b>	
Diversion Center Expenditures Supported with Room & Board Revenue	\$ 1,000,461
Drug Offender Assessment Fund for Re-Entry Initiatives & Pre-Sentencing Investigations	2,254,545
Compensation for Probation & Parole Officers (Arlington/Alexandria)	85,000
Nongeneral Cash to Offset General Fund Reduction	1,000,000
Sum Sufficient - Disaster Recovery	83,231
Prison Visitation Project	150,000
Enhanced Faith-Based Services	780,000
Save Our Shelters Pen Pals Program	75,000
Commuter Fees	120,391
Insurance Recovery	532,085
Electronic Law Library	225,000
Public Performance License	53,000
Recyclable Materials	432,539
Surplus Property	61,000
Culinary Arts	250,000
Corrections Special Reserve Fund	1,786,279
Undistributed Nongeneral Fund Appropriation	27,610
<b>Subtotal Operations</b>	<b><u>\$ 8,916,141</u></b>
 <b>Total Adjusted Appropriations (Special Funds)</b>	 <b><u>\$ 68,786,949</u></b>

**OPERATING PER CAPITA STATEMENT OF FACILITIES  
SUMMARY  
For the Fiscal Year Ended June 30, 2014**

During FY 2014, the Department of Corrections operated 27 Major Institutions, 8 Correctional Field Units, 6 Work Centers, 4 Diversion Centers and 3 Detention Centers. As noted in previous reports, Baskerville Correctional Center was given the designation of a major institution in FY 2006, but for purposes of this report, this facility will continue to be reported with the field units.

Expenditures for inmate medical costs charged to the Office of Health Services, the cost of operating wastewater treatment plants charged to the Environmental Services Unit, and the cost associated with agribusiness operations which are expended within the Division of Institutions have been applied to the respective facilities for purposes of calculating per capita costs.

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 14	FY 13	+ / (-)	% Change	FY 14	FY 13	+ / (-)	% Change
Major Institutions	27,919	27,603	316	1.1%	25,414	25,068	346	1.4%
Field Units	24,862	24,798	64	0.3%	1,732	1,692	40	2.4%
Work Centers	20,091	19,239	852	4.4%	1,394	1,441	(47)	-3.3%
Community Corrections Facilities	32,770	32,137	633	2.0%	596	588	8	1.4%
System-Wide Average	27,462	27,112	350	1.3%	29,136	28,789	347	1.2%

The increased cost in per capita of \$350 is largely attributed to the cost of personal services which included an increase in fringe benefits/health insurance, a 2% salary adjustment and application of compression pay.

	FY 14	Per Capita	FY 13	Per Capita	(+/-)
Personal Services	\$ 556,616,578	\$ 19,104	\$ 533,281,788	\$ 18,524	\$ 580
Direct Inmate Cost	160,172,913	5,497	166,833,650	5,795	(298)
Indirect Cost/Recoveries	49,188,188	1,688	44,917,491	1,560	128
Continuous Charges	28,957,245	994	27,056,852	940	54
Property Improvements/Equipment	5,196,862	178	8,449,728	294	(115)
Total	\$ 800,131,786	\$ 27,462	\$ 780,539,510	\$ 27,112	\$ 350

### **Institutions**

With the exception of Deep Meadow and Deerfield Correctional Centers, facilities constructed as Medium Security Dormitories (MSDs) continue to experience the lowest per capita cost of major institutions – St. Brides (\$19,588), Indian Creek (\$21,190), Lunenburg (\$23,213), Coffeewood (\$23,323), Haynesville (\$24,230), and Dillwyn (\$24,442). The low per capita cost is largely the result of lower staffing costs due to the facility design. Higher per capita costs at Deerfield (\$36,220) are driven by its mission to serve as a medical facility for geriatric offenders. The loss of bed space from the conversion of a housing unit for program space as well as its oversight of the Virginia Commonwealth University Health Systems’ security ward contribute to the higher per capita at Deep Meadow (\$41,715).

Marion Correctional Treatment Center continues to incur the highest per capita cost of the major institutions (\$77,365). Virtually all of Marion’s inmates are mentally ill, resulting in high mental health costs. Marion has a low inmate-to-security staff ratio of 1.2 to 1.0 versus an average of 4.0 to 1.0 for all other major institutions.

Powhatan Correctional Center continues to rank as second highest per capita cost of the major institutions (\$44,310). Excluding mental health beds, Powhatan’s 46-bed infirmary, ties with the 46-bed Fluvanna infirmary as the second largest medical facility in DOC (after Deerfield). Powhatan’s per capita cost is the result of high medical costs, especially in terms of medical transportation, due to its proximity to the Virginia Commonwealth University Health System as well as staff costs associated with the physical layout of the facility. Powhatan also is one of the Department’s psychiatric facilities, which also include Marion, Fluvanna, and Greenville.

Three major institutions – Deerfield, Bland and Deep Meadow – have large agribusiness operations that account for 7.0%, 5.7% and 7.0% of their expenditures in FY 2014, respectively. Of all other facilities that operated an agribusiness program, these expenditures accounted for only 1.0% of their total costs. Although a large agribusiness operation can increase a facility's per capita costs, these functions are vital to maintaining the Department's overall lower food costs.

### **Field Units**

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

The per capita cost for the Central Region Field Units was \$23,341, representing the lowest of the three regions. The Eastern Region Field Unit per capita cost was \$26,935, while the Western Region Field Units had the highest per capita rate of \$28,231.

### **Work Centers**

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

Per capita costs for work centers range from \$16,017 at Nottoway Work Center to \$24,547 at Brunswick Work Center. These variations can be misleading because some host facilities are more diligent about coding work-center-related expenditures to their respective work center's cost code than are others.

### **Community Corrections Facilities**

There are two types of community corrections facilities – detention centers and diversion centers. Both facility types administer probation programs of 5-7 months duration for nonviolent offenders. Probationers assigned to

detention centers work (without pay) in the community in supervised groups. Probationers assigned to diversion centers work in paying jobs in the community and are not supervised by corrections personnel while working. Probationers assigned to diversion centers pay DOC for room and board and travel, and may also make payments (when applicable) to other parties for alimony, child support, victim restitution, back taxes, etc.

Like their field unit and work center counterparts, probationers housed in community facilities present lower security risks and have lower medical costs than inmates housed in major institutions. However, the small size of these facilities prevents them from realizing economies of scale. Every facility, regardless of size, incurs fixed costs (administrative/food/medical staff, utilities, repairs, maintenance, etc.) that do not vary directly with offender population, causing smaller facilities to experience higher per capita costs than larger ones. Since staff costs make up the majority of the expenses at the community corrections facilities, staff-to-probate ratios explain the variance between the highest to the lowest per capita costs.

**DEPARTMENT OF CORRECTIONS  
PER CAPITA STATEMENT OF FACILITIES  
SUMMARY BY TYPE OF FACILITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

		<i>FY 2014</i>		<i>FY 2013</i>	
		<i>ADP</i>	<i>Per Capita</i>	<i>ADP</i>	<i>Per Capita</i>
<b><i>Major Institutions</i></b>					
709	Powhatan Correctional Center	853	\$ 44,310	838	\$ 46,109
716	Virginia Correctional Center for Women	578	33,426	582	32,873
718	Bland Correctional Center	639	35,087	644	32,715
721	Powhatan Reception & Classification Center	454	21,493	449	29,697
733	Sussex I State Prison	1,137	29,062	1,090	31,240
734	Sussex II State Prison	1,266	24,118	1,259	25,179
735	Wallens Ridge State Prison	1,017	29,323	974	29,954
737	St Brides Correctional Center	1,195	19,588	1,177	19,364
741	Red Onion State Prison	816	36,515	801	37,332
743	Fluvanna Correctional Center for Women	1,245	25,653	1,237	27,218
745	Nottoway Correctional Center	1,141	25,853	1,193	25,092
747	Marion Correctional Treatment Center	203	77,365	188	81,760
749	Buckingham Correctional Center	1,074	26,057	1,076	25,081
752	Deep Meadow Correctional Center	681	41,715	713	38,955
753	Deerfield Correctional Center	1,045	36,220	1,053	33,265
754	Augusta Correctional Center	1,137	23,947	1,134	23,403
768	Keen Mountain Correctional Center	835	25,513	908	22,398
769	Greensville Correctional Center	2,667	28,930	2,651	30,655
770	Dillwyn Correctional Center	931	24,442	966	23,748
771	Indian Creek Correctional Center	1,001	21,190	1,004	21,230
772	Haynesville Correctional Center	987	24,230	1,018	22,380
773	Coffeewood Correctional Center	1,021	23,323	1,058	22,734
774	Lunenburg Correctional Center	997	23,213	1,035	22,106
775	Pocahontas State Correctional Center	1,031	20,056	999	19,612
776	Green Rock Correctional Center	1,023	22,255	1,021	21,248
785	River North Correctional Center	440	41,553	-	-
<b><i>Total Institutions</i></b>		<b>25,414</b>	<b>\$ 27,919</b>	<b>25,068</b>	<b>\$ 27,603</b>

**DEPARTMENT OF CORRECTIONS  
PER CAPITA STATEMENT OF FACILITIES  
SUMMARY BY TYPE OF FACILITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

		<i>FY 2014</i>		<i>FY 2013</i>	
		<i>ADP</i>	<i>Per Capita</i>	<i>ADP</i>	<i>Per Capita</i>
<b><i>Field Units</i></b>					
744/234	Halifax	244	\$ 23,686	206	\$ 26,763
749/091	Rustburg	149	22,953	141	24,153
757/103	Cold Springs	112	34,137	113	32,506
757/181	Wise	111	29,265	109	28,915
757/281	Patrick Henry	132	22,351	131	22,519
760/134	Central Virginia	261	24,440	268	21,607
761/044	Baskerville	473	22,678	475	22,412
772/023	Caroline	137	27,994	137	27,644
772/173	Haynesville	113	25,651	112	27,147
<b>Total Field Units</b>		<b>1,732</b>	<b>\$ 24,862</b>	<b>1,692</b>	<b>\$ 24,798</b>
<b><i>Work Centers</i></b>					
730/403	Brunswick	184	\$ 24,547	170	\$ 27,311
745/405	Nottoway	189	16,017	193	14,255
772/173	James River	277	19,374	283	18,565
753/408	Deerfield	354	19,178	368	17,836
757/407	Cold Springs	135	23,117	145	21,040
769/401	Greensville	255	20,339	282	19,362
<b>Total Work Centers</b>		<b>1,394</b>	<b>\$ 20,091</b>	<b>1,441</b>	<b>\$ 19,239</b>
<b><i>Community Corrections</i></b>					
767/858	White Post Men's Diversion Center	95	\$ 36,395	92	\$ 35,712
767/867	Appalachian Men's Detention Center	106	31,742	105	31,018
767/868	Harrisonburg Men's Diversion Center	97	31,932	96	33,516
767/881	Stafford Men's Diversion Center	86	33,071	88	29,823
767/882	Southampton Men's Detention Center	104	29,509	101	29,105
767/885	Chesterfield Women's Detention/Diversion Center	108	34,242	106	33,706
<b>Total Community Corrections</b>		<b>596</b>	<b>\$ 32,770</b>	<b>588</b>	<b>\$ 32,137</b>
<b>TOTAL ALL FACILITIES</b>		<b>29,136</b>	<b>\$ 27,462</b>	<b>28,789</b>	<b>\$ 27,112</b>

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**AVERAGE DAILY INMATE AND PROBATIONER POPULATION**  
**For the Fiscal Year Ended June 30, 2014**

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Fiscal Year 2014 vs. Fiscal Year 2013 .....	41
Fiscal Year 2014 by Month .....	42

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

**For the Fiscal Year Ended June 30, 2014**

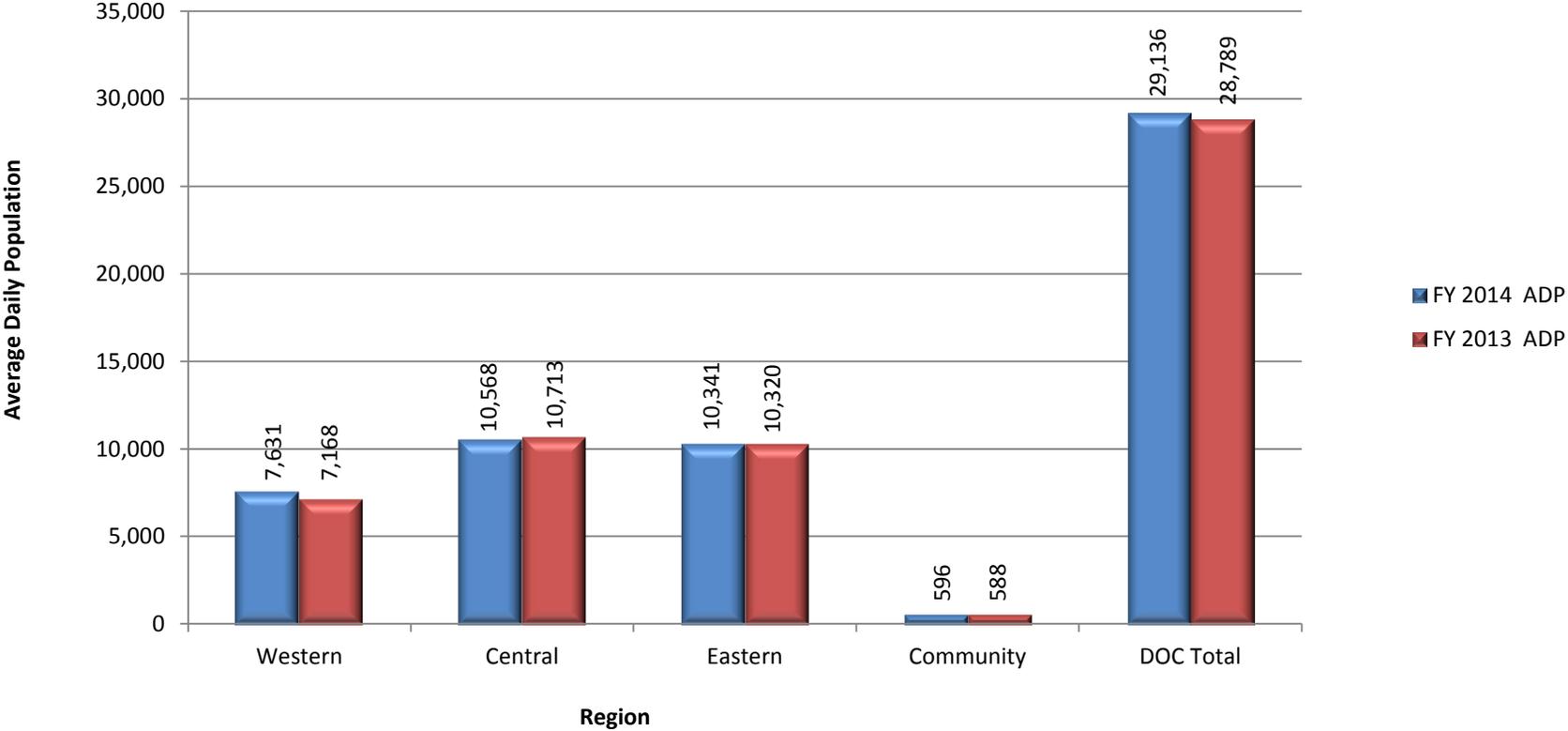
The Average Daily Inmate & Probationer Population (ADP) is defined as follows: the sum total of the population resulting from periodic head-counts divided by the number of observations. This calculation is widely used internally and externally to the DOC for purposes of calculating and forecasting costs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

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

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

- 1) BY REGION AND TOTAL DOC: This first graph reflects the average daily inmate population, by Region, and the probationer population (Community). It does not include Lawrenceville Correctional Center (operated by a private contractor).
- 2) BY MONTHS: The second graph represents the average inmate and probationer population reported by the Virginia Department of Corrections for each month of Fiscal Year 2014 as compared to the Department's system-wide capacity. This depiction does not include Lawrenceville Correctional Center, operated by a private contractor.

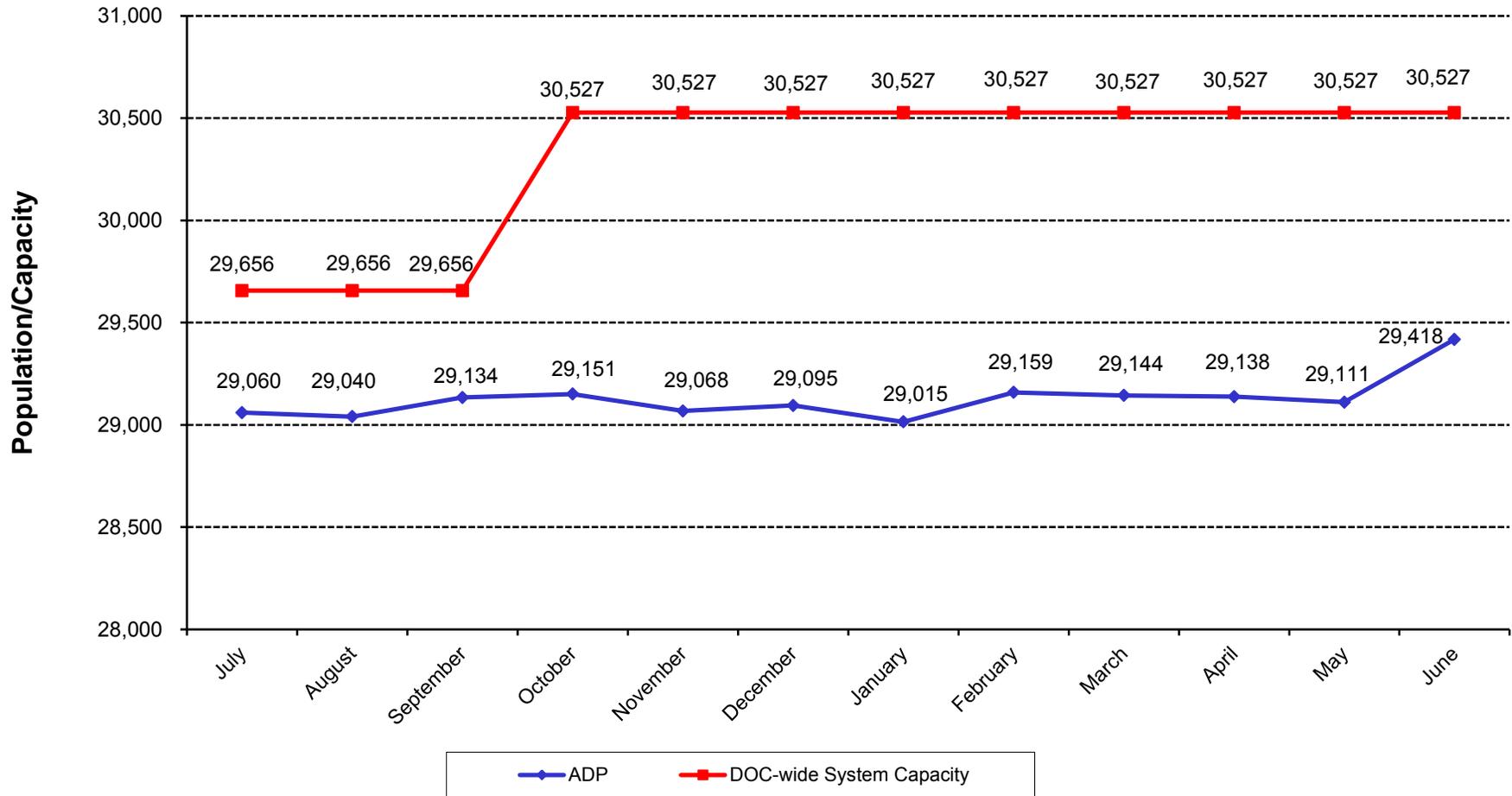
## Average Daily Inmate & Probationer Population FY 2014 vs. FY 2013



NOTE: Population for the Department of Corrections owned facility in Lawrenceville, Va, that is privately operated, has been excluded. Both FY 2013 and FY 2014 ADP figures are based on a 12-month average.

FY 2014

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



**NOTES:** Increase in capacity is associated with the opening of River North Correctional Center.

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

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

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

### **INMATE TRUST FUND**

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

### **COMMISSARY FUND**

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

Commissary funds are also used to support Assisting Families of Inmates, Inc. (Transportation), Enhanced Faith Based Services, Save Our Shelters 'Pen Pals' program, media law library materials (LexisNexis), and purchase of a Public Performance License which permits the public showing of copyrighted video material.

In FY 2014, the commissary balance saw a reduction of \$218,803 compared to FY 2013. The reduction is largely attributed to the change in vendor/terms for vending machines which either reduced or eliminated revenue previously earned.

**FY14 vs FY13 FLUCTUATION ANALYSIS OF COMMISSARY SPECIAL REVENUE FUND**

	FY14	FY13	FLUCTUATION		EXPLANATION
			ABSOLUTE	% CHANGE	
Charges for Sales/Services	1,064	519	545	105.01%	
Cost of Sales/Services	701	513	188	36.63%	
Gross Profit	363	5	358	7162.20%	
<u>Operating Expenses:</u>					
Personal Services	-	-	-	-	
Store Supplies	-	-	-	-	
Store Equipment	-	-	-	-	
Unsaleable Merchandise	-	-	-	-	
Sales Taxes	2,604	2,602	2	0.07%	
Depreciation	-	-	-	-	
Miscellaneous	9,209	9,491	(283)	-2.98%	
Total Operating Expenses	11,812	12,093	(281)	-2.32%	
Operating Income	(11,449)	(12,087)	638	5.28%	
<u>Non-Operating Revenues and Expenses:</u>					
Interest	2,509	3,055	(546)	-17.86%	
Commissary Commission (Keefe)	2,205,845	2,195,847	9,998	0.46%	
Other Income (Expenses)	562,163	789,895	(227,732)	-28.83%	* (A)
Funds Transfers	-	(5,928)	5,928	100.00%	
Total Non-Oper.Rev. (Expenses)	2,770,517	2,982,868	(212,351)	-7.12%	
Net Income before Offender Welfare (Offender Welfare)	2,759,068	2,970,781	(211,713)	-7.13%	
Net Income	(211,379)	66,984	(278,363)	-415.57%	* (A)
Fund Balance-July 1	2,093,913	2,026,930	66,983	3.30%	
ADJUSTMENTS *	(7,425)	-			
	2,086,489	2,026,930	59,559	2.94%	
Fund Balance-June 30	1,875,110	2,093,913	(218,803)	-10.45%	* (A)

**EXPLANATIONS FOR FLUCTUATIONS**

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

- (A) The overall decrease in fund balance is largely due to the change in vendor/terms for vending machines which either reduced or eliminated revenue previously earned.

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

## Offender Trust Fund

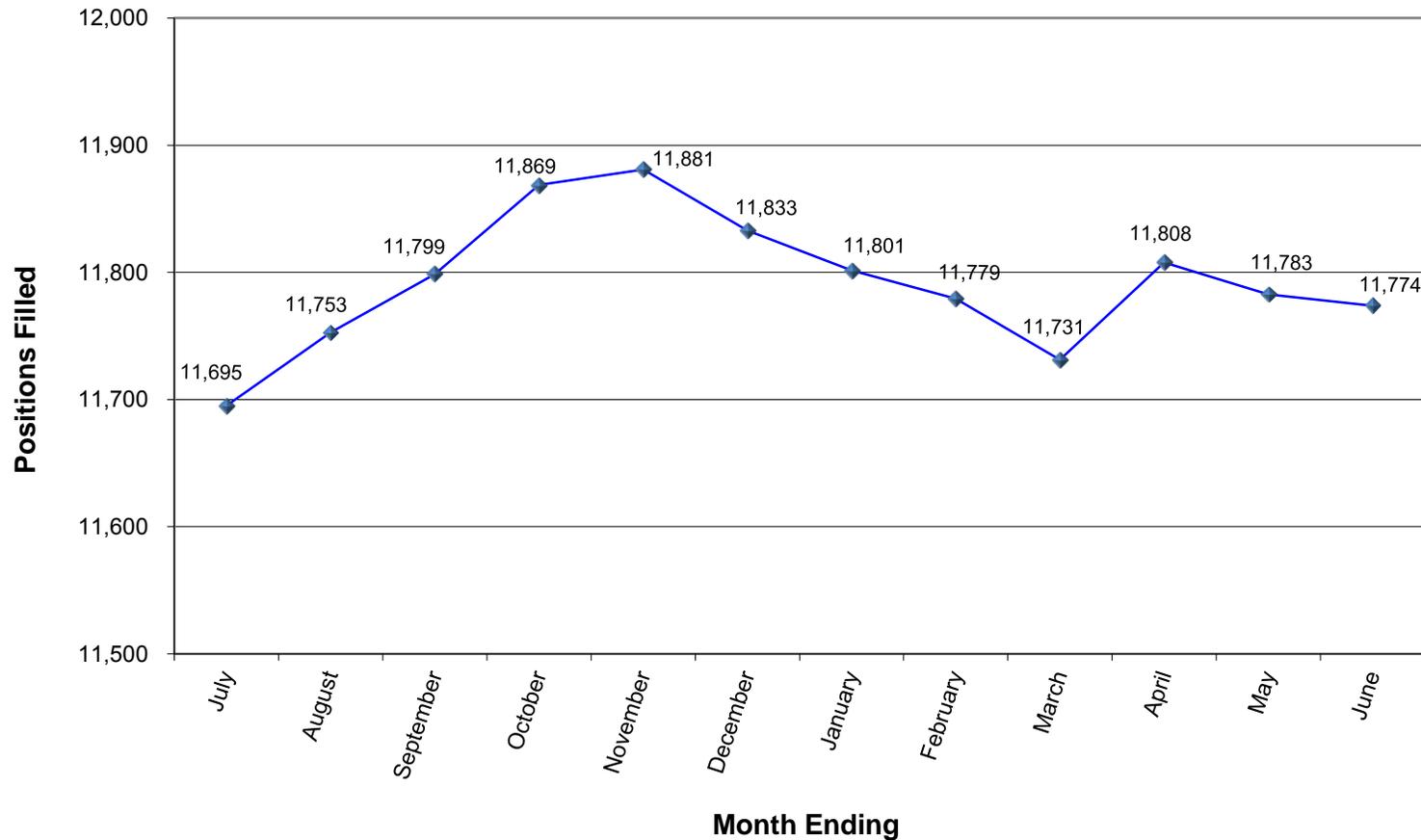
<b>ASSETS</b>	<u>For the Fiscal Year Ending June 30, 2014</u>	
Cash Held with the Treasurer (GLA 101)		
<b>Cash NOT with the Treasurer</b>		6,830,910
Cash Equivalents with the Treasurer (Securities Lending from DOA)		
Cash Equivalents with the Treasurer - SNAP		
<b>Cash Equivalents with the Treasurer - LGIP</b>		7,111,788
Cash Equivalents with the Treasurer - Other		
Cash Equivalents NOT with the Treasurer		
<b>Cash and Cash Equivalents - Total</b>	<b>\$</b>	<b>13,942,698</b>
Investments with the Treasurer LGIP (DOA use only)		
Investments with the Treasurer - Other (Maturity less than one year)		
Investments with the Treasurer - Securities Lending from DOA		
Investments NOT with the Treasurer (Maturity less than one year)		
Short term Investments - Total		
Investments with the Treasurer (Maturity greater than one year)		
Investments with the Treasurer - Securities Lending from DOA		
Investments NOT with the Treasurer (Maturity greater than one year)		
Other (Long-term) Investments - Total		
<b>Accounts and Loans Receivables</b>		412,828
Taxes Receivables		
Interest Receivable		
Other Receivables		
Receivables, Net - Total		
Due from Internal Parties (Governmental Funds and Business-type Activities)		
Due from External Parties (Fiduciary Funds)		
Other Assets		
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>14,355,526</b>
 <b>LIABILITIES</b>		
<b>Vendor Payments Payable</b>		1,851,235
Salary / Wages Payable		
Retainage Payable		
<b>Other Payables</b>		495,095
Accounts Payable Total		
Amounts Due to Other Governments		
<b>Due to Internal Parties (Governmental Funds and Business-type Activities)</b>		146,549
Due to External Parties (Fiduciary Funds)		
Insurance Premiums and Claims Payable		
Obligations Under Securities Lending Program		
<b>Due to Program Participants, Escrows, and Providers</b>		11,509,818 (A)
Deposits Pending Distribution		
<b>Other Liabilities</b>		352,829 (B)
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>14,355,526</b>

(A) The majority of this amount represents funds held in Inmate Trust. Included in this amount is \$6.5M in funds in inmate savings accounts. Effective January 1, 2012, the Code of Virginia §53.1-43.1 requires the DOC to withhold 10% of all incoming funds until \$1,000 is accumulated, to be paid to the offender upon release. The Re-Entry Savings Plan permits offenders to take responsibility and plan for their eventual re-entry into the community.

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

## EMPLOYMENT LEVEL SUMMARY for the Fiscal Year end June 30, 2014

The Department's authorized position level (APL) for Fiscal Year 2014 was 12,726.50, up from the previous year's level by 71.50 (0.56%). This increase represents the net of positions gained for operation of River North Correctional Center, position level from the merger of Correctional Education (Adult) with the DOC, removal of positions associated with the closing of Mecklenburg Correctional Center, loss of 12.00 positions to the State Office of Inspector General and additional positions for health care contract monitoring and determining Medicaid eligibility.



**EMPLOYMENT LEVEL MONITORING REPORT**  
**FY 2014 AVERAGE (All Funds)**  
**(Authorized Position Level = 12,726.50)**

Agency Code	Agency Name	Average Employment Level	Increase/ (Decrease) as Compared to FY 2013
701	Department of Corrections Central Activities	303	19
709	Powhatan Correctional Center	367	(11)
711	Virginia Correctional Enterprises	180	(8)
716	Virginia Correctional Center for Women	214	5
718	Bland Correctional Center	267	(2)
721	Powhatan Reception & Classification Center	124	(4)
733	Sussex I State Prison	380	1
734	Sussex II State Prison	357	5
735	Wallens Ridge State Prison	436	0
737	St. Brides Correctional Center	276	(2)
741	Red Onion State Prison	451	(3)
742	Academy for Staff Development	113	3
743	Fluvanna Correctional Center for Women	338	7
745	Nottoway Correctional Center	426	(11)
747	Marion Correctional Treatment Center	224	1
749	Buckingham Correctional Center	387	(10)
752	Deep Meadow Correctional Center	406	(6)
753	Deerfield Correctional Center	439	(58)
754	Augusta Correctional Center	328	(20)
756	Division of Institutional Services	540	7
757	Western Regional Field Units	186	1
760	Central Regional Field Units	75	4
761	Baskerville Correctional Center	147	(4)
767	Division of Community Corrections	1,319	21
768	Keen Mountain Correctional Center	293	0
769	Greensville Correctional Center	850	10
770	Dillwyn Correctional Center	358	2
771	Indian Creek Correctional Center	240	(1)
772	Haynesville Correctional Center	387	6
773	Coffeewood Correctional Center	256	(5)
774	Lunenburg Correctional Center	275	1
775	Pocahontas Correctional Center	289	2
776	Green Rock Correctional Center	280	(2)
785	River North Correctional Center	284	266
<b>Department of Corrections Totals</b>		<b>11,792</b>	<b>185</b>