



Oklahoma Board of Corrections
REGULAR MEETING

March 3 2016

Oklahoma Department of Corrections
Oklahoma City Oklahoma



Meeting Agenda

OKLAHOMA BOARD OF CORRECTIONS REGULAR MEETING

Oklahoma Department of Corrections
3400 N Martin Luther King Avenue
Oklahoma City, Oklahoma
1:00 p.m., March 3, 2016



AGENDA

Members of the Board of Corrections will be dining together before the Board meeting.
No business will be conducted during this time period.

ITEM	PRESENTER
1. Call to Order and Roll Call	Kevin Gross, Chair
2. Old Business	Kevin Gross, Chair
3. Approval of Board of Corrections Meeting Minutes <ul style="list-style-type: none">▪ Regular Meeting on February 4, 2016	Kevin Gross, Chair
4. Interim Director's Comments	Joe M. Allbaugh, Interim Director
5. Recognition of Staff <ul style="list-style-type: none">▪ Susie Barnes Helping Hands, Certificate of Appreciation▪ Megan Hicks Helping Hands, Certificate of Appreciation	Terri Watkins, Director Internal/External Communications
6. Monthly Update of FY 2016 Agency Budget	Ashlee Clemmons, Chief Administrator Business Services
7. Approval of FY 2016 Agency Supplemental Budget Request	Ashlee Clemmons, Chief Administrator Business Services
8. Approval of Budget Fund Transfer	Ashlee Clemmons, Chief Administrator Business Services
9. Quarterly Update of Oklahoma Correctional Industries and Agri-Services Budget <ul style="list-style-type: none">▪ FY 2016, 2nd Quarter	Charles Groves, Business Services Coordinator Oklahoma Correctional Industries and Agri-Services
10. Quarterly Update of Financial Internal Audits <ul style="list-style-type: none">▪ FY 2016, 2nd Quarter	Gharzuddin Baksh, Auditor IV Auditing and Compliance
11. Update of Offender Population	Laura Pitman, Ph.D., Division Manager Field Services

OKLAHOMA BOARD OF CORRECTIONS

Mission Statement

We are a select group of Governor-appointed, politically diverse volunteers which directs, advocates, and holds accountable stakeholders to effect best correctional practices.

"Advocating Correctional Excellence"

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|-----|---|---------------------------------------|
| 12. | Update of Legislative Initiatives | Marilyn Davidson, Legislative Liaison |
| 13. | Committee Reports | Committee Chairs |
| | Standing Committees: | |
| | <ul style="list-style-type: none"> ▪ Audit/Finance – Chair Frazier Henke, Members Gene Haynes and Michael Roach ▪ Female Offender – Chair Irma Newburn, Members Frazier Henke and Todd Holder ▪ Public Policy/Affairs – Chair Gene Haynes, Members Adam Luck and Irma Newburn ▪ Population/Private Prisons – Chair Michael Roach, Members Todd Holder and Adam Luck ▪ Executive – Chair Kevin Gross, Members Michael Roach and Frazier Henke | |
| 14. | New Business | Kevin Gross, Chair |
| 15. | Announcements | Kevin Gross, Chair |
| 16. | Adjournment | Kevin Gross, Chair |

The next regular meeting of the Board of Corrections is scheduled for 1:00 p.m. on Thursday, April 7, 2016, at the Clara Waters Community Corrections Center in Oklahoma City, Oklahoma.

Updated on 2/25/2016 4:03:33 PM

OKLAHOMA BOARD OF CORRECTIONS

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“Advocating Correctional Excellence”



Meeting Minutes
February 4, 2016

**OKLAHOMA BOARD OF CORRECTIONS
REGULAR MEETING**

Lawton Correctional Facility
8607 SE Flower Mound Road
Lawton, Oklahoma
February 4, 2016

1. Call to Order and Roll Call

Kevin Gross, Chair

Chair Gross called the regular meeting of the Oklahoma Board of Corrections (BOC) to order at 1:03 p.m. on Thursday, February 4, 2016, at the Lawton Correctional Facility (LCF). The final agenda was posted at 1:00 p.m. on Tuesday, February 2, 2016, at the Oklahoma Department of Corrections (ODOC), which is at least twenty-four hours prior to the commencement of the meeting. Chair Gross introduced and welcomed Mr. Adam Luck as a newly appointed member to the BOC. Chair Gross also introduced and welcomed Mr. Joe M. Allbaugh who was appointed as the interim director during the previous month's BOC meeting.

Chair Gross then asked the clerk to call the roll:

Kevin Gross, Chair	Present	Adam Luck, Member	Present
Gene Haynes, Member	Present	Irma Newburn, Member	Present
Frazier Henke, Secretary	Present	Michael Roach, Vice Chair	Present
Todd Holder, Member	Present		

Calling of the roll reflected a quorum was present.

2. Welcome/Remarks

**Hector Rios, Warden
Lawton Correctional Facility**

Warden Rios greeted and welcomed all attendees to the LCF as well as the BOC and Director Allbaugh. He thanked the LCF staff for all of their hard work in preparation for the BOC meeting this date. Chair Gross thanked Warden Rios for hosting the BOC Meeting and noted the LCF was a great facility with great staff.

3. Old Business

Kevin Gross, Chair

There was no old business to discuss.

4. Discussion and Approval of Board of Corrections Meeting Minutes

Kevin Gross, Chair

- Regular Meeting on January 7, 2016

Chair Gross stated the BOC had previously received the meeting minutes from January 7, 2016, for review and he would entertain a motion to approve.

Motion: Mr. Henke made a motion to approve the minutes and Mr. Haynes seconded the motion. The results of the roll call were: Mr. Gross – yes; Mr. Haynes – yes; Mr. Henke – yes; Mr. Holder – yes; Mr. Luck – yes; Ms. Newburn – yes; Mr. Roach – yes.

The minutes were approved by majority vote and there was no further discussion.

5. Comments from Director with Possible Discussion

Joe M. Allbaugh, Director

Director Allbaugh greeted the BOC and audience stating the first twenty-eight days with the agency had been interesting. He advised the BOC that he had visited several facilities and would continue traveling throughout the month to visit more of them. He stated that on January 6, 2016, he had visited the Lexington Assessment and Reception Center to witness the reception process. Director Allbaugh directed attention to an inmate field file which was approximately four inches thick with paperwork. He stated paper files would not survive a fire nor can the agency rely on the offender management system (OMS) computer software to contain the same information as a paper file. Director Allbaugh stated the agency's computer software needs are over thirty years old and the agency is at risk. He stated this was just one item that he would attempt to fix but noted it would take help from everyone to accomplish this goal. Director Allbaugh stated the agency serves the taxpayer and the number one job is to protect the citizens of Oklahoma, the staff, and the public as well as taking care of the inmate population. He stated there are a multitude of issues and it will require the assistance of everyone to insure the mission is met, including the members of the BOC.

Director Allbaugh stated the legislative session had begun on Monday, February 1, 2016. The agency has a request for a \$20 million supplemental which will be discussed later in the meeting. He noted that Governor Fallin had offered the supplemental and he will make his presence known during this session to insure the agency receives the funding it needs. Director Allbaugh stated the agency's story needs to be told not just to the legislators but also to the general public so they are aware these needs are a society issue.

Director Allbaugh expressed his appreciation to the BOC for their vote of confidence by appointing him as the interim director in January. Chair Gross once again welcomed him to the agency.

6. Recognition of Staff

Terri Watkins, Director

Internal/External Communications

- Susie Barnes
Helping Hands, Certificate of Appreciation
- Megan Hicks
Helping Hands, Certificate of Appreciation

Chair Gross advised this item would be tabled and added to the agenda for the BOC meeting in March.

7. Discussion and Approval of Board of Corrections Policy

Joe M. Allbaugh, Director

- P-100100, Employee Development Standards

Director Allbaugh stated the policy changes had been provided to the BOC members prior to this date. Wording changes were made to the policy to make it more direct and understandable by the BOC and staff. Director Allbaugh recommended the members approve the policy changes as presented.

Motion: Mr. Haynes made a motion to approve the policy and Ms. Newburn seconded the motion. The results of the roll call were: Mr. Gross – yes; Mr. Haynes – yes; Mr. Henke – yes; Mr. Holder – yes; Mr. Luck – yes; Ms. Newburn – yes; Mr. Roach – yes.

The policy was approved by majority vote and there was no further discussion.

8. Monthly Update and Discussion of FY 2016 Agency Budget **Ashlee Clemmons, Chief Administrator**
Business Services

Ms. Clemmons provided the following budget update as of December 31, 2015:

FY2016 Budget Work Program	
Appropriated	\$487,515,570
200 Fund	\$15,010,643
205 Fund	\$4,642,977
280 Fund	\$1,500,000
Total – Budget Work Program	\$508,669,190*

** Excludes Prison Industries funds not part of the ODOC operating budget; Community Sentencing and Federal funds.*

Y-T-D Expenditures	\$(225,919,300)
Appropriated	\$(221,256,319)
200 Fund FY 16	\$(3,807,740)
205 Fund FY 16	\$(855,241)
280 Fund FY 16	-
Encumbrances	\$(127,547,697)
Committed	\$(560,041)
Remaining Payroll	\$(125,416,845)
Available Balance	\$29,225,307

Appropriated Operating Funds	
Budgeted	\$487,515,570
Expenditures Y-T-D	\$(221,256,319)
Encumbrance Y-T-D	\$(122,025,198)
Total Committed Y-T-D	\$(47,365)
Available Balance	\$144,186,688
Less:	
Payroll	\$(125,416,845)
Available Balance	\$18,769,843

200 Revolving Fund	
Beginning Cash Balance 7/1/2015	\$754,680
Revenue Received Y-T-D	\$7,720,350
Expenditures Y-T-D	\$(6,531,565)
Adjustments Y-T-D	\$(121,903)
Ending Balance	\$1,822,372

205 Revolving Fund	
Beginning Cash Balance 7/1/2015	\$1,070,058
Revenue Received Y-T-D	\$1,984,865

Expenditures Y-T-D	\$(2,117,626)
Adjustments Y-T-D	\$(23,948)
Ending Balance	<u>\$913,349</u>

280 Revolving Fund	
Beginning Cash Balance 7/1/2015	\$2,462,065
Revenue Received Y-T-D	\$14,997,115
Expenditures Y-T-D	\$(11,535,678)
Adjustments Y-T-D	\$(190,333)
Ending Balance	<u>\$5,733,169</u>

There were no further questions or comments.

9. Quarterly Update and Discussion of Financial Internal Audits

**Gharzuddin Baksh, Auditor IV
Auditing and Compliance**

▪ FY 2016, 1st Quarter

Mr. Baksh stated the internal audit team closed and submitted eight (8) audit reports to the director during the first quarter of fiscal year 2016 and, after his approval, those reports were submitted to the State Auditor and Inspector office. The units/facilities audited were:

1. Bill Johnson Correctional Center
2. Oklahoma Correctional Industries (OCI) at Joseph Harp Correctional Center
3. James Crabtree Correctional Center
4. Jim E. Hamilton Correctional Center
5. Agri-Services at Northeast Oklahoma Correctional Center
6. Northeast Oklahoma Correctional Center
7. Mack Alford Correctional Center
8. William S. Key Correctional Center

The Fiscal Management compliance and Internal Controls over the following financial activities were examined, to include Accounts Payables, Accounts Receivables (Prisoner Public Works Projects and Private Industry Enterprises), Purchasing, Receiving, Purchase Cards, Express Checks, Debit Cards, Canteen (OBS and Inventory), Trust Fund, Warehouse Inventory, OCI Factory Inventory, Agri-Services Livestock, Feedstock, Woodstock and Fixed Assets Management System.

All non-compliant and internal deficiencies reported in the areas of Canteen, Trust Fund, Express Checks, Warehouse, and Food Services inventories were properly addressed and plans of corrective actions were put in place. These plans will be tested during the next audit cycle. The detailed findings are contained in the summary report included in the packets given to the BOC members.

Mr. Baksh stated the safeguarding and accountability of the agency's fixed assets started in FY14 and continues into FY16. The Internal Audit Team continues to complete a 100% inventory of weapons, vehicles, vests and radios as part of our audit procedures, as well as a large sampling of other inventory.

Mr. Henke thanked Mr. Baksh on behalf of the Audit/Finance Committee for his hard work. He noted this item had been tabled during the BOC Regular Meeting in January due to some requests

from the committee for additional information. Mr. Henke stated the committee had received the information requested and were satisfied with the response from Mr. Evans and his team. Mr. Henke stated as a member of the Audit/Finance Committee, he received assurances that the corrective actions mentioned in the report had been taken immediately after the audits were completed in the first quarter of FY16.

There were no further questions or comments.

10. Update and Discussion of Offender Population

**Laura Pitman, Ph.D., Division Manager
Field Support**

Dr. Pitman provided the population update as of December 31, 2015:

Committed Offender Population	Community Supervised Offender Population
Total System Population = 28,150	Total System Population = 27,200
DOC Facilities = 19,859	Probation Supervision = 23,685
Private Prisons = 5,924	Parole Supervision Offenders = 2,759
County Jails with Contracts = 598	GPS = 683
Halfway Houses = 1,355	EMP = 8
Out Count (jails, hospitals, etc.) = 414	PPCS = 1
	Community Program Failures = 64
TOTAL SYSTEM POPULATION = 55,350	
County Jail Backup = 745	

State Facility Capacity Percentages	
Assessment & Reception Centers	96%
Institutions	122%
Community Corrections Centers	99%
Community Work Centers	105%
TOTAL STATE BEDS	118%

There were no further questions or comments.

11. Update and Discussion of Legislative Initiatives

Marilyn Davidson, Legislative Liaison

Ms. Davidson stated the legislative session began on Monday, February 1, 2016, with the governor's State of the State Address. She stated there were a few bills starting to be heard in committees this week with most of the Appropriations sub-committees meeting with their assigned agencies. The ODOC is scheduled to present to the House sub-committee on Public Safety on February 11, 2016.

Ms. Davidson stated the agency has requested six bills during this session:

- SB946, which increases the limit the director can authorize for an expenditure in an emergency situation to \$250,000
- SB1001, which gives the ODOC the authority to issue a current warrant to arrest an inmate who has escaped
- SB1218, which addresses the eligibility criteria for electronic monitoring by the ODOC and makes the program available to more non-violent offenders

- SB884, which removes barriers in statute preventing the ODOC from registering with the Oklahoma Bureau of Narcotics and Dangerous Drugs
- SB1152, which restores previous language in statute that allows the ODOC to start collecting workers compensation payments from inmates

The deadlines for those bills to be heard in their Senate committees is February 25, 2016. Ms. Davidson stated she was also tracking approximately eighty bills which directly affect or potentially affect the ODOC. She noted there are many sentencing reform bills which falls in line with the governor's statements in her State of the State Address.

There were no further questions or comments.

12. Committee Reports

Committee Chairs

Chair Gross asked the committee chairs for their reports.

- **Audit/Finance Committee**

Mr. Henke stated the committee met by teleconference but there was nothing further to report.

- **Female Offender Committee**

Nothing to report.

- **Public Policy/Public Affairs Committee**

Mr. Haynes stated the committee did not meet but he had discussed the legislative initiatives report with Ms. Davidson and there was nothing further to report.

- **Population/Private Prisons Committee**

Mr. Roach stated the committee had met with Dr. Pitman during the last week of January 2016, to introduce Mr. Luck and update him on the concerns of the committee. Mr. Roach stated he felt Mr. Luck had been well-advised by Dr. Pitman of the population issues facing the agency. There was nothing further to report.

- **Executive Committee**

Chair Gross stated the committee met in January to review and approve the agenda for the meeting this date.

13. New Business

Kevin Gross, Chair

There was no new business to discuss.

14. Announcements

Kevin Gross, Chair

There was no announcements to make.

15. Approval to Adjourn for Executive Session

David Cincotta, General Counsel

- Discussion of Pending Litigation:
 - *State of Oklahoma, et al. v. FCC, et al.,* US Court of Appeals for the Tenth Circuit, case number 16-9503

Mr. Cincotta advised the item listed on the agenda would require adjournment to Executive Session for engaging in confidential communication between the BOC and its attorney. He recommended Chair Gross entertain motions to adjourn.

Motion: Mr. Roach made a motion to adjourn to Executive Session and Mr. Henke seconded the motion. The results of the roll call were: Mr. Gross – yes; Mr. Haynes – yes; Mr. Henke – yes; Mr. Holder – yes; Mr. Luck – yes; Ms. Newburn – yes; Mr. Roach – yes.

The adjournment to Executive Session was approved by majority vote and the BOC adjourned at 1:25 p.m.

16. Approval to Return from Executive Session **David Cincotta, General Counsel**
The BOC returned to the meeting room at 1:43 p.m. Mr. Cincotta advised the BOC of the approval needed to return from Executive Session.

Motion: Mr. Roach made a motion to return from Executive Session and Mr. Holder seconded the motion. The results of the roll call were: Mr. Gross – yes; Mr. Haynes – yes; Mr. Henke – yes; Mr. Holder – yes; Mr. Luck – yes; Ms. Newburn – yes; Mr. Roach – yes.

The return was approved by majority vote and the BOC resumed the meeting at 1:46 p.m.

17. Adjournment **Kevin Gross, Chair**
There being no further business to come before the BOC, Chair Gross requested a motion to adjourn the meeting.

Motion: Mr. Henke made a motion to adjourn the meeting and Mr. Holder seconded the motion. The results of the roll call were: Mr. Gross – yes; Mr. Haynes – yes; Mr. Henke – yes; Mr. Holder – yes; Mr. Luck – yes; Ms. Newburn – yes; Mr. Roach – yes.

The adjournment was approved by majority vote and the meeting ended at 1:46 p.m.

Submitted to the Board of Corrections by:

Kimberley Owen, Minutes Clerk

Date

I hereby certify that these minutes were duly approved by the Board of Corrections on the third day of March 2016, in which a quorum was present and voting.

Approved by:

Frank X. Henke IV, Secretary
Board of Corrections

Date



FY 2016 Agency Budget

Department of Corrections
FY-16 Summary of Budget Projections
As of January 31, 2016

FY2016 Budget Work Program

Appropriated	\$	475,695,733
200 Fund	\$	15,059,043
205 Fund	\$	4,642,977
280 Fund	\$	1,500,000
Total - BWP	\$	496,897,753 *

** Excludes Prison Industries funds not part of the D.O.C operating budget; Community Sentencing and Federal funds.*

Y-T-D Expenditures	\$	(268,068,853)
Appropriated	\$	(262,642,936)
200 Fund FY 16	\$	(4,229,461)
205 Fund FY 16	\$	(1,158,620)
280 Fund FY 16	\$	(37,836)
Encumbrances	\$	(105,644,234)
Committed	\$	(753,139)
Remaining Payroll	\$	(103,952,301)
Available Balance	\$	18,479,226

Comment:

Increase to 200 fund \$48,400.

Revenue Reduction of \$11,819,837.34

Department of Corrections
Appropriated Operating Funds
As of 1/31/2016

Budgeted	\$	475,695,733
Expenditures Y-T-D	\$	(262,642,936)
Encumbrance Y-T-D	\$	(99,575,453)
Total Committed Y-T-D	\$	(49,306)
Available Balance	\$	113,428,038
Less:		
Payroll	\$	(103,952,301)
Available Balance	\$	<u>9,475,737</u>

Department of Corrections
200 Revolving Fund Summary
As of 1/31/2016

Beginning Cash Balance 07/01/2015	\$	754,680
Revenue Received Y-T-D	\$	8,897,375
Expenditures Y-T-D	\$	(6,973,517)
Adjustments Y-T-D	\$	(121,093)
Ending Balance 1/31/2016	\$	2,557,445

Description of Fund:

Revolving fund that uses revenues in conjunction with appropriated funds to maintain the Department's operating budget. Revenue comes from a variety of sources:

Program Support

Offenders on work release give up to 50% of their net pay or the per diem rate, whichever comes first to supplement the cost of their incarceration.

Probation & Parole Fees

Probationers & Parolees pay a court ordered supervision fee of up to \$40.00 a month. The fee is used toward probation officers' salaries.

Medical Co pays

Inmates are required to pay a co pay of \$4.00 for medical treatment and prescription.

Prisoner Public Work Crews

Facilities receive payment from federal, state, and local government entities for inmate labor, officer supervision when applicable, and transportation charges.

State Criminal Alien Assistance Funding

Federal Funds for the reimbursement of expenses for incarcerated aliens

Other Reimbursed Amounts

Funds from overpayments, returns, copies, FEMA, GPS, Private Prison monitoring (Non Oklahoma used facilities) and other miscellaneous reimbursements.

Misc. - Vendors, Copies, Notary, Rent, Sales, Refunds etc.

Department of Corrections
205 Revolving Fund Summary
As of 1/31/2016

Beginning Cash Balance 07/01/2015	\$	1,070,058
Revenue Received Y-T-D	\$	2,234,857
Expenditures Y-T-D	\$	(2,421,793)
Adjustments Y-T-D	\$	(23,948)
Ending Balance 1/31/2016	\$	<u>859,174</u>

Description of Fund:

Funds are generated through Canteen sales and a portion of telephone revenues, along with other miscellaneous sources (i.e. vending machines and crafts). This revenue provides funding for Offender and Staff needs, maintains the canteens and Offender Banking System.

Department of Corrections
280 Revolving Fund Summary
As of 1/31/2016

Beginning Cash Balance 07/01/2015	\$	2,462,065
Revenue Received Y-T-D	\$	16,864,549
Expenditures Y-T-D	\$	(13,541,103)
Adjustments Y-T-D	\$	(190,333)
Ending Balance 1/31/2016	\$	<u>5,595,178</u>

Description of Fund

Revenue received from Manufactured and Agricultural goods and services for services for use by the department, other State Agencies and for sale to other not-for-profit entities. Funds received from sale of products are used for labor costs and materials.

Oklahoma Department of Corrections
FY 2016 Appropriated Operating Budget through January 2016

Account Code	Budgeted	Expenditures	Encumbered	Pre-Encumbered	Total Committed	Available Balance
11,12,13 Payroll	\$ 256,296,817.00	\$ 150,757,000.45	\$ 1,336,801.93		\$ 152,093,802.38	\$ 104,203,014.62
15 Professional Services	127,742,478.00	66,385,232.83	57,738,843.91		124,124,076.74	3,618,401.26
17 Moving Expenses						
19 Inter/Intra Agency Payments	100,000.00	56,156.78	33,843.22		90,000.00	10,000.00
21, 22 Travel	556,254.00	207,548.05	67,246.78		274,794.83	281,459.17
31 Misc. Admin. Expenses	14,041,326.66	7,359,113.01	6,095,721.55		13,454,834.56	586,492.10
32 Rent	3,253,701.00	1,753,996.16	1,158,603.57	5,762.47	2,918,362.20	335,338.80
33 Maintenance and Repair	4,894,231.00	2,975,050.73	1,060,885.98	9,253.72	4,045,190.43	849,040.57
34 Specialized Supplies and Materials	34,925,049.00	18,219,950.60	15,650,130.55		33,870,081.15	1,054,967.85
35 Production, Safety and Security	2,044,555.00	963,563.93	479,163.12		1,442,727.05	601,827.95
36 General Operating Expenses	954,547.00	283,516.61	66,471.02		349,987.63	604,559.37
37 Shop Expense	1,320,450.00	719,342.12	1,028,655.23		1,747,997.35	(427,547.35)
41 Furniture and Equipment	1,388,252.00	302,591.22	252,519.67	1,289.79	556,400.68	831,851.32
42 Library Equipment and Resources	105,192.00	462.93			462.93	104,729.07
43 Lease Purchases	2,322,000.00	1,447,043.84	750,854.40		2,197,898.24	124,101.76
44 Livestock - Poultry						
45,46,47 Building, Construction and Renovation	16,797.00	136,289.16	7,011.53	33,000.04	176,300.73	(159,503.73)
48 Debt Service	3,000,000.00	1,741,646.72	1,215,147.20		2,956,793.92	43,206.08
51 Offender Pay and Health Services	2,893,356.00	1,156,835.65	1,428,191.54		2,585,027.19	308,328.81
52 Tuitions, Awards and Incentives	5,000.00	1,685.08			1,685.08	3,314.92
53 Refunds and Restitutions		150,628.76			150,628.76	(150,628.76)
54 Jail Backup, County Jails and Other	6,635,627.00	2,852,022.24	2,679,064.71		5,531,086.95	1,104,540.05
55,59 Assistance Payments to Agencies						
60 Authority Orders			4,516,280.17		4,516,280.17	(4,516,280.17)
61 Loans, Taxes and Other Disbursements	100.00	1,043.70			1,043.70	(943.70)
62 Transfers - Out Sourced Health Care	13,200,000.00	4,989,983.70	4,010,016.30		9,000,000.00	4,200,000.00
64 Merchandise for Resale		182,232.00			182,232.00	(182,232.00)
TOTAL	\$ 475,695,732.66	\$ 262,642,936.27	\$ 99,575,452.38	\$ 49,306.02	\$ 362,267,694.67	\$ 113,428,037.99
Funding						
19630 GRF - Duties	382,174,740.66	214,493,825.50	55,787,921.15	\$ 49,306.02	\$ 270,331,052.67	\$ 111,843,687.99
19531 GRF - Duties Carryover	2,614,627.00	1,016,723.00	13,554.00		1,030,277.00	1,584,350.00
10001 GRF - Duties	75,000,000.00	47,132,387.77	27,867,612.23		75,000,000.00	-
57601 Duties	15,906,365.00		15,906,365.00		15,906,365.00	-
TOTAL	\$ 475,695,732.66	\$ 262,642,936.27	\$ 99,575,452.38	\$ 49,306.02	\$ 362,267,694.67	\$ 113,428,037.99
					Remaining Payroll	103,952,301.03
						9,475,736.96

Oklahoma Department of Corrections
Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Appropriated Funds
July 1, 2015 through January 31, 2016

		200 Fund	205 Fund	280 Fund	Funds
Revenue Revenues					
Code	Current:				
331	Other Fines, Forfeits, Penalties	\$ 209,066.73	\$ -	\$ -	\$ 209,066.73
431	Rent from Land	26,533.69	-	-	26,533.69
520	Reimbursement for Administrative Expense	347,219.18	-	-	347,219.18
521	Reimbursement for Data Processing Expense	7,600.00	-	-	7,600.00
522	Reimbursement for Telecommunication Exp.	-	-	-	-
530	Reimbursement for Travel Expense	636.87	-	-	636.87
541	Reimbursement of Funds Spent	352,250.00	-	-	352,250.00
552	Reimbursement of Federal Payroll	58,202.47	-	-	58,202.47
556	Federal Funds from Other State Agency	-	-	-	-
581	Reimbursement for Funds Expended	644,261.21	-	31,818.51	676,079.72
711	Farm Products General	-	-	6,300,837.45	6,300,837.45
731	Laboratory and Medical Services	122,289.84	-	-	122,289.84
741	Canteen and Concession Income	6,497.98	1,979,680.46	10,455,212.35	12,441,390.79
791	Other Sales and Services	1,200.52	-	1,210.00	2,410.52
811	Offender Medical Co-pays and Judgments	2,751,739.55	-	-	2,751,739.55
821	Deposits by Patients and Offenders	4,363,679.34	255,176.23	75,470.72	4,694,326.29
836	Sale of Salvage	4,148.58	-	-	4,148.58
881	Purchase Card Payments	2,049.86	-	-	2,049.86
	<i>Total Revenues</i>	<u>8,897,375.82</u>	<u>2,234,856.69</u>	<u>16,864,549.03</u>	<u>27,996,781.54</u>
Account Expenditures					
Code	Current:				
11,12,13	Payroll	659,170.29	-	3,716,173.14	4,375,343.43
15	Professional Services	2,957,522.34	182,563.23	370,280.64	3,510,366.21
21, 22	Travel	20,524.50	3,692.00	29,415.60	53,632.10
31	Misc. Admin. Expenses	19,195.78	115,144.77	508,271.57	642,612.12
32	Rent	33,104.71	102,797.07	76,442.17	212,343.95
33	Maintenance and Repair	243,332.04	181,686.78	558,387.60	983,406.42
34	Specialized Supplies and Materials	82,679.75	417,107.82	314,410.73	814,198.30
35	Production, Safety and Security	170,041.88	17,743.54	332,098.65	519,884.07
36	General Operating Expenses	8,710.04	46,751.98	64,025.41	119,487.43
37	Shop Expense	92,448.45	7,803.39	617,562.23	717,814.07
41	Furniture and Equipment	156,715.62	36,376.99	267,623.09	460,715.70
42	Library Equipment and Resources	-	-	117.82	117.82
43	Lease Purchases	-	-	-	-
44	Livestock and Poultry	-	-	55,150.00	55,150.00
45	Land and Right-of-way	-	-	-	-
46	Building, Construction and Renovation	409,881.25	204,023.84	53,375.00	667,280.09
48	Debt Service	-	-	-	-
51	Offender Pay and Health Services	1,385.10	427,137.85	925,626.80	1,354,149.75
52	Tuitions, Awards and Incentives	-	1,421.69	-	1,421.69
53	Refunds and Restitutions	2,659.80	-	-	2,659.80
54	Jail Backup, County Jails and Other	1,902,727.28	-	19,035.00	1,921,762.28
55	Payment to Gov. Sub-Division	-	-	-	-
59	Assistance Payments to Agencies	243,343.32	-	-	243,343.32
61	Loans, Taxes and other Disbursements	-	-	101.50	101.50
62	Transfers - Out Sourced Health Care	(33,752.12)	677,542.51	-	643,790.39
64	Merchandise for Resale	3,827.15	-	5,633,005.78	5,636,832.93
	<i>Total Expenditures</i>	<u>6,973,517.18</u>	<u>2,421,793.46</u>	<u>13,541,102.73</u>	<u>22,936,413.37</u>
	<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,923,858.64</u>	<u>(186,936.77)</u>	<u>3,323,446.30</u>	<u>5,060,368.17</u>
Special and Extraordinary Items					
	Carried Over Cash	-	-	-	-
	<i>Total Special and Extraordinary Items</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<i>Net Change in Fund Balances</i>	1,923,858.64	(186,936.77)	3,323,446.30	5,060,368.17
Cash					
	Beginning Cash Balance	754,679.89	1,070,058.49	2,462,065.26	4,286,803.64
	Revenue Received this Year	8,897,375.82	2,234,856.69	16,864,549.03	27,996,781.54
	Expenditures made this Year	(6,973,517.18)	(2,421,793.46)	(13,541,102.73)	(22,936,413.37)
	Beginning Change in Liabilities	(120,986.62)	(23,948.04)	(190,333.07)	(335,267.73)
	Transfers	-	-	-	-
	Adjustments	(106.80)	-	-	(106.80)
	<i>Ending Cash Balance</i>	<u>\$ 2,557,445.11</u>	<u>\$ 859,173.68</u>	<u>\$ 5,595,178.49</u>	<u>\$ 9,011,797.28</u>

Oklahoma Department of Corrections
Statement of Revenues, Expenditures and Changes in Fund Balances
Federal Funding
July 1, 2015 through January 31, 2016

Revenue	Revenues	410 Fund	430 Fund	Funds
Code	Current:			
556	Federal Funds Rec'd from Non-Gov. Ag.	\$ 19,182.32	\$ -	\$ 19,182.32
561	Private Grants and Donations for Opns.	463,715.98	797,995.57	1,261,711.55
581	Reimbursements	-	-	-
	<i>Total Revenues</i>	<u>482,898.30</u>	<u>797,995.57</u>	<u>1,280,893.87</u>
Account	Expenditures			
Code	Current:			
11,12,13	Payroll	-	-	-
15	Professional Services	53,014.88	440,608.69	493,623.57
21, 22	Travel	23,679.06	15,112.58	38,791.64
31	Misc. Admin. Expenses	-	3,315.99	3,315.99
32	Rent	11,896.57	635.00	12,531.57
33	Maintenance and Repair	7,186.20	-	7,186.20
34	Specialized Supplies and Materials	-	1,728.50	1,728.50
35	Production, Safety and Security	-	843.50	843.50
36	General Operating Expenses	34,047.62	2,539.65	36,587.27
37	Shop Expense	-	-	-
41	Furniture and Equipment	121,148.62	32,374.24	153,522.86
42	Library Equipment and Resources	3,087.74	-	3,087.74
43	Lease Purchases	-	-	-
44	Livestock and Poultry	-	-	-
45	Land and Right-of-way	-	-	-
46	Building, Construction and Renovation	-	-	-
48	Debt Service	-	-	-
51	Offender Pay and Health Services	-	-	-
52	Tuitions, Awards and Incentives	-	-	-
53	Refunds and Restitutions	-	-	-
54	Jail Backup, County Jails and Other	32,561.68	128,749.53	161,311.21
55	Payment to Gov. Sub-Division	-	-	-
59	Assistance Payments to Agencies	-	155,112.00	155,112.00
61	Loans, Taxes and Other Disbursements	-	-	-
62	Transfers - Out Sourced Health Care	-	-	-
64	Merchandise for Resale	-	-	-
	<i>Total Expenditures</i>	<u>286,622.37</u>	<u>781,019.68</u>	<u>1,067,642.05</u>
	<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	<u>196,275.93</u>	<u>16,975.89</u>	<u>213,251.82</u>
	Special and Extraordinary Items			
	Carried Over Cash	-	-	-
	<i>Total Special and Extraordinary Items</i>	<u>-</u>	<u>-</u>	<u>-</u>
	<i>Net Change in Fund Balances</i>	196,275.93	16,975.89	213,251.82
	Cash			
	Beginning Cash Balance	179,484.02	38,262.99	217,747.01
	Revenue Received this Year	482,898.30	797,995.57	1,280,893.87
	Expenditures made this Year	(286,622.37)	(781,019.68)	(1,067,642.05)
	Beginning Change in Liabilities	-	(1,110.08)	(1,110.08)
	Transfers	-	-	-
	Adjustments	-	-	-
	<i>Ending Cash Balance</i>	<u>\$ 375,759.95</u>	<u>\$ 54,128.80</u>	<u>\$ 429,888.75</u>

Oklahoma Department of Corrections
Statement of Revenues, Expenditures and Changes in Fund Balances
Federal Funding
For the Month of January 2016

Revenue	410 Fund	430 Fund	Funds
Revenues			
Code Current:			
556 Federal Funds Rec'd from Non-Gov. Ag.	\$ -	\$ -	\$ -
561 Private Grants and Donations for Opns.	-	27,965.54	27,965.54
581 Reimbursements	-	-	-
<i>Total Revenues</i>	<u>-</u>	<u>27,965.54</u>	<u>27,965.54</u>
Account Expenditures			
Code Current:			
11,12,13 Payroll	-	-	-
15 Professional Services	-	16,938.34	16,938.34
21, 22 Travel	-	5,666.30	5,666.30
31 Misc. Admin. Expenses	-	1,727.66	1,727.66
32 Rent	-	-	-
33 Maintenance and Repair	579.40	-	579.40
34 Specialized Supplies and Materials	-	-	-
35 Production, Safety and Security	-	-	-
36 General Operating Expenses	15,570.63	-	15,570.63
37 Shop Expense	-	-	-
41 Furniture and Equipment	1,065.73	-	1,065.73
42 Library Equipment and Resources	-	-	-
43 Lease Purchases	-	-	-
44 Livestock and Poultry	-	-	-
45 Land and Right-of-way	-	-	-
46 Building, Construction and Renovation	-	-	-
48 Debt Service	-	-	-
51 Offender Pay and Health Services	-	-	-
52 Tuitions, Awards and Incentives	-	-	-
53 Refunds and Restitutions	-	-	-
54 Jail Backup, County Jails and Other	-	-	-
55 Payment to Gov. Sub-Division	-	-	-
59 Assistance Payments to Agencies	-	2,850.00	2,850.00
61 Loans, Taxes and Other Disbursements	-	-	-
62 Transfers - Out Sourced Health Care	-	-	-
64 Merchandise for Resale	-	-	-
<i>Total Expenditures</i>	<u>17,215.76</u>	<u>27,182.30</u>	<u>44,398.06</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(17,215.76)</u>	<u>783.24</u>	<u>(16,432.52)</u>
Special and Extraordinary Items			
Carried Over Cash	-	-	-
<i>Total Special and Extraordinary Items</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	(17,215.76)	783.24	(16,432.52)
Cash			
Beginning Cash Balance	392,975.71	53,345.56	446,321.27
Revenue Received this Month	-	27,965.54	27,965.54
Expenditures made this Month	(17,215.76)	(27,182.30)	(44,398.06)
Beginning Change in Liabilities	-	-	-
Transfers	-	-	-
Adjustments	-	-	-
<i>Ending Cash Balance</i>	<u>\$ 375,759.95</u>	<u>\$ 54,128.80</u>	<u>\$ 429,888.75</u>

Oklahoma Department of Corrections
Statement of Revenues, Expenditures and Changes in Fund Balances
Non- Appropriated Funds
For the Month of January 2016

	200 Fund	205 Fund	280 Fund	Funds
Revenue Revenues				
<u>Code</u> Current:				
331 Other Fines, Forfeits, Penalties	\$ 31,317.49	\$ -	\$ -	\$ 31,317.49
431 Rent from Land	3,845.82	-	-	3,845.82
520 Reimbursement for Administrative Expense	53,359.56	-	-	53,359.56
521 Reimbursement for Data Processing Expense	1,140.00	-	-	1,140.00
522 Reimbursement for Telecommunication Exp.	-	-	-	-
530 Reimbursement for Travel Expense	-	-	-	-
541 Reimbursement of Funds Spent	-	-	-	-
552 Reimbursement of Federal Payroll	-	-	-	-
556 Federal Funds from Other State Agency	-	-	-	-
581 Reimbursement for Funds Expended	81,785.76	-	-	81,785.76
711 Farm Products General	-	-	847,000.30	847,000.30
731 Laboratory and Medical Services	21,515.10	-	-	21,515.10
741 Canteen and Concession Income	2,173.13	249,992.11	1,011,924.34	1,264,089.58
791 Other Sales and Services	100.00	-	135.00	235.00
811 Offender Medical Co-pays and Judgments	322,730.31	-	-	322,730.31
821 Deposits by Patients and Offenders	658,628.01	-	8,375.09	667,003.10
836 Sale of Salvage	-	-	-	-
881 Purchase Card Payments	430.65	-	-	430.65
<i>Total Revenues</i>	<u>1,177,025.83</u>	<u>249,992.11</u>	<u>1,867,434.73</u>	<u>3,294,452.67</u>
Account Expenditures				
<u>Code</u> Current:				
11,12,13 Payroll	-	-	538,146.43	538,146.43
15 Professional Services	347,531.03	47,113.12	30,644.21	425,288.36
21, 22 Travel	-	-	2,958.50	2,958.50
31 Misc. Admin. Expenses	1,672.53	8,399.52	65,917.63	75,989.68
32 Rent	1,462.85	24,030.25	1,597.61	27,090.71
33 Maintenance and Repair	4,838.12	31,742.36	53,517.61	90,098.09
34 Specialized Supplies and Materials	1,410.57	71,321.29	48,529.38	121,261.24
35 Production, Safety and Security	6,500.30	4,191.50	30,162.07	40,853.87
36 General Operating Expenses	1,708.98	6,701.39	6,695.49	15,105.86
37 Shop Expense	132.00	-	114,105.59	114,237.59
41 Furniture and Equipment	5,940.21	554.05	15,330.00	21,824.26
42 Library Equipment and Resources	-	-	-	-
43 Lease Purchases	-	-	-	-
44 Livestock and Poultry	-	-	-	-
45 Land and Right-of-way	-	-	-	-
46 Building, Construction and Renovation	-	609.79	32,375.00	32,984.79
48 Debt Service	-	-	-	-
51 Offender Pay and Health Services	-	109,387.86	103,000.11	212,387.97
52 Tuitions, Awards and Incentives	-	116.50	-	116.50
53 Refunds and Restitutions	-	-	-	-
54 Jail Backup, County Jails and Other	52,800.00	-	-	52,800.00
55 Payment to Gov. Sub-Division	-	-	-	-
59 Assistance Payments to Agencies	3,307.36	-	-	3,307.36
61 Loans, Taxes and other Disbursements	-	-	-	-
62 Transfers - Out Sourced Health Care	13,240.30	-	-	13,240.30
64 Merchandise for Resale	1,408.07	-	962,445.20	963,853.27
<i>Total Expenditures</i>	<u>441,952.32</u>	<u>304,167.63</u>	<u>2,005,424.83</u>	<u>2,751,544.78</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>735,073.51</u>	<u>(54,175.52)</u>	<u>(137,990.10)</u>	<u>542,907.89</u>
Special and Extraordinary Items				
Carried Over Cash	-	-	-	-
<i>Total Special and Extraordinary Items</i>	-	-	-	-
<i>Net Change in Fund Balances</i>	735,073.51	(54,175.52)	(137,990.10)	542,907.89
Cash				
Beginning Cash Balance	1,892,762.69	920,604.20	5,860,020.28	8,673,387.17
Revenue Received this Month	1,177,025.83	249,992.11	1,867,434.73	3,294,452.67
Expenditures made this Month	(441,952.32)	(304,167.63)	(2,005,424.83)	(2,751,544.78)
Beginning Change in Liabilities	(70,391.09)	(7,255.00)	(126,851.69)	(204,497.78)
Transfers	-	-	-	-
Adjustments	-	-	-	-
<i>Ending Cash Balance</i>	<u>\$ 2,557,445.11</u>	<u>\$ 859,173.68</u>	<u>\$ 5,595,178.49</u>	<u>\$ 9,011,797.28</u>

**FY 2016 Agency Supplemental
Budget Request**

FY 2016 Supplemental Request

A. Item Description

Payroll expenditures exceeds available budget.

Activity	Activity	Surplus / (Deficit)
01	Jess Dunn CC	(811,975.49)
02	Jim Hamilton CC	(513,723.17)
03	Mack Alford CC	187,155.60
04	Howard McLeod CC	(432,477.23)
05	Oklahoma State Penitentiary	(3,198.90)
06	Lexington A&R Center	(111,780.39)
07	Joseph Harp CC	34,916.43
08	Dick Conner CC	(265,311.07)
09	Mabel Bassett CC	283,038.97
10	Oklahoma State Reformatory	(82,953.31)
11	James Crabtree CC	(335,121.95)
12	John Lilley CC	(664,527.34)
13	Jackie Brannon CC	(523,590.80)
14	William Key CC	(347,872.51)
15	Northeastern Oklahoma CC	(714,761.26)
16	Eddie Warrior CC	(63,737.37)
17	Bill Johnson CC	(368,790.61)
21	Probation & Parole	(589,621.99)
31	Community Corrections	(438,221.24)
51	Offender Programs	(717,991.13)
52	Community Sentencing	(45,257.44)
56	Contracted Services	48,488.07
61	Central Office Operations	(98,363.92)
62	Divisional Operations	(104,422.11)
63	Medical Services	1,292,523.83
		(5,387,576.34)
	Additional NON-HRMS Claims	(300,000.00)
	Total Request	\$ (5,687,576.34)

C. Justification

Without additional funding, the agency will be required to reduce staffing levels which would compound the existing staff shortage and put employees, offenders, and the public at greater risk.

FY 2016 Supplemental Request

A. Item Description

Due to the revenue shortfall the budget for Medical Services was reduced by \$1,500,000.

B. Cost

Medical Services must provide a constitutional level of medical, dental, and mental health care to offenders. Due to the steady increase in an aging offender population, coupled with rising health care costs, the agency is currently trending a deficit in the budget. Some contributing factors are the rising cost of pharmaceuticals, laboratory testing costs and increased payments to outside providers, including emergent care.

FY 2016 Budget Work Program	41,122,165
Revision 6 Revenue Shortfall	(1,500,000)
Revised Budget as of January 2016	<hr/> 39,622,165
Projected FY 2016 Expenditures	40,624,424
FY 2016 Deficit	<hr/> (1,002,259)

Total Request

\$1,000,000

C. Justification

Lack of funding places the agency at risk of not providing constitutionally required level of care.

FY 2016 Supplemental Request

A. Item Description

Due to the revenue shortfall the budget for Offender Contracts was reduced by \$9,800,000.

B. Cost

	Full Capacity	Count 02/01/16	Year to Date Actual Expenses	Projected Expenses (Remaining Year)	Annual Cost	FY 2016 Budget	Surplus (Shortfall)
Correctional Facility							
Cimarron CF, Cushing	1,470	1,470	11,879,866	11,750,737	23,630,604		
Cimarron CF, Cushing (Maximum)	180	179	1,903,348	1,882,660	3,786,008		
Davis CF, Holdenville	1,310	1,309	10,579,749	10,464,751	21,044,500		
Davis CF, Holdenville (Maximum)	360	360	3,821,477	3,779,939	7,601,416		
Lawton CF, Lawton	2,548	2,542	18,732,375	18,528,762	37,261,137		
Lawton CF, Lawton (Maximum)	78	74	361,583	787,878	1,149,461		
Total Private Prison Contracts	5,946	5,934	\$ 47,278,398	\$ 47,194,728	\$ 94,473,125	\$90,980,863	(\$3,492,262)
Total Contract County Jails	627	601	3,645,966	3,461,536	7,107,501	5,709,137	(1,398,364)
Total Halfway House Contracts	1,527	1,374	8,169,480	10,610,725	18,780,205	16,126,214	(2,653,991)
Total Jail Backup (1,000+ beds)			4,220,964	7,154,460	11,375,424	8,114,627	(3,260,797)
Total Contract Jail and Backup Beds	2,154	1,975	16,036,410	21,226,721	37,263,130	29,949,978	(7,313,152)
Total Request	<u>8,100</u>	<u>7,909</u>	<u>\$ 63,314,807</u>	<u>\$68,421,449</u>	<u>\$131,736,256</u>	<u>\$120,930,841</u>	<u>\$ (10,805,415)</u>

C. Justification

Population growth is at a steady increase. Without additional funding the agency will be forced to either delay payment for services provided or consider utilizing unsecured spaces such as gymnasiums and dayroom areas.

FY 2016 Supplemental Request

A. Item Description

Southern Oklahoma Resource Center (SORC)

OSP Boiler/Chiller Replacement

B. Cost

The agency is currently assessing repairs and restorations necessary for utilization of the Southern Oklahoma Resource Center (SORC).

Estimated cost	2,500,000
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The boiler/chiller at OSP is critical and requires replacement.

Estimated cost	3,000,000
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Total Request	\$5,500,000
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C. Justification

Utilization of the SORC facility will assist the Department with immediate savings by centralizing some operations. Funds are needed to make that asset operational.

Replacement of the boiler/chiller at OSP is a critical need and could potentially affect the conditions of confinement for offenders.

Budget Fund Transfer

State of Oklahoma
Request for Allotment and Appropriation Transfer

OMES Form 48 P

To: The Director of the Office of Management and Enterprise Services

From: Department of Corrections 13100

Business Unit (agency) Name & Number:

Pursuant to the provisions of Title 62, Section 34.52, you are respectfully requested to make the transfer indicated below within the items as shown.

Note to Agency:

- Please forward one copy to the Office of Management and Enterprise Services and one copy each (with Allotment Letter and revision forms) to the Legislative Oversight Committee on State Budget Performance (this means one to House Fiscal Staff Director, and one to Senate Fiscal Staff Director)
- The Budget Work Program must be revised to reflect these changes.
- These funds may not be encumbered or expended before receipt of approval from the Office of Management and Enterprise Services, including action by the Contingency Review Board, if applicable. No request will be considered if this percentage exceeds forty percent (40%) of the item to or from which the transfer is requested.
- If this percentage exceeds twenty-five percent (25%), the request may be denied by the Director of the Office of Management and Enterprise Services or it may be transmitted for consideration by the Contingency Review Board.

		Column 1	Column 2	Column 3	Column 4	Column 5		
"Limit" or "Fund" Transfer?	"From" or "To"	Fund #	Division #	Amount Of This Request	Prev. Approved Transfers	Total of Column 1 and Column 2	Original Budget Item	Percentage (%) * Column 3 of Column 4
Fund	From	19630	03	(\$100,000)	\$0	(\$100,000)	9,316,766	-1.1%
Fund	From	19630	09	(\$200,000)	\$0	(\$200,000)	10,093,822	-2.0%
Fund	From	19630	63	(\$1,050,000)	\$0	(\$1,050,000)	70,805,131	-1.5%
Fund	To	19630	01	\$300,000	\$0	\$300,000	8,692,956	3.5%
Fund	To	19630	0211100	\$50,000	\$0	\$50,000	6,813,584	0.7%
Fund	To	19630	1211100	\$100,000	\$0	\$100,000	6,501,578	1.5%
Fund	To	19630	1311100	\$150,000	\$0	\$150,000	7,027,228	2.1%
Fund	To	19630	1511100	\$300,000	\$0	\$300,000	5,729,931	5.2%
Fund	To	19630	21XXXXX	\$100,000	\$0	\$100,000	25,688,593	0.4%
Fund	To	19630	31XXXXX	\$100,000	\$0	\$100,000	26,328,428	0.4%
Fund	To	19630	51XXXXX	\$250,000	\$0	\$250,000	12,276,432	2.0%

Explain why the transfer is needed: (Attach additional letter size pages as needed)

This revision is necessary to balance payroll accounts.

Explain why the transfer can be accommodated by the account(s) being reduced:

Surpluses in a division are applied against deficits in other divisions. The net result does not increase or reduce the budget.

I hereby certify that the above request is necessary, the reasons therefore are correct, and funds can be spared from stated accounts without creating a deficiency.

Administrative Head of Agency or "Request Officer"

Date Signed:

In view of the existing circumstances and the applicability of Title 62, Section 34.52, the above request is:

Approved _____
Rejected for _____ * _____
Referred to the Contingency Review Board _____

* Reasons for rejection:

- a. Disapproved by Joint Legislative Committee on Budget and Program Oversight
- b. Exceeds allowable percentages.
- c. Other (explain):

Director of OMES **Date**

Action By The Contingency Review Board **Date**

To The Contingency Review Board

Pursuant to Title 62, O.S., Section 34.52 and Title 74 O.S.,
Section 3605, the above request is hereby transmitted for your consideration.

Approved _____
Disapproved _____

Notice of Action:

- _____ Agency Requesting the Transfer
- _____ OMES - BWP File
- _____ OMES - Transfer File
- _____ Chairman of Joint Legislative Committee on Budget and Program Oversight
- _____ Vice Chairman of Joint Legislative Committee on
- _____ Budget and Program Oversight

By: **Date**

**Oklahoma Correctional Industries and
Agri-Services Budget
FY 2016, 2nd Quarter**

Oklahoma Correctional Industries
Income Statement for FY 2016
July 1, 2015 through December 31, 2015

Sales Revenue	\$ 8,589,860
Cost of Goods Sold	<u>\$ (4,020,008)</u>
Gross Profit or (Loss)	\$ 4,569,852
Overhead Expense	\$ (3,107,788)
General and Administrative Costs	<u>\$ (749,737)</u>
Net Income or (Loss)	<u><u>\$ 712,326</u></u>

Revenues - derived from our traditional industries, private partnerships, and our Private Industry Enterprise program

Cost of Goods Sold (COGS) - production costs for goods sold during a specified period

Overhead Expense - expenses incurred other than raw materials (labor, travel, supplies, maintenance, depreciation, etc.)

General & Administrative Costs - allocation of expenses not directly related to production

Oklahoma Correctional Industries
Balance Sheet for FY 2016
July 1, 2015 through December 31, 2015

Current Assets	\$ 15,131,398
Fixed Assets	<u>4,554,804</u>
Total Assets	<u><u>\$ 19,686,202</u></u>
<hr/>	
Liabilities	\$ 1,334,638
Fund Balance	<u>18,351,564</u>
Total Liabilities and Fund Balance	<u><u>\$ 19,686,202</u></u>

Equation:

assets= liability + owners equity (fund balance in government accounting)

Current Assets - cash, accounts receivable, and inventories

Fixed Assets - office equipment, factory equipment, vehicles, and buildings net of depreciation

Liabilities - accounts payable and sales tax payable

Agri - Services
Income Statement for FY 2016
July 1, 2015 through December 31, 2015

Sales Revenue	\$	5,806,311
Cost of Goods Sold		<u>(2,458,613)</u>
Gross Profit or (Loss)		3,347,698
Expenses		<u>(2,831,064)</u>
Net Income or (Loss)	\$	<u>516,634</u>
Net Income		516,634
Cost Avoidance		<u>1,782,650</u>
Agency Benefit	\$	2,299,284

Revenues - derived from sales of products: meat, milk, and cattle

Cost of Goods Sold (COGS) - production costs for goods sold during a specified period

Expenses - expenses incurred other than raw materials (labor, travel, supplies, maintenance, depreciation, etc.)

****Cost Avoidance - other services, and products provided to DOC at no cost****

FY Cost Savings to the Agency - meat, milk (Prime Vendor vs Agri-Services Pricing)	\$	1,579,960
FY Cost Savings to the Agency - opportunity buys (Prime Vendor vs Opportunity Buy Pricing)	\$	190,302
Services provided to DOC (brush hogging county road right of way, applying herbicide to lagoons, etc)	\$	<u>12,388</u>
Total Savings	\$	1,782,650

Agri - Services
Balance Sheet for FY 2016
July 1, 2015 through December 31, 2015

Current Assets	\$ 9,460,688
Fixed Assets	<u>1,750,886</u>
Total Assets	<u><u>\$ 11,211,574</u></u>
<hr/>	
Liabilities	\$ 1,576,337
Fund Balance	9,635,237
Total Liabilities and Fund Balance	<u><u>\$ 11,211,574</u></u>

Equation

assets= liability + owners equity (fund balance in government accounting)

Current Assets - cash, accounts receivables, inventories, live stock, and prepaid land leases

Fixed Assets - office equipment, farm and factory equipment, vehicles and buildings net of depreciation

Liabilities - accounts payable and sales tax payable

Department of Corrections
Oklahoma Correctional Industries
Balance Sheet
As of December 31, 2015

Cash	3,282,557.83	
Restricted cash -1131	935,078.12	
Accounts Receivables	2,711,531.96	
Raw Materials Inventory	5,759,477.03	
Finished Goods Inventory	1,730,003.05	
Goods In Transit	22,548.45	
Work In Process Inventory	<u>690,201.41</u>	
 Total Current Assets		 15,131,397.85
 Fixed Assets		
Office equipment	1,858,396.68	
Factory equipment	6,502,605.40	
Vehicles	2,539,540.06	
Buildings	7,579,149.41	
Accumulated Depreciation Buildings	(5,156,732.41)	
Accumulated Depreciation Equipment	<u>(8,768,154.89)</u>	
 Total Fixed Assets		 <u>4,554,804.25</u>
 Total Assets		 <u><u>19,686,202.10</u></u>
 Liabilities and Fund Balance		
Accounts Payable	32,019.76	
Sales tax Payable	4,697.32	
Goods Received Suspense	<u>1,297,920.73</u>	
 Total Liabilities		 1,334,637.81
 Fund Balance		
Reserved:		
Reserved for Fixed Assets	4,554,804.25	
Reserved for Inventories	8,202,229.94	
 Unreserved, undesignated	<u>5,594,530.10</u>	
 Total Fund Balance		 <u>18,351,564.29</u>
 Total Liabilities & Fund Balance		 <u><u>19,686,202.10</u></u>

OKLAHOMA CORRECTIONAL INDUSTRIES
CONSOLIDATED MANUFACTURING INCOME STATEMENT FY 2016
SUMMARY

	December 2015	2016 Fiscal YTD
Revenue		
Sales	620,155.85	6,040,093.41
Discounts Taken	(390.40)	(927.13)
Miscellaneous Sales		0.00
Miscellaneous Income	335.82	9,361.98
PPI Program Support	8,375.09	63,884.47
Private Industry Income	128,614.31	755,999.41
Private Partnership Income	210,773.62	1,721,447.75
Total Revenue	<u>967,864.29</u>	<u>8,589,859.89</u>
Cost of Goods Sold		
Cost of Goods Sold	(392,507.28)	(4,019,451.19)
Cost of Goods Sold Adjustment		(556.54)
Total Cost of Goods Sold	<u>(392,507.28)</u>	<u>(4,020,007.73)</u>
Gross Profit or (Loss)	<u>575,357.01</u>	<u>4,569,852.16</u>
Overhead		
WIP Factory Overhead	(38,221.49)	(328,860.17)
Inventory Overhead	16,933.73	(37,850.13)
Factory Overhead	480,509.19	3,474,498.58
Total Overhead Variance	<u>459,221.43</u>	<u>3,107,788.28</u>
Operating Profit or (Loss)	<u>116,135.58</u>	<u>1,462,063.88</u>
General & Administrative Costs		
WIP G & A Overhead	(26,477.12)	(207,212.23)
Accounting	20,346.15	122,558.44
Administration	47,160.40	357,274.71
Computer Operations	25,993.75	205,165.73
Customer Service	2,878.09	42,326.41
Sales & Marketing	33,879.02	229,624.37
Total G & A Variance	<u>103,780.29</u>	<u>749,737.43</u>
Net Income or (Loss)	<u><u>12,355.29</u></u>	<u><u>712,326.45</u></u>

Notes:

Miscellaneous sales - Sales of other than products or services (pallet and paper recycling)

Private Prison Income - Program Support returned to OCI from PIE employees

Cost of Goods Sold - Cost of Goods Sold (COGS) is the total of all the cost of all goods invoiced during a specific period. This total includes all value added to materials during the manufacturing process (Pre-determined Overhead Rate and Fixed Overhead Rate). The POHR is comprised of Estimated / Budgeted Production related Labor and expenses divided by estimated / budgeted total of labor hours. The Fixed Overhead Rate includes all estimated / budgeted General & Administrative expenses divided by estimated / budgeted total of labor hours.

WIP Factory Overhead- Total of all actual production hours "times" the Pre-determined Overhead Rate. This offsets the value added from Budgeted labor and expenses in COGS to actual expenses posted for the period. "Production Credits"

Inventory Overhead - adjustments to inventory due to cost or quantity changes, loss, scrap etc.

Factory Overhead - Expenses incurred other than raw materials (labor, travel, supplies, maintenance, depreciation, etc.)

General & Administrative Costs - allocation of expenses not directly related to production

OKLAHOMA CORRECTIONAL INDUSTRIES
CONSOLIDATED MANUFACTURING INCOME STATEMENT FY 2016
DETAIL

	December 2015	2016 Fiscal YTD
WIP Production Credits		
Set-up Time Productive WIP		
Run Time Productive WIP	<u>(38,221.49)</u>	<u>(328,860.17)</u>
Total WIP Factory Overhead	<u>(38,221.49)</u>	<u>(328,860.17)</u>
Inventory Overhead		
Inventory Cost Adjustments	388.54	2,210.60
Inventory Quantity Adjustment	16,545.19	(41,271.17)
Inventory Physical Count Adj		245.68
Raw Materials Variance		917.00
Finished Goods Cost Variance		2.76
WIP Variance		<u>45.00</u>
Total Inventory Overhead	<u>16,933.73</u>	<u>(37,850.13)</u>
Factory Overhead		
Labor Expense		
Staff Salaries		
Salaries Regular	<u>111,090.12</u>	<u>687,298.82</u>
Total Staff Salaries	<u>111,090.12</u>	<u>687,298.82</u>
Staff Benefits		
Health & Life Insurance	30,929.02	176,632.26
State Share FICA	8,374.00	51,837.78
State Share OPERS	17,182.78	104,039.42
State Share Annuity	<u>746.31</u>	<u>4,264.26</u>
Total Staff Benefits	<u>57,232.11</u>	<u>336,773.72</u>
Engineering Services		
Professional Services		
Employment Services	13,730.77	135,873.02
Offender Labor	<u>130,714.81</u>	<u>870,358.96</u>
Total Labor Expense	<u>312,767.81</u>	<u>2,030,304.52</u>
Travel Expense		
In State Travel		
Per Diem		0.00
Lodging		0.00
Miscellaneous		0.00
Total In State Travel	<u>0.00</u>	<u>0.00</u>
Out of State Travel		
Per Diem		0.00
Miscellaneous		
Lodging		
Total Out of State Travel	<u>0.00</u>	<u>0.00</u>
Food & Lodging Agency Direct		
		<u>0.00</u>
Total Travel Expenses		
	<u>0.00</u>	<u>0.00</u>

Utilities		
Water & Waste		495.60
Natural Gas	3,684.82	18,973.26
Electricity	14,422.28	123,630.75
	<u>18,107.10</u>	<u>143,099.61</u>
Rent Expense		
Building Space		
Equipment & Machinery	2,979.35	11,037.33
Electronic Data Equipment		71.87
	<u>2,979.35</u>	<u>11,109.20</u>
Maintenance & Repair - Outside Vendor		
Buildings & Grounds	3,994.04	24,280.91
Equipment	5,462.30	52,616.70
Telecommunications Equipment		0.00
Office Equipment	71.87	325.59
Data Processing Equipment		
	<u>9,528.21</u>	<u>77,223.20</u>
Supplies Expense		
Housekeeping & Janitorial	3,621.49	18,429.87
Maintenance - Building & Ground	3,320.70	22,584.12
Maintenance - Equipment	5,717.40	53,265.37
Maintenance _ Telecommunications		0.00
Maintenance _ Data Process Equipment		0.00
Food & Kitchen		0.00
Medical		0.00
Motor Fuel - Common	3,904.35	57,363.70
Motor Fuel - Special	340.20	3,180.80
Uniform Clothing & Accessories	884.88	884.88
Safety & Security	1,146.53	7,648.49
Packaging		0.00
Shop	55,912.73	656,563.44
Meeting Refreshments		0.00
Office - Non-expendable		11,878.32
Office Expendable	1,910.91	12,833.25
Data Processing		2,301.41
Motor Vehicle - Expendable	23.31	5,324.00
Motor Vehicle - Non-expendable	116.57	7,405.30
	<u>76,899.07</u>	<u>859,662.95</u>
Depreciation Expense		
Equipment	16,709.39	101,355.56
Building	15,264.04	91,584.24
	<u>31,973.43</u>	<u>192,939.80</u>
Other Expenses		
Freight	6,464.93	31,656.29
Postage		75.00
Telecommunications Services	9,848.31	53,075.79
Printing & Binding Services		0.00
Advertising/Prototypes	1,617.94	14,089.34
Licenses, Permits, etc		75.00
Employee Reimbursement Non-travel		0.00
Inter-Governmental Payments		0.00
Damaged Merchandise	9,162.43	39,701.34
Warranty Repair Costs	1,160.61	21,486.54
	<u>28,254.22</u>	<u>160,159.30</u>
Total Factory Overhead	<u>480,509.19</u>	<u>3,474,498.58</u>

Department of Corrections
Oklahoma Correctional Industries
Statement of Cash Flows
As of December 31, 2015

Net Income/(Loss)	712,326.45
Cash Flows from Operating Activities	
Depreciation	
Buildings	96,133.92
Other	144,931.52
Adjustments to Reconcile	
(Increase)/Decrease in Operational Assets	
Accounts Receivable	279,552.04
Inventory	
Raw Materials	221,993.97
Work in Process	258,354.58
Finished Goods	1,017,452.60
Increase/(Decrease) in Operational Liabilities	
Accounts Payable	(309,560.89)
Net Cash Provided by Operating Activities	2,421,184.19
Cash Flow From Investing Activities	
Purchases of Equipment and Property	
Office Equipment	0.00
Factory Equipment	(204,178.27)
Vehicles	0.00
Buildings	(19,130.00)
Land	0.00
Net Cash Gained (used) in Investing Activities	(223,308.27)
Financing Activities	
Net Cash Gained (used) in Financing Activities	0.00
FY 15 Appropriated Funds	
FY 15 Adjustments	
Net Cash for Period	2,197,875.92



**Oklahoma Correctional Industries
Manufacturing Statement for
All Factories**

For Period Ending December 31, 2015

	<u>December, 2015</u>	<u>2016 Fiscal Year To Date</u>
<u>Direct Materials</u>		
Beginning raw inventory	\$ 5,774,391.01	\$ 5,970,437.59
Purchases	235,751.92	1,775,099.65
Available For Use	<u>6,010,142.93</u>	<u>7,745,537.24</u>
Ending raw inventory	<u>5,748,638.12</u>	<u>5,748,638.12</u>
Direct Materials Used	\$ 261,504.81	\$ 1,996,899.12
Offender (Direct) Labor	60,050.85	443,839.60
<u>Factory Overhead</u>		
Factory Staff	161,435.13	1,022,725.55
Travel Expenses	0.00	0.00
Utilities	15,954.58	125,125.76
Rentals	2,979.35	11,109.20
Maintenance & Repairs	9,528.21	70,368.66
Supplies	67,242.86	754,232.20
Depreciation	31,973.43	192,939.80
Other	8,017.79	53,816.41
Inventory Shrinkage	<u>16,933.73</u>	<u>(37,539.97)</u>
Total Factory Overhead	314,065.08	2,192,777.61
Total manufacturing costs	635,620.74	4,633,516.33
Work in progress beginning inventory	646,049.02	882,486.81
Total cost of work in progress	<u>1,281,669.76</u>	<u>5,516,003.14</u>
Work in progress ending inventory	<u>646,273.41</u>	<u>646,273.41</u>
<u>Cost of Goods Manufactured</u>	<u>\$ 635,396.35</u>	<u>\$ 4,869,729.73</u>

Agri-Services
Income Statement
As of December 31, 2015

	December 2015	Fiscal Year 16 Year to Date
SALES	1,117,945.09	5,749,443.79
IN KIND INCOME		56,867.24
COST OF GOODS	<u>(418,499.53)</u>	<u>(2,458,612.80)</u>
GROSS PROFIT	699,445.56	3,347,698.23
EXPENSES		
SALARIES	215,928.86	1,319,431.09
OFFENDER PAYROLL	17,381.01	89,087.18
OTHER SERVICES	9,571.75	43,209.97
FARM EXPENSES	124,705.22	647,014.95
FUEL	13,645.49	101,447.12
RENT	5,650.58	33,807.84
BUILDING, VEHICLE & EQUIPMENT REPAIR EXPENSE	19,284.06	276,999.90
UTILITIES	4,999.29	53,942.81
OTHER EXPENSE	22,042.58	119,683.07
DEPRECIATION	24,114.74	146,439.66
TOTAL EXPENSE	<u>457,323.58</u>	<u>2,831,063.59</u>
NET INCOME	<u>242,121.98</u>	<u>516,634.64</u>

Notes:

In Kind Income - Market value (Sysco Price) of vegetables raised and provided to facilities at no cost.

Cost of Goods Sold - Our cost of raw materials needed to produce the goods for sale

Other Services - Testing done by outside sources (soil, ecoli, food) Does not include veterinary services.

Farm Expense - Agricultural supplies, feed, vet supplies and services, seed, fertilizer, etc.

Rent - Rental of equipment and land

Other Expense - Office supplies, shop supplies, travel, fees, licenses, etc

Depreciation - based on straight line method.

* FY Cost Savings to the Agency - Meat, Milk(Prime Vendor vs Agri-Services Pricing)	1,579,960.02
* FY Cost Savings to the Agency - Opportunity Buys (Prime Vendor vs Opportunity Buy Pricing)	190,301.89
* Services provided to DOC(brush hogging county road right of way, applying herbicide to lagoons, etc)	<u>12,387.99</u>
	<u>1,782,649.90</u>

Department of Corrections
 Agri-Services
 Balance Sheet
 As of December 31, 2015

Current Assets

Cash	\$ 1,701,068.60
Restricted Cash -1131	\$ 948,230.42
Accounts Receivables	\$ 906,034.32
Due to/From OCI	
Raw Materials Inventory	\$ 953,564.35
Finished Goods Inventory	\$ 281,754.50
Work In Process Inventory	
Live Stock	\$ 3,872,275.00
Stock Feed	\$ 653,548.46
Semen	\$ 14,305.32
Wood	\$ 5,110.00
Prepaid Land Leases (Commissioner of the Land)	\$ 62,704.97
Bulk Fuel	<u>\$ 62,091.91</u>
Other Current Assets	

Total Current Assets \$ 9,460,687.85

Fixed Assets

Office equipment	\$ 123,529.59
Factory equipment	\$ 1,354,733.03
Vehicles	\$ 1,533,952.19
Farm Equipment	\$ 3,952,449.80
Buildings	\$ 2,319,960.47
Land	\$ 319,684.69
Accumulated Depreciation Buildings	\$ (1,417,703.01)
Accumulated Depreciation Equipment	\$ (6,435,720.91)

Total Fixed Assets \$ 1,750,885.85

Total Assets \$ 11,211,573.70

Liabilities and Fund Balance

Accounts Payable	\$ 141,481.78
Accounts Payable - Prepaid Eggs	\$ 85,188.80
Sales tax Payable	\$ 188.97
Goods Received Suspense	\$ 1,434,665.77

Total Liabilities \$ 1,576,336.52

Fund Balance

Reserved:

Reserved for Fixed Assets	\$ 1,750,885.85
Reserved for Inventories	\$ 5,905,354.51

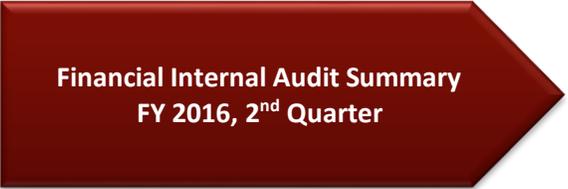
Unreserved, undesignated \$ 1,978,996.82

Total Fund Balance \$ 9,635,237.18

Total Liabilities & Fund Balance \$ 11,211,573.70

Department of Corrections
 Agri-Services
 Statement of Cash Flows
 As December 31, 2015

Net Income/(Loss)	516,634.64
 Cash Flows from Operating Activities	
Depreciation	
Buildings	44,567.64
Other	101,872.02
Adjustments to Reconcile	
(Increase)/Decrease in Operational Assets	
Accounts Receivable	8,685.47
Sales Tax Payable	(12.46)
Inventory	
Raw Materials	(138,517.08)
Finished Goods	(71,987.93)
Stock Feed	(320,723.52)
Semen	676.98
Bulk Fuel	(57,599.54)
Prepaid Leases	(31,352.48)
Packaging Materials	0.00
Increase/(Decrease) in Operational Liabilities	
Accounts Payable	(205,096.03)
Accounts Payable - Prepaid Eggs	85,188.90
 Net Cash Provided by Operating Activities	
Purchases of Equipment and Property	
Office Equipment	0.00
Agricultural Equipment	0.00
Factory Equipment	0.00
Vehicles	0.00
Buildings	0.00
Land	0.00
 Cash Flow From Investing Activities	
Equity Other	
FY 15 Appropriated Funds	
FY 15 Adjustments	
Net Cash for Period	(67,663.39)



**Financial Internal Audit Summary
FY 2016, 2nd Quarter**

Oklahoma Department of Corrections

Internal Audit Summary Report

Second Quarter FY 16

The internal audit team closed fifteen (15) audit reports which were submitted to the director for review/approval. Upon approval, the reports were submitted to the State Auditor and Inspector office. The units/facilities audited were:

1. Howard McLeod Correctional Center
2. Southwest District Community Corrections
3. Oklahoma State Reformatory
4. Dick Conner Correctional Center
5. Eddie Warrior Correctional Center
6. Oklahoma Correctional Industries (OCI) at Lexington Assessment and Reception Center
7. OCI at Dick Conner Correctional Center
8. OCI Meat Plant at Jackie Brannon Correctional Center
9. OCI Agri-Services at Mack Alford Correctional Center
10. OCI Agri-Services at Howard McLeod Correctional Center
11. OCI Agri-Services at William S Key Correctional Center
12. OCI Agri-Services at Jess Dunn Correctional Center
13. OCI Agri-Services at James Crabtree Correctional Center
14. OCI Agri-Services at John Lilley Correctional Center
15. OCI Agri-Services at Jackie Brannon Correctional Center

The Fiscal Management compliance and Internal Controls over the following financial activities were examined, to include Accounts Payables, Accounts Receivables (Prisoner Public Works Projects, OCI Factory and Agri-Services Sales), Purchasing, Receiving, Purchase Cards, Express Checks, Debit Cards, Canteen (OBS and Inventory), Trust Fund, Warehouse Inventory, OCI Factory Inventory (Raw Materials, Work in Progress and Finished Goods), Agri-Services (Livestock, Feedstock, and Woodstock) and Fixed Assets Management System.

Ten facilities had no noncompliant or internal control findings.

Summary of Noncompliance Findings in Accordance with Fiscal Management Policy

Canteen

- **Howard McLeod Correctional Center (October 2015)** – There were no minutes or evidence provided to demonstrate that quarterly meetings were held during the period December 2014 to August 2015.

Risks: Canteen operations may not be benefitting from management oversight.

Plan of Corrective Action: The chief financial officer provided training on October 1, 2015, to ensure the facility head had an understanding of policy requirements and best practices of what to discuss during the Facility Canteen Board meetings.

- **Dick Conner Correctional Center (November 2015)** – The supervisor was categorizing and classifying inventory adjustments on the “Inventory Adjustment Report” incorrectly.

Adjustments recorded as “disposable items,” “spoilage,” “inventory correction error,” and “out of date” should be correctly reclassified as vendor credits.

Risks: Adjustments, which are classified incorrectly could affect inventory valuations and calculation of Cost of Goods Sold resulting in over- or under-stating reported Net Income (profits) on the Statement of Canteen Operating Income.

Plan of Corrective Action: The chief financial officer provided additional training on policy requirements and the proper classifications for inventory adjustments on November 13, 2015.

Trust Fund

- **Dick Conner Correctional Center (November 2015)** – Sixteen (16) offender requests for disbursements in amounts of five hundred dollars (\$500) or greater were not verified by the business manager, chief of security, deputy warden and/or the facility head.

Risks: (1) Unauthorized disbursements; and/or
(2) Fiduciary responsibilities of the agency may be compromised.

Plan of Corrective Action: Trust fund operations were centralized and moved to the Administration offices in Oklahoma City after the Dick Conner Correctional Center trust fund officer retired on October 23, 2015.

Accounts Payable

- **Southwest District Community Corrections (November 2015)** – Twenty-three (23) of 591 (4%) of the invoices were paid after 45 days from the date of the facility receipt of the invoices.
- **OCI Meat Plant at Jackie Brannon Correctional Center (December 2015)** – Seven (7) of 98 (7%) of the invoices were paid after 45 days from the date of the facility receipt of the invoices.

Risks: (1) Unfavorable reactions from vendors for untimely payments; and or

(2) Delaying payments may result in added costs of interest charges.

Plan of Corrective Action: Accounts payable staff in the field were instructed to ensure their invoices were submitted to Finance and Accounting within ten working days. Within Finance and Accounting, workflows were adjusted to ensure areas stay current (i.e., payment within five working days of receipt).

Purchase Cards

- **Southwest District Community Corrections (November 2015)** – The statements and supporting documents were received in the purchase card comptroller’s office after the deadline date.

Risks: Resources from other areas of the accounting unit may have to be utilized to ensure timely processing and meeting other commitments.

Plan of Corrective Action: The involved business manager misinterpreted the policy and has been tutored on the policy by the Business Services coordinator. To ensure this does not occur again, the business manager will ensure all statements are received into the business office by the tenth of the month. This will give ample time to review and forward to Finance and Accounting by the end of the month. In addition, all P-card holders have been advised if there is an issue where they cannot print their statements in a timely manner, they are to notify their supervisor and the business office so other arrangements can be made to maintain compliance with policy.

Summary of Internal Control Weaknesses

Express, Canteen and Trust Fund Checks

- **Southwest District Community Corrections (November 2015)**
- **Dick Conner Correctional Center (November 2015)**

Fourteen (14) checks were allowed to leave the facility business offices, subsequently cashed and cleared the banking system without the required signatures. OP-120230 requires two authorized signors to sign all checks before leaving the facility. The internal controls check review system at the facility failed to detect this breach.

Risks: (1) The agency’s check reconciliation system does not focus on signatures
(2) Unauthorized disbursements; and/or

(3) Circumventing Internal Controls

Auditor's Recommendation: The agency considers implementation of a digitized electronic signature application system. Implementation would be efficient, cost effective, reduce risk and reduce the time it takes to locate signors at the facility to sign checks.

Plan of Corrective Action: Southwest District Community Corrections, the accountant I or the accounting technician III will review the approved signature cards before a check is signed. After signatures are obtained, the person who did not review at the outset (accountant I or accounting technician III) will ensure signatures are valid prior to issuing the check.

Dick Conner Correctional Center, after the retirement of the trust fund officer on October 23, 2015, the trust fund operations were centralized and moved to the administration offices in Oklahoma City. Although this is a canteen check, all canteen checks are printed from the trust fund module for proper separation of duties. A different staff member is now assigned the duties of ensuring all checks are signed by two approved signors.

Food Services Inventory

- **Southwest District Community Corrections (November 2015)** – On the day of the audit county, forty-five percent (45%) of the items sampled (10 of 22) were not in agreement with the reported closing inventory balance.

Risks: (1) Theft or loss of inventory may go undetected;
(2) Inventory valuations may not be readily available;
(3) Inadequate supplies to meet demand; and/or
(4) Inaccurate disclosed Balance Sheet valuation (CAFR).

Plan of Corrective Action: The Food Service manager will conduct a weekly inventory of all food products and equipment and report any discrepancies to the assistant district supervisor. When someone other than the Food Service manager removes food products or supplies from the food storage or food equipment supply warehouse, an incident report will be written stating who took the items, what items were taken, and the reason for the items being

taken. This incident report will be forwarded to the Food Service manager and the assistant district supervisor within twenty-four hours of the incident.

Trust Fund Checks

- **Eddie Warrior Correctional Center (December 2015)** – The facility voided thirty-six (36) checks in the amount of \$1,596.96 but failed to notify the agency’s internal Budget Unit to submit the required paperwork (OST Stop Payment and Hard Cancel Forms) to OMES division of General Accounting and Reporting. The checks were eventually voided by OMES after the void by statute ninety-day rule had expired.

- Risks:** (1) The agency may not be in compliance with the statewide issued accounting manual;
- (2) The agency’s check reconciliation system may not be in balance with the OST check reconciliation system;
- (3) Offenders account balances may not be accurately reported on their statements; and/or
- (4) The statement of encumbered funds may not be a true representation.

Plan of Corrective Action: Trust fund operations were centralized and moved to the Administration offices in Oklahoma City in September 2015. A report was developed to be used by our budgeting office to determine which checks were canceled by date and submit the forms to OMES.

Fixed Assets Management System

Safeguarding and Accountability

The 100% verification of fixed assets listed on the FAIS started in FY14 continued into FY16. The methodology adopted reflects positive improvements in the agency’s safeguarding and accounting for the assets spread across the geography of its operations. The FY16 period covers the first six months of the fiscal year and reflects the cost value of the fixed assets at the twenty-three (23) facilities audited during the first two quarters. The reduction resulted from disposition.

	PRE AUDIT \$M	POST AUDIT \$M	ADJUSTMENT \$M
FY16	23.6	23.5	0.1



Offender Population

Population Update
 Population Information as of January 29, 2016
 Compared to January 30, 2015

Total System Committed Offender Population	Females	Males	Total
Current Population	2,993	25,223	28,216
Population Last Year	2,824	24,677	27,501
Change from last year	169	546	715

DOC Facilities	Females	Males	Total
Current Population	2,613	17,239	19,852
Population Last Year	2,467	16,797	19,264
Change	146	442	588

Private Prisons	Females	Males	Total
Current Population	0	5,926	5,926
Population Last Year	0	5,828	5,828
Change	0	98	98

County Jail Contracts	Females	Males	Total
Current Population	0	601	601
Population Last Year	0	567	567
Change	0	34	34

Halfway Houses	Females	Males	Total
Current Population	340	1,053	1,393
Population Last Year	306	1,139	1,445
Change	34	(86)	(52)

Out Count	Females	Males	Total
Current Population	40	404	444
Population Last Year	51	346	397
Change	(11)	58	47

Total System Community Supervised Offender Population	Females	Males	Total
Current Population	6,361	20,963	27,324
Population Last Year	5,984	19,774	25,758
Change from last year	377	1,189	1,566

Probation Supervision	Females	Males	Total
Current Population	5,762	18,107	23,869
Population Last Year	5,299	16,532	21,831
Change	463	1,575	2,038

Parole Supervision	Females	Males	Total
Current Population	393	2,367	2,760
Population Last Year	450	2,679	3,129
Change	(57)	(312)	(369)

GPS	Females	Males	Total
Current Population	186	435	621
Population Last Year	227	521	748
Change	(41)	(86)	(127)

EMP	Females	Males	Total
Current Population	0	8	8
Population Last Year	0	17	17
Change	0	(9)	(9)

PPCS	Females	Males	Total
Current Population	0	1	1
Population Last Year	0	1	1
Change	0	0	0

Community Program Failures	Females	Males	Total
Current Population	20	45	65
Population Last Year	8	24	32
Change	12	21	33

Total System Population	Females	Males	Total
Current System Population	9,354	46,186	55,540
Population Last Year	8,808	44,451	53,259
Change	546	1,735	2,281

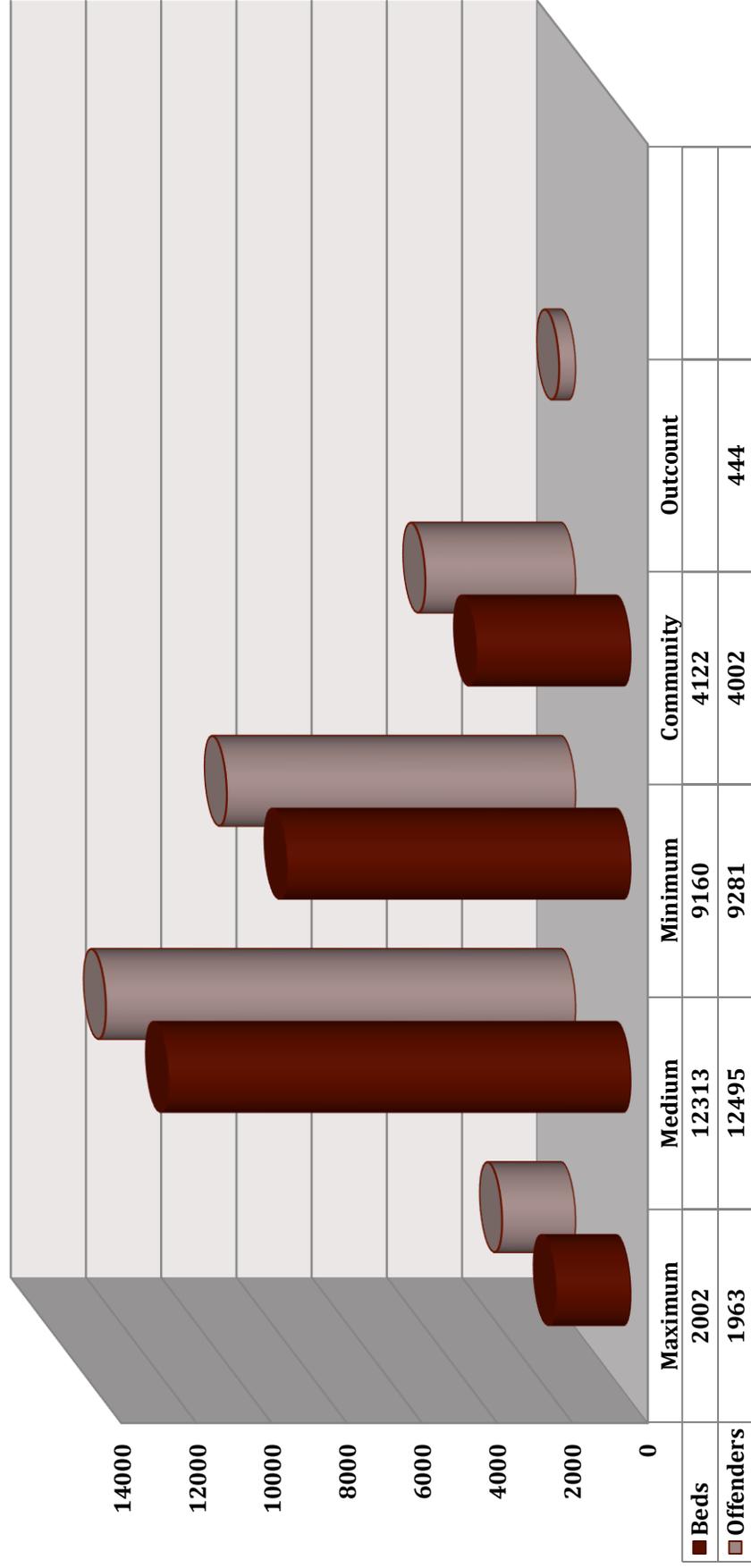
County Jail Inmate Backup	Females	Males	Total
January 29, 2016	247	625	872
Population Last Year	34	183	217
Change	213	442	655

Facility Capacity Percentages	Rated Operating Capacity	Inside Total Inmate Committed Population	Inside Total as a Percent of Rated Operating Capacity
Assessment & Reception Centers	620	592	95%
In Transit	N/A	31	N/A
Institutions	13,537	16,620	123%
Centers	1,223	1,286	105%
Work Centers	1,149	1,323	115%
TOTAL STATE	16,529	19,852	120%
Private Prisons	5,946	5,926	100%
Contracted County Jails	627	601	96%
Halfway Houses	1,527	1,393	91%
TOTAL CONTRACT	8,100	7,920	98%
SYSTEM TOTAL	24,629	27,772	113%

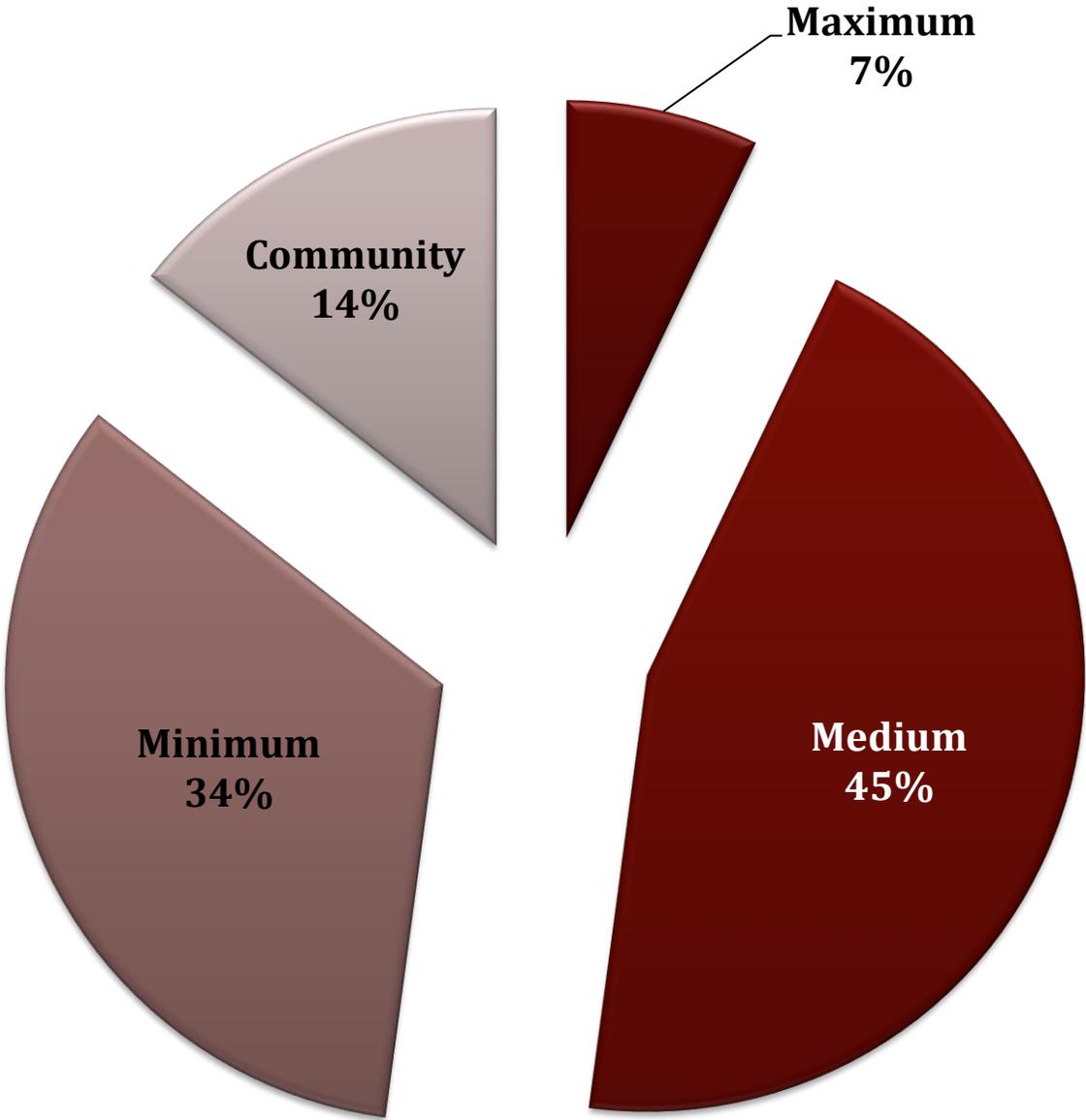
Pardon & Parole Board Results	Females	Males	Total
Month: January 2016			
Considered	29	272	301
Denied	21	219	240
Recommended	8	53	61
Percentage Recommended	27.59%	19.49%	20.27%

Governor's Actions	Females	Males	Total
Month: January 2016			
Reviewed	0	2	2
Approved	0	0	0
Denied	0	2	2
Percentage Approved	0.00%	0.00%	0.00%

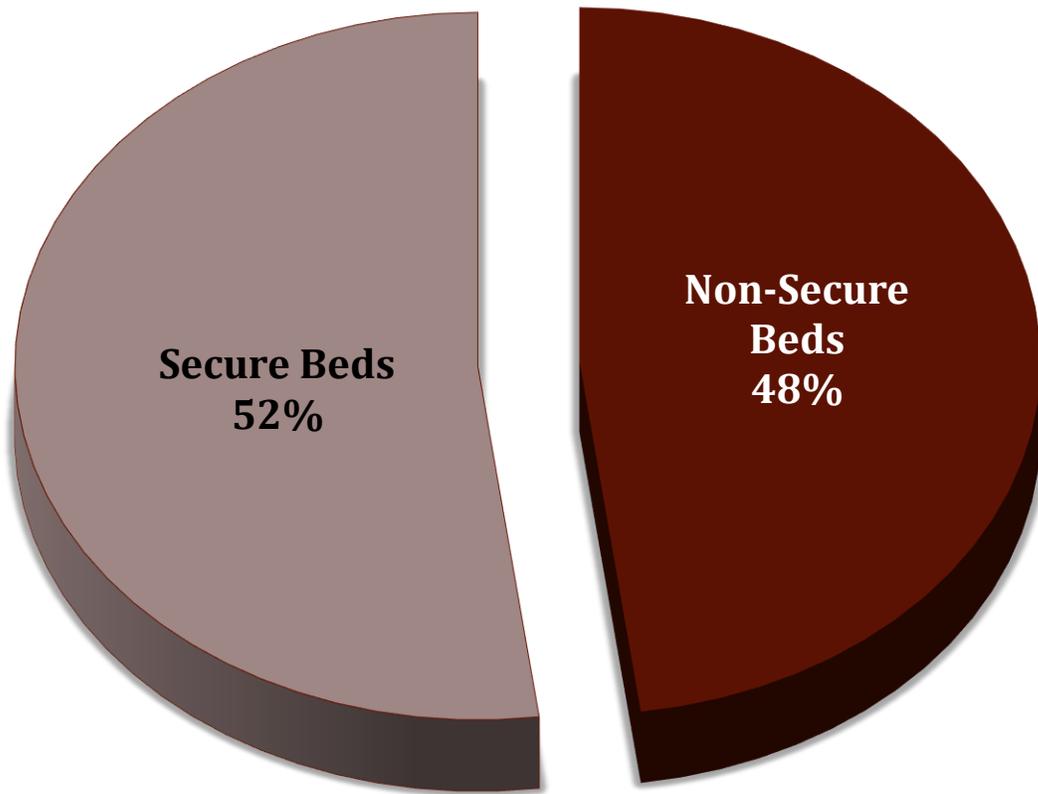
Offender and Bed Distribution January 29, 2016



**Offender Distribution by Security Level
January 29, 2016**



**Percentage of Offenders in Secure
and Non-Secure Beds
January 29, 2016**



Offenders in DOC Facilities v. Contract Facilities
January 29, 2016

