

**OFFICE OF THE STATE INSPECTOR GENERAL**  
**Report to Secretary Brian Moran**

**Special Review**  
**Virginia Department of Corrections**  
**Agribusiness Program**

**September 2015**



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**State Inspector General**  
**Report No. 2015-PR-016**



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September 17, 2015

The Honorable Brian Moran  
Secretary of Public Safety and Homeland Security  
1111 East Broad Street  
Richmond, VA 23219

Dear Mr. Secretary:

Under the 2014 Appropriations Act, the Office of the State Inspector General (OSIG) was required to perform a limited review of certain areas of the Virginia Department of Corrections (VADOC) Agribusiness program. Our review was focused on the following areas:

- Costs and benefits of offender labor;
- Collaboration with universities;
- Cost of food;
- Comparison with other states' Agribusiness programs; and
- Potential efficiencies, cost savings, and productivity improvements.

OSIG staff recently completed the special review of the VADOC Agribusiness program that covered the period of July 1, 2013, to July 31, 2015. The planning phase of our review consisted of conducting interviews with selected members of executive and divisional management, assessing the risks identified during those interviews, and creating a detailed review plan to accomplish the review objectives. The steps in the review plan were executed, and the results were discussed with VADOC management on September 3, 2015.

Overall, OSIG found that the reviewed areas were operating efficiently and effectively, but could be further improved through implementation of the recommendations in the attached report. By copy of this letter OSIG requests that agency management provide a corrective action plan within 30 days to address this report's recommendations.

OSIG appreciates the assistance provided by the agency's management and staff during this review.

Sincerely,

A handwritten signature in black ink that reads "June W. Jennings". The signature is written in a cursive style with a large initial "J".

June W. Jennings, CPA  
State Inspector General

CC: Paul J. Reagan, Chief of Staff to Governor McAuliffe  
Suzette P. Denslow, Deputy Chief of Staff to Governor McAuliffe  
The Honorable Walter A. Stosch, Senate Finance Committee Co-Chairman  
The Honorable Charles J. Colgan, Senate Finance Committee Co-Chairman  
The Honorable S. Chris Jones, House Appropriations Committee Chairman  
Harold W. Clarke, VADOC Director  
N. H. Scott, VADOC Deputy Director of Administration  
John Raiford, VADOC Agribusiness Director

# TABLE OF CONTENTS

Executive Summary.....	i
Purpose and Scope of the Review.....	1
Background.....	2
Introduction.....	2
Costs and Benefits of Offender Labor.....	2
Value of Cooperative Agreements with Universities.....	4
Cost of Feeding the Offenders and the Cost of Food.....	4
Other States.....	4
Potential Efficiencies, Cost Savings, and Productivity Improvements.....	4
Review Methodology.....	5
Review Results.....	6
Costs and Benefits of Offender Labor.....	6
Observation No. 1 — Increase Employment of Level 2 and Level 3 Offenders.....	7
Recommendation.....	7
Observation No. 2 — Improve Alignment of Training and Certifications to Job Market and Offender Needs.....	8
Recommendation.....	9
Observation No. 3 — Enhance Agribusiness Program Relationship with the VADOC Division of Education.....	10
Recommendation.....	11
Observation No. 4 — Assist Offenders in Finding Post-Release Employment.....	11
Recommendation.....	11
Observation No. 5 — Enhance Tracking and Analysis of Recidivism.....	12
Recommendation.....	13
Observation No. 6 — Track Post-Release Employment.....	13
Recommendation.....	14
Observation No. 7 — Improve Data Collection, Entry, and Tracking Related to Incidents of Disruptive Behavior.....	15
Recommendation.....	16
Observation No. 8 — Improve Recording of Offender Skills and Certifications.....	17
Recommendation.....	17

Value of Cooperative Agreements with Universities .....	18
Observation No. 9 — Provide Opportunities for Further Collaborations with Universities and Others .....	19
Recommendation.....	20
Observation No. 10 — Document Agreements with Written MOAs, Memorandums of Understanding, and Contracts .....	21
Recommendation.....	21
Cost of Food and Cost of Feeding the Offenders .....	21
Observation No. 11 — Strengthen Process for Monitoring Staff Meal Policy.....	25
Recommendation.....	25
Observation No. 12 — Require the Vendor to Employ the Required Number of Offenders ..	26
Recommendation.....	27
Observation No. 13 — Use Sole Source Procurement Only When Justified .....	28
Recommendation.....	28
Observation No. 14 — Obtain Official Justification for Payment to the State’s General Fund for Raw Milk or Exceptions For Other Payments.....	29
Recommendation.....	30
Observation No. 15 — Implement Electronic Ordering for the Farmer’s Market.....	30
Recommendation.....	30
Comparison with Other States’ Agribusiness Programs .....	31
Potential Efficiencies, Cost Savings, and Productivity Improvements .....	31
Appendix I— The Cost of Feeding Offenders .....	32
Appendix II — Cost of Feeding Offenders at Sussex I & Sussex II Correctional Centers .....	34
Appendix III — Other States' Agribusiness Programs for FY2014.....	35

## **Executive Summary**

Under § 1-25. Office of the State Inspector General, Item 63 G. of the 2014 Special Session I Acts of the General Assembly (hereafter referred to as the 2014 Appropriations Act), Chapter 2, the Office of the State Inspector General shall review the agribusiness program within the Department of Corrections. This report contains the results of our evaluation. Based on the language in Item 63 G., we focused our review on the following objectives:

- To determine the costs and benefits to the Commonwealth of utilizing offender labor to operate the correctional farm system.
- To determine the value of cooperative agreements with Virginia's institutions of higher education to improve productivity of the system.
- To determine the actual cost of food per offender per day within Virginia's correctional institutions.
- To determine, to the extent feasible, the experience of other states' agribusiness programs.
- To determine potential efficiencies, cost savings, and productivity improvements within the agribusiness program.

The review, due to the areas identified in the Appropriations Act, included some elements of the Food Services program, the Statistical Analysis and Forecast Unit, and Information Systems.

For fiscal year 2014 (FY 2014), the cost of using offender labor for the Agribusiness program was approximately \$6.3 million lower than the cost of using civilian labor (at FY 2014's minimum wage). The cost of food per offender per day was \$2.03, while the total cost to feed each offender per day was \$4.65. The total cost to feed each offender includes food, security, fixed asset depreciation, food service staff compensation, and operating expenses.

The cost of food in other states varied from \$1.57 in Georgia to \$3.75 in Oklahoma. The total cost of feeding the offenders per day varied from \$2.92 in South Carolina to \$5.58 in Arkansas.

Cooperative agreements with universities have proven to be beneficial to both the Agribusiness program and the universities based on our discussions and review of relevant documentation provided by the Virginia Department of Corrections (VADOC) and the applicable universities. Examples of benefits include, cost savings for veterinary services rendered, processed milk provided to Virginia Tech, and student access to live animals to support their educational experience.

Overall, the Office of the State Inspector General (OSIG) staff found that the VADOC Agribusiness program is operating efficiently and effectively. The program is beneficial to VADOC, the Commonwealth, its citizens, and the offenders through lower food costs. Offenders learn job skills and obtain certifications which have been shown to decrease misbehavior and recidivism, and increase post-release employment.

OSIG staff reached these conclusions after:

- Gaining an understanding of the Agribusiness program,
- Calculating costs of offender labor and food using financial data obtained from the VADOC and the Department of Accounts, and
- Gaining an understanding of potential benefits for all parties involved.

During the review OSIG made a number of recommendations, the most significant of which are listed below, where current processes could be improved:

<b>Program Recommendations</b>	
1.	Increase employment of Level 2 and Level 3 offenders
2.	Improve alignment of training and certifications to job market and offender needs
3.	Enhance Agribusiness program relationship with the VADOC Division of Education
4.	Enhance tracking and analysis of recidivism
5.	Provide opportunities for further collaboration with universities and others

## **Purpose and Scope of the Review**

OSIG conducted a special review of the VADOC Agribusiness program as required by the 2014 Appropriation Act.

This review was not designed to be a comprehensive review of the Agribusiness program. Instead, the focus was on specific areas for OSIG to review which were outlined in the 2014 Special Session I Virginia Acts of Assembly (Act) Chapter 2, Section 1-25. Office of the State Inspector General (147) 63.G. The scope and objectives of the review were established through the Act which states:

*Item 63. G. The Office of the State Inspector General shall review the Agribusiness Program within the Department of Corrections. The review shall include a determination of the costs and benefits to the Commonwealth of utilizing inmate (offender) labor to operate the correctional farm system, the value of cooperative agreements with Virginia's institutions of higher education to improve the productivity of the system, and a determination of the actual cost of food per inmate (offender) per day within Virginia's correctional institutions. To the extent feasible, the review shall consider the experience of other states. The review shall further consider potential efficiencies, cost savings, and productivity improvements within the Agribusiness Program. Copies of this review shall be submitted to the Secretary of Public Safety and Homeland Security and to the Chairmen of the Senate Finance and House Appropriations Committees by October 1, 2015.*

The review covered the period from July 1, 2013, through July 31, 2015.

The review's objectives included:

1. Assessing the costs and benefits of using offenders in the Agribusiness program;
2. Evaluating the value of cooperative agreements with universities;
3. Determining the cost of feeding the offenders and the cost of food;
4. Comparing Virginia's experience with that of other states; and
5. Identifying potential efficiencies, cost savings, and productivity improvements.

## Background

### *Introduction*

VADOC administers the Agribusiness program in the state correctional facilities. The VADOC website states the agency's mission: "We enhance the quality of life in the Commonwealth by improving public safety. We 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 research-based evidence, fiscal responsibility, and constitutional standards."

The Agribusiness program "Employs 145 state employees and utilizes over 800 offenders to operate a very diverse Agricultural program involving 24 sites statewide. The program is charged with assisting VADOC Food Services by producing vegetables, milk, meat, and juice in an effort to reduce the department's food cost. The program also provides a variety of training opportunities for offenders that can be used upon release. The opportunities include Commercial Vehicle Operator's License, ServSafe Certifications, Pesticide Handling Certifications, Beef Quality Assurance, as well as a variety of equipment operating experience."

At the time of this review, the Agribusiness program operated at 22 sites statewide and included the following agribusiness activities:

- Raising beef cattle;
- Raising and milking dairy cattle;
- Meat processing;
- Raising pigs;
- Raising goats;
- Raising llamas;
- Growing and harvesting fruits and vegetables on land and in greenhouses;
- Operating a flash freeze plant;
- Growing hay; and
- Distributing and selling food products.

### *Costs and Benefits of Offender Labor*

*Code of Virginia* (Code) § [53.1-32.1](#) states, "The Director (of VADOC) shall, subject to the availability of resources and sufficient program assignments, place prisoners (offenders) in appropriate full-time program assignments or a combination thereof to satisfy the objectives of a treatment plan based on the assessment and evaluation of each prisoner's needs." The classification process performed with each offender upon intake evaluates aptitude, education and risk. The process also determines programs, including career and technical education, work activities and employment, academic

activities, alcohol and substance abuse treatment, and other activities that may be necessary to assist offenders in the successful transition back to a free society and gainful employment.

In addition, Code § [53.1-41](#) states “To the extent feasible, it shall be the duty of the Director to provide persons sentenced to the Department with opportunities to work and to participate in career and technical education programs.” Therefore, offenders, if not working in the Agribusiness program, would in all likelihood be working in another program.

Offenders working in the Agribusiness program earn an average wage of 40 cents per hour. A trust account is set up for each offender and a portion of the funds goes to pay child support, if applicable, court fines, fees, or other charges, to support the offender’s family, to purchase items in the facility commissary, and to retain a portion in the account so the offender has funds when released.

### **Recidivism**

A Meta-Analysis of Corrections Based Education, Vocation, and Work Programs for Adult Offenders (2000) evaluated the recidivism outcomes of 33 other evaluations and concluded that program participants recidivated at a lower rate than those that did not participate in programs.<sup>1</sup> However, because the 33 other evaluations had generally weak methodologies, the meta-analysis could not definitively attribute the results to the programs’ activities. A 2014 Rand Corporation study on Correctional Education, including vocation education and career technical education, and training in general employment skills and specific job or industry skills also concluded recidivism is reduced and post-release employment is higher for program participants versus non-participants.<sup>2</sup>

The Pew Center on the States conducted a study on people released from prison in 1999 and in 2004 and concluded that 45.4 percent and 43.3 percent of former offenders, respectively, were re-incarcerated within three years. The report, prepared in 2011, also concludes that recidivism rates nationwide have remained largely stable.<sup>3</sup>

The Pew Center report documents that Virginia’s 1999-2002 recidivism rate was 29.0 percent (2,609 offenders of 8,997 released) while the 2004-2007 rate was 28.3 percent (3,395 offenders of 11,999 released). Of the states that participated in the report, Virginia was one of only five states with rates under 30 percent during both periods. Since the report date, Virginia’s re-incarceration rate has dropped to 22.8 percent in 2014, the Commonwealth’s lowest rate on record.

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<sup>1</sup> David B. Wilson, Catherine A. Gallagher, Doris L. Mackenzie, *A Meta-Analysis of Corrections-Based Education, Vocation, and Work Programs for Adult Offenders*, 2000, page 347.

<sup>2</sup> Lois M. David, Jennifer L. Steele, Robert Bozick, Malcolm V. Williams, Susan Turner, Jeremy N. V. Miles, Jessica Saunders, Paul S. Steinberg, Rand Corporation, Bureau of Justice Assistance, *How Effective is Correctional Education, and Where Do we Go From Here? The Results of a Comprehensive Evaluation*, 2014, pages xiv and 81.

<sup>3</sup> The Pew Center on the States, *State of Recidivism: The Revolving Door of America’s Prisons*, 2011, pages 2 and 11.

### ***Value of Cooperative Agreements with Universities***

The Agribusiness program currently has two cooperative agreements with Virginia Tech (VT) for veterinary services and milk purchases. The program also had a prior agreement with Virginia State University to raise catfish. Catfish ponds were built on VADOC property, but the program was discontinued because of operating costs and the short season available in which catfish could grow.

The Agribusiness program also has verbal agreements with several other Virginia state agencies and had a prior verbal agreement with Georgia. In 2012-2013 Georgia had excess produce which was traded with VADOC for frozen meat and fish products.

### ***Cost of Feeding the Offenders and the Cost of Food***

The cost of feeding offenders adequate nutritious meals has long been a consideration of prison systems. The VADOC cost of housing an offender in FY 2014 was \$27,462. Of this total, \$739.50 covered the cost of food, and \$1,696.78 (approximately 6.2 percent of the housing cost) covered the total cost to feed each offender for the year for an overall total cost for all of VADOC's offenders of \$45,331,585 (see [Appendix I](#) for details). OSIG staff obtained this data from VADOC staff and reconciled it to data from the Commonwealth Accounting and Reporting System (CARS) provided by Department of Accounts staff with only minor differences noted. Differences had no impact on the cost of food or the cost of feeding the offenders.

### ***Sale of Products***

The Agribusiness program raises, grows, and produces a variety of items, primarily to feed the offenders at a lower cost. However, the program is allowed by the Appropriations Act to “sell on the open market and through the Virginia Farmers’ Market Network any dairy, animal, or farm products of which the Commonwealth imports more than it exports.”<sup>4</sup>

### ***Other States***

Agribusiness programs are in place in at least 25 states.<sup>5</sup> Like VADOC, many produce food to feed the offenders and help reduce the cost of food.

### ***Potential Efficiencies, Cost Savings, and Productivity Improvements***

As noted in the Agribusiness program’s mission, the program has historically helped keep the cost of food lower. Program management has continually evaluated the products produced, the equipment and facilities available, and the productivity of the program.

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<sup>4</sup> <http://lis.virginia.gov/cgi-bin/legp604.exe?142+bud+61-384>, Item E.

<sup>5</sup> <http://www.naiaweb.com/>.

## Review Methodology

The special review procedures included:

- Conducting interviews with VADOC employees and former employees to gain insight into the areas for review identified in the Appropriations Act:
  - Former Director of the Agribusiness program
  - Current Manager of the Agribusiness program
  - Managers at Agribusiness facilities
  - Financial Management and Reporting managers
  - Statistical Analysis and Forecast Unit Manager
  - Chief Information Officer;
- Reviewing Code regulations;
- Identifying and calculating the costs associated with using offenders;
- Identifying benefits to the offenders and the Commonwealth;
- Researching information about recidivism and post-release employment;
- Determining if recidivism is tracked for offenders in the Agribusiness program as compared to the general population;
- Calculating the actual cost of food and the cost of feeding the offenders;
- Determining the cost of feeding the offenders at Sussex I and Sussex II where Food Services is outsourced to a third party;
- Reviewing a sample of procurements to ensure appropriate policies and procedures were followed and efficiency, effectiveness and/or cost savings were achieved;
- Reviewing processes and documentation related to the sale of cattle, cream, and items sold through the VADOC Farmer's Market to ensure policies and procedures were followed and processes are efficient and effective resulting in economic benefit to the Commonwealth;
- Determining the value of cooperative agreements with Virginia's institutions of higher education; and
- Contacting employees of other states' Agribusiness programs to determine their cost of food, benefits derived by the offenders and the state cooperative agreements with institutions of higher educations, and best practices.

As a result of this work, OSIG staff identified potential areas where efficiency, effectiveness, and/or economy of operations may be improved.

## Review Results

### *Costs and Benefits of Offender Labor*

OSIG staff calculated the cost of using offender labor for the agribusiness program and the cost of using civilian labor by analyzing data provided by VADOC. The cost of using offender labor was \$6,375,848 less than the cost of using civilian labor would have been in FY 2014. Inclusion of total compensation such as health and retirement benefits for civilian labor would raise this figure.

<b>Cost of Offender Labor</b>	<b>Amount</b>	<b>Cost of Civilian Labor</b>	<b>Amount</b>
Offender Wages	\$524,992	Minimum Wage of \$7.25 (wages only, no benefits)	\$9,515,480
Security Staff Total Compensation	\$2,614,640	Security Staff – Not applicable	\$0
Agribusiness Staff Total Compensation	\$8,439,670	Agribusiness Staff Total Compensation	\$8,439,670
<b>Total Cost of Offender Labor</b>	<b>\$11,579,302</b>	<b>Total Cost of Civilian Labor</b>	<b>\$17,955,150</b>

In addition to savings, other benefits include:

- Offenders learn soft skills such as reporting to work on time each day, a solid work ethic, and communication skills which aid in post-release employment.
- Offenders may obtain certifications and licenses to aid in post-release employment in a variety of areas, including:
  - Welding
  - ServSafe — food and beverage safety training and certification
  - Beef Quality Assurance
  - Artificial Insemination
  - Forklift Operation
  - Equipment Safety (tractor and chainsaw)
  - Dairy Plant Sampling — permit required by Virginia Department of Agriculture and Consumer Services (VDACS) prior to taking milk samples from tanks
  - Dairy Plant CHARM testing — permit required by VDACS prior to taking any milk samples or performing any tests
  - Pesticide Application
  - Greenhouse Work — requires a registered technician
  - Pork Quality Assurance
  - Milk Handling
  - Hazard Analysis and Critical Control Points (HACCP)— food safety
  - Commercial Driving-Commercial Drivers’ License (CDL).
- Offenders eat fresh produce during the growing season and year round where greenhouses are located. Better quality food has been directly linked to improved offender behavior.
- Recidivism is reduced.

- Post-release employment success rates are higher.
- Food costs for VADOC Food Services are lower.

**OBSERVATION NO. 1 — INCREASE EMPLOYMENT OF LEVEL 2 AND LEVEL 3 OFFENDERS**

VADOC offers limited work opportunities for Level 2 and Level 3 (security levels based on certain criteria) offenders because they cannot work outside the secure perimeter. Although these offenders cannot be employed outside, they could potentially learn about and work in certain agribusiness areas such as grounds landscaping (already takes place in some facilities), greenhouses, and aquaponics (a possible new area). Aquaponics could be established on prison grounds either on existing space or possibly by expanding, if space allows.

As of December 31, 2014, there were approximately 2,400 Level 2 and 2,700 Level 3 offenders not employed in a program at VADOC. The agency was unable to report if those offenders were in other programs such as substance abuse counseling or mental health treatment. In addition, employment of more offenders would potentially require additional security staff and funds to cover offender wages.

A 2006 study by the Washington State Institute of Public Policy concluded that academic education lowers recidivism by seven percent, vocational education by nine percent, and work programs (correctional industries) lower recidivism by 5.9 percent.<sup>6</sup>

The work programs' recidivism rate of 5.9 percent multiplied by the 5,100 (Level 2 and Level 3) offenders noted above equates to 300 offenders that should not recidivate. If only 150 offenders did not recidivate, the agency would save \$4,119,300 in housing costs alone based on the VADOC's 2014 average cost to house an offender (\$27,462 annually).

**RECOMMENDATION**

VADOC should explore options to increase opportunities to employ and provide vocational training and apprenticeships for Level 2 and Level 3 offenders not involved in other programs. Increased employment of offenders would benefit not only the offenders, but VADOC, and the Commonwealth and its citizens.

Alternative methods of supervision such as video surveillance cameras or radio-frequency identification tracking should be considered to mitigate the additional cost of supervising these Level 2 and Level 3 offenders performing this work.

In addition, VADOC should consider requesting additional funding from the General Assembly to specifically budget additional money for offender pay and security officers so that more

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<sup>6</sup> [http://www.wsipp.wa.gov/ReportFile/952/Wsipp\\_Evidence-Based-Public-Policy-Options-to-Reduce-Future-Prison-Construction-Criminal-Justice-Costs-and-Crime-Rates\\_Full-Report.pdf](http://www.wsipp.wa.gov/ReportFile/952/Wsipp_Evidence-Based-Public-Policy-Options-to-Reduce-Future-Prison-Construction-Criminal-Justice-Costs-and-Crime-Rates_Full-Report.pdf), page 9.

offenders could participate in the Agribusiness program. Such a request should include estimated savings from expected reduced recidivism.

**Management Response:**

We certainly agree that increased employment opportunities for offenders would support our reentry efforts and enhance long-term public safety for the Commonwealth and at a long-term projected fiscal savings. However, the assumptions contained in this recommendation are not valid.

Employment opportunities for offenders are funded through the Appropriation Act from direct offender costs, not specifically provided for as offender pay. There are 15 additional line items included in direct offender costs including medical, clothing and food. We spend approximately \$1 million annually from direct offender costs to fund offender pay. In the last 10 years there has been no “non-medical” increase to direct offender costs. While VADOC would certainly be amenable to increasing employment opportunities for offenders the cost requirements for existing employment is prohibitive. Even “greenhouses” cost money and supervision of offenders also has direct cost for additional staff supervision.

Level 2 and 3 offenders are not allowed outside of the gates because they require direct supervision. Some of the included suggestions for supervision are untenable. This also increases costs. Supervision through video surveillance is also problematic as it requires staff to observe cameras and respond to issues, requiring additional staff. Cameras are not direct supervision and are more often deterrence and record of events.

**OBSERVATION NO. 2 — IMPROVE ALIGNMENT OF TRAINING AND CERTIFICATIONS TO JOB MARKET AND OFFENDER NEEDS**

A September 2013 Council of State Governments Justice Center paper stated that matching job skills to the locale the offender will return to upon release from prison is a best practice to aid offenders in finding post-release employment and reducing recidivism.<sup>7</sup> General skills learned by offenders in the Agribusiness program such as work ethic, reporting to work on time, and following management direction are needed and valuable. However, skills and certifications appropriate to the job market where the offender will be living post-release increase the chances of obtaining employment and preventing recidivism.

VADOC performs an assessment of each offender upon entry and considers their prior work experience and skills. A case plan is developed based on data from the assessment. The case plan includes the educational, behavioral, and mental health programs the offender will be placed in. However, there is no current process in place to ensure the offenders are placed in the work program, vocational training, and/or apprenticeship program that most closely matches their post-release needs. VADOC’s Division of Education considers the job market when developing

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<sup>7</sup> [http://csgjusticecenter.org/wp-content/uploads/2013/09/Final.Reentry-and-Employment.pp\\_.pdf](http://csgjusticecenter.org/wp-content/uploads/2013/09/Final.Reentry-and-Employment.pp_.pdf), page 23.

programs, but neither the Division nor the Agribusiness program further matches the offenders to the more specific job market where they will likely reside post-release.

The Agribusiness program offers skills and certifications such as CDL, welding, and forklift operator among others. A search of the Virginia Employment Commissions' website found that jobs for those with a CDL, welding experience, and forklift operating experience are plentiful throughout the state, with more than 500 openings each. In addition, some of the skills learned in the program, such as milk or freeze plant processing, easily transfer to similar industries (for example, beverage and food packaging operations).

### **RECOMMENDATION**

VADOC should consider the individual post-release employment environment during the placement of offenders in work programs, as well as the specific skills, certifications, apprenticeships, and structured education the offender would receive to maximize their chances of finding post-release employment. This change may require program administrators to collaborate and possibly share offenders, but should maximize the opportunities offenders have to obtain specific skills and training needed for their post release employment opportunities.

### **Management Response:**

We do not disagree with the comments that it would be helpful to match the job market skills needed to employment preparation for offenders. However, the assessment does not provide a complete picture. The Department works diligently with its limited resources to provide 24/7 care for the offenders and when and wherever possible employ offender labor to accomplish its tasks. Many of the jobs to be completed are those which address offender welfare. How better to teach offenders to care for themselves than to learn cleaning, cooking and maintenance skills. In addition to the offenders taking care of their own needs, jobs, no matter how menial, keep the offenders engaged and thus potentially less a security issue for the Department. It would be an unwise and counterproductive use of taxpayer dollars to employ someone else to provide these services to offenders given the costs and the benefits to keeping offenders constructively occupied.

This assessment also presupposes offenders are not mobile. Most offenders are released to the Richmond, Tidewater and Northern Virginia areas. With the exception of Fairfax, most of the metropolitan areas are surrounded by rural areas if one chooses to pursue farming, horticulture, retail sales of farming equipment and supplies or similar job opportunities. Offenders must be creative if they choose to work as they must compete with law-abiding citizens for limited job opportunities.

While food production offsets the cost of incarceration for Commonwealth taxpayers, a secondary and probably equally important accomplishment of the Agribusiness program is teaching offenders the basics of work, i.e. work ethics, the value of work, a sense of

accomplishment, how to interact appropriately with supervisors and peers of the job, arising and appearing at the job on time and prepared to work, presenting oneself appropriately on job, etc.

The Department has not received any increase in funding for offender pay since 1984. (This excludes Virginia Correctional Enterprises which is a non-general agency.) Therefore, the Department is limited in its ability to provide funds for offender jobs.

Additionally, job training courses also require resources and space. To increase the level of job training, additional vocational and academic staffing is necessary. We believe we make the greatest use of our current resources.

Security is our first priority and we must ensure adequate staffing for observation of many of our higher level offenders, including the level 2 offenders. Hence, the staffing resources must address not only academic and vocational staff but security staffing as well. Many of our jobs involve potentially dangerous tools and equipment, from which weapons may be fashioned, and liquid solutions which may also be dangerous.

We work diligently to provide as many training classes, certificates, licenses and work references as we can to improve the offender's employability upon release. They include water and wastewater treatment plant licenses, ServSafe certificates, pesticide handling certificates, building maintenance, HVAC certificates, mechanical repair certificate, equipment repair certificate, Beef Quality Assurance certificate, Pork Quality Assurance certificate, forklift operation certificate, brick masonry experience, welding certificates, training in roofing, paving, demolition and heavy equipment operation, horticulturists certificates, landscape technician certificate, OSHA 10 General Industry apprenticeship, farm worker certificate, etc.

### **OBSERVATION NO. 3 — ENHANCE AGRIBUSINESS PROGRAM RELATIONSHIP WITH THE VADOC DIVISION OF EDUCATION**

A National Institute of Justice Practice Profile "Corrections Based Vocational Training Program" states that "there were significant reductions in recidivism (including reoffending, re-arrest, reconviction, re-incarceration, and technical parole violations) for offenders who participated in vocational training programs, compared with offenders who did not participate." In addition, the profile states "This indicates that, on average, vocational training programs achieved a statistically significant 12.6 percent reduction in the recidivism rates of participants compared with offenders who did not participate."

The Agribusiness program has not coordinated or worked with the Division of Education to identify vocational programs that they both offer. For example, both the Division of Education and Agribusiness offer certifications in forklift operation and welding and both offer training/experience

in small engine repair, industrial maintenance, horticulture, custodial maintenance/sanitation, commercial foods, OSHA training, and building maintenance/repair. This lack of coordination and collaboration has caused the two groups to miss out on the possible synchronizing of certifications, vocational training, apprenticeships, and OSHA training. Potential apprenticeship programs listed at the Virginia Department of Labor and Industry's website<sup>8</sup> which may be applicable to agribusiness include diesel mechanic, automobile mechanic, metal fabricator, welding industrial repairer, and three welder programs.

**RECOMMENDATION**

Agribusiness staff should work with the Division of Education to determine areas where the two areas can collaborate/partner to ensure that training and certifications are consistent, and to implement further training and education opportunities as resources allow. Doing so would help ensure that training, certifications, and education of offenders working in the Agribusiness program are more structured and consistent, and increase opportunities for the offenders to successfully enter the work force post-release. Enhanced coordination may increase an offender's ability to obtain post-release employment.

**Management Response:**

We essentially agree with the assessment and the recommendation.

**OBSERVATION NO. 4 – ASSIST OFFENDERS IN FINDING POST-RELEASE EMPLOYMENT**

Montana Corrections management said its state has had success with post-release job placement, particularly with offenders who learned lumber skills. Offenders earn lumber grader certifications through Montana's Lumber Recovery program where they have exposure to potential employers. In addition to contacting potential employers in the lumber industry, Corrections management stated that it is working on a system to contact other potential employers before the offender is released.

VADOC Agribusiness management has not traditionally taken steps to assist offenders with post-release job placement.

**RECOMMENDATION**

Agribusiness management should consider contacting Montana Corrections management to learn more about assistance with job placement. Agribusiness management should also consider working with the VEC through its Virginia Workforce Connection (VAWC) unit to match offenders with employers prior to release. Assisting offenders with job placement may help them obtain jobs and reduce the risk of recidivism.

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<sup>8</sup> [http://www.doli.virginia.gov/apprenticeship/active\\_occupations.cfm](http://www.doli.virginia.gov/apprenticeship/active_occupations.cfm).

**Management Response:**

The implication of this assessment is that the Department is responsible or should be responsible for post-release job placement of offenders. The Department currently works with Workforce One, inviting representatives into our facilities and referring offenders for VEC services. However, we object to the assignment of job placement responsibility to the Department of Corrections. Workforce One is funded to provide job readiness and job placement services to all Commonwealth citizens; though offenders may be excluded from a few of the federally funded programs. Local responsibility and funding to provide the services do not shift to the Department of Corrections simply because the client is an offender.

We agree we could always encourage an even closer and more productive relationship with the Workforce One and encourage greater offender use of their services.

The following is feedback we received from Montana:

“It took us almost 2 years of discussion to get an MOU signed in December. Nothing happened with it during the legislative session and now my Statistics Chief is working with MT DLI (Department of Labor and Industry) to finalize the data set. I have not had an update in a few weeks, but we should have received the first data set for testing by now.

We have been trying to get this info so we can see if people are working when they get in trouble, and also what kind of money they are making. Unfortunately we can't tell if they are part time or full time, but we should be able to infer that. Also they are going to give us the code for the type of work they do. We want to see if we can tie any Industries and programs to the actual work they are doing. We are still in the process of learning to crawl.”

**OBSERVATION NO. 5 – ENHANCE TRACKING AND ANALYSIS OF RECIDIVISM**

Based on a 2014 study by Rand Corporation and the Bureau of Justice Assistance, the U.S. Department of Justice concluded that offenders who participated in or completed an academic or vocational curriculum taught by an instructor are 36 to 43 percent less likely to recidivate and 13 percent more likely to find post-release employment<sup>9</sup>. This supports a 2006 study by Doris MacKenzie, University of Maryland, which determined that adult education and vocational education lower recidivism rates. However, MacKenzie's report also concluded that correctional industries, employment, and multi-component work do not reduce recidivism.<sup>10</sup> In addition, a 2006 study by the Washington State Institute of Public Policy concluded that academic education lowers

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<sup>9</sup> Rand Corporation, *How Effective is Correctional Education and Where Do We Go From Here, The Results of a Comprehensive Evaluation*, pages 14-15.

<sup>10</sup> Doris Layton MacKenzie, *What Works in Corrections: Reducing Criminal Activities of Offenders and Delinquents*, *Cambridge Studies in Criminology*, 2006 (summarized in *Reentry: Examining What Works in Corrections*, Oct 2008 presentation 16<sup>th</sup> Annual ICCA Research Conference, pages 12-13).

recidivism by seven percent, vocational education by nine percent, and, in contrast to MacKenzie's study, work programs lower recidivism by 5.9 percent.<sup>11</sup>

The 2014 Rand study also determined that savings from reduced recidivism for a pool of 100 offenders to be between \$870,000 and \$970,000 for three years. The VADOC 2014 Management Information Summary stated that the average cost to house one offender for the year was \$27,462 or \$8,238,600 for 100 offenders for three years.<sup>12</sup> If 5.9 percent (from the Washington State study noted in the prior paragraph) fewer of those offenders recidivate, savings for the cost of housing them alone totals \$486,077 for three years.

VADOC has not tracked recidivism rates specifically for offenders in the Agribusiness program. Although overall recidivism is tracked, prior data collection systems have not been capable of allowing recidivism to be analyzed in greater depth.

VADOC management demonstrated to OSIG staff that the Virginia Corrections Information System (VACORIS offender management system), implemented in stages beginning in 2006 to replace multiple legacy systems and paper records, is capable of capturing all offender information, including participation in programs and other data such as skills learned, certifications earned, and apprenticeships.

VACORIS management and staff recently implemented a database to allow analysis of recidivism in more depth, as well as perform predictive analytics to assist in placing offenders in the program(s) with the most positive outcomes. Multiple years of reliable data may be needed to ensure the validity of the analysis.

#### **RECOMMENDATION**

VADOC should continue to enhance analysis of recidivism data to assess the effectiveness of its programs, and to aid in placing offenders in the program(s) most likely to reduce recidivism.

#### **Management Response:**

The VADOC Statistical and Forecast Unit continues to refine the analysis of recidivism data. It is important to note that recidivism reductions would be a product of all applicable processes and programs system wide and does not directly measure the effectiveness of a program unless that program is isolated and a cohort established for measurement and tracking.

#### **OBSERVATION NO. 6 — TRACK POST-RELEASE EMPLOYMENT**

The Council of State Government's Justice Center-What Works in Reentry Clearinghouse asserts "conventional wisdom states that finding a job is one of the most important elements for a person

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<sup>11</sup> Washington State Institute for Public Policy, *Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs, and Crime Rates*, page 9.

<sup>12</sup> <https://vadoc.virginia.gov/about/facts/managementInformationSummaries/2014-mis-summary.pdf>, page 15.

to successfully transition from incarceration back into the community. In fact, individuals returning home from prison often identify employment as the most important factor that helped them stay crime free."<sup>13</sup> In addition, the 2014 Rand study referred to above stated that there is a need for tracking post-release employment which is applicable to all offenders.<sup>14</sup>

VADOC management has not tracked post-release employment data. Challenges in obtaining employment information and inadequacies of prior systems used at VADOC resulted in the inability to track post-release employment. VADOC management also stated they have not been asked to track post-release employment.

VADOC management stated it has had internal discussions regarding gathering and storing more traditional employment data in VACORIS. This data could be captured by using an interface that connects with other state agencies. However, management also stated that for released offenders who are self-employed or work off the grid the information would be difficult to obtain.

Due to the correlation between post-release employment and recidivism, failure to analyze the associated data may result in inaccurate conclusions about the effectiveness of agency programs for offenders. This may lead to the continuation of less effective or cancellation of more effective programs.

Montana Corrections management stated that the agency is working with the U.S. Department of Labor to obtain post-release employment data and may be able to provide guidance on capturing this data. Other potential sources of employment data could include Parole and Probation Officers, the Virginia Employment Commission, the Virginia Department of Taxation, and the Internal Revenue Service, and should be explored for a potential interface with VACORIS to enable tracking of post-release employment statistics.

#### **RECOMMENDATION**

VADOC should establish a method to obtain post-release employment data for use in analyzing the effectiveness of agency programs that help released offenders find employment and reduce recidivism.

#### **Management Response:**

Research has shown that employment is an important factor toward reducing recidivism. Through employment, offenders can establish financial stability which improves family living conditions, develops a sense of self-confidence and reduces the chances of returning to a criminal lifestyle as an economic means of support.

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<sup>13</sup> <http://csgjusticecenter.org/reentry/about-what-works/>.

<sup>14</sup> [http://www.rand.org/content/dam/rand/pubs/research\\_reports/RR500/RR564/RAND\\_RR564.pdf](http://www.rand.org/content/dam/rand/pubs/research_reports/RR500/RR564/RAND_RR564.pdf), page 82.

Historically the Department of Correctional Education, now the VADOC Division of Education, has conducted offender post-release studies for evaluating the impact that General Education Degrees (GEDs) and Career and Technical Education (CTE) courses have upon offender employment. These studies are restricted just to offenders completing these programs and are not generalizable to the entire offender population. The studies are contracted through state universities such as Virginia Tech.

The VADOC Division of Education is currently negotiating with Virginia Tech to conduct a comparative research study per employment rates for offenders completing either a GED or a CTE course.

It is understood that many years ago the Department of Correctional Education tracked post-release employment rates, but the process was stopped due to complaints from ex-offenders. It was determined that contacting places of employment of ex-offenders was too intrusive into their workplace. Further, it is understood that to collect specific job site data would require each offender to sign a waiver for the release of their personal workplace data. The Department currently releases over approximately 11,000 offenders each year. The need to have waivers signed by so many offenders would require significant resources.

The Virginia Employment Commission (VEC) does provide some data regarding offender employment but it is limited to quarterly earnings reporting and broad job coding classifications which do not provide specific employment type identification. From this type of data it would be difficult to glean the employment vocation and accurate earnings information. Data concerning offenders self-employed or working for unreported wages would not be captured.

The Department will continue to evaluate the success of its academic programs and vocational programs through specific university research studies but broad based offender employment research would require significant time and personnel resources to accomplish.

**OBSERVATION NO. 7 — IMPROVE DATA COLLECTION, ENTRY, AND TRACKING RELATED TO INCIDENTS OF DISRUPTIVE BEHAVIOR**

The U.S. Department of Justice, National Institute of Corrections, in a February 2014 paper titled *Inmate Behavior Management; Guide to Meeting Basic Needs*, discusses the importance of data collection, types of data, and analysis of the data related to disruptive behavior.<sup>15</sup>

VADOC management stated that inappropriate entry of disruptive behavior data in VACORIS has hindered the ability to perform some tracking and detection of trends in behavior. Management added that improving the data integrity/appropriate entry of disruptive behavior incidents in the VACORIS system would increase the amount of information available for tracking and detecting

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<sup>15</sup> <https://s3.amazonaws.com/static.nicic.gov/Library/027704.pdf>, pages 37-43.

trends. In the interim, management stated that seeing a significant change in the numbers/types of incidents or discipline stemming from a facility may trigger further investigation.

A 2010 statement from the Director of the Federal Bureau of Prisons to the Subcommittee on Federal Workforce, Postal Service, and the District of Columbia and the Committee on Government Reform and Oversight/United States House of Representatives states “Inmates who are productively occupied in appropriate correctional programs are less likely to engage in misconduct and violent or disruptive behavior.”<sup>16</sup>

### **RECOMMENDATION**

VADOC management should establish a process for appropriate entry of offender misbehavior/disruptive behavior data in the VACORIS system to allow for better tracking and analysis of the data. Early detection of anomalies or changes in behavior will allow management to address the problems sooner and improve safety for other offenders and security officers. Data integrity also facilitates the ability to determine the effectiveness of programs in decreasing inappropriate behavior.

### **Management Response:**

Development and implementation of CORIS was a massive undertaking for an agency of this size. Indicating that all future information needs would be automatically (and predictively) included is fanciful at best. As data needs become known, changes are built into CORIS to access that information however, those changes come at a cost.

Incidents of disruptive behavior are tracked through IRs (Incident Reports) and IIRs (Internal Incident Reports) for less serious incidents. Similarly, charges associated with disruptive behavior are tracked as charges with associated information and attachment to the actual IR or IIR. However, the need for more specific data and more streamlined tracking has been recognized and is currently being developed for implementation. The associated change request provides required fills and mandatory fields attached to certain types of incidents. This change request provides a streamlined and consistent data collection process.

There is certainly some “inappropriate entry” but this is not the primary issue with tracking of behavior/incidents and is addressed regularly (from several different arenas) when patterns are detected. Similarly, the recommendation that this provides some type of management tool would require there to be a proven pattern of behavior backed by evidence. A behavior trend analysis that improves officer safety as a predictive model would have to be developed, tested and validated. Preliminary research conducted by VADOC indicates that no such model currently exists.

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<sup>16</sup> <http://www.justice.gov/sites/default/files/testimonies/witnesses/attachments/05/05/10//05-05-10-lappin-housing-felons-away-from-home.pdf>, page 1, paragraph 3.

Individual behavior changes may not have a direct causal relationship to overall officer safety that can be addressed prior—without some type of large scale research, we don't know. Similarly, any anomalies would have to be analyzed on a micro level for 30,000 offenders to determine specific offender behavior changes that fit the predictive model and that would require significant and unavailable resources. Current trends in incidents at a macro level (institution, region, state) are regularly analyzed and utilized in planning and deployment of initiatives and resources.

**OBSERVATION NO. 8 — IMPROVE RECORDING OF OFFENDER SKILLS AND CERTIFICATIONS**

VADOC currently enters offender accomplishments such as skills learned, certifications earned, and apprenticeships completed, mostly through the Division of Education programs, into VACORIS, but has not been entering accomplishments obtained through the Agribusiness Program.

Failure to capture all relevant offender information may lead to inappropriate case plan modifications, incomplete information in summaries for presentation to the Parole Board, and may hinder an offender's ability to obtain post-release employment due to an incomplete portfolio. Failure to capture all information also hinders the ability to determine the impact participation in programs, obtainment of specific skills, certifications, apprenticeships, and other accomplishments, has on recidivism and post-release employment.

**RECOMMENDATION**

VACORIS should be used to record all relevant information related to each offender including, but not limited to, programs participated in, and skills and certifications earned.

**Management Response:**

We agree that CORIS should be used to document all offender related information and have discussed enhancing the process with Agribusiness in several different formats and through several different existing modules. We will continue to pursue this process and enhance recording of this information.

The VADOC believes that it is an over-generalization to suggest that not recording this information in CORIS makes it unavailable for case planning or to Parole Board as in both of these instances access to the paper file with all certificates is readily available (Parole Board uses paper file). Additionally, with the abolition of parole in 1996, the number of offenders eligible for review has shrunk to a level that leaves mainly offenders with very complex, often horrific crimes for consideration. Most of these offenders are not working in any certificate program or program which would assist with a hearing based on security level or time to serve. Resultantly, there may be even less significance to this finding and recommendation.

**OSIG Comment:** A review of 10 certifications earned by offenders in the Agribusiness Program was performed during this project. Documentation for two (2) of the 10 could not be located. Agribusiness management, as a result, now tracks certifications in the main office, and not through the CORIS system in order to reduce the loss of any records.

## ***Value of Cooperative Agreements with Universities***

### **Veterinary Services provided by VT**

VADOC has a cooperative agreement with VT whereby the university provides veterinary services “To develop and maintain comprehensive porcine (pig), bovine (beef, dairy), caprine (goats) and camelid (llamas) herd health programs, in cooperation with the Purchasing Agency, for the purpose of maximizing beef and dairy cattle production and minimizing cattle loss due to disease.”

At the time OSIG staff was performing fieldwork, VT was only providing veterinary services to the VADOC beef cattle. However, as of July 2015 VT began taking an active role in providing veterinary services for the pigs. Agribusiness management explained that the dairy cattle needs differ from the beef cattle needs. The agency’s site manager is able to take care of minor needs, while a local veterinarian is called for emergencies and is nearby for a faster response. VT travel expenses from Blacksburg to the James River/Powhatan facility for an emergency would be significantly higher than those of the local veterinarian. The farm managers are able to provide the veterinary care needed by the llamas and goats.

VT charges a substantially lower professional fee than two private veterinary facilities contacted for comparison, by as much as \$100 per hour, depending on the services performed. Based on a review of invoices for medicines and vaccinations purchased from VT, the university provides these at a lower price as well. Agribusiness compensates VT for vaccinations, medications, and other charges and fees through proceeds from the sale of cattle, alfalfa, hay and/or any other farm commodity that is amenable to both parties.

VADOC staff and offenders learn from the veterinary students and professors who visit onsite on a regular basis. In addition, the offenders have the opportunity to earn Beef Quality Assurance and Artificial Insemination certifications. In turn, the veterinary students have access to a herd of beef cattle to use for research and hands-on training.

Another benefit to this arrangement is the ability to have the students perform a study or analysis at no cost to VADOC. The students are assigned the task as a graded project. Recent examples include students completing blueprints and a material list for remodeling a corral system at Brunswick Correctional Center, and students completing a hay feeding trial at the Bland Correctional Center.

### **VADOC Milk Memorandum of Agreement (MOA) with VT**

VADOC has a cooperative agreement with VT to purchase raw milk from the university. Originally, VADOC agribusiness was to provide dairy cattle to VT to increase VT’s dairy herd size.

Agribusiness received credit for the cows at prices established in the MOA. Agribusiness is required to purchase all VT milk; originally 10 percent of the cost was taken from the credit account for the cows provided to VT and 90 percent was paid to VT by VADOC. In 2012, feed grains and cream were added as items which could be provided to VT for credit. The price for the milk purchased by Agribusiness is also established in the MOA. The purchase of milk from VT allows Agribusiness to produce enough milk at a steady price to supply all VADOC facilities and sell milk to others for recoveries to help cover the cost of the dairy operation.

At the time of this review, VT allows Agribusiness to pay for the milk completely through the credit account which is funded through the sale of VADOC culled dairy cows, including male calves, and feed grains as noted above. Agribusiness was not selling cream at the time of this review, but has implemented the necessary storage equipment to allow for the sale of cream. See the [Cost of Food and Cost of Feeding](#) section within this report for further details on the sale of Agribusiness products. VT purchases a portion of the milk back from Agribusiness to serve in three of the university's dining halls.

As with the veterinary agreement mentioned above, the VT students benefit by having a large enough herd for study and research.

### **Collaboration with Others**

Agribusiness management has had past and has current arrangements with other Virginia state agencies, such as the Department of Conservation and Recreation, and with the state of Georgia. The arrangements have typically been barter agreements.

### **OBSERVATION NO. 9 – PROVIDE OPPORTUNITIES FOR FURTHER COLLABORATIONS WITH UNIVERSITIES AND OTHERS**

Agribusiness collaborations with universities and others have proven to be beneficial to VADOC, the offenders, and the universities. Agreements with other Virginia state agencies and with the state of Georgia have provided benefits through trading of food, farm products, space, and services to meet each other's needs.

Multiple opportunities exist to enter into new collaborations that will be of benefit to offenders, VADOC, and the Commonwealth and its citizens. The following potential opportunities were identified, some of which would be beneficial to offenders in any VADOC program. VADOC could partner with:

- Community colleges that offer programs in veterinary technology, machine shop, forest management technology, sustainable agriculture, welding, horticulture, and entrepreneurship;
- Virginia public universities and Richard Bland College that offer programs in aquaculture, entrepreneurship, renewable energy, agricultural and applied economics, agriculture technology, animal and poultry sciences, biological systems engineering, crop and soil environmental sciences, horticulture, Virginia Agriculture Experiment Station, Virginia

Cooperative Extension, VT Center for Innovation and Entrepreneurship, aquatic science, plant/soil/environmental science, and small ruminants;

- The Prison Entrepreneur Program (PEP), which includes post-release support or a similar program;
- The UVA Darden School of Business program, which teaches entrepreneur and financial capability, to assist the offenders in the Agribusiness and other programs;
- The Virginia Beginning Farmer and Rancher Coalition Program to provide support in establishing and sustaining agricultural operations;
- The Virginia Department of Agriculture and Consumer Services which provides support to beginning farmers, including guidance, loans and grants, and planning tools;
- The Virginia State University (VSU)/VT Small Farm Outreach Program to encourage and assists limited-resource and socially-disadvantaged producers and ranchers to own, maintain, and operate farms independently;
- The US Department of Agriculture's Farm Service Agency which offers outreach programs, including workshops and seminars on farm programs and loan webinars on direct lending programs for eligible farmers and ranchers who are unable to obtain conventional credit;
- The VSU College of Agriculture to identify research that might be performed on VADOC land related to crop diversity and alternative crops, bio-based energy production, and value-added plant and animal products;
- Various industries to develop key relationships, similar to the current arrangement with Johnson Controls. Johnson Controls provides up to date heating and air conditioning training to offenders;
- Industries that conduct research on renewable and alternative energy sources, such as producing methane from manure which could provide new skills for offenders and income or reduced expenditures for VADOC; and
- Industries or higher education institutions that use robots and other technology in dairy farming that could provide new skills for offenders.

#### **RECOMMENDATION**

VADOC is encouraged to expand existing and research new collaborations to increase benefits to the offenders, VADOC, the Commonwealth and its citizens, and the collaborators. The opportunities listed above may be able to meet the needs of the agency and the collaborators, and provide more training opportunities and possible post-release employment opportunities for offenders.

#### **Management Response:**

Management agreed with this observation and recommendation.

**OBSERVATION NO. 10 — DOCUMENT AGREEMENTS WITH WRITTEN MOAs, MEMORANDUMS OF UNDERSTANDING, AND CONTRACTS**

Written MOAs, Memorandums of Understanding (MOUs), and contracts each contain the terms and obligations of two or more parties engaged in certain activities. A written MOA, MOU, or contract is a best practice for any collaboration.<sup>17 18</sup> Failure to document agreements in writing may result in misunderstandings, legal consequences, and/or economic impacts.

DOC agribusiness has not consistently established written MOAs, MOUs, or contracts for collaborations with universities or others. Prior management of the Agribusiness program established the collaborations below through good faith verbal agreements:

- Virginia Department of Agriculture and Consumer Services for youth events where Agribusiness prepares the location by mowing and receives the hay at no cost. (Note: An MOA for this activity was being developed as of March 2015.);
- National Resources Conservation Service (NRCS), which has been an advisor on several Agribusiness farms. Agribusiness supports NRCS through installation of agricultural best management practices to prevent water pollution on agency farms;
- Georgia Department of Corrections barter program when Georgia's excess produce was exchanged in 2012 and 2013 for Agribusiness' frozen meat and fish products;
- Glade Springs Research, which is related to the Agribusiness/VT veterinary MOA, but is not addressed in an MOA;
- Tidewater Research, where Agribusiness has bartered grain for pigs;
- Wise Unit 18 activities with local extension offices; and
- Smithfield Foods purchase of swine.

**RECOMMENDATION**

Agribusiness management should enter into an MOA, MOU, or contract for all collaborations with universities and others so that expectations are clearly agreed upon in a contractual document.

**Management Response:**

Management agreed with this observation and recommendation. However, this process is not cost neutral; resources would need to be identified to research and negotiate agreements.

***Cost of Food and Cost of Feeding the Offenders***

**Cost of Food**

The total cost of food purchased to feed offenders for FY 2014 was obtained from VADOC.

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<sup>17</sup> <http://www.nolo.com/legal-encyclopedia/free-books/sharing-book/chapter5-2.html>.

<sup>18</sup> <http://smallbusiness.findlaw.com/business-contracts-forms/what-contracts-are-required-to-be-in-writing.html>.

<b>Cost of Food by Category</b>	<b>Amount</b>
Beginning Inventory of Food and Supplies	\$2,166,260
Food Purchased from the Agribusiness Program	\$12,780,684
Food Purchased from Outside Parties	\$8,106,975
Less: Year-end Inventory of Food and Supplies	\$2,741,665
<b>Total Cost of Food for Offenders for FY 2014</b>	<b>\$20,312,254</b>

The year-end inventory of food and supplies was a result of a requirement to maintain a reserve sufficient to provide meals at each facility for a period of 40 days in the event food and supplies could not be delivered for a period of time. This requirement is an internal VADOC policy.

VADOC policy allows each staff member one free meal per shift worked. In order to determine the percentage of meals served to staff at the other Virginia prisons, an analysis of invoices from the third party food service provider that is used at the Sussex I and Sussex II prisons was performed. The Food Services provider's invoices separate staff and offender meal costs. 2.74 percent was determined to be an approximate amount of food costs applicable to staff meals. 2.74 percent was deducted from the total amount above resulting in a final total of \$19,755,698 (\$20,312,254 x 97.26%) in food purchases to feed the offenders.

The following calculations were performed to arrive at the cost of food per offender, per day:

- \$19,755,698 was divided by 26,715 (average daily offender population for FY 2014) = \$739.50 per offender per year; and
- \$739.50 was divided by 365 days = \$2.03 per offender per day.

VADOC calculated the cost of food as \$2.10 for FY 2014. The difference between the agency's calculation and OSIG's was due to OSIG's deduction of the cost for staff meals at all agency locations and OSIG's inclusion of River North Correctional Center. VADOC deducted only some staff meals and did not include River North since the facility was not open for the entire fiscal year.

### **Cost of Feeding the Offenders**

The following factors were determined to be applicable when calculating the total cost of feeding the offenders (Note: The cost for staff meals was deducted):

- The percentage of Food Services staff total compensation applicable to offender meals;
- The percentage of offender kitchen labor wages applicable to offender meals;
- The percentage of kitchen security staff's compensation applicable to offender meals;
- The percentage of Food Services operational expenses applicable to offender meals;
- The percentage of Food Services fixed assets depreciation applicable to offender meals;
- The cost of food and supplies beginning inventory;
- The cost of food purchased from the Agribusiness Program by the Food Services Division (less year-end food inventory);

- The cost of food purchased elsewhere by the Food Services Division; and
- The percentage of Agribusiness recoveries from the purchase of food by the Food Services Division.

The total cost of feeding the offenders, calculated using the factors above, was \$45,331,585 in FY 2014, or \$4.65 (\$45,331,585 divided by 26,715 offenders divided by 365 days) per offender per day. See [Appendix I](#) for additional detail on how the total cost of feeding the offenders was derived.

The cost of feeding the offenders at Sussex I and Sussex II was also calculated because these facilities use a third party for food services. FY 2014 invoices from the third party were provided by VADOC. The contract was also provided and reviewed.

The meal price per tray served at Sussex I is \$1.182 and at Sussex II is \$1.138. There is a paper usage charge applied when an issue prevents the use of reusable products. The vendor is required to provide certain training to the offenders working in the kitchens, including training on ServSafe (food and beverage safety training program). The vendor is also required to employ no less than 8 percent of the offenders at each location and to pay the wages for those offenders (deducted from invoice totals). The master menu and special diets' availability for offenders at Sussex I and Sussex II are the same as for all other VADOC facilities. The vendor is encouraged, but not required, to purchase from the Agribusiness Program.

In FY 2014, the vendor purchased \$3,486,957 in food products from Agribusiness.

The following factors were determined to be applicable in calculating the total cost of feeding the offenders at Sussex I and II:

- Invoiced amounts for offender meals;
- Invoiced amounts for other events/food provided such as ice cream and food for job resource fairs for the offenders;
- Kitchen security staff's total compensation;
- Fixed asset annual depreciation; and
- Other operating expenses (maintenance and repair, inbound freight costs, and household equipment).

Based on the above factors the total FY 2014 cost to feed the offenders was \$3,716,661 or \$4.24 per offender per day (see [Appendix II](#)). This cost is \$0.41 less per offender per day than the VADOC Food Services Division's cost to feed offenders in FY 2014. However, VADOC has performed an annual analysis of the costs at Sussex I and Sussex II and has determined that, if VADOC Food Services were to feed offenders at those facilities, the costs would be the same as the vendor's and would be expected to be less than the vendor's over time.

The Greensville Correctional Center was, until January 2013, also serviced by a third party. However, the costs were higher there primarily due to the security level of the facility which requires delivery of the meals to the offenders rather than meals being served in dining halls. VADOC Food Services, due to the higher costs at Greensville for the third party, is able to and now provides the food services there at a comparable cost.

VADOC Food Services Division management also stated that the vendor has increased its prices by approximately 30 percent over the 13 year contractual relationship period while VADOC Food Services has only increased its prices by five percent over the same time frame. In addition, the vendor has requested an additional four percent increase as of the time of this report.

VADOC Food Services utilizes not only the VADOC Agribusiness program, but also supports the Virginia Distribution Center (VDC), providing approximately 50 percent of VDC's revenue. Management stated that it has attempted in the past to require vendors to use specific food sources with no success. The vendors are resistant because using mandatory sources may be more expensive. VADOC Food Services is required to purchase from VADOC Agribusiness and VDC, except for some special arrangements, and is therefore unable to obtain some products at a lower cost.

VADOC Food Services management also said that there has been an increase in grievances about the food at Sussex I and Sussex II in 2015. Food Services personnel worked with an Offender Focus Group in April 2015 to determine the issues which included not following recipes, poor food quality, overcooked or undercooked vegetables, and unacceptable produce. Food Services inspections found the vendor was not following recipes and policies.

## **Procurements**

A sample of procurements, including the 2014 lease of equipment from John Deere Equipment, was reviewed for adherence with state procurement requirements with no exceptions found.

## **Sale of Agribusiness Products**

The Agribusiness program sells products for recoveries to help offset the costs of the program and to return a portion of the General Fund appropriations to the Commonwealth. Proceeds from beef cattle and swine go to the state's General Fund, along with \$1.75 per gallon of raw milk produced by the dairy herd. In addition, proceeds from culled dairy cattle, including male calves, are used to offset the price of milk obtained from VT. The proceeds from the anticipated sale of cream are to be used to help offset the price of milk.

The Agribusiness program sells produce, meat products, milk, and other items to other state agencies, local and regional jails, schools, and other states. The sales produce recoveries to offset expenses of the program. Although the program is not totally self-supporting, the sale of agribusiness products benefits the Commonwealth through funds returned to the General Fund and lower food costs to feed the offenders.

**OBSERVATION NO. 11 — STRENGTHEN PROCESS FOR MONITORING STAFF MEAL POLICY**

VADOC policy allows one free meal per staff member per shift and requires logging of the meals received. Per VADOC management, any review of the logs to ensure compliance is the responsibility of food services directors and/or managers.

Employee abuse of the meal policy was found at Sussex II where some employees received more than one free meal per day. OSIG staff estimated that this abuse may have cost VADOC more than \$51,500 in FY 2014. The affected facility outsources Food Services responsibilities.

Staff meals are logged by a Food Services staff member (or designee) and may be reviewed by facility management. Regional Food Services management or other staff may review the logs which are then submitted to Budgeting. However, VADOC management indicated there is no formal or specific review performed.

The financial impact, if employee abuse of the meal policy was found at another facility, would result in a cumulative potential loss in one fiscal year of greater than \$100,000 when combined with the incident already identified. In addition, the abuse skews the true cost of food by as much as \$0.06 per offender per day and cost of feeding the offenders by as much as \$0.21 per offender per day. VADOC Food Services and the facility business office determined that the increase in food costs may have been caused by Food Services staff at the facility providing multiple servings. Again, staff meals are beneficial to the prison facilities to facilitate overtime situations; when staff must be held over due to circumstances in the facility; and to reduce the potential for induction of contraband into the prison facility.

**RECOMMENDATION**

VADOC should strengthen/formalize the log review process to aid in detecting free meal violations in a timely manner. Exploration of an automated tracking system to allow each employee only one meal per shift may be an option to consider to aid in prevention of abuse. However, funding to implement such a system would need to be considered.

**Management Response:**

Employee abuse of the policy was identified at one facility, which is an outsourced facility. Identification of the issue resulted in immediate remedy. Staff meals may also be allowed during exigent circumstances including instances of facilities requiring double shifts or extended drafts. The cost determination by the OSIG may need to be reviewed in light of vacancies and overtime requirements under which the meal exception was provided and separation of exigent circumstance versus true abuse.

Additionally, while we could determine that if this occurred at every facility the cost impact would be significant, that is not the case. It is not occurring at other facilities so dramatic

cost projections while certainly concerning mean little more than speculation. In fact, there are potentially several conditions that may have increased the cost and there was no way to make an exact determination of cause. Food services costs continue to rise at outsourced facilities. Control over food services functions at state controlled facilities is monitored more closely and in fact has decreased more than \$2.25 per day, per offender from the period 1997 to 2007 (and current level), which equates to cost avoidance of \$24,637,500 over the 10 years. All recommendations made are part of current operations including unannounced visits and evaluation of number of staff meals served. Meal tickets are operationally cumbersome and hard to manage consistently. Meal management systems are in place at many facilities but are not used for staff meals.

VADOC currently runs a statewide average food cost of \$3.39 per day, per offender (food, supplies and labor). All costs are monitored by Regional Food Services Directors monthly and by Facility Food Services Directors daily. Both outsourced facilities run higher average food costs, however, their costs are monitored/reviewed for contractual compliance, and significant aberrations are investigated and remedied.

Staff meals are provided not only to accommodate overtime and unusual circumstances but also to reduce the potential for introduction of contraband into the prison facilities.

**OBSERVATION NO. 12 — REQUIRE THE VENDOR TO EMPLOY THE REQUIRED NUMBER OF OFFENDERS**

The food services vendor at Sussex I and Sussex II is required by contract to employ at least 8 percent of the offenders at the VADOC offender pay scale and to credit/reimburse VADOC monthly for that cost.

As of April 2, 2015, there were 62 offenders working in the kitchen at Sussex I and 64 at Sussex II for a total of 126 offenders. Based on the average offender population, 91 offenders should be employed at Sussex I and 101 should be employed at Sussex II for a total of 192 offenders. VADOC Food Services management stated that as of June 12, 2015, Sussex I and II each had 90 food services positions for offenders for a total of 180 positions, which was 12 less than required by the contract. Subsequently, Food Services management requested that the vendor increase employment to the required level.

Failure to employ the required number of offenders may result in more disruptive/misbehavior, decreased chances of obtaining post-release employment, and a higher chance of recidivism for the offenders. However, since the vendor pays VADOC on a reimbursement basis for offender employees' salaries, there is no financial loss to the agency for the non-compliance with the contract terms.

This discrepancy appears not to have been addressed due to VADOC Food Services staff's focus on higher priority topics such as food safety and health. The requirement to employ a minimum of

eight percent of the offenders may have been affected by facility population causing the requirement to no longer be attainable.

**RECOMMENDATION**

VADOC should ensure that the contract requirements for food services at Sussex I and Sussex II are met by the vendor by regularly monitoring to ensure the minimum numbers of offenders are steadily employed by the vendor.

**Management Response:**

We monitor and regularly discuss the outsourced vendor's inability to meet contract requirements.

VADOC agrees that we should continue to monitor the contract and hold the provider accountable, but their failures exceed the scope of this finding (staffing) and are explained in further detail below.

VADOC maintains 41 state operated food services facilities and 2 privately outsourced food services facilities. The privately outsourced facilities are Sussex I State Prison and Sussex II State Prison. For 13 years, the outsourced company has requested a yearly Consumer Price Index increase. These annual requests have ranged from three to five percent.

- Approximately 30 percent in increases have been granted during the contractual alliance.
- VADOC food services facilities have experienced only a five percent total increase in cost in the same period.
- The outsourced food services are plagued by high staffing turnovers (supervisors and line staff). Staffing turnovers are estimated at 60 percent annually. Many of the factors attributed to this concern are:
  - Low hourly salaries
  - Insufficient training
  - Poor hiring practices
  - Noncompetitive benefit packages.
- VADOC Food Operations has approximately a 12 percent turnover rate.
- Food Cost Reduction since 1997 in VADOC operated food services:
  - 1997 — \$4.35 Food and Food Supplies cost cents per day per offender;
  - 2007 to present — \$2.10 food and food supplies cost; and
  - \$2.25 difference equates to 24,637,500 per year savings since 2007.
- VADOC versus Private Food Services:
  - VADOC currently has Statewide average of \$3.39 (Food, Food Supplies and Labor) per day per offender.
  - Sussex I is \$3.546 per day per offender with a \$0.10 per day surcharge on paper products if used for tray service.

- Sussex II is \$3.414 per day per offender with a \$0.10 per day surcharge on paper products if used for tray service.
- Sussex I and II evaluation
  - Private Company wants four percent increase this year, if granted would cause VADOC Food Services to be much cheaper than Private Company.
- April Offender Focus Group at Sussex I complaints included:
  - Quality of the food products;
  - Not following the recipes;
  - Overcooked and undercooked vegetables;
  - Rotten produce; and
  - Review of the operations found they were not following recipes and policies that were established.

**OBSERVATION NO. 13 – USE SOLE SOURCE PROCUREMENT ONLY WHEN JUSTIFIED**

The Virginia Public Procurement Act (VPPA) designates the Department of General Services (DGS) and the Agency Procurement and Surplus Property Manual (APSPM) as the source for specific policies and procedures that executive branch agencies are to follow for their procurements. APSPM Chapter 8 – Sole Source Procurement, states that “A sole source procurement is authorized when there is only one source practicably available for the goods or services required.”

VADOC is subject to the VPPA which provides guidance for revenue producing contracts as well. Management in the DGS procurement area stated that even when an agency is selling a product, in this case swine and cream, some service is being provided by the purchaser. Therefore, the agency is obtaining a service, which requires that the sale follows the requirements of the VPPA.

Agribusiness staff did not research to determine if there was only one source for the sale of swine. Instead, a verbal agreement by prior management was made with Smithfield Foods a number of years ago for the vendor to purchase the swine. Current Agribusiness management has continued to follow this practice.

Agribusiness management has not researched to determine that there is only one source for the sale of cream. A dairy willing to purchase small lots of cream was identified by management and sales are expected to begin in June or July 2015.

**RECOMMENDATION**

Agribusiness management should follow the VPPA and the APSPM requirements when selling products such as swine and cream. Failure to follow the processes required by the VPPA would be in violation of state law and may result in less favorable contracts for the Agribusiness Program.

**Management Response:**

We concur there is no contract with Smithfield; however, the previous Agribusiness Director sought guidance from the Attorney General's Office regarding this process and since Smithfield paid a premium for quality and purchases were from a live hog market price plus a quality premium, the Department was confident of a fair market price. This process will be re-evaluated.

The Department has made no cream sales as construction of the manufacturing process is not complete. Upon completion, the product will be tested and the Department will begin marketing. We will pursue solicitations for sale. No inappropriate sales have occurred to date.

**OBSERVATION NO. 14 – OBTAIN OFFICIAL JUSTIFICATION FOR PAYMENT TO THE STATE'S GENERAL FUND FOR RAW MILK OR EXCEPTIONS FOR OTHER PAYMENTS**

The 2014 Appropriations Act § 4-2.02 states "...all moneys, fees, taxes, charges and revenues received at any time by the following agencies from the sources indicated shall be paid immediately into the general fund of the state treasury." § 4-2.02 a.2.e states that the Department of Corrections is one of those agencies and that revenues from sales of dairy and other farm products are included.<sup>19</sup>

The VADOC Agribusiness program pays \$1.75 per gallon of raw milk produced by the dairy herd to the state's General Fund, but may request some of the funds back for agribusiness special projects. The amount paid to the General Fund during FY 2014 from the sale of milk was \$466,553. The Agribusiness program was allowed to treat the remainder of the funds from sales of milk as recoveries and retain the money to cover the dairy operation expenses

A former VADOC analyst, now employed with the Department of Planning and Budget (DPB), stated that the agreement was made years ago between VADOC, DPB, and the General Assembly money committees when funding the dairy operation. The Agribusiness program was allowed to keep recoveries from the sale of milk sufficient to cover the dairy expenses and the remainder, calculated at \$1.75 per gallon of raw milk, was to go to the General Fund. The analyst also stated that Agribusiness management has been allowed to obtain verbal approval from DPB or the General Assembly money committees to start new projects and to determine whether to treat the funds obtained from the sale of any products as recoveries or revenue.

VADOC Agribusiness management plans to turn over monies from the sale of cream, beginning in June or July 2015, to VT to offset the cost of milk purchased from the university. However, this arrangement has not been approved by anyone outside of VADOC as of the date of this review.

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<sup>19</sup> <http://leg1.state.va.us/cgi-bin/legp504.exe?081+bud+14-2.02+pdf>.

**RECOMMENDATION**

The payment of \$1.75 per gallon of raw milk should be reevaluated to determine if after that payment enough money remains to allow VADOC to cover the operating expenses of the dairy operation. If less of the milk recoveries should be going back to the General Fund in order to cover operational costs, then VADOC should seek approval for any changes needed. Also, VADOC should seek written approval from DPB for its plan to turn over monies from the sale of cream to VT to offset the cost of milk purchased from the university.

Special arrangements, which may appear to be in conflict with the Appropriations Act, should be documented.

**Management Response:**

VADOC will work with DPB to update documented approval of exceptions to the Appropriations Act which allows the agency to retain some money from the sale of milk it produces. The payment of \$1.75 per gallon of raw milk returned to the general fund will be reevaluated to determine if after that per gallon payment adequate funds remain to allow VADOC to cover the operating expenses of the dairy operation. Also, VADOC will seek written approval from DPB for its plan to turn over monies from the sale of cream to VT to offset the cost of milk purchased from the university.

**OBSERVATION NO. 15 — IMPLEMENT ELECTRONIC ORDERING FOR THE FARMER’S MARKET**

The VADOC Farmer’s Market accepts orders via fax or telephone. Agribusiness management estimated that 9,000 orders are received annually, or approximately 35 per work day.

Online ordering would be more efficient and economical, particularly for orders placed by phone. Both the organization ordering and the Farmer’s Market would reduce the number of man hours spent placing/taking the orders. In turn, this change would increase efficiency by allowing staff to use those hours on other tasks.

Agribusiness management stated that the current computer system lacks the capabilities for online ordering.

**RECOMMENDATION**

Agribusiness should consider upgrading its computer system so that it is capable of online ordering. The ability for customers to place orders online will increase the efficiency, effectiveness, and economy of the ordering process both for the Farmer’s Market and for the customers.

**Management Response:**

We agree to explore this recommendation. However, given the significant number of change orders the Market receives up to the time the product is loaded for delivery, we have

concerns regarding the impact on customer service. Our customers are accustomed to last minute, unanticipated adjustments in orders based upon their facility circumstances and shifts in their population.

Previously, we have explored automation with our current technology resources and found the costs prohibitive. We can determine if the available applications are more readily affordable and customer friendly today.

### ***Comparison with Other States' Agribusiness Programs***

A judgmental selection of other states with existing Agribusiness programs or that had programs in the past was made. The following states with an existing program were contacted and responded:

- Arkansas
- Oklahoma
- Georgia
- Colorado
- South Carolina
- Montana

The following states with past Agribusiness programs or programs which have significantly downsized or changed were contacted and responded:

- Kentucky
- Alabama
- Massachusetts
- Missouri
- Indiana
- Nebraska

In general, while there are similarities between how the programs are operated, there are also differences in size, products, numbers of offenders employed, and how the programs are funded. See [Appendix III](#) – Other States' Agribusiness Programs for additional detail.

### ***Potential Efficiencies, Cost Savings, and Productivity Improvements***

Potential efficiencies, cost savings, and productivity improvements were identified during the review and are noted in the appropriate review results sections above.

## Appendix I— The Cost of Feeding Offenders \*

A. Element	B. Dollar Amount	C. Amount (after deduction for staff meals, if appropriate)
1. Food Services Staff Compensation	\$14,065,330	\$13,679,940
2. Offender Kitchen Labor Wages	\$1,608,422	\$1,564,351
3. Security staff in kitchens	\$7,252,691	\$7,053,967
4. Food Services Operational Expense	\$2,767,970	\$2,692,128
5. Food Services Fixed Assets Annual Depreciation Total FY 2014	\$601,996	\$585,501
6. Food and Supplies Beginning Inventory	\$2,166,260	\$2,106,904
7. Cost of Food Purchased by Food Services through agribusiness	\$12,780,684	\$12,430,493
8. Cost of Food Purchased by Food Services Externally	\$8,106,975	\$7,884,844
9. Minus year end food and supply inventory (not used to feed the offenders during the FY)	\$2,741,665	\$2,666,543
<b>10. Total</b>		<b>\$45,331,585</b>
11. Number of Offenders		26,715
12. Annual cost of feeding each offender		\$1,697
13. Daily cost of feeding each offender		<b>\$4.65</b>

\* Sussex I and Sussex II prisons are excluded from these calculations as a vendor provides food services to the offenders. See [Appendix II](#) for Sussex I and Sussex II calculations.

All amounts in column B. for elements 1-9 were reduced by 2.74 percent for staff meals. The new totals appear in column C.

### Notes:

- Line 1. Total actual Food Services staff compensation for FY 2014 was provided by VADOC.
- Line 2. Kitchen offender wages were calculated using data provided by VADOC; number of offenders working in the kitchens, average wage, and average hours worked.
- Line 3. Total compensation of security staff in kitchens was calculated using data provided by VADOC; number of security staff and average total compensation.
- Line 4. Net Food Services operational expenses were calculated by subtracting fixed assets and food purchased in FY 2014 from gross operational expenses.
- Line 5. A list of Food Services fixed assets was obtained from VADOC; annual depreciation was calculated using purchase date, purchase price, and fixed asset useful life.

- Line 6. The dollar amount of FY 2014 beginning inventory of food and supplies was provided by VADOC.
- Line 7. The cost of food purchased from agribusiness by the Food Services department was provided by VADOC.
- Line 8. The cost of food purchased from others by the Food Services department was provided by VADOC.
- Line 9. Year-end value of food and supply inventory on hand was obtained from VADOC.
- Line 10. Total calculated by adding the totals in lines 1 – 8 and subtracting the total from line 9 from that total.
- Line 11. Average daily offender population for FY 2014 was obtained from reports available on the VADOC website.
- Line 12. Total cost divided by number of offenders equals the annual cost of feeding each offender.
- Line 13. Annual cost of feeding each offender divided by 365 days equals daily cost of feeding each offender.

## Appendix II – Cost of Feeding Offenders at Sussex I & Sussex II Correctional Centers

Element	Amount
1. Sussex I Invoices from Vendor FY 2014 for offender meals	\$1,473,932
2. Sussex II Invoices from Vendor FY 2014 for offender meals	\$1,549,841
3. Sussex I & II Invoices for other charges (ice cream, job resource fair, etc.)	\$3,609
4. Kitchen security staff total compensation at both locations	\$644,588
5. Fixed asset depreciation for both locations	\$17,472
6. Operating expenses other than above	\$27,219
<b>7. Total</b>	<b>\$3,716,661</b>
8. Average number of offenders (total for both locations)	2,403
9. Cost to feed an offender per year	\$1,547
<b>10. Cost to feed an offender per day</b>	<b>\$4.24</b>

**Note: Staff meals are not included in the calculations above.**

- Lines 1 and 2. The FY 2014 meal cost totals were calculated using monthly invoices from the vendor for offender meals.
- Line 3. The cost of other food served to offenders during FY 2014 was calculated by adding in the additional applicable invoices from the vendor.
- Line 4. Kitchen security staff total compensation was calculated by using the number of security staff assigned to the facilities' kitchens times the average individual security staff total compensation.
- Line 5. Fixed asset depreciation was calculated using a listing of fixed assets provided by VADOC with useful life and purchase price.
- Line 6. Operating expenses, other than lines 1-5, were calculated using data provided by VADOC.
- Line 7. The total cost to feed the offenders was calculated by adding the amounts on lines 1-6.
- Line 8. The average number of offenders was obtained from VADOC and is also available on the agency's website.
- Line 9. The annual cost to feed each offender was calculated by dividing the total on line 7 by the average number of offenders total on line 8.
- Line 10. The daily cost to feed each offender was calculated by dividing the total on line 9 by 365 days.

## Appendix III – Other States' Agribusiness Programs for FY2014

	<i>Arkansas</i>	<i>Oklahoma</i>	<i>Georgia</i>	<i>Colorado</i>	<i>South Carolina</i>	<i>Montana</i>
Food Cost Per Offender Per Day	Unknown	\$3.75	\$1.57	\$2.70	\$1.82	Unknown
Cost of Feeding Per Offender Per Day	\$5.58*	Unknown	\$3.08**	Unknown	\$2.92***	Unknown
Products Sold That Differ From VA	Rice Wheat Milo Cotton Cattle Hides Pecans Eggs	Hamburger patties Bulk ground beef	Canned Vegetables	Goat Milk Water Buffalo Milk Meat for ground beef Grapes Birds (Pheasants, Chuckers, Hungarian Partridges) Saddles Feeding, saddle breaking, and other training of wild horses owned by the Bureau of Land Management Dog training	Eggs	Yogurt Cottage Cheese Butter Raw Cream
Product Markup	Unknown	25% Average	16-17%	15- 20%	N/A	N/A
Program Funding	State Funding Retain ½ market price for any food produced over the state funding amount	Unknown	Contract with state Revenue from sale of food to outside parties	Self-funded	Unknown	Unknown
Sales To Parties that Differ from VA (as of review period)	Can sell to anyone, but no examples provided	State employees and retirees	N/A	N/A	Dairy Farmers of America	N/A
Number of Offenders	400	300	350- 600	250 - 300	300 -350	80

\* Includes all costs as well as transportation costs, but not capital improvements

\*\* Includes all costs as well as repairs and maintenance and transportation costs

\*\*\* Includes only food and food services staff compensation

### ***Other Practices Noted***

#### **Overall:**

- Various certificates/certifications and skills are obtained and learned by the offender workers in all states above. All were similar to Virginia, but some included certifications and training related to products/activities that Virginia does not currently produce/have as noted in the table above.
- All states above said the offenders learn to have a stronger work ethic. All states also noted reduced disruptive behavior for offenders working in the program.

- In addition, the selection process for offenders to work in the program is very similar across all states and typically considers security level, type of offense, days remaining in sentence, prior work experience, and educational level. None of the states above currently use any skills assessment or testing in the process.
- Benefits to the states include:
  - Taxpayer savings through lower cost of food;
  - Reduced recidivism and increased ability to obtain post-release employment;
  - Less disruptive activity in the corrections facilities;
  - Revenues in some states returned to the General Fund;
  - Good land stewardship; and
  - Improved public safety.

### **Montana**

- Only state of those above tracking recidivism for offenders participating in correctional enterprises and noted that recidivism was 20 percent lower for offenders who had worked for at least a year.
- Works with the Department of Labor to track post – release employment and is finding offenders who had involvement in correctional enterprises (including agribusiness) are finding jobs sooner.
- Currently working on a system to contact potential employers of qualified offenders upon release and has had good luck with job placement in some areas in the past, particularly lumber graders.
- Instituted a community work program where offenders work directly for a civilian supervisor on general maintenance, as a store clerk, or various other duties.
- Has a higher level of interaction with parole than other states and is working to enhance that collaboration.

### **Georgia**

- Only state other than Virginia to have cooperative agreements with a university. The University of Georgia veterinary students have access to all of Georgia’s Correctional Agribusiness farms to perform testing on dairy, beef, and swine. Georgia is working on several agreements with higher education for the entire division, including agribusiness.
- Food services and agribusiness are part of one unit. These units work together to ensure what is needed is produced at the best prices.
- Has a contract for \$26.4 million to purchase or grow all the food needed to feed the offenders. Food costs are actually close to \$30 million. The difference is covered by sale of items to outside parties.

### **Oklahoma**

- Considering cooperative agreements with nearby states’ correctional Agribusiness Programs such as trading or a sales arrangement to eliminate the need for expensive infrastructure investments. An example provided would have Oklahoma’s large meat processing facility provide meat products to a nearby state and that state, which recently built a state of the art

hen laying facility, would supply eggs to Oklahoma. Oklahoma noted that their hen laying houses need expensive renovations and an arrangement such as this should help both states keep costs down. The other state was noted to need approximately \$1 million in renovations to its meat processing center.

- Program was initially designed to employ as many offenders as possible, but the agency has been instructed to operate agribusiness more like a profit center and will be automating as many offender positions as possible, reducing the number of offender workers which also reduces staff for security. The agency's plan is to purchase round balers instead of small square balers, bulk feed handling equipment, and larger, more efficient equipment for the vegetable operation and the meat processing center.

### **Colorado**

- Correctional Industries makes and sells fiberglass fish tanks, provides land, buildings, and offenders for labor to two third party vendors to raise and sell tilapia and trout. Correctional Industries receives compensation from the vendors for the land, buildings, and offender labor.
- Agribusiness activities are totally cash funded. The only product used by the offenders is 20 percent of the cow milk.

### **Arkansas**

- Felt a best practice other states could consider would be to obtain funding to enlarge or improve the program by borrowing money like a business, when appropriations are not available.
- Receives \$5.6 million from the state's Department of Finance and earns credit for food produced to pay back the funding. The program keeps 50 percent of any credit over \$5.6 million.

### **States which have had good results but have dismantled or decreased Agribusiness programs, primarily due to funding issues:**

- Kentucky, Alabama, Massachusetts, Missouri, Indiana, and Nebraska all felt the work ethic, skills, and reduction in disruptive behaviors had been beneficial.
- Alabama said a prior cooperative agreement with Auburn University to test bulls was a best practice.
- Indiana Prison Enterprises Network included standing timber sales, a sawmill, firewood sales to state parks, meat goats, a bakery, and a dry foods repack process where items such as cereals or mixes were bought in bulk and repackaged in smaller quantities.