

OKLAHOMA BOARD OF CORRECTIONS MEETING MINUTES

Department of Corrections

Location: Oklahoma Department of Corrections

3400 Martin Luther King

Oklahoma City, Oklahoma

Date/Time: Thursday, September 28, 2006 – 1:00 p.m.

1. OPENING AND ROLL CALL

Chairman Robert Rainey of the Oklahoma Board of Corrections called the September 28, 2006, meeting to order at 1:10 p.m. and welcomed those in attendance. The clerk was asked to call roll. Members present at roll call reflected a quorum was present.

Ernest Godlove
Robert Rainey

Ted Logan
Earnest Ware

Mark Luttrull
Beverly Young

Chairman Rainey announced that Mr. Henneke had a federal court appearance that required his absence from the Board meeting. He did however, attend the morning committee meetings and training held the previous night.

2. APPROVAL OF JULY 27, 2006, BOARD MEETING MINUTES

Chairman Rainey entertained a motion for approval of the June 27, 2006, Board Meeting Minutes which had been previously circulated to all Board members. Mr. Logan made the motion with a second by Mr. Godlove. Results of roll call: Mr. Godlove, yes; Mr. Henneke, absent; Mr. Logan, yes; Mr. Luttrull, yes; Mr. Rainey, yes; Mr. Ware, yes; and Ms. Young, yes.

3. OLD BUSINESS

None reported on agenda.

4. DIRECTOR'S COMMENTS

Director Jones reported it had been another busy month for corrections and reported the following activities.

- In the last six months, the agency had a net increase of 66 correctional officers. The department is authorized 313 probation and parole officers and came close to having all 313 filled. The agency's turnover rate has dropped from a little over 11% to just a fraction above 4% in the last six months. Director thanked staff and management in the agency for making that happen.
- Director Jones introduced Probation and Parole Officer Ebony Tyler, who attended the National Association of Blacks in Criminal Justice last week, and paid good money to shadow him for the day.
- Director and Elvin Baum are on the Sexual Violence Task Force, which has held two meetings. This has been legislatively mandated.
- Oklahoma is one of three states to receive a grant for Community Safety Through Successful Reentry. There will be upcoming training over the next few months and press releases on the reentry conference here in Oklahoma.

- Director's work continues as co-chair on the Governor's Transformation Board. Several members presented at that last Board meeting. They are looking forward to the final recommendations and summary on this project.
- Director thanked Joyce Jackson, Richard Kirby, and all the staff who helped develop our 5013C non-profit organization that will be doing the funding, design and creation of a DOC memorial for corrections staff who lost their life in the line of duty.
- Director thanked BOC members who attended the American Correctional Association conference.
- Mabel Bassett Correctional Center received attention via the Oklahoma Horizon TV show, sponsored in conjunction with the OETA. It focused on non-traditional jobs for women, which included agriculture, Career Tech, etc.
- An inmate work crew from William Key Correctional Center and Career Tech instructor and students joined together to construct the new swine facility for the Fort Supply FFA.
- The Oklahoma State Penitentiary Rodeo was held August 18 & 19 this year, rather than during the Labor Day weekend as it has been in the past. It was very successful for the Chamber of Commerce and he expects they will probably choose to hold the rodeo in August again next year.
- The Howard McLeod Correctional Center Youthful Offender Career Tech program currently has 35 students enrolled, with seven participating in the heavy equipment operators program and 28 participating in the welding program.
- This past July, DOC was awarded several grants from the US Department of Education: \$401,744 for Workplace and Community Transition Training for Incarcerated Youth Offenders, Office of Safe and Drug Free Schools; \$231,378 for Adult Basic Education; and Title 1 allocation was renewed at \$371,079.
- The department continues to be a partner in the Protective Vest Partnership Act, receiving 44 vests for our staff, with a reimbursement of \$15,444 back for the agency.
- The agency has received much attention on the Quality Assurance Process that's been implemented. The National Institute of Corrections is looking at what we are doing, with the idea of possibly replicating it in other agencies around the country.
- DOC was contacted by the Harvard School of Public Achievement wanting to nominate us on our Quality Assurance Process, but it was determined we were a few months short of having been in operation for one year, therefore not meeting the guidelines. Next year we will meet the guidelines and will be nominated.
- The department has two Probation and Parole Career Tech programs; One starting in Enid at the Woodring Airport in August and one at Francis Tuttle Vo-Tech.
- Inmates from Union City are working with Habitat for Humanity to build new houses in El Reno.
- The 10th Annual Grandparents Raising Grandchildren conference was held September 14. Director thanked Ruby Cooper, Rita Cooksey and staff at Hillside who were involved in getting 14 of our inmates to present about the difficulties of staying connected with your children while incarcerated. He was not able to attend, but had been advised that it was well attended. The first class of grandparents, female offenders and their children will be held September 30 at Hillside Community Corrections Center.
- Approval from the National Institute of Corrections was granted to provide system mapping for women offenders. The recommendations will address classification issues for females as well as programmatic needs to assist with re-entry.
- DOC received an extension of its Training Ex-Offenders as Entrepreneurs, Life Skills grant. The amount of funding remaining for this extension is \$250,000.

- A clinical social worker has been hired by the Veterans Administration (VA) to provide services for DOC offenders who are within six months of discharge. This mirrors a program that the VA is currently doing for those soldiers getting ready to discharge the military.
- Director Jones spoke at the National Association of Black Veterans, at Tinker Air Force Base. The agency is working to build a partnership with organizations that support reentry of incarcerated veterans.
- Director Jones presented Pam Ramsey with a certificate for 25 years of service.

**5. CONFIRMATION OF APPOINTMENT
- DONNA LAYMON, WARDEN, WILLIAM S. KEY CORRECTIONAL CENTER**

Deputy Director Bobby Boone presented Donna Laymon to the Board for consideration and approval as Warden of William Key Correctional Center. Ms. Laymon began her career with DOC in 1984 as a Correctional Officer. She worked in other positions such as Food Service Manager, Unit Manager, and Deputy Warden at Taft, Eddie Warrior, Jess Dunn and Jim Hamilton Correctional Centers. Chairman Rainey noted Ms. Laymon’s resume had been circulated to the Board and asked if she had any comments before they voted on her appointment. Ms. Laymon conveyed she was nervous but had nothing further to add.

Mr. Godlove made the motion to confirm Ms. Laymon as Warden of the William Key Correctional Center with a second by Mr. Ware. Results of roll call: Mr. Godlove, yes; Mr. Henneke, absent; Mr. Logan, yes; Mr. Luttrull, yes; Mr. Rainey, yes; Mr. Ware, yes; and Ms. Young, yes.

Ms. Laymon came forward and was presented her certificate of confirmation.

6. APPROVAL OF BOARD POLICY – P-010300, “MISSION AND ORGANIZATION OF THE OKLAHOMA DEPARTMENT OF CORRECTIONS”

Associate Director Edward L. Evans presented P-010300, “Mission and Organization of the Oklahoma Department of Corrections” for approval. This policy was originally titled, “Organizations of the Oklahoma Department of Corrections.” Language was taken from P-010500, “Oklahoma Department of Corrections Mission” and collapsed into P-010300; thereby eliminating the need for both policies. Chairman Rainey announced the Executive Committee reviewed the policy this morning and recommended its approval.

Chairman Rainey entertained a motion for approval of P-010300. Mr. Luttrull made the motion with a second by Ms. Young. Results of roll call: Mr. Godlove, yes; Mr. Henneke, absent; Mr. Logan, yes; Mr. Luttrull, yes; Mr. Rainey, yes; Mr. Ware, yes; and Ms. Young, yes.

7. PROGRAM UPDATE – SUBSTANCE ABUSE SERVICES

Chairman Rainey recognized Program Director Sherri Fabry of the Mack Alford Correctional Center (MACC). Ms. Fabry gave a presentation of their substance abuse program. Packets were provided to the Board. In 2002, estimated cost of drug abuse to society was 181 billion. Eight-five percent of state inmates need treatment, but only 13% received treatment while incarcerated. Treatment can cut drug abuse in half, reduce criminal activity up to 80% and reduce arrests up to 64%. MACC implemented the program in 1988 with 11 offenders. Last year, they went from 24 to 48 participants. The program lasts six months and varies in intensity, which means each offender receives between 9-15 hours per week of therapy. High risk offenders receive up to 200 hours upon completion of the program. They are involved in 50 hours per week of program related activities. Offenders are referred to the program by the case manager or unit manager and they must have a documented

history of substance abuse and moderate to high risk need when they are received at Lexington Assessment and Reception Center. They must be eligible for lower security when they complete the program. They have a family seminar each 6 weeks to involve the family members in the treatment process. Social support from family and friends during drug treatment correlates to positive outcomes as increase commitment to treatment decreases arrest rates, drug usage and fewer relapses during treatment. Family support is the strongest predictor of individual success. A Survival Analysis released in September shows that after 57 months, 66% of the treatment group remained incarceration free, while only 29% who did not receive treatment, returned to prison. For the treatment group, none of the offenders returned after 36 months. Most of the success of MACC's treatment is them remaining in the system 79 days after completion of the program.

8. POPULATION UPDATE

Chief of Operational Services Ken Klingler presented the population update as of September 5. The current system inmate population is 24,547. At this same time last year it was 24,078; an increase of 469. Total incarcerated population currently is 23,721. This same time last year was 23,382; an increase of 339. At DOC facilities population is 17,275. This same time last year was 17,268; an increase of 7. Private prison population is 4,638. This same time last year was 4,634; an increase of 4. Total system population is 56,052. This same time last year was 58,152; a decrease of 2,100. The reason for the decrease is due to dramatic changes instituted by the Division of Probation and Parole that have been extremely successful. County jail population is 551. This time last year was 399; an increase of 152. County jail inmate backup population is 1,193. This same time last year was 1,130; an increase of 63. Halfway house population is 1,257. This same time last year was 1,081; an increase of 176. Clients on probation supervision are 27,589. Clients on parole supervision are 4,148.

Director Jones reported that California, Kansas and Colorado are shopping for beds. He received a courtesy call from California letting us know they were in dier need of 25,000 beds and would be looking at Oklahoma for beds. The department is 97% full. The other 3% is for segregation, inmates out to court and inmates that cannot cohabitate with other inmates. He said that there will be no beds available within 3-4 months. Mr. Godlove reported that bed space had been an issue for a number of years and if something doesn't happen soon we will be in a dier situation. He suggested our legislature and our Governor adopt some sort of a program to free up beds. The legislature and governing branch need to be responsible. There was discussion about the GPS program, which has been successful. Mr. Luttrull suggested that we put forth a legislative initiative to expand the law allowing more inmates to be released on GPS. Director Jones said the last time he checked, the GPS failure rate was 8%. Mr. Luttrull thought perhaps after the election we might see a commutation docket. He thought it was interesting that the director reported in their committee meeting that 1 out of every 5 Oklahomans is a convicted felon. Mr. Klingler reported that Oklahoma ranks fourth in the nation in incarceration; 655 per 100,000 and still lead the nation in incarcerating women; 120 per 100,000. Mr. Luttrull stated that if we are going to be living around this many convicted felons, the citizens of Oklahoma need to take an active part in making sure that these inmates are dealt with respectfully, and that they are rehabilitated. Chairman Rainey felt that changing the GPS guidelines and having a commutation docket would only help in the short term. Passing legislation to enlarge the GPS eligibility pool might take as long as November 2007 before becoming effective. Richard Kirby interjected that the legislature could pass an emergency piece of legislation and make it effective immediately upon the Governor's signature, but the earliest that could happen would be around late March.

**9. APPROVAL OF CAPACITY CHANGE
- JAMES CRABTREE CORRECTIONAL CENTER**

Mr. Klingler asked for a facility modification to increase the authorized capacity of James Crabtree Correctional Center (JCCC) from 838 to 856. The facility had an old restrictive housing unit that was torn down and rebuilt, which affords the ability to house an additional 18 beds. The state Fire Marshal has approved these numbers. Mr. Luttrull, Chairman of the Population Committee, reported the committee was in agreement to approve this capacity change.

Ms. Young made the motion to approve the capacity change at JCCC with a second by Mr. Godlove. Results of roll call: Mr. Godlove, yes; Mr. Henneke, absent; Mr. Logan, yes; Mr. Luttrull, yes; Mr. Rainey, yes; Mr. Ware, yes; and Ms. Young, yes.

Regarding the Oklahoma County District Court case initiated by the public defender, Mr. Godlove asked if the ruling goes against DOC would we have to bring in some 600 additional offenders? Mr. Klingler stated it would be closer to 468 as they must have certified judgment and sentences on file. Director interjected DOC would appeal a ruling not found to be in our favor. Mr. Luttrull asked if we had to house the offenders while the appeal was being heard. Director Jones said we would pay county jail backup but would not have to house them.

10. BUDGET UPDATE

Jim Harris was called upon to provide the budget update. The trending report in this month's board packet dated September 22, 2006, provides comparative information on current trended expenditures compared to the revised FY 2007 budget work program (BWP).

The department filed its FY 2007 BWP with the Office of State Finance (OSF) on July 19th. At that time DOC identified to OSF a projected budgetary shortfall of \$41,478,232. This shortfall is comprised of the difference between projected cost growth in a number of budget areas and the department's FY 2007 appropriation growth. However, for the FY 2007 BWP those combined shortfalls were placed in two budgeted areas: Payroll (\$7,680,875) and Contract Beds (\$33,797,357).

Payroll - The department's initial FY 2007 BWP funded 4,833.5 FTE. This represented an 82% funded level. The department ended August with 4,710 filled positions. Because actual filled positions are still less than budgeted positions, payroll expenditure data indicated a net trended gross payroll surplus of \$13.3 million. Unfortunately, this gross payroll surplus overstates true payroll expenditure trends because of the need to adjust for: 1) The October 1, 2006, 5% state employee pay raise which is not part of the current BWP; 2) The need to reserve funds to allow for the department to hire up to the 82% budget target level; and 3) Address non-appropriated revenue collections that are currently trending below FY 2007 BWP revenue levels. Factoring in these adjustments, it appears that the net payroll budgetary deficit is \$1,329,919. It is expected this deficit will increase over the next few months as the effects of staffing level increases, over time and expenditures start to reflect the impact of the 5% state employee pay raise.

Contract Beds - The FY 2007 BWP was filed with OSF with a \$33.8 million known deficit. Because of overcrowding issues occurring in the county jail backup process, several counties are periodically exercising the invoke law and requesting the department reduce the number of offenders held in their jails. In order to accommodate this need the department had to expand its bed contract with the Lawton Correctional Facility (LCF). Based on current contract bed expenditure trends adjusted for the impact of the additional cost of the LCF beds, it appears that the contract bed deficit in this year's BWP is approximately \$37.5 million.

Medical Services - Because of the time lag between medical service delivery and actual invoice processing, there was insufficient data to trend medical service expenditures at the end of August. September expenditure data should alleviate this problem.

Summary - The \$41.5 million deficit identified to OSF in July was based on known and projected budgetary cost increases. The current \$38.8 million trended expenditure deficit reflects only expenditure trends for payroll and contract beds. It does not capture the additional OCIA bond debt service cost nor identifies typical medical services cost growth. It also does not include cost growth associated with the higher offender populations projected by the Oklahoma Criminal Justice Resource Center. As the fiscal year progresses, it is expected better data will indicate higher expenditure trends and validate both the initial \$41.5 million projected deficit and the soon to be presented \$47.3 million supplemental request that is part of the FY 2008 Budget Request.

11. REVIEW OF FY 07 BUDGET WORK PROGRAM/SUPPLEMENTAL REQUEST

Mr. Harris spoke on the FY 2007 BWP and what made up the short fall that we have identified to OSF. Our current BWP reflected over a ½ billion. Our actual BWP filed with the OSF was \$505,123,810. Of that, appropriations represented \$456 million. This was not sufficient to cover our needs. We identified this with OSF in a supplemental letter dated July 19, 2006. The appropriations growth that the department got this year was unfortunately only \$46.5 million. He explained some of the shortfalls. The department received a pay raise in April to help address turnover rates and staffing problems in retaining staff. The cost of that in our budget this year was almost \$15 million. Dependant benefit allowances increase every year. We initially estimated the cost for that this year would be about \$4.1 million. SB 1601 was a blended rate bill for retirees, but what we projected would increase our benefit allowance needs by another ½ million dollars. Unfortunately when the Employees Benefits Council set the rates, we identified another \$1.7 million shortfall. The employer contribution rate cost the department \$1.8 million. Because of issues with overtime and changing to the 7 day cycle the department had to budget an additional \$3.4 million. Costs associated with budgeting at 82% instead of the 79.5% ended the fiscal year with an additional \$4.8 million. The 5% employee pay raise was an additional \$7.7 million. The agency has 82 teachers impacted by a separate piece of legislation that affected teacher's salaries in the State of Oklahoma. That cost DOC an additional almost \$700,000. Those items alone represent \$24.9 million plus \$13.1 million. Health care was re-budgeted last year through supplemental meetings and through payroll savings and carryover, \$5.2 million into medical. That became our new baseline for FY 2007. Inmate health care grows every year so we budgeted an additional \$3.8 million for medical costs, just due to population growth and inflationary things related to medical. Medical went up \$9 million this year in our budget. The per diem rate increase that goes up \$3.00 effective January 1, 2007, costs another \$1.6 million. The 5% per diem costs \$3.2 million. Appropriated funding for federal grants isn't in this year's budget as they expired. That was an additional \$1.4 million. Facility budget increases because of higher utility costs, food, etc. forced us to add an additional \$6 million. Operating costs and staffing for the Joseph Harp ADA unit, which will hopefully be on line around the first of the year, another \$1.7 million. These costs add up to an \$88 million increase. Unfortunately the department only received \$46.5 million so we started the year with a \$41.5 million deficit. We have increased our supplemental need for additional beds with LCF, by an additional \$5.7 million. As part of the BWP request today, it's an updated supplemental request of \$47.2 million.

12. APPROVAL OF FY08 BUDGET REQUEST

Mr. Harris presented the FY 2008 budget request. This budget request identifies a needed FY 2008 appropriated funding level of \$607,843,612 and represents an appropriation growth above FY 2007

appropriations of \$151,838,736. Full funding of contract bed costs are again presented as the number one priority of the department's budget request. The recurring failure to fully fund these costs have caused the department to annually reduce budgeted staff, reduce facility operating budgets, and defer facility, security, technology and communication, maintenance and upgrades over a ten-year period. Funding growth to address FY 2008 operational cost increases for higher staffing levels, benefit costs growth, increased institutional operating costs, and offender program expansion are specifically identified.

This budget request takes a creative approach to addressing long deferred maintenance and upgrade needs. There are four bond issues identified in this budget request. Together these four bond issues address critical needs that if not approached this way would total \$241,644,518. By using a bond financing approach to address these items the above cost is amortized over the useful life of the critically needed items for an annual debt service cost of \$24,096,171.

The two five-year bond issues address deferred equipment needs, support a vehicle replacement plan to correct an aging, extremely high mileage vehicle fleet, and needed technology upgrades that are critically needed to operate secure facilities and provide state leadership and senior management with the information they are consistently seeking about department operations. These needs generally have a useful life closely associated with the debt service life of the five-year bond issue.

The ten-year bond issue addresses longer useful life items associated with deferred institution and community corrections facility needs and upgrades. The twenty-year bond issue addresses major facility upgrades and new facility construction needs of the department where the useful life of these items equal or exceeds the bond debt schedule.

This budget request also identifies and funds additional authorized staff to support expansion of offender mental health programs, more efficient delivery of offender medical services, expanded faith and victims services programs, better reintegration programs, and the re-opening of the Clara Waters Community Corrections Center in 2008.

It is hoped this budget request will establish a new foundation and direction for the department to meet its mission of protecting the public, our staff and the offender. At the same time this budget request recognizes that society is best served when those offenders sentenced to the Department of Corrections return to society better equipped to lead useful lives than when they came into department custody.

Chairman Rainey asked Ms. Young, as a member of the Budget Committee that met this morning and in Mr. Henneke's absence, what the Budget Committee's recommendation was. Ms. Young replied that it was the committee's recommendation to accept the budget request.

Chairman Rainey entertained a motion to approve the FY 2008 budget request. Ms. Young made the motion with a second by Mr. Godlove. Results of roll call: Mr. Godlove, yes; Mr. Henneke, absent; Mr. Logan, yes; Mr. Luttrull, yes; Mr. Rainey, yes; Mr. Ware, yes; and Ms. Young, yes.

13. AVERAGE DAILY RATE PER INMATE

Mr. Harris report that SB 1964, enacted into law effective July 1, 2006, modified Title 57, Section 561.1 Paragraph E. The new law states:

“At the beginning of each fiscal year, the Department of Corrections shall determine the budgeted average daily cost per inmate. There shall be a separate computation of budgeted average daily cost

for maximum, medium, minimum, and community security facilities. This information shall be presented to the State Board of Corrections for informational purposes only.

After the close of each fiscal year, the department shall determine the actual average daily cost per inmate for the operational costs at each major category of correctional facility. There shall be a separate computation of the average daily rate for maximum, medium, minimum and community security facilities.

The department shall present to the Board of Corrections at its January meeting comparative data on budgeted daily cost versus actual daily cost, and after appropriate review and analysis, the Board shall adopt as a final action of the Board an average daily cost per inmate by facility category for the immediately preceding fiscal year.”

The information in your board packet provides comparative data on the FY 2007 BWP per diem rate by security level and facility. For comparative purposes we are also providing historical information on prior year budgeted, actual and inflation adjusted per diem rates by security level and facility.

At the January Board meeting the Board will be presented actual FY 2006 cost data (fiscal year close out is November 15th) for review and adoption of an average daily cost per inmate by facility category for the immediately preceding fiscal year as required by state statute.

14. OKLAHOMA CORRECTIONAL INDUSTRIES QUARTERLY REPORT

Oklahoma Correctional Industries Administrator J.D. Colbert provided a briefing of accomplishment in FY 2006.

- They invoiced \$15,733,376, which resulted in a profit margin of \$441,334 for FY 06.
- In a year of record breaking increases in raw material costs they held cost of good sold to an increase of only 1.1%.
- In a year of record increases in utility and fuel costs they reduced total expenses by 3.4% compared to the previous year.
- Worked with the Oklahoma Tax Commission to secure \$900,000 in appropriations to provide a digital tag system for OCI to upgrade their operation and bring it into the 21st Century.
- Implemented the Cusp Chair line (lower price point chairs) and sold over \$60,000 of the product in four months.
- Implemented a chair agreement with Arkansas Correctional Industries whereby OCI provides the Cusp Chair to them thereby reducing our costs by purchasing in container loads.
- Implemented a new t-shirt project providing customers with a complete variety of product to choose from at very competitive prices.
- Introduced a new stackable modular office panel system in the last quarter of the fiscal year.
- Implemented a catalog contract for over 10,000 new garment items primarily for embroidery purposes and the employee/retiree market.
- Maintained a daily average of 1,006 inmate workers 7 hours per day for approximately 1,760,500 hours worked with a payroll of \$743,365.00.
- Implemented a new disinfectant product (BioVex) that is less expensive and more effective than the previous product offered. They can provide this in 55 and 30 gallon drums.
- Secured the passage of legislation that removed unclear language from the statute regarding agencies needing to bid purchases from OCI and including the purchase of equipment and services in our language that allows the purchase of items through the Department of Corrections purchasing unit and not having to go through DCS, thereby speeding up securing needed equipment and services.

Items OCI is working on for FY 07:

- The Cusp Chair (lower price point chair) was so successful, that they now have proto-types of low price point entry level office furniture, which should be in the showroom within 10 days.
- Developing a holiday catalog of OCI product for the employee/retiree market that will be distributed through agency partners to a majority of state and education employees.
- Establishing Kiosks in strategic locations for the holiday season to address the employee/retiree market.
- Expanding the private partnership at Eddie Warrior Correctional Center to double the number of female workers at that location.
- Developing and implementing a pilot program of all female installation crews for the Oklahoma City metropolitan service area.

Things for consideration from FY 2007-FY 2011:

- Looking at manufacturing several models of dump bed for trucks. Primary market would be the Department of Transportation. Secondary markets would be counties and cities.
- School bus refurbishing program for different levels of refurbishing school vehicles. Primary market will be common education with the secondary markets being state supported day cars and churches.
- Exploring a call center operation with the primary market being the Department of Tourism with other agencies such as Department of Human Services and the Department of Wildlife as secondary markets.
- Partnering up with casinos to sort cards and poker chips. He found out about this through visiting with VP of Laughlin's Riverside Casino in Nevada while on vacation, who partners with the Nevada Correctional Industries to sort cards and chips.
- Implementing a flow-through warehousing and distribution center.
- Implementing additional female installation crews.
- Implementing employee retail store at admin in Oklahoma City.
- Implementing a document shredding operation.
- Implementing data back-up management for environmentally controlled state buildings.
- Looking for a way to powder coat wood. Moisture has been their only barrier. If they could figure out how to powder coat wood, they could come up with a lot of products.

15. AGRI SERVICES QUARTERLY REPORT

Oklahoma Agri Services Administrator Dick Davis reported an increase over last year in state employee sales of \$16,094 and an increase from last year in spot buy savings of \$92,213. They have a new two-truck smoke house, which should be up and running by Thanksgiving. He explained that it was a 4 foot square rake, about 8 foot tall that meat products are held on that can be rolled into the cooker. The demand for milk was more than their cooler could hold so they installed an external cooler, which will hold an additional 7,000 gallons of milk. Agri Services is in critical need of refrigerated warehouse space to store food for inmates and feed for livestock throughout the state. They are looking at four locations to warehouse and DOC would have to approach the legislature to fund this. The proposal would be written so that a portion of the savings goes back to perpetuate the program. New products Agri Services is currently working on: 1) low cost pork, 2) cubed bologna; and 3) low sodium lunch meats.

The meat processing plant and food processing plant will be changing from state to federal inspections. We'll have the same inspectors once we get a USDA number. The only difference is we'll be able to ship across state lines. Several years ago Oklahoma had an agreement with

Mississippi to provide them with processed meat and they would in return provide Oklahoma with rice and potatoes. We could not hold up our end of the bargain because the federal legislation did not pass that allowed state inspected products to cross the state line. Mr. Davis is attending an event this weekend where so far there are 17 states being represented to see if there are areas we can barter with other states. Oklahoma and Ohio are about the only states that provide a selection of meat. Arkansas feeds ground beef only. Virginia offers fish and has offered to do the trucking to Oklahoma in exchange for equal dollar amounts of processed meat.

Agri Services will start next spring with vegetable production. He noted this was not to be confused with facility gardens. There will be production that is for DOC and each unit will grow what they want for their unit. Vegetable production is a result of Senator Corn's legislation that requires Agri Services to operate at maximum capacity on fruits and vegetables, which they will do, but production is quicker than consumption. Currently in the McAlester meat cutting school they have 22 enrolled, and graduated, but they've dropped 42 due to parole, misconducts, etc.

Ms. Young asked how her church could go about purchasing food from Agri Services to feed 300+ homeless people per day. Mr. Davis stated he would get that information to her. Mr. Luttrull mentioned he had received calls from two legislators about the box beef issue. He asked if the lack of meat cutters had anything to do with us not slaughtering our own beef? Mr. Davis replied that the school was not in jeopardy. We do enough to maintain the school. He added that box beef vs. life slaughter prices are monitored closely. When box beef is not cheaper, we do live slaughter. When it is cheaper, we do boxed beef. He assured Mr. Luttrull we were doing everything as economically sound as possible.

16. APPROVAL OF FY 2007 CONTRACT RENEWALS FOR CORRECTIONAL SERVICES

-Corrections Corporation of America

- **Cimarron Correctional Facility, Cushing, OK**
- **Davis Correctional Facility, Holdenville, OK**

-GEO Group, Inc

- **Lawton Correctional Facility, Lawton, OK**

-Hinton Economic Development Authority/Cornell Companies

- **Great Plains Correctional Facility, Hinton, OK**

Private Prisons, Jails and Safety Administrator Dennis Cunningham presented new contracts to the Board. He advised there were changes to the contracts from what was in their packets. A language change was made in Section 2.2 allowing us to terminate the contract if not funded. There was a double negative in Section 7.1.A. of GEO's contract so the language was changed to make it clear. Two extensions were signed prior to this. The primary reason being that the legislature was still in session and one of the issues before them was the per diem increase. We held this up so we could get the legislative action. The second reason was that LCF was in the process of completing construction on new beds. We have eliminated some therapeutic communities, addressed the 5% per diem increase, added Lawton beds, negotiated changes for legal access to the court section and negotiated a slightly lower per diem rate.

Director Jones noted that just for clarification, when Jim Harris spoke of the department's supplemental request, the 5% per diem increase had already been included. All indications from leadership are that it will be honored.

Chairman Rainey asked if the Private Prison Committee had a recommendation. Mr. Godlove reported the committee reviewed the contracts but the main concern the committee had was the fact that although the legislature and OSF has indicated that we needed to approve this particular discretionary increase of 5%, we are not funded for it. Section 2.2 of the contract talks about the terms of this contract is by agreement between the parties subject to availability of funds annually appropriated by the legislature. Another provision in the contract says, in the event funds for contractual services become insufficient or unavailable the state shall have the right to terminate this contract without penalty on the date funds are no longer available. He pointed those two areas out because the committee's recommendation is to approve the contracts as submitted with the increase in the per diem rate as was outlined in legislation SB 65. Mr. Godlove said, "It is the committee's recommendation that this Board approve the contract based on the directive contained in the legislation included in SB 65 from 2006 session and also the representations from the legislature and from the OSF that our supplemental needs will be fully funded. However, the committee recommends that the Board place this matter on the March Board agenda at which time the committee recommends that the Board reconsider the contract if the legislature fails to provide full funding for the agency." Mr. Godlove moved this recommendation be approved. He pointed out this was not a reflection on our Private Prison system, but rather the issue that in the past, this Board has been criticized for deficit spending. This is deficit spending. We want it to be clear that this Board is asking the legislature to comply with its representations to us that they will fund it. Mr. Luttrull said it was his understanding that if the funding wasn't there we would terminate the agreement, not modify it. General Counsel Richard Kirby supported the committee's recommendation and that all three companies were in agreement with this contract.

Mr. Godlove made the motion to approve FY 2007 contract renewals as stated above with a second by Mr. Logan. Results of roll call: Mr. Godlove, yes; Mr. Henneke, absent; Mr. Logan, yes; Mr. Luttrull, no; Mr. Rainey, yes; Mr. Ware, No; and Ms. Young, yes.

17. APPROVAL OF 2007 MEETING CALENDAR

Chairman Rainey said a history of our prior meetings had been distributed. The Executive Committee, Director, and Pam Ramsey proposed the 2007 meeting schedule, which is subject to change at any time by the Board. He noted the Board had been remiss with their prior commitment to hold meetings whenever possible in the field.

Chairman Rainey made the motion to approve the 2007 meeting calendar. It was seconded by Mr. Godlove. Results of roll call: Mr. Godlove, yes; Mr. Henneke, absent; Mr. Logan, yes; Mr. Luttrull, yes; Mr. Rainey, yes; Mr. Ware, yes; and Ms. Young, yes.

18. COMMITTEE REPORTS

Chairman Rainey urged the Board members to review the Executive Committee minutes. Ms. Young was in agreement to submit that the Board review each of the committee minutes.

19. A. CONSIDERATION OF MOTION TO ADJOURN TO EXECUTIVE SESSION

A. General Counsel Richard Kirby recommended the Board take a vote to adjourn to Executive Session pursuant to Title 25, 307.B. for the following reasons:

- 1) Discussion of employment, hiring, appointment, promotion, salary, demotion, discipline or resignation of any individual salaried public officer or employee.

- 2) Confidential communications between a public body and its attorney concerning a pending investigation, claim, or action if the public body, with the advice of its attorney, determines that disclosure will seriously impair the ability of the public body to process the claim or conduct a pending investigation, litigation, or proceeding in the public interest.
- B.** Ms. Young made the motion to adjourn to executive session with a second by Mr. Ware. Results of roll call: Mr. Godlove, yes; Mr. Henneke, absent; Mr. Logan, yes; Mr. Luttrull, yes; Mr. Rainey, yes; Mr. Ware, yes; and Ms. Young, yes
- C.** Assistant General Counsel Mike Oakley recommended it was the advice of council to take a vote to reconvene out of executive session first and then take any action as a result of the decisions made in executive session. Mr. Godlove made the motion to reconvene from executive session with a second by Mr. Ware. Results of roll call: Mr. Godlove, yes; Mr. Henneke, absent; Mr. Logan, yes; Mr. Luttrull, yes; Mr. Rainey, yes; Mr. Ware, yes; and Ms. Young, yes
- D.** Chairman Rainey indicated there was action to be taken in open meeting as a result of executive session. The floor was turned over to Ms. Young for a recommendation. Ms. Young reported that legislation SB 65XX granted the director a 5% raise effective July 1, 2006, which the Board had yet to vote on. The statute directing the Board to appoint and fix the salary of the director is Title 57 OS 504.
- E.** Ms. Young recommended that they grant the salary raise. It was seconded by Mr. Ware. Results of roll call: Mr. Godlove, yes; Mr. Henneke, absent; Mr. Logan, yes; Mr. Luttrull, yes; Mr. Rainey, yes; Mr. Ware, yes; and Ms. Young, yes

Chairman Rainey stated there was no other business discussed in executive session that would require a vote.

20. NEW BUSINESS

None

21. ANNOUNCEMENTS

Chairman Rainey commented that the American Correctional Association conference they attended recently in North Carolina was productive and challenging. It was discussed in executive session that they would recommend one or more members of the Board attend next year's conference in Kansas City. Mr. Godlove commended their moderator, Pam Ramsey, for a job well done.

22. ADJOURNMENT

Chairman Rainey entertained a motion to adjourn. Mr. Luttrull made the motion with a second by Mr. Logan. Results of roll call: Mr. Godlove, yes; Mr. Henneke, absent; Mr. Logan, yes; Mr. Luttrull, yes; Mr. Rainey, yes; Mr. Ware, yes; and Ms. Young, yes

Meeting adjourned at 4:57 p.m.

I hereby certify that these minutes were duly approved by the Board on this 18th day of October, 2006, in which a quorum was present and voting.

Approved by:

Secretary of the Board

Date: October 18, 2006

Submitted by: _____
Minutes Clerk