

# BUDGET NARRATIVE

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## Capital Improvements

### Program Description

#### Purpose

Capital Improvements includes those projects that change, adapt, or replace the use or function of a facility or reconfiguration of a program workspace. Capital improvements also include asset protection, which is defined as maintenance, repair, replacement, or adaptation of a facility. The completed project cost must be less than \$500,000.

#### How Achieved

The Department of Corrections is responsible for maintaining 14 institutions and over 4.6 million square feet of building space within its correctional facilities. During the 2007 legislative session, Capital Improvement funding for the agency was increased by \$1.4 million for the 2007-09 biennium, restoring a \$1 million General Fund reduction approved by the Legislature during the 2005 regular session. This restoration of Capital Improvement funding level will allow the agency to perform the most critical and immediate asset protection activities on our \$970 million investment in real property.

The 2009-11 Essential Budget Level for the Department is \$2,629,425 General Fund.

### Agency Request Budget

#### Staffing Impact

None

#### Revenue Source

General Fund - \$2,629,425

### Governor's Recommended Budget

The Governor did not make any changes to this portion of the budget, but did increase the overall budget in Package 257 by \$3,862,540 General Fund to provide funding for implementation of Ballot Measure 57, the recently-approved repeat property offender initiative.

#### Staffing Impact

None

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**Revenue Source**

General Fund - \$6,491,965

**Legislatively Adopted Budget**

The Legislature made two reductions to the Capital Improvement budget. A total of \$650,000 was removed: \$250,000 identified on the agency 10% Reduction Plan was taken and an additional \$400,000 was removed by the Legislature for budget savings associated with the temporary suspension of Ballot Measure 57.

**Staffing Impact**

None

**Revenue Source**

General Fund - \$5,841,965



# BUDGET NARRATIVE

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## Capital Improvement

### 031 Standard Inflation

#### Package Description

##### Purpose

This package includes funding for inflation and adjustments to reflect the Price List of Goods and Services issued by the Department of Administrative Services. For this Division, only the cost of standard inflation is requested. The prescribed standard inflation factors were used for all accounts in this Division.

##### How Achieved

For 2009-11 inflation factors are 2.8% for standard inflation. Inflation requested in this package is for the 2009-11 Base Budget. Inflation associated with biennialized phased-in programs, when applicable, is included in package #021. Inflation associated with new institution start-up and operation is included in the essential package for caseload increases, package #040.

#### Agency Request Budget

##### Staffing Impact

None

##### Revenue Source

General Fund - \$71,619

#### Governor's Recommended Budget

The Governor did not make any changes to this package.

##### Staffing Impact

None

##### Revenue Source

General Fund - \$71,619

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**Legislatively Adopted Budget**

The Legislature did not make any changes to this package.

**Staffing Impact**

None

**Revenue Source**

General Fund - \$71,619

**2011-13 Fiscal Impact**

The actions included in this package will become a part of the Base Budget for 2011-13.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 031 - Standard Inflation

Cross Reference Name: Capital Improvements  
Cross Reference Number: 29100-088-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	71,619	-	-	-	-	-	71,619
<b>Total Revenues</b>	<b>\$71,619</b>	-	-	-	-	-	<b>\$71,619</b>
<b>Capital Outlay</b>							
Land and Improvements	70,212	-	-	-	-	-	70,212
Professional Services	1,407	-	-	-	-	-	1,407
<b>Total Capital Outlay</b>	<b>\$71,619</b>	-	-	-	-	-	<b>\$71,619</b>
<b>Total Expenditures</b>							
Total Expenditures	71,619	-	-	-	-	-	71,619
<b>Total Expenditures</b>	<b>\$71,619</b>	-	-	-	-	-	<b>\$71,619</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

# BUDGET NARRATIVE

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## Capital Improvements

### 257 Ballot Measure 57

#### Package Description

##### Purpose

Ballot Measure 57 was approved by Oregon voters in November 2008. This measure addresses repeat property offenders by imposing stronger penalties for certain crimes. Prior to January 1, 2009, property crime offenders were largely sentenced to probation or county jail and supervised in the local community. For crimes committed on or after January 1, 2009, convictions for these crimes will result in significantly more of these being sent to state prisons, for longer sentences. The Oregon Department of Corrections (ODOC) convened workgroups early in 2008 to plan all aspects of compliance and to develop cost estimates for the potential passage of the measure. The Agency Request Budget was developed prior to the November election and does not include any funding for the measure. The Governor's Recommended Budget substantially modifies the Department's Agency Request Budget to accommodate the implementation costs associated with passage of Measure 57.

Based on the measure's January 1, 2009 effective date, the first offenders are projected to arrive by April 2009. By the end of the current biennium, 72 additional men and 18 additional women are expected to be in prison. By the end of the 2009-11 biennium, a total of 1,406 Ballot Measure 57 offenders are projected to be in prison; 1,125 men and 281 women. When fully phased-in, the measure is projected to result in a prison population increase of 1,670 inmates by June 2015. Due to the specific crimes addressed in the measure, women are expected to represent a greater proportion of the population increase – 20%.

##### How Achieved

Based on Oregon's current fiscal crisis, the Governor's Recommended Budget only provides funding for approximately half of the projected implementation cost identified in the Department's presentation to the Financial Estimate Committee for use in developing information for the Voter's Pamphlet. In response to that reduced funding, the Department has developed a "least-cost" implementation plan focusing on the use of temporary/emergency beds in existing facilities and relying less on opening newly-constructed permanent beds at the new Deer Ridge facility in Madras and newly-constructed expansion beds at the Shutter Creek facility in North Bend. Some of the temporary beds will require an investment in facility remodeling to change space utilization effectively.

Strategies for housing the increased numbers of inmates include; adding temporary beds and opening three permanent units at Deer Ridge (Madras); temporary beds at Eastern Oregon (Pendleton), Mill Creek (Salem), Santiam (Salem), Penitentiary (Salem), Columbia River (Portland), Powder River (Baker City), Snake River (Ontario); new permanent beds at Shutter Creek (North Bend); classroom and visiting

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space conversation to housing at Two Rivers (Umatilla): adding temporary beds and converting training/workspace at Coffee Creek (Wilsonville) to address the growth of the women's population.

The measure also contains provisions for enhanced drug and alcohol treatment for these offenders; \$5,000,000 GF for the Department of Corrections and \$15,000,000 GF for treatment in the local community.

## Quantifying Results

Increasing population density through the use of temporary and emergency beds as a long-term housing and incarceration strategy presents many issues: effective supervision, available services, adequate recreation, challenges to an already difficult problem related to constitutional inmate work/program compliance, visitation schedules, appropriate treatment, and training opportunities (lost classroom and workspaces), etc.

The effects of this housing strategy will be evaluated based on data reported in the Department's Key Performance Measures relating to, Measure 17 (work/program) participation (#1), completion of programs in the inmate correction plans (#2), Recidivism (#3), assaults on staff (#4), work crew walk-aways (#5), electrical energy use (#6), inmate sanctions (#7), secure custody escapes (#8), unarmed perimeter escapes (#9) and successful transitional leave (#10). Based on the expected medical conditions of the new population, KPM #12, related to offsite medical care will also be closely monitored.

## Governor's Recommended Budget

This package was added by the Governor.

## Staffing Impact

None

## Revenue Source

General Fund - \$3,862,540

## Legislatively Adopted Budget

The Legislature did not make any changes to this package.

## Staffing Impact

None

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**Revenue Source**

General Fund - \$3,862,540

**2011-13 Fiscal Impact**

All of the funds in this package are for one-time construction/remodel costs to the Coffee Creek Correctional Facility and will not be included in future biennial budgets.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 257 - Ballot Measure 57 Implementation

Cross Reference Name: Capital Improvements  
Cross Reference Number: 29100-088-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	3,862,540	-	-	-	-	-	3,862,540
<b>Total Revenues</b>	<b>\$3,862,540</b>	-	-	-	-	-	<b>\$3,862,540</b>
<b>Capital Outlay</b>							
Other Capital Outlay	3,862,540	-	-	-	-	-	3,862,540
<b>Total Capital Outlay</b>	<b>\$3,862,540</b>	-	-	-	-	-	<b>\$3,862,540</b>
<b>Total Expenditures</b>							
Total Expenditures	3,862,540	-	-	-	-	-	3,862,540
<b>Total Expenditures</b>	<b>\$3,862,540</b>	-	-	-	-	-	<b>\$3,862,540</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

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## Capital Improvements

### 806 Other End-of-Session Changes

#### Package Description

##### Purpose

This package reflects adjustments to General Fund appropriations resulting from the passage of HB 3508, HB 2428, and HB 2476. HB 3508 provides savings to the agency through altering the effective date of Ballot Measure 57, changing community corrections related sentencing, increasing earned time for specific offenders and implementing other changes that reduce the need for prison beds and estimated community corrections caseloads during 2009-11. HB 2428 enhances the definition of assault in the third degree and HB 2476 enhances sentencing in the case of sexual abuse in the second degree. For Capital Improvements, HB 3508 includes a reduction of (\$400,000).

##### Legislatively Adopted Budget

This package was added by the Legislature.

##### Staffing Impact

None

##### Revenue Source

General Fund - (\$400,000)

##### 2011-13 Fiscal Impact

HB 3508 effectively suspends Ballot Measure 57 on February 15, 2010 and reinstates the measure January 1, 2012. The impact of this package for 2011-13 will be the re-instatement of the funds associated with this suspension. The adjustments resulting from enhancements to sentencing found in HB 2428 and HB 2476 are on-going and will be included in the 2011-13 Base Budget.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 806 - Other End-of-Session Changes

Cross Reference Name: Capital Improvements  
Cross Reference Number: 29100-088-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	(400,000)	-	-	-	-	-	(400,000)
<b>Total Revenues</b>	<b>(\$400,000)</b>	-	-	-	-	-	<b>(\$400,000)</b>
<b>Capital Outlay</b>							
Other Capital Outlay	(400,000)	-	-	-	-	-	(400,000)
<b>Total Capital Outlay</b>	<b>(\$400,000)</b>	-	-	-	-	-	<b>(\$400,000)</b>
<b>Total Expenditures</b>							
Total Expenditures	(400,000)	-	-	-	-	-	(400,000)
<b>Total Expenditures</b>	<b>(\$400,000)</b>	-	-	-	-	-	<b>(\$400,000)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

# BUDGET NARRATIVE

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## Capital Improvements

### 812 Agency Reductions

#### Package Description

##### Purpose

This package contains elements that adjust General Fund across the agency, to include delays in bringing facilities on-line, unspecified Services and Supplies reductions, vacancy savings and staff reconfiguration efforts. For Capital Improvements, this includes a reduction of (\$250,000). This reduction was offered by the Agency as part of its 10% reduction exercise. This reduction will cause continued delay in addressing maintenance issues that have been known for years.

##### Legislatively Adopted Budget

This package was added by the Legislature.

##### Staffing Impact

None

##### Revenue Source

General Fund - (\$250,000)

##### 2011-13 Fiscal Impact

This is a one-time reduction that will be restored for the 2011-13 budget.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 812 - Agency Reductions

Cross Reference Name: Capital Improvements  
Cross Reference Number: 29100-088-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	(250,000)	-	-	-	-	-	(250,000)
<b>Total Revenues</b>	<b>(\$250,000)</b>	-	-	-	-	-	<b>(\$250,000)</b>
<b>Capital Outlay</b>							
Land and Improvements	(250,000)	-	-	-	-	-	(250,000)
<b>Total Capital Outlay</b>	<b>(\$250,000)</b>	-	-	-	-	-	<b>(\$250,000)</b>
<b>Total Expenditures</b>							
Total Expenditures	(250,000)	-	-	-	-	-	(250,000)
<b>Total Expenditures</b>	<b>(\$250,000)</b>	-	-	-	-	-	<b>(\$250,000)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

**DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE**

Corrections, Dept of  
2009-11 Biennium

Agency Number: 29100  
Cross Reference Number: 29100-088-00-00-00000

<i>Source</i>	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
<b>Other Funds</b>						
Transfer In - Intrafund	236,476	-	-	-	-	-
<b>Total Other Funds</b>	<b>\$236,476</b>	-	-	-	-	-

Program Unit Appropriated Fund Group and Category Summary  
 2009-11 Biennium  
 Capital Improvements

Version: Z - 01 - Leg. Adopted Budget  
 Cross Reference Number: 29100-088-00-00-00000

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
<b>CAPITAL IMPROVEMENT (Excluding Packages)</b>						
<b>PERSONAL SERVICES</b>						
General Fund	4,284	-	-	-	-	-
<b>SERVICES &amp; SUPPLIES</b>						
General Fund	1,068,059	-	-	-	-	-
Other Funds	201,880	-	-	-	-	-
All Funds	1,269,939	-	-	-	-	-
<b>CAPITAL OUTLAY</b>						
General Fund	6,656	2,557,806	2,557,806	2,557,806	2,557,806	2,557,806
<b>TOTAL CAPITAL IMPROVEMENT (Excluding Packages)</b>						
General Fund	1,078,999	2,557,806	2,557,806	2,557,806	2,557,806	2,557,806
Other Funds	201,880	-	-	-	-	-
All Funds	1,280,879	2,557,806	2,557,806	2,557,806	2,557,806	2,557,806
<b>CAPITAL IMPROVEMENT (Essential Packages)</b>						
<b>031 STANDARD INFLATION</b>						
<b>CAPITAL OUTLAY</b>						
General Fund	-	-	-	71,619	71,619	71,619
<b>TOTAL CAPITAL IMPROVEMENT (Essential Package)</b>						
General Fund	-	-	-	71,619	71,619	71,619
<b>CAPITAL IMPROVEMENT (Essential Budget Level)</b>						
General Fund	1,078,999	2,557,806	2,557,806	2,629,425	2,629,425	2,629,425

Program Unit Appropriated Fund Group and Category Summary  
 2009-11 Biennium  
 Capital Improvements

Version: Z - 01 - Leg. Adopted Budget  
 Cross Reference Number: 29100-088-00-00-00000

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
Other Funds	201,880	-	-	-	-	-
All Funds	1,280,879	2,557,806	2,557,806	2,629,425	2,629,425	2,629,425
<b>CAPITAL IMPROVEMENT (Policy Packages)</b>						
<b>PRIORITY 0</b>						
<b>257 BALLOT MEASURE 57 IMPLEMENTATION</b>						
<b>CAPITAL OUTLAY</b>						
General Fund	-	-	-	-	3,862,540	3,862,540
<b>806 OTHER END-OF-SESSION CHANGES</b>						
<b>CAPITAL OUTLAY</b>						
General Fund	-	-	-	-	-	(400,000)
<b>812 AGENCY REDUCTIONS</b>						
<b>CAPITAL OUTLAY</b>						
General Fund	-	-	-	-	-	(250,000)
<b>TOTAL CAPITAL IMPROVEMENT (Policy Packages)</b>						
General Fund	-	-	-	-	3,862,540	3,212,540
<b>TOTAL CAPITAL IMPROVEMENT (Including Package</b>						
General Fund	1,078,999	2,557,806	2,557,806	2,629,425	6,491,965	5,841,965
Other Funds	201,880	-	-	-	-	-
All Funds	1,280,879	2,557,806	2,557,806	2,629,425	6,491,965	5,841,965
<b>TOTAL BUDGET</b>						
General Fund	1,078,999	2,557,806	2,557,806	2,629,425	6,491,965	5,841,965

**Corrections, Dept of**

**Agency Number: 29100**

**Program Unit Appropriated Fund Group and Category Summary**

**Version: Z - 01 - Leg. Adopted Budget**

**2009-11 Biennium**

**Cross Reference Number: 29100-088-00-00-00000**

**Capital Improvements**

Description	<b>2005-07 Actuals</b>	<b>2007-09 Leg Adopted Budget</b>	<b>2007-09 Leg Approved Budget</b>	<b>2009-11 Agency Request Budget</b>	<b>2009-11 Governor's Rec. Budget</b>	<b>2009-11 Leg Adopted Budget</b>
Other Funds	201,880	-	-	-	-	-
All Funds	1,280,879	2,557,806	2,557,806	2,629,425	6,491,965	5,841,965