

# BUDGET NARRATIVE

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## Capital Improvements

### Program Description

#### Purpose

Capital Improvements are expenditures for acquisition or construction of a new asset or, for existing assets; the expenditure significantly increases the value, extends the life, or makes it adaptable for a different use. Capital improvements also include non-routine maintenance or repair of an asset. The completed project cost must be less than \$1 million.

#### How Achieved

The Department of Corrections is responsible for maintaining 15 institutions and over 4.6 million square feet of building space within its correctional facilities. Base Capital Improvement funding will allow the agency to perform only the most critical and immediate asset protection activities on our \$970 million investment in real property.

During the 2009-11 Legislative Session, Ballot Measure 57 increased Capital Improvement funding by \$3.5 million to fund a remodel of the Coffee Creek Correctional Institution. With the suspension of Ballot Measure 57, the remodel was not necessary and now those funds are being phased out for the 2011-13 biennium.

A \$2,905,000 General Fund Policy Package is being requested for various short-term deferred maintenance projects to be completed by the end of the 2011-13 biennium.

### Agency Request Budget

#### Staffing Impact

None

#### Revenue Source

General Fund	\$5,597,531
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## CAPITAL IMPROVEMENT

Project Description	2011-13				
	Site	Structure	Less: Force Account Work	Expenditures	Fund
Base funding for emergency projects as needed	\$0	\$2,692,531	\$0	\$2,692,531	General
Electrical/Electronic Security/Wireless S&S	\$465,000	\$0	\$0	\$465,000	General
Service Monitor/Battery Analyzer Replacement Capital Outlay	\$285,000	\$0	\$0	\$285,000	General
Culinary Boiler Replacement at CCCF	\$75,000	\$0	\$0	\$75,000	General
Monitoring Wells at Central Distribution Center	\$100,000	\$0	\$0	\$100,000	General
Sewer Line Repair at OSP	\$450,000	\$0	\$0	\$450,000	General
Domestic Hot Water Tank Replacement at SCI	\$200,000	\$0	\$0	\$200,000	General
Roof and Rain Gutter Replacement at EOCI	\$450,000	\$0	\$0	\$450,000	General
Culinary Floor Repairs at OSCI	\$120,000	\$0	\$0	\$120,000	General
Shower Repairs at OSCI	\$120,000	\$0	\$0	\$120,000	General
Shower Repairs at EOCI	\$150,000	\$0	\$0	\$150,000	General
Culinary Floor Repairs at WCCF	\$90,000	\$0	\$0	\$90,000	General
Domestic Water System Upgrade at SCI	\$250,000	\$0	\$0	\$250,000	General
Microwave Hop to South Salem at CCCF	\$150,000	\$0	\$0	\$150,000	General
Position 0900441 Construction Project Manager 2 to oversee the above projects.	\$0	\$0	\$196,830	(\$196,830)	General

# BUDGET NARRATIVE

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## Capital Improvements

### 021 Phase-In

#### Package Description

##### Purpose

This package includes the additional costs associated with 24 month operation of programs or services phased-in during the prior biennium. Additionally, this package restores one-time agency reductions taken by the 2009-11 Legislature. The elimination of costs for programs that were terminated or phased-out during the prior biennium is reported in Package 022, as are budgets for extraordinary one-time expenditures in the prior biennium.

##### How Achieved

This package includes the restoration of one-time unspecified reductions (including inflation) from 2009-11 Legislatively Adopted Budget (LAB) Package 812.

#### Agency Request Budget

##### Staffing Impact

None

##### Revenue Source

General Fund	\$256,000
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#### 2013-15 Fiscal Impact

The actions included in this package will become part of the Base Budget for 2013-15.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 021 - Phase-in

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	256,000	-	-	-	-	-	256,000
<b>Total Revenues</b>	<b>\$256,000</b>	-	-	-	-	-	<b>\$256,000</b>
<b>Capital Outlay</b>							
Land and Improvements	256,000	-	-	-	-	-	256,000
<b>Total Capital Outlay</b>	<b>\$256,000</b>	-	-	-	-	-	<b>\$256,000</b>
<b>Total Expenditures</b>							
Total Expenditures	256,000	-	-	-	-	-	256,000
<b>Total Expenditures</b>	<b>\$256,000</b>	-	-	-	-	-	<b>\$256,000</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

# BUDGET NARRATIVE

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## Capital Improvements

### 022 Phase-out Pgm & One-time Costs

#### Package Description

##### Purpose

This package includes the elimination of costs for programs that were terminated or phased-out during the prior biennium. Extraordinary one-time expenditures are also adjusted in this package. Specific actions taken by this Division are described below.

##### How Achieved

Prior biennium one-time funding of \$3,462,540 General Fund for remodeling of Coffee Creek Correctional Facility is eliminated in this package. This funding was approved in package 257 during 2009-11. However, due to the suspension of Measure 57, this remodeling was not necessary. Additional one-time Other Funds approved in the February 2010 Special Session being eliminated in this package include \$250,000 for DRCI sewer repairs and \$450,000 American Recovery and Reinvestment Act (ARRA) funds for a solar water project at EOCI.

#### Agency Request Budget

##### Staffing Impact

None

##### Revenue Source

General Fund	(\$3,462,540)
Other Funds	(700,000)

#### 2013-15 Fiscal Impact

The actions reflected in this package will not affect the 2013-15 budget since they address the elimination of one-time expenditures.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

**Corrections, Dept of**  
**Pkg: 022 - Phase-out Pgm & One-time Costs**

**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	(3,462,540)	-	-	-	-	-	(3,462,540)
Federal Revenues	-	-	(450,000)	-	-	-	(450,000)
Other Revenues	-	-	(250,000)	-	-	-	(250,000)
<b>Total Revenues</b>	<b>(\$3,462,540)</b>	<b>-</b>	<b>(\$700,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$4,162,540)</b>
<b>Personal Services</b>							
Temporary Appointments	-	-	(27,714)	-	-	-	(27,714)
Social Security Taxes	-	-	(2,120)	-	-	-	(2,120)
Mass Transit Tax	-	-	(166)	-	-	-	(166)
<b>Total Personal Services</b>	<b>-</b>	<b>-</b>	<b>(\$30,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$30,000)</b>
<b>Capital Outlay</b>							
Equipment - Part of Building	-	-	(420,000)	-	-	-	(420,000)
Professional Services	-	-	(250,000)	-	-	-	(250,000)
Other Capital Outlay	(3,462,540)	-	-	-	-	-	(3,462,540)
<b>Total Capital Outlay</b>	<b>(\$3,462,540)</b>	<b>-</b>	<b>(\$670,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$4,132,540)</b>
<b>Total Expenditures</b>							
Total Expenditures	(3,462,540)	-	(700,000)	-	-	-	(4,162,540)
<b>Total Expenditures</b>	<b>(\$3,462,540)</b>	<b>-</b>	<b>(\$700,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$4,162,540)</b>

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 022 - Phase-out Pgm & One-time Costs

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>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

# BUDGET NARRATIVE

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## Capital Improvements

### 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. The prescribed standard inflation factors were used for all accounts in this Division.

##### How Achieved

For 2011-13 inflation factors are 2.4% for standard inflation. Inflation requested in this package is for the 2011-13 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 -	\$57,106
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##### 2013-15 Fiscal Impact

The actions included in this package will become a part of the Base Budget for 2013-15.

**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	57,106	-	-	-	-	-	57,106
<b>Total Revenues</b>	<b>\$57,106</b>	-	-	-	-	-	<b>\$57,106</b>
<b>Capital Outlay</b>							
Land and Improvements	55,867	-	-	-	-	-	55,867
Professional Services	1,239	-	-	-	-	-	1,239
<b>Total Capital Outlay</b>	<b>\$57,106</b>	-	-	-	-	-	<b>\$57,106</b>
<b>Total Expenditures</b>							
Total Expenditures	57,106	-	-	-	-	-	57,106
<b>Total Expenditures</b>	<b>\$57,106</b>	-	-	-	-	-	<b>\$57,106</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

# BUDGET NARRATIVE

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## Capital Improvements

### 150 Deferred Maintenance Short-Term Projects

#### Package Description

##### Purpose

Capital Improvements are expenditures for acquisition or construction of a new asset, or, for existing assets, the expenditure significantly increases the value, extends the life, or makes it adaptable for a different use. Capital improvements also include non-routine maintenance or repair of an asset. The completed project cost must be less than \$1 million. The Department of Corrections (DOC) is responsible for maintaining 15 institutions and over 4.6 million square feet of building space within its correctional facilities. Current Service Level Capital Improvement funding of \$2,692,531 will allow DOC to perform only the most critical and immediate asset protection activities on \$970 million in real property.

##### How Achieved

DOC is requesting \$2,905,000 General Fund for the 2011-2013 biennium. This funding will be utilized to address short duration deferred maintenance projects (\$2,155,000), diagnostic equipment replacement (\$285,000), communications systems maintenance and license upgrades (\$215,000), and electrical and electronic security maintenance at our minimum custody facilities (\$250,000). With DOC's minimum custody facilities not staffed with licensed technical trades, staff to perform needed maintenance, repair, and life cycle replacement of electrical and security electronic security components is not readily available.

Some of these projects are currently addressed as unfunded issues resulting in impacts to other areas and usually involve complete system or component failure. No new positions are being requested to address the projects identified. DOC will use the currently authorized vacant Construction Project Manager 2 C3268 (position number 0900441) to provide oversight for the projects.

The projects to be addressed with this funding in the 2011-2013 biennium are listed for reference.

# BUDGET NARRATIVE

## Two Year Project List

Description	Location	Cost
Shower Repairs	Eastern Oregon Correctional Institution	\$150,000
Roof and Rain Gutter Replacement	Eastern Oregon Correctional Institution	\$450,000
Sewer Line Repair	Oregon State Penitentiary	\$450,000
Domestic Hot Water Tank Replacement	Santiam Correctional Institution	\$200,000
Domestic Water System Upgrade	Santiam Correctional Institution	\$250,000
Culinary Floor Repairs	Warner Creek Correctional Facility	\$90,000
Culinary Boiler Replacement	Coffee Creek Correctional Facility	\$75,000
Culinary Floor Repairs	Oregon State Correctional Institution	\$120,000
Shower Repairs	Oregon State Correctional Institution	\$120,000
Monitoring Wells	Central Distribution Center	\$100,000
Microwave Hop to South Salem	Coffee Creek Correctional Facility	\$150,000
<b>TOTAL</b>		<b>\$2,155,000</b>

## Ongoing Capital Outlay and S&S Issues

Description	Cost
Electrical/Electronic Security/Wireless S&S	\$465,000
Service Monitor/Battery Analyzer Replacement Capital Outlay	\$285,000
<b>TOTAL</b>	<b>\$750,000</b>

# BUDGET NARRATIVE

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## Quantifying Results

Accomplishing the projects ensures the departments ability to maintain a safe working environment for staff within our institutions and a secure environment for the inmates.

## Agency Request Budget

### Staffing Impact

None

### Revenue Source

General Fund	\$2,905,000
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## 2013-15 Fiscal Impact

The funds provided in this package are for one-time projects and therefore will be phased-out in essential package 022 during the development of the 2013-15 agency request budget.

**ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY**

Corrections, Dept of  
Pkg: 150 - Deferred Maintenance Short-Term Projects

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	2,905,000	-	-	-	-	-	2,905,000
<b>Total Revenues</b>	<b>\$2,905,000</b>	-	-	-	-	-	<b>\$2,905,000</b>
<b>Services &amp; Supplies</b>							
Professional Services	1,920,000	-	-	-	-	-	1,920,000
<b>Total Services &amp; Supplies</b>	<b>\$1,920,000</b>	-	-	-	-	-	<b>\$1,920,000</b>
<b>Capital Outlay</b>							
Building Structures	985,000	-	-	-	-	-	985,000
<b>Total Capital Outlay</b>	<b>\$985,000</b>	-	-	-	-	-	<b>\$985,000</b>
<b>Total Expenditures</b>							
Total Expenditures	2,905,000	-	-	-	-	-	2,905,000
<b>Total Expenditures</b>	<b>\$2,905,000</b>	-	-	-	-	-	<b>\$2,905,000</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  
2011-13 Biennium

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

<i>Source</i>	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>Other Funds</b>						
Federal Revenues	-	-	450,000	-	-	-
Other Revenues	-	-	250,000	-	-	-
<b>Total Other Funds</b>	-	-	<b>\$700,000</b>	-	-	-

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

Source	Fund	ORBITS Revenue Acct	2007-2009 Actual	2009-11 Legislatively Adopted	2009-11 Estimated	2011-13		
						Agency Request	Governor's Recommended	Legislatively Adopted
US Department of Justice American Recovery and Reinvestment Act (ARRA). Funds to be received Department of Energy.	Other	0355	0	0	450,000	0		
Other Revenues for DRCI sewer repairs.	Other	0975	0	0	250,000	0		
Movement of revenues between organizational units.	Other	2010	0	0	(34,596)	0		

Program Unit Appropriated Fund Group and Category Summary  
 2011-13 Biennium  
 Capital Improvements

Version: V - 01 - Agency Request Budget  
 Cross Reference Number: 29100-088-00-00-00000

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
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**CAPITAL IMPROVEMENT (Excluding Packages)**

**PERSONAL SERVICES**

General Fund	103,074	-	-	-	-	-
Other Funds	-	-	30,000	30,000	-	-
All Funds	103,074	-	30,000	30,000	-	-

**SERVICES & SUPPLIES**

General Fund	1,489,399	-	-	-	-	-
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**CAPITAL OUTLAY**

General Fund	850,190	5,841,965	5,841,965	5,841,965	-	-
Other Funds	-	-	670,000	670,000	-	-
All Funds	850,190	5,841,965	6,511,965	6,511,965	-	-

**TOTAL CAPITAL IMPROVEMENT (Excluding Packages)**

General Fund	2,442,663	5,841,965	5,841,965	5,841,965	-	-
Other Funds	-	-	700,000	700,000	-	-
All Funds	2,442,663	5,841,965	6,541,965	6,541,965	-	-

**CAPITAL IMPROVEMENT (Essential Packages)**

**021 PHASE-IN**

**CAPITAL OUTLAY**

General Fund	-	-	-	256,000	-	-
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**022 PHASE-OUT PGM & ONE-TIME COSTS**

**PERSONAL SERVICES**

Program Unit Appropriated Fund Group and Category Summary  
 2011-13 Biennium  
 Capital Improvements

Version: V - 01 - Agency Request Budget  
 Cross Reference Number: 29100-088-00-00-00000

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
Other Funds	-	-	-	(30,000)	-	-
<b>CAPITAL OUTLAY</b>						
General Fund	-	-	-	(3,462,540)	-	-
Other Funds	-	-	-	(670,000)	-	-
All Funds	-	-	-	(4,132,540)	-	-
<b>031 STANDARD INFLATION</b>						
<b>CAPITAL OUTLAY</b>						
General Fund	-	-	-	57,106	-	-
<b>TOTAL CAPITAL IMPROVEMENT (Essential Package)</b>						
General Fund	-	-	-	(3,149,434)	-	-
Other Funds	-	-	-	(700,000)	-	-
All Funds	-	-	-	(3,849,434)	-	-
<b>CAPITAL IMPROVEMENT (Current Service Level)</b>						
General Fund	2,442,663	5,841,965	5,841,965	2,692,531	-	-
Other Funds	-	-	700,000	-	-	-
All Funds	2,442,663	5,841,965	6,541,965	2,692,531	-	-
<b>CAPITAL IMPROVEMENT (Policy Packages)</b>						
<b>PRIORITY 0</b>						
<b>150 DEFERRED MAINTENANCE SHORT-TERM PROJ</b>						
<b>SERVICES &amp; SUPPLIES</b>						
General Fund	-	-	-	1,920,000	-	-

**Program Unit Appropriated Fund Group and Category Summary  
2011-13 Biennium  
Capital Improvements**

**Version: V - 01 - Agency Request Budget  
Cross Reference Number: 29100-088-00-00-00000**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>CAPITAL OUTLAY</b>						
General Fund	-	-	-	985,000	-	-
<b>TOTAL CAPITAL IMPROVEMENT (Policy Packages)</b>						
General Fund	-	-	-	2,905,000	-	-
<b>TOTAL CAPITAL IMPROVEMENT (Including Package)</b>						
General Fund	2,442,663	5,841,965	5,841,965	5,597,531	-	-
Other Funds	-	-	700,000	-	-	-
All Funds	2,442,663	5,841,965	6,541,965	5,597,531	-	-
<b>TOTAL BUDGET</b>						
General Fund	2,442,663	5,841,965	5,841,965	5,597,531	-	-
Other Funds	-	-	700,000	-	-	-
All Funds	2,442,663	5,841,965	6,541,965	5,597,531	-	-