

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 5005-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Williamson
Carrier – Senate: Sen. Winters**

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 26 – 0 – 0

House

Yeas: Barker, Buckley, Frederick, Freeman, Hanna, Huffman, Jenson, Komp, McLane, Nathanson, Read, Richardson, Smith, Tomei, Williamson

Nays:

Exc:

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Thomsen, Whitsett, Winters

Nays:

Exc:

Prepared By: Art Ayre, Department of Administrative Services

Reviewed By: Monica Brown, Legislative Fiscal Office

Meeting Date: June 6, 2013

Agency

Department of Corrections

Biennium

2013-15

Budget Summary*

	2011-13 Legislatively Approved Budget ⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$\$ Change	% Change
General Fund	\$ 1,221,349,965	\$ 1,402,584,648	\$ 1,302,191,735	\$ 80,841,770	6.6%
General Fund Capital Improvement	\$ 2,635,425	\$ 2,698,675	\$ 2,698,675	\$ 63,250	2.4%
General Fund Debt Service	\$ 138,859,174	\$ 131,444,114	\$ 129,710,174	\$ (9,149,000)	-6.6%
Other Funds	\$ 30,884,955	\$ 33,936,401	\$ 33,824,267	\$ 2,939,312	9.5%
Other Funds Debt Service	\$ 0	\$ 0	\$ 815,000	\$ 815,000	0.0%
Other Funds Capital Improvement	\$ 413,449	\$ 0	\$ 0	\$ 401,551	97.1%
Other Funds Nonlimited	\$ 1,152,165	\$ 0	\$ 0	\$ (1,152,165)	-100.0%
Other Funds Debt Service Nonlimited	\$ 192,754,457	\$ 0	\$ 0	\$ (192,754,457)	-100.0%
Federal Funds	\$ 7,816,182	\$ 6,761,556	\$ 7,369,007	\$ (447,175)	-5.7%
Federal Funds Debt Service Nonlimited	\$ 1,262,826	\$ 1,262,826	\$ 1,262,826	\$ 0	0.0%
Total	\$ 1,597,128,598	\$ 1,578,688,220	\$ 1,477,871,684	\$ (118,441,914)	-7.4%

Position Summary

Authorized Positions	4,509	4,770	4,687	178
Full-time Equivalent (FTE) positions	4,414.55	4,606.24	4,508.99	94.44

⁽¹⁾ Includes adjustments through December 2012

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The agency is mainly supported by General Fund. For 2013-15, the General Fund at \$1.43 billion is over 97 percent of the recommended budget. Other Fund revenues come from the Inmate Welfare Fund (telephone revenues, canteen profits, fines, confiscations, and vending machines) and grants. Federal Funds are reimbursements from the U.S. Department of Justice for a small part of the expense of incarcerating illegal aliens, as well as federal grants and reimbursements for interest on Build America Bonds.

Summary of Public Safety Subcommittee Action

The Department of Corrections (Department) manages adult and certain juvenile offenders sentenced to prison by the courts in 14 institutions around the state. The Department distributes funds to counties to manage offenders on parole, post-prison supervision, or who have been sentenced to incarceration for one year or less.

The Subcommittee approved a budget of \$1,434.6 million General Fund and \$1,477.9 million total funds with 4,508.99 full-time equivalent positions (FTE). This represents a 5.3 percent increase in General Fund resources from the 2011-13 Legislatively Approved budget and a 7.5 percent decrease in total funds resources for the same period. The decrease in total funds is driven primarily by the phase-out of almost \$194 million one-time Other Funds non-limited expenditure limitation for administrative action to refinance debt. After factoring out this phase-out, the budget's total funds resources are 5.3 percent higher than in the 2011-13 Legislatively Approved budget. Major features of this budget include:

- An increase of \$22.6 million General Fund for mandated caseload in the Department's operational costs, and \$11.4 million General Fund in mandated caseload for Community Corrections.
- Reductions in positions due to middle management actions taken by the Emergency Board.
- Reductions in Public Employees Retirement System expenditures due to rate reductions and two policy packages.
- A reduction of \$6.3 million General Fund due to a reduction in Measure 73 grants for pretrial incarceration.
- Reductions totaling \$37.7 million General Fund (or approximately 3.2 percent of the Department's operating current service level) in assumed management actions and one-time solutions to balance the budget.

Operations Division

The Operations Division is responsible for the security and operation of the 14 existing correctional institutions. Functions of this division include institution operations, security, food service, inmate work, and inmate transportation. Health Services is administratively under the Operations Division but is a separate budget unit.

The Subcommittee approved a budget of \$677.9 million General Fund and \$687.1 million total funds with 3,292.47 full-time equivalent positions. This represents an 8.3 percent increase in General Fund expenditures from the 2011-13 Legislatively Approved Budget and an 8.2 percent increase in total funds expenditures.

The Subcommittee approved Package 081: May 2012 Emergency Board. This package reduces positions and associated personal services expenditures as part of the statewide middle management actions directed by the Emergency Board. The package abolishes 41 positions across the agency, including 16 positions (15.00 FTE) within Operations and reduces General Fund by \$3.1 million.

The Subcommittee approved Package 090: Analyst Adjustments. In its original form, this package made an undesignated \$10 million reduction to personal services and also reduced positions and associated personal services and services and supplies to reflect a policy decision to hold prison population flat through providing increased funding to Community Corrections. In its final form, the package reduces General Fund by \$10 million for vacancy savings.

The Subcommittee approved Package 092: PERS Taxation Policy. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%. The package reduces General Fund by \$1.5 million and Other Funds by \$9,441.

The Subcommittee approved Package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces General Fund by \$12.1 million and Other Funds by \$75,580.

The Subcommittee approved Package 117: Transfer Training from DPSST to DOC. This package supports the passage of HB 2235 to allow the Department of Corrections to provide basic training to its corrections officers. DPSST would continue to audit the training program. The package reduces General Fund by \$6.1 million.

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package adjusts for mandated caseload based on the April 2013 forecast; corrects the PERS line-item to reflect the correct Police & Fire rate (\$1,083,641 GF and \$6,783 OF); shifts treatment program funding to Offender Management and Rehabilitation Division (\$537,971 GF); and allocates a management reduction target to help balance the Public Safety budget (\$17,980,572 GF). In sum, the package reduces General Fund by \$25.9 million, increases Other Funds expenditure limitation by \$6,783, and eliminates 43 positions (56.31 full-time equivalents).

Central Administration

Central Administration includes the Offices of the Director, Inspector General, Planning and Budget, Research and Projects, Government Efficiencies and Communication, and Internal Audits. This unit provides overall direction, administration, and budget and financial accountability. More than 60 percent of the expenditures in this budget unit is for all of the agency's state government service charges, including those paid to DAS for risk management.

The Subcommittee approved a budget of \$63.3 million General Fund and \$64.5 million total funds with 86.00 full-time equivalent positions. This represents a 1.4 percent decrease in General Fund expenditures from the 2011-13 Legislatively Approved Budget and a 2.9 percent decrease in total funds expenditures.

The Subcommittee approved Package 081: May 2012 Emergency Board. This package reduces positions and associated personal services expenditures as part of the statewide middle management actions directed by the Emergency Board. The package abolishes 41 positions across the agency, including one position (1.00 FTE) within Central Administration and reduces General Fund by \$0.2 million.

The Subcommittee approved Package 090: Analyst Adjustments. This package moves Federal Funds expenditure limitation for Services and Supplies from Offender Management and Rehabilitation to Central Administration. It also adds Other Funds expenditure limitation for the cost of issuance of capital construction bond proceeds to be used for deferred maintenance projects. The package increases Other Funds expenditure limitation by \$89,000 and Federal Funds expenditure limitation by \$0.5 million.

The approved budget includes Package 092: PERS Tax Policy. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on

those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%. The package reduces General Fund by \$45,808 and Other Funds expenditure limitation by \$1,248.

The approved budget includes Package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate. The package decreases General Fund by \$0.4 million and Other Funds expenditure limitation by \$9,989.

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package adjusts for mandated caseload based on the April 2013 forecast; corrects the PERS line-item to reflect the correct Police & Fire rate (\$32,554 GF and \$897 OF); and allocates a management reduction target to help balance the Public Safety budget (\$1,383,120 GF). In sum, the package reduces General Fund by \$1,326,926 and increases Other Funds expenditure limitation by \$897.

General Services Division

The General Services Division includes the following units:

- **Fiscal Services** provides central accounting, inmate trust accounting, payroll, purchasing, and contract-related services for the entire agency.
- **Information Systems and Services** provides agency-wide functions including operations and user support, applications development, systems maintenance, technical support, and research/evaluation. It is responsible for operating a number of systems, including the offender database and tracking system used to manage the state's prisons and community corrections; the Corrections Information System; fiscal systems; and automated office systems.
- **Distribution Services** provides the various goods and services necessary to operate facilities including food and canteen supplies. It has a central warehouse in Salem and transports supplies to facilities around the state. It is also responsible for the statewide inventory system for the agency.
- **Facility Services** is responsible for the repair and maintenance program for all of the Department-owned facilities. It also manages leased facilities, wireless communications, capital improvements, deferred maintenance, and energy conservation.

The Subcommittee approved a budget of \$51.1 million General Fund and \$58.4 million total funds with 264.65 full-time equivalent positions. This represents a 2.1 percent increase in General Fund expenditures from the 2011-13 Legislatively Approved Budget and a 3.2 percent increase in total funds expenditures.

The Subcommittee approved Package 081: May 2012 Emergency Board. This package reduces positions and associated personal services expenditures as part of the statewide middle management actions directed by the Emergency Board. The package abolishes 41 positions across the agency, including five positions (5.00 FTE) within General Services and reduces General Fund by \$0.8 million.

The approved budget includes Package 091: Statewide Administrative Savings. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative

Services will continue to work on details of these reductions with agencies and report back during the 2014 session. The package decreases General Fund by \$2.2 million.

The approved budget includes Package 092: PERS Tax Policy. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%. The package decreases General Fund by \$117,014 and Other Funds expenditure limitation by \$13,477.

The approved budget includes Package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces General Fund by \$936,808 and Other Funds expenditure limitation by \$107,897.

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package adjusts for mandated caseload based on the April 2013 forecast; corrects the PERS line-item to reflect the correct Police & Fire rate (\$82,596 GF and \$9,684 OF); and allocates a management reduction target to help balance the Public Safety budget (\$1,383,120 GF). In sum, this package reduces General Fund by \$1,971,692, increases Other Funds expenditure limitation by \$9,684, and eliminates four positions (3.41 FTE).

Human Resources

Human Resources staff provides agency-wide services including labor management, recruitment, employee development, training, employee safety, risk management, and payroll services. The Subcommittee budget is \$14.0 million General Fund with 62.76 full-time equivalent positions. This represents a 5.7 percent decrease in General Fund expenditures from the 2011-13 Legislatively Approved Budget.

The Subcommittee approved Package 081: May 2012 Emergency Board. This package reduces positions and associated personal services expenditures as part of the statewide middle management actions directed by the Emergency Board. The package abolishes 41 positions across the agency, including nine positions (9.00 FTE) within Human Resources and reduces General Fund by \$1.8 million.

The approved budget includes Package 091: Statewide Administrative Savings. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session. The package reduces General Fund by \$0.5 million.

The approved budget includes Package 092: PERS Tax Policy. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on

those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%. The package decreases General Fund by \$35,407.

The recommended budget includes Package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate. The package decreases General Fund by \$0.3 million.

The Subcommittee approved Package 117: Transfer Training from DPSST to DOC. This package supports the passage of HB 2235 to allow the Department of Corrections to provide basic training to its corrections officers. DPSST would continue to audit the training program. The package increases General Fund by \$1.1 million and restores seven positions (5.25 FTE).

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package adjusts for mandated caseload based on the April 2013 forecast and corrects the PERS line-item to reflect the correct Police & Fire rate (\$22,184 GF). This package reduces General Fund by \$0.8 million and eliminates three positions (3.99 FTE).

Community Corrections

The Community Corrections grant program provides funding to counties for operating their community corrections, except where the Department has assumed responsibility for these functions. Under Senate Bill 1145 (1995), the community corrections program was restructured to establish state/local partnerships and shift resources and control for community corrections to the counties. Grants are based on the number and risk levels of offenders to be managed.

Three general groups are funded through this program:

- **Felony Probation** includes those individuals who have been sentenced for a felony to probationary supervision instead of incarceration in a local or state correctional facility.
- **Parole and Post-Prison Supervision** are those individuals who have been incarcerated in a state correctional facility, are released, and then supervised in the community corrections system.
- **Local control** are those individuals convicted of felony and sentenced to incarceration of 12 months or less, revoked from felony community supervision and sentenced to 12 months or less incarceration, or sanctioned to less than 30 days for violating the terms of community supervision.

Included in the positions for this division are central administrative support and supervision staff for two counties (Douglas and Linn) where the Department has assumed responsibility for the community corrections program.

The Subcommittee approved a budget of \$217.1 million General Fund and \$223.9 million total funds with 61.33 full-time equivalent positions. This represents a 12.7 percent increase in General Fund expenditures from the 2011-13 Legislatively Approved Budget.

The Subcommittee approved Package 081: May 2012 Emergency Board. This package reduces positions and associated personal services expenditures as part of the statewide middle management actions directed by the Emergency Board. The package abolishes 41 positions across the agency, including five positions (5.00 FTE) within Offender Management and Rehabilitation and reduces General Fund by \$0.8 million.

The Subcommittee approved Package 090: Analyst Adjustments. In its original form, this package made two adjustments to the distribution to counties. The first was a reduction in Measure 73 grants for pretrial incarceration, equaling \$6.3 million. The second was a placeholder totaling \$32 million General Fund for public safety investments pending recommendations from the Governor's Commission on Public Safety. In its final form, this package recognizes a reduction of \$6.3 million General Fund in Measure 73 grants for pretrial incarceration.

The approved budget includes Package 092: PERS Tax Policy. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%. The package decreases General Fund by \$34,342 and Other Funds expenditure limitation by \$43.

The approved budget includes Package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces General Fund by \$0.3 million and Other Funds expenditure limitation by \$348.

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package adjusts for mandated caseload based on the April 2013 forecast; corrects the PERS line-item to reflect the correct Police & Fire rate (\$23,162 GF and \$31 OF); and increases Federal Funds expenditure limitation for the Smart Probation Grant which was authorized for application at the December 2012 meeting of the Emergency Board. In sum, this package increases General Fund by \$0.5 million, Other Funds expenditure limitation by \$31, and Federal Funds expenditure limitation by \$0.3 million.

Health Services

Health Services is administratively part of the Operations Division, but in order to focus attention on the challenges of health care provision in institutions a separate budget unit has been created. Prison health care became a legal requirement in 1976 in *Estelle v. Gamble*. The effect of *Estelle* has centered on three basic rights:

- The right to access to care.
- The right to care that is ordered.
- The right to a professional medical judgment.

The Division provides medical services in a multi-level managed care approach. The behavioral health unit includes services for adults in custody with mental illness, the developmentally disabled, and those with co-occurring mental/substance abuse disorders. The dental health unit provides preventative and acute care and the pharmacy unit manages pharmaceutical acquisition/distribution and medical supplies.

The Subcommittee approved a budget of \$214.6 million General Fund and \$221.7 million total funds with 550.07 full-time equivalent positions. This represents a 5.6 percent increase in General Fund expenditures from the 2011-13 Legislatively Approved Budget.

The Subcommittee approved Package 081: May 2012 Emergency Board. This package reduces positions and associated personal services expenditures as part of the statewide middle management actions directed by the Emergency Board. The package abolishes 41 positions across the agency, including three positions (2.29 FTE) within Health Services and reduces General Fund by \$0.4 million.

The approved budget includes Package 092: PERS Tax Policy. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%. The package reduces General Fund by \$0.3 million.

The approved budget includes Package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces General Fund by \$2.6 million.

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package adjusts for mandated caseload based on the April 2013 forecast; corrects the PERS line-item to reflect the correct Police & Fire rate (\$231,574 GF); assumes passage of HB 2087 and reduces \$13 million GF for potential savings in health care but establishes three permanent positions (2.64 FTE) to process Medicare eligibility paperwork; increases Federal Funds expenditure limitation by \$315,654 for Oregon Health Network pass-through funding; and allocates a management reduction target to help balance the Public Safety budget (\$5,532,485 GF). In sum, this package reduces General Fund by \$17.3 million, increases Other Funds expenditure limitation by \$0.3 million, and eliminates 0.43 FTE.

Offender Management and Rehabilitation

The Department of Corrections established the new Offender Management and Rehabilitation (OMR) Division in April 2012 to manage the agency's mission in reducing the risk of future criminal conduct. The Division impacts all adults in custody and encompasses nine units that oversee an offender's success from admission to release using dynamic case management strategies that involve the offender. It is tasked with guiding and targeting corrections interventions and enhancing linkages to community-based networks of support. The OMR Division includes Intake, Offender Information and Sentence Computation (OISC), Office of Population Management, Correctional Case Management, Addictions Treatment and Cognitive Behavior Services, Education and Training, Religious Services, Inmate Services, and Transition and Release.

The Subcommittee approved a budget of \$64.1 million General Fund and \$73.7 million total funds with 191.71 full-time equivalent positions.

The Subcommittee approved Package 081: May 2012 Emergency Board. This package reduces positions and associated personal services expenditures as part of the statewide middle management actions directed by the Emergency Board. The package abolishes 41 positions across the agency, including two positions (1.28 FTE) within Offender Management and Rehabilitation and reduces General Fund by \$0.2 million.

The Subcommittee recommended Package 090: Analyst Adjustments. This package moves \$0.5 million Federal Funds expenditure limitation for Services and Supplies from Offender management and Rehabilitation to Central Administration.

The approved budget includes Package 092: PERS Tax Policy. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%. The package reduces General Fund by \$84,570 and Other Funds expenditure limitation by \$61.

The approved budget includes Package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces General Fund by \$0.7 million and Other Funds expenditure limitation by \$489.

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package adjusts for mandated caseload based on the April 2013 forecast; corrects the PERS line-item to reflect the correct Police & Fire rate (\$60,768 GF & \$44 OF); shifts treatment program funding to Offender Management and Rehabilitation (\$537,971 GF); and allocates a management reduction target to help balance the Public Safety budget (\$1,383,120 GF). In sum, this package decreases General Fund by \$3.0 million, increases Other Funds expenditure limitation by \$44, and establishes one permanent position (0.21 FTE).

Debt Service

Debt service is the obligation to repay the principal and interest costs of Certificates of Participation (COPs) that are issued to finance the costs of construction and improvement of correctional facilities. Beginning with the construction of the Snake River Correctional Facility in Ontario in the early 1990s, the Department has used COPs to finance the major expansion of the prison system. The proceeds from COPs are also used for the construction of local jail capacity related to the Senate Bill 1145 community corrections population, purchase of property, design costs, siting costs, major improvements or upgrades of existing facilities, and the staff costs associated with the construction and improvement of facilities.

The Subcommittee approved a budget for debt service costs of \$129.7 million General Fund and \$131.8 million total funds. This represents a 6.6 percent decrease in General Fund resources for debt service when compared with the 2011-13 Legislatively Approved Budget.

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package reflects revised debt service estimates based on a Spring 2012 refinancing by DAS and updated estimates of Other Funds resources available. The package reduces General Fund debt service by \$1.7 million and increases Other Funds debt service by \$0.8 million.

Capital Improvements

These funds are used for deferred maintenance and asset protection projects. These projects must be less than \$1,000,000 or they are categorized as Capital Construction. The Subcommittee recommended a budget of \$2.7 million General Fund representing a 2.4 percent increase in General Fund when compared with the 2011-13 Legislatively Approved Budget.

Summary of Performance Measure Action

See attached Legislatively Adopted 2013-15 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5005-A

Oregon Department of Corrections
Art Ayre - 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2011-13 Legislatively Approved Budget at Dec 2012 *	\$ 1,362,844,564	\$ 0	\$ 31,298,404	\$ 193,906,622	\$ 7,816,182	\$ 1,262,826	\$ 1,597,128,598	4,509	4,414.55
2013-15 ORBITS printed Current Service Level (CSL)*	\$ 1,536,727,437	\$ 0	\$ 33,936,401	\$ 0	\$ 6,761,556	\$ 1,262,826	\$ 1,578,688,220	4,770	4,606.24
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 003 - Operations									
Package 081: May 2012 Emergency Board									
Personal Services	\$ (3,052,148)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (3,052,148)	-16	-15.00
Package 090: Analyst Adjustments									
Personal Services	\$ (10,000,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (10,000,000)	0	0.00
Package 092: PERS Taxation Policy									
Personal Services	\$ (1,509,761)	\$ 0	\$ (9,441)	\$ 0	\$ 0	\$ 0	\$ (1,519,202)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (12,087,075)	\$ 0	\$ (75,580)	\$ 0	\$ 0	\$ 0	\$ (12,162,655)	0	0.00
Package 117: Transfer Training from DPSST to DOC									
Services and Supplies	\$ (6,067,200)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (6,067,200)		
Package 810: LFO Analyst Adjustments									
Personal Services	\$ (19,882,717)	\$ 0	\$ 6,783	\$ 0	\$ 0	\$ 0	\$ (19,875,934)	-43	-56.31
Services and Supplies	\$ (5,989,147)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (5,989,147)		
SCR 004 - Central Administration									
Package 081: May 2012 Emergency Board									
Personal Services	\$ (197,596)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (197,596)	-1	-1.00
Package 090: Analyst Adjustments									
Services and Supplies	\$ 0	\$ 0	\$ 89,000	\$ 0	\$ 507,851	\$ 0	\$ 596,851		
Package 092: PERS Taxation Policy									
Personal Services	\$ (45,808)	\$ 0	\$ (1,248)	\$ 0	\$ 0	\$ 0	\$ (47,056)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (366,740)	\$ 0	\$ (9,989)	\$ 0	\$ 0	\$ 0	\$ (376,729)	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 810: LFO Analyst Adjustments									
Personal Services	\$ (1,004,786)	\$ 0	\$ 897	\$ 0	\$ 0	\$ 0	\$ (1,003,889)	0	0.00
Services and Supplies	\$ (322,140)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (322,140)		
SCR 006 - General Services Division									
Package 081: May 2012 Emergency Board									
Personal Services	\$ (808,046)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (808,046)	-5	-5.00
Package 091: Statewide Administrative Savings									
Personal Services	\$ (1,763,182)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,763,182)	0	0.00
Services and Supplies	\$ (440,796)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (440,796)		
Package 092: PERS Taxation Policy									
Personal Services	\$ (117,014)	\$ 0	\$ (13,477)	\$ 0	\$ 0	\$ 0	\$ (130,491)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (936,808)	\$ 0	\$ (107,897)	\$ 0	\$ 0	\$ 0	\$ (1,044,705)	0	0.00
Package 810: LFO Analyst Adjustments									
Personal Services	\$ (1,625,912)	\$ 0	\$ 9,684	\$ 0	\$ 0	\$ 0	\$ (1,616,228)	-4	-3.41
Services and Supplies	\$ (345,780)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (345,780)		
SCR 008 - Human Resources Division									
Package 081: May 2012 Emergency Board									
Personal Services	\$ (1,780,916)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,780,916)	-9	-9.00
Package 091: Statewide Administrative Savings									
Personal Services	\$ (438,248)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (438,248)	0	0.00
Services and Supplies	\$ (109,562)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (109,562)		
Package 092: PERS Taxation Policy									
Personal Services	\$ (35,407)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (35,407)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (283,468)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (283,468)	0	0.00
Package 117: Transfer Training from DPSST to DOC									
Personal Services	\$ 1,079,357	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,079,357	7	5.25
Package 810: LFO Analyst Adjustments									
Personal Services	\$ (613,666)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (613,666)	-3	-3.99
Services and Supplies	\$ (152,772)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (152,772)		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
SCR 009 - Community Corrections										
Package 081: May 2012 Emergency Board										
Personal Services	\$ (951,191)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (951,191)	-5	-5.00	
Special Payments (6020 Dist to Counties)	\$ 159,513	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 159,513			
Package 090: Analyst Adjustments										
Special Payments (6020 Dist to Counties)	\$ (6,300,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (6,300,000)			
Package 092: PERS Taxation Policy										
Personal Services	\$ (34,342)	\$ 0	\$ (43)	\$ 0	\$ 0	\$ 0	\$ (34,385)	0	0.00	
Package 093: Other PERS Adjustments										
Personal Services	\$ (274,937)	\$ 0	\$ (348)	\$ 0	\$ 0	\$ 0	\$ (275,285)	0	0.00	
Package 810: LFO Analyst Adjustments										
Personal Services	\$ 23,162	\$ 0	\$ 31	\$ 0	\$ 0	\$ 0	\$ 23,193	0	0.00	
Special Payments (6020 Dist to Counties)	\$ 460,685	\$ 0	\$ 0	\$ 0	\$ 291,797	\$ 0	\$ 752,482			
SCR 010 - Health Services										
Package 081: May 2012 Emergency Board										
Personal Services	\$ (436,677)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (436,677)	-3	-2.29	
Package 092: PERS Taxation Policy										
Personal Services	\$ (322,280)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (322,280)	0	0.00	
Package 093: Other PERS Adjustments										
Personal Services	\$ (2,580,159)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (2,580,159)	0	0.00	
Package 810: LFO Analyst Adjustments										
Personal Services	\$ (3,959,635)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (3,959,635)	0	-0.43	
Services and Supplies	\$ (13,312,601)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (13,312,601)			
Special Payment (6025 Dist to Other Gov Unit)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 315,654	\$ 0	\$ 315,654			
SCR 011 - Offender Management and Rehabilitation										
Package 081: May 2012 Emergency Board										
Personal Services	\$ (228,580)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (228,580)	-2	-1.28	
Package 090: Analyst Adjustments										
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ (507,851)	\$ 0	\$ (507,851)			
Package 092: PERS Taxation Policy										
Personal Services	\$ (84,570)	\$ 0	\$ (61)	\$ 0	\$ 0	\$ 0	\$ (84,631)	0	0.00	

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 093: Other PERS Adjustments									
Personal Services	\$ (677,063)	\$ 0	\$ (489)	\$ 0	\$ 0	\$ 0	\$ (677,552)	0	0.00
Package 810: LFO Analyst Adjustments									
Personal Services	\$ (904,966)	\$ 0	\$ 44	\$ 0	\$ 0	\$ 0	\$ (904,922)	1	0.21
Services and Supplies	\$ (2,071,934)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (2,071,934)		
SCR 086 - Debt Service									
Package 810: LFO Analyst Adjustments									
Debt Service	\$ (1,733,940)	\$ 0	\$ 815,000	\$ 0	\$ 0	\$ 0	\$ (918,940)		
TOTAL ADJUSTMENTS	\$ (102,126,853)	\$ 0	\$ 702,866	\$ 0	\$ 607,451	\$ 0	\$ (100,816,536)	-83	-97.25
SUBCOMMITTEE RECOMMENDATION *	\$ 1,434,600,584	\$ 0	\$ 34,639,267	\$ 0	\$ 7,369,007	\$ 1,262,826	\$ 1,477,871,684	4,687	4,508.99
% Change from 2011-13 Leg Approved Budget	5.3%	0.0%	10.7%	-100.0%	-5.7%	0.0%	-7.5%	3.9%	2.1%
% Change from 2013-15 Current Service Level	-6.6%	0.0%	2.1%	0.0%	9.0%	0.0%	-6.4%	-1.7%	-2.1%

Legislatively Approved 2013-2015 Key Performance Measures

Agency: CORRECTIONS, DEPARTMENT of

Mission: The mission of the Oregon Department of Corrections is to promote public safety by holding offenders accountable for their actions and reducing the risk of future criminal behavior.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - Percentage of inmates in compliance with 40-hour work/education requirements of the constitution (Ballot Measure 17).		Approved KPM	68.95	80.00	80.00
2 - Percentage of high and medium-risk inmates that complete a program prioritized in their corrections plan.		Approved KPM	78.00	75.00	75.00
3 - Percent of offenders on post-prison supervision convicted of a felony within three years of release from prison.		Approved KPM	28.40	30.00	30.00
4 - The rate of Class 1 assaults on individual staff per month (rate per 1000 employees).		Approved KPM	1.74	1.50	1.50
5 - The rate of inmate walk-a-ways from outside work crews per month.		Approved KPM	0.25	1.00	1.00
6 - Reduce the annual average electricity and natural gas usage. Measure on a BTU per square foot basis.		Approved KPM	14,063.00	14,270.00	14,270.00
7 - Number of inmates sanctioned for Level 1 misconducts—(monthly average/1,000 inmates).		Approved KPM	9.40	9.30	9.30
8 - The number of escapes per year from secure-custody facilities (armed perimeter).		Approved KPM	0.00	0.00	0.00
9 - The number of escapes from DOC unarmed perimeter facilities.		Approved KPM	2.00	0.00	0.00
10 - Percent of inmates who successfully complete transitional leave.		Approved KPM	87.00	88.00	88.00
11 - Percent of customers rating their satisfaction with the agency customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	92.00	90.00	90.00
11 - Percent of customers rating their satisfaction with the agency customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	86.00	90.00	90.00

Agency: CORRECTIONS, DEPARTMENT of

Mission: The mission of the Oregon Department of Corrections is to promote public safety by holding offenders accountable for their actions and reducing the risk of future criminal behavior.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
11 - Percent of customers rating their satisfaction with the agency customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	91.00	90.00	90.00
11 - Percent of customers rating their satisfaction with the agency customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	93.00	90.00	90.00
11 - Percent of customers rating their satisfaction with the agency customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	93.00	90.00	90.00
11 - Percent of customers rating their satisfaction with the agency customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	91.00	90.00	90.00
12 - Percent of total inmate care encounters that occur offsite.		Approved KPM	0.62	1.00	1.00
13 - Number of workers compensation time loss days per 100 employees on a fiscal year basis.		Approved KPM	57.04	66.15	66.15

LFO Recommendation:

Approve the 2014 and 2015 targets.

Sub-Committee Action:

Approved the 2014 and 2015 targets.