

Analysis
Department of Corrections
 Deer Ridge Activation

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Request: Allocate \$9,489,062 General Fund to the Department of Corrections for operations and health care, administration, and offender management and rehabilitation and approve the establishment of 36 positions (24.88 fulltime equivalent).

Recommendation: Defer the funding request for consideration with other statewide rebalance issues in the 2016 omnibus budget reconciliation bill, with the understanding that the Department may return to the legislative body for further funding discussions.

Analysis: The Oregon Office of Economic Analysis provides semi-annual ten-year population forecasts for male and female offenders. The Department’s legislatively adopted budget is based on the April forecast for the odd-numbered year. The forecasts are affected by law changes, and are based on past experience with each crime type.

In 2013, HB 3194 made sentencing length changes to several crime types and allowed the Department to increase the amount of time a released inmate would be on transitional leave (not in prison), which led to a reduced ten-year forecast. That in turn, delayed both the expected time that the Deer Ridge Correctional Facility would need to be activated and when the new prison at Junction City would need to be constructed. The expectations were for more services for felons in their communities to prevent future criminal behavior and avoided General Fund costs in the prison system.

While actual experience has not reduced the number of inmates as much as originally expected, the numbers are below what they would have been absent the legislation. The April 2015 forecast provided the basis for the 2015-17 budget. The October forecast varied significantly from April, as shown in Figure 1. Not only did the population increase from April, it did so in a steep ascent.

The Department was already using well over 950 emergency beds, and there were few if any options to add more. In assessing possibilities, the least-cost way to manage the additional demand was to move the minimum security inmates housed at Deer Ridge into the medium facility, which has never been used. In this way the minimum population as well as incoming additional population could be under a single roof and more economically and efficiently managed.

The costs associated with this choice are both capital and operational. The medium facility required updated software and replacement of furnishings and fixtures that had been used as replacements in other facilities. The cost for this preparation is \$1.8 million, plus \$0.7 million (6 positions/4.46 FTE) for ongoing operations associated with shifting this population. The move is scheduled to take place sometime in February. As more inmates come on, staff would need to be

Oct 2015 change from April 2015	
10/15	-11
11/15	63
12/15	86
1/16	98
2/16	117
3/16	150
4/16	163
5/16	162
6/16	170
7/16	201
8/16	173
9/16	184
10/16	165
11/16	165
12/16	161
1/17	154
2/17	164
3/17	164
4/17	175
5/17	182
6/17	179

Figure 1

added.

Assuming the actual population were to develop as projected, the operating needs for the rest of the biennium would be met in two phases. After preparing the facility for activation and moving the minimum inmates in, the Department would add 70 beds, beginning the work in March 2016. This phase is expected to cost \$4.6 million, 26 positions/16.60 FTE. Most of the cost is in operations, but there are also health, offender management, and administrative expenses. The third phase adds 130 beds, 6 positions/3.61 FTE at a cost of \$2.4 million, with work commencing in July 2016.

The following summarizes bed capacity at Deer Ridge:

<u>Total medium capacity</u>	<u>1,223</u>
Minimum move to medium facility	
Regular Beds	657
Emergency beds	130
Phase 1	70
Phase 2	130
Total	987
<u>Remaining capacity</u>	<u>236</u>

The Department has presented a comprehensive solution to address the October 2015 forecast spike. The male population actual bed demand tracked closely to the October forecast but in mid-January began to fall short of the predicted bed need, although it is still well above the level that was budgeted. The next population forecast will be issued in April 2016. The Department typically returns to an Emergency Board meeting or to the odd-year legislative session with an agency-wide rebalance that will show needs based on a longer period of spending experience.

In view of the population shifting, two more forecasts to be issued, and the Department's opportunity for rebalancing, the Legislative Fiscal Office recommends the funding request be considered with other statewide General Fund issues in the 2016 omnibus budget reconciliation bill, with the understanding that the Department may return to the legislative body for further funding discussions. Current thinking on this request points toward a possible mix of direct appropriation, special purpose appropriation to the Emergency Fund, and deferred consideration of the balance. With respect to positions, the Legislative Fiscal Office recommends they be established administratively as limited duration, and requested for continuation, if needed, in the 2017-19 agency request budget.