

BUDGET NARRATIVE

Revenue Discussion

The 2015-17 Governor's Balanced Budget for the Department of Corrections is financed primarily with General Fund; 95.6% from General Fund, 3.9% from Other Funds and .5% from Federal Funds. For 2015-17, Other Fund revenues to fund requested expenditure limitation are projected at \$62,421,147, of which \$27,620,000 is General Fund Obligation Bonds and \$4,781,217 are Transfers. Federal Funds are anticipated for partial reimbursement of the costs to incarcerate illegal aliens and to subsidize DOC's Debt Service payments.

Other Funds

While not encompassing all Other Fund revenue, some highlights are:

Federal Revenues (as Other Funds) \$130,342

These funds come to the department from the Federal Government as an incentive for reporting individuals that are incarcerated who may be receiving social security assistance and due to their incarceration are no longer eligible.

Charges for Services \$8,903,207

The principle contributor to this account is the expected revenue from services provided to state or federal agencies and other clients by inmate work crews. Also included are revenues received from services provided by inmate training programs, commissary sales to inmates, and County supervision fees.

Fines & Forfeitures \$118,766

This revenue comes from charges to inmates for personal medical prostheses and property damage and escape attempt costs. Also included are County non-sufficient check fees and drug court forfeitures.

Rents & Royalties \$289,840

This revenue comes from warehouse space rental, land leases, and easements.

General Fund Obligation Bonds \$27,620,000

The sale of General Fund Obligation Bonds will finance a portion of the department's most critical deferred maintenance issues.

Sales Income \$1,785,295

Sales Income is derived primarily from non-inmate food sales and sales of inmate-produced products. Also included in this account are surplus property sales and real property sale proceeds.

Other Revenues \$17,097,895

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This account includes victim's restitution allocations to maintain the victim's notification program as well as the Inmate Welfare Fund pending allocations.

Transfers In - Intrafund \$1,438,365

Revenue for the Inmate Welfare Fund is derived exclusively from inmate-related sources and is expended exclusively on programs that directly benefit inmates. The revenue sources include telephone revenues, canteen profits, fines and confiscations, and vending machines. This Transfer is offset by corresponding Transfer Out – Intrafund.

Transfer In - Other \$3,986,493

This account is used to record the movement of Inmate Welfare Fund revenues between organizational units within the department, for approved programs and activities.

Transfer from Other State Agencies \$794,724

In addition to the Other Revenues above, the department expects to receive funds from the Department of Education (\$208,074), and the Office of Community College Services (\$189,850) for inmate educational programs. In addition, \$26,000 is anticipated from the Department of Justice for Prison Industries Enhancement (PIE) and \$370,800 from the Criminal Justice Commission.

Transfer Out - Intrafund (\$1,438,365)

This account is used to record the movement of Inmate Welfare Fund revenues between organizational units within the department, for approved programs and activities. This Transfer is offset by corresponding Transfer In – Intrafund.

Federal Funds

Federal Funds \$7,872,260

Federal funds are expected to be available through the State Criminal Alien Assistance Program to partially reimburse the state for expenditures associated with the incarceration of illegal aliens. These funds are used as direct offsets for the costs of medical care.

Federal Funds \$1,262,826

These funds represent Build America Bonds from a federal program to help states pursue needed capital projects that build infrastructure and create jobs.

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

**Corrections, Dept of
2015-17 Biennium**

**Agency Number: 29100
Cross Reference Number: 29100-000-00-00-00000**

| <i>Source</i> | 2011-13 Actuals | 2013-15 Leg Adopted Budget | 2013-15 Leg Approved Budget | 2015-17 Agency Request Budget | 2015-17 Governor's Budget | 2015-17 Leg Adopted Budget |
|---------------------------------|---------------------|-------------------------------|--------------------------------|----------------------------------|------------------------------|-------------------------------|
| Other Funds | | | | | | |
| Federal Revenues | 159,506 | 361,457 | 361,457 | 130,342 | 130,342 | - |
| Charges for Services | 10,641,878 | 11,826,742 | 11,826,742 | 8,392,233 | 8,392,233 | - |
| Admin and Service Charges | 295,616 | 3,290 | 3,290 | 510,974 | 510,974 | - |
| Fines and Forfeitures | 184,133 | 234,287 | 234,287 | 118,766 | 118,766 | - |
| Rents and Royalties | 260,402 | 239,339 | 239,339 | 289,840 | 289,840 | - |
| General Fund Obligation Bonds | - | 5,050,000 | 5,050,000 | 22,816,595 | 27,620,000 | - |
| Interest Income | 22,498 | 17,672 | 17,672 | 12,994 | 12,994 | - |
| Sales Income | 2,150,088 | 2,034,830 | 2,034,830 | 1,785,295 | 1,785,295 | - |
| Donations | 39,334 | 1,721 | 1,721 | 14,045 | 14,045 | - |
| Grants (Non-Fed) | - | - | - | 194,618 | 194,618 | - |
| Loan Repayments | - | 33,556 | 33,556 | 34,563 | 34,563 | - |
| Other Revenues | 9,739,826 | 3,198,882 | 3,198,882 | 17,097,895 | 17,097,895 | - |
| Transfer In - Intrafund | 12,101,155 | 9,787,477 | 9,787,477 | 1,438,365 | 1,438,365 | - |
| Transfer In Other | - | 14,085,049 | 14,085,049 | 3,986,493 | 3,986,493 | - |
| Tsfr From Justice, Dept of | 24,745 | 25,329 | 25,329 | 26,000 | 26,000 | - |
| Tsfr From Revenue, Dept of | 6,276,355 | - | - | - | - | - |
| Tsfr From Criminal Justice Comm | 866,067 | - | - | 370,800 | 370,800 | - |
| Tsfr From Police, Dept of State | 42,193 | - | - | - | - | - |
| Tsfr From Energy, Dept of | 392,121 | - | - | - | - | - |
| Tsfr From HECC | - | - | - | 189,850 | 189,850 | - |
| Tsfr From Education, Dept of | 213,065 | 202,014 | 202,014 | 208,074 | 208,074 | - |
| Tsfr From Comm Coll/Wkfrc Dev | 199,620 | 184,320 | 184,320 | - | - | - |
| Transfer Out - Intrafund | (12,101,155) | (9,787,477) | (9,787,477) | (1,438,365) | (1,438,365) | - |
| Total Other Funds | \$31,507,447 | \$37,498,488 | \$37,498,488 | \$56,179,377 | \$60,982,782 | - |

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

Corrections, Dept of
2015-17 Biennium

Agency Number: 29100
Cross Reference Number: 29100-000-00-00-00000

| <i>Source</i> | 2011-13 Actuals | 2013-15 Leg Adopted Budget | 2013-15 Leg Approved Budget | 2015-17 Agency Request Budget | 2015-17 Governor's Budget | 2015-17 Leg Adopted Budget |
|---------------------------------------|----------------------|-------------------------------|--------------------------------|----------------------------------|------------------------------|-------------------------------|
| Federal Funds | | | | | | |
| Federal Funds | 6,518,818 | 7,523,861 | 7,523,861 | 7,872,260 | 7,872,260 | - |
| Total Federal Funds | \$6,518,818 | \$7,523,861 | \$7,523,861 | \$7,872,260 | \$7,872,260 | - |
| Nonlimited Other Funds | | | | | | |
| Refunding Bonds | 346,773,770 | - | - | - | - | - |
| Total Nonlimited Other Funds | \$346,773,770 | - | - | - | - | - |
| Nonlimited Federal Funds | | | | | | |
| Federal Funds | 1,262,825 | 1,262,826 | 1,262,826 | 1,262,826 | 1,262,826 | - |
| Total Nonlimited Federal Funds | \$1,262,825 | \$1,262,826 | \$1,262,826 | \$1,262,826 | \$1,262,826 | - |

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

| Source | Fund | ORBITS Revenue Acct | 2011-2013 Actual | 2013-15 Legislatively Adopted | 2013-15 Estimated | 2015-17 | | |
|---|-------|---------------------|------------------|-------------------------------|-------------------|----------------|---------------------|-----------------------|
| | | | | | | Agency Request | Governor's Balanced | Legislatively Adopted |
| Social Security reporting incentive | Other | 0355 | \$159,506 | \$361,457 | \$126,545 | \$130,342 | \$130,342 | \$0 |
| Inmate Work Crews and Programs, ID Replacement Cards, Witness Fees, Copier revenue, Commissary sales, Oregon Trail Card pennies and County supervision fees | Other | 0410 | 10,641,878 | 11,826,742 | 8,147,796 | 8,392,233 | 8,392,233 | 0 |
| Admin & Service Charges | Other | 0415 | 295,616 | 3,290 | 496,090 | 510,974 | 510,974 | 0 |
| Charges to inmates for property damage, inmate victim restitution, Drug Court forfeitures and restitution for medical services | Other | 0505 | 184,133 | 234,287 | 115,308 | 118,766 | 118,766 | 0 |
| Warehouse space rental, land, building and tower leases, and easements | Other | 0510 | 260,402 | 239,339 | 281,397 | 289,840 | 289,840 | 0 |
| GF Obligation Bonds | Other | 0555 | 0 | 5,050,000 | 0 | 22,816,595 | 27,620,000 | 0 |
| Refunding Bonds | Other | 0575 | 346,773,770 | 0 | 0 | 0 | 0 | 0 |

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

| Source | Fund | ORBITS Revenue Acct | 2011-2013 Actual | 2013-15 Legislatively Adopted | 2013-15 Estimated | 2015-17 | | |
|--|-------|---------------------|------------------|-------------------------------|-------------------|----------------|---------------------|-----------------------|
| | | | | | | Agency Request | Governor's Balanced | Legislatively Adopted |
| Interest Earnings from COPs is shifted to Other Funds from General Fund to pay Debt Service obligations previously financed with General Fund dollars | Other | 0605 | 22,498 | 17,672 | 12,615 | 12,994 | 12,994 | 0 |
| Real property sales, non-inmate food sales, sales of inmate-produced products, medical prostheses, legal records requests, Secure ID tokens, Oregon Youth Authority food sales, inmate work program sales and surplus property sales | Other | 0705 | 2,150,088 | 2,034,830 | 1,733,292 | 1,785,295 | 1,785,295 | 0 |
| Miscellaneous non-federal grants and donations | Other | 0905 | 39,334 | 1,721 | 13,713 | 14,045 | 14,045 | 0 |
| Grants (non-Federal) | Other | 0910 | 0 | 0 | 188,950 | 194,618 | 194,618 | 0 |
| Loan Repayments | Other | 0925 | 0 | 33,556 | 0 | 34,563 | 34,563 | |

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

| Source | Fund | ORBITS Revenue Acct | 2011-2013 Actual | 2013-15 Legislatively Adopted | 2013-15 Estimated | 2015-17 | | |
|---|-------|---------------------|------------------|-------------------------------|-------------------|----------------|---------------------|-----------------------|
| | | | | | | Agency Request | Governor's Balanced | Legislatively Adopted |
| Victim's restitution allocations, travel reimbursements, inmate victim restitution, medical equipment reimbursement and Telmate | Other | 0975 | 9,739,826 | 3,198,882 | 15,937,242 | 17,097,895 | 17,097,895 | 0 |
| Transfer of Inmate Welfare funds between programs. Transfer revenue between funds to properly align revenue to programs | Other | 1010 | 12,101,155 | 9,787,477 | 1,556,675 | 1,438,365 | 1,438,365 | 0 |
| Initial receipt of Inmate Welfare funds and recording movements of revenues between Department organizational units | Other | 1050 | 0 | 14,085,049 | 0 | 3,986,493 | 3,986,493 | 0 |
| Transfers from Department of Justice for Prison Industries Enhancement programs | Other | 1137 | 24,745 | 25,329 | 32,648 | 26,000 | 26,000 | 0 |

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

| Source | Fund | ORBITS Revenue Acct | 2011-2013 Actual | 2013-15 Legislatively Adopted | 2013-15 Estimated | 2015-17 | | |
|--|-------|---------------------|------------------|-------------------------------|-------------------|----------------|---------------------|-----------------------|
| | | | | | | Agency Request | Governor's Balanced | Legislatively Adopted |
| Transfer from Department of Revenue for criminal fines | Other | 1150 | 6,276,355 | 0 | 3,870,383 | 0 | 0 | 0 |
| Transfer from Criminal Justice Commission | Other | 1213 | 866,067 | 0 | 265,988 | 370,800 | 370,800 | 0 |
| Transfer from State Police for bullet proof vests grant | Other | 1257 | 42,193 | 0 | 0 | 0 | 0 | 0 |
| Transfer from Department of Energy | Other | 1330 | 392,121 | 0 | 0 | 0 | 0 | 0 |
| Transfers from HECC | Other | 1525 | 0 | 0 | 0 | 189,850 | 189,850 | 0 |
| Transfers from Department of Education for grants and inmate educational programs | Other | 1581 | 213,065 | 202,014 | 106,943 | 208,074 | 208,074 | 0 |
| Transfers from Community Colleges for inmate educational programs (moving to 1525 next biennium) | Other | 1586 | 199,620 | 184,320 | 184,800 | 0 | 0 | 0 |

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

| Source | Fund | ORBITS Revenue Acct | 2011-2013 Actual | 2013-15 Legislatively Adopted | 2013-15 Estimated | 2015-17 | | |
|--|---------|---------------------|------------------|-------------------------------|-------------------|----------------|---------------------|-----------------------|
| | | | | | | Agency Request | Governor's Balanced | Legislatively Adopted |
| Transfer of Inmate Welfare Funds between programs. Transfer revenue between funds to properly align revenue to programs | Other | 2010 | (12,101,155) | (9,787,477) | (711,552) | (1,438,365) | (1,438,365) | 0 |
| Federal funds from the State Criminal Alien Assistance Program (SCAAP), American Recovery and Reinvestment Act (ARRA), Build America Bonds and Federal grant for inmate educational programs | Federal | 0995 | 7,781,643 | 8,786,687 | 6,847,257 | 9,135,086 | 9,135,086 | 0 |