

BUDGET NARRATIVE

Facilities Maintenance and Management

Purpose

The Department of Corrections (DOC) manages and maintains 14 prisons and related facilities across the state. DOC currently owns 308 buildings encompassing approximately 5.5 million square feet. General oversight for facility management and maintenance is the responsibility of the central Facility Services section of the General Services Division. Institution facility operations are administered by local physical plant managers and their staff.

How Achieved

Facility operations and maintenance budgets are approved biennially by the Legislature. These budgets are usually adjusted for inflation. During the 2009-11 biennium DOC received a one-time extraordinary inflation exception for utilities due to frequent increases in provider rates that were higher than the standard inflation. Physical plant budgets for new construction are generally limited to operational costs and minimal funding for routine maintenance. The maintenance budgets for the facilities are generally insufficient to address the deterioration associated with 24-hour, 7-day per week facilities, aging physical plants, and the various types of construction materials and systems used in older facilities. For example, the Oregon State Penitentiary was constructed in 1866 and has for some time shown signs of significant wear and tear. Even the more recently-constructed (1995) Snake River Correctional Institution in Ontario has experienced significant physical plant and equipment replacement issues. Lack of adequate funding in the Current Service Level Budget has produced a sizeable list of deferred maintenance needs.

Recognizing the long-standing funding issue around deferred maintenance, DOC retained a professional consulting firm in 1996 to evaluate the condition of all correctional facilities in operation at the time. The resulting document referred to as the "PACK Study", provided DOC with a list of the existing deferred maintenance deficiencies. At that time, the list contained approximately \$58 million in known maintenance needs. Since then, DOC has continued to address those projects that could be financed within the existing budgets and periodically brings the unfunded list of deferred maintenance to the attention of the legislature through the budget process. The list is updated as projects are completed and new issues are identified. The projects are periodically prioritized by managers from Facility Services and the physical plants from the institutions. The 2013-15 Agency Request Budget version of the list of known deferred maintenance needs is approximately \$58.9 million as reported on the 107BF16c Deferred Maintenance Detail Report.

The 2007 Legislature approved funding for \$21.8 million to address DOC's priority 1 projects. An additional \$2.6m was approved for the staffing to oversee the projects. A total of \$24.4m was approved to be funded by sales of Certificates of Participation. Due to state budget reductions, DOC had to eliminate some projects and ended up receiving \$21.6m in revenues for the projects.

Agency Request

Governor's Balanced

Legislatively Adopted

BUDGET NARRATIVE

While this one-time infusion of financing for these projects and activities was welcomed, the fact remains that DOC does not have a regular biennial budget mechanism to ensure an appropriate maintenance funding level exists for its aging facilities. Without that in place, the only recourse is the biennial Policy Package request. The 2013-15 Agency Request Budget included Policy Package 109 – Deferred Maintenance List for \$47.9 million. This amount would address DOC’s outstanding priority 1 and priority 2 liabilities. These projects would be completed over the next 6 years and would be financed by the sales of Bonds.

The Governor’s Balanced Budget eliminated the \$47,937,359 Policy Package 109 – Deferred Maintenance List. A portion of the priority 1 projects are included in the Analyst Adjustments Package 090 in the amount of \$4,961,000. The Legislature made no changes to the Governor’s Balanced Budget.

Agency Request

Governor's Balanced

Legislatively Adopted

FACILITIES MAINTENANCE SUMMARY REPORT

AGENCY: Department of Corrections

Agency #: 29100

Value of Buildings and Building Improvements			Facilities Operations and Maintenance (O&M) Budget			
<u>Cost of Buildings</u> <small>(as reported to Risk Management)</small>	<u>6/30/12 Replacement Value</u> <small>(Risk Management/Building Inventory)</small>		<u>Personal Services</u>	<u>Services & Supplies</u>	<u>Total</u>	
not reported to DAS Risk	<u>\$1,305,090,947</u>		<u>\$37,654,245</u>	<u>\$39,580,269</u>	<u>\$77,234,514</u>	
Total Sq. Ft. of Bldgs: <u>5,455,641</u>			2013-15 Maint. Budget: <u>\$9,858,294</u>		Utilities Budget: <u>\$35,640,350</u>	
			÷ Square Feet of building: <u>\$1.81</u> sq. ft.			
Total Outstanding Deferred Maintenance			*Deferred Maintenance Budget 2013-15			
As of 6/30/12	Categories 1-2	Categories 3-5	Total	Personal Services	Services & Supplies	Capital Outlay
Projected 6/30/13	<u>\$44,552,076</u>	<u>\$14,303,862</u>	<u>\$4,961,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,961,000</u>

Briefly describe the software (or manual process) used to identify routine (including preventative) facility maintenance needs. **DOC uses a Computerized Maintenance Management System (CMMS) to schedule and track preventative maintenance issues. Access to the CMMS is limited to Operations and Maintenance personnel. O&M staff receive Service/Work Orders generated by facility staff identifying basic corrective maintenance needs.**

What data elements do you track with software (or manual process) described above? **The CMMS is capable of prompting preventative maintenance actions and supports recording of all completed maintenance (preventative and repair).**

Briefly describe how the facilities maintenance budget is developed (note whether software (or manual process) described above is used in budget development). **Existing facilities maintenance budgets are primarily based on CSL for the previous biennium plus inflation; DOC endeavors to develop maintenance budgets for new facilities based on system types and quantities of equipment. Institutions provide maintenance needs input to central office staff for budget development. The 2013-15 ARB included Policy Package 109 to address DOC's current Priority 1 and Priority 2 Deferred Maintenance liability. This package was denied during GBB and partially replaced by Analyst Package 090 for \$4,961,000. The Legislature made no changes to the Governor's Balanced Budget.**

Briefly describe the system or process used to identify Deferred Maintenance. *(e.g.; staff makes an annual estimate based on periodic assessments; evaluation of facilities using contract structural engineering firm, etc.)* **The identification of maintenance needs is accomplished by the institution trade staff and trade supervisors. Project management personnel assist the institution in developing cost estimates for having the work performed and utilize engineering firms, contractors, and specialty vendors when required to ensure scope of work and cost estimates are valid.**

Briefly describe the process to provide funding for facilities maintenance. *(e.g.; biennial appropriation; assessment to applicable programs to sustain a Capital Maintenance/Improvement Fund authorized under ORS 276.285(2); etc.)* **Facilities maintenance funding is provided through biennial General Fund appropriation. The agency determines which of the maintenance needs included in the CFPC report to include in the ARB. DOC submitted Policy Package 109 for \$47,937,359 at 2013-15 ARB to address its Priority 1 and 2 issues. Policy Package 109 was denied in the GBB. The Legislature made no changes to the Governor's Balanced Budget.**

***The Deferred Maintenance Budget 2013-15 amounts listed are entirely from CFO Analyst Package 090 which includes a portion of DOC's Priority 1 issues.**

Statutory references: ORS 276.229(2), ORS 276.227(5)

FACILITIES OPERATIONS AND MAINTENANCE REPORT

(Excluding facilities improvements and deferred maintenance)

AGENCY Name: Department of Corrections

Agency #: 29100

Leg Approved

	2009-11 Actuals	FTE	2011-13	FTE	2011-13 Estimates	FTE	2013-15 Budget	FTE
General Fund								
Personal Serv - Utilities & Janitorial	\$3,374,292	21.00	\$3,166,511	21.00	\$3,529,093	21.00	\$3,32,836	21.00
Personal Services - Maintenance	\$29,018,927	187.25	\$28,629,577	177.00	\$32,073,009	177.00	\$34,331,409	175.52
S&S - Utilities & Janitorial	\$39,173,755	0.00	\$36,404,543	0.00	\$30,393,451	0.00	\$29,980,265	0.00
S&S - Maintenance	\$9,917,536	0.00	\$10,217,519	0.00	\$11,725,670	0.00	\$9,600,004	0.00
GF Subtotal	<u>\$81,484,511</u>	208.25	<u>\$78,418,150</u>	198.00	<u>\$77,721,223</u>	198.00	<u>\$77,234,514</u>	196.52
Lottery Funds								
Personal Serv - Utilities & Janitorial	\$0		\$0		\$0		\$0	
Personal Services - Maintenance	\$0		\$0		\$0		\$0	
S&S - Utilities & Janitorial	\$0		\$0		\$0		\$0	
S&S - Maintenance	\$0		\$0		\$0		\$0	
LF Subtotal	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>		<u>\$0</u>	
Other Funds								
Personal Serv - Utilities & Janitorial	\$0		\$0		\$0		\$0	
Personal Services - Maintenance	\$0		\$0		\$0		\$0	
S&S - Utilities & Janitorial	\$0		\$0		\$0		\$0	
S&S - Maintenance	\$0		\$0		\$0		\$0	
OF Subtotal	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>		<u>\$0</u>	
Federal Funds								
Personal Serv - Utilities & Janitorial	\$0		\$0		\$0		\$0	
Personal Services - Maintenance	\$0		\$0		\$0		\$0	
S&S - Utilities & Janitorial	\$0		\$0		\$0		\$0	
S&S - Maintenance	\$0		\$0		\$0		\$0	
FF Subtotal	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>		<u>\$0</u>	
Total All Funds	<u>\$81,484,511</u>	208.25	<u>\$78,418,150</u>	198.00	<u>\$77,721,223</u>	198.00	<u>\$77,234,514</u>	196.52

The Facilities Operations and Maintenance budget includes costs to operate and maintain facilities and keep them in repair including utilities, janitorial, and maintenance costs. Maintenance costs are categorized as external building (roof, siding, windows, etc.), interior systems (electrical, mechanical, interior walls, doors, etc.), roads and ground (groundskeeper, parking lots, sidewalks, etc.), and centrally operated systems (electrical, mechanical, etc.). Agencies with significant facilities may include support staff if directly associated with facilities maintenance activities. Do not include other overhead costs such as accounting, central government charges, etc.

FACILITIES DEFERRED MAINTENANCE DETAIL REPORT

AGENCY: Department of Corrections
 Agency #: 29100

Building Name or Identifier	Replacement Value (as of 6/30/12)	2013-15 Deferred Maintenance Budget for this Facility (all from 2013-15 GBB Package 090)	Total O/S Deferred Maint. (projected) (as of 6/30/13)	Outstanding Deferred Maintenance (projected) by Category	
				1 - 2	3 - 5
Facilities > \$1 million (attach additional sheets if necessary)					
Columbia River Correctional Institution	\$19,197,529	\$0	\$384,224	\$260,337	\$123,887
Central Distribution Center	\$11,203,112	\$0	\$4,304,160	\$85,665	\$4,218,495
Eastern Oregon Correctional Institution	\$117,794,543	\$713,831	\$5,475,456	\$4,118,176	\$1,357,280
Mill Creek Correctional Facility	\$17,493,436	\$0	\$2,874,070	\$2,280,525	\$593,545
Two Rivers Correctional Institution	\$174,734,297	\$362,888	\$1,416,600	\$362,888	\$1,053,712
Oregon State Penitentiary Minimum	\$7,954,252	\$725,000	\$1,377,250	\$997,250	\$380,000
Shutter Creek Correctional Institution	\$13,996,475	\$465,000	\$1,159,570	\$1,159,570	\$0
Santiam Correctional Institution	\$25,326,540	\$145,000	\$9,389,860	\$9,389,860	\$0
Powder River Correctional Facility	\$11,115,127	\$235,000	\$420,000	\$420,000	\$0
Snake River Correctional Institution	\$254,928,631	\$1,649,281	\$10,939,920	\$9,965,165	\$974,755
Oregon State Penitentiary	\$142,245,709	\$427,000	\$11,868,959	\$8,679,982	\$3,188,977
Oregon State Correctional Institution	\$78,979,295	\$218,000	\$6,701,877	\$5,337,492	\$1,364,385
From attached Sheets					
From page <u>2</u>	\$355,087,035	\$20,000	\$1,495,166	\$1,495,166	\$0
From page _____	\$	\$	\$	\$	\$
Total Facilities > \$1 million (total from detail above)	\$874,968,946	\$4,941,000	\$56,311,946	\$43,056,910	\$13,255,036
Facilities < \$1 million (total for all facilities < \$1 million)	\$75,034,966	\$0	\$1,048,826	\$0	\$1,048,826
Total all Facilities	<u>\$1,305,090,947</u>	<u>\$4,961,000</u>	<u>\$58,855,938</u>	<u>\$44,552,076</u>	<u>\$14,303,862</u>

FACILITIES DEFERRED MAINTENANCE DETAIL REPORT

AGENCY: Department of Corrections

Agency #: 29100

Building Name or Identifier	Replacement Value (as of 6/30/12)	2013-15 Deferred Maintenance Budget for this Facility (all from 2013-15 ARB Policy Package 109)	Total O/S Deferred Maint. (projected) (as of 6/30/13)	Outstanding Deferred Maintenance (projected) by Category			
				1	-	2	3
Facilities > \$1 million (attach additional sheets if necessary)							
Coffee Creek Correctional Facility	\$179,506,131	\$0	\$0	\$0			\$0
Deer Ridge Correctional Institution	\$149,158,574	\$0	\$0	\$0			\$0
South Fork Forest Camp	\$4,387,123	\$20,000	\$563,730	\$563,730			\$0
Warner Creek Correctional Facility	\$22,035,207	\$0	\$	\$			\$
Central Office	\$N/A	\$0	\$931,436	\$931,436			\$
	\$N/A	\$	\$	\$			\$
	\$	\$	\$	\$			\$
	\$	\$	\$	\$			\$
	\$	\$	\$	\$			\$
	\$	\$	\$	\$			\$
	\$	\$	\$	\$			\$
	\$	\$	\$	\$			\$
From attached Sheets							
From page _____	\$	\$	\$	\$			\$
From page _____	\$	\$	\$	\$			\$
Total Facilities > \$1 million (total from detail above)	\$355,087,035	\$20,000	\$1,495,166	\$1,495,166			\$0
Facilities < \$1 million (total for all facilities < \$1 million)	\$	\$	\$	\$			\$
Total all Facilities	\$ _____	\$ _____	\$ _____	\$ _____			\$ _____

INFORMATION TECHNOLOGY PROJECTS IN 2013-15

(THAT EQUAL OR EXCEED \$150,000)

Agency Name:	OREGON DEPARTMENT OF CORRECTIONS						
Project Name:	MICROSOFT ENTERPRISE UPGRADE						
Mandated Project?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	By: Legislature, Federal Gov, Other (identify it)					
Budget?	<input checked="" type="checkbox"/> Base <input type="checkbox"/> POP	Which agency or state plans or goals does it align with and/or support?			Oregon State Government is migrating to Windows 7		
Project Purpose	<input type="checkbox"/> Routine Lifecycle Replacement <input checked="" type="checkbox"/> Upgrade/Enhance Existing System <input checked="" type="checkbox"/> New System						
Project Status	<input type="checkbox"/> Concept Stage <input type="checkbox"/> Planning Stage Ready to Implement <input checked="" type="checkbox"/> Continuation of Existing Project						
SDC Involvement	<input type="checkbox"/> None <input type="checkbox"/> Minor <input type="checkbox"/> Active <input checked="" type="checkbox"/> Participating Partner						
Estimate SDC Costs	\$86,408 (11-13 only) <input type="checkbox"/> Preliminary Estimate <input type="checkbox"/> Project Design Estimate						
SDC Costs reflect a four month period of time where 56 servers are billed against both the old and new environments. Once the old servers are decommissioned, DOC will realize a savings in monthly billing.							
Project Description: In 2013 Microsoft will stop supporting the Windows XP operating system. The Department of Corrections, like other state agencies, is migrating to Windows 7 as well upgrading all servers to 2008 r2. This work commenced on June 30, 2011, and will continue through July 1, 2013. User desktops will be moved to the new image by fall 2012.							
Cost Summary							
Total estimated cost by fund (13-15):	General Fund	Lottery Funds	Other Funds	Non-Limited	Federal Funds	Non-Limited	Total Funds
	\$1,014,609.42	\$	\$	\$	\$	\$	\$
Total estimated cost by fund (all biennia):	\$3,303,707.10	\$	\$	\$	\$	\$	\$
Estimated Cost by category (13-15):	Personal Services		Services & Supplies	Capital Outlay	Special Payments	Debt Service	
	\$			\$1,014,609.42	\$	\$	
Estimated Cost by category (all biennia):	\$		\$40,000	\$3,263,707.10	\$	\$	
Expected Start Date:		June 30, 2011			Positions:		Internal
Expected Completion Date:		July 1, 2013			Contractor		
					FTE:		

_____ Agency Request

_____ Governor's Balanced

 X Legislatively Adopted

Budget Page _____