

BUDGET NARRATIVE

Revenue Discussion

The 2011-13 Governor's Balanced Budget for the Department of Corrections is financed primarily with General Fund; ninety-seven percent (97%) from General Funds, two percent (2%) from Other Fund revenues and less than one percent (<1%) from Federal Funds. For 2011-13, Other Fund revenues to fund requested expenditure limitation are projected at \$31,237,396, including \$902,553 from the sale of Certificates of Participation to finance additional prison construction and related costs. Federal funds are anticipated for partial reimbursement of the costs to incarcerate illegal aliens.

Other Funds

Federal Revenues (as Other Funds) \$96,533

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.

Other Charges for Services \$12,427,497

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 \$371,808

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

Rents & Royalties \$266,341

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

Certificates of Participation \$902,553

The sale of Certificates of Participation will finance project management and construction-related staff for pre-construction activities at the next prison facility site. The Junction City property was originally sited for a co-located 532-bed minimum-custody and 1,278-bed medium-custody men's facility. However, current prison population forecasts indicate only the minimum-custody facility will be needed within the next ten years. Planned construction of the medium-custody facility will be dependent on future prison population forecasts and reviewed during each biennium budget development process.

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Sales Income \$5,806,551

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

Donations \$52,852

This account is used for miscellaneous non-federal grants and donations.

Other Revenues \$1,388,399

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

Transfer In - Intrafund \$10,175,231

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.

Transfer In – Other \$9,886,691

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 \$404,949

In addition to the Other Revenues above, the department expects to receive funds from the Department of Education (\$208,949), and the Office of Community College Services (\$180,000) for inmate educational programs. In addition, \$16,000 is expected to be received from the Department of Justice for Prison Industries Enhancement (PIE).

Transfer Out - Intrafund \$10,175,231

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

BUDGET NARRATIVE

Federal Funds

Federal Funds \$7,438,647

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.

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

**Corrections, Dept of
2011-13 Biennium**

Agency Number: 29100

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

<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
Other Funds						
Federal Revenues	92,000	-	450,000	96,533	96,533	-
Charges for Services	13,314,614	14,926,059	14,926,059	12,427,497	12,427,497	-
Admin and Service Charges	3,677	-	-	-	-	-
Fines and Forfeitures	273,054	479,820	479,820	371,808	371,808	-
Rents and Royalties	134,154	801,214	801,214	266,341	266,341	-
Cert of Participation	43,955,147	50,373,578	48,947,666	163,471,333	902,553	-
Interest Income	353,347	2,910,092	2,910,092	-	-	-
Sales Income	2,818,465	3,042,570	3,042,570	5,806,551	5,806,551	-
Donations	157,144	51,300	51,300	52,852	52,852	-
Other Revenues	1,559,089	479,308	729,308	1,388,399	1,388,399	-
Transfer In - Intrafund	19,237,719	9,292,086	9,292,086	9,663,994	10,175,231	-
Transfer In Other	14,675,234	14,605,641	14,605,641	9,886,691	9,886,691	-
Tsfr From Administrative Svcs	6,658,735	-	900,000	-	-	-
Tsfr From Justice, Dept of	37,272	46,000	46,000	16,000	16,000	-
Tsfr From Military Dept, Or	236,992	-	-	-	-	-
Tsfr From Police, Dept of State	250,792	-	-	-	-	-
Tsfr From Education, Dept of	157,742	197,613	197,613	208,949	208,949	-
Tsfr From Comm Coll/Wkfr Dev	177,400	180,000	180,000	180,000	180,000	-
Transfer Out - Intrafund	(19,237,719)	(9,292,086)	(9,292,086)	(9,663,994)	(10,175,231)	-
Total Other Funds	\$84,854,858	\$88,093,195	\$88,267,283	\$194,172,954	\$31,604,174	-
Federal Funds						
Federal Funds	17,639,109	108,541,761	109,903,838	6,175,821	6,175,821	-
Total Federal Funds	\$17,639,109	\$108,541,761	\$109,903,838	\$6,175,821	\$6,175,821	-

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

Corrections, Dept of
2011-13 Biennium

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

<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
Nonlimited Other Funds						
Cert of Participation	-	-	105,761,270	-	-	-
Total Nonlimited Other Funds	-	-	\$105,761,270	-	-	-
Nonlimited Federal Funds						
Federal Funds	-	-	1	1	1,262,826	-
Total Nonlimited Federal Funds	-	-	\$1	\$1	\$1,262,826	-

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 Balanced	Legislatively Adopted
Social Security reporting incentive and US Department of Justice American Recovery and Reinvestment Act (ARRA) funds received from Department of Energy.	Other	0355	92,000	0	555,600	96,533	96,533	
Inmate Work Crews, Commissary sales, and County supervision fees.	Other	0410	13,314,614	14,926,059	10,914,002	12,427,497	12,427,497	
Admin & Service Charges	Other	0415	3,677	0	2,780	0	0	
Charges to inmates for property damage and restitution for medical services.	Other	0505	273,054	479,820	356,670	371,808	371,808	
Warehouse space rental, land leases, easements.	Other	0510	134,154	801,214	288,244	266,341	266,341	

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 Balanced	Legislatively Adopted
Certificates of Participation (COPs) to finance project management, construction-related staff and other expenses.	Other	0580	43,955,147	50,373,578	49,455,841	163,471,333	902,553	
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	353,347	2,910,092	2,877,118	0	0	
Real property sales, non-inmate food sales, sales of inmate-produced products, medical prostheses, and surplus property sales.	Other	0705	2,818,465	3,042,570	1,326,928	5,806,551	5,806,551	
Miscellaneous non-federal grants and donations.	Other	0905	157,144	51,300	73,106	52,852	52,852	

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 Balanced	Legislatively Adopted
Victim's restitution allocations and previously Inmate Welfare Fund pending allocations.	Other	0975	1,559,089	479,308	1,369,228	1,388,399	1,388,399	
Inmate Welfare Funds, including telephone revenues, canteen profits, fines and confiscations, and vending machine sales. This account was also used to transfer revenue between funds to properly align revenue to programs.	Other	1010	19,237,719	9,292,086	11,527,114	9,663,994	10,175,231	
Recording movements of revenues between Department organizational units, specifically Inmate Welfare Fund financing.	Other	1050	14,675,234	14,605,641	10,385,898	9,886,691	9,886,691	

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 Balanced	Legislatively Adopted
Transfer from Department of Administrative Services for Wellness grant program, Oregon Stimulus grant, and Mill Creek Correctional Facility well relocation.	Other	1107	6,658,735	0	900,000	0	0	
Transfers from Department of Justice for Prison Industries Enhancement programs.	Other	1137	37,272	46,000	46,000	16,000	16,000	
Transfer from Military Department for Vernonia disaster recovery grant.	Other	1248	236,992	0	0	0	0	
Transfer from State Police for bullet proof vests grant, statistical analysis software, and inmate alcohol and drug programs.	Other	1257	250,792	0	0	0	0	
Transfers from Department of Education for grants and inmate educational programs.	Other	1581	157,742	197,613	197,613	208,949	208,949	

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 Balanced	Legislatively Adopted
Transfers from Community Colleges for inmate educational programs.	Other	1586	177,400	180,000	180,000	180,000	180,000	
Transfers out to record Inmate Welfare Fund financing for approved programs and activities. This account was also used to transfer revenue between funds to properly align revenue to programs.	Other	2010	(19,237,719)	(9,292,086)	(16,650,012)	(9,663,994)	(10,175,231)	
Federal funds from the State Criminal Alien Assistance Program (SCAAP) to reimburse expenditures associated with the incarceration of illegal aliens, American Recovery and Reinvestment Act (ARRA), and Build American Bonds.	Federal	0995	17,639,109	108,541,761	114,600,759	6,175,822	7,438,647	

Agencywide Revenues and Disbursements Summary
2011-13 Biennium

Version: Y-01-Governor's Rec. Budget

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
BEGINNING BALANCE						
0025 Beginning Balance						
Other Funds	9,026,761	9,950,824	13,931,313	14,710,428	14,710,428	-
Federal Funds	38,539	38,539	52,563	52,563	52,563	-
All Funds	9,065,300	9,989,363	13,983,876	14,762,991	14,762,991	-
0030 Beginning Balance Adjustment						
Other Funds	2,876,638	3,608,179	-	(9,802,516)	(9,802,516)	-
Federal Funds	-	(38,539)	-	-	-	-
All Funds	2,876,638	3,569,640	-	(9,802,516)	(9,802,516)	-
TOTAL BEGINNING BALANCE						
Other Funds	11,903,399	13,559,003	13,931,313	4,907,912	4,907,912	-
Federal Funds	38,539	-	52,563	52,563	52,563	-
TOTAL BEGINNING BALANCE	\$11,941,938	\$13,559,003	\$13,983,876	\$4,960,475	\$4,960,475	-

REVENUE CATEGORIES

GENERAL FUND APPROPRIATION

0050 General Fund Appropriation

General Fund	1,260,826,243	1,259,794,942	1,252,084,141	1,559,136,021	1,403,994,352	-
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FEDERAL FUNDS AS OTHER FUNDS

0355 Federal Revenues

Other Funds	92,000	-	450,000	96,533	96,533	-
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CHARGES FOR SERVICES

Agencywide Revenues and Disbursements Summary
2011-13 Biennium

Version: Y-01-Governor's Rec. Budget

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
0410 Charges for Services						
Other Funds	13,314,614	14,926,059	14,926,059	12,427,497	12,427,497	-
0415 Admin and Service Charges						
Other Funds	3,677	-	-	-	-	-
TOTAL CHARGES FOR SERVICES						
Other Funds	13,318,291	14,926,059	14,926,059	12,427,497	12,427,497	-
FINES, RENTS AND ROYALTIES						
0505 Fines and Forfeitures						
Other Funds	273,054	479,820	479,820	371,808	371,808	-
0510 Rents and Royalties						
Other Funds	134,154	801,214	801,214	266,341	266,341	-
TOTAL FINES, RENTS AND ROYALTIES						
Other Funds	407,208	1,281,034	1,281,034	638,149	638,149	-
BOND SALES						
0580 Cert of Participation						
Other Funds	43,955,147	50,373,578	154,708,936	163,471,333	902,553	-
INTEREST EARNINGS						
0605 Interest Income						
Other Funds	353,347	2,910,092	2,910,092	-	-	-
SALES INCOME						
0705 Sales Income						

Agencywide Revenues and Disbursements Summary
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Version: Y-01-Governor's Rec. Budget

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	2,818,465	3,042,570	3,042,570	5,806,551	5,806,551	-
DONATIONS AND CONTRIBUTIONS						
0905 Donations						
Other Funds	157,144	51,300	51,300	52,852	52,852	-
OTHER						
0975 Other Revenues						
Other Funds	1,559,089	479,308	729,308	1,388,399	1,388,399	-
FEDERAL FUNDS REVENUE						
0995 Federal Funds						
Federal Funds	17,639,109	108,541,761	109,903,839	6,175,822	7,438,647	-
TRANSFERS IN						
1010 Transfer In - Intrafund						
Other Funds	19,237,719	9,292,086	9,292,086	9,663,994	10,175,231	-
1050 Transfer In Other						
Other Funds	14,675,234	14,605,641	14,605,641	9,886,691	9,886,691	-
1107 Tsfr From Administrative Svcs						
Other Funds	6,658,735	-	900,000	-	-	-
1137 Tsfr From Justice, Dept of						
Other Funds	37,272	46,000	46,000	16,000	16,000	-
1248 Tsfr From Military Dept, Or						
Other Funds	236,992	-	-	-	-	-

Agencywide Revenues and Disbursements Summary
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Version: Y-01-Governor's Rec. Budget

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
1257 Tsfr From Police, Dept of State						
Other Funds	250,792	-	-	-	-	-
1581 Tsfr From Education, Dept of						
Other Funds	157,742	197,613	197,613	208,949	208,949	-
1586 Tsfr From Comm Coll/Wkfrc Dev						
Other Funds	177,400	180,000	180,000	180,000	180,000	-
TOTAL TRANSFERS IN						
Other Funds	41,431,886	24,321,340	25,221,340	19,955,634	20,466,871	-
TOTAL REVENUES						
General Fund	1,260,826,243	1,259,794,942	1,252,084,141	1,559,136,021	1,403,994,352	-
Other Funds	104,092,577	97,385,281	203,320,639	203,836,948	41,779,405	-
Federal Funds	17,639,109	108,541,761	109,903,839	6,175,822	7,438,647	-
TOTAL REVENUES	\$1,382,557,929	\$1,465,721,984	\$1,565,308,619	\$1,769,148,791	\$1,453,212,404	-
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
Other Funds	(19,237,719)	(9,292,086)	(9,292,086)	(9,663,994)	(10,175,231)	-
AVAILABLE REVENUES						
General Fund	1,260,826,243	1,259,794,942	1,252,084,141	1,559,136,021	1,403,994,352	-
Other Funds	96,758,257	101,652,198	207,959,866	199,080,866	36,512,086	-
Federal Funds	17,677,648	108,541,761	109,956,402	6,228,385	7,491,210	-
TOTAL AVAILABLE REVENUES	\$1,375,262,148	\$1,469,988,901	\$1,570,000,409	\$1,764,445,272	\$1,447,997,648	-

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Agencywide Revenues and Disbursements Summary
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Version: Y-01-Governor's Rec. Budget

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
EXPENDITURES						
General Fund	1,258,729,939	1,259,794,942	1,252,084,141	1,559,136,021	1,403,994,352	-
Other Funds	82,826,944	86,553,299	193,249,438	194,938,335	31,237,396	-
Federal Funds	17,625,085	108,541,761	109,903,839	6,175,822	7,434,551	-
TOTAL EXPENDITURES	\$1,359,181,968	\$1,454,890,002	\$1,555,237,418	\$1,760,250,178	\$1,442,666,299	-
REVERSIONS						
9900 Reversions						
General Fund	(2,096,304)	-	-	-	-	-
ENDING BALANCE						
Other Funds	13,931,313	15,098,899	14,710,428	4,142,531	5,274,690	-
Federal Funds	52,563	-	52,563	52,563	56,659	-
TOTAL ENDING BALANCE	\$13,983,876	\$15,098,899	\$14,762,991	\$4,195,094	\$5,331,349	-

BUDGET NARRATIVE

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