

# Budget Narrative

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## **Capital Improvements**

The purpose of the capital improvements is to safeguard the State's investment in OYA managed capital assets.

### Inventory and Condition of Properties

The State, through its Oregon Youth Authority, owns 79 buildings at 11 locations. The replacement value of the buildings is estimated at \$187.4 million. The majority of these structures provide secure housing for youth offenders. The remainder are used for education, vocational training, recreation, administration, and support services. In the 2007-09 budget development process, OYA identified critical capital construction and deferred maintenance projects in a policy option package and requested funding from the sale of certificates of participation. In HB 5006, OYA received Legislative approval for \$8.6 million in COP sales to address these capital projects. The Legislature approved the sale of \$4.2 million of COP sales during the 2007-09 biennium, and the sale of \$4.4 million in the 2009-11 biennium.

The current physical capacity in OYA's close custody system is 1081 beds. Over sixty percent of the beds are located in buildings constructed between 1913 and 1995. Since becoming an independent agency in 1996, OYA has built and currently occupies five youth correctional facilities for a total of 350 new secure custody beds for state youth and 50 beds for county detention. In addition OYA has constructed 50 new transition beds. The agency is not funded to operate its facilities at full capacity.

## Budget Narrative

Facility	Sites	Number of Structures	State Beds	Oldest Buildings
Woodburn	MacLaren	42	300	1925
Salem	Hillcrest	17	231	1923
Burns	Eastern *	1	50	1997
Warrenton	North Coast *	2	75	1997
Grants Pass	Rogue Valley	2	100	1997
Albany	Oak Creek *	3	75	1997
Tillamook	Tillamook YCF Camp Tillamook	1	50	1996
		2	25	1956
LaGrande	RiverBend	6	75	1979
Florence	Camp Florence	2	25	1965
Corvallis	Young Women's Transition Program	1	25	1913
<b>11 Facilities</b>	<b>State-wide</b>	<b>79</b>	<b>1,031</b>	<b>1913</b>
* These facilities also have detention beds - Eastern has 10, North Coast has 20 and Oak Creek has 20 for a total of 1,081.				

### Capital Improvements

System failures at OYA facilities are uniquely disruptive. Facilities must securely house youth 24 hours per day, seven days a week. Any failure which renders a building or critical system unusable, results in disrupting safety, security, care and treatment for youth. System failures require the transfer of youth between facilities, increased staffing to supervise youth, and youth have increased opportunity to escape or assault staff or other youth. It is essential that facility systems remain operational and reliable.

The Agency hired the renowned correctional architectural and engineering planning firm DLR Group in the Spring of 2007 to complete a comprehensive facilities assessment and provide advice on the most effective use of the maintenance, capital improvements and capital construction funding. The current 6 Year Capital Improvements Plan was developed with the combination of the DLR Group Assessment and OYA's internal Facilities Projects Plan.

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Past OYA Capital Improvement plans focused on core needs to enhance agency programs and to repair or replace systems at the end of their service life. The projects are tracked on OYA's Six Year Capital Improvement Projects Plan.

Additional Capital Improvement project funds are being requested in the 2009 – 11 Policy Option Package 114: Deferred Maintenance and Capital Improvements. These projects are not included in the Six Year Capital Improvements Plan because they are expected to cost more than \$500,000 and are accounted for in the agency's Six Year Capital Construction Plan.

The newer facilities that OYA has constructed since 1996 are in good condition. However, the number of maintenance and repair issues steadily increase in our effort to keep these facilities operating safely and efficiently.

## 2009 – 11 Capital Improvement Projects Plan

The following is a list of OYA's capital preservation and improvement projects for the next biennium totaling \$735,400. With aged facilities used 24 hours per day, seven days per week, some emergency repairs must be made immediately for the safety and security of the youth, staff and the public. Projects are continuously re-prioritized to meet the more emergent needs first. Some listed projects may be delayed to the 2011 – 13 biennium if other more emergent need arises.

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Project Description	2009-11				
	Site	Structure	Less: Force Account Work	Expenditures	Fund
Replace sewage lagoon sprinkler system at River Bend Correctional Facility - \$50,000 Replace aging system and provide improved effluent dispersion.	\$50,000			\$50,000	GF
Build gravel perimeter road/fire break at Rogue Valley Youth Correctional Facility - \$5,000 Construct new vehicle access road and provide a fire barrier for the correctional facility.		\$5,000		\$5,000	GF
Camp Florence Renovation Project: Replace asbestos popcorn ceiling, install fire sprinkler system - \$105,296 Replace asbestos ceiling and provide fire sprinkler protection for the wood structure.		\$105,296		\$105,296	GF
Agency-wide Hazardous Materials Abatement and Replacement - \$90,990 Abates and replaces asbestos flooring and pipe insulation systems.		\$90,990		\$90,990	GF

## Budget Narrative

Project Description	2009-11				
	Site	Structure	Less: Force Account Work	Expenditures	Fund
<p>Building Appliances/Equipment - \$221,755 Replaces appliances at the end of their lifecycle including Hillcrest's four walk-in refrigeration units, the regional facility's laundry equipment and hot water heaters.</p>		\$221,755		\$221,755	GF
<p>Agency-wide Site Improvements - \$157,259 Provides for driveway and parking lot refurbishing and expansion. Also includes improvements to sports fields and landscape areas.</p>	\$157,259			\$157,259	GF
<p>Emergency Improvements - \$100,000 Unanticipated special projects to sustain correctional facility operations and to repair or protect assets.</p>		\$100,000		\$100,000	GF
<p>Replace Work Program Tool Shed - \$5,100 Security upgrade; larger storage facility to enhance tool control program through the use of shadow boards.</p>		\$5,100		\$5,100	GF
2009 – 2011 CI Total:				\$735,400	GF

# Budget Narrative

<b>Capital Improvements</b>	<b>2007-09 Legislatively Approved Budget</b>	<b>2009-11 Essential Budget Level</b>	<b>2009-11 Agency Request Budget</b>
<b>Capital Improvements</b>			
General Fund	\$715,370	\$735,400	\$735,400
Total Funds	\$715,370	\$735,400	\$735,400

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

### CAPITAL IMPROVEMENTS

SOURCE	FUND	2005-07 ACTUAL	2007-09 LEGISLATIVELY ADOPTED	2007-09 ESTIMATED	2009-11		
					AGENCY REQUEST	GOVERNOR'S BUDGET	LEGISLATIVELY ADOPTED
Other OF (Construction / Improv Projects)	OF	-	-	-	-		
Construction / Improvements TOTAL	OF	-	-	-	-	-	-

# Budget Narrative

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## Capital Improvements

### 031 Standard Inflation

#### Package Description

How Achieved - Total projected increases in the cost of goods and services are \$20,030. Inflation factor for goods and services is 3.1%.

Staffing Impact - None

Revenue Source – \$20,030 General Fund

# Budget Narrative

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## Capital Construction

### Program Description

The Oregon Youth Authority has Capital Construction in 2009 – 11 biennium to resolve the agency’s growing deferred maintenance backlog; meet the Legislatively mandated energy use reductions; meet the programmatic need to modernize the functionality and security of the two oldest OYA buildings; significantly expand the surveillance capabilities at correctional facility’s and construct living units to meet the forecasted caseload growth of 275 close custody beds. To meet these needs the 2009-11 Agency Request Budget includes the following policy option packages.

#### Policy Option Package – 114: Deferred Maintenance

The deferred maintenance and Capital Improvements package is designed to substantially reduce the majority of the OYA’s deferred maintenance backlog. It provides funding for “mission-critical” and other overdue asset protection projects at OYA’s facilities. Many of the projects, if unfunded may result in increased safety hazards, reduced services to youth offenders, higher maintenance, renovation or replacement costs in the future, and inefficient operations. The projects will also protect the state’s \$187.4 million investment in these physical assets.

The projects will be accomplished by hiring additional critically needed maintenance staff and through the use of building construction contractors, maintenance contractors and design professionals. To systematically accomplish projects, OYA will group like projects together between the facilities. Funds requested in this package will permit the agency to begin to eliminate its maintenance projects backlog.

#### Policy Option Package – 415: Renovation/Replacement Older Buildings

The Oregon Youth Authority’s two oldest buildings, Corvallis House (Corvallis) and Whiteaker Hall (Woodburn) are in need of major renovation and restoration work. The buildings both serve vital programmatic functions: Corvallis House is the location of OYA’s Young Women’s Transition program and Whiteaker Hall is MacLaren Youth Correctional Facility’s administration building. Both structures have extensive deferred maintenance backlogs and large areas of underutilized space. The projects are a top Agency priority because of the vital program functions that both buildings provide: Corvallis House in its mission to teach young women core life skills so that they can successfully transition from state custody to the community and Whiteaker Hall as the administrative center and leadership headquarters of the largest youth correctional facility in Oregon. Once construction is completed the facilities would provide additional usable space, be energy efficient, increase the value of the assets and more fully provide for the facility’s programmatic needs.

# Budget Narrative

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## Policy Option Package – 416: Energy Audit

The Youth Authority plans to conduct a comprehensive agency wide energy audit. The intent of the audit is to identify conservation measures and produce plans to make improvements. State policy has increased the amount of energy savings that agencies must achieve by 2015. Better than half of the beds that the OYA operates were constructed more than 20 years ago and do not have efficient lighting, HVAC, or other related systems and components. The MacLaren facility alone has some of the oldest and least efficient facilities.

This will be achieved by selecting an Energy Service Company and by entering into an Energy Savings Performance Contract. Under Phase 1 of this contract, energy audits would be performed at MacLaren. Cost-effective conservation measures will be identified, designs produced, and improvements constructed on a design-build basis. This method of contracting will also guarantee that the planned projects actually save energy as planned.

## Policy Option Package – 417: Forecast Demand Expansion

OYA is anticipating a potential caseload growth of 275 closed custody beds, based on an April 2008 Office of Economic Analysis (OEA) demand forecast. OYA is utilizing the close custody bed capacity that is available. OYA anticipates that any expansion of capacity would be done on existing campuses. The project would involve a combination of renovating and re-opening closed facilities, remodeling others, and constructing additional capacity at the various facilities the agency operates. Most regional facilities would gain one or two additional modules of 25 beds each.

## Policy Option Package –419 Phase 2 2007-09 Capital Construction Plan

In HB 5006, the 2007 Legislature approved \$4.2 million of COP sales during the 2007-09 biennium, and the sale of \$4.4 million in the 2009-11 biennium. This policy package requests approval of \$4.4 million in expenditure limitation to complete phase 2 of the projects identified during the 2007-09 budget development process. This package funds deferred maintenance and construction projects that are needed to ensure the safety and security of youth offenders, OYA staff and the public. This package completes MacLaren Infrastructure work started in the 2007-09 biennium, starts phase 1 of the Corvallis House reconstruction and funds critical deferred maintenance on other facility.

## Budget Narrative

Project Title Mechanical System Improvement Projects – Policy Package 114		Land Use/Zoning Requirements Satisfied			Estimated Completion Date: July 2012	
Project Address/Location Various locations	<input type="checkbox"/> New <input type="checkbox"/> Addition <input checked="" type="checkbox"/> Remodel	Yes		No		Priority: One
		Comments: N/A		Comments:		No. of Floors/Square Footage: N/A

**Problem Statement:** The HVAC, fire sprinkler, and plumbing systems in eight facilities have components that need major repairs or to be replaced, based upon the building assessment conducted by the DLR Group and OYA Facilities Department.

**Project Description:** The project will repair or replace fans, ductwork, air conditioners, controls, fire sprinklers, plumbing lines, and fixtures as may be most appropriate at the eight facilities.

**Cost Benefits:** The project would increase energy efficiency, reduce the cost of on-going maintenance, and prevent further deterioration of the asset.

	Provision for Future Expansion	Structural Framing – N/A	Flooring – N/A
	N/A	Exterior Walls – N/A	Heating/Cooling – Repair or replace
	Provisions for Use Change	Interior Finish – N/A	Special Equipment – Repair or replace
	N/A	Windows – N/A	Usable Unenclosed Areas – N/A

# Budget Narrative

Project Title Electrical Improvement Projects – Policy Option Package 114		Land Use/Zoning Requirements Satisfied			Estimated Completion Date: July 2012	
Project Address/Location Various locations	<input type="checkbox"/> New <input type="checkbox"/> Addition <input checked="" type="checkbox"/> Remodel	Yes		No		Priority: One
		Comments: N/A		Comments:		No. of Floors/Square Footage: N/A

**Problem Statement:** The electrical systems in seven facilities have components that need major repairs or to be replaced, based upon the building assessment conducted by the DLR Group and OYA Facilities Department.

**Project Description:** The project will repair or replace electrical components as may be most appropriate at the seven facilities.

**Cost Benefits:** The project will reduce the cost of on-going maintenance, may increase energy efficiency, and prevent any further deterioration of the asset.

	Provision for Future Expansion	Structural Framing – N/A	Flooring – N/A
	N/A	Exterior Walls – N/A	Heating/Cooling – N/A
	Provisions for Use Change	Interior Finish – N/A	Special Equipment – Electrical components
	N/A	Windows – N/A	Usable Unenclosed Areas – N/A

# Budget Narrative

Project Title Interior Improvement Projects – Policy Option Package 114		Land Use/Zoning Requirements Satisfied			Estimated Completion Date: July 2012	
Project Address/Location Various locations	<input type="checkbox"/> New <input type="checkbox"/> Addition <input checked="" type="checkbox"/> Remodel	Yes		No		Priority: One
		Comments: N/A		Comments:		No. of Floors/Square Footage: N/A

**Problem Statement:** The interior finishes in nine facilities have components that need major repairs or to be replaced, based upon the building assessment conducted by the DLR Group and OYA Facilities Department.

**Project Description:** The project will repair or replace interior components as may be most appropriate at the nine facilities.

**Cost Benefits:** The project will reduce the cost of on-going maintenance, and prevent any further deterioration of the asset.

	Provision for Future Expansion	Structural Framing – N/A	Flooring – Replace as needed
		Exterior Walls – N/A	Heating/Cooling
	Provisions for Use Change	Interior Finish – Replace as needed	Special Equipment
		Windows – N/A	Usable Unenclosed Areas – N/A

## Budget Narrative

Project Title Building Envelope Improvement Projects – Policy Option Package 114		Land Use/Zoning Requirements Satisfied			Estimated Completion Date: July 2012	
Project Address/Location Various locations	<input type="checkbox"/> New <input type="checkbox"/> Addition <input checked="" type="checkbox"/> Remodel	Yes		No		Priority: One
		Comments: N/A		Comments:		No. of Floors/Square Footage: N/A

**Problem Statement:** Roofs, siding, windows, and exterior doors of six facilities need repair or replacement based upon the building assessment conducted by the DLR Group and OYA Facilities Department.

**Project Description:** The project will repair or replace roofing, siding, windows, and exterior doors as may be most appropriate at the six facilities.

**Cost Benefits:** The project would increase energy efficiency, reduce the cost of on-going maintenance, and prevent further deterioration of the asset.

	Provision for Future Expansion	Structural Framing - N/A	Flooring – N/A
	N/A	Exterior Walls – Repair or replace siding	Heating/Cooling – N/A
	Provisions for Use Change	Interior Finish – N/A	Special Equipment – N/A
	N/A	Windows – Repair or replace doors/windows	Usable Unenclosed Areas – N/A

# Budget Narrative

Project Title Security Systems Improvements and Upgrades – Policy Option Package 114		Land Use/Zoning Requirements Satisfied				Estimated Completion Date: January 2011	
Project Address/Location Various Locations	<input checked="" type="checkbox"/> New <input type="checkbox"/> Addition <input checked="" type="checkbox"/> Remodel	Yes		No		Priority: One	
		Comments: N/A		Comments:		No. of Floors/Square Footage: N/A	

**Problem Statement:** Hillcrest and MacLaren youth correctional facilities need security system improvements to ensure the safety and security of youth offenders, OYA staff and the public.

**Project Description:** The OYA-wide project involves making security system improvements such as door access control, guard tour systems and includes installing CCTV surveillance systems in at Hillcrest and MacLaren correctional facilities.

**Cost Benefits:** Facilities better meet programmatic needs as well as

	Provision for Future Expansion	Structural Framing – N/A	Flooring – N/A
		Exterior Walls - N/A	Heating/Cooling - N/A
	Provisions for Use Change	Interior Finish – N/A	Special Equipment -
	N/A	Windows - N/A	Usable Unenclosed Areas – N/A

## Budget Narrative

Project Title Whiteaker Hall Renovation – Policy Option Package 415		Land Use/Zoning Requirements Satisfied			Estimated Completion Date: January 2012	
Project Address/Location 2630 N. Pacific, Woodburn	<input type="checkbox"/> New <input type="checkbox"/> Addition <input checked="" type="checkbox"/> Remodel	Yes		No		Priority: Two
		Comments: Existing Bldg. on the campus		Comments:		No. of Floors/Square Footage: 3 Floors/20,000 Square Feet

**Problem Statement:** MacLaren Youth Correctional Facility’s (MYCF) Whiteaker Hall, also known as the Administration building, was built in 1925. The facility is a three story building with the third floor that is currently unused. The building is wood frame construction with a stucco facing and is used for administrative and support functions. The facility also houses the central canteen foodservice area. The overall condition of the facility is poor; requiring seismic and ADA upgrades, steam radiator system replacement, asbestos abatement and structural dry-rot remediation.

**Project Description:** The Oregon Youth Authority is currently reviewing the scope and feasibility of making improvements to Whiteaker Hall. The first step is to examine the feasibility, programming and costs for renovating the building compared to razing and replacing it. Once the study is completed and a course of action set, OYA will proceed with a project to either renovate or construct a new facility for the functions.

**Cost Benefits:** The project would substantially improve the energy efficiency of the building and its ability to deliver the required program services. It would also develop the unused space so that it could be occupied.

	Provision for Future Expansion	Structural Framing - Existing	Flooring - Replace
	None	Exterior Walls – Repair as required	Heating/Cooling – New system
	Provisions for Use Change	Interior Finish – New finishes	Special Equipment – New fire and security
	None	Windows – Repair or replace	Usable Unenclosed Areas - None

# Budget Narrative

Project Title Corvallis House Renovation Phase 2 - Policy Option Package 415		Land Use/Zoning Requirements Satisfied			Estimated Completion Date: July 2011	
Project Address/Location 330 NW 9 <sup>th</sup> Street, Corvallis	<input type="checkbox"/> New <input type="checkbox"/> Addition <input checked="" type="checkbox"/> Remodel	Yes	Existing use	No	Priority: Two	
		Comments: Parking will need review			Comments:	

**Problem Statement:** The ninety-five year old Corvallis House has had numerous problems that need to be remedied: settling, dry rot, eroded exterior walls and inefficient single pane windows. The interior spaces suffer from moisture and structural problems. Plaster walls and ceilings are cracked. Floors are sloping and buckling in isolated areas. The steam piping, electrical and plumbing systems have been randomly modified over the years and need to be replaced. Additional work needed in conjunction with the renovation include ADA compliance, fire sprinkler system installation, fire escape revision and hazardous materials abatement.

**Project Description:** Corvallis House is a youth transition program that provides housing, education, recreation and treatment for youth incarcerated by state of Oregon. Its ideal location in Corvallis works well for the agency. Currently, the facility is approximately 13,657 square feet, of which approximately 8,000 square feet is occupied. The project would demolish interior finishes in a number of areas, upgrade the heating, lighting, add fire sprinklers, and other related systems. In phase one, some of the structural and moisture problems would be addressed. In phase two, final structural and moisture problem, new windows would be installed in most areas and new walls and finishes would be added in several areas of the building.

**Cost Benefits:** The project would substantially improve the energy efficiency of the building and its ability to deliver the required program services. It would also develop the unused space so that it could be occupied.

	Provision for Future Expansion	Structural Framing - Existing	Flooring – New flooring
	Yes – The renovated facility could accommodate more beds	Exterior Walls - Existing	Heating/Cooling – New system
	Provisions for Use Change	Interior Finish – New finishes	Special Equipment – New fire/security
	None	Windows – Replace non-historic	Usable Unenclosed Areas - None

## Budget Narrative

Project Title Energy Improvement Projects Phase 1 - Policy Option Package 416		Land Use/Zoning Requirements Satisfied		Estimated Completion Date: July 2012	
Project Address/Location 2630 N. Pacific, Woodburn	<input type="checkbox"/> New <input type="checkbox"/> Addition <input checked="" type="checkbox"/> Remodel	Yes		No	Priority: Three
		Comments: N/A		Comments:	No. of Floors/Square Footage: Varies

**Problem Statement:** State policy has increased the amount of energy savings that agencies must achieve by 2015. More than half of the beds that the Oregon Youth Authority operates were constructed more than 20 years ago and do not have efficient lighting, HVAC, or other related systems and components. The MacLaren facility has some of the oldest and least efficient facilities.

**Project Description:** The Oregon Youth Authority intends to select an Energy Service Company (ESCO) and enter into a Energy Savings Performance Contract (ESPC). Under Phase 1 of this contract, energy audits would be performed at MacLaren. Cost-effective conservation measures will be identified, designs produced, and improvements constructed on a design-build basis. This method of contracting will also guarantee that the planned projects actually save the energy planned.

**Cost Benefits:** The project will increase energy efficiency, and reduce the cost of on-going maintenance.

	Provision for Future Expansion	Structural Framing – N/A	Flooring – N/A
	N/A	Exterior Walls – May include insulation	Heating/Cooling – System revisions
	Provisions for Use Change	Interior Finish – N/A	Special Equipment – New controls
	N/A	Windows – May include new	Usable Unenclosed Areas – N/A

## Budget Narrative

Project Title Additional Bed Capacity Policy Option Package 417		Land Use/Zoning Requirements Satisfied			Estimated Completion Date: January 2012	
Project Address/Location Various locations	<input type="checkbox"/> New <input type="checkbox"/> Addition <input type="checkbox"/> Remodel	Yes		No		Priority: Four
		Comments: Some sites may need review		Comments:		No. of Floors/Square Footage: 1 floor/varies

**Problem Statement:** Based upon the Office of Economic Analysis forecast, OYA faces a caseload growth of 275 closed custody beds for the 2009-11 biennium.

**Project Description:** The project would involve a combination of re-opening closed facilities, remodeling others, and constructing additional capacity at the various facilities the agency operates. Most regional facilities would gain one or two additional modules of 25 beds each.

**Cost Benefits:** Address the additional need for youth correctional beds in Oregon.

	Provision for Future Expansion	Structural Framing – steel studs	Flooring – vinyl or carpet
	Modular design	Exterior Walls - stucco	Heating/Cooling – Rooftop units
	Provisions for Use Change	Interior Finish - drywall	Special Equipment – security/fire
	None	Windows – steel frame	Usable Unenclosed Areas – N/A

# Budget Narrative

Project Title Phase 1 Remodel Corvallis House- Policy Option Package 419		Land Use/Zoning Requirements Satisfied			Estimated Completion Date: July 2011	
Project Address/Location Various locations	<input type="checkbox"/> New <input type="checkbox"/> Addition <input checked="" type="checkbox"/> Remodel	Yes		No		Priority: Five
		Comments: Parking may need review		Comments:		No. of Floors/Square Footage: 3 floors plus basement/13,657 square feet

**Problem Statement:** The ninety-five year old Corvallis House has had numerous problems that need to be remedied: settling, dry rot, eroded exterior walls and inefficient single pane windows. The interior spaces suffer from moisture and structural problems. Plaster walls and ceilings are cracked. Floors are sloping and buckling in isolated areas. The steam piping, electrical and plumbing systems have been randomly modified over the years and need to be replaced. Additional work needed in conjunction with the renovation include ADA compliance, fire sprinkler system installation, fire escape revision and hazardous materials abatement

**Project Description:** Corvallis House is a youth transition program that provides housing, education, recreation and treatment for youth incarcerated by state of Oregon. Its ideal location in Corvallis works well for the agency. Currently, the facility is approximately 13,657 square feet, of which approximately 8,000 square feet is occupied. The project would demolish interior finishes in a number of areas, upgrade the heating, lighting, add fire sprinklers, and other related systems. In phase one, some of the structural and moisture problems would be addressed. In phase two, final structural and moisture problem, new windows would be installed in most areas and new walls and finishes would be added in several areas of the building.

**Cost Benefits:** The project would substantially improve the energy efficiency of the building and its ability to deliver the required program services. It would also develop the unused space so that it could be occupied.

Provision for Future Expansion  Yes – The renovated facility could accommodate more beds	Structural Framing - Existing	Flooring – New flooring
	Exterior Walls - Existing	Heating/Cooling – New system
Provisions for Use Change  None	Interior Finish – New finishes	Special Equipment – New fire/security
	Windows – Replace non-historic	Usable Unenclosed Areas - None

## Budget Narrative

Project Title Phase 2 MacLaren Infrastructure Policy Option Package 419		Land Use/Zoning Requirements Satisfied			Estimated Completion Date: July 2011	
Project Address/Location Various locations	<input type="checkbox"/> New <input type="checkbox"/> Addition <input checked="" type="checkbox"/> Remodel	Yes		No		Priority: Five
		Comments:		Comments:		No. of Floors/Square Footage: N/A

**Problem Statement:** Much of the underground infrastructure at the nearly hundred year old MacLaren Youth Correctional Facility has reached the end of its lifecycle and is in need of replacement. The domestic water system leaks in many places, its water tower is no longer structurally sound and recently the Federal rule for permissible levels of arsenic in well water changed resulting in MacLaren no longer complying with the standard. The water system used for fire suppression is also inadequate because age and wear. Issues ranging from decrepit fire hydrants to undersized/out of code piping resulting in inadequate water flow volumes. The campus storm and sanitary distribution systems are failing because of leaking broken pipes, failed joints and wear penetrations. The leaking storm system infiltrates the sanitary system causing increased volumes and costs.

**Project Description** This is phase two of this project started during the 2007-09 biennium. Drinking water, fire suppression water, storm, and sanitary systems will be replaced

**Cost Benefits:** Addresses the safety and health of youth, staff and the public. Sewer costs have started to significantly increase due to the deterioration in the ground water runoff and drainage lines. Replacing this utility infrastructure now will result in significant savings in sewer and water usage costs for the next several decades

	Provision for Future Expansion	Structural Framing – N/A	Flooring – N/A
	Modular design	Exterior Walls – N/A	Heating/Cooling – N/A
	Provisions for Use Change	Interior Finish – N/A	Special Equipment – N/A
	None	Windows – N/A	Usable Unenclosed Areas – N/A

# Budget Narrative

Project Title Deferred Maintenance- Option Package 419		Land Use/Zoning Requirements Satisfied				Estimated Completion Date: July 2011	
Project Address/Location Various locations	<input checked="" type="checkbox"/> New <input type="checkbox"/> Addition <input checked="" type="checkbox"/> Remodel	Yes		No		Priority: Five	
		Comments		Comments:		No. of Floors/Square Footage: N/A	

**Problem Statement:** This package funds deferred maintenance and construction projects that are needed to ensure the safety and security of youth offenders, OYA staff and the public

**Project Description:** The project would involve \$2 million in deferred maintenance identified in a 2007 Engineering study, and would include repairs/replacement of items such as drinking/fire water systems, building roof's, sewer systems and fire sprinkler systems at three youth correctional facilities. In addition asphalt resurfacing/repaving is needed at numerous locations.

**Cost Benefits:** Addresses the safety and security of youth, staff and the public..

	Provision for Future Expansion	Structural Framing – various	Flooring – various
	Modular design	Exterior Walls - various	Heating/Cooling – Various
	Provisions for Use Change	Interior Finish - various	Special Equipment – various
	None	Windows – various	Usable Unenclosed Areas – N/A

# Budget Narrative

Major Construction Six Year Plan

<b>Major Construction / Acquisition Six- Year Plan</b>				
Program Area / Agency	2009-2011			
	General Fund	Other Funds	Federal Funds	Total Funds
<b>Oregon Youth Authority- Agency 41500</b>				
<b>Policy Package 114</b> Phase 2 Deferred Maintenance on close custody facilities	1,102,380	14,265,000		15,367,380
<b>Policy Package 415</b> Phase 2 of Corvallis House renovation or reconstruction and Whiteaker Hall (Woodburn) renovation or reconstruction	465,979	8,655,000		9,120,979
<b>Policy Package 416</b> Energy Audit and follow-up construction	1,288,221	5,090,000		6,378,221
<b>Policy Package 417</b> Remodel and expansion of existing facilities increasing capacity	1,665,046	19,520,000		21,185,046
<b>Policy Package 419</b> Phase 1 Deferred Maintenance on close custody facilities, Phase 1 of Corvallis House remodel and Phase 2 of MacLaren infrastructure construction	381,752	4,475,000	-	4,856,752
<b>Total</b>	<b>4,903,378</b>	<b>52,005,000</b>	<b>-</b>	<b>56,908,378</b>

**General Fund is the Debt Service paid on Certificates of Participation.  
Other Funds is COP funding for Capital Construction and Issuance Costs.**

# Budget Narrative

<b>Major Construction / Acquisition Six- Year Plan</b>				
Program Area / Agency	2011-13			
	General Fund	Other Funds	Federal Funds	Total Funds
<b>Oregon Youth Authority- Agency 41500</b>				
<b>Policy Package 114</b> Phase 2 Deferred Maintenance on close custody facilities	3,662,282	-	-	3,662,282
<b>Policy Package 415</b> Phase 2 of Corvallis House renovation or reconstruction and Whiteaker Hall (Woodburn) renovation or reconstruction	2,500,846	-		2,500,846
<b>Policy Package 416</b> Energy Audit and follow-up construction	2,294,065	-		2,294,065
<b>Policy Package 417</b> Remodel and expansion of existing facilities increasing capacity.	1,264,533	-		1,264,533
<b>Policy Package 419</b> Phase 1 Deferred Maintenance on close custody facilities, Phase 1 of Corvallis House remodel and Phase 2 of MacLaren infrastructure construction	5,523,426	-		5,523,426
<b>COP Request for Deferred Maintenance 2011-13 Budget</b>	1,325,000	5,612,900		
<b>Total</b>	<b>16,570,152</b>	<b>5,612,900</b>	<b>-</b>	<b>22,183,052</b>
<p><b>General Fund is the Debt Service paid on Certificates of Participation.</b>  <b>Other Funds is COP funding for Capital Construction and Issuance Costs.</b></p>				

# Budget Narrative

<b>Major Construction / Acquisition Six- Year Plan</b>				
Program Area / Agency	2013-15			
	General Fund	Other Funds	Federal Funds	Total Funds
<b>Oregon Youth Authority- Agency 41500</b>				
<b>Policy Package 114</b> Phase 2 Deferred Maintenance on close custody facilities	6,787,781	-	-	6,787,781
<b>Policy Package 415</b> Phase 2 of Corvallis House renovation or reconstruction and Whiteaker Hall (Woodburn) renovation or reconstruction	4,091,635	-		4,091,635
<b>Policy Package 416</b> Energy Audit and follow-up construction	2,296,482	-		2,296,482
<b>Policy Package 417</b> Remodel and expansion of existing facilities increasing capacity.	1,909,788	-		1,909,788
<b>Policy Package 419</b> Phase 1 Deferred Maintenance on close custody facilities, Phase 1 of Corvallis House remodel and Phase 2 of MacLaren infrastructure construction	588,991	-		588,991
<b>COP Request for Deferred Maintenance 2011-13 Budget</b>	2,500,000	-		
<b>COP Request for Deferred Maintenance 2013-15 Budget</b>	1,285,000	5,086,900		
<b>Total</b>	<b>19,459,677</b>	<b>5,086,900</b>	<b>-</b>	<b>24,546,577</b>
<p><b>General Fund is the Debt Service paid on Certificates of Participation.</b>  <b>Other Funds is COP funding for Capital Construction and Issuance Costs.</b></p>				

# Budget Narrative

AGENCY: Oregon Youth Authority  
 Agency #: 415000

**Provide amounts in the table below, by expected use and repayment source, of agency financing needs for the 2009-11 biennium. Include proposed project amounts only (do not include debt service either from previously issued debt or from new issue).**

<b>Use of Bond Proceeds</b>	<b>Bond Type</b>			<b>Totals by Repayment Source</b>
	Certificates of Participation	General Obligation Bonds	Revenue Bonds	
<b>Major Construction/ Acquisition Projects</b>				
Subtotal for General Fund Repayment:	\$ 51,100,000	\$	\$	GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$	LF
Subtotal for Other Funds Repayment:	\$	\$	\$	OF
Subtotal for Federal Funds Repayment:	\$	\$	\$	FF
<b>Total for Major Construction</b>	<b>\$ 51,100,000</b>	<b>\$</b>	<b>\$</b>	
<b>Equipment/Technology Projects over \$500,000</b>				
Subtotal for General Fund Repayment:	\$	\$	\$	GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$	LF
Subtotal for Other Funds Repayment:	\$	\$	\$	OF
Subtotal for Federal Funds Repayment:	\$	\$	\$	FF
<b>Total for Equipment/Technology</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	
<b>Debt Issuance for Loans and Grants</b>				
Subtotal for General Fund Repayment:	\$	\$	\$	GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$	LF
Subtotal for Other Funds Repayment:	\$	\$	\$	OF
Subtotal for Federal Funds Repayment:	\$	\$	\$	FF
<b>Total for Loans and Grants:</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	
<b>Total for Debt Issuance</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	
Subtotal for General Fund Repayment:	\$	\$	\$	GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$	LF
Subtotal for Other Funds Repayment:	\$	\$	\$	OF
Subtotal for Federal Funds Repayment:	\$	\$	\$	FF
<b>GRAND TOTAL 2009-11:</b>	<b>\$ 51,100,000</b>	<b>\$</b>	<b>\$</b>	

# Budget Narrative

AGENCY: Oregon Youth Authority  
 Agency #: 415000

**Provide amounts in the table below, by expected use and repayment source, of agency financing needs for the 2011-13 biennium. Include proposed project amounts only (do not include debt service either from previously issued debt or from new issue).**

<b>Use of Bond Proceeds</b>	<b>Bond Type</b>			<b>Totals by Repayment Source</b>
	Certificates of Participation	General Obligation Bonds	Revenue Bonds	
<b>Major Construction/ Acquisition Projects</b>				
Subtotal for General Fund Repayment:	\$ 5,612,900	\$	\$	GF
Subtotal for Lottery Funds Repayment:		\$	\$	LF
Subtotal for Other Funds Repayment:		\$	\$	OF
Subtotal for Federal Funds Repayment:		\$	\$	FF
<b>Total for Major Construction</b>	<b>\$ 5,612,900</b>	<b>\$</b>	<b>\$</b>	
<b>Equipment/Technology Projects over \$500,000</b>				
Subtotal for General Fund Repayment:		\$	\$	GF
Subtotal for Lottery Funds Repayment:		\$	\$	LF
Subtotal for Other Funds Repayment:		\$	\$	OF
Subtotal for Federal Funds Repayment:		\$	\$	FF
<b>Total for Equipment/Technology</b>		<b>\$</b>	<b>\$</b>	
<b>Debt Issuance for Loans and Grants</b>				
Subtotal for General Fund Repayment:		\$	\$	GF
Subtotal for Lottery Funds Repayment:		\$	\$	LF
Subtotal for Other Funds Repayment:		\$	\$	OF
Subtotal for Federal Funds Repayment:		\$	\$	FF
<b>Total for Loans and Grants:</b>		<b>\$</b>	<b>\$</b>	
<b>Total All Debt Issuance</b>		<b>\$</b>	<b>\$</b>	
Subtotal for General Fund Repayment:		\$	\$	GF
Subtotal for Lottery Funds Repayment:		\$	\$	LF
Subtotal for Other Funds Repayment:		\$	\$	OF
Subtotal for Federal Funds Repayment:		\$	\$	FF
<b>GRAND TOTAL 2011-13</b>	<b>\$ 5,612,900</b>	<b>\$</b>	<b>\$</b>	

# Budget Narrative

AGENCY: Oregon Youth Authority  
 Agency #: 415000

**Provide amounts in the table below, by expected use and repayment source, of agency financing needs for the 2013-15 biennium. Include proposed project amounts only (do not include debt service either from previously issued debt or from new issue).**

<b>Use of Bond Proceeds</b>	<b>Bond Type</b>			<b>Totals by Repayment Source</b>
	Certificates of Participation	General Obligation Bonds	Revenue Bonds	
<b>Major Construction/ Acquisition Projects</b>				
Subtotal for General Fund Repayment:	\$ 5,086,900	\$	\$	\$ GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$	\$ LF
Subtotal for Other Funds Repayment:	\$	\$	\$	\$ OF
Subtotal for Federal Funds Repayment:	\$	\$	\$	\$ FF
<b>Total for Major Construction</b>	<b>\$ 5,086,900</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Equipment/Technology Projects over \$500,000</b>				
Subtotal for General Fund Repayment:	\$	\$	\$	\$ GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$	\$ LF
Subtotal for Other Funds Repayment:	\$	\$	\$	\$ OF
Subtotal for Federal Funds Repayment:	\$	\$	\$	\$ FF
<b>Total for Equipment/Technology</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Debt Issuance for Loans and Grants</b>				
Subtotal for General Fund Repayment:	\$	\$	\$	\$ GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$	\$ LF
Subtotal for Other Funds Repayment:	\$	\$	\$	\$ OF
Subtotal for Federal Funds Repayment:	\$	\$	\$	\$ FF
<b>Total for Loans and Grants:</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total All Debt Issuance</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Subtotal for General Fund Repayment:	\$	\$	\$	\$ GF
Subtotal for Lottery Funds Repayment:	\$	\$	\$	\$ LF
Subtotal for Other Funds Repayment:	\$	\$	\$	\$ OF
Subtotal for Federal Funds Repayment:	\$	\$	\$	\$ FF
<b>GRAND TOTAL 2013-15</b>	<b>\$ 5,086,900</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

# Budget Narrative

<b>Capital Construction</b>	<b>2007-09 Legislatively Approved Budget</b>	<b>2009-11 Essential Budget Level</b>	<b>2009-11 Agency Request Budget</b>
<b>Capital Construction</b>			
Other Funds	\$0	\$0	\$51,100,000
Total Funds	\$0	\$0	\$51,100,000

<b>Policy Option Packages</b>	<u>General Fund</u>	<u>Total Funds</u>	<u>Positions/FTE</u>
Package 114 - Deferred Maintenance	\$0	\$14,000,000	0 / 0.00
Package 415 - Renovation/ Replacement Older Buildings	\$0	\$8,500,000	0 / 0.00
Package 416 - Energy Audit	\$0	\$5,000,000	0 / 0.00
Package 417 - Forecast Demand Expansion	\$0	\$19,200,000	0 / 0.00
Package 419 - Phase 2 2007-09 Capital Construction Plan	\$0	\$4,400,000	0 / 0.00
Total Policy Option Packages	<u>\$0</u>	<u>\$51,100,000</u>	<u>0 / 0.00</u>

# Budget Narrative

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## **Policy Option Package – 114: Deferred Maintenance**

**Purpose** – The deferred maintenance package is designed to substantially reduce the majority of the OYA’s deferred maintenance backlog. It provides funding for “mission-critical” and other overdue asset protection projects at OYA’s facilities. Many of the projects, if unfunded may result in increased safety hazards, reduced services to youth offenders, higher costs in the future, and inefficient operations. The projects will also protect the state’s \$187.4 million investment in these physical assets.

**How Achieved** – Funds requested in this package will permit the OYA to persistently pursue the elimination of its maintenance projects backlog. By hiring additional critically needed maintenance staff and through the use of building construction contractors, maintenance contractors, and design professionals OYA will systematically accomplish projects by grouping like projects together between the facilities in need of work.

The following major deferred maintenance issues identified by OYA facilities staff and by an assessment in June 2007 by the DLR Group would be addressed:

- Building Envelope Systems: repair or replace roofing, siding, windows, and exterior doors as may be most appropriate at the six facilities
- Mechanical Systems: repair or replace fans, ductwork, air conditioners, controls, fire sprinklers, plumbing lines, and fixtures as may be most appropriate at the eight facilities
- Electrical Systems: repair or replace aging and undersized electrical components at seven facilities
- Security and Access Control Systems: repair and replace aging door and sally port access control systems, close circuit surveillance systems, and “guard tour systems” at all OYA facilities.
- Major Building Equipment: repair or replace hot water heaters and industrial laundry machines at all eleven facilities.
- Future Deferred Maintenance Planning: provide the funds needed to hire consultants and professional cost estimators to provide higher quality proposals and more accurate cost estimates for future budget requests
- The Tillamook Vocational Educational building project will convert an unused building to usable classroom space that will benefit the overall program at both Camp Tillamook transitional facility and Tillamook Youth Correctional Facility. The modification of the building will resolve long standing problems with programming space at both facilities and provide staffing efficiencies for the educational programs.

Through the combination of additional maintenance personnel and funding for contractors, OYA will significantly reduce its deferred maintenance backlog and be in the position to effectively manage its maintenance projects.

# Budget Narrative

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## **Staffing Impact** – 3 positions / 2.64 FTE

Facilities Operations Specialist for Rogue Valley Youth Correctional Facility. At one hundred beds, Rogue Valley is the third largest youth correctional facility in the OYA system. Currently it's staffed with one Facilities Operations Specialist. The maintenance work order back log has overwhelmed the ability of the one man department. Built in 1997, the 43,100 square foot, 24 hour facility's maintenance and repair needs have grown significantly

Statewide Physical/Electronic Security Tech based at MacLaren Youth Correctional Facility. The Physical/Electronic Security Tech 3 position would be responsible for agency security needs statewide. The nature of electronic security systems is comparable to computer technology in that systems become obsolete in short time frames leading to problems with replacement parts availability and technical support access. The person in this position would be required to attend regular training to stay up to date on new and evolving technologies, methods, software, and other infrastructure specialties.

Statewide Facility Energy Tech based at MacLaren Youth Correctional Facility. The single largest challenge facing OYA's Maintenance and Operations department is Heating Ventilation and Air Conditioning (HVAC) maintenance, repair and energy conservation. There isn't a designated HVAC expert to serve all eleven facilities. Most facilities spend thousands of dollars on contractors to perform work that could be done more economically by OYA staff. There exists the significant need to have a HVAC expert to gain familiarity with the disparate systems in the eleven facilities and to maintain them. With the Governor's new legislation requiring state agencies to reduce energy usage by 20% by the year 2015, OYA is going to need a practical and deliberate master plan for meeting these requirements. Having a point person on the service side of this initiative to ensure proper control settings, equipment maintenance and equipment replacement selection is a critical component in implementing the plan.

**Quantifying Results** – The agency's Facilities Planning process tracks all maintenance work through in house staff using work order and preventative maintenance programs. Additionally, OYA contracts with professional design firms to provide third party assessments of the condition of the facilities.

## Budget Narrative

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**Revenue Source** – General Fund and Other Funds revenue from the sale of Certificates of Participation (COP)

	GF	OF	FF	TF
Facility Personal Services	338,468			\$338,468
Facility Services and Supplies	171,643			\$171,643
<b>Debt Service</b>	<b>592,269</b>			<b>\$592,269</b>
Program Support Issuance Cost	-	\$265,000		\$265,000
<b>Capital Construction</b>	<b>-</b>	<b>14,000,000</b>		<b>\$14,000,000</b>
Total	1,102,379	14,265,000	-	15,367,379
Positions				3
FTE				2.64

\* Debit Service Totals are located on page 422. Capital Construction Totals are located on page 402.

# Budget Narrative

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## **Policy Option Package – 415: Renovation/Replacement Older Buildings**

**Purpose** – The Oregon Youth Authority’s two oldest buildings, Corvallis House (Corvallis) and Whiteaker Hall (Woodburn) are in need of major renovation and restoration work. The buildings both serve vital programmatic functions: Corvallis House is the location of OYA’s Young Women’s Transition program building and Whiteaker Hall is MacLaren Youth Correctional Facility’s administration building. Both structures have extensive deferred maintenance backlogs and large areas of underutilized space. The projects are a top Agency priority because of the vital program functions that both buildings provide: Corvallis House in its mission to teach young women core life skills so that they can successfully transition from state custody to the community and Whiteaker Hall as the administrative center and leadership headquarters of the largest youth correctional facility in Oregon.

The ninety-five year old, nearly 14,000 square foot, Tudor style Corvallis House has numerous problems that need to be remedied, ranging from a settling foundation, dry rot damaged exterior walls, to inefficient single pane windows. The historic building’s interior spaces suffer from moisture and structural problems. Plaster walls and ceiling are cracked. Floors are sloping and uneven in a number of areas. The outdated steam piping, electrical and plumbing systems are in poor condition and no longer meet modern code requirements.

The oldest building on campus, Whiteaker Hall was built in 1925 and is approximately 19,000 square feet. The multiuse building was originally used to house youth; it had a main kitchen, a variety of living spaces and the administrative offices. Now in need of a major renovation the old building no longer meets the space condition expectations of the OYA. OYA has contracted with Beaman Architecture Ltd. of Portland to assist the agency in assessing whether or not to make improvements to Whiteaker Hall or to construct a replacement building.

**How Achieved** – OYA will hire construction contractors to accomplish the major renovations to preserve both of these important capital assets for decades to come.

The extensive Corvallis House renovation project would demolish the majority of the interior walls down to the studs and completely reconstruct the interiors, including preserving and reinstalling original architectural details. Interior improvements would include energy efficient HVAC and lighting systems. The work provides for installing fire sprinkler, fire alarm and security systems. Building envelope improvements would facilitate restoring the Tudor exterior including re-pointing the brickwork, replacing the wood trim and installing an interior fire escape stairwell to match the buildings original design. Structural framing and water intrusion problems would be resolved. Building energy efficiencies would include wall/attic insulation installation and replacement windows in most areas. Additionally, work accomplished in conjunction with the renovation project will include ADA upgrades and hazardous materials abatement.

# Budget Narrative

OYA has contracted with Beaman Architecture Ltd. of Portland to assist the agency in assessing whether or not to make improvements to Whiteaker Hall or to construct a replacement building. Once the feasibility study, programming identification and construction costs for renovating the building is identified and compared to constructing a replacement, OYA will determine the course of action to move forward for approval prior to the submission of the Governor’s recommended budget package. Renovation objectives would include restoring the buildings façade to its original design, much of which had been removed over the years. Exterior renovation will replace dry rot in window trim, fascia boards, lap siding and other architectural components. The interior design work will include more efficient use of program spaces and offices by improving the floor plan. The third floor would be brought back into usable condition by demolishing the walls down to the studs and completely reconstructing the interior. The entire building would benefit by interior improvements including, energy efficient HVAC and lighting systems, asbestos abatement, ADA upgrades, seismic retrofits and flooring replacement.

**Staffing Impact** – None

**Quantifying Results** – Once construction is completed the facilities would provide additional usable space, be energy efficient, increase the value of the assets and more fully provide for the facility’s programmatic needs.

**Revenue Source** – Other Funds revenue from the sale of Certificates of Participation (COP), General Fund for payment of debt service on the COP.

	GF	OF	FF	TF
Program Support- Issuance Cost	\$0	\$155,000	\$0	\$155,000
Debt Service	\$465,979	\$0	\$0	\$465,979
Capital Construction	\$0	\$8,500,000	\$0	\$8,500,000
Total	\$465,979	\$8,655,000	\$0	\$9,120,979
Positions				0
FTE				0.00

\* Debit Service Totals are located on page 422. Capital Construction Totals are located on page 402.

# Budget Narrative

## Policy Option Package – 416: Energy Audit

**Purpose** – The Oregon Youth Authority plans to conduct a comprehensive agency wide energy audit. The intent of the audit is to identify conservation measures and produce plans to make improvements. State policy has increased the amount of energy savings that agencies must achieve by 2015. More than half of the beds that the OYA operates were constructed more than 20 years ago and do not have efficient lighting, HVAC, or other related systems and components. The MacLaren facility alone has some of the oldest and least efficient facilities.

**How Achieved** - The Oregon Youth Authority intends to select an Energy Service Company (ESCO) and enter into an Energy Savings Performance Contract (ESPC). Under Phase 1 of this contract, energy audits would be performed at MacLaren. Cost-effective conservation measures will be identified, designs produced, and improvements constructed on a design-build basis. This method of contracting will also guarantee that the planned projects actually save energy as planned.

The project will increase energy efficiency, and reduce the cost of on-going maintenance.

**Cost Benefits:** The project will increase energy efficiency, and reduce the cost of on-going maintenance.

**Staffing Impact** – None

**Quantifying Results** – A reduction in OYA energy use by 20% by 2015.

**Revenue Source** - Other Funds revenue from the sale of Certificates of Participation (COP), General Fund for payment of debt service on the COP.

	GF	OF	FF	TF
Program Support- Issuance Cost	\$0	\$90,000	\$0	\$90,000
Debt Service	\$1,288,221	\$0	\$0	\$1,288,221
Capital Construction	\$0	\$5,000,000	\$0	\$5,000,000
Total	\$1,288,221	\$5,090,000	\$0	\$6,378,221
Positions				0
FTE				0.00

\* Debit Service Totals are located on page 422. Capital Construction Totals are located on page 402.

# Budget Narrative

## Policy Option Package – 417: Forecast Demand Expansion

**Purpose** - . OYA is anticipating a potential caseload growth of 275 closed custody beds for the 2009-11 biennium. This growth is based on Office of Economic Analysis (OEA) demand forecast of October 2007. Expansion of facilities is driven by the growth of Oregon’s population and the corresponding juvenile crime rate, as forecast by the OEA.

### How Achieved

Currently the OYA is utilizing the capacity that is available. At this point in time, the OYA anticipates that future expansion will be by expanding capacity on existing campuses. The project would involve a combination of renovating and re-opening closed facilities, remodeling others, and constructing additional capacity at the various facilities the agency operates. Most regional facilities would gain one or two additional modules of 25 beds each.

**Staffing Impact** - None

### Quantifying Results

**Revenue Source** - Other Funds revenue from the sale of Certificates of Participation (COP), General Fund for payment of debt service on the COP.

	GF	OF	FF	TF
Program Support- Issuance Cost	\$0	\$320,000	\$0	\$320,000
Debt Service	\$1,665,046	\$0	\$0	\$1,665,046
Capital Construction	\$0	\$19,200,000	\$0	\$19,200,000
Total	\$1,665,046	\$19,520,000	\$0	\$21,185,046
Positions				0
FTE				0.00

\* Debit Service Totals are located on page 422. Capital Construction Totals are located on page 402.

# Budget Narrative

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## **Policy Option Package – 419: Phase 2: 2007-09 Capital Construction**

**Purpose** - This package provides funding for facility maintenance and construction projects that are needed to ensure the safety and security of youth, OYA staff and the public.

**How Achieved** - The State, through its Oregon Youth Authority, owns 79 buildings at 10 locations. The replacement value of the buildings is estimated at \$187.4 million. The majority of these structures provide secure housing for youth offenders. The remainder is used for education, vocational training, recreation, administration, and support services. The buildings, for their age, are in generally good repair. Major problems areas exist however as a result of previous biennia budget constraints.

With aged facilities used 24/7, some emergency repairs must be made immediately for the safety of the youth and staff. In the 2007-09 Budget development process, OYA identified critical capital construction and deferred maintenance projects in a policy option package requesting funding from the sale of certificate of participation. In HB 5006, OYA received Legislative approval for funding \$8.6 million in COP sales to address these capital projects. The Legislature approved \$4.2 million of COP sales during the 2007-09 biennium, and the sale of \$4.4 million in the 2009-11 biennium. This policy package requests approval of \$4.4 million in expenditure limitation to complete phase 2 of the projects identified in during the 2007-09 budget development process.

This package includes \$4.4 million in new Capital Construction funds made available through the Department of Administrative Services sale of Certificates of Participation (COP). These funds will enable the agency to begin renovation of the Corvallis Young Women's Transition facility, complete phase 2 renovation of the MacLaren infrastructure and address deferred maintenance issues in other facilities. This investment protects the state's capital investments. These capital projects address the need for efficiency and improvements to the older facilities that would lower energy usage. This package adds \$381,752 debt service for the 2009-11 biennium portion of the COP repayment. The package also adds \$75,000 for the cost of COP issuance.

**Staffing Impact** – None

**Quantifying Results** – Completion of MacLaren Infrastructure along with policy package 417, remodel of the women's transition program, resolve many of the agency's health and safety issues.

**Revenue Source** – Other Funds revenue from the sale of Certificates of Participation (COP), General Fund for payment of debt service on the COP.

# Budget Narrative

<b>2009-2011 Projects:</b>	
Corvallis House Renovation	\$ 1,000,000
MacLaren infrastructure - Completion	\$ 1,400,000
Facility Maintenance - Renovation	\$ 2,000,000
<b>Total</b>	<b>\$ 4,400,000</b>
<b>List of Facility Deferred Maintenance</b>	
Camp Florence: asbestos, fire sprinkler, replace ceiling	\$ 87,000
Hillcrest: Sanitary sewer repairs - Phase 1	\$ 100,000
Hillcrest: Campus drinking/fire water delivery - Phase 1	\$ 200,000
MacLaren: Addressable fire alarm system - Phase 1	\$ 220,000
MacLaren: Geer infrastructure heat/plumbing - Phase 1	\$ 195,000
MacLaren: Replace Geer roof	\$ 750,000
MacLaren: 8 front cottages replace structural roof damage	\$ 176,000
OYA: Asphalt paving repairs	\$ 272,000
<b>Total</b>	<b>\$ 2,000,000</b>

	GF	OF	FF	TF
Program Support- Issuance Cost	\$0	\$75,000	\$0	\$75,000
Debt Service	\$381,752	\$0	\$0	\$381,752
Capital Construction	\$0	\$4,400,000	\$0	\$4,400,000
<b>Total</b>	<b>\$381,752</b>	<b>\$4,475,000</b>	<b>\$0</b>	<b>\$4,856,752</b>
Positions				0
FTE				0.00

\* Debit Service Totals are located on page 422. Capital Construction Totals are located on page 402.

# Budget Narrative

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

### CAPITAL CONSTRUCTION

SOURCE	FUND		2007-09		2009-11		
		2005-07 ACTUAL	LEGISLATIVELY ADOPTED	2007-09 ESTIMATED	AGENCY REQUEST	GOVERNOR'S BUDGET	LEGISLATIVELY ADOPTED
Cert of Participation (Constr / Impr Projects)	OF	-	4,305,000	4,305,000	-	-	-
2009-11 COP (Constr / Impr Projects)		-	4,300,000	4,300,000	51,100,000		-
Construction / Improvements	OF	-	4,305,000	4,305,000	51,100,000	-	-
TOTAL		-	4,305,000	4,305,000	51,100,000	-	-
2009-11							<b>107BF06</b>

This display matches HB 50005 (ORBITS), actual COP sales were \$4.2 million in 2007-09

# Budget Narrative

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## **DEBT SERVICE**

### Program Description

The purpose of debt service is to enable the agency to repay principal and make interest payments on Certificates of Participation (COP's) issued to build and repair youth correctional facilities.

### Services

In 1996, the State sold \$42 million in Certificates of Participation (COP's) at 5.2% to finance construction of 400 state and county beds in five regional youth correctional facilities. These COP's were refinanced to 4.25% in May of 2002. The 2009-11 biennial amount for principle plus interest payments for the 1996 COP's is \$6,633,208 General Fund. The 1996 COP's will be fully repaid in 2012.

In the 2007-09 biennium the State sold \$2.2 million in Certificates of Participation (COP's) at an interest rate of 3.8%, and \$2.0 million at an interest rate of 4.2%. The 2009-11 biennial amount for principle plus interest payments for the 1996 COP's is \$1,019,914 General Fund. The 2007-09 COP's will be fully repaid in 2019.

The 2009-11 Agency Request Budget contains COP request for \$51.1 million for Capital Construction and Deferred Maintenance. The 2009-11 biennial amount for principle plus interest payments for the 1996 COP's is \$4,393,267 General Fund. The 2009-11 COP's would be fully repaid in 2021.

### Background

OYA's base debt service payments are approximately \$2.6 million less than in the 2003-05 biennium due to final repayment of COP's sold between 1997 and 2000 for security and other improvements at MacLaren and Hillcrest; furnishings and landscaping for the five new facilities; and the development of the Juvenile Justice Information System (JJIS). In addition, during 2003-05 ownership of the Ochoco Youth Correctional Facility with 50 beds was transferred to the Department of Administrative Services (DAS) as was the corresponding debt service funding. In 2005-07, \$61,585 of Other Funds left over from final arbitrage payments was used to fund debt service. The Other Funds have been replaced by General Fund in 2007-09.

# Budget Narrative

Following is a summary of the debt service schedule for all COP's

Biennium	Principal	Interest	Total Payment	Remaining Balance
<b>Oregon Youth Authority Debt Service Display</b>				
<b>Debt Service Schedule for 1996 COP's</b>				
Balance				8,988,336
2009-11	5,838,896	794,312	6,633,208	3,149,440
2011-13	3,149,440	165,346	3,314,786	-
<b>Debt Service Schedule for 2007 COP's</b>				
Balance				3,788,150
2009-11	726,539	293,375	1,019,914	3,061,611
2011-13	788,408	230,527	1,018,935	2,273,203
2013-15	849,755	162,800	1,012,556	1,423,447
2015-17	928,342	90,371	1,018,713	495,106
2017-19	495,106	15,102	510,208	-
<b>Debt Service Schedule for Proposed 2009 COP's</b>				
Balance				51,100,000
2009-11	925,000	3,468,267	4,393,267	50,175,000
2011-13	10,120,000	5,125,149	15,245,149	40,055,000
2013-15	11,640,000	4,034,677	15,674,677	28,415,000
<b>Total Debt Service Schedule for Oregon Youth Authority</b>				
				63,876,486
2009-11	7,490,435	4,555,954	12,046,389	56,386,051
2011-13	14,057,848	5,521,022	19,578,870	42,328,203
2013-15	12,489,755	4,197,477	16,687,233	29,838,447

# Budget Narrative

<b>Debt Service</b>	<b>2007-09 Legislatively Approved Budget</b>	<b>2009-11 Essential Budget Level</b>	<b>2009-11 Agency Request Budget</b>
<b>Debt Service</b>			
General Fund	\$7,211,684	\$7,708,587	\$12,046,389
Total Funds	\$7,211,684	\$7,708,587	\$12,046,389

<b>Policy Option Packages</b>	<u>General Fund</u>	<u>Total Funds</u>	<u>Positions/FTE</u>
Package 114 - Deferred Maintenance	\$592,269	\$592,269	0 / 0.00
Package 415 - Renovation/ Replacement Older Buildings	\$465,979	\$465,979	0 / 0.00
Package 416 - Energy Audit	\$1,288,221	\$1,288,221	0 / 0.00
Package 417 - Forecast Demand Expansion	\$1,665,046	\$1,665,046	0 / 0.00
Package 419 - Phase 2 2007-09 Capital Construction Plan	\$381,752	\$381,752	0 / 0.00
<b>Total Policy Option Packages</b>	<u>\$4,393,267</u>	<u>\$4,393,267</u>	<u>0 / 0.00</u>

# Budget Narrative

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

**Debt Service**

SOURCE	FUND	2005-07 ACTUAL	2007-09 LEGISLATIVELY ADOPTED	2007-09 ESTIMATED	2009-11		
					AGENCY REQUEST	GOVERNOR'S BUDGET	LEGISLATIVELY ADOPTED
Debt Service	OF	61,462	-	-	-		
Debt Service TOTAL	OF	- 61,462	- -	- -	- -	- -	- -

2009-11

107BF06

In 2005-07, \$61,595 of Other Funds left over from final arbitrage payment was used to fund debt service. This was a one-time revenue source.

# Budget Narrative

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## Facilities Maintenance and Management

The State, through its Oregon Youth Authority, owns 79 buildings at 11 locations. The replacement value of the buildings is estimated at \$187.4 million. The majority of these structures provide secure housing for youth offenders. The remainder is used for education, vocational training, recreation, administration, and support services. The challenges facing OYA that may affect our ability to adequately maintain facilities include aging facilities, infrastructure that is old and inefficient, and limited resources both in staff and funding to contract for trade services.

The agency constructed six regional and transition facilities ten years ago. These facilities have reached an age where equipment is beginning to fail and systems are outdated. The buildings are requiring a larger portion of the agency's limited maintenance budget. While the new facilities and some buildings on the older campuses are generally in good condition, major problem areas exist however because of previous biennia budget constraints.

With aged facilities used 24/7, some emergency repairs must be made immediately for the safety of the youth, the public and staff. Projects are continuously re-prioritized based on funds available after unanticipated emergency needs are met.

### **Policy Package 419 Phase 2 2007-09 Capital Construction Plan**

In the 2007-09 Budget development process, OYA identified critical capital construction and deferred maintenance projects in a policy option package requesting funding from the sale of certificate of participation. In HB 5006, OYA received Legislative approval for funding \$2.0 million in COP sales to address the deferred maintenance in the 2009-11 biennium. Policy Package 419 requests approval of \$2.0 million in expenditure limitation to complete deferred maintenance projects identified during the 2007-09 budget development process.

### **Policy Package 114 Deferred Maintenance**

OYA contracted for a 2007 Agency-wide Facility Condition Assessment performed by DLR Group, Portland, Oregon. The DLR Group assessment was factored in to OYA's overall projected maintenance needs list that is part of this \$14 million package.

These packages are designed to substantially reduce the majority of OYA's deferred maintenance backlog. They provide funding for "mission-critical" and other overdue asset protection projects. Many of the projects, if unfunded may result in increased safety hazards, higher costs in the future, and less cost efficient operations.

Funds requested in these packages will permit OYA to eliminate its maintenance projects backlog. By hiring additional critically needed maintenance staff and through the use of building construction contractors, maintenance contractors, and design professionals OYA will systematically accomplish projects by grouping like projects together between the facilities in need of work.

# Budget Narrative

## Facilities Maintenance Summary Report

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>6/30/08 Replacement Value</u> <small>(Risk Management)</small>		<u>Personal Services</u>	<u>Services &amp; Supplies</u>	<u>Total</u>	
\$	\$187.4 million		\$ 4,844,832	\$ 5,628,193	\$ 10,473,025	
<b>Total Sq. Ft. of Bldgs: 709,126 sq. ft.</b>		<b>2009-11 Maint. Budget (no janitorial or utility)</b>			<b>Utilities Budget: \$ 3,412,605</b>	
<b>÷ Square Feet of building: \$ 9.96 sq. ft.</b>						
Total Outstanding Deferred Maintenance			Deferred Maintenance Budget 2009-11			
	Categories 1-2	Categories 3-5	Total	Personal Services	Services & Supplies	Capital Outlay
<b>As of 6/30/08 Projected 6/30/09</b>	\$ 14,242,485	\$ 10,699,800				
	\$ 0	\$ 10,699,800	\$ _____	\$ _____	\$ _____	\$ 14,242,485
			=			

**Briefly describe the software (or manual process) used to identify routine (including preventative) facility maintenance needs.**

*Systems for managing facilities maintenance:* OYA maintains an Excel workbook titled OYA Facilities Master Projects, which includes the following information:

1. Detailed master projects list – identifies all facilities projects agency-wide.
2. Deferred Maintenance Projects Plan – identifies and prioritizes all deferred maintenance.
3. Detailed Capital Improvement list - identifies and prioritizes all CI projects.
4. 6 Year Capital Improvement Projects Plan – separates CI projects over three biennium’s based on priority.
5. 6 Year Capital Construction Plan – separates CC projects over three biennium’s based on priority.

**What data elements do you track with software (or manual process) described above?**

The OYA Facilities Master Projects workbook data originates from three primary sources:

1. Each facility has a Facilities Projects Plan (FPP) that collects all the local maintenance projects on one list. This list is created by the local maintenance team and management.

## Budget Narrative

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2. An architectural/planning firm is hired by the agency to complete a detailed Facility Condition Assessment (FCA) of all its buildings.
3. The Facilities Department conducts biennial internal FCA's of all its sites. This data is used to update DAS building inventory file and to identify maintenance work for the master projects workbook.

A computerized maintenance management system (CMMS) and the local facilities project plan FPP is used to manage facilities maintenance. The CMMS is used to issue work orders for maintenance work and to manage its preventative maintenance program. Most work orders do not need to be listed on the FPP because they are resolved when the issues arises. The FPP is only for projects that are not funded, are deferred or qualify as capital projects.

Projects are prioritized based on three criteria: 1) safety, security, health and welfare 2) Asset protection and 3) Program needs.

**Briefly describe how the facilities maintenance budget is developed (note whether software (or manual process) described above is used in budget development).**

The costs for the 2009-11 Budget development were calculated by the Facilities Manager in collaboration with a 2007 Agency-wide Facility Condition Assessment performed by DLR Group, Portland, Oregon and input from each facility's Maintenance staff. The costs are based on DLR Group estimates, past bids and actual costs of similar projects, quotes from suppliers for material and budget estimates from Contractors

**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.*)**

Projects were identified collaboratively with the agency's Facilities Manager, and each facility's Superintendent and Maintenance Staff. These individuals have a working knowledge of the condition of the facility, which systems have failed recently, which systems have increased maintenance expenses and what systems have failed at other agency facilities. In addition, OYA contracted with the DLR Group, of Portland, to conduct an agency wide facility condition assessment. The deferred maintenance and capital construction projects included in the 2009-11 Agency Request Budget are based on the DLR assessment.

**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.)**

Biennial base appropriations, increased by inflation are augmented by a special request for COP financing in the 2009-11 Budget to fund the deferred maintenance expenditures.

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

# Budget Narrative

Facilities Operations and Maintenance Report

**Legislatively Approved Budget vs. Actual & Forecasted Expenditures**

	2005-07 Actual	FTE	2007-09 Budget	FTE	2007-09 Projected	FTE	2009-11 Budget	FTE
<b>General Fund</b>								
Personal Serv–Utilities & Janitorial	\$ 91,500	1.50	\$ 130,475	1.50	\$ 85,000	1.50	\$ 143,819	1.50
Personal Services – Maintenance	\$ 3,535,625	28.00	\$ 3,493,581	30.00	\$ 4,107,928	30.00	\$ 4,701,013	30.00
S&S – Utilities & Janitorial	\$ 3,238,881		\$ 2,548,031		\$ 3,268,100		\$ 2,619,376	
S&S – Maintenance	\$ 2,373,429		\$ 2,224,667		\$ 2,886,958		\$ 2,286,958	
<b>GF Subtotal</b>	<b>\$ 9,059,435</b>		<b>\$ 8,396,754</b>		<b>\$ 10,347,986</b>		<b>\$ 9,751,166</b>	
<b>Federal Funds</b>								
Personal Serv–Utilities & Janitorial	\$							
Personal Services – Maintenance	\$							
S&S – Utilities & Janitorial	\$ 3,741		\$ 3,506		\$ 3,797		\$ 3,604	
S&S – Maintenance	\$ 11,040		\$ 12,665		\$ 13,020		\$ 13,020	
<b>FF Subtotal</b>	<b>\$ 14,781</b>		<b>\$ 16,171</b>		<b>\$ 16,817</b>		<b>\$ 16,624</b>	
<b>Other Funds</b>								
Personal Serv–Utilities & Janitorial	\$							
Personal Services – Maintenance	\$							
S&S – Utilities & Janitorial	\$ 2,377		\$ 628,216		\$ 680,358		\$ 645,806	
S&S – Maintenance	\$ 38,157		\$ 57,810		\$ 59,429		\$ 59,429	
<b>OF Subtotal</b>	<b>\$ 40,534</b>		<b>\$ 686,026</b>		<b>\$ 739,787</b>		<b>\$ 705,235</b>	
<b>Lottery Funds</b>								
Personal Serv–Utilities & Janitorial	\$							
Personal Services – Maintenance	\$							
S&S – Utilities & Janitorial	\$		\$		\$		\$	
S&S – Maintenance	\$		\$		\$		\$	
<b>LF Subtotal</b>	<b>\$</b>		<b>\$</b>		<b>\$</b>		<b>\$</b>	
<b>Total All Funds</b>	<b>\$ 9,114,750</b>		<b>\$ 9,098,951</b>		<b>\$ 11,104,590</b>		<b>\$ 10,473,025</b>	

The Facilities Operations and Maintenance budget includes costs to maintain facilities and keep them in repair including applicable utilities, building supplies, janitorial and groundskeeper staff as well as maintenance staff. Agencies with significant facilities may include support staff if directly associated with facilities Operations and Maintenance activities. Do not include other overhead costs such as accounting, central government charges, etc.

# Budget Narrative

Facilities Deferred Maintenance Report

Building Name or Identifier	Replacement Value (as of 6/30/08)	2009-11 Deferred Maintenance Budget for this Facility	Total O/S Deferred Maint. (projected) (as of 6/30/09)	Outstanding Deferred Maintenance (projected) by Category				
				1	-	2	3	-
<b>Facilities &gt; \$1 million</b> (attach additional sheets if necessary)								
Camp Florence	\$ 1,764,792	\$ 260,794	\$ 248,100	\$			\$ 248,100	
Camp Hilgard	\$ 2,199,872	\$	\$	\$			\$	
Camp Tillamook	\$ 1,950,072	\$ 172,270	\$ 696,700	\$			\$ 696,700	
Corvallis House	\$ 3,953,702	\$ 46,668	\$ 1,570,200	\$			\$ 1,570,200	
Eastern Oregon YCF	\$ 9,990,000	\$ 304,154	\$ 139,000	\$			\$ 139,000	
Hillcrest YCF	\$ 29,785,844	\$ 1,958,861	\$ 2,512,000	\$			\$ 2,512,000	
MacLaren YCF	\$ 54,407,542	\$ 8,802,164	\$ 4,443,100	\$			\$ 4,443,100	
North Coast YCF	\$ 12,998,880	\$ 595,623	\$ 440,800	\$			\$ 440,800	
Oak Creek YCF	\$ 12,910,752	\$ 197,622	\$ 194,900	\$			\$ 194,900	
River Bend YCF	\$ 4,584,900	\$ 272,937	\$ 143,300	\$			\$ 143,300	
Rogue Valley YCF	\$ 10,814,652	\$ 603,330	\$ 243,600	\$			\$ 243,600	
Tillamook YCF	\$ 4,364,213	\$ 1,028,063	\$ 68,100	\$			\$ 68,100	
<b>From attached Sheets</b>								
From page _____	\$	\$	\$	\$			\$	
From page _____	\$	\$	\$	\$			\$	
<b>Total Facilities &gt; \$1 million</b> (total from detail above)	\$149,725,221	\$ 14,242,485	\$ 10,699,800	\$			\$ 10,699,800	
<b>Facilities &lt; \$1 million</b> (total for all facilities < \$1 million)	\$	\$	\$	\$			\$	
<b>Total all Facilities</b>	\$149,725,221	\$ 14,242,485	\$ 10,669,800	\$			\$ 10,699,800	