

# BUDGET NARRATIVE

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## Revenue Discussion

The 2013-15 Legislatively Adopted Budget for the Department of Corrections is financed primarily with General Fund; 97% from General Fund, 2.5% from Other Funds and .5% from Federal Funds. For 2013-15, Other Fund revenues to fund requested expenditure limitation are projected at \$37,498,488. Federal funds are anticipated for partial reimbursement of the costs to incarcerate illegal aliens and to subsidize DOC's Debt Service payments.

## Other Funds

While not encompassing all other fund revenue, some highlights are:

### Federal Revenues (as Other Funds) \$361,457

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 \$11,826,742

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 \$234,287

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

### Rents & Royalties \$239,339

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

### General Fund Obligation Bonds \$5,050,000

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

### Sales Income \$2,034,830

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

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### Other Revenues \$3,198,882

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 \$9,787,477

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 \$14,085,049

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 \$411,663

In addition to the Other Revenues above, the department expects to receive funds from the Department of Education (\$202,014), and the Office of Community College Services (\$184,320) for inmate educational programs. In addition, \$23,756 is anticipated from the Department of Justice for Prison Industries Enhancement (PIE).

### Transfer Out - Intrafund (\$9,787,477)

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

## **Federal Funds**

### Federal Funds \$7,523,861

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

### Federal Funds \$1,262,826

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

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

**Corrections, Dept of  
2013-15 Biennium**

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

<i>Source</i>	<b>2009-11 Actuals</b>	<b>2011-13 Leg Adopted Budget</b>	<b>2011-13 Leg Approved Budget</b>	<b>2013-15 Agency Request Budget</b>	<b>2013-15 Governor's Budget</b>	<b>2013-15 Leg Adopted Budget</b>
<b>Other Funds</b>						
Federal Revenues	296,200	96,533	509,982	108,800	108,800	361,457
Charges for Services	10,549,041	12,597,039	12,597,039	11,826,742	11,826,742	11,826,742
Admin and Service Charges	-	-	-	3,290	3,290	3,290
Fines and Forfeitures	229,535	371,808	371,808	234,287	234,287	234,287
Rents and Royalties	308,113	266,341	266,341	239,339	239,339	239,339
General Fund Obligation Bonds	375,563	-	-	255,773,124	5,050,000	5,050,000
Cert of Participation	45,588,186	-	-	1,704,038	-	-
Interest Income	11,462	-	-	17,672	17,672	17,672
Sales Income	2,415,061	5,806,551	5,806,551	2,034,830	2,034,830	2,034,830
Donations	10,470	52,852	52,852	1,721	1,721	1,721
Grants (Non-Fed)	900,000	-	-	-	-	-
Loan Repayments	-	-	-	33,556	33,556	33,556
Other Revenues	1,047,470	1,388,399	1,388,399	3,194,370	3,194,370	3,198,882
Transfer In - Intrafund	7,282,050	9,940,011	9,940,011	9,787,477	9,787,477	9,787,477
Transfer In Other	8,188,263	9,437,227	12,660,406	14,085,049	14,085,049	14,085,049
Tsfr From Justice, Dept of	18,633	16,000	16,000	23,756	23,756	25,329
Tsfr From Criminal Justice Comm	315,478	-	-	-	-	-
Tsfr From Police, Dept of State	7,471	-	-	-	-	-
Tsfr From Energy, Dept of	36,891	-	-	-	-	-
Tsfr From Dept Post-Secondary Education	-	-	-	-	184,320	-
Tsfr From Education, Dept of	239,340	208,949	208,949	202,014	202,014	202,014
Tsfr From Comm Coll/Wkfrc Dev	175,527	180,000	180,000	184,320	-	184,320
Transfer Out - Intrafund	(7,282,050)	(9,940,011)	(9,940,011)	(9,787,477)	(9,787,477)	(9,787,477)
<b>Total Other Funds</b>	<b>\$70,712,704</b>	<b>\$30,421,699</b>	<b>\$34,058,327</b>	<b>\$289,666,908</b>	<b>\$37,239,746</b>	<b>\$37,498,488</b>

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

Corrections, Dept of  
2013-15 Biennium

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

<i>Source</i>	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
<b>Federal Funds</b>						
Federal Funds	114,979,351	6,860,326	7,767,699	6,916,410	6,916,410	7,523,861
<b>Total Federal Funds</b>	<b>\$114,979,351</b>	<b>\$6,860,326</b>	<b>\$7,767,699</b>	<b>\$6,916,410</b>	<b>\$6,916,410</b>	<b>\$7,523,861</b>
<b>Nonlimited Other Funds</b>						
Refunding Bonds	190,780,334	-	-	-	-	-
<b>Total Nonlimited Other Funds</b>	<b>\$190,780,334</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Nonlimited Federal Funds</b>						
Federal Funds	598,088	1,262,826	1,262,826	1,262,826	1,262,826	1,262,826
<b>Total Nonlimited Federal Funds</b>	<b>\$598,088</b>	<b>\$1,262,826</b>	<b>\$1,262,826</b>	<b>\$1,262,826</b>	<b>\$1,262,826</b>	<b>\$1,262,826</b>

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

Source	Fund	ORBITS Revenue Acct	2009-2011 Actual	2011-13 Legislatively Adopted	2011-13 Estimated	2013-15		
						Agency Request	Governor's Balanced	Legislatively Adopted
Social Security reporting incentive	Other	0355	\$296,200	\$96,533	\$135,117	\$108,800	\$108,800	\$361,457
Inmate Work Crews and Programs, ID Replacement Cards, Witness Fees, Copier revenue, Commissary sales, Oregon Trail Card pennies and County supervision fees	Other	0410	10,549,041	12,597,039	10,705,436	11,826,742	11,826,742	11,826,742
Admin & Service Charges	Other	0415	0	0	8,043	3,290	3,290	3,290
Charges to inmates for property damage, inmate victim restitution, Drug Court forfeitures and restitution for medical services	Other	0505	229,535	371,808	235,179	234,287	234,287	234,287
Warehouse space rental, land, building and tower leases, and easements	Other	0510	308,113	266,341	243,123	239,339	239,339	239,339
GF Obligation Bonds	Other	0555	375,563	0	0	255,773,124	5,050,000	5,050,000
Refunding Bonds	Other	0575	190,780,334	0	192,754,453	0	0	0

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

Source	Fund	ORBITS Revenue Acct	2009-2011 Actual	2011-13 Legislatively Adopted	2011-13 Estimated	2013-15		
						Agency Request	Governor's Balanced	Legislatively Adopted
Certificates of Participation (COPs) to finance project management, construction-related staff and other expenses	Other	0580	45,588,186	0	0	1,704,038	0	0
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	11,462	0	0	17,672	17,672	17,672
Real property sales, non-inmate food sales, sales of inmate-produced products, medical prostheses, legal records requests, Secure ID tokens, Oregon Youth Authority food sales, inmate work program sales and surplus property sales	Other	0705	2,415,061	5,806,551	1,403,811	2,034,830	2,034,830	2,034,830
Miscellaneous non-federal grants and donations	Other	0905	10,470	52,852	163,430	1,721	1,721	1,721
Grants (non-Federal)	Other	0910	900,000	0	0	0	0	0

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

Source	Fund	ORBITS Revenue Acct	2009-2011 Actual	2011-13 Legislatively Adopted	2011-13 Estimated	2013-15		
						Agency Request	Governor's Balanced	Legislatively Adopted
Loan Repayments	Other	0925	0	0	20,909	33,556	33,556	33,556
Victim's restitution allocations, travel reimbursements, inmate victim restitution and personal medical equipment reimbursement	Other	0975	1,047,470	1,388,399	1,174,126	3,194,370	3,194,370	3,198,882
Transfer of Inmate Welfare funds between programs. Transfer revenue between funds to properly align revenue to programs	Other	1010	7,282,050	9,940,011	9,514,873	9,787,477	9,787,477	9,787,477
Initial receipt of Inmate Welfare funds and recording movements of revenues between Department organizational units	Other	1050	8,188,263	9,437,227	12,155,538	14,085,049	14,085,049	14,085,049
Transfers from Department of Justice for Prison Industries Enhancement programs	Other	1137	18,633	16,000	16,000	23,756	23,756	25,329

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

Source	Fund	ORBITS Revenue Acct	2009-2011 Actual	2011-13 Legislatively Adopted	2011-13 Estimated	2013-15		
						Agency Request	Governor's Balanced	Legislatively Adopted
Transfer from Criminal Justice Commission	Other	1213	315,478	0	255,478	0	0	0
Transfer from State Police for bullet proof vests grant	Other	1257	7,471	0	11,495	0	0	0
Transfer from Department of Energy	Other	1330	36,891	0	392,121	0	0	0
Transfers from Post-Secondary Education for inmate educational programs (moving from 1586 next biennium)	Other	1523	0	0	0	0	184,320	0
Transfers from Department of Education for grants and inmate educational programs	Other	1581	239,340	208,949	207,516	202,014	202,014	202,014
Transfers from Community Colleges for inmate educational programs (moving to 1523 next biennium)	Other	1586	175,527	180,000	177,400	184,320	0	184,320

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

Source	Fund	ORBITS Revenue Acct	2009-2011 Actual	2011-13 Legislatively Adopted	2011-13 Estimated	2013-15		
						Agency Request	Governor's Balanced	Legislatively Adopted
Transfer of Inmate Welfare Funds between programs. Transfer revenue between funds to properly align revenue to programs	Other	2010	(7,282,050)	(9,940,011)	(11,284,311)	(9,787,477)	(9,787,477)	(9,787,477)
Federal funds from the State Criminal Alien Assistance Program (SCAAP), American Recovery and Reinvestment Act (ARRA), Build America Bonds and Federal grant for inmate educational programs	Federal	0995	115,577,439	8,123,152	8,984,577	8,179,236	8,179,236	8,786,687

Agencywide Revenues and Disbursements Summary  
2013-15 Biennium

Version: Z-01-Leg. Adopted Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
<b>BEGINNING BALANCE</b>						
<b>0025 Beginning Balance</b>						
Other Funds	13,931,313	14,710,428	14,710,428	7,667,835	7,667,835	7,667,835
Federal Funds	52,563	52,563	52,563	4,080	4,080	4,080
All Funds	13,983,876	14,762,991	14,762,991	7,671,915	7,671,915	7,671,915
<b>0030 Beginning Balance Adjustment</b>						
Other Funds	21,063,332	(9,802,516)	(9,802,516)	(391,781)	(391,781)	2,933,014
Federal Funds	(38,540)	-	-	(4,080)	(4,080)	(4,080)
All Funds	21,024,792	(9,802,516)	(9,802,516)	(395,861)	(395,861)	2,928,934
<b>TOTAL BEGINNING BALANCE</b>						
Other Funds	34,994,645	4,907,912	4,907,912	7,276,054	7,276,054	10,600,849
Federal Funds	14,023	52,563	52,563	-	-	-
<b>TOTAL BEGINNING BALANCE</b>	<b>\$35,008,668</b>	<b>\$4,960,475</b>	<b>\$4,960,475</b>	<b>\$7,276,054</b>	<b>\$7,276,054</b>	<b>\$10,600,849</b>
<b>REVENUE CATEGORIES</b>						
<b>GENERAL FUND APPROPRIATION</b>						
<b>0050 General Fund Appropriation</b>						
General Fund	1,208,328,818	1,324,785,417	1,362,844,564	1,635,413,477	1,485,510,100	1,396,990,504
<b>FEDERAL FUNDS AS OTHER FUNDS</b>						
<b>0355 Federal Revenues</b>						
Other Funds	296,200	96,533	509,982	108,800	108,800	361,457
<b>CHARGES FOR SERVICES</b>						

Agencywide Revenues and Disbursements Summary  
2013-15 Biennium

Version: Z-01-Leg. Adopted Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
<b>0410 Charges for Services</b>						
Other Funds	10,549,041	12,597,039	12,597,039	11,826,742	11,826,742	11,826,742
<b>0415 Admin and Service Charges</b>						
Other Funds	-	-	-	3,290	3,290	3,290
<b>TOTAL CHARGES FOR SERVICES</b>						
Other Funds	10,549,041	12,597,039	12,597,039	11,830,032	11,830,032	11,830,032
<b>FINES, RENTS AND ROYALTIES</b>						
<b>0505 Fines and Forfeitures</b>						
Other Funds	229,535	371,808	371,808	234,287	234,287	234,287
<b>0510 Rents and Royalties</b>						
Other Funds	308,113	266,341	266,341	239,339	239,339	239,339
<b>TOTAL FINES, RENTS AND ROYALTIES</b>						
Other Funds	537,648	638,149	638,149	473,626	473,626	473,626
<b>BOND SALES</b>						
<b>0555 General Fund Obligation Bonds</b>						
Other Funds	375,563	-	-	255,773,124	5,050,000	5,050,000
<b>0575 Refunding Bonds</b>						
Other Funds	190,780,334	-	-	-	-	-
<b>0580 Cert of Participation</b>						
Other Funds	45,588,186	-	-	1,704,038	-	-
<b>TOTAL BOND SALES</b>						

Agencywide Revenues and Disbursements Summary  
2013-15 Biennium

Version: Z-01-Leg. Adopted Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
Other Funds	236,744,083	-	-	257,477,162	5,050,000	5,050,000
<b>INTEREST EARNINGS</b>						
<b>0605 Interest Income</b>						
Other Funds	11,462	-	-	17,672	17,672	17,672
<b>SALES INCOME</b>						
<b>0705 Sales Income</b>						
Other Funds	2,415,061	5,806,551	5,806,551	2,034,830	2,034,830	2,034,830
<b>DONATIONS AND CONTRIBUTIONS</b>						
<b>0905 Donations</b>						
Other Funds	10,470	52,852	52,852	1,721	1,721	1,721
<b>0910 Grants (Non-Fed)</b>						
Other Funds	900,000	-	-	-	-	-
<b>TOTAL DONATIONS AND CONTRIBUTIONS</b>						
Other Funds	910,470	52,852	52,852	1,721	1,721	1,721
<b>LOAN REPAYMENT</b>						
<b>0925 Loan Repayments</b>						
Other Funds	-	-	-	33,556	33,556	33,556
<b>OTHER</b>						
<b>0975 Other Revenues</b>						
Other Funds	1,047,470	1,388,399	1,388,399	3,194,370	3,194,370	3,198,882
<b>FEDERAL FUNDS REVENUE</b>						

Agencywide Revenues and Disbursements Summary  
2013-15 Biennium

Version: Z-01-Leg. Adopted Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
<b>0995 Federal Funds</b>						
Federal Funds	115,577,439	8,123,152	9,030,525	8,179,236	8,179,236	8,786,687
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						
Other Funds	7,282,050	9,940,011	9,940,011	9,787,477	9,787,477	9,787,477
<b>1050 Transfer In Other</b>						
Other Funds	8,188,263	9,437,227	12,660,406	14,085,049	14,085,049	14,085,049
<b>1137 Tsfr From Justice, Dept of</b>						
Other Funds	18,633	16,000	16,000	23,756	23,756	25,329
<b>1213 Tsfr From Criminal Justice Comm</b>						
Other Funds	315,478	-	-	-	-	-
<b>1257 Tsfr From Police, Dept of State</b>						
Other Funds	7,471	-	-	-	-	-
<b>1330 Tsfr From Energy, Dept of</b>						
Other Funds	36,891	-	-	-	-	-
<b>1523 Tsfr From Dept Post-Secondary Education</b>						
Other Funds	-	-	-	-	184,320	-
<b>1581 Tsfr From Education, Dept of</b>						
Other Funds	239,340	208,949	208,949	202,014	202,014	202,014
<b>1586 Tsfr From Comm Coll/Wkfrc Dev</b>						
Other Funds	175,527	180,000	180,000	184,320	-	184,320

Agencywide Revenues and Disbursements Summary  
2013-15 Biennium

Version: Z-01-Leg. Adopted Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
<b>TOTAL TRANSFERS IN</b>						
Other Funds	16,263,653	19,782,187	23,005,366	24,282,616	24,282,616	24,284,189
<b>TOTAL REVENUES</b>						
General Fund	1,208,328,818	1,324,785,417	1,362,844,564	1,635,413,477	1,485,510,100	1,396,990,504
Other Funds	268,775,088	40,361,710	43,998,338	299,454,385	47,027,223	47,285,965
Federal Funds	115,577,439	8,123,152	9,030,525	8,179,236	8,179,236	8,786,687
<b>TOTAL REVENUES</b>	<b>\$1,592,681,345</b>	<b>\$1,373,270,279</b>	<b>\$1,415,873,427</b>	<b>\$1,943,047,098</b>	<b>\$1,540,716,559</b>	<b>\$1,453,063,156</b>
<b>TRANSFERS OUT</b>						
<b>2010 Transfer Out - Intrafund</b>						
Other Funds	(7,282,050)	(9,940,011)	(9,940,011)	(9,787,477)	(9,787,477)	(9,787,477)
<b>2259 Tsfr To Pub Safety Std/Trng</b>						
General Fund	(72,915)	-	-	-	-	-
<b>TOTAL TRANSFERS OUT</b>						
General Fund	(72,915)	-	-	-	-	-
Other Funds	(7,282,050)	(9,940,011)	(9,940,011)	(9,787,477)	(9,787,477)	(9,787,477)
<b>TOTAL TRANSFERS OUT</b>	<b>(\$7,354,965)</b>	<b>(\$9,940,011)</b>	<b>(\$9,940,011)</b>	<b>(\$9,787,477)</b>	<b>(\$9,787,477)</b>	<b>(\$9,787,477)</b>
<b>AVAILABLE REVENUES</b>						
General Fund	1,208,255,903	1,324,785,417	1,362,844,564	1,635,413,477	1,485,510,100	1,396,990,504
Other Funds	296,487,683	35,329,611	38,966,239	296,942,962	44,515,800	48,099,337
Federal Funds	115,591,462	8,175,715	9,083,088	8,179,236	8,179,236	8,786,687
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$1,620,335,048</b>	<b>\$1,368,290,743</b>	<b>\$1,410,893,891</b>	<b>\$1,940,535,675</b>	<b>\$1,538,205,136</b>	<b>\$1,453,876,528</b>

Agencywide Revenues and Disbursements Summary  
2013-15 Biennium

Version: Z-01-Leg. Adopted Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
<b>EXPENDITURES</b>						
General Fund	1,206,075,833	1,324,785,417	1,362,844,564	1,635,413,477	1,485,510,100	1,396,990,504
Other Funds	285,509,619	27,563,757	31,298,404	291,478,778	38,767,828	39,599,876
Federal Funds	111,944,790	8,171,635	9,079,008	8,024,382	8,024,382	8,631,833
<b>TOTAL EXPENDITURES</b>	<b>\$1,603,530,242</b>	<b>\$1,360,520,809</b>	<b>\$1,403,221,976</b>	<b>\$1,934,916,637</b>	<b>\$1,532,302,310</b>	<b>\$1,445,222,213</b>
<b>REVERSIONS</b>						
<b>9900 Reversions</b>						
General Fund	(2,180,070)	-	-	-	-	-
<b>ENDING BALANCE</b>						
Other Funds	10,978,064	7,765,854	7,667,835	5,464,184	5,747,972	8,499,461
Federal Funds	3,646,672	4,080	4,080	154,854	154,854	154,854
<b>TOTAL ENDING BALANCE</b>	<b>\$14,624,736</b>	<b>\$7,769,934</b>	<b>\$7,671,915</b>	<b>\$5,619,038</b>	<b>\$5,902,826</b>	<b>\$8,654,315</b>

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