

BUDGET NARRATIVE

Revenue Discussion

The 2015-17 Agency Request Budget for the Department of Corrections is financed primarily with General Fund; 96% from General Fund, 3.5% from Other Funds and .5% from Federal Funds. For 2015-17, Other Fund revenues to fund requested expenditure limitation are projected at \$57,617,742, of which \$22,816,595 is General Fund Obligation Bonds and \$4,781,217 are Transfers. Federal Funds are anticipated for partial reimbursement of the costs to incarcerate illegal aliens and to subsidize DOC's Debt Service payments.

Other Funds

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

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

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

Other Charges for Services \$8,903,207

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

Fines & Forfeitures \$118,766

This revenue comes from charges to inmates for 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 \$289,840

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

General Fund Obligation Bonds \$22,816,595

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

Sales Income \$1,785,295

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

Other Revenues \$17,097,895

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

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pending allocations.

Transfer In - Intrafund \$1,438,365

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

Transfer In – Other \$3,986,493

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

Transfer from Other State Agencies \$794,724

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

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

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

Federal Funds

Federal Funds \$7,872,260

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

Federal Funds \$1,262,826

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

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

Corrections, Dept of
2015-17 Biennium

Agency Number: 29100

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

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

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Corrections, Dept of
2015-17 Biennium

Agency Number: 29100

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

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

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

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

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

Source	Fund	ORBITS Revenue Acct	2011-2013 Actual	2013-15 Legislatively Adopted	2013-15 Estimated	2015-17		
						Agency Request	Governor's Balanced	Legislatively Adopted
Certificates of Participation (COPs) to finance project management, construction-related staff and other expenses	Other	0580	0	0	0	0	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	22,498	17,672	12,615	12,994	0	0
Real property sales, non-inmate food sales, sales of inmate-produced products, medical prostheses, legal records requests, Secure ID tokens, Oregon Youth Authority food sales, inmate work program sales and surplus property sales	Other	0705	2,150,088	2,034,830	1,733,292	1,785,295	0	0
Miscellaneous non-federal grants and donations	Other	0905	39,334	1,721	13,713	14,045	0	0
Grants (non-Federal)	Other	0910	0	0	188,950	194,618	0	0

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

Source	Fund	ORBITS Revenue Acct	2011-2013 Actual	2013-15 Legislatively Adopted	2013-15 Estimated	2015-17		
						Agency Request	Governor's Balanced	Legislatively Adopted
Loan Repayments	Other	0925	0	33,556	0	34,563	0	0
Victim's restitution allocations, travel reimbursements, inmate victim restitution, medical equipment reimbursement and Telmate	Other	0975	9,739,826	3,198,882	15,937,242	17,097,895	0	0
Transfer of Inmate Welfare funds between programs. Transfer revenue between funds to properly align revenue to programs	Other	1010	12,101,155	9,787,477	1,556,675	1,438,365	0	0
Initial receipt of Inmate Welfare funds and recording movements of revenues between Department organizational units	Other	1050	0	14,085,049	0	3,986,493	0	0
Transfers from Department of Justice for Prison Industries Enhancement programs	Other	1137	24,745	25,329	32,648	26,000	0	0

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

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

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

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