

SB 5504 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Sollman

Joint Committee On Ways and Means

Action Date: 06/09/23

Action: Do pass with amendments. (Printed A-Eng.)

Senate Vote

Yeas: 10 - Anderson, Campos, Dembrow, Findley, Frederick, Gelser Blouin, Hansell, Knopp, Sollman, Steiner

Exc: 1 - Girod

House Vote

Yeas: 8 - Evans, Gomberg, Holvey, McLain, Pham K, Sanchez, Smith G, Valderrama

Nays: 4 - Breese-Iverson, Cate, Lewis, Reschke

Prepared By: Lisa Fox, Department of Administrative Services

Reviewed By: John Terpening, Legislative Fiscal Office

*** CORRECTED ***

Department of Corrections

2023-25

Budget Summary*

	2021-23 Legislatively Approved Budget ⁽¹⁾	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 1,000,259,596	\$ 2,022,992,135	\$ 2,036,193,771	\$ 1,035,934,175	103.6%
General Fund Capital Improvements	\$ 3,057,869	\$ 3,186,299	\$ 3,186,299	\$ 128,430	4.2%
General Fund Debt Service	\$ 105,180,474	\$ 101,514,230	\$ 101,514,230	\$ (3,666,244)	-3.5%
Other Funds Limited	\$ 1,056,792,540	\$ 44,951,455	\$ 90,006,257	\$ (966,786,283)	-91.5%
Other Funds Debt Service	\$ 805,870	\$ -	\$ -	\$ (805,870)	-100.0%
Federal Funds Limited	\$ 4,734,976	\$ 5,171,280	\$ 300,000	\$ (4,434,976)	-93.7%
Total	\$ 2,170,831,325	\$ 2,177,815,399	\$ 2,231,200,557	\$ 60,369,232	2.8%

Position Summary

Authorized Positions	4,791	4,760	4,813	22
Full-time Equivalent (FTE) positions	4,691.44	4,702.36	4,749.53	58.09

⁽¹⁾ Includes adjustments through January 2023

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Department of Corrections (DOC) is primarily supported with General Fund. For the 2023-25 biennium, the General Fund appropriation of \$2,140,894,300 is approximately 95% of the total budget. Other Funds revenues for DOC are primarily driven by charges for services from inmate work crews, sales of inmate-produced products, American Rescue Plan Act (ARPA) funds received by the Department of Administrative Services (DAS) and passed through to DOC, and bond proceeds for capital projects. The Subcommittee’s recommended budget reflects the loss of the Department’s primary source of Federal Funds, the State Criminal Alien Assistance Program (SCAAP). This program partially reimburses the state for the cost of managing undocumented offenders and the Department has used the funds to offset expenditures for medical care. The lost Federal revenue from this program has been backfilled by General Fund in the Subcommittee recommended budget.

Summary of Public Safety Subcommittee Action

DOC manages and rehabilitates adult felony offenders sentenced by the courts to more than 12 months of incarceration. The mission of the Department is to promote public safety by holding offenders accountable for their actions and reducing their risk of future criminal behavior. DOC is responsible for the overall security, housing, and daily operations of correctional institutions across the state, as well as providing medical, dental, mental health, and pharmacy services to all adults in custody. DOC directly operates the Community Corrections system in Linn

and Douglas counties and provides funding for the management and delivery of community corrections programs in the remaining 34 Oregon counties.

The Subcommittee recommended a budget of \$2,231,200,557 total funds comprised of \$2,140,894,300 General Fund, \$90,006,257 Other Funds expenditure limitation, \$300,000 Federal Funds expenditure limitation, and 4,813 positions (4,749.53 FTE). The total budget is a 2.7% increase from the 2023-25 current service level and a 2.8 % increase from the 2021-23 Legislatively Approved Budget.

Operations Division

The Operations Division is responsible for housing Oregon’s incarcerated adult felony population and for the security and daily operations of Oregon’s prisons. The Division provides a safe, secure environment for more than 12,000 adults in custody, as well as for the staff, as they perform their duties and hold offenders accountable while reducing the risk of recidivism. The functions of this Division include institution operations, security, food service, inmate work programs, and inmate transportation.

The Subcommittee recommended a budget of \$1,029,017,903 General Fund, \$26,845,860 Other Funds expenditure limitation, and 3,366 positions (3,331.03 FTE), which includes the following packages:

Package 101: Food. This package provides \$11,571,186 General Fund to cover the increased costs for food for the 2023-25 biennium. This amount has been updated to reflect the most recent estimates from the Department and will prevent DOC from holding positions vacant in Operations to fund additional food costs.

Package 102: Fuels & Utilities. This package provides \$2,479,328 General Fund to cover the increased costs for fuels and utilities for the 2023-25 biennium. This amount has been updated to reflect the most recent estimates from the Department and will prevent DOC from holding positions vacant in Operations to fund these additional costs.

Package 103: Clothing & Personal Supplies. This package provides \$5,869,142 General Fund to cover the increased costs for clothing and personal items for the 2023-25 biennium. This amount has been updated to reflect the most recent estimates from the Department and will prevent DOC from holding positions vacant in Operations to fund these additional costs.

Package 801: LFO Analyst Adjustments. This package includes several adjustments for a net total reduction to General Fund of \$16,185,248. First, it includes a net zero technical adjustment to move a currently filled position from Operations to Administrative Services to reflect where the position is financed. This is reflected through a reduction of General Fund by \$220,961 in personal services and elimination of one position (1.00 FTE) in Operations, with a corresponding increase in Administrative Services.

Second, this package further reduces the General Fund by \$15,970,123, including the following actions:

- A reduction of \$1,936,489 General Fund is to implement changes based on the April 2023 Office of Economic Analysis prison population forecast.
- A reduction of \$10,310,026 General Fund with a corresponding increase in Other Funds expenditure limitation in the same amount. This one-time budget neutral action represents the amount of the expected reimbursements from the Federal Emergency Management Agency to offset COVID-19 pandemic-related expenses incurred in 2019-21 that will be received during the 2023-25 biennium.
- The third reduction of \$3,723,608 General Fund is through expected vacancy savings. This is a one-time agency-wide reduction in General Fund for vacancy savings totaling \$5,518,092 across all divisions. This represents a vacancy rate of 1.34% while the Department's current vacancy rate is 3.5%.

Finally, this package includes various personnel actions resulting in the establishment of 18 positions, abolishment of 13 positions, and reclassification of 52 positions across the Department. DOC worked with DAS and Legislative Fiscal Office (LFO) on these position adjustments. Agency-wide, the personnel actions net to a total increase of \$153,670 General Fund and five new positions, totaling 2.50 FTE. For the Operations Division, the net result of these personnel actions is an increase of \$5,836 General Fund and one position (0.29 FTE).

The following budget note providing direction to the Department of Corrections was approved.

Budget Note: Institution Staffing and Mandatory Overtime

The Department of Corrections continues to have difficulty recruiting and retaining sufficient security staff across all its institutions, and mandatory overtime remains a consistent issue. With these challenges, the Department has made internal decisions to deactivate units and to reduce the usage of emergency beds, in efforts to alleviate staffing issues and maintain safer operations. However, given the job market environment, the Department must look beyond standard hiring, recruiting, and retention efforts, and conduct an analysis on how to continue to operate prisons safely and securely. Using the October 2023 Office of Economic Analysis prison population forecast as a baseline, the Department is directed to report to the Public Safety Subcommittee of the Joint Committee on Ways and Means during the 2024 legislative session with an analysis of current staffing levels, and how many units in each institution the Department could safely operate within that staffing level, if they were to eliminate the use of mandatory overtime. This analysis should also include if any rebalancing of budgeted positions or bed capacity would need to be considered, and any specific recommendations on ways for the Department to operate institutions with the number of staff they have been able to consistently hire and retain over the past biennium, which may include any technological innovations, building modifications, changes to position structures, or other concepts.

Central Administration

The Central Administration Division includes the Office of the Director, Office of the Inspector General, Office of the Chief Financial Officer, Internal Audits, Research & Evaluation, Communications, and Government Efficiencies. The Division provides overall leadership to the

Department, develops strategic plans, and engages in statewide public safety initiatives. Additionally, the Department budgets all its State Government Service Charges within Central Administration, which accounts for about half of the program's General Fund in the 2023-25 current service level budget.

The Subcommittee recommended a budget of \$129,975,930 General Fund, \$14,112,269 Other Funds expenditure limitation, and 176 positions (174.38 FTE), which includes the following packages:

Package 104: Habeas Corpus. This package provides \$3,000,000 General Fund on a one-time basis to support the Department of Justice litigation of both habeas corpus cases and class-action lawsuits filed by adults in custody against DOC during the COVID-19 pandemic. The Department received \$5 million of one-time funding during the 2021-23 biennium for this same purpose.

Package 801: LFO Analyst Adjustments. This package includes several adjustments. First, this package reduces the General Fund by \$6,070,480 with a corresponding increase in Other Funds expenditure limitation in the same amount. This one-time budget neutral action represents the remaining proceeds from the sale of the Mill Creek Institution property. A second reduction of \$202,514 General Fund from expected vacancy savings is included. This is a one-time agency-wide reduction in General Fund for vacancy savings totaling \$5,518,092 across all divisions. This represents a vacancy rate of 1.34% while the Department's current vacancy rate is 3.5%.

Finally, this package includes various personnel actions that results in the establishment of 18 positions, abolishment of 13 positions, and reclassification of 52 positions across the agency. The Department worked with the DAS and LFO on these position adjustments. Agency-wide the personnel actions net to a total increase of \$153,670 General Fund and five new positions, totaling 2.50 FTE. For the Central Administration Division, the net result of these personnel actions is an increase of \$210,364 General Fund and one position (0.29 FTE).

Administrative Services Division

The Administrative Services Division includes Information Technology Services, Facility Services, Human Resources, and Distribution Services. The Division provides services fundamental to the day-to-day operations of the Department. Services are provided directly to employees, offenders, volunteers, community corrections, and other partner agencies.

The Subcommittee recommended a budget of \$89,366,826 General Fund, \$22,150,682 Other Funds expenditure limitation, and 271 positions (269.29 FTE), which includes the following packages:

Package 102: Fuels & Utilities. This package provides \$156,594 General Fund to cover the increased costs for fuels and utilities for the 2023-25 biennium. This amount has been updated to reflect the most recent estimates from the Department and will prevent DOC from holding positions vacant in Operations to fund these additional costs.

Package 110: ARPA Limitation Extensions. This package includes the Other Funds expenditure limitation necessary to continue spending remaining ARPA funds approved in HB 5006 (2021). The carryover amount totals \$12,250,485 for Administrative Services and includes \$100,000 to finalize replacement of two 53-foot trailers for the Department's Central Distribution Center in Salem; \$900,000 for the Adults-In-Custody computing platform, referred to as AICNet; and \$11,250,485 for deferred maintenance projects.

Package 204: Electronic Health Records. This package includes \$838,709 General Fund and establishes three permanent full-time Information Systems Specialist (ISS) positions (3.00 FTE), including two ISS-7 positions and one ISS-5 position. These positions will implement and provide internal IT support for the electronic health record system being implemented by the Department.

Package 210: Substance Use Disorder. This package includes funding for a substance use disorder (SUD) pilot program to operate at the Oregon State Penitentiary (OSP) and Snake River Correctional Institute (SRCI) and establishes two K-9 units to operate at OSP and the Oregon State Corrections Institution (OSCI). These programs, in addition to the Department's plans to self-fund the testing of facility waste, are intended to provide the Department with information on what the most effective means of reducing the introduction of narcotics and substance use in correctional facilities by providing OSP with SUD treatment and a K-9 unit; SRCI with SUD treatment only; and OSCI with a K-9 unit only. In the Administrative Services Division, the package provides \$581,400 General Fund and establishes two permanent full-time positions for the two K-9 units (1.00 FTE each) including associated costs.

Package 801 LFO Analyst Adjustments. This package makes several adjustments that, in total, result in a General Fund reduction of \$103,720 and 0.50 FTE. First, the package includes a net zero technical adjustment to move a currently filled position from Operations to Administrative Services to reflect where the position is financed. This is reflected through an increase of General Fund by \$220,961 in personal services and one position (1.00 FTE) in Administrative Services, with a corresponding reduction in Operations. Also included is a reduction of \$320,049 General Fund through expected vacancy savings. This is a one-time agency-wide reduction in General Fund for vacancy savings totaling \$5,518,092 across all divisions. This represents a vacancy rate of 1.34% while the Department's current vacancy rate is 3.5%.

Finally, this package includes various personnel actions resulting in the establishment of 18 positions, abolishment of 13 positions, and reclassification of 52 positions across the agency. The Department worked with DAS and LFO on these position adjustments. Agency-wide the personnel actions net to a total increase of \$153,670 General Fund and five new positions, totaling 2.50 FTE. For Administrative Services, the net result of these personnel actions totals a reduction of \$4,632 General Fund, elimination of one position and reduction of 1.50 FTE.

Community Corrections

Community Corrections is a function of state government operated in partnership with local, county-operated community corrections agencies. Community Corrections programs include supervision, sanctions, and programs to hold offenders accountable and address the causes of criminal behavior with the aim of reducing the risk of present and future criminal behavior. The Department delivers these services directly in

Linn and Douglas counties and provides grant funding (based on the number of offenders to be managed and their risk levels) to the remaining counties to support these services at the local level.

The Subcommittee recommended a budget of \$277,406,303 General Fund, \$6,859,278 Other Funds expenditure limitation, and 76 positions (76.00 FTE), which includes the following package:

Package 801: LFO Analyst Adjustments. This package includes several adjustments resulting in an overall General Fund reduction of \$3,016,470. First, the General Fund is reduced by \$2,997,157 to reflect the April 2023 Office of Economic Analysis prison population forecast. Based on the April forecast, the total reduction to Community Corrections grant-in-aid should be \$8,763,617. However, the reduction recommended by the Subcommittee is intended to be only the amount weighted toward services and supplies and restores \$5,766,460 in General Fund to retain the amount of the reduction weighted toward personal services. This one-time adjustment is intended to backfill personal services costs to help mitigate personnel actions and prevent potential layoffs as a result of the reduced forecasted caseload, which is anticipated to increase again in 2023-25. This will provide a grant-in-aid budget of \$252,366,590 for the 2023-25 biennium.

This package also includes a reduction of \$19,313 General Fund through expected vacancy savings. This is a one-time agency-wide reduction in General Fund for vacancy savings totaling \$5,518,092 across all divisions. This represents a vacancy rate of 1.34% while the Department's current vacancy rate is 3.5%.

Finally, this package includes various personnel actions that result in the establishment of 18 positions, abolishment of 13 positions, and reclassification of 52 positions across the agency. The Department worked with DAS and LFO on these positions' adjustments. Agency-wide, the personnel actions net to a total increase of \$153,670 General Fund and five new positions, totaling 2.50 FTE. For Community Corrections, there is a net-zero impact from the reclassification of two existing positions.

Health Services

The Health Services Division provides constitutionally mandated medical, dental, mental health, pharmacy, and substance abuse treatment services to the state's offender population, with around the clock coverage. According to DOC records, the Health Services Division provides services to over 20,000 patients and experiences approximately 800,000 medical encounters per year. Provision of primary care ranges from minor problems and acute illnesses or injuries, to ongoing care for chronic diseases, preventative health care, and end-of-life care. The Division also provides limited onsite specialty care through contractors to reduce offsite medical trips. This includes dialysis, general surgery, ultrasound, physical therapy, cardiology, mammography, and orthopedics. The Department contracts with a third-party administrator for off-site services in a provider network, and when applicable, DOC utilizes Medicaid for qualified medical treatments provided off-site and in-hospital.

Within the Division, the behavioral health unit provides services for adults in custody with severe mental illness, the developmentally disabled, and those with co-occurring mental/substance abuse disorders. The dental health unit provides preventative and acute care, and the pharmacy unit manages pharmaceutical acquisition/distribution and medical supplies.

The Subcommittee recommended a budget of \$424,177,076 General Fund, \$17,276,543 Other Funds expenditure limitation, \$300,000 Federal Funds expenditure limitation, and 692 positions (668.17 FTE), which includes the following packages:

Package 070: Revenue Shortfalls. This package reduces Federal Funds expenditure limitation by \$4,871,280 due to a revenue shortfall related to SCAAP grant funds. These Federal Funds are provided to states incurring costs for incarcerating undocumented individuals and have historically offset General Fund expenditures in the Department. The passing of HB 3265 (2021) restricts the Department from sharing information regarding undocumented individuals with federal entities which prevents the Department from continuing to apply for the SCAAP grant.

Package 101: Food. This package provides \$32,457 General Fund to cover the increased costs for food for the 2023-25 biennium related to the Health Services budget. This amount has been updated to reflect the most recent estimates from the Department and will prevent DOC from holding positions vacant in Operations to fund additional food costs.

Package 107: SCAAP Fund Shift. This package provides \$4,871,280 General Fund to backfill SCAAP federal grant funds that are removed in package 070 due to a revenue shortfall. The SCAAP grant provided federal funding to states incurring costs for incarcerating undocumented individuals. The passing of HB 3265 (2021) restricts the department from sharing information regarding undocumented individuals with federal entities which prevents the department from continuing to apply for the SCAAP grant.

Package 110: ARPA Limitation Extensions. This package provides \$4,623,811 Other Funds expenditure limitation for the carryover of ARPA funding provided for the Electronic Health Records (EHR) project. HB 5006 (2021) included \$5 million of ARPA funding for this project, which is expected to be completed by the end of 2023-25.

Package 204: Electronic Health Records. This package includes \$5,058,288 General Fund and establishes six permanent full-time positions (6.00 FTE) to provide ongoing support and to administer the electronic health records system across the correctional institutions. Positions include a Chief Health Services Information Officer, a product manager, a health information specialist focused on HIPAA compliance, two business analysts, and a training and development specialist.

Package 210: Substance Use Disorder. This package includes funding for a substance use disorder (SUD) pilot program to operate at the Oregon State Penitentiary (OSP) and Snake River Correctional Institute (SRCI) and establishes two K-9 units to operate at OSP and the Oregon State Corrections Institution (OSCI). These programs, in addition to the Department's plans to self-fund the testing of facility waste, are intended to provide the Department with information on what the most effective means of reducing the introduction of narcotics and substance use in

correctional facilities by providing OSP with SUD treatment and a K-9 unit; SRCI with SUD treatment only; and OSCI with a K-9 unit only. In the Health Services Division, the package provides \$8,137,324 General Fund and establishes 33 positions (29.67 FTE) to pilot a substance use disorder program at Snake River Correctional Institution (SRCI) and OSP. The programs will provide individualized substance use disorder treatment counseling, case management, and group facilitation for Adults-In-Custody with treatment needs throughout their length of stay. This pilot program phases-in 11 permanent full-time Behavioral Health Specialist-1 (BHS-1) positions at OSP and 16 permanent full-time BHS-1's at SRCI, along with a permanent full-time manager and office specialist at each location and two permanent full-time positions at headquarters to administer the program. These programs are permanently established at SRCI and OSP to provide a pilot model for potentially establishing substance use disorder programs at other facilities in the future.

Budget Note: Substance Use Disorder Pilot and Drugs in Prison

The Department's budget includes funding for a substance use disorder pilot program to operate at Snake River Correctional Institution (SRCI) and the Oregon State Penitentiary (OSP), to provide treatment to adults in custody throughout their length of stay. Additionally, funding is included to operate K-9 units at OSP and Oregon State Corrections Institution (OSCI). The Department is directed to return to the Public Safety Subcommittee of the Joint Committee on Ways and Means during the 2024 session with an update on the implementation of the pilot program and the utilization of the K-9 units and baseline measures for the proliferation of drugs in institutions, including drug testing results and drug-related contraband misconducts.

Package 223: Pharmacy Structure. This package establishes four permanent full-time positions (4.00 FTE) in the pharmacy department, two pharmacy managers and two additional pharmacists. Currently, there are seven FTE budgeted in the pharmacy department that fills around 500,000 prescriptions per year. This package shifts \$1,841,586 from services and supplies to fund the additional four positions for a net-zero impact. The Department is able to self-fund these positions through savings incurred by participation in the federal 340B program, which has reduced pharmaceutical costs through consolidation and alternative therapies and pharmaceuticals.

Package 801: LFO Analyst Adjustments. This package makes several adjustments that result in a net reduction of General Fund by \$3,694,534, increases Other Fund Expenditure limitation by \$11,800,000, and establishes 9 positions (8.42 FTE).

First, it includes a net zero technical adjustment to swap two positions, one currently filled position and one vacant position, between Health Services and Correctional Services to reflect where the positions are financed. For Health Services this is reflected through a General Fund increase of \$9,844 and one position (1.00 FTE) a corresponding decrease is included in Correctional Services.

Second, this package reduces the General Fund by \$3,931,864 which includes a reduction of \$2,955,162 to implement changes based on the April 2023 Office of Economic Analysis prison population forecast, and a reduction of \$976,702 through expected vacancy savings. This is a one-time agency-wide reduction in General Fund for vacancy savings totaling \$5,518,092 across all divisions. This represents a vacancy rate of 1.34% while the Department's current vacancy rate is 3.5%.

This package also includes various personnel actions that results in the establishment of 18 positions, abolishment of 13 positions, and reclassification of 52 positions across the agency. The Department worked with DAS and LFO on these position adjustments. Agency-wide the personnel actions net to a total increase of \$153,670 General Fund and five new positions, totaling 2.50 FTE. For Health Services, the net result of these personnel actions totals a net increase of \$227,486 General Fund and establishment of eight permanent full-time positions (7.42 FTE). These eight positions are to continue mental health services at Coffee Creek Correctional Facility, which had previously been provided through a third-party contract. These positions are largely funded by shifting the services and supplies costs from contract dollars to personal services.

Finally, this package provides \$11,800,000 Other Funds expenditure limitation for bonds approved for the EHR project. The Department received \$13.4 million of two-year bond limitation for this project in 2021-23 and needs this \$11.8 million to carry over into 2023-25 when the EHR project is expected to be completed.

Correctional Services

The Correctional Services program manages the Department's mission to reduce the risk of future criminal conduct. The Division provides a continuum of evidence-based interventions, as well as other services, opportunities, and tools to help adults in custody successfully transition from prison to the community. This Division is tasked with guiding and targeting corrections interventions and enhancing linkages to community-based networks of support. Program units include Intake, Offender Information and Sentence Computation, Office of Population Management, Programs and Services, Education and Training, Religious and Victim Services, Correctional Case Management, Policy and Business Services, and Re-Entry/Release Services.

The Subcommittee recommended a budget of \$86,249,733 General Fund, \$2,761,625 Other Funds expenditure limitation, and 232 positions (230.66 FTE), which includes the following packages:

Package 103: Clothing & Personal Supplies. This package provides \$239,663 General Fund to cover the increased costs for clothing and personal items for the 2023-25 biennium. This amount has been updated to reflect the most recent estimates from the Department and will prevent DOC from holding positions vacant in Operations to fund these additional costs.

Package 801: LFO Analyst Adjustments. This package makes several adjustments that total a General Fund reduction of \$571,133. First, the package includes a net zero technical adjustment to swap two positions, one currently filled position and one vacant position, between Health Services and Correctional Services to reflect where the positions are financed. For Correctional Services this is reflected through a General Fund decrease of \$9,844 and eliminating one position (1.00 FTE) with a corresponding increase in Health Services.

Second, this package includes a reduction of \$275,905 General Fund through expected vacancy savings. This is a one-time agency-wide reduction in General Fund for vacancy savings totaling \$5,518,092 across all divisions. This represents a vacancy rate of 1.34% while the Department's current vacancy rate is 3.5%.

Finally, this package also includes various personnel actions resulting in the establishment of 18 positions, abolishment of 13 positions, and reclassification of 52 positions across the agency. The Department worked with DAS and LFO on these position adjustments. Agency-wide, the personnel actions net to a total increase of \$153,670 General Fund and five new positions, totaling 2.50 FTE. For Correctional Services, the net result of these personnel actions totals a decrease of \$285,384 General Fund and reduction of four positions (4.00 FTE).

Debt Service

Debt Service is the obligation to repay the principal and interest on funds borrowed through the sale of Certificates of Participation (COPs) and bonds. For DOC, proceeds generated by the sales of COPs and bonds are used to construct and improve correctional facilities. Repayment periods range from six to 26 years, depending on the nature and value of the project. Bond proceeds are also used for the purchase of property, design costs, siting costs, major improvements or upgrades of existing facilities and the staff costs associated with the construction and improvement of facilities. The Subcommittee recommended a budget of \$101,514,230 General Fund.

Capital Improvements

Capital Improvements include maintenance, repair, replacement, or adaptation of a facility. The project must significantly increase the asset's value, extend the life of the asset, or make it adaptable for a different use. Additionally, the completed project must be valued at less than \$1.0 million and be capitalizable, in accordance with Oregon Accounting Manual 15.60.10, otherwise, expenditures are categorized as capital construction. The Subcommittee recommended a budget of \$3,186,299 General Fund.

Summary of Performance Measure Action

See attached Legislatively Adopted 2023-25 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Corrections
Lisa Fox -- 971-283-1841

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2021-23 Legislatively Approved Budget at Jan 2023 *	\$ 1,108,497,939	\$ -	\$ 1,057,598,410	\$ -	\$ 4,734,976	\$ -	\$ 2,170,831,325	4,791	4,691.44
2023-25 Current Service Level (CSL)*	\$ 2,127,692,664	\$ -	\$ 44,951,455	\$ -	\$ 5,171,280	\$ -	\$ 2,177,815,399	4,760	4,702.36
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 003 - Operations Division									
Package 101: Food									
Services and Supplies	\$ 11,571,186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,571,186		
Package 102: Fuels & Utilities									
Services and Supplies	\$ 2,479,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,479,328		
Package 103: Clothing & Personal Supplies									
Services and Supplies	\$ 5,869,142	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,869,142		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ (3,938,733)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,938,733)	0	-0.71
Services and Supplies	\$ (12,246,515)	\$ -	\$ 10,310,026	\$ -	\$ -	\$ -	\$ (1,936,489)		
SCR 004 - Central Administration									
Package 104: Habeus Corpus									
Services and Supplies	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ 7,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,850	1	0.29
Services and Supplies	\$ (6,070,480)	\$ -	\$ 6,070,480	\$ -	\$ -	\$ -	\$ -		
SCR 006 - Administrative Services Division									
Package 102: Fuels & Utilities									
Services and Supplies	\$ 156,594	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,594		
Package 110: ARPA Limitation Extensions									
Services and Supplies	\$ -	\$ -	\$ 11,250,485	\$ -	\$ -	\$ -	\$ 11,250,485		
Capital Outlay	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000		
Package 204: Electronic Health Records									
Personal Services	\$ 771,770	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 771,770	3	3.00
Services and Supplies	\$ 66,939	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,939		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 210: Substance Use Disorder									
Personal Services	\$ 453,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 453,870	2	2.00
Services and Supplies	\$ 127,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,530		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ (103,720)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (103,720)	0	-0.50
SCR 009 - Community Corrections									
Package 801: LFO Analyst Adjustments									
Personal Services	\$ (19,313)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (19,313)	0	0.00
Special Payments	\$ (2,997,157)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,997,157)		
SCR 010 - Health Services									
Package 070: Revenue Shortfall									
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ (4,871,280)	\$ -	\$ (4,871,280)		
Package 101: Food									
Services and Supplies	\$ 32,457	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,457		
Package 107: SCAAP Fund Shift									
Services and Supplies	\$ 4,871,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,871,280		
Package 110: ARPA Limitation Extensions									
Services and Supplies	\$ -	\$ -	\$ 4,623,811	\$ -	\$ -	\$ -	\$ 4,623,811		
Package 204: Electronic Health Records									
Personal Services	\$ 2,257,744	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,257,744	6	6.00
Services and Supplies	\$ 2,800,544	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,800,544		
Package 210: Substance Use Disorder									
Personal Services	\$ 7,238,453	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,238,453	33	29.67
Services and Supplies	\$ 898,871	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 898,871		
Package 223: Pharmacy Structure									
Personal Services	\$ 1,841,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,841,586	4	4.00
Services and Supplies	\$ (1,841,586)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,841,586)		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ 1,269,919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,269,919	9	8.42
Services and Supplies	\$ (4,964,453)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,964,453)		
Capital Outlay	\$ -	\$ -	\$ 11,800,000	\$ -	\$ -	\$ -	\$ 11,800,000		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
SCR 011 - Correctional Services										
Package 103: Clothing & Personal Supplies Services and Supplies	\$ 239,663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	239,663		
Package 801: LFO Analyst Adjustments Personal Services	\$ (571,133)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(571,133)	-5	-5.00
TOTAL ADJUSTMENTS	\$ 13,201,636	\$ -	\$ 45,054,802	\$ -	\$ (4,871,280)	\$ -	\$ 53,385,158	53	47.17	
SUBCOMMITTEE RECOMMENDATION *	\$ 2,140,894,300	\$ -	\$ 90,006,257	\$ -	\$ 300,000	\$ -	\$ 2,231,200,557	4,813	4,749.53	
% Change from 2021-23 Leg Approved Budget	93.1%	0.0%	-91.5%	0.0%	-93.7%	0.0%	2.8%	0.5%	1.2%	
% Change from 2023-25 Current Service Level	0.6%	0.0%	100.2%	0.0%	-94.2%	0.0%	2.5%	1.1%	1.0%	

*Excludes Capital Construction Expenditures

Legislatively Approved 2023 - 2025 Key Performance Measures

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Agency: Department of Corrections

Mission Statement:

The mission of the Oregon Department of Corrections is to promote public safety by holding offenders accountable for their actions and reducing the risk of future criminal behavior.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
1. Measure 17 compliance - Percentage of Adults in Custody (AIC) in compliance with 40-hour work/education requirements of the constitution (M17)		Approved	71%	80%	80%
2. Successful Completion of Treatment, Education, and/or Cognitive Programming - Percentage of moderate/high-risk released Adults in Custody (AIC) with an identified education, cognitive, or treatment need who successfully completed at least one of the identified need programs before release.		Approved	78.42%	80%	80%
3. Recidivism - Percent of offenders: 1. Arrested for a new crime within 3 years of release from a facility to parole/post-prison supervision; 2. Convicted of a new misdemeanor or felony within 3 years of release from a facility to parole/post-prison supervision; AND 3. Incarcerated for a new felony within 3 years of release from a facility to parole/post-prison supervision	1) Arrests for a new crime within 3 years of release	Approved	55.70%	40%	40%
	2) Convicted of a new misdemeanor or felony within 3 years of release		41.50%	30%	30%
	3) Incarcerated for a new felony within 3 years of release		14.80%	10%	10%
4. Staff Assaults - The number of Class 1 assaults on individual staff per year.		Approved	61	70	70
5. Walk-a-Ways - The number of Adult in Custody (AIC) walk-a-ways from outside work crews per year.		Approved	5	0	0
6. Reduce all Energy Usage - Reduce the annual average electricity, propane, geothermal, diesel and natural gas usage. Measure on a monthly kBtu/square foot basis.		Approved	116.98	141.39	134.66
7. Adult in Custody (AIC) Misconducts - The number of Adults in Custody (AIC) sanctioned for level 1 misconducts, including Violations Not Responsible (VNR)		Approved	699	1,100	1,100
8. Secure Custody Escapes - The number of escapes per year from secure-custody facilities (armed perimeter).		Approved	0	0	0
9. Unarmed Perimeter Escapes - The number of escapes from DOC unarmed perimeter facilities.		Approved	0	0	0
10. Leave Programs - The percentage of Adults in Custody (AIC) who complete transitional leave and non-prison leave (AIP)		Approved	86.63%	80%	80%
11. Customer Service - Percent of customers rating their satisfaction with the agency customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	1) Expertise	Approved	79.11%	80%	80%
	2) Accuracy		84.48%	80%	80%
	3) Helpfulness		69.63%	80%	80%
	4) Timeliness		85.78%	80%	80%
	5) Availability of Information		63.88%	80%	80%
	6) Overall			75.54%	80%

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
12. Offsite Medical Healthcare - Percent of total Adult in Custody (AIC) healthcare encounters that occur offsite.		Approved	1.15%	1%	1%
13. OSHA Recordable Rate - Average number of OSHA recordable injuries per 100 employees who work a whole year.		Approved	3.40	5	5
14. Criminal Assaults - Number of employees charged with or convicted of assault under ORS Chapter 163		Approved		0	0
15. Use of Force - Number of incidents of excessive use of force		Approved		0	0
16. Adult in Custody (AIC) and Adult on Supervision (AOS) case plans - Percentage of AICs and AOS meeting the needs identified within their case plans		Approved		100%	100%

LFO Recommendation:

The Department has three new proposed KPM's, two related to staff conduct based on direction from the Legislature, and a third on the percentage of adults in custody or on supervision that are meeting the needs of their case plans. The Department also recommended deletion of KPM#2 based on wanting to look at new metrics in terms of how substance use disorder program eligibility and treatment impacts recidivism versus the population that KPM was monitoring. The Legislative Fiscal Office recommends retaining KPM#2 until the Department has had more opportunity to evaluate a new measurement that might better reflect the appropriate population, treatment or education programs, and recidivism metrics.

The Legislative Fiscal Office recommends approval of the Key Performance Measure's and targets as proposed.

SubCommittee Action:

The Subcommittee approved the Key Performance Measures and targets as presented.