

**U. S. Department of Justice
 FY 2020 Performance Budget
 Congressional Submission
 Federal Prison System
 Buildings and Facilities
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II. Overview for the Bureau of Prisons, Buildings and Facilities (B&F) Appropriation

1. Introduction and Background

The Bureau of Prisons (BOP) was established in 1930 to provide more progressive and humane care for federal inmates, to professionalize the prison service, and to ensure consistent and centralized administration of the 11 federal prisons in operation at that time (now 122). The mission of the BOP, an agency of the Department of Justice (DOJ), is to protect society by confining offenders in the controlled environments of prisons and community-based facilities that are safe, humane, cost-efficient, and appropriately secure, and that provide work and other self-improvement opportunities to assist offenders in becoming law-abiding citizens. Electronic copies of the Department of Justice's Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits can be viewed or downloaded from the Internet using the Internet address: <http://www.justice.gov/02organizations/bpp.htm>.

The BOP is a critical part of the federal criminal justice system. Arresting authorities, prosecutors, judges, and community members rely on the BOP to ensure the over 180,000 inmates in custody are accounted for at all times, are treated humanely and with dignity, and are returned to their communities with the training and skills they need to be productive law-abiding citizens. The BOP must carry out these duties while ensuring that staff are working in a safe environment and have the tools, training, and support they need on a daily basis. Although the BOP projects that the inmate population will remain flat in FY 2019, due to the Department's increased enforcement and prosecution efforts, the population is projected to increase by 2.7 percent in FY 2020.

BOP requests a total of \$99,205,000, with 53 positions and 53 FTEs for the Buildings and Facilities (B&F) appropriation. This budget request will provide for the most critical and emergency Modernization and Repair (M&R) project needs of existing institutions. In addition, this request includes a rescission of \$505,000,000 in unobligated New Construction balances.

2. Challenges

During the first five decades of the Bureau's existence, the number and type of inmates BOP housed remained stable. Beginning in the 1980s, however, federal law enforcement efforts and new legislation dramatically altered sentencing in the federal criminal justice system, bringing about a significant increase in the number and types of persons incarcerated for federal offenses. Largely as a result, the BOP's population doubled in the 1980s and doubled again in the 1990s. In the late 1990s, the BOP began absorbing the DC inmate population because of the National Capital Revitalization Act. The aftermath of September 11th also brought more inmates – individuals who presented very

unique security concerns - as the nation's law enforcement efforts were targeted toward international terrorism. By 2013, the Bureau's population climbed to almost 220,000, its highest level ever with system-wide crowding at 36 percent.

Although the inmate population has been declining in recent years, as of January 31, 2019, there were 180,210 individuals serving time in federal prisons. BOP facilities and systems/equipment (water, sewer, electrical, and heating/air conditioning), many of which are aged and undersized, continue to be over utilized, which causes extensive wear and tear as well as premature deterioration. In addition, by nature of the environment, the systems are subjected to frequent abuse, which further shortens the life of the systems/equipment. This extra strain and misuse contribute to the critical need for M&R funds. The BOP faces challenges in managing the existing federal inmate population, and providing for inmates' care and safety in crowded conditions, as well as the safety of BOP staff and surrounding communities, within budgeted levels. The BOP strives to accommodate the inmate population using state, local, and private sector contract beds, facility expansion, and acquisition of existing structures, as funding permits.

The size of the BOP inmate population exceeds the rated capacity of its prisons by 12 to 19 percent on average, depending on the security level (as of January 31, 2019). Rated capacity is the baseline used to calculate prison crowding, and assists in managing the BOP's inmate population to distribute the population throughout the system efficiently and equitably. The calculation for determining rated capacity involves stratified double bunking across all security levels and includes the following formulas: minimum and low security institutions at 100 percent double bunking; medium security institutions at 50 percent double bunking and; high security institutions at 25 percent double bunking.

The following charts show representations of inmate cells at normal rated capacity versus current crowding conditions at low, medium and high security levels:

 = inmates housed at zero crowding **Low Security**  = inmates housed in overcrowding situation

N O R M A L										
										

zero crowding
 example at a **low** security prison
 Rated Capacity: 2 inmates per cell, 20 cells, 100% double bunked.

O V E R C R O W D E D										
										

22% crowding as of December 6, 2018
 (49 Inmates and 40 beds rated capacity)
 55% of Inmates are triple bunked

Medium Security

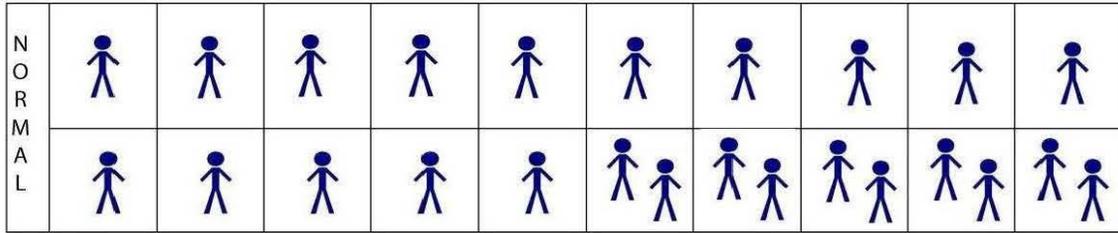
N O R M A L										
										

zero crowding
 example at a **medium** security prison
 Rated Capacity: 2 inmates per cell in 50% of cells. 20 cells, 10 double bunked.

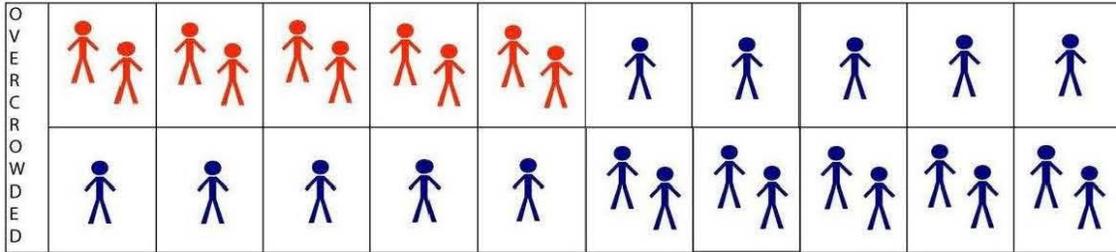
O V E R C R O W D E D										
										

17% crowding as of December 6, 2018
 (35 Inmates and 30 beds rated capacity)
 86% of Inmates are double bunked

High Security



zero crowding
 example at a **high** security prison
 Rated Capacity: 2 inmates per cell in 25% of cells. 20 cells, 5 double bunked.



21% crowding as of December 6, 2018
 (30 Inmates and 25 beds rated capacity)
 67% of Inmates are double bunked
 33% of Inmates are single bunked

The following chart illustrates the actual and projected inmate population increases based on the current trends:

Projected Population, Capacity, and Crowding

	2015	2016	2017	2018	2019	2020
	(Actual)	(Actual)	(Actual)	(Actual)	(Estimate)	(Estimate)
BOP Facilities						
Starting Capacity	132,803	134,470	135,232	135,898	135,175	136,820
Additional Approved/Planned	1,667	762	666	-723	1,645	0
Subtotal Capacity	134,470	135,232	135,898	135,175	136,820	136,820
Pop. Projection	165,134	156,266	154,055	153,291	153,782	157,966
Percent Overcrowded	23%	16%	13%	13%	12%	15%
Contract	40,589	35,904	31,562	28,407	28,498	29,274
Percent Contract	19.7%	18.7%	17.0%	15.6%	15.6%	15.6%
Total Federal Prison Population	205,723	192,170	185,617	181,698	182,280	187,240

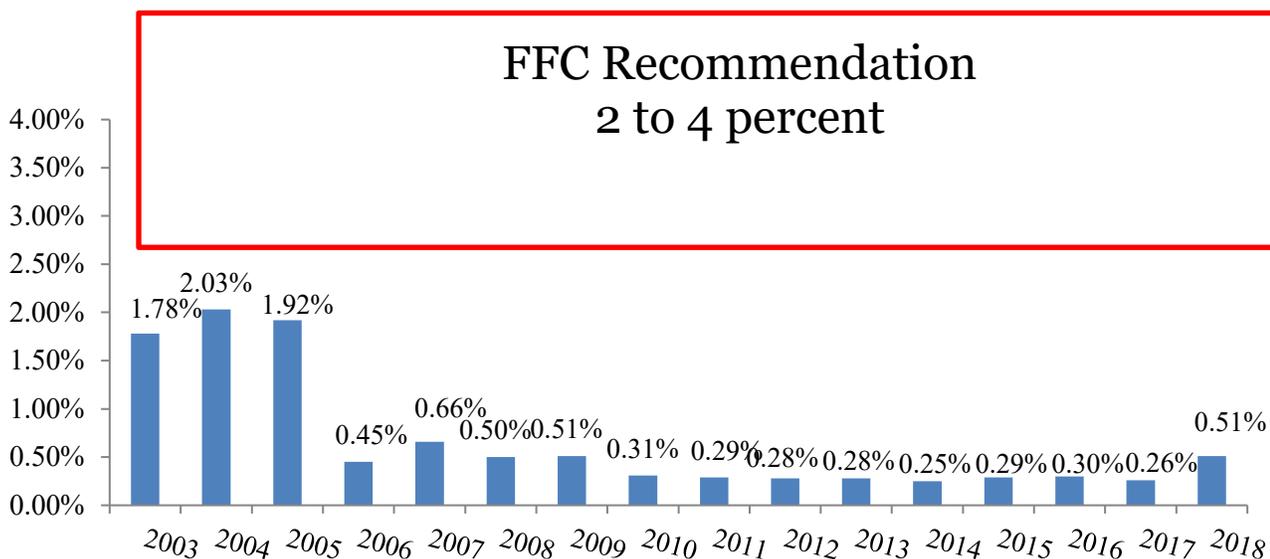
Note: The population projections are based on data and information from a variety of sources including the Administrative Office of the U.S. Courts, the U.S. Sentencing Commission, other DOJ components, and the BOP's own information system (SENTRY). The projected population increases in FY2020 does not

incorporate possible population changes that may come from enactment of the First Step Act. The additional capacity projections shown above rely on enactment of funding for prison activation.

The B&F appropriation is comprised of two decision units: 1) the New Construction decision unit includes funding to expand existing facilities and acquire or construct new prison facilities; and 2) the M&R decision unit includes funding to maintain existing facilities in an adequate state of repair to provide a safe and secure environment to continue prison operations. M&R projects costing \$10,000 or less, are included in the S&E budget, and projects in excess of \$10,000 are normally included in the B&F budget.

The purpose of the M&R program is to provide the necessary resources to undertake essential rehabilitation, modernization and renovation of buildings, other structures, and associated systems. This program provides the necessary modifications to meet legal requirements and accommodate correctional programs. Further, the M&R base program is also responsible for repair or replacement of utilities systems and other critical infrastructure and repair projects at existing institutions in order to keep all systems and structures in an adequate state of repair. The proper maintenance, modernization, and repair of BOP institutions is important to ensure the long-term use of these facilities. Failure to maintain structures and utility systems erodes capital investment and multiplies the costs in future years for accomplishing the required repairs. Most importantly, failure to maintain structures can cause direct and indirect security problems.

The BOP continues to allocate M&R funds primarily for emergency, life safety, and some of the highest priority major projects, annually. The BOP tries to follow the Federal Facilities Council (FFC) Standing Committee on Operations and Maintenance Report Number 131 for maintaining existing prisons. The FFC recommends the BOP funds facilities maintenance programs at a minimum of 2 to 4 percent of their replacement value. Over the years, the BOP has received the following amounts as it relates to the replacement value:

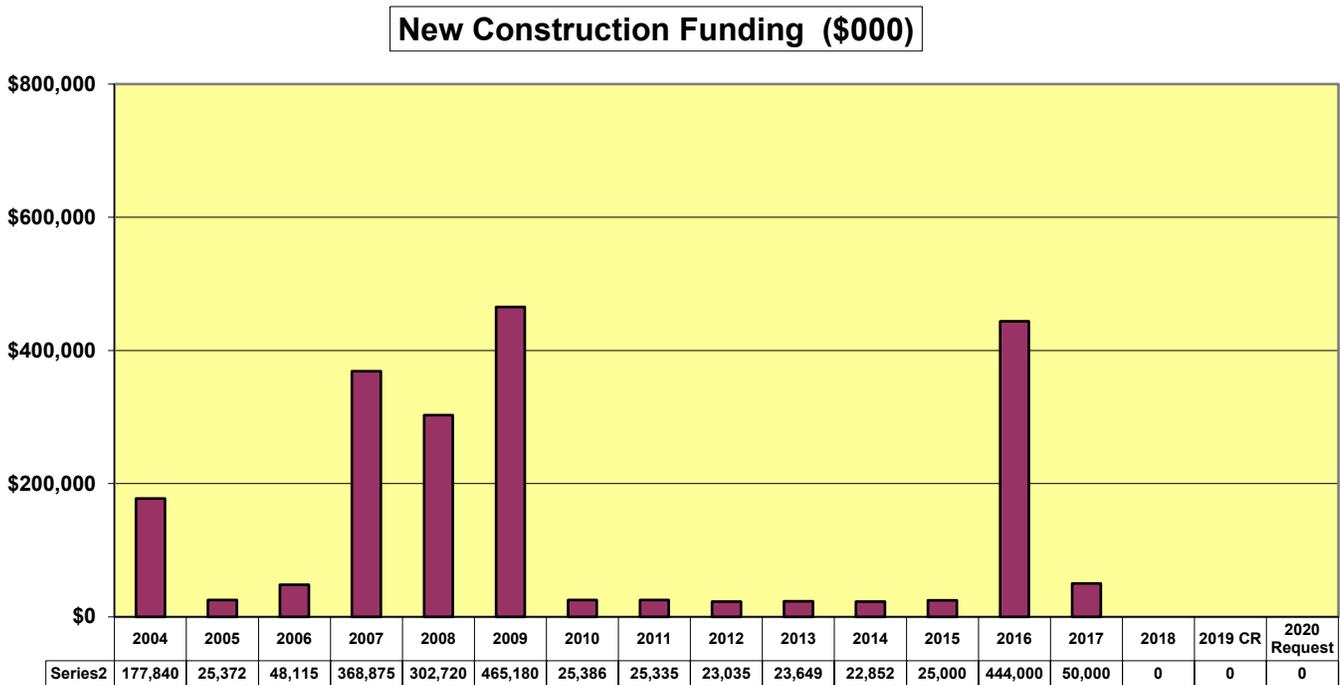


FY 2020 Budget Request by Decision Unit

New Construction Funds:

New Construction base resources fund land payments of the Federal Transfer Center in Oklahoma City and salaries and administrative costs of staff necessary to carry out the program objective. They also fund environmental requirements and geo-technical exploration, construction of inmate work program areas, expansion and conversion projects, i.e. additional special housing unit space, and any unforeseen preliminary project costs issues, which may arise and are not included in the individual project cost estimate. Further, when BOP has not identified a specific location, new construction base funds for site investigations are required for a project.

The following chart shows the history of New Construction funding levels from FY 2004 to the FY 2020 anticipated:



Note: The BOP absorbed prior rescissions against new construction project funds of \$5.7 million in FY 2002, \$51.9 million in FY 2004, \$45 million in FY 2012, \$64.7 million in FY 2013, \$3.4 million in FY 2017, and \$505 million is proposed in this request for FY 2020. Amounts shown include funding for B&F positions, as well as construction projects.

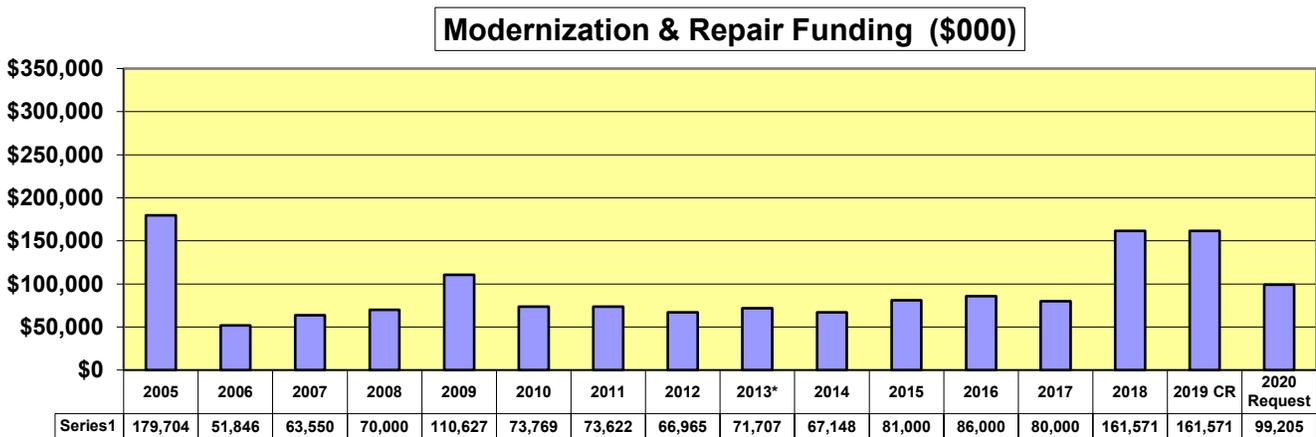
Modernization and Repair: \$99,205,000

Funding for the M&R Program addresses critical repair and security projects in order to safely maintain federal prisons and efficiently manage public resources. For FY 2020, the BOP requests a total of \$99.2 million in M&R base funding. As noted earlier, the FFC recommends that an M&R funding level be 2 to 4 percent of the replacement value of existing facilities. This recommendation would equate to \$646 million at 2 percent and up to \$1.3 billion at 4 percent.

M&R is an important component of institution security, as deteriorated facilities add to increased risk of escape, inability to lock down cells, and potential violence due to frustration over inadequate living conditions, such as leaking and collapsing roofs. Further, as the condition of these facilities worsen it can result in off-line housing units, which reduces bed space and increases system-wide crowding.

In addition, M&R base funds reduce further deterioration of prison buildings, infrastructures, and physical plants, and minimize repair costs in order to use the public’s investment of \$32.3 billion in replacement costs in a practical and efficient way. Delays in completing these repairs have increased the number and cost of unfunded projects as well as contributed to additional deterioration of BOP’s aging and failing infrastructure. Every year a project is not completed, the amount required for that project increases due to inflation and further deterioration. Inflation varies from state to state and from year to year. On average, for every year funding of a project is delayed, the cost increases at an average rate of 5 percent. Even a modest rate of inflation can seriously erode purchasing power over time. For example, at an inflation rate of 5 percent, \$957,212 is needed in five years to match the purchasing power of \$750,000 today. At the end of 20 years, \$1,989,973 will be needed to construct that same \$750,000 project.

The following chart shows the history of M&R funding levels and requests from FY 2004 to the FY 2020 anticipated:



* This amount includes \$10 million in Supplemental Appropriation for Hurricane Sandy Relief, for repairs at prisons affected by the storm. In FY 2018, \$34 million in Hurricane Supplemental funds were provided for repairs at prisons affected by hurricanes Harvey, Irma and Maria (funds not reflected in above graph).

4. Performance Challenges

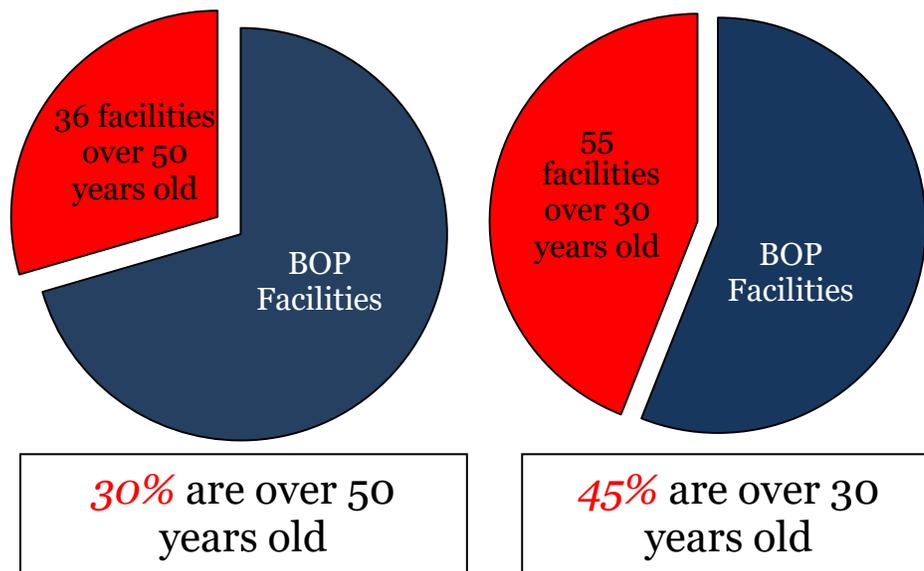
The biggest challenge the BOP faces is managing and providing for the care of the federal inmate population while maintaining the appropriately safe and secure prisons required to ensure the safety of inmates, BOP staff, and surrounding communities. The BOP is most concerned with reducing crowding in high security institutions, effectively managing federal inmates, and tending to deteriorating infrastructures.

Prison facilities are subjected to much heavier than normal use since they are continuously used 24 hours a day, 365 days a year, in crowded conditions. As a result, the rate of deterioration tends to be higher than other federal facilities, putting an additional strain on BOP's M&R resources. The BOP seeks to address this challenge by reprioritizing projects on a regular basis to ensure that the most critical needs are met, but is often unable to address lower priority projects due to funding constraints.

The BOP request for M&R Funding would provide for the essential rehabilitation, modernization and renovation of buildings and associated systems. Failure to adequately maintain structures and utility systems erodes capital investment and multiplies the costs in future years for accomplishing the required repairs. Most importantly, failure to maintain structures can cause direct and indirect security problems, such as escapes, inability to lock down cells, and violence due to frustration over inadequate living conditions (such as leaking and collapsing roofs). Currently, the BOP only allocates M&R funds for emergency, life safety, and its highest priority projects. For over 10 years, the BOP has received less than 1 percent of the replacement value recommended by the Federal Facilities Council (2 to 4 percent). Failure to maintain the BOP's structures and utility systems inhibits BOP's ability to maintain safe and humane institutions.



About 30 percent of the BOP’s 122 institutions are over 50 years old and 45 percent are over 30 years old. The older an institution becomes, the greater the need for repairs/replacements of systems. Some of the type of repairs that these older facilities could require include infrastructure systems pertaining to water, sewer, electrical, HVAC, fire alarms, fences, roofs, etc. These older facilities present higher needs for repairs and renovations than newer facilities and consume a large proportion of the BOP’s M&R resources. The BOP prioritizes its major M&R projects (typically those costing about \$300,000 or more) so that the most critical are funded first in order to maintain safe and secure facilities. Failure to adequately maintain structures and utility systems erodes capital investment and multiplies the costs in future years for accomplishing the required maintenance and repair.



Environmental and Energy Performance

The BOP has made significant progress in environmental and energy performance. The agency continues to integrate and improve prior practices and requirements, as funding permits. In FY 2018, approximately \$3.8 million of self-funded energy conservation projects were initiated; these projects provided for an estimated annual savings of \$2.2 million. The BOP has utilized energy performance contracting finance mechanisms, including Energy Savings Performance Contracts (ESPC) and Utility Energy Service Contracts (UESC). Performance contracts provide services for design, acquisition, financing, installation, testing, and, where appropriate, operation, maintenance, and repair

of an identified energy or water conservation measure or series of measures at one or more agency locations.

With 122 federal prisons and approximately 152,000 inmates in BOP-operated facilities, the BOP is the largest energy and water consumer within the Department of Justice. Like all government entities, the BOP is required to meet the goals established in the Energy Policy Act of 2005, the Energy Independence Act of 2007, and Executive Order 13834. The BOP continues to pursue energy performance contracts to help meet these goals, but with the large inmate population and aging infrastructure, energy performance contracts alone are not sufficient to meet these goals. An engineering firm performed a contract study on one existing institution to determine the estimated cost to meet the guiding principles. The estimate for this work is approximately \$5 million per institution. To meet the 15 percent requirement, the BOP would have to make 18 prisons sustainable.

Environmental Management Systems

The BOP has established Environmental Management Systems (EMS) at all institutions. Each institution's EMS is audited and certified on a regular basis. This process has allowed the BOP to identify and rectify environmental regulatory issues quickly and effectively. Audits have identified issues such as fuel tanks requiring repair or replacement, storm water runoff issues, and improper handling of hazardous waste. If these repairs are not made, there's a real possibility that an incident causing damage to the environment could occur.

Environmental Accountability

Energy Performance Contracting

The BOP continues its progress of improving environmental and energy performance. The BOP continues to pursue energy performance contracting finance mechanisms permitted by Executive Order 13834. Thirty-five different energy performance contracts have been initiated over the last six years, with projects awarded at twenty-five BOP institutions through FY 2018. Since FY 2012, the BOP has awarded twenty-five energy conservation projects, implementing \$472 million in green initiatives such as solar power, wind turbines, biomass boilers, geo-thermal systems, lighting upgrades, water conservation retrofits, building automation systems, heating and cooling equipment replacement, and many other energy saving measures.

The BOP's ESPC Program has won the following national awards:

- DOE Small Team Award for the FCC Victorville Project
- Presidential Award for Leadership in Federal Energy Management
- GSA Award for the "Greening of Prisons"
- DOJ Energy and Environmental Awards to USP Hazelton and FCC Victorville

- Directors' Award Recognition for the Presidential Performance Contracting Challenge (PPCC)

Since FY 2012, 25 institutions have received energy performance contracts, including the Administrative United States Penitentiary (AUSP) Thomson, IL; United States Penitentiary (USP) Marion, IL; Federal Correctional Institutions (FCI) Beckley, WV; Cumberland, MD; Danbury, CT; Manchester, KY; Otisville, NY; Waseca, MN; El Reno, OK; Fort Worth, TX; Fort Dix, NJ; Ashland, KY; Milan, MI; Federal Prison Camp (FPC) Alderson, WV; Duluth, MN; Federal Medical Center (FMC) Rochester, MN; Carswell, TX; Lexington, KY; Federal Correctional Complex (FCC) Coleman, FL; Butner, NC; Metropolitan Detention Center (MDC) Brooklyn, NY; Los Angeles, CA; Federal Detention Center (FDC) Philadelphia, PA; Metropolitan Correctional Center (MCC) San Diego, CA; and Correctional Institution (CI) Taft, CA. The combined square footage for the 25 institutions included over 15 million square-feet. The implemented Energy Conservation Measures (ECMs) have had a significant impact on the agency's reduction goals for water and energy consumption. The contracts included measures implementing water management, lighting enhancements, sub-meter integration, building automation upgrades, HVAC measures, refrigeration improvements, building envelope, and central plant improvements to include boilers, chillers, and cooling towers. Water conservation measures implemented under energy performance contracts had a significant impact in reducing the agency's water consumption in fiscal year 2018 with a reduction of 265 million gallons. With the implementation of the performance contracts in 2012; the agency's water consumption has been reduced from 10.2 billion gallons annually to 8.8 billion gallons in FY 2018, just below the EISA 2007 baseline of 8.9 billion gallons.

LEED Buildings

The Leadership in Energy and Environmental Design (LEED) Green Building Rating System is the nationally accepted benchmark for design, construction and operation of high performance sustainable buildings. As part of this certification, these assets received points for a sustainable site, water efficiency, energy/atmosphere, materials/resources, indoor air quality, and innovative designs. The BOP was one of the first to embrace sustainable design as early as 2002 under Executive Order 13123 working with FEMP of the DOE. The newer FCI in Butner, NC is one of the first prisons in the country to be LEED "Certified." The Aliceville, AL FCI for women achieved a Silver Rating under the LEED program, which was the first LEED Silver Rating earned for one of the BOP's new institutions. FCI Hazelton, WV received a LEED "Gold" Rating, which was also a first for the BOP. Most recently, USP Yazoo City, MS received a LEED "Silver." Future new prisons will be developed to reach a minimum level of "Silver."

As a leader in correctional design, and striving for compliance with mandates such as EPACT-2005, EISA-2007, EO 13834 and the Guiding Principles, BOP studied the process by which we could achieve self-sustaining facilities by the year 2030. To achieve this goal of Net-Zero Energy Buildings (Net-ZEB), BOP continues to incorporate

sustainable technologies as they present themselves. Examples include Energy Recovery, Rain Water Harvesting, Geothermal Heat Exchange, and High Performance Systems.

Energy Conservation

In addition, the BOP is also pursuing energy conservation and greening projects via non-traditional methods. After years of work at FCC Allenwood, the BOP signed a contract with Lycoming County to purchase electricity produced from landfill methane gas. The methane plant supplies FCC Allenwood with approximately 24,547 MWh of renewable electric power, approximately 85% of the institution's electric consumption. This project has increased county revenue, reduced greenhouse gas emissions and provided affordable electricity to the federal prisons.

In an effort to conserve energy system-wide, the BOP implemented an Energy Conservation Initiative in 2006. This initiative employs integrated design principles, optimization of energy performance and operational changes. As part of this initiative, the BOP reduced the consumption of electricity, natural gas, fuel oil, and gasoline.

Recycling

The BOP continues to work at growing its existing recycling program. As of December 31, 2018, the BOP diverted approximately 38.0 percent of its solid waste from landfills and 53.2 percent of construction and demolition debris. The total solid waste landfill poundage was 154,309,326. Recycled poundage was 94,458,385 including composted waste and waste-to-energy. The total construction and demolition debris landfill poundage was 5,782,886 and recycling poundage, including waste-to-energy was 6,575,904. The BOP continues to strive to achieve a fifty percent solid waste landfill diversion. Data are collected each quarter from all sites to monitor progress. Information on difficult to recycle items is being passed between institutions located in close geographic areas to facilitate recycling of more difficult items. Institution specific activities such as equipment failure, long lock downs, and mass shakedowns impacted solid waste diversion in the last quarter.

Water Conservation

Water reduction challenges for the BOP continue to be a high priority. The current method of measuring for water reduction is gallons per square feet. It is difficult to achieve reductions in water usage due to the nature of the environment and the large consumption that prisons demand. In an effort to achieve current Executive Orders and Mandates concerning water conservation, the Agency's Director issued a "Water Conservation Initiative" memorandum on March 5, 2012. The memorandum outlined water conservation requirements; to include monthly monitoring of water use, and new reporting obligations. The BOP continues implementation of water reduction measures in energy performance contracts and the use of water efficient products where feasible. Together, these efforts reduced the BOP's water use by 265 million gallons of water from fiscal year 2017 to fiscal year 2018.

IV: Appropriations Language and Analysis of Appropriations Language

Appropriations Language

New language proposed for FY 2020 is italicized.

Buildings and Facilities

For planning, acquisition of sites and construction of new facilities; purchase and acquisition of facilities and remodeling, and equipping of such facilities for penal and correctional use, including all necessary expenses incident thereto, by contract or force account; and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, [161,571,000] *\$99,205,000*, to remain available until expended: *Provided*, That labor of United States prisoners may be used for work performed under this appropriation.

(CANCELLATION)

Of the unobligated balances available under this heading, [\$50,000,000] *\$505,000,000* are hereby permanently cancelled: *Provided*, That no amounts may be cancelled from amounts that were designated by the Congress as an emergency requirement pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

Note.—A full-year 2019 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2019 (Division C of P.L. 115–245, as amended). The amounts included for 2019 reflect the annualized level provided by the continuing resolution.

Analysis of Appropriation Language

No substantive language changes

V. Program Activity Justification

A. New Construction

New Construction	Direct Pos.	Estimate FTE	Amount (\$000)
2018 Enacted	11	11	0
2019 Continuing Resolution	11	11	0
2020 Current Services	11	11	0
2020 Request	11	11	0
2020 Rescission of New Construction Balances	0	0	-505,000
Total Change 2019-2020	0	0	-\$505,000

No Information Technology for this program.

1. Program Description

New Construction

The Bureau of Prisons (BOP) is not requesting New Construction funding for FY 2020; however, this budget proposes a \$505 million rescission in unobligated New Construction balances.

As the final component on the law enforcement pipeline, the BOP has little control over the size of its population or the duration of inmates' incarceration. By law, the BOP must accept all inmates sentenced to confinement by the Federal courts. In addition, in accordance with the D.C. Revitalization Act of 1997, the BOP must accept responsibility for the District of Columbia sentenced felon population.

The BOP regularly reviews capacity requirements, considers the current and projected inmate population levels, current law enforcement initiatives, geographic origin of the confined population, and the age and condition of existing facilities. The BOP strives to manage the existing large population and resulting crowding to ensure that federal inmates continue to serve their sentences in a safe and humane environment. The BOP continues to explore opportunities for increasing capacity through the activation of current facilities, utilization of contract facilities, expansion of existing facilities, acquisition and conversion of military and other properties to prison use, and the ongoing design and construction of new prisons, consistent with capacity planning and available funding.

From a cost perspective, BOP considers the expansion of existing institutions to be a cost effective technique for increasing prison capacity, and the BOP has added housing units at facilities where program space and systems infrastructure can absorb further

population increases. However, where major program and support areas, such as food service and utilities are at capacity, institutional expansion may be cost prohibitive and other alternatives are considered.

GAO Report 08-634, *Prison Construction*, recommended that the BOP communicate in DOJ's annual Congressional budget submission: (1) the extent to which project costs may vary from initial estimates, and (2) changes that may impact the functionality of projects.

- (1) Actual Costs May Vary from Initial Estimates - The cost estimates appearing on the Status of Construction exhibit are preliminary and are updated periodically based on the following factors: when full construction funds are anticipated to become available, geographic location, historical and projected cost escalation, and allowances for uncertainty as to actual sites to be developed. Although cost escalation has been lower in recent years, preliminary cost estimates historically increase (approximately five percent or more) each year until full funding is provided for projects and construction contracts can be awarded.
- (2) Changes from the FY 2019 Congressional Budget – The FY 2018 Enacted appropriation did not include a \$444 million rescission from the USP Letcher County, KY construction project.

2. Performance and Resource Tables

PERFORMANCE AND RESOURCES TABLE											
Decision Unit: New Construction											
RESOURCES		Target		Actual		Projected		Changes		Requested (Total)	
		FY 2018		FY 2018		FY 2019		Current Services Adjustments and FY 2020 Program Changes		FY 2020 Request	
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		53	161,571	53	161,571	53	161,571	0	-62,366	53	99,205
TYPE	PERFORMANCE	FY 2018		FY 2018		FY 2019		Current Services Adjustments and FY 2020 Program Changes		FY 2020 Request	
Program Activity	New Construction	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
Performance Measure	Number of Environmental Impact Studies/Environmental Assessments completed	11	\$0	11	\$0	11	\$0	0	\$0	11	\$0
Performance Measure	Number of major construction awards	5		5		2		(1)		1	
Performance Measure	System-wide crowding level	0		0		0		0		0	
Performance Measure	System-wide crowding level	16%		13%		12%		3%		15%	
OUTCOME	Number of facilities completed	1		0		0		0		0	
<p>Data Definition: The crowding levels are based on a mathematical ratio of the number of inmates divided by the rated capacity of the institutions at each of the specific security levels. The percent of crowding represents the rate of crowding that is over rated capacity. For example, if an institution had a number of inmates that equaled the rated capacity, this would represent 100% occupancy, which equals 0% crowding. Any occupancy above 100% represents a percentage of crowding. System-wide: represents all inmates in BOP facilities and all rated capacity, including secure and non-secure facilities, low, medium, and high security levels, as well as administrative maximum, detention, medical, holdover, and other special housing unit categories. For new construction projects, a Notice to Proceed (NTP) is issued by the contracting officer, shortly after award of a design-build contract. The NTP authorizes the contractor to begin work under the contract, initially the start of design. Mission critical facilities are all existing BOP institutions.</p> <p>Data Collection and Storage: Data are gathered from several computer systems. Each project is assigned a specific project code. Each obligation and expenditure is entered into the Financial Management Information System (FMIS) by the specific project code. Awards of design-build contracts for new construction projects are maintained and monitored through the BOP's fund control system and DOJ's FMIS. Inmate data are collected on the BOP on-line system (SENTRY). The BOP also utilizes a population forecast model to plan for future contracting and construction requirements to meet capacity needs.</p> <p>Data Validation and Verification: Within BOP headquarters, staff retrieve and verify data on a daily basis, analyze it, and formulate reports and projections. Purchase requests for design-build contracts are approved by specific project management staff (based on dollar threshold limitations); commitments are entered into a computer based fund control system; and purchase requests are forwarded for procurement action. Once the procurement office awards a contract/purchase order, the obligation is entered into the DOJ FMIS. Each month, FMIS obligations are reconciled with the BOP's fund control register by project, and forwarded to the Central Office Finance Branch, Business Office, to ensure accuracy and compliance. The contracting officer issues the NTP, shortly after award of a design-build contract. The award of a contract is based on completing the</p>											

procurement of the contract and receipt of the necessary environmental or political requirements or clearances. Subject matter experts review and analyze population and capacity levels daily, both overall and by security level. BOP institutions print a SENTRY report, which provides the count of inmates within every institution cell house. The report further subdivides the cell houses into counting groups, based on the layout of the institution. Using this report, institution staff conduct an official inmate count five times per day to confirm the inmate count within SENTRY. The BOP Capacity Planning Committee (CPC), comprised of top BOP officials, meets quarterly to review, verify, and update population projections and capacity needs for the BOP. Offender data are collected regularly from the Administrative Office of the U.S. Courts by the BOP Office of Research and Evaluation in order to project population trends. The CPC reconciles bed space needs and crowding trends to ensure that all available prison space is fully utilized, both in federal prisons and in contract care.

Data Limitations: Due to the unpredictable environment in prisons and other external factors, there may be discrepancies between projected and actual numbers contained in the performance tables. Most plans are developed based on historical data, and past experience to project for the future. In addition, budget delays and shortfalls also affect performance results. The time required for a project to go from NTP to “completion” depends on numerous factors, such as: the extent of site development or remediation activities required; climate of the project site (how many months of good construction weather); what time of year the NTP is issued; unusual weather; unforeseen site conditions; and quality of management by the contractor.

PERFORMANCE MEASURE TABLE									
Decision Unit: New Construction									
Performance Report and Performance Plan Targets		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018		FY 2019	FY 2020
		Actual	Actual	Actual	Actual	Target	Actual	Target	Target
Performance Measure	Number of Environmental Impact Studies/Environmental Assessments completed.	0	2	0	0	5	5	2	1
Performance Measure	Number of major construction awards	0	1	0	0	0	0	0	0
Performance Measure	System-wide Crowding in Federal Prisons	30%	23%	16%	13%	16%	13%	12%	15%
OUTCOME Measure	Number of facilities completed	0	0	0	0	1	0	0	0

3. Performance, Resources, and Strategies

a. Performance Plan and Report for Outcomes

In FY 2018, five Environmental Assessment (EA)/Environmental Impact Studies (EIS) were completed. For FY 2019, the BOP projects that two EA/EIS will be completed. The BOP anticipates one EA/EIS for FY 2020. An EA is a concise public document that provides sufficient analysis for determining if a federal action has the potential to cause significant environmental effects. If the agency determines, based on the EA, that the action will not have significant environmental impacts, the agency will issue a Finding of No Significant Impact (FONSI). If the EA determines that the environmental impacts of a proposed federal action will be significant, an Environmental Impact Statement is prepared.

The BOP had no major construction awards in FY 2018 and anticipates no major construction awards through FY 2020. In FY 2018, no facilities were completed. The BOP completed construction of the FCI Danbury expansion project in FY 2018. For FY 2019 and FY 2020, there are no facility projects anticipated for completion.

The population projections are based on data and information from a variety of sources including the Administrative Office of the U.S. Courts, the U.S. Sentencing Commission, other DOJ components, and the BOP's own information system (SENTRY). Additional capacity projections rely on future enactment of funding for contract beds, acquisitions, new construction, and activations. In FY 2018, the actual system-wide crowding was 13 percent. The BOP's new projections for system-wide crowding (per the most recent capacity plan) are estimated at 12 percent for FY 2019, and 15 percent for FY 2020.

b. Strategies to Accomplish Outcomes

The BOP strives to acquire needed capacity through a multi-pronged approach of contracts with private providers of correctional services for male low security special populations, with state and local governments, expansions of existing facilities, and construction and acquisition of new prisons, as funding permits. BOP continues to contract out for male special population low and minimum security inmates. A total of 28,590 inmates (15.9 percent) were housed in contract confinement as of January 31, 2019.

B. Modernization and Repair

Modernization and Repair	Direct. Pos.	Estimate FTE	Amount (\$000)
2018 Enacted	43	46	161,571
2019 Continuing Resolution	42	42	161,571
2020 Current Services	42	42	99,205
2020 Request	42	42	99,205
Total Change 2019-2020	0	0	-\$62,366

No Information Technology for this program.

1. Program Description

Modernization and Repair

For FY 2020, the BOP requests a total of \$99,205,000 for the Modernization and Repair (M&R) base program. This program is intended to provide the base resources to undertake rehabilitation; modernization, and renovation of buildings, other structures, and associated systems. It is also to make necessary modifications to meet legal requirements and accommodate correctional programs; repair or replacement of utilities systems; and complete other infrastructure and repair projects at existing institutions in order to keep all systems and structures in a good state of repair. Failure to adequately maintain structures and utility systems erodes capital investment and multiplies the costs in future years for accomplishing the required maintenance and repair. Most important, failure to maintain structures can cause direct and/or indirect security problems.

Inmate work crews perform most maintenance and repair projects. This provides instructional work for inmates and labor for the performed work. Inmate work crews require staff supervision to direct the work being performed and to promote institutional security.

Almost one-third of the BOP's 122 institutions are over 50 years old and 45 percent are over 30 years old. Further, most have not undergone major renovations from the time they were constructed, or acquired and converted, to prison use by the BOP. Each facility has numerous buildings on the compound, including inmate living quarters, many of which require extensive work to maintain an adequate state of repair to assure that they meet established standards. Prison facilities have much heavier than normal use due to continuous use 24 hours a day, 365 days a year, in crowded conditions. The size of the population at low, medium and high security prisons leads to the overutilization of the facilities, causing extensive wear and tear as well as premature deterioration. This is especially true in many of the older facilities where the utility system infrastructures (water, sewer, electrical, and heating/air conditioning) were originally designed for a smaller inmate population.

Institutions perform detailed annual inspections of all areas of their physical plants and provide a list of projects to their regional office for all items that are in need of remedial action. The regional offices consolidate major project request lists from their facilities and forward the priority lists to the central office. The central office prioritizes all the major M&R project requests (typically those over \$300,000) submitted by the regions and allocates funds for as many projects as practical. As of January 2019, the BOP had 880 ongoing major and minor M&R projects at various stages of completion. Individual project costs range from a low of \$10,000 to about \$7 million.

The BOP M&R projects are classified under five general categories for internal management purposes (Life Safety, General Improvements, Infrastructure Improvements, Hazardous Waste, and Energy Savings). Within each of these categories are special projects to meet various regulations and codes requirements. Life Safety projects are required to make corrective actions in order to comply with National Fire Code (NFPA 101) standards. General Improvement projects modernize and/or improve equipment, entire rooms, such as kitchens, or buildings that require total rehabilitation of structures, including walls, floors and windows. Infrastructure Improvement projects modernize or replace utilities, such as water pipes and electrical systems. Hazardous Waste projects abate hazardous waste, such as asbestos, through removal, encapsulation, and other methods as necessary. Energy Savings projects conserve energy by using more energy efficient equipment and systems. Energy projects are also required to meet pertinent energy conservation laws and regulations.

The five categories may also contain subcategories of projects (such as Accessibility, Environmental, and others) to meet specific needs. For example, General Improvement projects may each include smaller Accessibility projects to meet Architectural Barriers Act requirements. Environmental projects are necessary for the BOP to be in compliance with environmental and safety regulations required by the Environmental Protection Agency (EPA) and the Office of Safety and Health Administration (OSHA).

The M&R program has demonstrated substantial improvements through the project time limit policy, and the two percent replacement value method of requesting funding. These changes have helped the BOP complete more projects in a shorter period and stretch its repair dollars. With the time limit policy, the BOP has substantially reduced the M&R unobligated balance from over \$118 million in FY 1999 down to \$74.3 million at the end of FY 2018.

2. Performance and Resource Tables

PERFORMANCE AND RESOURCE TABLE											
Decision Unit: Modernization and Repair of Existing Facilities											
RESOURCES		Target		Actual		Projected		Changes		Requested (Total)	
		FY 2018		FY 2018		FY 2019		Current Services Adjustments and FY 2020 Program Changes		FY 2020 Request	
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		53	161,571	53	161,571	53	161,571	0	-62,366	53	99,205
TYPE	PERFORMANCE	FY 2018		FY 2018		FY 2019		Current Services Adjustments and FY 2020 Program Changes		FY 2020 Request	
Program Activity	Modernization and Repair of Existing Facilities	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		42	\$161,571	42	\$161,571	42	\$161,571	0	-\$62,366	42	\$99,205
Workload Measure	Total projects completed and closed	350		393		375		25		400	
Workload Measure	Total projects active at year end	620		723		738		50		788	
Performance Measure	Number of facilities over 30 years old	55		55		57		4		61	
Performance Measure	Number of facilities over 50 years old	36		36		36		0		36	
Outcome	Dollar value of fines for violations	0		0		0		0		0	

Data Definition: The total M&R projects active and those completed and closed are obtained from BOP's database in Microsoft Access that is used to establish and monitor B&F projects. Projects are considered active as soon as they are established in the database. Projects are considered completed and closed once they are officially closed in FMIS at which time the project is closed in BOP's database. The age of BOP facilities is calculated from a database developed to identify the year each institution was constructed. The three-year time limit policy for Modernization and Repair (M&R) projects means that institutions are allowed three years to complete scheduled projects or the project is canceled and the funds are committed to other high priority M&R projects. To ensure that electronic equipment utilized for life safety sustains trouble-free operation, the BOP schedules life cycle equipment replacement based on a ten-year cycle. The critical equipment is radio systems and PBX (Public Branch Exchange) systems. Mission critical facilities are all existing BOP institutions.

Data Validation and Verification: Within BOP headquarters, staff retrieve and verify data on a daily basis, analyze it, and formulate reports and projections. Subject matter experts review and analyze population and capacity levels daily, both overall and by security level. Purchase requests are approved by specific project management staff (based on dollar threshold limitations); commitments are entered into a computer based fund control system; and purchase requests are forwarded for procurement action. Once the procurement office awards a contract/purchase order, the obligation is entered into the DOJ FMIS. Each month, FMIS obligations are reconciled with the BOP's fund control register by project, and forwarded to the Central Office Finance Branch, Business Office, to ensure accuracy and compliance. M&R data is maintained in the Microsoft Access database and is verified periodically against FMIS which also tracks the financial status of projects. On an annual basis, the BOP's Central Office Facilities Branch documents which electronic equipment, utilized for life

safety, will be at the end of the ten year life cycle. This is accomplished through review and evaluation of the systems by field staff, the contractor, and close monitoring of the TMS program. Each institution enters their data into the TMS program and the information on the critical equipment is reviewed and verified by their respective Regional Office for accurate dates and equipment condition. Data are gathered from several computer systems. Each project is assigned a specific project code. Each obligation and expenditure is entered into FMIS by the specific project code. M&R projects are closely monitored to ensure completion and closure prior to the 3-year time limit. At the start of every fiscal year, the BOP's Central Office identifies the M&R projects that will reach the 3-year time limit by the end of that fiscal year. The BOP relies on an in-house data base in Microsoft Access and DOJ's FMIS to effectively track and manage M&R projects (dates and costs). The BOP uses the Total Maintenance System (TMS) program to determine nationally which radio, PBX System and equipment qualify for replacement annually, based on age and performance.

Data Limitations: Due to the unpredictable environment in prisons and other external factors, there may be discrepancies between projected and actual numbers contained in the performance tables. Most plans are all required equipment replacements based on the ten-year life cycle developed based on historical data, and past experience to project for the future. In addition, budget delays and shortfalls also affect performance results. For example, due to budget shortfalls in the M&R program projects could not be completed due to limited funds, and some replacements had to be delayed to the following year.

PERFORMANCE MEASURE TABLE									
Decision Unit: Modernization & Repair									
Performance Report and Performance Plan Targets		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018		FY 2019	FY 2020
		Actual	Actual	Actual	Actual	Target	Actual	Target	Target
Workload Measure	M&R projects: Completed/Active	452/568	454/600	553/566	503/492	350/620	393/723	375/738	400/788
Performance Measure	Number of facilities over 30 years old	51	52	53	53	55	55	57	61
Performance Measure	Number of facilities over 50 years old	35	36	36	36	36	36	36	36

3. Performance, Resources, and Strategies

a. Performance Plan and Report for Outcomes

As illustrated in the preceding Performance and Resources Table, the outcome measures for this decision unit include: Court ordered remedial projects and dollar value of fines for violations.

The BOP funds M&R projects within its available resource level. In FY 2018, the BOP completed and closed 393 M&R projects, leaving 723 active at year end, and for FY 2019, the BOP anticipates completing 375 M&R projects, leaving 738 active at year end. For FY 2020, the BOP anticipates completing 400 M&R projects, leaving 788 active at year end. Institutions perform detailed annual inspections of all areas of their physical plants and provide a list of projects to their regional office for all items which are in need of remedial action. These items subsequently are placed on a priority list for funding.

b. Strategies to Accomplish Outcomes

The M&R program has demonstrated substantial improvements using the project time limit policy. However, the program continues to struggle with low funding levels and trying to keep with the replacement value method every year, through budget requests.

The replacement value method of requesting funding was first implemented in FY 2000. It allowed the BOP to adopt a project management approach to the M&R program, since it should ensure a reliable funding stream and stable work force. This method is based on recommendations of the Federal Facilities Council (FFC), which recommends that facilities maintenance programs should be funded at 2 to 4 percent of their replacement value. The BOP calculates the M&R replacement value by multiplying the institutions' capacity with the current construction cost per bed, minus 10 percent for land costs, since the facility would be rebuilt on the existing property. This cost to rebuild would then be multiplied by 2 to 4 percent.

Using a replacement value method of funding, instead of the previous line item method, allows the BOP to plan projects well in advance, and preliminary/preparation work can be performed prior to the scheduled start of the projects. Previously, preliminary work could not always be performed since this required considerable expense, and there was no assurance projects would be funded. In addition, staff and jobs are scheduled to meet the unique requirements of each institution and project (i.e. shifting inmates between housing units at a given institution). The level of planning provided by this funding method enables management to obligate funds and start projects on schedule, which was not previously the case. Under the prior method, projects were funded up-front as line items and staff and funding were dedicated to specific projects, which could not be started until preliminary/preparation work was completed.

The replacement value method of funding has shortened the time required to complete large M&R projects, through concurrent management of projects in phases, based on

projected availability of funds. Under this method, managers can plan projects in smaller stages over a longer period of time and can schedule work to allow for regional and seasonal weather conditions, as well as the unique needs of the facilities and availability of local contractors. Prior to this method, it could take the BOP four to five years to complete large M&R projects. With the replacement value method, the time to complete these projects can be reduced by two to three years.

In addition, in 1998, the BOP implemented a three-year time limit policy for M&R projects to ensure that institutions complete scheduled projects in a timely manner or the projects will be cancelled. When a project is cancelled, the funding is applied to the next highest priority project. All projects are monitored to inform local, regional, and central office management of projects that may not meet the time limit. The number of M&R projects cancelled per fiscal year decreased from 65 in FY 2002 to 9 in FY 2018.

VI. Program Offsets by Item

Item Name: Rescission of Unobligated New Construction Balances

Budget Decision Unit: New Construction

Organizational Program: New Construction

Program Offset:	<u>Pos.</u>	<u>Agt./Atty.</u>	<u>FTE</u>	Dollars <u>(\$000)</u>
	0	0	0	-\$505,000

Description of Item

The budget proposes to rescind \$505,000,000 in unobligated New Construction balances originally appropriated in FY 2016 and 2017. Over the past few years, the inmate population has decreased significantly alleviating the need for additional new construction facility projects, at this time. In the future, if the BOP's inmate population needs should change then more cost efficient methods would be explored to increase capacity.

Impact on Performance

Rather than investing in new construction, the BOP plans to leverage existing capacity in private facilities and BOP institutions resulting from a recent decline in the inmate population.

Rescission of New Construction Funds

Base Funding

FY 2018 Enacted			FY 2019 CR			FY 2020 Unobligated Balance		
Pos	FTE	\$(000)	Pos	FTE	\$(000)	Pos	FTE	\$(000)
0	0	\$510,000	0	0	\$510,000	0	0	\$510,000

Non-Personnel Reduction Cost Summary

Non-Personnel Item	Unit	Quantity	FY 2020 Request (\$000)
New Construction	1	1	-\$505,000
Total Non-Personnel	1	1	-\$505,000

Total Request for this Item

	Pos	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)
Current Services	0	0	\$0	\$510,000	\$510,000
Offset	0	0	\$0	-\$505,000	-\$505,000
Grand Total	0	0	\$0	\$5,000	\$5,000