

**U. S. Department of Justice
 FY 2019 Performance Budget
 Congressional Submission
 Federal Prison System
 Buildings and Facilities
 Table of Contents**

	Page No.
I. Overview	1
II. Summary of Program Changes (Not applicable)	
III. Appropriations Language and Analysis of Appropriations Language	14
IV. Program Activity Justification	
A. New Construction	
1. Program Description	15
2. Performance Tables	17
3. Performance, Resources, and Strategies	19
B. Modernization and Repair	
1. Program Description	20
2. Performance Tables	22
3. Performance, Resources, and Strategies	24
V. Program Increases by Item (Not applicable)	
VI. Program Offsets by Item	
Rescission of New Construction Unobligated Balances	26
VII. Exhibits	
A. Organizational Chart	
B. Summary of Requirements	
C. FY 2019 Program Increases/Offsets by Decision Unit (Not Applicable)	
D. Resources by DOJ Strategic Goal/Objective	
E. Justification for Technical and Base Adjustments	
F. Crosswalk of 2017 Availability	
G. Crosswalk of 2018 Availability	
H. Summary of Reimbursable Resources (Not Applicable)	
I. Detail of Permanent Positions by Category	
J. Financial Analysis of Program Changes (Not Applicable)	
K. Summary of Requirements by Object Class	
L. Status of Congressionally Requested Studies, Reports, and Evaluations (Not Applicable)	
M. Senior Executive Service Reporting (applies only to DEA and FBI)	
N. Summary of Change	
O. Status of Construction	

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 184,000 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. Additionally, with the Department's increased enforcement and prosecution efforts, the BOP projects that the inmate population will increase by about 2 percent in FY 2018 and by about 1 percent in FY 2019.

For FY 2019, BOP requests a total of \$99,000,000, 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 \$50,000,000 in unobligated New Construction balances.

2. Challenges

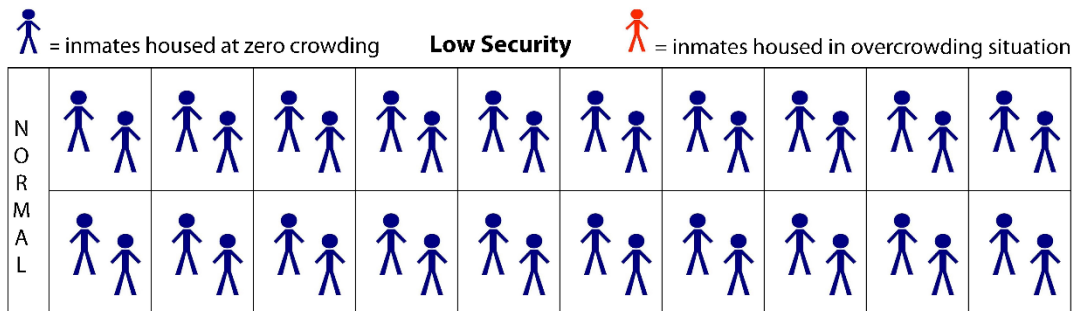
During the first five decades of the Bureau's existence, the number and type of inmates BOP housed remained stable. Beginning in the 1980s, however, federal law enforcement efforts and new legislation dramatically altered sentencing in the federal criminal justice system, bringing about a significant 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.

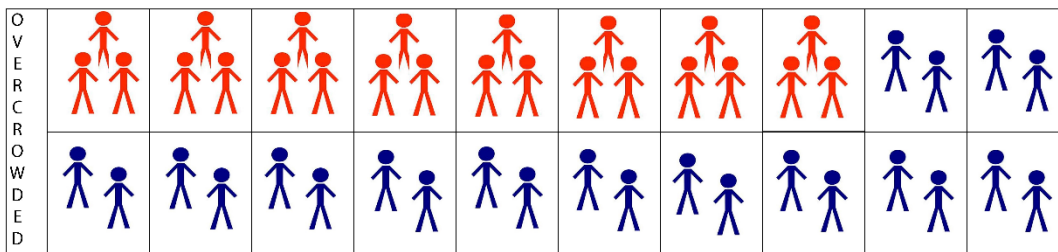
Although the inmate population has been declining in recent years, as of December 28, 2017, there were 184,000 individuals serving time in federal prisons. BOP facilities and systems/equipment (water, sewer, electrical, and heating/air conditioning), many of which are aged and undersized, continue to 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 14 to 24 percent on average, depending on the security level (as of December 28, 2017). 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:



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



21% crowding as of December 21, 2017
(48 inmates and 40 beds rated capacity) - 50% 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										

19% crowding as of December 21, 2017

(36 inmates and 30 beds rated capacity)

89% of inmates are double bunked

High Security

N O R M A L										

zero crowding

example at a **high** security prison

Rated Capacity: 2 inmates per cell in 25% of cells. 20 cells, 5 double bunked.

O V E R C R O W D E D										

24% crowding as of December 21, 2017

(31 inmates and 25 beds rated capacity)

71% of inmates are double bunked

29% of inmates are single bunked

The following chart illustrates the actual and projected inmate population increases based on the current trends and accounting for the recently revised sentencing guidelines:

Projected Population, Capacity, and Crowding

	2015 (Actual)	2016 (Actual)	2017 (Actual)	2018 (Estimate)	2019 (Estimate)
BOP Facilities					
Starting Capacity	132,803	134,470	135,232	135,898	136,087
Additional Approved/Planned	1,667	762	666	189	1,056
Subtotal Capacity	134,470	135,232	135,898	136,087	137,143
Pop. Projection	165,134	156,266	154,055	157,517	159,396
Percent Overcrowded	23%	16%	13%	16%	16%
Contract	40,589	35,904	31,562	32,271	32,656
Percent Contract	19.7%	18.7%	17.0%	17.0%	17.0%
Total Federal Prison Population	205,723	192,170	185,617	189,788	192,052

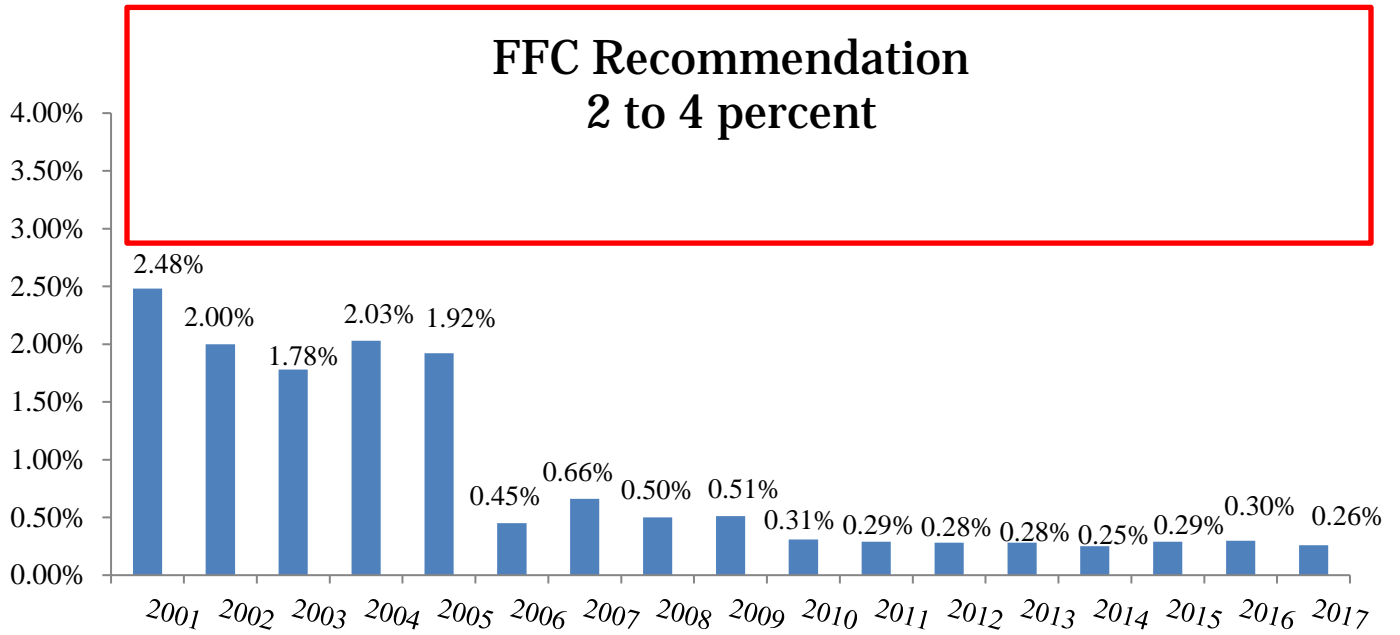
Note: The population projections are based on data and information from a variety of sources including the Administrative Office of the U.S. Courts, the U.S. Sentencing Commission, other DOJ components, and the BOP's own information system (SENTRY). The additional capacity projections shown above rely on enactment of FY 2018 funding requested 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:



3. Full Program Costs

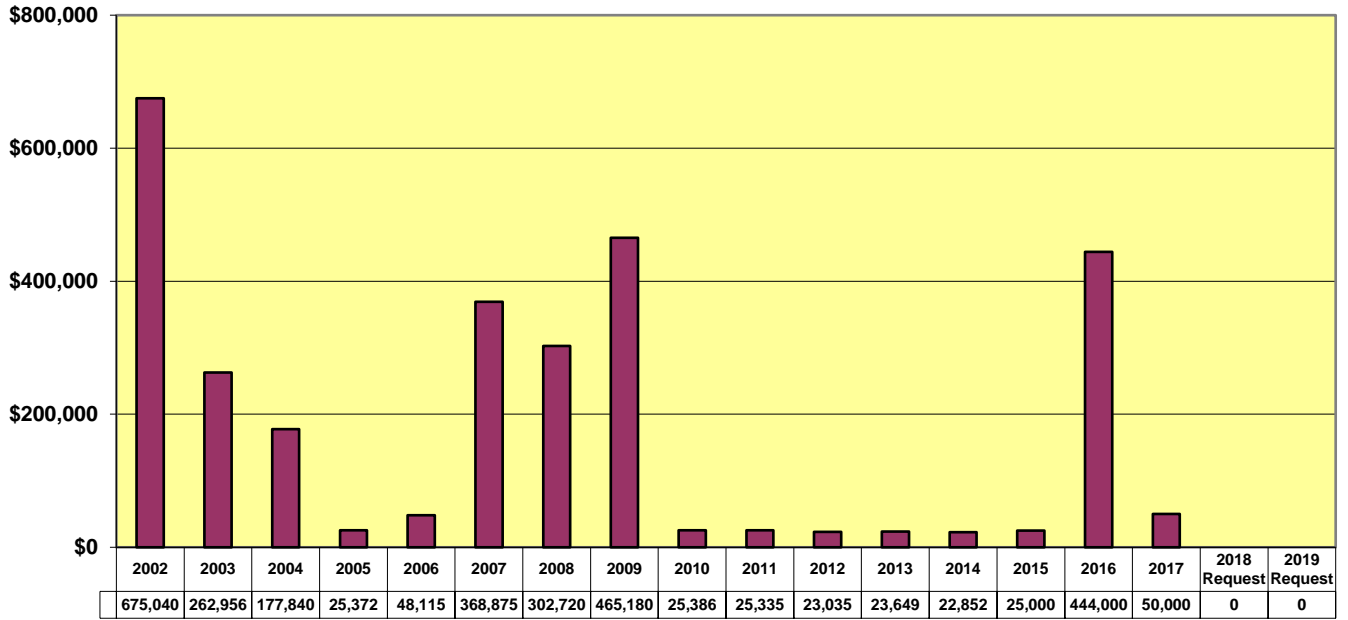
FY 2019 Budget Request by Decision Unit

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 2002 to the FY 2019 Request:

New Construction Funding (\$000)



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 \$444 million proposed in FY 2018. Amounts shown include funding for B&F positions, as well as construction projects.

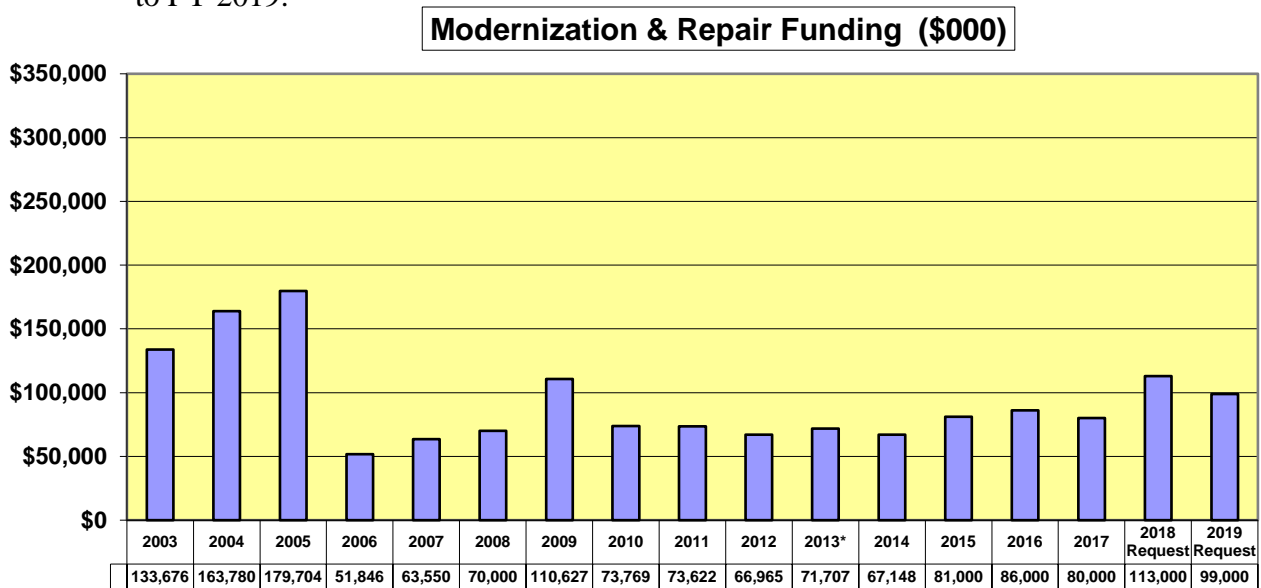
Modernization and Repair: \$99,000,000

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 2019, the BOP requests a total of \$99 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 \$634 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 \$31.7 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 2003 to FY 2019:



* This amount includes \$10 million in Supplemental Appropriation for Hurricane Sandy Relief, for repairs at prisons affected by the storm.

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.

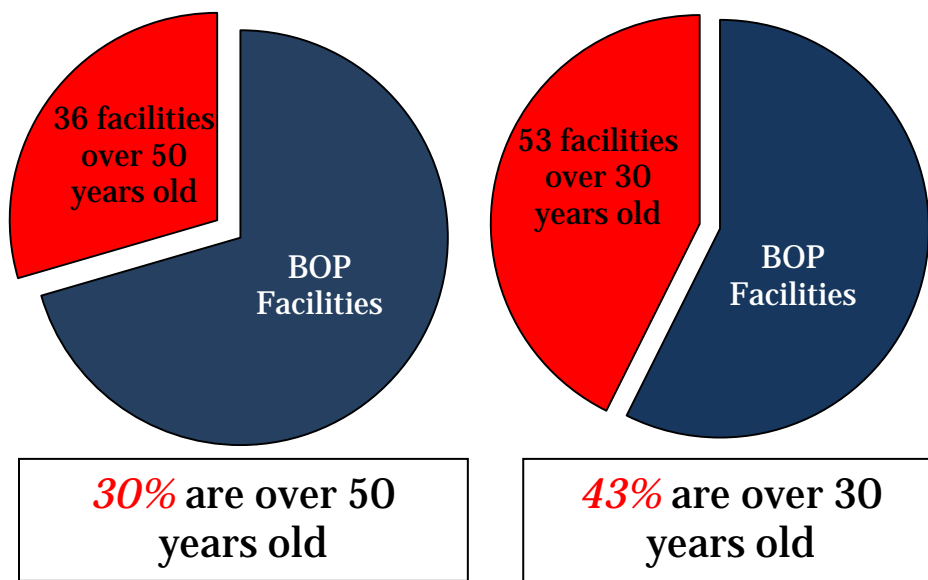
Prison facilities are subjected to much heavier than normal use since they are continuously used 24 hours a day, 365 days a year, in crowded conditions. As a result, the rate of deterioration tends to be higher than other federal facilities, putting an additional strain on BOP's M&R resources. The BOP 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 43 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. The BOP is actively utilizing 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. The contractor incurs costs of implementing energy and/or water saving measures, including the cost of conducting audits, acquiring and installing equipment, and training personnel in exchange for a predetermined share of the utility savings directly resulting from the implementation of conservation measures.

In 2006, the BOP implemented a performance contracting schedule which requires each institution to initiate a performance contract by the end of FY 2020. Thirty-five energy performance contracts have been initiated over the last six years, with projects awarded at twenty-three BOP institutions through FY 2017. Since FY 2012, the awarded BOP projects implemented over \$409 million in green initiatives; such as solar power, biomass boilers, lighting upgrades, water conservation retrofits, building automation, heating and cooling equipment replacement, and many other conservation measures.

With 122 federal prisons and over 155,000 inmates in BOP-operated facilities, the BOP is the largest energy and water consumer in 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 13693. As stated, the BOP is aggressively pursuing energy performance contracts to help meet these goals, but with the large inmate population and aging infrastructure, energy performance contracts are not sufficient to meet these goals. It is estimated that during the next five years, the BOP would need over \$250 million in conservation related M&R funds to meet these goals. As an example, Executive Order 13693 requires agencies to meet the Guiding Principles on at least 15% of their existing buildings (either by building or by square footage) no later than FY 2025. An engineering firm performed a contract study on an existing institution to determine the estimated cost to meet the guiding principles. The estimate for this work is approximately \$3 million. To meet the 15 percent requirement, the BOP would have to make 18 prisons sustainable.

Agency Greenhouse Gas Emission Reduction requirements under Executive Order 13693 compel the BOP to reduce energy consumption even further. The BOP has not yet developed a strategy to meet the mandates of this EO, but anticipates that any plan would likely require significant M&R funding and the replacement of old equipment such as boilers. The BOP has 36 institutions that are over 50 years old and a large amount of equipment at these institutions is inefficient and emits large quantities of greenhouse gases.

The BOP is also in the process of self-certifying the Environmental Management Systems (EMS) based on ISO 14001 requirements from the International Organization for Standardization. The main purpose of EMS is to identify operations which affect the environment. During the self-certification process, a survey team performs an inspection to determine if the institution complies with all environmental regulations. As a result of inspections, the BOP has found that many institutions require infrastructure

improvements to meet regulations. For example, an inspection of underground fuel tanks requires replacement to meet current standards. The cost of this work was approximately \$350,000. The total cost estimate to provide the necessary repairs, Bureau-wide, could amount to \$10 million. 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 is aggressively pursuing energy performance contracting finance mechanisms permitted by Executive Order 13693. Thirty-five energy performance contracts have been initiated over the last five years, with projects awarded at twenty-three BOP institutions through FY 2017. As part of these projects, the BOP is implementing green initiatives such as solar power, wind turbines, biomass boilers, geo-thermal systems, lighting upgrades, water conservation retrofits, 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, 23 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; Federal Detention Center (FDC) Philadelphia, PA; and Correctional Institution (CI) Taft, CA. The combined square footage for the 23 institutions included over 14 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 the PPCC had a significant impact in reducing the agency's water consumption in fiscal year 2017 with a reduction of 241 million 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-13693 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 over 25,000 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, gasoline and water.

Recycling

The BOP continues to work at growing its existing recycling program. As of December 31, 2107, the BOP diverted approximately 42.6 percent of its solid waste from landfills and 97.6 percent of construction and demolition debris. The total solid waste landfill poundage was 143,564,505. Recycled poundage was 106,473,663, including composted waste and waste-to-energy. The total construction and demolition debris landfill poundage was 5,136,826 and recycling poundage, including waste-to-energy was 211,873,987. 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. A new initiative to match up institutions that have found vendors for difficult to recycle items with those looking to recycle those items was undertaken. The initiative is still in the implementation phases; however, it has resulted in increased recycling of difficult items.

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 241 million gallons of water from fiscal year 2016 to fiscal year 2017.

IV: Appropriations Language and Analysis of Appropriations Language

Appropriations Language

New language proposed for FY 2019 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, \$99,000,000, 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 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 2018 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, 2018 (Division D of P.L. 115-56 as amended). The amounts included for 2018 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)
2017 Enacted	11	11	50,000
2018 Continuing Resolution	11	11	50,000
2019 Current Services	11	11	0
2019 Request	11	11	0
2019 Rescission of New Construction Balances	0	0	-50,000
Total Change 2018-2019	0	0	-\$50,000

No Information Technology for this program.

1. Program Description

New Construction

The Bureau of Prisons (BOP) does not request New Construction funding for FY 2019; however, this budget proposes a \$50 million rescission in unobligated New Construction balances, which was originally appropriated in FY 2017.

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 2018 Congressional Budget – The FY 2017 Enacted appropriation includes a \$3.4 million rescission of B&F unobligated balances. The rescission was applied to the following projects, ultimately leaving them with a zero balance and removal from the Status of Construction report: U.S. Penitentiary (USP) Bennettsville, SC with camp; USP South Central/Forrest City, AR with camp; USP El Reno/Western, OK with camp; USP North Central/Pekin, IL with camp; and Federal Correctional Institution Florida with camp.

2. Performance and Resource Tables

Performance Materials will be provided at a later date.

Performance Materials will be provided at a later date.

3. Performance, Resources, and Strategies

Performance Materials will be provided at a later date.

B. Modernization and Repair

Modernization and Repair	Direct. Pos.	Estimate FTE	Amount (\$000)
2017 Enacted	43	46	80,000
2018 Continuing Resolution	42	42	75,740
2019 Current Services	42	42	99,000
2019 Request	42	42	99,000
Total Change 2018-2019	0	0	\$23,260

No Information Technology for this program.

1. Program Description

Modernization and Repair

For FY 2019, the BOP requests a total of \$99,000,000 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 over 40 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 December 2017, the BOP had 550 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 \$19.8 million at the end of FY 2017.

2. Performance and Resource Tables

Performance Materials will be provided at a later date.

Performance Materials will be provided at a later date.

3. Performance, Resources, and Strategies

Performance Materials will be provided at a later date.

Performance Materials will be provided at a later date.

VI. Program Offsets by Item

Item Name: Rescission of Unobligated New Construction Balances

Budget Decision Unit: New Construction

Organizational Program: New Construction

	<u>Pos.</u>	<u>Agt./Atty.</u>	<u>FTE</u>	Dollars <u>(\$000)</u>
Program Offset:	0	0	0	-\$50,000

Description of Item

The budget proposes to rescind \$50,000,000 in unobligated New Construction balances originally appropriated in FY 2017.

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 2017 Enacted			FY 2018 Continuing Resolution			FY 2019 Current Services		
Pos	FTE	\$(000)	Pos	FTE	\$(000)	Pos	FTE	\$(000)
0	0	\$50,000	0	0	\$50,000	0	0	-\$50,000

Non-Personnel Reduction Cost Summary

Non-Personnel Item	Unit	Quantity	FY 2019 Request (\$000)
New Construction	1	1	-\$50,000
Total Non-Personnel	1	1	-\$50,000

Total Request for this Item

	Pos	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)
Current Services	0	0	\$0	-\$50,000	-\$50,000
Offset	0	0	\$0	-\$50,000	-\$50,000
Grand Total	0	0	\$0	-\$50,000	-\$50,000